

HOUSING + HOSTELS _____

GENERAL ~~0~~

18 JAN, 1981 — 30 SEPT. '81

HOMES: Crisis Can

EGLIN URGES URGENT NEW STEPS TO EASE SHORTAGE

S. Tribune 18/1/81 123

COLIN EGLIN, MP for Sea Point and Opposition spokesman on housing matters, sums up his party's views on housing in this special.

to start eating away at living standards and at life savings.

This is a gloomy outlook — one which could reach crisis proportions unless the Government handles rent control and sectional titles in a sensitive way — and also takes positive steps to curb inflation and to prevent accommodation costs going through the roof.

What is required is a positive and comprehensive housing strategy. This strategy must include making capital available for various categories of people so that they can own their own houses or flats, and providing tax and depreciation incentives to the private sector to encourage it to assist in the provision of housing.

And last but not least, by the Government itself ensuring that no senior citizen has to live in fear of being evicted and not having a roof over his head.

rise in building costs. The Stellenbosch Bureau for Economic Research in its latest bulletin predicts

Mrs. Thornton White Prize
For the best work in first year.

Miss M F J Sandilands

S A Brick Association Prize
For the student who has made best use of bricks in his design work.

J G Kirkman

R Stubbs Award
For the best project in structure and design.

DESPITE an increase in Government spending on housing for the black, coloured and Indian communities, the perennial housing shortage among them will continue during 1981. And the outlook for whites is gloomy.

The scene of the problem for the first three communities — eliminating the housing backlog in both the urban and rural areas, the rejuvenation of older housing schemes and the provision of homes for the ever-burgeoning black, coloured and Indian populations — is so enormous that the Government will not be able to cope with it by conventional means.

The capital required for the conventional approach is far beyond resources available to the Government. Not only will new techniques have to be developed but there will have to be a massive shift to self-help home building methods as well as far greater emphasis on home ownership.

During 1981 we are likely to see a serious increase in housing and accommodation problems among white South Africans in our cities.

We must anticipate three cost-push factors which will make housing and accommodation costs a very worrying problem for all but the wealthy among the whites. There will be a sharp

that the "rate of increase in building costs will be higher during 1981 than 1980."

This puts the anticipated percentage increase in building costs during 1981 at a staggering 30 percent above the already high costs during 1980.

Rentals, especially for flats, will rise sharply. This is not only a reflection of rising building costs but is due to the reduction in the number of letting units available as a result of a combination of the phasing out of rent control and the surge towards sectional title conversion.

Interest rates on mortgage bonds, which have just been increased, will increase further, making money for housing more expensive and generally less available to the ordinary man.

When one adds to these factors the increase in municipal rates and the cost of municipal services plus the ever-rising costs of building maintenance and repairs, one gets an appreciation of how both the home owner and the tenant are going to be hit during 1981.

Worst off will be the pensioner and retired people.

Next in the battle line will be young couples wanting to start a family and live in their own home. Apart from the size of the down payment required, building costs plus mortgage bond interest rates will place a financial burden on them that many will not be able to afford.

And then there is the middle income group family. Accommodation costs plus inflation, especially in the cost of essential commodities, are going

to start eating away at living standards and at life savings.

This is a gloomy outlook — one which could reach crisis proportions unless the Government handles rent control and sectional titles in a sensitive way — and also takes positive steps to curb inflation and to prevent accommodation costs going through the roof.

What is required is a positive and comprehensive housing strategy. This strategy must include making capital available for various categories of people so that they can own their own houses or flats, and providing tax and depreciation incentives to the private sector to encourage it to assist in the provision of housing.

And last but not least, by the Government itself ensuring that no senior citizen has to live in fear of being evicted and not having a roof over his head.

S F Richardson

ARCHITECTURE
(Continued)

Agents should have known

BUILDING societies are under fire by estate agents and aspirant house buyers or the suddenness and severity in the cut-back of bond finances, and are being accused of injudicious management of funds during the 1980 property boom.

While acknowledging that the loan level for 1980 had been 'extraordinary', Mr Boet Viljoen, president of the Building Societies Association, said that estate agents should have realised it could not continue indefinitely.

It is not the first time in South Africa that we have had this flood of money. It inevitably dies down and people should know that by now.

He said there was less money available for home loan finance because the market liquidity position had become more stringent, corporate and individual investors had moved out of societies to more attractive investments, and societies were committed to large loan amounts from 1980 which had not yet been paid out and were consolidating their positions before deciding on available finance for 1981.

Mr Viljoen said the situation could be improved slightly when the societies' new interest rates — announced on January 12 — had worked through the market. They should attract more investment and start our money pool growing again, he said.

THE SCHEMES AT STANDSTILL

Alan Cooper, Property Editor

THE majority of proposed sectional title schemes in South Africa are now at a standstill after recent warnings by the Minister of Community Development, Mr Pen Kotze, claim developers and agents.

Concerned about hardships to tenants of flats converted to sectional title schemes, the Minister last month announced that he was to put forward several amendments to the Sectional Title Act. They included:

- The postponement of the date, put at April 1, when owners of rent-controlled flats could take possession of them for their own use;
- No sectional title development could proceed until a register was opened;
- No sectional title units could be sold in a project if one of them was occupied by a 'protected tenant', registered as such because of low income qualifications.

but one of the suggested amendments, that which specifies that no sectional title units could be sold while one flat in a project was occupied by a protected tenant.

'If the Minister is intent on destroying the concept of sectional title in South Africa he could not have found a better way of doing it than by insisting on this amendment,' said a developer.

'People cannot find good homes below R25 000 and turn to buying a flat. These amendments, to some extent, deny them somewhere to live.

'The concept of sectional title was to provide reasonably priced homes protected against inflation.

'This amendment and the others have stopped the sectional title market in the country. In Johannesburg no flats had been sold since the Minister's

statement in November while the position was equally as chronic in the Cape. He had 12 blocks to convert to sectional title but would not proceed with them until the situation was clarified.

An agent, Mr Haddon Steer of Steer and Co, said that the Minister's statements had had a sobering effect on developers of sectional title who were now waiting to see what would come out of Parliament.

'There are a number of new schemes planned but they are not going ahead with them until more is known about changes to the Act.'

'Because of these statements a developer would not look at a block of flats which has a protected tenant in it.

'Again, developers are wary about considering for sectional title blocks of flats first occupied before October 20, 1949. These are the last group of

buildings scheduled for rent decontrol, this year and a special Act of Parliament will be needed for this.

'However, we understand this will take place from April this year. But if any of those blocks of flats have protected tenants in them they will not be able to be converted to sectional title and developers are naturally shying away from them,' he said.

Another agent pointed to the uncertainty now facing hundreds of individuals who had bought flats either as an investment or for retirement.

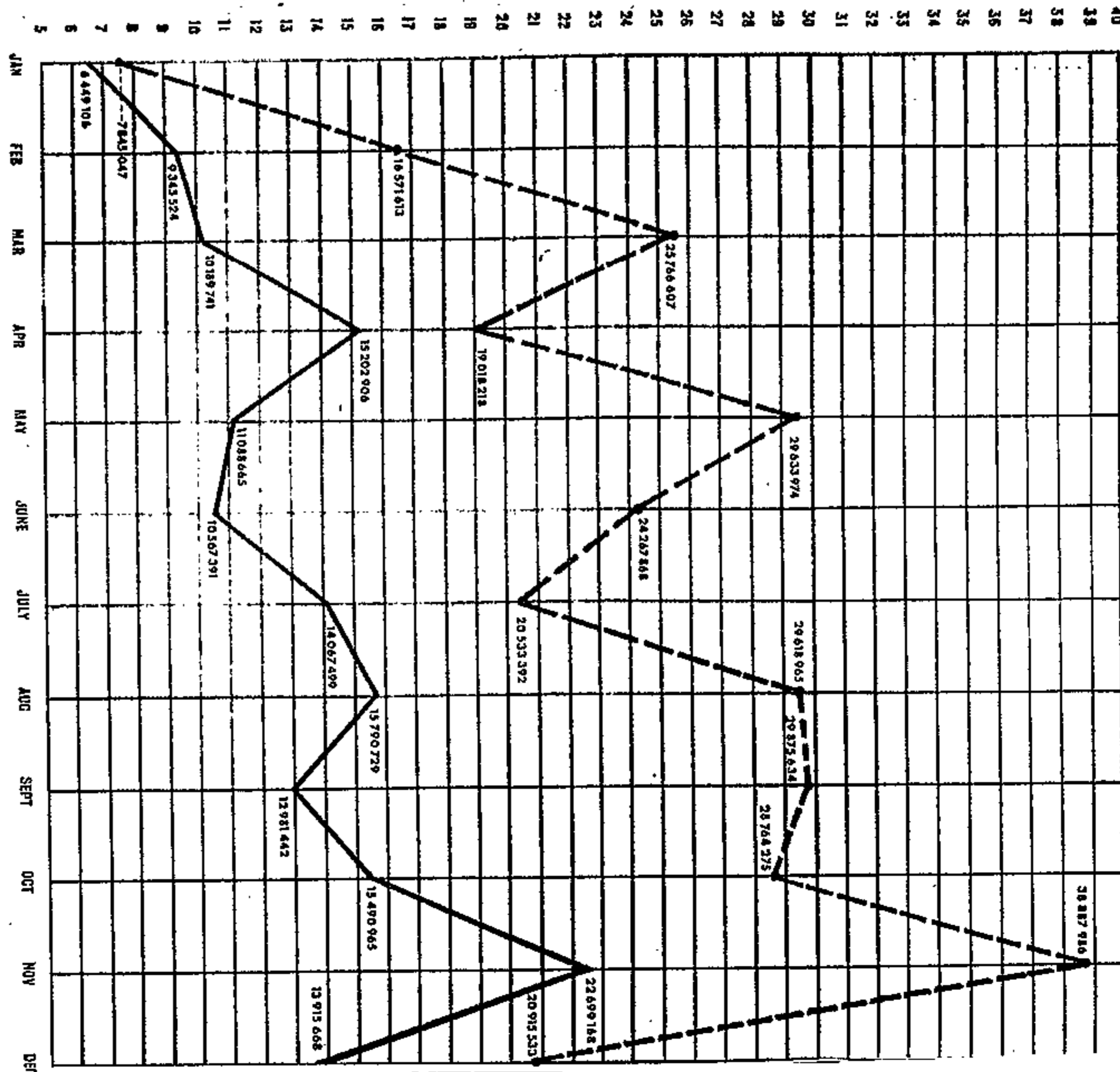
'If the register for sale is not open or if the flats are occupied by protected tenants then this new class of property owners is frustrated.

'They cannot move into their own flats if they want to and, in some cases where the registers are not open, they are in a state of limbo with their money tied up and nothing to show for it,' he said.

123

R MILLIONS

PROPERTY SALES IN CAPE TOWN



PROPERTY SALES in Cape Town showed seasonality in December to R23,600,145 as this graph shows. However, it was still well above the sales for December 1979 and nearly reached the highest peak during that year.

CHEMICAL
(Continued)

Malan Chemical Engineering Medals

For the best student the following years:-

Second Year (Bronze)

A H Dabrowski

Third Year (Silver)

C L E Swartz

Fourth Year (Gold)

L Flach

Malan Prize for the most improved First Year Chemical Engineering Student

K W Strickland

S A Institution of Chemical Engineer's Silver Medal

For the best performance project, design and courses over the 4-year curriculum.

P M Salmon

L T A Construction Prize

For the final year Civil Engineering student submitting the best thesis.

G P Mitchell

S A Federation of Civil Engineering Contractors

For the best final year showing constructional

K N Hvidsten

S A Institution of Civil Engineers Student Chapter Prize

For the best written report submitted in C E 214,

P C Watt

CIVIL

Agents Slam rent control move

PETER STRACHAN, national president of the Institute of Estate Agents, said this week his organisation was to make representations to the Minister of Community Development and State Auxiliary Services on proposals to delay the last round of rent decontrol.

The Minister, Pen Kotze, said recently he proposed to delay the introduction of decontrol on dwellings occupied on or before October 20, 1949.

Strachan said this was grossly unfair as those owners of flats which had been controlled the longest had suffered the longest.

"These people thought that as rent control has been rolled back on newer flats it would be their turn next but now it seems they will not be getting relief, judging by what the Minister said."

PROPERTY EDITOR (123)

18/11/49

The Minister said there would not be time for representations before he took action. But Strachan said: "The Institute is going to make representations whether the Minister likes it or not.

"Many owners are now worse off financially than their tenants."

Meanwhile, the Estate Agent, official mouthpiece of the Institute, has summed up the position on rent control and the sale of sectional title flats for its members.

It says:

- Uncontrolled flats may be bought and transferred. Anyone can move in at the owner's discretion.

- For the moment, rent-controlled flats may not be transferred and the tenants cannot be moved out (unless they contravene other aspects of the Act, such as late payment).
- If the Government goes ahead with plans to amend the Rents Act and decontrol the last category of flats — those first occupied before October 20, 1949 — the only controlled flats will be those occupied by protected tenants.

Tenants qualify if they were in occupation at the time of the relevant decontrol proclamation and if their income is below the limits set by the Housing Act. Those limits are now R360 for a single unmarried tenant and R630 for married.

Black housing lack: 'new method needed'

57AR
22/11/81
123

By David Breier
Pretoria Bureau

The Department of Co-operation and Development has recommended a totally new approach to solve the housing shortage for blacks — conservatively estimated at 420 000 houses, which would cost at least R3 360-million to build by conventional means.

Mr J H T Mills, Director-General of the department, said today he had sent a memorandum to the Cabinet on the housing shortage — his department's greatest challenge.

Mr Mills said it would cost the State at least R820-million yearly over the next five-years to wipe out the backlog, without even providing for population growth.

"This is absolutely impossible. A new approach is needed," he said.

Mr Mills said the new approach should be to provide enough ground for the backlog and for population increases and then to plan these sites and provide services including sanitation and water.

SQUATTERS

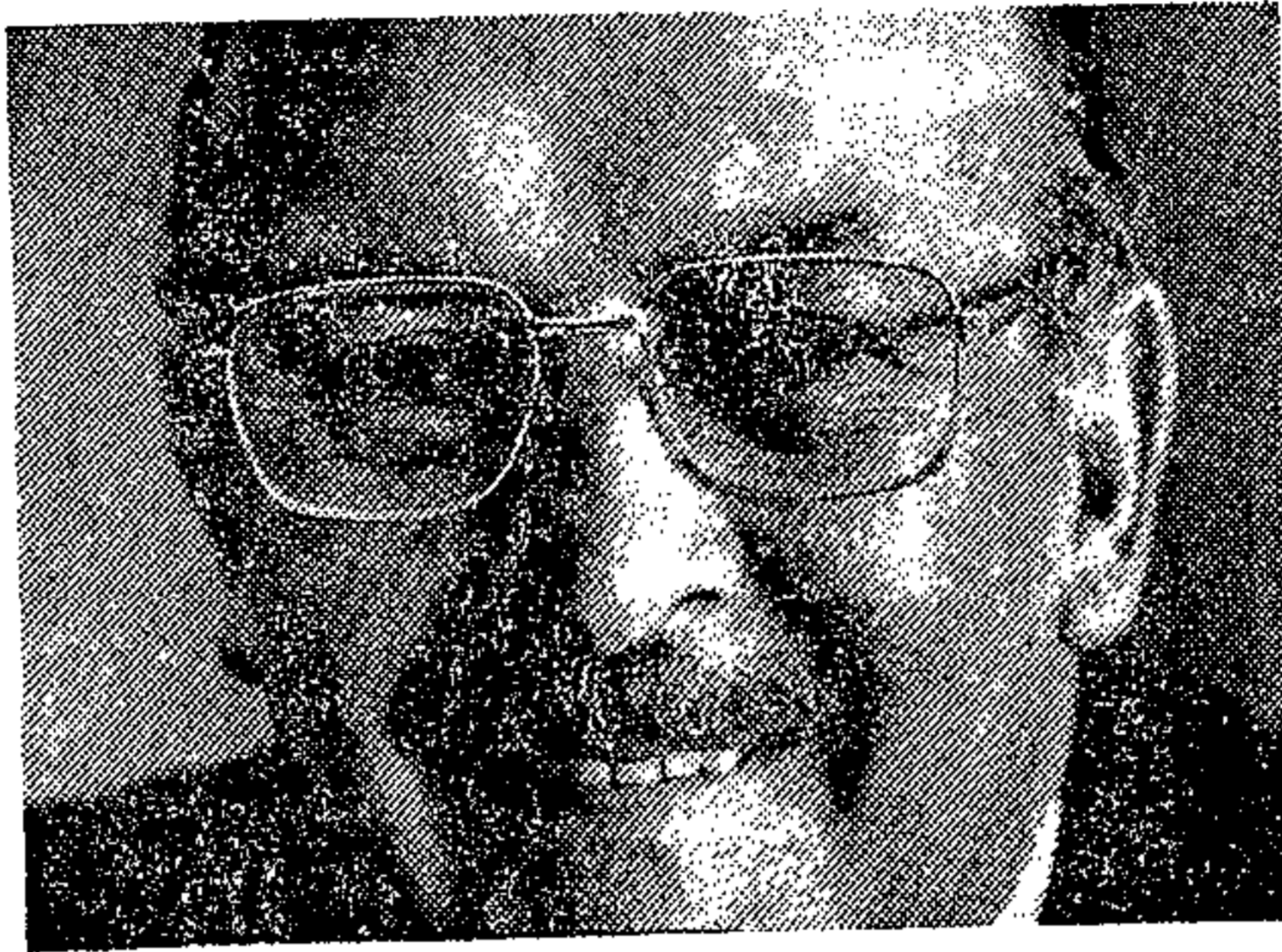
He said these sites should provide for squatters and people building their own homes. Large-scale building material stores should be established and small loans provided to enable blacks to build their own homes in these "site-and-service" schemes.

The authorities should make schools and sports grounds available and should also remove all obstacles to help white employers build houses for their black workers.

Mr Mills said the improvement of black living standards in South Africa should not be confined only to Soweto, where the Committee for Greater Soweto under Mr Louis Rive was engaged in the project.

"There are many other Sowetos in South Africa," he said.

Mr Mills said the hou-



Mr J H T Mills . . . "Housing shortage greatest challenge of the Department of Co-operation and Development."

sing shortage for blacks would be in the spotlight this year. He said just as the past two decades had been devoted to the development of black national states the next decade would be devoted to the development of blacks living in South Africa.

He said the position was hardly different from that of the 1940s. Only a few adjustments here and there had been made.

He said there were more than 9-million blacks in South Africa and another 6-million in the national states not yet

independent. They were still technically part of South Africa.

Mr Mills said South Africa was threatened by these numbers and added: "We must give the black man a deal to make him stand on our side against the enemy."

Mr Mills, who was addressing the chief commissioners of Co-operation and Development, appealed to them to open up communications with the black people they administered and not to be deskbound.

He also stated his belief that "respectable" blacks should not be bound by the provision of influx control, which applied to blacks who had no jobs or homes in the cities.

He said he believed many blacks should be exempted from such influx controls and that it was wrong to apply these measures to every black person.

HOSTING Railways' 11000

SA Railways & Harbours is leading more than 11000 migrant workers for its black workers over the next five years. This means that about 25000 of SA's 70 000 plus black workers could be in their living conditions improve!

Details of the new migrant programme were given to the *Mail* this week by Railway officials speaking to the *Mail's* criticism of conditions in the old Breakwater prison, which is used as a hostel for dockworkers.

However, in its response to an enquiry for the reasons why the *Mail's* Serfontein, a 1000 man's prison, is used for migrant workers, officials said that financial aspects as well as the practicality of the solution are the reasons for the solution.

RAILWAYS REPLIES

"SAR is the one employer in SA which considers itself to be far ahead with proper housing for all its staff especially by those new whites who are recruited and employed on a contractual basis," according to SAR's assistant chief superintendent, parliament and public relations, Theo du Toit. He was responding to the *Mail's* article on the conditions of migrant workers in Breakwater jail in Cape Town (*Current affairs* January 13.)

Says Du Toit: "We use the Breakwater jail to accommodate our labour for a number of reasons. It is within easy reach of their employment in the harbour and they have no travelling problems. We also have a readily available labour force in emergencies.

"We have not been aware of any complaints about the accommodation in the jail. Some men have been staying there for 20 years, which is a sign of their devotion to a good employer. They are contract labourers and if the accommodation is as poor as claimed these employees would not have returned year after year. We would like to point out that inspecting officials under the control of the chief commissioner of Community Development visit the compound regularly and they have always expressed complete satisfaction with the accommodation provided."

Railways feels it has a good record in providing accommodation for its workers on the fact that it has no other but to come down to the migrant labour system.

To prevent a migrant labour system, the railway has a number of projects in the pipeline. It is also looking at the possibility of building a new hostel for migrant workers.

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There are 1000 men living at the moment in the new hostel and the next three months are to be built. The first project is to build a hostel for 2000 men. The second project is to build a hostel for 2000 men. The third project is to build a hostel for 2000 men.

New schemes

Railways also has a number of experimental projects on the drawing boards. At Natal in Natal, an innovative housing scheme involving individual rent units for 3000 men is underway. Scheduled for completion in 1974, the flats are being designed so that they will eventually be convertible to family housing. Each flat will have three rooms in which nine men will live. The rooms to be in a room of his own. Each flat is designed as a self-contained unit with an indoor space and a balcony. The development will also contain a range of recreation facilities including a soccer field, cycle track, athletics track, community centre, doctors' consulting rooms and beer gardens. According to Serfontein, "there is nothing like it in the country."

In addition, contractors are already on site at Umhlatzi for a massive development to house 6000 single men. Railways have taken the unusual step of designing a visitors complex of 20 rooms for visiting wives. Other housing projects are envisaged at New Canada, New Brighton and Bapsfontein.

Providing housing for 3000 to 6000 "single" men at a time poses a thorny problem for any employer. But there is little employers can do except provide the best possible accommodation until the government eventually recognises and decides to alter the degradation imposed by the migrant labour system.

City sales

soar to

R291-m

KH up
24/1/81
123
JP

PROPERTY SALES in Cape Town last year soared in value to the record figure of R291-m, 85 per cent more than the total for 1979 and more than three times that for 1978.

Last year's sales totalled R291 677 112 compared to the 1979 figure of R157 788 804 and the 1978 total of R92 735 688. The number of sales jumped from 5 466 in 1978 to 7 409 in 1979 and to 9 965 last year.

The busiest ward last year was No 13 — which takes in Athlone, Crawford, part of Claremont and Kenwyn. Sales there reached the total of R36-million almost double the sales in that ward in 1979 of R19-million.

Second, most popular ward was No 14 — Claremont, Newlands, part of Kenilworth and Bishops-court with sales of R33-million. However the number of transactions in this ward totalled 764 com-

pared to the 2 111 in Ward No.13.

Third most popular ward was No 16 — Plumstead, Ottery, Wetton, part of Southfield, part of Diep River where 1 208 sales fetched R25-million.

There were some large deals in Ward No 7, the Foreshore in the central part of the city, where only nine sales fetched R6 720 000. It was the only ward where sale prices were below valuations.

During the year 1 526 vacant plots were sold for R18-million and 7 065 land and buildings were sold for R267-million privately. A total of 164 vacant plots and buildings were sold by public auction for more than R5-million.

P A Rappoport

Helen Gardner Travel Prize
For a student who has
satisfactorily completed
1st, 2nd and 3rd major courses.

P F Dunkley

Sixth Year

Cape Provincial Institute
of Architects' Prize
For the best student in :-

ARCHITECTURE

FINE ART & ARCHITECTURE

Black housing is at crisis stage

S Times 25/1/81

(123) (255)

By
GRAHAM SPENCE

A GOVERNMENT spokesman's admission this week that the State was unable to solve the explosive black housing crisis on its own has resulted in a call by organised industry for a major change in policy towards black urbanisation.

The Director-General of the Department of Co-operation and Development, Mr G H T Mills, this week appealed to private enterprise to assist the Government in solving the critical black housing problem, and admitted that "traditional" policies had failed.

In a detailed report drawn up by senior opinion formers of the South African Federated Chamber of Industries (FCI) — which represents more than 10 000 industrial concerns — it was strongly pointed out that present Government policy towards the urban black housing problem had in no way led to the creation of stable communities.

The report was submitted to the Government six months ago, but was released to the Sunday Times this week as the private sector's proposed solution to the serious problem.

The significance of the report is that it endorses what other reformists such as the former postmaster-general Mr Louis Rive and the Urban Foundation have been contending for years — that decent housing is one of the fundamentals for a contented community.

The FCI says that internationally accepted principles which have hitherto been "politically unacceptable to the Government" should now be adopted.

The report states that it is imperative that home ownership and self-help projects are introduced, and that township residents have a far greater

say in how they want to live.

According to estimates given in the report the current housing shortfall in black areas was roughly 300 000 units. The migration to urban areas is increasing at such a rate that some 20-million black people will be living in them by the year 2000.

This means that within the next decade close on a million new homes for blacks will have to be built.

Initial policy was to keep housing in the townships at a minimum as a deterrent to blacks migrating to the cities. But it was soon evident — as shown by examples such as Crossroads — that it would be impossible to stem the tide.

The Government then embarked on huge production line housing programmes churning out "matchstick" dwellings with little character that, according to the FCI, did nothing to inspire a community spirit.

Consequently in times of unrest, residents showed little interest in protecting their premises.

"In future, housing policy must be directed towards the establishment of stable, prosperous and peaceful urban communities by permitting these communities to a much greater extent to solve their own housing problems within a more limited framework of control and regulation," the report states.

"The FCI has found that a combination of personal initiative and private resources has a significant role to play in solving the major potentially explosive housing problem for the country."

Outlining components for a "radical new approach", the FCI recommended that the private sector should be encouraged to invest in "non-white" housing.

J A L Chapman

First Year

course.

For the best student in each year of study of the degree

Book Prizes

for the Building Industry National Development Fund

M R I Ness

structure and design.

For the best project in

R Stubbs Award

J G Kirkman

design work.

best use of bricks in his

For the student who has made

S A Brick Association Prize

Miss M F J Sandilands

first year.

For the best work in

Mrs. Thornton White Prize

BUILDING

(Continued)

ARCHITECTURE

Converters look at the share block alternative

RDM 28/1/81 (123)

AS THE date for the proposed amendments to the Sectional Titles Act draws near, converters who have not already rushed in to beat the deadline will be studying a document put out by the South African Property Owners Association on share block schemes.

But owners or converters might be well advised to tread softly, market sources say, lest even more legislation provides further hurdles.

The Minister of Community Development, Mr "Pen" Kotze, has said he will keep a wary eye on attempts to counter the intention of the coming legislation.

It is still unclear what form the amendments will take.

But two of the proposed amendments together are taken to mean that landlords may not sell units in a building until a

By REG RUMNEY, Property Editor

sectional title register has been opened, and no sectional title scheme will be approved as long as there is a single "protected" tenant in the building — are a stumbling block for any converter with a building on his hands which was destined for sale on sectional title.

Share block schemes, more popular in Natal than on the Reef until now, seem to provide a means of getting around this problem.

It means units in a building, or rather shares in the units, can be sold without a sectional title register being opened.

The third proposed amendment, taken to mean that no "protected" tenant can be evicted from a building, says

Sapoa's Mr Don Kennedy, will probably not be affected.

He adds that Sapoa's guidelines on the application of the Share Blocks Control Act was commissioned in about March last year, when it became known that regulations affecting share block schemes were to be Gazetted.

This Act, which came into effect at the beginning of this month, has "built-in" financial controls for the protection for tenants, designed to protect them against some of the abuses these schemes have been open to.

The Act, according to the document put out by Sapoa, provides that levy fund money must be deposited into

an account separate from the company's account.

Also, the money paid by shareholders for their "loan obligation" must be deposited in a separate trust account.

Mr Kennedy says that the traditional form of finance for share block schemes has been participation mortgage bonds and this will probably remain the case.

So, the cutback in building society mortgage bond money will probably not affect share block schemes as much as sectional title flat blocks, which depend on building society bonds.

But it must be noted that sectional title developers are considering other means of financing sales, like second bonds, as is expected to happen now in the house market.

How building designs affect tax allowances

By REG RUMNEY
Property Editor

THE design of a building may significantly affect the amount of income tax allowance available to the owner, according to an article in the latest issue of Businessman's Law.

It cites a case decided by the Cape Provincial Division of the Supreme Court. SIR versus African Detinning Works (Pty).

The company concerned in the case owned a building housing its manufacturing operations and some offices.

From the date of its erection the building was surrounded by concrete aprons made up of concrete panels laid on the ground, covering a big area.

These served as a storage area and helped moving the raw materials used in manufacturing.

The aprons were extended from time to time and the issue before the court was whether the company was entitled to claim the investment and annual allowances applicable to industrial buildings and improvements to one of these extensions.

The allowances are available for qualifying "buildings" and "improvements" to buildings, and the aprons had to fall into these two categories.

"Improvements" are defined for the purposes of the tax allowances as "any extension,

addition or improvements (other than repairs) to a building which is or are effected for the purpose of increasing or improving the industrial capacity of the building".

The judge who delivered the majority judgment of the court, Justice Grosskopf, decided this was not so.

The original concrete aprons were not buildings or parts of a building and so the extensions to the aprons could not constitute buildings or improvements to a building.

The aprons did not form part of the fabric of the building, were not a "necessary appurtenance" to the building, and had not been "structurally integrated or otherwise physically incorporated into the building permanently, in such a way that they lost their own separate character", the article says.

The judge found that the main building would have been complete as a building even if no aprons, which were paved areas of the sort which could be constructed on any level piece of ground, had been constructed.

The aprons were not fastened to the building in any way, but even if they had been cemented to the walls, the position would not be different.

However, Mr Justice Vos, in his dissenting judgment, said

the aprons were "just as much part of the factory building as a stoep is part of a house" and were an "integral part of the building".

So the extensions should have been regarded as qualifying improvements.

Businessman's Law concludes:

"By virtue of the majority judgment, however, the result of this case is that concrete aprons similar to those concerned in the case may not be regarded as parts of a building for the purposes of the investment and annual allowances.

"While the case may have not dealt directly with the design of a building, it suggests — if only by implication — that the design of a building may have a crucial tax-planning dimension.

"It may be that if a factory is designed in such a way that when the building is erected a concrete platform or apron is incorporated around the building as an indivisible part or extension of the concrete floor of the building, the platform or apron should be regarded as part of the main building and any extensions to the platform or apron designed to increase or improve the industrial capacity of the building as improvements."



Mr Dolf Muller of Sanlam Properties, Johannesburg, has been promoted to Senior Manager, Properties.

Mrs. Thornton White Prize
For the best work in
first year.
Miss M F J Sandilands

S A Brick Association Prize
For the student who has made
best use of bricks in his
design work.
J G Kirkman

R Stubbs Award
For the best project in
structure and design.
M R I Ness

National Development Fund
For the Building Industry
Book Prizes
For the best student in each
year of study of the degree
course.

First Year
J A L Chapman

Second Year
C S Jones

Third Year
B de Jong

Fourth Year
R W Kohne

George Strachan Prize
For the best final year
student of the degree course.
R W Kohne

LTA Prize
For the best student obtaining
a first class pass for a
dissertation in Building
Management.
S F Richardson

Relief for tenants in new Bill

Political Staff

CAPE TOWN — Legisla-
tion aimed at giving relief
to tenants affected by Sec-
tional Title deals was pub-
lished in Cape Town
today.

The Sectional Title Act
scraps a provision in exist-
ing legislation which
would have lifted recent
control protection for
some people from April 1.

The new Bill suspends
this date for one to be
fixed by the State Pre-
sident.

The Bill also prohibits
the sale of units in cer-
tain buildings before the
opening of a Sectional
Title register.

Local authorities will
not be allowed to approve
a separate title scheme
unless it is satisfied that
such a scheme is not in
conflict with any proposed
town planning scheme or
if any premises in a build-
ing are subject to rent
control.

Units cannot be sold
until a Sectional plan has
been approved.

⊙ Page 7: Govt halts
rent control phase-out.

⊙ Page 10: Rent freeze
will stop flat building.

BIRTH DATE

Rent control phase-out freeze will hit flat block building - Sapoia

Property Editor

Property developers have warned that the Government's decision to halt the phasing out of rent control will hit the building of blocks of flats.

The executive director of the South African Property Owners' Association, Mr Don Kennedy said:

"As a short-term political measure in an

election year the move is totally understandable — but it is regrettable in economic terms with regard to the provision of new rental accommodation."

The postponement of decontrol had obviously come about as a result of the activities of what Sapoia termed "irresponsible elements who have conducted their sales of flats un-

der Sectional Title without any sense of social justice."

Mr Kennedy said it was a great pity that a small minority should have caused the Minister to make announcements regarding flat sales curbs on November 21 last year and that he had now found himself compelled to delay the phasing out of rent control.

Mr Kennedy said the decision to decontrol

came after comprehensive investigations into all aspects of the issue, which had resulted in the Fouché Commission report.

This recognised that the effects of control were "deleterious in the extreme for the housing sector."

And it had also recognised the fact that it was not the responsibility of private owners of flats to subsidise rents.

S A Read

General J B M Hertzog Prize
For the best final year student.

D H Pryce Lewis

David Haddon Prize
For the best student of Architecture (or Quantity Surveying) in the subject of Professional Practice.

Miss C Tredgold

Molly Gohl Memorial Prize
For the best woman student in third year.

P A Rappoport

Helen Gardner Travel Prize
For a student who has satisfactorily completed 1st, 2nd and 3rd major courses.

P F Dunckley

Sixth Year

Cape Provincial Institute of Architects' Prize
For the best student in :-

ARCHITECTURE

FINE ART & ARCHITECTURE

Rent
 August 30/1/81
 control
 to be (123)
 continued

Parliamentary Staff

THE Government had decided to halt the phasing out of rent control until it was satisfied that the housing situation was no longer exploitable. Mr Pen Kotze, Minister of Community Development and State Auxiliary Services, told the Assembly yesterday.

Mr Kotze was replying during the no-confidence debate to Mr Colin Eglin (PEP, Sea Point) who called for a 'categorical assurance' that further phasing out of rent control would be stopped.

Mr Eglin said phasing out should be stopped until a commission of inquiry had satisfied Mr Kotze that there would be:

- Guaranteed security of tenure for old people and others qualifying for assistance under the Housing Act.
- That there was adequate alternative accommodation available at rentals people could afford.
- That tenants would not be exploited as the result of future lifting of rent control.

SITUATION

Mr Kotze said phasing out had originally come about because rent control was seen as a stumbling block in the path of the private sector.

The support of the private sector was vital, because it was impossible for Government to provide housing for the entire population.

FINE ART & ARCHITECTURE

ARCHITECTURE

Cape Provincial Institute of Architects' Prize
 For the best student in :-

Sixth Year

P F Dunckley

Helen Gardner Travel Prize

For a student who has

satisfactorily completed

1st, 2nd and 3rd major courses.

P A Rappoport

Molly Gohl Memorial Prize

For the best woman student

in third year.

Miss C Tredgold

David Haddon Prize

For the best student of

Architecture (or Quantity

Surveying) in the subject

of Professional Practice.

D H Pryce Lewis

General J B M Hertzog Prize

For the best final year student.

S A Read

Osbourn Prize

For the best work in fourth

year.

D H Pryce Lewis

John Perry Prize

For the best work in

third year.

R A van Rosenfeld.



Parliament

Parliamentary Staff

SINCE November last year, when a new policy statement on Sectional Titles was announced, there had been months of uncertainty for those who had bought or were in the process of buying units under the Sectional Titles Act. Mr Colin Eglin (PFP Sa Point) told the Assembly yesterday.

Mr Eglin said that two months ago Mr Pen Kotze, the Minister of Community Development and State Auxiliary Services, had stated the Government in-

tention to introduce far-reaching amendments to the Sectional Titles Act.

He said the Minister had also been reported as saying the draft Bill would not be available for general comment before it went to Parliament owing

to the urgency of the matter.

Mr Eglin said this was 'remarkable' in this the way to govern; to legislate; to deal with the rights and interests of tens of thousands of people, he asked.

A notice of motion of the introduction of the Sectional Titles Amendment Bill was tabled in the Assembly yesterday.

The Bill is aimed: To further determine the circumstances in which applications for

approval of development schemes shall not be considered by local authorities.

To prohibit the sale of units in certain buildings before the opening of a sectional title register; To provide for the date of commencement of a

Titles policy causing doubt

Argus 30/1/81 123

the Sectional Titles Act of 1971.

This action by the Government had:

Unleashed an orgy of property speculation such as had not been seen in the South African property market for some time;

Resulted in the tens of thousands of tenants in flats in cities — many of them elderly people — living under the constant threat of eviction.

Caused thousands more to be faced with economic hardship.

certain provision to be fixed by the State President by proclamation.

Mr Eglin gave 'some credit' to Mr Kotze for 'this belated attempt to save thousands of flat-dwellers from the consequences of Government policy.'

He said a mess had been created and much hardship caused by the Government's 'ham-handed handling of the phasing out of rent control and its stubborn determination early last year to amend

FINE ART & ARCHITECTURE

Cape Provint of Architect For the bes Sixth Ye P F Dunc Helen Gardn For a student satisfactor: 1st, 2nd and P A Rappoport Molly Gohl For the bes In third year Miss C Tredg David Haddo For the bes Architecture (Surveying) of Professional D H Pryce L General J B For the bes S A Read Osbourn Pr For the be Year. D H Pryce John Perry For the be third year R A van R

ARCHITECTURE

Warning on housing

HOUSE OF ASSEMBLY. —

The government had decided not to proceed any further with the phasing-out of rent control till it was satisfied the housing situation was no longer exploitable, the Minister of Community Development, Mr Pen Kotze, said yesterday.

Speaking in the no-confidence debate, he warned that the housing situation, as far as whites were concerned, would worsen because of the phenomenal influx of immigrants.

Because of the favourable

economic situation and readily available housing loans the situation would become even more difficult in future.

"A housing shortage can occur within weeks, but houses take months to build."

Mr Kotze said that during the past five to six years the government had built more houses from state funds than in any other period in the history of the country. It remained a fact, however, that the government would never be able to provide housing on demand. — Sapa

John Perry Prize

D H Pryce Lewis

year.

For the best work in fourth

Osbourn Prize

S A Read

For the best final year student.

General J B M Hertzog Prize

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For a student who has

Helen Gardner Travel Prize

P F Dunckley

Sixth Year

For the best student in :-

of Architects' Prize

Cape Provincial Institute

ARCHITECTURE

FINE ART & ARCHITECTURE

Costs critical area for developers

By REG RUMNEY,
Property Editor

PROPERTY investment has entered a new era under the combined effects of the rising cost of money and building, says Old Mutual Pension Services Report for 1980.

Costs could push rents up "quite disproportionately," compared with other items in the consumer-price index, and the developer has to take care that rentals needed even to provide a modest initial return will not prove to be out of reach of

~~R123~~ (123) PDM 31/1/81

prospective tenants. Old Mutual reports that it has over the past 18 months invested R125-million in property, bringing the value of its property portfolio to more than R500-million.

More than R60-million of the R125-million was invested in prime office space in the major centres.

None of the six major properties bought — Mutual & Federal Centre, Triomf House, IBM Building, and Johannesburg's Nedbank Mall, Durban

Bay House, and African Eagle Centre in Pretoria — was more than five years old.

Old Mutual's move into property was made in anticipation of the upturn in the property market and because of the availability, at prices well below replacement costs, of relatively modern properties offering sound investment.

While prices are expected to harden, new investment in completed properties on a selective basis will continue to be attractive in the short-term, and perhaps even longer.

There are few properties on the market now at prices below replacement cost, Old Mutual says.

At the same time property investment has entered a new era.

There is a shortage of accommodation, but rentals required to justify new buildings are much higher than they were a few years ago.

The rapid increase in building costs in recent years has increased the problems involved in property development.

The property developer has to take care — particularly with flats — that rentals required even to provide a modest initial return on the investment will not prove to be out of reach of prospective tenants.

For example, it has been estimated that 60 one-bedroomed flats in a 12-storey block built in 1965 could each be let at a rent of R45 a month.

This would give the developer a return of 1% more than the then-cost of money.

But the same flats built in 1975 would need to be let at

R190 a month to give the developer the same return.

Today, a developer could begin building such a block with rents of R300 a month in mind and on completion be forced to ask R350.

"This highlights the impact on the developer of the combined effects of the rising cost of money and rising cost of building.

"This combination could result in rents rising quite disproportionately in terms of other items in the consumer-price index."

123

3/2/81

Amendment 2 Col. 599 →

Sectional Titles
Amendment Bill

2nd Reading



'Late bid to clear flat mess'

AKGUS 4/2/81 (123)



Mr S F 'Pen' Kotze

Parliamentary Staff

IN a heated clash in the Assembly yesterday, the Government was accused of making a belated attempt to clear up the 'mess' it had created for thousands of flat-dwellers.

Opposition speakers in the second-reading debate on the Sectional Titles Amendment Bill made it clear that they regarded the Government's handling of the whole sectional titles issues as a matter for voters to consider in the coming General Election.

Government speakers admitted that serious problems had arisen in the implementation of its legislation, but rejected Opposition arguments that the Government was to blame.

All parties in the Assembly indicated that they would support the second reading of the Bill.

'SUICIDE'

One of the most outspoken Opposition critics of the Government's attitude was Mr Alf Widman (PFP, Hillbrow). He told the Assembly of flat-dwellers who had wanted to commit suicide and others, including thousands of pensioners and aged people, who had suffered hardships and insecurity as a result of the Government's 'intransigent' attitude.

Moving the second reading of the Bill, the Minister of Community Development, Mr S F (Pen) Kotze, said the proposed legislation would quell unhealthy speculation in the flats market.

This speculation, he said, had created a 'climate of near hysteria' among tenants.

The Bill was aimed at:

- Delaying the abolition of rent control to a date to be fixed by the State President;

- Prohibiting the sale of flat units in buildings until sectional title registers had been opened; and

'Nats paved way for fat cats'

Parliamentary Staff

THOUSANDS of people had suffered at the hands of 'flat fat cats' because of the Government's intransigent attitude towards Sectional Title, Mr Alf Widman (PFP, Hillbrow) said in the Assembly yesterday.

Speaking in the second reading debate on the Sectional Titles Amendment Bill, Mr Widman said he was pleased the Government had now 'seen the light.'

His party had begged, pleaded and petitioned the Minister of Community Development on the matter, but to no avail — all were ignored.

'UNDERSTATEMENT'

'To say "I told you so" would be the understatement of the year,' said Mr Widman.

He said the amendment proposed by the Minister, Mr S F (Pen) Kotze yesterday was similar to one his party had suggested during the last session of Parliament, which had been rejected.

The PFP had circulated a petition and gathered 9 400 names. This was submitted to the Minister but elicited no response. There had also been individual



Mr Alf Widman

petitions from people complaining that they could not afford deposits on their flats, being sold by Sectional Title, but they could not find alternative accommodation either.

ELDERLY

Mr Tian van der Merwe (PFP, Green Point) agreed that many had suffered 'alarming damage' — especially the poor and elderly — because of Sectional Title.

'No other threat hurts as much as the threat of losing one's home, and this has been hanging over many heads for a long time,' he said.

- Prohibiting the sale of units in buildings still subject to the Rent Control Act of 1976.

Mr Kotze said a situation had developed which gave unscrupulous property speculators opportunities to exploit tenants.

Information received from numerous sources confirmed that this was taking place on an increasing scale.

Mr Andrew Pyper (NRP, Durban Central) said he did not believe the Bill was the final answer to the problems.

The real problem was that there was not adequate alternative accommodation in South Africa for those who had to leave their flats.

Under the private enterprise system the State still had a 'tremendous social responsibility.'

Government speakers rejected suggestions that the proposed legislation was aimed at catching votes in the election. They said the Minister had announced the proposed measures long before it was known that there would be an election this year.

Sectional title Bill is RDM 4/2/81 (123) 'to stop exploitation'

HOUSE OF ASSEMBLY. — The Sectional Titles Amendment Bill would quell unhealthy speculation in the flats market, which had created "a climate of near hysteria" among tenants, the Minister of Community Development, Mr Pen Kotze, said yesterday.

He was introducing the second reading debate on the Bill.

Mr Kotze said the draft legislation aimed at:

- Delaying the abolition of rent control to a date to be decided on by the State President;
- Forbidding the sale of flat units until sectional title registers had been opened; and
- Prohibiting the sale of units in buildings still subject to the Rent Control Act of 1976.

A situation had developed which presented the unscrupulous with opportunities of exploiting tenants.

"Information received from

numerous sources confirms this to be taking place on an increasing scale".

Tenants were being pressurised into buying flats at unrealistic prices on terms which were all but reasonable.

As alternative accommodation was scarce and expensive, tenants often succumbed.

"Cases have been brought to my attention where tenants were afforded as little as two days to decide whether to buy the units occupied by them."

If they showed hesitation, they were threatened with eviction.

Not only the lower income groups were affected, he said.

Tenants with the means to buy their own property often entered into injudicious deeds of sale, under pressure of over zealous selling agents.

A solution to the current imbalance in the property market had to be twofold.

Every effort had to be made to stimulate the building of more houses.

The Department of Community Development had to obtain funds to clear bottlenecks in low-cost housing and the private sector had to be encouraged to provide more housing.

The sale of housing units under sectional title had done much to bring homeownership to many South Africans who would not otherwise have been able to afford it.

Development schemes in terms of the Sectional Titles Act offered prospective homeowners a practical and acceptable alternative, but the present situation could not go unchecked.

During the economic recession, the demand for accommodation had dropped and there was a modest housing surplus.

The situation had since reversed.

Housing was becoming not only more expensive, but tenants were being threatened because of the large-scale conversion of old buildings to sectional title, which gave rise to abuses of the Act.

Many buyers of flats were not making investments. They had no option.

"The letting market cannot be permitted to be disrupted by the withdrawal in large numbers of units which are occupied by tenants who cannot afford to buy their own homes and for whom no alternative housing is available on demand."

The Bill before the House would protect tenants against eviction from rent-controlled flats by postponement of the abolition of rent control to a date to be determined by the State President.

Buyers of flats were often left in the dark about when sectional titles registers would be opened for them to take transfer of their properties.

They were often uncertain even that they would ever be able to take transfer.

In the interim, they had to pay high rates of interest to the sellers, with no capital redemption.

The Bill would put an end to the practice.

"It will not be so easy to sell and it will discourage those who exploit the imbalance in the market, not for investment or rebuilding projects but purely for the purpose of disposing of flat units immediately at a high profit," the Minister said.

— Sapa.

Sectional title curb planned by State

By Frank Jeans

In a bid to curb what many people regard as the "irresponsible approach" to sectional title, the Government is laying down a charter for this branch of the property industry.

A keypoint in the amendments to the Sectional Titles Act is the prohibition of sale of units before the opening of the sectional-title register.

No developer, says the Bill, shall sell a unit in any building and on land for which no sectional-title plan has been prepared, or offer or advertise for sale any unit or interest in this connection.

In another amendment, a local authority will not be allowed to consider an application for approval of a scheme if it is "in conflict" with any proposed town-planning project.

Power is also being given to prohibit sectional-title development if units in a building are subject to rent controls.

The Bill makes it plain that if there is any breach of amendments a developer would be guilty of an offence and fined up to R500 (or six months' imprisonment).

Table V

Page 19(b)

Page 10(a)

MARION DUNCAN talks to 'n ware Afrikaner, an original, committed to the establishment of a just society. Self-effacing, pragmatic, he is completely dedicated to his role as executive director of the Urban Foundation.

His office is unimpressive, almost monastic in its lack of usually compulsory executive accoutrements. No heavy wooden desk. No leather chairs. No company-paid originals on the walls.

But the man himself is impressive. Even in his conservative grey suit, pale blue shirt and buttoned cuffs he projects an air of quiet yet distinctive command.

Mr Justice Jan Steyn is an original. 'n Ware Afrikaner committed to the idealism of non-discrimination, equal opportunity and all those other politically unpopular human rights that get his countrymen into such a ferment of righteous indignation.

He has just resigned from the Bench of the Cape Division of the Supreme Court after 17 years, to devote all his time to the executive directorship of the Urban Foundation.

REMARKABLE

It is a remarkable decision — to move, at the age of 53, from a lifetime in law to an uncertain new world of social concern.

"One never makes decisions of that kind for one reason only," he says, with characteristic care and consideration of his words.

"Having spent four years in this position" (he was granted special leave from the Bench to head the foundation) "and having seen the potential which exists for the private sector to play a role in the processes of change taking place in South Africa, I think the challenges which this position offers are such that I could not refuse to meet them.

"The second reason is I think it important that the executive head of the foundation should indicate his personal commitment to the permanence of this catalyst for change.

CONVINCED

"And then finally, in my contact with the black communities (with whom we work so closely), I have become convinced there is a great force for moderation and hope for peaceful evolutionary change in South Africa towards a course which would lead us to the establishment of a more just society.

That reply is typical of Judge Steyn: reasoned, methodical, impeccably fair to all sides and naturally modest.

Even his idealism is self-effacing. "We are part

The quiet dedication of an ideal pragmatist

Handwritten notes: (4) 328 123 STAR 5/2/81



JUSTICE JAN STEYN

of society and have responsibilities as members of that society which are complementary to the performance of our duties as business or professional men.

"Nobody in South Africa can afford to stand on the sidelines. The issues are too important, and the risks too great."

He is the son of a Dutch Reformed predikant and a mother who was a tireless worker for social rights. "I was brought up in surroundings where concern was a common word. My mother had a profound influence on my life."

He will not concede there could be any conflict between his personal stand and the stated — if not sacred — principles of Afrikanerdom. "The only thing I find myself in conflict with is intolerance, extremism and prejudice.

"I do not believe South Africa has gone too far

down the path towards confrontation. I seriously believe there is a possibility of evolutionary change in this country."

It would be easy to dismiss those words as the philosophy of an academic hermit. But Judge Steyn is pragmatic in his own way, and his credentials formidable.

He served as registrar to the former Chief Justice, Mr Justice N Ogilvie-Thompson; he practised at the Cape Bar during the '50s; he took silk in 1963 and was appointed to the Cape Division of the Supreme Court a year later.

CONTROL

For 10 years he was chairman and president of the National Institute for Crime Prevention and Rehabilitation of Offenders, and is an internationally noted authority on crime, its control and penal reform.

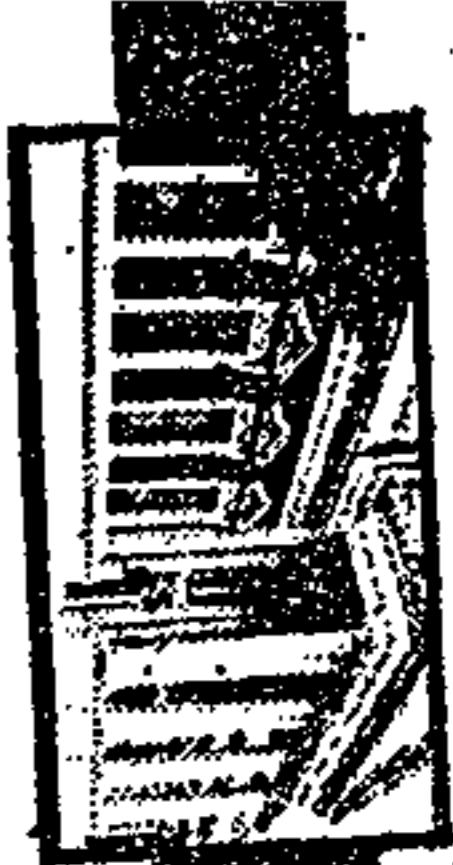
For 22 years he lectured on company law, civil procedure and criminology at the universities of Cape Town and Stellenbosch. And he was the motivating force that established an Institute of Criminology at UCT in 1976.

He is, however, no bleeding heart liberal either. On the black consciousness movement, for example, he has this to say: "We must all see any form of exclusive nationalism which adopts violence as its chosen tool for change as dangerous. But having listened to some blacks who have gone through the process of black consciousness, perhaps it is something that has to be experienced in the process of developing a more mature approach towards the resolution of South Africa's problems.

"I mean, the Afrikaners went through it too, you know."

And just how many Afrikaners would admit that?

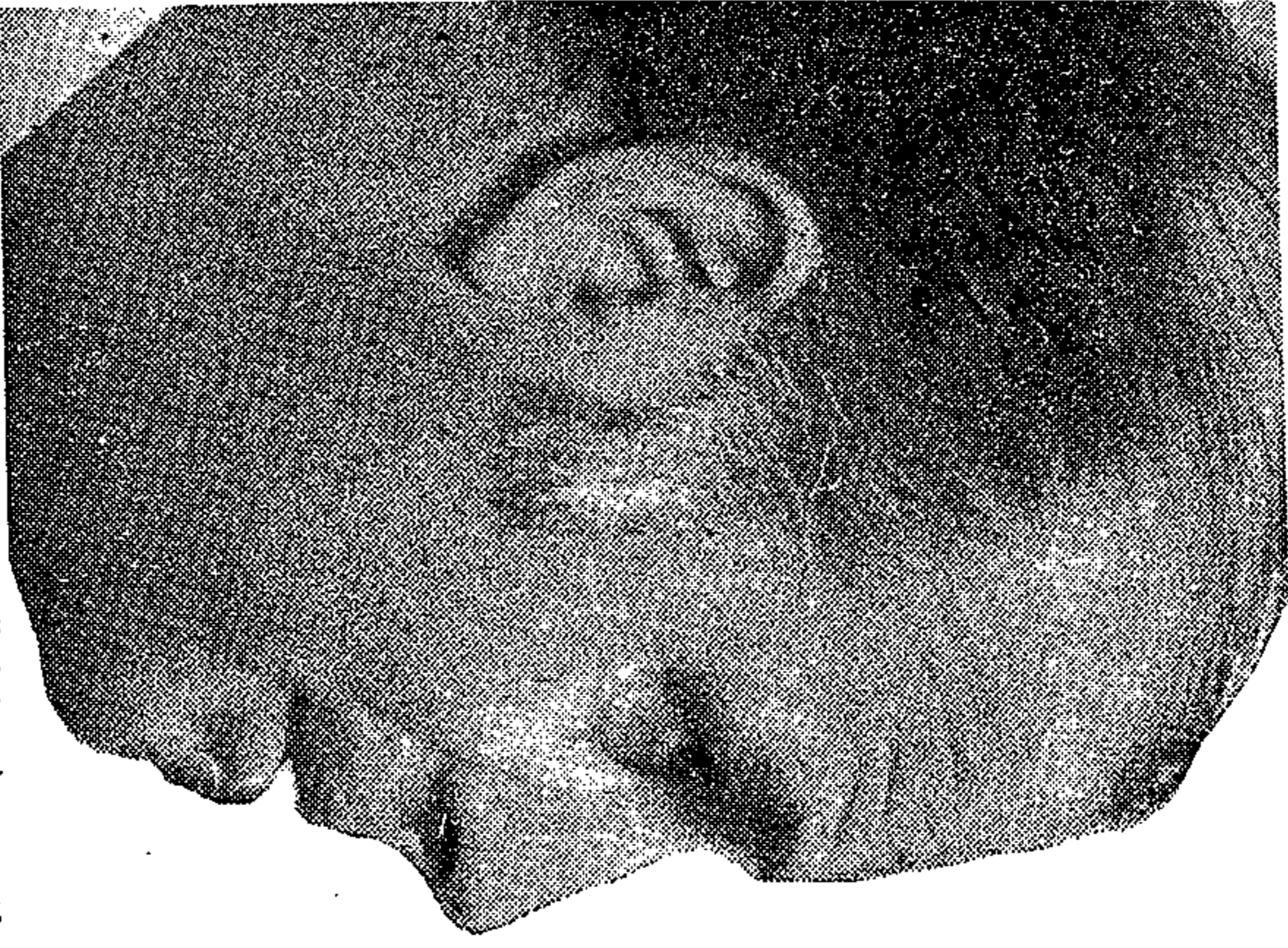
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Parliament

ARGUS SPEAKER (123)

Give legal protection!



MR COLIN EGLIN . . . asked Minister to reconsider provision in Sectional Titles Act.

Parliamentary Staff

MR COLIN EGLIN (PFP, Sea Point) yesterday called on the Minister of Community Development to provide legal protection for rent-control tenants against eventual eviction under the Sectional Titles Act.

He was speaking during the second reading debate on the Sectional Titles Amendment Bill.

Mr Eglin said that legislation introduced last year gave owners and developers of blocks of flats the right to evict tenants of rent-controlled flats, in order to sell them by sectional title, from April 1 this year.

In terms of the Bill under discussion yesterday — designed as a 'rescue operation' for such tenants — the tenants could still be evicted eventually on a date set by the State President.

Mr Eglin asked the Minister to reconsider this provision.

He said that the right of a person to occupy his home should not depend on the whims of the Minister, but on the law.

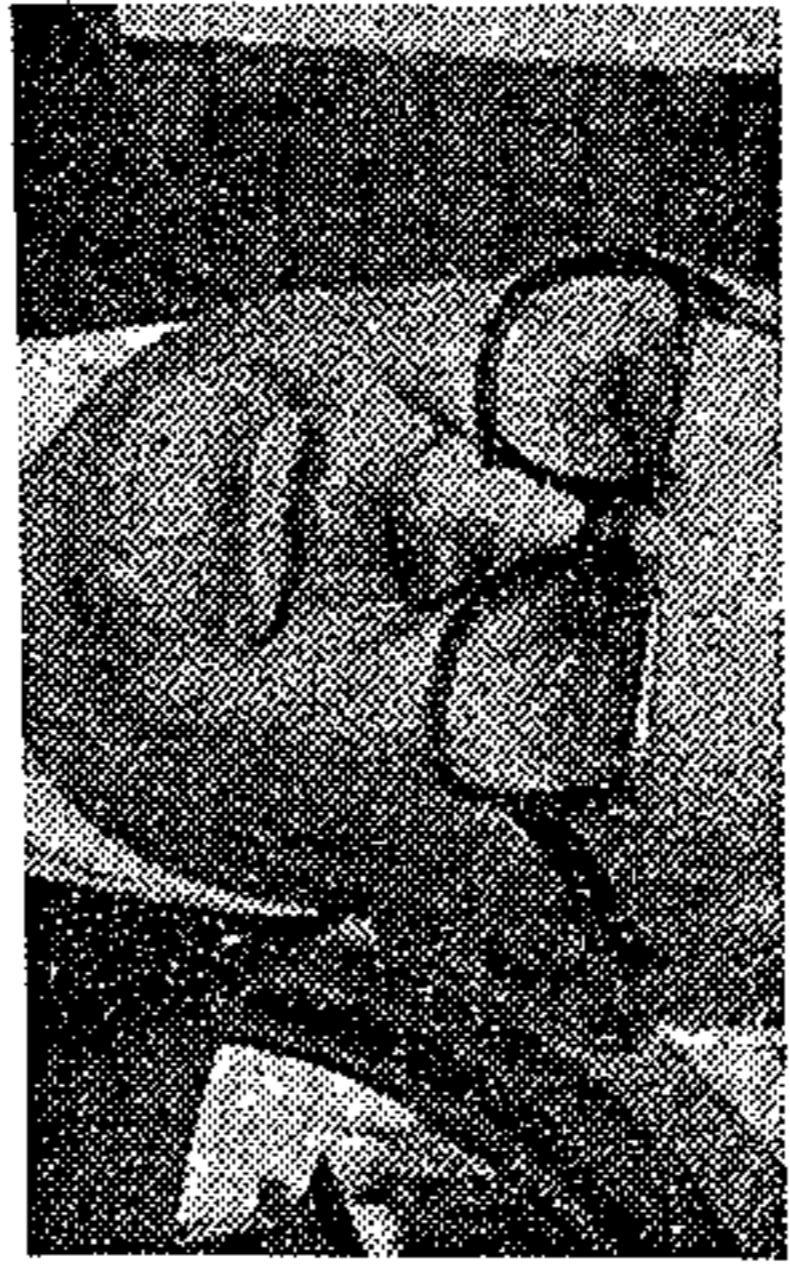
Quote

THE right of a person to occupy his home should not depend on the 'whims' of the Minister but on the law. — Mr Colin Eglin (PFP, Sea Point).

Mr Eglin said the position should be as it was before the introduction of last year's legislation — that rent-control tenants could not be evicted under the Sectional Titles Act.

He said that the Government argued that they had not foreseen the abuse of last year's legislation, but they had 'learned a lesson.' The PFP and others had warned repeatedly that the problem situation would develop.

Mr Eglin said that, according to the Fouché Commission, 119 000 families had lost their sense of security because of the Government's action.



MR VAUSE RAW . . . people unaware of rights.

The commission had also stated that the cheapest flats in old buildings were usually occupied by old people of little means. The then Minister should have realised they would suffer as a result of last year's legislation.

The sectional title legislation was also attacked yesterday by Mr Vause Raw, leader of the New Republic Party, who said that many had been evicted from

their flats illegally because they had been unaware of their rights.

Mr Raw said he had fought to no avail to ensure that notices to tenants to vacate their flats included sections setting out their rights to protection under the law.

The Government had last year turned down his suggestions in this regard — lessees with incomes below the statutory figure should have been made aware that the eviction notices would not apply to them.

Mr Raw said the then Minister of Community Development had turned down the suggestion because the subject had been widely covered in the media.

Mr Kent Durr (NP, Matieland) said the official Opposition had indulged in massive smear campaigns regarding the Sectional Titles Act, and this had confused the public.

It was wrong to blame the Government for the situation which arose after the Act was passed last year because no one could have anticipated the influx of immigrants and other factors which resulted in massive pressure on the property market.

URGENT

Many unaware of rights

— Raw

HOUSE OF ASSEMBLY. —

Many people had been evicted from their flats illegally because they had been unaware of their rights, the leader of the New Republic Party, Mr Vause Raw, said yesterday.

He reiterated that notices to tenants to leave their flats should include sections setting out their rights of protection under the law.

Many pensioners whose incomes entitled them to rent protection had vacated their flats because they had not been aware of their rights, Mr Raw said in the second reading debate on the Sectional Titles Amendment Bill.

Last year the government had turned down his suggestion that notices should make it clear to lessees that if their incomes were below the statutory figure, the notices would not apply to them.

The reason given by the then minister of community development was that the subject had been given wide publicity in the media.

But thousands of old-age pensioners could not afford to spend R6 a month on newspapers from their R97 pension. The government had lost touch with the public.

"The government members do not know what the old-age pensioners are suffering.

"Mr Speaker, the reaction of the National Party is to laugh. They are laughing as though it is a joke that many people cannot afford to read newspapers."

Interjection: "We are laughing

Kotze: It would create chaos

Eglin: Bill is

a rescue

bid

HOUSE OF ASSEMBLY. —

The Sectional Titles Amendment Bill was described as a "rescue operation on the part of the government" by Mr Colin Eglin (PFP Sea Point) yesterday.

Speaking in the second reading debate on the bill, he said the government was jointly responsible for the housing position.

It should have foreseen the situation that existed at present, as the PFP and other bodies had warned repeatedly that this would happen.

Thousands of tenants were living in a state of insecurity, and the minister should specify a date on which rent control would be abolished. In November last year the minister warned people who abused sectional titles, and Mr Eglin's party wanted to know how many sectional titles schemes had been registered since then.

He also wanted to know from the minister what would happen to people who in good faith bought units under sectional title.

"We want a categorical statement from the minister whether or not this (the prohibition of sale of units before the opening of a sectional title register) will be retrospective."

What about people who had started to buy on an installment basis, Mr Eglin asked. What would happen if the building in which they bought was affected by this legislation? He wanted to know what the contractual obligation of the purchaser was in such a

would now be stopped as a result of the provisions of the bill.

Mr Kotze said it would be unfair to declare null and void sectional title contracts entered into without the opening of a register, since this had been legal. The existing act had made this possible.

"How can I penalize people who acted within the law?"

The government, he said, had made its position clear on the phasing-out of rent-control, namely that it would not consider proceeding with it till the housing situation returned to normal.

Once this occurred, the government would consult parliament on the matter. — Sapa

Kotze: None lost flats due to govt

HOUSE OF ASSEMBLY. —

No tenants of rent-controlled flats or any protected tenants had lost their dwellings due to the Sectional Titles Act, the Minister of Community Development, Mr Pen Kotze, said yesterday.

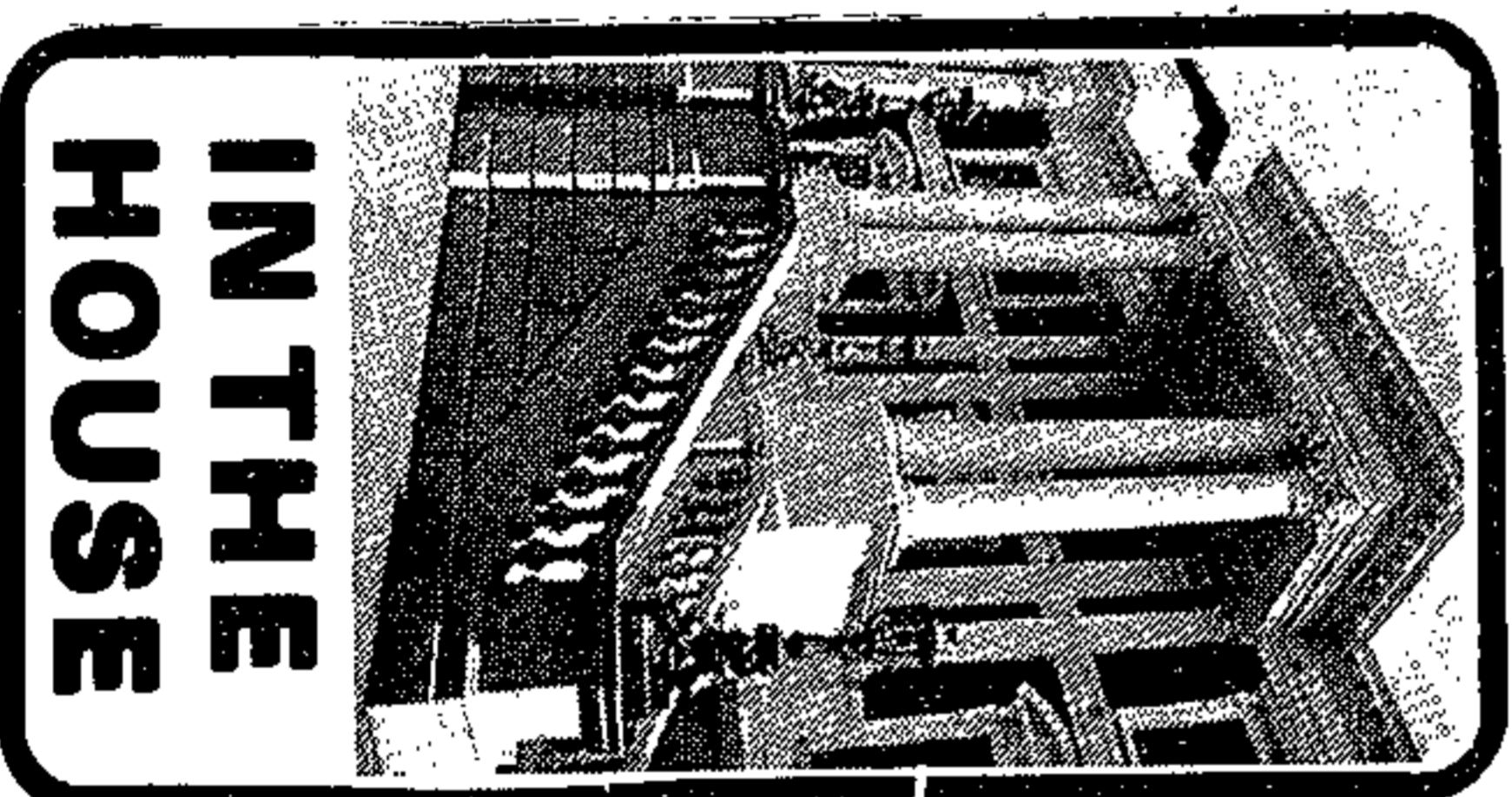
Replying to the second reading debate on the Sectional Titles Amendment Bill, he said that anyone who had lost his flat had been threatened or harassed out of it by unscrupulous developers or agents.

The relevant clause allowing buyers of sectional title flats to evict occupiers protected under the Rent Control Act would have come into effect only on April 1 this year.

"That is what must be remembered at this stage," he said, replying to criticism from opposition speakers who had "bemoaned the hardships caused to so many".

"The fact is that the act never came into effect," he said.

"Right till today, nobody has had the right to evict a single



IN THE HOUSE

"It is an anomaly which we cannot live with forever, and it will still have to be removed

Mr Raw said the NRP agreed in principle with the bill which would close loopholes. But the legislation would not compensate for hardships or undo the damage already suffered.

A further weakness in the bill was that a single tenant could block a whole building from conversion even though all the other occupants were in favour of it.

The NRP leader concluded his speech by stating the party's belief that the opening or closing of residential areas to other race groups should be a local option.

Segregation or integration should not be enforced, as advocated by the National Party and the Progressive Federal Party.

Mr Kent Durr (National Party Maitland) said he agreed that tenants should be informed of their rights but a practical means of doing so had to be found.

It was wrong to blame the government for the situation which arose after the act was passed, as no one could have anticipated the boom and the many other factors which had resulted in massive pressure on the property market. The government should be lauded for having monitored the position, recognized the abuse and taken steps to close the loopholes. — Sapa

When the minister previously responsible for the legislation, the former minister of justice, Mr Alwyn Schlebusch, brought the Sectional Titles Act to the House, it was done to remove an anomaly.

When the act was passed last year the property market was not what it was now, and the government had placed trust in the good faith of developers not to exploit the situation. It was also considered unlikely that the older type of building to which rent control was applicable would be an attractive proposition for sales under sectional title.

But "reckless speculators serving cases of purchasers who, in good faith, had got into difficulties over dwellings which they would now not be able to occupy by April.

The opposition had been "evil-minded" enough to foresee the exploitation which became apparent late last year. Everyone had then been warned by the minister that a change was in the offing. — Sapa

Certain rent-controlled units would be decontrolled, but the minister should say under what circumstances this would be done and in which way tenants would be protected. "The right to occupy a home should not depend on the whims of the minister nor should peoples' security of tenure," Mr Eglin said. — Sapa

123 STAR 5/2/87

Legislation to protect tenants needed—Eglin

President.

Mr Eglin asked the Minister to reconsider this provision.

He indicated the PFP would introduce an amendment to this effect when the Bill reached the committee stage in Parliament.

The position should be as it was before the introduction of last year's legislation — that rent-control tenants could not be evicted under the Sectional Titles Act.

The legislation was also attacked by Mr Vause Raw, Leader of the New Republic Party, who said many had been evicted from their flats illegally because they had been unaware of their rights.

He had fought unsuccessfully to ensure that notices to tenants to vacate their flats included sections setting out their rights to protection under the law.

The Government had last year turned down his

suggestions that lessees with incomes below the statutory figure should have been made aware the eviction notices did not apply to them.

The then Minister of Community Development had turned down the suggestion because the subject had been widely covered in the media.

"But thousands of old-age pensioners cannot afford to spend R6 a month on newspapers out of their R97 pension," he said.

Mr Kent Durr (MP, Maitland) told the Assembly the official Opposition had indulged in massive smear campaigns regarding the Sectional Titles Act, and this had confused the public.

He said it had been necessary for the Government to take strong action to protect people from abuse of the Act. This protection had been forthcoming, as it always had been and always would be.

REFERENCES

'Flats exploitation will be stopped'

Political Staff

THE ASSEMBLY — The Minister of Community Development, Mr Kotze, told the Assembly yesterday the Sectional Titles Amendment Bill would stop malpractices and "a stampede of exploitation" by property speculators.

But he could not agree to having the Bill applied retrospectively.

The aim of the Bill was to close loopholes in existing legislation. Until now people could do virtually anything as far as the

selling of dwelling units under Sectional Titles was concerned.

In terms of the Bill the abolition of rent control would be delayed to a date to be fixed by the State President.

This meant buyers of sectional title flats still under rent control would no longer be able to evict occupiers from April 1 this year, as provided for in legislation passed last year.

Although the Minister was adamant the Bill could not be applied retrospectively, he hinted

later in his speech this might be considered if "swindling on a large scale" continued.

Earlier Mr Colin Eglin (PFP, Sea Point) had asked the Minister what would happen to people who had purchased flats in good faith and now found they could not fulfil their contracts because of the proposed legislation.

A spokesman for the South African Property Owners Association had said after a meeting with the Minister he believed the Bill would be retros-

pective, Mr Eglin said.

Replying, the minister said it would be unfair to declare contracts invalid if they had been concluded under existing law.

If the Bill were to be made retrospective it would burden the Government with "tremendous problems."

People who had entered into contracts under existing law should continue to meet their contractual obligations.

The second reading of the Bill was passed with the support of all parties in the Assembly.

ACKNOWLEDGEMENTS

This survey would not have been possible without the encouragement of many people in the

Dr Guy Daynes was the medical supervisor when the project was first suggested

Before leaving for the Transkei I met Dr Stanford of the Bland-Sutton Institute of the Brompton Hospital. Dr Kled of the South African Tuberculosis Study Group provided useful local information and advice

Dr and Mrs Devonshire not only made the grant but also provided me with a grant for hospital and lent me a Land Rover

Mrs Va and Mrs Dazana were indefatigable in their search for a particular debt for the purpose of working in an alien culture.

Sister Waser helped me to hear the

My somewhat jejune statistics have been checked by Mr G.B. Newman and Mr Suhell Shany

Finally, I have discussed aspects of the project with Professor Miller, and I am grateful for his criticisms.

Govt criticised on Titles issue

RDM 5/2/81 (123)

HOUSE OF ASSEMBLY. — The Sectional Titles Amendment Bill was described as a "Rescue operation on the part of the Government" by Mr Colin Eglin (PFP Sea Point) yesterday.

Speaking in the Second Reading debate on the Bill he said the Government was jointly responsible for the housing position. It should have foreseen the present situation.

The PFP and other bodies had warned repeatedly that this would happen, he said.

Thousands of tenants were living in a state of insecurity and the Minister should specify a date on which rent control would be abolished.

Mr Eglin said that in November last year the Minister had issued a warning to people who abused sectional titles. He asked how many sectional title schemes had been registered since then.

He also asked what would happen to people who, in good faith, had bought units under sectional title.

"We want a categorical statement from the Minister whether or not this (the prohibition of sale of units before the opening of a sectional title register) will be retrospective."

Certain rent controlled units would be decontrolled but the Minister should say under what circumstances this would be done and in which way tenants would be protected.

"The right to occupy a home should not depend on the whims of the Minister, nor should peoples' security of tenure," Mr Eglin said.

Replying to the Second Reading debate on the Bill, the Minister of Community Development, Mr Pen Kotze, said no tenants of rent controlled flats or any protected tenants had

lost their dwellings due to the Sectional Titles Act.

He also made it clear that the legislation would not be retrospective — if it were, there would be total chaos, he said.

The aim of the legislation was to close vacuums which existed in the principal Act. Up till now people could virtually do anything as far as the selling of dwelling units under sectional titles was concerned.

Irregular practices, as well as swindling, would now be stopped as a result of the provisions of the Bill.

Mr Kotze said it would be unfair to declare null and void sectional title contracts entered into without the opening of a register since this had been legal. The existing Act had made this possible.

"How can I penalise people who acted within the law?"

The Government, he said, had made its position clear on the phasing-out of rent-control, namely that it would not consider proceeding with it until the housing situation returned to normal.

Once this occurred, the Government would consult Parliament on the matter.

Mr Kotze said that anyone who had lost his flat had been threatened or harassed out of it by unscrupulous developers or agents and not because of the Sectional Titles Act.

The relevant clause allowing buyers of Sectional Title flats to evict occupiers protected under the Rent Control Act would have come into effect only on April 1 this year.

"The fact is that the Act never came into effect," he said. "Right until today, nobody has had the right to evict a single tenant."

When the Minister previously responsible for the legislation,

the former Minister of Justice, Mr Alwyn Schlebusch, brought the Sectional Titles Act to the House it was done to remove an anomaly.

"Any man who buys his own house may evict the tenant in order to occupy it. This is not the case with flats and the act was aimed at rectifying this anomaly."

"It is an anomaly which we cannot live with forever and it will still have to be removed one day."

When the Act was passed last year the property market was not what it was now and the Government had placed some trust in the good faith of developers not to exploit the situation.

It was also considered unlikely that the older type of building to which rent control was applicable, would be an attractive proposition for sales under sectional title.

But "reckless speculators and agents" who had splashed a little paint about and done nothing constructive to develop the properties, had exploited the housing situation which had undergone a radical change in the past twelve months, he said.

Mr Kotze admitted that the Opposition had warned strongly against possible exploitation last year but, as the member for False Bay, Mr J T Albertyn, had pointed out, the Opposition might have been better connected with or better informed by the ruthless elements responsible for the exploitation.

There had however, also been a number of Government members concerned by possible exploitation and for that reason the Minister had been persuaded at the time to postpone for a year the effective date for lifting of rent control. — Sapa.

CHEMICAL

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Third Year (Silver Medal)

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Second Year (Bronze Medal)

For the best student in each of the 2nd, 3rd and final years.
Corporation Medals

FACULTY OF ENGINEERING



'Chaos' if law back dated

123
ARGUS
5/2/81

Parliamentary Staff

THE Minister of Community Development, Mr Pen Kotze, told the Assembly yesterday that the Sectional Titles Amendment Bill would stop malpractices and a stampede of exploitation by property speculators.

But he said he could not agree to having the Bill applied retrospectively.

Replying to the second reading debate on the Bill, the Minister said there would be 'total chaos' in the flats industry if the proposed legislation were to be made retrospective.

The aim of the Bill was to close loopholes in the existing legislation.

DELAYED

In terms of the Bill, the abolition of rent control would be delayed to a date to be fixed by the State President.

This meant that buyers of sectional title flats still under rent control would no longer be able to evict occupiers from April 1 this year, as provided for in legislation passed last year.

Although the Minister was adamant that the Bill could not be applied retrospectively, he hinted later in his speech that this might be considered if 'swindling on a large scale' continued.

Earlier, Mr Colin Eglin (PEP, Sea Point) had asked the Minister what would happen to people who had purchased flats in good faith and now found that they could not fulfil their contracts because of the proposed legislation.

A spokesman for the South African Property Owners' Association had said after a meeting with

the Minister that he believed the Bill would be retrospective, Mr Eglin said.

Mr Eglin asked what would be the position of people who had already started purchasing flats on an instalment basis and who had already paid deposits.

Would such deeds of sale remain valid and would the buyers be required to continue paying instalments on a scheme which, in terms of the Bill, could never be registered?

THREATENED

Mr Eglin said there were many buyers who were in this position. What were their rights? he asked.

Replying, the Minister said it would be unfair to declare contracts invalid if they had been concluded under the existing law.

If the Bill were to be made retrospective, it would burden the Government with 'tremendous problems.'

Cases where people had been threatened into buying flats with their savings and now found they could not evict protected tenants would be considered on merit.

The Minister said he had sympathy for such cases and would not have a 'heartless' attitude. His department would go out of its way to try to have flats made available for the real owners.

But people who had entered into contracts under the existing law should continue to meet their contractual obligations.

The second reading of the Bill was passed with the support of all parties.

JUST

Legislative blunderbuss

Government has duly converted its threats against the sectional title (ST) market into draft legislation. And so far it looks like a can of worms.

Within days of the publication of the Sectional Title Amendment Bill last week, a top-level Sapoa delegation had arrived in Cape Town to put its case to Community Development Minister Pen Kotze.

The parties met on Monday and Kotze is said to be considering the representations. Sapoa, understandably, won't elaborate at this stage for fear of prejudicing its case. Whatever concessions may be forthcoming, however, the message is clear — there is to be a complete ban on the sale of rent-controlled flats of all kinds.

But, worse than this, there is also a strong possibility that all flat sales in unregistered blocks over the last two years are to be declared void. Experts have analysed the Bill closely and can draw no other conclusion.

The ramifications are enormous. Thousands of flats have been sold in that time and now it appears that buyers and sellers will have the right to resale. Worst hit will be buyers, who will have to pay substantial premiums if they have to renegotiate later on.

This clause is hopefully being reconsidered. For everyone's sake, it should be expunged.

Complicating the issue is the new Sale of Land Bill (*Property*, January 30), which will also have a major influence on the sectional market. Putting the two Bills together, the following picture emerges:

□ Future sectional units and those under construction when the new Act is gazetted may be sold before the opening of a register (Sectional Title Bill). But sellers will not be entitled to accept deposits unless the money is guaranteed by a bank, building society or financial institution. Alternatively, deposits will have to remain in agents' trust accounts until the register is open (Sale of Land Bill).

□ Existing uncontrolled buildings cannot be sold before a register is open. And if they contain controlled units by virtue of occupation by protected tenants, they will not qualify for a register.

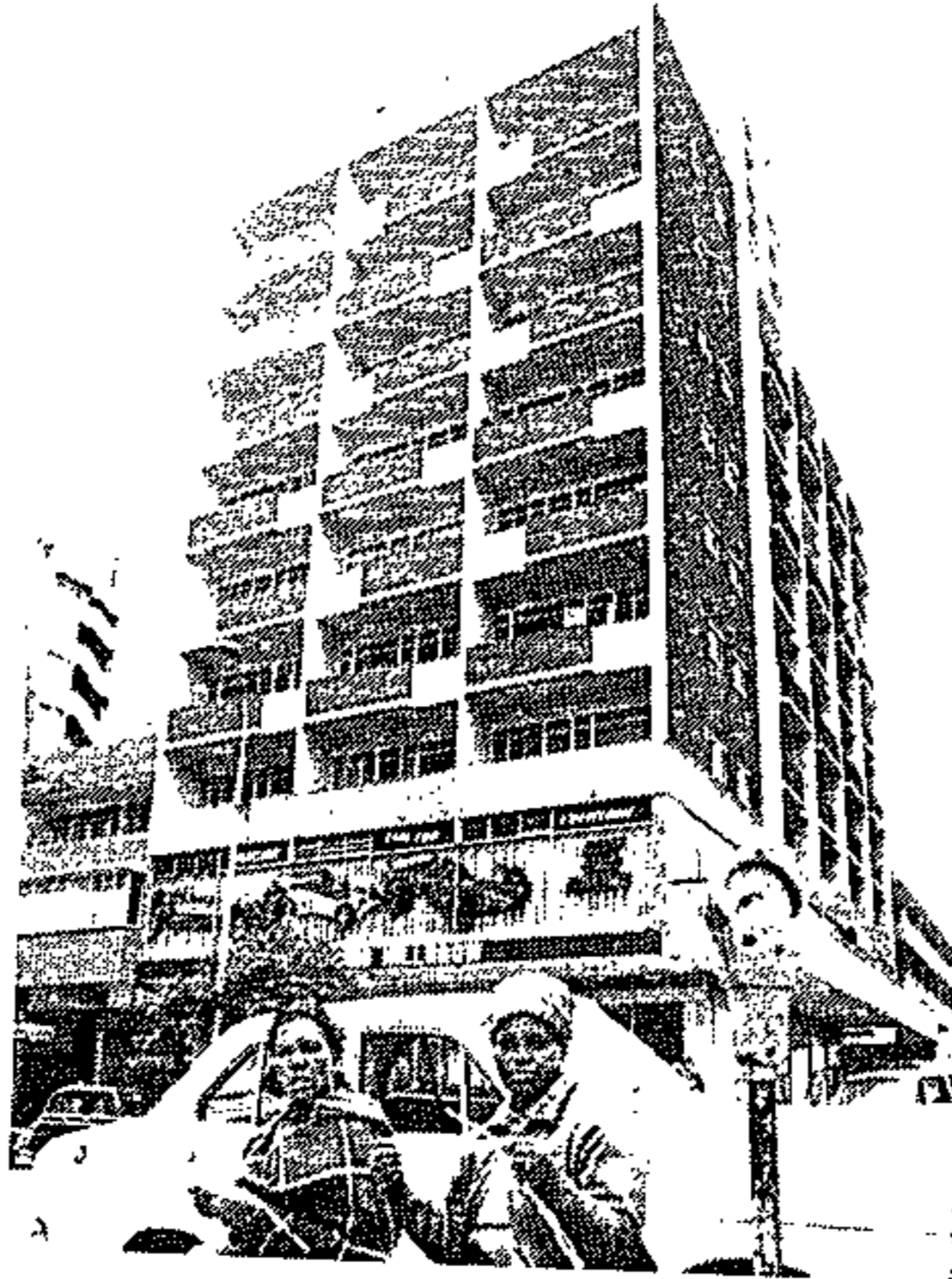
□ Controlled buildings (first occupied before October 24 1949) cannot be sold or registered.

And then, of course, Parliament's decision last year to repeal Section 39 (1) of the ST Act on April 1 this year will be delayed indefinitely. Repeal would have allowed buyers to move into the controlled flats they purchased.

This decision alone is causing hardship

for many who have bought in anticipation of taking occupation. Sitting tenants, on the other hand, will be delighted.

The opening of registers is central to the mechanics of the new control. And the responsibility for ensuring that the official will is carried out will fall on the local authorities.



Sectional flats . . . reluctant topic for the general election

Up to now they have had to ensure that sectional plans did not conflict with town planning schemes. Once the new Bill is through, they will also have to ascertain whether "any premises" in the building are subject to rent control. As all pre-1949 stock is still controlled — and will remain so despite earlier Government assurances — applications from this source will be easy to process, and turn down.

But what of flats first occupied between October 24 1949 and May 30 1966? These properties have been de-controlled as part of the official programme, but many of them contain protected tenants in individual units. Such flats remain controlled.

As many tenants do not even know their own rights, municipalities are going to have a job on their hands. They will also have to turn down applications if the "developer" has sold a unit in an unregistered block within two years prior to the application date.

The upshot is that many local authorities are already turning down applications on any pretext while waiting for the dust to settle.

The effect of the two-year backdating of

the restriction isn't hard to see. Without a register, or the possibility of getting one, transfer cannot be given. Most contracts provide an out on that basis alone.

But the new Bill goes further. It specifically voids contracts made before the opening of a register and provides for compensation both ways — including a payment to buyers of 12% interest on the money outlaid.

Small wonder that property owners are edgy and hoping that a lot of the restrictions will be jettisoned on the way to the statute book. With a general election coming up, those hopes are looking a little forlorn.

New Bill tames sectional title wild-catters

RDM
6/2/81
123

By REG RUMNEY
Property Editor

THE Sectional Titles Amendment Bill will hit "wild-catter" sectional title developers, according to the South African Property Owners Association.

But it will also hold up many, if not most, good sectional title schemes, according to Mr Don Kennedy, Sapoa's executive director, who explained yesterday what the Bill would mean.

The Bill provides in its first clause that local authorities will not approve sectional title schemes if:

- The scheme is in conflict with the approved town planning scheme.

- There is anyone in the building still subject to the Rent Control Act — a protected tenant. Protected tenants are those who earn under a certain specified amount a month and who occupied a flat in the building at the time it was decontrolled.

- The developer has within two years before sold flats without preparing a sectional title plan — that is on description or inspection of the flat.

This is designed, Mr Kennedy says, to protect prospective flat buyers against converters who have taken buyers for a ride by, for instance, selling flats with garages when in fact the garages have not been available.

The converter would have, Mr Kennedy surmises, copies of the deed of sale giving proof that a sectional title plan had been prepared and provided to the buyer.

Professional converters would have made a commitment to the opening of sectional title register, would have sold on a sectional title plan and would not be affected by this clause.

The second clause prohibits the sale of units in a sectional title scheme before the sectional title register is open.

This clause applies only to existing buildings.

"The provisions . . . shall not apply in respect of any building which is erected after the date of commencement of the Sectional Titles Amendment Act, 1981, or in the process of being erected at that date."

No unit can be advertised for sale unless a sectional title register has been opened.

Any contract of purchase and sale made before a sectional title plan has been prepared will be void.

So if the seller did not sell on a sectional title plan, all sales are cancelled.

The buyer can then claim any money paid to the converter and the converter can claim payment for the use of the property — occupational rent — as well as compensation for damage to the property.

The buyer can also claim interest at 12% for money paid under the now-void contract.

And he can claim reasonable compensation for any expenses incurred by him, with or without the consent of the developer for the preservation of the property.

He can also claim compensation for improvements made to the property with the explicit or implicit consent of the developer.

The Bill provides for a fine of up to R500 (or six months' imprisonment) or both for contravening its provisions.

It also postpones the deletion of Section 39 (1) from the Sectional Titles Act. This was due to be scrapped on April 1 this year, but the deletion is postponed to a date to be fixed by the State President.

The deletion would have put owners of rent-controlled flats

on the same basis as owners of rent-controlled houses.

They would have been able, from April 1, to give the occupant three months' notice if they intended to occupy the flat for their own use.

Mr Kennedy says most good sales of good sectional title schemes will be delayed by the presence of protected tenants in converted buildings.

However, Sapoa welcomes the announcement by the Minister of Community Development, Mr S F "Pen" Kotze, that he will consider any case of hardship.

This will give some relief to converters, and will also protect the home buyer — for instance, a flat buyer who was expecting to be able to take occupation of a rent-controlled flat three months after April 1.

Sapoa also welcomes the use of executive powers instead of long-term measures which, Mr Kennedy says, are unnecessary as the Minister already has other powers. It is happy with the Minister's statement that he will continue to phase out rent control.

One implication of the Bill seems to be that if a converter who has been selling flats without preparing a sectional title plan, and whose sales are now invalid, decides to comply with the provisions, he will have to wait two years before he can reapply to a local authority for the opening of a sectional title register.

So he will have to be financially strong enough to ride out two years of owning a building before he can start selling again.

Opposition was right on flats, Govt concedes

123 51/81 7/12/81

Political Staff
THE ASSEMBLY — The Government has made some remarkable admissions this week about its own failure to prevent misery for thousands of flat-dwellers who had been ruthlessly exploited and victimised.

In effect it has admitted that opposition warnings had turned out to be right.

The Government has now come with a "rescue operation," in the words of the official Opposition, but even this cannot undo the harm already done by the sectional titles debacle.

All the credit for openly admitting the Government's disastrous error of judgment and the failure of its legislation to prevent gross malpractices, must go to the new Minister of Community Development, Mr Kotze.

THREATS

During the long debate on the Sectional Titles Amendment Bill Mr Kotze admitted that:

❶ Contrary to Government expectations, speculators had descended on older blocks of flats occupied to a large extent by pensioners and poorer people.

❷ These blocks were bought relatively cheaply and were then sold up to five times — at high prices. Today they contained expensive sectional titles units.

❸ Flats were sold and



Mr Kotze . . . frank admissions.

deposits obtained without plans for such schemes having been submitted to the municipal authorities. This, too, was allowed by the law as it stood.

❹ The threat used against flat tenants was "Buy your flat or you will be evicted." Mr Kotze admitted that under the existing law it was not illegal to do this.

DEBACLE

"They (the speculators) could (legally) do anything under the sun before sectional titles were registered. That is why I say I cannot unscramble this egg," Mr Kotze said.

The Bill before the Assembly was aimed at preventing "this kind of swindling and malpractice."

But what the Bill will not do is to compensate victims of the sectional titles debacle for injus-

tices and losses suffered until now, and for the misery, insecurity and tragedies into which they were plunged.

In an obvious bid to save face for the Government, Nationalist speakers argued that the Government could not have foreseen that all this would happen. Circumstances had changed since the "eviction clause" was passed last year for lifting remaining rent control from April 1 this year, they said.

Not so, retorted Mr Colin Eglin (PFP Sea Point).

EVIDENCE

As long ago as 1977, he said, the Fouche Commission had shown that the cheaper and older apartments were occupied by elderly people of scant means — and that 119 000 families would be affected.

Opposition speakers had inundated the Government with indisputable evidence that the Government had known and had been warned well in advance.

And the Assembly was told of a petition signed by nearly 10 000 people which the Government had ignored when it went ahead with its "eviction clause" last year.

Said Mr Eglin: "They (the Government members) are all responsible, every one of them, not just the Ambassador to the Court of St James's (Mr Marais Steyn, former Minister of Community Development)."

Government tightens up sectional title

Relief for tenants of rent-controlled flats.

- Shock for sectional title developers.
- Frustration for buyers wishing to occupy their own flats.

'Subtle piece' of legislation

THE proposed measures to curb abuses in sectional title conversion of flats represented a 'subtle piece of legislation' said Mr Don Kennedy, executive director of the South African Property Owners' Association. His association welcomed the amending Bill.

The Sectional Titles Amendment Act, read a second time in Parliament this week, would contain the conversion cowboys, amateurs and the greedy, he added.

'Organised industry welcomed the measures which would allow sales of sectional title units concluded on a legitimate basis and properly concluded on a sectional title plan. Casual deeds of sale would render sales void.'

The proposed changes include instructions to local authorities not to consider applications for sectional title schemes if: The scheme is in con-

flict with town planning schemes;

● Any premises in the building are rent controlled;

● The developer has sold any units other than on a sectional plan in his proposed scheme during a two year period prior to his application to the local authority.

The proposed amendments also include a ruling that any contract of purchase or sale shall automatically be void unless a sectional title plan or register has been opened for the building.

If these contracts are declared void under this section, the purchaser may claim from the developer any sums paid plus 12 percent interest plus reasonable compensation for expenses incurred.

The developer on his part may claim from the would-be purchaser compensation for a damage caused to the property.

PLIGHT OF FLAT BUYERS

Alan Cooper, Property Editor

SCORES of individual flat buyers are being hit by the freezing of rent decontrol and amendments to the Sectional Title Act. Government officials met in Pretoria yesterday to discuss their plight.

The Minister of Community Development and State Auxiliary Services, Mr Pen Kotze gave tenants in rent-controlled units a breathing space when he announced the last stage of rent decontrol, which was to take place in April.

He would now be postponed indefinitely to allow the housing position to improve and to prevent further exploitation of tenants.

Sweeping changes to the Sectional Title Act (the amending Bill was read a third time in Parliament this week) include the indefinite postponement of the date from April 1 when owners of rent-controlled flats may claim occupation.

Many individuals had bought rent-controlled flats with the object of giving notice to existing tenants to move into them from April 1. Now they have to maintain two premises awaiting an occupation date.

Typical of the many queries made to Property Argus this week came from a man who had bought a rent-controlled flat in Sea Point.

'The Minister's decision to postpone the date of occupation indefinitely is bringing me real hardship,' he said. He bought the flat to retire to and had made plans to give notice to the tenant on April 1 as earlier allowed. The flat was purchased on April 28 last year.

'Now I have to pay nearly R500 for accommodation — I have to meet

the bond on the rent-controlled flat and pay rent in my temporary premises. I cannot go on paying out like this. What do I do?'

'His case and others present a very real problem,' said Mr J W Walters, Regional Director of the Department of Community Development. 'We have a lot of sympathy for such cases and we brought up the matter with the Minister.'

Regional heads of the department with chairman of the country's rent boards met in Pretoria yesterday to discuss the plight of these cases and other matters arising from the effect of the amendments to the Sectional Title Act.

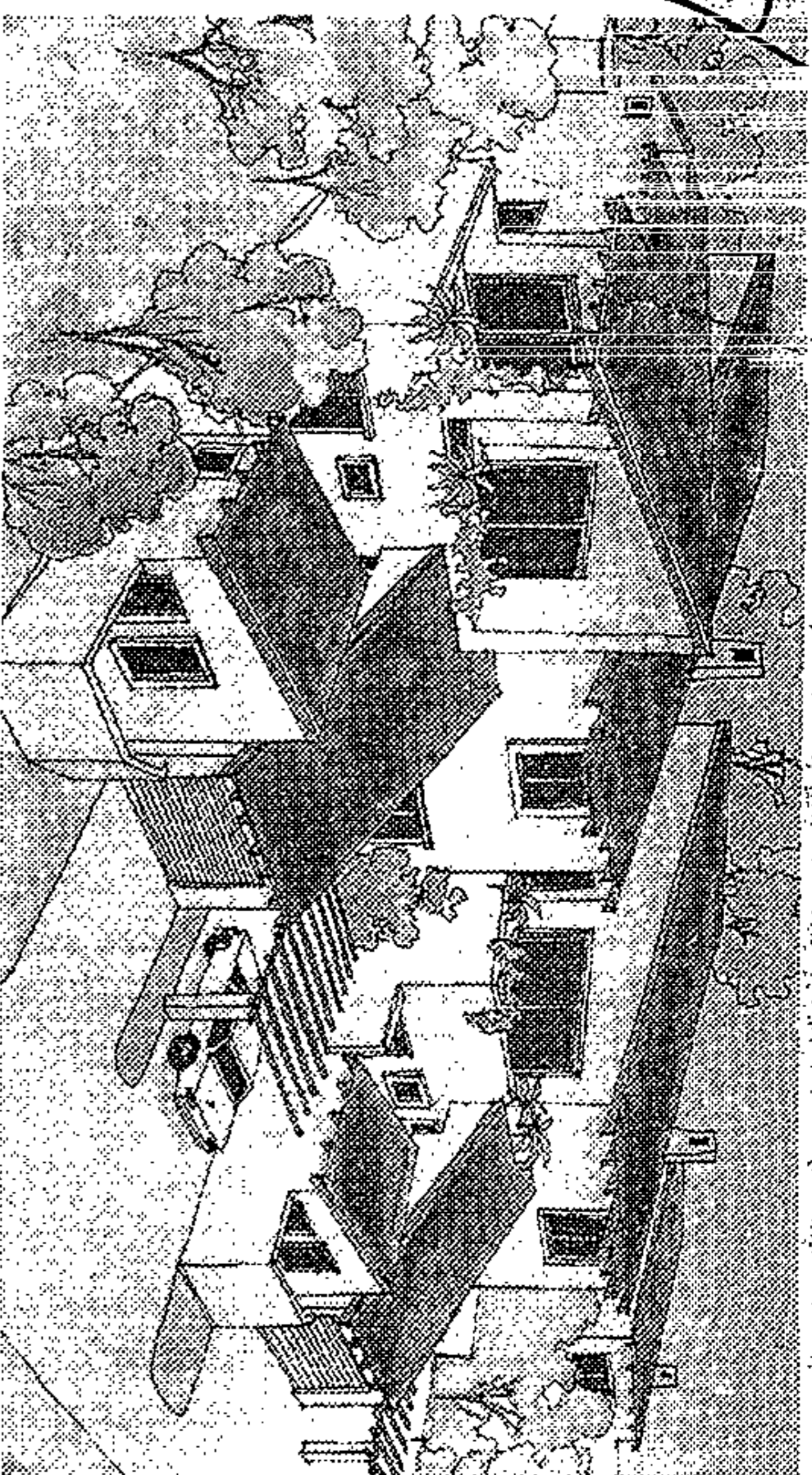
He added that, though his department was sympathetic to buyers of flats

who wanted to occupy them, there were also other buyers who had purchased these flats with the intention of selling them. The amendments to the Act would give tenants of those flats bought by speculators a breathing space.

The Minister, Mr Kotze, said in Parliament this week during the second reading of the amending Bill, that he would look at deserving cases of purchasers who had, in good faith, got into difficulties over dwellings which they would not now be able to occupy in April.

The amending Act also poses other problems for buyers who in future put down deposits for flats not under rent control. Any sales made before a sectional title register is opened or before the scheme is approved will become void.

He added that, though his department was sympathetic to buyers of flats



AN artist's impression of some of the 60 sectional title Sardinian-type townhouses to be built on the Plettenberg Bay coast. They will sell from R130 000 to R200 000.

R10-m project for Plett

A LUXURY beachfront housing project to cost more than R10-million is planned for a hitherto undeveloped part of the Plettenberg Bay coast. Some 60 Sardinian-type townhouses will be sold on sectional title from R130 000 to R200 000.

Mr N F G Behr, one of the directors of the development company 'The Sanctuary', said the total

area to be developed was nine hectares lying on the coast between the town of Plettenberg Bay and Robberg peninsula. It was in the municipal area.

The scheme had two components — a sectional title area and 45 separate plots. His company would develop the two sectional title areas which were sited on two hills affording excellent sea views.

Building would start on the first 14 which would cost about R12-million. They would have three or four bedrooms and would have the most luxurious fittings. Prices would range from R130 000 to R200 000.

In all, there would be 60 sectional title units for sale. The first would be completed by November he said. Architects were Paul Scheepers and John Rushmore.

Interest rise looms

THE increase in the official bankrate from seven to eight percent this week had no direct bearing on the interest rates for house loans, said a spokesman for the Association of Building Societies.

However, with the tightening of money supplies as a result of this bank rate change, it was likely that in the near future interest rates both for mortgages and for investment

in building societies, might rise. The building societies increased interest rates on mortgages by three quarters of a percent from January 12 on new loans and will raise rates on existing loans by the same amount from March 1.

Among the 45 plots soon to be offered for sale were seven on the sea front. These were likely to be offered from R65 000 while the plots inland would sell at lower prices.

Mr Behr said emphasis would be placed on security for the whole complex.

All sell in south

THE THREE finalists in the June exams in the Western Cape held by the Institute of Estate Agents all sell in the southern suburbs. They are Joan Louw of Etla Kruger, Llewellyn Clarence of Maynard Burgoyne and Carr Newton of SRE Real Estates.

The institute held four exams last year and the top three from each exam in the Western Cape, judged on marks, form the 12 finalists for 'The Argus Property Agent of the Year' competition.

Joan Louw of Etla Kruger has been in property two years. Born in Cape Town and educated at St Mary's Convent, she married early and began working when her twin sons were ready for school. Working with Brenda Mason, she sells in Constantia and Tokai.

Born in Darlington, England, Carr Newton came via East Africa to Cape Town in 1971 and went immediately into property, joining SRE Real Estates. In the last six years he has specialised in the sale of individual flats and is now manager of SRE in Claremont.

With 20 years' experience in property, Llewellyn Clarence was born in Worcester Cape and went into the cleaning and dyeing business. During the war he was a dispatch rider in the East African campaign. Afterwards, he started his own business and later sold it to Maynard Burgoyne.

123

House debates Sectional Titles Amendment Bill

...and Eglin's happy with the changes

S. Tribune 8/2/81

123

Property Editor

THE Sectional Titles Amendment Bill was given its third reading in Parliament this week with the support of the Opposition. It was introduced by Minister of Community Development and State Auxiliary Services Pen Potze and is designed to defeat moves to exploit deficiencies in the old Act.

The Bill has been welcomed by Colin Eglin, official Opposition spokesman on Community Development matters, who said that he and his colleagues of the Housing Group of the Progressive Federal Party are studying the many practical implications of the Bill.

He said he was naturally pleased that after many months of work and argument the Opposition had managed to persuade the Government that its attitude to certain aspects of rent control and sectional titles was wrong and that these were causing serious difficulties to many people living in our cities.

In order to help all people involved in sectional title developments, Tribune Property today publishes the Sectional Title Amendment Bill as read a first time:

Schemes

Bill to amend the Sectional Titles Act, 1971, so as to further determine the circumstances in which applications for approval of development schemes shall not be considered by local authorities and to

(ii) compensation for any damage caused to that property by the purchaser or any person for whose acts or omissions the purchaser is delictually liable;

(b) the purchaser may in addition claim from the developer

Interest

(i) interest at 12 per cent per annum on any payment made under the contract from the date of payment to the date of recovery thereof and

(ii) reasonable compensation for any expenses incurred by him with or without the authority of the developer for the preservation of that property or in respect of any improvements which enhance the market value of that property and which were effected by him with the express or implied consent of the developer.

(4) A developer who commits an act, which if it were not for the provision of subsection (2) would have constituted the sale of a unit or an interest contrary to the provisions of paragraph (a) of subsection (1) or who contravenes the provisions of paragraph (b) of subsection (1) shall be guilty of an offence and liable on conviction to a fine not exceeding R500 or to imprisonment for a period not exceeding six months or to both such fine and such imprisonment. In this section "sell" includes to sell subject to a suspensive condition or to exchange or to dispose of for any consideration whatsoever.

Act

(c) If the developer has, in the period of two years immediately preceding the date on which the application is submitted to the local authority, committed an act which, if it were not for the provisions of subsection (2) of section 8A would have constituted the sale of a unit or an interest in respect of the building and land comprised in the said scheme contrary to the provisions of subsection (1) (a) of that section.

2. The following section is hereby inserted in the Sectional Titles Act 1971, after section 8:

prohibit the sale of units in certain buildings before the opening of a sectional title register and to provide for the date of commencement of a certain provision to be fixed by the State President by proclamation and for incidental matters:

1. Section 4 of the Sectional Titles Act 1971, is hereby amended by the substitution for sub-section (6) of the following sub-section:

(6) The local authority shall not consider an application for the approval of a scheme:

(a) Unless it is satisfied that such scheme is not in conflict with any proposed or approved town planning scheme;

(b) If any premises in the building comprised in the said scheme are subject to rent control in terms of the Rent Control Act, 1976;

Provisions

(6) The provisions of this section shall not apply in respect of any building which is erected after the date of commencement of the Sectional Title Amendment Act, 1981, in the process of being erected at that date."

(3) Section 2 of the Sectional Titles Amendment Act 1980 is hereby amended by the substitution for subsection (2) of the following subsection:

"(2) Subsection (1) shall come into operation on April 1, 1981, a date fixed by the State President by proclamation in the Gazette."

8A (1) No developer shall:

(a) sell any unit in respect of any building and land or any interest purporting to be a proposed unit in respect of a building and land for which no sectional plan has been prepared;

(b) offer or advertise for sale unit or interest referred to in paragraph (a) unless a sectional title register has been opened in respect of that building and land.

(2) Any contract of purchase and sale concluded contrary to the provisions of subsection (1) (a) shall be void.

(3) A developer and any purchaser who has performed partially or fully under a contract of purchase and sale which is void under subsection (2) shall be entitled to reclaim from the other party what he has performed under the contract, and

(a) the developer may in addition claim from the purchaser

(i) reasonable compensation for the use that the purchaser may have had under such contract of the property in question or any part thereof and

Time to share — and we'll be there

PROPERTY EDITOR

SOUTH AFRICA will be represented for the first time at the World Property Timeshare Congress in London next month.

Johan Sturm, chairman of the newly founded Durban firm of Fun Holidays which is concentrating on time-shared holidays, will fly to the meeting following the signing of an agreement this week linking his organisation with Resort Condominiums International.

The arrangements were concluded after the chairman of the European operations of RCI, Brian Wates, toured schemes in the north and south coasts of Natal and a game farm, all of which are to be marketed under the timeshare system.

Sturm is convinced timesharing is the holiday of the future and the system will sweep South Africa as it has elsewhere.

People will buy their holidays as they buy the family car, he forecast.

Wates explained that under the system a person can buy two weeks in a time share hotel, apartment or even a yacht. He then owns that property for that period each year for life — and the title is bequeathable.

Should he not wish to stay in the same place each year he can travel to any of the 750 to 800 timeshares holiday flats in 30 countries around the world for the cost of the travel and a nominal fee.

Wates said his organisation now had 110 000 members who had guaranteed their holidays for life at a high standard of luxury.

"We go for five-star accommodation at all times and the standard is maintained by people, who after all are not merely renting but have a stake in the flat they occupy," he said.

Time sharing has been described by authoritative American publications as the fastest growing industry in the United States and the world congress will be told that world-wide 1980 sales had probably exceeded R1 110 million.

Section 39(1) Bill

PROPERTY EDITOR

(123)

THE BILL to amend the Sectional Titles Act, discussed in Parliament this week is being closely examined by the landlords' organisation — the South African Property Owners' Association — executive director Don Kennedy said yesterday.

Stressing that he was giving his personal opinion, Kennedy said it was a difficult piece of legislation to understand. It appeared there was more depth to the proposals than was evident at first sight.

"The background to the legislation is provided by the combination of the upturn in the economy, the new popularity of sectional title living for a large part of the population and the fact that conversion of existing rental blocks to sectional title, irrespective of whether they had been under rent control or not, was attractive both to the developer and the buyer," he said.

"With house prices soaring by comparison with the past decade, the possibility of acquiring total ownership of part of a building at what generally is a reasonable price has become attractive to the white urban population. Kennedy said: "In practical terms what has been happening all over the country is that buyers have been keen to get into the conversion schemes to buy their apartments and have sometimes within weeks, been amazed at the increase in value of

the flat they have bought. "The effects of this combination of economic upturn with the popularity of sectional titles and most importantly the phasing out of rent control has been that to a certain extent — but an extent which we should not overemphasise — the possibilities have been exploited by developers in various cities. "Such people have taken option on a block

of flats without having had any prior financial commitment in the deal and without being able to guarantee to their buyers the scheme would be approved by a local authority, let alone registered by the Registrar of Deeds. "In other words they were selling good property but with little certainty that the scheme would reach full maturity. These are the ones which have given the Minister a great deal of trouble and the ironic fact that many if not

most of these sales have taken place in privileged areas where there is a relatively well-to-do population with some political clout. "The Bill seeks to correct the abuses. "The Bill, as tabled, seeks to do three things. "First, to instruct local authorities as to the sectional title schemes which they may not approve. The second objective is to prohibit the sale units in certain buildings before the opening of a sectional title register.

"The third purpose is to postpone the date at which Section 39(1) of the Sectional Titles Act will be deleted. "The instructions to local authorities mean they will not consider an application for a sectional title scheme if it is contrary to the town planning ordinance. Nor may they approve a sectional title scheme if there are any premises in the scheme subject to rent control. "The third embargo on approvals of the scheme by local

authorities is that if any application is received and if the developer has, within two years preceding the application, sold other than on a sectional plan the authority must turn down the scheme. Kennedy said he had reaction from Sappo members and the public who sought advice and in most cases their fears had not been grounded. "In most cases there has not been much doubt about the genuineness of the sale in which they have been involved," he said.

Home loans still "cheap money"

By COLIN VINEALL Property Editor

SENIOR officials in the building society movement hit back this week at recent criticisms of their ability to make home loans and of rising mortgage rates.

And the recently appointed director of the Association of Building Societies, Tim Hart, said that 1981 would see the proper rationalisation of the lending market.

He said current rates, which increased in the middle of last month, was still cheap money, by which a borrower was still able to acquire an appreciating asset.

In interviews in Johannesburg this week, Keith Gibbs, senior general manager of the South African Permanent Building Society and Brian Kemmey, general manager (technical) said it was not true that home loans were drying up, while it is taking

longer in most cases for the would-be buyer to obtain a loan, the Perm is still lending at the rate of R1.5 million a day.

"When related to the cost of inflation in this country the lending rate at a base of 9.75 per cent is still very cheap," said Gibbs.

On the question of the availability of funds for loans and investments with the societies, Gibbs said December is historically a month when the inflow to building societies slackens off. People go away and spend their money on holidays.

"It is a consumer spending-spread month, so it is difficult to use December as an indication of how inflow to building societies is going to be affected in the future. "We are one month into the new year and I

don't believe on the evidence we have so far we can make a good forecast as to how the increase in investment rates has affected the investment inflow."

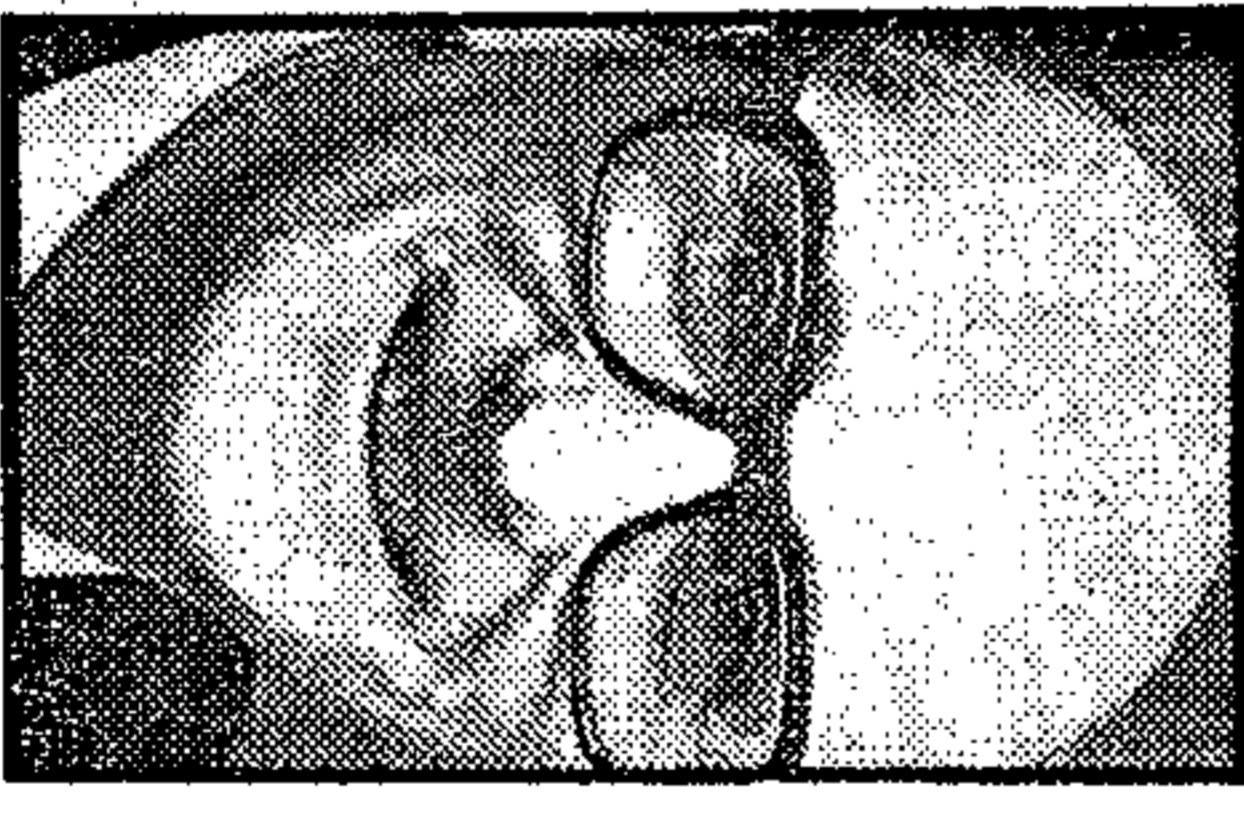
"This is a vital point," the managers agreed. "If we find that because we are being outvoted by higher rates outside the building society movement and we are not attracting funds at all and are in fact losing funds, we must obviously have a look at the position and bring ourselves in line with the market.

"Speaking for our society there has not been a great outflow of institutional funds. This is a lot of money but it is staggered so there is no liquidity crunch. "This is how a building society works — we take money in with the knowledge that at some time it is going to

leave," Gibbs said he knew of no building society with liquidity problems. Kemmey said: "Quite frankly so much of the financial reporting has been a little alarmist recently with stories of loan funds dried up and building societies withdrawing bonds which have already been granted. We have no evidence of this whatsoever and certainly in our organisation it is totally untrue.

"Money is still flowing into our society. We have got to watch our cash flow, surely, because money is not flowing freely as it was six or eight months ago. "But we are still lending considerable sums of money — probably quadruple the amount we lent three years ago."

Gibbs added: "That shows that it is not only sheer demand but that we are not completely out of the money game.



The Perm's Brian Kemmey, left, and Keith Gibbs hitting back at criticisms . . .

Everybody claims that building societies are in such a sticky patch that it is completely out of the question to get a loan. Well, this is nonsense. Kemmey confirmed the rate of lending at R1.5 million a day. "That is a substantial reduction in the volume of lending which we were pumping

out four or five months ago, when it was R5 million a day. "But I doubt whether we will reduce our lending pattern depending on inflow, to less than R1 million a day. "What happens is that an agent submits a couple of loans to us and they are turned down. We cannot grant all the

loans which are submitted — that's a fact of life. The demand is there and activity in the property market has been at a very high level. Consequently the demand far exceeds the available cash.

"Now when the loans are declined — and we must decline a certain volume of loans — the agents go straight to the Press and say that building societies have stopped lending."

Gibbs said there was no panic about the situation. "It has just come off from a tremendously high peak down to a more moderate level," he said.

"There have also been statements that building societies were the tool that really flamed the inflation in this country over the last 12 months by pumping vast sums of money into the property market. "That is balderdash. It is a free market mechanism. On the one

hand you have got the demand for loans and on the other the supply of money. What is the function of a building society? It is to finance homes and that is exactly what we have done."

Kemmey said: "Three months ago you could have walked into a building society and walked out with an acknowledgment that your bond had been granted. "Now perhaps you have got to wait two or three months. But nevertheless, the society will try to satisfy as many clients and investors as possible."

He added: "Building societies have been around for a long time and they are a very stable and solid portion of the economy. They don't mismanage their affairs — they are far too conservative and sound. That's precisely why the man in the street gives us his savings to look after."

"I also think the Department of Community Development has been rather tardy in advising the public — and here I mean the poorer people — of what rights and what possibilities they have under existing legislation."

Rent boards

meet on flat

RDM 9/2/81

123

sale changes

By SUE DENNY

OFFICIALS of the Department of Community Development held discussions at the weekend with chairmen of the various rent boards on amendments to the Sectional Title Act.

This was disclosed by the Director-General for Community Development, Mr Louis Fouche, who said his department had "explained the implications of, and offered guidance on, the new legislation".

The talks followed a warning in Parliament on Friday by the Minister of Community Development, Mr Pen Kotze, that he would not hesitate to reimpose rent control on the premises of unscrupulous landlords should they force tenants to quit through victimisation.

Speaking during the Third Reading Debate on the Sectional Title Amendment Bill, Mr Kotze said irregularities that had occurred in sectional titles in the past were partly the result of "vacuums" in the principal Act, and these would now be plugged.

In a Sunday newspaper interview yesterday, Mr Kotze denied there was a shortage of flats in Johannesburg.

But Johannesburg estate agents contest this. They say there are not enough flats to meet present demand.

Mr Simon Chilchik, city councillor and MPC for Hillbrow, commented yesterday: "It is quite obvious the Minister has not been in contact with the Johannesburg local authority, because if he was, he would know that Johannesburg is going to need 5 000 housing units

over the next five years to meet the present, across-the-board housing demands.

"I agree with the estate agents completely — people who are being given notice are told by estate agents themselves that there is no suitable alternative accommodation.

"Therefore there seems to be a conflict between the evidence the Minister has before him and the realities of the situation."

Mr Chilchik said the waiting list for Johannesburg council housing schemes had risen from 100 to 600 in the past five months, and more applications were anticipated.

"The buildings that might have a few vacancies are buildings that should be condemned, and are unfit for human occupation".

As the Sectional Title Amendment Bill was read a third time on Friday, the Association of Chambers of Commerce telexed a last-ditch appeal to Mr Kotze for changes to the new legislation, Property Editor REG RUMNEY reports.

Assocom said one section of the Bill was unfair to owners of rent-controlled properties.

Another had a retrospective effect and discriminated against property owners who might have sold units in the last two years, expecting to get a sectional title register.

Section 4 (6)b of the Bill would inhibit the phasing out of rent-control and "unfairly prejudices the owners of rent-controlled premises", Assocom said in its message.

This section prohibits local authorities approving sectional

title schemes if any flat in the building is still rent-controlled — in other words has a "protected" tenant.

Assocom said it favoured the eventual abolition of rent control and said if hardships were experienced by certain categories of old-age pensioners it was the State's obligation and not that of landlords to help them.

And Section 4 (6)c, Assocom said, "has a retrospective effect as it discriminates against property owners who may have sold units in good faith in anticipation of embarking on a sectional title development during the past two years".

Section 4 (6)c prohibits local authorities approving a sectional title scheme if, within two years before the application for approval, the developer sold any unit "for which no sectional title plan has been prepared".

This has been taken to mean that if the developer did not prepare a sectional title plan, and sold units in the building on inspection or description of the unit only, the sale is void.

Assocom says in the telex: "The Minister did warn developers of his intentions towards the end of 1980, and in view of that fact it is respectfully suggested that the two-year time period mentioned in this sub-section be reduced to six months."

It would be difficult, Assocom said, for local authorities to determine if any application for a sectional title scheme fell within the provisions of this sub-section.

'New flat laws won't affect earlier sales'

RDM 11/2/81

123

By REG RUMNEY
Property Editor

THE provisions of the Sectional Title Amendment Bill are not retrospective, according to Mr Alf Widman, MP for Hillbrow.

He was commenting yesterday on last week's eleventh-hour appeal by the Association of Chambers of Commerce to the Minister of Community Development, Mr Pen Kotze, to change the legislation.

In its appeal, Assocom criticised Section 4 (6)c of the Bill, which, it said, has a retrospective effect as it discriminates against property owners who may have sold units in good faith in anticipation of embarking on a sectional title development during the past two years.

Speaking from Cape Town yesterday, Mr Widman told the Rand Daily Mail that this sec-

tion of the Bill was not retrospective in effect.

Section 4 (6)c, in effect, prohibits the local authority from granting sectional title register if the developer has, two years before the application for register, sold units on sectional title "for which no sectional plan has been prepared".

The exact wording of the section is: "If the developer has, in the period of two years immediately preceding the date on which the application is submitted to the local authority, committed an act which if it were not for the provisions of subsection (2) of section 8A, would have constituted the sale of a unit or an interest in respect of the building and land comprised in the said scheme contrary to the provisions of subsection (1)a of the section".

Subsection (2) cancels any sale made in contravention of

(1)a, which prohibits the developer from selling on sectional title without having prepared a plan.

Mr Widman said this only applied to sectional title sales concluded after the date of promulgation of the Act.

However applications for sectional title register still pending might be subject to the new legislation if not passed by the date of promulgation.

Mr Widman added he had asked the Minister to appoint a commission of inquiry to look into:

- Tenant protection on a permanent basis;
- A form of tax relief and concessions to encourage developers to build and provide accommodation at reasonable rentals;
- Conversion to sectional title on leasehold properties;
- Exemption for existing buildings — in special cases — from the law which prohibits buildings in contravention of town planning schemes being converted to sectional title.

He had also challenged the Minister to attend a tenants' meeting in Hillbrow on any Saturday, to meet tenants and listen to their problems, grievances and tales of harassment.

● See Page 15

Bonds ^{57 1/2%}
rents ⁽¹²³⁾ set

to soar

By Marion Duncan
and Mike Berry

Homeowners and tenants are in for a bad year, with both mortgage bond rates and rents for new houses and flats rising before the end of the year.

But Johannesburg economists blame the societies and their "money mismanagement" for what will be the second bond rate rise in 12 months.

The president of the
To Page 3, Col 7

student
best average

CHEMICAL

L Menegaldo

Drawing.

Awarded to the student with the
best classwork in Engineering
Sammy Sacks Memorial Prize

J H Rens

Civil Engineering.

Awarded on results of final
examinations to the best male
student in Land Surveying or
Professor George Menzies Prize

B F McClelland

J H Rens

D P Weeks

T J Cumming

P M Salmon

Fourth Year (Gold Medal)

Miss N C Davidson

Third Year (Silver Medal)

Miss G C Littlewort

Second Year (Bronze Medal)

For the best student in each
of the 2nd, 3rd and final years.
Corporation Medals

FACULTY OF ENGINEERING

The Desperate Ones

South Africa's accommodation crisis lurches on, day after day. People walk the streets looking for flats that they can afford, day after day. They are subjected to humiliation, frustration, finally desperation. Among the most vulnerable are the old-age pensioners . . . MARION DUNCAN reports. CHRIS DEHON took the pictures.



Seventy-six and still fighting: Mrs Muriel Preller outside her block of flats in Illovo, from which new owners have been trying to evict her for a year. "Thank goodness I am one of those old ladies who know their way about."



The twilight time, when old people should be smiling and happy and carefree, Mrs Muriel Lightbody is just old. "Where are all us old people supposed to go? Do they want us to die in the streets?"



Everybody's favourite granny: Mrs Dorothy Griffiths of Boksburg is looking for somewhere to live. She cannot find anywhere. "I am worried sick."

The stories that follow are about three old women whose lives have been made miserably insecure because of the sale of the blocks of flats where they live.

They are all widows. They are all alone. They are all afraid.

Only one—76-year-old Mrs Muriel Preller—has the background and experience to fight back, and even she is ready to give up.

She was born in Johannesburg. She worked all her life in the city, in local government and as the first woman to serve on a rent board (she was in the central board for 9 years).

She is now national director of the housewives League and an executive committee member of the Johannesburg Council for the Aged.

Story

The result is a fund of knowledge that qualifies her as an expert in property and related

She tells her own story. "I live in a very nice block of 27 flats—Earl Ridge in Illovo. It was a Wainer block, owned by that man who did such terrible things to his tenants.

"Now when he owned it, he tried to get it converted to sectional title. He was refused by the municipality. He was told that he had to make certain structural alterations before the Deeds Office could be instructed to open a register.

"After all those problems with Mr Wainer, the flats were sold to a proprietary company owned by five men. They called a meeting of tenants and told us they were going to sell the flats by sectional title. I asked them if they knew why a register had already been refused and they said no. So I told them.

Woman

"One of them said to me: 'Mrs Preller, don't you worry. We know exactly how to work the thing and we will get our sectional title register.' "I told him he was wrong. 'Since then I have had to leave.' "I said to her, 'Oh no you won't. That is illegal!' Then she said the owner had told her she could do it to get me out.

"I told her I was a protected tenant (a single resident of a previously rent-controlled flat whose monthly income is below R380 a month, and who was living in the flat at the time it was decontrolled). "I explained to her that because of that, my flat was still rent-controlled and I could not be evicted. She said, 'That doesn't matter. I will just put your rent up to R400 a month and you will have to leave.' "I said to her, 'Oh no you won't. That is illegal!' Then she said the owner had told her she could do it to get me out.

"They have been refusing to accept my rent for months. So I have been paying it through my lawyer who is spending a fortune on the thing. "I am old and I am in a very unenviable position for you. It is terrible.

Summons

These people—this woman and her husband—have done everything in their power to get me out.

"A woman came to see me and told me she had bought my flat. She hadn't even seen inside it. And she made it quite clear, my dear, that she wanted me out.

"I told her I was a protected tenant (a single resident of a previously rent-controlled flat whose monthly income is below R380 a month, and who was living in the flat at the time it was decontrolled).

"I explained to her that because of that, my flat was still rent-controlled and I could not be evicted. She said, 'That doesn't matter. I will just put your rent up to R400 a month and you will have to leave.' "I said to her, 'Oh no you won't. That is illegal!' Then she said the owner had told her she could do it to get me out.

Criminal

"I know, too, that I can charge these people with two criminal offences: refusing to accept rent is an offence under the Rents Act, and harassment is an offence under the Act, both punishable by fines or imprisonment.

"But my dear, you have no idea how this year has been affecting me. It is horrible. Imagine: you are living in a flat and you know that your landlord is doing everything in his power to make life insupportable for you. It is terrible.

"I am old and I am in a very unenviable position for you. It is terrible.

Shock

Mrs Dorothy Griffiths, who is nearing her 70s, feels the same way. She and her friend Mrs Muriel Lightbody—also close to 70—live in a block in Boksburg that has been bought by East Rand Proprietary Mines (ERP) as accommodation for its mine workers.

Says Mrs Griffiths: "I had dreadfully read in the local newspaper about the site before we were told officially. That was a terrible shock to me. I have lived here for five years, and it is a nice little flat for me.

Extension

"I nearly got a flat, because a friend of mine was going into an old-age home. So I called the owner, but I was told a friend of hers was going in. The only other flat I came near to getting was over the dog kennels. I couldn't have stood that.

"I still try, every day. I say well, today I am doing this—and I go and talk to caretakers and agents and everything.

"I have written to ERP asking for an extension. You see, I am not saying please can I stay here forever, although I would like to.

"A lot of people in this block have had a very hard time. In 106 there were two old sisters, and the 81-year-old one ended up in hospital within a week of hearing the flats had been sold.

Lease

"So I moved in here (Villa Strelitzia) 10 months ago. I am very happy here. I really am. But then this bombshell fell, in the middle of November: the flats were sold, you must get out.

"I have been searching since then. I never stopped. I don't think I have missed a day. I have even looked at some servants' quarters that are being converted into flats.

"They want to sell it for R11 000, and it will take another R10 000 to finish the conversion—and that is an estimate.

"I have been from here to Benoni. I spent three whole days in Benoni looking for flats. Everywhere I went there was nothing, nothing, nothin

Progress

"Yes, I have written asking for an extension. I got a letter back, addressed to Dear Sir and calling me Mr. I ask you. But I am afraid that if they think I am a man they will turn around and say: 'He can go to hell!'

"But you know, I am not blaming the mine (ERP). I know progress is necessary. Life has to go forward. It is the flat owners that are responsible for this state of affairs—selling without caring after they refuse to give leases.

"Where are all us old people supposed to go. Do they want us to die in the streets?"

"I had to leave the plot where my husband died, because we did not own

B. REG RUMNEY
Property Editor

HOUSES prices may take a
knock this year — in some
cases by up to 15%.

Property experts and econo-
mists have predicted that, in
contrast with 1981's heady
rises, less-readily available
mortgage finance and a rise in
mortgage bond interest rates
will cause prices in the residen-
tial market to slow — and even
drop this year.

A decrease in liquidity and
slowdown in the economy in
general will also hit prices.

Interest rates are widely
expected to rise as the Govern-
ment tries to control the money
supply, making borrowing —
including mortgage bonds —
more expensive.

The mortgage bond rate has
already risen by 0.75% and a

HOME PRICES MAY FALL

RDM 14/2/81 (123)

further rise is on the way.
Building societies confirmed
recently — though they would
not say when or by how much.
But a rise as high as 2% has
been predicted this year to
enable the societies to "break
even".

On the other hand, propping
up the housing market is the
shortage of homes and rising
building costs — which are
going up by more than 2% a
month, according to recent
estimates.

Houses in the higher end of
the market — more than
R80 000 — are expected to be
hit first.

The middle to lower price
bracket will, says Mr. Will
Isaacs, of Will Isaacs (Pty)
estate agents, "remain firm"
as long as they are near shop-
ping, schools and transport.

He said yesterday that on
higher priced houses sellers
were already being forced to
finance buyers.

According to Mr. Neville
Berkowitz, of the Property
Economist, bond availability,
the "liquidity crunch" and the
"confidence factor" are more
important to the home buyer
than the rise in mortgage rates
— depending on how much
these rates rise.

The availability of mortgage
bond finance was a key factor,
he said. Building societies had
cut back on loans, and this was
bound to affect the market.

Secondly, a further rise in
the bond rate would affect
potential buyers' ability to
afford a new home.

As the liquidity crunch was
felt, sellers and buyers would
first turn to second bonds and
deed-of-sale.

Then, as foreclosures by the
building societies increased,
and more housing stock came
on to the market, confidence
would be hit.

Confidence in the market
might also be affected by, for
instance, political events in
Rhodesia. Buyers might
become nervous about the
political future of South Africa,
as they did in 1976.

The January end of the market
— over R80 000 — would be hit
first.

Whether, and by how much,
house prices dropped this year
is, according to Mr. Eskel
Jawitz, of Eskel Jawitz Real
Estate, "anybody's guess" at
this stage.

He told the Rand Daily Mail
that more expensive houses
could come down by between

10% to 15%, and less expensive
houses by about 5%.

But this was only if bond
money continued to be in short
supply, rates continued to rise,
the stock market remained
down, and a number of other
factors.

Working against this was the
"critical" housing shortage
and, to a lesser extent, the rise
in building costs.

"There are no signs of a
shortage of housing in the mar-
ket being relieved," he said.

This would bolster prices. So
would — to a lesser extent and
indirectly — the rise in building
costs. (This has been estimated
at more than 2% a month).

In the short-term, building
costs affected only new hous-
ing, he said, though it had an
indirect effect on prices in the
short-term.

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For the best student in each
of the 2nd, 3rd and final years.

Second Year (Bronze Medal)

Miss G C Littlewort

Third Year (Silver Medal)

Miss N C Davidson

Fourth Year (Gold Medal)

P M Salmon

T J Cumming

D P Weeks

J H Rens

B F McClelland

Professor George Menzies Prize
Awarded on results of final
examinations to the best male
student in Land Surveying or
Civil Engineering.

J H Rens

Sammy Sacks Memorial Prize
Awarded to the student with the
best classwork in Engineering
Drawing.

L Menegaldo

A E & C I Prize

For the first year student
obtaining the highest average
mark.

G L Cragg

CHEMICAL

Sectional title: Few had to move out

Political Staff

THE ASSEMBLY. — Only 19% of tenants in the 37 000 flats registered under sectional title had moved out, the deputy Minister of Community Development, Mr Pierre Cronje, said yesterday.

Replying to Opposition criticism that sectional title legislation had led to old and poor people being victimised and evicted, he said there was nothing wrong with sectional titles.

"What was wrong was that a few unscrupulous people misused the legislation, and the Government closed the loopholes at the earliest possible opportunity."

He said that up to the end of last month, 1 613 sectional title schemes had been registered, involving 37 612 flats.

Of these, 37% had been bought by the tenants and a further 41% were available for reletting to the existing tenants.

"This means that 81% of the people living in those flats were not disturbed, but could stay on," Mr Cronje said.

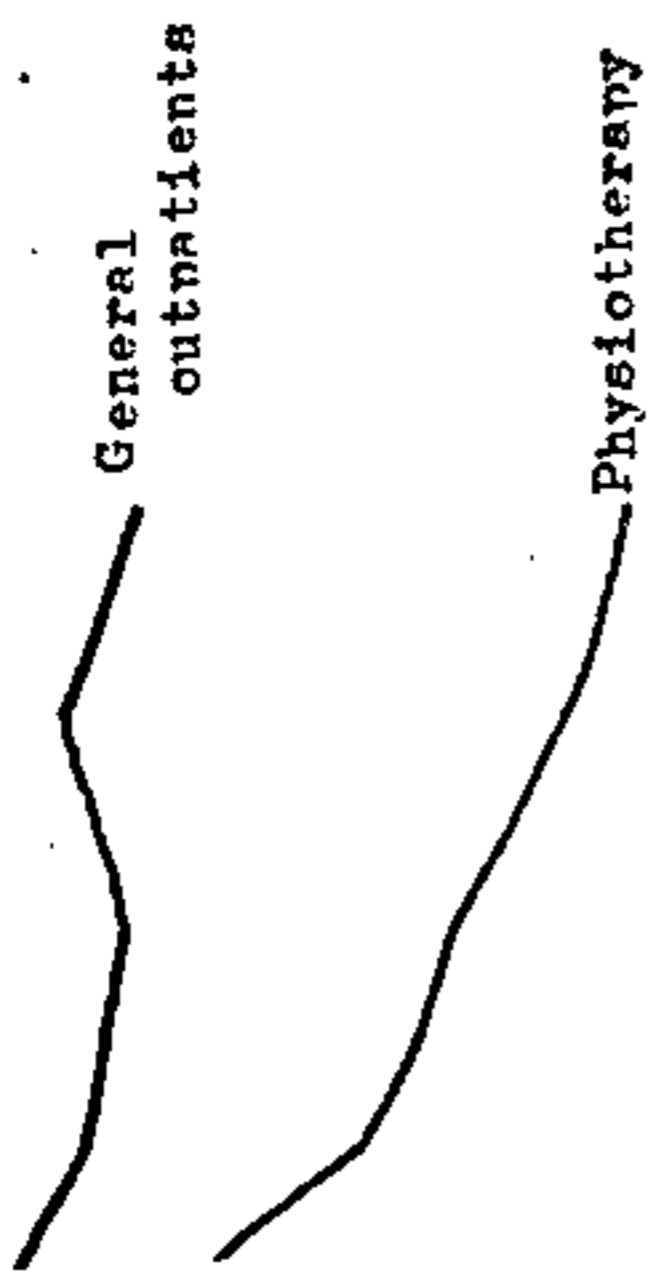
The 19% who had moved out had been replaced by people who had, in turn, left residential "vacancies" which could be filled.

He repeated the Government's intention of halting the phasing out of rent control until there was a balance between the supply and demand for flats.

Mr Cronje praised the establishment of sectional titles as enabling young people to buy their own houses, as bringing stability into neighbourhoods and as a damper on rising house prices.

He believed the recent increase in property prices would have been still sharper if the 37 000 flats had not been available for purchase on sectional title.

(41)
FIGURES



HOUSE MARKET 123

Weak foundations

PM 20/2/81

Although the bottom is far from falling out of the house market, there are signs everywhere that the slide is under way. Terms deed of sale, which disappeared as a marketing tool while the building societies remained so flush, is being pushed again. The grey market in collateral security and second bonds is getting back into gear and sellers are having to

attendances
ant attendances

leave some of their money behind to give buyers a chance of obtaining bonds.

But agents see no sign of a return to the slump of the mid-Seventies. Accommodation of all kinds is at a premium and stock shortages remain a problem in the major urban areas.

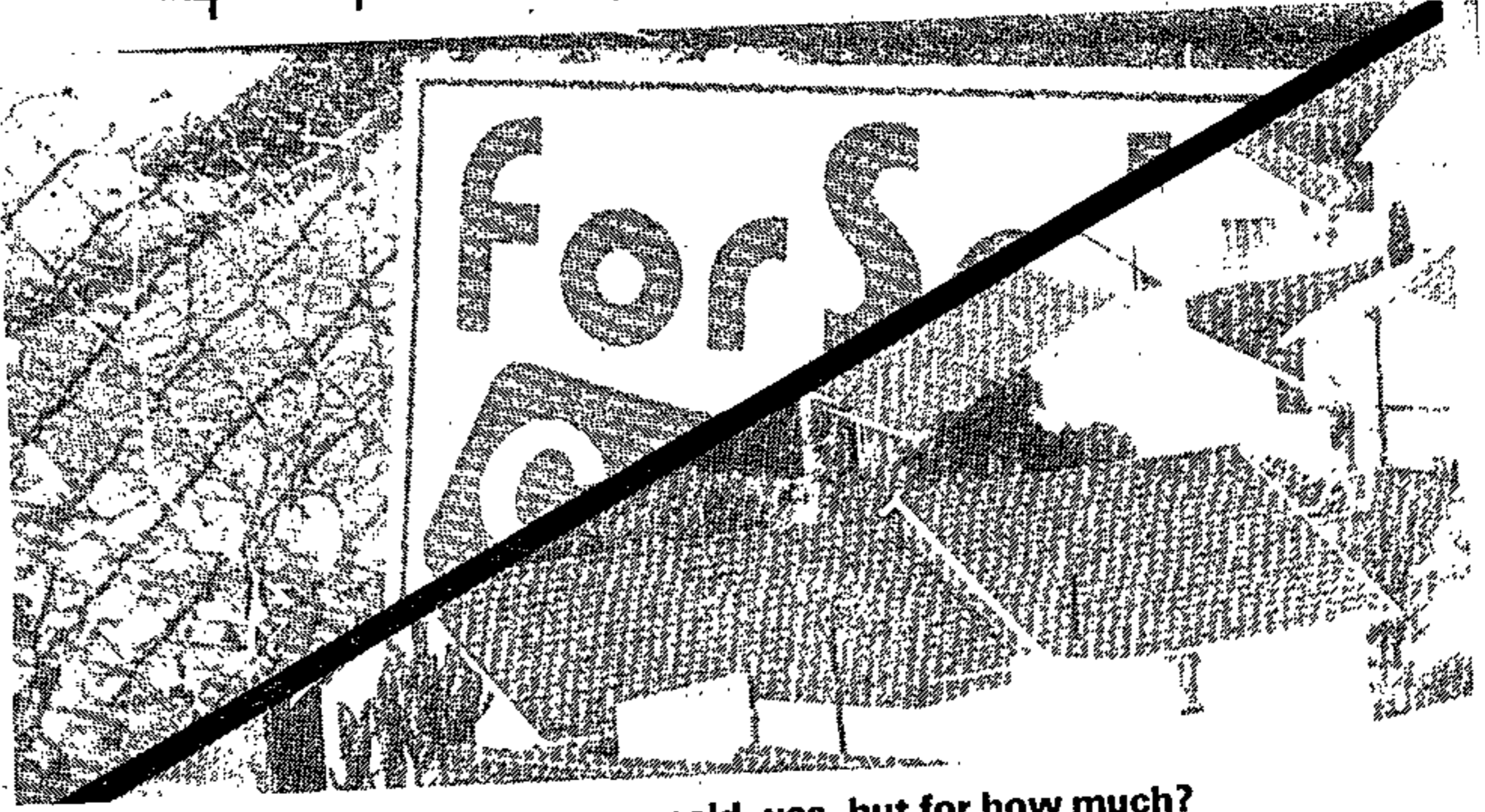
On top of that, replacement costs continue to soar in the wake of rampant increases in building costs which hit an annualised 30% during December.

Johannesburg's Eskel Jawitz dismisses suggestions that buyers should hold back as "irresponsible." He concedes that the market may be coming off the top, especially for more expensive stock. He says it could come down by anything from 5% to 15%.

Middle and lower range properties, on the other hand, will fall no more than 5%, he predicts.

So the basic problem is a lack of bond money. It's common cause by now that building societies are energetically canvassing for deposits in the money market. But their loan commitment continues to fall and will do so for several months yet.

The October/December quarter of 1980 netted R445m in new money, which was 12.5% up on the corresponding three months of last year. As prices have risen some 40% across the board in that time, it is obviously not enough to meet demand. Hence the new interest in alternative



Suburban houses . . . sold, yes, but for how much?

financing.

The new-homes market is running into similar problems. It's ironical, but inevitable, says Schachat Cullum's Blair Ewing, that labour and material bottlenecks confront builders at times of high demand. But this year, he says, the problem could lie more in long waits for bonds.

The effect of the material and labour crunch is clearly shown in the official statistics. Some 42% of all residential plans passed last year never got off the ground. The previous year the dropout rate was only 25%.

During 1980, plans for 35 000 new dwellings were passed. Only 20 000 were completed. This was 18% up on 1979, but came nowhere near meeting demand.

So the way the market sees it, there will be similar hassles this year. If labour and material constraints recede, mortgage problems won't.

Still, most agents put a brave front on it and insist that it all adds up to no more than a hiccup in the graph. Yet prices do have a habit of falling back more severely when society funds get tight. Only brave men will bet that it won't happen again.

(40)

At Groote Schuur, general outpatient attendances since 1973. The number of physiotherapy treatments declined - either due to changes in the case mix (most likely) or suggesting that the Day Hospital responsibility for much post-operative physiotherapy treatments. The number of diabetic patients also declined. At Red Cross, the total number of attendances has declined (although the short time series fulness of the data here) with special clinic attendances fairly constant and general outpatient attendances

The Groote Schuur Hospital staff report reduce resulting from the existence of the Day Hospital. The data is such that strong inferences cannot

The attendances at Day Hospitals are shown in the graph. It appears that it took nearly 2 years to educate about the new role of the Day Hospitals. Since the number of attendances has increased rapidly (a number of Day Hospitals has increased) particularly for 'Coloureds' - 75% of the patients now seen at Day Hospitals are 'Coloured'. Some of these patients previously attended outpatient departments, but previously have not received medical treatment because of ignorance or poverty or may have consulted a doctor often, and others might have been attending private hospitals. It may also be that the capacity of the community care has declined, owing to the cheapness and lack of professional help.

1973 1974 1975 1976 1977

TITLE BLOCKS MAY BE EASED

Arms 21/2/81 (123)

Alan Cooper, Property Editor

THE contentious sectional title legislation passed this month will not be re-examined by a select committee but there is hope that some of its blocking effect on development may be relaxed.

6 the
The Director-General of the Department of Community Development, Mr L Fouché, said: 'There is no immediate possibility of a Parliamentary Select Committee being appointed to examine legislation affecting sectional title development.'

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The Sectional Title Amendment Bill has only recently passed through its stages in Parliament,' he said. 'We have no intention at this stage to reconsider any of its provisions and hence there is no immediate need for the setting up of a Select Committee to examine any of the legislation.'

ize
During the second reading of the Bill a suggestion was made in Parliament that a Select Committee be appointed to examine the controversial legislation contained in it.

Mr Fouché explained that his department had only last year taken over control of sectional title legislation. It was in the care of the Department of Justice before.

He said there was in existence an informal committee set up to examine sectional title legislation.

It had operated on behalf of the Department of Justice and would continue for his department.

The Sectional Titles Amendment Bill 1981 has brought criticism from developers, estate agents and individual flat buyers and praise from rent-controlled tenants.

The last stage of rent control, due in April, has been frozen, giving respite to tenants of controlled blocks who feared their flats would be converted to sectional title and sold.

The most significant provision in the Bill specifies that no flats in a scheme may be sold if

there are any 'protected tenants', those with low incomes, in the building.

It also specifies that sectional title units may not be sold until a register is opened.

Buyers of rent-controlled flats who expected to take occupation from April 1, as was the case before this Bill was passed, now find they cannot evict the tenant and move in. The date of occupation was postponed indefinitely.

The Bill had brought sectional title development virtually to a standstill. However, it is understood that the department will respect all concluded transactions even if there is a 'protected tenant' in the block.

This will be possible by decontrolling that particular flat and giving the 'protected' tenant some guarantee of a long lease. In this way the rest of the flats will be able to be sold legally.

But this move will be permitted on merit only, for it is the intention of the Bill to stop selling of flats for speculative purposes to the detriment of tenants.

IN CANADA

Donald Lee Pan of Multitrust Estates is now in Canada on a study tour. He will visit Calgary and Vancouver to examine selling techniques in residential, commercial and industrial property.

Multitrust Estates have now moved into larger offices, at 387 Lansdowne Road to cope with increased business. The firm now has 12 sales staff.

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Miss G C Littlewort

Second Year (Bronze Medal)

For the best student in each of the 2nd, 3rd and final years.
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123

Vol. 188]

KAAPSTAD, 25 FEBRUARIE 1981

[No. 7433

CAPE TOWN, 25 FEBRUARY 1981

KANTOOR VAN DIE EERSTE MINISTER

OFFICE OF THE PRIME MINISTER

No. 348.

25 Februarie 1981.

No. 348.

25 February 1981.

Hierby word bekend gemaak dat die Staatspresident sy goedkeuring gegee het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:—

It is hereby notified that the State President has assented to the following Act which is hereby published for general information:—

No. 12 van 1981: Wysigingswet op Deeltitels, 1981.

No. 12 of 1981: Sectional Titles Amendment Act, 1981.

123

26/2/81

Plans 5 & c 265 Economic/sub-economic housing *(123)*

167. Mr. T. ARONSON asked the Minister of Community Development and State Auxiliary Services:

- (1) What funds were available to his Department as at 31 December 1980 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 1980 to 31 December 1980 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 AND STATE AUXILIARY SERVICES:

(1)(a) and (b) R23 000 000. Due to the revision of the rental formulas in October 1980 an economic or sub-economic interest rate no longer exists. It is therefore not possible to supply a separate figure in respect of (a) and (b).

(2)	(a)	(b)
(i) Whites	9 422 520	10 733 414
Coloureds	89 267 371	65 134 698
Asians	428 685	428 685
Blacks	5 921 171	7 332 516
(ii) Whites	2 764 775	3 581 323
Coloureds	2 958 876	3 131 471
Asians	18 151 754	21 456 441
Blacks	1 017 326	1 017 326

(iii) Whites	110 600	210 600
Coloureds	478 529	587 105
Asians	11 284 424	12 750 296
Blacks	—	—
(iv) Whites	9 980 034	10 943 292
Coloureds	116 831	400 000
Asians	509 546	1 560 700
Blacks	134 504	682 194
(v) Whites	1 993 603	2 499 585
Coloureds	1 144 064	1 908 020
Asians	1 305 794	1 305 794
Blacks	4 577 637	5 090 122
(vi) Whites	1 216 409	1 644 351
Coloureds	325 849	2 365 988
Asians	—	170 000
Blacks	128 394	1 500 000
(vii) Whites	513 844	728 799
Coloureds	1 449 235	1 895 233
Asians	6 817	6 817
Blacks	—	—
(viii) Whites	3 830 108	3 953 896
Coloureds	878 541	2 110 000
Asians	—	—
Blacks	—	—
(ix) Whites	5 576 501	8 829 591
Coloureds	9 876 439	19 392 282
Asians	12 537 336	12 812 718
Blacks	14 423 509	16 806 723

TENANTS' RIGHTS

Argus 28/2/81

123

MR COLIN EGLIN, PFP MP for Sea Point, who has been running rent control clinics in his constituency, here sets out the points which most frequently arise during clinic sessions.

Weekend Argus advises tenants to cut out this article and keep it as a quick and easy reference to your rights.

1 Newer buildings occupied after May 31 1966 have never been rent controlled. Older buildings first occupied before October 21 1949 are still subject to rent control.

2 The following buildings have been decontrolled:

Dates when building first occupied

January 1 1960—May 31 1966

January 1 1955—December 31 1959

October 21 1949—December 31 1954

Date of decontrol

April 1978

April 1979

May 1980

3 Even if a building, for example a block of flats, has been decontrolled, a flat within that building remains rent controlled provided:

(i) The person occupying the flat on the date the building was decontrolled had a monthly income of less than R300 (single) or R540 (married);

(ii) the person continues to occupy that flat;

(iii) the person's monthly income has not risen above R360 (single) or R650 (married).

4 In rent controlled premises — whether these be pre-October 1949 blocks of flats or a flat where rent control continues because it is occupied by a tenant qualifying in 3 above — the tenant has the following protections:

(i) The basis for calculating the rental is laid down in the Rent Act. Should a tenant dispute the rental he is being asked to pay he can make representations to the Rent Board, which will determine the rental.

(ii) The tenant cannot be evicted from his flat provided he does not default in the payment of his rent. The law which would have allowed tenants to be evicted after April 1981 has been repealed. This protection from eviction applies to tenants in rent controlled flats whether or not the flats are sold by sectional title.

5 If a flat is not rent controlled there is no special protection for the tenant, even if the tenant is a pensioner or qualifies for assistance under the Housing Act because his monthly income is less than R360 (single) or R650 (married).

6 In future it will be illegal for anyone to sell or offer flats under sectional title unless the sectional title scheme has been registered — and the sectional title scheme will not be able to be registered if the block, or any flats in the block, are rent controlled.

7 How long will flats remain rent controlled? While the Minister can lift rent control on specific flats, he has given the following assurances:

(i) He does not contemplate any further phasing out of rent control at this stage;

(ii) That rent control for people in rent controlled flats who have monthly incomes of less than R360 (single) or R650 (married) will continue 'for as long as he can see into the future.'

8 What happens if you bought a flat under sectional title genuinely believing you could get occupation after April 1 1981 and you now find you cannot get occupation? The Minister has said that he would try to assist such people.

My advice is to write to the Minister of Community Development giving the details of your case and your predicament. If you send your letter to me I will see it is forwarded to the Minister and that it is followed up in due course.

9 Could one or two rent controlled flats in a block prevent a sectional title scheme from being registered — thereby blocking the whole scheme? In terms of the new law they could block the scheme. But again the Minister has said that he would try to assist in resolving such an impasse. My advice for persons requiring the Minister's assistance is to contact the Minister without delay.

10 The offices of the Rent Board and of the Department of Community Development are at the New Customs House, Cape Town. Telephone 21-1110.

11 Should you require additional advice please contact me at The Sea Point Advice Centre, 206 Medical Centre, Kloof Road, Sea Point.

LAND CRISIS FOR COLOURED

~~8/11~~
Angus (124)
28/2/81

Alan Cooper, Property Editor

THE shortage of land and houses for the coloured housebuyer in Cape Town is now at crisis proportions, with prices soaring beyond levels reached in white areas. With few new areas being opened up, there seems little hope of meeting this shortage.

Would-be housebuyers are facing a double problem — this growing shortage of land and houses to buy and the tightening up of home loans.

'There is a tremendous shortage of land and houses for the coloured people in Cape Town,' said Mr Bill van Zyl of Steer and Co. 'We are now resorting to subdividing plots.'

'Prices of up to R15 000 for plots are not unusual, far higher than comparable plots in white areas.'

'We have found that, because of the scarcity of plots people have been keeping them for speculation which has again sent prices up.'

House prices were also soaring. One house was sold three times in a year and its price rose by R8 000.

'The demand for "coloured" land is far exceeding the supply,' said Mr B-F H Keersemaier of Westprop Estates. His firm sells in Athlone, Grassy Park and Heathfield, among other areas.

Vacant plots of about 490 sq. m. were selling at about R13 000. But the restriction on mortgage money had seriously affected land purchases.

'People buying land have to put down one third and obtain a two-thirds bond. If the plot is say R6 000, the buyer has to put down R2 000 — a lot of money to find and then there is the risk of

not obtaining a bond for the balance.

'Despite this, the rush to buy land is phenomenal. One agent of ours received 40 calls for one plot the morning after he advertised it.'

Houses were also going up sharply in price. In Penlyn Estate most houses were about R25 000 with the average sale R20 000 to R25 000. There were estate which was very popular.

Most coloured people preferred to buy a plot

some at R75 000 in that and plan house but he had found that there was reluctance among builders to take on a house below R30 000.

'Salaries have increased, that is true, but not by that much to be able to afford to build at that price,' he added.

There was little new land being opened up for coloured home buying. New developments were some distance out of the city centre.

What YOU should know about rent

S. In... RENT CONTROL: (123)

OPPOSITION spokesman on housing, Colin Eglin, has prepared a simple guide for **TRIBUNE**, summing up the latest changes to the Sectional Titles Act and to rent control.

1/3/81
Newer buildings occupied after May 31, 1966, have never been rent controlled. Older buildings first occupied before October 21, 1949, are still subject to rent control.
2. The following buildings have been decontrolled: Dates when building first occupied are followed by

date of decontrol in brackets:
Jan 2 1960 — May 31 1966 (April 1978); Jan 1 1955 — Dec 31 1959 (April 1979); Oct 21 1949 — Dec 31 1954 (May 1980).
3. Even if a building, for example a block of flats, has been decontrolled a particular flat within that building remains rent controlled provided: (I)

The person occupying the flat on the date the building was decontrolled had a monthly income of less than R300 (single or R540 (married)).
(II) The person continues to occupy that flat,
(III) The person's monthly income has not risen (i) above R360 (single) or R650 (married).
4. In rent-controlled

(123) 1/3/81

control and sectional titles . . .

premises — whether these be pre-October 1949 block of flats or a particular flat where rent control continues because it is occupied by a tenant qualifying in 3. above — the tenant has the following protections:
The basis for calculating the rental is laid down in the Rents Act. Should a tenant dispute the rental

he is being asked to pay he can make representations to the Rent Board which will determine the rental.
(ii) The tenant cannot be evicted from his flat provided he does not default in the payment of his rent. The law which would have allowed tenants to be evicted

after April 1981 has been repealed. This protection from eviction applies to tenants in rent-controlled flats whether or not the flats are sold by sectional title.
5. If a flat is not rent-controlled there is no special protection for the tenant, even if the tenant is a pensioner or qualifies for

assistance under the Housing Act because his monthly income is less than R360 (single) or R650 (married).
In such a non-rent-controlled flat the right of the tenant to occupy and the right of the owner to give a tenant notice to vacate is governed by the terms of the lease between the tenant and the owner.

would try to assist such persons.
My advice is to write to the Minister of Community Development stating details of your case and your predicament. If you send your letter to me I will see that it is forwarded to the Minister and that it is followed up in due course.

If there is no lease but the tenant pays his rental monthly, the owner can give him one month's notice to vacate. This notice to vacate can be given whether or not the flat has been sold under a sectional title scheme.

9. Could one or two rent-controlled flats in a block prevent a sectional title scheme from being registered, thereby blocking the whole scheme?
In terms of the new law they could block the scheme. But again the Minister has said he would try to assist in resolving such an impasse.

SECTIONAL TITLE

6. In future, it will be illegal for anyone to sell or offer flats under sectional title unless the sectional title scheme has been registered — and the sectional title scheme will not be able to be registered if the block of flats, or any individual flats in the block are rent controlled.
7. How long will flats remain rent controlled?

My advice for persons requiring the Minister's assistance is as above — contact the Minister of Community Development without delay.

While the Minister can lift rent control on specific flats, he has given the following assurances:

- (I) He does not contemplate any further phasing out of rent control at this stage.
- (II) That rent control in respect of persons in rent-controlled flats who have monthly incomes of less than R360 (single) and R650 (married) will continue "for as long as he can see into the future."

10. Remember the Rent Board is there to assist people who are protected under the Rents Act, (i.e. who live in rent-controlled flats), and the Department of Community Development is there to assist people with monthly incomes of less than R360 (single) or R650 (married) who qualify for assistance under the Housing Act.
The offices of the Rent Board and of the Department of Community Development in Durban are in John Ross House, Phone Durban 376421 and in Cape Town are at the new Customs House, Tel 211110.

8. What happens if one bought a flat under sectional titles genuinely believing that one could get occupation after April 1 1981, and one now finds one cannot have occupation?
The Minister has stated he

11. Should you require any additional assistance, advice please contact me through: The Sea Point Advice Centre, 206 Medical Centre, Kloof Road, Sea Point, Cape Town.

Focus on black housing crisis

EDM

12/3/81

123

Staff Reporter

THE desperate situation in black housing was the result of planned, ordered and legislated oppression, according to an article in the latest edition of "Sash", the Black Sash magazine.

The article, by Miss Jacqueline Williams, a community worker for Diakonia, an agency involved in social action in black townships and in creating white awareness, focuses on three areas in Natal which cover a spectrum of housing concerns.

This broad spectrum of housing issues requires a just and humane response throughout the country, she says.

"Unless the structures of our society are changed, situations such as these will not disappear — they are the result of planned, ordered and legislated oppression."

Richmond Farm, the first area she deals with, is a squatter area situated northwest of Durban.

Official responses to Richmond Farm indicated clearly that the residents were being merely tolerated and that if they were with official notice they could be moved, the article says.

There had been spates of arrests since 1979 for illegal squatting. Statements taken from squatters awaiting trial indicated the majority had been living in Richmond Farm for more than five years.

In Chatsworth, a number of residents' organisations had come together to form one body, the Chatsworth Housing Action Committee, she said.

The establishment of the committee was a direct response to the price set by the Durban City Council for the sale of sub-economic houses in Chatsworth.

Chatsworth is an Indian area south of Durban. The implementation of the Group Areas Act required the establishment of an area to house the thousands of people resettled from communities elsewhere.

The security that people had had in their settled communities was lost with their enforced move, and they were forced to meet payments they had never contemplated, Miss Williams says.

The village of Weenen lies 30km northeast of Estcourt

and although there are a large number of white-owned farms in the district, many belong to absentee landlords who use the farms chiefly as labour reserves for other commercial farms in the Natal midlands.

The overwhelming majority of the black population knew no other home other than this district, she says.

Mass eviction got under way in 1969 in the area. Tenants who resisted moving were prosecuted and forced out of their homes by bulldozers and hut-burning.

That was 10 years ago. Today the people are still there — devastated by by series of deadly 'faction fights' between clans competing for the inadequate resources."

But labour tenancy has not ended in Weenen. Both farmers and tenants have clung to it, and despite its prohibition, it continues to operate under different guises throughout the district, Miss Williams says.

Malpractices sparked curb on flat sales

RDM 12/3/81
123

MALPRACTICES by individual developers and estate agents had compelled the Government to introduce the recent amendments to the Sectional Titles Act, the Director-General of Community Development and State Auxiliary Services, Mr Louis Fouche, said yesterday.

Speaking at the Pretoria Press Club, he said the original Act of 1973 had laid down steps to be followed before the sale or transfer of sectional title units.

Among other requirements, local authorities had to approve a sectional title scheme and a register had to be opened by the Registrar of Deeds.

In practice, however, a minority of agents and developers had assumed the right to deal in these flats before the formalities had been completed.

Mr Fouche listed some of the malpractices. He said offenders selling flat units on a large scale had:

- Victimised tenants, including the elderly and less well off, into buying or vacating flats;
- Given notice to tenants on behalf of the buyers of these units.

Mr Fouche said the situation that had developed over sectional title was similar to one

involving unproclaimed stands several years ago.

Then, thousands of buyers lost money because developers could not meet their promises.

Many buyers of sectional title units had lost financially or had been misled by some developers, resulting in the Government's intervention.

In terms of the new legislation, from February 25 flats could no longer be advertised for sale or sold unless a register had been opened.

Sales contracts entered into after this date which did not comply with the new restrictions would be invalid.

Mr Fouche said rent control, which was due to be phased out completely on April 1, would be retained for the time being. But only about 4% of all flats were still subject to these controls.

The onus rested on developers and agents to prove to local authorities that there were no flats under rent control in a particular block before they could sell the units.

He said Transvaal sales accounted for about half of the 37 612 sectional title units sold since 1973. So far, 19 702 flats in 833 schemes had been sold in the province. There had been 17 224 registered transfers.

MASS HOUSING (123) FM Standards barrier

The deep ideological rift in the Nationalist Party is nowhere better highlighted than in the ongoing clash between Piet Koornhof's Department of Co-operation and Development and Pen Kotze's Department of Community Development concerning their differing approaches to solving SA's critical housing problem.

These approaches reflect differing philosophical stances regarding the granting of reasonable rights to blacks in urban areas.

Whereas Koornhof's department has indicated a willingness to test innovative and experimental housing strategies in places like Inanda, Steilooop, Khutsong and Kroonstad, Kotze's department has stuck rigidly to conventional and generally inappropriate solutions.

These seemingly irreconcilable differences are particularly serious as Secretary for Community Development Louis Fouche controls the purse strings for all subsidised housing projects, including those undertaken by Co-operation and Development.

Community Development's National Housing Fund is the prime source of money for urban subsidised housing. Two statutory bodies determine the distribution of finance for new housing from this fund — the National Housing Board which controls white, coloured and Asian housing, and the Board of Housing for blacks, which controls low-income black urban housing. Black housing in the "homelands" is financed through grants awarded by the Treasury to the Department of Co-operation and Development or to various development agencies.

According to Paul Andrew, of UCT's Urban Problems Research Unit: "Fouche is obstructing a reasonable and affordable solution to SA's housing problem by the imposition of conventional housing solutions. He has taken a consistent public stand against incremental and core housing projects which are acceptable internationally and throughout the Third World."

"The essential difference between the two approaches to the housing problem is that one is progressive, the other retrogressive. Fouche's approach is concerned with centralised control where a centralised bureaucracy makes top-down decisions for all concerned."

"Koornhof's approach is positive and more progressive. It is concerned with a decentralisation of control, grassroots planning and a process of real community development. Were this not marred by apartheid bigotry, it is part of an international movement which transcends political ideology."

Members of the private sector also allege that Fouche is inhibiting a solution to the housing problem when private sector goodwill and money are available to embark on realistic strategies. With a current backlog of 300 000 dwelling units for blacks and 4m dwelling units required by the end of the century, the country can't afford rigid thinking on housing matters, they say.

Recently, proposals submitted by the Federated Chamber of Industries (FCI) to the Economic Advisory Council (EAC) recommending a major rethinking of housing policy were accepted in principle. Once again, the implementation of these principles is being blocked by the attitude of the Department of Community Development which has set up a committee of inquiry, the Louw Committee, to investigate aspects of low-income housing.

Says FCI's Arthur Hammond-Tooke: "A re-appraisal is not occurring despite acceptance by the EAC. The fundamental question is, does Fouche's investigation go far enough to constitute a fundamental

rethink?"

Adds Andrew: "Reports of the Department of Community Development are often misleading. In this year's departmental annual report, Fouche attempts to give the impression that he is providing affordable housing for low-income people. He maintains people will only be paying 5% of their income for occupying or renting houses provided by his department. In fact, this only accounts for construction costs and doesn't account for the cost of municipal services which seldom amount to less than R15-R20/month. A low-income earner earning R100/month will pay about 20% of his income."

The FCI suggests that an additional R300m be allocated to accelerate the pace of housing development in SA subject to certain stipulations: that the amount is not simply extended to large-scale contract-built housing schemes, but be spent on schemes incorporating principles of home improvement, self-build and self-help. It states: "The private sector has indicated a willingness to involve itself more fully in the housing process. To do so, however, adjustments are required in financial policy in line with principles ensuring a more private enterprise orientated approach to the satisfaction of community development needs in the country."

Black homes plan 'being thwarted'

RDM 13/3/81

(123)

By STEVEN FRIEDMAN
BUSINESS proposals aimed at "revolutionising" official policy towards black housing and arguing for mass "self-help" housing schemes are being blocked by the Department of Community Development, business sources claim.

But the Director-General of Community Development, Mr Louis Fouche, yesterday denied his department "had said a final no" to the proposals which are aimed at overcoming the massive white, coloured and Asian housing backlog.

He said the department was waiting for the report of a Government committee on alternative housing for squatters, before taking a final decision.

But Mr Fouche criticised one of the central aspects of the proposals — that "core housing" and "site and service" schemes be introduced — and confirmed that his department would not finance such schemes at present.

The proposals were submitted by the Federated Chamber of Industries to the Prime Minister's Economic Advisory Council (EAC) last year.

According to business sources, they were approved in general terms by the EAC and have official support in other quarters.

However, the Department of Community Development controls the money allocated to black housing, they said, and its opposition is sufficient to thwart the proposals. They also say the department's opposition to the scheme is likely to be raised again at the next EAC meeting.

As evidence of official support for a new approach, busi-

ness sources point to a statement by the Prime Minister after the EAC meeting, which said the "traditional" approach to black housing was inadequate. The director-general of Co-operation and Development, Mr J H T Mills, made a similar statement recently.

They also point to warnings by Soweto's planning chief, Mr Louis Rive, that he would resign if "meaningful progress" on black housing was not made by the end of the year, and argue that he was expressing his frustration with the slow progress in implementing self-help housing.

The FCI argued at the EAC meeting against two "fallacies" in official housing policy: that "self-help housing is an essentially small-scale solution and can have no impact on the housing problem" and that private financing cannot be mobilised for low-cost housing through institutions such as building societies.

It argues for a break from the "traditional" approach to black housing towards one which would guarantee home ownership and the introduction of a market mechanism in low cost housing, rather than the present system in which this housing is provided and controlled by the State.

It also backs "core housing", in which a basic house could be improved by black families as their resources improve, and "site and service" schemes, in which the authorities lay on water, sewage, building materials and so on, and allow black, coloured and Asian householders to build their own homes.

Some experts see this approach as the only long-term

solution to the housing crisis, and say that houses built along these lines are of high quality.

Key recommendations advocated by the FCI are:

- That township development be "deregulated" to allow home ownership, encourage self-build projects and home improvement schemes "on a community participation basis";

- Restrictions on self-employment and job creation by township dwellers should be lifted, particularly as they affect housing;

- A "free market" in low cost housing should be opened;

- The tax allowance available to business for investing in housing for workers should be raised to R5 000;

- The authorities should change the "institutional structure" governing urban communities to encourage greater community participation in planning and development.

Mr Fouche said his department had no objection to self-help housing. But "core" and "site and service" housing could be "inferior housing".

He said this sort of housing would not effect the savings its supporters claimed: "When this was allowed in the 1950s, it simply created squatter shanties. It cost us millions to clear up the mess."

He added, however, that the department would reassess its attitude to this type of housing after the Louw Committee report on alternative housing.

"If you are going to go into something like this, you have to be very careful it is done properly. That's why we are doing a thorough study. Once we have done this, we will make a final decision," Mr Fouche said.

HOME LOAN GRUNDY YET TO COME

Rabe is agent of year

Alan Cooper, Property Editor

THE real crunch in home loans is yet to come, building societies forecast. Loan limits of not more than R30 000 are already in force, giving an impetus to the second bond market which is now offering loans at rates of about 14 percent.

MIR HENDRIK RABE of the Board of Executors has won The Argus Property Agent of the Year competition for 1980. He was presented with the floating trophy by the editor Mr J O'Malley yesterday. Mr Rabe came top of all those who wrote the exams held by the Institute of Estate Agents last year in the Western Cape.

The three top agents to write these exams last year were:
MR HENDRIK RABE (Board of Executors),
MR L LEWELLYN CLARENCE (Maynard Burgoyne),
MR SAMUEL PIKHOLZ (Steer and Co).

The top three in each of the four exams held by the institute last year were made known by the institute to Property Argus which featured them in its pages weekly. From these 12 the leading three finalists were announced yesterday at a function at The Argus. The Institute of Estate Agents and The Argus cooperate yearly in this competition.

Building societies began restricting home loans earlier this year at the same time interest rates rose by three-quarters of a percent. Quotas of money available were cut drastically while loans for the upper end of the market were severely restricted.

A building society loans manager said that June and July would be the months when the crunch in the cutting back of home loan advances would be felt severely by would-be borrowers.

His quota for loans in April would be half that allowed in February and worse was to come.

A limit of R30 000 was being insisted upon for loans in order to spread the available money more widely.

'We prefer to give three loans at R30 000 rather than one for R90 000.'

As a result, the sale of the higher priced houses were proving more difficult. Again as a result, the second bond market had

become more active, offering loans with interest rates of about 14 percent.

Property agents said today that prices in the upper level were not dropping but levelling off while some difficulty in selling them was being encountered because of the shortage of home loans. 'It is difficult to get a bond today of R90 000 for a house worth R120 000,' said Mr B Hofmeyer of Steer and Co.

But this restriction is being felt with all applications for all home loans. He quoted an instance where his firm's agent in Milnerton reported that deals worth R1.3-m had been made with every purchase depending upon the raising of a bond. At the time the agent reported to us, not one bond had been granted and the contracts were, in effect, worthless pieces of paper.

'However, since then about half the bonds had been granted.'

In another instance a block of flats with an existing bond of R22 000 had been sold. An extra R4 000 was needed to settle the sale but the building society had delayed granting of this small amount for some time even though the buyer had money invested with that society.

'The building societies' lack of funds is only just beginning to bite into the property market,' said another estate agent. 'Another two months should bring the worst.'

'The building societies' lack of funds is only just beginning to bite into the property market,' said another estate agent. 'Another two months should bring the worst.'

At the moment there was still a demand for houses, mainly in the medium-priced range.

Other agents said the coming months would bring a 'back-to-the-wall' attitude among agents with the tightening up of building society money.

'The property market has been very unhealthy in the past few months. This change should bring it back to normal and only those estate agents with knowledge and tenacity will survive,' predicted an agent.

New building laws

AFTER a number of years of preparation a comprehensive set of national building regulations has been completed and published in draft form in the February 6 Government Gazette. The regulations are expected to have far-reaching consequences throughout the country as

for, Mr Lou Davis, to the new regulations. 'This rationalisation of the hundreds of different by-laws throughout the country is going to be a tremendous boost to productivity. I suppose some of the new regulations are going to be unwelcome amongst local authorities, but they will just have to conform.'

ing municipal building by-laws. The draft takes up 158 pages of small print in the Government Gazette and the public is being allowed four months in which to comment. The greatest thing that has happened to the building industry in a long time was the reaction of BIFSA's executive direc-

According to Mr L. Sison, director of the Master Builders Association in the Peninsula, a circular had been sent out to all members requesting them to study the document and to submit any comments through the national federation of the MBA. He said the document would come up for discussion at the association's next meeting.

THE more than 600 000 whites, coloured and Asians virtually excluded from home ownership by high property and building prices and the high cost of housing loans, can expect little help from building societies, the president of the Association of Building Societies, Mr A F V Viljoen, said this week.

'We would love to help these people,' Mr Viljoen added, 'but we can do so only within the financial formula available to building societies as free enterprise, competitive businesses. When economic circumstances place people beyond the reach of this formula, they must look to the Government for assistance.'

Mr G Bowker, assistant general manager of the Allied Building Society, said, however, that the time could come when the public and private sectors would be forced to co-operate to relieve the serious housing shortage.

Mr Viljoen and Mr Bowker were commenting on reports that 10 percent of South Africa's white, coloured and Asian population, totalling 600 000 people, had virtually no hope of building or owning their own homes. These people fall into the 'critical earnings category', with incomes between R650 and R900 a month.

People earning below R650 may apply to the National Housing Fund for low-interest loans, but those with incomes between R650 and R900 can expect no official or unofficial help — except perhaps from their employers — and yet cannot afford housing at current market prices.

'How can these people afford to buy a home today?' one building society official asked this

No help

14/3/81
123
281

600 000

no-hoppers

The cheapest house a young couple can buy in the Cape today is in the R26 000 to R28 000 bracket, while flats are difficult to rent.

Acting on the recommendations of the Fouché Commission, societies stipulate that mortgage repayments be not more than 25 percent of one's income.

A man earning say R700 a month would therefore have only R175 available for his housing each month, and this would entail a house costing about R17 000.

Where in the Cape could he find a property at that price — least of all a property the building societies would look at for bond purposes? he asked.

Mr Viljoen said assisted housing was traditionally the province of the central authority, not of free enterprise.

'If circumstances change to the extent that people can no longer afford housing at a traditional level, buyers may have to reconcile themselves to cheaper houses, smaller land plots, or Government assistance,' he said.

Mr Bowker, reluctant to comment for fear of jeopardising delicate negotiations which could take place in the near future, said, however, that building societies were very concerned about the housing shortage which, he added, could get a lot worse before it improves.

Mr Viljoen said that a serious problem being experienced by building societies was a shortage of funds, a reduced inflow of money, and interest rates not competitive enough to attract investors.

Mr Selwyn Myers, general manager of Garden Cities, who has long campaigned for Government assistance for 'the unhousables,' has pointed out that building costs are rising at the rate of 2,5 percent a month, and the cost of a modest three-bedroomed house was climbing by about 24 percent a year — but salaries were not increasing at even half that amount.

FRESH HOPE FOR STYMIED SECTIONAL TITLE LANDLORDS

S. Tribune

15 | 3/81

123

DEVELOPERS
whose sectional title
schemes have been
held up by protected
tenants in rent-con-
trolled flats have
been given fresh
hope of going ahead.

The Sectional Titles
Amendment Act, which
was passed by the last
session of Parliament,
forbids developers to go
ahead with schemes if
even one tenant is pro-
tected — that is, living
in a rent-controlled flat
and earning less than
R360 (single) or R650
(married).

Now landlords are
seeking a way out of
this block to the sec-
tional title sales.
Minister of Com-
munity Development
Pen Kotze has indicated
that he will consider
allowing a scheme to
proceed if the protected
tenant is offered
reasonable alternative
accommodation by the
landlord.

By COLIN VINEALL
Property Editor

Colin Eglin,
Progressive Federal Par-
ty spokesman on hous-
ing, confirmed this
week that some cases
had been brought to him
which he had forwarded
to the Minister.

Explaining the ways
to get around a law that
could cause long delays
to sectional title
schemes and even force
their cancellation, South
African Property
Owners Association
councillor Nigel Mandy
said yesterday: "The
Minister mentioned this
as one of the
possibilities in his state-
ment of December 5 last
year.

"If you have a si-
tuation where a block of
100 flats might be held
up because of one pro-
tected tenant, one alter-
native is to find other
accommodation for that
tenant.

"If the tenant
unreasonably refuses to
take other accommoda-
tion, then there is a
good case to go to the
Minister for exemption."

"Another possibility
which I think is going to
emerge more and more
is if you have a pro-
tected tenant in a block,
there might be a three-
or five year lease
negotiated at an agreed
rent.

"On that it could be
uplifted from rent con-
trol because the tenant
has in effect been pro-
tected in another way."

Mandy added: "If a
person is offered ap-
propriate accom-
modation, clearly it
would be fair to do so.
The Minister's statement
in December appealed to
both sides to show an
understanding of each
other's problems."

He agreed that a
tenant who was moved
could be put to a lot of
expense for such things

as curtains and car-
peting.

"But what I would
like to see is that such
protected tenants should
be persuaded to agree to
buy their own units. In
America, and I believe
some groups are doing
it here, tenants are
given a discount or bet-
ter credit terms.

"I've even suggested
the Government could
guarantee mortgage
loans for them.

"It is not a loophole
in the legislation. The
Minister has called this
a transitional situation.
There is no way that a
protected tenant can be
forced out. What the
landlord can do it is try
to make other sensible
arrangements.

"If the tenant refuses
those alternative ar-
rangements, then the
landlord has to try to
persuade the Minister.
But there is no
automatic loophole," he
said.

Shocks for prospective home-owners

123
SIGN
26/3/6

Staff Reporters

Three devastating blows to prospective home-owners may force them either to postpone their plans to buy or build, or to accept more modest dwellings.

The latest building survey published today by the Bureau for Economic Research at the University of Stellenbosch outlines the anguish that many hopeful home-owners will face this year.

And in Johannesburg, the Minister of Finance, Mr Horwood, spelt out the Government's anti-inflation policy which could have a direct bearing on future building costs.

The Bureau for Economic Research announced:

- Annual building cost increases for consumers now running at between 28 percent and 32 percent.

- A further expected rise in the mortgage rate this year — the last rate increase of 0.75 percent took effect on January 12 this year for new loans and March 1 for existing loans.

- The general lack of building society finance which is likely to play an even more decisive role for buyers than the rise in the mortgage rate.

"It is generally accepted that builders are using the greater amount of work available to rapidly increase their tender prices in an endeavour to recover past losses," the survey stated.

● Page 34: Tough time ahead for home builders.

Despite the lack of building society funds and the rise in interest rates, building activity was expected to increase this year.

"It should be kept in mind that this demand has reached historically high levels and that no easing in the demand is expected until the end of 1981 at the earliest," the survey stated.

With lucrative interest rates available elsewhere, it was difficult to see how

the building societies could attract enough funds to meet the high demand.

The possible outcome may be two-fold — prospective home-owners may decide to postpone their plans to build/buy, or they may accept more modest dwellings.

In his speech at a conference on inflation, Mr Horwood cited the better use of manpower as one of the Government's steps in combating inflation. This would be achieved through improved training and education.

Mr Brian Kantor of the University of Cape Town's school of economics told the conference: "The Government alone carries the responsibility for maintaining the value of currency."

Firms must earn as high a profit level as possible and households must earn as high a rate of return for their savings as possible.

"Rising prices can only be eliminated by the monetary and fiscal authorities controlling total demand. The effective way of achieving this is to limit the increase in the supply of money," Mr Kantor said.

Interestingly, there is no incentive, medically speaking, to try and attain a lowering of this figure, as no saving would revert to State Health.

As the relatively high

seems to be the main bone of cont

out that 500 patients receiving R price given to me by the supplier a mere, R33 300.

Rifampicin expenditure

alone is but 1/10th or, 1/20th,

cost of a full 4 drug therapy for

normal 60 day quota of Rifampicin

cost, not just a drug bill alone,

i.e. a figure less than either o

amounts given above.

6.

5.

Bureau, or the Administration of Coloured Affairs, the figures here quoted are from our own survey (Table 3).

✓ The highest earning was R242 per month.

✓ The lowest earning was R43 per month.

months, each, would cost R342 000 p.a.

500 patients on disability awards plus loss of production

for 6 months gives a yearly total of R 714 000.

✓ These match the figures given by U.C.T.'s wages commission of, R49 to R290 per month.

the extremely few commentaries, published, on hospital expenditure is that of the "Arizona Experiment" (6) where they showed that in a change-over from a State Tb. sanatorium to Tb. beds in a General Hospital, although the patient/day rate was far

R 120 000-m to erase black housing backlog

By Charlene Beltramo

Eliminating the black housing backlog before the turn of the century could cost the Government and private sector in excess of R120 000-million.

This has emerged from a series of surveys into black housing by the Urban Studies Institute of the Rand Afrikaans University.

Dr C F. Swart, senior researcher at the institute told a Press conference that 4-million houses were needed for low-income

black and coloured people by the year 2000.

A 1978 estimate had put the cost of erecting these homes with the accompanying infrastructure at R40 000-million — "but in the three months since I completed the most recent housing report, costs have gone up 15 percent, so by the turn of the century we can anticipate costs tripling."

Dr Swart called for the abolition of the government's annual R900-million worth of subsidies on low income hou-

sing. "People in black areas, in particular, have an unrealistic attitude to housing costs.

"It is for these reasons, among others, that they are reluctant to pay increased rentals or buy on 99-year-leasehold. A person living in Soweto, as an example, pays R15 a month on average for rent.

"If he buys a house on 99-year-leasehold, government subsidies fall away and his rent goes up to R35 to R40 a month."

Dr Swart said subsidies

should be phased out over a period of one to three years.

He said only six percent of incomes in Soweto were spent on housing.

He said the financial burden for housing could not rest entirely with the State, but the private sector would have to begin playing a major role.

"Township residents will have to realise that they must pay more if they want improved housing and services.

"Although housing in Soweto is generally substandard, there are no slums. These can be prevented and the housing crisis eased by encouraging home-ownership — possibly by coupling 99-year-leasehold and freehold title — renovations, and core housing."

Dr Swart said about 10 percent of residents in Soweto and about 25 percent of residents in other areas were in favour of flats being built.

However, he said he was against this unless they were built for second or third generation Sowetans in high income brackets without children.

Dr Swart also called for more attention to be paid to the erection of revenue generating sources in black urban areas.

He pointed out that 70 percent of Sowetan incomes were spent in the Johannesburg central business district.

to Farmer (R)	Number of workers	Cumulative %
10,00	10	34,48
20,00	7	58,62
30,00	5	75,86
40,00	4	89,68

of workers according to current debt outstanding, R

TABLE 21

in the table below.

the distribution of debt among the remaining 29 workers

(ent) were described by farmers as having no debt at

eks. At the time of the survey, 101 workers

food, etc.) ' on the book' and to pay the farmer back over

their provisions (miele meal, sugar, tobacco, soap, tinned

to workers in the sense that workers were allowed to buy

However, most farmers extended very short-term credit

them.

too big to pay off easily and there was no way to stop

Sectional titles: Warning to speculators

3/4/80 Angus

(123)

Political Staff

THE chief Opposition spokesman on community development and housing, Mr Colin Eglin, today welcomed Mr Pen Kotze's warning against sectional titles malpractices aimed at pushing tenants out of their flats.

Mr Kotze, the Minister of Community Development, warned last night that swift action would be taken against persons responsible for such 'unlawful and unacceptable practices'.

Mr Eglin said today he had recently made representations to the Minister when it came to his (Mr Eglin's) notice that certain property speculators, through their agents, were flouting the provisions of the amended Sectional Titles Act.

scrupulous speculators who flout the law.

The law had been designed to bring order to the sectional titles property market and to protect tenants from being harassed or pressurised.

'In the interest of all concerned I ask that serious attention be paid to the Minister's latest warning,' Mr Eglin said.

(Report by F. S. Esterhuyse, 122 St. George's Street, Cape Town.)

● 'People pushed out of flats' — Page 13.

RESPONSIBLE

Tenants had been put under pressure to purchase options at fixed prices prior to the opening of a sectional titles register.

'I have found that the vast majority of building owners have responded in a responsible and understanding way to the recent amendments to the Sectional Titles Act,' Mr Eglin said.

'Where I can I have helped and will help them as well as buyers of sectional titles units and tenants with problems which may arise out of the various amendments to the Act.

'But I cannot sit back and watch tenants being harassed or the property market thrown into a new state of tension by un-

Prices of houses may rise by 600%

KDM 3/4/81

123

By SEAN O'CONNOR
City Editor

A HOME costing R20 000 today would cost more than six times as much — about R125 000 — by the turn of the century if the rise in building costs was 10% a year, the Johannesburg City Council has been told.

Recently, however, building costs had been rising by about 25% a year.

If this rate continued unchecked, a R20 000 home would cost about R1 400 000 by the year 2000, Mr Christopher Newton Thompson, the city councillor for Parktown North, Dunkeld and Rosebank, said this week.

However, he believed it was unlikely that the rise in building costs would drop to an average 10% a year from now until the end of the century.

Mr Newton Thompson disclosed these figures when he urged the city's management committee to investigate ways to alleviate Johannesburg's growing housing crisis.

He led a Progressive Federal Party motion calling on the council to resolve that its present housing programme was inadequate to meet the needs of the city. It was defeated.

He said that two years ago there were many vacant housing units in some of the council's housing estates for whites,

“but since then the situation has changed dramatically for the worse”.

This was mainly because of the upturn in the economy and increased immigration from Zimbabwe and Europe, he said.

He said that there were 749 white and 4 597 coloured families on the housing department's waiting list.

Dealing with the difficulty which lower income groups and young married couples had in acquiring homes, Mr Newton Thompson said he believed that the only practical approach to the problem was “a system of housing finance where the monthly repayment on a housing loan or mortgage bond is coupled to the rate of inflation and increase as the income of the house purchaser increases”.

On the standards of council housing, he said he did not believe there was scope for reducing the size of houses in coloured estates, but believed changes should be made in white housing specifications.

“It seems wrong that servants' quarters and garages should ever be included in houses in a council-administered estate,” he said. “In our planning for future schemes, especially those for whites, I believe we must use higher housing densities.”

Govt challenged on rent control plans

RDM 4/4/81

123

By REG RUMNEY
Property Editor

THE Government has been challenged to announce its intentions on rent control.

It has also been called on to impose rent control on buildings — whether they were controlled before or not — where tenants are being victimised.

Mr Alf Widman, the Progressive Federal Party MP for Hillbrow, yesterday challenged the Government to say if it would continue to phase out rent control after the elections.

He was commenting on a threat by the Minister of Community Development, Mr S F "Pen" Kotze, of action against those who contravene the provisions of the Sectional Titles Act.

But property men and politicians have pointed out that the real issue is rent control.

They also say the Minister should have acted before this by imposing rent control on owners who abuse the law.

Mr Widman said PFP spokesmen had long urged the Minister to impose, or reim-

pose, rent control on buildings in which tenants were being victimised. This is a power the Minister has always had.

Mr Widman accused Mr Kotze of "bolting the stable door after the horse had bolted", and that his statement had been spurred by the coming elections.

Had the Minister listened to the urgings of the PFP, said Mr Widman, he would have acted against unscrupulous landlords before this. Nevertheless, he said, "I will support Mr Kotze in any measure protecting tenants".

All rent control has been phased out, except on buildings built on or before October 20, 1949. To decontrol these buildings, Mr Kotze now had to repeal the Rent Control Act itself.

Mr Widman said there had been an indication that the Government would look at continuing decontrol.

He challenged Mr Kotze to say whether the Government would complete the final phasing out of rent control after the

election.

Mr Don Kennedy, of the SA Property Owners Association (Sapoa), said yesterday: "The issue at stake is, of course, not sectional title but rent control. The two issues have become confused because of the peculiar nature of the Sectional Titles Amendment Act passed earlier this year.

"The purpose of rent control is to keep market rentals below market value, and the effect of such legislation has become even more offensive since the Government has dedicated itself to the spirit of the free market system and its intention to move away from subsidies.

"What rent control does is to compel owners of flats to subsidise tenants. It is a bad law and the natural reaction is abuse."

Speaking personally, he said that he regretted that the Minister had not imposed rent control on erring landlords before.

"The Minister should make an example of a landowner who is abusing the law — good or bad — by placing his building under rent control."

However, this should only be done in the case of victimisation or persecution of tenants.

Mr Simon Chilchik, PFP councillor for Hillbrow, said the only protection tenants had was the power of the Minister to impose rent control.

There were certain protections against abuses in the Sectional Titles Act, he said, but these were in terms of rent control, and since only buildings built in 1949 or before were still rent-controlled, a minimum number of flat tenants — about 4% — were protected.

Also, the Sectional Titles Amendment Act, which contained protection for tenants whose buildings were converted for sectional title selling, was not retrospective.

• Tenants who live in buildings which were rent controlled may have protection, as "protected tenants", if they earn under a certain amount — R650 for couples, and R300 for single people — and were occupying flats in the building at the time it was decontrolled.

(11) Outcome.

Altogether 11 patients were sent for admission to the mental hospital but one never arrived. Two other patients were subsequently classified

as schizophrenic and one epileptic, whilst two patients originally classified as schizophrenic were subsequently classified as suffering from an acute brain syndrome, resulting in a net loss of 2 and leaving 9 in hospital. One of these 9 patients died from pulmonary oedema after 11 days in hospital.

Clearly the differentiation between schizophrenia and acute brain syndrome is not always easy and mistakes can be made in either direction.

However the separation after a period of observation in hospital was thought to be fairly reliable. On 2nd of June (1e after 4 months follow-up) two of the 18 schizophrenic patients admitted were still in hospital after 136 and 171 days treatment respectively; the patient with an acute brain syndrome from a fractured skull was still in hospital after 136 days and another died after 11 days. Excluding these 4 patients, the average length of time spent in hospital by the 16 schizophrenics was 36.3 days (S.D. \pm 12.2)

whilst the average length of time spent by the 7 patients with acute brain syndromes was 13.3 days (S.D. \pm 5.6). Assuming the same criteria of readiness for discharge were applied; the difference is statistically significant ($X = 10.4$, $F < 0.01$, I.D.F.). This suggests that two illnesses with differing natural histories were separated.

3. Depression.

A factor analytical study of depression in Africans and European cultures suggested that the illness in African cultures is characterized by the presence of depressed mood, somatic symptoms and motor retardation (Binittie 1975)(24). Consequently the diagnosis of depression in the present study, as in a previous survey (Buchan 1969)(25) rested upon the finding of subjective and/or objective evidence of depressed mood.

/...9

*Post-mortem findings:-
1. Thrombosis of the R. middle cerebral artery
2. Pontine haemorrhage
3. R. upper middle lobe lung abscess

STATE URGED TO ACT

HOMES

Argus 4/4/81 (123)

CRISIS

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of
Four

STRONG calls were made today for a Government investigation into the growing accommodation crisis in cities.

In Cape Town, the Opposition's chief spokesman on housing, Mr Colin Eglin, said: "The position is urgent. I call on the Government to act now."

He called for an in-depth investigation and immediate action to initiate a new housing strategy.

In Johannesburg, the Housewives' League of South Africa and Mr Alf Widman, MP, another Opposition spokesman on housing, demanded an investigation as well as a review of the sectional titles and rent legislation.

Mr Eglin said the latest warning by the Minister of Community Development, Mr Pen Kotze, not only indicated that unscrupulous speculators and

agents were continuing to harass and pressurise tenants; it had showed that the housing and accommodation problem in cities was far from solved.

An investigation should be done through a commission on which all sections — tenants as well as property owners and developers — were properly represented.

Positive measures should include:

● Tax incentives and depreciation allowances to encourage the private sector to assist in providing housing for the lower and middle-income groups.

● Special assistance to senior citizens in rental subsidies, if necessary, to ensure that they could live without fear of eviction and at prices they could afford.

● Loans at lower interest rates or equity-linked loans to help those who needed to buy their own flats or build their own homes.

● Tax reductions for mort-

gage interest paid by flat or house-owners up to a certain income level.

Mr Eglin said that judging from inquiries that still streamed into his Sea Point advice centre, the problem of finding suitable accommodation at prices that the average citizen could afford was becoming worse and not better.

For some, this had reached crisis proportions. Both lower and middle-income groups were being hit.

Worsening

The position would worsen unless the Government took urgent action, he said.

The Weekend Argus correspondent reports that a PFP city councillor for Hillbrow, Mr Simon Chilchick, and the MP for Hillbrow, Mr Widman, have demanded a Government commission.

The Housewives' League spokesman on housing, Mrs Muriel Preller, said: "This time tenants must be allowed to give evidence. The last commission (the Fouche Commission) had hardly any consumer representation at all. I applied to give evidence, for instance, and was never called."

Mr Harry Schwarz, PFP MP for Yeoville, also joined the call for a commission. He said he dealt constantly with hundreds of people in his constituency who were badly treated by landlords and agents.

(Report by F. S. Esterhuysen, 122 St. George's Street, Cape Town, and Marlon Duncan, 47 Saucer Street, Johannesburg.)

we said, without qualification, that they
e schooling of workers. Of 31 farmers
sing, in view of farmers' replies to
not associated to any significant extent.
inspection of the table suggest that these

Help end housing shortage's

123
SINK
9/14/68

Own Correspondent

The National Housing Commission has called on housing experts to help overcome the country's critical shortage of low-cost accommodation. They have been asked to send memoranda to or give evidence before a

committee especially appointed for the task by the Minister of Community Development, Mr Kotze. The special committee is headed by Professor Robie Louw, chairman of the National Housing Commission, and its members represent the Advi-

sory Committee on Housing Matters, the National Building Research Institute, the Urban Foundation, the United Municipal Executive and experts from State departments. Mr Kotze said this week that the committee would investigate:

- The desirability and possibility of providing housing for the lower income groups on a large scale, also by way of unconventional building methods.
- The supplementary role which could be played by alternative me-

thods in the provision of housing for lower income families. Mr Kotze said his department, which took over black housing only two years ago, was faced with a mammoth task of providing 160 000 living units for blacks staying outside the national states.

SCHEMES

Site and service projects and limited squatting schemes were some of the suggestions which had been made in recent times to overcome the low-cost housing problem. Mr Kotze said he was sure the problem would be overcome, just as the provision of coloured housing had been largely overcome.

In just five years the department had constructed 155 602 living units for all groups, which gave accommodation to 810 000 people.

200 000 backlog in black homes

RDM 15/4/81 (23)

MARITZBURG. — South Africa faces a backlog of more than 200 000 housing units for blacks, Indians and coloureds, according to figures released in Maritzburg yesterday.

Mr B A van der Vyfer, chairman of the Committee of Inquiry into alleged operating losses on housing, estimates that the Department of Community Development and State Auxiliary Services will have to provide about 42 000 dwelling units a year to try to eliminate the backlog in five years. This will cost the State about R420-million.

Mr Van der Vyfer, who was addressing the annual meeting and seminar of the Institute of Municipal Treasurers and Accountants, said that apart from the backlog, the annual housing needs of all race groups was 54 630 units — estimated cost: R565-million.

"Accordingly, to meet the annual need and decrease the backlog, about 96 000 houses will have to be built at a cost of R985-million."

He said the department had set itself a minimum goal of 40 000 houses a year, but there was concern that this would not be achieved easily.

"Building costs are increasing by 20% a year, while the department's budget does not increase by the same percentage."

Mr Van der Vyfer said the State was not prepared to accept inferior types of housing — such as site-and-service

schemes — for the lower and middle-income groups.

Though acceptable methods would have to be found to provide cheaper housing, he said, experience had shown that inferior forms of housing were, in fact, an expensive type and not acceptable to present-day standards.

It was also becoming clearer that it was not a practical proposition for the Government sector to meet the demand for housing on its own.

It should be borne in mind, he added, that sub-economic housing, especially for the coloured community, should be regarded as an emergency measure — and for this reason costs had to be kept as low as possible.

"Much criticism has been levelled at the department for this type of accommodation... I think it would only be fair to keep in mind that it is the policy of the Government that the tenant or purchaser must be able to afford the monthly rental or instalment."

"Many of the families now housed in sub-economic dwellings are people who were taken out of the most appalling slum conditions, and furthermore, who do not earn sufficient to be able to afford much by way of rental."

"If a family is provided with a house it cannot afford, it is, in fact, not provided with a service but with a disservice," said Mr Van der Vyfer. — Sapa.

SA needs 200 000 houses — chairman

DD
123
15/4/11

PIETERMARITZBURG — South Africa faces a backlog of more than 200 000 houses for the black, Indian and coloured communities, according to figures released at the seminar here yesterday.

Mr B.A. van der Vyfer, chairman of the Committee of Inquiry into Alleged Operating Losses on Housing, estimated that the Department of Community Development and State Auxiliary Services would have to provide roughly 42 000 dwelling units annually to try to eliminate this backlog within five years.

This would cost the state in the region of R420 million.

Mr Van der Vyfer,

addressing the annual meeting and seminar of the Institute of Municipal Treasurers and Accountants, said that in addition to the backlog, the annual housing needs of all race groups were 54 630 units at an estimated expenditure of R564,9 million.

"Accordingly, in order to meet the annual need and to decrease the backlog, about 96 000 houses will have to be built at a cost of R985 million," he said.

Mr Van der Vyfer said the Department had set itself a minimum goal of 40 000 houses a year.

"Building costs are increasing by 20 per cent a year while the department's budget does

not increase by the same percentage and the present trend of limiting government expenditure seriously influences the department's annual vote.

"For the 1981-1982 financial year the capital available for housing projects after deduction of all losses will barely be enough to cover current obligation," Mr Van der Vyfer said.

He said the state was not prepared to accept inferior forms of housing, like site and service schemes, for lower and middle income groups.

"The private sector will definitely have to make a larger contribution," he said. — SAPA.

Titles' Act shakes out exploiters

By Frank Jeans

Public outcry over unscrupulous dealings under sectional title amendment forced the Government to act on an Amendment Act to protect tenants, but there is little doubt that the change has also had an adverse effect on the market generally.

The amendment has had the desired effect of shaking out the exploiters who hoped to make money out of sectional-title conversion without consideration for protected tenants, but, in many instances, tenants will find themselves worse off.

Mr Bill Vipond, director of National Acceptances in charge of property matters, says that the amendment has had the unfortunate consequence of perpetuating an already unfair situation where disenchanted landlords are compelled to support protected tenants — "something the Government should do" — without creating more accommodation to alleviate the

shortage of flats.

"From the landlord's point of view," says Mr Vipond in the latest issue of National Acceptances' News and Views, "an already much-eroded asset is likely to deteriorate further because the property has a zero yield, and in many cases runs at a loss.

"Marketing of his property will be severely restricted because of lack of buyers."

Tenants, under the circumstances, could well find their flats more rundown, and where they might have been able to buy the flat before as a hedge against inflation, rising rentals and for se-

curity, they are now unable to do so.

"In fact," says Mr Vipond, "the number of protected tenants is sufficiently low for them to be taken care of by the Government.

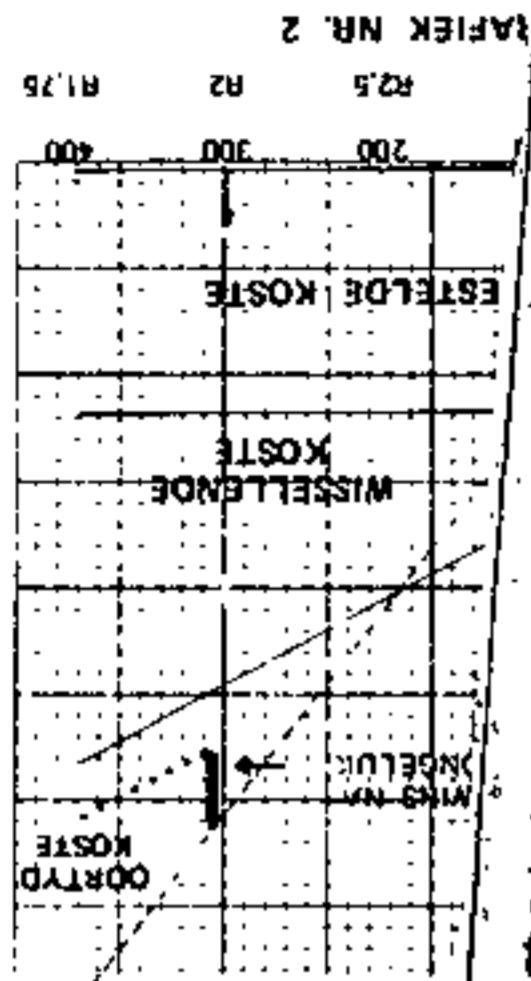
"Many people who live in rent-controlled flats are well above the protected income bracket of R360 a month."

He also makes the point that in many cases flats have been renovated, creating employment and stabilising a neighbourhood. These flats are now not marketable because of the provisions of the Sectional Title Amendment Act.

Mr Vipond also says that because developers are compelled to open a sectional-title register with the Deeds Office, before units can be sold, and that a register cannot be opened if there are any protected tenants in a particular building, has created a lot of confusion and uncertainty.

"Many past sales have had to be avoided," says Mr Vipond, "and people who had wanted to buy flats are now unable to do so. Many renovations undertaken for conversion have left landlords and estate agents bitter."

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Volgens die statistieke van die Ongevallekommissaris ondervind ons jaarlikse meer as 333 675 beseeringsverooroekende nywerheidsongelukke. Dit sluit nie die beseerings in wat slegs eerste hulp vereis nie. Hierdie ongelukke wat nie huisongelukke en padongelukke maarby private voertuie betroke is, insluit nie, verooarsak jaarlikse permanente vermindering van sowat 31 000 mense. Die berekende potensiaal en werklike verlies van werkkrag is 29 000 000 man-dae.

ONS PROBLEEM

As ons hul statistiek aanvaar, en ons het geen rede om dit in twyfel te trek nie, kom ons tot die skokkende besef dat daar 224 000 moontlik vermenigvuldig met 600 ongelukke plaasvind wat nie aangehoor word in ons statistiektoelae nie en wat nie noodwendig onder die aandag van bestuur kom nie. Die skokkende totaal van 134 000 000 van ongelukke kan varieer van baie ligte masjienkade tot ernstige masjienkade en slegs ligte persoonlike beseerings. As ons die beseeringsverooroekende ongelukke ondersoek en uitsekkel, dek ons slegs 16% van die probleem.

In die boek "Damage Control" deur F.E. Bird en G.L. Germain, word genoem dat in die bestudering van sowat 30 000 ongelukke, die gevolgtrekking gemaak is dat daar n verhouding bestaan tussen n ongeluk en n persoonlike beseering. Hulie het gevind dat gemiddeld 500 ongelukke geen beseering, maar skade aan toerusting veroorsaak het, asook 100 beseeringsverooroekende ongelukke van ligte aard vir elke werk ongeskiktheidsbeseering.

Daar is twee hoofkategoriee wat ongelukke veroorsaak, n. onwillige handelinge of persone en onwillige fisieke toestande. Enige van hierdie toestande of n kombinasie daarvan kan n ongeluk veroorsaak.

In hierdie sin van die woord, kan n ongeluk skade veroorsaak aan toerusting of materiaal of produksie verdraag sonder om noodwendig n beseering te veroorsaak. Hoewel n beseering kan of nie kan volg op die gegee ongeluk nie, kan inmening in die gladde verloop van produksie verwaag word.

Verminderde produksie
Daar is moontlikheid dat wanneer die beseerde werker terugkeer na sy werk, sy produktiwiteit verminder is a.g.v. n verbindende vinger of omdat die beseerde spiere weer oefening moet kry.

Opleiding
Die koste van opleiding van n nuwe werker moet ook onder hierdie opschrift geplaas word.

Eerstehulp
Pleks dat lede van die eerstehulp personeel tyd bestee om gesondheidsprobleme na te gaan moet hulie beseerings behandel.

Ondersoek
Daar is koste verbonde aan die ondersoek van die ongeluk deur toetsighoudende personeel, en die invul van die nodige vorms. Hierdie koste word nie maklik bepaal nie, maar die feit dat ander werker veraarloos word, moet in ag geneem word.

Klerklike beheerverstoes
Die eise teen die Ongevalkommissaris vereis klerklike kontrole en dit kos natuurlik tyd en geld.

Herstelwerk aan toerusting
Die koste aan die heel onskoon op te toerusting. Soos in die geval van die geveerde, slegs hierdie verskuldige koste moet bevestig word.

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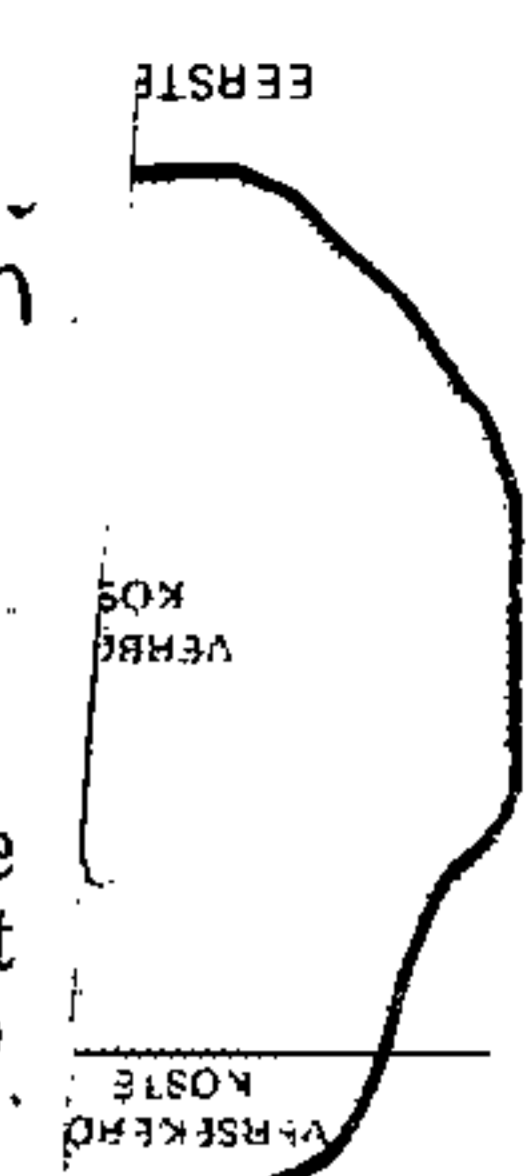
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Self-help in building homes urged

HOUSING self-help was capable of playing a definite role in this country's economy in providing low-cost housing and in forming the nucleus of job opportunities in developing areas, Professor Wallace van Zyl of the department of urban and regional planning of Free State University, said today.

Addressing the annual congress of the Free Market Foundation in Cape Town, he said a self-help scheme could be used to develop 'upgradable' building methods, taking into consideration local building systems, materials, products and skills. It could also provide improved employment opportunities for low-income groups and enable decision-making to take place by the community

based on individual and group preferences.

"In South Africa we have an increasing pool of unskilled manpower, largely due to population growth which is not balanced by new jobs.

"It is a fact that wages and mechanisation have increased in the construction industry without a matching increase in productivity."

INCENTIVES

Ironically, he said, even as the plea was made for labour-intensive building to be restored, the receiver of revenue was giving greater incentives for plant and mechanisation.

"This is a difficult situation to remedy, but some solution should be sought whereby manpower is made as important as machines."

Professor van Zyl said the first step under self-help was for the average family to build a roof. The second would be to make or buy the earthen bricks or blocks with which to put up some sort of shelter.

INFRASTRUCTURE

He went on: "We need to create a housing infrastructure which the community may tap in two ways, either for contractor or self-help services. Materials such as off-cut planks of wood, plastic, hessian, wattle poles, asbestos and roofing felt could be supplied at a central depot by the authorities or private enterprise."

He said clinics should be created where building and repair skills could be learnt, financial advice given. This could be part of part-time job training.

123

~~123~~

APR 24/4/81

A Plea for Improved South African Africa and Vital Statistics.

By H. S. GEAR, B.Sc., M.B., B.Ch., D.P.H., D.T.M. & H., F.S.S.,
Union Department of Public Health, Pretoria.

This year has brought an unusual and yet important experience to every South African citizen in his co-operation in the most complete Census yet undertaken in this country. Though this alone makes 1936 a landmark, it has other claims to significance in the vital and medical statistical calendar. It was exactly one hundred years ago, in 1836, that the General Registry Office was established, inaugurating the first scientific collection of English vital statistics. These were eventually to provide William Farr, the greatest of all medical statisticians, with the material for his classical reports. Unfortunately our profession is all too ignorant of the genius of Farr and of the influence that through him the English vital statistical data had in arousing public opinion, firstly in England and later in other countries, to the need for sanitation and preventive medicine.

Furthermore, the death has occurred this year of Karl Pearson, one of the great intellects of our time, to whom science and medicine owe largely the great advances in the application of mathematics to biological measurement. Pearson's contributions in such fields as the measurement and interpretation of correlation and the theory of probability are fundamental, but also from him inspiration was drawn by such leading medical statisticians and epidemiologists as Raymond Pearl and Major Greenwood. In this year, then, it is appropriate that South African medicine should give some thought to a subject ever growing in importance—medical and vital statistics.

The preliminary results of the Census have been a succession of shocks and surprises, giving expression to many national and local problems which have surreptitiously developed. Statesmen, for instance, are seriously perturbed by all the implications in the shifting distribution of our European population. The "trek to the towns" has received exact description and its serious consequences have been suggested, but it may be prophesied that when the later results of the enumeration are available equally arresting phenomena will be portrayed in regard to the non-European.

That so much of the Census report should be in the nature of a revelation is indicative of the weakness of the system of demography in this country. That so many vital phenomena—births, deaths, age, sex, racial, and geographical distribution of the populations—are imperfectly known is of serious consequence to statesman, scientist, and administrator. In the absence of knowledge of the birth and death rates of the non-European, guidance and control of important social forces is impossible, and the forecasting of and preparation for future national needs in such fields as labour, education, industry, and the general social system is haphazard.

That these vital statistical defects are of serious import is recognized, but in the medical sphere, equally profound forces are without definition or even unknown owing to the lack of statistical data. A perusal of almost any issue of our own Journal will show the handicap suffered by South African investigators in the absence of knowledge of disease incidence and prevalence. This lamentable state of affairs has on occasions received editorial comment. Recently the writer has had cause to seek evidence of the incidence of tuberculosis and venereal diseases in South Africa, especially among her non-European populations. In the case of tuberculosis he consulted the very important publication of the South African Institute for Medical Research, the Report of the Tuberculosis Research Committee, and the report of the tuberculosis survey conducted by Allan. These two reports rank with the best epidemiological literature South Africa has yet produced, but in each, constant regret is expressed at the gaps in the fundamental vital and medical statistics. This came in for strong criticism in the Report of the Tuberculosis Research Committee, worded thus:—

"The need for 'vital statistics' as a preliminary

Sapoa was reacting to comments by the minister at a meeting in Parow on Thursday night when he said he had reimposed rent control on two blocks of flats because of exploitation of tenants. In a statement from Johannesburg yesterday the executive director of the association, Mr Don Kennedy, said it deplored rent control and had for many years maintained it was deleterious in the extreme. "We do not know the circumstances concerning these two blocks but will comment further if necessary. Owing to the extreme escalation in building costs it is unlikely that new blocks of flats will be built until such time as rentals have increased to an economically viable level.

CT 25/4/81
Sapoa 123
to meet minister
Staff Reporter
THE South African Property Owners Association yesterday said it "regretted" the circumstances that had prompted the Minister of Community Development, Mr Pen Kotze, to place buildings under rent control and would meet him about the matter on May 4.

completely neglected. available of the numbers by age, sex, occupation, domicile, and race, but a Census measure cannot be taken every year. Even a quinquennial census does not keep pace with population changes, the estimation of which by census data alone often leads in intercensal periods to serious error. It is in gauging the accuracy of calculated figures for these years that the second source of statistical information, i.e., vital registration, is of much value. The Census registration enables a continuous record to be kept of changes due to births, deaths, immigration and emigration. Yet again in South Africa the application of vital registration is woefully deficient in the almost complete absence of birth and death registration in the native populations. European births and deaths are satisfactorily chronicled, and the Census Department, in maintaining a constant effort to secure efficient certification of the cause of death, provides

This paper, published over forty years ago, has been reprinted in full in this collection of conference papers.

The comments made then are still applicable - possibly even more so as he anticipated the issues relevant to the health needs of today.

S. W. M. 26/4/81 (123)
Concern over new rent control move

THE Minister of Community Development Pent Kotze flexed his legislative muscles this week, reimposed rent control on two blocks in the Transvaal and left landlords wondering what might happen next.

In Durban, his drastic action led one estate agent to admit that there are always some bad boys around — mostly in the Transvaal. But what he found

puzzling was that the Minister gave no reasons for the reimposition of control other than that negotiations, apparently on higher rents, had failed.

Kotze told a National Party election meeting in Parow he and his predecessors had repeatedly warned that they would not hesitate to reintroduce rent control in cases where landlords exploited tenants.

On more than one occasion appeals had been made to introduce justified rent controls gradually and a guideline of 10 percent had been suggested.

But in spite of this, more and more complaints had been received and eight cases concerning houses and blocks of flats in Cape Town, Pretoria, Durban, Johannesburg and Bloemfontein were under consideration.

Kotze said he did not want to enter into open conflict with landlords because he was convinced exploitation was not general and he had arranged a meeting with the South African Property Owners' Association in Pretoria on May 4.

But in a statement Sapoa said: "Sapoa deplores rent control and has for many years maintained that its effects are deleterious in the extreme and it regrets the circumstances which have made the Minister feel obliged to use his powers to place buildings under rent control."

"We do not know the circumstances concerning these two blocks, but will comment further if necessary."

"Owing to the extreme escalations in building costs it is unlikely that new blocks of flats will be built until such time as rentals have increased to an economically viable level."

"Sapoa therefore recognises that in placing buildings under rent control, however justified the action may appear, the Minister is supporting rents generally."

(Report by G. R. Vines, 85 Field Street, Durban, and I. Seyer, 122 St. George's Street, Cape Town.)

SOWETAN Tutorials - Don't miss Std 8 Biology tomorrow

Blacks need 160 000 houses - Viljoen

By MONK NKOMO

THE housing shortage for black South African citizens is 160 000, says State President Marais Viljoen.

He said at the official opening of the Republic Festival in Maritzburg on Friday that several major housing schemes had been tackled and even more were planned.

"These will provide thousands of dwellings for all strata and groups of the population. That a great deal has in fact been achieved in this respect may be deduced from the fact

that over the past few years about 30 000 houses a year have been erected by the authorities. At present there is still a shortage of 160 000 dwellings for our black citizens alone," he stated.

Mr Viljoen said this country had intimate ties with other nations, spoke different languages and was building on many different cultures inherited from "our forefathers".

"The result of this is unfortunately that the only cultural group we get to know well is the one to which we ourselves belong,

and we often know little about our fellow citizens of the other groups. I believe that it is vitally important for us to move closer to one another at regular intervals so that we can get to know, understand, appreciate and respect one another better," he said.

Good progress had undoubtedly been made in the improvement of group relations.

"Important factors that have played a part here include the sustained elimination of discrimination and the provision of more and better opportunities in edu-

cation, housing and labour conditions.

"Compulsory education for all, provision of school books, the improvement of teachers' training and the building of more schools and classrooms have all contributed to the promotion of better relations between the peoples of this country."

Mr Viljoen said that despite boycotts and physical and psychological onslaughts on the country, "things are going very well with us, and South Africa is developing and prospering in all spheres of life as never before in its history."

"For two decades now we have had the privilege of living, working and playing together in a country that enjoys freedom, independence and self-determination in every respect, in a country where there is a high degree of order, calm, prosperity and peace.

"We are purposefully and systematically engaged in fostering mutual respect and appreciation through recognising each other's dignity, ideals, cultural identity and vested rights, in order to form a solid and united front."

The State President said there had been setbacks. "But these have not discouraged us. They have only tempered us physically and mentally for the onslaughts against us and welded us into a more close-knit unit.

"Let us stand together as we strive to build up our country and forge a bond of unity among the various peoples of South Africa."

At midnight on May 30, it was exactly 20 years since the Union, which was established in 1910, became the Republic.

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Big Escom
order for
prefabs

15/8 5/11/72

The growing importance of the factory-built house in the light of the industrial build-up is underlined by Escom's order for more than 300 Tulbagh homes from CI Park-homes, Pinetown, with a value of R8,6-million.

The homes, approved by the South African Bureau of Standards, will be based at construction sites of four giant power stations.

The first batch has been delivered to the Duvha project near Witbank.

Escom originally volunteered to give up part of their allocation of the homes to assist flood victims at Laingsburg. —
Frank Jeans.

RENT CONTROL

FM 8/5/81

123

Landlords get a caning

Community Development Minister Pen Kotze has virtually put paid to any hopes that developers will be tempted back to the flat rental market. Cynically ignoring the tacit understanding between landlords and his predecessors, he has slapped rent control on a post-May 1966 block of flats and sent the market into a cold sweat.

No residential building is now safe from rent control. And early intelligence from his meeting with Sapoa representatives suggests that he is not prepared to undertake that he won't use his draconian powers of control again.

Rent-control effectively stopped on May 31 1966. Previous ministers suggested, at least implicitly, that new buildings would be safe. Obviously, they're not, because the Minister is using powers of control which no one expected him to make use of.

Developers are already hard put to see margins in flats-to-let in an uncontrolled market. The latest development looks like scaring them off for ever.

Small wonder that Sapoa officials spent most of Tuesday in what amounts to emergency session. No statement was immediately available, but Rent Control committee chairman Nigel Mandy summed it all up in five words: "The consequences will be alarming."

And what "crime" did the affected owner commit? He raised the rent of modern, two-bedroomed flats in upmarket Lyndhurst from R200 to R300 a month — hardly profiteering.

But that's not the real issue. The irony is that at a time when government has been phasing out rent control, it has acted against a block that was never subject to a determination.

JH Isaacs's Errol Friedman points out that developers in today's market would be looking for returns of around 13%-14%. Taking account of the rapidly rising cost structure, rentals of R300 a month would give him something between 7½%-9% on capital. Even that's too much for the Minister.

But the money market, Friedman notes, is offering up to 13% on gilts. Clearly, therefore, flat development is a non-starter, even allowing for long-term growth.

With rent control, of course, there's unlikely to be any growth. The old formula of 8½% of property value still applies. So do the arguments about how to base value.

Only weeks ago, government was being exhorted to grant tax concessions to encourage developers to build flats to rent. Instead of a carrot, it has produced the big

stick.

If Kotze expects the private sector to help out in this sector from now on, he can forget it.

Rent control an ⁽¹²³⁾ ^{CT 14/5/81} 'immoral concept'

Chief Reporter

RENT control was "immoral in concept and, with the passage of time, increasingly evil in effect", Mr Don Kennedy, executive director of the South African Property Owners' Association (Sapoa), said in Cape Town yesterday.

He was speaking at the annual meeting of the Cape Western Region of Sapoa.

After referring to the action last month of the Minister of Community Development, Mr Pen Kotze, in placing two buildings, one in Johannesburg and the other in Pretoria, under rent control, Mr Kennedy said he wanted to make Sapoa's position on rent control quite clear.

"First, it is an economic abhorrence for the state to force the private provider of housing to subsidize anybody whatsoever, and secondly that the longer rent control is in effect, the more vicious do its sociological consequences become."

Guidelines

Mr Kennedy said he hoped to see Mr Kotze in the next few days, and would be reporting back "particularly on the hoped-for guidelines on acceptable rent increases".

He reminded members of Sapoa that the Rents Act empowered a rent inspector to investigate any complaint, whether a building was under rent control or not, but the in-

spector had no powers to negotiate on behalf of the minister.

"I advise those of you who own rent-controlled flats to cooperate with rent inspectors who, as I well know, have helped a great deal to defuse spurious complaints since phasing-out was introduced.

"Needless to say, when it comes to applications to your rent board for increases, the new valuations which you present will be, or are likely to be, met with resistance.

"I wish you good progress in this matter and ask members to inform me if they do not get fair treatment."

Only objective

Mr Kennedy said the only objective of rent control was to keep rentals below market levels, and that the application of rent control to some buildings "and the threat thereof potentially to all dwellings" tended to suppress all rentals.

"Clearly, the risk of low or negative yield will continue to repel investment in a product which can be placed under price control. Suppressed rental yield and the construction of new blocks of flats are totally incompatible, in the absence of measures to close the gap."

● Mr Kennedy said the problem of the needy "should rest on the broad shoulders of the Minister of Health, Welfare and Pensions".

Landlord's concern over rent control

14/5/8

123

STBR

CAPE TOWN — The executive director of the South African Property Owners' Association (Sapa) said in Cape Town yesterday that rent control was "immoral in concept and, with the passage of time, increasingly evil in effect."

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other in Pretoria, under rent control, Mr Kennedy said he wanted to make Sapa's position on rent control quite clear.

"It is an economic abhorrence for the State to force the private provider of housing to subsidise anybody whatsoever. The longer rent control is in effect, the more vicious do its sociological consequences become."

Mr Kennedy hopes to see Mr Kotze in the next few days and is to report back "particularly on the hoped-for guidelines on acceptable rent increases."
— Sapa.

DN

PM 15/5/81

RENTS ROW

123

Out of control?

Sapoa is still trying to sort out government thinking on rent control. President Gert Hugo saw Minister Pen Kotze on the issue again this week.

But Kotze's decision to act against a block of flats which was never subject to control begs many questions.

Ray Hardy, a joint shareholder in the company which owns the building, Reneilan, outlines the background.

During October 1980, he received a call from a Rent Board inspector, who said he had received complaints from some of the tenants in Reneilan about a recent rent increase from R200 to R300, effective from November 1980. The inspector demanded that the increase be limited to R50 and Hardy said he would consult the owner. But he pointed out to the inspector, who was unaware of the fact, that the building had never been subject to control.

The inspector returned a few days later, again insisting that the rent should be increased to only R250. On neither occasion did the inspector ask to see the company's books, nor was Hardy requested to justify the increase. The inspector refused to give details of the complaints and made it clear that Hardy would be denied a hearing by the regional representative of Community Development.

Over six months later, Hardy received the first communication from the Minister, a copy of the Government Gazette

which promulgated rent control over the building and a covering letter. The Gazette was dated April 24 1980, five days before the general election.

The exercising of such powers raises several important issues.

Firstly, if the Minister was so concerned at the excessiveness of the increase, why did he wait six months before imposing control? Why were the draconian powers under Section 52 delegated to an inspector instead of the appropriate rent board?

In his press statement on April 23 this year, Kotze said rent control would be "reimposed" on the building because negotiations with the owner had failed to bring rents down to "satisfactory" levels. How could control be reimposed on an uncontrolled block? And do the two visits by an inspector constitute negotiations? How did the inspector determine that R250 was a reasonable rent without even consulting with the owner?

Also, is the Minister aware that the flats are modern duplexes, in excellent condition, and that nine out of the 16 occupants earn more than R1 200 a month? Does he know that nine of the existing occupants signed their leases after the increased rentals became operative, and obviously found the rent acceptable?

A further question: why did the Minister impose control with effect from November 1 1980 with the rent at R300, instead of pegging it at the old figure of R200? Tenants will obviously be preju-

diced at any rent board enquiry.

Does the Minister, in fact, have any personal knowledge of the case at all?

- ① TV Practices
- ② Legislation
- ③ Usage Rate
- ④ - Substantive Matter

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 Copying of letter to TIC etc.
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Handwritten signature:
 Frank Scott

Horwood frowns on rent control

R.D. 1
15/5/81
123

By REG RUMNEY
Property Editor

THE Minister of Finance, Mr Horwood, gave a clear indication yesterday that the Government thinks rent control counter-productive.

Expressing a personal view, Mr Horwood said he thought rent control exacerbated the problem of the shortage of rented housing.

He was speaking at the opening of the Star Homes Festival in Sandton.

Mr Horwood asked rhetorically whether South Africans had not perhaps become used to too luxurious a standard of housing.

On the controversial issue of aid to would-be homeowners, he intimated that the Government was seriously considering whether to make mortgage-bond interest payments tax-deductible.

The question had been referred to the Standing Commission on Tax Policy, he said.

"Rising construction costs have brought about a situation in which not only the lower-income groups, but to an extent also the middle-income groups, are finding it difficult to meet the cost of housing financed at market-determined interest rates.

"It is for this reason that it

has been difficult to phase out rent control."

Hosting the opening, Mr Philip Sceales, chairman of the United Building Society, which together with the Buchner group of companies developed Lonehill, said it was sobering in the light of inflation to see what housing cost today.

He used Lonehill as an example. The amount required by the local authority for endowment money, the provision of essential services and roads amounted to R3-million for the first 248 stands — nearly R12 000 a stand.

This was in line with the experience of the UBS nationally.

Another R5-million would be required for services to another 393 stands in Lonehill.

Mr Sceales spoke of building societies' problems in attracting money.

"Building societies all over the world face an increasing problem in an ever more competitive and sophisticated money market of raising the funds necessary for home finance.

"The results of a survey published by the Standard Bank last week indicated that in South Africa the building societies are receiving an ever-diminishing proportion of the public's total savings.

"This is basically due to the fact that being non-profit-making institutions they are not able to offer an equity investment to a world which places a premium on equity investment against a background of worldwide inflation."

The Building Societies Act had been amended to provide for property development corporations, whose aim was to provide low-cost and medium-cost housing "and yet at the same time to afford the building society the opportunity to enjoy some participation in the profit to be derived by the developer from the finance provided by the building society".

At Lonehill the UBS had taken a 51% share in the development of the first 119 sectional title units.

GOVERNMENT BUILDS HOUSING FOR 738

IN THE five-year period 5. In bwa Property Editor 17/198 (123) to August 30, 1980, the Government was responsible for building 147 230 homes for all races at a cost of R100 000 million, the director-general of the Department of Community Development and State Auxiliary Services, Louis Fouché, said last weekend.

Speaking at a lunch of the Blue Circle Cement Property Editors' Club in Johannesburg, Fouché said this represented 136 housing units built each working day during that period — or housing for 738 people a day. He said his department was best able to deter-

mine the needs of the country as far as housing was concerned because it had 13 regional offices throughout the country working with 600 local authorities. "In the case of whites we must provide 35 000 houses a year," he said. "Thank goodness that in

this category private enterprise through the building societies does the lion's share. "Coloureds need 13 500, Indians 4 200 and blacks 36 000 homes. This is for the needs of natural growth."

The blacks' housing backlog is approximately 160 000. If we want to eliminate the backlog in 10 years we have to add 16 000 a year to the figure of 36 000, he said. "The Indian backlog is not so bad, and coloured is catching up. We have succeeded in reducing the shacks in the Western Cape from 30 000 units to 10 000 units. "Judging by all standards throughout the world, this is an achieve-

ment in the housing field of which nobody can be ashamed," said Fouché. "In 1953 we had a committee investigating housing matters and this committee was very pessimistic in its findings. It said there was a demand for housing of 177 000 units for the next 10 years and said we would never be able to

find the money to do the job and never be able to build these houses. "What happened, was that instead of building 177 000 in 10 years from state funds we succeeded in building 260 000. They estimated the cost of the 177 000 houses at R220 million and we succeeded in building the 260 000 units at a cost of

PEOPLE A DAY

R250 000.

"If people come to me now and say we should allow inferior types of housing and allow shacks to be developed, I say we solve nothing by that. "Self-help should not be offered as a solution for the housing problem in cities."

Fouché said high building costs and rates of

interest were the challenges before us. We could be moving towards a crisis unless private enterprise builds for rental.

He disclosed that the Government is investigating the likelihood of incentives to bring the developers of rental accommodation back into the market to a greater

degree.

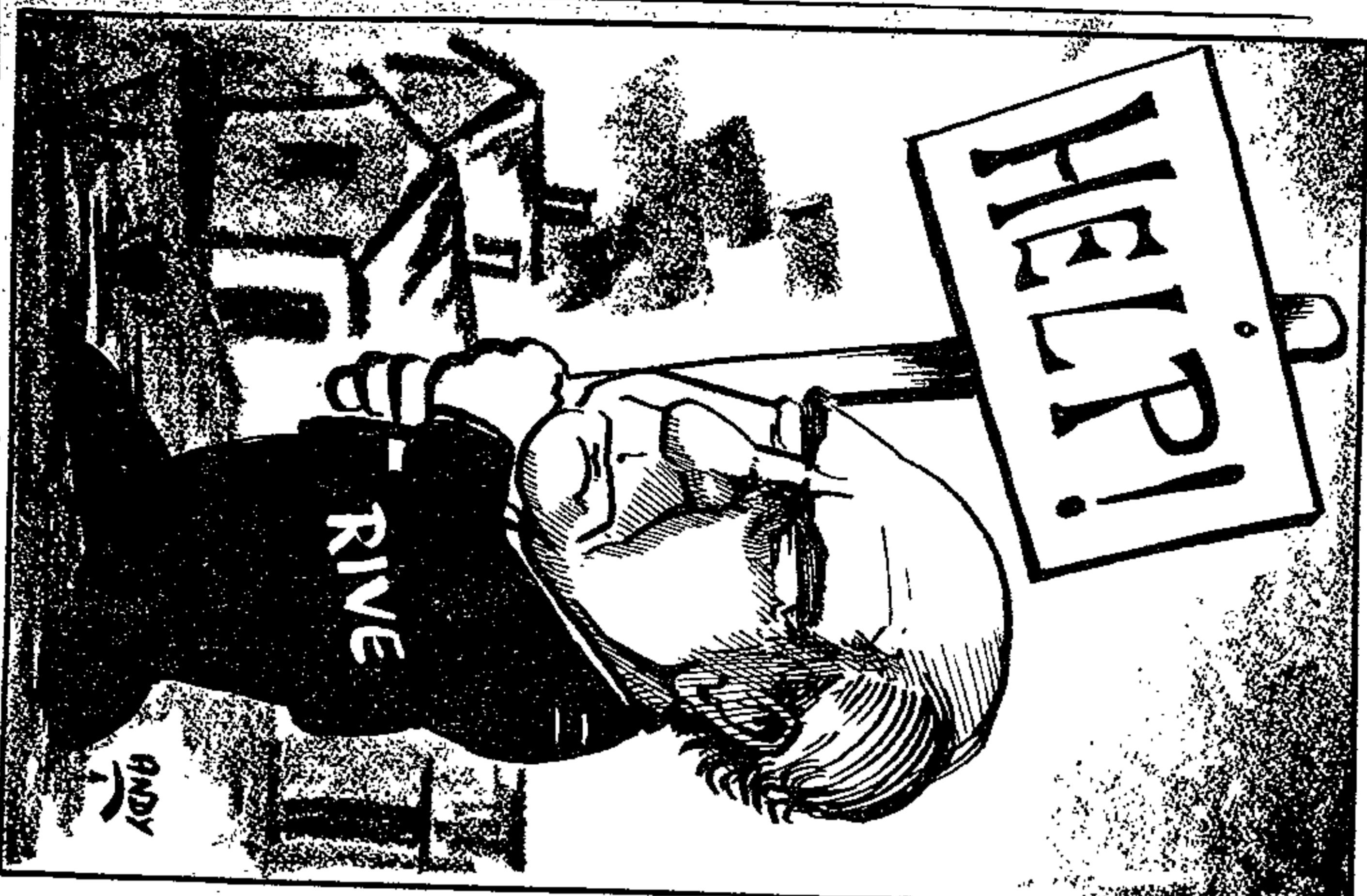
His department, he said, had made certain recommendations on incentives to the Department of Finance. These were now being studied, but it was up to that Department to decide if they could finance incentives, and in which way they could structure them.

Private sector billions to solve housing crisis

5 Times 17/5/81

123

RIVE: I'LL QUIT IF I ACHIEVE NOTHING BY THE END OF THE YEAR



THE R4 000-million housing crisis facing South Africa is now forcing the Government to look to the private sector for cash to help ease the problem.

Generating more than R20-million each working day, the institutions are the only viable source for the huge amounts of cash needed.

With their combined cash flow, they could (theoretically) come close to meeting the backlog within 200 days.

The seriousness of the situation is highlighted by the announcement this week by Louis Rive, the man in charge of the development of Soweto, that he would resign if he had not achieved anything by the end of the year.

He told a Press conference in Johannesburg that the State had not built a single house in Soweto this year.

Figures released by Department of Community Development director-general Louis Fouche show that the Government estimates the shortfall at more than 200 000 units at present, which would cost about R4 000-million to build. This does not include those who will require housing in the future.

The number of families who require housing is growing at the rate of 30 000 a year, and it is estimated that it will require at least R400-million a year to meet this need.

By Tony Hudson

Mr Fouche's remarks sum up the problem: "Housing is one of the most important fields in the country. If the people are happily housed, you have a happy country."

"It is more important here than in any other country in the world. It is of the utmost importance in maintaining peace, law and order. We should be ploughing in millions of rands — the maximum for all race groups."

However, not enough cash is available to meet the rapidly growing demand, and other areas will have to be investigated.

About the only sector of business with sufficient cash flows to meet such a heavy drain are the institutions, which could

make a significant contribution to the needs of the sub-economic housing sector in terms of available cash.

In reply to a question, Mr Fouche told Business Times that this was already the subject of investigation by the Department of Finance.

At least one major institution is giving thought to the possibility. Others, however, professed ignorance on the matter, although, in the words of an executive of a motor insurance company, "the issue is a very sensitive one at present."

All felt, however, that any investment in black housing schemes would have to be attractive from a yield point of view to keep returns at the required level.

One suggestion is that investment in these schemes should be by way of part-one asset

requirements, by which insurance companies are required to put just over 20% of their income into Government stock.

These funds could be diverted into supplying funds for housing schemes.

Sanlam's deputy general manager, property, Etienne le Roux, tells Business Times that it would not pay institutions to invest directly in housing schemes as the administration would be too costly and difficult to make it a paying proposition.

Southern Life's Jan Galtz feels that the Government should simply set aside part of the part-one asset requirements for cash flow for housing developments.

However, he sees the need for the Government to be seen to be taking action against the

To Page 3

ROM. 21/5/81

Friction blamed on housing rules for blacks

(23)

Staff Reporter

THE rules governing housing for blacks cause family feuds, friction and mistrust, according to legal advice organisations.

Reacting to cases relating to divorcees who have been granted custody of children but are not provided with houses, some Johannesburg lawyers and advice organisations said blacks have to go through a set of bizarre laws, rules and channels that cause nothing but frustration.

"The authorities have got so tied up in their own red tape and are now completely immobilised," said one lawyer.

Some of the lawyers said they have written to the Minister of Co-operation and Development, Dr Piet Koornhof, bringing the matter to his attention but have not heard from him yet.

The Minister's private secretary however, said he would go through the files to check on any correspondence relating to the matter.

One case involved a woman who was granted a divorce against her husband on March 25 last year and was awarded custody of the two children,

aged 13 and 14.

After the action had been finalised, she asked the township manager to let her stay at their Senaoane house with the children but her request was turned down — the reason was that her husband had re-married a day after the divorce had been granted.

The township manager told her that her husband had offered to provide her and the children with alternative accommodation.

Her ex-husband took her to live with his wife's family.

She made a report to her lawyer who submitted an application on her behalf for a house. The township manager replied that he could not consider her application because the registered tenant of the house where her ex-husband had placed her refused to accept her because of her behaviour.

A second application for a house has now been made.

The Witwatersrand Womens' Movement said in a statement that this was "a blatant denial of basic human rights. It is only black women and their families who suffer under these conditions."

Employers can help

22661 (123) E.P.

HOUSING is a central issue to the problems of black townships, and the impressive thing about the Urban Foundation's "do-it-yourself" home improvement scheme is the thoroughness with which the details have been worked out.

The project provides the chance for black couples to be involved intimately in improving their homes. From the earliest stage, in planning with models, they assume a new status as home owners. They will be assisted and guided throughout by experts, loans up to R5 000 have been arranged and there is even a

scheme for those who cannot afford the deposit to raise one through "sweat equity" in the yard of the foundation's materials store.

While it is up to the individual to embark on the improvement scheme through the Kwazakele Advice Centre, much can be done by employers in encouraging their staff to take advantage of it, and to assist where possible. The foundation's project won't solve the housing shortage, but it goes a long way towards its ambition of helping to improve the quality of life in the neglected black townships.

White homes price crisis looms

Sunday Times
19/11/74
123

SOCIETY REGULATIONS PUT OWNERSHIP OF 'REASONABLE' HOUSE BEYOND REACH OF MR AND MRS AVERAGE

THE soaring cost of homes is pushing the prospect of home ownership right out of the reach of middle-income families.

Research by the country's largest management consulting organisation, the P-E Consulting Group, this week indicates that the median white salary in Johannesburg is in the region of about R1 000 a month.

In terms of current building society regulations, the maximum a man earning that

amount is allowed to pay on a bond is R250 — 25% of his monthly income.

In terms of this ruling the maximum bond he can expect is about R20 000.

This, together with his deposit, will give him between R25 000 and R30 000 for his house.

And houses at that price in the major centres are few and far between. One Johannesburg property man says that an average family home with no

used for bond repayments to rise to a level that will ease the situation.

Calculations show that, after bond repayments and tax, the man earning R1 000 a month has R669 left.

Assuming that he spends R300 on food, clothing, etc. he still has R369. If he were allowed to add between R150 and R200 to his bond repayments, this would immediately increase his possible bond to about R35 000.

The Institute of Estate Agents' Terry McCarthy tells Business Times that, while he has not polled members on the idea, he feels very strongly that most estate agents would support the move.

He says that because of the 25% limit discretionary cash is being put into items such as cars, hi-fi equipment and other luxury items when that cash



By Tony Hudson

special features will cost well over R50 000.

A man earning R1 500 a month is not much better off, as he is allowed to pay a maximum of only about R375 on his bond, which has a ceiling of just over R30 000, while a man earning R2 000 a month may pay R500 and has a bond ceiling of R40 000.

With the consensus among property men that prices are unlikely to ease much in the short term and will continue to climb in the long, the situation can be only bleak for the man-in-the-street unless the building societies give serious consideration to changing the structure of their bonds and allow the percentage of monthly salary

could be used to help purchase a home.

He says that if something is not done lower-income earners and youngsters are going to have almost insurmountable problems finding "reasonable" accommodation.

Association of Building Societies director Tim Hart opposes the idea. "Credit is far too easy in this country as things are at present. And I am not concerned about those people wanting houses. We cannot service the demand as it is. I am strongly opposed to any change."

United Building Society managing director Peter Richardson

son takes a more sympathetic approach. "The tendency is to move with housing prices. If they go up, we allow a higher percentage and if they come down, we tighten up."

He says that the degree of flexibility depends on the affluence level of the applicant. A man earning R3 000 a month can obviously afford to pay a higher percentage than the man earning R1 000.

"However," he says, "we have to be flexible and examine each individual case on its merits. We must look at a broader base and remember that a man's circumstances improve as he moves through life."

Prospects for home owners in E Cape getting dimmer

By SHELAGH BLACKMAN

EP. 27/5/81

(123)

PROSPECTS are still gloomy for prospective home owners.

Rising building costs are expected to result in a shortage of houses soon and bonds will not become easier to obtain.

The director of a local estate agency, Mr G Howell, said that with rising building costs, agencies were running out of houses to sell. The prices of "lived in" houses could be expected to rise to keep pace with the prices of new houses.

A director of another agency, Mr Leon Claasen, said that while there were plenty of people who wanted to buy houses, sellers wanted unrealistically high prices.

An administration manager of a building society said prices of houses were likely to rise. With the decrease in the money supply, building societies were careful about granting new bonds.

Higher prices for houses meant many aspirant home owners wanted to apply for higher bonds and found they did not qualify in terms of their incomes.

In terms of current building society regulations, the maximum repayable amount on a bond was 25% of monthly income.

He said salaries had to be increased or prices would have to come down. He had encountered people who had abandoned plans to buy a house because they found they could not afford it.

The chairman of the Association of Building Societies in Port Elizabeth, Mr Philip Klopper, disagreed with this view. According to bond applications for the Port Elizabeth-Uitenhage area, there were still people who bought houses for a price they could afford.

Building society funds had been drying up during the past six months and applications for bonds were considered carefully. But people had to have a roof over their heads so somehow they

managed to buy.

He pointed out that the 25% limit was flexible. Someone in the higher income group could more easily meet a higher commitment and each case was considered on its merits. However, no bond repayment was allowed to exceed 30% of a man's income.

It appears Port Elizabeth homeseekers are better off than their Johannesburg counterparts. There, according to a Press report, the soaring cost of homes is pushing the prospect of home ownership beyond the reach of middle-income families.

The report said an average family home with no special features would cost R50 000, whereas a man in the middle income group could only afford a house costing between R25 000 and R30 000.

The managing director of a local estate agency, Mr B Ovsowitz, said Port Elizabeth could not be compared with Johannesburg in this respect.

An average family home which cost R50 000 in Johannesburg would cost R40 000 here.

"It has always been a struggle to buy property. There has never been a time when people haven't had to battle but those who are prepared to take on the challenge reap the benefits of a wise investment later," he said.

Mr Claasen agreed that Johannesburg prices were much higher. He said people with average salaries could still afford "something decent" if they were prepared to move to outlying suburbs.

In his experience, people tended to expect too much. Everyone wanted family rooms and en-suite bathrooms. If people settled for what they needed rather than what they wanted they could get the "extras" later.

SCHEDULE

1. In this notice, unless inconsistent with the context, any word or expression to which a meaning has been assigned in the Summer Grain Scheme, published by Proclamation R. 45 of 1979, as amended shall have a corresponding meaning, and—

“grain sorghum” means the seed of any sorghum except a broom sorghum, hay sorghum or cane sorghum;

“grain sorghum product” means a commodity derived from the processing of grain sorghum or into which grain sorghum or any part of grain sorghum has been converted;

“net mass” means the mass of the grain sorghum or grain sorghum product in a container after deduction of the mass of the container thereof: Provided that the mass of a bag (hessian or jute) shall be taken as 1 kg.

2. A levy of 52c per ton net mass and a special levy of R50 per ton net mass is hereby imposed on grain sorghum (excluding grain sorghum specifically sold by the Board for export) and grain sorghum products which are exported.

3. This notice shall come into operation on the date of publication thereof and repeals Government Notice R. 870 of 27 April 1979, as amended by Government Notice R. 1233 of 13 June 1980, with effect from the same date.

DEPARTMENT OF COMMUNITY DEVELOPMENT AND STATE AUXILIARY SERVICES

No. R. 1137

29 May 1981

AMENDMENT OF THE REGULATIONS UNDER THE SECTIONAL TITLES ACT, 1971

The Deputy Minister of Community Development and State Auxiliary Services, acting on behalf of the Minister of Community Development and State Auxiliary Services and in consultation with the Deeds Registries Regulations Board, has made the regulations set out in the Schedule hereto under section 40 of the Sectional Titles Act, 1971 (Act 66 of 1971).

SCHEDULE

1. In these regulations, the expression “the Regulations” means the Regulations under the Sectional Titles Act, 1971, published under Government Notice R. 475 of 30 March 1973, as amended by Government Notices R. 1936 of 23 September 1977 and R. 2579 of 29 December 1978.

2. Regulation 2 of the Regulations is hereby amended—

(a) by the substitution for subparagraphs (i) and (ii) of subregulation (2) (b) of the following subparagraphs:

“(i) a building to be erected, the approved building plans;

(ii) an existing building, the approved building plans or, if any deviation, alteration or amendment of such plans was approved, a composite plan comprising the approved building plans and the approved deviation, alteration or amendment plans, or if such deviation, alteration or amendment plans are available, a drawing showing measurements of any variation or alteration with respect to the dimensions of that building;” and

BYLAE

1. In hierdie kennisgewing, tensy uit die samehang anders blyk, het ’n woord of uitdrukking waaraan in die Somergraanskema, afgekondig by Proklamasie R. 45 van 1979, soos gewysig, ’n betekenis geheg is, ’n ooreenstemmende betekenis en beteken—

“graansorghum” die saad van ’n sorghum, behalwe ’n besemsorghum, hooisorghum of soetrietsorghum;

“graansorghumprodukt” ’n handelsartikel wat verkry is deur die verwerking van graansorghum of waarin graansorghum of ’n deel van graansorghum omgesit is;

“netto massa” die massa van die graansorghum of graansorghumprodukt in ’n houer na aftrekking van die massa van die houer daarvan: Met dien verstande dat die massa van ’n sak (going of jute) as 1 kg geneem word.

2. ’n Heffing van 52c per ton netto massa en ’n spesiale heffing van R50 per ton netto massa word hierby opgelê op graansorghum (uitgesonderd graansorghum wat spesifiek deur die Raad vir uitvoer verkoop word) en graansorghumprodukte wat uitgevoer word.

3. Hierdie kennisgewing tree in werking op die datum van publikasie daarvan en herroep Goewermentskennisgewing R. 870 van 27 April 1979, soos gewysig deur Goewermentskennisgewing R. 1233 van 13 Junie 1980, met ingang van dieselfde datum.

DEPARTEMENT VAN GEMEENSKAPSONTWIKKELING EN OWERHEIDSHULPDIENTSTE

No. R. 1137

29 Mei 1981

WYSIGING VAN DIE REGULASIES KRAGTENS DIE WET OP DEELTITELS, 1971

Die Adjunk-minister van Gemeenskapsontwikkeling en Owerheidshulpdienste, handelende namens die Minister van Gemeenskapsontwikkeling en Owerheidshulpdienste, het, na raadpleging van die Registrasie-regulasieraad, die regulasies in die Bylae hiervan vervat kragtens artikel 40 van die Wet op Deeltitels, 1971 (Wet 66 van 1971), uitgevaardig.

BYLAE

1. In hierdie regulasies beteken die uitdrukking “die Regulasies” die Regulasies kragtens die Wet op Deeltitels, 1971, afgekondig by Goewermentskennisgewing R. 475 van 30 Maart 1973, soos gewysig by Goewermentskennisgewings R. 1936 van 23 September 1977 en R. 2579 van 29 Desember 1978.

2. Regulasie 2 van die Regulasies word hierby gewysig—

(a) deur die vervanging van subparagrafe (i) en (ii) van subregulasie (2) (b) deur die volgende subparagrafe:

“(i) ’n gebou wat nog opgerig moet word, die goedgekeurde bouplanne;

(ii) ’n bestaande gebou, die goedgekeurde bouplanne of, indien ’n afwyking, verandering of wysiging van sodanige planne goedgekeur is, ’n saamgestelde plan wat bestaan uit die goedgekeurde bouplanne en die goedgekeurde afwykings-, veranderings- of wysigingsplanne, of, indien geen sodanige afwykings-, veranderings- of wysigingsplanne beskikbaar is nie, ’n tekening wat die afmetings toon van ’n afwyking of verandering met betrekking tot die afmetings van die gebou;” en

See full text on page 96

Govt help urged to ease home shortage

S. Times 31/5/81 (123)

'RENTS ACT MUST BE REMOVED TO GAIN THE TRUST OF DEVELOPERS'

PRIVATE enterprise, above all, could overcome the growing housing shortage, say many property developers, who agree on several points that spell salvation to homeseekers.

The primary solution lies in greater participation of the private sector, which could easily increase the supply — "but only as long as it is not limited by the Government's constraining laws such as the recently introduced Sectional Title Amendment Act".

"The Government can help."

By Vera Beljakova

says property dealer Ian Fife, "by stimulating the concept that the solution to housing lies in medium and high density housing — and not in the more popular, land-wasting and expensive suburban sprawls."

As a matter of urgency, the Government should remove the Rents Act if it is to gain the trust of developers, who are now wary of vacillations and such retrogressive steps as recontrolling decontrolled blocks.

Richard Ellis thinks that restricting rents does not solve

the problem of the housing shortage, but rather aggravates it further.

"To solve the problem, we must go to the root. The Government is trying to curb the symptoms, not cure the illness," says RE's spokesman.

"Tenants should be encouraged to become home owners by improving the flow of stock coming on to the market," says Mr Fife. He feels that "investors who have owned blocks for a decade should go untaxed if they convert to sell". The untaxed investors would then feel encouraged to reinvest in fur-

ther developments, thus generating more stock.

Failure to do so, he feels, encourages owners to sell to middle men, "a step calculated to push up prices and encourage abuse of flat conversion".

"The middle man, being a speculator, is more interested in a quick sell than the block-owning investor. Eliminate him and the market should ease."

Richard Ellis, on the other hand, feels that developers of buildings for flat rental should be given tax concessions — or at least incentives, while Landmark is advocating tax incentives similar to those given to hotel developers, "a move that revitalised the South African hotel industry over 10 years".

Landmark also advocates giving tax deductions on bond interest and on rentals for the next five years, but "this inflation-contributing step would ease the burden when the market reached equilibrium".

The problem of housing the 5 000 lower-income whites and needy pensioners should be worked out in partnership among private enterprise, the Government, local authorities and charities, most developers feel.

"If the Government insists on placing the burden of accommodating pensioners and other sub-economic whites on the shoulders of private enterprise then it should also provide incentives to have this sector served.

"If the central government can provide loans to local authorities, why cannot private enterprise also be on the receiving end of such handouts to serve the poorer section of the community, or at least receive funds at subsidised rates."

IN A hush-hush move, the Department of Community Development has given a newly established estate agency the sole right to sell more than 200 expropriated properties in the Johannesburg suburb of Jeppe.

The move has smashed the last hopes of hundreds of residents — many of them elderly — who had sought to stay in their suburb.

The stroke of a pen has finally brought to an end the 13-year saga of urban renewal in Jeppe — 13 years of promises, delays, uncertainty, harassment by government officials, evictions and sheer human misery.

Meanwhile the firms involved in the sale and redevelopment of the area seem set to make huge profits from the venture.

The agency selling the properties is Pyramid Estates, whose owner, Mr Morris Elias, lives in Plettenberg Bay.

It began selling early this year and has had offers from two property developers, Century Credit Corporation and ACF Contractors (Pty). Their offers await ratification by the department.

ACF Contractors have of-

13 YEARS OF HOPE END FOR TENANTS OF 200 EXPROPRIATED HOUSES By WILMAR UTTING

The pen-stroke that crossed out a community



MR JOHN FOSSETT Fought for years

S. Times
3/5/81
123

fered R144 000 for 29 stands of 50m², each in Troyeville, and Century Credit has offered R365 200 for 94 stands of 248m² in Jeppe, the agents say.

Municipal records show that the value of land which the department expropriated in 1968 has increased by up to 300 percent.

A stand in Troyeville, for example, which was valued at R1 800 in 1972, is now valued at

R6 500. Taking into account the cost of the building in 1972, valued at R1 500, the transaction meant a profit of 100 percent to the department.

In Jeppe, stand No 700, which the department took over in 1969 when the value was R360 for the land and R560 for the building, is now valued at R3 500.

Century Credit Corporation's plan is to develop townhouse

schemes at a cost of about R4 million. The houses will sell for about R30 000.

This is a price far beyond the reach of residents who were evicted from houses where they paid as little as R26 a month rent.

ACF, according to the agents, plans to resell the Troyeville property in blocks to speculators.

The city councillor for the

area, Mr John Fossett, who has fought for the residents' rights for four years, has laid his objections to the move before the Johannesburg Management Committee and asked that they take urgent steps to delay the sale until the matter has been investigated.

An angry Mr Fossett said: "Is it the policy of Community Development to let the elderly residents of the area suffer

with no hope of reward? They cannot move them to other accommodation, so where are they aged to go?"

"Mr Marais Steyn, then Minister of Community Development, was asked two years ago to let the city council sell the properties on a "no loss, no profit" basis. He refused. Now the poor are paying the price, and outsiders are reaping the profits," Mr Fossett said.

The Sunday Times asked the regional director for the Department of Community Development in Johannesburg, Mr Dirk Rossouw, to explain why Pyramid Estates had been given the sole agency when the owner lived in Plettenberg Bay, and why this had been done secretly.

Mr Rossouw said: "The appointment was done by the Community Development Board. I am not at liberty to discuss the merits of the appointment and I do not think anyone in the department will be prepared to discuss the appointment of any of its agents with the Press. The information is not for the public."

He refused to discuss what profit the department had made. He confirmed that Pyramid Estates had also been given the sole agency for selling "certain properties in Vrede-dorp" which had been expropriated by the department. Those properties had "not yet been released" he said.

He denied his department officials had ever evicted anyone. "Not one", he said. The owners had been anxious to sell, and it was department policy when engaged in slum clearance, to demolish properties that needed to be demolished. He confirmed that offers to buy had been sent to Pretoria for ratification.

Pyramid Estates is based in an office in North State Building, Johannesburg.

It is also the office of another company owned by Mr Elias, Pyramid Enterprises (Pty).

"Popped down"

Pyramid Estates appears only in the latest telephone directory. Callers asking for Mr Elias are told he is not in Johannesburg, nor is there anyone there during regular office hours to deal with inquiries about property. The callers are referred to Mr Elias in Plettenberg Bay.

When the Sunday Times telephoned Mr Elias at his home overlooking Robberg Beach, he denied living in Plettenberg Bay.

He lived in Johannesburg, he said. He had no details about what was going on in Johannesburg because he had "popped down to Plett" where he was involved in a big property deal. He referred inquiries to the man selling for him, Mr "Joe" Coen.

He had applied for the agency to sell the properties in Jeppe, Fairview and Troyeville and was being paid a normal commission.

Mr John Woods of the Century Credit Corporation said his company had made the offer for the Jeppe properties because it had a strong interest in urban renewal.

When told by the Rent Board that Pyramid was handling the sale he contacted Mr Coen. This was in March.

"We then did a feasibility study and worked out an offer based on the municipal valuation," said Mr Woods. The price works out at between R3 000 and R5 000 a stand.

Mr Woods said the renewal scheme was an exciting one and could be a model for other urban renewal schemes.

The planners would retain the essential atmosphere of the historical suburb. There would be no high-rise buildings. The houses, with gardens, would cost about R30 000 and suitable applicants could get a 100 per cent loan repayable at about R300 a month.

Work would start in January next year, he said.

Estate agent had plans for Plett

PLETTENBERG Bay residents were amused this week to hear that Mr Morris Elias, an estate agent, had denied he was living in the town.

All confirmed he had built a house in the prime area of Odland Street "up there with properties belonging to people like Marius Jooste" and had moved in at the end of 1979.

Mr Elias had made it known that he intended to spend nine months of the year at Plettenberg Bay.

He had joined the country club and had first irritated members of the tennis club by telling them what was wrong with their game. Then he infuriated conservationists by proposing to put up 23 townhouses on land abutting onto Robberg Beach. He planned to sell them at R100 000 each.

He has an option to buy two stands from Plettenberg Bay Chalet Development Corporation, of which Mr Sol Kerzner is part owner. One of the

stands is on Robberg Beach, the other behind it.

Mr Elias first asked the council to consolidate the two stands and rezone the land for property development.

There were objections from residents, said the town clerk, Mr Don Robertson.

"We surveyed the area and found this property encroached on beach land and council withdrew its recommendation for rezoning. Now the major portion of the land will be set aside to be preserved. The smaller portion can be developed," Mr Roberison said.

Mr Elias will now be able to build only 12 houses instead of 23.

"He came here with a big whizz," one resident said. "It's turned into a bit of a fizz."



Rennie and Jerry Botes at the gate of their expropriated home ... R4 000 on improvements

Picture: HERMANN PAINCZYK and EUGENE LABUSCHAGNE

Homes to go but tenants didn't know

MR JERRY Botes and his wife Rennie are tenants who were never told what was happening when the Department of Community Development expropriated their home.

Mr Botes, a clerk with the Johannesburg Traffic Department, has lived in a semi-detached house at 57 Browning Street, Jeppe, for 10 years.

During that time he has paid R26 a month rent, first to the owner, and then to the Department of Community Development when it expropriated the property. This week the agent, Mr Joe Coen, said the houses were earmarked for demolition.

"We have never had a visit from any department official, and we have never heard of Mr Coen," said Mrs Rennie Botes.

"We would buy this house. We have not paid much in rent, but we have spent more than R4 000 improving it."

Mr Botes has enclosed the



YVONNE HATTINGH Nobody came
PETER ROESTROFF Never told

front porch, laid floor covering, tiled the bathroom and installed an inside toilet, painted the whole property, and replaced all the wooden window frames with steel ones.

Told that a new townhouse would cost about R300 a month, Mrs Botes said: "We couldn't afford that."

"These people who are selling do not know us, or what this place looks like. They have no consideration for what we have done," she said.

Next door, at 57A, Mr Peter Roestroff, a security officer, said he too had not been told what would happen to his house. He had just fitted the main bedroom with cupboards along one wall. He had also enclosed his porch, renovated the bathroom and replaced the wooden windows. The house was freshly painted.

Mrs Yvonne Hattingh, who stays in the house, said:

"Nobody came here. I don't think we will ever get a chance to buy a house here. Wait and see, it has all been promises, and now — bing-bang, too late. We should get a say, we live here. Why should companies from outside get the opportunity before us?"

Mrs Hattingh said she would not sit back. "We have stuck it out for five years, through all the rubbish left lying around, through vandals using empty houses to store weapons, through having shebeens all round. Now they do this to us. But we'll fight them," she said.



BLACK HOUSING
Slow growth (123)
 1 M 5/6/81

TOWN R BOOK

EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered); leave columns (2) and (3) blank.

All answers
 Number
 Number

Surname

First Name

Date

Degree you are

Subject (to)

Paper (to)

NOTE

1. ...
2. ...

The government has belatedly acknowledged the need for a multi-faceted approach to remedy the critical shortage of

urban black housing. More significantly, it has called in the private sector to help sort out the backlog which Pretoria's past policies have aggravated.

The appointment of a panel of experts under Boet Viljoen, president of the Association of Building Societies, to co-ordinate the involvement of the private sector, puts form into the repeated calls for the business community to help out. But if the private sector is to have a real effect, government will need to review legislation and other measures which still impede substantial private investment in black areas.

And that calls for more than "the bending of rules," as West Rand Administration Board (Wrab) chairman Johan Knoetze urged at a recent black housing seminar in Johannesburg.

The sheer magnitude of the shortage calls for a new or drastically altered framework. The official backlog in Soweto alone is 22 000 houses, though other estimates, including that of the Urban Foundation, put the figure at 33 000. Altogether there is an officially projected need for 4.1m dwellings countrywide in the next 20 years at a cost of R20 000m.

No wonder Pretoria is trying to rope in the business community. But so far investment by building societies and employers, allowed in after 1976, has been sluggish. Only about 500 houses in Soweto were put up by the private sector in Soweto last year — and none by the State.

The shortage of proclaimed sites, indispensable for securing a bond, apparently lies behind the building of fewer privately financed houses. A building society, which has built over 50% of the houses, states that there are not enough stands for bonds. The administration boards' tardiness in proclaiming sites is said to be the work of a bureaucracy that is not keen to introduce changes for the urban blacks. However, Knoetze told the black housing seminar that proclamation costs and delays, using ground level methods, have

able. 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.

stalled the process and that his board is considering using an aerial survey to reduce these.

But the shortage of stands is only one of the constraints on the private sector to break through into the black market. The Black (Urban Areas) Consolidation Act prohibits whites from owning property in black urban areas. So they cannot invest directly in housing for their employees or rent or sell to blacks. The boards serve as the outlets for the private sector but the red tape can discourage substantial prospective investment.

Nigel Mandy, the black housing seminar organiser, suggests that there should be a distinction between ownership and occupation to enable white investors to build in black areas and that the 99-year lease arrangement should be made flexible to allow for sectional title.

There is a looming land shortage and the sprawling sub-economic housing that has been a feature of urban black areas should give way to dense, medium high rise apartment construction. Although the Prime Minister's planning committee is said to be investigating the possibility of more land being purchased for urban black areas, land pressure will continue to grow with population.

And even if the impediments to the private sector are substantially reduced, its role will still be critically limited. Says the UBS's Piet Badenhorst: "Building societies can only provide economic housing."

Wrab did not build a single house last year and some boards are committed to channelling funds to the homelands. The bolstering of infrastructure is a priority, according to Wrab and this will presumably divert resources away from housing.

The call for the business community to help provide black housing is therefore a far cry from coming to grips with the problem — much of black housing needs will continue to be sub-economic, properly the domain of the public sector.

	Internal	External
		(3)

paper or other material in the examination room is prohibited. Do not communicate with other persons 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

How the boss can help

THE introduction of the 99-year leasehold scheme has made authentic home ownership available to blacks for the first time.

This has brought about an opportunity and an urgent need for the South African employer to play an active part in unfolding home ownership to all because that would benefit not only the individual home owners, but also the society as well as the employer.

This is so because it has now, more than ever before, become apparent that the South African business community is anxious to improve employment practises and the quality of life of its employees. An employee would benefit from secure housing through, inter alia, opportunities for capital formation; increased sense of belonging and a contribution to better environmental outlook. Therefore, employer participation in such an exercise will add momentum to progress to make black home ownership a national goal.

By not only paying higher wages, but deliberately setting out to take part in the improvement of life of black employees, the business community has shown, and can improve, its interest in improving working conditions and quality of life of its employees.

To spark off the market, employees should be encouraged to buy the houses they presently rent. This is sensible.

which these houses are situated.

The converse to buying existing houses would be to build new ones. By assisting employees to buy their own sites and encouraging them to build new houses, where an owner can express his personality and exercise choice in the design, the employer will assist the release of capital for the building of more houses and the development of a more attractive environment.

Demographers estimate that, by the turn of the century, some four million additional new houses will have had to be built for blacks in the Republic of South Africa.

EMPLOYER'S ROLE

The employer can assist in one of two ways or both simultaneously.

- by explaining the concept of the 99-year leasehold scheme and advantages of home ownership. This educational function is vital;
- by financial assistance, through either loans, or loan subsidies, or surety, collateral and guarantees, or company housing schemes.

LOANS

The deposit is often a major problem in buying a home. Historically, blacks have had difficulty raising finance.

In the majority of cases employees will look to their employers for assistance. They are employed by the firm, the firm knows them and it is easier to borrow

housing subsidy of subsidisation of interest rates on loans through other financial institutions. An advantage of this approach is that the company's pre-tax profits are reduced and the subsidy becomes tax deductible.

3. Surety, collateral and guarantees

The employer organises loans through financial institutions and participates to the extent of standing surety, signing collateral or offering guarantees.

4. Development and construction of company housing

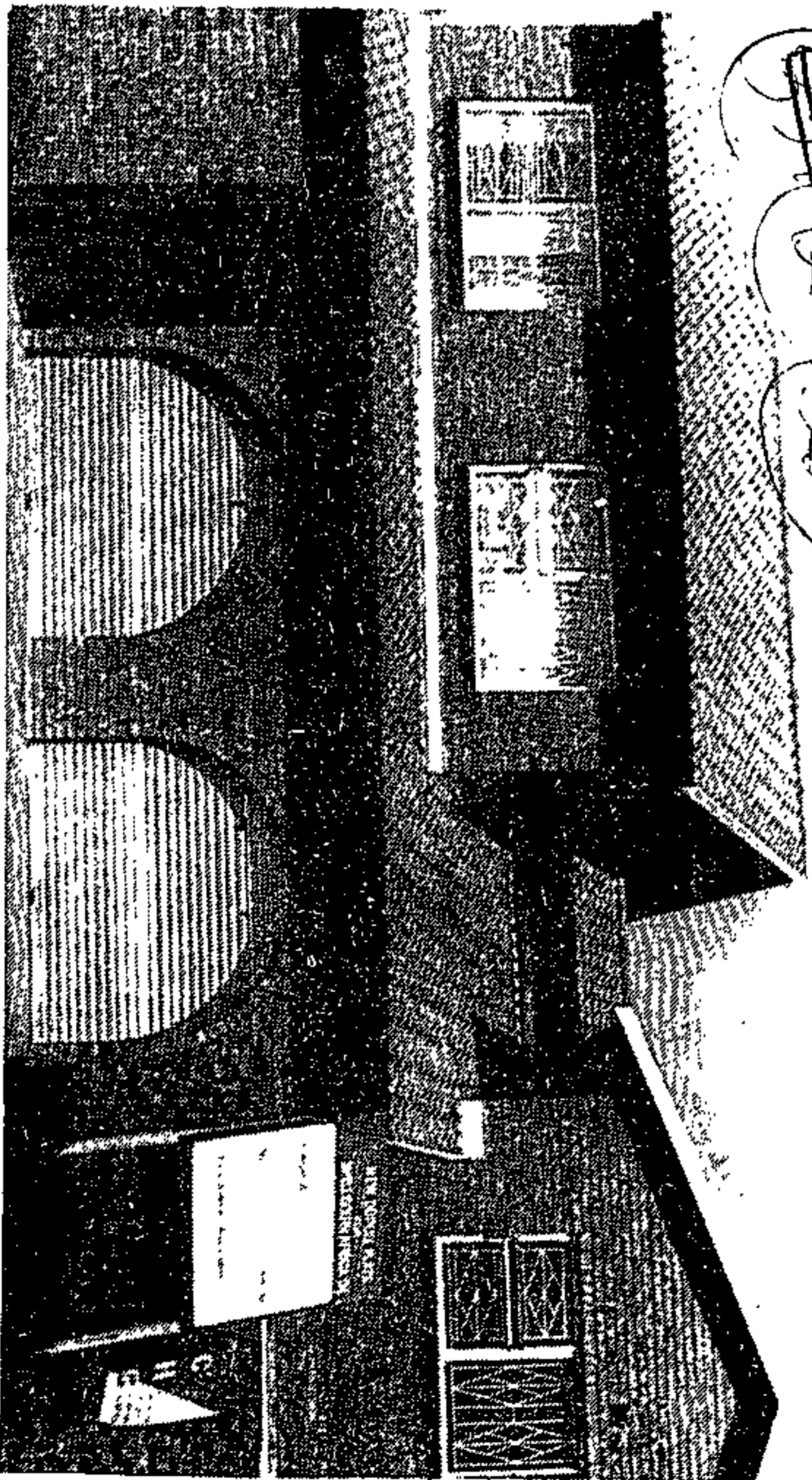
The company acquires rights to land on behalf of or through its employees, erects housing and sells to employees.

Many companies may possibly opt for making direct loans out of company funds to employees for deposits. Experience shows that it may be more convenient for employers to pay creditors directly.

When a decision is taken to grant interest-bearing loans, it may be found helpful to charge at rates on a sliding scale as the employee's income rises. However, it needs to be borne in mind that the employee has to repay the deposit loan as well as maintain monthly instalments on the capital amount.

It is also possible to make up the difference between what the employee can afford and the actual deposit, by way of an interest-free loan repayable over an agreed period. In this way, the

Employer's role in black home ownership



Flats built for employees in Pinville.

to advance money for the deposit on the provision of suretyship by an employer.

COMPANY SCHEMES

An alternative method of financing depends on whether the employer company has the financial resources, the management capacity and the demands for a company scheme. This means that a company builds houses or effectively acquires a block of sites with or without houses on them, for sale to its employees. This approach has both positive and problematic aspects.

whereby two or more companies pool their resources to provide housing have also been implemented.

1. Assess the employee's ability to meet the cost of home ownership — not only repaying a deposit loan, but also monthly repayments on the mortgage bond or other form of financial assistance.
2. Encourage money management ability on the employee's part: an employer might require an employee to find part of the deposit himself.
3. It may be desirable to

the employer has to battle to recover his outlay. After all, by providing finance to his employee he invests his hard-earned money.

To protect his investment, the following suggestions are offered:

- As far as possible, use should be made of conventional financing from the start for funding the capital amount. This will reduce the employer's capital exposure;
- The possibility of the employee leaving should be anticipated and an agreement as to how to sever the relationship with a reasonable

outlay, the employee can acquire such houses and embark on the path to capital formation.

Employees who convert their tenancy to ownership can enjoy any of the following:

- capital can be mobilised to enable extensions to be made to the existing houses
- pride of ownership can contribute to the general grading of the environment

money on that basis. Such assistance may be in the form of

SWM
2/6/65

Loans

Interest-free or low interest-bearing loans for deposits, or home improvements, or company loans of larger amounts at preferential interest rates.

Subsidisation of loans
Money paid directly to employees in the form of a direct

COLLATERAL

Providing collateral security is another way of financing purchases.

As Building Society loans may not exceed 80% of valuation, collateral security may be furnished to a society for the balance. Money so invested may be released when the loan has been reduced to 80% of the society's valuation at the time of applying for the leases.

SURETIES

Employers can also sign sureties for their employees for the purpose of obtaining financing on their behalf. Banks or other financial institutions should be prepared

Positively, the image and status of the company are promoted amongst both employees and the public; the finance is concentrated in one area which means it can be more efficiently used and better controlled; the scale and group identity of the scheme can be used to free up the system of delivery; the employees are housed in one area allowing easier transport arrangements to be made and finally, company financed community facilities are easier to provide.

Conversely, the implementation of such a scheme demands time and expertise; employees are "herded" together which may be uncontrolled and, lastly, a reasonably large scheme is required to ensure viability. Combined schemes

charge interest on the loan granted for the deposit in order to avoid any possible impression of paternalism.

Generally, an employer should establish that the house his employee wants complies with Building Society requirements for mortgage bonds. Apart from determining that the house is worthwhile in the first place, this will help ensure that when an employee eventually wishes to sell, the new buyer is likely to obtain a bond.

EMPLOYER'S INVESTMENT PROTECTION AND TAX BENEFITS SECURING INVESTMENTS:

An employer's attitude to future loans or financing may be soured if, soon after arranging that finance, the employee leaves the company and

of time to transfer and secure indebtedness, should be drawn up.

● Only in the last resort should pension funds be drawn upon to cover the debt.

In the ultimate the properties will show capital appreciation. Ideally, the financing should be converted to unsubsidised mortgage bonds at the earliest possible stage.

TAX BENEFITS

Expenses incurred by an employer in providing housing or housing assistance to his employees will normally be allowable in determining taxable income. This means a significant percentage of the costs will be borne by the State, at company tax rates. **SAM MOKHETI, WRAB.**

Business 'must give more to black housing'

ROM 8/16/81
123

THE executive director of the Urban Foundation, Mr Jan Steyn, said last night there was undoubtedly a need for greater private-sector involvement and participation in community development.

Speaking on the Springbok Radio programme "Top Level", Mr Steyn said that housing on the one hand, and education and training on the other, could be identified as the two priority areas.

He said the problem was not a lack of agencies to perform this function and he did not favour an increase in the number of these organisations.

He emphasised that what was needed was greater co-ordination of private-sector agencies to make them effective and secure real and meaningful partnership between the State and the private sector to promote community development.

Mr Steyn said that on the one hand there had to be a willingness on the part of the State to allow the private sector to play a role — and there were shortcomings in this respect — and on the other hand the private sector had to translate its expressed good intentions into reality through its existing agencies.

"What we need to do," Mr Steyn said, "is to commit ourselves to the recognition that the private sector can play a part." He added that if one

looked to the State exclusively to build all the homes needed, the taxpayer would not be able to foot the bill.

Turning to education and training, Mr Steyn said he believed a new educational system was on the cards for South Africa, but to reach a situation of equal education would take time.

In the interim there was an urgent need for the private sector to play a role in the areas in which the State was not active. As far as adult education, pre-school facilities and technical and in-service training were concerned, there was a great need for the private sector to "put its money where its mouth is".

Appearing on the same programme, the president of the National African Federated Chambers of Commerce, Mr Sam Motsuenyane, said a significant start had been made in private-sector involvement in community development, but much more still had to be done.

He said he believed business should become concerned about the living conditions of black people.

A third speaker on the programme, the director of the South African Breweries Institute, Mr Frank Mōodie, said there was an unquestionable need for greater realisation on the part of the private sector for more direct involvement in community affairs. — Sapa.

Housing relief way for State

RDM 9/6/81
123

OWN CORRESPONDENT

CAPE TOWN

THE Government is to grant major concessions to enable public service staff to buy homes on more favourable terms.

The concessions, announced in Cape Town last night by the Minister of Finance, Mr Owen Horwood, are interim relief measures during an urgent inquiry into an "acute" housing problem among State officials.

Mr Horwood said the present housing loan ceiling would be raised from R20 000 to R40 000 and that the entire housing subsidy scheme for Government officials would be simplified, enabling easier administration.

The improved scheme would operate from October 1, as an interim measure during an urgent inquiry into the housing situation ordered by the Commission for Administration.

The existing subsidised interest groupings of 3%, 4% and 5% in the public service would be reduced to two - 3% and 4%.

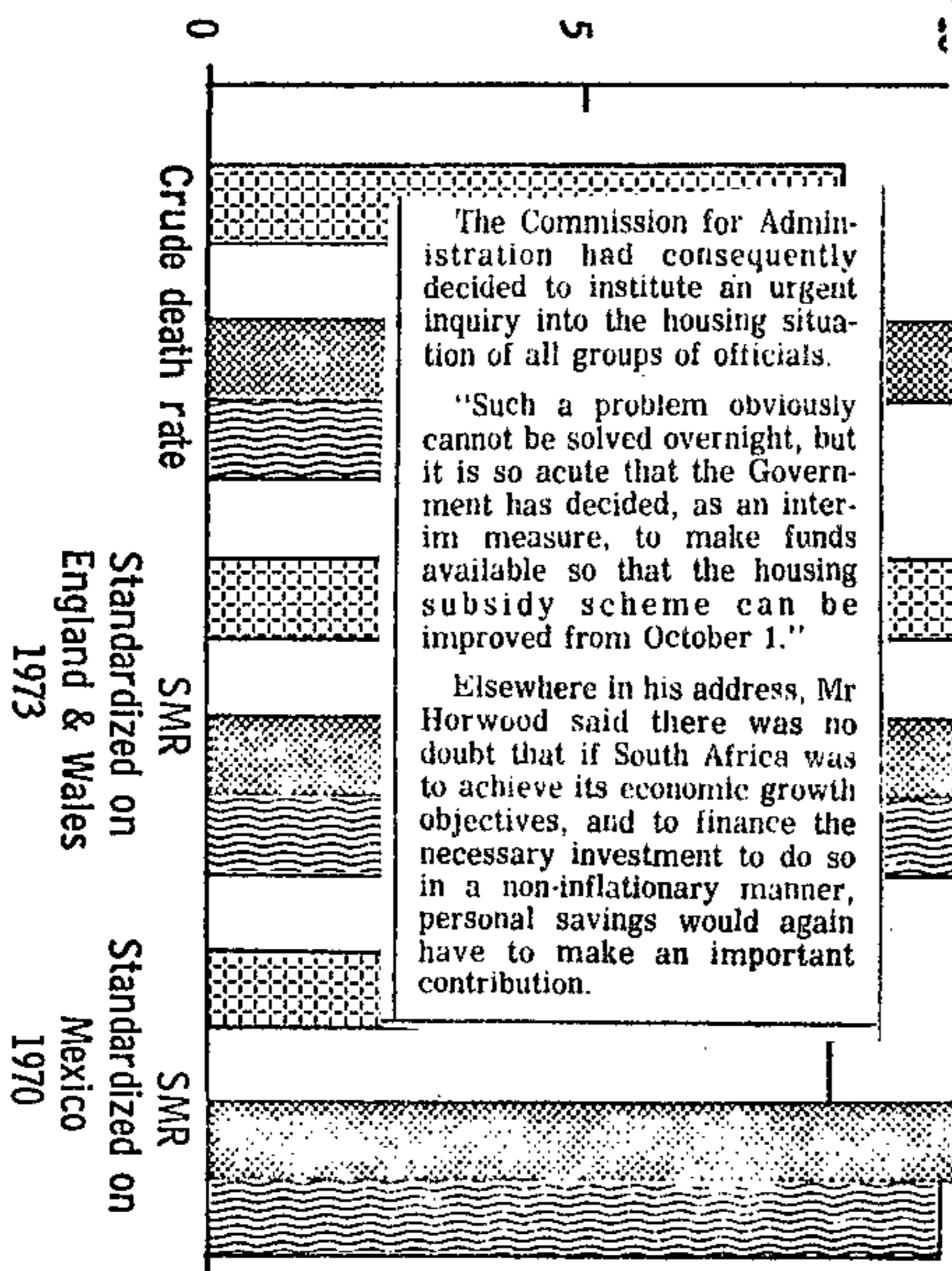
These groupings, assigned according to income, represent the percentage Government subsidies to officials on monthly housing payments. Those in the higher income - 5% - group, will now fall into the 4% subsidy category.

Mr Horwood detailed the concessions at a banquet in the Civic Centre, Cape Town, to mark the 150th anniversary of the Hope Savings Bank, South Africa's oldest banking institution, which was formally established on June 8, 1831.

He said they followed strong representations to the Government from the Public Servants Association.

With prices soaring on the property market, and the strong upsurge in the economy generally, Government officials had been experiencing difficulties in meeting their housing needs.

on staff



The Commission for Administration had consequently decided to institute an urgent inquiry into the housing situation of all groups of officials.

"Such a problem obviously cannot be solved overnight, but it is so acute that the Government has decided, as an interim measure, to make funds available so that the housing subsidy scheme can be improved from October 1."

Elsewhere in his address, Mr Horwood said there was no doubt that if South Africa was to achieve its economic growth objectives, and to finance the necessary investment to do so in a non-inflationary manner, personal savings would again have to make an important contribution.

Fig 1. Crude Death Rate and Standardized Mortality Rates for Whites, Asians and Coloureds: 1974

House subsidy boost for public servants

18/12/67
57/101
239

Own Correspondent
CAPE TOWN — State employees are to get big improvements in housing subsidies from October 1. The R20 000 limit for a subsidised loan is being doubled to R40 000, the Minister of Finance, Mr Owen Horwood, announced yesterday in Cape Town.

No one will pay more than 4 percent interest on a housing bond.

The Minister said the three subsidised interest groups of 3, 4 and 5 percent are to be reduced to two groups of 3 and 4 percent.

A building society spokesman in Cape Town calculated the housing subsidy averages 52 percent of a public ser-

vant's monthly bond instalment.

Mr Horwood, speaking at the 150th anniversary banquet of the Cape of Good Hope Savings Bank, said because of the strong recovery in the economy in the last two years and fast rises in wages and salaries in the private sector, the State had become less competitive in its wage structure.

Housing costs had shot up and the Government could not hesitate any longer in meeting public servants' needs.

Mr Horwood said aggregate savings in South Africa had improved substantially over the past few years but personal savings had declined, reports Sapa.

"But there can be no doubt that if we are to achieve our economic growth objectives over the coming years... personal savings will again have to make an important contribution," Mr Horwood said.

Mr Simon Chilchik, PFP MPC and city councillor for Hillbrow, said today the concessions to public servants start at the wrong end of the spectrum of those in need of housing.

He said the Government was warned four years ago of the critical shortage of economic and sub-economic housing in most areas.

Johannesburg's waiting list for this type of housing was approaching 1 000, he said.

Agencies dealing with housing for the aged have said they could not cope.

The housing situation in the communities of Soweto, Lenasia and the coloured townships was in a shocking state, Mr Chilchik added.

Published in 1956 with the object of... Moslem Arab population in an area... which has been an integral part of the... in 1948. It comprises the villages... centre, very little medical care was... the W.H.O. definition (21)... a community including:

Page 2

It was felt that a concerted effort should be made in an attempt to reduce the high morbidity and appalling mortality due to gastro-enteritis in the area. The first step considered necessary was an attempt at evaluation of the knowledge, beliefs, customs and attitudes of the population to the disease. One of us (S. Rabie) undertook this evaluation in 1968. From the register available at the well-baby clinics, every fourth child born from the village of Tira during 1967 was recorded. This gave a total of 80. A questionnaire was prepared and home visits undertaken to each of the 80 mothers whose infants we had noted. In addition to the interviews, special attention was paid to the availability of piped water; the disposal of sewage; the disposal of refuse; fly control; availability of refrigeration and food storage. All the children who were under the care of the health centre and their attendances at the clinic as sick patients were available from the record. Of the 80 children, five had died before the interview took place. Of the 75 surviving children, only 23 had not attended the clinic as yet because of gastro-enteritis. 41 had attended the clinic on several occasions because of gastro-enteritis. The 80 families had lost between them 28 infants because of gastro-enteritis during the past several years.

Page 3

Selection of Results obtained from the Questionnaire:

BREAST FEEDING:

Age of Mother	Number of Children	Number of Children Breast Fed Until Age of 6 Months
17-20	3	3
21-25	25	7
26-30	13	3
31-35	19	6
40-44	0	0
45+	1	1
	<u>70</u>	<u>26</u>

Table 1: Breast Feeding Pattern, according to age of mother, number of children and the number breast fed until the age of six months.

Con't'd/...4

Housing subsidy

confuses public servants

Own Correspondent

CAPE TOWN. — Government clarification of measures affecting the housing crisis in South Africa has been urged by the Opposition amidst mounting concern at the soaring price of accommodation.

Public servants, confused about the nature of improved subsidies on their mortgage bonds — announced by Minister of Finance Senator Owen Horwood on Monday — fear any gains will be negated by the expected introduction of a fringe benefits or "perks" tax in the next parliamentary session.

And the property market, reeling from a shift in Government monetary policy which has contributed to the 2.25% jump in home bond rates already this year, with yet another rise likely, has stepped up appeals for subsidies to be extended to all sections of the population.

The chief Opposition spokesman on finance, Mr Harry Schwarz, said yesterday the problems of the civil service were too serious for piecemeal action and they would not be solved by the mortgage bond move.

"Also, until the Minister actually tells us what he is going to do about the fringe benefits legislation, there are two issues: Are the public servants going to be taxed on these fringe benefits; and, secondly, what distinction is going to be made between fringe benefits for public servants and similar ones for the private sector?"

He believed these questions required urgent answers from the Minister, particularly in the face of indications that mortgage rates were going up again.

City property consultants welcomed the doubling of government subsidised loans for civil servants to a value of R40 000, saying the previous limit had been unrealistic at ruling price levels. Higher bond interest had boosted the cost of owning a home, and was unlikely to depress property prices.

But they said any subsidy should be extended to include South Africa's low income earners.

A spokesman for the Public Servants' Association said

yesterday from Johannesburg that no information was available yet on savings that could be expected from the mortgage bond concessions.

These include a dropping of the 5% loan interest level, so that public servants, whose bond repayments are normally about half building society rates, have to pay either 3% or 4% depending on a formula based, among other things, on salary and years of service.

"We don't know where the cut will come," said the spokesman.

The spokesman believed a tax on the loan subsidy was a probability when fringe benefits legislation was introduced.

A source in Senator Horwood's office yesterday confirmed that this was also Government thinking. But he said the measure would be introduced over a period of five years, during which pay adjustments could be made.

A NEW WAY

a CARE campaign

CARE is campaigning for a better quality of life for all communities in the Witwatersrand metropolitan area. While the Government and politicians of all races argue over power and future solutions, CARE believes that if Greater Johannesburg governed itself, many of the issues could be solved now in a variety of ways on a local basis. CARE is campaigning for "metro" government in which local urban communities would combine to ensure better housing, better planning, better security, easier race relationships — and more spending on facilities in city neighbourhoods.

Planners call for a new direction

By Rob Soutter
CARE Reporter

More appeals to the Government to reconsider its policy of fragmenting society — including the demolition of urban homes to facilitate rebovals — have been made by the country's top civil engineers and planners.

Delegates to the Johannesburg conference "The Way Ahead" which ends today are pleading for a change of direction.

Some of the points raised at the civil engineers' conference:

- The city engineer of Maritzburg, Mr Graham Atkinson, called for the conference to "reject out of hand" proposals for breaking up Natal.

UNTENABLE

He said the dislocation which arose from a separate kwaZulu state of 12 fragments made provincial and urban government untenable and the co-ordination of water supplies, waste water treatment, labour, job opportunities and housing almost impossible.

Call for a new direction

From page 1

vices for the Eastern Cape Administration Board, said: "The only possible solution is to throw the existing housing policy out of the window, immediately, and replace it with a more flexible policy."

He described the 74 black townships in his region — with a few exceptions — as disaster areas. A third of the homes were one step from collapse.

He estimated between R750-million and R1 500-million would have to be found annually in the next 20 years for black housing and for upgrading.

He called for 99-year leases in all areas and for black people to be given more opportunity to share the responsibility of providing themselves with homes.

Dr Dawie de Villiers, Minister of Commerce and Industry, in opening the conference yesterday, said: "We will have to determine priorities and allocate our scarce resources accordingly without, of course, disturbing the play of the free market forces."

He said the Government was committed to the National Physical Development Plan and to decentralised industrial development. "But the plan is being revised and attention is being given to a system of regional economic development programmes."

ately as possible, preferably using

of ten successive years the annual 60, 70, 40, 50, 80, 60, 50, 40, respectively. Calculate and tabulate the curve of these years, if the demand curve of each of the ten years.

loss value of the crop over the ten years which would yield this value.

at price would have to be received on the demand schedule in order to make each year equal to the average annual demand on the same paper as the demand unit elasticity).

total amount which must be offered in the prices discovered in part (4). Schedule showing how much the government must pay for each total output.

much the government would have to pay in successive years of part (2). Would the total be greater than the amount it would have to pay? Does the answer mean that the value of a crop is impossible?

* * * * *

- Professor K Knight of the University of Natal's civil engineering faculty said: "With the need to build 1.3-million houses a year we cannot afford to knock down houses. It is counterproductive."

- Mr L. Dison of the SA Federation of Civil Engineering Contractors appealed for far more involvement of the private sector by the Government in the planning process.

He said the private sector has already had some success in prompting the Government to replace its R3-million a year grant for uplifting Soweto's services with R50-million a year.

- Mr R. O. Matlock, director of technical ser-

Housing call to the private sector

1916/81
City Editor

IT WAS unfortunate that the private sector did not want to accept fully its responsibility in being a partner of the State in providing housing, a member of the social planning branch of the Prime Minister's Office says.

Addressing the South African Institution of Civil Engineers conference in Johannesburg, Dr J.P. Roux said housing could never be the lone responsibility of the State.

"The private sector and also the individual must accept their responsibility as a partner of the State," Dr Roux said.

"It is, however, unfortunate, that the private sector does not want to accept fully its responsibility," he added.

Dr Roux said that apart from small individual efforts, the private sector, mainly because of economic considerations, was not interested in becoming involved in large-scale provision of low-cost housing.

The private sector could no longer avoid its "social responsibility". Ways would have to be found urgently to involve the sector in large-scale provision of housing.

He said the Government realised the importance of housing and was evaluating the present policy and supply.

It was estimated, Dr Roux said, that it would cost the State R6 800-million during the next 10 years if it alone had to carry the responsibility of supplying housing.

Footnote to TABLE II

- 29 -

* 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). See reference 13.

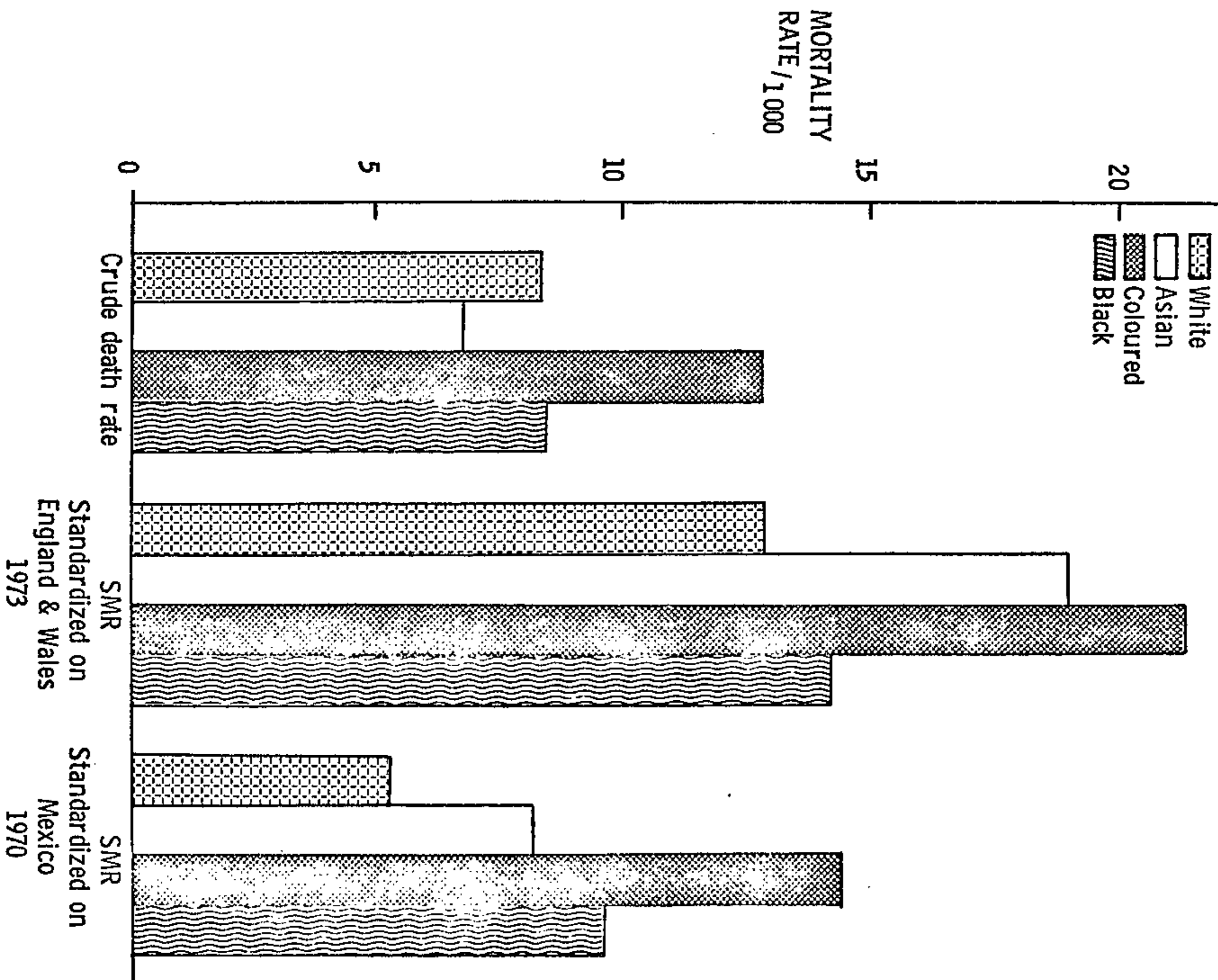


Fig 1. Crude Death Rate and Standardized Mortality Rates for Whites, Asians and Coloureds: 1974

Moves to
Star 17/6/81
relax rent

control
welcomed

2. cont.....

- (1) Plot this graph paper
- (2) Now suppose "crop" amount and 70 million gross value scheduled
- (3) Calculate years, and
- (4) Construct a for each of the gross value curve. (It
- (5) From the demand on the market. From these would have
- (6) Draw up a schedule buy or sell the government have to buy stabilizati

Own Correspondent

Moves by the Government to allow individual flats bought under sectional title to be deregistered in terms of the Rent Control Act have been welcomed.

A spokesman for the South African Property Owners' Association (Sapoa) said the association welcomed any move away from rent control.

He was commenting on a proclamation in the Government Gazette, exempting a single flat and a garage in a Pretoria block from rent control.

The spokesman said there had been about four such applications granted since the recent statement by the Minister of Community Development that he would review the question of rent control periodically.

Sapoa welcomes such moves as they could lead to greater confidence in the property market, prompting more people to buy flats under sectional title.

A spokesman for the Department of Community Development said it had been recommended to the Minister that he exempt one flat in the block "Kingsway" in Sunnyside Pretoria, after a thorough study of the financial situations of owner and tenant. It had been decided that neither needed the protection of the Act.

The Sapoa spokesman said the application's success underlined the fact that many people enjoying the protection of the Act did not warrant it.

tely as possible, preferably using

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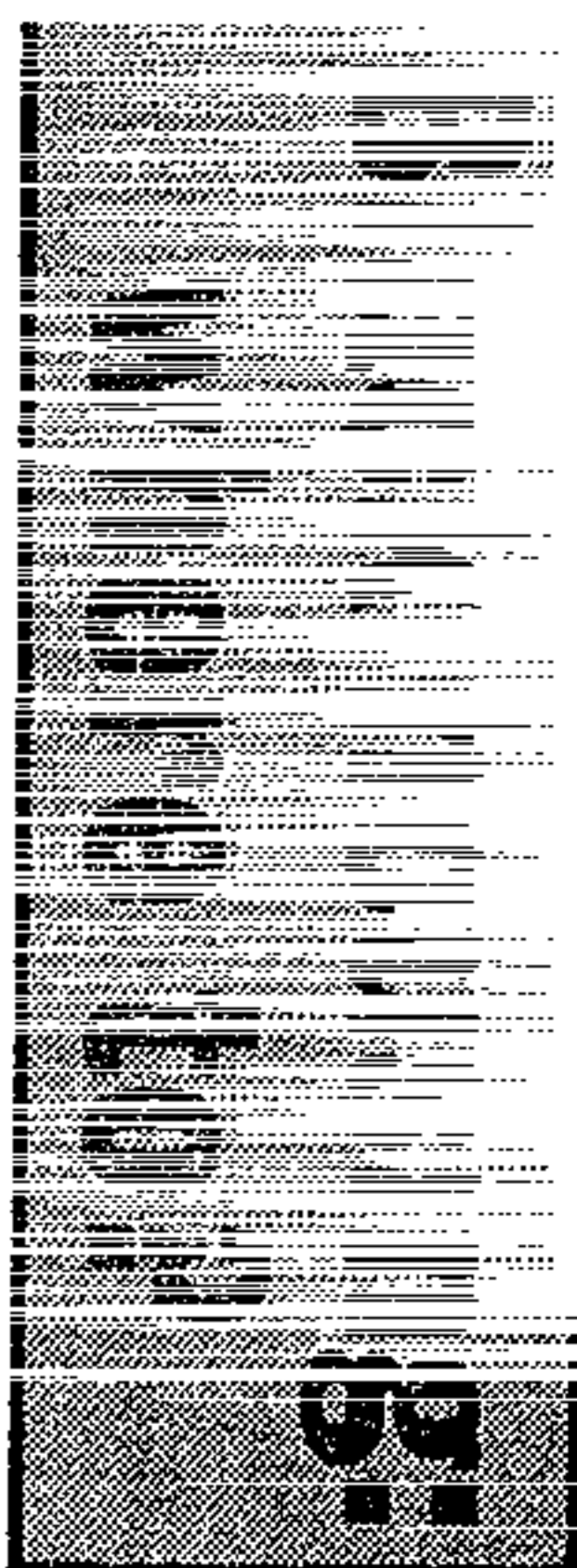
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While the Government and experts talked about the black housing crisis over the years but did virtually nothing the problem got worse and its solution more expensive. In a four-part series ANTHONY DUGAN looks at aspects of the crisis and current efforts to overcome it in some areas. In the first article some of the obstacles to be overcome are discussed.

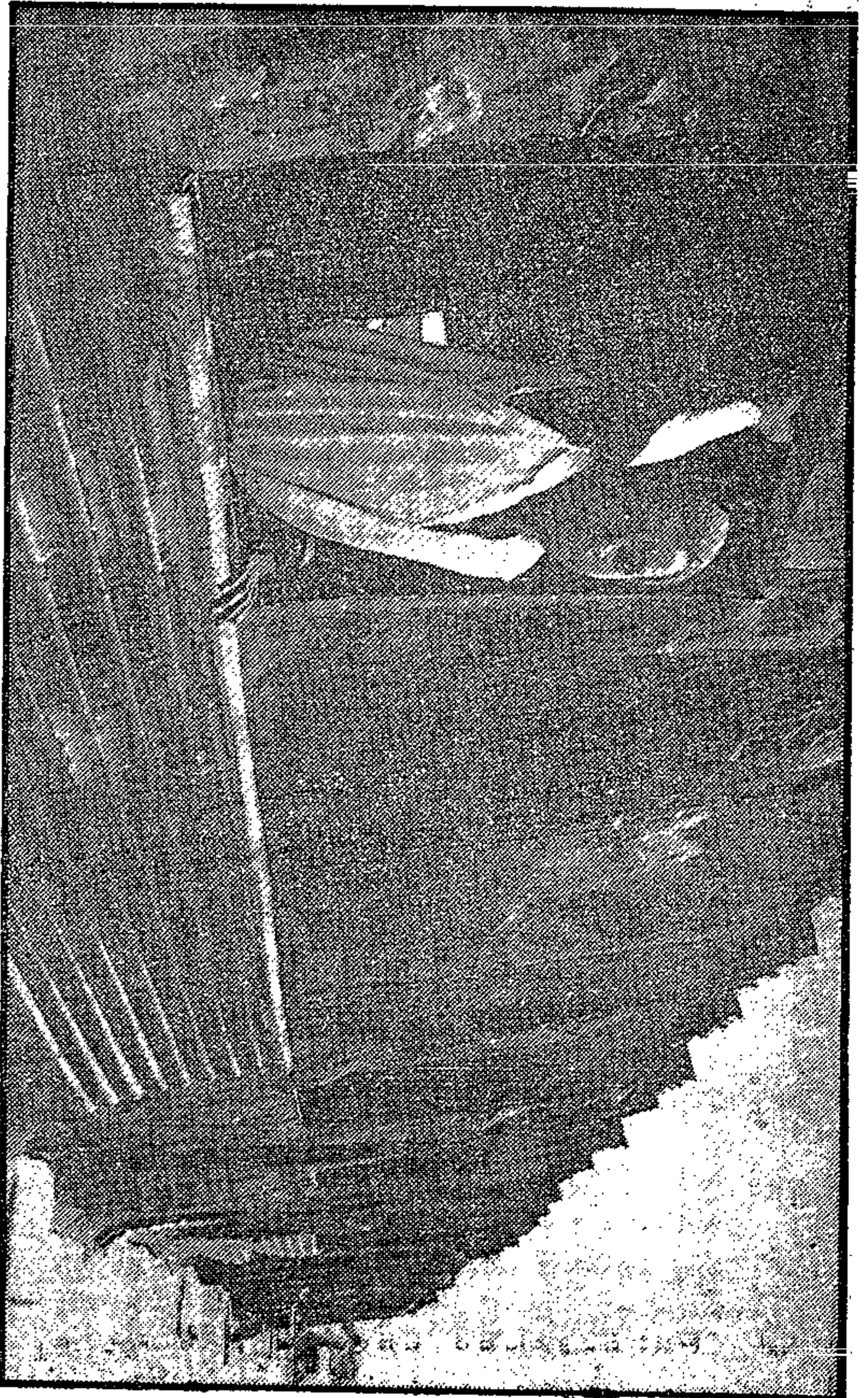
Part one

(123) Star

18/6/81

Decade of obstruction...

Is this how a generation should grow up? The crime-ridden shacktown of Winterveld outside Pretoria houses thousands of families for whom the authorities have made no proper provision.



A decade of obstruction and bungling at top government level, during which there was a virtual standstill in urban black housing development, may have sunk South Africa's chances of ever beating its national black housing shortage.

At the same time there are strong indications of a break-up in the logjam of ad tape and ideology which torpedoed so many attempts to solve the housing problem during the last 10 to 15 years.

This is the conclusion from a series of interviews with black council leaders, administrators

and government officials, covering most of the 30 black townships in the broad Pretoria-Witwatersrand-Vereeniging area.

Summarising their views the following points emerged:

● The lack of security of tenure which afflicted urban blacks until 99-years leasehold became law in 1978 has deeply unsettled the urban black community.

"The attitude of the Government has been that we are temporary sojourners — therefore no big housing schemes," says Soweto civic leader, Mr D Thebehali.

Their fears have not been allayed by official

heel-dragging in getting the scheme off the ground in many areas. In fact only 1 000-plus 99-year-leases have so far been registered — for the whole country.

But most revealing is the fact that well over 90 percent of the leases registered in South Africa are in two areas only, Soweto and Sebokeng (Vaal Triangle).

In Mamelodi, outside Pretoria, for instance, no homes have been built by the local authority since 1966, 3 000 families are on the house-waiting list and the 99-year lease system has still not got off the ground, according to Mamelodi Council chairman, Mr W Aphane.

● Blacks are sceptical of official promises because of past experience. There have been many official undertakings to build homes which have come to nothing.

EXAMPLE — On a visit to East Rand townships 17 months ago Dr Koorhof, Minister of Co-operation and Development, said a crash building programme would be undertaken in the area which has an official backlog of more than 21 000 homes.

But recently the chairman of the East Rand Administration Board, Mr Schalk van der Merwe, said "very few" houses would be built in 1981/82 because of the R27-m budgeted for houses and

infrastructure had been cut to R10,7-m by the Department of Community Development.

● There are still pockets of resistance in Government to the acceptance of blacks as permanent in urban areas and entitled to decent housing and amenities.

This is a major obstacle still to be overcome before more urgently-needed funds can be made available for black housing.

Officials of black Administration Boards have voiced concern about the attitude of top Community Development officials to applications for housing loans. One official who made his comment public —

during his budget speech last year — was Mr Vander Merwe.

"It is heart-rending when one cannot get funds for existing schemes," he said. "Why waste the time of scarce staff on the completion of more and more schemes?"

Nearly five years ago a scheme for 2 500 houses in Katlehong outside Germiston was approved. Until recently only 450 homes had been erected. Another 800 are only being constructed now, according to the chairman of the East Rand Community Council's Liaison Committee, Mr Mpiyake Krur.

Another scheme for 1 000 homes approved nearly four years ago, has still to get off the ground.

● The housing crisis has reached such proportions that South Africa may not be able to come to terms with it, some black civic leaders believe.

The R30 000-m estimated necessary for the two million black homes needed within the next 18 years is considered an impossible objective.

"There is no point in making political capital out of black housing," says Soweto Council Chairman, Mr Thebehali.

"But the truth of the matter is that the backlog will never be wiped out. Even the experts have not succeeded in coming up with really low-cost housing."

The man who earns R120 a month can afford to pay little for his home. How can private enterprise realistically fund his house Mr Thebehali asked.

On the other hand the first real signs of optimism are emerging:

● The bureaucracy and red tape which have also efficiently scotched many efforts to overcome the black urban housing crisis are beginning to crumble.

The committee set up some weeks ago by Dr Koornhof to investigate how to cut this unnecessary red tape has had several meetings and is pushing hard to try and get its report out within two months, according to one of its members.

At present it takes 29 complicated steps and many months to get a housing scheme off the ground. But already shortcuts have been forced through and will be given momentum by the "red tape committee."

● As a result of this, the logjam which has paralysed urban black townships for so many years has been broken in Soweto. This will help push the pace in other townships.

Construction of 800 houses and 400 flats was started in Soweto last week; the first real housing development in this area in six years. This is the beginning of a mass scheme to erect 20 000 housing units in the next three years in Greater Soweto, according to West Rand Administration Board chief, Mr John Knoetze.

Next: Ideology and housing: how the crisis developed.

Worst crisis for 20 years unless quick solution is found

THE worst housing crisis for 20 years is likely unless immediate and determined action is forthcoming from Pretoria and home-builders.

There is a severe shortage in the stock of houses for purchase as well as a growing scarcity of bond finance and a rapidly dwindling number of flats available for rent.

The Director-General of the Department of Community Development, Louis Fouche, tells Business Times that he is aware of the problem and the reasons for it, and has put forward several schemes to make rental development attractive to various authorities.

"However," he says, "for good reasons of their own, until now they have been unable to implement them."

Industry sources tell Business Times that a number of schemes have been put forward by Community Development. But they have been stonewalled by other departments because of fears that developers would pocket the full benefits of any concessions while leaving rents at impossibly high levels.

The main reasons for the lack of interest in residential properties for rent are:

- Developers say returns are too low at current rental levels.
 - Fears that if a new development is undertaken it faces the spectre of rent control as rents climb and the population starts to protest, putting the Government under heavy pressure.
- On the housing front, there is a "dangerous" shortage of units.

This is in sharp contrast to the situation at the end of the last boom, when there was a surplus of houses on the market after the massive developments in that period.

This surplus kept the industry busy during the ensuing recession.

Today, there are virtually no new blocks of flats for letting in the pipeline, and the current number of units available for occupiers is rapidly dwindling.

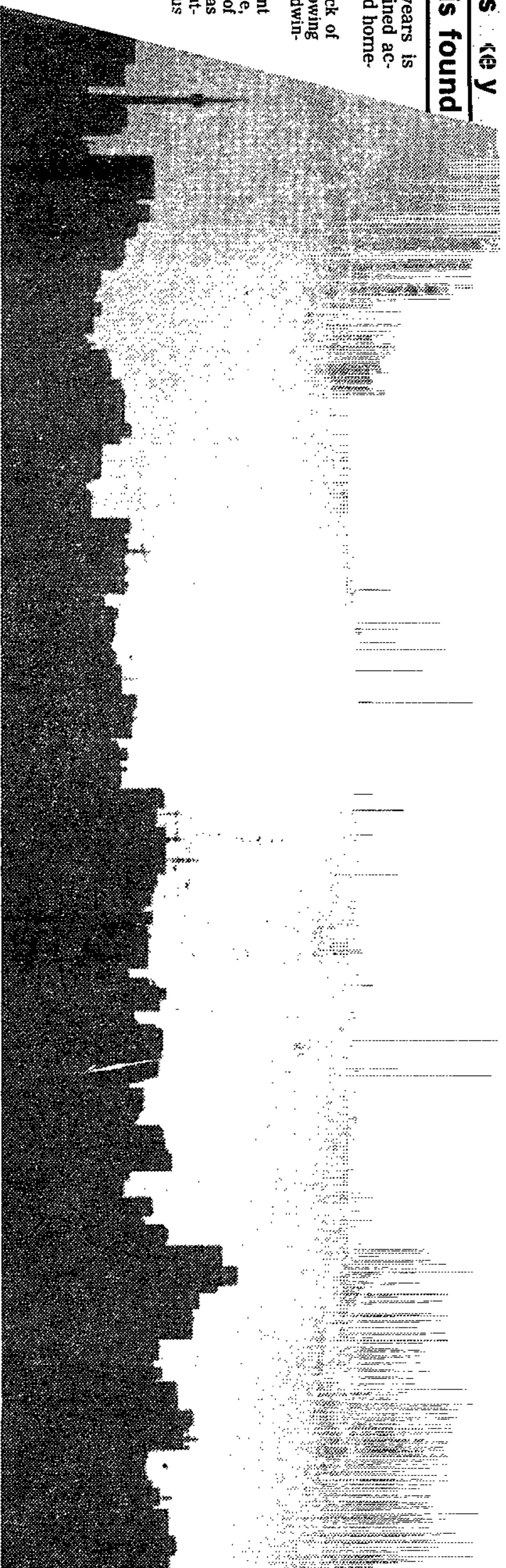
Carrot for builders must be honey-sweet

By Vera Beljakova

IF developers of the residential and commercial sectors are to be brought out of hiding with a carrot, then, says the industry, the carrot must give them at least a 10% initial yield.

Such a yield, in terms of present building costs, will mean:

- R450 a month in rentals for an uncarpeted, unfurnished three-bedroom flat.
 - R12 a sq m for office rentals.
- Since building costs are rising at the rate of 25% a year, developers should be encouraged to build now.
- Within 12 months prices for cement have leapt by 25%, for construction steel by 22%,



Hillbrow and Berea could be facing rent rises of 20% to 25% in next year

Storm clouds loom as housing prices take off

By Tony Hudson

as sectional-title or block-share purchases take their toll.

It is estimated that the shortage of houses and flats is growing at more than 8 000 units a year. This means that by the end of next year up to 16 000 people could be fighting for what little accommodation

there is, with a consequent upward pressure on rents.

Cape Town economist Isadore Goldberg estimates that at least 50 000 new units are needed countrywide to meet the overall shortfall.

And, with precious few new major flat or letting developments on the horizon, the already worrying shortage of homes will become critical in the next two years.

Sid Davidoff, managing director of Clitplan, tells Business Times that he expects rents to increase by as much as 20% during the next 12 to 18 months.

This will mean that modest two-bedroomed flats in Hillbrow and Berea now letting for R300 will be going for R360 to R400.

He says there already is a shortage of flats in the R150 to R300 a month range and that the situation is going to get much worse.

Possible solutions put forward to Business Times by people such as Mr Goldberg, Dr Pluto Webb of the Business Leadership School at Unisa and Ian Fife of Landmark include:

- Tax incentives: A developer of rental accommodation could be limited to a maximum yield of, say, 10% from rentals. However, his net yield could be raised to, say, 15% by means of tax concessions.
- Lower standards of housing: People should be shown that

R300-in a year needed for white housing

ALMOST R300-million a year in investment is required to overcome the present white housing shortage — which is running at 8 000 homes a year.

The R286-million needed is not a huge investment in terms of the private sector and could probably be handled by a few of the large institutions on their own, claims Property Marketing Services.

In 1980 there were 1,3-million housing units for whites, to which 16 000 houses and 3 000 flats were added last year. This shows only a 1,5% increase (to 1,319-million units) against a 2,1% rise in demand for new homes. The shortfall from the 1,327-million desired

homes was 8 000 units — a figure expected to increase dramatically this year.

If each new unit (conservatively) is a small two-bedroom flat of 85 sq m, then, at 1981 replacement costs of R420 a sq m, an outlay of nearly R300-million annually is needed to keep abreast of current demand.

This shortfall is particularly serious in view of the fact that developers are fighting shy of sinking their funds into rental accommodation — primarily because of the Government's inconsistent stand on rent controls and de-

Vera Beljakova

Radical change of thinking needed to avert disaster

Star 22/6/81

123

Accommodation according to a community's needs within a flexible set of standards.

This is what administrators believe the future housing policy will be — along with an emphasis on using semi-skilled and unskilled labour as intensively as possible.

Black housing: where to?

The approach to lower-income housing will have to be far more flexible than in the past and will have to make room for new ideas. In part three of a four-part series on the black housing problem ANTHONY DUGAN discusses some ideas of how to cope with the crisis.

South Africa must radically change its thinking about priorities for the future — or go down the drain, a senior Government administrator said in Johannesburg recently.

The change he referred to was in the direction of low-income housing, particularly that for blacks.

Mr R O Matlock, technical services director for the East Cape Administration Board, which administers 74 black townships, was very serious in his assessment of the future when he spoke to top professionals at the "Decade Ahead" conference in Johannesburg last week.

In his speech he went on to call most of the townships in the Eastern Cape "disaster areas." Many would express the same feelings about black townships in other parts of the country because of inadequate planning, inferior services and poor housing.

Volumes have been written on black housing over the years but its impact has been minimal. Little has been done to tackle the problem.

But now administrators have begun to make their voices heard because they see a frightening situation developing which could get out of hand unless immediate and drastic action is taken.

The statistics are cold indicators of what administrators such as Mr Matlock talk about:

- South Africa's population will double between 1975 and the year 2000, necessitating between five and six million new housing units. Or, if you like, about 25 more Johannesburgs.

- Even if the recent increase in public spending on homes is maintained only a quarter of the units needed by the lower-income group will be supplied between now and 2000.

- During the past decade the State has financed only one in eight of the houses needed by blacks. As a result the black housing backlog country wide is now in the region of 160 000 units. If orthodox methods were followed to house these families it would cost about

isa, believes South Africa must adopt more flexible standards for housing. A most one in five residents in Soweto — and this is probably higher for many other townships — cannot afford the cost of present day facilities, according to the Urban Foundation.

The answer is to stop subdividing black townships — those where there is still room for broad planning — in zones, Mr Matlock believes.

He suggests six zones based on what the individual can afford, which differ from each other in the standard of housing and services.

Zone one would be an upper class area with large enough for homes, a swimming pool and all the amenities. This area would be developed by private enterprise.

Zone two would be similar to the first but the houses would be more modest and cheaper.

Zone three would be developed largely by State funds at economic interest rates, but the area would still be middle class.

The fourth zone would have more basic housing (the shell house) and services and amenities would be more basic than the other zones.

Fifth zone. People would be given subsidised serviced sites and subsidised materials to enable them to erect homes according to approved, flexible building regulations. This would be similar in concept to the Khutsong township development outside Carletonville.

Khutsong houses are being built by the residents themselves who buy materials in bulk and manufacture their own bricks. The sites there are not but taps are provided every five stands.



CRISIS

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Echoing Dr Matlock's warning is Mr Louis Rive, Soweto's planning chief. "Unless we wake up timeously and take steps (on black housing) we might find we run into problems we cannot handle," he said recently.

Anathema

And talking of the extent of the problem he said that realism demanded that "something special" had to be done. In other words, harnessing the ingenuity of both the private sector and the individual.

For decades this approach has been anathema to the authorities which have kept the private sector at arm's length — and seemed particularly wary about the possibility of private firms making profits in black areas.

But a positive step to ditch such impediments is under way through the committee set up by the Minister of Co-operation and Development, Dr Koornhof, last month.

The committee consists of administrators, Treasury officials and the private sector with a brief to find ways to speed up planning and development procedures.

And as this new approach by officialdom takes hold, so ideas long toyed with, begin surfacing for real consideration.

West Rand Administration Board chairman, Mr John Knoetze, is determined to build bigger and better houses for lower income blacks. But the problem is escalating building costs. His solution?

Give the family a larger shell house — at least three bedrooms — which the resident can slowly finish off but in which he has space for an extended family or for sub-letting.

Then change the building society regulations so that these homes can also be financed, Mr Knoetze adds.

Other approaches are also gaining momentum: essential if the dilemma over availability of Government funds versus capability of blacks to bear the full cost of housing (only 2,5 percent of Sowetans can afford conventional "white-style" homes) is to be resolved.

Dr C R Swart, an urban studies expert now at Un-

Sixth Zone would apply more to townships in semi-rural areas. Rudimentary services to be provided with the residents building shacks with any available material under certain conditions, or mud rondavels and wattle and daub houses.

Mr Matlock's ideas are broadly supported by Dr Swart, who believes a class approach to black housing is imperative, and Mr Rive who is in favour of erecting basic infrastructure and allowing controlled squatting in certain circumstances.

The zoning proposal also has the support of many other people in the black housing business including the Department of Co-operation and Development, Mr Matlock said.

20 000 units

By 1984 the West Rand Board and the Soweto Council hope to build between 15 000 and 20 000 housing units.

This will not take up the current backlog — estimated at 21 000 (official) to 33 000 families (Urban Foundation) — or account for the annual growth of at least 2 500 families. But if this tempo of building can be achieved there is hope that the backlog will be brought down to manageable proportions.

But when these units are built Greater Soweto will be full. What then?

Six black towns the size of Soweto have to be built by 2000. One will be the sprawl stretching from Soweto to Mohlakeng. Another will have to be built on the East Rand — possibly an extension of Katlehong (Germiston). A third is now being built in the Bronkhorstspuit area as part of the new growth point. Possibly two more will be built in the Free State.

Along with these developments would be much urban renewal in existing areas, like the development of Alexandra Township as a middle-class area.

But always there is the sheer size and cost of the problem. As Revel Fox, the Cape Town architect, said: "When one thinks of the number of people that are homeless and who will never achieve a home in their lifetimes, then all other problems pale into insignificance."

● NEXT: Building homes with unskilled labour: one man's brainchild.

23/6/81
Times

Rent increases a 'problem' for the aged

123

Staff Reporter

RENT increases in the private sector, in some cases as much as 100 percent, result in an increasing demand for low-cost letting units, according to the 1980 annual report of the Citizen's Housing League.

The increases also cause problems for the aged with the league's waiting list for pensioners containing more than 700 applications.

While the league was proud of what it had achieved, it expressed concern at its ability, as well as the ability of the entire property industry, to provide acceptable accommodation which can be afforded by ordinary wage and salary earners.

It believed that the Department of Community Development was performing an excellent task in the provision of dwellings for the lower income groups.

But it was those persons whose incomes fell just above the maximum income limit of the department who

now require housing assistance, the report reads.

During 1980 and the beginning of 1981, the league completed 48 cottages in one development. Although the selling prices were lower than current market prices, only 10 of these houses could be afforded by young families purchasing their first home.

Epping

To make the advantages of home-ownership available to more persons, the league decided to offer 588 houses in Epping Garden Village for sale, and 184 had been sold.

A similar conversion of letting units to selling units in Bishop Lavis Township was undertaken, and out of the 400 available houses, 121 had been sold, while there was a waiting list for more than the remainder.

As in the past, the league would continue to concentrate on housing for the under-privileged and lower-middle income groups, the report said.

This house could be an answer

Sta 23 6/81
123

Black housing: where to?

Homes for all income groups built to a high aesthetic and structural standard by virtually unskilled labour — this is a new approach to housing developed by a Johannesburg architect, reports ANTHONY DUGAN in the last of a four-part series on black housing.

His house could be called a design for the 80s — less than two-thirds of the material used in conventional dwellings, erection by mainly unskilled labour and yet a building that is well-insulated and aesthetically pleasing.

Finlay Heunis, Johannesburg architect cum low cost housing designer, is today seeing the fruits of eight years development work going up in Soweto. And the result appears hugely successful.

In the early 1970s Heunis was one of several architects deeply concerned about three things — the alarming increase in the black housing shortage, the standard of current black housing and the ability of the average black householder to pay for conventional housing in the future.

Concept

Between his architectural work on large projects throughout South Africa Heunis began developing a new concept of industrialised home building.

In his mind he set certain basic conditions to his system as it slowly developed:

● Whatever the concept it had to be cost competitive with the current low-income housing.

● As far as possible it had to be labour-intensive, particularly utilising the huge pool of unskilled workers.

● It had to be of a high aesthetic standard. It was obvious that the dull matchbox house in row upon row was the housing solution of a previous era but modern standards demanded a superior and more individualised appearance.

In other words, the system would have to be industrialised but simple and labour intensive: flexible so as to allow for individual design and a finish superior to conventional low-cost housing.

To combine all these elements was a formidable challenge. To design and produce the system and see it into production was an achievement to be proud of.

In 1976 Heunis received an agrément certificate from the Council for Scientific and Industrial Research — a prerequisite for any new industrialised system.

This certificate officially sanctioned the use of the Fian system (as Heunis named it) for use in all climatic regions of South Africa.

In 1977 the first houses went up in Sebokeng township and at Clayville near Olifantsfontein.

Precast

Today six Fian houses are going up in Soweto. A seventh one has been completed and the new owner moved in at the weekend.

The system, Heunis explained, uses small, easily manufactured precast concrete panels which can be handled by two men.

The walls of the house



UNIVERSITY OF CAPE TOWN EXAMINATION ANSWER BOOK

EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered); leave columns (2) and (3) blank.

Table with 3 columns and 10 rows for candidate identification

BLACK HOUSING

VW jets ahead

Volkswagen SA has taken up government's challenge to the private sector to involve itself in the provision of black housing. VW has launched a R1m project for its black employees — the first move in what is intended to be continuous involvement with housing assistance. Uitenhage's Kwanobuhle township — where most of VW's 3 500 black employees live — has a housing shortage of between 4 000 and 5 000 units. So, at the instigation of deputy minister of Co-operation and Development, George Morrison, VW has undertaken to promote home-ownership through a leasehold scheme and to assist employees to acquire homes. Negotiations with the Eastern Cape Administration Board (ECAB) are already under way. Ironically, those least able to afford housing are those who have the greatest difficulty in raising loans; and in the past their employers have neglected them. VW intends concentrating efforts on its low-income employees, whose need is greatest. Previously, loans were granted for home-improvements only — not for new houses. Says Les Swift, executive assistant to VW MD Peter Searle: "We want to encourage self-help and participation and have been looking at schemes such as the Urban Foundation's low-income housing project at Khutsong. The housing envisaged will cost between R6 000-R10 000 and will be of a higher standard than existing 51/9 township houses which do not qualify for building society loans. VW intends providing upgraded 51/9s which will qualify for loans. Financial assistance will be in the form of collateral surety for deposits so that employees can obtain 100% bonds through conventional channels. Although the scheme is envisaged as a self-help arrangement it will be planned in a co-ordinated fashion and integrated into the existing township. Says Swift: "All building will be supervised by inspectors of the board and housing will conform to specified standards. A limited number of sites are now available on leasehold but more will have to be forthcoming if the scheme takes off. VW's initial outlay of R1m will probably cover the development of between 100-150 houses, but the intention is to create a rotating fund and to provide continuing housing assistance. There are tax benefits involved in this type of scheme. According to Swift, "An employer can obtain a tax concession of R4 000 on a dwelling unit costing R8 000. We will be using this money to create a revolving housing fund."

Vertical text labels: Paper No, Subject, you are r, Degree/, Date, First Name, Surname, All answe, Number, Number

NOTE CAREFULLY

WARNING

- 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.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

Sec C cut

MASS HOUSING FM 26/6/81
Words to Louw (123)

The departmental Louw committee has extended its deadline for written submissions to the end of the month. It is investigating alternative methods of housing procurement for low-income groups. According to Professor Tobie Louw, chairman of both the committee and the National Housing Commission, "response has been tremendous" to date.

The committee, established by the Minister of Community Development in December 1980, comprises 14 state officials, local authorities, private sector, and National Building Research Institute representatives. However, there is no repre-



Louw . . . looking at alternative housing

sentation of those who will be most affected by the committee's decisions — no blacks, Indians or coloureds were invited to serve. But, says Frank Gerber, secretary of the committee, "they have been invited to submit comments and to give

those advocating site-and-service and self-help strategies to those violently opposed to them. Says Gerber: "The question of housing finance has also received considerable attention."

With a current backlog of 300 000 dwelling units for blacks and 4.7m dwelling units for low-income earners required by the turn of the century, a radical and fundamental rethink on housing policy is long overdue. For example, in its submission, the Cape Town Chamber of Commerce pointed out that although great strides had been made over the last decade in the provision of Cape Town housing, the council's waiting list rose sharply from 15 200 in 1971 to 24 413 in 1981.

The site-and-service, self-help option has stirred considerable emotion in past years — particularly among those who fear a massive influx into the cities if conditions of residence are made easier for workseekers. The urgency of the situation demands that it be given due consideration. But it should not be seen as simply replacing conventional housing, rather as a realistic and appropriate strategy in terms of available resources.

According to Gerber: "The investigations should be finalised by the end of the year. Meantime, the committee will be visiting experimental projects nationwide and hearing verbal evidence in most of the larger centres."

verbal evidence.

Part of the background to the inquiry is the years-long rivalry between the Departments of Co-operation and Development and Community Development over methods of solving SA's housing crisis. Dr Piet Koornhof's department has shown a willingness to test experimental housing strategies at places like Kroonstad, Inanda and Steilooop, while Community Development has adopted an intransigent attitude towards other than traditional methods.

Secretary for Community Development, Louis Fouché, is regarded as the fly in the ointment. Housing experts have labelled his attitude obstructionist and accused him of exacerbating the crisis with his insistence on unrealistic and unaffordable standards. For years, however, this was simply in line with government's regulation of influx control through stalling on black housing. That this was a mistake was recognised by Pretoria's response to certain recommendations of the Riekert report.

Hopefully, CAD's representation on the Louw committee could set a precedent for productive, inter-departmental co-operation.

Submissions have been received from administration boards, municipalities, research organisations, universities and employer organisations. They cover the full gamut of opinions on housing — from

'Pitiful record under 99-year lease scheme'

Star 26/6/81

123 229

By Frank Jeans,
Property Editor

Since the introduction of black home ownership under 99-year leasehold in 1978 progress in creating a black home-owning middle class has been pitiful.

Mr Philip Scales, chairman of the country's biggest building society — the United — expressed this view at the annual general meeting of the society in Johannesburg.

While the UBS had moved in strongly to provide homes for blacks and had registered bonds covering 700 homes, Mr Scales contrasted this with the housing demand of a population of about

20-million.

"Our performance may seem to be cause for congratulations. In a way it is — but the figure of only 700 homes indicates how pitiful progress is towards creating a black home-owning middle class," he said.

The UBS chairman highlighted aspects of the problem:

- Blacks who were paying subsidised rents in existing accommodation were disinclined to incur the cost of acquiring their own homes.

- The 30-year lease scheme appeared to be cheaper and more attractive to the unfortunate

purchaser who was unaware that he was not securing transferable title.

Mr Scales also referred to the shortage of serviced stands available for building of black homes.

"There are constant appeals to employers to get involved," said Mr Scales. "Although they are offered land, this is owned by the Administration Board, as is the house which is built on it. Assurances and agreements permit the employer to use this property to accommodate employees at his will."

Mr Scales stressed that this was not home ownership. "The occupant has no stake in the property."

with quarterly sample surveys would need initial research done into the required frequency of the census, acceptable limits of sampling error, optimal strata classification, and suitable sampling fractions. Once this had been done, the execution of the new method would be routine and entail little or no extra cost — either in manpower resources or finance — to the Department. The Department of Statistics is no doubt fully aware of the improvements which could and should be made to the South African agricultural statistics. However as Kendall so aptly says: 'In most of the pedestrian activities of the statistical world the problem is not what to do but to find someone to do it.'

Perm 'gravely concerned' over black housing

CT 30/6/81 (123)

THE chairman of the South African Permanent Building Society, Dr F J C Cronje, says he is gravely concerned at the lack of urgency at certain levels in achieving the government's stated aim of housing black South Africans in their own homes.

"We are told that thousands of black people own their own homes but most of this is on the 30-year lease scheme which the authorities know, we know and black people know is not true home ownership, he told the annual meeting yesterday.

"The closest that a black man can get to true home ownership at present is the 99-year lease scheme and this should be accelerated. When I tell you that your society, through no fault of its own, has only been able to grant 78 loans to black people during the full period of one year you will accept my reason for concern.

"In Soweto alone there are approximately 100 000 houses and I would urge the authorities to make greater use of assistance offered by private enterprise to ensure that many thousands of blacks who can afford it may enjoy true home ownership."

Dr Cronje says the lack of progress is to a large degree due to a grave shortage of serviced building stands but the societies are continually consulting with the authorities to find solutions to the many problems.

"I wish to be on record as saying that the authorities should sell the housing stock in Soweto at original cost to the people of Soweto. This would enable Sowetans to obtain building Society loans to improve, or extend, the basic structure of these homes.

"In this manner tens of thousands of families could become homeowners faster than through the supply of new homes for private ownerships through conventional ways. Naturally, private enterprise must continue to provide new housing stock for this market."

Referring to the government's free market policies, he said that the SA Perm fully subscribed to this philosophy but building societies had to be more sensitive to, and react swiftly to, rate changes as demanded by the market.

"It follows, then, that more frequent fluctuations, both up and down, can be expected in the investment and bond rates on offer coinciding to a greater extent with the dictates of supply and demand.

"Rapid escalation of market rates, especially over the last four months of the year under review, did put the profitability of societies — and the Perm was no exception — under heavy pressure.

"The reason for this is that a building society, unlike certain other financial institutions, cannot adjust as quickly to a change in the interest rate pattern."

Time to cut housing subsidies



When you drive on the motorway through the northern suburbs of Johannesburg towards Pretoria, the dichotomy of SA's housing policy is clearly visible in its stark racial reality.

On the left side of the road the white wealth of the city is cultivated into row upon row of luxury living. On the other side is Alexandra, a black dormitory township that makes even Soweto look like a garden suburb.

The country's large and sophisticated building society movement has, with the help of tax subsidies, financed the prosperous side. Government is directly responsible for Alexandra, and other black townships like it, whose share of tax revenues have clearly not been adequate.

But that drastic imbalance could be in the very early stages of redress, if the FM is correctly interpreting the present mortgage rate squabble between the building societies and Pretoria.

However justified a further increase in the mortgage rate may be, it is going to make the monthly budgeting of a householder in the northern suburbs with a bond of (say) R40 000, rather uncomfortable. Another 2% rise would mean that within a period of months his monthly bond repayments will have risen by more than R110 or 27%.

Even the sharp rise of 18% in salaries last year won't have provided adequate compensation. John Smith of Atholl — or Morningside or Sandringham — is going to have to spend less on other living requirements and more on housing — unless he digs into savings or persuades his employer to take account of it in his remuneration.

In these circumstances, it is understandable that homeowners will press for tax relief of some sort from Pretoria. This will be wanted in one of two forms. Either through increased yields on existing building societies tax-free investments, which will enable them to modify the pending mortgage rate rise, or by allowing borrowers to offset the interest portion of mortgage repayments against tax.

Pretoria very wisely appears to have set its face against both. Tax free investments tend to benefit most the high income groups seeking tax relief. Mortgage interest deductibility, while an equally obvious subsidy, is also most attractive to high income earners, encouraging them to move home often or keep topping up bonds for non-housing purposes. This is because the interest element in the early years of

a bond is relatively high. (See FM May 22).

But it is not the respective merits of housing subsidies that are the real issue: it is whether subsidies to encourage white housing are, in fact, necessary any longer. In addition, if tax concessions for home owners are adjusted to cushion the effect of inflation, which is what, in essence, is being asked for now, white house buyers will enjoy an unusual benefit of indexation. Yet those who really need it, blacks or white pensioners who have saved up and, through thrift and sacrifice, paid for their houses, will receive no compensatory advantage. Neither, of course, will those who choose to rent.

Moreover, particularly to exclude white house buyers, especially the more prosperous ones, from the unpleasant process of squeezing inflation out of the economy would not only be inequitable, but would prolong the process. Similarly, if rapidly rising housing costs are preventing the provision of an adequate aggregate housing stock, then the root cause of the inflation must be tackled. In this country that means tackling the shortage of skilled construction workers and evils of the administered system of building material prices.

The question, however, of housing subsidies is a complex one that requires careful consideration. By and large, in most western industrial economies, there is no significant shortage of housing for the economically active, although inflation often makes it difficult for young families to buy their first houses. Hidden housing subsidies applied generally are therefore being questioned by the monetary and fiscal authorities in many of these countries, especially in Britain.

In SA, the position among whites is similar. In November 1970 the Franzsen Commission into Fiscal and Monetary Policy came to the conclusion that, on evidence submitted to it, "in general South Africans maintain too luxurious a standard of housing, even among those

groups of the population who cannot afford it."

There is, however, undoubtedly a shortage of housing in the country. For blacks it is chronic and aggravated by the ban on title to ownership. It exists geographically and among certain white population groups, such as immigrants and pensioners.

This shortage has been made worse by the fact that rent control and the rising costs of construction have resulted in the provision of very little new accommodation for rent over the past six years and a reduction in the existing stock.

At one stage it was hoped that sectional title would take off some of this pressure. But again rising construction costs, of which skilled labour is the fastest rising category, frustrated those hopes. So today ironically cluster housing has become a feature of the prosperous suburb. It is too expensive to serve those who need it or for whom it was originally intended.

It can be argued that there are those towards whom direct State subsidies should justifiably be aimed. But such subsidies should be direct disbursements from the Exchequer, granted in terms of the national budget for specific needy groups. They should no longer simply enter the general pool of the building society movement, where their proper application is not possible.

But clearly a coherent national housing policy, which is what is badly needed now, would have to embrace much more than direct subsidies to the needy. The phasing out of rent control, which is slowly getting under way, and a new look at building standards in the light of needs and resources, and the reason for the extraordinary rise in building costs — for years they have been rising at nearly 2% a month — are all areas that beg cool assessment.

In fact, an investigation into rising construction costs would be as appropriate, if not even more so, than one into the rise in the building societies' mortgage rate. For

HOME LOANS: ROUGH ROAD AHEAD*

Bond Amount R'000s	9% R	11% R	13% R	15% R	17% R	19% R
10	90	103,30	117,20	131,70	146,70	162,10
20	180	206,60	234,40	263,40	293,40	324,20
30	270	309,90	351,60	395,10	440,10	486,30
40	360	413,20	468,80	526,80	586,80	648,40
50	450	516,50	586,00	658,50	733,50	810,50
60	540	619,80	703,20	790,20	880,20	972,60
70	630	723,10	820,40	921,90	1 026,90	1 134,70
80	720	826,40	937,60	1 053,60	1 173,60	1 296,80
90	810	929,70	1 054,80	1 185,30	1 320,30	1 458,90
100	900	1 033,00	1 172,00	1 317,00	1 467,00	1 621,00
120	990	1 136,30	1 289,20	1 448,70	1 613,70	1 783,10

* 20-year redemption

it would draw public attention to the inadequacies of labour policies.

In addition, the inadequacies of the administration of the prices of basic building materials, (bricks alone rose 15% last year and are shortly to rise again), would become plain.

The rise in the mortgage bond rate partly reflects the increase in construction costs which, in turn, have their roots deep in the fabric of our racial and social practices. The building societies are victims of that system.

The societies have also been victims of the country's extraordinary exchange rate, exchange control and monetary policies last year. The authorities' obduracy in not allowing the rand's value to rise in accordance with the massive trade surplus, and in preventing the consequent excess domestic liquidity from leaving the country in sufficient quantity, resulted in interest rates far below the rate of inflation.

This made it easy for building societies to borrow large amounts of surplus corporate liquidity, which at one stage they were having difficulty lending. No sooner had they managed to market their mortgages, and commit themselves substantially in advance, than their corporate funding base became unstable. A swing in the trade surplus to a deficit and a realisation of the need for monetary discipline in Pretoria has sent short-term interest rates rising rapidly.

Against this background, it is not easy to understand the attitude of Finance Minister Owen Horwood. On the one hand he is reluctant to increase hidden housing subsidies to whites. And if mortgage rates, like other interest rates, are in future to reflect supply and demand as the money supply is brought under control, they are likely to fluctuate more widely than in the past. To adjust tax concessions accordingly would not only be administratively difficult, but at times when rates are rising they could become too great a burden on the Exchequer.

BUILDING COSTS RISE

	% Increase
Bricks	15
Cement	9
Concrete	23
Sand	19
Labour	28

June 1980 to June 1981.

Source: Schachat Cullum.

Further increases are expected shortly.

On the other hand, Horwood does not want to see a significant rise in the mortgage rate either. He is using moral suasion and a Commission of Inquiry to keep it down. The reason may be partly political, but there are other factors.

There are indications that inflationary expectations are being modified. One indication is that short-term interest rates are higher than long-term rates.

Another indication is that the authorities have this year had much more success in marketing long-term official securities. According to the Reserve Bank, there is growing demand at current yields for medium- to long-term securities from non-bank institutions.

Horwood has reason to query the wish of the building societies to push their long-term mortgage rate to above the 14,1% companies are paying for debentures. Normally, assisted by their tax-free investments, the societies are able to keep the mortgage rate about 2% below the debenture rate.

Part of the reason is a time lag. Societies are not yet geared to respond quickly to sharp movements in interest rates. This is a skill they have not needed in the past when, for political reasons, the mortgage rate was kept stable, even if in the process the application of monetary policy was distorted and frustrated.

If they were banks, competition would force them to use accumulated reserves to tide them over this period of relatively expensive deposits, rather than increase

their lending rates. After all, they showed huge surpluses in past years, especially if the market value of their fixed-interest investments is taken into account.

But much depends, of course, on the forward commitments societies entered into during the period of plenty. If they misjudged and committed themselves too generously, the squeeze on the funding costs could be chronic. But to enable them simply to raise the mortgage rate now, is to protect them from their own folly.

Unless the societies are experiencing a net deposit outflow, there should never be a time when they cannot make new loans. For every month a small part of each mortgage loan is repaid and enters a pool of funds available to re-lend. After their massive lending over the past year and the return flow of repayment from it, the societies' ability to finance a reasonable amount of new loans should not be drastically reduced. If it has, the chances are that they have committed themselves excessively in relation to their ability to attract appropriate deposits.

In a non-competitive market, the authorities should rightly be wary of giving the official nod to an increase in mortgage rate merely to allow societies to recover from their own slipshod management.

Having said that, the FM believes, however, mortgage rates should be allowed to rise, but for different reasons. First, it would reduce the component of hidden subsidy. But it would also encourage banks to enter the home mortgage market, as they have done elsewhere.

There could be no better method of busting the building society cartel and introducing sufficient competition to ensure that there is a balance between demand for home loans and the availability of appropriate finance.

Only in that way can there be an equitable allocation of resources to housing. It would be a start in the process of redressing the imbalance in the flow of funds to black and white housing requirements.

FM 10/7/81
BLACK HOUSING

Leasehold fails

(123) (183)
Government wants employers to help provide housing for black workers. Many employers are willing, but run straight into red tape — provided by Pretoria.

Take the Catch-22 situation encountered by Colgate Palmolive. Three years ago CP undertook the development of a R500 000 housing project. The company was allocated a parcel of land by the East Rand Administration Board (Erab) in Vosloosrus township, where most of CP's employees live. The company intended to build 64 improved 51/9 and 51/6 units at a cost of about R8 000 each and believed the scheme would soon get off the ground. However, three years later, the company is at square one and Vosloosrus has still not been surveyed.

According to group personnel director, Derek Magid, "We have had the full cooperation of the Erab, so presumably logjams lie elsewhere." In other words, someone higher up in government is stalling.

Bureaucratic delays have been compounded by escalating building costs. Housing originally planned is now beyond the means of the intended recipients, and CP has been forced to revise its plans to offer employees assistance in purchasing existing township houses for R1 500 each, rather than building the improved versions.

This is in line with a suggestion made this week by Dr Frans Cronje, chairman of the SA Permanent Building Society, that government sell off existing township houses.

With only 1 000 leasehold titles registered in the country to date, and most of them in Soweto and the Vaal triangle,

there is no doubt that government's 99-year leasehold scheme is a flop. One administration board official tells the FM that "the housing crisis is reaching such crisis proportions that it could be the cause of major riots and serious urban unrest."

This is not surprising. Two million houses are required for blacks in the next 18 years — an impossible task unless government eases the private sector's path by finding and eradicating bottlenecks or, better still, considers the restoration of freehold rights for blacks.

Alger
R15 500 m
7/7/81
needed for
(123) (21)
black homes
in S Africa

ABOUT R15 500-million will have to be channelled into black housing in South Africa in the next two decades to satisfy the demand created by the combined forces of a high birth rate, continuing urbanisation and low income levels.

According to the executive director of the Urban Foundation, the Hon Mr J H Steyn, there are clear indications 'that the black housing backlog is still increasing and that the demand is reaching crisis proportions.'

'It is not feasible to expect the State to provide the required capital and thus carry the burden of our housing requirements alone,' said Mr Steyn.

FREE MARKET

He called for the private sector to be given equal opportunity to participate in the provision of housing including 'low cost housing'.

He said a reassessment was required in the structures that have until now dealt with the problem.

Free market principles, Mr Steyn said, should be applied to allow private sector participation, and legislative and other regulatory obstacles which inhibited such participation should be removed.

The system of subsidisation also needed redesigning 'in such a way that private sector participation is rendered competitive'.

More jobs to be created out of housing

Own Correspondent

DURBAN. — Providing houses for the community could have a massive impact on unemployment, Mr J H Steyn executive director of the Urban Foundation, said at the annual meeting of the Natal Building Society.

"An investment of R1-million in conventional low-cost housing would generate 250 man-years of work which could have a major impact on national unemployment," Mr Steyn said.

Another factor was that the cost of building could be cut by about 20% if the pool of unemployed and underemployed labour in black urban townships was used. This could be valued at R1 700-million over the next 20 years.

The future sale and re-sale of houses would also generate money, up to R850m in one estimate, for more building.

Mr Steyn called on the State to take the risk, normally shouldered by building societies, in the provision of loans over the 80% limit. A phased interest rate subsidy — provided by the government for white housing in the '70s.

As black people realised the role of building societies, the flow of savings would be directed to them.

Mr Steyn said that many companies realised that it was important to have a stable workforce and providing, or assisting with, housing was a major factor. But there was a great need for the "strained relationship" which made it difficult for the employer to participate, to be eased.

He suggested various minor adjustments to the tax system which would act as incentives without markedly affecting State revenue.

A 1978 survey indicated that 17% of blacks were involved with home ownership and that a further 52% intended to become involved.

Mr Steyn called for authority to "really apply the principles of the free market".

- Allocation of land for private sector development should be rapidly increased.

- The private sector must be able to participate on the same basis as the public sector.

Award who has shown at the end

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the Western

P C Key

Bell-John Prize For the best all-round student in any year of study.

URBAN & REGIONAL PLANNING

QUANTITY SURVEYING (Continued)

Housing for all — employers must help

By KINGSLEY LONEY

BLACK HOME ownership is a relatively new concept in South Africa and one that provides a tremendous challenge to private enterprise.

If a start is to be made on the elimination of the tremendous demand for black housing, and here I include African, coloured people and Indians, then employers and blacks will have to become involved in doing everything they can to assist their staff in the buying of homes.

The size of the problem is huge as it is estimated that the present black housing backlog is running way ahead of the present white housing shortage which is reportedly about 8 000 units.

While the Cape Peninsula area does not yet cater for African home ownership under the 99-year leasehold scheme, the recent establishment of Uluntu is of considerable interest because it appears to be the first step towards 99-year leasehold ownership.

Unfortunately however, building societies cannot become involved in this venture at this stage but it does provide a pointer for the future and enables us to give thought to the steps that will have to be taken if we are going to succeed in solving the problem.

Soweto

The Natal Building Society was among the forerunners with regard to the provision of black homes in Soweto under the 99-year leasehold system, and in addition to registering several hundred bonds, the society has opened two branches in Soweto to cater for the needs of the population and a third branch is planned for the near future.

The assistance of a number of employers has gone a long way to justifying the opening of these branches.

What form can this assistance take? First and foremost, some employers have seen it as their duty to provide their black employees with assistance to buy their own homes. Under the present 99-year leasehold system there are many complexities and as a result building societies, the NBS included, are developing a single document for their company guarantee loans schemes.

These schemes include the subsidizing by employers of their employees' instalments and, where necessary standing surety for loans in excess of normal building society limits.

It is this latter assistance which is more common and is the scheme which more employers could take advantage of.

Another important factor has been the recognition by private enterprise of the need to invest with building

societies either directly or through their pension funds, thereby providing building societies with the wherewithal to make loans available to employees.

At the present time with the high rates of interest which are prevailing in the market, many concerns are channelling their investment funds to those investments which provide the best return, but most of those funds do not find their way into the provision of housing, and if we are to solve the housing problem then it will have to be realized that the building societies will have to receive more investment support than is presently the case.

Employers will have to accept social obligations towards this end.



Mr Kingsley Loney

The task ahead

By PAUL DOLD
Financial Editor

A HUGE task awaits both government and the building societies in paving the way for large scale black home ownership.

Recent building society annual reports have shown that much remains to be done. The UBS has only granted 700 loans since the 99-year leasehold system was introduced in 1978.

"Only 700 owners indicates how pitiful the progress is towards the creation of a black home owning middle class in a black population of the order of some R20m," says UBS chairman Mr Philip Scales.

And Allied's Mr H Weiner says the leasehold scheme is still falling far short of both expectations and needs.

Clearly, red tape needs to be untangled and a new approach is required to the provision of housing.

The vast challenge ahead cannot be left to the authorities and the societies.

In this guest column the latest in our series by top businessmen, NBS Cape regional manager, Mr Kingsley Loney, argues that employers have a vital role to play if objectives are to be met.

Whenever building societies have become involved in black housing they have concentrated on middle to upper-income housing believing, we feel correctly, that the low-cost housing should be provided by the Department of Community Development.

In so doing, the NBS has preferred to link with developers who are prepared to build such houses at a fixed cost as well as an appropriate advisory service.

We have found through our experience in black housing in the Transvaal that there is an enormous lack of understanding, particularly among the Africans with regard to the essentials of home ownership which is understandable when one considers that this is new field for them.

Educational

Our advisory services, therefore, takes the form of an educational programme explaining basic home ownership concepts such as what a mortgage bond actually is, how repayments work and so on, and also deals with such misconceptions as "Why can't I own my home for 99 years?"

I hope that it will not be too long before the same type of home ownership is made available in the Cape Peninsula area and societies will no doubt gear themselves to handle this additional avenue of lending when the time arrives.

Looking at the broader question of providing housing for all members of the non-white groups the NBS has been actively involved through its development company, in the provision of houses for the Indian community in Natal and the Transvaal and the coloured community in the Peninsula in areas such as Retreat.

We have also acquired stands in Mandalay where further houses will soon be provided. As stated however, the society's role in the provision of such housing will be determined to a large extent on the willingness of employers to become actively concerned and involved by assisting their staff to secure their own homes.

Strains

Building societies are facing ever-increasing demands by the various population groups and this is placing greater and greater strains on the societies' lending resources.

It is to be hoped that the recently announced increased investment rates will lead to a greater inflow of funds to societies so that they may once again fulfil their rightful role of providing mortgage facilities to aspirant homeowners.

It is still too early to say if the new interest rates have attracted many more investors and the public should not be misled into thinking that the availability of bonds has eased sufficiently.

The situation is much the same as it has been for the past three or four months and it will probably be many months before cash flows return to what they were last year when bonds were freely available.

Experts warn on housing crisis

CT 17/7/81
123

Own Correspondent

PORT ELIZABETH. — South Africa will only solve its housing crisis if the government abandons its rigid adherence to relatively high housing standards, which at the moment force many black people to live as illegal squatters.

This was the warning issued this week by housing experts amid signs of a simmering disagreement between the Department of Community Development, which administers funds for housing, and the Department of Co-Operation and Development, which is saddled

with the problem of controlling illegal squatting.

The experts were commenting on this week's statement by the Director-General of Community Development, Mr Louis Fouche, that his department would not fund housing of a standard any lower than the present minimum, as this would be giving money for the creation of slums.

He said he was also opposed to site and service schemes, as it had been shown that these were in the long run much more expensive and totally unsatisfactory.

Asked about the Louw Committee, which is investigating low-cost housing alternatives, he said his department had a "wait-and-see attitude".

The East Cape Administration Board's director of technical services, Mr Roger Matlock, said the board was instructed to adhere to the department's standards, yet in the same breath was told there was not enough money to build.

In addition, the situation had been reached where private developers were keen to erect homes for their employees, but were not prepared to instal services.

Community Development insisted that it would not provide services without funding the houses as well.

"At the moment we either do nothing in a town, or everything to full standards — which is generally beyond the means of the population to pay back."

Funding

Mr Matlock suggested that Community Development do away completely with its funding of houses in the short term, and just provide funds for site and service.

As funding improved, it could approve money for self-help homes.

"The black housing situation has got to such a state that it's absolutely inconceivable that this policy can continue," he said.

A Cape Town town planner, Mr Ken Sturgeon, said the present policy was forcing a majority of people to live in unsanitary squatter conditions.

During the last 10 years the state had financed less than 12 000 houses for blacks a year. In order for black housing to reach a satisfactory position by the year 2 000, over 100 000 houses would have to be built every year.

"At no time since World War II has government spending on housing ever met the demand, and there's no reason to suppose it will in the future.

"The only conclusion you can come to is that there's something wrong with the policy," he said.

Shelter

The Department of Co-Operation and Development's Chief Commissioner for the Eastern Cape, Mr George Reynolds, said he appreciated Mr Fouche's desire not to create slum conditions.

But on the other hand, to give everybody some kind of acceptable shelter, standards would have to be lowered.

From Pretoria, the department itself gave a terse "no comment" when asked for its views on housing policy.

Several officials, however, who asked not to be named, said that there were strong differences of opinion between Co-Operation and Development and Community Development over housing policy.

One even spoke of "a total conflict of interest" and "meetings at Cabinet level" to thrash out disagreements between senior officials of the two departments.

Black housing crisis 'too big for State alone'

Own Correspondent

123

JOHANNESBURG. — The days when the provision of black housing was the task of the State alone are over, according to the current edition of the mouthpiece of the Corporation for Economic Development, Growth.

The magazine added that the task was far too big an undertaking for the State.

"In any event, economists point out, it is an unhealthy approach: Inherently socialist and dependence-oriented at a time when the country's biggest challenge is to foster through individual initiative and self-reliance an economic system capable of sustaining the growing needs of its people," the magazine continues.

Security

Housing headed the list of requirements for promoting the social security and spirit of self-reliance essential for a viable future in the country.

Beating the housing crisis in the black community will require a partnership comprising the three elements of the State, the private sector and the individual aspiring home-owner, argues the magazine.

Figures released by the Department of Co-operation and Development put the present housing shortage in urban black areas at 160 000. This figure excludes the shortage in the homelands.

The State had accepted that it would continue to provide the lion's share in attempt to wipe out the housing

backlog. And its responsibility was to house people who were unable to provide for themselves financially.

According to projections by the Department of Community Development, the state was to contribute 90 percent of all urban black housing. The department's housing needs in the coming decade were estimated at R244-million a year. The amount excluded R84-million needed for infrastructural services.

The magazine said a dramatic upswing in the tempo of the building programme had started in Soweto.

Plans had been approved for the building of between 15 000 and 20 000 new houses in Soweto and the surrounding areas by 1984.

Expenditure on these schemes, which were now in progress, would amount to more than R400-million — excluding the cost of the actual houses. At an estimated cost of R10 000 a house about R250-million would be spent on housing alone in Soweto during the next four years.

In addition, a secondary programme of upgrading the Greater Soweto's 103 000 council houses was under way.

Housing crisis action

RDM
27/7/81
123

By SUSAN DALLAS

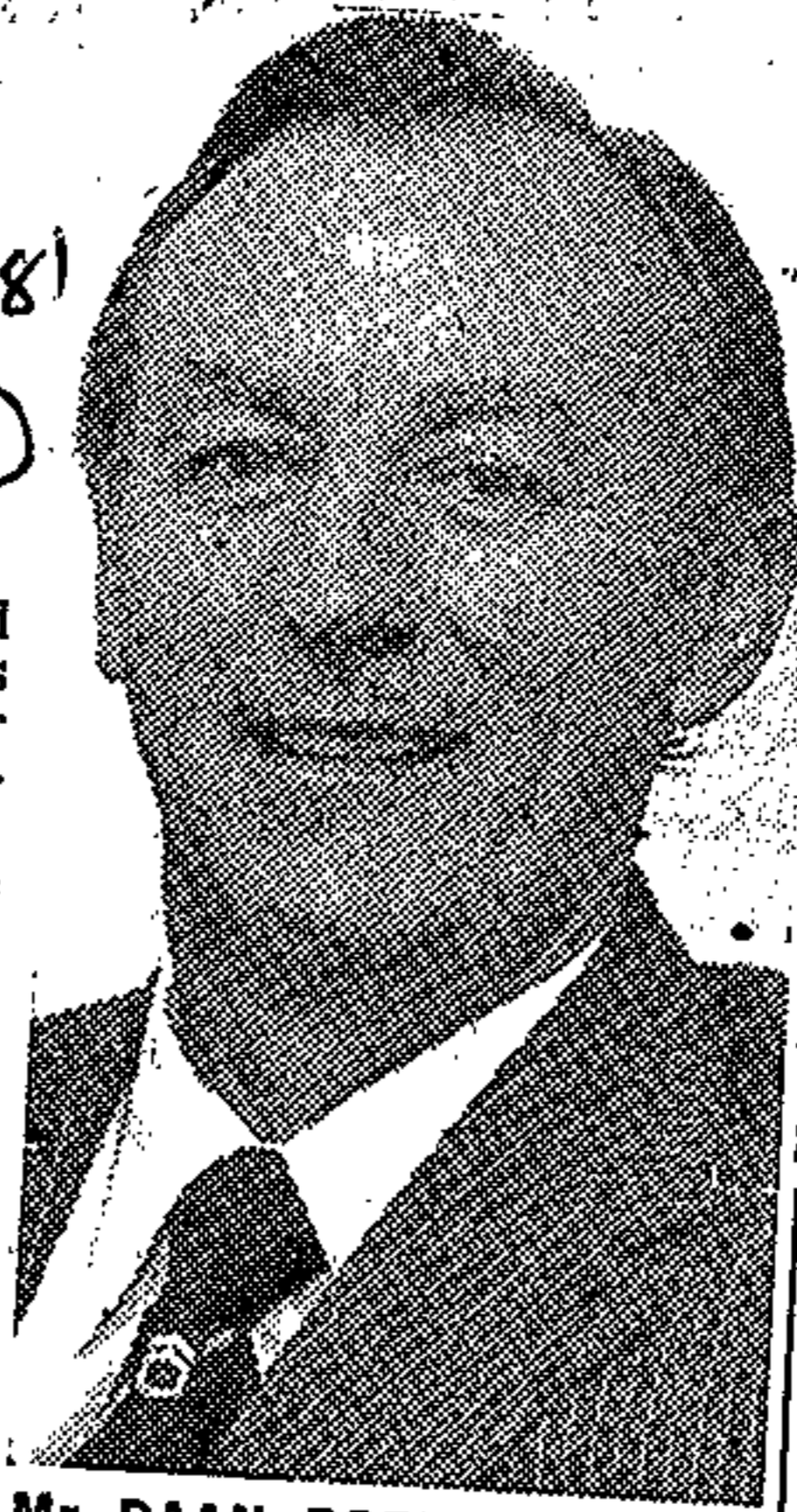
A GROUP of 400 private and public-sector housing experts are poised to wield more power in solving South Africa's housing shortage crisis.

The South African Institute of Housing, formerly the Institute of Housing Management, has changed its range of operation to housing projects.

It aims to take a higher profile in encouraging the private sector to work with Government and municipal bodies in an attempt to reduce the increasing backlog in providing the estimated 600 000 houses needed every year.

The president of the institute, Mr Daan Roelvert, says public funds cannot keep pace with the demand, and only the increased involvement of the private sector will alleviate the problem.

In addition to the housing



Mr DAAN ROELVERT ... frightening housing backlog

backlog, a projected 6-million homes have to be provided by the year 2000.

He says home-owners should have a diversity of choice and less uniformity in houses.

URBAN & REGIONAL PLANNING

best student in the

S A Brick Association Prizes
For the best student in the
subject of Building Construction.
C W von Doring

LTA Prizes
For the best student in each of
the courses of Building Economics I,
II and III in the third, fourth &
fifth years respectively.
I : N D G Sessions
II : A R Low Keen
III: No award

The Committee of the Western
Cape Chapter of Quantity
Surveyors' Prize
For the student obtaining
the highest marks in
Professional Practice.
P R Swift

Bell-John Prize
For the best all-round student
in any year of study.
P C Key

QUANTITY SURVEYING (Continued)

Investments for billions needed Institutions may move into housing

FROM 29/7/81
123

Financial Reporter

THE big private financial institutions — insurance companies and pension funds — may move into the residential housing field in a massive way in the 80s.

This forecast was made yesterday by Mr Johan Nel, the managing director of Union Acceptances.

He was speaking at the quarterly press meeting of the Association of Unit Trusts in Johannesburg.

Mr Nel said the crucial problem facing the institutions would be find enough invest-

ment opportunities over the next decade for the tens of billions of rands that would come pouring into them.

The Government would be able eventually, if it wanted, to scrap the prescribed investment requirements for institutions.

Both the Treasury and the public corporations would still be able to attract all the funds they needed — provided they offered fair rates of interest.

Mr Nel said: "As a result of a steadily increasing growth rate which has been around 25% (in money terms) for the past two years the total combined assets of the private pension funds and insurers stood at just below R23 000-million at the end of 1980.

"This was more than five times their combined total assets of some R4 350-million in 1970 and it is worth noting that the increase in assets for these institutions at approximately R4 400-million in 1980 actually exceeded their total assets 10 years ago.

"If one assumes on a conservative basis that the future growth rate of their combined assets will be at, say, 20% annually compounded then one is looking at an annual cash flow for these institutions which will increase from the present R4 500-million/R5 000-million to some R10 000-million a year by the mid-1980s and nearly R20 000-million by the end of the decade.

"Put differently, this means that for the period 1981/85 inclusive the institutions will have to find new investments totalling some R34 000-million and for the decade as a whole they will have new investment requirements of nearly R100 000-million.

"In other words, I am projecting total assets of some R57 000-million for 1985 and something like R120 000-million at the end of 1989."

Mr Nel there were six main areas in which this total cash flow was likely to be invested.

The role of the institutions would be:

• To continue to be a major source of funding for public sector fixed investment and in-

pin the share market to a very large extent as they compete with each other for any shares, blue chip and not so blue chip, which may come on offer at any time."

• "Equity investment by the institutions will spill over to an ever increasing extent into unlisted companies where they will seek to establish partnerships with entrepreneurs so that they can secure equity and growth positions as early as possible."

• "More of the major institutions may opt for the 'Sanlam route' — establishing a dominant or control position in a few companies"

Mr Nel said: "The collective cash flow of the insurers and the pension funds is approaching such a size that they will increasingly find that there is little to be gained from a follow-my-leader role and that more than good timing will be required if superior performance is to be achieved.

"Investment 'plums' will be harder to find and entrepreneurs will in future have greater access to institutional funds than has been the case up to now."

rastructure. "Because of a lack of sufficient alternatives this will be so regardless of whether prescribed investment ratios are substantially reduced or abolished over a period of years."

• "As the institutions grow bigger in the 1980s and own more and more of private sector enterprise they will realise that as custodians of a very big slice of our individual savings they have a duty to... play a major role in the provision of new housing for all our people.

"They can do this on a direct basis but I hope that it will be done through the building societies, by the institutions maintaining substantial long-term deposits on an ongoing basis with the societies."

• "They will become far more dominant and less selective in all forms of property investment."

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er assist aged persons in the tracing of their families and place them in their care if it is acceptable to them. Aged persons in old age homes are also placed with families at their own request, wherever they may be.

ould be measured by those costs which n and subcontracting:

(2) This would depend on the welfare bodies undertaking the erection of such homes.

students. The short-cut solution n which is inevitably needed so that

Mr. H. H. SCHWARZ: Mr. Speaker, arising out of the hon. the Minister's reply and in view of his often-expressed views that similar facilities of similar quality and standard as are provided for the White people should also be provided for the Black people, does he not think that a review of this policy is now called for?

past 10. Mr. H. H. SCHWARZ asked the Minister of Co-operation and Development:

†The MINISTER: Mr. Speaker, I will naturally look into the matter, but there are nevertheless different circumstances which should also be taken into consideration, as I tried to indicate in the reply. If the need is such, however, we will definitely take it into consideration and look into it.

1,500
4,000
7,500

- (1) Whether any steps are being taken to relieve the housing shortage in respect of aged Black citizens; if so,
(2) whether such persons are provided with housing in the type of environment to which they are accustomed?

Variable: Manufacturing Differential costs:

†The MINISTER OF CO-OPERATION AND DEVELOPMENT:

6. (b) \$4.15

7,500
2,500

- (1) No specific steps are being taken by my Department in this connection because the general policy is that old age homes are being subsidized in accordance with a fixed formula. The actual erection of such homes and the control thereof is undertaken by local authorities or welfare bodies and institutions. Various such old age homes are registered with my Department and would thus be subsidized. My Department is further assisting aged persons who voluntarily report at the offices of the Department to return to their places of origin in the national states. They are supplied with travelling tickets free of charge and in the event of them being of frail health they are also provided with an escort. My Department further

Change in profit
Fixed overhead will not change
Sales will increase by 5,000 x \$3.50 = \$17,500 + \$1,000 = \$18,500
Expenses will increase by 5,000 x \$3.00 = \$15,000
Change in profit plus \$2,500 or \$3,500.

0,000

enses

3,500

= \$15,000
= \$18,500

Note that this answer to (4) are not influenced by this contract. 5. (a) \$4,000 decrease (\$7,500 - \$3,500) Government Contract As above \$3,500 Sales, 5,000 Increase in Variable Manufacturing 5000 x Selling, 5000 x Fixed cost 5000 x Change in

Another way to present the same idea follows:

If this order were not landed, fixed overhead would be underapplied by \$2,500. Therefore, taking the order increases profits by \$1,000 plus \$2,500 or \$3,500.

4. (c) \$3,500

Seven years taken together, \$1,307 x 7, is \$9,150.

*Note that book value of old machine and/or depreciation on old machine is ignored.

**Some experts in this field like to call this "depreciation on old equipment (based on disposal value)." It is preferable to call the item what it is—an opportunity cost—and to confine the term depreciation to its usual meaning, the accountant's allocation of original cost over useful life.

The answer to Galoot's comments is really a criticism of the wish-ful thinking in which we all like to indulge—the erroneous idea that we can soothe our wounded pride of the item instead of replacing the item to convince Galoot that the long-run impact of a past outlay is essentially that a cur-

Nothing can change what has already happened. Long-run impact of a past outlay is essentially that a cur-

As another example assume cent depreciated on a straight-line and a remaining useful life of four years. The value of the asset at the end of the fourth year is \$40,000. If the asset is sold at the end of the fourth year for \$40,000, there is no gain or loss. If the asset is sold at the end of the fourth year for \$30,000, there is a loss of \$10,000. If the asset is sold at the end of the fourth year for \$50,000, there is a gain of \$10,000.

placement would entail recognizing a gain or loss. Retention would allow spreading of "depreciation expenses" (a matter what the timing of the charge is still \$40,000 regardless of any available alternative. How the \$40,000 creeps into the income statement (as \$40,000 loss on disposal in one year or \$10,000 depreciation the replacement decision.

6. Interest, imputed or otherwise (\$8,800 - \$2,100).

11-24 (60 min.)

Manufacturing
Direct materials \$1.00
Direct labor 1.20
Variable indirect costs .80
Fixed indirect costs .50

Selling and other
Variable \$1.50
Fixed .90

1. (b) \$3.50
2. (e) \$5.90

The DEPUTY MINISTER OF COMMUNITY DEVELOPMENT:

(1) Yes, provision exists for the granting of loans at subsidised rates of interest out of the National Housing Fund to welfare organizations and utility companies which undertake the construction or purchase of suitable accommodation for the aged. During the past three financial years an amount of no less than R52 million was spent out of the National Housing Fund exclusively for the provision of accommodation for the aged. In addition the housing projects of the Department as well as those of local authorities undertaken with financing

(1) Whether any steps are being taken to relieve the housing shortage in respect of aged citizens; if so,

(2) whether such persons are provided with housing in the type of environment to which they are accustomed?

7/8/61 Q1 24 (123)
9. Mr. H. H. SCHWARZ asked the Minister of Community Development:

2936-

FRIDAY, 7

25

out of the National Housing Fund are also open to the aged.

(2) Yes, in so far as suitable accommodation or land is obtainable in such a residential environment at prices which are justifiable.

Mr. H. H. SCHWARZ: Mr. Speaker, arising out of the hon. the Deputy Minister's reply, is he aware of the fact that there is presently a very acute problem arising in respect of aged people who are being ejected from their flats?

The DEPUTY MINISTER: Mr. Speaker, yes, we are aware of the fact and we are looking into the problem.

ne, 60 per cent of \$40,000, as zero disposal value. It will not be available to \$40,000 to because re- l, "while in the form on disposal"). amount to be charged is still \$40,000 regardless of any available alternative. How the \$40,000 creeps into the income statement (as \$40,000 loss on disposal in one year or \$10,000 depreciation the replacement decision.

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Blacks: full home-ownership rights

7/8/71 210 22 (123) 227
Mr. D. J. DALLING asked the
Minister of Co-operation and Development:

- (1) Whether the Government is re-considering its policy in regard to full home-ownership rights being granted to Blacks in urban Black townships; if so,
- (2) whether he will make a statement on the matter?

†The MINISTER OF CO-OPERATION AND DEVELOPMENT:

- (1) In the light of the fact that the Government is doing everything in its endeavour to get the 99-year leasehold off the ground, the answer is no.
- (2) Falls away.

R1 420	Budgeted contribution	(120 x 6 + 100 x 7)
30F	Sales volume variance	(mix R69U quantity R99F)
1 450	Standard contribution	(90 x 6 + 130 x 7)
650F	Sales price variances	(as above)
460U	Direct material cost variances	(as above)
R1 640	Actual contribution	

2.

12-18 (Continued)

EXHIBIT A

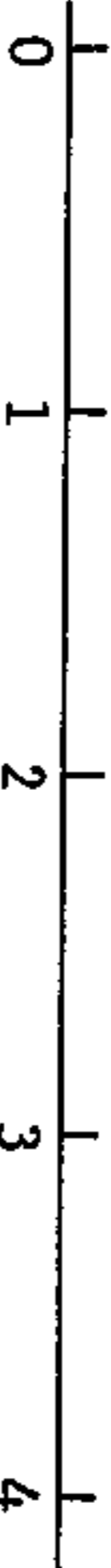
Solution to Requirement 1 of problem 12-18.

End of Year

* Present-Value Discount Factor, @ 18%

Total Present Value

SKETCH OF CASH FLOWS



Difference in favor of replacement

\$ 9,423

19,708

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\$ 2,600

Housing for Blacks
7/8/81 CA 20- (123) (25) (3)
 *1. Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

What was the total amount spent by his Department on housing for Blacks in the 1980-'81 financial year in the (a) urban townships and (b) homelands?

†The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(a) My department does not provide any funds for housing in urban areas. This is a function of the Department of Community Development.

(b) The South African Development Trust spent R56 480 900 through my Department on housing in townships in the national states. In addition to this the national states also develop townships from their own funds but figures in this regard are not readily available.

Mrs. H. SUZMAN: Mr. Speaker, arising out of the reply given by the hon. the Minister, the Department of Community Development has private funds. Could he tell us what his department has spent?

The MINISTER: Mr. Speaker, if the hon. member should care to place that question on the Order Paper, I shall reply to it.

Mrs. H. SUZMAN: That is my very question on the Order Paper.

*From Table 4, Appendix B at the end of this book.

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ANN 11/8/81
homes

needed in
123
20 years'

ESCALATION in building costs was exceeding the increase in the rate of inflation, Mr D W Watter-son (NRP, Umbilo) said in his maiden speech yesterday.

Taking part in the debate on the Labour Relations Amendment bill, he said that in the next 20 years about 10 million homes would have to be built and the necessary infra-structure provided to keep pace with the exploding population.

'The building industry simply cannot cope and the position of supply and demand will eventually increase prices to such an extent that very few will be able to cope,' he said.

'If this happens there will be widespread dissatisfaction and it is clear that something must be done to meet this situation.'

An urgent recruiting campaign was needed for the building industry. — Sapa.

Housing fund

'hopelessly inadequate'

Ampl
13/8/81

123

Political Correspondent

THE Government was accused today of making 'hopelessly inadequate' provision for housing in the Budget.

Yesterday the Minister of Finance, Mr Owen Horwood, announced that R256.7-million would be spent on housing in the current financial year — an increase of R25-million on last year.

Today Mr Colin Eglin, MP, the Opposition's chief spokesman on housing, said that, as far as housing was concerned, the Budget was in fact 'a shocker'.

The amount set aside for housing was hopelessly inadequate, he said. Mr Horwood's Budget speech, with an explanatory memorandum on housing issued by the Department of Community Development, 'makes depressing reading for the South African home owner and the tenant as well as for the homeless around the country.'

At the level of expenditure provided for in the Budget, there was no hope whatsoever of catching up with the backlog of housing which existed, let alone keeping up with the demand due to the natural increase in the population.

COSTS ROSE 25 PC

The total amount for housing was up by only 10.8 percent in a year when building costs rose from between 25 percent to 30 percent.

This meant, in real terms, the amount of money being provided this year was less than in the past.

The amount for black housing in the urban areas had been increased by only 7.2 percent.

This was only 20 percent of the amount of R411-million which had to be provided if the shortage in black housing in the urban areas was to be eliminated in the next 10 years, said Mr Eglin.

- 65. Minutes of mee
- 64. Robb to Secret
- 63. Memorandum of (
- 62. Heenan to Cumm
- 61. H.R. Stockman Oct 21/01 CHB
- 60. Report by Lowe
- 59. See previous no
- 58. Minutes of meet
- 57. Lowe to Heenan

in 30/02 CHB 262.

rch 22/01 CHB 268.

262.

ks Simon's Town) to Heenan

Nov 25/01 CHB 262.

e 30/02 CHB 262.

We pledge ourselves to an intelligent
Progress — Drainage, Paving, no Steps.
& NO JOBBERY!



MILLIONS needed to cope with demand for housing.

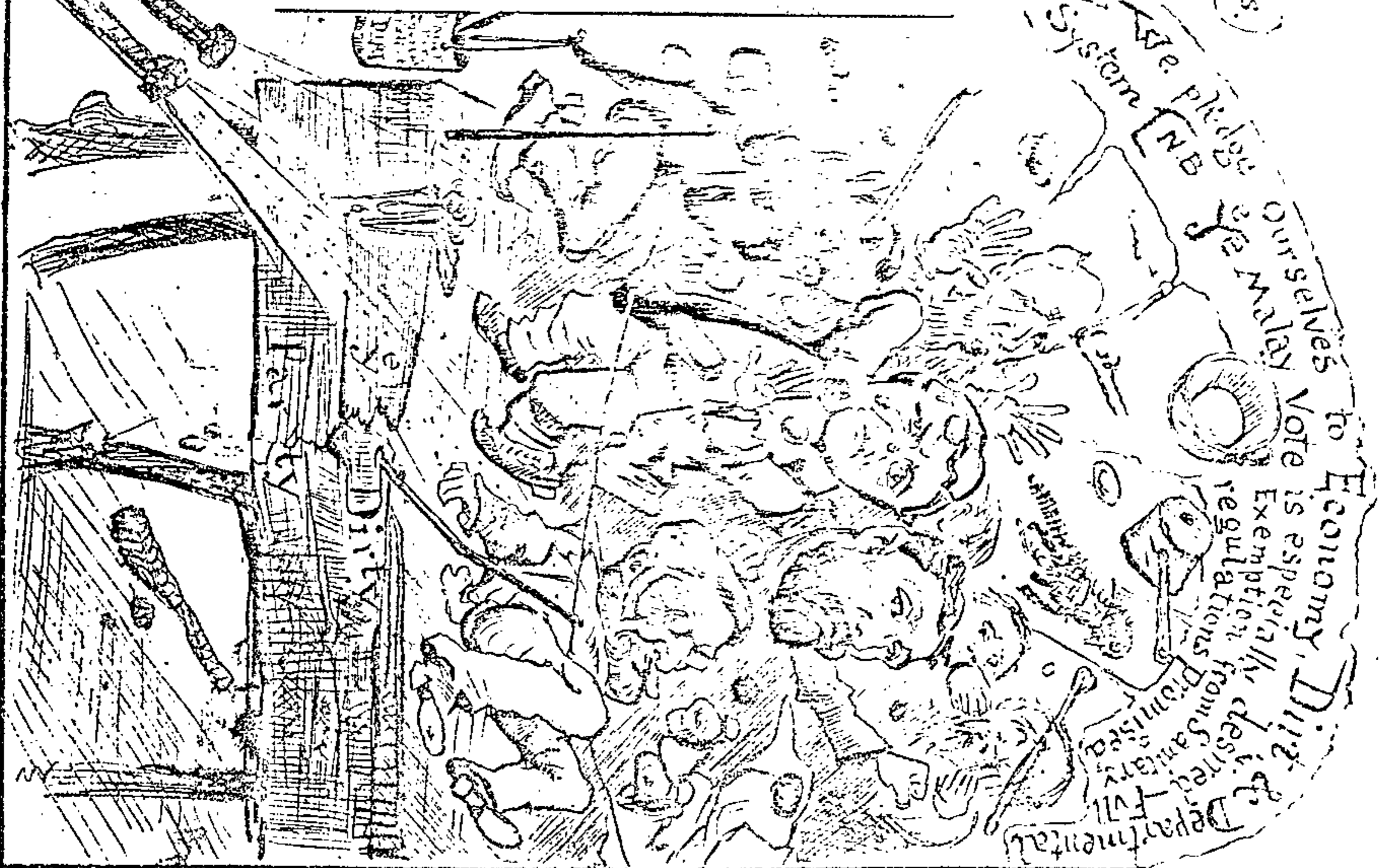
Housing backlog

13/8/81 123
A TOTAL of 119 670 new housing units would be required annually to wipe out the accommodation backlog and meet the population increase, according to a Department of Community Development report.

The report on the provision of housing, tabled in Parliament with the Budget yesterday, estimates that the private sector will have to provide 39 percent — or 46 000 units — and the public sector 73 670 units to meet the natural increase in housing requirements over the next few years.

A total of 38 000 houses would be needed each year for whites, 21 700 for coloureds, 7 970 for Asians and 52 000 for blacks.

To finance a housing programme of this magnitude will take an annual investment by the public sector of about R471-million for whites, coloureds and Asians and R411-million for blacks. — Sapa.



We pledge ourselves to Economy, Discipline & Departmental
Vote is especially desired from
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to Finance

THE TWO PLATFORMS.

CASE

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Sectional Titles Act

11. Mr. A. B. WIDMAN asked the
Minister of Community Development:

Whether he intends amending the Sectional Titles Act in order to afford tenants added protection; if so, when?

The DEPUTY MINISTER OF DEVELOPMENT AND OF LAND AFFAIRS:

No, the Sectional Titles Act has already been amended this year to good effect and added protection for tenants under this particular Act would not appear appropriate.

Share Blocks Control Act

12. Mr. A. B. WIDMAN asked the
Minister of Industries, Commerce and Tourism:

Whether he intends amending the Share Blocks Control Act in order to safeguard protected tenants from ejection; if so, when?

The DEPUTY MINISTER OF INDUSTRIES, COMMERCE AND TOURISM:

The Share Blocks Control Act, 1980.

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FRIDAY, 14

does not regulate the rent in respect of dwelling units but merely the right of use by shareholders of the company.

The control over the letting of dwelling units falls under the control of the hon. the Minister of Community Development.

Mr. A. B. WIDMAN: Mr. Speaker, arising out of the reply given by the hon. the Deputy Minister, will he be prepared to convey to the hon. the Minister of Industries, Commerce and Tourism the fact that protection given in terms of section 39(1) of the Sectional Titles Act does not apply to share block companies?

The DEPUTY MINISTER: Mr. Speaker, I shall convey that to the hon. the Minister concerned.

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FM 14/8/81
URBAN BLACKS' RIGHTS

The 99-year limit

The revamped ³³⁹ ¹²³ Koornhof Bills," re-written by Judge Grosskopf, are to be tabled in draft form during the present parliamentary session. Co-operation and Development Minister Piet Koornhof said this at question time last week. Asked what sources of revenue would be available to black urban townships which accept municipal status, Koornhof told the PFP's Dave Dalling: "Site-and-service charges, profits from liquor and sorghum beer, and assessment rates on property."

The last-mentioned source immediately raised hopes that government was reconsidering granting full home ownership rights to blacks in the common area.

But, "In the light of the fact that government is doing everything in its endeavour to get the 99-year leasehold scheme off the ground, the answer is no," said Koornhof.

Earlier this year, during the pre-election session of Parliament, Koornhof said that "to date (January 30 1981) general plans comprising 100 568 stands were approved for participation in the 99-year scheme, 642 rights of leasehold have been registered and a further 1 861 applications are on hand."

The 99-year system was introduced in 1978 (Act 97), so 642 registrations in three years is hardly significant.

Despite amendments to the Urban Areas Act and the Building Societies Act to remove red-tape obstacles, and a steep reduction (from R2 790 to R1 710) in the cost of 99-year leasehold houses, the system has not met with the success predicted for it by its sponsors. If Koornhof insists, against the best advice from sources including the Browne committee, that freehold property ownership rights will not be granted to city blacks, doubts must remain about the long-term viability of autonomous black municipalities.

The Browne committee, whose report is being dealt with by a "working party," firmly believes that if places like Soweto are to be viable in any sense they will have to develop along the lines of white "local authority models," the financial cornerstone of which is the system of assessment rates on freehold property.

The report said local authority revenue from property tax would need to make up at least 50% of black local authorities' projected current income of R504m by the Nineties. This is about eight times more than the projected R37m the committee expected black municipalities to derive from plot rentals plus property tax if there were no change in government policy.

The committee said: "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 . . . can essentially only be developed on the basis of sufficient housing and a healthy system of home ownership."

Yet in the face of the rightwing backlash there seems to be little chance that the new bills will provide even for the transfer of land to the ownership of black municipalities, let alone provide for individual ownership.

Lack of funds leads to cutback in housing

Sta 14/8/81

123

Chief Reporter
The Department of Community Development has cut back on new housing projects due to a lack of funds.

The Director-General of Community Development, Mr Louis Fouche, has sent a circular to municipali-

ties and administration boards asking them to shelve projects which have not yet received Government approval.

In this week's Budget the Minister of Finance, Mr Horwood, said provision for the National Housing Fund would increase

from R231,7-million to R256,7-million.

This increase of little more than 10 percent fails to match rapidly rising building costs.

The latest Department of Community Development circular allows the completion of projects al-

ready approved, but says that due to the shortage of funds, "drastic curtailment" is necessary.

Mr Carel Venter, chairman of Johannesburg's municipal housing and utilities committee, said today the council was planning a way to bridge the financial problem.

"I am determined there will be no standstill in the building of housing," he said.

He said it was a pity that so little money had been budgeted for housing by the Government.

"I had hoped for more," he said.

No white housing projects were under way but 2 115 coloured homes were under construction.

Mr Venter, who is also deputy chairman of the West Rand Administration Board, said the new directive would not necessarily lead to delays in housing projects in Soweto.

of Mhala's writing, dating from the end of the Xhosa-Cape see C. Saunders, 'Through an African's Eyes: The Diary of Mhala', Quarterly Bulletin of the South African Library 34 September 1979. For a biography of Mhala see S.F.R. Umahashie (Lovedale, 1921).

25. 'Kafir College at the Cape', The Net 2: pp.78-79, 1st May 1867.
26. Compare the account of a train ride written by Eliza M., an African girl from St Mathew's Mission, Keiskamma Hoek, during her visit to the Cape in 1863: C. Saunders, 'Eliza's Cape Town, 1863', Quarterly Bulletin of the South African Library 35 (2): p.54, December 1980.
27. Cricket was then in its infancy, Governor Modehouse's enthusiasm for the game giving rise to its recent popularity at the Cape. The bat was unwieldy, being fashioned out of a single piece of wood and being of nearly uniform thickness throughout the length of the blade. Over arm bowling was only legalised in 1864.
28. W. Monde, 'Description of Stellenbosch', The Mission Field 11: pp.94-5, 1st May 1866.
29. N. Cohon, 'Kafir College at Stellenbosch', ibid., pp.95-6.
30. 'Africa', The Net 2: pp.77-8, 1st May 1867.
31. ibid., p.78.
32. 'The World', The Net: pp.85-6, 1st June 1868.
33. ibid., pp.86-7.
34. E. Sandil11 (Sandile) to Grey, 2nd November 1860, GCA.

Housing budget 'will fall short'

ST 17/8/81
123

Political Staff

THE GOVERNMENT has budgeted R256,7 million for housing in the coming year — less than a third of the amount its own experts say is needed to tackle the critical housing shortage.

The extent of the housing crisis is disclosed in a document released last week by the Department of Community Development. It shows a stark comparison between what the government has allocated for housing and the amount needed if the shortage is to be overcome.

The Minister of Finance, Mr Owen Horwood, gave R256,7 million for housing, but the Department of Community Development says R882 million is needed every year to overcome the housing shortage in a "reasonable period".

This means a shortfall this year of R625 million.

The Department of Community Development describes a "reasonable period" as five years for whites, coloured people and Indians and ten years for blacks.

Essential

Mr Horwood acknowledged the extent of the housing shortage in his Budget speech, saying the problem could not be solved by the government alone.

The involvement of the private sector was essential if the government was to succeed in "achieving our goal of providing adequate and realistic housing accommodation", Mr Horwood said.

However, Mr Colin Eglin, opposition spokesman on housing, said the amount the government had set aside for housing was "hopelessly inadequate".

"At the level of expendi-



Mr Owen Horwood

ture provided for in the Budget, there is no hope whatsoever for catching up with the backlog of housing that exists, let alone keeping up with the demand due to the natural increase in the population," Mr Eglin said.

The total amount for housing had increased by only 10,8 percent while the amount for black urban housing had increased by a mere 7,2 percent.

At the same time building costs had risen by between 25 and 30 percent.

"This means that in real terms the amount of money being provided this year is less than it has been in the past," Mr Eglin said.

Referring to Mr Horwood's statement that the private sector would have to be involved in the provision of housing, Mr Eglin said: "There are no incentives in the Budget to encourage the

private sector to assist in the provision of housing for the middle- and lower-income groups."

In its document, the Department of Community Development revealed that a total of 119 670 housing units were needed annually to meet the natural increase and wipe out the housing backlog within a "reasonable period".

Investment

Out of these, 52 000 would have to be provided annually for blacks. "To finance a housing programme of this magnitude will take an average annual investment by the public sector of approximately R471 million in respect of whites, coloureds and Asians and approximately R411 million in respect of blacks," the memorandum said.

The total amount needed annually was therefore R882 million.

Mr Horwood announced during his Budget speech that the government was considering recommendations for the further provision of housing in black urban areas, particularly Soweto.

The government had received the report of the "Viljoen panel" appointed to investigate a strategy for black urban housing. The matter would receive attention before the end of the financial year, "but any reasonable provision that needs to be made could be budgeted for at a later stage", Mr Horwood said.

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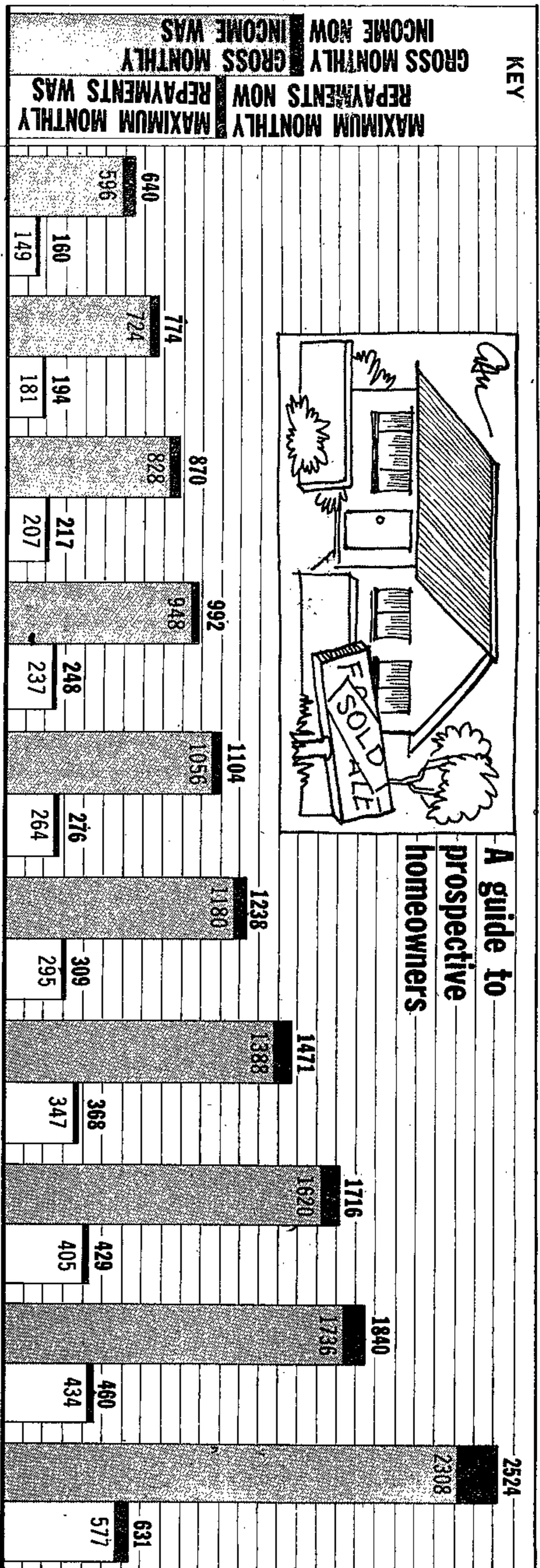
3.17.3. Printing Queued Outputs at Terminals

will send the printfile to the terminal U11060.

@RESUME,P U11060

Can you budget for your new home?

A guide to prospective homeowners



MAXIMUM HOUSE PURCHASE PRICE	BOND (80% of purchase price)	CASH DOWN PAYMENT	CASH REQUIRED*	NEW BOND INTEREST RATE
18 750	15 000	3 750	4 037	12,5%
22 287	17 830	4 457	4 796	12,75%
25 000	20 000	5 000	5 344	12,75%
28 050	22 440	5 610	5 981	13%
31 250	25 000	6 250	7 295	13%
34 387	27 510	6 877	8 025	13,25%
37 550	30 040	7 510	8 820	13,75%
43 812	35 050	8 762	10 299	13,75%
46 950	37 560	9 390	11 063	13,75%
62 500	48 440	12 500	14 330	14,25%

By SUSAN DALLAS

THE 1% jump in mortgage bond rates will require an increase of at least 5% in the salaries of would-be homeowners.

By raising the monthly instalment on every bond, the interest rate increase pushes up the minimum required income of the bondholder — by a much larger percentage.

To apply for a new R27 000 bond — which building societies say is the average bond in the last 12 months — a man previously had to earn R1 180 a month. (Not all societies take all or any of a wife's income into account if she is of child-bearing age).

For the same bond at the new rates, a man must earn at least R1 238 — an increase of 4.9%.

But it is the cost of housing rather than high bond-rates which put the greatest strain on the prospective home-owner.

Supposing a man qualifies for a bond of R27 000 with a minimum deposit of R6 800, plus R750 for transfer costs, the maximum price he can pay for a house is R34 000 on an income

of R1 238 a month.

Few houses can be found at this price.

According to estimates from a few estate agents, the cheapest "reasonable" three-bedroomed home with one bathroom in white Johannesburg costs about R50 000 — reaching between R80 000 and R100 000 in the more fashionable areas.

To buy a house costing R62 000 — for example a three-bedroomed, two-bathroomed house in Parkhurst in Johannesburg's north or Robertsham in Johannesburg's south — the salary a new buyer requires to get a bond has risen 9.3% from R2 308 to R2 524 a month.

It is unlikely that a majority of white South African men earn much in excess of R1 300 — and other race groups generally fall far below.

Young people wanting to buy a home will probably find their

maximum purchase price within a range of R20 000 and R40 000 — if their income falls between R750 and R1 650 a month.

Few will be at the upper level.

At the lowest level, all they can buy is a one-bedroomed flat in Hillbrow the centre of town or possibly Bellevue — and the building is probably between 20 and 30 years old.

According to estate agent Mr Eskel Jawitz, high prices — even with the current shortage of available home-loan finance — is not the death-knell for the property market.

"The shortage of housing makes up for any discouragement the rate increase might be to buyers."

When buying a home, deposits and other associated costs, such as transfer fees are still linked to the cost of the house.

These changes apply to new loans not to existing bonds. The increase of 1% comes into effect for existing bonds from October 1, but building societies will in most cases allow monthly instalments to stay as they are as long as they cover interest, extending the life of the loan to accommodate the increase.

Black housing — 'a job of great magnitude'

Parliamentary Staff

18/8/81

SOUTH AFRICA stood before a construction job of great magnitude — providing housing for blacks — and this could not be financed on an ad hoc basis, Mr Andrew Savage (PRP, Walmer) told the Assembly yesterday.

He said there was a 'most distressing tendency' among senior Government Members to blame problems on their staff — a severe example of bad management.

Officials at the Administration Boards were keen to get on with the job — there was nothing wrong with them, but there was something wrong with the framework in which they had to work.

Port Elizabeth's situation was typical of this. Officials there knew how many houses were required to wipe out the overwhelming backlog, and knew how much was needed to finance them.

However, they were never sure from one year to the next how much money would be allocated to them for this purpose.

Mr Savage said the Government must accept the principle of freehold rights for blacks — 'let's do away with the 99-year leasehold fiction'.

South Africa was not rich enough to house so many people without allowing black-home-ownership. In this way, private enterprise could also be involved in solving the housing problem.

were enrolling daily in the city and the League was at them organising meetings and trying to "combat the chance amongst the many".³³

in that writers who claim that the League's membership was exclusively white are disproved by historical evidence, it cannot be denied that the majority of members were predominantly Jewish. Before examining in further detail the significance of the Jewish element within the organisation, it should be understood that the ISCL-CT cannot be treated as exclusively Jewish organisation. It was not a Jewish organisation in the mould of 'The Friends of the Russian Freedom' or 'Zion'. The differences between such groups are their political objectives differed (hence they adopted tactics and strategies), their social base was different from that of Jewish organisations were closed to other members of the population, even the 'Jewish-speaking branch' of the ISCL-CT, and their political and ideological appeal to the wider spectrum of the wider social structure would be determined by class or 'ethnic' allegiances.

was relatively unaffected by the industrialisation which in the Witwatersrand area after the first World War. The industrial revolution, bearing enormous historical significance to the new forms of exploitation and, hence, of political and social struggle, had no significant effect on Cape Town. In fact, the small factory workshops and family concerns, the predominant capitalist enterprises. Some of the established of these enterprises were owned by English Jews who arrived as immigrants between 1870 and 1900, and themselves as the wealthiest part of the community in areas such as Oranjezicht and Tamboers Kloof.³⁴

s dominated the import-export and wholesale businesses during the first twenty years of this century.³⁵ The revision of labour changed radically in a period of five to ten years. This was due to two main reasons: the movement of

Housing: Security

risk warning

a smaller value of k.

(21)

As this is still

= 25 415

HOUSE OF ASSEMBLY. — The inadequate allocation of funds for housing was threatening the peace and security of South Africa, Mr Harry Schwarz said here yesterday.

He was moving an amendment declining the second reading of the Budget and said the meagre 10,78 per cent increase in the expenditure on housing was not only less than the current inflation rate, but probably less than half the expected increase in building costs.

He also challenged any minister to explain why the houses which should have been built in Soweto had not been built. The failure over the years to tackle Soweto's housing problems remained unexplained, he said.

penditure of R882 million to deal with the backlog and natural increase.

How could this problem be solved with the present allocation of R256,7 million?

"By not providing the funds, the peace and security of the republic is being jeopardized," Mr Schwarz said.

Solutions

There appeared to be five ways of dealing with the problem:

- The government should grant more funds for housing loans in the supplementary estimates.

- The private sector and particularly employers should be made to play a greater role (in providing housing).

- The administration boards, which had funds, should be prodded into action if they were allowed to continue to exist.

- Procedure in respect of housing schemes should be streamlined to remove administrative delays.

- A separate loan issue should be made to raise money for this purpose. — Sapa

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 since to be < 2%
 73%

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Urbanization

There could be no dispute with the fact that housing demands, particularly for blacks and coloured people, would escalate with population increases. Urbanization was an accepted fact and the Department of Community Development itself estimated annual public sector ex-

We have
 $p = 88/1000 = 0,088$
 From (8.13) a 95% C.I. for P is:
 $P = 0,088 \pm 1,96 [(1 - 1000/3600) 0,088(1 - 0,088)/999]^{1/2}$
 in the 6 month period.
 the proportion of workers taking more than 3 days off
 Suppose we wish to estimate

Example 8.1 - Continued

Note that as P is a fraction this implies a much larger value of n_0 and n (use equation (8.16)) if k is close to d , particularly if P is small.
 Note also that we do not have an upper bound in this situation, as we did with equation (8.17)

This leads similarly to
 $n_0 = \frac{(1-P)(Z_{\alpha/2})^2}{P}$
 (8.19)

107. The summary of the Congress is extracted from the Cape Argus and Cape Times. See also Bolshevik, 1, 8, May 1920, p.7.

108. See Bolshevik, 1, 2, p.3; pamphlet 'The Bankruptcy of Trade Unionism', and E. Mantzaris, 'Syndicalism on the shop floor...', p.8.

109. Pamphlet of the organisation entitled 'Socialism versus violence', reproduced in Bolshevik, January 1920, pp.2-3.

110. For a complete history of the American IWW, see P. Rensaw, The Wobblies: The Story of Syndicalism in the USA, London 1967.

111. On the importance of these two principles (undermining the capitalist institutions and educating the workers) in anarcho-syndicalism and basics for direct action, see Emma Goldman, Syndicalism: Its theory and practice, photocopied pamphlet, Mother Earth Publications, 1913.

112. See Bolshevik, 1, 7, April 1920, p.1, editorial.

113. Ibid., 1, 2, p.4.

114. See the Secretary's report of activities as reproduced in Bolshevik, 1, 8, May 1920.

115. Industrial Socialist League of South Africa: Auditors' and Financial Report for the period ended 31st July 1919, signed by C.F. Glass and M. Watt. Justice, 267, 3.1064.18, Letter from Commissioner of SAP to Secretary of Justice, 30th October 1920.

116. Ibid.

117. Secretary's report, in Bolshevik, May 1920.

118. Ibid.

119. See Bolshevik

120. Justice 267, WEDNESDAY. See also Johns, 'Birth of the CP', p.383

121. See Bolshevik, 1, 11, September 1920 Justice 267.

122. Ibid.

123. See the al

124. N. Lenin, pp.414-415

125. See 'What c 1921.

126. See 'Prepare 1921.

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2. 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?

(a) General plans in respect of various urban Black residential areas consisting of a total of 123 147 stands have been approved for leasehold purposes.

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(a) Tshevik, 1, 2, December 1920. See & Wishart, 1963, 16.

Tshevik, 2, 4, February

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Leasehold scheme

Eglin warns on housing

Parliamentary Staff

IF THE Government failed in the future, as it had in the past, to provide proper housing it would fan the flames of revolution in South Africa, warned Mr Colin Eglin (PPP Sea Point) in the Assembly yesterday.

Speaking during the Budget debate Mr Eglin said there was no area of life where the lack of facilities or the fear of loss of facilities was socially more destabilising or politically more explosive than in housing.

The amount which the Minister of Finance had provided for housing in the budget was 'hopelessly inadequate.'

Augus 20/8/81
123
The Government can pump all the money it wants to into military hardware. It can arm the police and riot squads to the teeth and it can give itself more and more statutory powers — but South Africa will not survive as an orderly society if there is not adequate housing at prices people can afford,' he said.

South Africa had a housing crisis. Estimates put out by the Department of Community Development relating to shortages were alarming, but they told only half the story.

He told the Government to visit the independent states to see the vast rural slums developing; to visit

the black townships near the cities to see the overcrowding; to go to the squatter camps to see how people had to fend for themselves; and to visit white suburbs to talk to the elderly about their plight.

'Talk to the people still suffering as the result of the insensitive way the Government dealt with rent control and sectional titles. Talk to the people who are reeling under the impact of staggering rises in rentals, building costs and mortgage bond interest rates,' he said.

He asked what the Government, particularly the Minister of Finance, inten-

ded doing about these problems.

So far its record had been one of 'vaccination and indecision, administrative inefficiency and inter-departmental conflict and confusion.'

Not only money was needed, but also a bold approach — a revolutionary new approach by the Government to the provision of low cost housing.

Mr P Cronje, Deputy Minister of Community Development, said the housing budget had increased by 100 percent over the past five years, yet the opposition still complained this was insufficient.

These notes are based on a preliminary interview with the late Mrs Anne (Bailen) Zurne on 15th April 1980, two taped interviews (30th April and 20th May 1980) and a short report which she wrote during this period. The tapes have been indexed, and all material deposited with the Department of History, University of Cape Town. The tapes give insights into the history of District Six, its shops, streets and celebrations, and tell of what happened to Russian Jewish immigrants to Cape Town.

Anne Zurne was born in 1907 - second of the ten children of Hyman and Esther Bailen. What is told here is, primarily, her parents' story. Hyman Bailen - born in Omsk in 1868, one-time corporal in the Tsar's army, who left Russia for the Middle East where he became a seller of carpets - arrived in the Cape Colony during the 1890s. Anastasia (known as Esther when she settled in this country) was also a Bailen, a cousin of her future husband. She was born in Tomsk in 1881, became sewing mistress in a gymnasium in Siberia, and was sent by her parents to marry Hyman around 1900, when their community was threatened by a pogrom.

Had the way been paved by other family members? Possibly so, for the Bailens were connected to the Polliacks, of music store renown, and others. In time to come, Esther Bailen's mother and sister followed, but lived in Lourenco Marques where the sister's husband was established. It is not clear if Human went at once to District Six, or what employment he took up on his arrival.

Housing

gloom as

shortfall

reaches

1/2-m mark

By Frank Jeans
Property Editor

South Africa is facing a massive housing crisis with an estimated backlog of 500 000 homes — 350 000 for blacks, 30 000 for Asians and the remainder for coloured people.

This runaway shortage is being aggravated too by the fact that, excluding the half-million shortfall, present demand for homes means that an estimated 210 000 homes a year will have to be built to meet population growth by the end of the century.

Estimates a year ago indicated that the building industry was providing about 55 000 homes a year — 25 000 in the private sector and 30 000 in the public sector — but shortages of finance and materials might well cut back these building rates even further.

WORKERS

Looking at the housing crisis, "SA Builder," the official journal of the Building Industries Federation, Bifsa, also paints a gloomy picture of the labour front of the construction industry.

The industry is short of 30 000 people, with an annual projected shortfall of about 10 000 workers.

"Add to this the critical shortages of primary materials such as cement and bricks."

Emphasising that the country in the circumstances can ill-afford recurring recession in one of its primary industries, building, Bifsa believes the current restraint on finance will not last indefinitely.

"Therefore, as a socio-political necessity, houses will have to be built for the needs of the nation," says "SA Builder."

"Institutions and corporations will be forced more and more to divert increasing proportions of earnings into workers' housing as an ever-growing perk towards stabilising their workforces."

The attitude towards the African... Cape Malay Association also... northern provinces, and like the... such extension only for the col...

generally been attained by the... such standards, measured in term... was to both a prerequisite for... African from their political th... (1) their belief in white hegemo... Cape Muslims. The only simi...

AFFORD

Bifsa also takes a titbit at the chronic housing shortage in black townships. It says the average number of people occupying a home there is around 10, many of whom can well afford to buy their homes if stands were available.

"There are constant appeals to employers to get involved but although they are offered land, the land is owned by the Administration Board as is the house which is built on it.

"In no sense can this be called home-ownership and the occupant has no stake in the property, nor does he have any say in his right to continue to occupy it."

Bifsa underlines the words of the United Building Society chairman, Mr Philip Sceales, who said recently: "There are millions of blacks who are not acceptably housed and once again I do not believe that this situation can be tolerated much longer."

He placed character above educ... community to leave nothing und... standard of character that was... great community. He then congl... Bond, urging better relations... Cape Muslims... concluded... must work... Africa the... Gamiet's p... political... break from... of present... the use of... people. 128... white ruler... whites with... in African... who consider... different po... the communit... occasion, de... accept a res... bodies that...

continued.

Eglin warning on housing

CT 24/8/81
123
Staff Reporter
MR COLIN EGLIN, the Progressive Federal Party spokesman on housing, has warned that unless the Government takes bold and positive measures the building of houses and flats in cities will stop.

His warning comes in the wake of a Cape Town City Council decision to freeze further housing schemes for whites till more practical rent-subsidy schemes by the Government were forthcoming.

In a statement issued yesterday, Mr Eglin said the rise in mortgage bond interest rates — an average increase of 33 percent between January 1 and October 1, 1981 — had placed a "worrying" financial burden on many house and flat owners who were already struggling to maintain reasonable living standards.

"This rise, together with the sharp increase of just on 30 percent in building costs during the past year, has virtually forced young couples with families out of the home-ownership market."

Mr Eglin said the annual interest on the mortgage bond on a house now compared to the same house built a year ago was up by 80 percent.

Request

A request by the Department of Community Development that the council consider new housing schemes for whites on council-owned land was, said Mr Eglin, an attempt to "pass the buck".

Measures the Government should take, he said, included:

- Incentives by way of depreciation or tax allowances to encourage the private sector to build more flats and houses for middle and lower income groups.

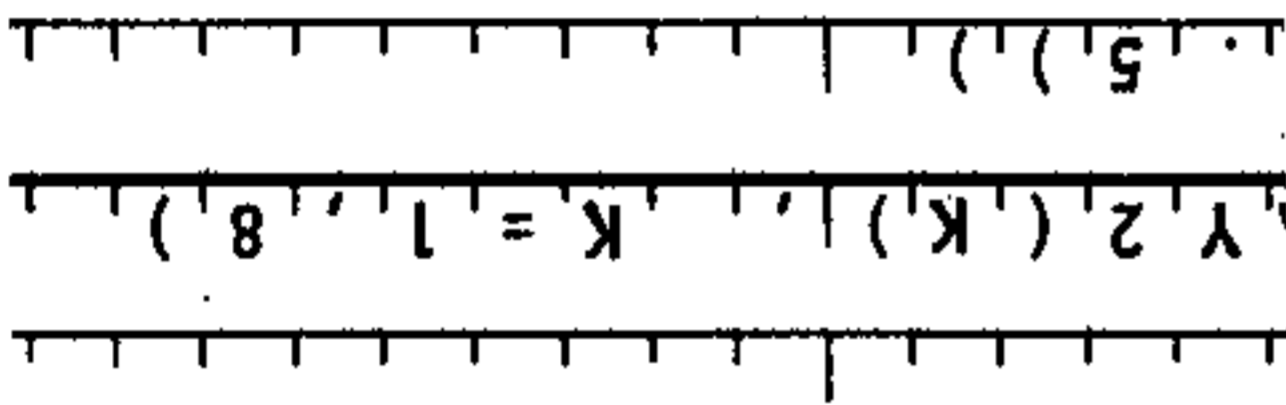
- Direct rental allowances for older people so they would not have to fear the threat of eviction because they could not afford to pay housing rentals.

- Low interest loans to enable people in the middle and lower income groups to own their own houses or flats.

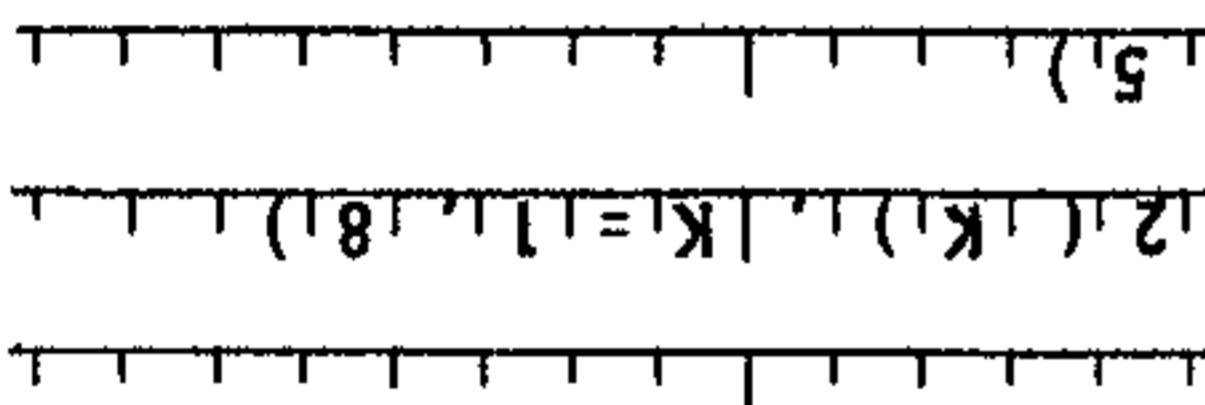
- Tax rebates in respect of payments of mortgage bond interest up to a certain level.

The Minister of Community Development, Mr Pen Kotze, was reported as saying at the weekend that measures were being considered to encourage the private sector to contribute more to the provision of houses.

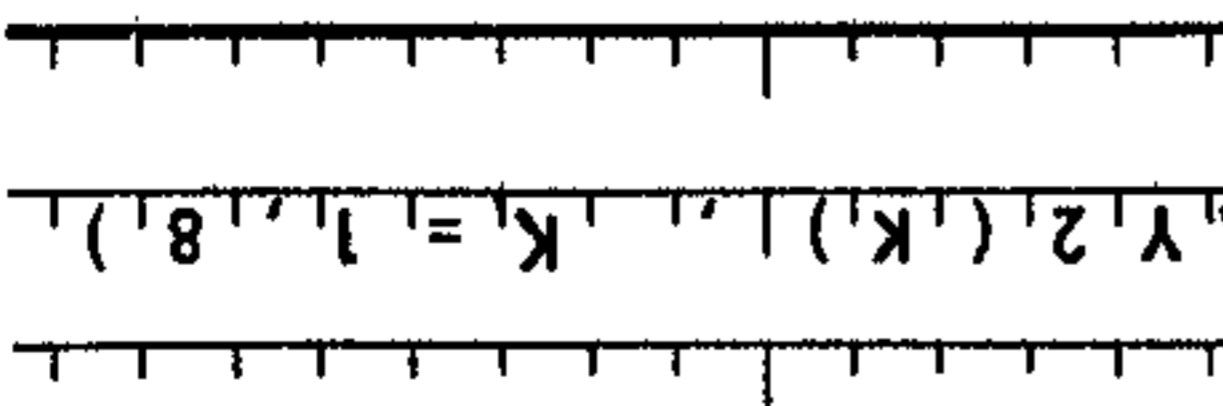
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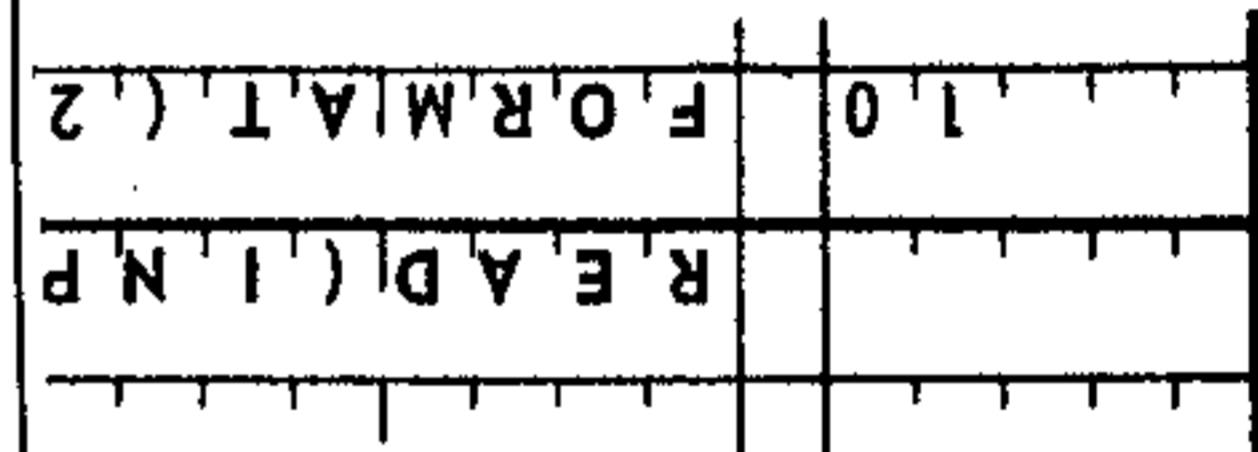


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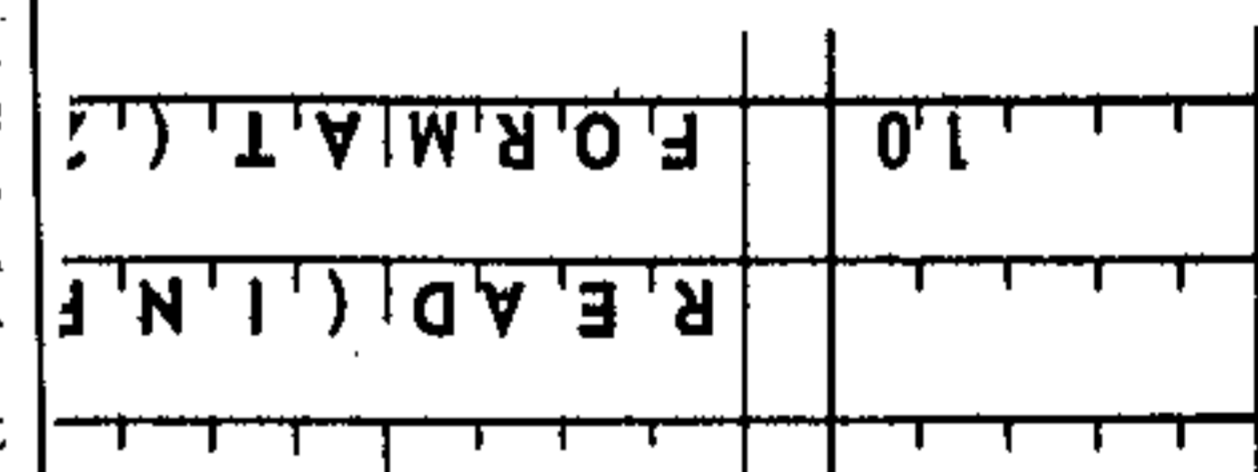


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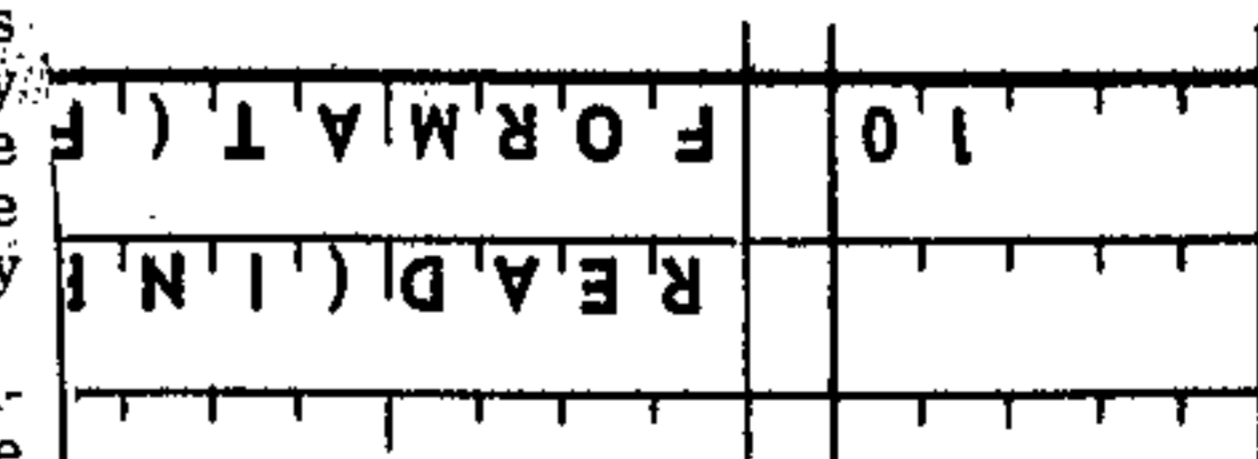
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Selling of houses to Blacks (123) (254)
 12/18/81
 *9. Mr. G. B. D. McINTOSH asked the
 Minister of Community Development:

the traditional
 Easter Weekend.
 condemning the
 Harry Lawrence
 bers to serve on
 popular Cape Town Muslim, and United Pa
 Dollie and a lesser known

- (1) Whether his Department is giving or has given consideration to selling, at their historical cost, houses erected with funds from his Department to the legal Black occupiers; if so,

Muslims, over the
 a thousand people,
 Affairs Department. 153
 nominated eight mem-

bers to serve on
 Advisory Council, among them the
 popular Cape Town Muslim, and United Pa
 Dollie and a lesser known

WEDNESDAY, 2

159.

The nomination o
 Advisory Council
 Dollie, after a s
 from both the U.P
 the process. 155
 purposes were now
 with the C.A.C. A
 Progressive Society, a welfare organisation, wasted no time at
 a function, arranged as a farewell for pilgrims to Mecca, to
 express the community's condemnation of the C.A.C.

- (2) whether these houses will be sold to such occupiers; if not, why not; if so, when?

The MINISTER OF COMMUNITY DE-
 VELOPMENT:

- (1) Yes, the matter is still under consid-
 eration.
- (2) Falls away.

the Coloured
 table. Salie
 Chairmam resigned
 e Council in
 or religious
 community's dissatisfaction

This onslaught by the ruling power accelerated the 'Malay-Indian' reconciliation which developed with the fear of segregation. In 1942, the Cape Muslim Teachers' Association was established with membership open to all Muslims irrespective of racial origin. The Hospital Welfare Committee, in their press reports, made it clear that their membership consists "of Malays, Indian and Swahili Moslems" and they were rendering services to all "non-Europeans", not only to Muslims. 156

The binding factor of the 'Cape Malay - Indian Muslim' accord was the religion of Islam. The same force at times alienated them from the other black formations in Cape Town, particularly in the case of the Non-European Unity Movement. The N.E.U.M. was mainly the debating ground of the coloured intelligentsia. Very few Cape Muslims at the time had an education beyond Standard Six. They felt incapable of participating in this body. The other negating factor was what they believed to be discrimination against them because they were Muslim. This feeling developed sharply after the Anglican Bishop of Cape Town, Bishop Lavis, refused to admit Muslim girls for training in midwifery at the St Monica's Maternity Home, 157 situated in the

Hostel buildings
 156. Mr. G. B. D. McINTOSH asked the
 Minister of Transport Affairs:

(a) How many hostel buildings are (i) under construction or (ii) being planned at present for the period ending December 1985 and (b) how many men of each race group will be accommodated in such hostels?

The MINISTER OF TRANSPORT AFFAIRS:

	Whites	Coloureds	Indians	Blacks
(a) (i)	Nil	—	Nil	3
(a) (ii)	5	1	Nil	8
(b) (iii)	610	2 000	Nil	30 800

to suggest a suitable scheme of reconstruction, and to show the projected balance sheet of the company, after the scheme has been put into effect (assuming it could be effected as of 31st March 1981. Ignore taxation and expenses of the reconstruction.

YOU ARE REQUIRED

Debtors represent 30 days' sales. The directors believe that sales can be increased 50%, but that on average 60 days' credit will have to be given to finance this. The R45 000 owing to creditors represents 120 days' purchases. The directors wish to keep creditors at an average of 60 days' current purchases, so as to take advantage of certain discounts for early payment. The current level of stock is considered adequate to meet expected sales demand. However, it would be unlikely to realise more than R20 000 if the company were forced to liquidate.

The current value of the land and buildings is R110 000. Plant and machinery is depreciated at 12½% p.a. on cost. The remaining life of the plant is considered to be 3 years, and the current realizable value is R40 000.

They have been unable to find any long-term finance, and do not wish to enter into a sale and leaseback agreement on the land and buildings. They wish to avoid injecting more than R40 000 into the company, as this represents the limit of their resources.

The balance sheet of the company as at 31st March 1981 is as follows, in summarised form:

TRY-AGAIN TEXTILES LIMITED

BALANCE SHEET AT 31st MARCH 1981

Share Capital	
Authorised:	400 000 ordinary shares of R1 each
Issued:	250 000 ordinary shares of R1 each
	150 000 7% preference shares of R1 each
	150 000 7% preference shares of R1 each
	Less: Accumulated loss
	Shareholders' Interest
Fixed Assets	
	Land and buildings at cost
	Plant and machinery at cost
	Less: Accumulated depreciation
	Patents and trademarks, at cost
	Listed Investment, at cost (market value R18 000)
Current Assets	
	Stock
	Debtors
	Less: Current Liabilities
	Shareholders' loans
	Trade creditors
	Bank overdraft
	Net Current Liabilities
	Preliminary and Share Issue Expenses
	The articles stipulate that the pre-capital, but are silent as to arrears

R400 000
250 000
R650 000
150 000
400 000
240 000
R160 000
R80 000
55 000
35 000
20 000
190 000

(2)(a) and (b) the further phasing-out of rent control is being held in abeyance until I am satisfied that the situation is no longer exploitable.

(ii) 2.

(bb) one, as the request was unfounded,

(b) (i) (aa) one, but in six cases the requests fell away after the rentals were reduced to amounts considered reasonable, following negotiations between the Department and the lessors;

(2) whether he intends phasing out rent control any further; if so, (a) when and (b) to what extent?

(1)(a) How many requests for the reimposition of rent control were made to him and/or his Department during the latest specified period of six months for which figures are available and (b) how many such requests (i) were (aa) granted and (bb) refused and (ii) are pending;

74. Mr. A. B. WIDMAN asked the Minister of Community Development:

it as to
The/ ...

A 'substantial fall' in house prices predicted

By SUSAN DALLAS

HOUSE prices were bound for a substantial fall during the rest of this year and next year, says Standard Bank economist Mr Nico Czipionka.

123 2x/8/81
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Speaking at a South African Property Owners Association (Sapoa) conference at the Carlton Centre in Johannesburg yesterday, Mr Czipionka said property prices — both residential and commercial — would decline during 1981 and 1982.

He said building costs had already come down.

"Building costs cannot continue to rise. When contractors are running out of work they cut costs."

He said a substantial part of high prices charged by contractors had been profit.

Accommodation

Available accommodation should suit the pocket a little better, he said.

A view from property financier Mr John Woods was that prices had already come down — by 20% in top-priced houses and by 10% to 15% in medium quality range housing — for example a three-bedroomed, one-bathroomed home in a reasonable suburb like Parkhurst or Melville.

The executive director of Sapoa, Mr Don Kennedy, said: "I am sure house prices have already come down."

"We are in the opposite situation to last year — then people had plenty money to spend. Now they have very little to spend, so sales have to drop and with them, prices have to drop."

Mr Czipionka said: "We can expect prices to show a very low rate of increase during 1981 and 1982 — particularly residential property prices which will decline but not as much as happened during the property slump of 1976 and 1977."

He ventured a prediction about the percentage decline in house prices but asked that this not be quoted.

No escape

The property downturn would not be as bad as the previous slump during 1976 and 1977 thanks to sufficient demand by tenants.

Explaining the downturn he expected in the building industry and the property market, Mr Czipionka said these sectors lagged behind the rest of the economy but could not escape the effects of a lower economic growth rate.

The South African economy could not escape the recession that had affected the rest of the world, where countries with traditionally stable economies like Switzerland and Germany had already experienced a downturn.

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No. 1827 - 28 Augustus 1981

HERAANSTELLING VAN VOORSITTER VAN DIE NATIONALE BEHUISINGSKOMMISSIE

Sy Edele die Minister van Gemeenskapsontwikkeling het kragtens artikel 6 van die Behuisingswet, 1966 (Wet 4 van 1966), prof. T. H. Louw, as Voorsitter van die Nasionale Behuisingskommissie heraanstel vir die tydperk 17 September 1981 tot 16 September 1982.

No. 1827 28 August 1981

RE-APPOINTMENT OF CHAIRMAN OF THE NATIONAL HOUSING COMMISSION

The Honourable the Minister of Community Development has, in terms of section 6 of the Housing Act, 1966 (Act 4 of 1966), re-appointed Prof. T. H. Louw as Chairman of the National Housing Commission for the period 17 September 1981 to 16 September 1982.

At Union, the political climate in South Africa turned heavily against the Indians, with the Cape not totally immune to this trend. The Union could not decide whether to regard the Indians as a permanent part of South Africa or not.⁹⁵ But to keep their numbers down, Union in 1913 passed the Immigration Regulations Act, allowing the Minister of the Interior to declare any person a prohibited immigrant; and in 1914, the Indian Relief Act, to provide, as part of its regulations, for the voluntary expatriation of Indians.⁹⁶ In Cape Town, the Central Government attitude had a bearing on the relations between the two Muslim population groups. The 'Indian Muslims', who were mainly traders, and who had now grown in number, were estranged from their Cape Muslim co-religionists because of being regarded as alien. This political cleavage had a further socio-economic component. The later 'Indian Muslim' immigrants in Cape Town did not easily integrate with the local Cape Town Muslims as had their compatriots in the 1880s, 1890s. They were essentially a trading community, who developed petty bourgeois attitudes, considering themselves culturally, economically and religiously superior to the local Cape Muslim labouring class, whose sons were not good enough to marry their 'Indian daughters'. The Cape Muslims responded by calling them 'Babi', a Javanese word meaning pig, probably the worst insult one Muslim could inflict upon another. The political problems facing these two Cape Town Muslim groups were different in appearance though similar in essence. Both were racially discriminated against but the ruling class had divided them so as to make their political problems appear different. Thus the Indian community in Cape Town in 1910 founded the Cape British Indian Association which in 1919 convened the South African Indian Congress to formulate policy with

predominantly Muslim residential area of Bo-Kaap.

The National Party Government with its policy of apartheid was accepted with ambivalence in 1948. There were those who still believed that there was some good in Malan and that he would honour his enhanced status promise of 1925; others just could not care, while a few were opposed to apartheid. The latter category was in the minority. In 1951, the Nationalist Government introduced the Separate Representation Bill, to disenfranchise the coloured people. This Bill was immediately contested by Ganief Harris, Ganief Bookey and others. They lost their case.

The case came before the Supreme Court but

FRIDAY, 28 AUGUST 1981

239

240

	House Ownership Scheme	Assisted Building Society Housing Scheme	House Ownership Scheme with Pensions Fund Assistance
(iii)	210	Nil	Nil
(iv)	Nil	110	Nil

FRIDAY, 28 AUGUST 1981

	House Ownership Scheme	Assisted Building Society Housing Scheme	House Ownership Scheme with Pensions Fund Assistance
(b) (i)	20 759	4 316	14 214
(b) (ii)	751	Nil	Nil

222. Mr. G. B. D. McINTOSH asked the Minister of Transport Affairs:

South African Railways and Harbours Administration; properties of employees

(a) (i) 21 720.
(ii) 4 426.
(iii) 14 214.

The MINISTER OF TRANSPORT AFFAIRS:

(a) How many properties are owned at present by employees of the South African Railways and Harbours Administration through the (i) House Ownership Scheme, (ii) Assisted Building Society Housing Scheme with Pension Fund Assistance and (b) how many such houses are owned by (i) Whites, (ii) Coloureds, (iii) Indians and (iv) Blacks?

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FRIDAY, 28 AUGUST 1981

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His constitutional approach and his effort to seek a solution through negotiation, without having to concede any of his community's rights, was to no avail. The Government could not see it his way. When the cemeteries were eventually closed on 15th January 1886, the Cape Muslims were without a burial ground within walking distance of their residences in central Cape Town.^{80b} Abdol Burns now had no option and on Sunday, 17th January 1886, with the first Muslim funeral after the closure of cemeteries, he led his community in a protest burial at the Tana Baru cemetery at the top of Longmarket Street. Rioting broke out immediately after the funeral was performed and continued for three days thereafter. Abdol Burns was arrested and charged with causing a riot and contravening the Public Health Act of 1883.

His arrest and pending trial did not hamper his spirit of protest. He, out on bail, was still at this stage seeking a constitutional solution. He approached the commanding officer of Her Majesty's forces in South Africa, General D'Ogley Torres, for direct British intervention to correct what he conceived as an injustice inflicted on his community. He was politely told that the British Crown could not interfere. Abdol Burns ultimately had to pay the penalty for his gallant effort. He was found guilty and fined £10 with two months hard labour.⁸¹

	Whites	*As at 15 July 1981 Coloureds	Indians	*As at 15 July 1981 Blacks
(a)	38	3	Nil	14
(b) (i)	5 426	720	Nil	22 763
(ii)	3 979	707	Nil	19 778

*Figures as at 31 July 1981 are not readily available.

The MINISTER OF TRANSPORT AFFAIRS:

How many (a) hostel buildings and (b) beds were (i) owned by the South African Railways and Harbours Administration as at 31 July 1981 and/or (ii) utilized by it as at that date for single White, Coloured, Indian and Black males, respectively?

South African Railways and Harbours Administration: hostels
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Further, not only did they have to draw the fire engine to and from fires in Cape Town, but also present themselves, with their machines, for inspection at 6.00 a.m. on the second Monday of every month for a two hour inspection. Non-attendance or neglect of their machines were punishable by corporal punishment or imprisonment. As seen, they were not paid; but neither were they provided with uniforms. Only after 1828, were they supposed to be paid and then, too, the remuneration they received was a mere pittance - in 1840, £150 was set aside for their annual remuneration while the sole white superintendent received £75 a year.⁴³ With the passing of Ordinance 50 of 1828, they were to be relieved of this service.⁴⁴ No alternative measure was instituted and thus the Cape Muslims continued to man the fire brigade until 1894.

Evidence of discrimination against the Cape Muslims could also be detected in their exclusion from the Raterweg and the Burgherway and the treatment they received from these bodies. They were excluded for, "though not born in slavery, have not been born in wedlock".⁴⁵ Muslim marriages at the Cape were not recognised and their offspring regarded as illegitimate.⁴⁶

The duties of the Raterweg, which was part of the Burgherway, were to call out the time every hour by making a noise with a rattle.

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left alone. Harassment, arbitrary arrests, the entering and

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er in the treatment Muslims herweg. They were subjected to white burghers were virtually

Blacks; family housing units
19. Mr. A. SAVAGE asked the Minister
of Co-operation and Development:

(a) How many new family housing units
for Blacks in White urban areas were built
in each year from 1972 to 1980 and (b)
what was the expenditure in each of these
years on (i) such housing and (ii) infra-
structural services for such housing?

The DEPUTY MINISTER OF CO-
OPERATION:

The information is not readily available
as the houses are built by the Administra-
tion Boards from their own funds and with
loans from the Department of Community
Development and the Building Societies.

Group 4 Financing of Black housing 1/33
 (01/13/81) 5 23/8/81
 *Mr. G. B. D. McINTOSH asked the
 Minister of Co-operation and Development:

- (1) Whether his Department is conducting or has recently conducted an inter-departmental inquiry into the financing of Black housing; if so, (a) what is the purpose of the inquiry, (b) who are the members serving on the inquiry committee, (c) when are the investigations expected to be completed and (d) which other Government departments are involved in the inquiry;
- (2) whether a report will be submitted; if so,
- (3) whether such report will be laid upon the Table; if not, why not?

†The MINISTER OF CO-OPERATION AND DEVELOPMENT:

- (1) Although the Departments concerned are giving continuous attention to matters relating to, *inter alia*, the

FRIDAY, 28

financing of housing for Black people no specific inter-departmental inquiry into this matter is being conducted by my Department. If the hon. member is referring to the Viljoen Committee he must phrase the question in that manner.

to show the theme has been 31st March 1981.

to suggest a suitable scheme of reconstruction (2) and (3) fall away. ignore taxation and expenses put into effect (assuming it projected balance sheet of the

YOU ARE REQUIRED

Debtors represent 30 days' sales. The directors believe that sales can be increased 50%, but that on average 60 days' credit will have to be given to finance this. The R45 000 owing to creditors represents 120 days' purchases. The directors wish to keep creditors at an average of 60 days' current purchases, so as to take advantage of certain discounts for early payment. The current level of stock is considered adequate to meet expected sales demand. However, it would be unlikely to realise more than R20 000 if the company were forced to liquidate.

The current value of the land and buildings is R110 000. Plant and machinery is depreciated at 12½% p.a. on cost. The remaining life of the plant is considered to be 3 years, and the current realizable value is R40 000.

R19 000 can buy a prefab home

By BEV MORTIMER

A SOUTH African company plans to export prefabricated homes to Argentina.

The three-bedroomed, furnished houses manufactured by Terrapin cost R19 000 each.

Terrapin's director, Mr David Straneck, said yesterday the Department of Community Development had bought 52 of the houses for Maitland in the Cape.

Cheaper

Asked if the department did not think it advisable to purchase more of these homes to alleviate the housing shortage, the director-general of Community Development, Mr L. Fouche, said: "For self-help housing schemes R19 000 is cheap, but it is rather expensive for low-income groups."

A property economist, Mr Neville Berkowitz, agreed. Three-bedroomed houses made with concrete bricks could be provided on a mass production scale for low-income groups at about R14 000 a unit, he explained.

"But for lower-income groups among whites, R19 000 is far cheaper than R35 000 for a house — excluding land."

"People are adapting to prefab and may switch over to using it on a large scale," he said.

GIVEN the size of the housing backlog, the projected growth in the population plus the increased demand that will be caused by the process of urbanisation, there is no way in which the Government will be able to solve the low cost housing crisis if it sticks to conventional building methods, building standards or building financing.

The Government should adopt a bold new approach designed to harness the total resources of society — public and private, formal and informal — in tackling the housing crisis.

The first element is a new approach to building methods and building standards.

The conventional approach of relying on orthodox housing, built to standards set by the National Housing Commission with capital provided by the State, will have to be abandoned.

This conventional approach places demands which cannot be met on the capital resources of the State. It prices potential occupiers out of the housing market, resulting in their having no housing at all.

It makes it impossible for the individual in the lower income groups to make a contribution towards the construction of his home.

The Government should make massive use of controlled site and service, core housing and self-build schemes.

This would reduce the capital required per unit of housing and spread the available capital across a wider number of recipients.

It would bring people into the field of controlled housing at price levels they can afford.

It would enable individuals to make a practical contribution towards the provision of their own housing through the capi-

LOW-COST HOMEOWNERS FOR AIT

Angus
21/8/81
123

THE ugly events at Nyanga, the deportation of the squatters, the angry reaction of the Transkeian Government, the return of many of those deported from the Transkei have all focused attention on the problems of urbanisation and the provision of housing.

Colin Eglin, MP for Sea Point, the PFP's spokesman on housing, outlines a bold new approach to the provision of low-cost homes.



COLIN EGLIN

talisation of the individual homeowner's labour and to upgrade their homes according to their own priorities.

This incremental approach to housing should not be used to replace the conventional approach, but merely to supplement it.

As the use of new building techniques will require a dilution of the relatively high building standards set by the National Housing Commission, such schemes should be carried out under supervision and control and on a selective basis taking location, demand, economic status and so on into account.

The second element is a new approach to home ownership for people of the lower income groups.

There should be a dramatic swing away from a policy of tenant occupa-

tion to one of individual home ownership.

Home ownership is a stabilising factor, bringing the vital elements of security and a sense of belonging into the life of the individual and his family.

It provides the individual with the soundest form of saving and capital formation and the best possible hedge against the ravages of inflation.

It releases monies provided by the State, both to meet the initial cost of construction and the ongoing cost of maintenance, so that these monies can be employed, in conjunction with the private sector, to generate more housing for those still needing it.

It shifts individuals from the tenant to the owner class, and in so doing helps to close the dangerous gap between the 'haves' and the 'have nots'.

sector at interest rates subsidised by the State, in order to improve and upgrade their properties.

The third element of a new approach is the financial-g of low cost housing.

It will be impossible for the State to find the capital required if it follows the conventional pattern of financing from its own resources the acquisition of land, the provision of roads, services and amenities, and the construction of houses.

Instead of restricting the number of housing units to the size of the capital sum made available by the State, the Government should adopt a policy that will result in the capital available for housing being the sum of the monies provided by the State, the input of the individual owner and the money available from lending institutions in the private sector.

The Government should see its financial contribution not as the total capital available but primarily as the amount required to subsidise the individuals so that they can get loans from the private sector at normal interest rates.

The State's funds should be used primarily to bridge the gap between the sub-economic interest rate which the individual can afford to pay and the economic interest rate at which the institutions in the private sector are prepared to lend.

This would increase the money available for low cost housing in a dramatic way for it would enable building societies and other money lending institutions in the private sector to play a major part in financing low cost housing.

Such a new financial strategy will require certain changes in Government policy and attitude.

The Group Areas Act must be amended to allow lending institutions in the private sector to acquire land for development, resale and the passing of mortgage bonds.

The Government will have to depart from the prevailing attitude where departmental control of the housing supply is used both as a means of political coercion and as a means of trying to enforce ideologically motivated influx control.

Housing will have to be seen as a means of giving people shelter and enabling them to lead a normal family and community life and not as an instrument for imposing the Government apartheid policy on the mass of economically underprivileged citizens of South Africa.

The problem of low cost housing is one of the most important challenges facing us all in South Africa. It can be solved, but only if the Government is prepared to adopt a bold new approach.

Hans 5 Economic/assisted housing

QC 295 4/9/87

123

75. Mr. A. B. WIDMAN asked the Minister of Community Development:

How many (a) Asians, (b) Coloureds and (c) Whites are at present waiting for (i) economic and (ii) assisted housing to be allocated to them?

The MINISTER OF COMMUNITY DEVELOPMENT:

(a), (b) and (c) Because an interest loss is presently sustained by the National Housing Fund, on all types of housing, "economic housing" no longer exists in practice. Although both the Department and local authorities keep waiting lists to serve as a register of home-seekers that qualify for National Housing, it is not possible to draw any meaningful conclusions from the sum total of applications on such waiting lists as to the extent of demand for housing owing to the duplication and obsolescence of applications, personal preferences, incompleteness of particulars and a host of other reasons. Careful analysis of available information indicates there to be a shortage of 40 000 dwelling units for Coloureds, 14 000 dwelling units for Asians and 20 000 dwelling units for Whites in the Republic.

Shortage of houses

53. Mr. H. H. SCHWARZ¹²³ asked the Minister of Community Development:

Hans S. O.C. 293
(1) What is the estimated shortage of houses in respect of (a) White, (b) Coloured and (c) Indian persons;

4/9/81
(2) whether any steps are being taken in order to remedy such shortage; if so, what steps?

The MINISTER OF COMMUNITY DEVELOPMENT:

(1) (a) 20 000 dwelling units.

(b) 40 000 dwelling units.

SEPTEMBER 1981

294

(c) 14 000 dwelling units.

(2) Yes, taking the limited funds at its disposal into consideration, the Department in co-operation with local authorities, undertakes housing projects for persons earning up to R650 per month. On 31 March 1981 there were 8 353 dwelling units for Whites, 44 896 dwelling units for Coloureds and 18 815 dwelling units for Indians in housing projects of the Department and local authorities, under construction or at the tender stage. In addition, everything possible is being done to encourage the private sector to make an even larger contribution to the provision of housing.

THE BLACK HOUSING PROBLEM

New adviser's plans may outdate Pass Laws

S. Express 6/9/81

123 #

THE vice-president of development research at the Human Sciences Research Council and an authority on Black housing, Dr P 'Flip' Smit, will soon become a top-level Government adviser.

Dr Smit, principal co-author of a recent book on Black urbanisation: *Swart Versiedeliking*, is recognised in academic and political circles as a powerful force for structural change in the Government's approach to urbanisation, which has emerged as the most pressing internal problem facing South Africa.

The Minister of Co-operation and Development, Dr Piet Koorhof, told Parliament during the debate on his vote that the Cabinet had approved the appointment on a contract basis of an expert on urbanisation to advise the department at "a very high level".

According to Sunday Express sources, Dr Smit's appointment will be announced when final details of his appointment have been agreed between Dr Koorhof and the

Dr Smit will continue in his present position at the HSRC and will advise the Government on specific projects.

It is understood Dr Smit was approached initially to take up a full-time appointment in Government but turned this down because he was reluctant to associate with a political

party and particularly with action against squatters.

Both Government and Opposition members consider Dr Smit's imminent appointment significant because his thinking on Black urbanisation departs radically from traditional Government thinking and is likely to add powerful backing to moves towards recognition of squatter communities and the need to upgrade them with site-and-service and core hous-

FAVOURS SITE-AND-SERVICE AID FOR SQUATTERS

BY JOHN BATTERSBY

ing schemes.

Dr Smit's views have the full backing of the Leader of the Opposition, Dr Fredrik van Zyl Siabbert, who quoted from the book on Black urbanisation during the Censure Debate to indicate to the Government the direction to follow.

In the book, Dr Smit concludes that South Africa's most urgent requirement is a national urbanisation strategy which would reconcile political

ideology and economic aspirations and in which urbanisation would increasingly be undertaken by Blacks themselves.

This, he says, would require a lowering in the standards of accommodation and services and a new attitude towards squatting.

While Dr Smit does not completely write-off the need for influx control, he favours a two-pronged approach to the problem of urbanisation.

This would involve a programme of stabilisation and socio-economic reconstruction in the urban areas accompanied by economic decentralisation to regional growth points and the provision of job opportunities in and near the homelands in joint co-operation projects.

When such a two-pronged plan was implemented the need for influx control — which he regards as an undesirable means of regulating urbanisation — would fall away.

During the debate on his vote Dr Koorhof made a clear distinction between squatting and uncontrolled squatting — the latter, he insisted, the Government would continue to "nip in the bud".

But he also spelled out more details of the Government's plans to introduce site-and-service schemes to upgrade existing squatter camps.

He said the Government planned to allow individuals to have "greater responsibility" in providing their own houses

on a site-and-service basis.

This would go hand in hand with self-build schemes aided by "technical advice centres" to ensure the houses conformed to basic standards.

Dr Koorhof emphasised that minimum standards in self-build housing schemes would have to be submitted to the full Cabinet for approval and that this did not mean squatting was part of the Government's housing policy.

He said agreement had been reached with the Department of Community Development on these matters.

● Dr Smit is a graduate of the University of Stellenbosch and the University of South Africa.

He was subsequently a lecturer at the University of the North, head of research at the Africa Institute, and Professor of Geography at Unisa.

He has been involved in research in the Black community for the past 20 years.

'New deal' gets the verligte nod

THE expansion of the standing Commission for Co-operation and Development — and the extension of its mandate to include urban Blacks — is being hailed by Nationalist verligtes as a major breakthrough.

They say it could dramatically accelerate bogged-down efforts to secure a "new deal" for urban Blacks.

"The commission will be more than an adviser to the Government. It will become part of the decision-making process on urban Blacks and will enable the Government to bypass and ignore an obstructionist bureaucracy," one verligte MP told the Sunday Express.

The expanded commission will give attention to the inclusion of urban Blacks in the proposed confederation, their relationship with the Black states and planning for the future

Political Correspondent

creation of Black cities and towns.

Legislation providing for the expansion of the commission to 12 or more members is likely to be introduced before the end of the month when the names of the new members will also be made known.

The first matters likely to be referred to the expanded commission are the top-level Grosskopf report recommending far-reaching changes in Dr Koorhof's abortive "new deal" draft package for urban Blacks and the report of the Viljoen Commission's inquiry into Soweto's housing needs.

This will immediately plunge the commission into the controversial

and neglected field of Black urbanisation, the pass laws, and the status and housing of urban Blacks.

Nationalist verligtes are presenting Dr Koorhof's announcement — understood to be the result of protracted and painstaking behind-the-scenes negotiations — as the most meaningful step yet towards giving structural recognition to the Vorster administration's policy decision that urban Blacks are a permanent feature and will be allowed to develop towards semi-autonomous rule "beyond municipal status" in the cities.

Although matters affecting urban Blacks have been considered from time to time by the Van der Walt Commission — as the Commission for Co-operation and Development has become known — attempts to improve the conditions of urban Blacks

have repeatedly run into a bureaucratic barricade manned by some of the most dedicated Verwoerdian ideologues in the civil service.

In reply to questions from the Leader of the New Republic Party, Mr Vause Raw, the Minister of Co-operation and Development, Dr Piet Koorhof emphasised that Blacks would be drawn into the decision-making process through committees.

In announcing the expansion of the commission, Dr Koorhof indicated that it would enable those MPs with a special interest in matters affecting urban Blacks to serve on it.

The commission will remain under the overall chairmanship of Mr Henrie van der Walt, but will have two vice-chairmen — one responsible for matters affecting Blacks in the Black states and the other for matters af-

fecting urban Blacks.

There are strong behind-the-scenes moves to ensure that the vice-chairman on urban Blacks is drawn from outside the ranks of the existing commission whose membership verligtes feel is too conservative.

Those considered likely candidates for appointment to the new commission include: Mr Louis Nel (Pretoria Central); Mr Sam de Beer (Geduld); Mr Albert Notnagel (Innesdal); Mr Wynand Malan (Randburg); Mr André van der Walt (Bellville) and Dr Louis van der Watt (Bloemfontein East).

Nominated MPs believed to be in the running are: Dr Org Marais (Transvaal); Dr Stoffel van der Merwe (Transvaal) and Mr Danie Schutte (Natal).

†Indicates translated version.

For written reply:

Hans SAC. 245
Black housing

123

62. Mr. A. SAVAGE asked the Minister of Co-operation and Development:

- (1) What were the amounts provided by the Government for each of the last five financial years in respect of Black housing in urban areas outside the national states by way of (a) loan funds and (b) grants;
- (2) whether any interest was charged in respect of such loans; if so, what was the average interest so charged;
- (3) whether any of the Administration Boards failed to meet their commitments regarding the (a) repayment of capital and (b) payment of interest charges in respect of such loans; if so, (i) which Administration Boards and (ii) what were the amounts involved;

SEPTEMBER 1981

246

- (4) whether Administration Boards are compelled to meet from their general revenue account any shortfalls in respect of interest and redemption on housing loans which are caused by occupants defaulting in regard to their rent payments?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

The financing of housing from government funds in the urban Black residential areas is the responsibility of the Department of Community Development. The information obtained is as follows:

(1) (a)	1976-'77	R5 661 528,00
	1977-'78	R12 432 622,00
	1978-'79	R41 049 589,00
	1979-'80	R59 069 499,00
	1980-'81	R47 256 202,00

(b) No grants were made.

- (2) Yes. The interest charged ranges between 1 and 9 percent and is determined according to the income of the occupiers.
- (3) No.
- (4) Yes.

Housing

151. Mr. D. W. WATTERSON asked the Minister of Community Development:

ans 6 Oct. 309 (123)
 (1) What is the estimated number of houses required at present in respect of (a) Whites, (b) Coloureds and (c) Asians;

7/9/81

(2) (a) (i) 1979-'80
 1980-'81

(ii) and (iii) On 31 March 1981 there were 8 353 dwelling units for Whites, 44 896 dwelling units for Coloureds and 18 815 dwelling units for Asians in housing projects, under construction or at the tender stage. These projects are naturally not all completed in a single financial year and expenditure may even extend over a period of three or more years in the case of large projects. In addition, on 31 March 1981 there were 5 419 dwelling units for Whites, 15 957 dwelling units for Coloureds and 8 222 dwelling units for Asians in approved housing projects which could not yet be launched, due to the shortage of funds.

(b)(i) and (ii) Because on all housing presently financed from National Housing Funds an interest loss is sustained the expressions "eco-

(2) (a) how many housing units have been or were (i) built, (ii) planned and/or (iii) budgeted for in respect of each such race group for the financial years 1979-'80, 1980-'81 and 1981-'82, respectively, and (b) what percentage of such units in respect of each such race group are (i) sub-economic and (ii) economic?

The MINISTER OF COMMUNITY DEVELOPMENT:

- (1) (a) 20 000.
- (b) 40 000.
- (c) 14 000.

	White	Coloured	Asian
	5 649	14 514	3 441
	2 862	9 823	6 271

'Shock' at lack of housing (23)

CT 7/9/81
Staff Reporter

A PROGRESSIVE Federal Party spokesman on community development, Mr Alf Widman (Hillbrow), said yesterday that he was "shocked" at the extent of the housing backlog in South Africa which was disclosed by the Minister of Community Development in Parliament last week.

In reply to a question by Mr Widman, Mr Pen Kotze had said waiting lists showed a shortage of 40 000 dwelling units for coloured people, 20 000 for whites and 14 000 for Asians.

Mr Widman said in a statement that these figures showed that the government had allowed the position to get out of control, that there was a lack of adequate planning on its part and that it had failed to get its financial priorities right.

"The total backlog is about 120 000 units. At an average cost of R9 665 per unit the R256,7-million provided in this year's budget for national housing will permit only 2 665 units to be built.

Annual report

"The minister has just tabled the annual report of the Director-General of Community Development for the year ended September 30,

1980. This shows that as far as coloured housing is concerned, 10 564 houses were built during that period and at that rate it would take nearly four years to catch up with the backlog of 40 000 outstanding.

"As far as Asian housing is concerned, 4 523 units were completed and it would take 3½ years to wipe out this backlog. A total of 5 831 houses were built for whites and therefore it would take 3½ years to wipe out this backlog.

Crash programme

"Unless the government comes forward with a crash programme entailing pre-construction methods where on-site casting takes place and employs methods used in Europe after the war, they will never catch up.

"There is too much red tape attached to the provision of housing by local authorities and it is taking up to five years from the commencement to the completion of a building scheme. The crash programme must cut through this red tape.

"In black housing only 5 767 units were built, according to the report, and in this area alone it will take 10 years to catch up with the backlog of 46 800," he said.

Blacks 'being moved round like chessmen'

Ev Post 8/9/81 123

Post Reporter

PEOPLE were being moved around South Africa like chessmen on a chequered board, Dr B R Maku, Minister of Health and Welfare in Ciskei, said in Port Elizabeth today.

Dr Maku, who was a last-minute replacement for the Chief Minister of the Ciskei, Mr Lennox Sebe, at a conference of the South African Institute for Housing, said he would not object if those moved were, in fact, materially better off after they had been moved. But this was not the case.

He said the battle to provide housing was being lost rather than won. Certain Government policies were aggravating the situation.

Referring to the recent removal of hundreds of people from Alexandria to Glenmore on the border of Ciskei, he said: "There they still sit, housed in appalling shacks, erected at a cost of hundreds of thousands of rands, and I cannot believe that their housing position is any better than it was before."

The South African Government had been particularly generous in the assistance it had given in trying to solve the problems, and in the help it was promising for future solutions.

The fact remained, however, that what was being fought was "a rearguard action rather than a frontal attack". The attack had to be started with accurate statistics.

"I reject the statistics on this subject which have been produced up to now," he said.

"Many people do not see the worth of being

put on a waiting list when there is no hope of the existing list being satisfied within possibly 20 years at the present tempo."

There was an urgent need for the Government to make a complete assessment of housing needs.

Bodies such as the institute, in conjunction with the Government, should seek attainable solutions within the next 10 years.

This, together with the provision of employment, was one of South Africa's primary objectives.

He said a fresh approach to the provision of housing was needed.

"The South African Government is at present planning to remove thousands of people from so-called black spots to areas adjoining the Ciskei. The cost will presumably run into millions.

"This removal is in terms of the application of their policy to consolidate national states. These people are all satisfactorily, if not adequately, accommodated where they are."

Co-ordinated action between independent and non-independent states under the direction of the Department of Community Development was needed.

"We need a clear direction for the whole of Southern Africa and a definite financial and political commitment. We need, above all, to give housing its rightful place on the priority list."

Rising costs will make financing of housing 'unbearable'

By SANDI SMITH

THE South African Institute for Housing regretted not having been officially recognised by the Government so that it could make a more "meaningful" contribution on the national housing bodies, the president of the institute, Mr D M Roelvert, said today.

He told a conference of the institute in Port Elizabeth, which is being attended by the Deputy Minister of Community Development and State Auxillary Services, Mr Pierre Cronje, that he hoped recognition would "not be outstanding for long".

Mr Roelvert said he sympathised with the building societies, which performed an important function in financing houses under difficult conditions. While urbanisation and increasing immigration would exacerbate the problems, present rising building costs would make the situation "unbearable".

Government spending on public buildings should be planned so as not to compete with the building of residential dwellings.

While the defence of South Africa enjoyed the highest priority, the consistent supply of capital for housing for all South Africans was as important, he said.

Mr Roelvert agreed with Mr Raymond Ackerman, chairman of a large supermarket group, that tax concessions for employers providing housing for their workers should be improved.

He urged that another serious look should be taken at site-and-service schemes, "despite the stigma attached to them".

POST

Urban renewal schemes: home-ownership schemes

10. Dr. M. S. BARNARD asked the Minister of Community Development:

Whether his Department is considering
(a) home-ownership schemes for, and/or
(b) any other methods for making loans available to people affected by urban renewal projects; if not, why not; if so, (a) how do such schemes operate and (b) what other methods for making loans available are being considered?

†The DEPUTY MINISTER OF COMMUNITY DEVELOPMENT:

There are a variety of measures introduced by the Department to promote home-ownership both inside and outside urban renewal areas, including the sale of building sites, the execution of housing projects and the sale, on easy terms, of dwellings in such projects, the granting of loans to build or to buy and the State-assisted Home-Ownership Savings Scheme. Further particulars in this connection are contained in departmental annual reports. In so far as the restoration of dwellings in urban renewal areas is concerned, certain proposals concerning the granting of loans in deserving cases to homeowners to enable them to repair their dwellings are still under consideration.

Housing crisis fought from rear — Maku

DD 9/9/81
123
7000

PORT ELIZABETH — The South African Government was fighting a rearguard action instead of launching a frontal attack on the housing crisis, the Minister of Health and Welfare of the Ciskei, Dr B. R. Maku, said here yesterday.

The battle to provide housing was being lost and some aspects of government policy were hampering the solution, he told the congress of the SA Institute of Housing.

Dr Maku called for a fresh approach, a definite housing policy and the financial and political commitment to implement it.

Co-ordinated action, in which all states were included was needed.

Hundreds of people had been moved recently from Alexandria to Glenmore, on the Ciskei border. "There they still sit housed in appalling shacks erected at a cost of thousands of rands. I cannot believe that they are better off than before."

Serious conflict between the Departments of Co-operation and Development and Community De-

velopment emerged on the issue of low-cost housing.

The Secretary-General of Community Development, Mr Louis Fouche, spoke out strongly against site-and-service schemes, while the Deputy Minister of the department, Mr Pierre Cronje, rejected the scrapping of the present housing strategy and replacing it with a new system of lower standards.

The Minister of Co-operation and Development, Dr Piet Koornhof, recently announced a plan to develop site-and-service schemes in certain parts of the country.

Mr Fouche said if South Africa wanted to survive, it would have to pay the financial price for proper housing. The so-called "new" housing strategy — site-and-service schemes — had first been approved in 1954 and had led to some of the worst slums in the country.

Mr Cronje warned against a new system of lower standards.

"No country can develop to its full economic potential when its workers are living in sub-standard conditions," he said. — DDC.

Call to cut delay in mass housing

Argus 10/9/81 (123)

Argus Bureau

PORT ELIZABETH. — Laws affecting mass housing should be examined to remove delays and stumbling blocks, Cape Town's Deputy Town Clerk, Dr Stanley Evans, said today.

He was presenting a paper on housing and the law at the South African Institute for Housing conference.

Dr Evans said of mass housing: 'Generally, the whose process is still too slow for the urgency of the moment, but developments like Mitchell's Plain in Cape Town show how swiftly things can be done with an energetic project team and the full and creative partnership of the State, the local authority and the building industry.'

All laws affecting housing should be examined to remove delays or to allow a flexibility that could cope with innovation.

'More particularly, in the mass housing field, must the legal prescriptions and requirements be amended or new blanket provision made to adapt to public/private partnership or the state/local authority/private enterprise partnership in housing schemes.'

Legislation should also permit the establishment of 'unorthodox' housing necessary in the short or long term.

Dr Evans said consideration should be given to establishing provincial or regional housing authorities constituting the public/private partnership concept to co-ordinate all

planning and implementation.

Port Elizabeth's Director of Housing, Mr D. Cleary, said that R2 143-million was needed to relieve the immediate squatter problem.

Experienced housing administrators know that many, if not most, informal squatter settlements did not have any capacity for upgrading and retention.

'But there are many other houses sited within formal settlements which do have the capacity for improvement within the affordability of the occupants, and a financial support system for improvement should be devised instead of lumping them all together in the demolition basket,' Mr Cleary said.

- 12. Briefly describe, and evaluate, the use of Video techniques as a method of social analysis. Use examples from a project that you have participated in.
- 13. Choose one aspect of the research project which you have participated in and outline why you see it as important. Relate this aspect to other issues studied in the project.
- 14. What major issues related to the project were not studied, and why? Discuss the theoretical importance of these issues within the area of study.

Simon Burton
Bill Cowan

SECTION D: Video Research Project

SOCIOLOGY (INDUSTRIAL): COURSE II (continued)

Koch: give black housing priority

DD 10/9/81 (123)

PORT ELIZABETH — After defence, black housing should be the first priority on the national budget, the Chief Administrator of the East Cape Administration Board, Mr Louis Koch, said here yesterday.

Speaking at the housing institute conference, Mr Koch, who represented the Institute of Administrators of Non-European Affairs — the administration board's umbrella body — said administrators of black townships wanted housing funds to go direct to the Department of Co-operation and Development and not to Community Development.

Because of the magnitude of the housing problem, every available source of financing should be utilised to provide the maximum number of homes.

He said that after defence, black housing should be accepted as the first priority in the national budget because providing houses was one of the best ways to retain the goodwill of the blacks.

Administration boards felt that the Treasury vote for housing should be in-

creased radically regardless of inflation.

Mr Koch emphasised the difference of opinion on low-income housing between the departments of Co-operation and Development and Community Development and State Auxiliary Services, which strongly opposes the lowering of housing standards.

Slums could not be attributed to the site-and-service scheme, but should be attributed to a shortage of land and a lack of development and services, he said.

Some possible solutions were site-and-service schemes, unconventional traditional housing, and controlled squatting.

Mr Koch described the administrative control measures which applied to the boards as frustrating and counter-productive.

There was an overlap between the functions of his department and Community Development. It would be simpler if housing funds were channelled directly to Co-operation and Development, which could then allocate them to administration boards.

National housing funds were provided for all races on the same basis, which resulted in too high a standard being set for some communities:

At present the expertise of certain communities in providing traditional or unconventional housing was completely ignored, while the Housing Act prohibited the use of National Housing funds for the provision or upgrading of services if the housing was not financed by the fund.

Mr Koch said he could not understand why land zoned for black housing should be bought and developed only by the government.

The private sector should also be able to buy and develop land, making more money available to the government for sub-economic housing.

The private sector could look after the more affluent, he said.

Only 28 per cent of National Housing funds were spent on black housing, compared with 58 per cent on coloured housing.

"The policy should be re-examined". — DDC.

National housing strategy needed



Dr Filip Smit . . . "In no way do I want to be drawn into the political arena."

A national strategy, co-planned by blacks, is essential if severe socio-political problems are to be avoided in the housing of the millions of urban blacks, according to Dr Filip Smit, the urbanisation expert who has been asked by the Government to advise it on urban black housing.

His views, on urbanisation, contained in a recently published book, "Swart Verstedeliking" (published by Tafelberg), are the result of a detailed study of all aspects of urban housing development in Africa and Third World countries as well as five years of research in homelands and urban black areas in South Africa.

Although his brief from the Government is not yet

finalised, Dr Smit has made it plain he intends approaching the housing issue on a strictly scientific basis.

"In no way do I want to be drawn into the political arena," he said.

His approach will be to advise on the broad

Few people in South Africa realise the enormous forces which are let loose by this urbanisation process.

strategy of urbanisation as laid out in his book.

The Government request to Dr Smit, vice-president of the Human Sciences Research Council and a former geography

professor at two universities, heralds a final break with all past approaches to urban black housing.

The black housing situation has been in a state of crisis for many years.

After an initial spurt to eliminate black shantytowns in the 1950s and 1960s political ideology

gained the upper hand. Family housing for blacks in urban areas was severely curtailed by the Government from 1968 in a drive to relocate all new family housing for blacks in the homelands.

But even with tightened influx control, particularly in the Pretoria-Witwatersrand-Vereeniging complex, the urban black population doubled to 6 million between 1960 and last year.

The first move to release the brake on ur-

ban housing was the home ownership scheme announced by the Government in 1975.

It never got off the ground.

Three years later the 99-year leasehold scheme finally gave housing a slight spurt.

But the just more than 1 000 leaseholds registered so far throughout South Africa are a painful contrast with the more than 120 000 black families waiting for homes in urban areas at the moment.

Then there are the squatters, who have raised emotions in recent weeks. According to Dr Smit there are between a million and 1 500 000 black squatters in South Africa.

Taking the estimate of population growth Dr Smit believes 21 million more blacks will need

homes in urban areas during the next 20 years.

Most of these will have to be accommodated in the four main metropolitan concentrations (the PWV, Durban-Pinetown, Port Elizabeth-Uitenhage and South-Western Cape).

Fortunately he is no stranger to the magnitude of the problem and the difficulty of getting coordinated action going.

He has been involved in scientific research into black population and housing for 20 years, which puts him in a unique position to advise in an area he considers one of the greatest challenges facing South Africa.

"Few people in South Africa realise the enormous forces which are let loose by this urbanisation process," he says in his book.

"Crucial decisions have for decades been left to posterity. The present generation had to take these decisions."

But in spite of the urgency and importance of the problem it was astonishing how little information based on detailed research existed on the urban black population.

Another issue which disturbs Dr Smit is the current direction of housing policy — looking for solutions to current crises by focusing on past problems, then directing policy by projecting present tendencies into the future to try to forestall possible problems.

The only real solution will be on a given day?"

d. Suppose that the company is in a national strategy considering doing so. If the need directed towards a specific goal.

per week, should they go into office black areas.

At present the planning of black housing was on an ad hoc basis — 14 administration boards all planning housing for specific black areas.

Dr Smit believes that all urban housing and homeland urbanisation must fall under the national strategy — in other words one central policy body is needed.

How does an urban planning expert, asked by the Government to advise it on the crucial issue of black housing, see the problem and the solution?
ANTHONY DUGAN reports.

national urbanisation policy working?

Firstly, depoliticise it. The fact of urbanisation must be accepted as a strong and healthy part of the process of economic development. Influx control to limit growth in urban areas is now outmoded, he believes. Purely economic considerations for urbanisation must now reign.

The State will have to assume a far lower profile and private enterprise a much higher one in the provision of black housing. Until now eight out of 10 black homes were supplied and subsidised by the Government. This has been an indirect subsidy to the employer because cheap housing was seen as a reason for keeping black wages low.

The age of any cheap labour is past. Western standards and concepts of housing are not applicable to the Third World. Nor are they applicable to South Africa. For instance, two-thirds of the homelessness of Nairobi were unable to afford the cheapest conventional houses offered to them.

Research by other housing experts has shown that about 98 percent of urban blacks in South Africa fall into the economic or sub-economic bracket. In other words, they need cheap housing.

Mass housing solutions must be applied such as self-building, site and service schemes (where sites with only sewerage and water laid on are given to

put up their temporary dwellings) and upgrading, not flattening squatter areas.

Future planning of urban spread must include provision for squatters and differentiated living areas (from the poorest to the wealthiest classes).

But, warns Dr Smit, the lowering of standards and the application of intermediate or applied technology needs very careful planning.

"The most important thing about housing is not what it is but what it does in people's lives," he said, quoting another expert.

Neglected black townships in the plateau will be given attention. At present the focus is on centres such as Soweto.

Dr Smit questions whether the huge amount being spent on the electrification of Soweto — at least R150-million — is justified in the light of the overall housing shortages.

But reports of administration boards show that living conditions in three-quarters of the country's 312 urban black areas are reasonable to poor.

Only about one in seven black townships has water-borne sewerage. Two-thirds still use the bucket system.

If the provision of housing is made part of an overall development plan, particularly in the homelands, it can become a valuable development instrument instead of a bottomless pit, Dr Smit believes.

A problem is that the control of homeland towns is still largely in white hands.

This has resulted in a 'leadership crisis' because the training of blacks in urban administration has remained hopelessly inadequate.

Planning for the future must be "with" blacks and

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Doughnuts are sold to retail bakeries at a cost per lot is estimated by the company on the basis of:

- Set up an opportunity-loss matrix.
- What is the minimax loss solution?
- What is the most that they would be on a given day?
- Suppose that the company is in a national strategy considering doing so. If the need directed towards a specific goal.

5 The United Machine and Foundry sharpening machine which with obvious machine costs \$11,400, has a life of 10 years and costs at that time.

The production vice president estimated the incremental labor cost per hour over the year. After some questioning present to say that he is 50 percent sure hours, but that there is also a 50:50 chance of \$00 or more than 2,200.

Expert outlines ways to ease housing crisis

Ev Post 10/9/81

(23)

By SANDRA SMITH

IT was possible to overcome the problem of finance for housing and to improve the quality of life, the Director of Housing of the Port Elizabeth City Council, Mr D Cleary, told the conference of the South African Institute for Housing, in Port Elizabeth today.

Mr Cleary said: "We can offer, not consultative roles, but direct participation with the different communities of our country in amending policies to meet the changing needs of society.

"We can do all these things by bringing about a high degree of co-ordination between people, private sector endeavour and public sector policies, thus ensuring that all sides are conscious and informed about the real feelings of the urban communities amongst whom we work."

Quoting figures taken from a University of Port Elizabeth survey of the household subsistence level of coloured households, Mr Cleary said they illustrated the relationship between income and housing costs between 1975 and 1980.

Housing costs had risen more steeply than income in the past few years.

"We have possibly reached the stage in South Africa where we should take a careful look at the future financing

programme for the provision of housing," he said.

"In my experience, forecasts of housing demands invariably fail. This occurs mainly because it is incorrectly presumed that all people have the income capacity to spend a given proportion of income on housing.

"Frequently, the published calculations of what people can spend are simply based upon what the financial houses or Government assume people can invest in housing."

Mr Cleary said that studies conducted in many developing countries had found that in most cases the relationship between what people would spend and what they could

Mr Cleary asked how often communities' will to improve even reasonably built and sited shacks had been negated by an assumption that all squatter areas were dangerous breeding grounds for crime, ill-health and disease.

Experienced housing administrators knew that many informal squatter settlements did not have any capacity for upgrading and retention.

But there were also many other houses sited within formal settlements which did have the capacity for improvement within what the occupants could afford.

Mr Cleary said these should be identified and a financial support system for improve-

ment devised instead of lumping them all together in "the demolition basket".

The proposed options for alternative methods to ease the serious housing shortage included the lowering of standards, directing most available loan capital to servicing of land only, involvement of private sector capital and small loans for self-building.

"I believe that our concern and pressure should be directed towards ensuring that Government responds to the vital necessity of providing the tools — the capital loans — to do the job.

"It is invalid to assume that lowering standards and self-help are the only answers to the shortage," Mr Cleary said. "Spend were superficial because, if a household had to spend nearly all its disposable cash income on food in order to keep alive, the proportion it could spend on housing was negligible.

The inevitable result of this was that this category of household resorted to squatting or doubling up as sub-tenants, so to make the assumption that any family could spend up to one tenth, quarter, or even a third of its income on housing was "dangerously wrong".

The Department of Health estimated that excluding the national states, 1 412 000 blacks, coloureds and Indians apparently lived in

unacceptable conditions.

This meant that 252 142 new houses were required for this category of the population alone.

"To relieve the immediate squatter problem alone, therefore requires capital development funds amounting to R2 143 million. And many of the squatter breadwinners do not earn incomes adequate to meet the rents and other costs associated with a conventional R8 500 home."

They could meet the 5% of income payments debited from the loan repayment elements, but they were genuinely unable to afford the other charges of administration costs, rates and so on which were affected by inflation.

In low-income households the priority of breadwinners' families were often poorly understood by planners unfamiliar with the essential priorities perceived within the poverty syndrome but who, nevertheless, established policies governing what people would or would not have to do in order to obtain family housing within their needs.

Mr Cleary said: "I believe that the viability of any housing system depends, in the long run, on the efforts of the users, and therefore on their willingness to spend.

"Stimulation has to come from the community itself."

Economic, social factors in political stability

BY SANDRA SMITH

SOUTH AFRICANS had to understand that political stability depended on the reconciliation of the country's social and economic problems, a top official indicated today.

He is the Chief Director of the West Rand Administration Board, Mr J C Knoetze, who was addressing the conference of the South African Institute for Housing in Port Elizabeth.

"If we cannot develop and maintain political stability we shall not have satisfactory eco-

nomie growth to meet the growing need for job opportunities and higher living standards," he said.

Housing managers and the private sector had a vital role to play in this "very important national challenge".

It had been widely reported that 4,1 million houses for blacks would have to be built before the end of the century and that the cost of providing houses on this scale was estimated at R20 000 million.

It was predicted that the black population would double during the next 20 years and that 36 million blacks would have to be housed, mostly in urban areas.

The urban black was not only able but "anxious and willing" to provide and improve homes.

"We do him a singular dis-

existed to tackle the backlog in housing.

The problem could best be tackled by all involved — the State, the private sector, all employers and the individual who needed a home.

Upgrading existing houses was the cheapest way to provide more accommodation. Home improvement centres should be established throughout the country to play a role in the upgrading process.

Private developers could be involved by the allocation of land to a developer. Houses could be built on "spec" in agreement with the board.

They could be given lists of people waiting for housing.

In the case of sites allocated to individuals, they were at liberty to hire their own architects and builders.

"Because of the rapidly ris-

service by creating the impression that only the Government or some other body or individual is responsible for and should provide or improve his house," Mr Knoetze said.

Black involvement was essential and could produce enormous economic, social and political benefits for all.

The finance, entrepreneurs, artisans and technical skills

ing building costs the provision of better type houses by the community council has, proved expensive and it is obvious that cheaper houses will have to be designed and constructed in future as there are limited numbers of prospective home owners who are able to afford more costly dwelling," Mr Knoetze said.

Editorial comment — Page 8

Housing emphasis

'needed on living
and not the law'

SV Post 10/9/81 (23)

Post Reporter

THE law was a stabilising force which could hinder or help man achieve his goals in mass housing programmes, according to Cape Town's Deputy Town Clerk, Dr S Evans.

Addressing the conference of the South African Institute for Housing, he said it needed "no wisdom to know that having a roof over one's head is one of the basic needs for man in society once he has filled his stomach".

Developments such as Mitchells Plain in Cape Town had shown how swiftly things could be done with "an energetic project team and the full and creative partnership of the State, the local authority and the building industry".

"It behoves us in the '80s to ensure that all laws affecting housing have been reviewed and integrated adequately into the total housing picture to see that human aspirations and endeavours are not thwarted or delayed to the point of irrecoverable backlog because of the staidness of Man's legal machinery and thought processes," Dr Evans said.

The law was not there for its own sake although Man

was prone to over-legislate. It was enacted to order the life of a community. The emphasis should rather be on the "living" than on the "law".

Homelessness was a continuing worldwide problem which the law alone was powerless to avoid. It was associated with poverty and helped create new slums and urban decay.

The nature of mass housing was a major and continuing concern. All laws affecting housing should be examined to remove stumbling blocks and to create flexibility.

See Page 2

LECTURE DATE	LECTURE NO.	TOPIC	MEYEROWITZ	ILLUSTRATIVE EXAMPLES	TUTORIALS
		THE INCOME TAX ACT			
		for definitions ss.1 'gross income' definition paras. (g), (h); 11(f), 11(g), 11(h), 12, 13, 8(4), 8(5)	513 - 524, 765 - 786, 534 - 537, 1423 - 1426	-	T.1319 T.1409 T.1411

have met with a positive response - in principle. But large hurdles have to be overcome and an urgent rethink of policy, particularly regarding subsidies, seems essential.

For example, potential housing purchasers can obtain subsidies for State housing only. Subsidies are not available if private sector finances are borrowed to purchase a house constructed by the private sector. Given the scale of the national housing shortage, let alone anticipated future requirements, this seems inequitable.

However, the FM understands that the Viljoen Committee, which is investigating the contribution of the private sector in solving Soweto's housing backlog, is now considering the introduction of a parity system for subsidy grants. The system would involve maintaining parity between State subsidiation of housing rented or purchased from the State and State subsidy of the individual for housing constructed by the private sector - including housing developed or extended on a core housing or self-help basis.

HOUSING SUBSIDIES
Parity call (123) FM 11/9/81

Calls by government for the private sector to involve itself in low income housing

or self-help basis.

Housing experts believe that subsidies and the criteria for determining eligibility, should be the same for individuals hiring or buying State housing and for those who use private sector finance.

Subsidies are calculated in accordance with income levels. A household head earning up to R150 a month would pay rental of 5% of his income. Above R150 and below R650, rentals or bond repayments are calculated in terms of loan repayments to the National Housing Fund at subsidised rates of interest. The rental of a household head earning between R151-R250 would be calculated at 3.5% interest a year on the capital cost of the house plus the interest payable to the Fund. Those earning above R251 and below R650 pay interest rates of 5%, 7% or 9.25% depending on income.

The way the government subsidy system works at present is that people earning up to R250 a month are only subsidised on rentals. If they wish to acquire their own houses, interest on their debt will be at rates applicable to higher income earners.

It is believed that recommendations have been made to the Viljoen Committee that subsidies should be applicable to both rental and ownership schemes at sub-economic levels of income as well as at economic levels. It has also been recommended that site-and-service qualify.

According to one housing expert: "The National Housing Commission must approve every subsidised project. Only approved standards and methods obtain subsidisation. Site-and-service projects in prescribed urban areas have been regarded as unacceptable to date and do not obtain subsidies."

Says Professor Dave Dewar of UCT's Urban Problems Research Unit: "The subsidisation system, in conjunction with the housing delivery system, is resulting in a situation where the supply of housing is too expensive for the majority of its recipients."

21 September

REVISION

EXAMINATION - OCTOBER 1981

- T.1424, T.1425
- T.1431, T.1432
- T.1525, 14.5
- 16.7, 16.9

N.B. THE TUTORIALS REFER TO 'QUESTIONS ON S.A. INCOME TAX 1980' AND THE SOLUTIONS ARE PREPARED ON THE BASIS THAT THE QUESTIONS ARE UPDATED BY ONE YEAR.

Call to press Govt for increased housing funds

Ev Post
12/9/81
123

By SANDRA SMITH

THE South African Institute for Housing should press for increased funds for housing from the Government and the private sector, the new chairman of the Port Elizabeth Coloured Management Committee, Mr C E Green, said.

Giving his impressions of the Housing Institute's conference which ended in Port Elizabeth this week, he said the institute had the necessary expertise and was not short of constructive ideas.

But financing was all-important and the institute should press for increased funds from the Government and the private sector.

"The R256 million allocated in the Budget for housing for the whole country is inadequate and does not build many homes," Mr Green said.

"The private sector is not doing its fair share in dealing with the housing shortage, particularly in respect of blacks."

Mr Green was particularly impressed with the papers delivered by the Port Elizabeth Director of Housing, Mr Der-

rick Cleary, the Cape Town Deputy Town Clerk, Dr Stanley Evans, and the Professor of Developmental Studies at Rhodes University, Professor S Bekker.

The conference had highlighted the urgent need for low-cost housing and delegates would be encouraged to "do something constructive" in their own areas.

Mr Green said the Association of Management Committees would monitor progress made in housing and report back at the next conference.

Referring to the difference of opinion which emerged at the conference between the Departments of Co-operation and Development, Department of Community Development and State Auxiliary Services, with the latter strongly opposed to the lowering of housing standards, Mr Green said there should be one State department to deal with housing.

He said the National Housing Commission should be in charge of all housing and that blacks should be represented by more commissioners.



Housing — a question of self-help?

Angus 15/9/81

123

Parliamentary Staff

THE time had come for individuals to realise that they, and not solely the Government, were responsible for putting a roof over their own heads, the Minister of Community Development, Mr Pen Kotze, told the Assembly yesterday.

Mr Kotze was speaking in the debate on his vote during which Mr Colin Eglin (PFP, Sea Point) criticised the Government's 'blinkered' approach to the housing crisis.

Mr Kotze said no Government in South Africa would ever be able to provide housing for the entire population from State funds.

The responsibility for the provision of housing lay first with the individual, then his employer, local authorities and the private sector, in that order.

PRIORITIES

Many did not have their priorities right in this respect, and would not 'lift a finger' to help themselves.

The duty of the State was to provide housing for those who could not provide it for themselves, and this it was doing.

In the past five years the public sector had invested nearly R2 000-million in housing. This was a remarkable achievement for a country with limited finances, but it could not continue.

The private sector seemed to be reluctant to invest in low cost housing for the coloured and black — probably because it was not profitable enough.

It had been suggested there were obstacles to the private sector making a contribution in this field, but the impediments which existed had already been removed.

Mr Kotze said the opposition advocated the establishment of site and service schemes as a temporary solution. However, this would not solve the housing backlog in white, coloured and Asian urban areas.

One could not expect whites to live in squatter camps, and 'what is not good enough for whites is not good enough for coloureds and Indians either, as far as I am concerned.'

In future the Government would only build houses for these groups if they could not help themselves — it was preferable to provide an infrastructure which would encourage people to build their own homes.

Mr Eglin said the Minister's department was trying to do its best with inadequate housing funds provided by the Treasury.

In spite of this there were a number of shortcomings in the Government housing policy. These were:

● The failure of the Government to come to terms with the scope and the implications of the process of urbanisation.

● Totally inadequate sums of money being made available for low cost housing.

● Domination of 'racial dogma' over common sense — thousands of

houses had been unnecessarily demolished for the sake of the Group Areas Act.

● The Government's stubborn adherence to orthodox building methods.

● The obstacles constantly placed in the way of home-ownership.

● Failure to devise a system which would make it possible for the private sector to play a meaningful role in providing low cost housing.

● Constant feuding between the Department of Community Development and the Department of Cooperation and Development on the country's overall housing policy.

Mr Derrick Watterson (NRP Umbilo) said Mr Kotze's department faced a 'tough problem' but idealism would not provide housing for those who needed it.

He said squatter camps should be left as they were until alternative accommodation was available — they could serve as transit camps.

Mr Watterson also criticised the R2-million being spent on building 12 houses for members of the President's Council and other officials. This seemed 'excessive' and a 'little more modesty should have been applied. A pensioner struggling to make ends meet would find this hard to justify.'

Temporary relief

Parliamentary Staff

THE phasing out of rent control would be temporarily abandoned, the Minister of Community Development, Mr Pen Kotze, said yesterday in response to complaints from both opposition parties about hardships inflicted on the 'needy' inhabitants of decontrolled units.

In the debate on the Community Development vote, Mr Colin Eglin (PFP Sea Point) said many retired couples, pensioners, widows and widowers living on fixed incomes were

in a desperate financial position.

They lived in fear of rent increases which they would not be able to afford, and had no alternative accommodation.

This was due mainly to a reduction in the number of letting units available because of the lifting of rent control and conversion to sectional title.

Mr Vause Raw, leader of the New Republic Party, said old people were being 'thrown out' of previously rent-controlled flats. Many of these, particularly in Durban, were

turned into luxury holiday flats used only once a year, while the needy were unable to find accommodation.

In reply Mr Kotze said that while Government was committed to abolishing rent control it had been decided not to continue with the policy for the time being.

'We must take the realities of the situation such as rising building costs and other factors into account. The situation has become exploitable and we cannot allow this to happen,' he said.

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Eglin: Crisis in housing

Political Correspondent

HOUSE OF ASSEMBLY. —

South Africa's housing shortage was not a problem but a crisis which would get worse unless the government changed its inadequate approach, Mr Colin Eglin (PFP Sea Point) said yesterday.

Mr Eglin, chief opposition spokesman on community development, said during the debate on that portfolio that the government's blinkered approach complicated the already difficult task of providing housing for an expanding population.

He accused the government of failing to come to terms with the scope and implications of urbanization, of allocating totally inadequate sums to housing and of adhering stubbornly to orthodox building methods and unnecessarily high building standards.

In addition, policy was dictated more by racial dogma than common sense. The ideology of the Group Areas Act had meant homes being bulldozed during a housing shortage.

Mr Eglin said the depart-

ment was doing its best with inadequate funds and considerable progress had been made in some areas, such as the provision of coloured housing in the Peninsula.

But the policy, over the years now presented South Africa with a crisis.

Many lower and middle income group white people, especially older people and young couples starting families, faced serious problems and uncertainties.

Urban townships, especially black townships, were overcrowded because of the failure to see housing was available at prices the people there could afford.

Mr Eglin said the department boasted it had provided 610 000 houses over the past 20 years. But urbanization meant between seven and ten times this number would have to be built over the next 20 years.

He called on the government to remove obstacles to home-ownership and to enable the private sector to play a meaningful role in providing low-cost housing.

An extra

CT 15/9/81
R44m (23)

Political Staff

HOUSE OF ASSEMBLY.

— The amount allocated in the budget for housing had been increased by R44-million, the Minister of Community Development, Mr Pen Kotze, announced yesterday.

He said the additional finance would largely be used to establish more infrastructure and sites to enable more people of all population groups to provide their own housing.

Mr Kotze also said the government was "deeply aware" of the problems facing young married couples attempting to acquire their own homes because of "high building costs, and interest rates".

State no longer sole provider, warns Kotze

HOUSE OF ASSEMBLY. — The time for people to regard the State as the sole provider of housing and to sit back with no contribution from their side was past, the Minister of Community Development, Mr Pen Kotze said yesterday.

Speaking during the debate on his budget vote he said no government in South Africa could ever be in the position to provide housing for all from State funds.

"It is not the responsibility of the government either in a free market system.

"It is the duty of the individual in the first instance to provide a roof over his head. After this it is the responsibility of his employer, local authorities and the private sector in that order.

"There are too many people in South Africa who do not have their priorities right in this regard, and are simply looking to the government and doing absolutely nothing for themselves.

"That time is now past for ever. South Africa has limited capital resources and there are many priorities which are as important as housing."

Mr Kotze said there were tens of thousands of whites in the country who qualified for State-assisted housing, yet only 14 percent were receiving such assistance and 86 percent made provision for themselves.

State funds were being used to provide housing for 92 percent of the black population, 81 percent of the coloured and 60 percent of the Asian populations.

"In future these population groups will have to make a far greater contribution to their own housing.

"The State does, however, accept the responsibility for the provision of housing for those who cannot provide for themselves."

In the past five years the public sector and State corporations had invested nearly R2 000-million in housing, a considerable achievement for a country such as South Africa which had limited finances. This could no longer be done.

The State's contribution in the form of loans from the National Housing Commission, chiefly for the construction of low-cost houses, was about 25 percent, while the private sector made a contribution of 67 percent, mainly on the provision of more-expensive dwellings for whites.

"A further factor to be considered is the private sector's reluctance to invest in low-cost housing for coloureds and blacks for example, primarily, I believe, because it does not find it profitable enough."

Mr Kotze said there was absolutely no obstacle hindering the private sector from making a far greater contribution in this field.

There was a current total housing shortage of 85 000 units for whites, coloureds and Indians, and a shortage of 160 000 units for blacks.

A total of 72 000 units for whites, coloureds and Indians, was being financed from State funds, with another 31 000 in the pipeline for blacks. — Sapa

30 + 34 = 64

Rent control:
Policy change

HOUSE OF ASSEMBLY. —
The phasing out of rent control was to be abandoned for the time being, the Minister of Community Development, Mr. Pen Kotze, said last night.

Speaking in committee on his budget vote, Mr. Kotze said that while the government was committed to the abolition of rent control, it had been decided not to continue with the policy for the time being.

The realities of the day and the special circumstances prevailing made it impossible to go ahead with the phasing out of rent control at this stage.

"We must take the realities of the situation, such as rising building costs and other factors, into account."

"The situation has become exploitable and we cannot allow this to happen." — Sapa

Study focus on migrant control

DD. 18/9/81

Copy for Justice

(123) 340

CAPE TOWN — The South African state is basically an organ of labour control according to a study by the Southern African Labour and Development Research Unit at the University of Cape Town.

The researcher of the 58-page report, Mr Gerald Kraak, said the migrant labour system had developed as the predominant form of labour supply in South Africa, embodying a specific form of labour exploitation — the artificial reduction of the costs of reproducing labour.

Wages paid to a migrant worker were equivalent only to his own personal needs, excluding those of his family resident elsewhere, and at the same time the system undermined the ability of the working class to organise opposition.

The allocation of the labour supply hinged on the homelands which acted as sources of labour supply during shortages and dumping grounds in times of economic crisis.

The state had created a

web of legislation which ensured conditions of labour exploitation and crucial among these were the system of regional and tribal labour bureaux established in the late 60s to monitor and rationalise the supply of labour to the urban areas.

"The nature and historical development of labour exploitation under these conditions has defined the South African state as chiefly an organ of labour control."

Presence of a permanent working population in the urban areas had, however, caused a number of contradictions, primary of which was that labour had to be reproduced under urban conditions including the housing, feeding and care of the whole family.

The supply of migrant labour, which formed the largest proportion of the workforce in the Peninsula, was regulated according to fluctuation of demand, and confined to the lowest categories of work.

In contrast to Section 10 workers (those born in the

area or who had legally resided there for 15 years or worked there for 10 years with one employer accommodation for migrants exceeded demand. The migrants were housed en masse in hostels, barracks, flats or dormitories, each worker occupying a bunk for the period of his contract.

Accommodation rights of "Section Tenners" in the Peninsula were particularly limited. Only married couples were eligible for family housing, and both husband and wife had to have Section 10 rights.

"Men who qualify in terms of Section 10 but are single or whose wives are not Section Tenners, are forced to live in hostels, or as lodgers of married tenants. Single women do not have the choice of hostel accommodation. They can either become lodgers or live in domestic servants' quarters. The latter conditions have, to some degree, the effect of forcing single women into domestic service.

"The limited availability of houses excludes single residents from the most expensive form of accommodation so that their labour is reproduced on the same terms as migrants, that is the cheapest."

Leases on the homes of married couples with Section 10 rights were renewed on a monthly basis and no tenant of a family house was allowed to remain unemployed for more than 30 days without notifying the authorities.

The study found that the physical planning of black townships was overtly designed to facilitate political repression in crisis situations.

Forms of control over the townships by government authorities had caused the growth of large bureaucracies run by highly-paid officials. Since the township residents were responsible for most of the cost of their accommodation they effectively were "subsidising the inflated wages of some officials at the cost of services". — DDC.

Quality may be defined by appearance, elaboration of product that will fulfil the need. In order for a product to be of high quality, it must be reliable and durable.

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As an illustration of the Quality & Reliability Section

QUALITY

carpet

to use

fraction

of desired

higher grade of product leads to a rise of sales income which is reflected in cost.

QUALITY OF CONFORMANCE. Too deep, expensive carpets made of cheap material may still differ. One may have a carpet with a reactive colour while another is off-colour or blotchy or has conditions involve lack of conformance to specification.

In general, conformance can be sought either by sorting the product after manufacture or by taking preventative measures at any stage. Obviously, 'sorting after manufacture' is costly. Preventative measures not only reduces the need for sorting but also reduces the need for rework, reduces customer complaints, and in many cases, reduces the trouble of fitting spare parts in the field. Thus an investment in conformance can be profitable even without an increase in price. In a market where conformance may add to product reliability, serviceability, and other marketable characteristics.

stochastic appearance.

Control

Freehold rights for blacks

seen as
solution

Post Reporter

THE chairman of the Port Elizabeth Committee of 21, Mr Alfred Lamani, said today that the only solution to South Africa's black housing problem was the granting of freehold titles to blacks in urban areas.

Mr Lamani was commenting on the major recommendation of the Grosskopf Committee, namely that full property ownership for blacks in urban areas be allowed.

The recommendations of the 10-man committee under Mr Justice Grosskopf were leaked to a Johannesburg morning newspaper. They concern three Bills tabled last session by Dr Piet Koornhof which were withdrawn for revision after protests were received.

"The only solution is the granting of freehold title to blacks in urban areas. The 99-year lease does not meet the desires of the black man," said Mr Lamani.

Many of the difficulties relating to the 99-year lease could be alleviated by granting blacks home ownership.

"In New Brighton, I can count on the fingers of my hands the number of people eligible for property ownership under the 99-year-lease plan."

There was no other way, he said.

"We all hope the policy of our rulers will bring about peace and understanding" but at the same time the Government seemed to be "married to apartheid", he said.

"We must hope that they see the light, before it is too dark."

'Housing projects must be given assistance'

By GRANT AUBIN

SIGNIFICANT assistance had to be given to low-income housing projects, Mr J L Arrigone of the architectural division of the National Building Research Institute (NBRI) said in Port Elizabeth last night.

Mr Arrigone, who was speaking on the institute's experimental project in core housing, said if people were left to erect their own homes, there was always the risk of slums.

He said core-housing projects undertaken in Siyabuswa, Kwandebele, had demonstrated that a combination of low-cost building technology and unskilled labour-intensive operations could cut building costs and create local job opportunities.

The Siyabuswa project en-

compassed 60 housing units and was sponsored by the Department of Co-operation and Development.

Construction work was being done by Hypha Administration Board and the general planning and research had been carried out by the NBRI.

Mr Arrigone said the experiment was a demonstration project and the NBRI was not interested in quantity.

He stressed that the housing project was not a formula to solve the housing problem, but a modest alternative in which community involvement was essential.

The average purchase price of the houses was about R3 500, which included at least R1 500 for the core.

All the extension work on the houses was done by local contractors with the NBRI providing technical assistance.

Other costs were for the extension of the core, labour, purchase of the site and fencing.

"Meaningful assistance must be given, as if you let people build low-income housing without technical assistance, slums could arise," said Mr Arrigone.

To back his argument, he showed slides of unassisted projects in South America and the Argentine.

Houses in the Siyabuswa project could be bought on a 40-year repayment scheme at an annual interest rate of 3½%.

Mr Arrigone has been involved in low-income housing for many years. He has also worked for the UN Development Programme and the Organisation of American States, in South America and Africa.

Black Housing Crisis

By KEVIN DAVE

A CITY one-and-a-half times the size of Soweto would have to be built to clear the black housing-shortage in South Africa.

At a cost of R8 000 for a basic four-roomed unit and the necessary infrastructure, it would cost more than a billion.

And that's just to get rid of the backlog, which, according to statistics recently released by the Government, amounts to a shortage of 159 000 units.

Estimates of future demand are even more staggering.

The Department of Finance estimates that to cope in the next 20 years, R39-billion will have to be spent on black housing — that's four million houses, or 40 more Sowetos!

Mr Colin Eglin, Opposition spokesman on housing, said: "The situation has reached crisis proportions."

"The Department of Community Development estimates that R411-million must be spent each year to cope with demand, yet it's only providing 20 percent of that amount this year.

"It's widening the gap rather than closing it."

The Director-General of the Department of Community Development, Mr Louis Fouche, said the National Housing Com-



Within 20 years another FORTY Sowetos will be needed

123
S. Twiss 20/9/81

mission, which allocates funds for housing, "cannot cope with the demand because of a current shortage of funds.

"Eighty-one million rand is being spent on black housing this year, one-third of the total amount of R340-million allocated for housing by the Government" for all races.

"I hope that private enterprise will do its maximum."

But critics of the Government say that private enterprise is too constrained by government pol-

icy to help clear the housing deficit.

"The private sector would like to get involved, but with current government restrictions, have only been able to do so on a very small scale.

"The Government must stop seeing housing as an ideological concept, and using it as a means

of influx control otherwise the private sector will not be able to get involved."

"In particular they must change the Group Areas and Urban Areas Acts.

Mr Jan Steyn, of the Urban Foundation, said there were two major problems — a shortage of land, especially serviced land, and inappropriate financial mechanisms for developing the necessary capital.

"The Government provides money for housing at a subsidised rate. Private enterprise can only get involved if a market rate applies.

"So when individuals build, they build with State money, at rates that are not competitive for private developers."

Houses for blacks are available under two different schemes. There are those available for leasehold under the 99-year scheme introduced by the Government in 1978, and the area where the real shortage exists, houses for rental by the masses.

Critics of the 99-year-lease say that it has been a spectacular failure.

enough to clear the massive shortage.

Property developers are another group who could potentially help save the day, but so far have not contributed to any extent.

A spokesman for one large property developer, Mr Ian Pile, of Landmark, said property developers would like to get involved in black housing development, but they faced too many restrictions.

"If they want private enterprise to do the job, then they must free it, remove all bureaucratic controls, to enable them to do the job.

"At the moment it is not a free market. They must open the gates.

"If the Government allowed people to own houses, you would soon see a lot of activity, a lot of buying and selling.

"But, while private enterprise could play an important role, it could not solve the problem itself, especially in the area of housing for low-income earners.

One solution that has been proposed to remove the backlog has been the source of controversy.

Mr Nthato Motlana, chairman of the Soweto Committee of Ten, said: "The 99-year lease is not a success because it does not give people the security they need, the security that freehold would give them."

"The leaseholder never really owns the house."

"A sheikh from Arabia can buy a house in Sandton without ever coming to South Africa, but a black person born here is denied freehold tenure."

The Minister of Cooperation and Development, Dr Piet Koornhof, recently announced in Parliament that 1 047 leases had been registered under the scheme.

Large employers are becoming involved in helping solve the shortage, chiefly in the area of assisting employees with loans and negotiating favourable bond repayments with building societies.

But while they make a contribution, the drastic shortage will not be solved in this way.

For instance, the giant Barlow Rand group has assisted about 1 000 employees with housing, sufficient to make life better for some of their employees, but not

An acute lack of cash

The Department of Cooperation and Development, the Urban Foundation, the PFP and spokesmen for private enterprise, support the introduction of site-and-service schemes — the individual occupying the site is provided with services, but is expected to provide his own house.

The scheme has been described by some as upgraded squatter camps.

But other government departments are highly critical of the idea.

Mr Fouche said schemes such as these had led to terrible slum conditions, associated with crime and severe malnutrition.

Mr Steyn said what was important was for the individual to be allowed to own his own site.

Perhaps the only light at the end of this tunnel of impasses, backlogs, shortages and lack of finance, is that the Government has created the Viljoen Commission, appointed to study restrictions faced by private enterprise in building houses for blacks, and has agreed in principle to accept its findings.

More 'risk' needed to end homes backlog

By GHERHARD PIETERSE

PRIVATE enterprise, not the Government, will have to solve the rapidly worsening housing crisis brought about by rent control and the shortage of finance, a prominent property developer said this week.

Mr Ian Fife, residential property director for Landmark, one of the largest privately-owned developers in the country, said he deplored the fact that the Government had seen fit not to phase out rent control.

Risk

He did, however, not see rent control as the biggest single problem impeding new residential development.

"Although rent control is the most damaging and dangerous curb to new development, the problem does not end there.

"Developers themselves must also carry a fair amount of blame for the present shortage of rental housing.

"Many of them were and still are unimaginative and too conservative where long and medium term planning is concerned.

"The institutions in particular will have to go more on risk if we

hope to solve the present backlog."

Some 6 000 households countrywide were affected by the Rents Act in that the breadwinner was earning a fixed income of below R500 a month, Mr Fife said.

"These people are largely the result of the Rents Act in the first instance and we cannot wish them away — they are here to stay and we as property developers are going to have to find a way to house them.

"If we don't, the Government will almost certainly re-introduce blanket rent control which will be disastrous for the property market as a whole."

Over and above the 6 000 needy around the country, a further 7 000 rental units a year would be required by a steadily growing population, Mr Fife said.

"We are now reaping the fruits

of the post-war baby boom and this, coupled with large numbers of immigrants coming into the country, will require us to supply this number until at least 1985/86."

An "unfortunate" aspect of the whole rent control saga was the chicken and the egg situation in which property developers found themselves, he said.

"The Government want us to develop new housing before they are prepared to scrap the Rents Act, while many developers are not prepared to risk their capital on new construction until the Act has been phased out."

Mr Boet van Straten, chairman of the South African Board of Estate Agents and a property developer in his own right, said the situation would worsen unless the Government stepped in.

"The only hope at the end of the tunnel is for the Government to provide incentives to make it worth while for property developers to develop new projects.

Way out

"Spiralling building costs have now reached the point where we would have to charge a minimum of R1 000 a month for an average three bedroomed flat if it was to be constructed now.

"It is clearly an absurd figure because only a very small percentage of people would be able to afford it.

"In fact, the only people who would be able to look at this kind of rental would be those executives who earn around R3 000 a month and there are obviously not enough of those around to make it worth our while."

A way out would be for the Government to allow property developers perks along the line of hoteliers who are permitted to write off their building against tax over a certain period of time.

Mr S F (Pen) Kotze, Minister of Community Development and State Auxiliary Services, made a brief reference to the problem in his budget speech and further developments were expected in the main budget later this year, Mr van Straten said.

(123) Si Times 20/9/81

VERA BELJAKOVA TALKS TO TWO MEN WHO EXPRESS GRAVE CONCERN ABOUT THE PRESENT AND FUTURE TRENDS FACING HOUSING IN SOUTH AFRICA AND SUGGEST HOW THE GOVERNMENT COULD HELP

RENT control destroys labour mobility and slows down the overall rate of economic development.

Rent control has one of the most negative effects on the economy but one which most socialistic governments systematically ignore in favour of 'moral' and other 'humanitarian' issues.

This problem is now haunting South Africa as it has for decades blighted Britain.

This is the message of Brian Kantor of the School of Economics at the University of Cape Town, who believes that government must compensate landlords for wealth lost through its imposed subsidised housing policies.

"It is obvious that economic development does not spread itself across the land like butter on toast," comments Mr Kantor.

"Development concentrates in certain areas because production costs there, rather than elsewhere, are expected to be lower.

"Labour is attracted to rapidly growing areas by the prospect of a higher disposable income (pay after living expenses and transport costs). Sadly, rent control discourages this very mobility of labour by distorting the real costs of accommodation.

"It makes families benefitting from artificially low rents (say, in Hillbrow, Yeoville) reluctant to move to regions where their

Rent control slows growth

labour is more highly priced and therefore more productive."

By reducing the supply of new accommodation in the rapidly growing areas, rents become artificially high. As Mr Kantor told Sapota: "If rent is controlled, then rented accommodation becomes effectively unavailable to the newcomer who is unlikely to enjoy the perk of knowing the right 'contact'."

It is particularly the young, who are mobile but have a relatively lower income, who prefer to rent rather than buy.

In relation to this complex rent control system, wages in rapidly developing towns and regions are made artificially high, while wages in the slow growth industry are artificially reduced through the effects of rent control.

Therefore the overall rate of economic development is slowed down, "and should the economy

of a region, where rent-control produces immobile labour, decline, the result is a higher unemployment level."

It hardly matters if the artificially low rentals are provided by either the State or the private landlord. The UK is now suffering after decades of rent control, council housing and unemployment benefits that are high compared to taxed income after accommodation expenses are paid.

So why should the worker move to another part of Britain or South Africa where he might not enjoy the same protection? Rent control and subsidies drive a large wedge between earnings after pre- and post-costs of accommodation.

"Policy interventions and social housing interfere with the efficiency of resource utilisation. While South Africans living in protected accommodation are actually members of a relatively

affluent society in South Africa.

"Because many protected whites did not wish to pay market prices for accommodation, or did not prepare themselves for rent de-controlling by buying under sectional title some years ago, South African society as a whole has to pay the high cost of supporting rent control.

"Playing politics to effect economic outcomes is a disastrous game, particularly when blacks want to join in the game of taking from some (the Haves) to give to others (the Have Nots) and still encourage economic growth.

"Using votes for economic gain encourages violent competition for the power to control the Government. I suggest that all, including rent-controlled tenants, must accept a minimal role for central Government, leaving economic outcomes to be determined in the marketplace."

According to the Fouché Commission about 238 000 or 19% of all white dwellings were subject to rent control in 1976. Now, the repositioning of rent-control on older blocks and the threat of more to come, means that an increased supply of rented accommodation will not appear on the market.

Other points Mr Kantor makes are:

- Unexpected rent control transfers wealth from landlords to tenants, while the unexpected removal has the reverse effect
- Rent control or its removal reduces or increases the building's income, according to market value in proportion to the expected loss or gain of income
- Government should compensate the losers (landlords) when rent control is imposed
- Buildings freed of rent-control will start to be used in an economically efficient way



BRIAN KANTOR Landlords losing out

associated accounts

A HOUSING crisis of unknown proportions threatens to engulf South Africa in the 80s, predicts Piet Moolman, SA-POA's chairman on the Housing Committee and a member of the Housing Matters Advisory Committee, under the chairmanship of Louis Fouché.

"Already houses are spiralling in price at R1 000 a month and are likely to cost R300 000 by the year 2000," said Mr Moolman.

"The looming crisis threatens to divide the 'haves and have-nots' into home owners and those denied affordable housing ... penalising the young, old and poor."

Newcomers to the housing market will be pushed into distant suburbs where they must assume a greater share of the growth burden in these outlying areas at highly increased construction costs.

"In the short term, matters will get worse before they get better, even though the construction industry is still buoyant. But the lag time between an economic downturn and the industry slowing down is 9-12 months.

"Prospects for economic recovery, however, including a reduction in interest rates by early 1983, appear to be good, coupled with the recovery of both the US and European economies."

Yet the Government will continue having problems with those at the lower end of the economic scale who could become a burden to the State through subsidised housing.

On the other end, the Government must discourage the wealthy from consuming too much resources, land and bond finances through luxury housing at the expense of other national requirements.

The issue is further complicated through inflation when families seek inflation-proof investments, like buying a house.



PIET MOOLMAN Spiralling costs

SA housing crisis is looming in the 80s

"Set against the present housing shortage of 40 000 units for whites, we have generated a group of young whites who were born to an era when cheap housing was plentiful. Today they consider it as their birthright to own a house at the age of 25."

"We have set their expectations too high and now can't deliver the goods. Instead we must educate them to live in high-density areas with minimum standards, in community housing schemes. The golden days of cheap housing are over."

Rented accommodation, however, is not quite the answer, believes Mr Moolman. The young do not wish to rent (although they usually must) because of the daunting housing backlog, the shortage of proclaimed and

serviced land in the pipeline, the boom/bust construction cycle, the escalation of house prices by R1 000 a month and the prospect of having to pay R300 000 in the year 2000.

Other points Mr Moolman makes, are:

- During 1976-1986 most first-time house buyers were/will be aged 30 (prime home buying age)
- In 1980 there were 30 000 first-time marriages (prime home buying group).
- There are 70 000 single parent families

Meanwhile Bisset's housing cost analysis shows that the two major cost elements are bricks and concrete (21.5%), with transport administration, commissions and finance also totalling 21% — "with labour costs near 60% of the total cost."

123

28/9/81

stantly receiving attention at the highest level to find ways and means to alleviate the situation. In this regard mention can be made of the 99-year leasehold system, the homeownership scheme, loans by development corporations in the national states, the allocation of funds by the South African Development Trust for the establishment and administration of townships and funds provided in the budgets of the national states.

In order to give the individual a greater share and responsibility in providing his own housing, self-built housing schemes are being encouraged and promoted, also by loans in respect of building material, wherever this is practicable, subject to control and specified minimum standards.

Furthermore the report of the Viljoen Committee titled "Committee to Investigate Private Sector Involvement in Resolving the Housing Backlog in Soweto", has been considered and on the whole, the report has met with agreement. It is the desire that it would be possible for the private sector to participate fully in the Black housing field and to further enhance provision of employee's accommodation by employers. Appeals in this regard are continuously made to the private sector including employers.

Apart from the extension of the Commission for Co-operation and Development for the purpose of giving special attention to the question of urbanization, the Cabinet has also granted approval in principle for the Department to obtain the services of one of the top experts in the country to co-operate with the Department in respect of urbanization and housing matters.

London: consignment flowers/ plant material

259. Mr. D. J. N. MALCOMESS asked the Minister of Foreign Affairs and Information:

- (1) Whether a consignment of flowers

For written reply:

HANS 8 Blacks housing (123)
QC 473-4 23/9/81

54. Mr. H. H. SCHWARZ asked the Minister of Co-operation and Development:

- (1) What is the estimated shortage of houses in respect of Black persons;
- (2) whether any steps are being taken in order to remedy such shortage; if so, what steps?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

- (1) 420 000 of which approximately 160 000 houses are required in the urban areas.
- (2) Apart from the fact that the Department of Community Development allocated all funds at its disposal for Black housing to the various Administration Boards the question of housing for the Black people is con-

Black housing backlog is now 420 000

11/24/9/87 (123)
Political Correspondent

JOB DESCRIPTION		
JOB TITLE	DEPARTMENT	JOB ANALYSIS NUMBER
Quality Assurance Manager	Quality	13/3/1
<p><u>JOB DUTIES AND RESPONSIBILITIES</u></p> <p>The manager of quality control has the management of the quality control department. He is responsible to ensure that requirements have been properly defined to prevent defects and to see that these requirements have been met. He must keep himself informed of the objectives, plans and to develop the quality control programme policies, quality plans, the quality organisation personnel, and to promote the quality control activities.</p> <p>As an organiser he must develop a sound organisation of the quality control activities and the delegation of authority. He must integrate the resources to achieve the stated objectives and he must acquire with his individual authority, responsibility and authority.</p> <p>In addition, he must promote the development of the individual to relate personal objectives to job objectives. Quality control must also establish standards to evaluate the directors of sub-units. He should analyse the quality organisation and take any action necessary.</p> <p>(a) Formulate basic policies, programmes and standards necessary in carrying out the objectives.</p> <p>(b) Provide adequate facilities for inspection.</p> <p>(c) Design and distribute programmes to personnel within the organisation.</p>		<p>the operation</p> <p>quality</p> <p>planning and</p> <p>essential for</p> <p>of the company</p> <p>ness, quality</p> <p>company</p> <p>performance</p> <p>responsibilities</p> <p>to effectively</p> <p>component</p> <p>ing each</p> <p>of quality</p> <p>unit and</p> <p>s of the</p> <p>will:</p> <p>methodologies</p> <p>l organisa-</p> <p>within the</p>

THE estimated shortage of houses for blacks was 420 000 with 160 000 required in urban areas, the Minister of Co-operation and Development, Dr Piet Koornhof, said yesterday.

Replying to questions put by Mr H H Schwarz (PFP Yeoville), Dr Koornhof said his department allocated all funds at its disposal for black housing to the various administration boards.

The situation was constantly receiving attention at the highest level to find ways of alleviating the shortage.

He mentioned the 99-year leasehold system, the home ownership scheme, loans by development corporations in the national states, the allocation of funds by the SA Development Trust for the establishment and administration of townships and funds provided in the budgets of the national states.

SELF-HELP

To give the individual a greater share and responsibility in providing his own housing, self-help schemes were being encouraged and promoted. Loans for building material were being granted wherever this was practicable, subject to control and minimum standards.

The report of the Viljoen committee on private sector involvement in resolving Soweto's housing backlog had been considered. On the whole, the report had met with agreement.

Dr Koornhof said the private sector should participate fully in black housing and in providing accommodation for employees.

Haus 8 Blacks: housing (123)
 QC 480-81 24/9/81

55. Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

What was the total number of houses built for Blacks during the 1980-'81 financial year in each of the (a) nine main urban areas and (b)(i) urban and (ii) non-urban areas of each national state?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(a) West Rand	498
East Rand	1 072
Port Elizabeth	1 081
Cape Town	649
Bloemfontein	287

Pretoria: It is served by the urban Black residential areas of Atteridgeville and Mamelodi. These areas were considered to be fully developed and a new area at Soshanguve is being developed on South African Development Trust land to accommodate the natural increase of the mentioned townships. During the period in question 336 houses have been erected and 1 400 sites have been provided with infrastructure at Soshanguve. Both the Atteridgeville and Mamelodi residential areas are in the process of being replanned with a view of making use of all available land not utilized at present for low and high density housing schemes.

East London: No houses were erected in Duncan Village as the inhabitants of this area are being resettled in Mdantsane township in the Ciskei where 530 houses were built by the South African Development Trust and 417 houses, financed by Blacks, were erected by the Development Corporation during the period in question.

Pietermaritzburg: It is served by the urban Black residential area of Sobantu which has been fully developed and by Imbali township in kwaZulu. 529 houses were built in Imbali by the Drakensberg Administration Board acting as agent for the S.A. Development Trust. All these

houses are occupied by Blacks employed in Pietermaritzburg.

Durban: It is served by the urban Black residential areas of Lamontville and Chesterville both of which have been fully developed and by kwa-Mashu, Umlazi, Ntuzuma and Inanda townships in kwaZulu. 399 houses were erected in these townships during the period in question. All these houses are occupied by Blacks employed in Durban. The Kwadabeka, kwaNdebele townships in kwaZulu bordering Pinetown also house Blacks working in the Durban Metropolitan area. 442 houses were built in these two Townships during the period in question.

(b)(i) and (ii) The particulars in respect of East London, Durban and Pietermaritzburg are included in the figures given below for the number of houses built in towns in the national and independent states from S.A. Development Trust funds, namely:

- Transkei and Ciskei: 768 (also in respect of East London).
- kwaZulu: 1 349 (also in respect of Durban and Pietermaritzburg).
- Bophuthatswana: 400.
- Kangwane: 33.
- Lebowa: 360.
- kwaNdebele: 49.
- Qwaqwa: 362.

Apart from S.A. Development Trust funds expended on housing in the national and independent states, houses were also built by these states from their own funds in their urban and non-urban areas but figures are not readily available.

BLACK HOUSING 123

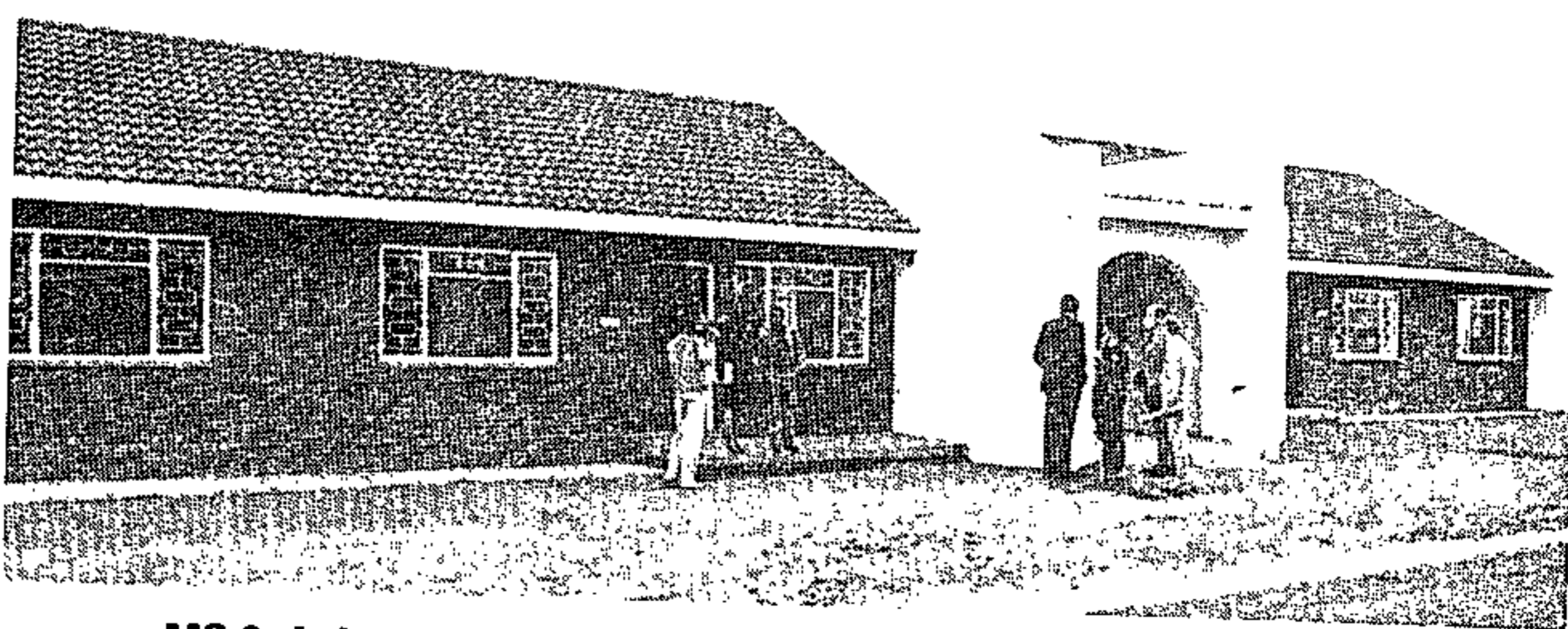
Home at Chromeville

Chromeville is one of the largest black housing projects yet developed by private enterprise. Nearing completion near Middelburg in the Transvaal, the R12m project, undertaken by Middelburg Steel & Alloys (MS & A), will provide accommodation for 3 000 people.

MS & A decided to embark on the project because of parent-company Barlow Rand's commitment to move away from all facets of discrimination in company policy - including housing policy. Although MS & A

have rights to fields and grazing at prohibition on any household acquire. By contrast, people in closer settlement erected housing or in rudimentary stations have urban-sized (or only slightly bigger) under no circumstances acquire rights 'Closer settlements' on this definition different types of settlement as envisaged No.25 of 1967 from the Secretary for Development:

stock-carrying capacity as long ago as difficult to see where new tracts been opened up. If one assumes that lived under rural conditions in 1910 number of people living under closer be obtained by deduction and turns rather too high to be plausible. that it was possible for the rural (say at 1 1/2 p.a.) and then the closer would turn out at 3,7 million. It rural population could be any greater



MS & A housing ... a quantum leap in standards

with television, ablution facilities and a verandah. No cooking facilities are provided in the units but meals can be purchased in a restaurant-type canteen.

Housing provided for married employees is indistinguishable from that in any white middle-class suburb. Two grades of family housing are being provided at an average cost of R28 000 per unit. All houses have three bedrooms, built-in cupboards, separate lounge and dining room, fully equipped kitchens, separate bathrooms and toilets.

Although all employees are eligible for housing benefits, housing will be allocated on a points system with criteria such as length of service and seniority taken into account. The high cost of these units precludes most employees from purchasing them and they will be charged nominal rentals of R35 a month including electricity. However, in addition to this development, MS & A plans to develop stands in an adjacent area to be sold to employees when leasehold rights are available.

has traditionally provided housing for white employees in Middelburg, both "single" (contract workers living on a single basis) and married black employees have been accommodated in the conventional township-type "matchbox" houses of Mhluzi township. MS & A has now committed itself to developing housing in Mhluzi equivalent to that provided for whites.

At present, there is a critical housing shortage in Mhluzi for married couples. In addition, the standard of housing for "single" employees is inadequate and does not conform to even the minimum standards set down by parent company Barlow Rand.

The housing MS & A is now providing for "single" men is a far cry from conventional compound or hostel concepts. All housing provided has been designed with the possibility of conversion to family housing at a later date. However, the design omits to provide facilities for visiting wives and families.

Sixty-five units for "single" persons are being built at a cost of R53 400 per unit. Each will house 24 men in 12 double bedrooms. The units are built in low, rambling, cottage-style and, in addition to the bedrooms, have a large living room equipped

De facto household heads	Household heads (resident and migrant)		De facto household heads
	M	F	
47	32	24	47
40	29	27	40
60	14	13	60
69	22	28	69
54	30	21	54
24	34	21	24
53			53
45			45
50			50

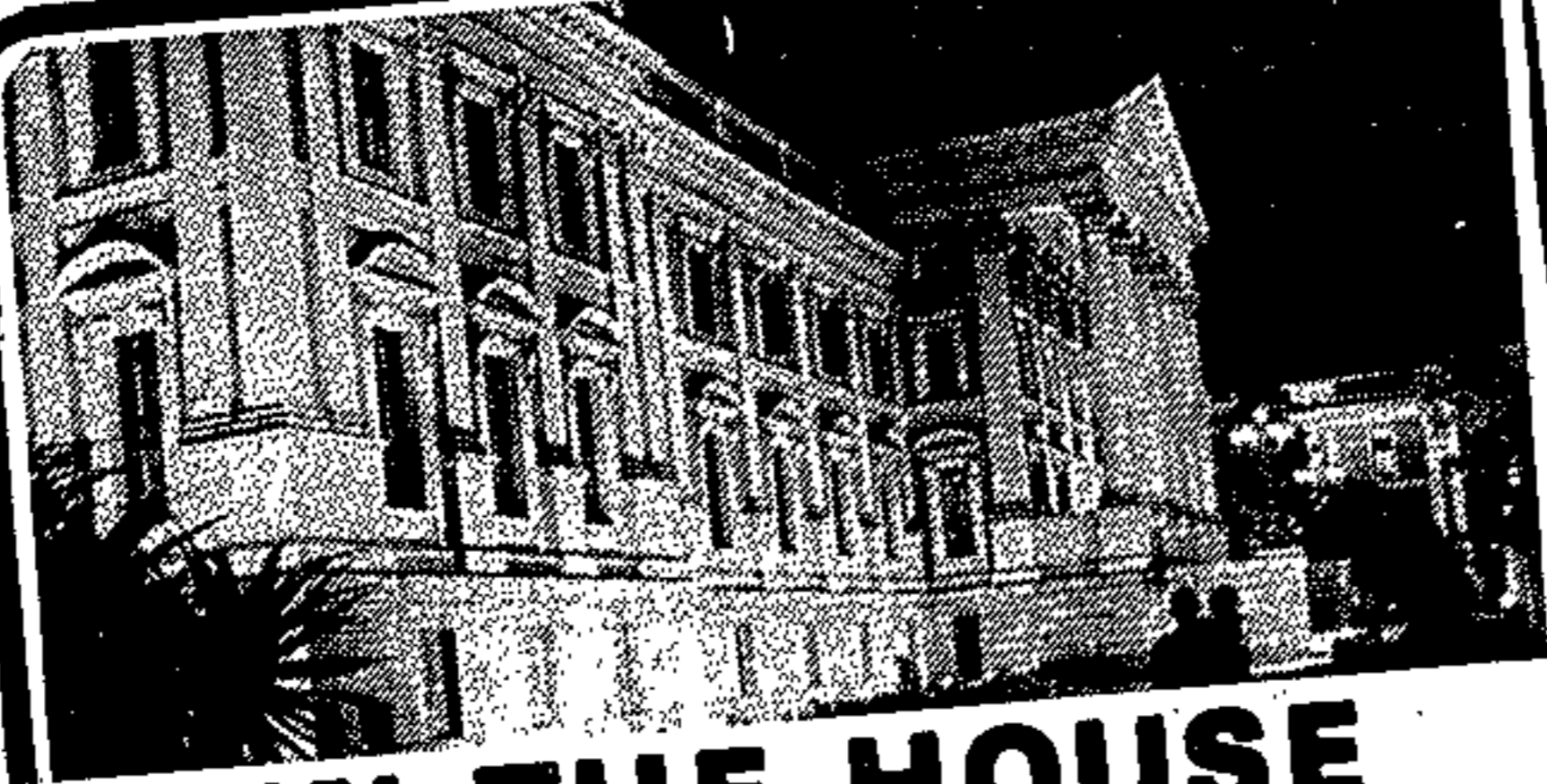
lived by assuming female household upwardly

nd migrant) as and on white African nuptiality female heads this proportion

The existing scheme, located on a 35 ha site, has been designed as an integrated village with a balanced spread of community services such as churches, schools and recreation facilities. Open space has been liberally incorporated into the plan and a system of pedestrian walkways will offer safe and easy access throughout the development. A further R1m will be invested in the construction of a shopping complex and community facilities in 1982.

The township will be fully serviced with tarred roads, sewerage, water reticulation and electricity.

has an effect on poverty as can be seen from



IN THE HOUSE

Black housing figures detailed

CT 25/9/81 (123)

Political Staff

HOUSE OF ASSEMBLY. — The government constructed a total of 5 814 houses for black urban areas — 3,6 per cent of its own estimated shortage — during the 1980-81 financial year.

This was disclosed here yesterday by the Minister of Co-operation and Development, Dr Piet Koornhof, in reply to a question tabled by Mrs Helen Suzman (PFPP Houghton).

Dr Koornhof also disclosed that the South African Development Trust, a government-controlled agency, had constructed 3 821 houses in the homelands.

Earlier this week, Dr Koornhof estimated in reply to another question in Parliament that there was a shortage of 420 000 houses for black people, about 160 000 of them in the urban areas.

Yesterday, the minister said that 498 houses had been built on the West Rand, 1 072 on the East Rand, 1 081 in Port Elizabeth, 640 in Cape Town and 287 in Bloemfontein.

In the Pretoria area 336 houses had been erected at the new area of Soshanguve

and 1 400 sites had been provided with infrastructure at the same site. Atteridgeville and Mamelodi residential areas were being replanned so all available land could be utilized for low and high density schemes.

In the East London area, the development trust had built 530 houses in Mdantsane and a further 417 homes, financed by blacks, had been erected by the development corporation.

In the Maritzburg area, the Drakensberg Administration Board as the agent of the trust had built 529 houses at Imbali, while the Sobantu area had been fully developed.

In Durban area, 399 houses had been built at Kwamashu, Umlazi, Ntuzuma and Inanda in Kwazulu, while Lamontville and Chesterville were fully developed.

At Kwadabeka and Kwan-dengezi near Pinetown, 442 houses had been constructed.

The trust had built 768 houses in Transkei and Ciskei, 1 849 in Kwazulu; 400 in Bophuthatswana, 33 in Kangwane, 360 in Lebowa, 49 in Kwandebele and 362 in QwaQwa.

640 houses built for city blacks

Argus
25/10/81
Parliamentary Staff

123
(R30)

THERE were 498 houses built for blacks on the West Rand and 1 072 on the East Rand in the 1980/81 financial year, Dr Koorhof said yesterday.

He was asked by Mrs Helen Suzman (P.F.P. Houghton) to disclose the number of houses built in the nine main urban areas.

There were 1 081 houses built in Port Elizabeth, 640

in Cape Town and 287 in Bloemfontein, the Minister said.

Durban, East London and Maitzburg were served by townships within the national states (homelands).

Pretoria was served by the urban black residential areas of Ateridgeville and Mamelodi.

These areas were considered to be fully developed and a new area at Soshanguve is being developed on South African Development Trust land to accommodate

the natural increase of the mentioned townships (in Pretoria), he said.

During the period in question 386 houses have been erected and 1 400 sites have been provided with infrastructure at Soshanguve.

Both the Ateridgeville and Mamelodi residential areas are in the process of being replanned with a view to making use of all available land not utilised at present for low and high density housing schemes.

10011.
99-year leasehold scheme (24)
25/5/51 25/9/51 (123)
273. Mr. E. K. MOORCROFT asked the
Minister of Co-operation and Development:

How many plots have been surveyed in each province with a view to the 99-year leasehold scheme?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

Transvaal	95 374
Orange Free State	10 039
Cape	17 734
Natal	Nil

As few Black residential areas in Natal are situated outside the national state and those so situated are near to the borders of the national state, the application of leasehold in respect of every separate residential area must be considered on merit. In this fashion a decision in respect of, *inter alia*, Hambanati, Sobantu and Greytown has now been taken. As decisions are taken, leasehold will also be promoted in Natal.

152. Mr. D. W. WATTERSON asked the Minister of Co-operation and Development:

- (1) What is the estimated number of houses required at present in respect of Blacks;
- (2) (a) how many housing units have been or were (i) built, (ii) planned and/or (iii) budgeted for in respect of Blacks for the financial years 1979-'80, 1980-'81 and 1981-'82, respectively, and (b) what percentage of such units are (i) sub-economic and (ii) economic?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

- (1) 420 000 of which approximately 160 000 houses are required in the urban areas.
- (2) (a) Figures in respect of houses built by administration boards from their own funds and loans from

the building societies are not readily available. However, figures of the number of houses built with funds from the Department of Community Development are as follows:

1979-'80: 9 945.

1980-'81: 3 465.

1981-'82: No figures for the number of houses are available yet but an amount of R81,5 million has been allocated for housing and services.

- (b) This information is not readily available and can only be obtained at unreasonable expense.

Housing + Hostels -

GENERAL.

4/10/81 - 31/12/81

Flexible answer to black housing crisis

Sunday Times 4/10/81

123

By KEVIN DAVIE

AS the black housing crisis worsens — R500-million more than this year's total defence budget would have to be spent to clear the enormous backlog — housing experts blame the inflexibility of the Government's housing policy.

Government estimates — which some authorities say are conservative — show a deficit of 400 000 houses.

At an average of six people per unit, it means that more than 2-million blacks are without proper homes.

The cost of clearing the shortage would be R3 200-million — many millions more than the largest single item of government spending — defence, which is currently R2 700-million.

Experts around the country say that the Government has to begin introducing more flexibility into its housing strategy, including encouraging lower standards of housing to ease the situation.

Prof Gavin Maasdorp of the Economics Research Unit at the University of Natal says: "Up to now the Government has been loath to drop standards, but studies throughout the Third World show that this is the only solution in the area of low-income housing.

"A policy of up-grading existing informal settlements should be adopted.

Reluctant

"The Department of Community Development is reluctant to support the move to organised site-and-service schemes.

"They argue that, in the past in South Africa, these schemes have led to numerous social problems.

"But, in at least one case — Cato Manor in Durban in the '50s — such a scheme was remarkably successful," he says.

Prof Maasdorp adds that, to be effective, upgrading existing informal settlements and the introduction of site-and-service schemes must be coupled with the provision of more township housing.

"The studies we have done show that a significant majority of blacks do not want a township house as their top priority.

"Much more important are services such as water and sanitation, security of tenure, jobs and education.

"The majority are happy to provide their own dwelling."

Critical

The head of Urban Problems Research at the University of Cape Town, Prof David Dewar, says the problem is that "the State is providing for the many needs of the few, rather than the few needs of the many."

"What is needed is a completely flexible approach."

"The level of shelter is not the most important thing."

He is also critical of the way the Government offers subsidies to individuals wanting to build homes.

The deputy director of Futures Research at the University of Stellenbosch, Prof P H Spies, says "a revolution in approach to the problem is needed, especially if influx control, de facto or de jure, is relaxed".

He says his research unit subscribes to a policy of structured or organised squatting.

"The way housing is financed must also be changed," he says.

Hans 10 6/10/81

Houses housing units demolished 123

QC 626-7

318. Dr. M. S. BARNARD asked the Minister of Community Development:

How many houses or housing units were demolished by or on behalf of his Department in each province in respect of each race group during each of the latest five years for which figures are available?

The MINISTER OF COMMUNITY DEVELOPMENT:

Demolitions by or on behalf of the Department are done almost exclusively in designated urban renewal areas after thorough investigation and on advice of a State Committee comprising representatives of the Department, provincial and local authorities and all other interested bodies.

By far the majority of the improvements demolished in these areas were in such a dilapidated condition that they did not comply with the definition of a house or housing unit. In addition, the application

627

TUESDAY, 6 C

of sound planning principles also necessitates the demolition of buildings in specific circumstances.

Figures regarding demolitions are not kept and to obtain them would be an extensive task which cannot be justified in the light of the manpower shortage, heavy work loads, the time it would consume as well as the fact that data collected could hardly be of any use.

Battle renewed on rents

S. Times 11/10/81

123

WITH rent control again seemingly entrenched, landlords and tenants of rent-controlled buildings are locked in battle at rent-board meetings throughout the country.

By Stephen Orpen

Property leaders canvassed by Business Times warn that the private sector will continue to refuse to provide or build new residential accommodation until a "more equitable" system is devised.

Rent boards, they say, are generally trying to be helpful. But they are struggling to strike reasonable rental values for land and buildings, when these values must be capitalised by 8,5% in terms of the Rent Control Act and the lessor's expenditure claims added.

No fixed formula, it is pointed out, has been devised to fix a basic factor for rental values to be able to determine the final percentage of increased rental.

Cape property expert Mr M L Shapiro suggests the following formula for rent-control boards:

It is simple to ascertain the average rental per sq m in the

vicinity of the buildings concerned.

Thus, assume that a block of flats, A, applies for a review and increase of rents.

Close by are blocks B and C, D and E.

Block B's bachelor flats measure 47 sq m and are let at R100 a month.

Block C's two-roomed flats measure 60 sq m and are let at R150 a month.

Block D's three-bedroomed flats measure 80 sq m and are let at R190 a month.

Block E's four-bedroomed flats measure 110 sq m and are let at, say, R225 a month.

The total of these rentals is R665 a month for 297 sq m, or an average rent for the locality of R2,23 a sq m for land and buildings.

The total area for an applicant's lettable floor area on block A measures, say, 4 000 sq m.

Thus 4 000 sq m at R2,23 a month average rent provides a

rental value of R107 040 a year.

This annual average rent should now be deducted by the acceptable expenditure it requires — say R45 000.

The difference on net rental of R62 040 a year capitalised by 8,5% provides a fair and reasonable rental value for the land and building — that is, R729 882.

In terms of the Rent Control Act the rental value for the land must now be determined. This can be done as follows:

Total replacement value, based on present building costs per sq m, less 1% depreciation for each year of the age of the building deducted by the already ascertained rental value of land and building, provides the rental value of the land.

Example: 4 000 sq m x replacement value at R350 a sq m equals R1,4-million; building being 40 years old, deduct depreciation, equals R560 000.

This now appears to give the intrinsic value as R840 000.

If 1% a year is calculated for

depreciation in building values then 1% a year must be allowed for depreciation as an expense to the lessor of the building.

Deduct the rental value of land and building (R729 882) from the intrinsic value, less depreciation, and the rental value for the land will now be R110 117 and the rental value for the building R619 765.

The formula is simple:

Floor area of building multiplied by average annual rental for land and building in the locality per sq m deducted by expenses and capitalised by 8,5% (which is the percentage the rent board must allow) equals a reasonable rental value for land and building.

If this formula became a directive for all rent boards, much time could be saved and only evidence on average rentals per sq m and present-day intrinsic value need be produced by both landlord and tenant.

The rent boards would merely act as adjudicators as to what the fair and reasonable rental per sq m should be.

Laws prevent people from helping themselves

Argus 14/10/81 (123)

DI PAICE'S second article on the work of UCT's Urban Problems Research Unit shows how small businesses, unshackled from irksome controls, can enrich the life of a city, alleviating unemployment while giving service to the community.

UNEMPLOYMENT is 2,4 percent in the black community, 9,3 percent among coloureds and 2,9 percent among whites (according to figures given in parliament last week). Yet present legislation designed to prevent many people from helping themselves.

This is the view of researchers in the University of Cape Town's Urban Problems Research Unit. The unit has suggested that even more people could be encouraged into cities and has launched a two-pronged attack on the unemployment crisis facing the country.

It has produced a scheme for a continuing process of housing people, and at the same time it is working on ideas to stimulate employment.

Linked

Housing and employment are inextricably linked. More people earning more money will move to better houses, making



BUSY markets provide a living and a service to the community. A mass of legal restrictions prevents the growth of these small businesses.

of businesses do play a significant role in alleviating unemployment.

Most important, the cost of this type of job creation is low: an average of R25 a job compared with R25 000 a job in the country's industrial decentralisation points.

'The only answer,' says Professor Dewar, 'is to allow these businesses to

The bank might also operate as a non-profit wholesaler in products most commonly retailed in areas where the conditions for private sector supply do not exist. Costs of delivery would be charged to the retailer.

Once the bank is established, it could develop a business advice arm.

The advisers should be individuals and agencies including entrepreneurs in the formal sector, universities and technicians on a voluntary basis.

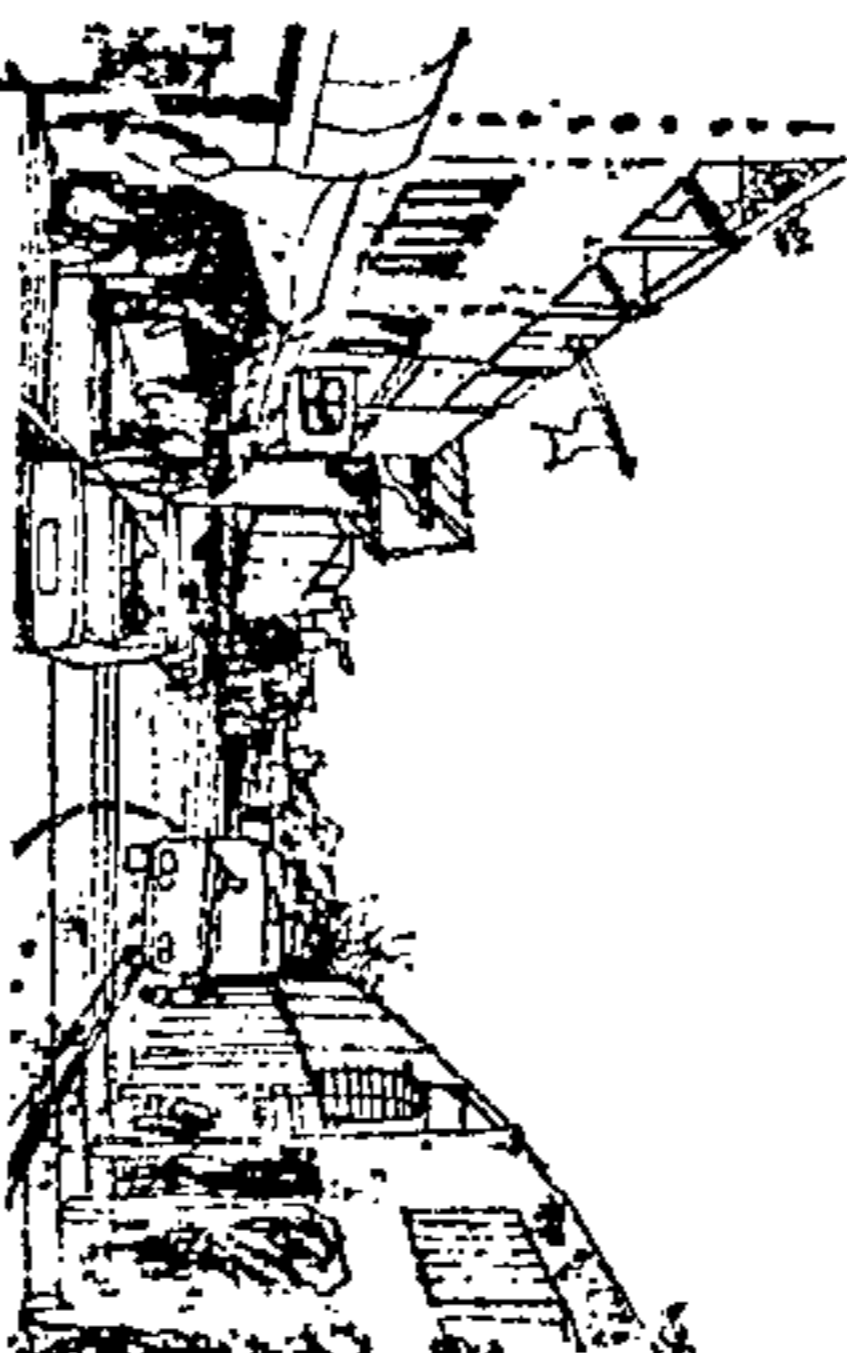
The bank will be a catalyst, allowing many private individuals to make a significant contribution to economic development even if they lack large material resources.'

Desperate

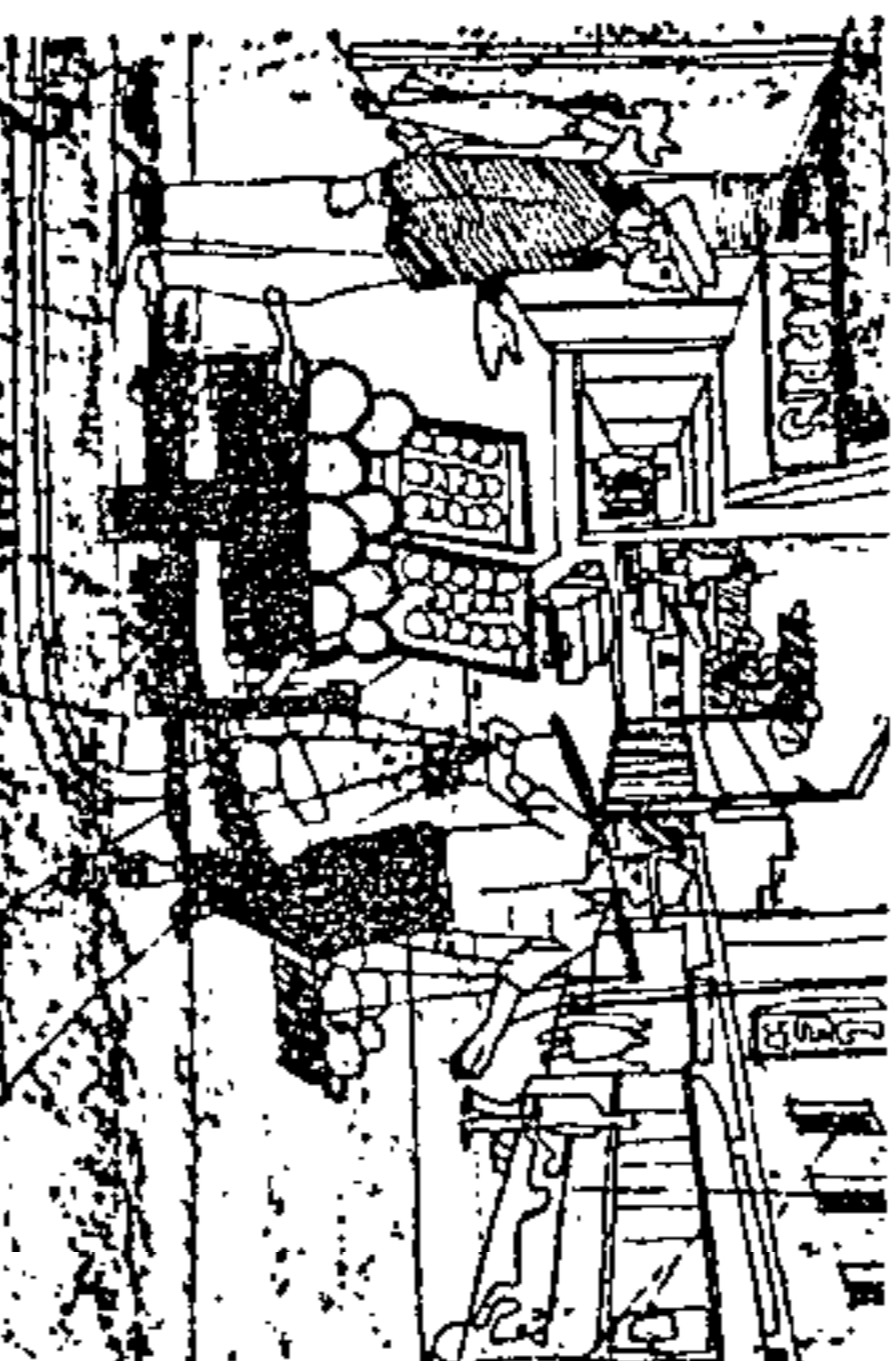
The proposals would not solve unemployment. They would alleviate it — at a level where people are desperate.

The major effort against unemployment should go into the absorption of as many people as possible into higher-paid employment in the 'formal sector.'

Incentives such as tax rebates for job creation



A FORMAL-SHOPPING DOMINATED, MAJOR BUSINESS THROUGHFARE.

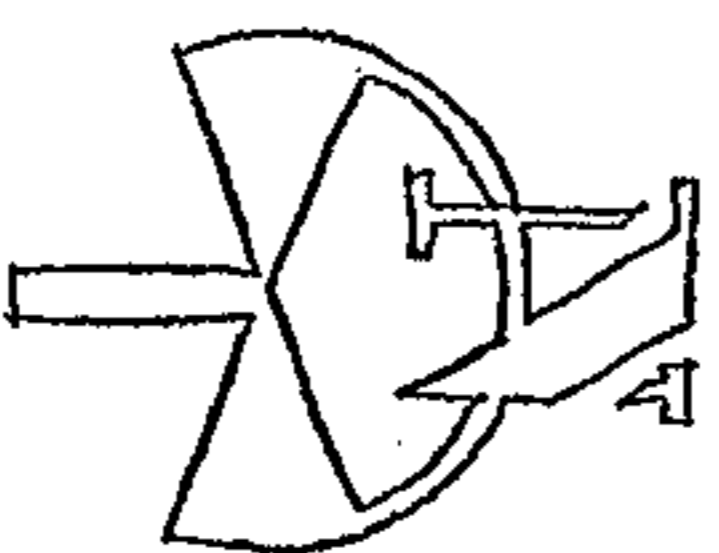


HAWKERS OPERATE IN A MUTUALLY REINFORCING WAY WITH FORMAL BUSINESS ACTIVITY

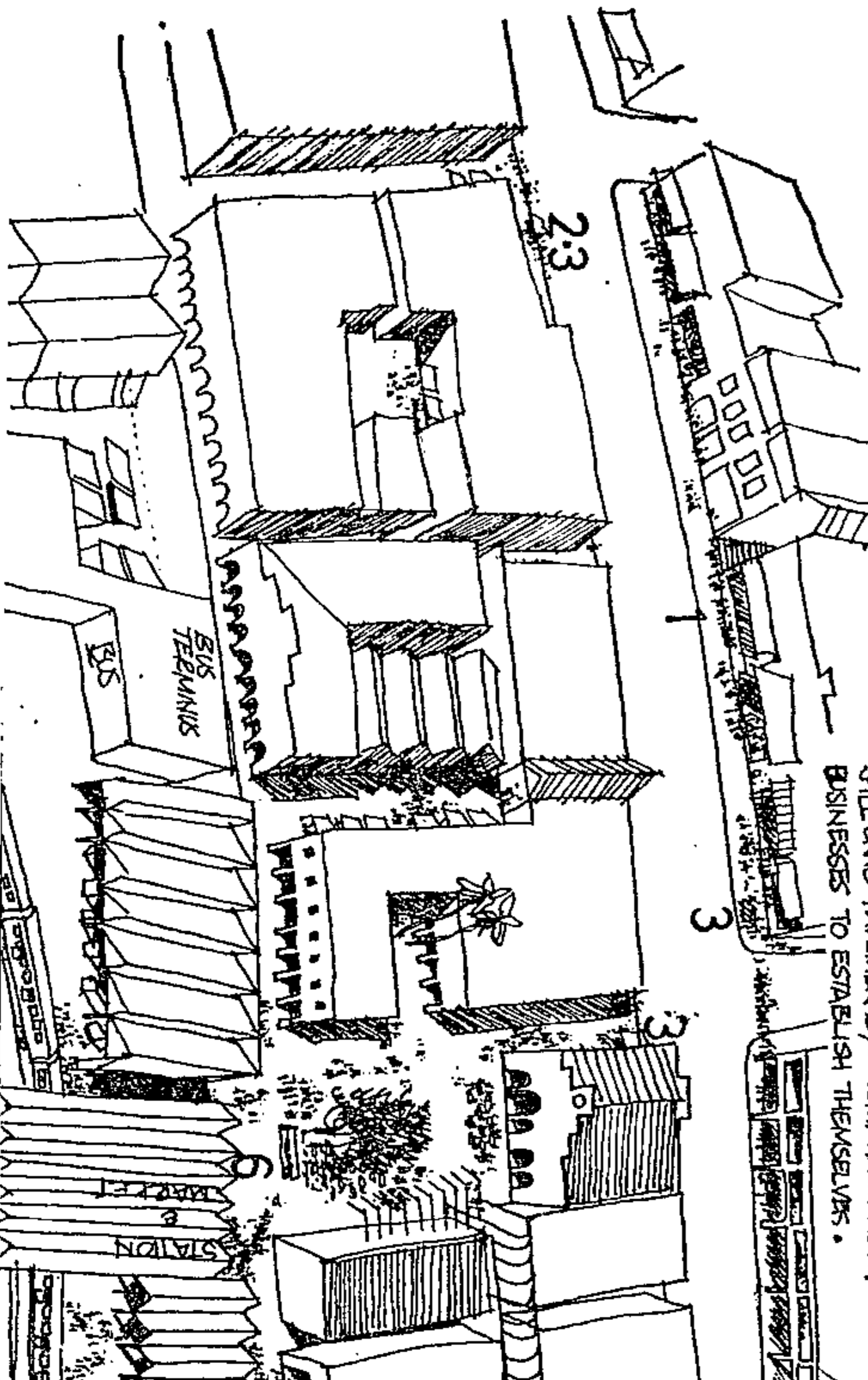
MOBILE HAWKERS TAKE ADVANTAGE OF CHANGING PEDESTRIAN FLOWS AND CHANGING OPPORTUNITIES.



HAWKER SPACES FIT THE PHYSICAL STREET — BROKER FORMULARY OF THE CBD ALLOWS SMALLER SHOPS TO STILL ONTO PAVEMENTS, & SEMI-PERMANENT BUSINESSES TO ESTABLISH THEMSELVES.

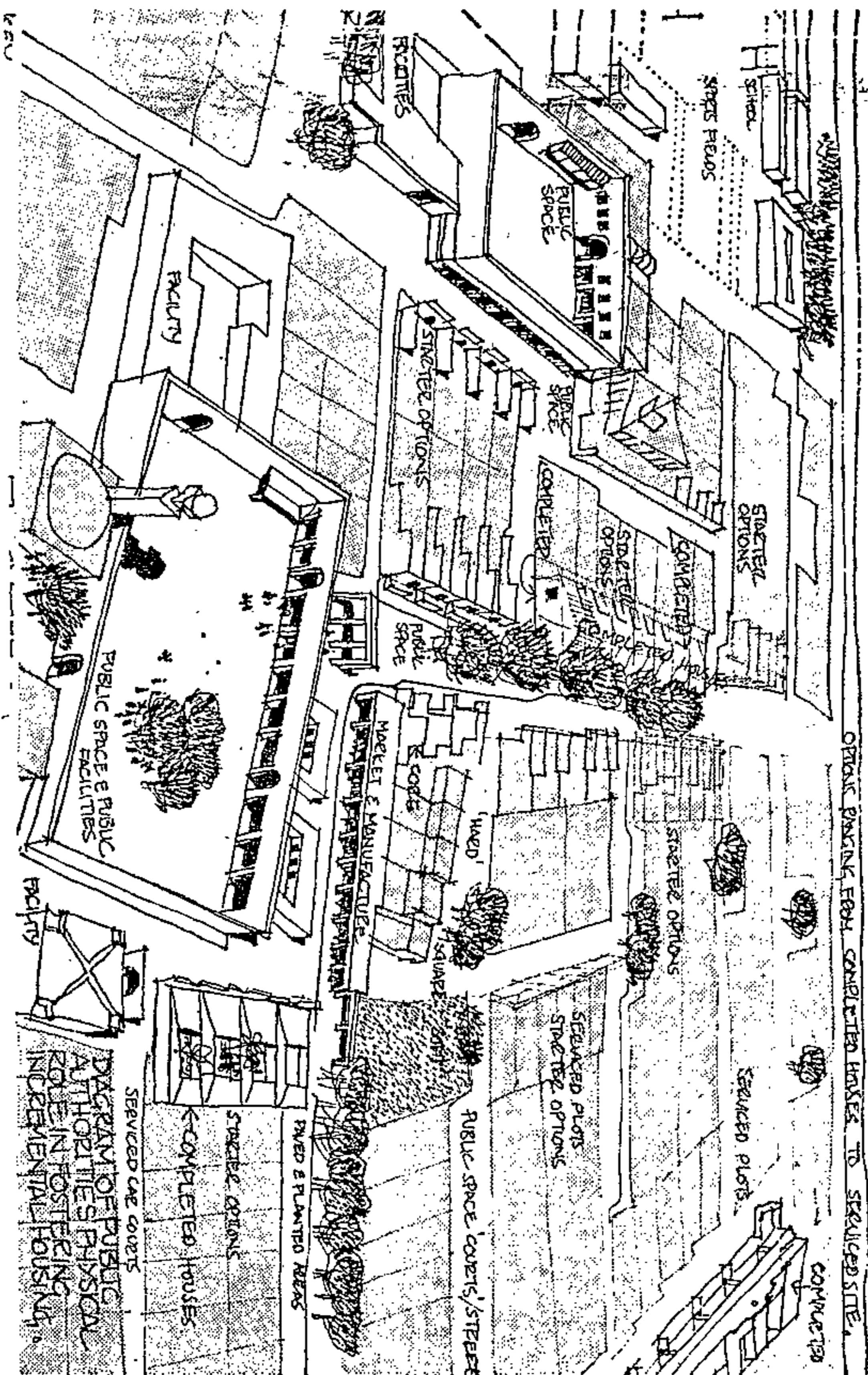


TOMORROW. — South Africa's alienated townships: What to do about their control



Handwritten signature or mark.

Buzzing of markets in a planner's brain



INCREMENTAL' housing builds upon the ability of people to make a contribution to their own housing needs. Public authorities will provide facilities in properly scaled public spaces. The range of housing is clearly indicated, from serviced plots to completed units. The latter options may include sites and services plus a fire wall, to which may be added a wet core running water inside the house). Households can decide at what stage they wish to add more rooms, building up to a completed unit.

THERE is a bustle of activity on the way home from work. The air is filled with the sounds of bartering. There is colour and smells. Workers going home are drawn into the activity.

It sounds like a lively place one would like to know or live in. The sort of place romantic novelists describe.

The picture is in the mind of an urban planner describing how South African cities could be and should be.

Lift the barriers to small business, says Professor David Dewar of the UCT Urban Problems Research Unit. 'Make market spaces for them at points of major trading potential'.

Professor Dewar and fellow researcher Miss Vanessa Watson analysed markets at Crossroads, Church Street in the centre of Cape Town and on the Parade and concluded that markets suitably situated and serviced made an important contribution to the life of the city and helped alleviate unemployment.

Hawkers and small businesses are largely excluded from busy city centres because they provide un-

fair competition with established traders and destroy the shopping environment.

The researchers say there is no unfair competition since the small businesses trade in goods different from those offered by established traders. Each benefits from the other by offering a wider range of goods.

Fears for the environment are exaggerated. If properly handled, small traders are likely to add interest and excitement so improving trading for big and small businesses.

However, robust markets do not appear overnight, and the researchers have laid down guidelines, drawn from their analyses of existing places.

ADD VARIETY

The most important is that business should be along the dominant traffic flows. While some businesses are full-time, many are intermittent. The dominant businesses should be at the point of the strongest traffic flow, such as major intersec-

tions. Less regular businesses should not be at the market centre, but would profit from the attractions of the bigger concerns. They also help the bigger businesses at peak hours by

adding to the variety of merchandise services.

The markets could expand or contract without losing their basic cohesion.

They would provide the widest possible range of cost options.

CAR PARK

Some facilities could be used at different times for different purposes. For example, a car park during the day might become a market at night.

Some operators might hire a stand on an annual basis. Others would hire market space for a day or even a few hours.

The burden of financing should not fall on one community but be spread over the whole ratepaying population. Subsidised funds should be advanced by the National Housing Fund and treated as a community facility.

Water and electricity could be obtained from co-operated units. Services such as toilet facilities and rubbish collection could be funded from stand rental fees.

A national development bank could provide small, high risk loans. Loans could also be made available through co-operative or credit unions which the local authority could establish through basic capital and training.

forced into the cities through financial necessity.

As indicated yesterday in the first of this series of articles on the poverty crisis, the provision of houses in itself will generate more employment and will spread more of the income spent by the State on low-income housing directly to the poorest people.

However, this is only one contribution to solving unemployment. The unit believes that small business promotion could make an important contribution to providing at least a subsistence level of income.

Professor David Dewar and Miss Vanessa Watson point out that attempts in the past to aid small businesses tend to overestimate their average size and to stimulate a few larger enterprises at the expense of smaller ones.

Potential

A recent study of 'informal sector' business turnover, profits and capital investment in Cape Town showed that 55 percent had weekly turnovers of less than R99. Weekly profits of 48 percent were less than R24 and 71 percent less than R50. The capital investment of 56 percent was less than R250.

The researchers believe the employment potential of the 'informal sector' tends to be overestimated, since most of the businesses are one-man operations. Nevertheless, there are a great many of them and consequently these types

function to the maximum possible degree.

Irksome

This is where the authorities fail, since legislation activity works against the generation of such employment. Several Acts of Parliament and a string of municipal legislation inhibit business in the informal sector.

The most irksome of these include the requirement of a storeroom, the prevention of unloading of a vehicle to exhibit goods, having to move 30 m every hour, and the difficulty of obtaining a licence, without which a hawkers cannot operate.

The business areas from which hawkers are excluded have been steadily increasing and they are left out of the most lucrative trading places.

Furthermore, the sale of certain goods, such as meat, dairy products and prepared foods, is also restricted. In the poorest areas where these articles cannot be stored in homes, a living can be made from selling them while an important community service is being provided at the same time.

The UCT researchers find that blanket zoning is also a serious drawback to the best use of any piece of land. Zoning, whereby certain areas are restricted by law to specific activities (such as land laid aside for residential purposes only) is essentially a negative tool. Most areas can accommodate a variety of uses and the demand on them changes over time.

encourages speculative holding and continuing escalation of property prices.

The zoning system should be replaced by a permit system, the user suggests. A potential user of a site would approach a local authority for a permit to conduct his particular activity.

The onus would rest on the user to convince the authority that his request is reasonable. Only if his activities negatively affected others in the vicinity would permission be denied.

Thus legal control would still exist but change would be easier and speculation reduced.

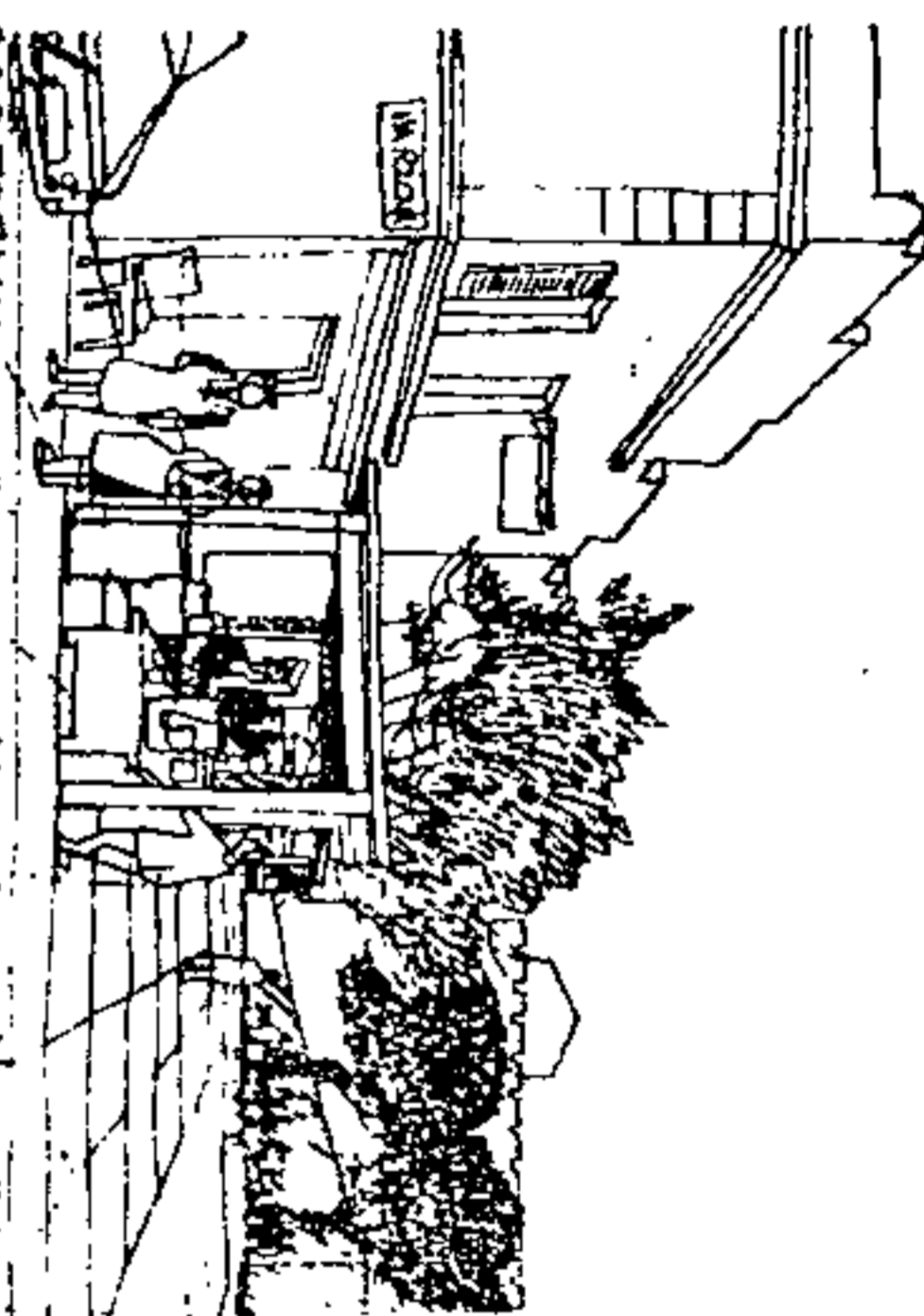
Flexible

The argument for the small businessman put forward by the unit does not mean that all controls should be removed, but that the authorities' attitude should be more flexible and sensitive to the needs of the community and the businessman.

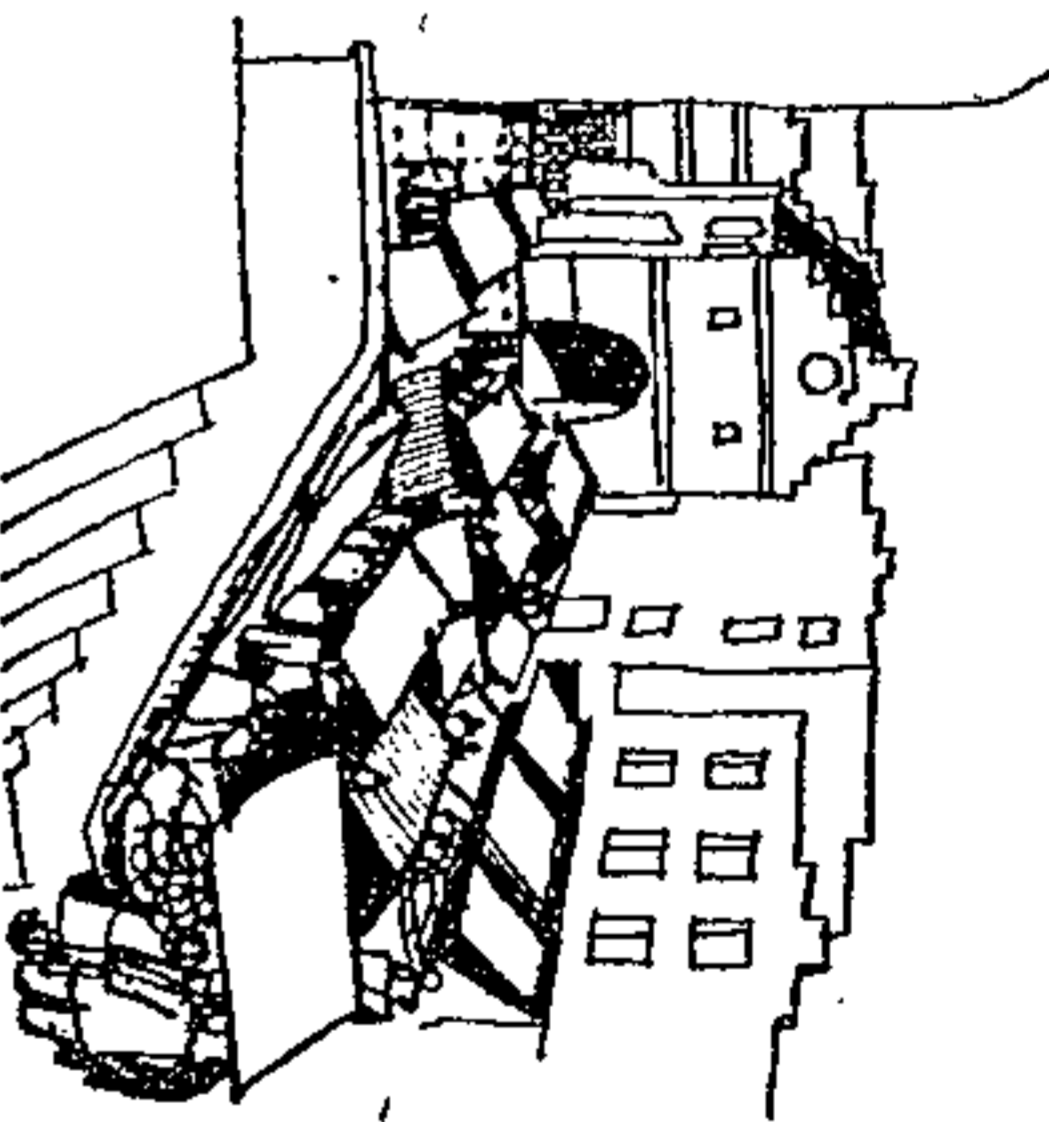
With a growth in small business operations should come State help in access to finance and wholesale supplies.

There is clearly a strong case for the establishment of a National Development Bank operating on a decentralised, regional basis and offering loans of any size. However, the emphasis on surety should be removed. Most of the people needing finance would have no access to surety.

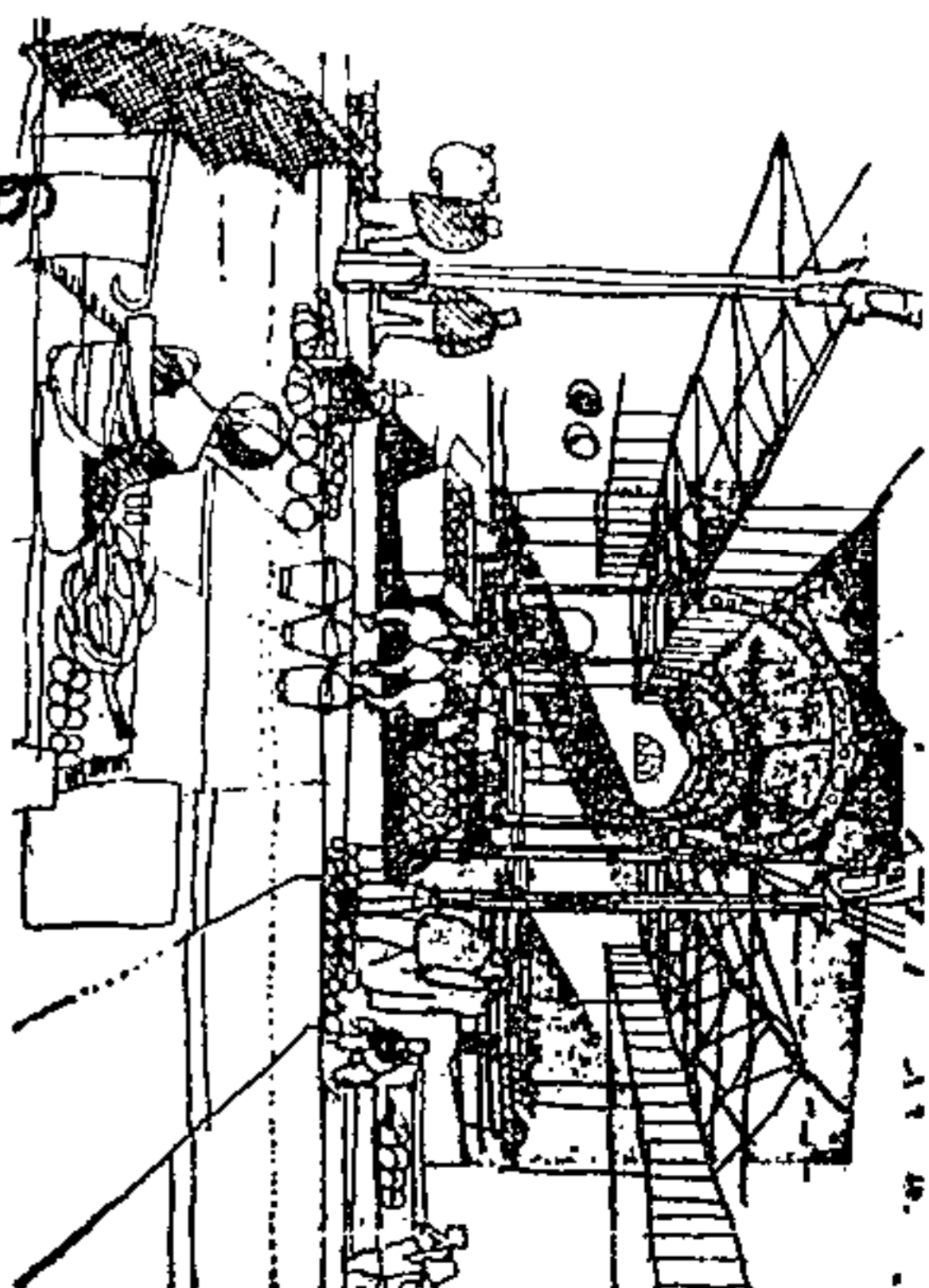
these sectors which have the potential to absorb more labour.



1. FORMALITY REDUCED FURTHER - HAWKERS ESTABLISH THEMSELVES ON A MORE PERMANENT BASIS - SHELTER MORE DURABLE - MUTUAL RE-INFORCEMENT BETWEEN FORMAL & LESS FORMAL BUSINESSES.



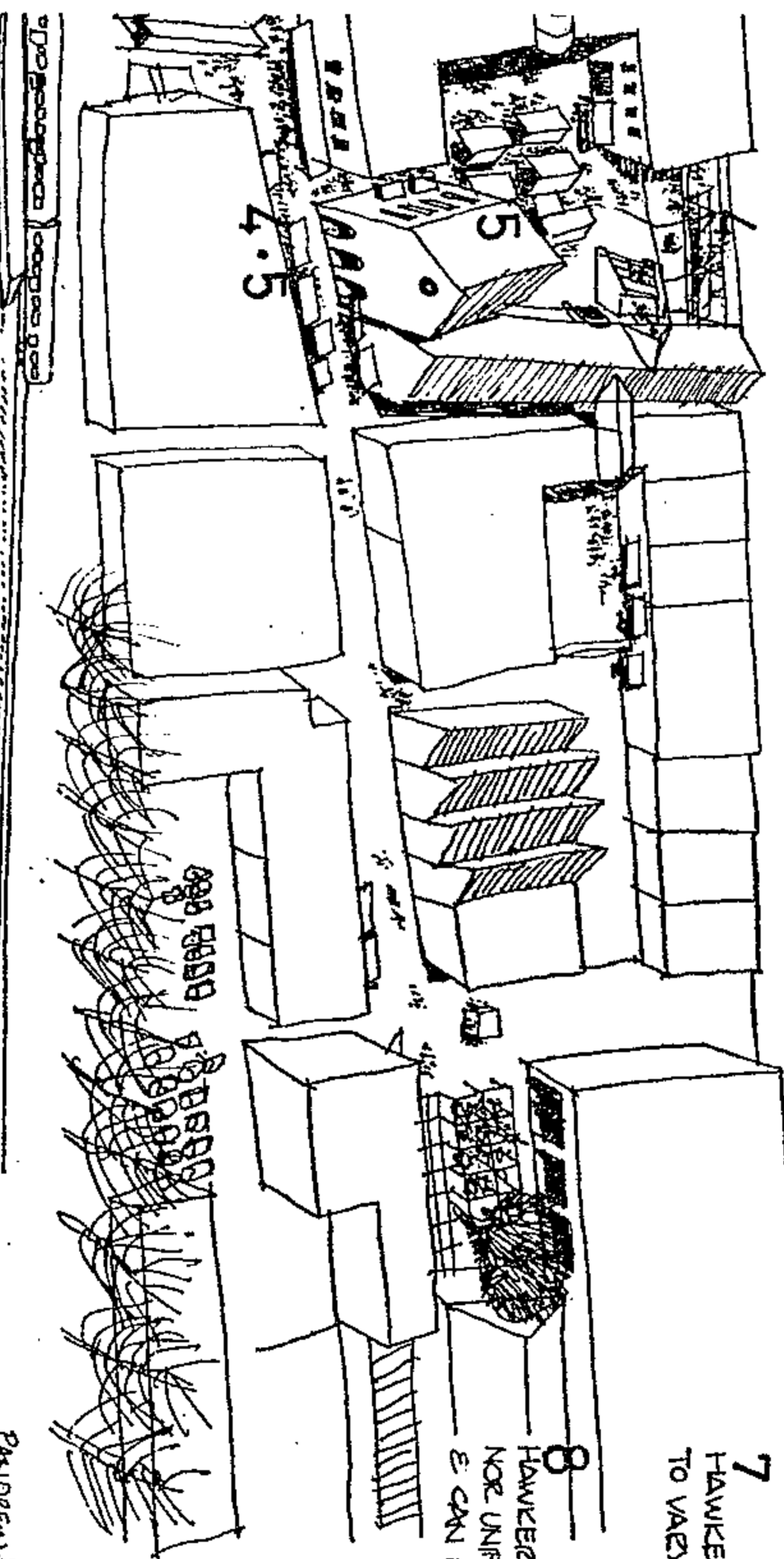
2. TO A POINT WHERE HAWKERS CAN TAKE OVER A WHOLE STREET.



3. HAWKER SPACE FORMALISED AT PEAK INTENSITY AND PEDESTRIAN FLOW.

4. HAWKER SPACES RELATE IN SIZE & DENSITY TO VARYING INTENSITIES OF PEDESTRIAN FLOW.

5. HAWKER SPACES ARE NEITHER CONTINUOUS NOR UNIFORM - THEY CAN VARY IN THICKNESS & CAN SWITCH SIDES OF THE STREET.



PAUL ANDREW '81.

SKETCHES of markets areas by UCT researchers. (1) Informal business would take place in a mainly formal shopping business thoroughfare. (2) Mobile hawkers would take advantage of changing pedestrian flows and changing opportunities. The reduced formality of the central business district would allow smaller shops to spill on pavements, and semi-permanent businesses to establish themselves. (4) Hawkers might establish themselves on a more permanent basis with more durable shelter. Formal and informal businesses would reinforce each other. (5) Hawkers could take over a whole street. (6) At this stage hawker space is formalised into a market place while less formal levels continue around the market and in the CBD.

(The sketches are by Paul Andrew of the UCT research Unit.)

Govt opens the door on black housing

Star 14/10/81

123

The Government concession which will allow property developers to buy land in black areas for housing development is a major step in the battle to overcome the black homes shortage, the president of the Association of Building Societies Mr Boet Viljoen, said today.

"Private developers will now be able to buy land, get it into their own names under the 99-year leasehold scheme and

pledge it to building societies for finance to build and sell," he told The Star.

Property developers cautiously welcomed the move.

The new deal was announced yesterday by Mr Viljoen at the annual meeting of the Association of Building Societies in Johannesburg, and by Dr Koornhof, Minister of Co-operation and Development.

"Our aim is that Government funds should be employed only to develop the required infrastructures," Dr Koornhof said. "The goal is then to draw the private sector and the individual into providing the actual housing needs."

In the past year, only R81-m had been given to administration boards for urban black housing. "How many homes can you build for that?" Dr Koornhof asked.

Mr T L Richards, president of the Witwatersrand Master Builders Association, said the new deal could mean a minor housing boom for contractors on the Reef.

RED TAPE

A spokesman for Gallic Construction said entrepreneurs would go for black housing development if it was practical and profitable and the Government cut the red tape.

D A Murray and Roberts spokesman said the new deal would cut red tape and give greater security to developers, but wondered whether the double registering of leaseholds — to the developer then to the house occupants — would delay matters.

Mercury Correspondent

JOHANNESBURG—White builders and property developers had been permitted to develop townships for blacks under the 99-year lease scheme, Mr Boet Viljoen, chairman of the Association of Building Societies, announced yesterday.

Speaking at the association's AGM in Johannesburg, Mr Viljoen said: 'This is an important breakthrough in speeding up the provision of housing in black townships'.

Progress to date, he said, had not been satisfactory.

Mr Viljoen said Dr Piet Koornhof, Minister of Co-operation and Development, had told him yesterday that a recommendation of the Viljoen Commission that white developers be permitted to provide housing for blacks under the 99-year lease scheme had been accepted.

Legislation permitting this, he said, had been enacted unnoticed by Parliament last week.

Mr Viljoen said the new rule allowed white developers and home builders to obtain title to land in black areas, develop it and sell it off at a profit, just as happens today in white areas.

Mr P J Badenhorst, managing director of the United Building Society, said the new rule was 'highly significant' and would speed up black township development.

He believed building societies would be keen to develop townships in black areas along the lines they were doing in white areas.

'But first we have to persuade blacks that home ownership is preferable to renting, although it is apparently more expensive,' he said.

Dr J G van der Horst, chairman of Old Mutual, told the meeting that 'the dream of home ownership could be brought nearer to realisation for more than 100 000 families in towns like Soweto if the rented homes there were to be sold at cost-related prices.

'We have a precedent in Britain where, by next year, some 140 000 so-called council houses will have been sold to their occupants at original cost.'

Dr van der Horst said 'accommodating the urban black citizen holds the greatest challenge yet faced by building societies'.

Our parliamentary correspondent reports that the Government intended to limit its contribution for urban black housing mainly to the provision of infrastructure, says Dr Piet Koornhof, Minister of Co-operation and Development.

The private sector and individuals would have to play a major role in erecting individual dwellings, he told yesterday's National Party Cape congress.

This represented a major shift in Government approach. Previously it had regarded housing as a vital part of influx control.

The acceptance of private sector involvement indicated greater acceptance of black urbanisation.

Whites
can build
homes and
townships
for blacks

123 NM 14/10/81

Govt bid to beat black

homes crisis

RDM 14-10-87

~~377~~ 123

During his speech at the Cape congress, Dr Koornhof described South Africa's housing problem as colossal and said State funds could not cope with it.

Amount

The amount budgeted for all administration boards serving 312 urban black areas was R81,5-million.

"Now you can work out for yourselves how many houses can be built on that amount," Dr Koornhof said.

State funds would be primarily used for the provision of roads, sewerage and water facilities while a "concerted effort" would have to be made to draw the private sector into contributing towards the building of dwellings.

"If we do not succeed in doing this we cannot meet the housing needs of blacks in the next 50 or even 100 years," Dr Koornhof said.

Commenting on Dr Koornhof's speech, Mr Colin Eglin, Opposition spokesman on community development, said he welcomed the Government's realisation that State funds could not solve the housing problem.

"The Government must still put in substantially more money," he said.

Mr Eglin has repeatedly called for the type of innovations in the provision of housing for which Dr Koornhof now appears to be paving the way.

Breakthrough

Speaking at the annual meeting of the association in Johannesburg, Mr Viljoen said: "This is an important breakthrough in speeding up the provision of housing in black townships."

He said Dr Koornhof told him that a recommendation of the Viljoen Commission of Inquiry that white developers be permitted to provide housing for blacks under the 99-year lease scheme had been accepted.

Legislation permitting this was enacted unnoticed last week.

By HELEN ZILLE

THE Government has decided to let private builders build houses in Soweto and black townships in a new attempt to overcome the severe housing shortage.

And an elated Mr Boet Viljoen, chairman of the Association of Building Societies, said yesterday that the way was now clear for private developers to solve the black housing problem.

The Government decision emerged at the National Party's Cape Congress yesterday when Dr Piet Koornhof, Minister of Co-operation and Development, said the Government would have to limit its contribution to the provision of an infra-structure.

The private sector and individuals would have to play a major role in erecting dwellings. This represents a major shift in the Government's approach to black housing.

Strict

Previously it has kept strict control over the provision of housing, regarding this as a vital part of its influx policy. By limiting the number of houses for urban blacks, the Government has attempted to apply strict control over the migration from rural to urban areas.

The acceptance of the private sector's involvement in housing indicates an increased acceptance of urban migration and the permanence of an urban black community.

Dr Koornhof referred to the recently completed report of the Viljoen Committee that investigated urban black housing as a "good report" and said the Government agreed with many of its recommendations.

It is reliably understood that the Viljoen Committee has recommended that the Government's contribution to urban black housing should be confined mainly to the provision of land and infrastructure as well as "specialist housing" such as old age homes.

Either private concerns could erect dwellings for rent or sale under the 99-year lease system to employees, or lending institutions could provide loans at sub-economic interest rates to individuals to build their own homes.

The State's role would be to provide a subsidy to bridge the gap between the sub-economic interest rate the individual could afford to pay and the economic interest rate at which lending institutions were prepared to

THURSDAY, OCTOBER 15, 1981

NEVER THEIR OWN

LEASEHOLD, other than for those who can generate some reasonable financial return from the property to offset the disadvantage of maintaining and developing something that is not theirs, holds little attraction whatever and certainly not for a person of limited means seeking a home. That is probably why blacks have not been particularly interested in offers over the years of, at first, 30-year leases and currently 99-year leases on property in those few urban areas where it is available to them in this way.

No doubt because it has recognised the futility of persisting with a restriction which has made it that much more difficult for officialdom to make any significant dent at all in the backlog of black housing — conservatively estimated at 420 000 overall and about 160 000 in urban areas — the Government has amended the Blacks (Urban Areas) Consolidation Act allowing people other than blacks to acquire leasehold rights in administration board areas, which will open the way for private enterprise — mainly employers — to play a role in overcoming what is a R3 200 million problem.

This latest concession is an improvement, but as well-intentioned as it may be, the change is not likely to have a major impact on the problem in the short term for the reason that, in the case of Natal for example, land intended for 99-year leases is not yet available for development on a significant scale, and employers in any event are going to have to be persuaded that it is in their interests to invest the considerable sums that will be necessary to make it worthwhile.

Dr Piet Koornhof, Minister of Cooperation and Development, told Parliament at the beginning of the

month that some of the land had not been transferred to the administration boards, and in one area there were planning problems. No leases had so far been granted in the province.

Allowing the employers of black staff to build homes for their workers will help, and that is to be welcomed, but far more dramatic action is needed than this or the pathetic 5 814 houses this Government was able to erect in the 1980/81 financial year.

The problem is, of course, primarily sociological but it is being aggravated by ideology and the general inflexibility of the Government's housing policy.

The task is simply too big for conventional methods, and if social problems as potentially disruptive and dangerous as large-scale unemployment are to be avoided there will have to be a controlled relaxation of standards so that more can be built for less, and far more quickly.

Prof Gaven Maasdorp of the Economic Research Unit at the University of Natal has pointed out that a significant majority of blacks do not want a township house as their top priority. Much more important, according to research, are services such as water and sanitation, security of tenure (a home of their own), jobs and education.

The deputy director of Futures Research at Stellenbosch University, Prof P H Spies, says a revolutionary approach to black housing is essential. Why not a search for answers in a purely scientific examination of the subject by the Human Sciences Research Council, or is the Government afraid that this would expose more of its ideological nonsense?

Call for low-cost housing to solve backlog

Argus 15/10/81
123

ALTERNATIVE acceptable methods of housing for the lower income groups would have to be used if the country was to keep up with the demand. The Deputy Minister of Community Development, Mr P Cronje, said in Cape Town yesterday.

He told the Historical Society of Wynberg Boys' High School that a committee of inquiry was investigating the possibility of providing houses for lower income groups on a large scale by way of non-conventional methods such as site-and-service and self-help schemes.

BIG BACKLOG

Apart from the backlog in housing, the natural increase in the population in South Africa meant the building of 30 000 homes a year for whites, 13 000 for coloured people, 4 200 for Asians and 36 000 for blacks.

The existing backlog for housing was 45 000 for coloured, 19 000 for Asians and 160 000 for blacks outside the national states.

In the past five years the Department of Community Development had built and financed 138 683 housing units — one house every 3,5 minutes of each working day.

Rive to stay on — optimistic at homes plan

RDM 15.10.81 By MARTIN FEINSTEIN (123)

SOWETO'S super-planner, Mr Louis Rive — the man who threatened to quit unless red tape in the townships was slashed — has promised to stay on.

The Government's go-ahead for private enterprise to build houses in black areas has "put my mind at rest" that this was happening, the former Postmaster-General and now chairman of the Greater Soweto Planning Council said yesterday.

And the chairman of the West Rand Administration Board, Mr J Knoetze, revealed that the backlog of 99-year leasehold site surveys — the scheme's biggest hold-up — would almost certainly be wiped out by early next year.

Mr Rive and Mr Knoetze were speaking at a Press conference yesterday on Tuesday's announcement by the Minister of Co-operation and Development, Dr Piet Koornhof, that employers and lending houses could build, sell, rent or finance homes in the townships.

Mr Rive said: "The heartening aspect is that the private sector will now be able to make a much bigger contribution to alleviating the housing problem."

Mr Knoetze warned, however, that the Viljoen report on black housing had not yet been released "and many details still have to be



Mr LOUIS RIVE
his mind has been put at rest.

worked out — although the important thing is that the principle has been accepted".

Calling on black estate agents to set up shop in Soweto "so that there can be a process of buying and selling houses", Mr Knoetze said the existing Housing Bureau might be expanded as part of a "plan to co-ordinate action between the private sector, Government and potential buyers".

He revealed that by aerial surveying of township sites the major stumbling block in the way of 99-year leasehold could be eliminated "very early in the New Year".

Dramatic move for black housing bonds

123
16/10/81

Property Editor

FORMER Postmaster-General Louis Rive, now in charge of Soweto development, yesterday called for 'housing bonds' for blacks, on the lines of defence bonds.

He told the Association of Chambers of Commerce congress in Durban yesterday that it was time formalities for providing black housing were cut.

It was no use congresses talking year after year. 'It is time to cut the cackle and get things done.'

Mr Rive put forward his plan when discussing what he termed the new dispensation in black housing.

He forecast a change in the spending patterns for blacks because housing would become a high priority.

Prizes

The black man, he said, was a good saver but was not a big investor in defence bonds.

'Can't we involve ourselves in selling housing bonds to him?' he asked.

After his speech, he told the Mercury that the bonds he had in mind would be for blacks only and could carry prizes — 'maybe even a house'.

Mr Rive described housing as 'our second front'.

'We were heading for disaster, and unless we can succeed in containing the problems by a big joint effort between the State and private sector, we still could be heading for disaster.'

Mr Rive said he believed the priority was to upgrade homes. There were 105 000 houses in Soweto of which 98,5 percent had two bedrooms.

If one extra room were added it would increase the sleeping capacity by 50 percent.

He said 80 percent of blacks were prepared to upgrade their homes if they were given assistance and 'if we can get rid of red tape'.

When a black applied to buy a home, there were 29 steps he had to go through, all of which could cause delay or rejection.

He believed it was no longer necessary to appoint commissions and committees but to realise that local authorities, black and white, should dictate what should be done in local conditions.

Mr Rive said housing problems could not be solved unless blacks were motivated, and they could be motivated if they were involved.

He asked delegates to consider the difference in attitudes to a house 'given condescendingly' or that given and developed with 'sweet equity'.

He believed it was not necessary for a man to have a R20 000 house straight away but to have a R5 000 house and help him to upgrade it over the years.

He said financial institutions and big and small employers should take part in exploring all types of housing, including shell and core and mini housing on serviced land.

He suggested there should also be a centre where blacks could be guided into methods of upgrading and a place to buy materials for building — owned by black entrepreneurs.

Get rid of rent control

NM

16/10/81

123

Finance Reporter

IT WILL take a century to catch up with the backlog of housing if the country sticks to its conventional approach, the Assocom congress was told in Durban yesterday.

It was also told that the failure of the Government to carry out its promise of eliminating rent control meant that no flats were being built and there was an acute shortage of rented accommodation.

An urgent plea was made for the Government to abolish rent control completely and immediately so that property investors could be encouraged to build for rental.

Assocom called on the Government to publish the full findings of the Viljoen panel on low-cost housing as soon as possible.

Country areas

But one country delegate said that pensioners and people of limited income should be attracted to the country because there was an adequate supply of houses and rentals were reasonable, due to the depopulation of the country areas.

Speakers emphasised that the black housing backlog should be tackled urgently.

Mr R Drew, of the Durban Chamber of Commerce, said a survey in Durban last year showed 92 000 houses were needed and this figure was increasing by 7 000 units a year.

In Soweto the shortage was 34 000, which was increasing by 4 000 units a year.

Urgent

Delegates unanimously endorsed a motion by the Cape Town and Springs chambers calling for the urgent provision of housing for all sections of the community.

They recommended that the public and private sectors should give continuing and urgent attention to the formulation of a range of policies and practical procedures to increase the provision of housing throughout South Africa.

The speakers emphasised that the time for debate was over and it was time for action.

Sensible

Good housing was a major contribution to a good and contented work force. The provision of satisfactory housing should not be regarded as a social obligation but rather as a sensible business investment.

Seconding the proposal, the Springs chamber said much could be done to improve the standard of housing being provided.

The country had become 'over-specified' with each municipality having its own rules and regulations.

It was agreed that people should be given a choice in the type of housing they wished to occupy, and an appeal was made for a revision of building standards so that satisfactory housing, without the present plethora of restrictions, could be erected rapidly.

Black homes bond plan is suggested by Rive

THE man in charge of the development of Soweto, former Postmaster-General Mr Louis Rive, has suggested the introduction of housing bonds on the lines of the defence bonds — but for blacks only.

At the Association of Chambers of Commerce congress in Durban yesterday, Mr Rive said it was time the red tape was cut in the formalities for providing housing for blacks.

The black man, he said, is a good saver but is not a big investor in defence bonds.

"Can we not involve ourselves in selling him housing bonds?" he asked.

He later said the bonds he had in mind would be for blacks only and could carry prizes — maybe even a house.

Mr Rive described housing as "our second front".

"I hope the Viljoen Report (on housing) will be the beginning of a new era in housing because unless we overcome our prob-

Mail Correspondent

lems, we are in for a lot more problems in the future," he said.

Mr Rive said he believed the priority is to upgrade homes. He said there were 105 000 houses in Soweto of which 98,5% had two bedrooms. If one extra room was added it would increase the sleeping capacity by 50%.

He said 80% of blacks were prepared to upgrade their homes if they were given assistance.

When a black applied to buy a home, there were 29 steps he had to go through, all of which could cause delay or rejection.

He believed local authorities, black and white, should dictate what should be done in local

conditions.

"It cannot be done from Pretoria," he said.

Mr Rive said housing problems could not be solved unless blacks were motivated and they could be motivated if they were involved.

He believed it was not necessary for a man to have a R20 000 house straight away, but to have a R5 000 house and help him to upgrade it over the years.

On private sector involvement he said financial institutions and employers should co-operate and all types of housing should be explored, including shell and core and mini housing on serviced land.

Efficiency

Speaking of Soweto's housing, Mr Rive said a housing bureau should be staffed by those whose watchword is efficiency and who could cut red tape. There should also be a centre where blacks could be guided into methods of upgrading and a place to buy materials for building — owned by black entrepreneurs.

Durban Chamber delegate said there was a backlog of 92 000 homes in metropolitan Durban. The chamber had calculated that if 900 units were built a year it would take 16 years to work off the waiting list. And in order to overcome the whole problem it would take 100 years.

● The congress recommended that the Viljoen Panel report be published as soon as possible, studied and implemented nationally, including non-independent black states.

BLACK HOMES

123

The government opens the way for the private sector and individuals to build homes in black townships. Government's strict control over the provision of black housing has been a central feature of its influx control policy. FM 16/10/81

BLACK HOUSING

Clearing the way



123

FM 16/10/81

In speech after speech Nationalist politicians have placed much of the onus for providing urban black housing on the private sector.

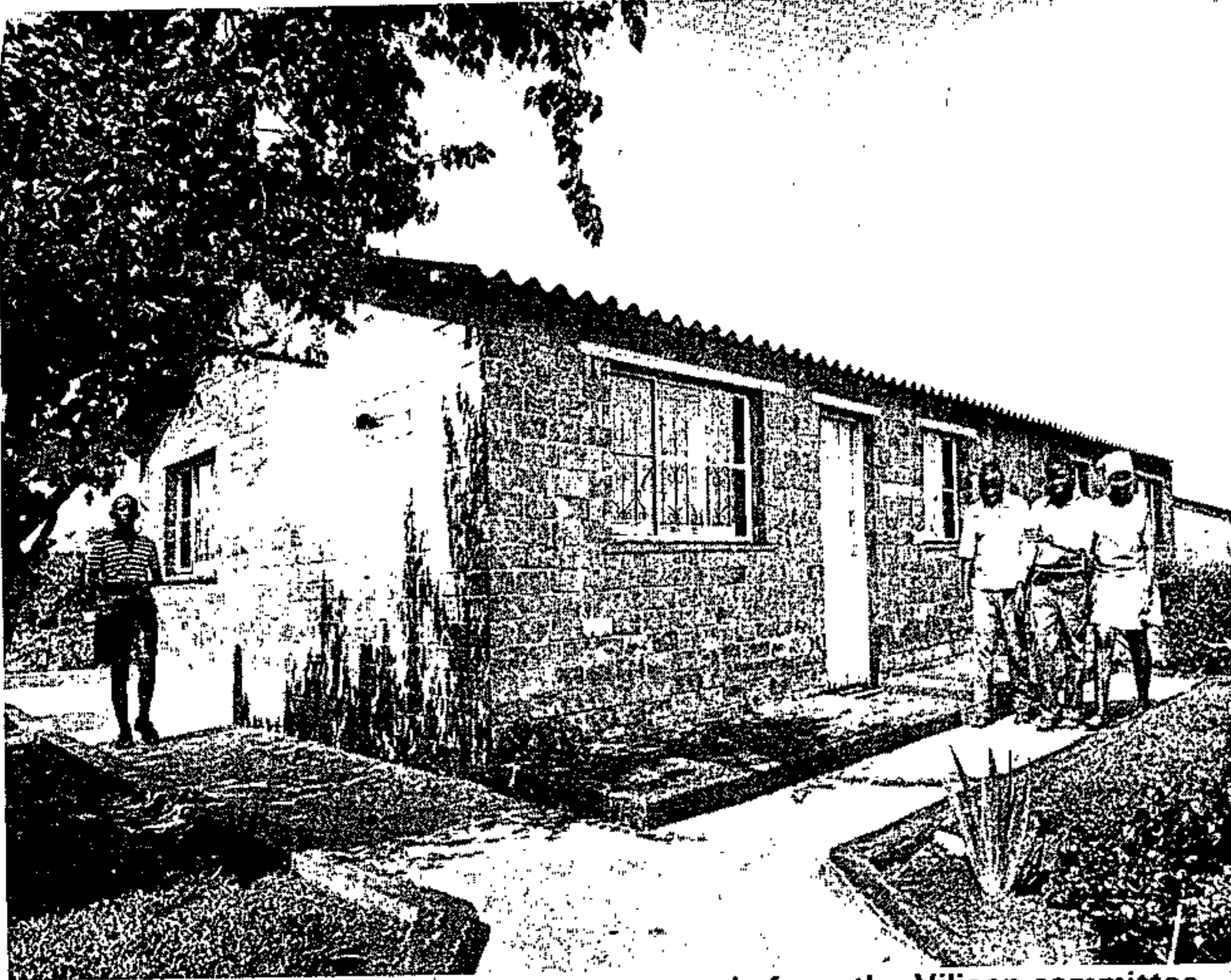
It was therefore appropriate that Co-operation and Development Minister Piet Koornhof announced this week that government has accepted many of the recommendations of the Viljoen Committee investigating private sector involvement in housing in Soweto. A key recommendation, which gov-

ernment adopted through an amendment to the Black (Urban Areas) Consolidation Act last week, will allow private builders to put up houses in black townships. This is a radical departure from previous policy and paves the way for large-scale private sector involvement in providing housing for urban blacks.

However, government still has to take bold steps to eliminate problems hampering private sector efforts. When three major

employers called the Urban Foundation in Johannesburg last Friday for advice about how they could help their black employees, they were told by a senior official: "Forget it, there's no land available."

The Foundation's Transvaal region MD, Pat Dempster, tells the FM that when it was recently announced that 250 stands were available at Katlehong on the East Rand, 3 500 applications were received in six weeks. Meanwhile, the prices of houses



Urban black housing ... important proposals from the Viljoen committee

in urban black areas are being inflated by the land shortage. A Sowetan who built a house for R26 000 last year sold it last week for R62 000.

But money is not the nub of the problem. A few years ago the Urban Foundation raised R30m abroad for housing, R25m of which still remains unused — primarily because of the land problem, says Dempster. The shortage of land is only one of the problems facing employers willing to aid black employees. The 99-year leasehold scheme — a cornerstone of efforts to create a settled, stable urban black population — was introduced three years ago, but so far only about 1 200 leases have been registered nationwide. It is hoped that Koornhof's announcement will result in a rapid increase in registrations in the near future.

Lengthy delays because of the time it has taken to survey plots, as well as numerous bureaucratic hassles, have resulted in minimal private sector participation. Now there is cause for growing alarm about the size of the housing shortage: the backlog in Soweto alone is officially estimated to be 35 000 units, increasing at the rate of 4 000 a year.

Fortunately, the Viljoen Committee recommendations — coming as they do from a panel of experts appointed by Koornhof — could help considerably to alleviate the housing shortage.

On the agenda of this week's Assocom conference was a motion calling on government to make these recommendations public immediately and to apply them throughout SA, including the homelands.

Among the committee's recommendations are:

□ That an adequate supply of land suitable for housing be made available immediately. This would necessitate the acquisition of "raw" — presumably new — land and the

provision of infrastructure on this and other available land. The committee has also recommended that private sector housing development be permitted on State-developed land. In the past, only State housing has been permitted on such land.

The allocation of additional land for black housing in urban areas is obviously fraught with political problems. That 10 cities the size of Soweto are needed by the year 2 000 is common knowledge. But as West Rand Administration Board chairman John Knoetze told a seminar on black housing earlier this year, at least one of these will



Minister Koornhof ... allowing white development

have to be built in Johannesburg as an extension or addition to Soweto.

□ A revision of the subsidy system. The committee believes that subsidies and the criteria for determining eligibility for subsidies should be the same whether the individual hires or buys State-produced housing or whether he borrows private sector finance, or State finance through a building society. The long-term objective should be that subsidisation is limited to genuine welfare cases.

At present, subsidies are available only if housing is built through the Department of Community Development. If housing is erected privately, with an employer loan, for example, subsidies are not available. Many employers are reluctant to lend money which they have had to borrow at high interest rates when other loans are available at subsidised interest rates.

□ The establishment of a committee on which the private sector is strongly represented, reporting to the Minister of Finance to examine the financial implications of subsidising housing.

□ Changes to Section 11 (t) of the Income Tax Act. At present, 50% of the amount spent on advances or funds for the erection of employees' housing, up to a maximum cost of R8 000, may be deducted from taxable income in the year the money is spent. The committee recommends that the current limit of R4 000 (50% of R8 000) be increased to R6 000.

□ The amendment to the Black (Urban Areas) Consolidation Act, permitting 99-year leases to be registered by non-blacks, has far-reaching implications for employer-assisted housing provision.

The major import of the amendment is that employers or developers will be able to buy property on 99-year lease for housing development from administration boards. It could also mean that if government gives legislative form to the Riekerk recommendation that influx control be tied to the availability of housing and jobs, an employer could guarantee the right of his employees to be in an urban area — if he provides accommodation.

Says Barlow's Oscar Graupner: "One of the major problems facing employers in the past has been the availability of finance. The proposed amendment will allow employers to acquire leasehold rights in their own name and so borrow building society money."

□ The formation of a utility housing corporation or corporations to help co-ordinate and mobilise private sector resources.

Says one housing expert: "If employers are going to participate it will be beneficial for them to organise themselves into groups where there is a shared, co-ordinated service such as the Belhar scheme organised by the Cape Town Chamber of Commerce." (The scheme provides housing for coloureds near Bellville.)

Meanwhile, the private sector is gaining experience in overcoming the problems it

Developers wary of black housing

By SUSAN DALLAS

DEVELOPERS are unlikely to rush into the "treacherous" venture of building houses in black areas until it is profitable to do so.

But employers prepared to lay out money for their employees — moved more by charity than possible profit — will be glad of the opportunity to own land in black townships and rent it out.

This was the prediction of several building industry spokesmen interviewed yesterday on the Government's announcement that white developers would be allowed to own but not occupy land in black townships.

White developers and building societies have built houses in black areas before, but have never legally owned the land or the house although they sold it.

A spokesman for a large development company said: "Selling houses to blacks is not big volume business for any developer because most blacks still find buying a home an unattractive proposition.

"Why should they pay R100 a month on a bond when they can pay R24 a month in subsidised rent?"

He said if a developer had money and the facilities to build, it would certainly be more profitable to build white housing which was still in high demand.

A private developer or employer who rented out property in a black area faced competition from the subsidised rentals charged for administration board housing.

To rent at these sub-economic levels might not even keep pace with the interest rate he paid for money invested in the development.

Before there was any rush by developers to build houses for blacks "on spec" — not on order but to sell at random — it would have to be more profitable and developers would have to see the form of the security of land tenure offered, the spokesman said.

Until now, building societies or developers building in townships obtained a temporary allocation of land from the administration board concerned and held it until they sold the house.

Mr Alan Roulier, of Murray & Roberts Construction, said his company would continue to follow this practice.

He thought it unlikely M&R would want to register land in its own name under the 99-year leasehold scheme.

But he hailed it as a step in the right direction and said employers would benefit from increased security of tenure and would probably be more eager to house their employees.

Mr Alan Schlesinger, managing director of Schachat-Cullum group, said the company would discuss the implications of the Government's new ruling with administration boards.

"Now may be the time for us to move more actively into black housing.

"If building societies say they will definitely provide bonds for black housing projects, even though funds are short, I think it would be a big boost," he said.

NDM
16/10/81
123

Massive task ahead in providing homes and jobs for blacks

By PAUL DOLD *
Financial Editor

THE vast task facing both government and the private sector in providing housing and jobs for blacks was sharply underlined this week in two key speeches.

Old Mutual's Dr J G Van der Horst, one of the country's leading financiers, tackled the housing issue:

"We are now starting to recognize that the blacks are in the cities to stay and that unless we want restlessness and revolution there must be housing, schooling and community facilities," he told the Association of Building Societies' annual meeting.

"It was government belief that in 1978 the tide was going to turn and that there would be an egress of black citizens from the cities and because their black citizens were considered as temporary sojourners in the cities and were going to return increasingly to the homelands it was not necessary to spending substantially on black housing.

"In fact, during the years 1972 — 1976 only 5.7 percent of the Department of Community Development's funds were allocated to black housing in white areas. These beliefs, however disregarded the great demographic movement to the cities in the whole world."

The current housing backlog in all black urban areas is estimated to be 169 000 units (excluding about 258 000 houses immediately needed in the trust areas.)

Dr Van der Horst said that at R10 000 a house it would cost R1.2-billion to provide

120 000 houses a year. On the same basis it will cost R1.7-billion to wipe out the current backlog in black urban houses.

South Africa could immediately bring home ownership nearer to realization for more than 100 000 families who live in towns like Soweto by offering to sell houses to the existing tenants at a cost-related price.

"This will not be a sacrifice by the Department of Community Development or by administration boards because the rentals the tenants are currently paying are being subsidized in any event. Instead of present tenants, therefore, paying rentals related to cost they will be able to buy at a price related to cost. The whole matter would simply involve a book entry."

Probing why only about 1 300 of the 99-year leases have thus far been registered he said there were several reasons, including the absence of estate agents and the fact that all the houses for sale belong to the authorities. Most important was the question of price.

"I am not referring to the price in absolute terms but to the price when the cost of raising the capital to buy is compared to the subsidized rental being paid makes it uneconomical to the person to buy.

"In short, it is better for him to rent at a subsidized rental than to buy at market value with capital raised at current interests. Uneconomical from the tenants point of view it certainly is. But is it really uneconomical from the national viewpoint con-

sidering the benefits that home ownership bring to a community, if we sell at cost?

Such a scheme had a precedent in Britain where about one third of the housing stock consisted of so-called council houses. In 1979 the Conservative government had passed the "right to buy" legislation and actively encouraged the sale of these council or local authority houses.

All council house tenants of over three years' standing have the right to buy their houses at cost and are guaranteed a mortgage from either a building society or the local authority.

Up to the end of March this year some 118 000 houses had been sold under the scheme and by March next year the figure should be around 240 000.

"This staggering number of houses will make a substantial contribution to the privatization of home ownership and this will contribute to political and social stability. The details of this scheme and its success clearly hold lessons for the South African situation.

"The success of such a scheme in South Africa would remove one of the major stumbling blocks to the development of a black housing market — the relatively small number of currently privately owned houses by blacks and the vicious circle it sets up."

In Durban Professor Jan Lombard former special adviser to the Reserve Bank tackled the job creation issue warning of increased urban drift.

He told the Assocom conference that South Africa was entering a second industrial revolution which would be based on the skills of trained black people and not on the skills of white immigrants as had been the case in the sixties, reports our Durban correspondent.

"There will be a massive migration of Africans from the rural areas of Southern Africa to the industrial growth poles of the region."

The government could be expected to "seriously embark on a major programme of sub-regional decentralization of economic activity.

"Unless the government of Mr Botha undertakes such a major decentralization programme the entire tradition of political pluralism in South Africa must be mortally endangered.

"And with the disappearance of the present geographic distribution of ethnic pluralism will also disappear, the chances of a peaceful transition to normal participation by blacks in the political processes of the Southern African region with a confederal or a federal constitutional dispensation."

Professor Lombard said

that if it were assumed that such a programme was launched next year "a very considerable adjustment in the geographic distribution of physical capital formation must be expected."

He said that at least R18 000m would have to be spent in the rest of this decade in areas outside the pvt and Durban's metropolitan area. That would be about R2 000m a year, of which half might come from the public sector.

He said that the economic outlook in the region for the 1980s was bright. From the international economy exciting injections of business activity in the short run could not be expected "since the Reagan policy must have its sanitary impact".

In the long run stable real growth in international trade would benefit the South African economy.

The mining industry would not repeat its performance in the 1980s but should see a relatively more stable period of expansion.

South Africa had the economic means to spread material welfare to all its people through the process of rapid economic growth — the success hinges on "our manpower training programmes — including the general educational basis of our economy.

The training programmes had to take the place of immigration.

Some of the implications were that the building industry would have to provide more modest houses for black middle-class urbanites.

The De Lange report had indicated that 250 000 teachers would have to be trained in the next 20 years.

"The social and political implications of this second industrial revolution will be immensely different from the implications of the earlier process based on European immigration.

"While these immigrants were imperceptibly absorbed into the existing political institutions of the domestic urban society this is obviously not what is going to happen to the African migrants.

"If the convergence of people from rural areas to the Pretoria, Witwatersrand-Vereeniging (PWV) area is to continue so that over the next two decades, say 40 percent of the population is concentrated in that area instead of the present 26 percent, the political adjustments and reforms which will be required will undoubtedly be completely unacceptable in terms of the political philosophy of the supporters of the present South African government, and these adjustments may well be equally unpalatable to many leaders of the black states in Southern Africa as well."

More immigrants — more housing

By Vera Beljakova

S. Times 18/10/81 ~~123~~ 123

CONSIDERABLY more housing units are needed if South Africa continues combating local skills shortages through immigration.

During the first quarter of 1981 the official net immigration figure rose to 7 391, which is a 250% increase on the same period last year.

Should this increase continue throughout the rest of the year, net immigration will reach 30 000 at least by December — and this figure does not include the illegals who arrive on tourist visas and then apply for permanent residence and work permits.

If an average family numbers three, an additional 10 000 housing units will be needed by December to accommodate the immigrants.

This means that more than 800 homes must be created each month to satisfy newly imported and highly essential manpower.

This is over and above the natural population growth in housing demand in South Africa.

The committee headed by Mr Boet Viljoen, Association of Building Societies president, started off as a low-key effort to find ways of cutting the red tape and bureaucracy blocking black housing.

But it has now become the focus for all hopes raised by official promises that the black housing crisis will indeed be tackled and overcome.

When the Viljoen Committee was set up in May — at the suggestion of Mr Louis Rive, Soweto planning chief — it was expected to report exclusively on the Soweto situation.

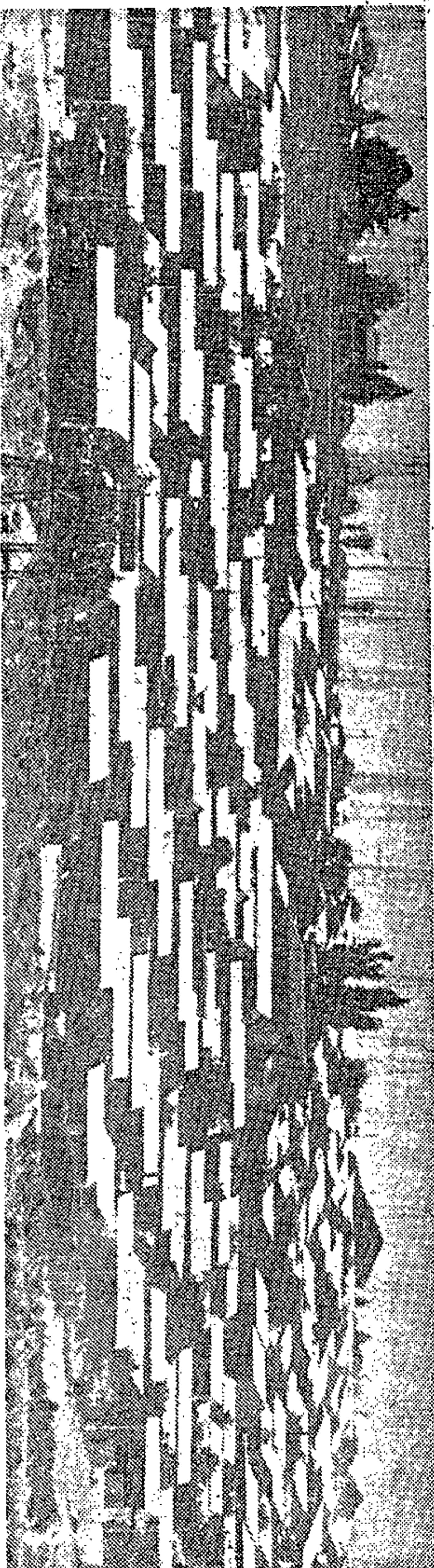
Red tape

Its report is now eagerly awaited by all urban black authorities experiencing the sort of delays and red tape that led to Mr Rive to act by threatening to leave his key planning job by the end of the year if the problem was not tackled urgently.

Delays like the 29 official steps that a black householder has to go through just to get permission to extend his home and the months-long procedures that accompany an application for a 99-year leasehold.

At this week's Assocom congress in Durban, Mr Rive fulminated — yet again — against Pretoria's bureaucracy in throttling the initiative of local authorities.

The litany of chaos, con-



Preventing chaos

fusion and sheer lack of understanding over the urban black housing situation has been stunning:

● In many areas black house building was frozen in the late 1960s. This official action was based on expectations that urban blacks would simply be going back to homelands. The policy was taken to its painful conclusion by local authorities which decided on a white-by-night law within their boundaries.

No provision

Provision was not even made for the natural population increase in most urban black areas over the past 12 years. For instance, Soweto needs about 4 000 new homes each year for this

The Viljoen Committee report on ways of speeding up black home building holds possibly the last hope of preventing urban black areas sliding into total chaos.

Star 19/10/81

natural increase. This is more than the total number of homes built by the local authority during the past 10 years.

● A "new deal" in black housing — the 30-year leasehold scheme linked to the householder taking out homeland citizenship — was announced in mid-1975. It did not get off the ground.

● The leasehold scheme was amended in 1979 and 99-year leasehold was introduced. But to date only just over 1 000 leaseholds have been registered

One example is the latest Government effort to break the logjam — permission for private developers to buy land in black townships under leasehold title, build homes and sell to black buyers on an open market — which seems to lack clarity and purpose.

123

throughout the country — all of them in Reef townships. This has done little for the 90 000 black families needing accommodation in the PWV area alone.

● Local authorities were told recently by the Department of Community Development that there were no further funds available for low-cost housing.

It is clear that the quagmire of red tape and confusion is still bogging down the best efforts of administrators to get things moving.

ceived no details of even the basic workings of the new development. And to add to the confusion it was stated that no stands were available for private developers in Soweto, the area of greatest need.

All of which points to the hopes pinned on the Viljoen Committee report and the Government reaction to it which are both likely to be made public within the next month.

Possibilities

It is his (wellfounded?) faith in the Viljoen recommendations and the real difference they will make on the urban black housing scene that persuaded Mr Rive this week to resign his threat to resign.

What are the sort of things that the Viljoen report could recommend and which could change the

bedevilled accommodation scene? Possibly these:

- Approval for big black complexes like Soweto to go ahead with aerial surveys for the measuring and registration of stands. This will cut the present high costs of land surveying — about R300 per stand which has to be borne by the householder — and save a considerable amount of time.

- Permission for administration boards of black councils to use bridging capital — short-term loans raised from banks or other financial sources — to put in infrastructure and to build low income group housing.

- This would release boards from the many delays in the queue for state funds for housing schemes and could be one of the biggest pushes for speeding up home building.

- The permission for private enterprise to enter the black property development market.

Top administrators like Mr John Knoetze, chairman of the West Rand Administration Board, will not comment on details of the Viljoen report.

But what he does say is that he now sees light at the end of the tunnel — the sort of relief that prompted Mr Rive to say this week: "It looks to me as if developments put my mind at rest so that now we can jointly tackle the housing problem."

● Anthony Duigan is a staff reporter who has concentrated on development in the black areas.

Cash, but no land, for black housing

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THE Land Act of 1936, which set aside only 13% of the land in South Africa for blacks, is posing serious problems for building contractors who want to build houses for blacks.

Developers are finding that there is a shortage of space in Soweto and other black areas.

The Government has allowed white developers to build houses in Soweto and other black townships in an attempt to overcome the severe housing shortage.

Money

But developers are unlikely to rush into the venture of building houses in black areas, until it is profitable to do so.

Money for housing is available, according to the West Rand Administration Board.

The chairman of the Wrath, Mr. John Knoetze, said yesterday: "There is money available for housing in Soweto and other black areas. The board has money to help people build houses. We can also make arrangements for any applicant to acquire a loan from the financial institutions".

According to the Financial Mail three major employers of blacks sought advice from the Urban Foundation on how they could help their employees on housing and were told: "Forget it, there is no land available".

The foundation's regional managing director, Mr. Pat Dempster, was reported as say-

ing: "When it was recently announced that 250 stands were available at Kaitleng in the East Rand, 3 500 applications were received in six weeks. "Meanwhile, the prices of houses in urban areas are being inflated by the land shortage".

A Soweto resident who built a house for R26 000 last year, sold it last week for R62 000.

Money is not the problem. Mr. Dempster said: "A few years ago the Urban Foundation raised R30-million abroad for housing, R25-million of which still remains unused — primarily because of the land problem.

"The shortage of land is only one of the problems facing employers willing to aid black employees. The 99-year leasehold scheme — a cornerstone of efforts to create a settled stable urban black population — was introduced three years ago, but so far, only about 1 200 leases have been registered nationwide.

"It is hoped that Dr. Koorhof's announcement will result in the rapid increase in registration."

The journal said that bureaucracy and delays in surveying sites have resulted in minimal private sector participation.

Mail Reporter

Freehold for blacks new objective

Star 20/10/81

123

The door to Soweto and other black townships has been opened to the white homes developer and it could be that an even wider avenue is ahead, leading to freehold for the black property owner.

Since the implementation of 99-year lease for urban blacks, probably one of the main hurdles for its advance has been that the concession still falls short of the white man's rights — freehold property.

GREAT LEAP

It does not naturally follow that because commerce can move in strongly to the townships to provide the houses and help to ease the chronic shortage, that freehold rights will pass on to the black.

A white homebuilder can buy land in Soweto for homes and a building society can secure the bond under 99-year lease.

However, the Government has taken a great leap forward in the drive to provide homes for blacks and not only will the unrestricted entry of white builders create a competitiveness in home style and price, but there will be the advantageous spin-off of jobs at source.

NEW ERA

In the new era of house development, however, it would be pointless for white entrepreneurs to put up houses beyond the means of the people who are to live in them.

This point emerged from behind-the-scenes discussions at the recent Assocom congress. Backgrounds to motions on the national housing policy, while insisting that the housing situation could not be allowed to deteriorate further, pointed out that if low-income groups were to be satisfactorily housed it would be necessary to employ the full range of housing options.

"All houses should be designed to allow for further extensions and

homeowners should be given encouragement to extend their houses and thus increase the total accommodation," says a motion.

GUIDELINES

With an estimated shortage of 170 000 dwelling units in the black urban areas and a further 258 000 units in the non-independent homelands, there can be no instant solutions to the housing problems of the townships.

Now, however, the way is clear for commercial involvement with its guidelines and housing options. It is believed that four-fifths of the people in Soweto are prepared to upgrade their homes if given the proper assistance.

Mr Louis Rive, chairman of the Greater Soweto Planning Council said that of the 105 000 homes in Soweto, 98,5 percent are two-bedroom units. If one room was added, ac-

commodation would automatically rise 50 percent.

On the question of guidelines, Mr Rive urged the establishing of advisory bureau throughout the country under the auspices of Assocom, the Federated Chamber of Industries, the Building Industries' Federation and the Afrikaanse Handelsinstituut.

Allied to these would be retail centres concentrating on the supply of building materials for self-help schemes and "do-it-yourselfers."

SUSTAINED

It is estimated that it will take R3 200-million a year to clear the housing backlog and that during the next 20 years five or six cities the size of Soweto will have to be created.

It is in the light of these figures that there can be no delay to ensure stability as the opportunities now open up for a sustained housing programme at all levels.

Koornhof praised for initiative

Praising the Minister of Co-operation and Development, Mr Piet Koornhof, for his initiative in allowing white entrepreneurs to move into black townships, Mr Lou Davis, executive director of the Building Industries Federation, said: "Now we are at least moving in the right direction."

CONFIDENCE

"How long will we now have to wait for black people to enjoy the right and title of the ownership of their own piece of South Africa — thereby giving them something to cherish and defend?"

It is in this mood of renewed confidence that Bifsa opens its 76th congress in East London next Monday with a

timely theme — Small Business Enterprise in the Building Industry.

It is significant, too, that the congress is being held in East London, an acknowledged growth point and a city "synonymous with progressive planning in consultation with all race groups in the area."

STABILITY

"Institution and corporations will be forced more and more to divert increasing proportions of earnings into black workers' housing needs," says Mr Davis, "as an ever-growing perk towards stabilising work forces."

"These forces are awakening to the fact that labour relations will have a significant effect on boardroom decisions."

KD 20-10-81
1 000 homes a month needed for immigrants

A THOUSAND homes a month would be needed to accommodate the expected inflow of immigrants to South Africa this year, the new president of the Institute of Estate Agents, Mr Basii Elk, said yesterday in a statement.

This is in addition to an estimated housing backlog of some 20 000 units.

Two of the problems were the lack of rental accommodation because no new flats were being built and thousands of flats were being converted and sold off because of sectional titles. — Sapa.

New ways to boost housing funds proposed

CT 22/10/81
(123)

Industrial Reporter

NEW measures to increase funds for housing in South Africa were yesterday mooted by the Director-General of Finance, Dr Joep de Loor.

Addressing the Federated Chamber of Industries in East London, he said these could include new financial instruments to entice more funds for housing by way of the building society movement or via a "special public body offering long-term investment opportunities at market related rates".

But the more attractive these new investments were and the more funds they accordingly attracted to housing, the less would be available for other investments including those in public-sector infrastructure.

A fine balance was needed. "If it is to be a government-controlled financial instrument the chances are perhaps better for the rate of inflow of funds to be rationed according to the needs of the housing market vis-a-vis all other opportunity cost investments."

Dr De Loor believed it would be productive to examine closely the American Federal Home Loan Mortgage Corporation, a United

States Government body offering a controlled and guaranteed investment medium for long-term funds directed towards the housing market.

Miscellaneous financing sources, particularly pension funds and insurance companies, offered the largest relatively untapped reservoir of funds which could be used to assist the country's housing needs.

These institutions and funds realized an increase in assets of more than R4 400 million last year alone. It should be evident, Dr De Loor believed, that traditional investment opportunities open to insurers and pension funds would become relatively scarce, allowing them to play a greater role in the provision of new housing.

New sources of funds were essential because the trend of the ratio of investment in residential buildings to the Gross Domestic Product had shown a gradual but persistent decline since 1965.

"Fortunately, on the other hand, birth rates have also dropped not only for whites, coloureds, and Asians; but particularly for urban blacks."

● 'Housing bonds' proposed by Rive, page 9

'Housing bonds' proposed by Rive

Own Correspondent

EAST LONDON. — Special new "housing bonds" for blacks were proposed yesterday by Mr Louis Rive, chairman of the Greater Soweto Planning Council.

He was speaking at the Regional Economic Development Conference in East London organized by the Federated Chamber of Industries.

Mr Rive said: "We know that blacks are traditionally good savers, that they are not large scale investors in defence bonds and that their earning and therefore saving capacity grows by the day.

"I believe that if the principle of investing in housing bonds on more or less the same lines as defence bonds is acceptable to blacks, and to the government, such a scheme should be worked out for, and in consultation with, them.

"If properly engineered it could prove to be the most effective way of satisfying the housing needs of the blacks in a fashion where they are helped to help themselves.

"It can provide the built-in dynamo that can keep pace with growth and demands which can otherwise submerge us", he said.

Mr Rive said: "As far as black housing is concerned it is not generally realised what a vast amount of goodwill we squander and to what extent we place stability in jeopardy by not helping the black man to have a home instead of 'a place' in which to live.

"It is quite unacceptable for a black man's application for a house to be processed through 29 points before approval — each one being a potential point of rejection or delay".

RBM
22/10/81
123

Pension, insurance millions urged for housing

**HOWARD PREECE at
the FCI in East London**

PENSION funds and insurance companies are bound to play a growing role in providing new houses, according to Dr Joop de Loor, Director-General of Finance.

He was speaking yesterday at the regional economic development conference of the Federated Chamber of Industries.

Dr De Loor said an average real economic growth rate of 4.5% a year was possible for the 1980s and 1990s "provided we allow revolutionary advances in the opportunities and capabilities of our non-white peoples to take place".

Dr De Loor said the annual cash flow of pension funds and insurances would be at least R10 000-million by 1985 and R20 000-million by 1989-90.

"It must be quite evident that the traditional investment opportunities open to insurers and pension funds will become relatively scarce and that in addition to providing substantial funding for public-sector fixed investments, they are bound to play a far greater role in the provision of new housing.

"Such involvement could be effected, for example, either by enticing available investment funds via the building society movement into the housing field or via a special public body offering long-term investment opportunities at market-related rates."

Attractive

"In the former case a mechanism will have to be worked out to allow the institutions and funds to earn such rates on their investments and, in return, the institutions would have to commit more long-term funds for this purpose.

"But here I must be very specific. The more attractive these new investment instruments are made, the more funds will be channelled into housing and the less will be available for other investments — that is, public-sector infrastructure as well as private-sector investments. What we need to do here obviously, is to strike a fine balance, to do the one thing and not to neglect the other.

"If it is to be a Government-controlled financial instrument the chances are perhaps better for the rate of inflow of funds to be rationed according to the needs of the housing market compared with other opportunity cost investments.

"The United States has a very complicated public-sector mechanism to provide the necessary housing finance. It may be worth our while to take a closer look at the American Federal Home Loan Mortgage Corporation, a Government corporation which offers a controlled and guaranteed investment medium for long-term funds directed towards the housing market.

"The guaranteed mortgage certificate issued by this corporation has a final gratuity date 30 years after issue, but is structured to provide not only for regular interest payments but for minimum specified annual principal redemptions which makes it, of course, attractive to large investors.

"It also allows the investor the option of reselling his certificate to the Mortgage Corporation, or to deal with it at any time in the secondary market prior to final redemption."

Camps

Bay plan

backed

Municipal Reporter

THE Camps Bay and District Civic Association has welcomed a city council plan to expropriate the well-known Rotunda Hotel site and turn it into sports-fields and recreational facilities.

The owner of the hotel, Mr H de Kwaadsteniet, and the city councillor and MPC for the area, Mr Herbert Hirsch, confirmed yesterday that the council was planning to use the land for recreational facilities.

A preliminary notice of expropriation had been served on Mr de Kwaadsteniet, who had planned major renovations and extensions to convert the Rotunda into a luxury four-star hotel.

PRESSURE

The chairman of the association, Mr M Richter, said it had been applying pressure for two years for the council to take over the land.

'If this land had gone for a new hotel it would have been lost forever. Now it has been saved as an open space for the use of the people of Camps Bay,' he said.

Open spaces in Cape Town were disappearing one by one and the association felt that the site should be retained at all costs.

It is understood that the historic round building of the present hotel will be retained on the site.

Arms
23/10/81
123

Houses — perks of the future

ROM 23/10/81
By SUSAN DALLAS

EMPLOYERS will have to provide housing to secure skilled labour.

Mr John Baikie, deputy managing director of Sage Holdings and a director of Schachat-Culum development company, said this at the NDMF's Business Outlook conference in Johannesburg.

"Just as the company car was the perk of the 1960s and 70s, so I believe the company house or company mortgage bond will be the perk of the 1980s," he said.

Housing black employees would require an even greater effort from employees.

"With high subsidies on rented accommodation no black employee will happily switch to home ownership and pay a market-related monthly mortgage repayment without getting a massive increase from his employer to meet the difference in the two costs as well as the finance for a deposit."

A shortage of finance, and a shortage of bond money — restricted probably until about 1983 — would limit the supply of housing.

High demand for housing had to be translated into a more sober "effective demand" related to the amount of money held by the people who required the accommodation.

Statistics showed a shortage of about 40 000 units for whites and 400 000 units for blacks, about 50 000 units for coloureds and 20 000 for Asians.

Above this, annual demand (which would grow) for more housing was 20 000 units for whites, 70 000 for blacks, 14 000 for coloureds and about 7 000 for Asians.

The average annual production of houses for the various population groups as a percentage of the total shortage was 26,6% for whites, 0,02% for blacks, 26,5% for coloureds and 25,9% for Asians.

Mr Baikie believed solutions could be found for some of the shortage, but the black housing shortage was rapidly reaching the stage where it would be beyond solving.

Institutions happy to invest in housing

Business August 24/10/81

123

LIFE assurance and pension fund managers have welcomed the suggestion by a top Government official that they should use some of their funds to ease the shortage of housing money.

By Derek Tommey, Financial Editor

The Director-General, Finance, Dr J H de Loor, said this week that ways were being considered of channelling pension fund and life assurance company money into housing.

This could mean that house buyers may soon be able to apply for a bond to some form of national housing association as well as to a building society.

However, it seems that

wherever they get their bond they will be expected to pay a 'market-related' interest rate.

Dr de Loor said the pension funds and insurers represented the largest and a still relatively untapped reservoir of funds for housing.

These funds could be mobilised, for example, either through the building society movement or

through a special body offering long-term investment opportunities to the pension funds and insurers at market-related rates.

In the next 10 years the insurance companies and pension funds would have about R100 000-million to invest, while the traditional investment opportunities open to them would become relatively scarce.

Thus the institutions were bound to play a far greater role in the provision of new housing.

The American Federal Home Loan Mortgage Corporation, a Government body which channelled long-term funds to the housing market, was a possible example for South Africa.

But whether this or other instruments would be suitable for the South African market still had to be determined.

However, South Africans had to start prepar-

ing themselves for new and imaginative ways of capturing institutional money for housing.

Dr de Loor urged that the channels needed to tap these funds should be quickly opened up and unclogged.

First reaction from the life insurance industry to Dr de Loor's proposals have been extremely favourable.

Mr Peter Bieber, general manager invest-

Continued on Page 2

August 24/10/81 123

Institutions happy to

Continued from Page 1

aid housing

ments of the Old Mutual, and responsible for investing about R1 250-million a year, welcomed the idea as a good one.

He said: 'We would support any bond issue by a housing corporation just as we supported other issues in the capital market.'

The Old Mutual was already supplying finance to a similar organisation in Malawi.

As long as the rate of interest was right, the Old

Mutual would certainly be interested in investing in a national housing body.

The fact that the funds were being used for housing would be an added attraction, he said.

Mr Marinus Daling, general manager of Sanlam, said the institutions and pension funds had the cash flow to finance housing.

Provided they were not expected to invest in sub-normal investments or at less than market rates he thought they would be willing to put money in private housing.

However, he warned that this money would not be cheap.

'Contrary to some views, there was no lack of investment opportunities. However, the specific need for housing could give this type of investment an edge.'

In current market conditions borrowers would probably have to pay about 16 to 17 percent for institutional mortgage money.

The pension funds and life offices could get 13,25 percent on money invested in government stock without having to incur any administration costs.

These would probably add 2 percent to the cost of the money. On top of this a provision must be made for the risk factor.

Argus 26/10/81 (123)

More houses for blacks urged by Slabbert

Argus Correspondent

JOHANNESBURG.—The Leader of the Opposition, Dr Frederik van Zyl Slabbert, said the Progressive Federal Party had to place itself within the context of the reality and consequences of urbanisation in South Africa.

Addressing candidates who will be fighting municipal elections in Johannesburg, Randburg and Sandton, Dr Slabbert said he believed the PFP was better able to cope with the problems and develop-

ments which would confront South Africa in the future.

He said a survey conducted by the Human Sciences Research Council had shown that only 38 percent of the country's black population was urbanised, but it was not unrealistic to predict that this would increase to 75 percent by the end of the century.

This means that an additional 15 to 20-million blacks will have to be settled in urban areas in the next 20 years and if

that does happen, more houses will have to be built in that time than the total number built since the arrival of Van Riebeeck in 1652.

'A PFP party in control of Johannesburg, Sandton or Randburg will not be allowed to sit there quietly hoping that somehow the whole situation will administratively tick over and that problems will solve themselves.

'We are going to have to use all our ingenuity and resources to tackle these problems effectively. What

I hope we are going to be able to achieve is to build up the image of the party as one of not only talkers, but also of doers.'

Dr Slabbert told the candidates not to 'fudge or prevaricate' on matters of principle.

The clearest image the PFP had was that it was a party that stood for no discrimination — a party that believed in full citizenship and the civil rights of the individual. At all times the party had to reaffirm that commitment.

Do-it-yourself housing

Rev 27/10/64 123

Professor's way out of

black homes crisis

Radical proposals for dealing with the country's key social and economic issues were put forward by two leading businessmen and a noted Afrikaner academic at a seminar in the Carlton Hotel last night.

The proposals by the businessmen could be a harbinger of the challenge the Prime Minister, Mr P W Botha, will face when he meets 600 top business leaders in Cape Town next month.

Last night's seminar was held under the auspices of Mercabank to mark the 10th anniversary of the launch of Focus on Key Economic Issues, a bulletin compiled by a research team headed by professors from the Department of Economics, University of Pretoria.

Dr F J du Plessis, managing director of Sarlam, was in the chair. Mervyn Harris reports . . .

The only way out of the housing impasse was to relax standards and allow personal initiative, said Professor Jan Sadie of the University of Stellenbosch last night.

Squatters and shacks, under supervision, could help ease the housing crisis.

The First World element in the South African population must "realise that, demographically and economically, this country is still for the most part to be classed in the Third World."

Most families needing accommodation had not yet been able to achieve the savings required for investment in dwellings.

"Since expenditure on housing reduces the economic resources available

for other purposes, alternatives have to be considered," Professor Sadie said.

Circumstances called for a solution "somewhere in between the tidy first world approach and the sprawling, squamid squatter camp developments around the third world towns and cities.

"A relaxed attitude about standards is required which permits personal initiative subject to certain constraints imposed in the interest of public health and the

need for upward social progression.

"Planners can learn a great deal about urban development by studying squatter communities and other self-generated population concentrations."

Professor Sadie said that under this approach the Government would provide the infrastructure and public amenities, with a director supervising building activity and running courses in building skills.

Site and service schemes could be oper-

ated in which shacks could be permitted as emergency temporary structures.

"There is no reason why the Government should not itself initiate the building of a maximum number of dwellings of a sub-economic type.

"To this end the squatters who are being periodically removed from certain areas could be gainfully employed for at least some time."

Professor Sadie criticised those who called on businessmen to provide houses for their workers.

An employer's social responsibility was to increase profits and create a livelihood for larger numbers of families.

"If he has to fulfil the function of the social worker as well, he may fail in his primary task," said Professor Sadie.

Report on housing calls for sweeping measures

RDM 28.10.81
By HELEN ZILLE

123

A PLAN for sweeping measures to overcome the critical housing shortage in the country's urban black areas is contained in the report of the Viljoen Committee that was handed to the Government recently.

The committee under the chairmanship of Mr Boet Viljoen, chairman of the Association of Building Societies, was appointed by the Government in May to investigate how the private sector could help to solve the housing backlog in Soweto — officially estimated to be 35 000 units.

Since then it has produced the most comprehensive official report ever on the housing crisis in black urban areas — estimated at a countrywide shortfall of 168 000 units — and suggests methods of overcoming it.

The Government has not yet released the report or responded to it, but copies have been widely circulated and are the subject of intense discussion in official quarters.

The recommendations call on the Government to abandon its present housing policy and adopt a "dynamic" approach in which the resources of both the public, the private, the formal and informal sectors can be fully utilised to raise the estimated R1,7-billion to meet the countrywide backlog.

The amount needed in Soweto alone is an estimated R800-million over a five-year period, for land, infrastructure and housing units.

The committee's approach is aimed at "creating a stable and vibrant urban community with a vested interest in the maintenance of peace and good order."

It calls on the Government to:

- Abandon the apartheid belief that blacks are "temporary sojourners" in urban areas and provide for increasing urbanisation.
- Implement a five-year plan in Soweto to build 55 000 housing units. This would involve adding 1 000 additional hectares to the township immediately and an additional 200 hectares every year for five years.
- Scrap the many laws and regulations that stand in the way of private sector involvement in the building, renting and leasing of urban black housing.
- Apply strict measures to prevent the exploitation of black urban dwellers arising from the existing housing crisis.
- Allow the private sector to do the initial drafting of some of the revised legislation.
- Permit controlled site-and-service, core housing and self-build schemes.

Lowest prices

- Offer the houses in Soweto for sale (at present under the 99-year leasehold system) at the lowest price necessary to recoup costs and provide a "reasonable incentive" to the local authority to undertake the selling and necessary administrative steps.
- Rechannel a "reasonable portion" of the profits of such housing sales to the Sowetan local authority.
- Urgently revise technical standards applied to black housing, to make them less rigid and specific and to stimulate the use of innovative building methods, designs and materials.
- Set up technical advice and home improve-

ment centres and building material outlets throughout Soweto.

- Ensure town planning schemes and procedures to promote health, efficiency and economy in town planning.
 - Standardise and simplify procedures for upgrading and extending existing houses.
 - Limit the State's involvement in housing projects to the provision of land, infrastructure and specialist housing.
 - Provide a subsidy to individuals to bridge the gap between the interest rate they could afford to pay on a housing loan, and the rate at which private lending institutions would be prepared to lend;
 - Appoint a co-ordinating committee to maintain the direction and momentum of the report and to monitor the implementation of its recommendations.
- The committee estimates that if obstacles against the private sector's involvement could be removed, it would be able to make an effective contribution of R300-million for Soweto alone and could also provide a substantial portion of the R500-million capital required by the Government.

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Motlana praises committee but . . .

By CHRIS FREIMOND

THE chairman of the Soweto Committee of 10, Dr Nthato Motlana, has welcomed the recommendations of the Viljoen Committee which investigated urban black housing — but believes they will be rejected by the Government.

The committee, chaired by Mr Boet Viljoen, chairman of the Association of Building Societies, has recommended sweeping changes to the Government's urban black housing policy.

The report has been presented to the Government, but has not yet been officially published or commented on.

Some of its main points are:

- The acceptance of the permanence of urban blacks and provision for increasing urbanisation;

Five-year plan

- The implementation of a five-year plan to build 55 000 housing units in Soweto;
- Revised standards for housing, site-and-service, core housing and self-build schemes, and;
- Rechanneling of some of the proceeds from 99-year-leasehold house sales in Soweto to the Soweto local authority.

Dr Motlana said his initial response to the report was that it was "most encouraging".

"All power to the committee. They have raised some of the issues around which my association has been campaigning. But I am disappointed that there is no mention of freehold land tenure. Any new plans will bog down on this issue.

"The acceptance that blacks are not temporary sojourners in the urban areas must go hand-in-hand with freehold land tenure," Dr Motlana said.

Black housing is on PW's summit agenda

SDV 29/10/81 (123)

Political Staff

CAPE TOWN — The pressing need to speed black housing will be a point of discussion at the meeting between the Prime Minister, Mr P W Botha, and business leaders in Cape Town on November 12.

The Government has started to implement the recommendations of a committee which has investigated the critical housing shortage in urban black areas.

One would enable white employers to invest in housing for their black employees under the 99-year leasehold system. Legislation providing for this was passed recently. The report of a committee

under the chairmanship of Mr Boet Viljoen, president of the Association of Building Societies, was handed to the Government recently but has not yet been officially released.

RED TAPE

It is expected Mr Botha will deal with this at the conference with businessmen.

The report stresses the need for the State, business world and individual to be involved in providing black housing.

It also deals with the need to eliminate a lot of red tape which now bogs down housing for blacks.

A top town planning and housing expert who has

seen the report said today Mr Botha is expected to reaffirm that the Government does not regard urban blacks as temporary sojourners in the city areas.

PROPOSALS

So he is likely to agree with many recommendations of the report.

Among these are a call for strict measures to prevent exploitation of black urban residents as a result of the housing crisis; permit control of site-and-service, core-housing and self-build schemes; the lowest prices necessary to recoup the cost of 99-year

leasehold houses, and the provision of technical advice and home improvement centres and building material outlets, especially throughout Soweto.

The committee was initially appointed to find out how the private sector could help alleviate the housing backlog in Soweto, but its recommendations could affect all areas under the leasehold system.

The Government has so far refused to approve this system for the Western Cape because it is regarded as a coloured labour preference area.

● Page 7: Black homes: new report welcomed.

Report proposes sweeping measures on housing crisis

CT 29/10/81

(123)

Political Staff

A PLAN for sweeping measures to overcome the critical housing shortage in the country's urban black areas is contained in the report of the Viljoen Committee that was handed to the government recently.

The committee under the chairmanship of Mr Boet Viljoen, chairman of the Association of Building Societies, was appointed by the government in May to investigate how the private sector could help to solve the housing backlog in Soweto — officially estimated to be 35 000 units.

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The recommendations call on the government to abandon its present housing policy and adopt a "dynamic" approach in which the re-

sources of the public, the private, the formal and informal sectors can be fully used to raise the estimated R1,7 billion needed to meet the countrywide backlog.

The amount needed in Soweto alone is an estimated R800 million over a five-year period, for land, infrastructure and housing units.

The committee's approach is aimed at "creating a stable and vibrant urban community with a vested interest in the maintenance of peace and good order".

It calls on the government to:

- Abandon the apartheid belief that blacks are "temporary sojourners" in urban areas and provide for increasing urbanization;
- Implement a five-year plan in Soweto to build 55 000 housing units. This would involve adding 1 000 additional hectares to the township immediately and an additional 200 hectares every year for five years;
- Scrap the many laws and regulations that stand in the way of private-sector involvement in the building, renting and leasing of urban

black housing;

- Apply strict measures to prevent the exploitation of black urban dwellers arising from the existing housing crisis;
- Allow the private sector to do the initial drafting of some of the revised legislation;

ing and necessary administrative steps;

- Rechannel a "reasonable portion" of the profits of such housing sales to the Sowetan local authority;
- Urgently revise technical standards applied to black housing, to make them less rigid and specific and to stimulate the use of innovative building methods, designs and materials;
- Set up technical advice and home-improvement centres and building-material outlets throughout Soweto;
- Ensure town-planning schemes and procedures to promote health, efficiency and economy in town planning;
- Standardize and simplify procedures for upgrading and extending existing houses;
- Limit the state's involvement in housing projects to the provision of land, infrastructure and specialist housing;
- Provide a subsidy to individuals to bridge the gap between the interest rate he could afford to pay on a housing loan, and the rate at which private lending insti-



Mr Boet Viljoen

- Permit controlled site-and-service, core-housing and self-build schemes;
- Offer the houses in Soweto for sale (at present under the 99-year leasehold system) at the lowest price necessary to recoup costs and provide a "reasonable incentive" to the local authority to undertake the self-

tutions would be prepared to lend;

- Appoint a co-ordinating committee to maintain the direction and momentum of the report and to monitor the implementation of its recommendations.

The committee estimates that if obstacles against the private sector's involvement could be removed, it would be able to make an effective contribution of R300 million for Soweto alone and could also provide a substantial portion of the R500 million capital required by the government.

However, the report warns the government that "private-sector finance should not be perceived as the panacea for all the housing problems".

It calls for the recommendations to be given the "highest priority" and to be implemented immediately.

The Minister of Co-operation and Development, Dr Piet Koornhof, has already described the Viljoen report as "good" and said the government agreed with many of its recommendations.

Black homes: new report welcomed

Chief Reporter 29/10/79
Building societies in Johannesburg yesterday welcomed proposals to the Government which would extend home ownership to blacks.

The proposals are contained in the report of the Viljoen Committee which has been handed to the Government but not yet been officially released.

However, contents of the report, headed by Mr Boet Viljoen, managing director of the SA Permanent Building Society, have filtered out.

The recommendations are said to include scrapping laws which obstruct private involvement in urban black housing, and a five-year plan to build 55 000 houses in Soweto to overcome the housing crisis.

They also suggest that the Government subsidise the gap between building society interest rates and State housing interest rates.

Mr Piet Badenhorst, joint managing director of the United Building Society, said he supported the recommendations of the report as they would enable blacks to enter the housing market and to accumulate capital through housing.

However he was not a great subscriber to the

principle of subsidisation which was not in terms of the free enterprise system. Subsidies could be helpful in the transitional stage, he said.

123 Mr Steyn Britz, marketing manager for the Natal Building Society in Johannesburg, welcomed the recommendations. They would make more housing available to black people and speed up housing sales to them.

Mr Britz added it was also a priority for employers to help workers towards a home purchase. The NBS was fully committed to entering the black housing market.

IT WOULD be tempting to describe the report of the Viljoen Committee into Soweto's housing crisis as one of the most important documents ever for the people living in South Africa's sprawling and neglected urban black townships.

But caution and understatement are more advisable when it comes to reports of committees of inquiry these days.

A committee can only produce results if the Government acts in its recommendations, and the date of various recently released committee reports does not leave much room for optimism.

Yet informed official sources believe the Government's response to the Viljoen Committee recommendations on how to solve the urban black housing crisis could be one exception to the "rejection rule" that has applied to the major recommendations of all committees of inquiry this year.

They claim the Government is prepared to abandon its old housing policy for blacks and to accept the Viljoen Committee's call for a new "dynamic" approach, harnessing all the available resources of the public and private sectors to solve the housing backlog that runs to 168 000 units in South Africa's black urban areas.

Whether this view is true remains to be seen. The Government's usual pattern is that it accepts most of a committee's recommendations — but rejects the really significant ones that would change the framework of the apartheid policy.

Abandoning

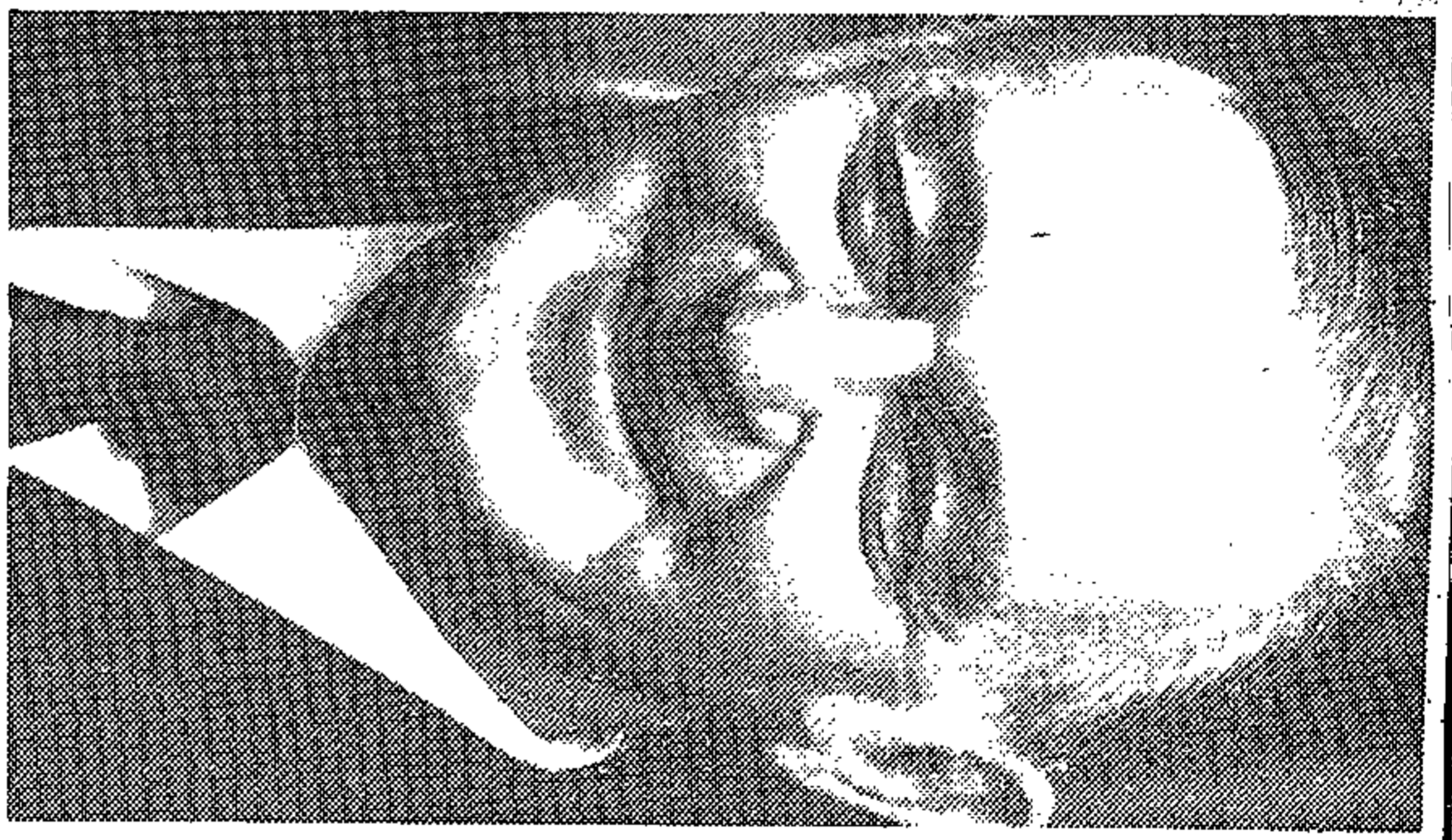
If the Viljoen report manages to escape this fate, it would mean the Government adopting completely new approach — one describe it as a "revolu-

In with a chance —

The plan that could turn black

policy on its head

RDM 29.10.81 (123) ~~537~~

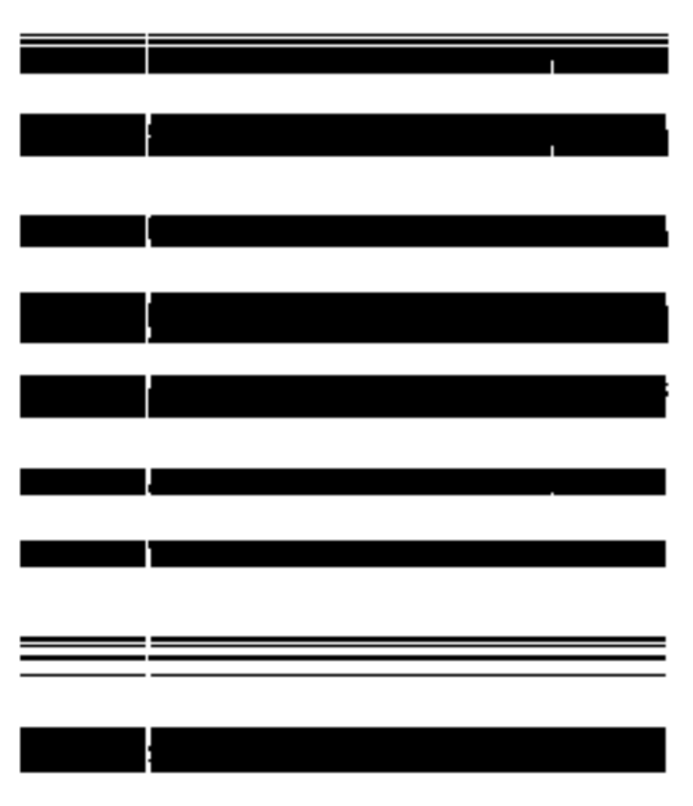


MR BOET VILJOEN, head of the committee which proposes sweeping changes in black housing

- Sell houses at as low a cost as possible
- Less rigid standards for black housing
- Accept and encourage self help
- Upgrade and extend existing houses
- No restrictions on individual or private sector

informal building sector in the township itself.

- Accepting and encouraging self-help and owner built participation as a "normal part of the housing process."
- Setting up of technical advice and home improvement centres and building material outlets throughout Soweto.
- Standardised and simple procedures for upgrading and extending existing houses.
- Sweeping changes in existing Acts and regulations to remove restrictions on the individual and private sector in the provision of urban black housing.
- Allowing the private sector to do the initial drafting of some of the amended legislation.
- The establishment of town planning schemes and procedures to produce master plans for township development "for the purpose of the harmonious development of the area in such a way as to promote health, general welfare, efficiency and economy."
- Revision of administrative procedures to streamline the allocation, sale and registration of surveyed sites and the approval of building plans.
- The appointment of a committee representing the Department of Finance, Co-operation and Development and Community Development to examine the financial implications of subsidising individuals who cannot afford to enter the housing market on terms at which lending institutions are prepared to lend.
- Urging the private sector to set up a Utility Housing Corporation to mobilise and co-ordinate private sector resources.
- The appointment of a "representative" co-ordinating committee to maintain the "direction and momentum" created by the report and to monitor the implementation of the recommendations.



provision of low cost housing. It would mean abandoning the present housing policy, conventional building standards and building financing — which involves strict central Government control and administration at all levels.

It would mean the harnessing of all available resources of society, public and private, formal and informal, to tackle the housing problem that will take a conservative R1,7-billion to solve in black urban areas alone.

It would mean the removal of the "numerous and substantial impediments" in the way of involvement by the township resident and big business in the provision of housing.

It would pave the way for controlled site and service, core housing and self-build schemes — something that Dr Piet Koorhof, Minister of Co-operation and Development has described as "controlled squatting".

It would bring people at the sub-economic levels into the field of housing at prices they could afford.

It would make hundreds of additional hectares of land available for housing and ensure strict measures to prevent "exploitation" of people as a result of the severe shortage of land and housing. Such controls would be phased out as a balanced

The Viljoen Committee, headed by Mr Boet Viljoen, chairman of the Association of Building Societies, will soon hand the Government its plans for sweeping measures to overcome the critical housing shortage in the country's urban black areas. Political Correspondent HELEN ZILLE analyses what it would mean to the country if the Government accepts the proposals.

"supply and demand" situation developed.

It would mean the State accepting responsibility for the provision of land and infrastructure, such as roads, services and amenities.

It would require the State to abandon its sole control of financing and construction of individual dwellings and open the way for the "informal" township building sector and the private sector to step into the breach.

The total capital available for this purpose would be the sum of money provided by the State, the individual owner and money available from lending institutions in the private sector.

The Government would provide a subsidy to individuals so that they could get loans from the private sector at normal economic interest rates.

The State would therefore "bridge the gap" between the sub-economic interest rate the individual could afford to pay

and the economic interest rate at which private sector institutions would be prepared to lend.

It would mean an increasing switch from tenant occupation to one of 99-year leasehold — which some Government officials describe as the first step towards full ownership.

Another committee — the top secret Grosskopf Committee — has recommended full freehold title for blacks as a pre-condition for a stable urban community and the Viljoen Committee has called for "urgent steps to be taken to implement the recommendations made by other committees and commissions.")

The Viljoen committee does not only make these recommendations — it stresses the urgency of immediate implementation if the Government is serious about improving conditions in urban black communities.

The report falls right into the Government's strategy of drawing in private sector finance and

expertise in areas where it cannot solve the problems alone.

It forms an integral part of what critics have called the "option strategy" — and what the Viljoen committee describes as the attempt to create "a stable and vibrant urban community which has a vested interest in the maintenance of peace and good order."

With motivations like this, what could possibly be standing in the way of the Government accepting and implementing the recommendations immediately?

The answer is the Rightwing of the National Party. And the reason is that the Viljoen Committee recommendations challenge one of the basic premises of old style apartheid: that blacks are "temporary sojourners" in urban areas.

For the past two decades, this premise has been the official justification for the limited number and strict control over urban black housing.

Put in its simplest form, the apartheid theory is that the number of blacks coming to the cities from the "homelands" can be curbed if housing is limited and its provision strictly controlled by the Government.

Under the National party, housing for blacks in urban areas has been seen not as a means of giving shelter and enabling people to lead a normal family life

— but as an instrument for imposing influx control.

As Mr Louis Rive, chairman of the Soweto planning committee noted recently, a black man's application for a house has to pass 29 separate points of approval and each one is a potential point of rejection or delay. This was "totally unacceptable," he said.

Dr Piet Koorhof, Minister of Co-operation and Development and other senior Government members view the situation in the same light.

The big problem in the past is said to have centred in the department of Community Development, where the arch-verkrampie Director General, Mr Louis Fouché, refused to abandon the traditional apartheid housing policy.

Undermined

He has now retired, and the extent to which the Government is willing or able to abandon his legacy will be seen in its response to the Viljoen committee recommendations.

However, there is already formidable opposition. For as verkrampies note: the Government is planning to revise the influx control policy, allowing blacks to remain in urban areas if they have "approved" housing and jobs.

If the provision of housing is thrown open, they believe it would mean encouraging the migration of blacks to the cities, and remove one of the pillars of the new influx control policy — which they have been given to believe will be "more effective" than the old system.

The Viljoen report does not provide answers to this problem. One of the central weaknesses

of its summary of recommendations is the failure to say specifically whether all blacks in urban areas should be allowed to enter the housing market, or whether this privilege should be confined to a certain group of "legals".

It is clear that if the Government did not apply strict limits the whole influx control edifice on which apartheid is based, would be seriously undermined.

Dr Koorhof knew he was entering a minefield when he appointed the Viljoen Committee in May to investigate and make recommendations for reform in the Government's housing policy for urban blacks.

He recently described the completed report as "a good report" and said the Government agreed with many of its recommendations.

This is why some senior officials believe it is likely to have a more favourable response from the Government than the rest of this year's ill-fated committees. They point out that the Government has already amended the Urban Areas Act to permit

white builders and property developers to develop townships and build houses for blacks either by rent or sale under the 99-year lease scheme.

The critical test will be whether the Government accepts the other recommendations, including:

Plan

• A plan to "Sell Soweto at cost."

This would involve offering the existing houses for sale (at present under the 99-year leasehold plan) at "as low a price as necessary to recoup costs and provide a reasonable incentive to the Local Authority to undertake the selling and administrative steps necessary."

• A scheme to rechannel a "reasonable portion" of the profits on the sale of existing housing in Soweto to the local authority.

• Urgent revision of the technical standards applied to black housing, so as to make them less rigid and specific and to stimulate the use of innovative building methods, designs and materials by an

Priority

It is this programme that the committee suggests should be given the "highest priority" and implemented with the "utmost urgency".

Will the Government accept the full implications of the Viljoen report — which means an acknowledgment that blacks have vested rights outside the homelands and that their numbers will increase dramatically over the next two decades?

Or will it try to pacify those in its own ranks who believe the resurrection of the original apartheid blueprint is still possible?

At this stage one thing seems certain: the Government will reject the Grosskopf Committee's recommendation for full freehold title for blacks in urban areas. Even the most "positive" verligte officials and Government advisers accept that.

But, ever optimistic, they believe the Government will accept the principles underlying the Viljoen Committee report and move step by step towards implementation.

Facts speak for themselves

THE Viljoen committee urges the Government to view its report as a "highest priority" requiring "urgent attention", and gives the following statistics to point out why.

Total estimated housing shortage for blacks in urban areas — 168 000 units. Estimated amount needed to meet the shortfall — R1 700 000-million.

Estimated housing shortage for blacks in so called "trust areas" outside urban centres — 250 000.

Housing shortage in Soweto alone — 35 000 units. Required provision over the next five years — 55 000 units.

Additional land required immediately for Soweto — 1 000ha. Amount needed annually for the next five years — 200ha a year. Cost of five-year plan (including land, service and development) — R800-million.

To put these statistics into perspective, the committee gives figures for the provision of housing in Soweto over the last seven years.

During this period about 7 700 units were built costing R9,6-million.

This means that the total number of houses built during the past seven years is just over one fifth of the present housing backlog.

And the amount spent over the past seven years is 1,2% of the amount that will be needed over the next five.

Buyers face ruin as developer vanishes

By CHRIS OLCKERS

SCORES of young home-buyers are facing ruin after the mystery disappearance of a Johannesburg real estate agent and construction company director with commitments and debts of over R1-million.

His disappearance has halted building on dozens of homes in the new Johannesburg housing development of Jukskei Park.

Yesterday angry sub-contractors and customers arrived at the home of Mr Hennie Richter, 36, managing director of Cumberland Construction and Cumberland Real Estate, only to find the R500 000 Sandton property locked and deserted.

His wife, Beula, has gone into hiding, and his brother, Mr Chris Richter, who was employed by Cumberland as a building consultant, said he believed his brother had left the country last weekend.

The Randburg CID Chief, Major Izak Pretorius, confirmed last night several complaints had been made and that detectives were investigating.

"We will investigate the claims before we will decide whether there is a criminal case," he said.

Mr Richter said he was shocked when he heard that his brother had disappeared and said he alone was owed more than R300 000.

"I don't know what the hell is going on, but there is no money in the bank and my brother has disappeared. I have had several calls from angry building suppliers, who are demanding their money, and disgruntled

"The last time I saw Hennie was last Friday afternoon. He has disappeared and he has left a lot of broken hearts behind.

Cut links

"But I think it is best if you talk to the company attorney," he said.

But Mr Johan Dreyer, of the firm Dreyer and Nieuwoudt, said they had severed all links with Cumberland.

"We haven't lost any money, but I believe that many young couples stand to lose a lot. Further than that I am not prepared to comment," he said.

Cumberland Construction started operations in the northern suburbs housing estate of Jukskei Park only a year ago.

One supplier, Mr Willie Venter, said he stood to lose about R6 000 and he knew of many other suppliers owed much more.

"Last Friday I went to see Mr Richter and demanded that he pay me the R6 000 he owed. He then offered to sell me a stand worth R12 000 for R6 000, provided I gave him a cash cheque.

"On Monday, I went to arrange the deal and found that he had disappeared. I was later told that he was not the sole owner of the stand he offered.

"There were many construction workers who had not been paid and they wanted to know what was going on.

"All I want to do is try to salvage whatever I can. Several vehicles leased by the company have also disappeared and I believe they have been repossessed," he said.

The man from whose grounds Cumberland operated, Mr T van der Peet, said yesterday he had lost more than R15 000.

Losers

"That is small in comparison to what other people have told me they have lost. Since the disappearance of Mr Richter there has been a never-ending stream of people who have come to try and establish what is going on.

"From what I could gather, many have paid deposits ranging between R500 and R20 000 for their homes. Most of them were young people," he said.

FOOTNOTE: Mr M J N Faria of Kensington, owner of another company named Cumberland Construction — unconnected with Mr Richter's firm — has not had a moment's rest this week.

"I have had so many calls from people demanding money and wanting to know what is going on with their homes. Thank God it is not I who is responsible. But I would like people to know that I am not involved," he said.

RPM 30.11.81 123

Boosting Black Housing

3/10/81
123

The Prime Minister, Mr P. W. Botha, is expected to reveal far reaching changes to speed the building of black housing at next month's Government summit meeting with 600 top businessmen.

The Viljoen Committee report on the role of private enterprise in the funding of black housing is likely to be a major aspect of the discussion in Cape Town on November 12.

The changes recommended by the Viljoen Committee include:

● calling on the Government to subsidise the homeowner for the difference between the current building society interest rate and the lower housing interest rate charged by the state.

● Removing legal barriers to private enterprise playing an active role in funding and building black housing.

The Government is expected to support much of the Viljoen Report but is unlikely to accept the full recommendations for Government subsidies.

The Carlton follow-up conference in Cape Town is regarded as the ideal forum as Mr Botha will be talking directly to powerful financial interests.

Industry must help own workers, not wait for Govt — Bifsa

San Tiro
1/11/81

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By Frank Jeans

BUILDERS have been left in no doubt about their future role in new deals for their 300 000-strong workforce and in providing homes and supporting infrastructures, the new president of the Building Industries Federation (Bifsa), Leon Glaser, told delegates at the annual congress in East London.

"The time is long passed when we can afford to sit back and wait for Government to do something about the appalling conditions in which some of our workers are expected to live and still turn out a decent day's work."

And the speakers at the congress who touched on the thorny question of labour relations thumped home the message to delegates — in close harmony with the black majority and learn from others about trade union

development, otherwise "it will be at our peril".

Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers, who opened the congress, handed out the challenge:

"In view of our expected population growth and rapidly increasing living standards, the uninterrupted provision of housing on a large scale in urban areas is one of the great challenges of our time.

"It requires careful thought, bold planning and the most effective marshalling of financial, physical and human resources imaginable."

"South Africa is living in a period of change in which new methods and techniques are frequently being introduced.

"The need for change is also apparent to many in the building and construction industry, but there is also some doubt as to precisely what is required

and the steps that should be taken to promote greater efficiency and increased productivity in such an important sector of the economy."

On the question of homes for blacks, "serious consideration should be given by the Government to providing individual employers with greater financial assistance in the form of a tax rebate or additional depreciation allowance.

"Furthermore, tenure of land will be an added incentive to employers and employees alike and the apparent official inertia in this regard is to be regretted."

Black communities in many instances were at the mercy of small businessmen who "are mere opportunists and who rate low both in skills and integrity," Mr Sam Motsuenyane, president of the National African Federated Chambers of

Commerce, told delegates.

"These individuals who have had no appreciable amount of formal academic or technical education, who have never had the practical experience of serving as managers, foremen or supervisors in the building industry, are to a great extent self-made men.

"They are capitalists at heart but with little or no capital in hand. Some of them are skilful, conscientious men with a high degree of integrity and dependability. But others are mere opportunists who rate low both in skills and integrity," said Mr Motsuenyane.

The Nafecoc president said the denial of property rights deprived blacks of an opportunity to invest and to participate in the development of a capitalist or free enterprise society in South Africa.

"Capitalism will never survive where a vast majority of the population is compelled to live without basic rights and under intolerable conditions of poverty and dependency."

Rents double in housing crisis

STAR 3/11/81
123
127



Christine and Michael Healey and their children, Helga (11) and Bjorn (7), were trying to live a normal family life — but they know that an eviction notice could be served on them any day.

By David Braun

Soaring rentals — and sometimes eviction — face flat dwellers as the accommodation crisis deepens. Many rentals have doubled in the past year.

As the pool of flat-seekers grows — aggravated by the influx of more than 2 000 immigrants to South Africa each month — families are being evicted from flats sold under sectional title or bought by employers to house staff.

To make the crisis worse, property experts say few flats will be built to alleviate the situation so long as developers face the spectre of rent control.

They say that although new buildings are not normally subjected to rent control, there is still the danger that the Act can be applied.

Miss Jutta Slaney, property consultant for a company which is the letting agency for more than 800 blocks of flats, said today that rents had more than doubled in the past year.

Averages

"The effect of the huge demand for rented accommodation has been to push rents from last year's average R150 a month for a bachelor or one-bedroom flat, to between R250 and R300," she said.

Two-bedroom flat rents had risen from between R200 and R250 a month a year ago, to between R300 and R400.

Rents for semi-detached houses had gone up from between R150 and R200, to between R300 and R350.

The average three-bedroom house rent has risen from between R250 and R300, to between R450 and R600.

Slightly more luxurious houses are now going for between R800 and R900, while "executive homes" fetch as much as R1 500.

Mr Basil Elk, president of the Institute of Estate Agents, said rent control was the "evil in this crisis."

"There is no way it is acceptable in any form. It is bringing the country to its knees."

Mr Elk said the Rent

To Page 3, Col 7



By Elaine Reyneke

A three-months-pregnant mother is trudging the streets of Kempton Park in search of a home for her family.

Problems began for Mrs Heidi Buys of Aronia Court, Kempton Park, last month when she and her husband received an eviction notice. About 90 other families living in three blocks of flats in Long Street, Kempton Park, will receive eviction notices.

"We received our eviction notice last week, my husband works all day,

Page 25: Checking into Heartbreak Hotel.

and since then I have been cut on foot with my one-year-old child, Nordika, searching for a place to live," said Mrs Buys.

"AECI is taking over the lease of the three flats in Long Street and all the present residents are gradually being given notice. This is to ensure the company's total occupation of the flats by April next year. My doctor has instructed me to rest, but it is an impossible situation. I have to find somewhere for us to live — and quickly."

She said the family had spent three happy years in Aronia Court.

I have come across many landlords who do not wish to have children on the premises," said Mrs Buys.

Families now staying in the two-bedroom flats are paying R250 rent a month.

"Many of the families in these flats cannot afford



Exhausted, Mrs Heidi Buys prepares what she fears will be one of the last meals for baby Nordika in their flat in Long Street, Kempton Park.

● Pictures by Graham Gainsford.

to pay more. One-bedroom flats in Sandton cost an exorbitant R600 a month. Who can possibly be expected to pay that amount?" said Mrs Buys.

Mr Michael Healey, another resident at Aronia Court, said he had not received an eviction

notice but was aware of the heartbreak facing those who did.

"I cannot afford to live anywhere else. Kempton Park is convenient for my work and we have no transport problems," said Mr Healey.

"It's a chronic situation

and something must be done to stop the ease with which people are thrown out into the streets.

"Flats are scarce in Kempton Park and I honestly do not know what I will do to soften the blow for my family," said Mr Healey.

Queues for flats grow longer

▶ from page 1

Control Act should be repealed immediately so that new units for renting could be built to replace those sold off to sectional title owners and employers.

Mr Jack Esakowitz, director of a large property administering agency in southern Johannesburg, said the accommodation situation in his area was worse than critical.

His company was receiving hundreds of calls a day from people desperate for a place to stay.

"There are no new flats coming on to the market. People are not investing in flats because rent control legislation makes it an extremely risky venture," he said.

Mr Louis Fouche, Director-General of Community Development, said he could not comment other than to say that the Government's position on rent control was "well known."

Rent laws had been amended in recent years in the landlords' favour, he said, so that rentals which could be charged were fair "in terms of the Act."

"But whether anyone else considers that to be fair is something I cannot comment on."

Checking in to Heartbreak Hotel

Hundreds evicted as big firms buy flats

For a young Wiltwaters and couple Christmas is becoming a time of sadness.

Last Christmas they were told to leave their flat in Boksburg because the block was being taken over by a big business firm to provide accommodation for miners.

It is Christmas, the couple and their baby are facing eviction from their flat at Kempton Park because the block is being taken over by a big business firm to provide accommodation for Modderfontein dynamite factory workers.

"It's the same as last year, except worse," said the young mother, who does not want to be identified.

"During Christmas we will be worrying about where we can move to."

"But this time we have the baby to think about, and accommodation is even harder to get than last year."

Last year the couple were among hundreds evicted when the giant RPII mining company took over seven blocks of flats in Boksburg.

Now the couple are being "chased out" of their Kempton Park flat because of an AECI deal to take over three blocks.

AECI says that tenants of Aronia Court, Ute Marlin and Aston Place in Long Street will gradually be given notice such a way as to ensure the company's tenants occupy the flats.

Some residents have already been given a month's notice to leave by October 30. Others say they could

The critical shortage of accommodation is forcing many big firms to buy up blocks of flats to house their workers.

But what of the evicted old tenants. **ANDREW WALKER** reports.

get notice any time — and with the serious housing shortage in Kempton Park it could mean that they will have to move to another area.

Residents interviewed by The Star expressed "disgust" that big corporations could take over scarce accommodation and evict the occupants.

"It is criminal that this sort of thing is allowed to go on," said Mrs. Maria Cristina of Aston Place.

"I have been looking for a house or a flat since I got my eviction notice, but it is impossible. I am prepared to pay up to R400 a month, but so far have not been able to find a place."

Present rental for the 90 two-bedroomed flats at Aston Place is R250 a month.

AECI said in a statement that the evictions would take place over six months "to ensure a minimum of disruption or hardship to existing tenants."

Further, it is specifically provided for in the lease that in the event of a suitable alternative accommodation not being found for any elderly tenants, that their premises are

included from the provision of the lease until alternative accommodation is found.

"AECI is a key industry producing strategic materials. With current competition in the labour market it is necessary for the company to do all in its power to assist employees to find suitable accommodation if it is to maintain the full complement of the factory's 8 000 workers."

Despite the fact that the company operates a home ownership scheme, it has been unable to meet the demand for houses. It appears that the basic problems are shortage of mortgage bond finance, and a general shortage of houses and other living units.

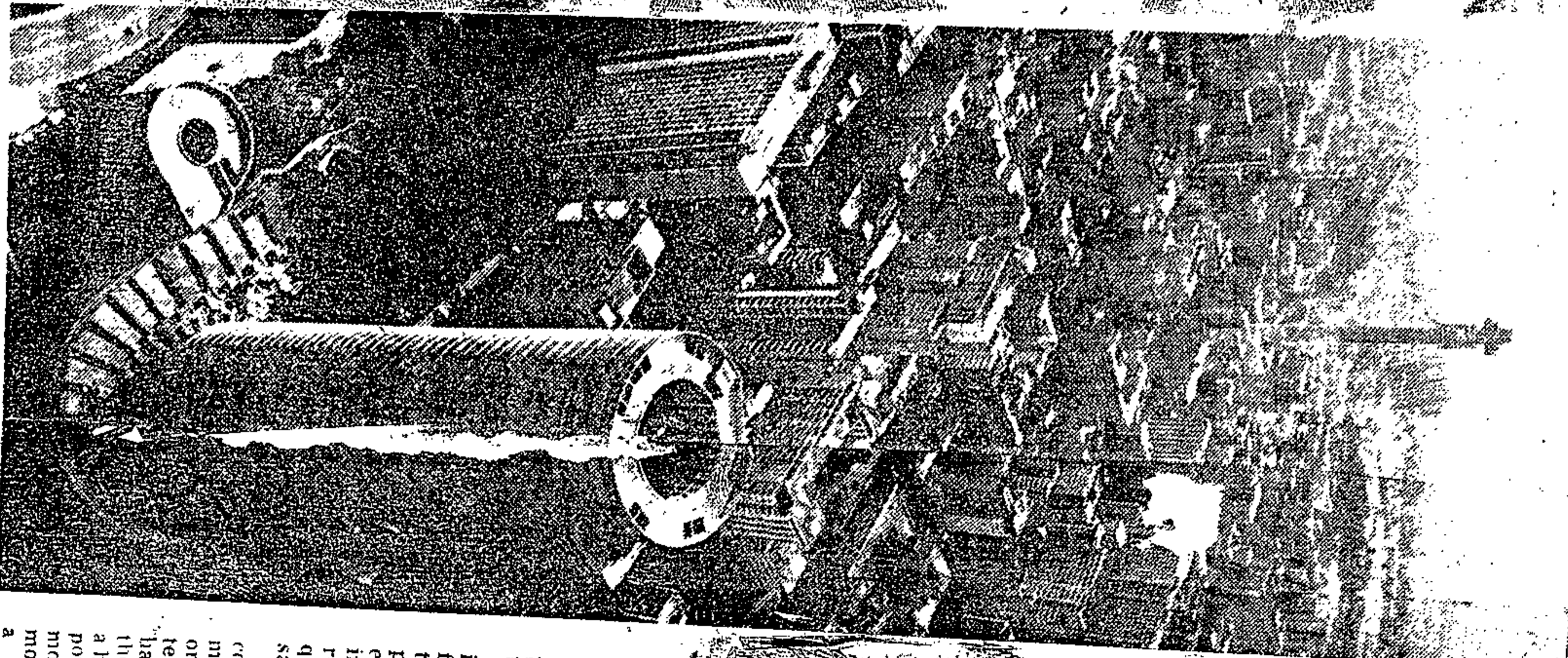
"The company is, therefore, forced to lease accommodation for its employees — some of whom are living in caravans."

"To alleviate the position at Modderfontein, the company has built 23 houses, and a further 30 are under construction.

While six have recently been leased, this is in addition to the 106 single and two-bedroomed houses on Modderfontein property."

Mr. Basil Fik, president of the Institute of Estate Agents, said people would find it increasingly difficult to get accommodation because the shortage of rental units was critical.

Government should be doing something to encourage the building of flats. There will not be anything to do that unless they abolish rent control.



Rent control explains why the flat-hunters have nowhere to go

If rent control is not to be abolished the system must be drastically revised, says a Randburg property developer.

Mr. Robert Massey, explained how rent control stopped him building flats (he used to build 50 a year) and why "only a fool" would build flats while the Rent Control Act was still on the statute book.

In the early '50s the Rent Act allowed developers a maximum return on their investment that was sufficient to pay off the bond on a 15-year mortgage, cover maintenance expenses, and make enough profit to pay off the capital.

"Yet today, when mortgage rates are as high as 14 percent, all the Rent Control Act allows developers is a maximum 8.5 percent return on invested capital."

"This means that an investor who borrows from the building societies could lose up to 5.5 percent — or R55 on every R1 000 invested — if his flats are subject to rent control. This is a quick way to bankruptcy."

He said that if rent control was to work in modern times the return on investment allowed in terms of the law would have to be raised from the existing 8.5 percent to about five percent above the going mortgage rate. At the moment this would mean a total of about 19 percent.

Mr. Massey gave an example of the flat unit he built in 1954 for R6 000. The interest on the mortgage-bond then was R330 a year.

The Rent Control Board then allowed eight percent return on the cost of the building plus an extra 25 percent for expenses. This meant a total income of R600 a year, and a total expense of R450, leaving a reasonable amount to pay off capital.

"The same flat in 1981 would cost R30 000 and the interest on the bond would be R4 050 a year (at 13.5 percent)."

"At 8.5 percent return, the maximum allowed by the Rent Control Act, plus 25 percent of that amount for expenses, the total maximum income you could legally enjoy would be about R4 000. After paying interest on the bond (R4 050) and expenses, you would be out of pocket by R1 500 a year."

That is why so many flat developers have gone insolvent and why only a few would build while

A Randburg developer explained to **DAVID BRAUN** how rent control put an end to his building flats and why the Rent Control Act should be urgently revised.

Rent control was a good thing because it did protect tenants from exploitation, but "because the maximum return on investment has not been raised from 8.5 percent in so many years, landlords have had to subsidise people's accommodation."

"That the Government's responsibility should be to buy up old blocks and let them be granted mortgages and let people who cannot be evicted by the Government buy them, is a bankrupt idea because the Government would be subsidising the banks."

Mr. Jack Eskowitz, director of a large property administering company in southern Johannesburg, agrees that the Rent Control Act must be changed urgently.

"The method of determining the value of a property for rental purposes must be jacked up considerably."

"The Rent Board has the power to make an arbitrary decision on the value of your property — in spite of evidence by quantity surveyors and accountants to the contrary."

"The board may even determine a value below the minimal value which itself is almost invariably much lower than the true market value. You can well imagine how unattractive an investment would become."

There was still a threat of being subjected to rent control, said Mr. Massey. He said building societies would not grant mortgages to developers building flats unless they were covered by the interest on the bond.

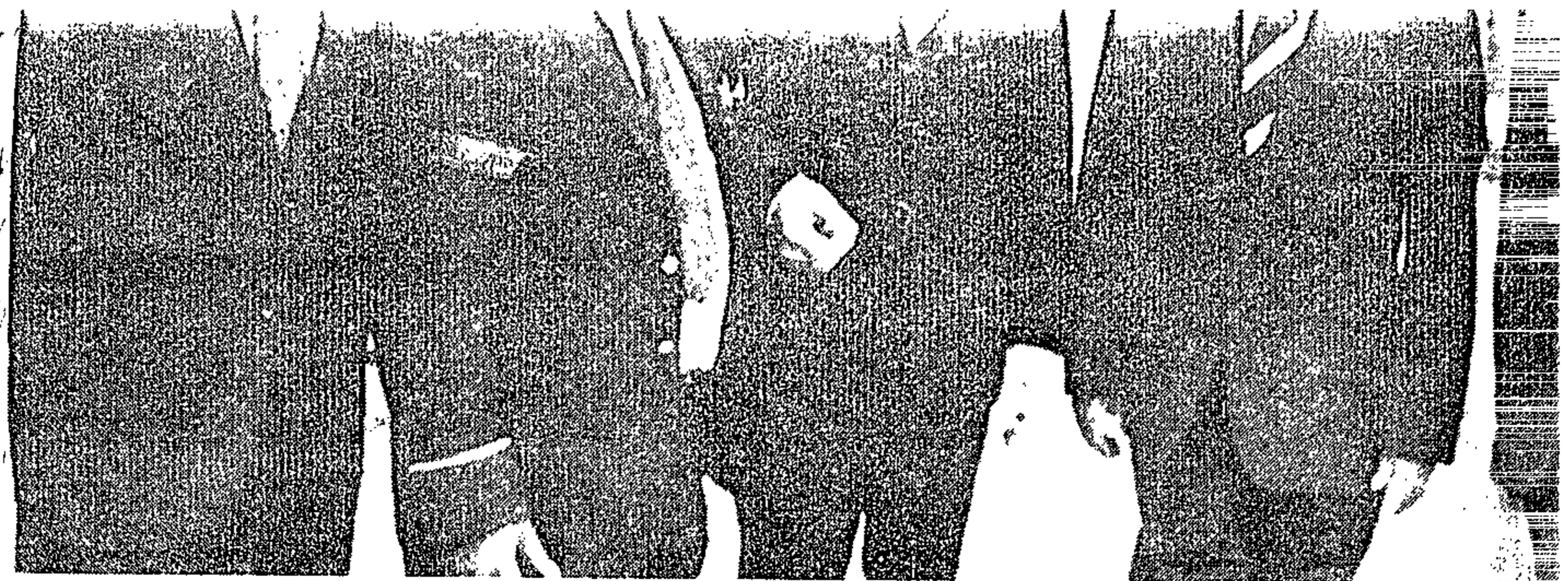
Developers had been so intimidated by rent control that they had not been building flats for some time, he said.

Some are allowed a rate of return of 8.5 percent on their investment. If you build a flat, you will have to pay interest on the bond. The value of the flat will be determined by the board. If you build a flat, you will have to pay interest on the bond. The value of the flat will be determined by the board.

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The first ideal homes exhibition to be held in an African township was held in Fordville, Port Elizabeth, house and three luxury maisonettes went on show. The exhibition was arranged by the South African Building Society. In this picture are (from the left) Mr FRED FERREIRA, director of industrial relations at the Chamber of Commerce, Mr KWITSHANA, owner of the new house, Mr A J V (BOET) VILJOEN, managing director of the Permanent Building Society, chairman of the Port Elizabeth Community Council, and Mr DENIS CREIGHTON, Port Elizabeth manager of the Chamber of Commerce.

Call for new approach to building loans

123
BAD POST 7/11/81

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THE building society industry in South Africa may have to introduce some innovations such as devising a system which gives the lender a share of the capital growth in the value of a house, Dr J G van der Horst, chairman of the Old Mutual, told the annual meeting of the Association of Building Societies of South Africa in Johannesburg.

He said another answer may lie in making bond interest payments tax-deductible on an equitable basis and that a further possibility was to consider levying lower instalments in the earlier years and higher ones in the later years of a bond when the borrower could better afford them.

On analysis, however, this latter course did not seem to be viable.

Dr Van der Horst said that between 1971 and 1975 South African building societies had advanced R1 473 million towards the cost of 148 400 homes and that, between 1976 and 1980, the amount advanced for the same number of homes was R2 568 million — R1 000 million more.

Pushing up of salaries or an extension of the repayment periods of loans did not provide satisfactory non-inflationary solutions to help fund this higher cost of homes, he said.

"The dream of home owner-

ship could be brought nearer to realisation for more than 100 000 families in towns like Soweto if the rented homes there were to be sold at cost-related prices.

"We have a precedent for this in the UK, where, by next year, some 140 000 so-called council houses will have been sold to their occupants at original cost," he said.

Dr Frans Cronje had, he said, raised this topic in public, but regrettably there had been no response, not even from the building society industry.

Dr Van der Horst said the task of accommodating the urban black citizen was indeed a formidable one and held the greatest challenge yet faced by the building society movement.

He said that, contrary to previous beliefs, there would be an egress of black citizens from the cities and that it would not be necessary to spend substantially on black housing.

With the introduction of the 99-year leasehold system the prohibition on participation by private enterprise in the black housing process had in some measure been lifted but there were still many barriers to creating a real market in this area.

Dr Van der Horst said sev-

eral new problems had emerged for the building society movement in South Africa in the past year.

Firstly, as a result of high inflation, there was the negative real rate of return earned by building society depositors.

About 50% of the investments with the industry were in the category with tax concessions.

Without this incentive, the movement would have been smaller. Alternatively, much higher rates would have to be paid to attract deposits and this would have made housing loans that much more expensive.

Then there was the heavy money withdrawal from the building societies.

Given the commitments under loans that had been granted and the need to maintain a required equilibrium between funds and commitments, the movement had, for a while, to pay rates of up to 18% in order to buy extra funds on the open market.

The third problem was the critical shortage of housing, especially among the urban blacks. Coupled with this was the high cost of accommodation.

Few could afford loans and the widely applied "25% rule of thumb" might have to be reviewed.

123

The flats

Tenants evicted for bigger tourist profits

crisis will

end in two

years if rent control is abolished

DURBAN — Hundreds of Durban families have been asked to leave their flats by landlords intent on scooping huge profits from flat-starved tourists during the coming Christmas season.

Eviction notices have been sent to 82 residents — most of them families with small children — living at the Golden Beaches holiday flats in Point Road.

"When I moved down from Zimbabwe with my family three months ago I was told we could stay as long

as we wanted to," said Mr Keith Owen.

"Now everybody must be out by November 30 and our telephones have already been cut. Do they realise how difficult it is to find accommodation?"

A spokesman for the holiday flats said the residents could stay on through the season if they were prepared to pay the holiday rates of R1 500 a month. The out-of-season tariff is R260 a month.

A further 12 families at the Elgros flats in Doonside have also received eviction notices stating that they must

move out by the end of the month.

"Even though we live on a monthly tariff we were told when we moved in that we would be assured of accommodation through the holiday season.

"It is really a pitiful sight to see families being cast out in a city which can't offer any alternative accommodation," said a resident of the block.

A receptionist at a popular bigek of holiday flats in the city said: "It is terrible.

"I've just had so many families who have been evicted coming in

looking for accommodation, but I can't help them."

Mr Robert Bonnin, owner of Bonnin Estates, said there would be an acute shortage of holiday accommodation this season.

"I think this season will be fully booked. People are prepared to pay anything for a room."

He explained that the reason for the chronic shortage of rental accommodation was that no flats or houses were being built.

"The problem is that we have many more buyers than sellers."

By David Braun

If free market forces are allowed to take their natural course there will be no rented accommodation crisis in South Africa within two years, says a Johannesburg property developer.

Mr Graham Perrins, managing director of a company which owns 900 flat units, several hotels and commercial buildings said recently that his company had vacant flat sites and cash on hand to start building flat blocks im-

mediately. But his board was not prepared to give the green light for such projects because of the threat of rent control being imposed.

"Even now we are wary of raising rents in our existing flats because the rent board might slap rent control on us.

"This a sword of Damocles hanging over our heads and the reason why we are not building any flats," he said.

Mr Perrins said his company recently turned

away people who begged to rent accommodation.

"We would love to help them. We know the flat business, which we have been in for 40 years, and would love to get on with building flat blocks. But we cannot be expected to do that if we are going to make a loss because of rent restrictions.

"Building is so expensive today that if just one project is a flop you can destroy your whole company."

Developers are prepared to build flats know-

ing there is a risk of initial low yield on their investment. But they feel they must have a realistic chance that future yield will grow and not be artificially suppressed."

Mr Perrins said once landlords could raise rents to the levels they chose there would be a rush to build flats to take advantage of the demand. There was no shortage of risk capital to build office blocks so money was available.

"The forces of competition will eventually keep

rents at an economic level. If there is no shortage of accommodation no landlord can raise his rents too much because his tenants will simply move out."

He said once landlords were competing to attract tenants they would offer incentives for people to stay. Maintenance of buildings would improve greatly.

"It is noticeable in America how, in New York City, where there is rent control, there are

enormous slums. Yet in other cities where there is no rent control there is a surplus of accommodation and rents are competitive.

"What is more the maintenance of the buildings is magnificent. Landlords look after their tenants or they lose them."

He called for the abolition of rent control, saying it acted as a disincentive to build flats.

"If we abolish rent control and guarantee a free market we will solve the housing crisis within two years," he said.

household take. Table III:11 (p.92) s

Govt can step in, landlords warned

STAR 12/11/81 (123)

By David Braun

Landlords who increase rents by more than 20 percent a year open themselves to an investigation by the Department of Community Development.

A spokesman for the SA Property Owners Association (Sapoa) said this today in reaction to a property consultant's survey of opinion makers which forecast rent increases of up to 20 percent over the next six months.

Sapoa recommended a self-imposed limit of 20 percent on annual rent increases to all its members after discussions with the Minister of Communi-

ty Development in May this year.

At the time Sapoa warned its members that any landlord who did not consider himself bound by the guideline would risk an investigation by the Department of Community Development.

The figure of 20 percent was designed to cover inflation and to partly compensate for the burdens carried by owners as a result of previous rental ceilings.

The Sapoa spokesman has warned landlords that this guideline is still in effect. Members have been strongly advised not to exceed the 20 percent mark when raising rents.

PW tackles housing shortage

STAR
12/11/81
123

Political Correspondent
CAPE TOWN — The Prime Minister, Mr P W Botha, today gave details of the Government's approach to housing problems at the business leaders' conference in Cape Town.

He said the Government had appointed the Viljoen Commission to work out ways of involving the private sector in solving black housing problems.

The commission has submitted its report to the Government and the essential principles contained in this had been accepted.

These include the fact that the State lacks the financial means to carry the full burden of housing and the private sector and the individual will have to play a more active part in the planning, building and financing of low-cost housing.

A committee under the chairmanship of the Deputy Minister of Finance, Mr D W Steyn, is studying this.

The Government has already taken steps to re-

move restrictions to the private sector's participation in black township development. These steps include:

- Involvement of private and other township developers in planning, lay-out and provision of residential areas.

- Legislation already passed to enable employers and developers to obtain leasehold in black urban areas.

- Encouragement of self-building schemes in these areas to involve individuals directly in the provision of homes of their own, the State providing sites and services on a subsidised basis.

- Increased tax concessions to employers providing housing for their workers.

The department of Community Development will take the initiative in establishing housing utility companies in the larger urban centres to make housing more readily available to the lower and middle income groups.

Confusion over Govt's intentions on black housing

STAR 13/11/81

123 13/11

By Anthony Duigan

Confusion today clouds the Government's urban black housing policy, regarded as a priority for stability, following the vague references to it by the Prime Minister, Mr P W Botha, at yesterday's summit.

Hopes that Mr Botha would spell out decisively and in detail what the Government accepted of the report by the Viljoen Committee which recommended ways of streamlining the financing and provision of black housing, were dashed.

Today Mr Alex Rabie, the West Rand Administration Board official who controls the planning and implementation of housing in Soweto and other West Rand townships, could give no details of where the Government's housing policy was headed.

"The crucial issues are involved in the details of the Viljoen recommendations," he said. "I do not

know which of these have been accepted or rejected by the Government."

The four crucial issues that need clear directives are:

- How Government subsidies will operate;

- Simplification of the lengthy procedures to register leaseholds;

- A removal of the dualism between the Department of Co-operation and Development and Community Development over the funding of housing and

- Whether aerial surveys will be allowed in order to speed up the surveying of townships.

No details of any of these issues have been spelt out.

"It must be pointed out that the Government has shown a positive trend and taken notice of the main problem areas of black housing," Mr Rabie said.

"What is also of crucial importance is the appointment of a finance committee under the chairmanship of the Deputy Minister of Finance (announced by Mr Botha) to tackle the issue of subsidies and how the private sector will be involved in the financing of black housing."

The dualism between the Department of Co-operation and Development and Community Development Department has been the biggest bone of contention for many administrators.

While Co-operation and Development controls the planning and administration of black housing schemes, Community Development, through the National Housing Fund, controls the purse strings for the building.

Long delays have resulted between the approval of black housing schemes and the availability of fi-

nance to build because of this dualism.

The Viljoen Committee, which was appointed in May to find ways of streamlining the bureaucratic procedures connected with black housing provision, strongly recommended that Co-operation and Development control its own housing funds.

STREAMLINE

It is understood that the Government has already decided on a formula which will allow money from the National Housing Fund to be allocated directly to Co-operation and Development, but the final detail of housing finance will still rest with Community Development.

Other recommendations of the Viljoen report on which the Government view is not yet known include:

- Launching a plan to build 55 000 homes in Soweto in five years to overcome the housing backlog. This will involve the addition of about 2 000 ha to Soweto over the next five years.

- Urgently revising the standards applicable to black housing and allowing more unconventional building methods to be used.

- Scrapping the many laws that restrict private sector involvement in the provision of black housing, and make township development equal for all race groups.

- Offering for sale under 99-year leasehold all older homes in the black townships at the lowest prices necessary to recoup costs and provide an incentive to local authorities to undertake the transactions.

- Provide a subsidy to individuals to bridge the gap between the interest rate they can afford to pay on a housing loan, and the rate at which private institutions would be prepared to lend money.

- See Pages 23 and 25.

'Yes' to self-help

FM 20/11/81

A most positive announcement at the Good Hope conference was that government has, in principle, accepted the findings of the Viljoen report on mass housing. But one serious question remains unresolved. Why has the report not been published?

The report's main recommendations have surfaced in the press, and a motion was passed at last month's Assocom conference calling on government to publish the findings immediately, but nothing has happened.

Some observers believe government is stalling because of the highly volatile subsidisation issue. One of the report's key recommendations — not mentioned at the conference — is that subsidies, and the criteria for determining eligibility, should be the same whether the individual hires or buys state-produced housing, or whether he borrows private sector or state finance through a building society. The long-term objective

is that subsidisation should be limited to genuine welfare cases.

Paul Andrew, of UCT's Urban Problems Research Unit, comments: "Publication of the report would reassure the public that government is genuinely committed to problem-solving. Hopefully, the report will not suffer the same fate as the De Lange report — where, although the majority of recommendations were accepted, the most significant were rejected."

However, PM PW Botha's recognition of the importance of the self-help approach to housing did indicate a significant shift in policy direction. Government has now committed itself to encouraging self-built housing schemes in urban areas which involve individual members of the private sector directly in the provision of their own homes.

Housing fund

A sum will be made available annually for such schemes, while an increase in the amount that can be made available to an individual from the housing fund for an approved self-build scheme is also being considered. This is significant as the purse strings of the housing fund are controlled by Secretary for Community Development Louis Fouche, whose opposition to the self-help housing approach is well known.

The PM also said that the "state would in future concentrate on making sites and services available to individuals at differentiated tariffs on a subsidised basis." He indicated that a revision of housing standards might be on the cards and warned against the upholding of inappropriate housing standards.

Wallace van Zijl, Professor of Urban and Regional Planning at the University of the OFS, says: "These are all steps in the right direction, and shows greater flexibility in problem solution. If a revision of standards implies a lowering of standards, this must also be applauded."

Government has also committed itself to the immediate establishment of a finance committee chaired by the Deputy Minister of Finance to formulate guidelines for private sector and state involvement in housing.

To date, the private sector has faced numerous restrictions obstructing involvement in black housing. Now government has committed itself to simplifying and streamlining these procedures, although the PM did not elaborate.

The Viljoen report has already resulted in legislative change removing restrictions which prevented employers and developers from registering leaseholds in their own names in black urban areas.

In addition, housing utility companies will be established by the Department of Community Development in all the larger urban centres. A precedent for the establishment of these companies has already been set by the Urban Foundation's Uluntu Housing Utility Company for blacks in the western Cape, and established utility companies such as Garden Cities and the Housing League.

All of these changes should speed up the provision of mass housing, and pave the way for additional private sector involvement in the problem.

Or so it is to be hoped.

More housing needed

CAPE TOWN
23/11/81
Prof
Political Staff
123

MORE housing, more jobs and more services would have to be created in South Africa in the next 18 years than had been provided in the past 300 years, Professor David Dewar told the Progressive Federal Party's national congress at the weekend.

The total urban population in white areas would more than double from 11,5-million to 25,5-million, he said. Professor Dewar, of the Department of Urban and Regional Planning at the University of Cape Town, said that "in physical terms, four more cities the size of the Pretoria-Witwatersrand-Vereeniging region or 11 cities the size of Cape Town or Durban will have to be built in 18 years".

"If the increase is viewed only in terms of African population, eight to 10 more cities the size of Soweto will have to be built by the turn of the century," he said.

At present, some 70 per cent of black income earners were earning less than R200-a-month and absolute levels of poverty were high. A vicious cycle of population growth and poverty was being set up and was becoming increasingly difficult to break.

"The implication of all this is that the majority of the massive population increase which will occur will be among the poorest people.

"Effectively, South African cities will become increasingly Third World in character," Professor Dewar said.

At present, South African cities were growing through a process of uncontrolled, sprawling accretion. "Massive low-density, low-income housing developments seek large tracts of land beyond the urban fringe and even farther away from the major work, social, cultural and commercial opportunities of the city, which tend to correspond with areas of white, higher income population."

This process was contributing towards, rather than alleviating, the problems.

Housing backlog growing for all groups

CAPE TOWN 27/11/8
 (123) (177)

Political Correspondent

THE housing shortage for white, coloured and Indian people has increased sharply over the past few months, while the government is still battling to overcome the results of its previous policy on black housing.

This emerged from a speech by the Minister of Community Development, Mr Pen Kotze, to Western Cape chambers of commerce in Cape Town yesterday.

Mr Kotze outlined the massive efforts his department is making to provide housing for people of all races, with the government sector as a whole spending nearly R2 000 million providing 160 000 houses over the past five years.

He said, however, that the backlog for the white, coloured and Indian groups is now 130 000 housing units. This is 45 000 units higher than the 85 000 backlog he estimated during the parliamentary debate on his portfolio in September.

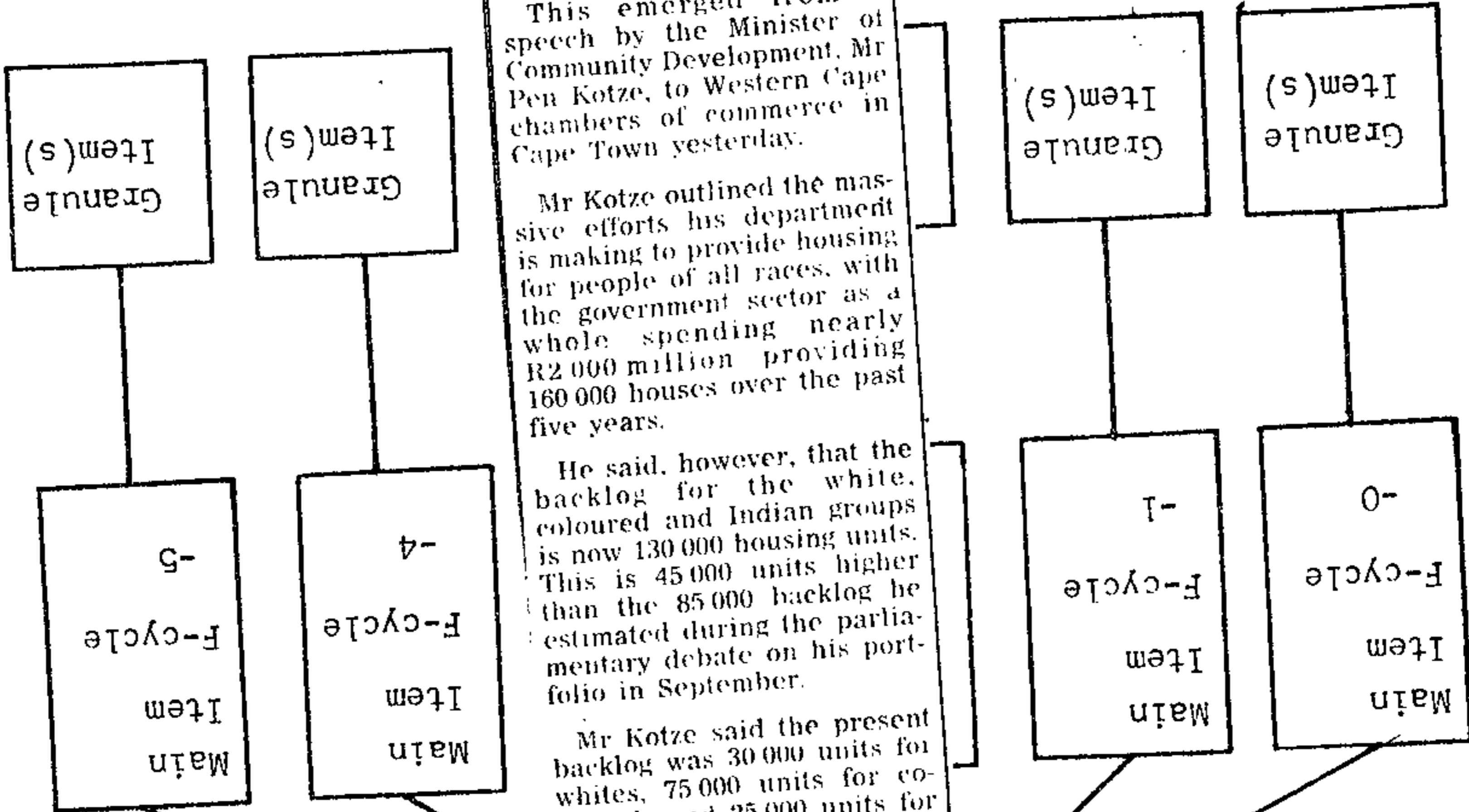
Mr Kotze said the present backlog was 30 000 units for whites, 75 000 units for coloureds and 25 000 units for Indians. These represent increased shortages of 10 000 houses for whites, 30 000 houses for coloureds and 5 000 houses for Indians in two months.

The number of houses in the pipeline for these groups remains unchanged at 72 000.

Also unchanged is the 160 000-unit backlog for black people, with only 31 000 units in the pipeline.

Mr Kotze told businessmen the Department of Community Development had inherited a "tremendous backlog" in family housing for black people in white areas because no such housing had been built for nearly ten years. From the middle 1970s to the end of 1978, government policy was not to provide state housing on a family basis for black people outside the homelands.

Since his department took over responsibility for black housing in these areas in 1979, a total of R252.5 million had been allocated in amounts rising to R81.5 million for the current financial year.



Search Item

Incentives

Mr Kotze said the government was formulating incentives to encourage employers and the private sector to become involved in the provision of housing for the black, coloured and Indian people.

Eliminating the large backlog in black housing would mean some use of unconventional building methods and controlled self build schemes.

The backlog of coloured housing in the Western Cape was 67 000 units, with considerable overcrowding in coloured areas affecting social conditions and race relations.

JEFF WALTON, Murray and Roberts' divisional director for the construction companies of the central area in the Orange Free State and Northern Cape, has raised once again, and with some force, the arguments favouring the use of natural building materials.

Five years ago, Mr Walton initiated a housing experiment at Roberts Construction (OFS), in which approximately 12 houses were built using these widely differing materials for walls. They varied from waste rock from the mine dumps to 'all concrete' slid from the ground to the eaves level.

The cost of various houses built there was interesting and of some use to Anglo-American in helping them decide how to build for their mine labourers.

'The trouble is, however,' says Mr Walton, 'that even on these experiments we never really got back to the basics and used the most obvious, easily available, materials. Nor, I believe, did we really find out what the black man wants. One problem that we all face is that so many people associate bricks with a higher standard of housing, although this need not necessarily be the case.'

Mr Walton points out that in his area, for nearly 100 years, mud for African housing or sandstone for European buildings were the traditional materials.

'Many of the major buildings in Bloemfontein were built with OFS sandstone, and are today regarded as the prestige buildings of the city,' he says.

Mr Walton believes not only that today the average semi-skilled block-layer can be trained to cut and shape stone of this kind with modern compressor driven power tools, but also that stone construction could prove cheaper in the long run

Why not mud, thatch and stone houses?

than that done with conventional 'imported' materials. This is particularly so as little mortar is required in this type of construction.

Moreover, being labour intensive, the work would provide useful on-going employment. 'Bricks are now so scarce and so costly in the Free State that we are going to have to find an alternative,' he says.

Looking at the even more basic material, mud, he sees no reason why it should not again be used extensively throughout country projects. This is particularly so if the occupants of the house can help in the building and thereby derive some pride from his efforts. Mr Walton points out that virtually all the African farm houses throughout the Free State are today still built with mud blocks.

He is also keen to see another traditional OFS building material come back: thatch — and preferably thatch supported on ordinary rough gum-poles of the kind used for roof trusses throughout the Free State.

'There is no rule which says that timber must be straight, rectangular or even planed,' he says.

Again, Mr Walton feels that cost saving would result: 'Have you ever priced what it costs to bring one sheet of asbestos from the Reef and lay it on the roof using a skilled man?' he asked.

'Concrete floors, too,' says Mr Walton, 'are hardly essential. It has already been proved time and again that grass mats on a polished dung floor are five times as warm as

a concrete floor which in some areas in the Free State can be regarded as positively unhygienic especially where occupants are not sleeping on beds.

The swing back to indigenous material is in fact taking place world wide, says Mr Walton, partly as a result of the rejection of the '50s ideas that the

home is a 'machine for living in' and should incorporate as many factory-made components as possible.

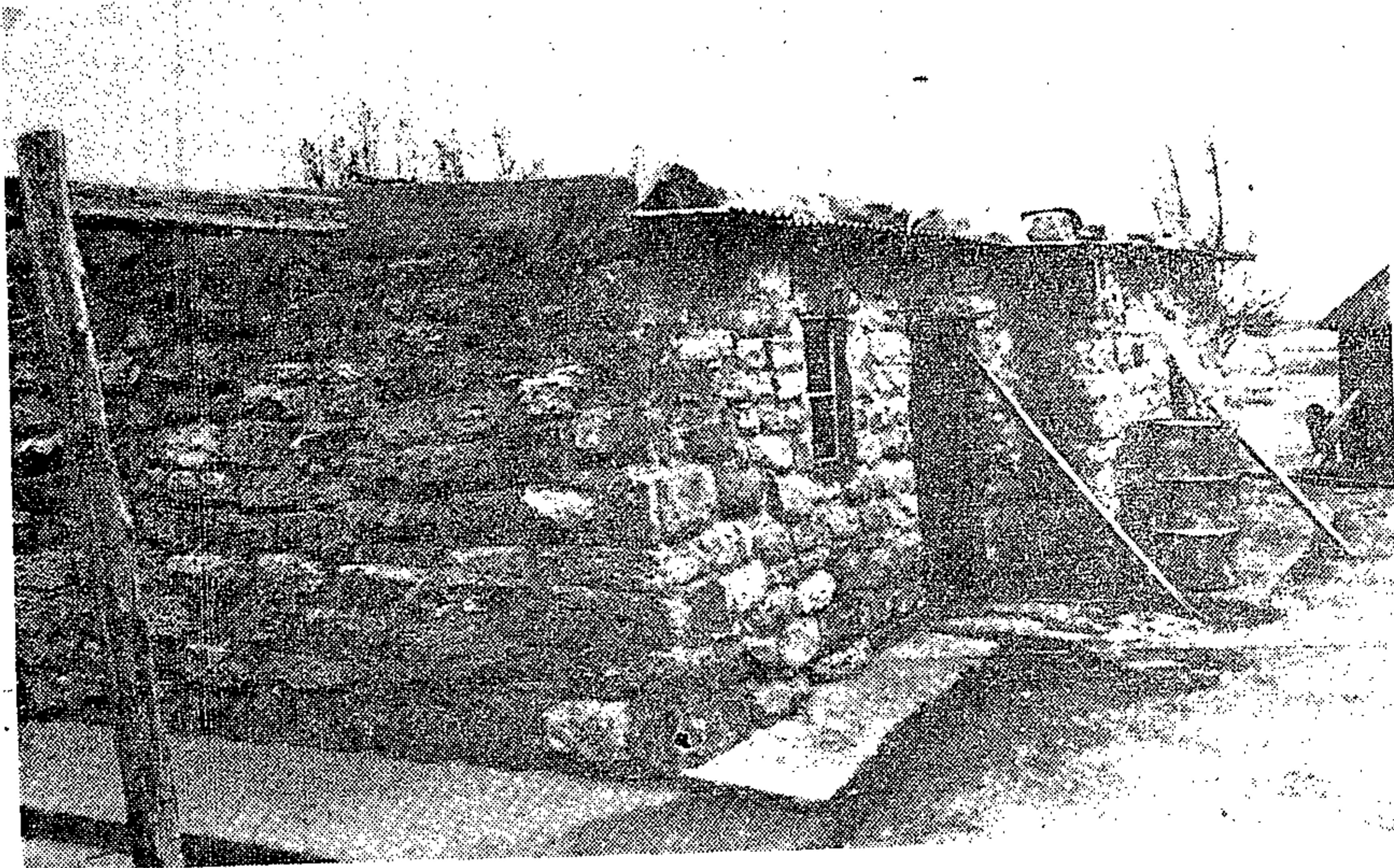
Roberts, under Dr J D Robert's guidance, said Mr Walton, were always traditionally innovators, particularly in the Free State. 'The time has now come, Mr Walton feels, to 'inno-

vate by going back, especially in the housing field.'

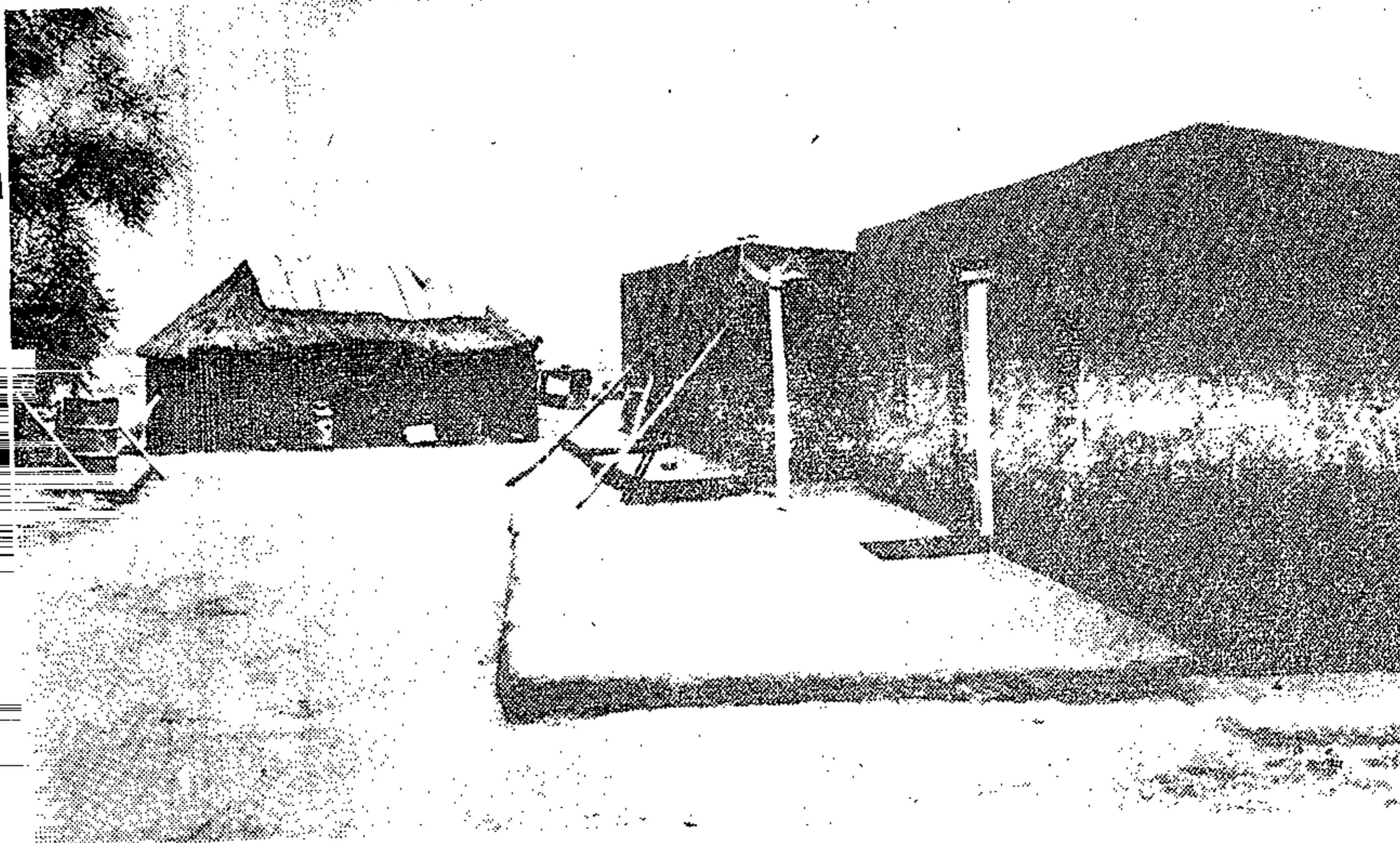
Finally, he says, even if made materials and their high cost do not win over people, surely the aesthetics of the schemes will.

Along with many others he believes that when locally available stone, mud and thatch are used

the building will fit into its surroundings, whereas 'nothing could be more hideous than rows of small rectangular concrete block units of the kind we currently erect.' Compare these with the totally natural appearance of a group of, say, Lesotho or Zulu houses on a hillside.



A HOUSE built in natural stone.



NEAT mud cottages of the kind traditionally built by blacks in the Free State.

BUILDING F.M. 11/12/81 (123)
Housing slowdown

The homes shortage looks like it will get worse before it gets better. Just one reason is that builders are shying away from private sector housing because they have difficulty finding bonds for buyers.

Builders still have satisfactory order books and are expecting slight growth next year. But many say they have run down their private building divisions and moved into the mass housing market, community development schemes and work for the mines and other large organisations.

The mass housing market is active and funding is available. But the ever-present threat is that government will cut current spending levels.

The Stellenbosch Bureau for Economic Research reported in September that loans granted by building societies had dropped from a record R78,5m in November 1980 to R26,8m in March this year. The figure then rose before dropping again to R28m in July.

However, as the BER report points out, the mood in the industry is not pessimistic. Some builders see the present fall in growth rate as a period of consolidation.

F. M. 11/12/81
123

MASS HOUSING

Boost for the Reef

Black, Indian and coloured housing on the Reef is due to receive a significant boost with the creation of the first housing utility company in the region. This is in line with PM P W Botha's recent announcement that such companies would be established by the Department of Community Development in all the larger centres to tackle the problem of mass housing.

The formation of the company has still to be announced, and no information has yet been given about its intended structure and functioning. However, there are precedents for the running of such bodies.

At present there are five housing utility companies in SA. All are in the western Cape — Citizens Housing League (CHL) and Garden Cities (GC), which provide housing for whites; Peninsula Community Association (PCA) and New Garden Cities (NGC), for coloured people; and the recently registered Uluntu Utility Company, providing black housing.

Traditionally, housing provided by utility companies has been for those who do not qualify for government subsidies but are unable to buy a house on the open market. (The present cut-off point for a government subsidy is R650/month income for household heads.) However, should utility companies direct their energies to the provision of low-income housing, where the need is greatest, they could play a significant role in helping to alleviate SA's housing crisis.

Basically, a registered housing utility company is a non-profit organisation with a specialist function which does not pay dividends to shareholders and is exempt from income tax. Its directors are unpaid and have no direct financial interest in the company, and surplus profits are expected to be ploughed back into the community.

Says Uluntu's GM Ivan van der Merwe: "They operate as private companies and are free of the obstacles and red-tape of local government. In addition, as their activities are not confined to administration, they can also be innovative."

Adds Selwyn Myers, GM of GC: "These companies can operate on an entrepreneurial basis with the minimum of inhibiting controls to which a local authority or other statutory body is constantly subjected. Government cannot be expected to play an entrepreneurial role in housing provision; utility companies can. The boards of utility companies should be comprised of socially aware businessmen so that companies will be operated in an efficient and businesslike



Uluntu's Van der Merwe ... a 'big brother' wanted

manner."

Efficiency is essential. According to Myers: "Housing is no longer a socio-economic process — it's socio-political, so there's more of an urgency than ever before. The crux of the problem is affordability. Utility companies can develop housing more cheaply than other agencies because of their non-profit orientation."

Although approved housing associations, like local authorities, are able to obtain funds from the National Housing Fund, it is essential that these funds are supplemented. Says CHL's Eric Pohl: "It is impossible for government to provide enough money to solve the problem, so private sector financial involvement is essential."

But first there are a number of problems for government to iron out. For example, where will the capital come from? According to Van der Merwe, "Utility companies need a 'big brother' to put up the capital with little security and at a low interest rate. Uluntu was established with a soft loan, as were NGC and PCA."

Reliable sources believe that most of the money for the proposed utility companies will come from a fund to be established by Community Development, but there are a number of other avenues. Van der Merwe suggests that government should combine forces with the private sector to form companies based on a similar model to the Small Business Development Corporation, and that debentures be sold to the private sector. "Investment in utility companies could also be a prescribed investment for pension funds," he adds.

Myers has further ideas. "If an association is given a donation of land by the state or local authority, less initial capital would be required. GC was established with a state grant of land and a founder's donation. This

capital has since become self-renewing."

However, even if the major source of funding is government, it is essential that intervention is minimal and that functioning is not hide-bound by ideology and party-political differences. Some, such as the Urban Foundation's executive director Jan Steyn, are adamant that utility companies function best as private sector organisations.

Comments Steyn: "We hope that if Community Development is to take the initiative in the establishment of utility companies this does not mean that such companies are to be established as part of the public sector. If the private sector is to assume some of the responsibilities it must also be seen to participate in the decisions which underlie the new dispensation."

But, as Pohl points out, "The solution does not lie in one strategy alone, rather in a combination of efforts by various housing agencies — voluntary housing associations, the private sector, government, local authorities and quasi-state bodies."

Bearing in mind that in Soweto alone there is an estimated shortage of about 35 000 houses, there is an urgent need for the new utility company.

RAISING FEES

Unwanted protection

F.M. 11/12/81 (123)

The recent hullabaloo in the press about the "illegal racket" involving raising fees could well jeopardise a vital source of finance for the homes market.

But the industry can relax. Legal opinion holds that, unless the agent himself is taking a rake-off, such transactions are perfectly kosher.

And building societies who righteously refuse to grant bonds even where licit raising fees have been paid are doing no-one a service. After all, the agreement reached between consenting adults should be no concern of theirs.

Indeed, if they grant only half the investment as a tied bond, there is still 50% to pass on to another prospective homeowner. If they are serious about helping people to obtain their own homes, the objection is hard to follow.

The problem, of course, arises when the agent himself takes all or part of the fee which should go to the investor — and usually does. It would appear that such action by the agent is illegal.

Just as the *FM* believes that borrowers should be free to pay raising fees within Ladofca limitations if they so wish, so it deplores any move by estate agents to profiteer. Raising finance is part of the agent's job; his just reward is the commission that comes with a completed deal.

But do agents share the spoils? Institute of Estate Agents president Basil Elk gives no firm answer. He says he doesn't know personally of any cases "but there might be isolated cases."

Then, of course, building societies have further warned that bond applicants who falsely claim not to have paid raising fees are committing a criminal offence.

Ladofca (Limitation and Disclosure of Finance Charges Act) was amended last year to prohibit an *intermediary* in a money lending transaction (which includes the reciprocal investment at issue) from receiving money from the borrower.

An *intermediary* is defined as a person who acts on behalf of a moneylender (which includes a reciprocal investor), or who receives an application for credit from a borrower, or who acts in any manner on behalf of either the borrower or the money lender.

From this it is clear that:

□ If the buyer or his agent needs a bond of R40 000 and he approaches a reciprocal investor (a moneylender) to invest, say R80 000, with a building society to facilitate the granting of a bond, then the investor is legally entitled to accept a raising fee at the going rate of, say, 5%. The moneylender is not an intermediary because he is not acting on behalf of the borrower.

□ If an estate agent completes the bond application form, he becomes an intermediary in terms of Ladofca. If he then approaches a moneylender and arranges the investment with the building society, and further sees that the raising fee is paid to the lender, he commits no offence as long as he takes no part of the raising fee directly or indirectly.

□ If an agent takes any portion of the raising fee which is payable to the moneylender by the borrower then he falls foul of Ladofca, and commits a criminal offence with a maximum fine of R1 000 or two years imprisonment.

□ If an agent completes the bond application form and delivers it to a building society and takes a cut of the raising fee he commits an offence.

□ But if an agent accepts a raising fee in advance and holds that money in trust pending the finalisation of the transaction then he commits no offence because he merely holds the money on behalf of the buyer.

□ Should a buyer sign a bond application form stating that no raising fee is payable when one was, in fact, paid (and paid legally) it is doubtful whether he commits any offence because it is not done under oath. And no act of fraud is committed because the building society does not suffer actual or potential monetary loss. Also, it is not connected with an illegal transaction. The

position would be different, of course, where the raising fee was illegal.

Jim Dodds, Allied's MD says that his society frowns on the practice of raising fees because it has been abused in the past by builders and developers who have circulated short-term investments among the societies to secure bonds. And, of course, the Registrar of Financial Institutions has declared it to be an undesirable practice.

So the societies are compelled to officially disapprove. And although a perfectly legal contract, the Allied would "wash its hands of the whole transaction."



IEA's Elk ... 'there could be isolated cases'

Steep rise *Cape Times 16/1/81* in home *(123)* mortgage bond rate 'certain'

By GORDON KLING

ANOTHER steep increase in home mortgage bond rates is considered certain by building societies following yesterday's rise in the bank rates and the almost immediate increase in rates offered on savings by the commercial banks.

The major banks and building societies were yesterday watching each other for a lead on rates, with Barclays National Bank being the first to announce a rise, a 0,5 percent boost to its "super save", taking it to 9,75 percent.

It simultaneously announced a one percent rise in its prime overdraft rate to 17 percent, in a move expected to be followed by the other banks, but there was no indication from the authorities of changes under the Limitation and Disclosure of Finance Charges Act (Ladofca) which would permit an increase in maximum HP rates.

Building society and banking sources were adamant yesterday that the societies would have to follow the banks in increasing savings rates, which in turn would necessitate another mortgage bond rate increase within a few months.

Before the Barclays announcement, the executive director of the Association of Building Societies, Mr Tim Hart, noted that the societies would have no choice but to raise investment and bond rates if the banks' higher rates had an adverse affect on the societies.

Speculation yesterday centered only on the size of the likely bond rate rise. One top banker predicted it would be either 1 or 1,5 percent.

Following three increases during the course of 1981 totalling 3,25 percent, even the lower figure would leave the houseowner who has a R20 000 bond paying about R66 a month more than at the beginning of the year. In the case of a R30 000 bond the rise would be R91 and for a R40 000 bond, R136.

50 000 pamphlets oppose rent rises

ARGUS 21/12/81 (123)

ABOUT 50 000 pamphlets urging people to resist rent increases were distributed in the Peninsula at the weekend.

The pamphlets were accompanied by a petition urging that:

- ① All rent increases be stopped;
- ② People be charged rents which they could afford; and
- ③ The Government take full responsibility for housing.

The pamphlets were distributed by the Cape Areas Housing Action Committee (Cahac), which has formed a Rents Action Committee consisting of representatives of civic organisations, churches and trade unions.

The pamphlet says that housing is a basic need.

CONTROL

'As workers, we cannot afford to build our own houses. Housing is therefore the responsibility of the Government.

'This Government has a Minister of Sport but no Minister of Housing. In the absence of central control, councils do as they please.

'If the housing situation is to improve, the central Government must take responsibility for all housing.'

Residents were urged by Cahac to support the rents campaign by displaying stickers and signing the petition.

Residents of Cape Divisional Council areas are facing a double flow in the New Year.

Rent increases have been announced in all council housing areas. The increases are especially sharp in areas such as Atlantis and Mitchell's Plain.

TRANSPORT

These are also the areas most severely affected by any increases in transport costs.

Mitchell's Plain Bus Service Ltd and Atlantis Bus Service Ltd and their holding company, Associated Bus Holdings, have applied for fare increases of up to 60 percent.

About 50 percent of Atlantis workers and most of Mitchell's Plain workers commute to Cape Town daily.

Figures supplied recently by the Divisional Council indicate that residents are already struggling to make ends meet.

NOTICES

Last year 100 993 eviction notices were served on Divisional Council tenants. This means in effect that an average of almost six eviction notices were issued for each housing unit during the year.

The proposed rent increases for next year in the Divisional Council areas are up to R6 a house but in areas such as Atlantis some categories of tenants are facing increases of more than 20 percent.

HOUSING & HOSTELS - GENERAL

3 JANUARY 1982 — 31 July 1982

Transfer of telephones

77. Mr. A. B. WIDMAN asked the Minister of Posts and Telecommunications:

How many (a) applications for transfer of telephones were received and (b) actual transfers were effected by his Department during the latest specified period of 12 months for which figures are available?

The MINISTER OF POSTS AND TELECOMMUNICATIONS:

(a) and (b) Separate statistics in respect of transfers are unfortunately not available.

123 *Hansard Q. 61.75*
Rent control 12/2/82

78. Mr. A. B. WIDMAN asked the Minister of Community Development:

(a) How many dwelling units are still subject to rent control, and

(b) how many individuals are affected by such rent control, in each province?

The MINISTER OF COMMUNITY DEVELOPMENT:

(a) An estimated 63 000 dwellings or approximately 4,5% of the total number of dwellings in the Republic;

(b) the required information is not kept and to obtain it will entail a comprehensive and time-consuming investigation, which in view of the shortage of manpower cannot be justified.

Civil Aviation Directorate

79. Mr. R. A. F. SWART asked the Minister of Transport Affairs:

How many (a) posts and (b) vacancies are there for typists in the head office of the Civil Aviation Directorate of the Department of Transport in Pretoria at present?

The MINISTER OF TRANSPORT AFFAIRS:

(a) Nil. Typing for the various Directorates in the Department is done by a central pool of typists which is controlled by the Transport Administration Directorate.

(b) Falls away.

Firemen

80. Mr. R. A. F. SWART asked the Minister of Transport Affairs:

(1) (a) How many posts are there for firemen, and (b) how many vacancies for firemen are present, at (i) Jan Smuts, (ii) Louis Botha, (iii) D. F. Malan, (iv) H. F. Verwoerd, (v) Ben Schoeman, (vi) J. B. M. Hertzog, (vii) B. J. Vorster, (viii) J. G. Strijdom and (ix) Upington Airport;

(2) how many firemen were in employment at Upington Airport in (a) October 1981, (b) November 1981 and (c) December 1981?

The MINISTER OF TRANSPORT AFFAIRS:

(1) and (2) I refer the honourable member to my reply to question 18 on 10 February 1982.

FRIDAY, 12 FEBRUARY 1982

†Indicates translated version.

For oral reply:

Prime Minister:

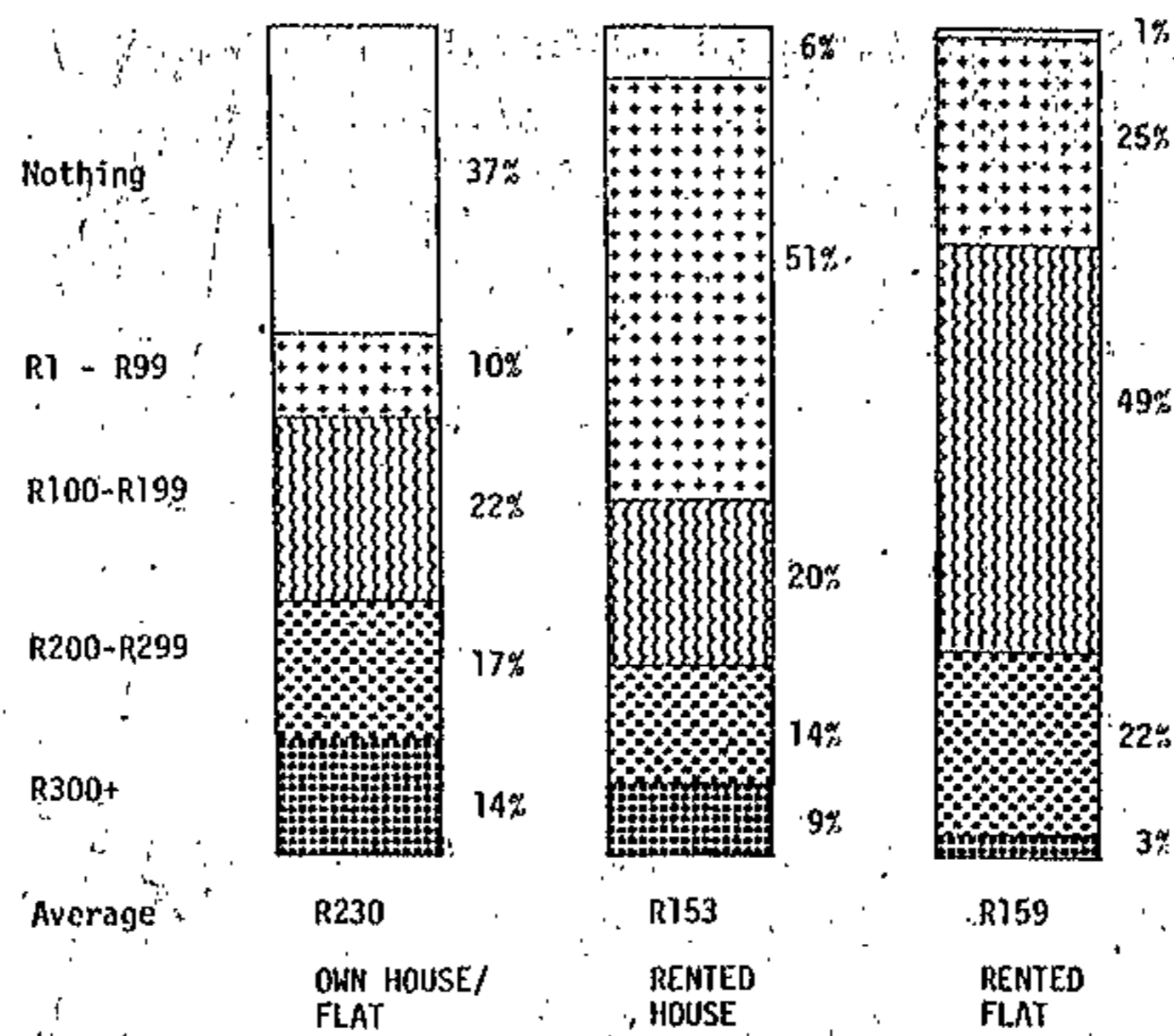
Pert Elizabeth: regional advisory committee

*2. Mr. D. J. N. MALCOMESS asked the Prime Minister:

problems which you may encounter in these should be taken to the Examinations Officer, Bremner Building, without delay.

READING

While the Department will try wherever possible to facilitate reading by placing texts in the short loan section of Leslie Library and distributing selected prescribed articles, you are strongly advised to make the fullest possible use of the Library. It would stand you in good stead to attend an orientation course conducted during the first



Monthly bond or rent paid

Homes: How do you shape up now?

123
Sunday Times 17/1/82

TRUST statisticians to work out that Mr SA Average White owns a suburban house comprising 3,1 bedrooms, 2,4 other rooms and 1,5 bathrooms.

If flats are included then Mr A W enjoys but a mere 1,4 bathrooms.

Most of us can visualise 1½ bathrooms (as featured in homefinders' ads), but it needs abstract thought to conjure in the mind's eye a 1,4-bathroom. What, after all, is 0,4 of a bath? More damp than wet!

Market researchers from Markinor have produced a study of the average with South African's home.

It concludes that SA households are split into 64% owner-occupied, followed by 21% with rented houses.

The third-largest segment — 13% — lives in rented apartments, while a minuscule 2% enjoys flat ownership.

About 66% of white homes are owned while 34% are rented, giving a surprisingly high ratio of three owned to one rented. About 13% of the 15% of flats occupied are rented.

Households are financed as follows:

- A surprising 40% of house owners have either paid off their homes or paid cash.

- Of the 60% paying off their bond, the average monthly amount is R230, while the national average monthly house or flat rental is R150 a month.

- An amazing 50% of rented houses and 25% of rented flats cost less than R100 a month.

- At the top end are 9% of houses and only 3% of flats which command rents of more than R300 a month.

Considering that bond repayments still stand 50% higher than rentals, what are the additional facilities the house owner enjoys versus those of a flat renter?

All owned property features more accommodation. Owned property has more special-purpose rooms than flats, with the exception of the "other room", which is

By Vera Beljakova

more prevalent in rented apartments.

- There is a reception room (lounge with or without a combined dining-room area) in 94% of owned houses or flats (the remaining 6% are bachelor establishments).

A reception room exists in 96% of rented houses (4% are one-roomed cottages) and 94% of rented flats (6% are bachelor apartments).

- A separate dining room exists in 68% of owned houses or flats, in 43% of rented houses and in 17% of rented flats.

- A study is included in 31% of owned properties, 15% in rented houses and in 5% of rented flats.

- There is a playroom in 18% of owned properties, 2% in rented houses and 1% in rented flats.

- Four or more bedrooms (plus bathrooms) feature in 26% of owned properties, in 16% of rented houses and 2% of rented flats.

- Two or more bedrooms (plus bathrooms) occur in 46% of owned property, in 24% of rented houses and in 7% of rented flats.

- The ambivalent "other" room exists in 28% of owned properties, in 28% of rented houses, while 36% are attributed to rented flats.

While the average owned house has its 3,1 bedrooms, 2,4 other rooms, 1,5 bathrooms, rented houses have nearly as much sleeping accommodation but only 75% as much other space.

THE black housing crisis is rooted in the long history of segregation in South Africa, and in the conflict which has existed ever since between political ideology and economic reality.

This emerges from "A History of Black Housing in South Africa", written by Pauline Morris and published by the South Africa Foundation.

It was natural enough, says Ms Morris, for early residential areas to be segregated in South Africa, given the socio-economic and cultural differences of whites and blacks at the time.

Thus beach apartheid made its appearance in East London in 1895; influx control regulations were introduced in Pietermaritzburg and Durban in 1874; blacks in Transvaal towns were prohibited from living in places abutting on public streets in 1899; a law of 1908 empowered Natal municipalities to use the profits from their

monopoly sales of "Kaffir beer" for the erection of houses, schools, hospitals and other facilities for blacks.

It took an outbreak of plague in 1904 to rid Johannesburg of "Coolie Town", an area just west of the town centre, where water was drawn from polluted wells and holes in the ground served as lavatories.

The Tuberculosis Commission of 1914, reporting on urban black locations throughout the Union, found many of the locations were located on dongas near refuse dumps or slaughter poles, on ground "incapable of being kept in good order". There was no proper layout, little or no sanitary accommodation, and dwellings mostly "quite unfit for human habitation" with no security of tenure and therefore no incentive for improvement.

Yet at the same time the local authority had often been making a considerable profit out of the running of its locations — profit which went into general municipal revenue, not into the betterment of the locations.

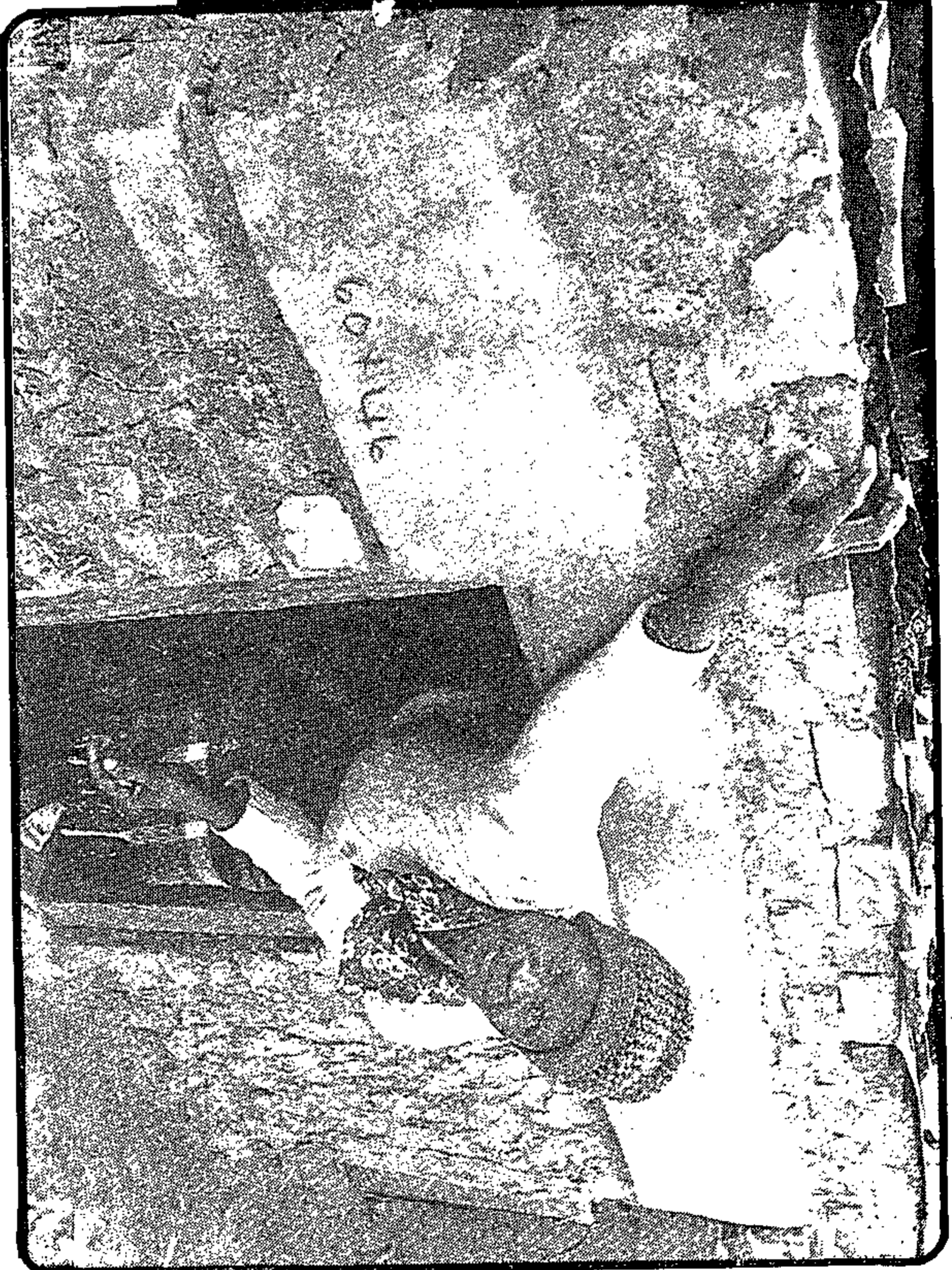
The commission accordingly recommended the keeping of separate accounts for the locations.

Another damning indictment of urban black housing came from the Government Housing Committee appointed after the influenza epidemic of 1918, which wiped out 500 000 blacks and coloureds.

BY LIN MENGE

Black Housing

Political ideology versus economic reality



AN IMAGE OF BLACK HOUSING ... designed by politicians to fit ideology, not human needs.

tion, standards of income, intellectual levels and lifestyles.

● The phasing out of influx control which is a major factor inhibiting the development of blacks and a major cause of housing problems.

● A greater allocation of resources for housing and the adoption of a more efficient financing procedure. The reliance on beer profits as a major source of income must be phased out and strategies to strengthen the tax base of black areas must be initiated.

● Greater private sector contribution should be actively encouraged through the issue of clear policy and procedural guidelines and the introduction of tax and other incentives.

● Comprehensive planning and the acquisition of more land for future development, including a reassessment of the informal settlements on urban peripheries.

● The adoption of more appropriate standards and the provision of a greater choice of housing.

Standards

The emphasis on minimum standards should be adjusted to realism in terms of resources and blacks' ability to pay.

● The adoption of more appropriate standards and the provision of a greater choice of housing, including the upgrading of informal settlements.

● The establishment of a more effective administrative and representative process to encourage black participation in decision-making relating to housing.

● The improvement of the urban

...

Union Government was forced to deal with the continuing influx of blacks into the towns in search of jobs. But a conflict had already developed over the years between those who felt threatened by the influx, and those who accept the permanence of urban blacks as part of the process of urbanisation.

This conflict was now resolved — in favour of the political strategists who opposed giving blacks freehold tenure because they would then become landowners and eventually demand the right to vote.

In 1922 the Transvaal Local Government Commission under Colonel C. J. ...

At about the same time a Native Affairs Commission also argued for restricting blacks in the urban areas, but on the grounds that blacks were "not by nature town dwellers" and their presence in towns raised "hygienic, economic, social, prob-

...

lems of a considerable magnitude".

Strong protest from the SA Native National Congress notwithstanding, the Smuts Government passed the Native (Urban Areas) Act of 1923. Blacks could not be granted freehold rights, and there would be strict control over their movement into urban areas.

The principle of impermanence was thus introduced into the urbanisation process of urban blacks and was to have far-reaching consequences on all aspects of urban black policy," says Ms Morris. It left blacks, who had actually been consulted on the legislation, disappointed.

The inherent contradiction in the legislation, namely that while local authorities were expected to outlay substantial funds for blacks who were "temporary," did not promote the development of black townships. But because of increasing reliance on black labour in an increasingly industrialised South Africa, the concept of the temporary urban black was looked at again — and rejected by the Fagan Commission.

The commission decided black migration into the towns was a natural economic phenomenon, and rejected the white legislator severely damaged.

confidence in the word of the white legislator severely damaged.

The inherent contradiction in the legislation, namely that while local authorities were expected to outlay substantial funds for blacks who were "temporary," did not promote the development of black townships. But because of increasing reliance on black labour in an increasingly industrialised South Africa, the concept of the temporary urban black was looked at again — and rejected by the Fagan Commission.

The commission decided black migration into the towns was a natural economic phenomenon, and rejected the white legislator severely damaged.

not be reversed, and rejected total racial segregation as utterly impracticable.

But the year the report was tabled was 1948. The Nationalists came to power and firmly declared urban blacks in white areas to be "temporary sojourners" without political or social rights in those areas. Instead the Nationalists devoted themselves to reversing the flow of those blacks to the "homelands". Urban black insecurity increased until, in the 1960s, leasehold tenure was withdrawn, as was the right of black women to acquire housing. Township managers were given wide powers of eviction and trading rights

against official policy to provide family housing.

Stricter enforcement of influx control led to an increase in shantytown settlements, while Group Areas removals moved blacks further and further away from their places of work. Finally control of urban black areas passed to administration boards which had to be financially self-sufficient. Not only were the subsidies and services provided by municipalities such as Johannesburg lost to the black townships, but because of the way they were financed, it was not in the interest of the administration boards to provide increased black housing.

But, says Ms Morris, "the detakings to improve township conditions but little was done. As in the post-1923 phase, says Ms Morris, inertia resulted from official inaction, again representing "the inherent contradiction between economic realities and an ideology aimed at maintaining the large urban complexes as white preserves".

The Ricker Commission finally took the saga full circle by making recommendations recognising the permanence of urban blacks similar to those made by the Fagan Commission more than 30 years previously. Some positive moves resulted, recognising the permanence of urban blacks and including the introduction of 99-year-leasehold and of site and service areas and self-help schemes. There were also moves to promote greater private sector and employer participation.

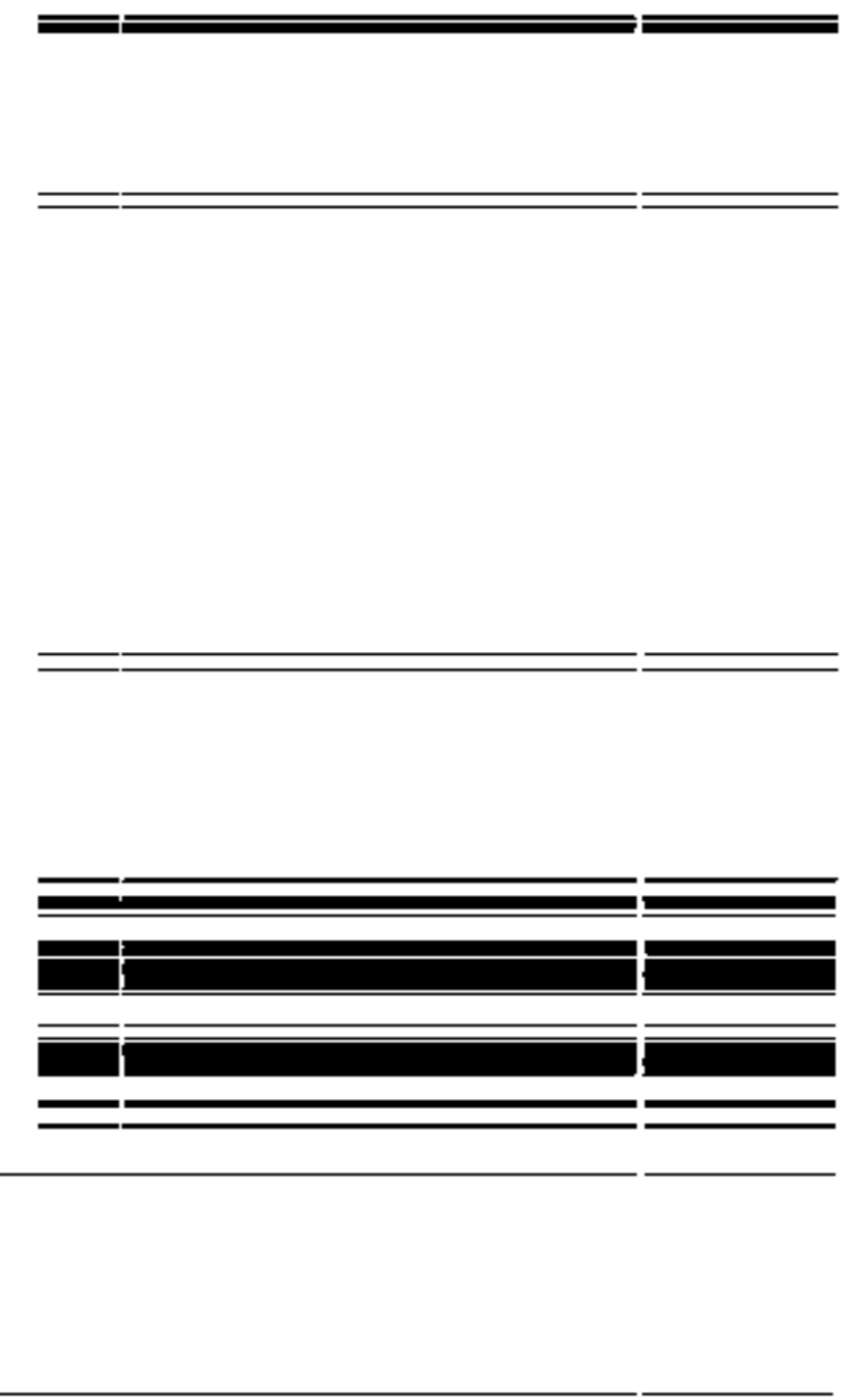
But, says Ms Morris, "the critical housing problems and particularly the lack of confidence felt by many blacks in the intentions of the Government, which result from past policies and practices, call for more drastic and far-reaching changes and commitments".

Bearing in mind also that the overall goal in any housing policy is to promote individual and community self-sufficiency, Ms Morris suggests the following:

● The granting of freehold rights as an option, with the eventual aim of converting all leaseholds to freehold.

● A gradual repeal of the Group Areas Act so that "all South Africans who have achieved reasonable economic positions through personal endeavour and skills would be able to live where they choose, the choice being

...



103

10/02/1982

grading streets and parks,
providing community facilities and involving the community in their establishment or improvement.

- The promotion of an appropriate building process — to create employment opportunities and develop local enterprise.



A History of Black Housing in SA

By PAULINE MORRIS

Publisher — South African Foundation

Reviewed by JOSHUA RABOROKO

123

THE root cause of the chronic shortage of housing stems from the political ideology and the attitude of authorities towards low income housing and standards in South Africa.

This view is expressed in a book entitled *A History of Black Housing in South Africa*, written by Ms Pauline Morris and published by the South Africa Foundation.

This major book on housing, launched last week in Johannesburg, deals mainly with the black housing crisis which takes its roots from the history of segregation in the country.

It deals in depth with various commissions appointed by the different types of government which existed here — from the Tuberculosis Commission of 1910 to the Riekert Commission of 1979.

The author says that it was "quite natural" for early residential blacks to be segregated in South Africa when given the socio-economic and cultural status of whites and blacks at the time. The movement of blacks from rural

dumps, on ground that was incapable of being kept in good order.

There was no proper layout, little or no sanitary accommodation and dwellings mostly unfit for human occupation with no security of tenure and therefore no incentive for improvement.

The author says that at the same time the local authority had often been asking a considerable profit from the running of its locations.

The commission, according to the author, accordingly recommended the keeping of separate accounts for the locations.

Another commission was appointed in 1918 after influenza gripped and wiped out 500 000 people. This commission was also to look into the problem of urban housing, and recommended the formation of a controlling body and that the Government should control building operations in the country.

With the progress of time the Government had to deal with the continuing influx of blacks into towns in search of jobs. But a conflict had already developed

Ideology of housing

expressed strong opposition to both the decision not to grant property rights and the incorporation of influx control.

"The principle of impermanence was thus introduced into the urbanisation process of urban blacks and was to have far-reaching consequences on all aspects of urban policy."

It left blacks, who had actually been consulted on the legislation, disappointed, resentful and with their confidence in the word of the white legislator severely tarnished.

By 1948 the National Government came to power and asserted that urban blacks were "temporary sojourners" in the so-called "white South Africa".

They left blacks without political or social rights in those areas. Instead the NP devoted themselves to reversing the flow of those blacks to the "homelands".

This increased urban insecurity until the 1960s, when leasehold tenure was withdrawn, as was the right to acquire housing for black women.

Township managers were given wide powers of eviction and trading rights were restricted.

years between those who felt threatened by the influx and those who accepted the permanence of urban blacks as part of the process of urbanisation.

In 1922 the Transvaal Local Government Commission under Colonel C F Stallard reported to Parliament and established the principle of the impermanence of the black in "white" urban areas.

"The native should only be allowed to enter urban areas which are essentially the white man's creation when he is willing to enter and to minister to the needs of the man, and should depart therefrom when he ceases so to minister..."

Almost at the same time, the author says that the Native Commission also urged for restricting blacks to urban areas, but on the grounds that blacks were "not by nature town dwellers" and their presence in towns raised "hygienic, economic and social problems of intrinsic value".

There was a large scale protest from the South African National Congress in Bloemfontein where delegates

areas into towns to seek employment opportunities necessitated the building of more homes for such workers near their places of employment.

The major problem that emerged after the Union of South Africa was the permanence of urban blacks among those who accepted them as an inevitable part of the urbanisation and those who felt threatened by the increasing numbers of blacks entering these towns.

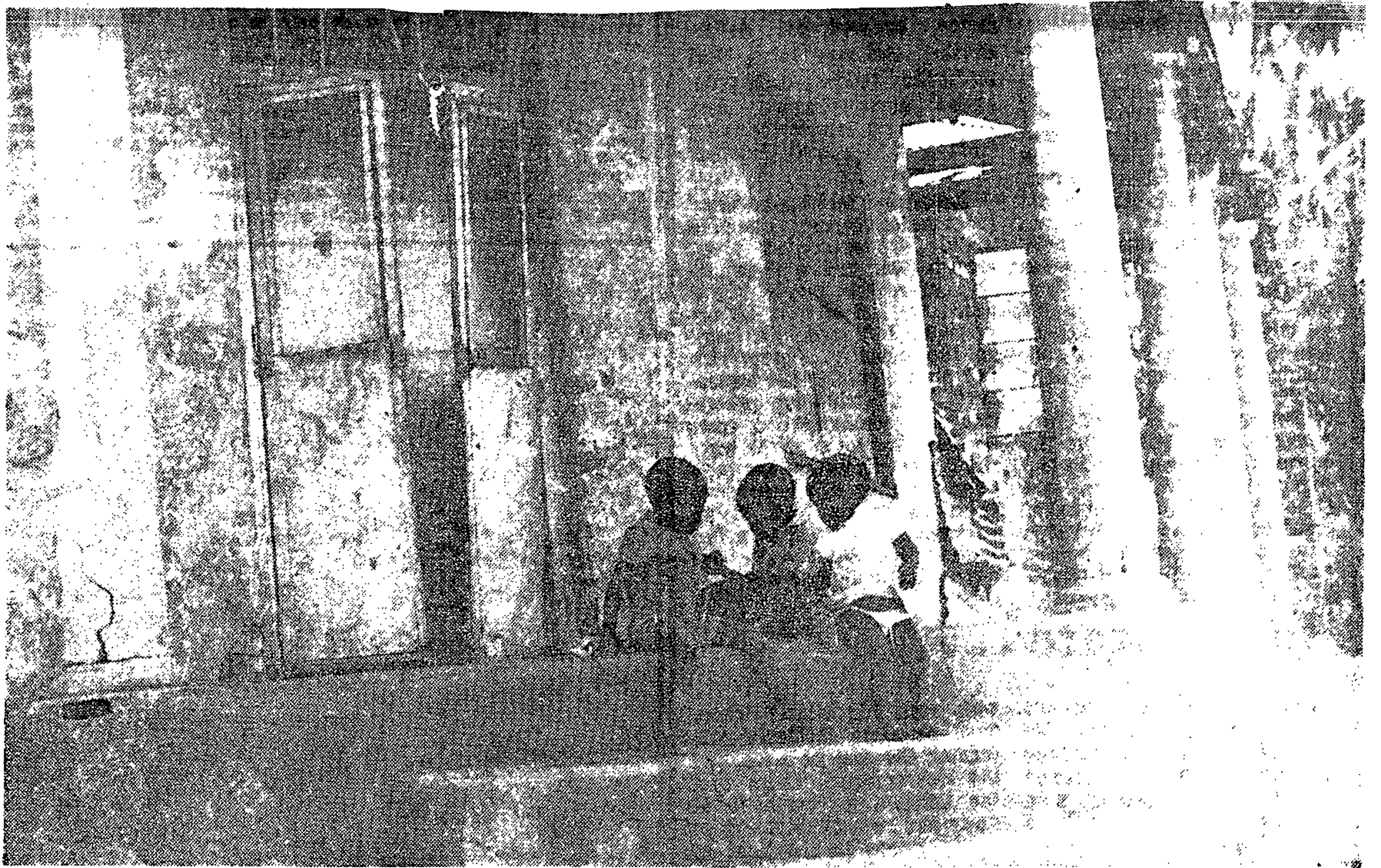
Blacks themselves wished to be accepted and participate in the economic and socio-political development of the country — this was followed by a long debate, right up to 1923.

In the end, political strategies triumphed when the granting of the land ownership was rejected and excluded from the 1923 Natives (Urban Areas) Act.

"The main reasons given for this decision were largely political, for it was held that the granting of freehold was the thin edge of the wedge which result in blacks becoming landowners in the country."

According to the author it took an outbreak of plague in 1904 to rid Johannesburg of "Coolie Town", an area just west of the town centre, where water was drawn from polluted wells and holes in the ground served as lavatories.

Again in 1914 the Tuberculosis Commission reporting on urban blacks located throughout the country found that many of the locations were situated on dongas near refuse



These children from Alexandra Township face a more secure future than their parents. The new mood of purpose surrounding black housing problems and the change of policy that has allowed Alex to remain as a family suburb are signs of a better future for urban blacks.

Ideology at odds with reality. This has been the cause of misery and crisis from Union to Republic and beyond to millions of urban blacks needing shelter.

A new study on black housing in South Africa by researcher Pauline Morris on behalf of the South Africa Foundation chronicles the nightmare of ad hoc and often contradictory emergency measures taken for almost 70 years to try and house urban blacks.

What emerges is an old theme: the native problem became the anti-apartheid problem became the black problem which has been handled by imposing policies of a political and ideological nature contradictory to the process of development.

Various commissions since 1914 have studied urban blacks and what to do about their housing, long debates have ensued, little emerged. Blacks themselves were generally not consulted, being basically "the problem" and not regarded as having any role in "the solution."

Right after Union a conflict developed between those who accepted the permanence of urban blacks and those who felt threatened by the increasing number of blacks entering townships, Ms Morris writes in her study.

"The blacks simply wanted to be accepted and participate in the economic and socio-political development of the country."

The debate over what to do continued until 1923 when the first nail was struck in the coffin of urban black hopes by the politicians — land owner-

Black housing--
awash in crisis (123)
and conflict
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10/2/82

A problem by any other name is still a problem

ship by blacks was rejected in principle in case this gave blacks a foothold in various parts of the country and ultimately led to a demand for political rights.

Also, the granting of land rights would have made it more difficult to control the movement of blacks within South Africa — a prime consideration of politicians of all parties.

Twenty-five years after this decision a new note was sounded only to be silenced. A commission under Mr Justice Fagan concluded that total segregation was impractical and the movement of blacks into towns was a part of normal development. This influx could be regulated but not reversed, said Fagan.

Before anything could be done about these views the Government changed and the National Party came to

power. Urban blacks were again temporary sojourners to be returned en masse to the homelands by the late 1970s.

Masses of regulations and laws followed which harshly stripped urban blacks of whatever freehold security they had and moved them further and further from their places of work (eg Johannesburg's Sophiatown, handy to work and amenities, was bulldozed in 1955 and its black inhabitants moved 12 and more kilometres away to Soweto).

Worse came in the 1960s which was probably the darkest decade in black housing.

"It seemed that the overall intention was to make urban black townships as unattractive as possible, both to discourage further settlement and to encourage a reverse movement to the homelands.

An indication of the official neglect of black housing is the allocation of public housing funds between 1972 and 1976. Despite the fact that the private housing sector provided for 86 percent of the white housing need close on half the public housing funds (42 percent) was allocated to white housing. Only six percent went to urban black housing, Ms Morris notes.

An interesting sidelight on urban black housing policy over the decades was the approach of Bloemfontein. In the 1930's the authorities set up a scheme to grant advances to blacks for the purchases of materials with which they could build their own individually designed houses.

The materials were purchased in bulk by the Bloemfontein Municipality and sold to the blacks at cost. Land was leased and plans

In 70 years South Africa has managed only to move from crisis to crisis in the housing of its millions of black citizens. A new book on the history of black housing tells why — and offers some guidelines to change the sterile circle. Anthony Duigan reports.

had to be approved. As a result Bloemfontein was one of the areas where blacks assumed a greater rather than lesser responsibility for housing during this period. As a result of this approach many years ago Bloemfontein has the highest rate of black home ownership of any area.

Ms Morris sees the latest moves by the Government to give positive content to the Riekerk Report as light on the horizon of urban black housing.

These moves include: acceptance of the principle that a greater range of housing is needed, agreement that private sector must become involved, the reintroduction of a more secure form of leasehold (99-year leasehold) which is acceptable by building societies for loan purposes.

At the same time Ms Morris suggests the following guidelines as the only way of res-

toring black confidence in the authorities which has been severely eroded over the decades, and beating the critical homes shortage — the granting of freehold rights to urban blacks (it would not be difficult to change 99-year leasehold to freehold) — a gradual repeal of the Group Areas Act which has deprived so many blacks of freehold rights in urban areas.

The phasing out of influx control, an issue that was investigated by the Grosskopf Committee which investigated three Bills, scheduled to be tabled in the current session of Parliament, dealing with urban black administration — greater allocation of resources for black housing and the adoption of more efficient financing procedures.

● "A history of black housing in South Africa" by Pauline Morris (South Africa Foundation)—R7,50.

Post Focus

The facts and tears of the housing shortage

By JEAN LE MAY

FACTS and figures mean very little when you don't have a roof over your head.

Take, for instance, the accountant who burst into tears in a crowded courtroom because he was charged for living in the wrong Group Area.

He had been told there was a 10-year waiting list for coloured housing, and had slept in his car for three weeks before he found a flat in a white area, he said.

The fact is that there is an official backlog of 41 000 houses for coloureds.

Or take the Indian families living 15 to a flat where children are put to bed in the bath because there is no more sleeping room on the floor.

The fact is that an estimated 20 000 houses are needed now for Indians.

Then consider the white pensioners doubling up in flats and even going short of food because rents have soared far, far out of their reach, or young married whites who cannot get on because the minimum monthly income needed to get a 90% loan on a R50 000 house is R2 484.

The fact is that the price of housing for whites has gone through the roof because the Government has not offered tax incentives to property owners.

Above all, take blacks.

The fact that there is a countrywide backlog of 129 000 houses means nothing, absolutely nothing, to the people living in resettlement shanties or as illegal lodgers in backyards to whom every knock on the door can mean 40 days in jail, banishment to a homeland and near-starvation.

This is a fractional part of what the housing crisis means in human terms — as well as in fact and figures.

Ideology, lack of money and bad planning are all at the root of the housing crisis, as Mr Colin Eglin, the Progressive Federal Party spokesman on housing, said in an interview.

"This crisis is going to get worse and worse unless the Government changes what I believe is a totally inadequate approach to the provision of housing in this country," he said.

The Minister of Co-Operation and Development, Dr Piet Koornhof, and the Deputy Minister of Finance, Mr Danie Steyn, said in a joint statement recently that they had accepted in principle many of the recommendations of the Viljoen Committee report on black housing.

Mr Eglin commented: "While the Government statement on its new housing strategy shows that it is moving tentatively in the general direction advocated by the PFP and the Viljoen Committee, aspects of the statement are disturbing and point to fundamental defects in this new housing strategy.

"The Government remains silent on the first



Scenes of appalling squalor in slums such as these in Korsten have focused attention on the critical shortage of black housing throughout South Africa.

fundamental principle and recommendation on which the Viljoen Committee report is based — a fundamental change in attitude, based on a reversal of an earlier policy in respect of the temporary status of the black urban community.

"The Government rejects a cardinal recommendation of the Viljoen Committee — that the critical part to be played by the private sector in the provision of low-cost housing must be willingness on the part of the Government to subsidise the individual home owner.

"By refusing to accept this vital recommendation, the Government is making it impossible for the private sector, interested organisations or the individual black resident to make a meaningful contribution in the field of low-cost housing.

"Despite having had the Viljoen Committee report for six months, the Government remains tentative and undecided on such important recommendations as the sale of houses at cost price, the economic viability of administration boards and the establishment of housing utility companies.

"These are all vital instruments for the implementation of a housing strategy.

"Without them, and without money, the 13-point plan becomes a platitudinous statement of well-meant intentions.

"The recent drastic cut-back by the Treasury of funds for housing is alarming. It makes it impossible to implement any new housing strategy.

"Put simply, no money means no housing. It will be disastrous if the Government tries to pass the financial buck, which belongs to it, to the private sector or

to the individual black sector.

"The contributions of the private sector and the individual must be used to supplement the Government contribution and not to replace it.

"Finally, the Government still fights shy of ordinary freehold property rights for blacks in urban areas.

"Whatever the merits of the 99-year leasehold system for blacks, there can be no doubt that the provision of full freehold title to blacks would be a tremendous incentive to both the private sector and black individuals to become directly involved in the provision of new housing and in the upgrading of existing housing stock."

Mr Eglin then outlined seven areas of Government policy and performance in housing:

- The failure to come to terms with urbanisation.

- Totally inadequate sums of money made available for housing.

- The domination of racial dogma over common sense.

- Stubborn adherence to orthodox building methods and standards.

- Obstacles placed in the way of home ownership for blacks.

- Constant feuding between the Department of Community Development and the Department of Co-operation and Development in respect of an overall housing policy for South Africa.

- Failure to devise a system in which the private sector could play a significant role in the provision of low-cost housing.

Property experts spoken to added another area in which, they said, the Government had fallen short — namely, that no tax incentives have been offered to

property owners.

This, they said, not only makes house ownership more difficult but is responsible for the critical shortage of rented accommodation for whites.

Observers have pointed out that the emergency plan for Soweto outlined in the Government statement will — if it ever takes off — take care of less than 13% of the total backlog of housing for blacks, which according to Mr J W T Mills, Director-General of the Department of Co-Operation and Development, is 420 000, including the homelands.

Nor is that all.

Mr John Knoetze, director of the West Rand Administration Board, has said that four million houses for blacks will be needed during the next 20 years.

And the Building Industries Federation of South Africa (Bifsa) estimates that houses for blacks need to be built at the rate of 147 000 a year between the years 1981 and 1990 and at the rate of 188 000 a year between 1991 and the year 2000.

To top that, the Urban Foundation has said that in the next two decades R15 500 million would have to be spent to accommodate South Africa's black population.

The Viljoen Committee did not pull its punches, possibly because it was chaired, for a change, by a man from the private sector — Mr Boet Viljoen, of the South African Permanent Building Society — instead of the usual Government official or MP.

The present housing crisis in Soweto arose because of the policy of regarding urban Blacks as "temporary", it said.

Mr Eglin, you will remember, put it differently. He spoke of "the

domination of racial dogma over common sense".

"One has only to look at the impact of the Group Areas Act... tens of thousands of houses have been demolished unnecessarily... bulldozers have gone in at a time when there is a severe shortage of housing in South Africa," he said.

What Mr Eglin was referring to was the front-loader syndrome, long prominent in solving "black spot" problems for the Government — and causing housing problems for people from Crossroads to Limehill to Pageview to the far reaches of the Transvaal bushveld.

He was also referring to the 'Peeping Tom' syndrome, which has tracked down thousands of Indians and coloureds living in areas which should, in Mr Pen Kotze's book, be pristine white.

The weeping accountant — the one who slept in his car — was a victim of this syndrome.

One man among the two million "removed" in terms of the Group Areas Act and for whom housing had to be found in resettlement shanties or in garages and backyards.

Dr Piet Koornhof, in a statement on a new "total strategy for black housing", timed to coincide with the joint statement on the Viljoen Committee, also had something to say related to the "orthodox building methods and standards" referred to so critically by Mr Eglin.

"Norms and standards will be determined by the socio-economic capabilities of individuals with determined minimums," he said.

Dr Koornhof also came close to recognising a principle which, according to a leading property developer, has motivated housing policies in the Western

world during the last 50 years.

"Housing is a cornerstone of a stable society and will therefore enjoy priority," he said.

He could have been impelled to this departure by innumerable reminders that the black townships around the cities had become "tinder-box areas" — in Mr Eglin's words. But since the Nationalists have not adjusted their thinking on housing since they came to power in 1948, this could be a step in the right direction.

In the United States, for instance, policy is directed at establishing stable urban communities, Mr Peter Gardiner, director of Anglo-American Property Services, said in an interview.

"The Americans look on real estate as the best form of social welfare," he said.

"But in this country there is a massive switching-off of liquidity which has destroyed those whose function it is to feed the accommodation market — the property developers.

"We in the industry have been fighting for some form of tax incentive for investors in flats, similar to that allowed to investors in hotels."

Opposition politicians have also criticised the Government for doing away with rent control without first providing tax incentives to prevent flat rents from going through the roof.

They produced evidence that rents for many flats in these areas had doubled in the last two years, and this was confirmed by Mr Gardiner.

But tax incentives for property developers, like facts and figures, mean nothing to people who fear that quite soon they may not have a roof over their heads.

'Blacks cannot be viewed as temporary residents'

(123) Star 28/1/82
Housing crisis demands bold policy changes

By Peter Sullivan
 Political Correspondent
 The Government has been told by the Viljoen Committee to drastically change its housing policies if it wants to cut into the critical housing backlog in Soweto. The report, which was released last night after being kept under Government wraps for six months, calls for urgent and immediate changes to a whole range of procedures. The committee estimated the backlog at 35 000 units in the middle of last year. It says the shortage is growing by 4 000 a year and

The Viljoen Report on black housing has finally been made public. The Government has responded simultaneously to its major proposals. But vital subsidy questions remain in the balance.

sees an urgent need to counter this. The report calls for a "fundamental change in approach" to black housing and a "reversal of the former policy," in which black people were viewed as temporary residents in towns. The Government released a statement with the report and appears to accept most of the committee's recommendations — except for a crucial proposal on subsidies.

This recommendation has been referred to yet another committee, under the chairmanship of Deputy Minister of Finance, Mr Steyn. The Government statement, made jointly by Mr Steyn and Dr Koornhof, Minister of Co-operation and Development, explains Soweto has been chosen as a test area to develop a formula for use elsewhere.

The Government says important recommendations concerning land for Soweto are already a priority as are suggestions on streamlining procedures for obtaining housing. The Government has drawn up a new "total strategy for black housing" which accords "remarkably" with the Viljoen Committee's according to yesterday's statement findings. Central features of the Viljoen Report, which says the Government should scrap present housing policies and adopt a dynamic new approach, include the following principles:

- The creation of an effective and responsible housing process requires efforts to inter-relate black households, the black community, the private sector and the public sector.
- Instead of adopting the stance that the State is obliged to provide temporary homes for temporary people, everyone must be motivated to devote capital labour, expertise, entrepreneurial skills and "sweat, equity" to create a stable urban environment.
- Subsidies should apply to individuals not agencies.
- Leasehold title should be granted to developers, employers and black householders.
- Strict control should be exerted on exploitation.
- There should be adequate land provision and therefore immediate acquisition of undeveloped land was required.
- An intensive education programme should be launched to promote homeownership.

OBJECT

The 85-page report says its object was to create "a stable and vibrant urban community which has a vested interest in the maintenance of peace and good order." Among its many recommendations on Soweto, is a proposal that the Government start a five-year programme to build 55 000 housing units. This means an extra 1 000 ha of land must be found immediately and an additional 200 ha in each subsequent year.

13 points in a strategy to end chaos

By Peter Sullivan
 Political Correspondent
 CAPE TOWN — A new total strategy for black housing has been drawn up by the Government to prevent urban black areas sliding into total chaos. The 13-point plan opens the way for site-and-service, self-help and core housing, reversing previous Government policies. Unveiled yesterday by the Minister of Co-operation and Development, Dr Piet Koornhof, it includes several points made by the Viljoen Committee which investigated housing backlogs in Soweto. The Government plan does not include granting blacks freehold title in South Africa. They can only lease their homes, never own them.



Dr Koornhof . . . self-help encouraged.

This is the 13-point plan he set out:

- Housing is a cornerstone of a stable society and will therefore enjoy priority.
- It is the individual's responsibility to provide housing where this is within his means.
- The State accepts partial responsibility

for providing housing, mainly low-cost housing.

- Norms and standards will be determined by the socio-economic capabilities of individuals with determined minimums.
- To give individuals a greater say, site-and-service, self-help, core and town housing schemes will be encouraged with the help of technical advice centres.
- Squatting is not part of the housing policy. Where it is a reality it must be controlled and "where practical" provided with water and sanitation, community ser-

vices and infrastructure.

- The national housing fund must not be splintered.
- All forms of hindrance stopping individuals obtaining funds must be eliminated where possible.
- Co-operation and Development with the Treasury and building societies must find ways to provide money for housing.
- The Department must attempt to involve the private sector and employers in black housing. The possibility of giving employers lease or property rights in black areas for housing which they finance must be investigated.
- Besides promoting home ownership, the Government must ensure housing loans are given only to those who qualify for low-cost housing.
- Infrastructure and services will remain dependent on Government, but the private sector should be drawn in.
- The Prime Minister's social planning department is to be asked to formulate a comprehensive urbanisation strategy as soon as possible.

Self-help housing 'must fit pockets'

ARGAS
24/5/82

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~~STATE~~

AS South Africa confronts its worst housing crisis in more than 20 years, alternatives to conventional housing are being investigated in academic and political as well as business circles.

This follows the Prime Minister's Good Hope conference in November last year at which two significant shifts in housing policy — which could bring back home-ownership within reach of the man in the streets — were announced.

These were the acceptance of the principle of self-help housing and a promise of greater private sector participation in low-income housing.

CONFUSION

But in a study by Professor David Dewar of the University of Cape Town's urban problems research unit it is said that the Prime Minister is confused about "self-help" and "self-build."

Describing the policy shifts as "positive" and reflecting "greater realism," Professor Dewar says a danger is that the State may implement the self-help approach through the same channels as those used to provide conventional housing.

"Self-help implies individuals and communities controlling the major decisions.

"Self-build is therefore a special aspect of a much broader concept.

THE DANGER

"When the two are confused, however, there is a real danger of self-help approach being seen as simply another form of physical delivery to be implemented through the same centralised framework as conventional systems."



Professor David Dewar

The entire approach hinged on genuine decentralisation of decision making, down to the level of local community, Professor Dewar said.

This would require the creation of financial networks enabling communities to implement decisions.

FIT NEEDS

Self-help communities found ways of achieving a product which more closely fitted their needs and pockets.

"The needs of these people cannot be met by private developers driven by profit motive. Even increased subsidies will have the effect of subsidising profit — especially since nearly all black areas are ripe for speculation.

"There is a real danger that the provision of housing by employers will become a mechanism for tying labour and reducing wages.

"The poorer the worker, the more susceptible he will be."

One of the country's most powerful property organisations is the Property Owners' Association (Sapoa) which represents landlords and developers throughout the country.

Executive director is Don Kennedy who for years has guided Sapoa in its biggest battles, especially that against rent control...

'Concept of rent control is highly immoral'

123
Staw
12/6/82

DOES Sapoa welcome the announcement of yet another inquiry into housing, this time into aspects of rent control?

'Our initial reaction to the appointment of a select committee to investigate rent control was the work done by the Johannes Commission in the early 1970s and by the Fouche Commission in the mid-seventies would surely have covered all the advantages and disadvantages and the deleterious effects of rent control,' said Mr Kennedy.

'However, there are new aspects to it since that evidence was taken. They can be summed up as the very high current cost of money; the extremely high building costs and the impact which conversion of existing blocks of flats to sectional title have had on the rental market in com-

bination with the embargo on such conversion resulting from the amendment to the Sectional Titles Act last year.

'A further aspect would be the erosion of value of people on fixed income such as pensions as a result of inflation. Most of the problems obviously with regard to rentals come from people who are disadvantaged by the erosion of their incomes.

'Let me make these points strongly. I believe and so does my board, that the concept of rent control is highly immoral.

Retirement

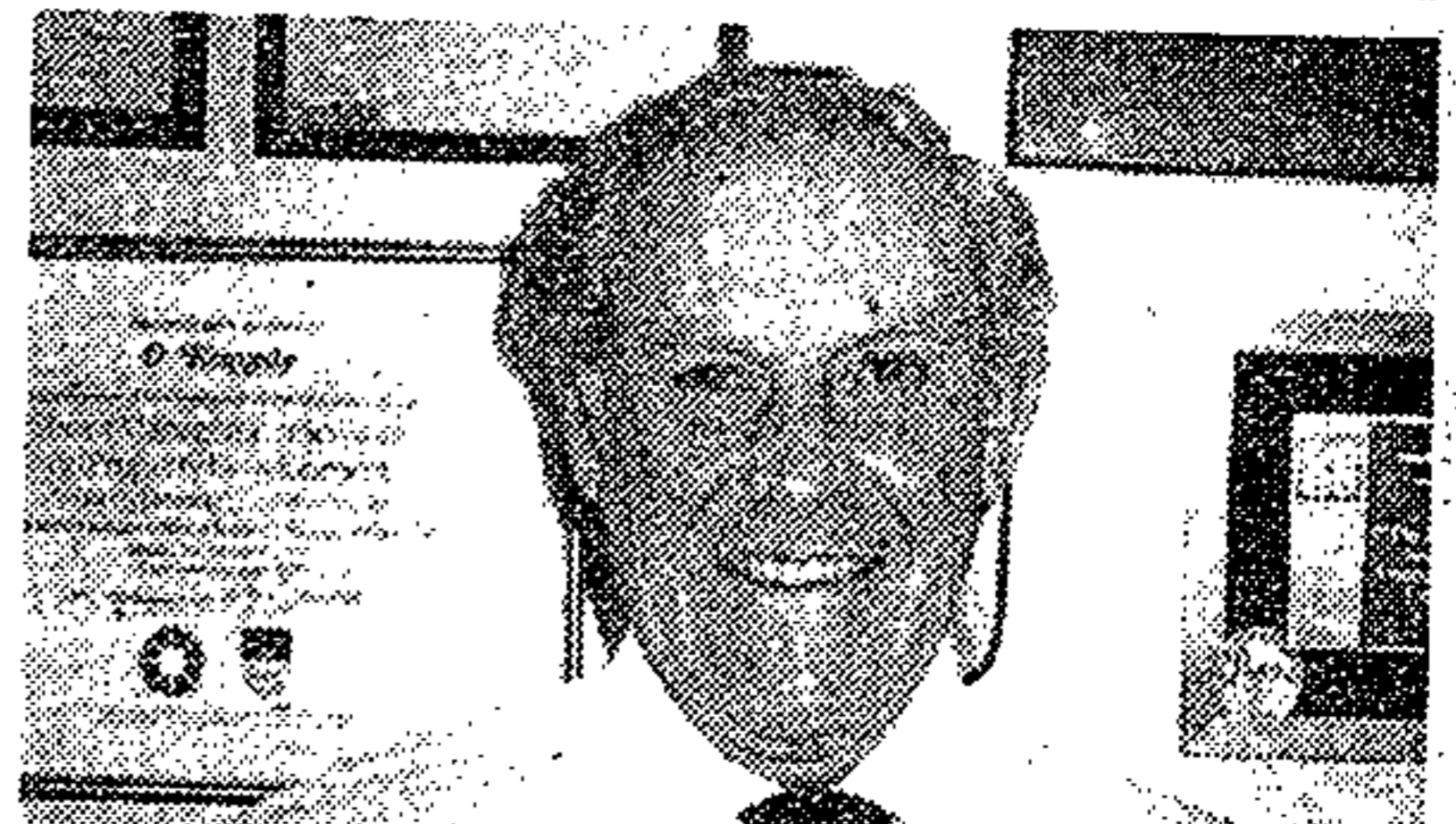
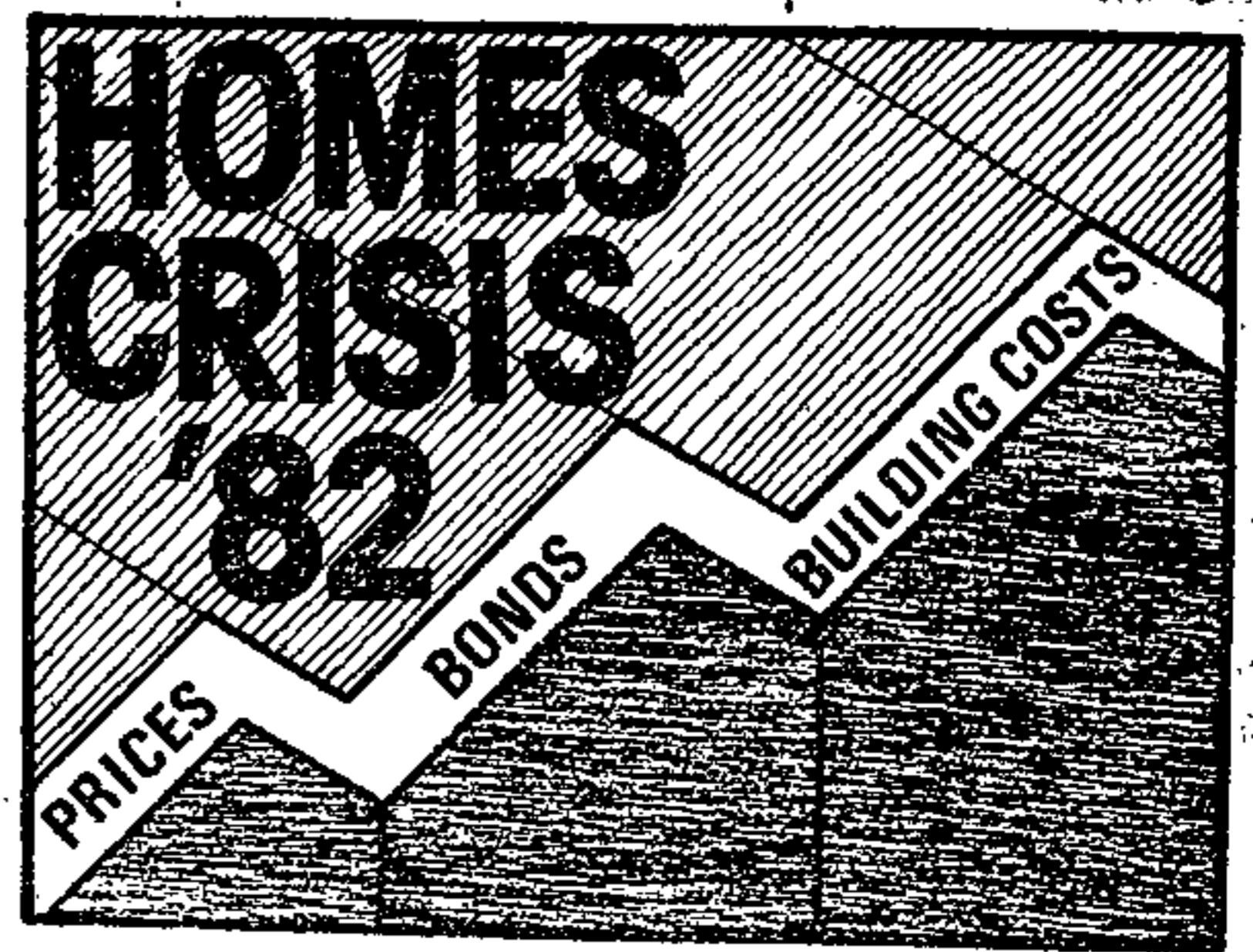
'You have the case where provident people have provided rental accommodation as a source of income and most frequently as a source of their future income on their retirement.

'They pay personal tax, the company which

owns the block of flats pays tax, and the local rates and taxes have to be paid. It is an immoral concept that on top of those taxes the owner has to subsidise the rentals of the people living in these flats.

'The distinction which I wish to make is that it is healthy for prices to be at an economic level. Although the consumer complains at rising costs of say foodstuffs or motorcars, these are of a very different nature to rentals which is paid in one lump sum each month, and which is normally raised every 12 months.

'The impact of a rental increase of 15 or 20 percent is one that is objected to, whereas people will tolerate with fair good humour rises in the prices of foodstuff which amount to a few cents and which come every few weeks or every few



MR Don Kennedy....rent control is obnoxious and immoral.

months.

'Rents are an emotive issue. But rising rentals are a perfectly healthy pace-keeping with the economy. The fault lies not with the rising rentals; it lies with the static income of the tenant. This matter is not the concern of the Minister of Community Development; it is the concern of the Minister responsible for pensions.'

Mr Kennedy said it is not the owner of flats who should be subsidising his tenant but the Government which should be subsidising only those individuals qualified by a means test for rents subsidy by the State.

Discouragement

'Quite frequently it is claimed that rent control is the only factor which prevents the private developer from considering the erection of a new block of flats. The element of discouragement presented by the existence of rent control is merely one of several and should always be seen in the framework of other elements such as building socs, inter-

est rates and the level of rentals which the market expects to pay.

'Rent control is an extremely obnoxious deterrent in principle. No investor would willingly go into the production of anything which is subject to price control and this is a strongly inhibiting factor.

'I would say the existence of rent control is probably the most obnoxious of all the factors and its importance in relation to the other factors varies from time to time depending on the state of the economy.'

Mr Kennedy said one reads quite often that conversion of rental accommodation into flats for sale has been harmful to the housing situation.

'But I really cannot agree. It is true there is a lessening of the rental stock, but the advantages far outweigh the disadvantages. Home ownership means that the owner will improve that property, the body corporate will improve it as a whole and its valuation will increase and as a result it will produce more revenue for the local authority.'

ESTATE agents are perhaps the people most rapidly affected by the property market's feast-or-famine syndrome. When the market takes off, thousands of people join in the fun, hoping to cash in on easy sales. They leave with equal speed when times turn sour. This situation is likely to fall away as more professionalism is introduced. And it is those professionals who stay through thin and thick paydays. Many of the top pros are members of the Institute of Estate Agents, a long-established body which has done much to set the industry's house in order through its own actions.

The national president is Basil Elk.

'Shortage of housing is critical'

123
Stew
12/6/82

IS it fair to talk of a homes crisis among whites in South Africa?

Yes, says Mr Elk. The housing shortage is critical.

'We have a backlog of some 20 000 to 30 000 units throughout the country, probably the greatest point of shortage being on the Rand.

'And while the building societies have not got the funds, there is no new development going on.

'The crisis has been caused by a build-up over the past four to five years. The property market, and particularly the building industry, was in the doldrums from 1972 to 1980; there were economic problems and there were no developments.

'Rent control is also a factor in stopping new developments. Landlords are reluctant to build property for renting with a threat of rent control hanging over them.

'Rentals have not reached their right perspective in relation to the building costs. There was a period when some 20 000 youngsters were taken away to the border area for their training. They were out of circulation so instead of having the natural growth situation of young couples looking for properties, there was not the demand during that same doldrums period,' he said.

But now, says Mr Elk, everything has come together.

The demand has suddenly reached its peak.

As well as the return of the men from the armed forces, there is huge immigration and natural,

snowballing growth especially on the Rand.

The shortage of funds at the building societies is one of the biggest problems and all these factors are aggravating the situation.

'The Government should step in and give the building societies some form of relief in the way of tax-free investments to offer to the public,' he said.

'This would be in line with the Government's anti-inflationary policy because it would attract funds from savers.

'But these funds should be restricted for use in new developments — housing, rental units and even sectional title. I see this as the answer to levelling off prices, creating a bigger supply and housing the whole community.'

What can be done to help young people get a home?

Mr Elk said: 'I do not think the young seeking their first homes are in any different position than those going back over the past 50 years. There has always been a situation where prices have increased.

'The difference possibly today is that the youngsters are looking to continue living where their parents have left off.

'They must become more modest. They are fortunate today to have sectional title available, with the possibility of buying one- or two-bedroomed flats at low prices which were not on the market place years ago.

'The young must buy more modestly. It is a hedge against inflation for them and a stepping

stone to their future, attractive home.'

What about house prices?

'They are not likely to drop to any large extent. The demand is too strong for that to happen,' said Mr Elk.

'Even with the shortage of funds and threatened increases in mortgage interest rates, you cannot stop the need. Housing is a commodity people have got to have.

'The demand far exceeds the supply and I see prices continuing to rise — but at a slower rate than they have over the past 18 months.

'That period was a sharp-increase period, rectifying the market and bringing it into its proper perspective from an abnormally low situation.

'Prices will rise more steeply when building societies and the economy come back to a more normal situation, which will probably not happen before mid-1983 or early 1984... but I cannot see prices dropping.

The housing problem extends to all the country's peoples. This report, by the Mercury's African Affairs Reporter, is just one example of the difficulties being encountered and how people are trying to overcome them.



MR Basil Elk

....government should help the building societies.

'The Government's approach to the problem must be to encourage supply rather than dampen demand, which unfortunately has been its attitude in the past.'

What of rent control?

'It must be phased out,' said Mr Elk. 'We appreciate the problems of the elderly and the pensioners. We have the greatest sympathy for them and I don't want it ever to be construed that the Institute doesn't see it in that light.'

'But we say it is a problem of Government, whether central, provincial or municipal. It is their problem to solve and it is not right to tell the private sector it cannot rent property at a figure higher than such-and-such an amount to provide this housing.'

15/6/82 (123) Industrial Week

Black home ownership means stability — Steyn

By Lynn Carlisle

WITH THE private sector having satisfied the need for White housing its involvement in Black housing is being hampered by a myriad of legislative, regulatory and bureaucratic interventions," says Judge Jan Steyn, executive director of the Urban Foundation.

He warns that the elementary requirements for a stable society — pride of ownership, self-esteem, self-reliance, security and human dignity — have had insignificant opportunity to flourish in an environment where Black home ownership has not been achieved.

He adds that the private sector can not play any significant role in solving the problem unless constraints against "the tried and tested mechanisms of a free market in housing," are removed.

Black, Coloured and Asian housing provision is clearly dominated by the public sector which cannot keep pace with increasing demands, he says.

"Should the many constraints on the private sector be lifted, it will have the effect of freeing the public sector to concentrate its limited resources on the acquisit-

ion of raw land and provision of the necessary bulk infrastructure as well as providing for the housing requirements of only the most needy section of the population".

Judge Steyn points out that statistics show the need for Black housing to be trailing at 160 000 homes.

It will need R1 500-million to be spent annually until 1990 to eliminate the backlog, 4.5 times that spent at present for all race groups.

"The extent to which this backlog can be removed will depend on the creation of a dynamic

housing process involving the public and private sectors."

Judge Steyn sees three major possible avenues for financing the participation of the private sector."

- From life assurance and pension funds.
- Through assistance by employers, either in the form of housing or finance.
- From the individual home-owner.

"Independence and loyalty — like charity — begin at home, and there is little in standardised rental accommodation to engender either of these qualities," says Judge Steyn.

Council ¹²³ fears drop in housing standards

ARGUS 7/7/82
Municipal Reporter

THE Housing Committee of the Cape Town City Council is deeply concerned that the National Housing Commission has lowered the standards of homes to be built for the very poor because of the present shortage of funds.

Cape Town, one of the country's major home builders, has been fighting State pressure to drop the present housing standards to make homes cheaper.

The Housing Committee believes that lowering the standard of homes will lead to the creation of new slums and perpetuate the problems of trying to improve housing for all.

It believes that increasing State funds is the only way to overcome the present housing crisis.

CIRCULAR

The Department of Community Development has sent the council a circular saying that because of the serious shortage of housing funds, the National Housing Commission will no longer allow fences, on street fronts, washing lines, floor covering, ceilings, paint on internal walls or electricity to be included in homes built for those earning R150 a month or less.

The Housing Committee has decided to appeal to Community Development not to lower standards, but to find some other method of making up the shortfall in housing funds.

The committee yesterday also expressed concern at Community Development's failure to come up with a workable policy for the maintenance of

homes, a growing and serious problem in Cape Town, where funds for maintenance are inadequate and homes are falling into disrepair.

The committee wants Community Development to agree to increase the percentage of rental money that can be utilised for maintenance.

In its latest circular, Community Development says it is concerned about the neglected conditions of houses in some of the older housing estates.

BORROWING

It suggests that local authorities use an alternative financing method, or borrowing money when housing maintenance funds become depleted.

But the council has pointed out that interest and redemption payments have become so high that maintenance funds will be worse than they were before.

Another matter worrying the council's Housing Committee is that Cape Town has not been invited to become a member of the departmental committee of Community Development investigating a new rental formula for economic houses.

LANDLORD

The Housing Committee has pointed out that Cape Town, being one of the biggest landlords in the country, should be represented.

But Community Development has said in a reply to the City Council that the departmental committee has already been chosen and has started work. The Cape is represented by the Port Elizabeth Director of Housing, Mr Derek Cleary.

(123) Star 8/7/82

Bond subsidy scheme proposed

By Caroline Braun

The Government should introduce a bond rate subsidy scheme to benefit home-owners in lower income groups, a building society spokesman has suggested.

Mr Jim Dodds, managing director of the Allied Building Society, said the Treasury should subsidise mortgage interest directly, rather than indirectly through tax-free shares.

"If interest rates were subsidised, financial relief could be

directed towards lower income home-owners," he said.

"The scheme could be similar to one introduced in 1970 — and now phased out — in which the bond rate was subsidised by a maximum of 2 percent when the rate went above 8.5 percent."

Mr Dodds said the present system of granting tax concessions on building society shares to keep down mortgage bond rates tended to favour

investors in the higher income groups.

"We should subsidise only the most needy and, to achieve this, the bond rate subsidy system should be introduced with carefully thought-out rules," he said.

"There should be a limit to the amount that could be borrowed, a ceiling on the cost of the property, and a limit on the home-owner's salary.

The Director-General of Finance, Dr Joop de Loor, said no government decision could yet

be taken on a possible return to the 1970 subsidy scheme.

The Government would study the recommendations submitted recently by the Du Plessis and De Kok commissions during the next few weeks before considering any subsidy.

When the Government's point of view had been formulated a blue-print for co-operation with building societies and home-owners would be drawn up.

Brickboats fly over housings policy

Stew 123

22/7/82

Eugene Saldanha speaks to Indian and coloured community leaders about the new housing policy announced by the responsible Minister, Mr Pen Kotze.

When Mr Pen Kotze announced that "the Department of Community Development's task in providing houses and trading facilities for Indians and coloured people is "almost complete," leaders from those communities reacted with shock and anger.

At a Benoni meeting this month, Mr Kotze outlined his department's new housing policy for the Indian and coloured communities in these words:

"Our first priority will be to ensure that land and infrastructure is made available to all persons who can with their own financial resources, that of their employers, financial institutions and other private means accept responsibility for the construction of their own homes.

"As far as housing for the poor is concerned, the department will, as in the past, still consider making funds available for housing projects for persons earning less than R150 per month. Such loans will, however, have to be restricted to those who are not able to obtain any financial assistance from any other source whatsoever.

"It will unfortunately not be possible to provide housing for the other income groups in accordance with the present basis, and in order to assist those



Pen Kotze... unpopular announcement.

materials for self-building purposes.

"Persons falling within the economic income group will to a large extent have to depend on financial institutions and other resources to finance their housing needs, as Government funds will not be available for this purpose in the foreseeable future," Mr Kotze said.

Johannesburg Coloured Management Committee, said there were more than 20 000 coloured people and more than 15 000 Indians in Johannesburg, the East and West Rands who still needed homes.

Few of these people could afford to build their own houses.

"I foresee a serious

only in implementing its separation policy.

Dr A S Carrim, chairman of the housing committee of the East Rand's largest Indian township, Actonville, said residents in the area who lived in overcrowded homes were victims of the state's indecision.

"The Government should have given us land years ago. For the past 12 years this community has not received additional land for housing development" said Dr Carrim. There was a time when many people here could afford to build their homes. But this has now become impossible with the shortage of land and the exorbitant bond rates on the market.

The chairman of the Benoni branch of the Transvaal Anti-SAIC Committee, Dr Ismail Cachalia, said that it is the Government's responsibility to provide adequate and decent housing for its citizens.

adequate land available to people who have been affected by the Group Areas Act.

Mr Ralph Peffer, a member of Johannesburg's Coloured Management Committee, said the Government "should stop catering for the wealthy and pay attention to the immediate housing needs of the lower and middle income groups of the country."

He warned there would be "serious unrest" if frustrated people found they simply had no more hope of ever getting a home.

The chairman of the Lenasia Management Committee, Mr Dennis Pillay, said it was clear the Government was

abandoning the thousands of Indian and coloured people who did not have the necessary resources to buy land and obtain loans to build their own homes.

The Johannesburg Coloured Management Committee at its monthly meeting last week called on various local affairs bodies and churches to meet the committee to discuss the Government's plans in relation to the housing crisis.

The committee said it would also ask for a meeting with the Prime Minister, Mr P W Botha, and the Minister of Internal Affairs, Mr Chris Heunis, to discuss the matter.

groups below R250 per month it is anticipated that a special amount will be made available to local authorities as from the 1983/84 financial year, from which loans can be made available for the purchase of building

Leaders of the communities say the need for funds and land for housing is greater than ever.

Mr Mohammed Dangor, vice-chairman of the Southern Transvaal region of the Institute of Race Relations and vice-chairman of the

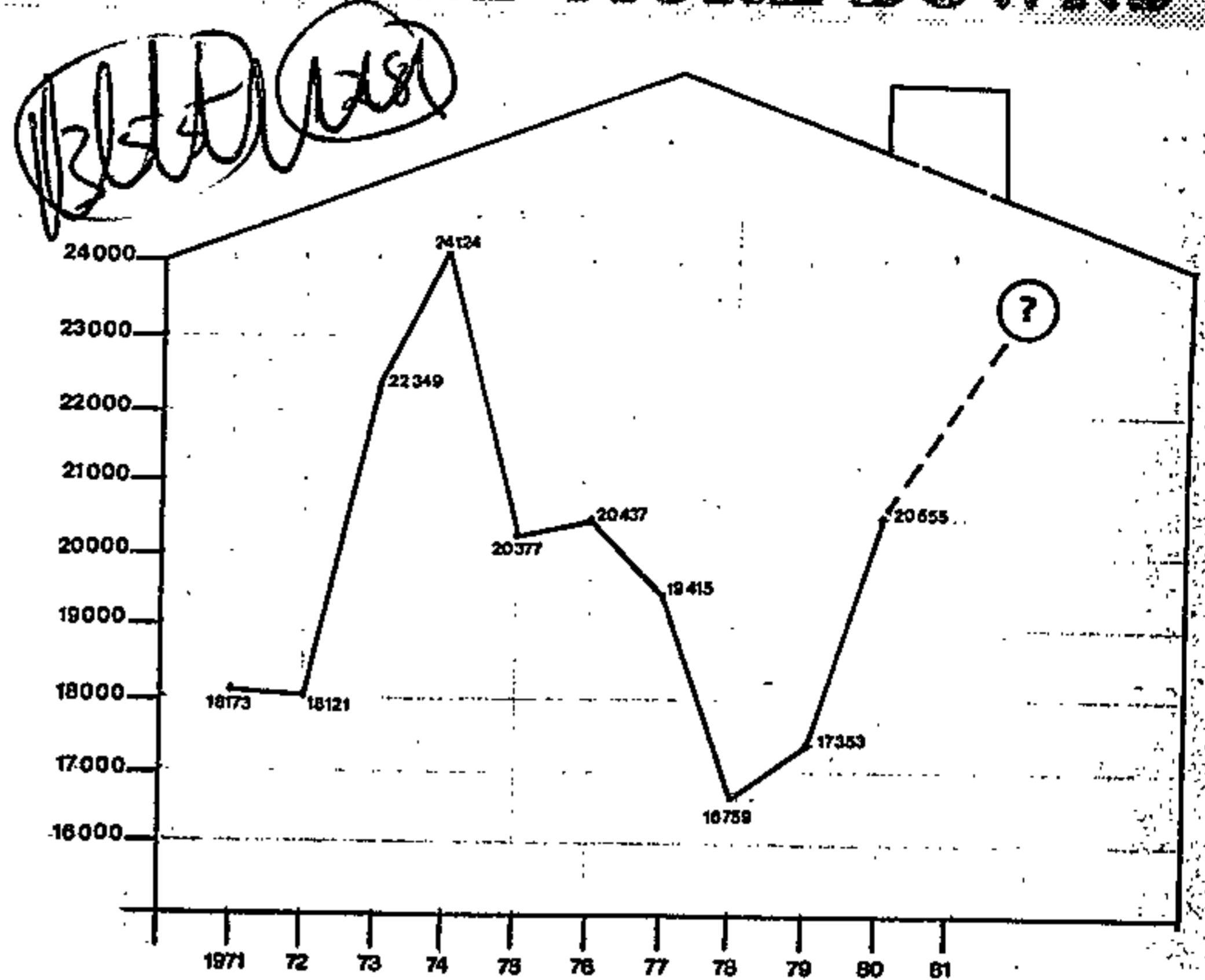
the Minister goes ahead and halts the development of housing schemes for Indians and coloured people," he warned.

Mr Dangor said it was also clear from the Minister's statement that the Government was interested all along

Federation of Residents' Associations of Lenasia, Dr Rashid Saloojee, said the Government was "opting out of its responsibility of providing homes for the people it had forcibly uprooted...."

"The Department of Community Development has never made

Sunday Express 3/1/82
 Whites now worse off than before — survey



FIGURES in a special Sunday Express year-end survey reveal fewer houses were built for South African Whites last year than seven years ago — despite the 1981 boom.

After accounting for 4% annual population growth, including immigration, Whites are worse off than ever before as far as new houses are concerned.

Soaring interest rates, lack of bond finance, and the ever increasing battle that young couples have of raising a deposit have made the dream of home ownership even more elusive.

By TERRY MEYER

The graph compiled from Department of Statistics figures of residential buildings completed shows 24 124 houses were built in 1974 when the building industry was at its peak.

The figures have dropped steadily since, reaching a low of 16 759 in 1978 — in the middle of the country's post-Soweto 1976 recession.

The turn-around came in 1979 when the number of

homes completed rose marginally to 17 353. The following year it took a leap to 20 555 and this year the figure is expected to reach 24 000 again — probably slightly below the 1974 peak.

● These figures include townhouses. Today there is a far higher proportion of new

townhouses being built than in 1974 when sectional title living was relatively unknown.

Subtracting these townhouses — and today they must represent a good proportion — means a great many less free-standing homes have been built this year than in past peaks.

● Virtually no new flats for rental have been built during the last five years meaning this has aggravated the accommodation problem even further.

● Figures of families "doubling up" are also unavailable, but the number is thought to be increasing rapidly as people battle to find "affordable" homes.

The Sunday Express figures must present a serious challenge to Government which claims Whites are "overhoused".

Despite repeated pleas from top property organisations, Government has continued to drag its feet in helping to promote home ownership among its electorate.

This is where firm action is needed this year if the present accommodation shortage is to be solved before it reaches true crisis proportions.

- Some suggestions are:
- Immediate tax incentives for developers to build rental flats for those who will never be able to afford a home of their own.
 - Assistance — possibly in the form tax incentives as happens in most Western countries — for people buying their first homes.
 - Scrapping the Rents Act which has only succeeded in frightening off developers from putting up rental flats.
 - Taking a lead in standardising costly, non-uniform and outdated building regulations.

Discouraging more modern building techniques, such as timber-frame homes which could effectively cut house prices if done on a large scale.

● Discouraging custom housing for the masses and going for more and more tract homes where the economies of scale allow for big savings. This is popular in the United States and Australia and there can be no doubt it must sooner or later come here.

Home buyers too will also have to adapt. Second bathrooms, double garages, are not essential if one is battling to buy a home. Custom-made houses must also be left only for the rich, and South Africans — like most Westerners — will have to accept standard finishes.

PROBLEMS

Use 99-year plan, blacks advised

By J S MOJAPALO

THE Government was not at present considering the extension of freehold rights to blacks in "white areas", the Minister of Co-operation and Development, Dr Piet Koornhof, has told the National African Federated Chamber of Commerce (Nafcoc).

Instead, Government policy was in favour of granting individual freehold rights in the homelands, Dr Koornhof told a Nafcoc delegation in November.

The interview with the Minister followed a memorandum submitted to the Government by Nafcoc after its annual conference in July.

In the memorandum, Nafcoc raised the question of freehold rights for blacks in urban areas and the delay in implementing the Riekert Commission recommendations with regard to the creation of open trade zones and the recruitment of labour by black businessmen.

Dr Koornhof told the delegation the 99-year leasehold scheme must be utilised to a far greater extent. The scheme was cheaper than freehold tenure but had the same benefits, he said.

He said a new law had been passed to allow whites property ownership in black areas under the 99-year lease scheme to protect white investments in black areas.

Problems

After Dr Koornhof's response, Nafcoc announced its intention to call a special conference on land policies to discuss the practical problems facing agricultural and economic development in black areas.

Dr Koornhof has pledged his department's co-operation and support for the proposed conference.

On the question of the implementation of the Riekert Commission recommendations, Dr Koornhof told Nafcoc the bulk of the recommendations would be implemented through legislation to be tabled this year.

Dr Koornhof said the Department of Community Development was investigating where open trade areas could be established in terms of the Group Areas Act.

The Minister also said present labour regulations did not bar black businessmen from employing labour from anywhere, but the necessary permission had to be obtained before recruiting labour from "outside".

Nafcoc also told Dr Koornhof that black traders were placed in an unfair position by existing legal restrictions.

By Anthony Duigan
Money from the private sector may be used to help ease the critical black housing shortage.

With an expected squeeze on Government housing funds money from the private sector is likely to be challenged through the Treasury direct to administration boards.

This was indicated by Mr John Knoetze, chairman of the West Rand Administration Board, which controls Soweto and four other black areas, when he spelt out new directions black administration is likely to take in the next few years.

"Negotiations are in progress for private sector money to be made available via the

~~FR~~
123
Star
5/1/82
Private sector cash for black housing

Treasury so that it can be used for critically needed black housing," Mr Knoetze said.

Mr Knoetze gave no further details of how this new financing arrangement would work but it is clear the Government regards this as a way of helping to meet the enormous financial burdens of black housing.

Mr Knoetze said blacks were likely to get the lion's share of

the total funds available for housing in the coming year because of previous neglect.

Private developers would be able to play a major role in future housing schemes in black areas.

"We are also hoping that in the future the Government will allocate annually lump sums to local authorities such as administration boards, for infras-

structural development," he said.

It was also likely that the boards of the future would take over the role of metropolitan authorities and increasingly leave all local administration to black community councils.

Sectional Title was likely to be applied to black areas in the foreseeable future.

Soweto had vacant

stands for only about 12 000 more houses against a conservative official waiting list of 220 000 families.

With proper urban renewal and planning Soweto could take at least 250 000 more people.

Aerial surveying of the unsurveyed 90 000 houses in Soweto would save enormous time and more than R20-million compared with conventional surveying methods, he said. But the long battle to get this method adopted had not yet been won, Mr Knoetze said.

Page 19: Optimism over black housing.

White housing needs to be probed

(123) Star

8/1/82

The private sector has a major role in helping to overcome the white housing crisis but finds it difficult to get detailed analyses on how to tackle the problem.

Filling this gap is a Cape Town company, Property Marketing Services, which has launched a comprehensive white house survey, the first results of which are expected in April.

Mr Robin Ellis, PMS's research director, says Port Elizabeth is being used for the pilot study, but the survey will eventually be extended to all main centres of population density.

UNDERWRITTEN

The study will cost more than R100 000 and is being underwritten by property group, Landmark, whose chairman, Mr Marke Markovitz, expects to recover much of the cost by syndicating the results of the research to major companies and institutions in the residential property market.

The Government has clearly put the onus of solving the

white housing crisis on private industry. Yet private industry does not have the essential information on which to provide the solutions," says Mr Ellis.

CYCLICAL

"This is clear from the excessively cyclical nature of the residential property industry in South Africa and the lack of effective planning by major suppliers and financiers."

Mr Ellis says that the information available on white housing is based on the 1970 census and there have been major demographic changes since then.

It is likely that additional information to come out of the 1980 census will be available only in 1985.

"Obtaining the cor-

rect information will assist the private sector in identifying many opportunities, so far hidden which are available in the provision of homes," says Mr Ellis.

The aims of the survey are

- To assemble quantitative and factual information about the white

residential property market in urban areas.

- To isolate and analyse the major factors which influence the supply and demand for residential property and accommodation.

- To make predictions as to the rise of demand for homes at fu-

ture growth points up to the year 2000.

- To be specific as to volumes and types of land and dwelling units to be supplied to meet the future population demands of the white population at five-year intervals to the end of the century.

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Thatched huts are part of SA's heritage

123

Star 16/1/82

South Africa is in danger of losing an important part of its cultural heritage — rural shelters.

Beehive huts, cylindrical or conical dwellings are all disappearing from the countryside, according to Johannesburg architect and academic, Mr Franco Frescura.

Mr Frescura spent several years travelling throughout South Africa, photographing, sketching and writing up details of rural shelters.

But many of the shelters described in earlier research works have already disappeared, Mr Frescura says.

The result of his research was a paper that earned him his Master of Architecture at the University of the Witwatersrand late in 1980. He expanded his work into the recently

published "Rural Shelter in Southern Africa," which details the architectural background to such dwellings.

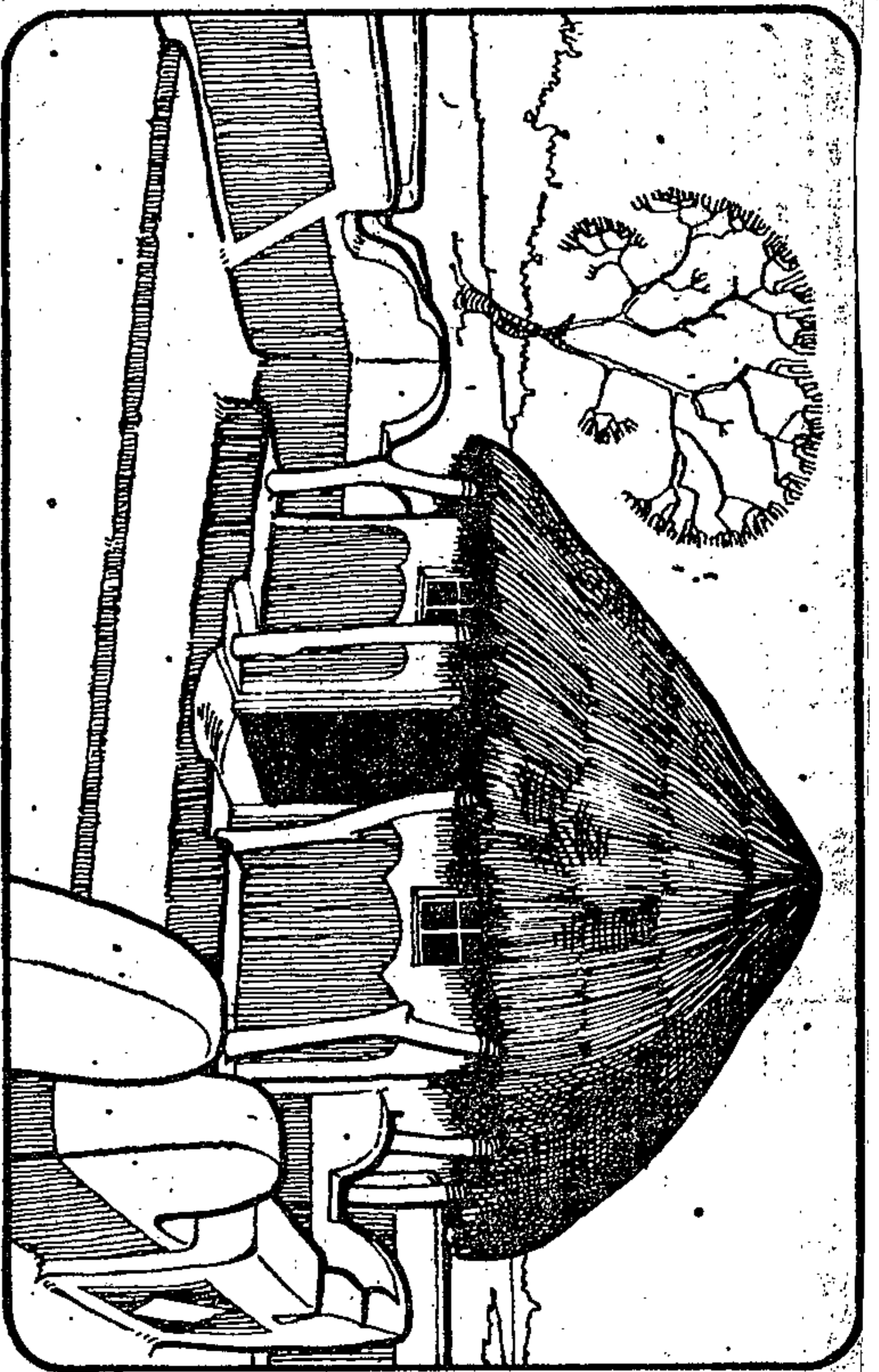
Mr Frescura describes the rural shelter as "vernacular" architecture in that the construction of these dwellings involves the participation of all the members of a family unit.

Most urban shelters see the engagement of an outside source to construct the family dwelling.

Mr Frescura's research began as an offshoot of adapting rural designs into urban settings.

"Most of the previous writings about rural shelter looked at the anthropological, archaeological or ethnological aspects and not the architectural," Mr Frescura said.

"There was a need



A conical hut with thatched roof and porch area in Tshilomolomo, Bophuthatswana.

Fewer and fewer rural shelters made of natural elements are being built in South Africa. TONY DAVIS takes a look at some original research being done in this area.

for a book on the subject and I found these dwellings were looked down on by both white and urban black communities.

"This was an element of our own culture that was vanishing and I hoped to establish a kind of pride in this heritage. It was necessary to start recording data," he said.

Mr Frescura attributed the decline in the various types of

rural shelters in South Africa to a number of factors.

● Cultural and ethnic influences by various tribes which changed building patterns.

● Government resettlement schemes which often left people in areas with no resources to construct their own forms of rural shelter.

● Urbanisation of the black community.

Because the natural elements — like grass, earth and dung — were employed in the construction of a rural shelter the resettlement of a tribe to a barren area meant the loss of these resources, Mr Frescura said.

Much research was needed in this field and Mr Frescura was now focusing on the impact of missionaries and also looking at the rural builders themselves.

In his book Mr Frescura details different types of rural shelters, from the beehives to cylinders with thatched roofs.

The uses and practicality of rural shelters in respect to pollution, solar heating and durability are also detailed.

Mr Frescura, who is at present working on his doctorate in architecture, said there was

little funding from the business and academic communities for such research.

He added that there was not one single grant for architecture available in South Africa.

There was still need for further work in the field of rural shelters and he planned to conduct studies in other Southern African countries.

Mr Frescura said he found rural people were more than willing to explain the construction of their dwellings and the winter months were an ideal time for research — before the rains came.

"Rural Shelter in Southern Africa," Raven Press, by Franco Frescura.

PAUL WEBSTER of the Observer News Service reports in Paris about the building of 40 mud huts which will be home for a number of French families. The French experiment has its roots in rural settlements of former French colonies in Africa.

The toast is mud in your eye

Forty French families will move into mud houses this year. Their new homes — conventional in appearance — are intended to restore the waning role of packed-earth buildings, which have a 10 000-year tradition dating back to Jericho.

The experiment in the new town of L'Isle d'Abeau, between Grenoble and Lyons, is the practical side of an exhibition of earth architecture in Paris whose impact will be worldwide. It is already booked for a five-year tour of the industrialised and Third Worlds.

Recently the organiser, Jean Dethier, judged the entries of nearly 30 architects for the new town project, whose aim is to prove that mud is a cheap

and practical alternative to concrete and brick.

"Raw earth is an excellent anti-capitalist material," Dethier said. The best-known mud-building concepts are pisé and adobe. Pisé is earth compressed between frames while adobe is mud brick.

Both dry naturally, can be dug for nothing on site and because of the thickness of the walls cut down the need for heating and air conditioning.

The exhibition not only demonstrates new techniques of stabilising mud through the addition of tiny quantities of cement or lime,

but offers proof that mud can be as permanent as brick or cement.

The most colourful and daring exhibits come from Third World countries, mainly Arab, but Europe too has a long tradition of earth architecture.

Fifteen percent of French rural buildings are mud, as well as large areas of cities such as Lyons and Toulouse.

Ruth Eaton, historical researcher for the exhibition, said there had been previous attempts to revive the use of mud architecture in Europe, often during periods of austerity.

The most successful was after the French Revolution, when François Cointeraux produced a world best-seller on how to build mud-walled houses.

The book influenced the whole of Europe and started a boom in mud-building in Australia.

The most important aspect of the exhibition is to "sell" mud architecture back to the Third World, where there has been a swing to Western materials.

An exhibition catalogue was given to every delegate at the recent French-African summit in Paris by the French Government, which is helping to sponsor the show.

Imported building materials absorb 3.6 percent of the gross domestic product of African countries — a third more than seven years ago — as the demand increases for concrete and brick buildings, even from poor people.

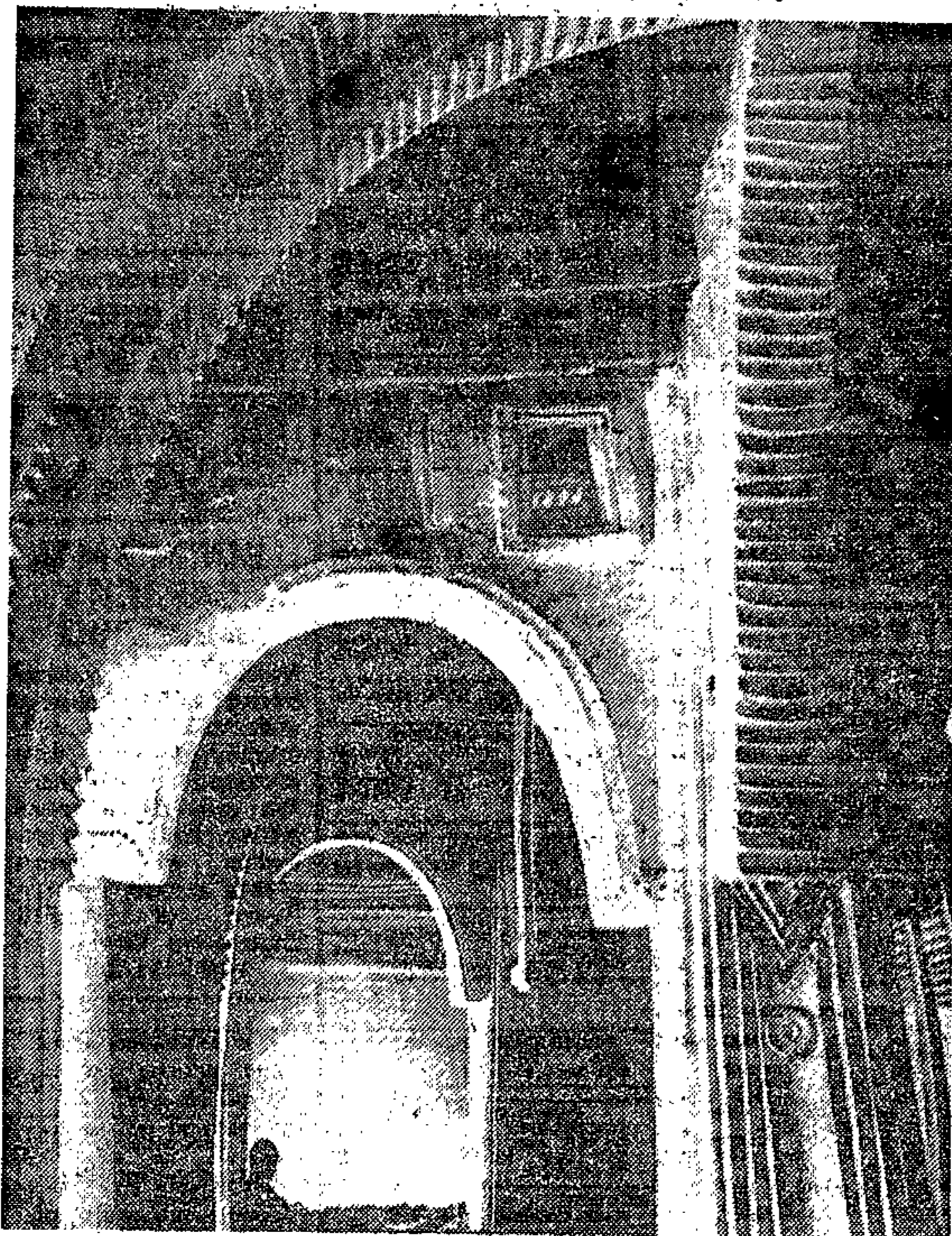
Indira Gandhi is said to be among the first "return to the earth" converts.

The renewed interest in earth architecture was started by an Egyptian architect, Hassan Fathy, whose post-war mud-housing projects were despised by the Egyptians but wholeheartedly welcomed in the United States.

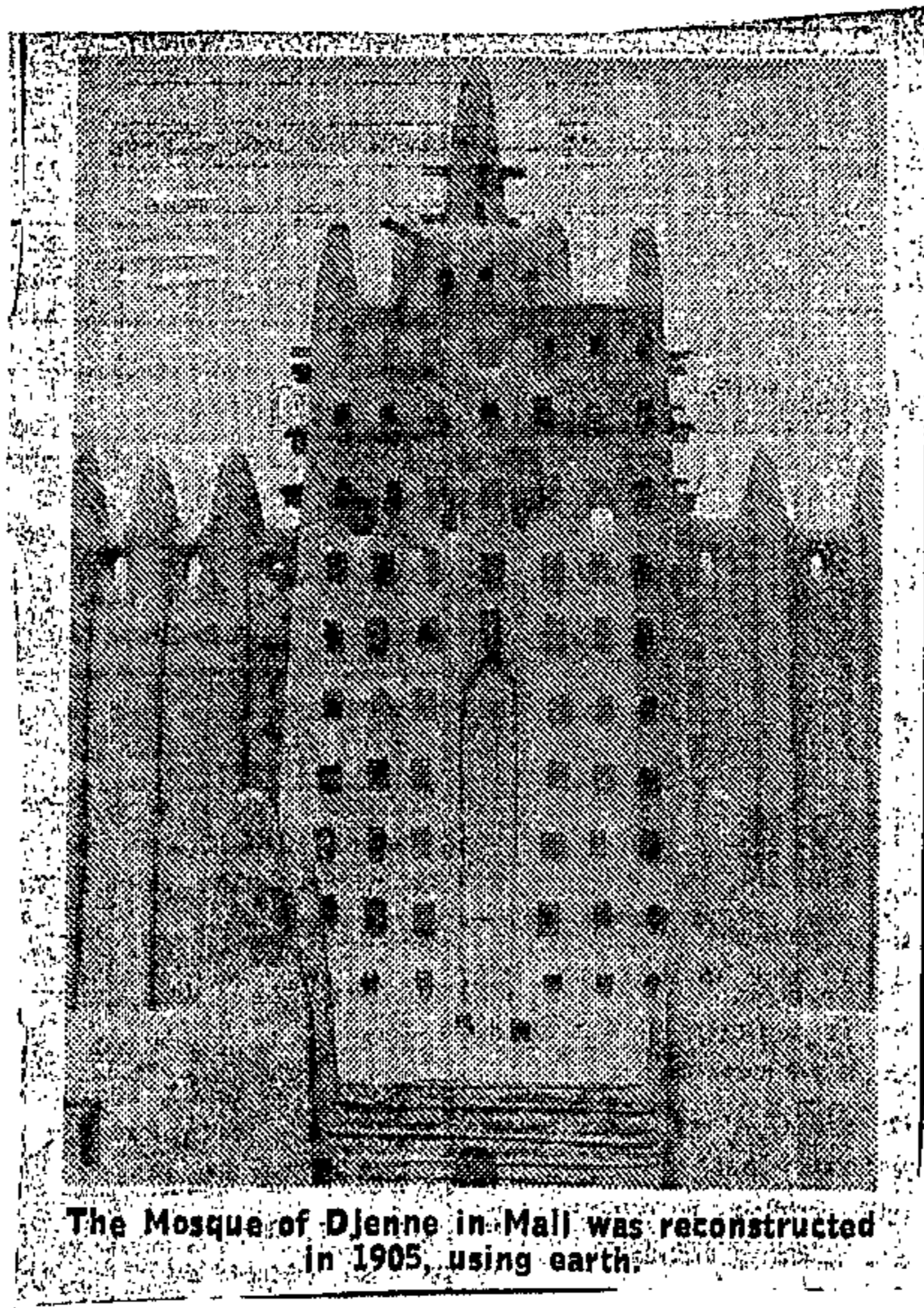
As the exhibition organisers press their case for mud as a "democratic, anti-bureaucratic and decentralised material" like the sun, they are also revelling in a certain irony.

While pointing to mud constructions ranging from the Great Wall of China to Scandinavian houses that thrive in all weathers, they cast a wary eye on the steel-structured Pompidou Centre.

After five years, Europe's greatest experiment in contemporary architecture is suffering from a very bad case of rust. — London Observer.



The interior of the Mosque of Zaria in Nigeria after modernisation in 1970.



The Mosque of Djenné in Mali was reconstructed in 1905, using earth.

WHITE HOUSING SURVEY BEGINS

Sunday Tribune
123 17/1/82

THE private sector faces a major role in helping to overcome the white housing crisis, yet it remains in the wilderness as far as a detailed analysis on possible solutions is concerned.

To fill this gap, a comprehensive white housing survey — the first results of which are expected in April — has been launched by a Cape Town company, Property Marketing Services.

The PMS research director, Robin Ellis, says Port Elizabeth is being used for the pilot study but the survey will carry on to cover main centres of population density in all the provinces.

Cost of the survey will amount to more than R100 000 and it is being underwritten by the Landmark property group whose chairman, Marke Markowitz, expects to recover much of the cost by syndicating the results to major companies and

Property Reporter

institutions involved in the residential property market.

"The government has clearly put the onus of solving the white housing crisis on private industry. Yet private industry does not have the essential information on which to provide the solutions," says Ellis.

"This is clear from the excessively cyclical nature of the residential property industry in South Africa and the lack of effective planning by major suppliers and financiers."

He claims that whatever information on white housing is available is based on the 1970 Census and there have been major demographic changes since then.

It is likely that any additional information to emerge from the 1980 Census will be available only in 1985, meaning delays in dealing with the problem.

"Obtaining the correct information will assist the private sector in identifying many, so far hidden, opportunities which are available to it in the provision of homes," says Ellis.

The aims of the survey are:

- To assemble quantitative and factual information about the white residential property market in urban areas;

- To isolate and analyse the major factors which influence the supply and demand for residential property and accommodation;

- To make predictions as to the increase in demand for homes at future growth points up to the year 2 000;

- To be specific as to volumes and types of land and dwelling units to be supplied to meet the future demands of the white population at five-year intervals to the year 2 000.

Big cuts free housing projects

(123) 2011/19/11/82

By GERALD REILLY

THE Treasury is to cut back drastically on funds available for housing, seriously aggravating an already critical shortage of white and black housing.

The deputy director-general of the Department of Community Development, Mr Barry van der Vyver, said yesterday approved housing projects worth R500 million would be delayed because of the shortage of funds.

And the PFP's Finance and Defence spokesman, Mr Harry Schwarz, warned that housing was as important in the country's defence strategy as guns.

All obstacles should be swept aside in an intensive drive to relieve the housing shortage, he said.

It was not possible for the private sector to accept the major responsibility for providing housing because so large a proportion of those without housing were unable to pay economic rentals.

"The Government cannot palm off its responsibility on to the private sector," he said.

The way the State had handled the 99-year leasehold scheme for black housing had caused a loss of confidence in the private sector in the Government's ability to cope with the problem.

According to the estimates of expenditure for 1981-82, R290 850 000 will be spent on housing projects in various parts of the country.

Reasons

The director-general of the Department of Community Development, Mr Louis Fouche, said from Cape Town yesterday the cutback on Treasury allocations for housing, and the fact that the private sector was unwilling to get involved on a large scale in the provision of housing, particularly for black workers, were the main reasons for the escalating housing crisis.

Mr Fouche said he accepted that the lack of involvement of the private sector was due to reasons "beyond their control".

The lack of funds meant that the department's planned housing projects had virtually come to a standstill in various parts of the country.

"I am sorry to have to say this, but it is a fact."

Projects which had been started, or for which tenders had been called, would go ahead, but projects like Schubart Park in Pretoria and other schemes in the city would have to be postponed.

Some programmes had been far advanced, but without Treasury funds they would have to be frozen.

The Schubart Park project was planned to provide accommodation for 1 000 families. Among other postponed schemes was a plan for 100 economic houses in Garsfontein, east of Pretoria.

Regrettable

Mr Fouche said it was particularly regrettable that the Schubart Park scheme in Pretoria had had to be postponed. The Cabinet had given the scheme a high priority, and had wanted it completed as soon as possible.

The white housing shortage was more serious in Pretoria than in any other part of the country.

Mr Fouche said in the past five years much had been said and written about the private sector's contribution to easing the housing crisis — "but that's where it has remained — at the talking stage".

The private sector had provided virtually no housing for blacks — but it "could not be expected to invest its funds at between 1 and 9 percent in housing when it could get up to 18 percent interest elsewhere".

Mr Fouche pointed out that his department had nothing to do with the planning of black housing.

"All we do is provide the finance from the National Housing Fund."

He pointed out that the country's population was growing fast and the need for housing becoming more acute. "I am a mechanic where his mechanics could come to grips with the problem."

Despite the speed disadvantage of driving a Cosworth-powered car, Niki Lauda, twice world champion and out of retirement after two years, set times only slightly slower than some of the turbocharged cars.

The Austrian said his McLaren was performing well, but he was still not entirely happy with its speed down the straights, and he hoped to improve his time today.

Replacement

The Arrows team is still not yet sure who will replace Marc Surer, who crashed in the closing minutes of Friday's practice.

A spokesman for Kyalami management, Miss Tippy Wassenaar, said spectators need not try the wrath of police by attempting to smuggle alcohol into the track on the race day as liquor would be sold.

The Rand Daily Mail will carry a full-colour supplement on the Grand Prix on Friday.

1. No books
2. Candidates unless candidate
3. No part of
4. All answers

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Huge cut in homes plans

ARGUS
19/11/82
123

**Argus
Correspondent**

**PRETORIA. —
Huge housing projects throughout the country have been axed in a State cutback of public sector spending.**

Projects worth around R500-million, for black and white housing, had been delayed or shelved because of the shortage of funds, said the Director-General of Community Development, Mr Louis Fouche today.

Included among these were four major housing schemes in Pretoria which local experts hoped would break the back of the capital city's critical housing shortage.

Crisis

The shelving of the schemes countrywide will aggravate the housing crisis for both black and white.

The Deputy Director-General of Community Development, Mr Barry van der Vyver, said today that even 'high priority' schemes had been axed.

Only projects for which contracts had not yet been concluded were affected by the cut-back, said Mr Fouche. Running projects would not be affected at all.

Mr Fouche was unhappy at the private sector's failure to tackle the country's housing crisis — particularly in black townships.

Interest

But he said he was aware that the private sector could not be expected to invest its money at between one and nine percent in housing when it could get up to 18 percent interest elsewhere.

The State would re-examine the shelved projects once finance became available, said Mr Fouche.

The housing crisis for whites was at its worst in Pretoria and Mr Fouche was particularly unhappy that one major project—the R31-million second phase of the Schubart Park flat complex, which was to have comprised 988 flats — had been axed. This was a high priority scheme.

This complex was also to have included a community hall, swimming bath, tennis courts and shops.

Peninsula

Mr Fouche said the Cape Peninsula was in a better position than some other areas in that large housing schemes started in recent years had been completed, and others not yet completed had already begun.

Large schemes included those in Mitchell's

Plain, Belhar, Strandfontein, Elsie's River, Macassar and others.

In Mitchell's Plain, for example, more than 20 000 home ownership houses had been built in the past five years. Another 10 000 homes for coloured people were in various stages of construction.

Eglin

● The chief Opposition spokesman on housing, Mr Colin Eglin, said today the proposed cut-back on State funds for housing could have far-reaching consequences, including an increase in social and racial tensions and a rise in the crime rate.

Mr Eglin said he was shocked and alarmed at news of the Treasury's cut-back on housing finance.

Consequences

Serious consequences of the cut-back could include:

- An increase in social and racial tensions;
- An increase in the crime rate;
- A further weakening of family life;
- A reduction in economic productivity; and
- The undermining of stability of urban areas which could, to an increasing extent, become flashpoints of violence and conflict.

Mr Eglin continued: 'It is clear the Government is failing in one of its prime responsibilities.'

BUSINESS 3

CONSTRUCTIO

(23) 2/11/82
 LTA heads big housing drive

The LTA group is spearheading a national housing drive with the establishment of a new company, LTA Housing.

LTA Housing's activities will be broadened to embrace all forms of housing in the public and private sectors and will include mass housing, staff and worker accommodation and home-ownership schemes.

The company will concentrate on traditional building methods and will be looking at the introduction of new techniques. It will not be involved in industrialised building, leaving this operation to the existing building systems division.

LTA Housing will provide a total package service to suit clients' wants for mass housing and home-ownership schemes.

LTA Conjig's corporate housing section, which builds homes for corporation workers under 99-year leasehold, will be included in the new set-up and will be expanded.

Chairman of LTA Housing is Mr Don Goodey who will be responsible to Mr Peter Jacobsen, executive chairman of the construction division of LTA. Mr Brian Melhuish, managing director of LTA Conjig is operations director.

"LTA companies have developed a high degree of housing expertise and have been successful in the field for many years," says Mr Goodey.

"Capitalising on this, the new company will co-ordinate and control future housing operations."

As in the past, clients will include local and community development authorities, administration boards and large employers such as Escom, Iscor, the SAR and mines.

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Mr Don Goodey, left, head of LTA Housing, and Mr Brian Melhuish, operations director.

CONSTRUCTION

This feature is produced by the business section of The Star and deals with all aspects of construction, civil engineering and allied fields such as industrial and commercial property.

This will be published twice a month as an integral part of the Business Pages.

The next feature will be published on 2nd February 1982.

Topics to be covered will include:

- Capital Projects: Contracts awarded.
- Construction and Civil Engineering methods and materials.
- Site Accommodation.
- Labour Relations: Training.
- Exhibitions and Conferences.
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Drastic cutbacks by Treasury on housing

CAPL TIMES 19/1/82 (123)

Own Correspondent

PRETORIA. — The Treasury is to cut back drastically on funds available for housing — seriously aggravating an already critical shortage of white and black housing.

The Deputy Director-General of the Department of Community Development, Mr Barry van der Vyver, said approved housing projects worth R500-million would be delayed because of the shortage of funds.

Reacting to the announcement, the PFP Finance and Defence spokesman, Mr Harry Schwarz, warned that housing was as important to the country's defence strategy as guns. All red tape and bureaucratic obstacles should be swept aside in an intensive drive to relieve the acute housing shortage.

According to the estimates of expenditure for the 1981-82 financial year, R290 850 000 was earmarked for housing projects in various parts of the country. Mr Van Der

Vyver said this amount would be spent.

The Director-General for the department, Mr Louis Fouche, said in Cape Town yesterday that the cut-back on Treasury allocations for housing and the fact that the private sector was unwilling to become involved on a large scale in the provision of housing, particularly for black workers, were the main reasons for the escalating housing crisis.

The lack of funds meant the department's planned housing projects had virtually come to a standstill.

Private sector

Projects already started, or for which tenders had been called, would go ahead. But other schemes would have to be postponed. Some programmes had been far advanced, but without Treasury funds they be frozen.

Mr Fouche said much had been said about the private sector's contribution to easing the housing crisis. "But that's where it

has remained — at the talking stage."

The private sector had provided virtually no housing for blacks. However, he could not blame it for this.

"The private sector could not be expected to invest their funds at between one and nine per cent in housing when it could get up to 18 per cent interest elsewhere."

It was obvious the solution lay in a kind of partnership between the government and the private sector to finance the building of housing units at a rate which would have an impact on the problem.

Mr Schwarz said: "The government must find money for housing at all costs. It should be among its major spending priorities. It cannot palm its responsibility on to the private sector."

It was not possible for the private sector to accept the major responsibility for providing housing, because so large a proportion of those without housing were unable to pay economic rentals.

Call for private funds for housing

(123)

Mercury 20/1/82

Mercury Reporter

PROPOSALS were made yesterday by housing and economics experts to alleviate the country's housing crisis — which is expected to worsen this year as the Treasury cuts back on housing subsidies.

It was confirmed yesterday that the Budget presented to Parliament during the coming session by the Minister of Finance, Mr Owen Horwood, will make provision for less State money for housing.

The effects of inflation and rising building costs, added to the drop in funds, means that the State's ability to

provide housing will be seriously affected.

The Director-General of Community Development, Mr Louis Fouche, told the Mercury's Pretoria bureau that his department had already ordered that four major housing schemes be postponed in anticipation of the coming Budget.

His department has been advised from the highest level that these postponements were imperative.

Interviewed on the crisis yesterday, experts made the following suggestions: 'Millions' of rands in private sector money which was now 'tying around idle' should be brought into the housing

market.

This money should be pooled with the National Housing Fund into a huge integrated housing subsidy system with a sliding scale on interest rates.

The Department of Community Development's unnecessarily high standard of minimum housing should be drastically revised, and the talents of local blacks should be made use of to build very cheap, yet solid, housing.

Mr Paul Andrew of the University of Cape Town's Urban Problems Research Unit said that research had shown that at the moment there were 'millions of rands in private sector money lying

around with nothing to do'.

He suggested that an umbrella fund, composed of private and public sector money, should be set in motion. People of all income brackets and races should be able to borrow from this fund.

In order to bring home ownership within reach of low earners, interest rates should be on a sliding scale. Those in the higher income groups should pay higher rates of interest, to subsidise those at the other end of the scale.

In this way money could be lent to poorer people at 1 or 2 percent interest. Prof Gavin Maasdorp of the Department of Economics at the University of

Natal said houses built in the 'informal settlements' had shown that a durable house could be built for about a quarter the price of the standard regarded as 'minimum' by the Department of Community Development.

Housings plans wait for R600m Treasury

(123)

DBW
26/1/82

THE Director-General of Community Development, Mr Louis Fouche, said yesterday Treasury finance amounting to between R600-million and R700-million was still being awaited for Government housing schemes which had been approved.

Mr Fouche told SABC radio news an additional R290-million allocated to the National Housing Fund for 1981/82 had been completely absorbed by schemes already under way.

Accepted

The Steyn Committee on the financial aspects of private sector involvement in the housing problems of South Africa was making good progress, said Mr Boet Viljoen, chairman of an earlier committee which has recommended certain steps to ease the housing backlog. The committee met in Cape Town for a second time this week.

These proposals had been accepted in principle by the Government and included the granting of 99-year leasehold rights to white entrepreneurs in black residential areas.

Mr Viljoen said the Government and private enterprise were working closely to delineate the financial implications of private initiative in the field.

The proposals of the Viljoen Committee still have to be published in full, but reports say it is likely to include the phasing-out of subsidies on the grounds that about 80 percent of black urban residents now earn enough to afford more realistic rental and bond payments.

However, representatives of the private sector have said that under present circumstances it was difficult for the non-Government sector to relieve the State's housing burden.

The executive director of the Federated Chamber of

Industries, Mr Johan van Zyl, said informal development of the site-and-service and self-help variety was the most cost-efficient way of overcoming the housing backlog.

However, there were many obstacles as there was a critical under-supply of land and a need for organised and effective supervision to ensure minimum structural standards.

The executive director of the South African Property Owners' Association, Mr Don Kennedy, said it would take some time before the recently-authorised white participation in 99-year leasehold showed results.

The director of the Association of Building Societies, Mr Tim Hart, said on behalf of his association that about R10-million had already gone into the leasehold system since its introduction.

Mr Lou Davis of the Building Industries Federation said real progress in providing block housing would not be possible until clarity had been reached on the status of the urban black.

The Urban Foundation said housing, and low-cost housing in particular, was a matter that had received close attention for some time. Because of the urgency of the matter the foundation could not accept at present that either the private sector or the treasury was unwilling to make money available for low-cost housing. — Sapa.

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Group Areas blamed for shortage of housing

123

Archie 20/1/82

Political Staff

THE national chairman of the Labour Party, Mr David Curry, said today the cutback in State funds for housing would increase South Africa's housing backlog and could lead to a revival of squatter problems.

He expressed dismay at this week's announcement by the Department of Community Development that approved housing projects worth R500-million would be delayed because of a lack of funds.

Mr Curry said one of the prime causes of the present housing crisis in South Africa was the Group Areas Act and the Government's adherence to its policy of enforced racial separation.

Squeezed out

'We repeat our call to the Government to scrap the Group Areas Act,' Mr Curry said.

Because of the Act, coloured people had limited scope to buy properties, and a great demand for plots had developed in coloured areas.

This had increased the price of property and poorer people were being squeezed out of the property market in those areas.

In some coloured areas in the Peninsula, plots were being sold for between R15 000 and R20 000, he said. In some parts of Athlone, for example, plots were more expensive than in the white area because of the demand.

Because of the already big backlog in housing, a further cutback in funds could only lead to an increase in social problems.

'We will have a resurrection of the squatter situation,' Mr Curry said. 'People are being forced into such a situation because they have nowhere to go.'

Still rising

The cutback in funds could bring housing to a standstill at a time when the cost of building materials was continuing to rise, making future housing more and more expensive.

'The State will have to reverse completely its policy on housing and repeal the Group Areas Act,' Mr Curry said.

'No political leader worth his salt will be able to involve himself effectively in political change unless the Government takes these steps.'

Cost-efficient

In Johannesburg yesterday the director-general of community development, Mr Louis Fouche said that Treasury finance of between R600-million and R700-million was still being awaited for Government housing schemes which had been approved.

Mr Fouche told SABC radio news that an additional R290-million allocated to the national housing fund for 1981/82, had been completely absorbed by schemes already underway.

The Steyn Committee on the financial aspects of private sector involvement in the housing problems of South Africa was also making good progress, Mr Boet Viljoen, chairman of an earlier committee which recommended certain steps to ease the housing backlog said. The committee met in Cape Town for a second time this week.

Mr Viljoen said the Government and private enterprise were working closely to delineate the financial implications of private initiative in the field.

The executive director of the Federated Chamber of Industries, Mr Johan van Zyl, said informal development of the site-and-service and self-help variety, was the most cost-efficient way of overcoming the housing backlog.

HOUSING BUDGET SLASHED

123

21/1/82

Sowetan

BLACK housing and township development are likely to suffer severely as millions of rands will be slashed off the annual allocations of nearly every State department this year.

The Director-General of Community Development, Mr Louis Fouche, has already announced a

Sowetan Reporter

cut-back of R500 million for black and white housing because of the shortage of funds.

The development of black townships has already been hampered over the past few years by the lack of funds, and the situation is expected to worsen.

It has been reported that some State departments can expect their allocations to be slashed by up to 20 percent.

The cut-backs are a result of the tight money situation in the country, and South Africa will have precious little to spend in the coming financial year on development in all fields. The exceptions in the belt-tightening operation are defence and education, which are regarded as priorities in line for funds.

Minister of Finance, Senator Owen Horwood, has briefed the Cabinet on the money prospects, and it is generally believed a tight budget is in store.

Asked about the implications of this, the senior manager of communications and resources at the Urban Foundation, Mr C M du Plessis, said yesterday: "The Urban Foundation is not prepared to be involved in a public polemic on housing as this matter is now in the hands of a very competent committee on which the private sector is also represented".

Mr du Plessis said that in view of "the very clear realisation of the urgency of the matter (housing) and the steps which have already been

taken to ensure the best possible solution, the Urban Foundation cannot accept that there is an unwillingness from either the private sector or the Government to allocate funds for low cost housing. At this stage, everybody is waiting for the recommendations and implementation thereof, of the Steyn Committee".

He said that it was a fact that the severe drop in the price of gold and the excessive high import bill has placed the country in a tight financial spot. But, he added, there was hope that the country's housing situation will be effectively tackled.

Meanwhile, black civil servants may be getting a pay boost of between 17,5 and 22 percent in April, against the 10 to 15 percent for white officials.

Following a Cabinet meeting, spokesmen said that black civil servants would get their biggest salary hike towards parity with whites.

However, this jump will not do much to narrow the pay gap because of the present disparity in salary levels.

Bifsa attacks proposed cutback in housing funds

Industrial Reporter

THE Building Industries Federation of South Africa (Bifsa) has slammed the drastic cutback in housing funds proposed this week by the Treasury as a "classic example of the stop-go policy that has plagued the building industry for years".

In a statement yesterday the president of Bifsa, Mr Leon Glaser, said it had been common knowledge for many months that a shortage of funds would be experienced this year and the authorities should have taken this into account in their forward planning rather than resort to a sudden cutoff.

"Bifsa has consistently offered to assist and cooperate in planning the building programme for the country but our offer has never been accepted," he said.

'Priority'

"The adequate provision of housing is surely a national priority and should not be subject to the detrimental effects of short-term planning.

"Apart from the fact that the shelving of R500m worth of housing is substantial in terms of the well-publicized housing shortage, it represents about 10 percent of the expected turnover of R5 000m for the industry for the year 1982. As there are still shortages in various areas this cutback will cause a welcome cooling-off period among some firms but will cause considerable harm to those who specialize in this type of work.

"It would have been far more preferable to have spread the work load over a longer period to avoid the costly peaks and valleys which are characterized by shortages and waste resulting in additional cost to the end user.

"A serious effect of an

announcement of this sort is the impact on prospective employees about to enter the industry. Much of the good work done by Bifsa by way of publicity of training schemes is nullified and a detrimental effect on recruitment could easily result."

It was also possible that statements indicating a serious downturn in the work load of the industry would panic manufacturers into restricting capital investment in those sectors which provide the primary materials for building, such as cement and bricks, creating future shortages and rising cost pressures.

"It is strange that private industry should be castigated for the housing crisis particularly in the black townships. Industry has for years been desperate to develop these areas, if only for their own employees, but has been thwarted at virtually every turn by one regulation on another.

'Onerous'

"It is completely unreasonable to expect industry to invest in housing or buildings over which, in terms of present law, they can never hold title. For the same reason it is unreasonable to expect industry to move southwards when the regulations governing the employment of labour are so onerous."

Regulations pertaining to the coloured labour preference policy in the Cape entailed numerous restrictions and it was all but impossible to obtain sites for the housing of black labour.

"With the best will in the world administration board officials are hamstrung and restricted and thus development in these areas is made too onerous for industrialists," Mr Glaser said.

Housing cutback due to stop-go policy

Stan 22/1/82

Brisa (123)

By Frank Jeans
The decision to cut back the current housing programme is a further classic example of the stop-go policy which has plagued Britain for years, says the

president of the Building Industries Federation, Mr Brian Clouston. It was strange that private industry should be criticised for housing cuts, particularly in the black townships

where the builders had been desperate to develop if only for their own employees.

The Buisa chief said the shovelling of Roomillion worth of housing would affect about 10 per cent of the expected turnover of the industry in 1982.

Mr Clouston said the cutback announcement would have a serious effect on building for the next 20 years and that the Government should be aware of this. He said the Government should be aware of the fact that the housing programme would affect about 10 per cent of the expected turnover of the industry in 1982.

HOUSING CUTS

(123)

The critical shortage of white and black housing is aggravated after the Treasury cuts back R500m in housing funds due to the general shortage of Treasury funds.

Fm 22/1/82

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Morrison on makeshift homes plans

123 E. Post 23/1/82

By BRIAN POTTINGER
Political Correspondent

CAPE TOWN — Dr George de Villiers Morrison, Deputy Minister of Co-operation and Development, has again urged the private sector to help in overcoming the country's housing problems.

In a wide-ranging interview yesterday, Dr Morrison conceded the enormous task facing the country in dealing with the housing problem, confirmed a major shift in emphasis from conventional housing strategies to others such as site and service, and admitted that new methods of financing black local authorities would have to be found.

He also revealed recent cut-backs in Government funding meant delays in a number of important schemes including Fingo Village, Duncan Village and Queenstown.

Earlier yesterday, Dr Morrison saw an East Cape Administration Board delegation over the future of thousands of squatters living in the Port Elizabeth area.

Dr Morrison declined to discuss the Port Elizabeth squatter situation in any detail at this stage, other than to say the families would be temporarily moved elsewhere to allow a start to be made on a site and service scheme in the present "Soweto" area.

He confirmed that a

much greater emphasis would need to be placed on self-help and site and service schemes if the country's housing problems were to be solved.

In the past, he said, there had been differences with the Department of Community Development — the department responsible for financing — over such strategies, but agreement had now been reached and a start made on site and service schemes.

Surveys had shown there was as much as R360 million of black-owned capital available in the Greater Soweto area alone that could be invested in self-build schemes.

"This is a tremendous amount of money, that could be used for alleviating the housing problem, just sitting idle," Dr Morrison said.

He again called on the private sector to help with the housing crisis although he expressed his appreciation of what a number of companies had already done.

The State's function, he said, was to provide the services and infrastructure and, where necessary, to subsidise the rent of people in the very low income groups.

"We accept that, through its actions, the private sector is already contributing to the development of the country. But I still feel it can accept more respon-

sibility in connection with providing housing for its employees."

Dr Morrison emphasised, however, that one of the demands of the private sector, the extension of freehold rights to blacks living in urban areas, was contrary to National Party policy and, therefore, not acceptable.

The community council system — the local authorities intended to representing the urban black communities — had been a "political" success but its true potential was being hampered by the financial position of the councils.

The Government had several departmental sub-committees looking at the financial position of the black local authorities. He said it was essential that they be placed on a sounder footing so they could deliver the goods and increase their credibility.

At the same time, Dr Morrison warned that the community councils would have to accept the responsibility for increasing service charges and rent to more economic levels even if it proved unpopular with the communities concerned.

The situation had been reached where there were vast gaps between what the authorities were being called upon to pay for the services and what they were getting back from the community.

Illegal tenants must go to back of queue

123

Star 26/1/82

By Michael Tissong
Applicants living in their own group areas are given preference to people who apply for housing while living illegally in white group areas, a Department of Community Development spokesman told a Johannesburg district court yesterday.

"The department is still allocating housing to people who applied in 1973," the administrative control officer, Mr Jacobus Harris, said under cross-examination by Mr Paul Benjamin.

"The land is available for building more

houses, but development depends on the availability of funds from the Government." Mr Harris said concerning the eight-year backlog. The Government recently made a R500-million cutback in funds to building development.

Appearing before Mr R D Curle, Shantilal Tribhoran (34) pleaded not guilty to contravening the Group Areas Act.

Mr Curle found him guilty and fined him R100 (or 25 days' jail) conditionally suspended for three years. Tribho-

ran was ordered to vacate his flat before July 31.

The State alleged Tribhoran lived at Pomona Court, Koch Street, Joubert Park, since October 1979. Joubert Park is allocated to the white population group.

The Group Areas Act makes provision for permits to allow disqualified people to live in white group areas. "One permit was granted in 1981. I cannot think of any that was granted in 1980," Mr Harris said.

Interest on bonds may rise again

Cape Times
26/1/82
123

**Own Correspondent
JOHANNESBURG.—**
An increase in mortgage rates is widely expected to be announced — possibly next month — five months after home-owners faced the last mortgage rise.

It is understood that the Association of Building Societies is likely to meet the Minister of Finance, Mr Owen Horwood, next month.

The association is expected to present arguments to back a decision to increase further the interest on home-owners' mortgage bonds.

At a time when consumers are already feeling the effects of a downturn in the economy, increased mortgage rates will be extremely sensitive politically, and informed sources believe the government will attempt to persuade the building societies to keep the increase below one percent.

The government cannot

prevent the Association of Building Societies from increasing the mortgage rate, but it can exert strong influence for the increase to be kept at a minimum.

Squeeze

Building societies are feeling the squeeze as key bank rates in short-term and long-term money rise to record peaks, and are expected to soar even higher.

If the building societies wish to attract investment in competition with the banks, they will have to adjust the interest rates they pay out — necessitating a corresponding increase in the interest they get in from bondholders.

However, if the bank rates drop, or show a tendency to fall, there is a chance that building societies may decide to hold out at present rates.

But informed sources believe it is more probable that the societies will go for an increase. The last increase came into effect in October last year.

The president of the Association of Building Societies, Mr Hendrik Sloet, confirmed that the possibility of increasing interest rates would be discussed during the association's meeting in Johannesburg next month.

Standing item

"A discussion on interest rates is a standing item on our agenda," he said.

But Mr Sloet said he was not in a position to predict what the association's decision would be.

He conceded that "money is a scarce commodity in building societies" at present.

He said building societies' maximum lending rate of 14,25 percent was not a great drawcard compared with rates offered by other investment institutions.

"We have to compete for clients against the banks and the authorities, with our shares paying 11,5 percent and tax-free shares paying 8,75 percent.

House prices

"We cannot draw investments with these rates."

Mortgage bond interest rates increased by one percent in August last year.

Apart from increased rates, house prices have rocketed by almost 50 percent in 31 months.

Mr Sloet said the issues surrounding the raising of the mortgage rate were not clear and the Du Plessis and the De Kock commissions' reports were still awaited.

Call for scheme ⁽¹²³⁾ to ease ^{26/1/82 E. Post} housing shortage

Post Correspondent

JOHANNESBURG — Builders are calling for a revolutionary new scheme to help alleviate the housing shortage in South Africa — capital-gain sharing.

The annual report of the Master Builders and Allied Trades Association in the Witwatersrand said the steady flow of immigrants entering the country would worsen the already tremendous housing shortage "and the Government and building societies should seriously consider the successful scheme as practised in America, namely capital-gain sharing".

It said that in this system, building societies would make available bond finance at a relatively low rate of interest, but would have a share in the capital gain when the property was sold by the homeowner.

The average lifespan of a bond in South Africa was relatively short and such a scheme could benefit the public and the building societies.

The report said the demand from the public would still be at a high level in 1982, but the level of demand would be dampened by the shortage of finance.

The Government, it appeared, was now considering some form of tax concession on bond payments.

The non-residential building sector would experience better conditions than the residential sector during 1982, the MBA expected. There was still a shortage of offices, shops and factory space.

The trend of accelerating building costs was unlikely to be reversed in the foreseeable future, notwithstanding the shortage of mortgage bond finance, labour and materials.

With an expected lower growth rate of 2% during 1982, the position regarding labour and material shortages might improve.

'Flat (123)

owners

are not

secure'

City Editor

THOUSANDS of flat dwellers were at the mercy of their landlords and this lack of "security of tenure" was the most serious problem facing tenants, a Johannesburg city councillor, Mr Aleck Jaffe, said this week.

Landlords were now in a position to give a month's notice to tenants — which was not possible, except in certain circumstances, under the old Rent Control Act, Mr Jaffe, councillor for Bellevue, said.

Mr Jaffe, who played a leading role in the mid-1970s in exposing dozens of never-ever flat ownership deals in Johannesburg, told the city council: "Today, if you complain to a landlord about legitimate matters, you're out."

Problem

The country's housing problem not only affected pensioners and aged citizens, but also the family man and newly-married couples.

"And apart from the chronic shortage of accommodation, the costs of setting up a home today are exorbitant," he said.

Many tenants would accept a reasonable increase once a year, he said.

Security

"But to be faced with two or three increases in one year is difficult, if not impossible, to cope with — particularly when each increase varies between 20 and 30 percent," he said.

Mr Jaffe said it was imperative to give back to flat tenants their security of tenure.

Mr Simon Chilchik, city councillor for Hillbrow, told the council the Rent Board was "totally ineffectual" and was not geared to meet the demands of flat dwellers.

ATTENTION

ARGUS 28/1/82

FOR BLACK

123

HOUSES

Political Staff

A NEW 'total strategy' for black housing has been drawn up by the Government in an effort to prevent conditions in urban black areas worsening.

This follows warnings by a committee of inquiry, the Viljoen Committee, that the Government has to change its housing policies drastically if it wants to cut into the critical housing backlog in Soweto.

The report of the committee, which inquired into the housing problems in Soweto, was published in Cape Town last night. It calls for urgent and immediate changes to a whole host of procedures.

Shortage

Pinpointing the shortage as 35 000 units in the middle of last year, the report says this is growing by 4 000 a year and must be halted.

This will need 'a fundamental change in approach and a reversal of the former policy' which saw blacks as temporary citizens in towns.

In a statement issued with the report, the Government appears to accept most of the recommendations except for a crucial one dealing with subsidies.

This has been referred to yet another committee, this time under the chairmanship of Deputy Minister of Finance, Mr Danie Steyn.

Test area

The Government statement, made jointly by Mr Steyn and Dr Piet Koornhof, the Minister of Cooperation and Development, says Soweto was chosen as a test area to determine a formula to be used elsewhere.

Important recommendations of the committee concerning ground for Soweto are already enjoying priority, the statement says, as are the suggestions on how to streamline procedures for getting a house.

Highlights

Highlights of the Viljoen report, which says the Government should scrap present housing policies and adopt a dynamic new approach, include:

- Creating an effective and responsive housing process must be founded on inter-relating black households, the black

(Contd on Page 3, col 7)

P.T.O.

(Continued from Page 1)

community, the private sector and the public sector.

● Instead of the State being obliged to provide temporary homes for temporary people, everyone must be motivated to devote capital, labour, expertise, entrepreneurial skills and 'sweat equity'

Black housing

ARGUS 28/1/82 123

State policy blamed

Political Staff

THE VILJOEN committee of inquiry has blamed the Government's urban black policy for the black housing backlog.

And it says the first condition for private sector involvement in black housing is that this policy be changed.

Its report, released yesterday by the Minister of Co-operation and Development, Dr Piet Koornhof, says housing must be regarded as an ongoing process, providing permanent homes, creating job opportunities and generally forming the cornerstone of a stable urban population.

It is essential that the policy, which was based on the provision of accommodation for temporary sojourners, be replaced by a totally new policy of stimulating a dynamic housing process on the foundations of a stable urban black population.

Other conditions needed for private sector involvement include.

- That market forces be allowed to play their role and unnecessary controls, red tape and discretionary interference be eliminated.
- All involvement be based on normal business principles.
- Government-funded housing and private sector housing be allowed to compete on the same terms, particularly in respect of subsidies.
- That security of title be given to the entrepreneur or employer during the period of housing development and thereafter to the house owner.

to create a stable urban environment.

● Individuals should be subsidised, not agencies.

● Leasehold titles must be given to developers employes and black house-holders.

● Exploitation must be strictly controlled.

● There must be adequate land, needing immediate acquisition of new raw land.

● An intensive education programme must be started to promote home

ownership.

The 85-page report says its object was to create 'a stable and vibrant urban community which has a vested interest in the maintenance of peace and good order.'

Among its many specific recommendations regarding Soweto, it says the Government should start a five-year programme to build 55 000 housing units.

This means an extra 1 000 hectares of land

must be found immediately, and an extra 200 each following year.

The cost of buying, servicing and developing this land is estimated at R800-million of which R300-million would hopefully come from the private sector.

The Government plan does not however include granting blacks freehold title in South Africa, meaning they can only lease their homes, never own them.

JUST

The Government has drawn up a new 13-point "total strategy" for black housing in an effort to prevent conditions worsening in urban black areas.

Mr Colin Eglin, Opposition spokesman on community development, said the plan showed the Government was "moving tentatively" in a more enlightened direction on urban black housing.

Govt rejects Viljoen call

Political Correspondent

THE Government has rejected a key recommendation of the Viljoen Committee report on urban black housing.

This is the recommendation that aims to draw individuals and the private sector into building schemes to overcome the critical urban black housing shortage.

This has emerged in the lengthy Government response to the Viljoen report, which was released in Cape Town this week.

The report, on methods of involving the private sector in solving Soweto's housing backlog, blames the Government's policy on urban blacks for the critical housing shortage, estimated at 400 000 units countrywide.

Pivotal

To solve the problem in Soweto alone, the report calls for a five-year plan to build 50 000 units at an estimated cost of R800-million, of which the private sector is expected to carry almost R300-million.

Although the Government has accepted the report "in principle" and formulated a widely-worded 13-point strategy to deal with the urban black housing problem, it rejected the pivotal recommendation for a completely new system of Government housing subsidies in black urban areas.

The Government has also avoided any clear commitment on its own financial responsibilities and sidestepped other key recommendations in the report — which have been referred to another newly created committee.

Feasible

The call for a new subsidy system was one of the most important recommendations.

It is aimed at making it financially feasible for private organisations and individuals to become involved in large-scale building operations in black urban areas.

The committee called for a revised system in which the Government would subsidise the individual home-owner.

This would clearly pave the way for a system in which individuals could borrow capital from building societies with the Government providing the bridging fi-

However, the strategy avoided certain crucial issues and therefore became a "platitudinous" statement of well-meant intentions, he said.

The strategy makes the following points:

- Housing is a cornerstone of stable communities and labour peace, and consequently is given high priority;
- It is the responsibility of the individual, if it is at all within his ability, to provide his own housing;

Standards

- A minimum standard will apply for qualification for low-cost housing and employers have an equally important responsibility in this connection;
- The State accepts its share of responsibility

on provision of housing — this implies several possibilities, but the Government's direct contribution will largely be confined to low-cost housing;

- The standards of housing will be determined by the socio-economic capacity of the individual, with certain minimum standards.

- In order to give the individual a greater share and responsibility in the provision of his own housing, site and service schemes, together with self-build core housing schemes, aided by technical advice centres, should all be encouraged and advanced and subject to control and certain minimum standards;

- Squatting is not part of the housing policy — but at the same time, high priority is given to the control, clearance and upgrading of squatter areas;

- In cases where squatting is a reality, it must be controlled and, where practically possible, provided with certain basic services (water and sanitation) as well as community services and infrastructure.

- The National Housing Fund must not be splintered and remains the responsibility of the Department of Community Development;

- Annually, on a priority basis, a fixed amount or percentage must be allocated for black housing in consultation with the interested parties, in accordance with standards described above;

- All forms of restriction in the way of individuals obtaining funds for housing must be removed as far as possible;

- The Department of Co-operation and Development, in consultation with the treasury and building societies, must urgently devise methods to obtain funds so that blacks can obtain funds for housing;

- This department must launch a large-scale programme to inform the private sector and activate it to become involved in housing for blacks;

Promote

- The possibility of giving employers leasehold or property rights in black living areas, for the purposes of houses they are financing, must be investigated;
- In addition, the possibility

Black housings strategy spelt out

BY HELEN ZILLE

123
RDM 29/1/82

must be investigated of allowing developers — where possible and applicable — to develop townships in black areas;

- The Department of Co-operation and Development must launch a fullscale attempt to promote home ownership — and to ensure that present loans from the State are primarily limited to those who qualify for low-cost housing;

- The creation of infrastructure, especially the provision of services, will be dependent mainly on Government funds because of the present economic position of black local authorities, but a concerted effort must be made to draw the private sector into this aspect of housing.

The social planning branch of the Office of the Prime Minister has been mandated to formulate a comprehensive urbanisation strategy as quickly as possible.

nance to cover the difference between the interest rate the individual could afford to pay and the rate at which the building societies would be prepared to lend.

Such a system would mean Government acceptance of the permanence of blacks in urban areas — not part of official apartheid policy.

However the Government accepted the recommendation for the appointment of a top level-committee to investigate the subsidy issue.

The committee will be chaired by Mr Danie Steyn, Deputy Minister of Finance.

(123) 28/1/82



A log cabin-type home in Parkside which was built for R1 600 three years ago as a test project. According to the tenants, the house has required very little maintenance and is "very comfortable". It comes in kit form, complete with windows and roof.

Housing kits cut building costs, time

By CHRIS VICK

EAST LONDON — Alternative houses — made from materials other than brick and cement — can provide the man in the street with a roof over his head for about half the price of a conventional home.

Everything from glass-reinforced concrete to a resin-type plastic is being used in the building industry today, and all can be adapted for use in the construction of homes, a Daily Dispatch survey has shown.

Built in a fraction of the time it takes to build a "wet" house with bricks and cement, these homes are available at up to a tenth of the cost of a conventional house.

a house built of bricks and cement could cost from R25 000 to R30 000 depending on the finish, according to estate agents in the city.

The second type of alternative home on the market is the type previously known as the "pre-fab". Made of fibreglass reinforced concrete (GRC), these homes are also sold in kit form and take about seven days to erect.

They cost around R6 000 for a basic three bedroomed house but can be modified and extended in all shapes and sizes — adding on another bedroom for another R1 000, or another bathroom for R800, according to the manufacturers

about half as long to build, if not less — there is a large labour saving, which rubs off on the overall cost.

The manufacturers claim that, with proper sub-management, a builder can build a gypsum veneer home for 20 per cent less than a brick house, and a brick veneer house for 11 per cent less.

Nearly all the veneer homes have been approved by the Agreement Board, an international body controlling the sale of building materials. This means there should be no problems obtaining

build this type of home in East London, so no firm decision on alternative homes have been made.

The city housing department, however, is presently studying three types of "alternate" housing already erected in the city's coloured group areas.

Of these — a timber home, a GRC home and a brick veneer home — the brick veneer is the most viable, according to Mr Ken Martinsen, the city housing director. It is the only one with a Agreement Board certificate, and therefore is the only one the housing department could get government funding for if they wished to build.

tween R25 000 and R30 000 for an orthodox dwelling.

"Assuming you pay around R6 000 for the kit you want to buy, you will still have a saving of around R7 000 when your house is built."

He calculated that the extra costs after purchasing the kit could be up to R10 000 plus the price of a plot. These costs could involve transport, plumbing and electrical fittings, carpets and tiles but would still provide a house for considerably less in a much shorter time.

"I think it's an obvious solution to the housing crisis," Mr Woods said. "These houses are cheap

(123) D. Dispatch 28/1/82

After transport costs, erection, provision of services and the fitting of extras such as cupboards, these homes can still work out much cheaper than it takes to build a house today.

The most basic form is the wooden house. Available in kit form from R2 000 for a three-bedroomed abin, these homes are made of treated pine and have a life span of about 20 years.

They are sold in panels, complete with windows and doors, and take about five days to build. The kit concept taken further by some developers who can offer a more advanced three-bedroomed house for less than R6 000 — complete with carpets, ceilings, larger windows and a fully-fitted kitchen.

By conventional prices,

The kits come with everything down to the kitchen mirror, and require little maintenance.

The more advanced pre-fab-although manufacturers shudder at the sound of the word — is built around a timber frame using a thin veneer as an outer shell.

The veneer is either made of brick, gypsum board or a space-age plastic-type resin, and is built around the timber frame and then packed with "cladding".

These outer shells offer better insulation than brick or concrete block houses, according to the manufacturers, and have a life span as long as an orthodox home.

The cost saving is not as high on the surface as the GCR or timber homes. However, because of the time factor — they take

a bond for a home made from these products, and nor should municipalities object to their erection.

"The Association of Building Societies has ruled that bonds should be approved for people wishing to build homes with the Agreement Board certificate," a spokesman for the association said yesterday.

"The ABS values committee is satisfied that these building methods are acceptable."

And Mr Fraser Martin, a member of the city engineer's department here added: "If an Agreement Board certificate has been issued for the type of home you want to build, you will probably also satisfy the municipal building regulations."

So far, however, there have been no approaches from people wanting to

"But we are not in a position to specify what type of home must be built — we must accept the best tender," Mr Martinsen said.

"If a builder submits a tender for homes with the Agreement Board certificate, and it is a better tender than for concrete block houses, we would probably accept it."

But what about the man in the street? The man who might have to pay up to R2 000 to have his "kit" transported from the nearest factories?

"Even if transport costs are that high, it still works out to be a great saving," said Mr John Woods, an executive member of the East London committee of the Institute of Estate Agents.

"To build a three-bedroomed house of around 100 square metres with bricks could cost be-

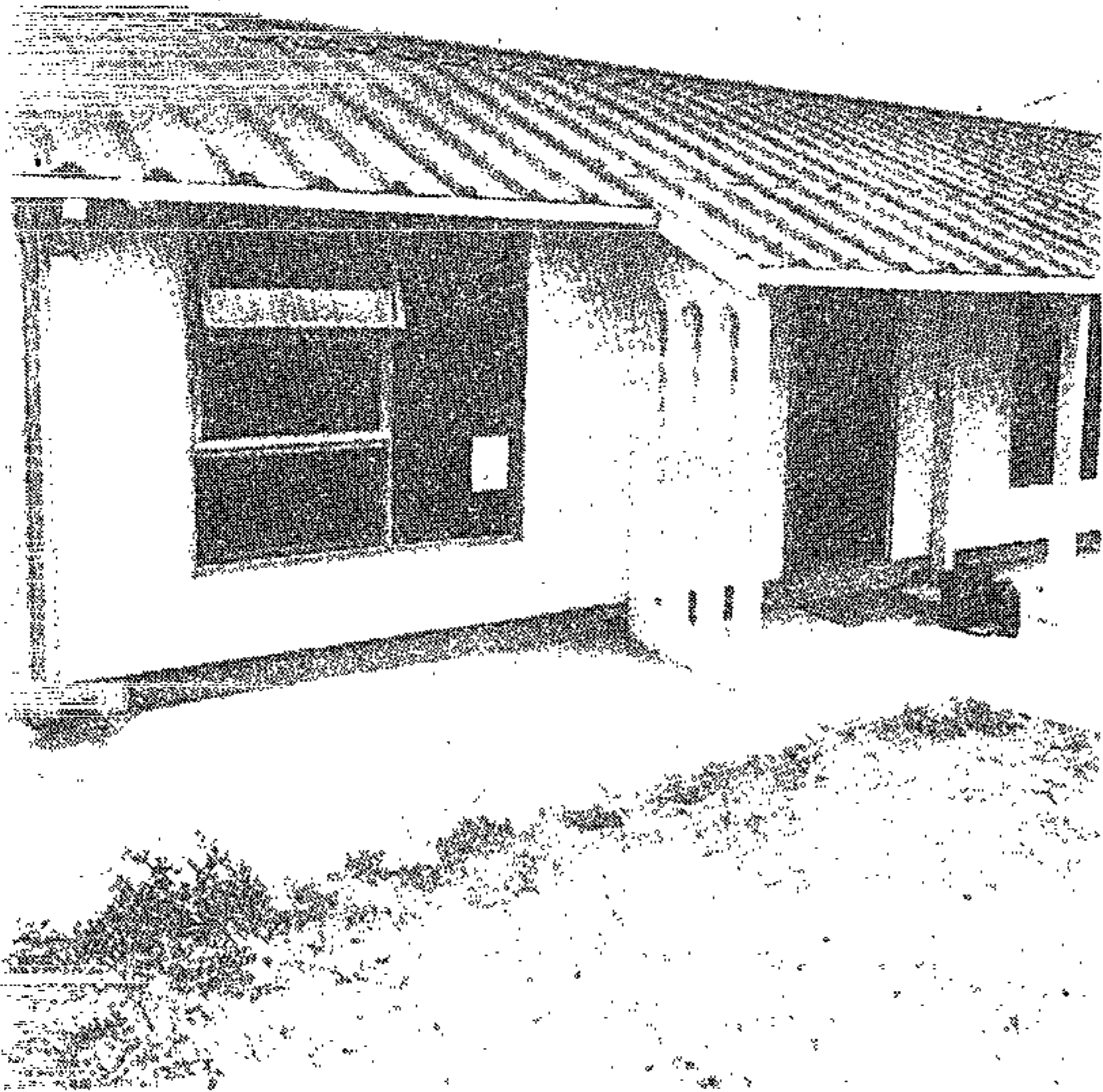
er, quicker to build, just as good as a brick house."

He said, however, that South Africans would have to overcome one hurdle — their belief that these houses were inferior to brick houses.

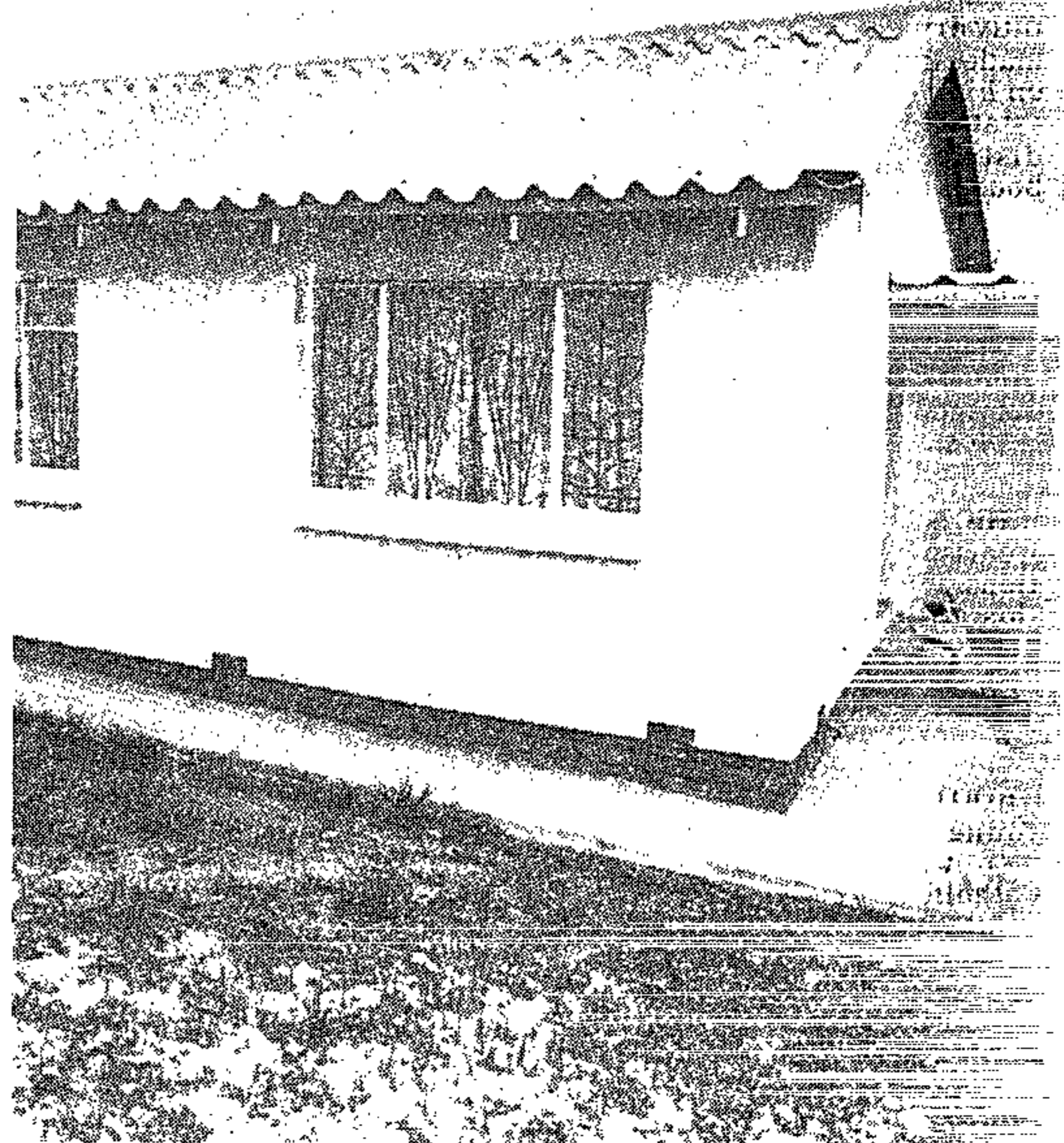
"I have seen in America and Canada that these houses are just as good as orthodox homes. In some cities they have built five storey blocks of flats around timber frames, using a gunite veneer, and they last forever."

"The same applies in Los Angeles, where timber frame houses last as well as ordinary homes."

If there was a 30 per cent saving in cost, plus a considerable saving in the time of construction, there was only one thing stopping people buying them, he said — foolishness. DDR



A glass-reinforced concrete home in Buffalo Flats which is being used as a mini-library. The home costs approximately R5 600 to build three years ago and took seven working days to erect. It comes complete with guttering, windows — everything down to the bathroom mirror.



A brick veneer home built in the new Buffalo Flats Extension recently. The house is the same design as other concrete block houses in the scheme for approximately the same price, but is better insulated far warmer aesthetically.

168 000 ^{29/1/82}
CAPE TIMES
housing backlog ^{8/23}

IT WOULD cost R1,7-billion to eliminate the black housing backlog in the urban areas of South Africa alone, according to the Viljoen Committee of Inquiry into private sector involvement in Soweto housing.

The committee estimated the annual increase in demand for houses in the next five years at 4 000 units. Added to the present backlog of 35 000 units, a minimum of 55 000 units would have to be provided by 1987.

"If the Republic as a whole is considered, statistics reveal that the housing backlog in all black urban areas is 168 000 units (excluding approximately 258 000 houses immediately needed in the trust areas).

"At an estimated present cost of R10 000 per unit (including services) it would cost approximately R1,7-billion to provide that number of houses.

"The State is therefore faced with the alternative of: Failing to relieve the backlog; raising enormous capital sums in order to provide 'accommodation' along the lines of its past housing policy, or allowing the development of a dynamic housing process in which all the resources of both the public sector and the various sections of the private sector are fully utilized.

"The political consequences of the first two alternatives are obvious.

"We have identified the steps to render such participation not only practical, but effective. These steps need to be taken as a matter of highest priority," the report says. — Sapa

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Swift action urged on housing

Cape Times

29/1/82

123

Own Correspondent

JOHANNESBURG. — The government's reaction to the Viljoen Committee report on black housing in Soweto was generally welcomed yesterday by leaders of commerce and industry — even though some of the recommendations were accepted with reservation, and others were rejected.

The report recommended a R770-million five-year plan to provide 55 000 houses in Soweto.

The chairman of the Viljoen Committee, Mr Boet Viljoen, a past president of the Association of Building Societies, said he was pleased with the official reaction.

The government had obviously considered the report carefully and referred those aspects it did not agree with, or which needed further investigation, to a committee under the chairmanship of



Mr Boet Viljoen

the deputy Minister of Finance, Mr Danie Steyn. The committee would look at various aspects of the overall plan for the provision of housing, including the financing of the scheme by both the public and private sectors. The committee would also look at the whole question of subsidies, one of the aspects of the report unacceptable to the government, Mr Viljoen said. The executive director of the Urban Foundation, Mr Jan Steyn, last night welcomed the government's reaction, which he termed "positive".

... Land tenure and the free transferability of title

168 000 housing backlog, page 8
Govt 'yes' to 5-year Soweto housing plan, page 8

the proposals.

The general secretary of the South African Council of Churches, Bishop Desmond Tutu, said anything done to remove or reduce the housing backlog was welcome — but the fundamental problem remained political.

A number of the problems in the black community were political, for example, the Group Areas Act and a lack of freehold rights.

Mrs Deborah Mabiletsa, a Soweto community leader and an executive member of the Urban Foundation, recommended that existing houses be sold to residents. She added: "As long as the government is doing things for us and not with us, it will not come to grips with the problem."

The Political Staff reports that Mr Colin Eglin, Opposition spokesman on community development said the plan showed the government was "moving tentatively" in a more enlightened direction on urban black housing.

The executive director of the Afrikaanse Handel-

(and all the implications that flow from it) must be seen in the long term to form the cornerstone of the housing process."

The executive director of Assocom, Mr Raymond Parsons, called for a speedy implementation of the proposals harnessed in a "total strategy" which embraced "a broad concept of private initiative".

The director of the Cape Chamber of Industries, Mr Jack Roos, said the enormity of the housing problem had once again emerged from the statistics produced by the committee, and called for a swift implementation of

HENRI DE VILLIERS

FM 29/1/82 (123)

The mortgage rate must rise



Henri de Villiers is MD of the Standard Bank Group which incorporates the Standard Building Society.

FM: What major changes to building societies do you envisage over the next five years?

De Villiers: Because of the political nature of housing, and the societies' ability to play on this when negotiating with Pretoria, I don't foresee any fundamental changes to building societies in the next five years. I believe we will see some tinkering at the fringes but lobbying will effectively stall any major changes. I believe the prevailing situation of an overhoused white population will be maintained.

What changes to the building societies would you like to see?

The underlying problem with our system is that housing loans are subsidised on the gathering side rather than on the loan itself. I think this situation should be reversed so that the loan is directly subsidised. However, a loan subsidy, as has been found in other countries, is no simple matter. Once again the size of the subsidy and to whom it should be given becomes an arbitrary and bureaucratic decision.

Do you see any immediate changes coming out of the Du Plessis commission?

I don't know. But as the building soci-

eties are being in a sort of limbo in anticipation of the commission's report, one must assume that it will report fairly soon even if its recommendations are not accepted by the Minister.

The societies' lending is down to about 10% of what it was a year ago. If short-term rates continue at their current high levels, how will the societies fund home loans?

Ideally the building societies should fund themselves from the retail market because this is steady and relatively cheap money. At present they are borrowing short and lending long. As a protection against sudden adverse interest rate movements they should have a wide spread of deposits with varying maturity dates or alternatively match length of funding to that of loans which may involve turning to the capital market.

How do you see competition with the banks, especially for retail funds, affecting the societies over the next few years?

There seems to me to be little doubt that the banks' shareholders serve as a whip to streamlining their efficiency. Without the prospect of facing shareholders, the societies may have difficulty competing with the banks. However without this "whip," and partly because the societies have used the socio-political nature of the mortgage rate to their advantage, they have established a disproportionately large stake in the finan-

cial framework.

What is the outlook for the mortgage bond rate?

The mortgage rate must go up. With long term Escoms at about 14%, the minimum mortgage rate should be around 15% instead of the current 12,25%. Those homeowners who can afford the bigger loans should, under present conditions, be paying at least 16% instead of 14,25.

One way around the problem of a higher mortgage rate excluding the lower income brackets from the housing market is to introduce a steeper differential between the upper and lower rates.

But as the bigger borrowers tend also to be influential people, I think a change in this direction is unlikely. Although the mortgage rate may yet go up there will be bureaucratic resistance to a bigger-than-usual increase.

How important do you think black housing will become to the societies over the next few years?

Since the 99-year leasehold came in, blacks have been slow to take up the chance of buying their own homes. The feeling is that the reason for this is a reluctance to invest in the black areas.

So I believe that as long as there are laws which tell people where they must live, home loans to blacks will not be a substantial part of building society business.

EXPRESSSCOPE EXPOSES THE REAL HOUSING CRISIS —

Homeless!

FACTS and figures mean very little when you do not have a roof over your head.

Take, for instance, the accountant who burst into tears in a crowded courtroom because he was had up for living in the wrong Group Area.

He had been told there was a 10-year waiting list for Coloured housing and had slept in his car for three weeks before he found a flat in a White area, he said.

The fact is that there is an official backlog of 41 000 houses for Coloureds. Or take the Indian families living 15-to-a-flat where children are put to bed in the bath because there is no more sleeping-room on the floor.

The fact is that an estimated 20 000 houses are needed now for Indians.

Then consider the White pensioners doubling up in flats and even going short of food because rents have soared far, far out of their reach, or young married

THE FACTS AND TEARS OF THE SHORTAGE

whom every knock on the door can mean 40 days in jail, banishment to a homeland and near-starvation.

This is a fractional part of what the housing crisis means in human terms — as well as in facts and figures.

Ideology, lack of money and bad planning are inter-linked at the root of the housing crisis, as Mr Colin Eglin, Progressive Federal Party spokesman on housing, said in an interview with the Sunday Express this week.

"This crisis is going to get worse and worse unless the Government changes what I believe is a totally inadequate approach to the provision of housing in this

Committee, aspects of the statement are disturbing and point to fundamental defects in this new housing strategy."

"The Government remains silent on the first fundamental principle and recommendation on which the Viljoen Committee report is based — a fundamental change in attitude based on a reversal of an earlier policy in respect of the temporary status of the Black urban community."

"The Government rejects a cardinal recommendation of the Viljoen Committee — that the critical part to be played by the private sector in the provision of housing

recommendations as the sale of houses at cost price, the economic viability of administration boards and the establishment of housing utility companies.

"These are all vital instruments for the implementation of a housing strategy."

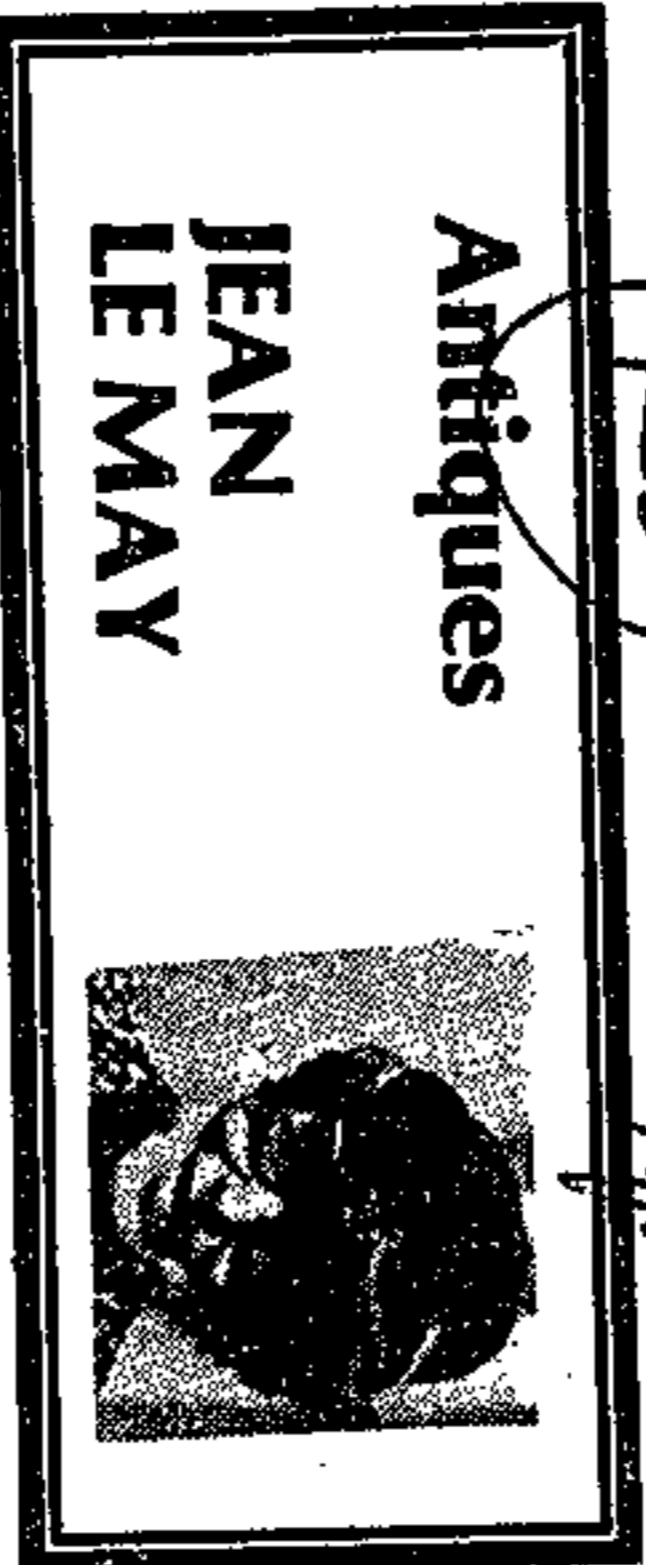
"Without them, and without money, the 13-point plan becomes a platitudinous statement of well-meant intentions.

"The recent drastic cut-back by the Treasury of funds for housing is alarming. It makes it impossible to implement any new housing strategy.

"Put simply, no money will be available for housing.

● The domination of racial dogma over common sense, terms with urbanisation.

● Totally inadequate sums of money made available for housing.



Antiques JEAN LEMAY

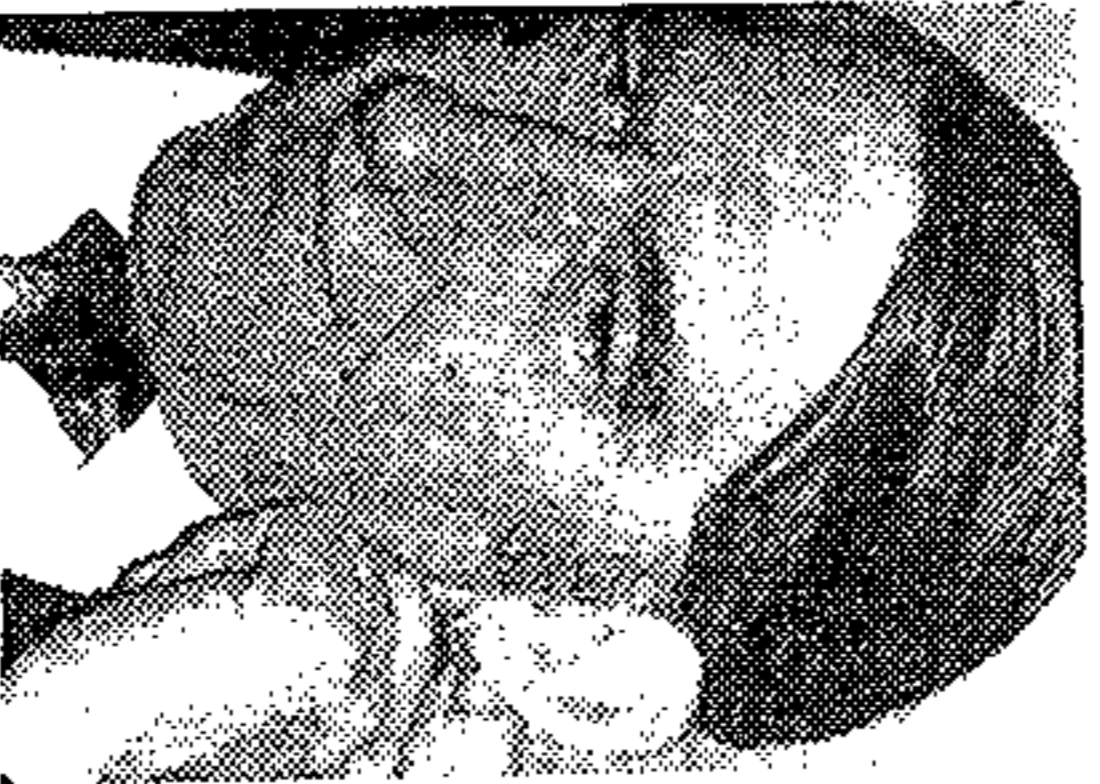
123 S. Express 3/1/82

ed by the Sunday Express added another area in which, they said, the Government had fallen short — no tax incentives have been offered to property-owners and this, they said, not only makes house ownership more difficult but is responsible for the critical shortage of rented accommodation for Whites.

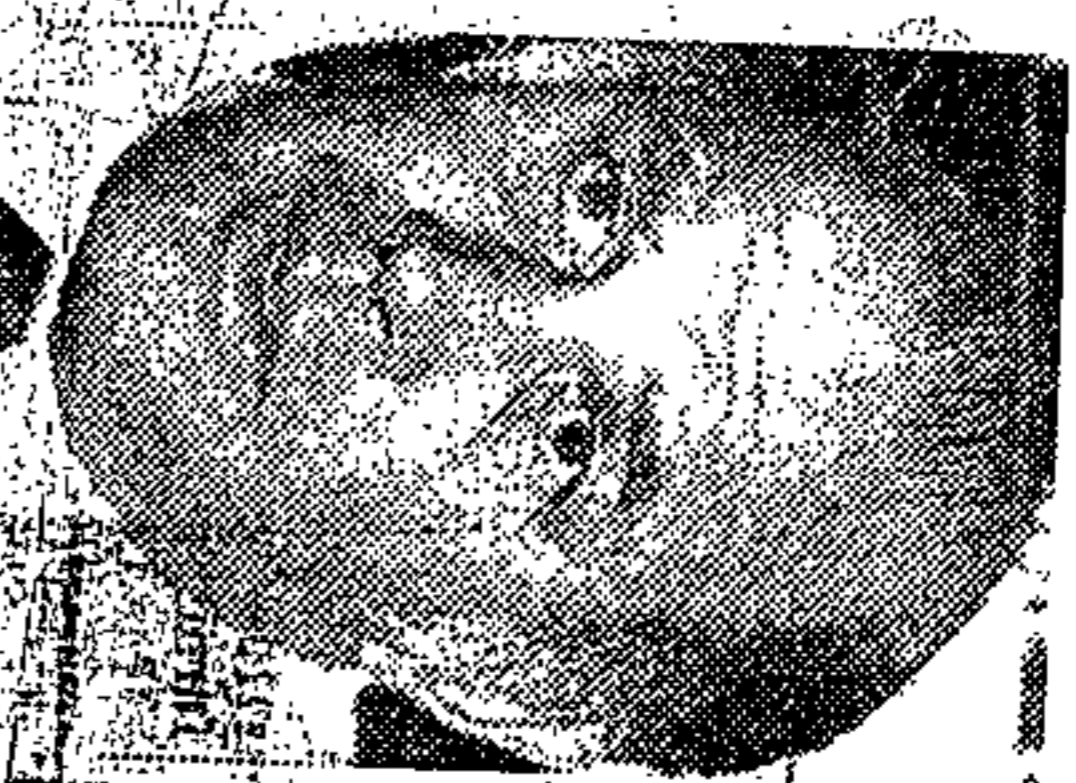
Observers have pointed out that the emergency plan for Soweto outlined in the Government statement will — if it ever takes off — take care of less than 13% of the total backlog of housing for Blacks, which according to Mr J W T Mills, Director-General of the Department of Co-Operation and Development, is 420 000, including the homelands.

Nor is that all. Mr John Knoetze, director of the West Rand Administration Board, has said that 4-million houses for Blacks will be needed during the next 20 years — remember "another 40 Sowetos"?

And the Building Industries Federation of South Africa (Bifa) has said



DR PIET KOORNHOF ... undecided stance



MR COLIN EGLIN
"Government legislative"

because the minimum country, he said monthly income decided to get a 90% loan on a R50 000 house is R4 844.

The fact is that the price of housing for Whites has gone through the roof because the Government has not offered tax incentives to property owners.

Above all, fake Blacks.

The fact that there is a countrywide backlog of 420 000 houses means nothing, absolutely nothing, to the people living in resettlement shanties or as illegal lodgers in backyards, to

This week the Minister of Co-Operation and Development, Dr Piet Koorhof, and the deputy Minister of Finance, Mr Danie Steyn, said in a joint statement that they had accepted in principle many of the recommendations of the Viljoen Committee report on Black housing.

Mr Eglin commented: "While the Government statement on its new housing strategy shows that it is moving tentatively in the general direction advocated by the PFP and the Viljoen housing must be willingness on the part of the Government to subsidise the individual home owner.

By refusing to accept this vital recommendation the Government is making it impossible for the private sector, interested organisations or the individual Black resident to make a meaningful contribution in the field of low-cost housing.

Despite having had the Viljoen Committee report for six months the Government remains tentative and undecided on such important housing. If the Government tries to pass the financial buck, which belongs to the private sector or to the individual Black sector.

"The contributions of the private sector and the individual must be used to supplement the Government contribution and not to replace it.

"Finally, the Government still fights shy of ordinary freehold property rights for Blacks in urban areas.

"Whatever the merits of the 99-year leasehold system for Blacks, there can be no orthodox building methods and standards.

● Obstacles placed in the way of home ownership for Blacks.

● Constant "funding" between the Department of Community Development and the Department of Co-Operation and Development in respect of an overall housing policy for South Africa.

● Failure to devise a system in which the private sector could play a meaningful role in the provision of low cost housing.

Property experts consult houses for Blacks need to be built at the rate of 147 000 a year between the years 1981 and 1990 and at the rate of 188 000 a year between 1991 and the year 2000.

To top that, the Urban Foundation has said that in the next two decades R15-500-million will have to be spent to accommodate South Africa's Black population.

The Viljoen Committee did not pull its punches, possibly because it was chaired for a change, by a man from the private sector — Mr Boet Viljoen of the South African Permanent Building Society — instead of the usual Government official or MP.

The present housing crisis in Soweto arose because of the policy of regarding urban Blacks as "temporary," Mr Eglin, you will remember.

Unisa prof predicts house shortage and higher rents

BY FRANK JEANS

123

THE white housing backlog is expected to increase in the next two years with a sharp increase in rents.

This is the opinion of Dr Jan Hupkes, professor of economics at the Business School of Leadership at the University of South Africa, who believes

that in the likelihood of gold falling to save the day in terms of South African trade there will have to be Government intervention to protect the balance of payments and foreign reserves.

Three options open to the Government, says Dr Hupkes, are, in-

creased taxes to mop up demand for imports, creation of tight and dear money and allowing the parity of the rand to decline further to make imports dearer and exports cheaper.

He expects an increase in mortgage rates and the liquidity situation to result in a slowdown in residential building continuing until 1984 when there should be slight improvement.

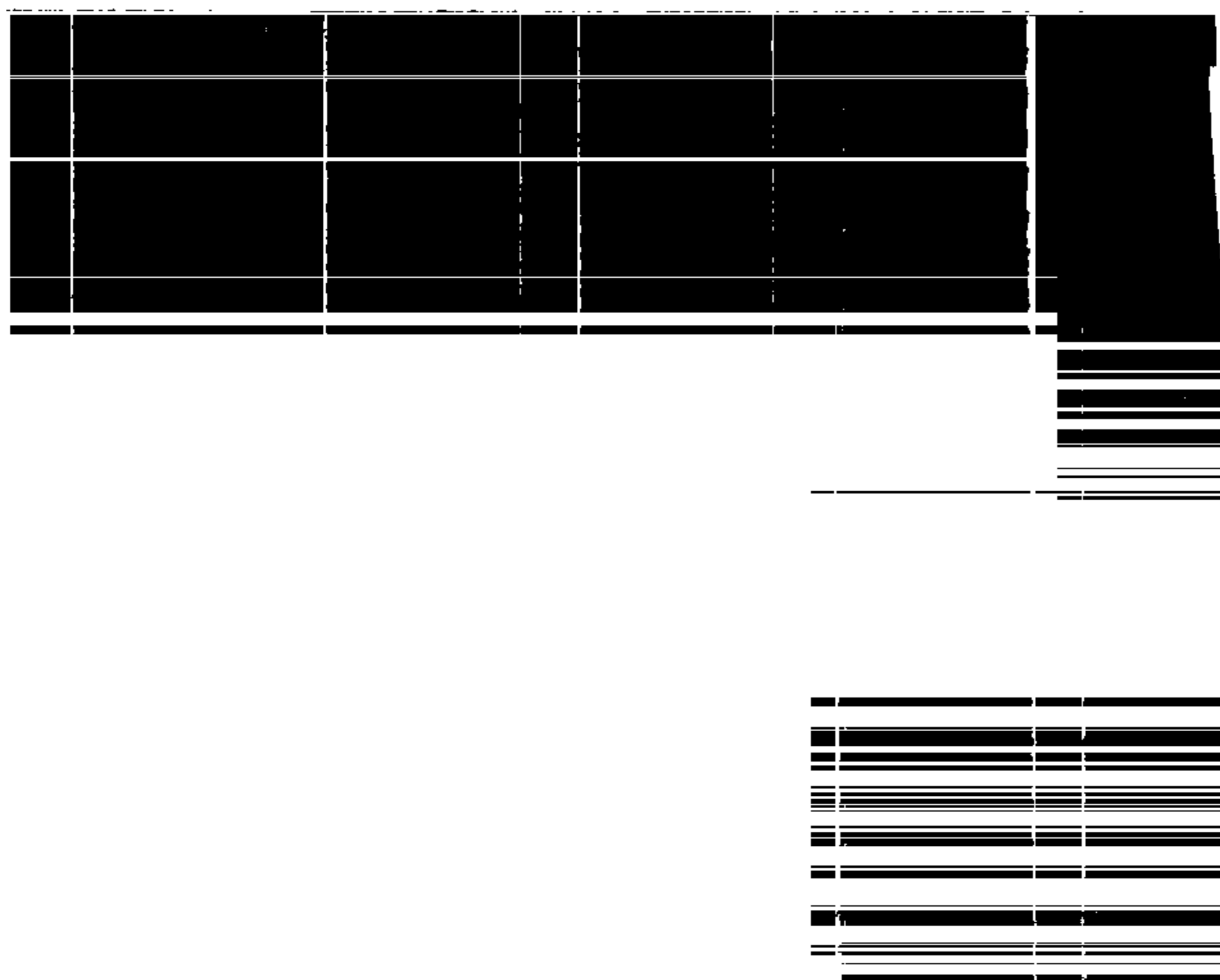
"Thus," says Dr Hupkes, "to the extent that there already exists a backlog in white housing this backlog will increase and it is expected that rents will be adjusted upwards sharply."

Writing in the economic review of an insurance broking firm, Dr Hupkes adds, "With building costs continuing to rise, albeit at a slower rate, we can see the gap between the price at which a house can be bought on the one hand and the cost at which it can be built, increasing."

"At this phase of the cycle we can, therefore, not recommend the building of residential units in the upper class brackets. Similarly, we recommend that the prospective buyer should not purchase now, especially if he has liquid funds at his disposal."

Sounding a word of decentralisation incentives to boost the construction industry, Dr Hupkes says that although 20 growth points have been identified in the white areas of South Africa as well as a further 27 self-governing and independent states, it should not create the impression that all these growth points will simultaneously take off.

He quotes a sentence from a speech of the Prime Minister, saying it should be the key consideration on this issue: "The idea is also that the State's provision of infrastructure at any given time should be concentrated on a limited number of industrial development points so as to promote large-scale development further."



Booklet tells blacks about owning homes

173
E. Post
2/2/82

Post Reporter

A CAMPAIGN to educate blacks in the benefits of home ownership has been launched in black townships throughout South Africa.

The campaign has been spearheaded by the publication of a special information booklet — first of its kind by a private sector company — designed to tell blacks everything there is to know about buying a home, or improving the one they already have.

The injection of white business, financial and building knowhow is expected to stimulate the growth of a property-owning black middle class, says Dr Llewellyn Lewis, marketing man of Everite Ltd, which is distributing 40 000 copies of the home ownership booklet through black communities nationwide.

The company has already contributed to several modern house-building projects in black urban

areas, involving limited private participation.

In one of Soweto's showpiece developments, recently completed at Meadowlands, the company acted as project manager and supplied an extensive range of building materials.

The booklet includes instruction on obtaining finance for building, the various forms of home ownership, investment information, and a useful guide to home improvements and extensions.

Readers are told: "Buying or building a home is almost certainly the biggest investment you will make in your life. The purchase of your own house is a very wise investment — you won't find a better investment for your money."

The booklet also quotes official statistics to show that a typical black township house which cost R4 209 to build in 1977 will cost R14 418 in 1985.

Housing Commission will be able to raise own loans

E. Post 4/2/82

Political Correspondent

CAPE TOWN — The Minister of Community Development, Mr Pen Kotze, yesterday announced that the National Housing Commission was to become a statutory body able to raise its own loans.

Until now the commission has been able to administer only those funds which have been allocated to it by the Treasury for the purpose of State-assisted housing.

Mr Kotze, announcing the new move during the no-confidence debate, emphasised that the commission would be able to raise the loans only with Treasury approval.

Reacting to the statement, Mr Colin Eglin, the PFP's chief spokesman on housing, said the effect of the change would be to enable the public sector to gain access to private funds, but it could not be seen as a full involvement by the private sector.

Private sector involvement should not be limited simply to the provision of funds, but should also deal with assistance in expertise and planning, he said.

Mr Kotze's announcement follows hard on the heels of the Viljoen Commission of Inquiry into private sector involvement in black housing, which recommended a major private-public sector offensive to wipe out the housing backlog.

The main recommendation of the committee — that the Government should subsidise the individual rather than the housing scheme — was referred by the Government to a committee, amid strong objections from Opposition spokesmen.

In his speech yesterday Mr Kotze said he hoped the National Housing Commission would be able to get funds from the private sector for the housing initiative.

However, he rejected claims that there had been a cutback in State financing for housing development, but said that because of external factors it was inevitable that less money could be spent on the actual building of houses.

The general housing situation was vastly improved over seven or eight years ago, Mr Kotze said.

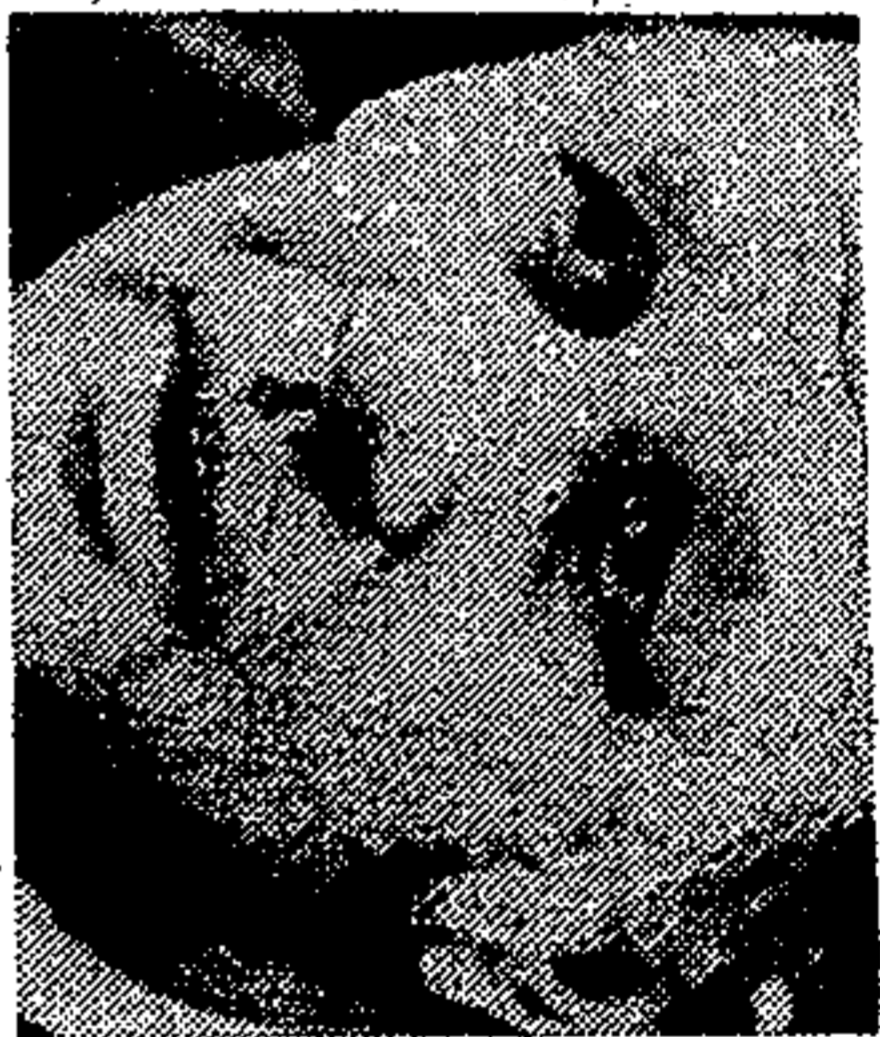


Mr Roy Swart

Swart, Eglin challenge Nats on urbanisation

ARCUS 5/2/82

123



Mr Colin Eglin

Parliamentary Staff
FUCH had been said about squatters — partly squatters in the Western Cape — but how-
ever powerful the Gov-
ernment and however re-
fricative were its laws,
movement from the im-
poverished rural areas to
the urban area could not
be prevented if the socio-
logical and economic
causes were there, Mr
Roy Swart (PFP, Bevesa)
aid yesterday.

Mr Swart and Mr Colin
Eglin (PFP Sea Point)
both spoke of the inevit-
ability of urbanisation
during the no-confidence
debate.
Mr Swart said the Gov-
ernment would be unable
to adapt and produce real
reform unless it escaped
the 'straight-jacket' of
its own ideology. No-
where was this more evi-
dent than in its attitude
to the urbanisation taking
place in South Africa.

'Unless the Government
discards its rigid adher-
ence to outmoded beliefs
and theories, and meets
the challenge of urbanisa-
tion, our society could
well be overwhelmed by
the process,' he said.
It was a process which
could not be reversed,
and a phenomenon which
could not be side-stepped
or swept aside.
'The flow of people to
our cities is a fact of life
in South Africa and it
will need a flexible and
imaginative programme,
relating to housing,
health and basic ser-
vices, if this is going to
take place peacefully,'
said Mr Swart.

The Government had,
for example, ignored the
process of urbanisation —
the most dramatic process
of the past two decades.
'The Government had
tried to reverse this pro-
cess.
'It called the blacks in
the cities 'temporary
sojourners'. It applied re-
strictive laws. It applied
coercive pressures. They
did not work and South
Africa lost valuable time,'
said Mr Eglin.

'The irony is that while
South Africa is becoming
racially polarised in the
political field because of
Government policy, a pro-
cess of de-racialisation is
taking place in a wide
range of other fields,'
said Mr Eglin.
Apartheid itself had
become a hurtful fraud.

NRP doubts PFP on Constantia

THE Opposition should be
honest enough to admit
that the option offered to
the people of Constantia
to vote in a referendum
for an open area, would
not be there should the
PFP come to power, Mr
Pat Rogers (NRP King
William's Town) said yes-
terday.
The Leader of the
Opposition should say
whether his party, once
in power, would have
allowed such a referen-
dum in the first place.
If the result had been
a negative one, would he
have honoured the deci-
sion of the people of that
constituency?
'The Opposition would
mandatorily open all
areas to all races what-
ever the feelings of the
people — black, white,
or coloured or Asian —
were about the matter,'
he said. Speaking during
the no-confidence debate,
Mr Rogers said the New
Republic Party could fairly
claim title to that moder-
ate sector of the voting
public which rejected the
extreme left and right
ideologies.
No political party
which either refused to
share political power, as
the National Party did,
or accepted majority rule
as the official Opposi-
tion did, could claim to
be moderate.
'The moderate centre is
where the real practical
solution lies and this
party lays complete and
total claim, fair and
square, to that approach,'
he said.
The hard core of the
PFP accepted in their
terms the inevitability of
majority rule.
'Indeed their proposed
policy can only result in
that, but they shamefully
deny or avoid telling the
public that,' he said.

A turning point in SA history

IF all the political parties in
Parliament could agree
that a real and serious on-
slaught was in fact being
waged against the Republic,
1982 could become a
turning point in its history,
the Minister of Co-
operation and Development,
Dr Piet Koornhof, said
yesterday.
Speaking in the no-confi-
dence debate, he said if
the population groups would
try to find and understand
each other South Africa,
under the leadership of the
Prime Minister, Mr P. W.
Botha, could enter a
glorious era.
'The threat against us
is not aimed at the
Government alone but at
all the peoples of the
Republic — white, black,
Indian and coloured,'
he said. — Sapa.

The amount of money available for sports sponsorship in SA has risen sharply in the last five years. Trevor Dreyer of Datsun agrees that sponsorship played an increasingly important role as SA participation in international sport declined, and TV coverage has also been important.

Datsun's current sports sponsorship budget is R1m.

Winslow is leading a move to found a Sports Sponsors Association of SA. Its first meeting will take place in March to be attended by as many sponsors as possible. "Its objectives are to enable sponsors to act

as a unit in promotion and to speak with one voice to the media, to government and provincial sports groups," he says. It aims to give advice to sports bodies on how to deal with sponsors, to advise sponsors on what to look for, and to protect sponsors from overzealous sports organisations."

— face to face —

BOET VILJOEN



Boet Viljoen is MD of the SA Permanent Building Society and chairman of the Viljoen Committee, whose report into private sector participation in the provision of housing in

Soweto was released by government last week.

What is the most significant aspect of the report?

The acceptance of the fact that the black man will live next door to us in the bigger centres, and that not only does he need a home and shelter but that there must be a housing process. Also, the recognition that the private sector, which includes the black household and black entrepreneur must combine its efforts with government to initiate a housing process. It is no good just handing out houses when there is a shortage.

What do you think of government's reaction to the report?

I'm excited that government has accepted our recommendations in the main and am not concerned that they have decided to re-examine certain aspects. At present a committee under the Deputy Minister of Finance Danie Steyn is investigating the financial implications and some issues are already finalised.

What about the co-ordinating committee the report recommended to monitor progress?

At present the Steyn committee will carry out that function — the other committee hasn't yet been appointed but soon will be. We don't want too many committees evaluating the same issues.

Why is government stalling on the subsidisation recommendations?

They aren't stalling. The subsidisation issue is extremely complex, and requires further investigation. Presently, subsidies for blacks apply only to rental housing and we recommended subsidising home-ownership and home-building. Government accepts the need

for subsidisation but now some people are receiving subsidies who shouldn't be. So it is essential that the Steyn committee evolve a subsidisation formula which is just and fair. This is a lengthy process.

If one subsidises prospective homeowners rather than the house, does one run the risk of subsidising inefficiency or the profit of individual developers?

No. The developer will never be subsidised — only the low-income earner, until his income outgrows the need. The report has been drafted to exclude profiteering and the possibility of subsidies passing into the wrong hands.

According to the report, R800m is required to solve Soweto's housing crisis. A large portion of this is expected to come from government. How will the recent Treasury cut-backs in the allocation of money for housing affect this?

It could be said that now we have the report, we have no money. However, it is more important that the report has been written and that government has accepted most of the recommendations. We must now get moving as fast as we can, given the circumstances. As the economy improves, building will speed up.

There has long been a willingness by employers to get involved in housing but the availability of land in Soweto has been a major stumbling block.

Yes, this is true. However, there is land immediately available for 10 000 houses — the problem is that the infrastructure has not been developed. Additional land will also be allocated to cater for future growth.

Some people allege that Soweto's housing crisis has resulted from government's policy of regarding urban blacks as temporary sojourners. This has not been resolved by the report. Why did you avoid dealing with the freehold issue?

The report did not skid around this because we didn't know how to handle it. Rather, we were looking for immediate solutions. We didn't want to get involved in a lengthy political debate surrounding the granting of full title.

There is a growing feeling that Soweto

is being developed as a political symbol whilst other equally needy areas are being neglected. Is there any possibility of your committee's proposals being implemented nationally?

Soweto is unique because of its size, proximity to Johannesburg and the scale of its problems, so I think government was correct in focusing attention here. If the proposals are found to be workable in Soweto, they can then be extended to other areas with the appropriate modifications. Soweto was never regarded in isolation, but rather as a starting point.

Utility housing companies have been mooted as a vehicle for channeling private sector effort. What will government's role in these companies be?

The report merely proposed ways of injecting finance into the housing process. The formation of a utility company was simply one of these measures and is now being investigated by the Steyn committee.

What role can the private sector play now?

Employers can build homes for their employees or existing homes can be improved or extended. Private sector entrepreneurs can undertake development themselves. The amended legislation granting whites leasehold rights makes this possible. The private sector can grant loans to government agencies such as administration boards if they don't want to get involved in actual building. Building societies can also make finance available.

The report recommends a range of serviced-site options. If the subsidy recommendations are accepted, will building societies be prepared to grant loans for self-help housing?

A building society dealing with trust-funds and savings must invest these moneys very carefully — even in white areas not all self-build projects are granted loans unless the project's viability is certain. However, there is a possibility that building societies could grant loans for self-help if the criteria for granting loans are revised and projects carefully monitored.

123 FM 5/2/82

Few will escape increase, says society chairman

'DOUBLE RISE' IN BOND REPAYMENTS

w/e ARGUS 2/2/82 123

A DOUBLE increase in monthly repayments face those with home loans. They will have to pay higher interest rates soon and also a larger element of capital.

Few will escape increases with the next rise in the bond rate, Mr H A Sloet, chairman of the Association of Building Societies, said today.

He said that when the banks raise their deposit rates following the increase in key market interest rates, building societies will be forced in turn to raise their deposit rates and consequently their mortgage rates.

'There is no doubt in my mind this will happen in the very near future,' he warned.

There is speculation that the bond rate will rise by at least one per cent.

FURTHER SHOCK

By Alan Cooper
Property Editor



MR H A SLOET — 'monthly interest repayments may exceed the monthly instalments.

While this means home borrowers will have to pay more interest on their loans, a further shock awaits them. They will not be able to avoid larger monthly repayments by lengthening the lives of their bonds.

Mr Sloet said that while the societies would do all they could to prevent large increases in repayments, the situation had arrived where larger capital repayments would be necessary to avoid the debt growing through increasing interest rates.

'With the number of increases in interest we have had in the past year and one coming soon, the monthly interest repayments may exceed the monthly instalments.

'We cannot allow the debt to increase in this

way and we will insist on a small capital repayment to keep the debt on an even keel.

'We will not be harsh but, with the next increase, few people will escape larger monthly repayments.

'Previously if a man had been paying for five years on a 25-year loan and there was an increase in the mortgage rate we would calculate instalments on a further five years.

'But today if a person is paying, say 14 percent interest, he will never repay his full debt no matter how long the debt is extended.

Hence we must insist on a larger portion of debt repayments in the

The Weekend Argus correspondent in Johannesburg reports that Mr Peter Richardson, managing director of the United Building Society, believes, there is an over-reaction on the question of mortgage rate increases.

He said: 'People rush in and buy cars at 21 percent interest rate, for instance, and it doesn't seem to bother them, but when it comes to a R20 bond payment they are up in arms.'

Borrowers had been living in properties for some years and secured their bonds over much cheaper homes than in today's market.

UOST

11001 Han 7/2/82

(123) Star 9/2/82

New concept in public housing

A new building method which could save 50 percent on labour costs may be used for large housing developments for Transvaal Public Works Department personnel.

The Space Frame building concept has been claimed as a suitable method to ease the drastic housing shortage in South Africa.

The materials consist of reinforced steel frames encasing central panels of rigid polyurethane foam insulation sealed in a sand-and-cement mix.

A TPA delegation inspected three pilot homes at Witfield, Boksburg, at the weekend.

Mr P W du Plessis, director of the Trans-

vaal Public Works, said: "The houses are being put up as an experiment. We have been very impressed with the speed and cost savings, and the method has a lot of potential."

Since the granting of an Agreement Certificate to Space Frame last year, most building societies in South Africa confirmed that they would grant bonds for homes being built by this method.

Mr Hendrik Sloet, president of the Association of Building Societies, said any building method which could help ease the shortage of housing was a "boon to the country," and the fact that an Agreement Certificate had been granted showed the product had quality and durability.

"We believe that building trends are destined to change, and that at last we have found a viable alternative to bricks," said Mr Bill Nosworthy, managing director of Space Frame.



Mr J M Griffiths (left) and Mr P W du Plessis inspect one of the houses being built in Berton Park, Witfield for officials of the Transvaal Public Works Department.

Mortgage rate rise likely tomorrow

ARGUS
9/2/82

~~123~~ 123

Property Editor

BUILDING society officials will meet the Minister of Finance, Mr Owen Horwood, in Cape Town tomorrow to ask for an increase in the building mortgage rate. It is expected that a statement on the agreed increases will be made in the afternoon.

Speaking from Worcester, the chairman of the Association of Building Societies, Mr H A Sloet, confirmed that a deputation from his association would meet the Minister tomorrow. He would not disclose what requests would be made to the Minister who must give approval to any rise in mortgage interest rates and in tax-free investment rates.

It is expected that the societies will ask for a 1½ percent rise in the mortgage rate but will be content to accept three-quarters or one percent rise. However, any increase will be matched by increases in deposit rates in an effort by the societies to compete with banks in attracting money.

Warning

Mr Sloet said last Friday that he expected a rise in home loan interest rates, 'in the very near future,' and a matching rise in deposit rates.

He warned that few would escape larger monthly repayments on their mortgages due not only to the increase in interest rates but by the decision a larger payment of the by the societies to call for capital debt.

In other words, bondholders will face a double increase from higher interest rates and larger capital repayments.

KOM 10/2/82

Inconsistent policies have led to black insecurity

~~234~~ 123

INCONSISTENT policies on the status and housing of urban blacks have led to black insecurity and white inertia, says Ms Pauline Morris.

In "A History of Black Housing", published by the SA Foundation, Ms Morris has found that black housing problems stemmed from two fundamental causes, both of which contradicted the goal of any housing policy and the natural process of urbanisation.

These were:

- ⊙ the political or ideological framework which determined all major housing policies;
- ⊙ the way authorities viewed low income housing.

Conflict

The conflict between ideology and natural economic processes led to extremely inconsistent policies on the status of urban blacks and their housing, Ms Morris said.

Leasehold rights had been promoted, withdrawn or reintroduced. Sources of funds had been unreliable and inconsistent. Sub-economic schemes had been discontinued and then resumed. Provision of family housing had been dis-

couraged and then promoted.

These inconsistent policies had resulted in:

- ⊙ greater insecurity and resentment felt by blacks;
- ⊙ confusion and inertia among officials administering urban black affairs, "leading to authoritarian attitudes, inefficient administration and undue delay"; and
- ⊙ the discouragement of private sector participation — by the black householders, employers, the building industry and financial institutions.

The Union Government policy of regarding urban blacks as temporary sojourners was rejected by the Fagan Commission in 1978. However the Nationalists came to power the same year, and directed

all their administrative and housing policies towards reversing the flow of blacks from the urban areas to the homelands. It was part of their policy of separate development that blacks could have no permanent rights in white urban areas.

In 1979 the Riekert Commission made similar recommendations to the Fagan Commission: the urban black would remain permanently in white areas.

"In little more than 30 years the policies relating to urban blacks had come a full circle, ideology having backed down in the face of economic reality," she says.

"The harm that has resulted, not only in terms of the living conditions but more particularly in the loss of

confidence of the black in the white political system, cannot be measured."

Dealing with the way the authorities viewed low income housing, Ms Morris said they tended to view the problem purely in terms of providing physical units, rather than as a process which would lead to greater self-sufficiency. This factor had contributed not only to the shortage of housing and to the inability of many families to afford the housing provided, but to the attitude of passivity of many blacks.

Emphasis

The emphasis on mass public housing — as opposed to informal settlements and recent self-help schemes — had meant that individual and community participation was confined to accepting whatever was provided by the public authority.

Blacks had little say — the advisory boards and bantustan councils had neither decision-making powers nor credibility. The community councils have greater powers but are subject to the Minister. Many of them lack credibility.

"The lack of experience in taking responsibility for and making decisions on housing is stated as one of the problems facing contractors engaged in housing programmes in Soweto," said Ms Morris.

Homes: Private sector 'wants freehold title'

AF&GS 12/2/82 123 127

Property Editor

THE Government could not ask the private sector to invest in black housing if freehold title could not be obtained by the investor, the president of the Building Industries Federation of South Africa, Mr Leon Glaser said yesterday.

He was commenting on the Viljoen Commission report which considered the involvement of the private sector in the black housing backlog.

'Firstly it must be clear that the Viljoen report refers specifically to the Soweto housing backlog.

R279-M A YEAR

'Secondly the report suggests that the private sector contributes some R279-m a year for a five-year period to help to wipe out that backlog. This represents only half of one percent of the total national building programme. These sums are not frightening but the private sector must be allowed to operate in building these houses with some safeguards.

'Ways and means should be discussed to allow for this amount of money to be forthcoming from the national building programme. But the private sector would only cooperate if it were allowed to do so in the normal private sector manner.

REAL ASSET

'One of the most important conditions would be the need for freehold title so that the houses built would represent a real asset either to the occupier or to the employer.'

Mr Glaser said there should be some safeguards. The field should not be opened freely to white entrepreneurs but the way should be made easier for black builders and employers to build on a freehold basis. They must be able to construct assets they can sell later.

'You cannot ask the private sector investor to move into a black area if he cannot get title to the land,' he said.

The Viljoen Commission recommended that the Government should start a five-year programme to build 55 000

housing units. The cost of buying, servicing and developing the land needed would be about R800-million, of which some R300-million would hopefully come from the private sector. But only leasehold rights would be granted to these homes.

HOUSING (23)
Call to repeal laws

PM 12/2/82

The usually non-controversial SA Foundation has recommended that the Group Areas Act be repealed, influx control laws be phased out and freehold property rights be given to blacks.

The recommendations are contained in "A history of black housing in SA," written by former Urban Foundation housing consultant Pauline Morris. The publication is part of the SA Foundation's research programme evaluating SA's socio-economic business environment.

Morris traces the development of SA's housing shortages and calls for drastic and far-reaching changes in housing policy. The granting of freehold rights is seen as an important priority. Morris says: "Freehold rights should be granted as an option within the range of present rental and leasehold opportunities" with the eventual aim of converting all leaseholds to freehold.

"The granting of freehold rights," she says, "would overcome the present psychological resistance of many blacks to existing leasehold rights and could simplify the highly complicated registration procedures." Morris told a group of businessmen at the SA Foundation in Johannesburg this week that "the most fundamental problem was government's insistence on blacks being regarded as temporary sojourners. This has affected housing policy, tenure and the attitude of officials and has retarded the provision of housing, particularly the participation of blacks in the provision of their own homes."

Influx-control policy is another major



Morris ... calling for drastic policy changes

you helpful.

cause of housing problems, particularly in the peripheral urban settlements and rural areas. As Morris points out: "The policy only serves to shift the housing problem away from the white urban areas and places greater pressure on peripheral settlements."

Although Morris has not undertaken a major investigation of influx control policy, the documented evidence has led the foundation to call for it to be phased out. Morris suggests that attention should be directed towards urbanisation programmes which should include the allocation of land, the provision of infra-structure and the development of a range of appropriate low-income housing options.

The adoption of more appropriate standards and the provision of greater housing choice is also essential. For example, housing policies should be adjusted from being supply-orientated (with an emphasis on minimum standards) to being demand-orientated with realistic recognition of available resources and ability to pay. A range of housing options, including the upgrading of existing informal settlements, the establishment of site-and-service schemes, and allowing core units as well as conventional township housing, are essential if realistic solutions are to be found.

9. I push for definite follow-ups on how de
 Never 1 : 2 : 3 : 4 : 5
 8. I tend to let decisions remain vague as to
 Never 1 : 2 : 3 : 4 : 5
 7. I make sure that the group discusses the
 alternative solutions to a problem.
 Never 1 : 2 : 3 : 4 : 5
 6. I have a tendency to propose answers
 to a problem and its causes through carefully.
 Never 1 : 2 : 3 : 4 : 5
 5. I do not take the time to really study
 working on.
 Never 1 : 2 : 3 : 4 : 5
 4. When a group decides upon which solution
 is certain it is clear that the decision is, who
 Never 1 : 2 : 3 : 4 : 5
 3. I tend to accept the first solution that is pr
 Never 1 : 2 : 3 : 4 : 5
 2. I ask why the problem exists and what the
 Never 1 : 2 : 3 : 4 : 5
 1. When a problem comes up in a meeting,
 explored until everyone understands what t
 Never 1 : 2 : 3 : 4 : 5
- * When you group is struggling
 12.1 Your Problem-Solving Behavior

	(a) Mining Companies	(b) Non-mining companies
	R	R
January	6 545 472	371 139 030
February	1 019 873 705	133 935 218
March	9 584 324	247 203 348
April	3 352 083	192 651 064
May	329 030 367	121 959 247
June	30 185 712	283 273 292
July	4 325 663	448 939 769
August	645 287 199	163 128 015
September	4 867 450	227 641 300
October	1 479 466	247 063 776
November	145 942 557	153 329 726
December	22 912 146	266 945 223

The amounts shown under (b) are not final as yet and are subject to such adjustments as may prove necessary.

How many houses were provided for each population group in each province by the private sector in 1976, 1979, 1980 and 1981, respectively?

123 Hancock Houses
G. Col. 12/2/82

85. Mr. C. W. EGLIN asked the Minister of Statistics:

The MINISTER OF STATISTICS:

Province	Year	Total	Whites	Coloureds	Asians	Blacks
Cape	1978	7 048	4 268	2 502	44	214
	1979	7 143	4 026	2 757	80	285
	1980	8 495	5 515	2 644	21	315
	1981	9 585	6 343	2 855	28	356
Natal	1978	2 689	1 459	62	1 165	3
	1979	2 720	1 382	71	1 262	5
	1980	3 436	1 721	56	1 657	2
	1981	4 665	2 697	60	1 901	7
Transvaal	1978	9 673	9 091	166	269	147
	1979	10 642	9 830	213	307	292
	1980	22 350	21 565	166	287	341
	1981	13 024	12 095	202	254	475
Orange Free State	1978	1 265	1 153	20	—	92
	1979	1 605	1 344	164	—	97
	1980	1 984	1 854	60	—	70
	1981	2 187	2 079	28	—	80
Total: R.S.A.	1978	20 675	15 991	2 750	1 478	456
	1979	22 115	16 582	3 205	1 649	679
	1980	36 274	30 655	2 926	1 965	728
	1981	29 461	23 215	3 145	2 183	918

Figures for 1981 are provisional.

SA needs 119 670 houses a year

CAPC TIMEC
13/2/82
123

Political Staff

THE government has estimated that 119 670 houses a year — at a cost of R882-million to the public sector — will have to be built every year for 10 years to overcome the housing shortage.

In a statement yesterday, the Department of Community Development said that if houses were constructed at this rate the backlog would be overcome in five years for whites, coloured people and Asians and in 10 years for blacks.

The department said its estimates were based on the private sector building 46 000 houses, mostly for whites, every year.

It calculated that 38 000 houses a year would have to be built for whites, 21 700 a year for coloureds, 7 970 a year for Asians and 52 000 a year for blacks.

Investment

Most of the houses for white people — 33 300 — would be built by the private sector, while the public sector would have to be responsible for most of the housing for the other groups.

"To finance a housing programme of this magnitude will take an average annual investment by the public sector of approximately R471-million in respect of whites, coloureds



Dr Andries Treurnicht

and Asians and approximately R411-million in respect of blacks — a total amount therefore of R882-million."

The statement said the department was actively pursuing ways and means of augmenting the capital of the National Housing Fund and of encouraging greater participation by the private sector.

The magnitude of these targets was underlined in Parliament yesterday when the Minister of Statistics, Dr Andries Treurnicht, said in reply to a question tabled by Mr Colin Eglin (PF, Sea Point) that the private sector had constructed 29 461 houses in South Africa in 1981, 16 539 fewer than the estimated annual target for reducing the backlog.

Opposition speakers called on the government to take urgent steps to increase the number of flats for rent and to give existing tenants more security.

Opposition proposals included government purchases or subsidies of existing flats, incentives to the private sector to build more flats for the lower- and middle-income

groups, and protection for harassed tenants.

The Deputy Minister of Community Development, Mr Pierre Cronje, said many of these suggestions were already under consideration, but promised to refer them all to the advisory committee for housing affairs.

Urging measures to correct the shortfall of low-rental flats, Mr Eglin said tens of thousands of people in city flatlands, many of them old, lonely or ill, lived in a state of insecurity and personal concern.

"The problems of today are going to mushroom into a housing crisis of dramatic proportions within the next couple of years unless the government takes positive and constructive correction measures," he said.

The New Republic Party leader, Mr Vause Raw, said many State officials showed more compassion for the needy and aged than the "heartless disconcert" of some of their superiors.

Dr Treurnicht said the private sector had constructed 918 houses for blacks in 1981, whereas the department estimated that the private sector would have to erect 5 200 houses annually.

In its statement, the department said that between 1976/7 and 1980/1 the department, assisted by local authorities, had built 138 683 new dwelling units to the value of R1 340-mil-

CAPC TIMEC 13/2/82
A From page 1
123

lion, while the private sector had provided 146 711 new dwelling units at a cost of R3 946-million.

In the five years between April 1976 and March 1981, a total of 285 394 dwelling units had been constructed.

This means that about 57 000 houses were built each year, less than half the department's estimates for the elimination of the backlog.

It also means that the department spent about R270-million a year, compared with its estimate of R882-million a year to eliminate the backlog.

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To page 2

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Use levy to secure more flats for State — Durr

CAPE TOWN 19/2/82 123

Political Correspondent

HOUSE OF ASSEMBLY. — The government is to look at a proposal which would enable it, through an enhancement levy on developers, to be given flats in blocks converted to sectional title.

The suggestion was made yesterday by the Nationalist MP for Maitland, Mr Kent Durr, during debate on the Housing Amendment Bill. The measure, enabling the National Housing Commission to borrow money, was passed with opposition support.

There was consensus that the additional sources of funds for the National Housing Commission, now able to borrow money or issue debentures, bills or stock, should not mean a decrease in the state allocation of funds for housing.

The Minister of Community Development, Mr Pen Kotze, expressed interest in Mr Durr's proposal but rejected a call from Mr Colin Eglin (PFP Sea Point) for increases in the income levels qualifying for state financial assistance and the amounts of money that could be lent to these people.

Mr Durr noted that in the Cape an enhancement levy was payable on the windfall profit when land values increased by the executive action of rezoning, such as from agricultural to industrial. The levy was up to 50 percent of

the enhanced value and could be paid in endowment plots from the land concerned.

He suggested a similar provision be considered where the value of a block of flats was increased because it changed from letting to sectional title.

The enhancement levy could be paid in the form of endowment flats in the building. This would increase the number of housing units available to the state and prevent people displaced by sectional title sales from having to be moved to a strange or distant neighbourhood.

It would also benefit developers, because conversion of a block to sectional title was often delayed when there were protected tenants in the block. These tenants could then say on in the endowment flats.

Mr Eglin said that, because of the effects of inflation on the middle and lower income groups, the income level qualifying for state assistance should be raised from R360 to R600 a month for single people and from R650 to R1 100 a month for married people.

The present loan maximum of R18 900 for a house costing up to R23 000 should be raised to R30 000 for a house costing up to R50 000. These moves, he said, would enable more people to qualify for state housing assistance.

This, said Mr Kotze, was exactly what the government did not want.

"The more you increase the limits, the more people qualify. We are moving in the other direction: We want people to look less to the state for assistance and more to the private sector."

Today's Business

HOUSE OF ASSEMBLY. — Today's business: Questions. Private members' motions: Mr H H Schwarz (PFP Yeoville) — Economic viability must be basis of policies of deconcentration and decentralization. Mr W H Delpont (NP Newton Park) — Thanking government for progress under national housing policy for whites. — Sapa

lower income groups.

The move is seen as a direct response to the Viljoen Committee's investigation on how to mobilise private sector finance for the funding of black housing, and the recent call by the Prime Minister at the Good Hope conference in Cape Town for the business community to play a larger rôle in housing provision employees.

Natal's first housing utility company, Com Housing, was launched in Durban last week by Minister of Community Development Pen Kotze. Others are being planned for Johannesburg and Port Elizabeth.

The housing utility company concept is not new. The Garden City Utility Company in Cape Town was formed in 1919 and since then has provided roughly 30 000 homes to people of all race groups. Four other housing utility companies are currently operating successfully in the western Cape.

Com Housing, the first such company formed outside the Cape, will initially be responsible for providing accommodation for whites, Indians and coloureds earning up to R650/month, and between R650 and R1 100/month. Later the company's operations will be expanded to include the provision of housing for blacks.

Like all other housing utility companies it will work on the non-profit principle. All profits generated will be ploughed back into the company for the provision of additional housing units. According to the chair-

man, former National Party senator Hendrik Klopper, the intention is to get the Department of Community Development to assist by providing cheap land and low interest loans. Major employer groups, building societies and financial institutions will also be asked to assist by providing finance.

Although Com Housing has a strong political bias — most of its directors have at least some political connection — Klopper denies that there are any political undertones. He says it was merely a question of assembling people with the right skills and sufficient motivation to set the company in motion. He adds that, later, representatives of the Department of Community Development, the Durban City Council and Indian and coloured communities will be invited onto the board.

Although the expansion of the housing utility company concept as a means of assisting government to come to grips with the growing housing backlog is to be welcomed, it couldn't have been introduced at a worse time. Government reserves are low and liquidity in the private sector is extremely tight.

However, according to Kotze: "Legislation has been introduced in Parliament to give the National Housing Fund statutory power to borrow funds from the private sector both locally and abroad. The market is tight but I'm sure some money will be forthcoming."

HOUSING (123)
Building hopes

FU 19/2/82

Government is encouraging the formation of housing utility companies to assist with the provision of housing for the country's

Kotze denies whites face homes crisis

Sfar
20/2/82
(123)

THE ASSEMBLY — The Minister of Community Development, Mr Kotze, yesterday rejected Opposition arguments that whites were facing a housing crisis.

Replying to a debate in the Assembly on a private member's motion about national housing policy, Mr Kotze said there was an increasing shortage of white housing in centres such as Pretoria, Johannesburg and Durban.

"But we cannot refer to this as an emergency or crisis," Mr Kotze said.

The situation was not even approaching a crisis and could not be compared to the housing situation of other population groups.

Mr Kotze said it was true that many young people were finding it difficult to buy or rent houses because of high costs.

He appealed to young people to make provision for having a roof over their heads instead of saving their money for items such as television sets and cars.

Young people should also make use of the State-supported housing scheme created for people in their position.

Under that scheme they could save at building societies and obtain certain benefits that would help them get their own homes. Mr Kotze said.

Earlier in the debate the chief Opposition spokesman on housing, Mr Colin Eglin (PFP, Sea Point) said that, unless the Government stepped in, South Africa would be facing a major crisis in white housing far sooner than people might realise.

Mr Eglin called on the Government to take urgent and positive steps to provide adequate housing.

Some of the steps the Government could take were:

- To adjust, in money terms, the income limits for assisted housing, and to ensure that people who were in need of assistance were not denied it.

- To pay direct rental subsidies to senior citizens who qualified for housing assistance.

- To introduce new forms of housing finance to assist young couples who wished to buy or build their first home.

D. Dispatch 20/2/82

Housing funds for all races ⁽¹²³⁾

CHAPTER 6

6.1 Discuss t
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6.1.1

THE ASSEMBLY — The Minister of Community Development, Mr Pen Kotze, said yesterday that the government had limited funds for housing and those at its disposal would have to be used to provide serviced sites for owner development for all race groups. He gave confirmation of the government's new thinking on housing during a debate on a private member's motion thanking the government for the progress made in providing housing for

whites.

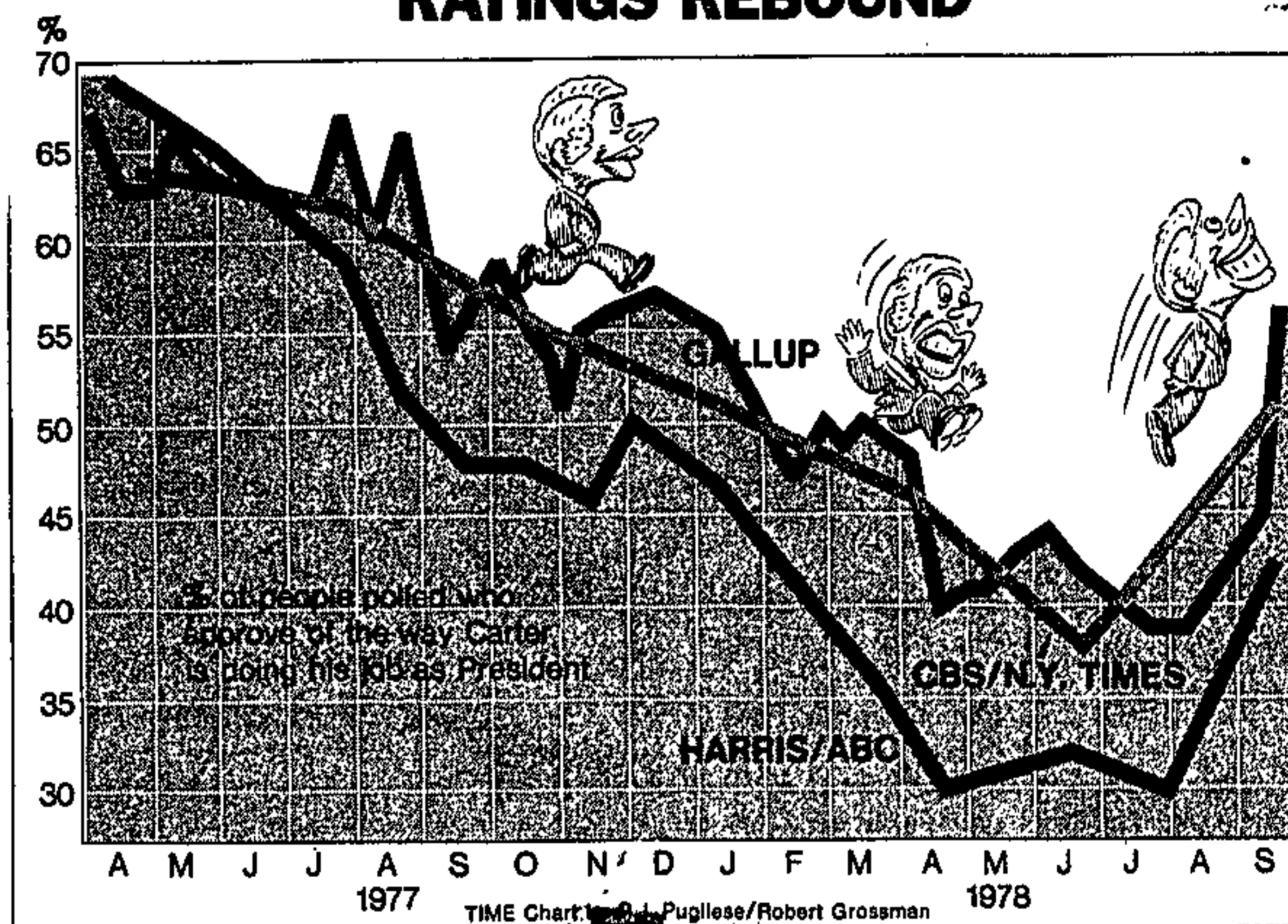
The motion was moved by Mr Willem Delpoort (NP Newton Park).

Mr Kotze said: "Those funds we have will have to be used to provide the infrastructure for serviced sites for all race groups."

He said up to now the government had spent the majority of available funds on black housing as 80 per cent of the demand for low income housing was from the black community. — PS.

ing graphic aids
discussion of

RATINGS REBOUND



It was a born-again presidency for Jimmy Carter. After months of discouraging setbacks, a steady decline in the polls and increasingly open disdain from members of his own party, the President was exuberantly on the move, roving from New Jersey to the Carolinas to the Middle West. Everywhere he went, crowds turned out and cheered him for historic success at the Middle East summit talks at Camp David, and those ringing cheers were backed up by new polls that showed him making dramatic gains in the past week. According to a CBS survey, popular approval of his Administration climbed from 38% in June to 51% last week, while a Gallup poll rose from 39% in August to 56%. This shift testifies to the mercurial nature of public opinion, at least as measured by the surveys. One triumph can cause a President's rating to soar, one setback can start it plummeting again.

All may help to build in black ⁽¹²³⁾ areas *S. Post*

22/2/82

CAPE TOWN — Anyone interested in obtaining leasehold rights to property in black residential areas was free to apply to the relevant administration board, the Deputy Minister of Co-operation, Dr G de V Morrison, said in a statement issued here today.

Dr Morrison pointed out that legislation was passed last year which provided for the acquisition of leasehold rights by persons and organisations other than blacks.

This was done with a view to stimulating housing development for blacks and in particular made provision for leasehold rights to be acquired by building societies and their affiliates, small businesses, development corporations, private developers and employers.

"Conditions applicable to acquiring such leaseholds have been communicated to the administration boards from which further details are obtainable," Dr Morrison said.

"The conditions were expressly designed to protect the interests of the leaseholder and to promote the provision of housing.

"Should anyone other than the parties already covered by the above decision wish to acquire a leasehold for black housing, such person is free to apply to the relevant administration board.

"The administration board will process the application and forward it to the Department of Co-operation and Development."

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DURBAN
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ey, but donor-dinners are now used widely by the main political parties.

the council chamber.

THREE IMPORTANT developments in as many months have underscored a radical about-face by the Government on the question of the recognition of urban black people as permanent city dwellers. But experts believe the backlog in housing can never be made up and that the harm resulting from 30 years of neglect is immeasurable.

The latest moves on this front are: the publication of the report of the Viljoen Committee on housing in Soweto; the Government's 13-point plan for black housing in urban areas and the publication of a significant book, *A History of Black Housing In South Africa*, written by researcher Pauline Morris and published by the South Africa Foundation.

1948-1979

Miss Morris traces the history of official attitudes towards urban blacks from as far back as 1874 and concentrates a great deal of attention on the period between 1948 and 1979 when the Nationalist Government devoted itself with evangelical fervour to attempts to reverse the flow of blacks from the 'homelands' to the cities.

While conceding that policy has changed, Miss Morris says the critical housing problems and the lack of confidence felt by many blacks regarding the intentions of the Government — resulting from

Govt about-face

123

on black

Mercury
24/2/82

housing too late

past policies and practices — call for 'more drastic and far-reaching changes and commitments'.

The author says 'ideology has backed down in the face of economic reality' but the 'harm that has resulted cannot be measured'.

Commenting on the findings of Miss Morris, a leading political scientist and professor of political science at the University of South Africa, Professor Willem Kleynhans, says that both physically and financially South Africa will not be able to catch up with the housing backlog caused through the 'ideological madness' of separate development. The official shortfall in Natal alone is currently estimated at almost 200 000 units.

He says the Government stalled on black housing because it was convinced that by 1978 the 'tide would turn' and blacks would start streaming back to the 'homelands'.

Prof Kleynhans points out that the 'change of

heart' has come about at a time when the country is in deep financial trouble. And if commerce and industry are to take on an increasing share of the housing burden, he maintains, this will push up production costs.

Miss Morris says the policy of the Union Gov-

ernment was unable to abandon influx control and that the pass system gave 'urban Bantu protection against the influx of rural Bantu'.

The Government was aware, he declared, that its policy of separate development was necessary

By

Patrick Leeman

ernment up to 1948 of regarding urban blacks as temporary inhabitants was rejected by the Fagan Commission in that same year.

The commission decided that black migration into the towns was a natural economic phenomenon which could not be reversed and rejected total racial segregation as utterly impracticable.

The Nationalist Government of Dr Malan had other ideas, however. As soon as they came to power, they firmly declared urban blacks in white areas to be 'temporary sojourners' without political or social rights in those areas.

In the 1960s leasehold tenure was withdrawn and so was the right of black women to acquire housing.

Shanty-towns

Township managers were granted wide powers of eviction and trading rights were restricted. Family housing was discouraged.

Stricter enforcement of influx control led to an increase in shanty-town settlements. Group Areas removals, in addition, moved blacks farther and farther away from their places of work.

Miss Morris quotes a major policy speech delivered in Parliament on May 20, 1960, by a former Prime Minister, Dr Hendrik Verwoerd, the acknowledged architect of separate development.

Dr Verwoerd said provision would be made for the 'necessary connection' between urban blacks and 'broader Bantu authorities' and for 'consultation with Commissioners-General to be appointed for the various ethnic groups' (Miss Morris draws the notice of the reader at this point to the intention to link urban blacks with their respective 'homelands').

The former Prime Min-

ister emphasised that the Government was unable to abandon influx control and that the pass system gave 'urban Bantu protection against the influx of rural Bantu'.

Recognition

It was not until the report of the Riekert Commission in 1979, Miss Morris writes, that there was again a recognition of the permanence of urban blacks, as had been acknowledged by the Fagan Commission more than 30 years previously.

The introduction of 99-year-leasehold as well as site-and-service and self-help schemes was proposed and acted on.

All three of these concepts outlined by the Riekert Commission have been highlighted in the report of the Viljoen Committee, published at the end of last year, and again in the 13-point plan for black housing unveiled in Cape Town two weeks ago by the Minister of Co-Operation and Development, Dr Piet Koornhof.

Major factor

Miss Morris proposes a gradual repeal of the Group Areas Act so that 'all South Africans who have achieved reasonable economic positions through personal endeavour and skills would be able to live where they choose, the choice being primarily determined by ambition, standards of income, intellectual levels and life-styles'.

She postulates the phasing out of influx control, which she describes as 'a major factor inhibiting the development of blacks and a major cause of housing problems'.

She says greater private-sector contribution should be actively encouraged through the issue of clear policy and procedural guidelines and the introduction of tax and other incentives.

in the system and we're really good about rushing into print to satisfy a bit of conscience.

If she can really see how unjust this system is to us black people, how on earth does she square it with her conscience to continue to enjoy the fruits of this system with its unequal distribution of wealth, of salaries and of law? Does she really think blacks are overcome with gratitude at her bit of liberal tut-tutting over the situation.

Paradoxical as it may seem, one can almost accept Douglas D Robertson's letter with greater ease. At least he really does believe that in some areas things have changed for the better. And I suppose honesty compels me to admit that in the material realm they have.

My family lived in desperately poor straits in a Cato Manor shanty many years ago. Today the situa-

He didn't like this episode

SIR — The episode of Dalas on February 16 was in my opinion the first 'unprofessional' episode of this excellent serial.

I hardly think it is possible that three gentlemen from a large city could overnight adapt to the jungle without a guide as easily as they appeared to do on the screen.

I feel that it would have been more appropriate had the three heroes been lost in the jungle and themselves finally rescued by the local inhabitants.

CLIVE BRINKWORT
11 Cambridge Avenue
Durban

Smoker makes a point

SIR — In reply to 'Smoker but let live' dated February 17, please inform the person, who obviously is non-smoker and who obviously has no name, as or she does not have the nerve to use it, that I am not stopping him or her from living, but merely pressing my views on him on smoking.

A special message 'Let Me Live Too': Please do feel free to use aerosol deodorant; there are many more fumes around.

G C HOWE
Durban

More letters P

The ri

SIR — Thank you, I received your letter in

South Africa and Prime Minister P. W. Botha should get rid of him, Mr Harry Schwarz (PFP Yeoville) said yesterday.



WHO RULES? Prime Minister Botha (left) ... or Dr Treurnicht.



Mr Schwarz asked Mr Botha whether he believed there should be only one government in South Africa.

Of course there should be only one government and I said as much during my speech in the no-confidence debate.

Mr Schwarz said he was glad to hear the Prime Minister's standpoint and then pointed out that Dr Treurnicht disagreed.

How long is the Prime Minister going to allow this brake to be

applied to progress in South Africa? asked Mr Schwarz.

Mr Schwarz then referred to the issue of property rights for blacks, saying Mr Botha agreed with the chairman of the Vander Walt Commission on this issue.

Mr Botha replied that the Government had taken a decision on the 99-year lease plan and denied that there

had been any discussion on property rights for blacks.

Mr Schwarz insisted that the Prime Minister was one who agreed with the minority commission view, which was also rejected by Dr Treurnicht.

I appeal to the Prime Minister to shake off that brake and be his own man for the sake of progress in South Africa, he said.

Saba.

Squatters site raided

RIOT POLICE and administration board inspectors yesterday raided the Dunes site between Nyanga and Crossroads where about 60 squatters have been camping.

An eyewitness said about 60 riot police and inspectors in 11 vans and a truck were used in the raid.

The squatters ran away and it is believed no one was arrested. The police then tore down shelters erected at the weekend.

A squatters' spokesman said they were expecting action from

Professor Coetzee said he had gained the impression that the uprisings in Soweto resulted from one thing to the other.

It sprang from demonstrations against a language to confrontation with the police. It then sprang from that to destruction of bottle stores and other things, he said.

spread to adults and people outside Soweto. Coloureds, Indians and some whites were known to have been sympathetic.

In reply to a question, he denied that schools were destroyed much later after the outbreak because students wanted to use them as venues for meeting and planning the riots.

'Non-black' owners in townships

PEOPLE and groups who will be allowed leasehold rights in black townships were yesterday nominated by the Government.

In line with the provisions of the Viljoen Committee report, the Government decided to allow "people and instances other than blacks" to have leasehold rights in the townships.

According to the Deputy Minister of Co-operation and Development, Dr George Morrison, this has been done to "advance the housing programme for blacks".

In yesterday's statement Dr Morrison says four

new groups will be permitted township leasehold rights:

- Building societies who are members of the Association of Building Societies, plus their development corporations and companies;
- Small Business Development Corporation;
- Private developers (which can include employers);
- Employers who want to build houses for their black workers.

Provisions under which these persons and instances may obtain leasehold rights have been given to the administration boards and details may be obtained from them, Dr Morrison said.

He added that anyone else who wanted leasehold rights should apply to the administration boards.

'Death Road' gets 2

THE notorious Barry Marais Drive between Vosloorus and Boksburg, claimed another two lives yesterday when a bus and a car were in collision.

In the past two years the drive, called "Death Road", has claimed more than 15 lives, mostly in accidents between Putco buses and taxis. A police spokesman in Boksburg said the couple who died yesterday had not yet been identified.

To says 'no' to De Lange

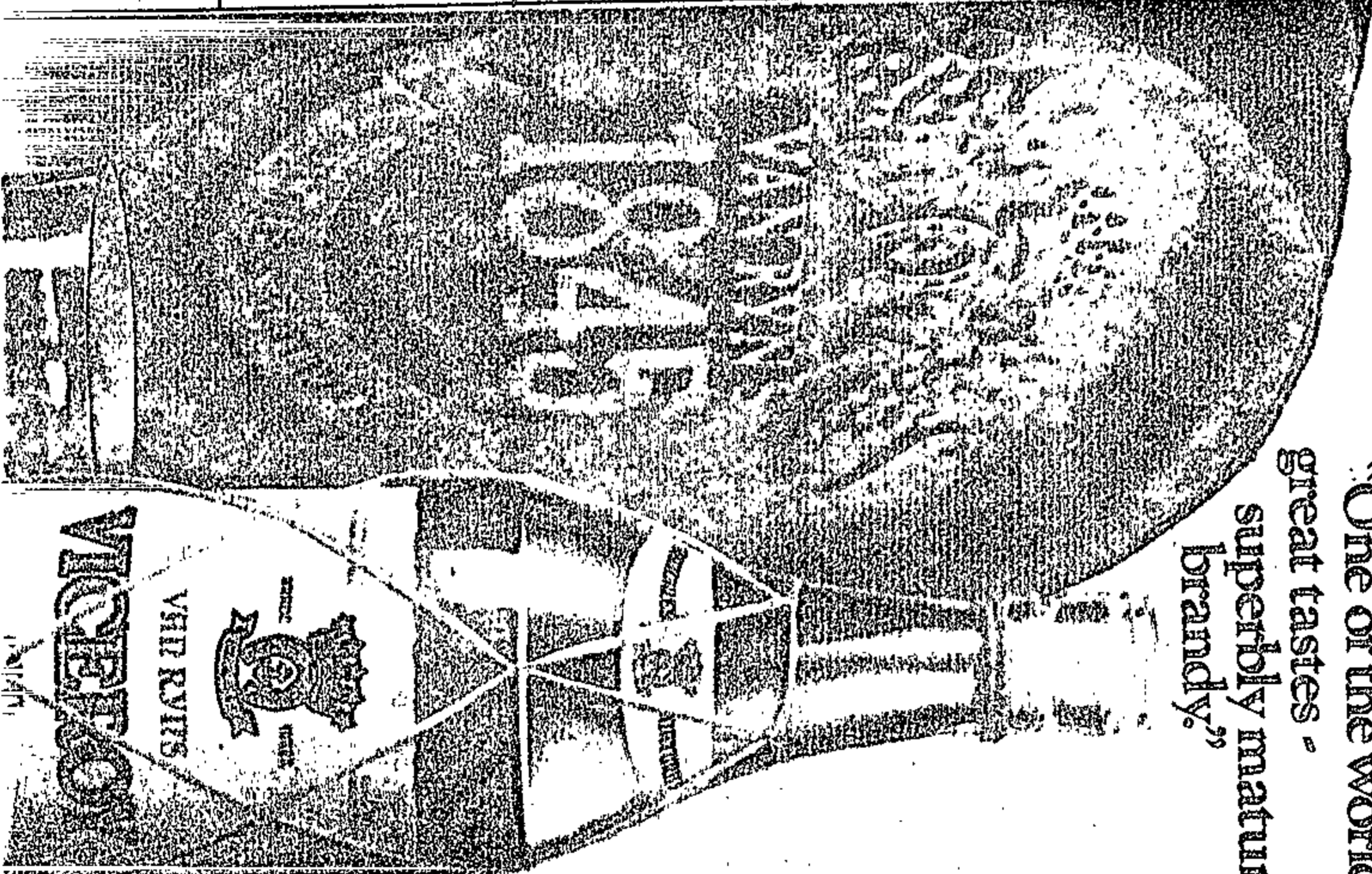
THE country's most powerful teachers' organisation has responded to the De Lange Education Report with a total rejection of moves towards racially integrated education.

The Transvaalse Onderwysersvereniging (TO) represents 17 000 Afrikaans-speaking teachers.

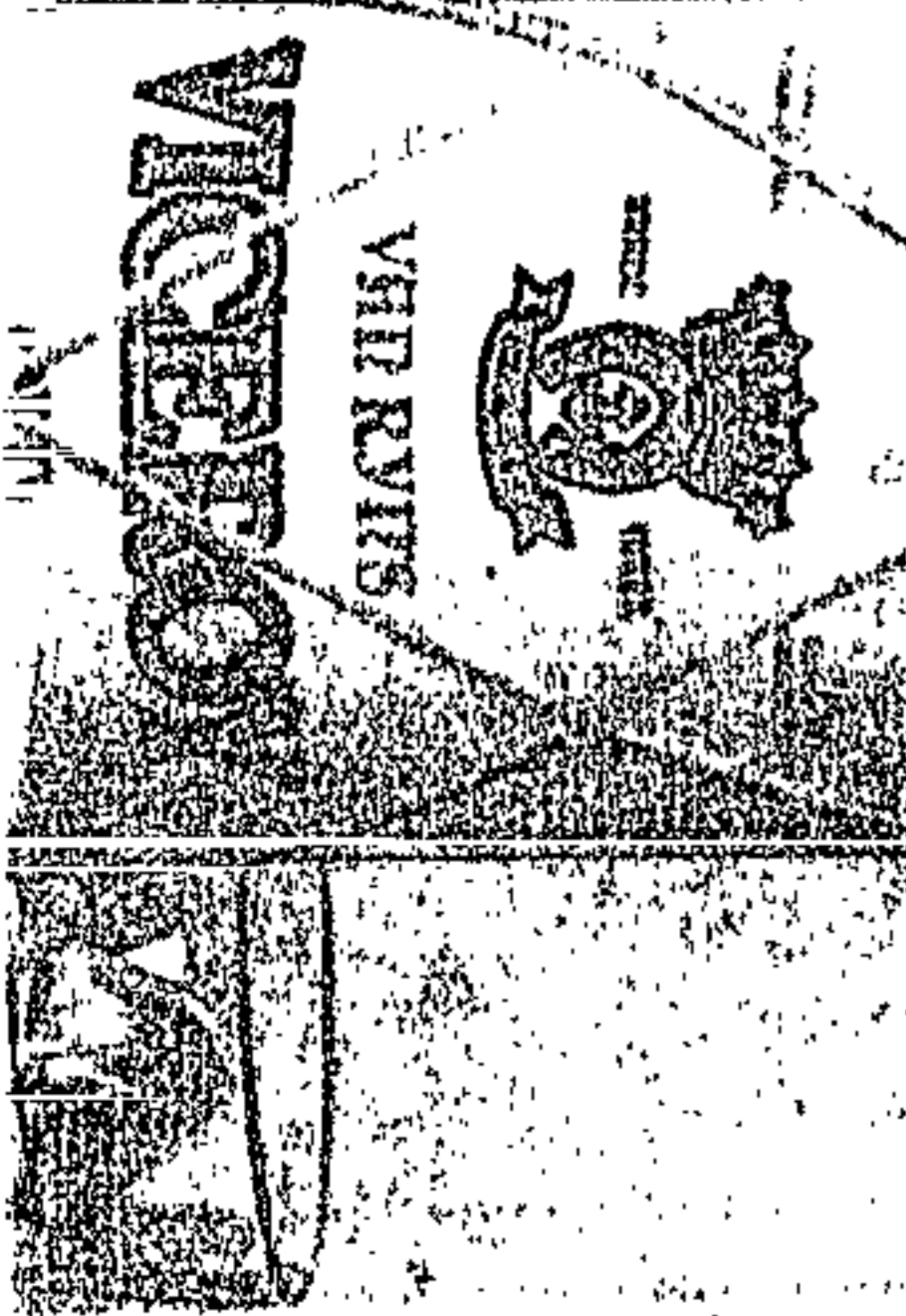
Another loss to jazz

A NOTED jazz bass player, Jacob Shyrill, told The Sowetan that her never been the same since.

Gertze. It is understood that a memorial



"One of the world's great tastes - superbly matured brandy."



Help for housing development urged 123

D. Prinspot dn 26/2/42

JOHANNESBURG —The slowing-down of high-density housing development will result in inflation and skyrocketing property prices, unless institutional developers like mining houses and insurance companies embark on housing development on a larger scale, says Mr John Ferrans, managing director of PICA (Property and Industrial Consultants and Administrators).

"Institutions are the only people with money to build at the moment. If they don't build, the accommodation shortage in months to come will reach dreadful proportions."

He points out that while lack of finance means small developers cannot initiate new projects, consumer demand is as high as it has ever been.

If this building cut-back continues, he says, in a year from now prices will be completely out of proportion.

Institutional developers and the Government are the only people in a position to prevent that sort of thing from happening.

"To do this it will mean they may have to carry purchasers for an extended Deed of Sale period until the bond situation eases."

And, he contends, the Government should offer incentives to property developers. "Developers," he maintains, "are not charities interested in providing subsidised housing. Like businessmen, they invest in

schemes that will generate a fair profit.

"However," Mr Ferrans suggests, "the Government should increase the profitability of such ventures by offering tax rebates or similar incentives to off-set high interest rates. This will encourage developers.

"These incentives can take the form of low-interest loans, reasonable costs for suitable ground, or tax rebates fixed on a sliding scale where the rebate is inversely proportional to the cost of the residential unit."

Mr Ferrans contends that "doom mongers" have interfered with the natural process and aggravated the current situation.

"It's ironic that a while ago these prophets of doom were predicting an accommodation glut. Many of us denied these gloomy predictions but the damage was done and many developers in the fields of high-density living projects were scared off.

"The backlash of this is with us now in the form of a desperate shortage of accommodation."

It is a shortage, he predicts, which can only get worse unless institutional developers take aggressive steps to correct the situation.

He believes this would be worthwhile financially, and good for the economy of the country as a whole, for it would stabilise the future property market.

123
LOW-INCOME HOUSING
Self-help solution

FM 26/2/82

In recent years, government has increasingly turned to the private sector for solutions to the country's critical housing crisis. This week, in an unprecedented step, the United Building Society (UBS) announced it will grant loans for a low-income self-help housing project initiated by the Urban Foundation (UF) at Katlehong, near Germiston on the East Rand.

Not only is this the first time a building society has granted loans for a self-help housing project, it also represents a major breakthrough in low-income housing.

An agreement has been drawn up between the UBS and the UF, whereby the UF will run the project and provide bridging finance and management services to the

Katlehong housing team which manages the project. The UBS will provide financial backing. It will be run as a joint venture by a UF housing team, the East Rand Administration Board, the Katlehong Community Council and community bodies.

According to Matthew Nel, the UBS manager, residential development: "Our aims are to demonstrate self-help housing in a highly urban community on a large scale, with full private sector participation, and to enable shack dwellers to obtain homes. At present, 22 000 people live in backyard shacks at Katlehong — one of SA's largest black townships — and the need is urgent. The project was initiated a year ago. In the first three-and-a-half months 2 500 families registered. Applications are now closed."

The inability of low-income earners to purchase State housing has been a persisting issue in recent years. Nel comments: "The average income of the recipients is about R400/pm, but if a prospective home-owner is only earning R200/pm, he is not excluded. He can still build a small house as long as his monthly payments are not more than 25% of monthly income. The bond required for the total house is about R100/pm excluding labour (average house costs, including bond registration, land and services, finance charges and materials).

"Our intention is to set up an intermediary housing agency which links individual households and the informal construction industry to the formal private sector and all its benefits. It will do this by ... giving the benefits of bulk purchase prices, trade discounts and credits which will be passed on as benefits to the participants. We will also be creating jobs in the community."

In addition to the granting of loans, a number of other financial innovations are involved in the scheme. For example, the owner/builder will receive a 100% loan, with no bond deposit required, because his labour is seen as constituting a deposit of at least 40% of the cost of the house — particularly important for those who have not been able to accumulate savings.

Loans will also take into account the spouse's income plus a percentage of income from informal sector jobs done by a householder, in addition to the head of household's income.

According to Nel, the UBS is "only concerned about the structural stability of the house and whether the job reaches completion. The finish is the owner's concern. He can upgrade it over time as his income increases. This does not represent a reduction in standards but rather a tempering which will make the standards more suitable to the incomes and priorities of the recipients."

As the housing backlog has grown more serious, housing experts have repeatedly stated that SA's mass housing approach is inappropriate to existing financial resources. This innovation by the UBS and the UF is, therefore, very welcome.

SUPPORT FOR LEVY FLATS

L/E ARBENS (PROPERTY) 27/2/82 (123)

Alan Cooper, Property Editor

DEVELOPERS, builders and agents have welcomed the suggestion by Mr Kent Durr, MP, that 'endowment' flats should be set aside in blocks converted to sectional title to accommodate protected tenants.

Speaking in Parliament during the debate on the Housing Amendment Bill, Mr Kent Durr proposed that an enhancement levy should be paid by developers converting a rented block of flats to sectional title. This would be the difference between the value of the flats when rented and when converted.

This levy should take the form of endowment flats in that block which would become the possession of the Government.

These could be set aside for tenants who, by virtue of their low incomes, needed protection.

This proposal would prevent people displaced by sectional title being moved to a strange neighbourhood or to a more expensive flat.

He added it would also benefit developers as often the conversion of a block of flats to sectional title was delayed as there were protected tenants in the block. These tenants could therefore stay on in that block and continue as tenants of State-owned flats.

Developers and builders supported the suggestion but pointed out, if carried out, it would worsen the growing shortage of flats for renting and make the task of flat-hunters more onerous.

However, they saw Mr Durr's suggestion as a means to override present regulations contained in the Sectional Title Amendment Bill which prevents a developer from converting flats to sectional title if there is but one protected tenant in that block.

The Government has, however, through proclamation in the Government Gazette, permitted some developers to convert and sell flats apart from those of the protected tenants.

'Mr Durr's suggestion would to some extent speed up conversion to sectional title,' said a builder. But why not extend the idea to encourage developers and builders to put up blocks of flats for renting?

The Government could provide low interest finance to developers anxious to erect flats and in return could be given so many units in that block for low income families who need protected status.

'This would have a two-fold benefit — giving flat builders a boost and adding to the rented stock and at the same time giving low-income tenants security,' he added.

'Mr Durr's suggestion has merit,' said Mr Geoffrey Seeff, chairman of the Cape branch of the Institute of Estate Agents.

'This endowment levy should be calculated on a

percentage. For instance, the property under sectional title would be worth say 50 percent more than when rented. That would allow the State to acquire possession of so many units for protected tenants in that block.

'Developers should have the option either to pay the endowment levy in the form of cash or hand over units in the block.'

'The endowment levy should be paid out through units already occupied by protected tenants so they would not be disturbed.'

Mr Seeff said that Mr Durr's proposal would obviously not be modified to encourage developers to build new blocks through low interest state loans.

'It is not the Government's concern to lend money to the private sector for this type of development.'

'Only when the building of flats becomes a viable proposition in terms of return from rents will the developer start building,' he added.

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Municipal Reporter

THE Mayor of Cape Town, Mr Kosie van Zyl, has taken the lead in getting together a high powered delegation consisting of the mayors of South Africa's major cities for an urgent interview with the Government over the reported shortfall in urgently needed housing funds.

Cape Town, which has a waiting list of 20 000 families in need of homes, will be particularly hard hit by the R500-million reduction in State expenditure on housing announced in January by the Director General of Community Development, Mr Louis Fouché.

R49-m CUT

If Cape Town's request for R49-million for 1982/83 is cut substantially, the city's housing programme could come to a standstill.

Mr van Zyl, at the request of the City Council's Executive, will ask all the mayors of the major cities affected by a housing finance shortfall to join him and the chairman of the Divisional Council of the Cape, Mr Louwtjie Rothman, in seeking an urgent meeting with the Deputy Minister of Finance, Mr Darie Steyn.

In an interview last night Mr van Zyl confirmed that he would be seeking the backing of the other mayors but added that he did not want to say anything more about the plan at this stage.

Cape Town's housing allocation for 1981/82 has

More home funds to be sought by mayors

been cut from R100-million to R49-million after the council had already committed itself to expenditure of R69-million.

The council was forced to borrow the difference on the open market at high rates of interest.

Following a meeting yesterday between the Cape Housing Action Committee (Cahac), the

City Council, the Divisional Council and management committees and the Minister of Community Development, Mr Pen Kotze, the State has agreed to look into the problems of the hardships caused by the present rents formula.

Mr Kotze agreed to appoint a top-level committee to investigate a

new experimental rent formula to be tabled within three months.

Commenting on the rent formula problem the chairman of the City Council's Housing Committee, Mrs Eulalie Stott, who attended yesterday's meeting, said local authorities had been trying for a more equitable

system since well before 1980.

The Government's July 1980 formula had done wonders for the poor earning less than R150 a month, but had given little if any relief to others.

Especially hard hit were those in the R150 to R250 a month income bracket

ARGus 2/3/82 (123) ~~123~~

123 Housing and Black housing 3/3/82
 Q. Col. 251-252
 114. Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

- (1) Whether Administration Boards were recently instructed (a) to cut back on existing funds for Black housing and (b) not to accept tenders for new projects; if so,
- (2) (a) from which Government department did the instructions emanate, (b) how many houses are currently (i) under construction and (ii) planned in each Administration Board area and (c) how many (i) new projects and (ii) housing units will be affected by these cut-backs?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

- (1) (a) Administration Boards were not instructed to cut back on existing funds for Black housing. The Boards were, however, requested to ensure that allocated funds not be exceeded as the amount available for housing during the 1981-'82 financial year is only sufficient to cover existing contracts.
- (b) The Boards were also requested not to invite or accept tenders for new projects for the 1981-'82 financial year unless the Department of Community Development has authorized the additional expenditure.
- (2) (a) The Department of Community Development.
- (b) (i) It is not possible to quantify the number of houses under construction at any given moment but funds have already been allocated for housing schemes involving the erection of 28 376 housing units in various administration board areas. These schemes are in the course of execution.

(ii) Planning is a sustained process. Several schemes are being planned while self-building schemes, extension of houses, upgrading of townships, surveying of townships with the aim of selling under the 99-year leasehold scheme and the provision of infrastructure services are well under way. In the meantime planned projects in respect of 13 279 housing units have been approved by the National Housing Commission pending the allocation of funds.

The Private Sector in collaboration with Administration Boards are undertaking several schemes.

- (c) (i) and (ii) No new projects or housing units in respect of which funds were allocated during the 1981-'82 financial year will thus be affected. In respect of the 1982-'83 financial year it is not possible to furnish information as funds for this financial year have not yet been allocated.

quired for occupation by the personnel of his Department as at the latest specified date for which figures are available and (b)(i) what was the (aa) address and (bb) purchase price of, and (ii) how many flats are there in, each such block;

- (2) whether notice was given to the tenants of such flats; if so, what was the period of notice in each case;
- (3) whether all the units are occupied at present; if not, how many units are vacant;
- (4) (a) what rental is being paid by the personnel of his Department, and (b) what was the previous rental, for such flats?

The MINISTER OF POSTS AND TELECOMMUNICATIONS:

- (1) (a) 20 as at 31 January 1982, and (b) and (4)(b):

123 Flats: occupation by personnel
 Hansard Q. 601. 285-290
 82. Mr. A. B. WIDMAN asked the Minister of Posts and Telecommunications:
 (1) (a) How many blocks of flats were ac-

(1)(b)(i)(aa)	(1)(b)(i)(bb) (Kilorand)	(1)(b)(ii)	(4)(b) (Average: Rand per month)
Payne Court Marie Street			
Brits	340	20	150
St Hillier Hillier Road			
Umbilo			
Durban	1 035	63	145
Almina Gardens Main Road			
Empangeni	740	25	223
Peacehaven Market Street			
Middelburg, Tvl	104	10	86
Sonnevanck Jan van Riebeeck St			
Middelburg, Tvl	125	13	85
Majora Mostert Street			
Nelspruit	179	15	121
Wendover Klipspringer Ave			
Newcastle	200	12	155

By Dave McDermott
Property Editor

MUCH has been said about the critical housing shortage but solutions to the problem remain conjecture.

Some advocate timber frame housing and a visit to Australia by 10 South Africans under the auspices of the South African Lumber Millers' Association has provided a fairly comprehensive study of the method.

The findings of the group's three-week study tour of Australia have been reported in *Futurebuild*, a journal put out by the University of Witwatersrand Department of Building. Four of the team were from the university.

One of the members summed up the tour by writing that South Africa could learn a lot from Australia in its "functional simplicity of construction and management which could go a long way to alleviating our crushing housing shortage."

It is suggested there are some local areas which warrant more investigation. These include:

- Kit homes, which can be erected by the individual for low income housing. For example, a wall panel system could be developed which has a timber framework and is clad externally with timber or some alternative material. The internal face would also be clad with a suitable boarding and the electrical and plumbing services incorporated in the frame. All this could be produced in a controlled factory environment and transported to the site for easy erection;

- Transportable housing is another system which has reached perfection in Australia. Although similar systems exist locally, they do not compare with the simplicity and cost of the Australian transportable. It is a wholly produced home that resembles a conven-

Aussie systems could cut the housing backlog

123
S. Tribune
7/3/82

tional brick house, built in a factory and transported to the site in one, two or three loads. External cladding material simulates face-brick finish;

- The "insert" is an Australian development by which an extra floor can be added simply by raising the roof and inserting light dry wall panels above the existing sub-structure. Normally, because it is lightweight, the operation does not need any extra foundation for wall reinforcement. This method is particularly suited to areas where horizontal expansion is difficult due to size of ground — as in Soweto and black townships.

Australia is able to produce timber frame brick veneer dwellings at a cost of about R250 a square metre — this in an infrastructure considerably

more costly than the local one — through efficient management systems.

Standardisation has been honed. Important as a labour saver in any construction field, it is even more notably so in a system of an industrialised nature like timber frame.

Here Australia has excelled. Workers have familiarised themselves to such an extent with the manufacture of frames that four operators with no qualified skills can produce up to five or six complete house frames in a day.

The report says standardisation is carried through to many other activities and materials and a standard range of specifications in finish is offered.

Much of the labour, even though employed continuously by one

2/3/82

123



Some examples of brickwork finishes on cladding used in Australian timber frame housing projects

company, operates on a sub-contract basis so that income is directly linked to production with sound results.

The construction process itself is simple as the frames are accurately pre-manufactured and the angle-brace technique enables them to be quickly and accurately plumbed on site.

In conclusion the report says these homes can be built a lot faster than conventional South African dwellings — about six weeks is the norm — and coupled with this is the lower component of qualified labour, about 25 percent of total cost.

The author of the report, D. G. Trower, believes it is in this area that South Africa could benefit because a large proportion of local labour is ideally suited for the functions associated with frame assembly.

In Australia increasing emphasis is being placed on the use of computers in planning and production and these are now being introduced to South Africa.

Housing — why blacks are suspicious

123
S. Tribune
7/5/82

Property Reporter

THE root cause of the prolonged housing problem for blacks in South Africa has been the "temporary citizen" attitude, says town planning expert Pauline Morris.

Not until there is a clearly defined policy on home-ownership, providing freehold, will South Africa overcome the chronic housing shortage, says Miss Morris, author of Black Housing in South Africa.

The inconsistent policies of the past in which blacks played no part in decision-making were disastrous, she says.

Speaking at a lunch held by the Blue Circle Products Property Editors'

Club, Miss Morris said: "What Soweto needs is not only houses but a normal property market such as that in white areas and that can be generated only on a freehold basis."

Legislation surrounding black home-ownership had caused confusion in that there had been freehold up to 1923 and then legislation had been introduced which abolished it.

Then had come leasehold over 30 years up to 1968 and "the madness of this being withdrawn," she says.

"In 1975 leasehold was again brought in and finally in 1979 99-year leasehold was introduced.

"Is it any wonder

that the black man is suspicious of moves to give him adequate housing, notwithstanding the strides which the private sector is making in this regard?

"Is it any wonder the blacks adopt a passive attitude and expect houses to be handed to them?" she says.

3- tourist we desperately
d need more accommoda-
n tion," says Toohey.

rooms to seat as many as
2 000 people," he said.

An architect's impression of the Durban Spa.

nesburg March 13

booms

• A factory worth R1,5-million. Pietersburg City Council last year approved building plans worth R28,5-million, almost twice the value of plans passed in 1980. More than 300 houses for Whites will be built this year while the development of a further 600 ha of industrial sites has been zoned.

More than 70 industrial stands of up to 15 ha are now available with another 60 ha industrial township in the planning stage.

Several housing schemes for Blacks, Coloureds and Indians are underway or being planned.

A survey has revealed that Blacks from Lebowa Venda and Gazankulu spent R150-million in Pietersburg last year.

Botes says he expects a final decision on the development of a R400-million magnetite iron ore plant, 25 km out of Pietersburg, to be made early next year.

Outdated legislation hampers new housing concept

123
Industrial
W&E

By
Hugh Poulter

RED TAPE is standing in the way of an ambitious housing concept that could ease the chronic housing shortage experienced in this country.

A new concept for South Africa, the timber framed house that can be planned and designed in a matter of minutes through a computerised system developed in the US, and can be constructed five to six times faster than the conventional brick and mortar house, is being handicapped by outdated legislation upheld by municipalities throughout the country.

Roy Barrell, executive chairman for Federated Timbers says existing legislation regarding fire prevention and pest control is hampering the multi-million rand project.

"Even though 80% of American houses and 100% of Australian houses are timber framed South Africa is extremely conservative and we are having difficulties with prejudiced people.

"As it is we should be ready to kick off with the project in September this year. We are not trying to compete with builders. To the contrary they will be able to construct houses at least five times faster than they can using conventional methods and thus increase their profits substantially.

and in a matter of minutes a plan is drawn, the correct cutting angles, amount of materials needed and the total cost of the project is calculated by computer at the cost of about \$10. I cannot see this system coming into South Africa for many years due to resistance from architects.

"A great deal of interest has been shown in the project especially from builders who are just waiting for the go-ahead from us.

Safe

"As far as fire prevention is concerned the wood used for the frames is specially treated and as safe as any other building method.

"In America one can take a sketch and the dimensions of a house, feed it into a computer

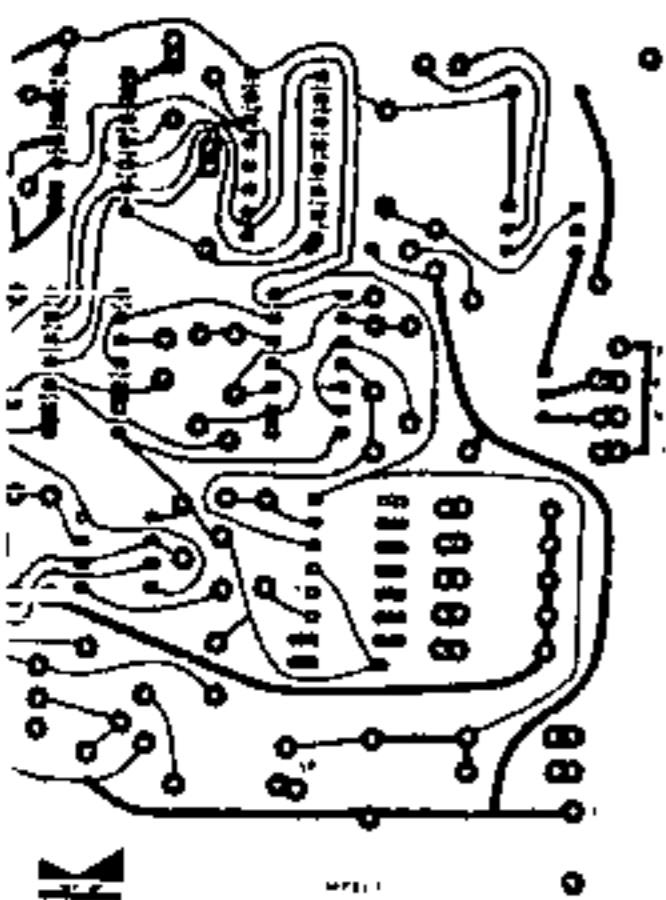
Faster

"We have sunk millions of rands into this project which could ease the housing shortage in this country especially for the low cost Black housing," says Barrell.

Plans

"But it takes a great deal of planning and the purchase and setting up of imported machinery and timber yards for a project of this size.

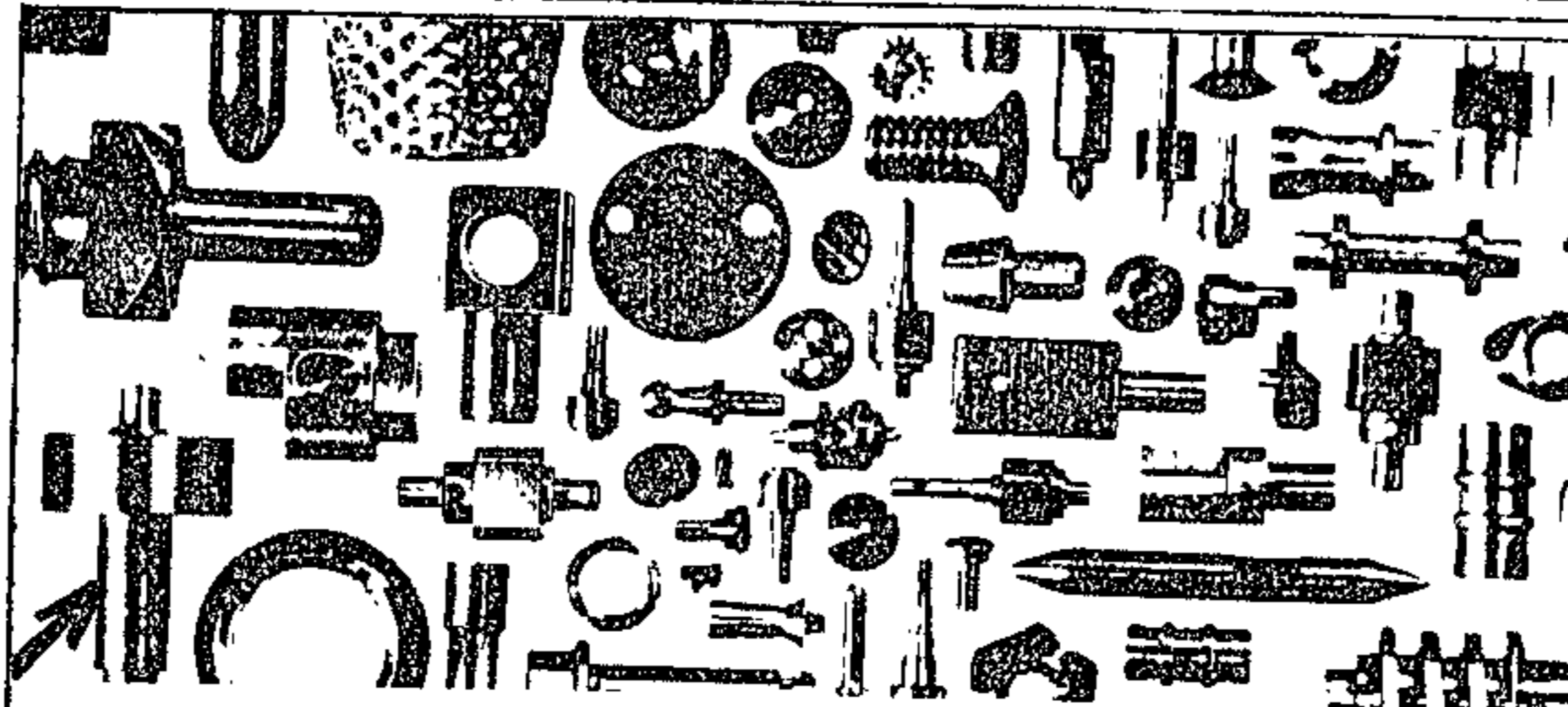
"At the moment we are concentrating on a massive promotion scheme consisting of seminars and advertising to inform South Africans of the tremendous advantages of timber framed housing," says Barrell.



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CIRCLE ENQUIRY NO 4

R26m slump in cash loans

D. Dispatch

123

11/3/82

CAPE TOWN — The building society movement in South Africa has experienced another net outflow of funds and prospects for improved availability of mortgage bonds remain bleak.

Releasing the latest monthly statistics of the Association of Building Societies here yesterday, the president, Mr Hendrik Sloet, said the movement had paid out R26,2 million more than it had taken in during January, the second outflow in eight months, and an even larger loss could be expected for February.

The previous net outflow had occurred 15 years ago when a deficit of R4,9 million was recorded.

A break-down of the figures showed that investors were still turn-

ing away from the societies' shares, their most stable source of funds and the one on which lending was based, in favour of their fixed deposits which were more expensive to administer and which paid higher interest, necessitating higher rates to borrowers. Administration costs had also been hit by the fact that it now took an average eight lenders to provide funds for one loan, compared to a ratio of four to one in the past.

Mr Sloet did not expect home loan interest rates to rise in the near future, but one per cent in crease could be accommodated at a later stage if necessary.

A gross amount of R2 044 million was advanced in loans from

April to last January, compared with R2 582 million in the similar period of 1980, but this was sufficient to allow only 78 993 bonds to be granted compared with 155 849 in the earlier period.

The average bond in January this year stood at R28 889 compared with R20 339 two years previously.

Mr Sloet said he did not foresee a return to lower interest rates for a long time to come.

Building society officials doubted that recent adverse economic factors, such as the slide in the gold price and the bond drought, would significantly depress property prices because of continuing high demand for accommodation and rising costs. — DDC

(123) 99-year leases 12/3/82
Hansard Q. 601-358.

*13. Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

- (a) How many persons in Soweto applied for 99-year leases from the inception of the leasehold scheme to 31 December 1981 and (b) how many such applications have been granted:

†The DEPUTY MINISTER OF DEVELOPMENT AND OF LAND AFFAIRS:

- (a) 2 484
(b) 1 225

123 *Hansard Q. Col. 378-*
Black townships: houses
12/3/82
237. Mr. P. R. C. ROGERS asked the
Minister of Co-operation and Development:

- (a) What was the total number of houses built in Black townships administered by Administration Boards in each of the latest specified five years for which figures are available, (b) what number of houses are planned for the next five years and (c) what is the housing backlog in respect of such Black townships?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

- (a) Figures in respect of houses built by administration boards from their own funds and loans from the building societies are not readily available. However, figures of the number of houses built with funds from the Department of Community Development are as follows:

1977-'78	5 284
1978-'79	9 154
1979-'80	9 945
1980-'81	3 465
1.4.1981-31.01.82	3 932

- (b) Planned projects in respect of 14 279 housing units have been approved by the National Housing Commission pending the allocation of funds.
- (c) Approximately 160 000.

Yesterday in Parliament

Blacks short of 160 000 homes

(123) Mercury 13/3/82

Parliamentary Correspondent

THE Government has estimated that there is a backlog of about 160 000 houses for black people in South Africa.

But projects have been planned for only 14 279 housing units and approved by the National Housing Commission pending the allocation of

funds.

This was disclosed yesterday by the Minister of Co-operation and Development, Dr Piet Koornhof, when he replied to a question which had been tabled in Parliament by Mr Pat Rogers (NRP, King William's Town).

Between March 1, 1977, and January 31 this year, almost five financial years, the administration

boards built 31 780 housing units with funds from the Department of Community Development.

Dr Koornhof said, however, that 'figures in respect of houses built by administration boards from their own funds and loans from the building societies are not readily available'.

The lowest figure over the five-year period was in 1980/81 when 3 465 houses were built from Department of Community Development funds.

Mr Rogers had asked him for the total number of houses built in black townships by administration boards over the past five years.

Asked what the number of houses that were planned for the next five years, Dr Koornhof replied: 'Planned projects in respect of 14 279 housing units have been approved by the National Housing Commission pending the allocation of funds.'

Dr Koornhof said the housing backlog in respect of townships administered by administration boards was 'approximately 160 000'.

CAPL TIMES 13/3/82 (173)

Backlog of 160 000 houses — Koornhof

Political Staff

HOUSE OF ASSEMBLY.

— The government has estimated that there is a backlog of about 160 000 houses for black people in South Africa.

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Mr Rogers had asked him for the total number of houses built in black townships administered by administration boards over the last five years.

White SA housing fares well

(123)
S. Times
14/3/82

INTERNATIONAL housing statistics show that South Africa is faring a lot better than most countries and certainly a great deal better than its internal and external critics like to believe.

Although South African figures cannot be run parallel to international figures — since the country splits its statistics on racial lines — comparisons, nevertheless, can be drawn.

Housing construction, for example, expressed as a rate per 1 000 of the population, varies from a high of 22,8 in Greece to 0 in Malawi.

Hence the South African rate of 6,7 for whites is about average for industrialised countries, says Market Research Africa, which provides the local figures.

In the African area, only Mauritius comes near the white South African standard with 5,9, while in Asia both Israel (8) and Singapore (13,9) beat South African whites.

Australians build at the rate of 8,4 and Canadians notch 9,6. But the US falls behind with 6,4.

South African whites beat several South American countries, which are led by Argentina (4,5), with Venezuela and Chile almost tying (3,2 and 3,1).

Only Belgium ties with white South Africa, but Greece (22,8), Norway (9,1) and France (7,5) beat this country. Britain limps behind with 4,2 and Germany with 2,4.

The fact that Greece is so construction-happy at the moment reflects both its necessity for increased housing and its new-found confidence in the EEC economy.

Coloured and Asian figures

By Vera Beljakova

— a high 9,3 per 1 000 of population — demonstrate the groups' desire and ability to provide better housing for their members.

The rate of 3 per 1 000 for urban blacks compares favourably with the poorer nations in Africa, Asia and Latin America. This group's construction rate compares with Venezuela (3,2), Chile (3,1), Turkey (2,9), South Korea (3,1) and Tunisia (3,1).

Of the 29 countries canvassed nine countries score less than black South Africans.

White South Africans enjoy 4,5 rooms per dwelling unit, which again compares favourably with international

standards, even though South Africa is beaten by Canada (5,7), New Zealand (5,3), US (5,1), Belgium (5) and Australia (5).

In this respect all South Africa's blacks fare poorly insofar as they have almost, though not quite, three rooms in each dwelling unit, which brings them into line with poorer African and Asian countries.

White South Africans live at about 0,7 people per room, which is slightly more than the wealthiest countries. Those who enjoy most rooms per person live in Canada, UK and Belgium — countries whose rate is 0,5 persons per room.

Trying with white South Africa are Denmark, France and Greece.

Rent deposit

cash:

Big ripoff

123

By KEVIN DAVIE

TENANTS in rented accommodation — flats, houses and offices — are losing millions of rands in interest on their deposits.

Gaping holes in the Estate Agents Act — the law which covers most rented accommodation in South Africa — costs the rented property market and the tenant untold millions a year.

The missing money — so much confusion reigns in the rented property market that no one can say for sure how much is involved — just seems to vanish, say experts.

The confusion in the R1 000-million-a-year industry is over the payment of interest on deposits for rented accommodation... relatively small amounts individually, but many millions industry-wide.

For flats alone, one prominent property agent estimates, the sum involved is potentially R3-million.

That's just for flats... the Act also covers the tenants of houses, shops, hotels and other businesses.

Discretion

The authorities themselves do not know what sums are involved.

Mr S van Soelen, manager of the Estate Agents Board, which administers the Estate Agents Act, admitted: "We are working in the dark."

"We are not getting the share we consider we should be getting, but we don't know for sure."

He said at best the board could make a "guesstimate".

In terms of the Act, tenants are entitled to be paid interest on their deposit when they vacate premises, but only if they have previously made instructions in writing to this effect.

But, say sources in the industry, few tenants know they have this right, and seldom issue written instructions.

Mr van Soelen says the Estate Agents Board does not know what percentage of tenants recover interest on deposits.

When tenants do not instruct the letting agent that they want the interest on their money returned to them — and all indications are that few do this — the Act leaves matters to the discretion of the agent.

He has the choice of retaining the money in a trust ac-

count, which accrues no interest, or investing it.

Should the agent choose the latter option and invest the deposit, then half of the interest must be given to the Statutory Fidelity Fund, which is administered by the Estate Agents Board.

But, since the Estate Agents Act of 1976 was promulgated, the fund has not been getting what the board considers is due to it.

"The amount has been about R500 000 per year," says Mr van Soelen.

"We do not know how much there should be in the fund, because we have no statistics on what rent deposits add up to."

He says there are two reasons why the interest does not come into the fund, which is designed to protect the public should an estate agent default.

In the first case, the agent is not required to invest the deposit, unless instructed to by the tenant.

Gaping

In the second, a gaping loophole allows him to simply give the money to the landlord, who falls without the scope of the Act.

The Estate Agents Act of 1976 stipulates that tenants are entitled to be paid interest at the going bank or building society rate.

There is a simple procedure to ensure you get interest paid on your deposit when the premises are vacated.

"Put the instructions in writing, and make sure you get acknowledgment of your letter," says Mr van Soelen.

In terms of the Act, tenants can instruct the agent at any time that they want to be paid interest on their deposit.

The tenant is paid interest from the date of notification, not from the date of occupancy.

Back housing—only one solution?

AGUS 16/3/82 (123)

Municipal Reporter

A PARTNERSHIP between the State and private enterprise was the only workable solution to the black housing problem the national housing chairman of the Urban Foundation said in Cape Town yesterday.

Mr Johan Kruger said in a lecture to the Western Cape branch of the SA Institute of Housing that the State did not have the funds to eliminate the housing backlog and keep up with population growth.

He said 55 000 homes were needed in Soweto alone to eliminate the backlog, and this would cost R800-million. The full backlog for the country was about 160 000.

The State could launch a huge programme that would seriously deplete its budget, or it could under-spend on houses, leading to social tensions, or it could go into partnership with private enterprise.

It is essential that private enterprise supply its capital, knowledge and labour to the sub-economic housing programme.

Mr Kruger said this would have to be on sound business principles, and there would have to be security for developers.

He believed that the standards of some houses, such as at New Crossroads, were too high.

It was believed that tarred streets, street lights and other expensive services were not as important as building

more homes, though it was not the intention of authorities to build more slums.

Mr Kruger said the main cause of the backlog in black housing was that the State had looked on urban blacks as temporary sojourners, and few if any houses had been built in 30 years.

123 Hansard Q. 61.406
Flats on time-sharing basis: legislation

17/3/82
*15. Mr. H. H. SCHWARZ asked the Minister of Industries, Commerce and Tourism:

Whether consideration has been given to the introduction of legislation to protect purchasers of interests in flats on a time-sharing basis; if not, why not; if so, what is the nature of the protection envisaged?

The MINISTER OF INDUSTRIES,
COMMERCE AND TOURISM:

Yes. The department of Industries, Commerce and Tourism in collaboration with interested parties is at present formulating a Property Time-sharing Control Bill for consideration during the 1983 Parliamentary Session. The most important protective measures which are envisaged with the relevant legislation are—

- (a) full disclosure of all relevant particulars in respect of a certain scheme;
- (b) the safeguarding of monies which are being paid to a scheme by participants; and
- (c) the registration of each participant's specific interest in a scheme.

For written reply:
 (123) Hansard Q. Col. 4/5-8
 Housing shortage 17/3/82

84. Mr. C. W. EGLIN asked the Minister of Community Development:

- (1) What was the estimated shortage of housing for each population group in each province at the end of 1981;
- (2) how many houses were provided for each population group in each province by (a) the State and (b) local authorities in 1978, 1979, 1980 and 1981, respectively;
- (3) when is it expected that the shortage will be eliminated in each province?

The MINISTER OF COMMUNITY DEVELOPMENT:

	Whites	Coloureds	Indians
1) Transvaal	11 700	6 500	5 500
Cape Province	5 000	33 500	2 000
Natal	1 700	2 000	10 500
Orange Free State	1 600	1 000	—
Total	20 000	43 000	18 000

The shortage figures given above are estimates based on available data and projections and are not based on waiting lists which, as the Honourable Member is

aware are not reliable for purposes of determining housing shortages and can at best only reflect the existence of a housing need in a specific area which cannot be satisfied immediately.

(2)	Whites		Coloureds		Indians	
	(a)	(b)	(a)	(b)	(a)	(b)
Transvaal						
1978	836	659	262	1 243	265	155
1979	1 551	948	364	2 002	73	233
1980	847	1 057	654	683	1 204	141
1981	114	464	348	1 379	937	208
Cape Province						
1978	203	1 334	40	16 788	72	57
1979	709	884	109	10 607	—	172
1980	921	519	112	10 282	27	31
1981	465	298	851	7 949	—	123

Scope for real reform

239 123 FM 19/3/82

There are indications that freehold property rights for blacks are being seriously considered by government. At the weekend, PM P W Botha said on television that black urbanisation must be accepted as a reality.

It's been said before. But with the Treurnicht faction out of the party, expectations now will surely be that the NP is ready and willing to move fast towards affirming that

urban blacks have to live and work in prescribed areas.

How far can the new legislation be expected to go in furthering — as their titles suggest — black local autonomy, community development, orderly urbanisation and settlement?

At this stage, they do not contain provisions for urban black freehold, according to Dr George Morrison, Deputy Minister of Co-operation and Development. However, Morrison, through his secretary, told the FM that the Bills are to be examined by a select committee of Parliament. He did not exclude the possibility of freehold rights being introduced at that stage.

In fact, in a surprise move on Monday, it was decided to refer the Bills to the Parliamentary Select Committee on the Constitution (SCC) instead of to an ad hoc select committee, as initially proposed.

The move is unprecedented. No Bills concerning blacks have ever been considered by the SCC.

The PFP opposition quickly interpreted this as a possible move to consider blacks in a constitutional power-sharing dispensation. This seems unrealistic. With the battle for the Transvaal still on, it is highly unlikely that P W Botha could move that fast.

The possibility of freehold rights being considered by the SCC is less distant.

It could also be significant that a private member's motion, introduced last week by Albert Nothnagel of Innesdal — considered an NP *verligte* — supported government's commitment to free enterprise in these terms: "99-year leasehold is in my opinion a step on the road to full property ownership rights for blacks."

In the context of this week's developments over Koornhof's Bills, this could have been far more than an individual opinion. However, Nothnagel would not elaborate to the FM.

Mpiyakhe Kumalo, a member of the Groskopff committee which considered the retracted Koornhof Bills, is positive that government accepts 99-year leasehold as only "a step on the road" to freehold. He adds: "It's a politically charged issue. But I believe, that though the government wants to keep a low profile, they want to move toward black freehold rights — if it can be done in a way that doesn't scare whites."

Black freehold does not demand the abolition of the Group Areas Act, one step that might

reality.

In fact, the only impediment against freehold for blacks is ideological — a sort of drag from the past. In the wake of the Riekert Report, government spokesmen have indicated they would like to see the emergence of a stable black middle class.

History shows that middle classes are formed in relation to the economy as a

scare rightwing whites. But the pace of black urbanisation is such that black township areas will probably double in size by the end of the century. It would really frighten most whites if that mass of population felt it had no real stake in stability.

Government recognises this. That is what the 99-year leasehold scheme is all about. Unfortunately, it has not come up to expectations.

Since 1978, when it was introduced, a minuscule total of 1 727 such leases have been registered in the whole of SA. Of these, 1 439 were in Soweto, which has received the bulk of the private sector's investment in black housing.

According to Tim Hart, executive director of the Association of Building Societies, credit of approximately R15m has been advanced for 99-year leasehold. He points out that the bulk of this has been for 80%-90% loans to build houses in the R20 000-plus range.

Most blacks cannot afford to build on this basis and the majority of those who have

whole. And where was there ever a middle class, in the Western sense, that did not have freehold?

Minister of Co-operation and Development Piet Koornhof has introduced the first of his rewritten three Bills on urban blacks. These are the "new deal" Bills, previously withdrawn largely because they wrote out the cherished Section 10 rights that legal

done so have had employers' assistance. Again, because of the expense and complexity of the process of registering leases — there are 29 steps — many householders with Section 10 rights have chosen the "right of occupancy" system.

As it stands, this means that the right to rent a house can be bequeathed or sold by participants in the scheme. This arose out of the 30-year leasehold system suspended in 1968, but later restored.

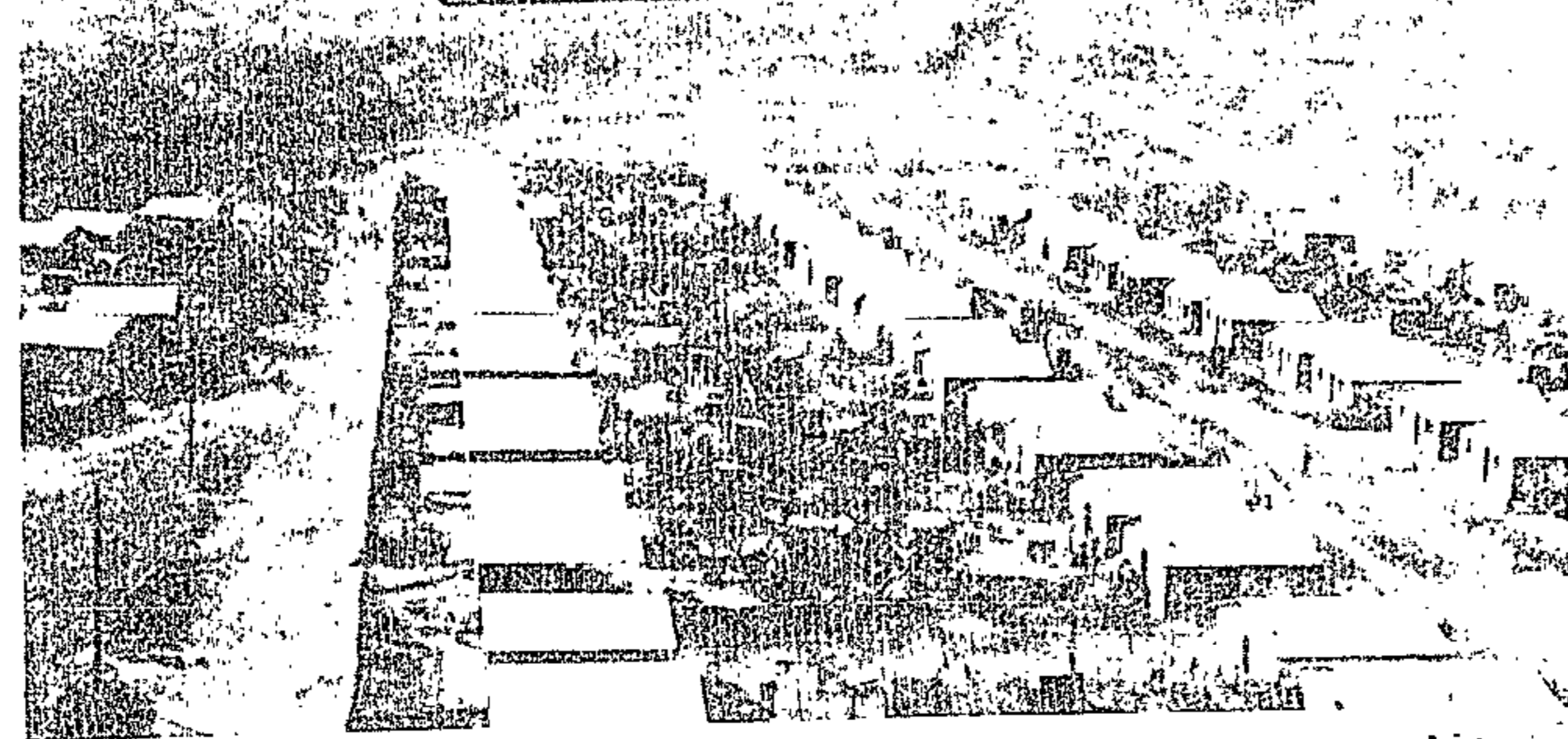
Hart argues that the small number of 99-year leaseholds registered can be put down to initial delays in getting areas surveyed and serviced and the limited availability of land for building. But he feels that the rate of registration is escalating: "In the next 12 months we'll probably see as many leases taken out as there have been over the last four years." For financing purposes, 99-year leasehold is as good as freehold, according to Hart.

Not all see it that way. Pauline Morris recently brought out an authoritative study of black housing under the auspices of the SA Foundation. She noted that while 99-year leasehold has provided greater security and the opportunity for blacks to acquire building society loan finance, "the absence of freehold tenure, an active property market and the limited provision of commercial sites means that black urban areas have a very restricted economic or tax base. Land has no relative value in these areas, which means that land zoned for any one use has a uniform and relatively low value."

Soweto runs at a deficit of over R0,5m/month and currently its main revenue source is liquor. Services are visibly deteriorating. If townships are to become viable, freehold land will be an important contributor to healthy financing. Not only would rateable property help solve the deficit problem, but freehold would open up sources of foreign finance for township development.

In fact, foreign lenders would almost certainly be more willing than at present to lend to these areas if they were perceived as stable.

Opening up freehold will not solve the enormous black housing backlog that is growing by the day. In the area of low-cost housing, government will have to shoulder much of the burden for the foreseeable future. But to the private sector and to urban blacks, freehold would be a signal that reform is happening.



Koornhof ... dangling the prospect of black freehold ownership

Life insurance needs commitment in 'critical' black housing problem

AN independent insurance expert has called on life insurance companies to play an active part in the provision of housing for blacks.

Cape Town-based Isaac Hickman said: "The problem of black housing is much more critical than it was in 1980 and the life insurance industry ignores it at its peril."

He said if the industry was to fulfil its promises to make large payments in terms of policies sold in the future, it must take an interest today.

"There can be no doubt that a major

BY TONY HUDSON

issue leading to the lack of social stability is this very problem of non-white urban housing and industry must accept some degree of responsibility to commitments in urban planning."

Hickman said the profit motive given by these institutions as a reason for non-involvement was not as important as they made out. Short-term loss could be turned into a long-term profit.

He said each life assurer indentified itself with the provision of black hous-

ing and made a small percentage of total annual income to a group formed for this purpose.

This would provide a large annuity sum enabling the planners to plan well in advance.

To do this the interest charged on this money should be well below the market rate and in return for this, the Government should reduce or abolish compulsory low-yielding Government and quasi-Government stock.

This, said Hickman, has been done in several other countries.

Brazil GP gets the go ahead

RIO DE JANEIRO. — The 1982 Grand Prix motor racing season resumes in Brazil tomorrow after a two-month break with the squabbling between drivers and the governing body apparently over, or at least suspended.

The row, over new super licences issued by the International Motor Sport Federation (Fisa), nearly wrecked the first race of the season in South Africa and was at least partly responsible for the cancellation of the second.

The Argentinian Grand Prix, scheduled for March 7, was called off by the organisers after Fisa slapped heavy fines on almost all the drivers for their practice day strike at Kyalami, two days before the South African event.

But both the drivers' representative Didier Pironi and Elio de Seneque, the president of the Constructors' Association, have discounted the possibility of more trouble in Rio de Janeiro.

Ecclestone, the Brabham team boss, said the affair was over, while Pironi said drivers were planning a meeting, but only to discuss safety at the Jacarepagua circuit, 30km west of the city.

Last year's Brazilian race was dominated by two Williams cars, Argentinian Carlos Reutemann, who lost last year's championship by just one point, led throughout and finished with former champion Alan Jones of Australia at his shoulder.

The one-two finish sparks a row in the Williams camp because Jones' club, Reutemann, is number two, should have been way to him.

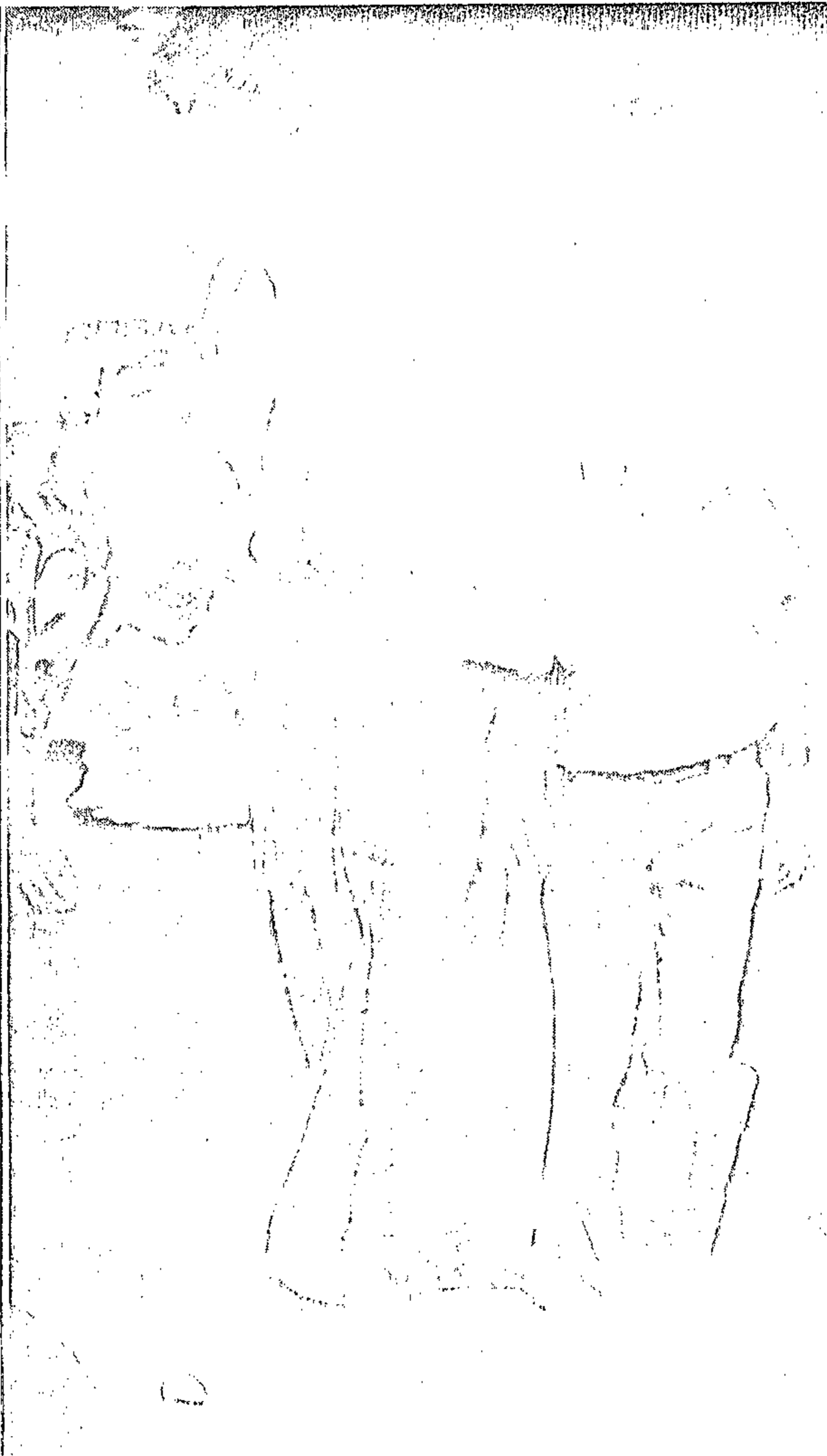
Brazilian ace Nelson Piquet lasted last year's four laps in South Africa but was to do well before the home crowd in his new BT 49 Brabham.

But the main challenge for 1982 must come from Renault.

Alain Prost and René Arnoux finished first and third in the rarefied atmosphere of Kyalami, although sea-level Rio may not suit their turbo-charged Renaults so well.

Another strong contender will doubtless be Austria's Niki Lauda, back from a two-year retirement.

He came fourth in South Africa with McLaren team mate John Watson of Britain two places behind.



A Johannesburg student, Miss Ezzah Mohamed, 20, centre, outside The Fort in Johannesburg with her sisters Jennifer, 17, right, and her brother, 10, left.

Four students complete Security Act sentences

FOUR University of the Witwatersrand students were freed yesterday after serving an effective 10-day sentence under the Internal Security Act.

They are Miss Ezzah Mohamed, 20, of Wanderer's Street, Newclare, Mr Benjamin Greyling, 20, formerly of Argyle Court, Smit Street, Mr Michael C. Donovan, 21, of Homestead Avenue, Randfontein, and Mr Leslie Lax, 23, of Hunter Street, Yeoville.

The three men were released about 6am and Miss Mohamed was released shortly before 8am.

Despite reports that Mr O'Donovan would be deported, he had not been served with an

order by last night.

Miss Mohamed had a joyful reunion with her two sisters, Ingrid, 7, and Jennifer, 17, and her brother, 10, who turned 10 yesterday.

She was also met by several friends as she emerged from the arch gate of The Fort carrying two paper bags containing her belongings.

Friends of the four held a party last night to celebrate the releases.

They were all detained for almost seven months before being sentenced by a Johannesburg Regional Magistrate 10 days ago.

The magistrate, Mr J H Goshwami, sentenced the four to 30 days imprisonment of which he suspended 20 days for a period of five years.

Fouche moves to bring smiles

Mr Louis Fouche, is to take up a new job. He will be succeeded by his deputy, Mr P C van Blommenstein.

Mr Fouche has been promoted to the Commission for Administration, formerly the Public Service Commission, from May 1.

The task of implementing mass removals, eliminating District Six and the removal of 6 000 families from Pageview, have been some of the projects that have kept Mr Fouche busy over the last seven years.

Said Mr Cassim Saloojee, chairman of Actstop, which helps Group Areas Act victims: "We are very pleased. Of all the senior public servants, Mr Fouche was the most hard-line, the most insensitive, and seemed dedicated to residential segregation, ignoring the cost to family life that this policy caused."

Mrs Hazel Moolman, deputy director of the SA Institute of Race Relations, said: "Mr Fouche's uncompromising attitude to the hardships of the many South Africans under his authority has caused conflict between the institute and his department."

"We trust his successor will meet the realities of his new job in a spirit of co-operation and understanding."

At a conference on lowest housing last year, Mr Fouche rejected site-and-service schemes and "acted opposing the views of the Minister of Co-operation and Development, Mr Piet Koornhof, who had said the Government had launched a plan to develop site-and-service schemes in certain areas."

Mr Fouche said if South Africa wanted to survive, it would have to be willing to pay the financial price for proper housing. Site-and-service schemes had led to the worst kind of slums like Orlando.

He also claimed 90% of people resettled under the Group Areas Act had to be rehoused in any event, because they had lived under slum conditions "since Van Riebeeck".

Earlier this year Mr Fouche said that projects valued at between R600-million and R700-million would be postponed because of a shortage of funds.

THE Government's bid to persuade blacks to build or buy homes on 99-year leasehold — and thereby to convince the world of its concern for urban black welfare — has creaked off to a slower than ox-wagon start.

The scheme has virtually found to a halt, obscured by intricate argument within the private sector and between the private sector and the Government over who should bear the responsibility for private home development.

Blacks say the move was discriminatory by limiting their ownership to township plots building societies say the Government has botched the scheme by being wrecklessly slow in preparing and surveying sites, the Government says it's a case of not being able to force the horse to drink and some private home developers say the building societies are dragging their feet in lending money to blacks and supporting private schemes.

Unused

Figures released to the Sunday Times this week show that while a national housing crisis has arisen in the white market, where there is virtually no money available for mortgage bonds, millions of rands earmarked for black home ownership are lying unused.

Ironically, there is also a serious shortage of black housing because low-rental developments cannot keep pace with demand and, in many cases, houses being built for private ownership are too expensive. Houses being sold under the 99-

Ninety-nine creaks!



The 99-year lease scheme creaks to a halt

FOCUS ON BLACK HOUSING

By GEOFFREY ALLEN

123

year lease scheme range from R12 000 to R40 000 and upwards in price.

The figures released by the Urban Foundation reveal that:

● In the three years since the 99-year leasehold was announced in April 1978 by Dr Connie Mulder (then Minister of Bantu Administration and Development), only 1 727 homes have

been built or bought in the entire country.

● Of a total of R28-million borrowed by the Urban Foundation from a consortium of American banks to finance 99-year leaseholds, only R11-million had been loaned to homeowners by the end of January this year.

● Building societies which agreed to back the Urban Foundation money fund-for-rand have lent out an identical amount, making the total R22-million.

● That leaves R36-million lying unused in banks and building societies.

The majority of building society executives say that the cause of the small-scale takeoff is that the Government has not commissioned surveys of future development sites soon enough or fast enough. They say that they can provide the money to develop homes but that the prospective buyer either has to wait for a site to be surveyed

or pay up to R500 to commission a private surveyor. Figures show that over the past six months, bonds have been registered at the rate of 120 a month, while up to 300 are "in the pipeline", but being held up by one type of bureaucratic delay or another.

In Soweto (the largest concentration point of black housing in the country), only 1 439 of the 150 000 housing units in the city are privately owned under the 99-year lease system. In Port Elizabeth only 30 are privately owned. The Urban Foundation said that in October 1981, only R863 000 had been lent for bonds. In November R11-million was lent, in December R12-million, and in January R1.5-million.

"This is not satisfactory and we would like to see many more bonds being taken out," said Dr Robin Lee, director of the Urban Foundation. "There are practical problems with having sites surveyed and in explaining the nature of this type of leasehold to blacks who are not familiar with it. As far as we are concerned, the single biggest problem is the lack of adequate surveys. These townships were never laid out with any 'reat attention' to the demarcation of site borders because it was not envisaged that single sites would ever be sold."

Incredible

"So I believe that as long as there are laws which tell people where they must live, home loans to blacks will not be a substantial part of building society business." His views were echoed by Dr Nkomo Mollana, head of the Soweto Committee of Ten.

"The only people who are buying houses are those who are desperate for accommodation and are being pushed into it by their families."

"The whole concept is discriminatory against blacks because it lays down where the leasehold can be held."

"It is incredible that someone from Saudi Arabia or Greece can buy land in Houghton and never even see South Africa, yet the largest proportion of the population cannot have a proper leasehold."

"People forget that blacks used to own property — right in central Johannesburg in 1935."

Answer below
Number of
Number of

S. Times (123) 21/3/82

New Soweto to be built, old one sold

THE Government is working on a far-reaching scheme to sell every house now standing in Soweto at "give away" prices.

At the same time, the building of an entirely new black city in the Johannesburg area — to be financed jointly by the Government and private sector — is under urgent consideration.

The moves are the result of the Viljoen Report, commissioned by the Government and drawn up by Mr Boet Viljoen, managing director of the Permanent Building Society, and a committee of experts.

Mr Viljoen told the Johannesburg Chamber of Commerce this week that Mr Danie Steyn, Deputy Minister of Co-operation and Development, was "at this moment" calculating acceptable prices for the existing houses in Soweto.

"They must have cost very little to build 30 years ago and they should go at give away prices now," Mr Viljoen said.

"All the homes in Soweto should be sold to blacks.

45 new homes would have to be completed by sunset every day for the next five years to catch up with the backlog.

To speed up building, new methods of construction were already under consideration... such as the method of building glass fibre houses, as in Taiwan.

He said that the private sector would have to be brought into the housing process.

"There is no intention that the private sector should take over the Government's role.

"While the private sector can help in financing housing (from pension funds, property development schemes, and other sources) the Government must subsidise in some form the housing requirement of people at the lower end of the income groups.



MR BOET VILJOEN
Sell all homes

He said that he was meeting Dr Piet Koornhof, the Minister of Co-operation and Development, on April 1 to discuss ways of establishing estate agencies in Soweto.

"As far as we are concerned, black estate agents have to be there and we are working through the Estate Agents Board to achieve that," Mr Viljoen said.

He said that a scheme to finance black housing through housing bonds identical to the Defence Bonds had been rejected by the Treasury because it would appear to blacks to be a form of discrimination.

(123) S. Times 21/3/82

Plan to finance black housing

AN alternative method of financing black home-ownership under the 99-year lease scheme has been circulated to the Johannesburg Chamber of Commerce by home developer Mr Mark Guthrie.

He has proposed that a revolving fund of R200-million, made up from money from the South African Trust Fund and the private sector, should be established to lay down the infrastructure for large-scale developments.

In his memorandum to chamber members, he said under this scheme the black home owner would pay back the cost of installing the infrastructure at a rate of R6 a month over 30 years — as opposed to the present rate of about R30 a month.

Only way

The State's contribution would be to subsidise the interest payable on private sector investment.

"Once this fund is set up, developers could tender for the construction of infrastructure in any new township and apply for finance from the revolving fund if granted the contract," Mr Guthrie wrote.

"The whole idea of this approach to infrastructure planning is to keep the costs of home ownership within the reach of average black families.

He said private enterprise should be prevailed on to:

● Guarantee the deposits on houses for their black workers.

● Support the revolving fund with money from their pension funds.

● Help with the setting up and initial promotion of the fund.

"Control of the fund would be vested in a central authority with representation from black community councils."

In a background memorandum Mr Guthrie wrote:

"A way must be found to fund housing infrastructure which now runs at between R4 000 and R5 000 a stand. To repay this amount alone a black has to earn between R160 and R200 a month according to building society regulations.

"Houses which the average black man can afford must be available for between R10 000 and R20 000.

"The only way to achieve dwellings at this price and keep costs down is to find out from large building contractors the optimum number of houses they need to build in any one area to give the most efficient cost per unit."

(123) 21/3/82

Proper city

"If we can sell Soweto it will help blacks become homeowners and relieve the State of the upkeep of homes in Soweto."

To facilitate the rapid transfer of houses to private ownership, the Government should sweep away strict surveying regulations and accept aerial surveys of Soweto instead of costly and lengthy ground surveys.

Mr Viljoen said his committee had been considering nothing less than building a new city from scratch.

"A city with a character must be built. It must not be seen to be a temporary thing, but a proper city," he said.

As indication of the urgency with which the Government was treating the black housing issue, he said that his report — compiled by a working committee of experts — had been completed in two months and that the Government had already implemented some of the recommendations.

Model

For example, it was now possible by law for whites to buy homes in Soweto under the 30 and 99-year leaseholds.

Thus banks could now buy a manager's house, which could be transferred to his successor if he was transferred.

The Housing Fund had also been given permission, for the first time, to borrow from the private sector, he said.

Mr Viljoen said that his committee had considered the housing crisis in Soweto as a model which could be applied anywhere in the country.

He said there were 1-million people living 10 to a house in Soweto... and that

Indications Government is considering freehold title for blacks

Post Reporter

THERE are indications that the Government is seriously considering freehold property rights for blacks.

This is supported by a statement made by Mr P W Botha, on television, that black urbanisation had to be accepted as a reality.

According to an article in last week's Financial Mail, the National Party is ready and willing to move now that the "Treurnicht faction" is out of the NP.

"In fact, the only impediment against freehold for blacks is ideological — a sort of drag from the past," the article said.

In the wake of the Riekert Report, Government spokesmen had indicated they would like to see the emergence of a stable black middle class.

The Minister of Co-operation and Development, Dr Piet Koorhof, had introduced the first of his three rewritten Bills on urban blacks.

They were the "new deal" Bills, previously withdrawn, largely because they wrote out the "cherished" Section 10 rights that legal urban blacks had to live and work in prescribed areas.

How far could the new legislation be expected to go in furthering — as their title suggested — black local

autonomy, community development, orderly urbanisation and settlement, the article asked.

At this stage the Bills do not contain provisions for urban black freehold, according to Dr George Morrison, Deputy Minister of Co-operation and Development. However, Dr Morrison said the Bills were to be examined by a select committee of Parliament.

In a surprise move last week, it was decided to refer the Bills to the Parliamentary Select Committee on the Constitution (SCC) instead of to an *ad hoc* select committee, as initially proposed.

The PFP Opposition interpreted this as a possible move to consider blacks in a constitutional power-sharing dispensation.

"This seems unrealistic," the article said. "With the battle for the Transvaal still on, it is highly unlikely that P W Botha could move that fast."

The possibility of freehold rights being considered by the SCC was less distant.

It could also have been significant that a private member's motion, introduced recently by Mr Albert Nothnagel, of Innesdal — considered an NP verligte — supported Government's commitment to free enterprise in the terms of a 99-year leasehold being, in his opinion, "a

step on the road to full property ownership rights for blacks".

Black freehold did not demand the abolition of the Group Areas Act, a step which might scare Right-wing whites. But the pace of black urbanisation was such that black townships would probably double in size by the end of the century.

"It would really frighten most whites if that mass of population felt it had no real stake in stability," the article said.

The Government recognised this. That was what the 99-year leasehold scheme was all about.

"Unfortunately, it has not come up to expectations," the article said.

Since 1978, when it was introduced, 1 727 such leases had been registered in the whole of South Africa. Of these, 1 439 were in Soweto, which had received the bulk of the private sector's investment in black housing.

Because of the expense and complexity of the process of registering leases — there were 29 steps — many householders with Section 10 rights had chosen the "right of occupancy" system.

This meant that the right to rent a house could be bequeathed or sold by participants in the scheme.

The executive director of the Association of Building

Societies, Mr Tim Hart, argued that the small number of 99-year leaseholds registered could be put down to initial delays in getting areas surveyed and serviced and the limited availability of land for building.

For financing purposes, 99-year leasehold was as good as freehold, according to Mr Hart.

"Not all see it that way," the article said.

A recent study of black housing under the auspices of the SA Foundation noted that while 99-year leasehold had provided greater security and the opportunity for blacks to acquire building society loan finance, the "absence of freehold tenure, an active property market and the limited provision of commercial sites means that black urban areas have a very restricted economic or tax base".

"Land has no relative value in these areas, which means that land zoned for any one use has a uniform and relatively low value."

If townships were to become viable, freehold land would be an important contributor to healthy financing. Not only would rateable property help solve the deficit problem in townships, but freehold would open up sources of foreign finance for township development.

"Opening up freehold will not solve the enormous black housing backlog that is growing by the day," the article said.

Budget boost for education, housing hailed

MR. B. G. S. 25/3/82

(10) (30) (123)

Consumer Reporter
NEWS that Government spending on housing and education will be increased has been warmly received in local government and trade union circles.

But industrialists warn that although the measures taken in the Budget are necessary, they will hamper growth.

Their effects on the provision of more jobs would have to be carefully watched.

The industrialists expect consumer spending to fall as people feel the effects of higher income tax and general sales tax and think this could trigger off demands for more pay.

The general feeling about the Budget, however, seemed to be out of relief that it was not as

bad as many people feared.

Mr Jack Roos, director of the Cape Chamber of Industries, said: 'The general feeling in industry is that the Minister had very little option.

Problems

'There are things in the Budget we don't like but when you think of the tremendous problems the Minister has, he has done as well as he could.'

Mr John Barry, director of operations for Pick 'n Pay in the Eastern and Western Cape, said that in spite of the rise in company tax — which would not affect the man in the street — he thought it was a very fair budget.

Mr H G Heugh, Town Clerk of Cape Town,

thought it was 'tremendous' news that the money allocated to the National Housing Fund would be increased by 28 percent, from R258-million to R330-million.

But he and the City Treasurer, Mr J B Watkins-Baker, said they could not comment in more detail until they knew how much of this would be available to the city council to provide more housing.

'Thrilled'

Mr D V L Moore, treasurer of the Divisional Council of the Cape, said he was 'naturally very thrilled' to hear that more money would be available for housing.

He said the council — which had been forced to cut back on some schemes for lack of funds — was still waiting to hear its final allocation.

Mr Norman Daniels, deputy chairman of the Trade Union Council of South Africa (Tucsa) in the Western Cape, said: 'I welcome the news that more money will be spent on housing and education, for they are both very important items.'

Backlog

'There is certainly a backlog in the provision of housing throughout the country and we can do with all the help we can.'

But, Mr Daniels said, he hoped the policy of providing housing a long way from places of work would be changed.

A statement by the economic affairs committee of the Cape Chamber of Industries said the Minister's efforts to restrain State expenditure were to be commended as well as the priority he had given to education and the country's manpower needs.

However, taking into account the additional company tax, rail and freight tariff increases, the rise in fuel costs and high interest rates, industrialists were bound to feel a cost squeeze and cash flow problems.

Consumer

'The position will be exacerbated by an expected drop in consumer demand which the increase in general sales tax and personal income tax is likely to cause,' the statement continued.

'These may also trigger off demands from labour for higher wages.'

'The smaller entrepreneurs, who need to be encouraged, are likely to be adversely affected and, in the interests of job creation, their position should not be overlooked.'

Wine

The committee also said the wine industry was of great importance in the Western Cape and the removal of excise duties on natural wine was therefore welcomed.

But the committee was concerned about the removal of an important export incentive — the export finance charges and scheme.

Bait for builders 'not enough'

Property Editor

THE bait of tax concessions announced in the Budget is not likely to encourage developers to build flats for letting.

The two percent a year depreciation allowance is an important psychological breakthrough, but it is not much of an incentive, says Mr Don Kennedy, executive director of the South African Property Owners' Association.

The entire concession was negated by the developer having to pay back all his tax concessions when he sold the building, said Mr Geoffrey Seeff, chairman of the Cape branch of the Institute of Estate Agents.

He calculated the concession could mean that small, two-bedroom flats in a new block could be let at R300 a month each and give the developer an after-tax return of 8.8 percent in the first year, 7.1 percent in the second year and 5.7 percent in the third year.

NEGATIVE

'He could get a better return for his money by making a risk-free investment in a building society.'

Some developers, however, might be prepared to accept a negative return on their property for the sake of appreciation.

The concession was not enough, said Professor W Kilian, head of the department of building science at the University of Cape Town.

'It is a step in the right direction but developers don't trust the Government and fear rent control might come back if flat rents remained high because of high building costs.'

Property men mildly pleased

Cape Times 25/3/82 (58) (23)
Own Correspondent

JOHANNESBURG. — Property experts have cautiously welcomed Mr Horwood's concessions to developers but they feel he has not gone far enough.

The minister — in an attempt to encourage the building of rental accommodation — has proposed an annual depreciation of two percent for all new housing projects of not less than five family housing units. An initial 10 percent of the cost of a project is also allowed as a deduction from income in the year in which the project is completed and the accommodation is first let to tenants.

Mr Don Kennedy, executive director of the Property Owners' Association (Sapoa), described the moves as stimulants but noted they had limitations.

"The two percent depreciation is an important psychological breakthrough but is not enough to be a real stimulant at this stage. My organisation feels four percent would have had the necessary effect.

"The 10 percent allowance will be a help in solving some cash flow problems and is welcomed."

He described the restraint under which the developer would have to pay back the allowance if the housing project is sold as "fair".

Mr Pieter Rautenbach, director of the Master Builders' Association in Natal, said the concession to rental developers was long overdue. But he wondered why the Minister had decided to exclude developments of less than five units which would prove disappointing to small developers.

Mr Bruce Forssman, financial director of estate agents R M S Syfrets, said of the concessions: "It's a start. The important fact is the acceptance of the need for tax concessions which can become better in the future. It is important, too, that the principle has been agreed as it has been turned aside in the past."

Handwritten notes at the bottom of the page, written in reverse order from right to left. The text is difficult to decipher but appears to discuss the impact of the concessions on the market and the role of the government and the industry.

High rents 'are likely to stay

April time 20/3/82
123

Municipal Reporter

TAX concessions to "stimulate" the construction of rented accommodation meant virtually nothing in the light of current high interest, building costs and expected rentals, property developers and architects said yesterday.

At first glance, however, the concessions were given as a boost for the development of much-needed flats and, as such, were described as "a step in the right direction" and "a positive factor".

But the verdict in view of the present economic situation was: "Not nearly far-reaching enough". And the one thing which developers did not expect to happen was a rush to build flats and houses for rent.

In initial reaction to the Budget announcement of tax concessions to property developers in a bid to alleviate the rented housing shortage, local prop-

erty experts were downcast.

The concessions to investors planning to erect housing accommodation for rent included a 10 per cent tax deduction on the total cost of a project in the year of its completion, and an annual depreciation allowance of two per cent (at present only applicable to new industrial buildings) was extended to all new housing projects offering not less than five family units from April 1.

These allowances fall away if the project is sold outright or through sectional title.

Mr Owen Horwood, the Finance Minister, said he was confident that the concessions would stimulate the provision of rental accommodation and would assist investors materially with their cash-flow problems and return on investment.

He estimated that the loss of revenue which the

concessions would entail in 1982/83 would be less than R1 million, but that it could amount to about R500 000 for each R10 million invested in such projects in a year.

Spokesmen, who included the City Engineer Mr Jan Brand, agreed yesterday that there would be no marked swing to the building of flats.

Rental accommodation is at a premium in South Africa, with nothing new being built. The present accommodation is being whittled away by the more financially attractive sectional title sale of units.

An architect, city councillor and former mayor of Cape Town, Mr Louis Kreiner, said the price of money was too high for any effect. "If the interest rates were around 12 per cent — instead of 16 per cent upwards if you can get the money — then it would have been tremendous."

Beyond reach

He said the tax concessions "seemed like nothing".

Even if more rented accommodation were built, rentals would still not be within reach of the man-in-the-street. A minimum rental of R500 a month for a small flat would have to be levied.

"Even if the land was given free to a developer, he still could not make it pay."

Another architect, Mr Douglas Roberts, said that coupled with the high interest rates was the fact that the building cost index had been running above inflation in recent years.

'Inducement'

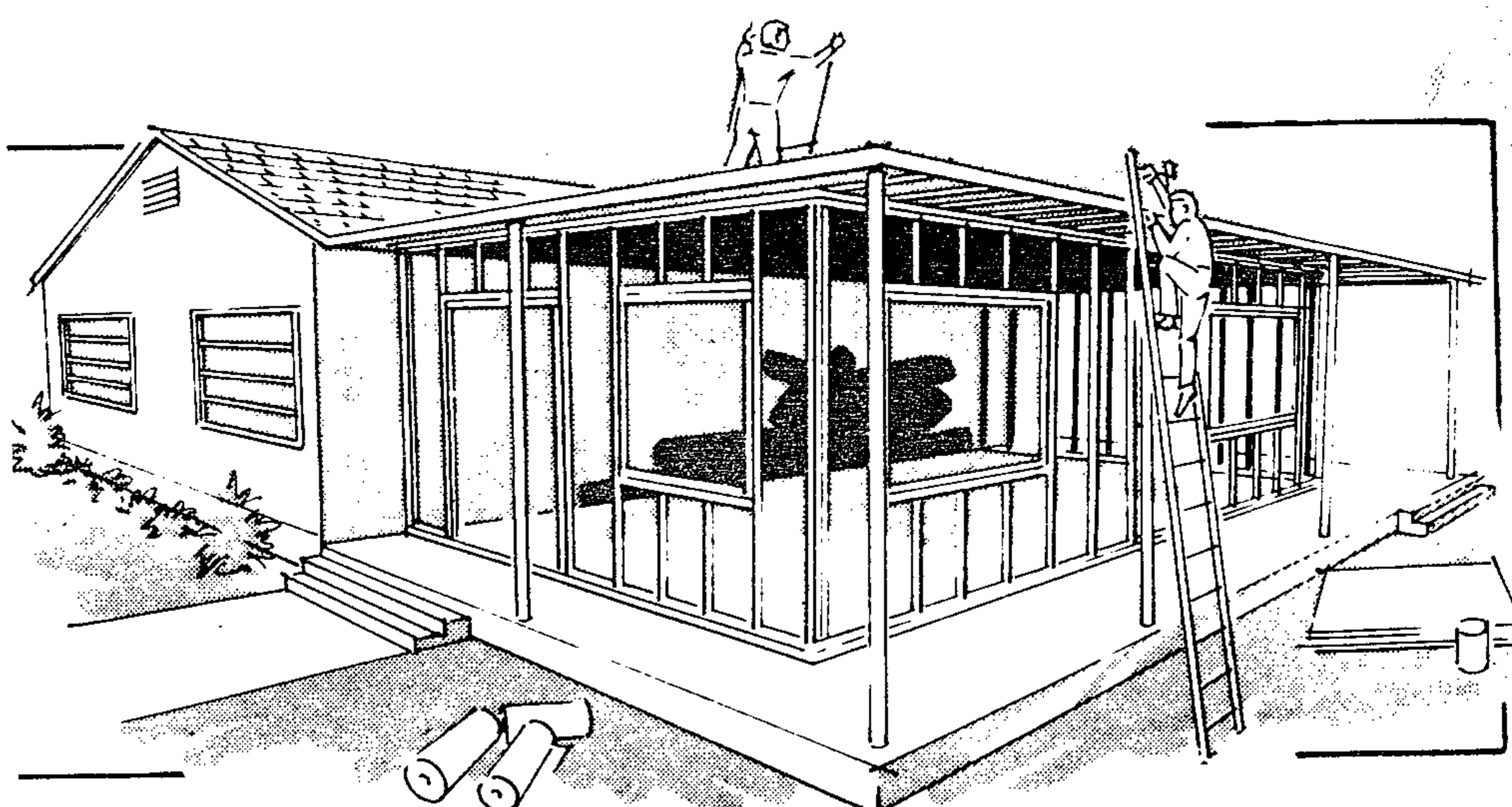
At present, developers simply could not build to rent. This would only happen if the price of money became more favourable.

Mr Revel Fox said only "a massive inducement" would result in new rental accommodation. While acknowledging the shortage, especially in the central City area, he said the main problem was low-income housing with which the private sector could not easily cope.

"However, the stated policy of home-ownership should not be lost sight of."

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Mercury
27/3/82

Timber-frame housing can solve the problem

Property Editor
TIMBER-FRAME housing could be part of the solution to the country's housing problems, says Mr Mark House, an industrial building consultant.

Writing in the new issue of Wood Southern Africa, Mr House says it is estimated that 8.5 million housing units will have to be built during the period 1980 to 2020.

'If one adds to this the fact that South Africa is already facing shortages in machinery, money, manpower and materials then the future looks bleak indeed.'

He says that timber-frame housing offers the following advantages:

- a 25 to 50 percent reduction in construction time;
- it makes use of a replenishable resource —

timber;

- it lends itself to a greater degree of prefabrication;
- it requires fewer manhours per square metre, especially skilled manhours;
- it can reduce costs by approximately 15 percent depending on the degree of prefabrication, choice of materials and the expertise of the builder.

'Naturally the potential homeowner is interested in the reduced cost, but the real advantage of the timber-frame housing for the builder is in the reduction in labour content and shortened construction time.'

'Briefly, an increase in annual production equivalent to the time-saving is achieved (25 to 50 percent) with no change in office staff.

'An improved cash flow follows — poor cash flow puts more builders out of business than any other single factor.'

'There is also a reduction in the skilled labour content per house and there is a reduction in the overhead content per house,' says the article.

'Other advantages are found on site. Roof erection and covering is much faster which allows the various trades to move on site earlier and more work can be started earlier and under cover. Almost all trades can work simultaneously, reducing the planner's nightmare of delay.'

'Lock up and hand-over stages occur much earlier which means less theft and earlier occupation.'

Advantages to the home-owner include:

- Timber-frame houses, built by experienced contractors, cost less yet there is no trade-off of quality;
- internal walls may be repositioned quickly and easily with little experience;
- it lends itself to additions and alterations;
- it performs better on unstable soil conditions;
- the houses are better suited to the owner-builder.

Timber frame housing is, in fact, a conventional form of housing, says the article.

'After all, most of the world could not possibly have been wrong all the time. Approximately 90 percent of the housing in the United States, Australia, New Zealand and Canada is timber-framed

and it is an accepted and time-honoured method of construction in most other countries.

'It is interesting to note that these countries are among the most highly developed and wealthiest nations in the world.'

'One would be reckless to ignore timber-frame housing. To a builder it means more efficient use of men, materials, money and machinery; to the merchant it means greater timber sales and service; to the potential homeowner it means more value for money and ownership within easier reach and to a public body it offers a good part of the solution to the present and future housing crisis.'

Tenders called for telephone exchange

Property Reporter
TENDERS for building a telephone exchange in Mount Edgecombe are being called for by the Department of Posts and Telecommunications at a cost of between R400 000 and R1 million.
Separate tenders for

The Department is also calling for tenders up to R1 million for a building complex in Eshowe, with electrical installations and air-conditioning worth R100 000 each.

It is also to repair and renovate three official residences in Pinetown (R100 000)

ovations to the Margate telephone exchange (up to R100 000) are to be made.

The Natal Provincial Administration is calling for tenders for repairs and renovations to the Mtubatuba Primary School (R200 000 and R300 000).

Slanger wants tenders

R212 000; new ward block and additions to maternity department, Estcourt Hospital, Remca Construction R562 578; siteworks for Kuswag Primary School, Strachan Construction R134 808; new shops for Vicfield, Field Street Durban, Norvo Construction

Prices excluding GST

123

Hansard Q. Col. 526
99-year leasehold scheme
31/3/82

*18. Mr. P. R. C. ROGERS asked the Minister of Co-operation and Development:

- (a) How many plots have been made available in the Republic with a view to the 99-year leasehold scheme since its inception and (b) how many applications for leasehold registration are pending to date?

†The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(a) 182 372.

- (b) In addition to the 1 770 final registrations 710 provisional registrations have been approved up to 28 February 1982.

Information in regard to the number of applications pending is not readily available but in Soweto for instance 2 484 persons applied for 99-year leasehold to 31 December 1981 while 1 225 applications have been approved.

Unmarried also to get public service subsidy

ARCS
2/4/82
123

Argus Correspondent
JOHANNESBURG.—Public servants hope the extension of their main perk — a hefty housing subsidy — to unmarried officials is the first step in a complete overhaul of the subsidy system.

The chairman of the Commission for Administration, Dr Piet Rautenbach, announced yesterday that unmarried officials would now also benefit from the scheme.

Previously, only married officials who owned houses or flats received the State subsidy.

Neither the old scheme nor the new extension discriminates on the

grounds of race and all permanent officials of the central Government, statutory boards and the provincial administrations will benefit equally from the scheme.

The subsidy applies only to bonds of up to R40 000 and this had not been revised.

In terms of the subsidy, public servants in lower pay notches pay only three percent interest on their bonds, whatever the ruling interest rate. Those on higher scales pay four percent.

Mr R H Landman, general manager of the Public Servants' Association, said the PSA saw the extension of the bene-

fit to unmarried people as the first step in improving the subsidy.

This subsidy was at present available only to people who bought houses or flats, he said. The PSA was negotiating with the commission to extend this to public servants who rented accommodation.

He said there were also negotiations to raise the R40 000 subsidy ceiling in view of higher property prices and rising interest rates.

Mr Landman welcomed the latest concession as a step in the right direction.

However, comparatively few unmarried people bought property, he said.

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D. Dispatch 2/4/82
Housing loan shortage continues (BOM) (123)

EAST LONDON — The decentralisation incentives announced yesterday include subsidies on building society loans for housing of employees. But building societies continue to be short of money to lend.

The chairman of the local branch of the Association of Building Societies, Mr Martin Milburn-Pyle, says the societies simply do not have the flow of money. At present they are normally able to lend money only if there is a reciprocal investment.

He said people buying houses are resorting to

deed of sale transaction, allowing for transfer to be taken 12 months ahead, to give time for funds to accumulate and to build up a bigger deposit so as to take a smaller loan.

Mr Milburn-Pyle points out that a man seeking a loan of R25 000 needs an income of some R1 300 a month to qualify in terms of building society rules.

He does not see any short-term answer to the shortage of loan funds, or any prospect of relief inside of six months from the present extremely tight position. — DDR

Y 547 *Hansard Q. 61, 517* FRIDAY, 2

(123) 99-year leasehold scheme 2/4/82

*2. Mr. P. R. C. ROGERS asked the Minister of Co-operation and Development:

- (1) Whether any delay has been experienced in regard to (a) transfer of land to Administration Boards, and (b) survey of plots, with a view to the 99-year leasehold scheme; if so,
- (2) whether such delay is being caused by administrative procedures; if so, what administrative procedures?

The DEPUTY MINISTER OF CO-OPERATION:

- (1) (a) Yes, in certain instances, but the delay is not connected with the 99-year leasehold scheme.
- (b) No delay other than that caused by a lack of sufficient funds.
- (2) No.

99-year leasehold scheme

*4. Mr. P. R. C. ROGERS asked the Minister of Co-operation and Development:

Whether any land has been made available by local authorities for transfer to Administration Boards since the 99-year leasehold scheme commenced; if so, what area of land?

The DEPUTY MINISTER OF CO-OPERATION:

No land has been made available by local authorities for transfer to Administration Boards specifically for the 99-year leasehold scheme. ✓

'SA must build five million houses in next 20 years.' — The Property Economist.



A BLACK housewife stands in the garden of her house in a black township. It is estimated that in the next 20 years 3 350 000 houses will have to be built for blacks in South Africa.

Housing finance: Govt 'walking a fine line!'

w/c AREAS (Suppl.)

123

DURING the period 1981 to 2000 it is estimated that South Africa will require 4 860 000 housing units with the racial breakdown estimates of 840 000 for whites, 510 000 for coloured people, 160 000 for Asians and 3 350 000 for blacks, according to the journal The Property Economist.

'After taking into consideration the estimated backlog of 500 000 homes it is estimated that the total new housing units required during the next 20 years will be 5 361 000, made up of 840 000 housing units for whites, 635 000 for coloureds, 190 000 for Asians and 3 696 000 for blacks,' writes the Property Economist.

'The financing of the construction of 5,36-million housing units has to come initially from the private sector directly and indirectly channelled to the public sector via taxation and other forms of Government revenue.

'The financing implications are formidable and after taking the following estimated unit costs (at 1981 prices) into consideration, it will be seen that an average of R2,56-billion will have to be provided annually over the next twenty years for construction.

'The estimated housing cost per unit at 1981 prices for white housing is R30 000 for Asians R13 300, for coloured people R11 000 and for blacks R5 600.

'During the period 1981 — 1990 annual requirements in money will be: white housing R1 170-m, black housing R823-m,

coloured housing R253-m and Asian housing R93-m. The total funds required will be in the order of R23,32-billion during this decade with an average of R2 339-m a year.

'Due to the natural population growth, housing requirements during the decade 1991 — 2000 should lead to increased construction activities. During this decade, at current 1981 prices, the white housing units will require R1 350-million a year, black housing will increase its financial requirement to R1 053-million a year, coloured housing to R308-million and Asian housing to R120-million.

'Total funds required during the nineties will be R28,3-billion averaging R2 831-m per annum at current 1981 prices.

'By using historical participation ratios and after making allowances for larger private sector increases in the coloured, Asian and black markets, the private sector will be contributing R1 319-m a year during the present decade and the public sector will be required to finance housing at an average rate of R1 020-m a year during the present decade, at current 1981 prices.

'In the white housing market the private sector will be contributing R995-m a year during the present decade while the black private sector will be contributing R206-m to their housing needs during the same period.

'The coloured and Asian private sectors will be required to provide black housing R823-m, R76-m and R42-m a year

respectively towards their housing needs during the present decade.

'The majority of public sector funds for housing will be spent on black housing where R617-m a year is estimated to be required during the present decade.

'The public sector funding of coloured housing is estimated to total R177-m a year while that of white housing is estimated at R175-m a year and Asian housing at R51-million a year.

'Total public sector funds required during the present decade will be in the region of R10-billion, an average of R1 020-m a year at current 1981 prices.

'It has been estimated that the public sector's investment in housing for 1981 will be R557-m which includes an approximate 20 percent maintenance factor. This results in a net public sector investment figure of R446-m.

'This is approximately 44 percent of the amount required to be spent by the public sector during the present decade and should the aspiration levels of the black housing group increase beyond the R5 600 cost per housing unit, then it appears likely that the public sector will have to increase its building programme by a minimum of two and a half fold in order to provide the necessary shelter to accommodate all its people.

'The other urgent public sector needs are in the fields of education and hospitals mainly for

the coloured, Asian and black sectors and it appears that the only way the Government will attract sufficient money to finance the housing, educational and medical needs is to increase the taxation on the small proportion of the country which contribute the most to the Government's income through taxation.

'The authorities will be walking a fine line in attempting to provide the necessary finance for their capital building projects while ensuring that the private sector continues its growth momentum.

'This appears to be unlikely if it has to shoulder additional tax burdens, thereby reducing the profit ratios of the private sector.

'The viable options to financing the two and a half fold Government increase in residential expenditure required, include inducing financial institutions to contribute a ratio of their assets towards coloured, Asian and black housing needs; the creation of a fund, similar to that of bonus bonds, for attracting savings into coloured, Asian and black housing fund; and the attracting of foreign investment capital into the housing market by generous tax concessions.

'Should the necessary funds become available, then the construction industry will be hard pressed to cope with satisfying demand for approximately 5,5-million housing units during 1981—2000,' it adds.

Raising fees are illegal, but still charged

123 By CAS St Leger S. Tuis 11/4/82

PROSPECTIVE homeowners are being told they can still obtain building society bonds — if they are prepared to enter into a deal involving the controversial raising fee.

Following a Sunday Times enquiry this week, the Directorate of Financial Institutions is investigating two estate agents who have asked for, or charged, a raising fee.

One estate agent appeared unaware that the practice of charging a raising fee on housing bonds was contrary to the Limitation and Disclosure of Finances Act.

Another took the attitude that he was "just an employee".

Both instances involved senior members of the South African Broadcasting Corporation who asked not to be named because they felt their bond positions could be jeopardised.

Posing as a homeseeker, I telephoned Mrs Alette Botha, a registered estate agent with Henning Property Estates in Roodepoort.

Mrs Botha was asked about bond availability.

"If you pay a raising fee and if there is an existing bond, there are no problems," she replied.

Charge

On being told she was speaking to a reporter, Mrs Botha denied that the raising fee was illegal.

"It is not illegal as far as I am concerned. You have got to have somebody to invest a certain amount of money, and for that you pay," she said.

In February and March, Mrs Botha twice discussed a raising fee with an SABC employee.

She took the man to view a house in Witpoortjie and said: "If you decide to buy the house, we will have to find a bond.

"To acquire that bond, a raising fee (heffingsfooi) of R1 500 will have to be paid.

"To make it easier on everyone concerned, the fee will be split, with the buyer, the seller and the estate agent each paying one-third," Mrs Botha explained.

In March, when a home in Roodepoort West was being viewed, no actual amount was discussed, but Mrs Botha told the prospective buyer that the raising fee was now higher due to the increased bond rates.

Unaware

The other SABC employee bought a house in Westdene last year through Miss Vicky Benjamin and Mr Denis Butler, both of Executive Homes in Johannesburg. (Both have since left that agency and have formed their own company, New Image).

The purchaser was asked to pay a R600 raising fee on a R37 000 bond with Saambou National Building Society (which was unaware of the fee).

He elected to pay in instalments. When he had paid R300, he learnt that the fee was illegal and he was not, in fact, obliged to pay.

He took legal advice and was told: "Get your house registered and then we can take action."

The registration was effected in January and the attorney is now taking steps to recover the fee.

"We were merely employees," was the reaction of the estate agent, Mr Butler. "I am aware of the position with regard to raising fees, but I am not prepared to discuss it with you."

"Totally illegal" was how Mr E W van Staden, Registrar of Financial Institutions, described the transactions related to him.

His directorate, he said, would be conducting an investigation of those concerned and the matter would possibly be referred to the Attorney-General.

Trouble is looming large for townhouse developers

HOLDING COSTS COULD BE TOO MUCH FOR SOME AS EXPENSIVE MONEY BECOMES EVEN TIGHTER

BY TERRY MEYER
Property Editor

SOME small-time townhouse developers are likely to be in trouble in the months ahead as holding costs — the price it costs developers to hold on to unsold units — start to cripple them.

This is the controversial view of Paul Koep, managing director of Gallic Homes, one of the country's largest townhouse developers, which emerged in an interview this week.

The changing market will separate the men from the boys in the sense that holding costs for developers are increasing dramatically.

Koep pointed out that this would be partly due to new consumer legislation, such as the new Alienation of Land Act, which prevents selling until a sectional title register is opened.

Not only this, but the current higher finance costs carried by a developer until units are sold will add costs to projects, he pointed out.

A developer relying on outside finance and rapid sales, for instance, could be forced to sell out to finan-

price returns for townhouses developed by Gallic indicate excellent investment growth for homeowners.

The best returns are reflected in townhouse schemes such as De Kaap, which resold at an increase of 130%. Others are Mill Hill (82%), Riverside Park and do not reflect the even higher prices since.

HOW TOWNHOUSES HAVE GONE UP IN PRICE

SCHEME	AREA	1ST SOLD	PRICE	RESOLD PRICE
DE KAAP	Sandton	June 79	59 000	Jan 81 115 000
EAGLES NEST	Northville	Aug 80	90 000	Mar 81 120 000
MILL HILL	Bryanston/Sandton	Jan 80	41 000	Sept 80 75 000
HOUGHTON GARDENS	Yeoville	Apr 80	17 500	Mar 81 30 500
HOUGHTON GARDENS	Yeoville	Apr 80	27 500	Apr 81 39 000
PARK GATE	Fairlands	Oct 79	31 500	July 81 70 750
SPRINGWOOD	Morningside/Sandton	Mar 79	27 800	Feb 81 59 500
RIVERSIDE PARK	Bordeaux	May 79	37 250	Aug 81 80 000
PINELANDS	Hyde Park	Aug 77	62 000	Aug 79 87 250
CONSTANTIA	Sandton	Mar 77	39 250	Mar 81 120 000
SUNGLADES	Bedfordview	Jan 80	49 000	May 81 95 000
WATTLE RIDGE	Sortiga	Mar 77	44 250	Jan 81 94 000

The 'one-time' developer and the weaker developer could start to disappear as money becomes tighter and some insolvencies could occur among developers using borrowed finance and unable to sell or complete poorer quality or less attractive developments in a more selective market, Koep said.

He commented that, rather than sell townhouses at a lower cost in a 'softer' market, some developers (able to carry the holding costs on their projects) may decide to let units.

Koep also expects prices in more expensive projects to level out and to ease in less attractive schemes. However, demand for townhouses in select areas is still good.

Prices for new developments are less easy to predict. Construction quotes are definitely getting keener, but prices of building materials continued to rise and artisans are still difficult to find.

"Much depends on the area," said Koep.

The latest available resale

by Solidarity.

768 (123)
E. Post
12/4/82
**Housing
subsidy
to single
PO staff**

PRETORIA -- From this month unmarried Post Office staff will be eligible for the Post Office's housing subsidy scheme, the Minister of Posts and Telecommunications, Mr H H Smit, announced in Pretoria last night when he officially opened the 47th congress of the Post and Telegraph Association of South Africa.

The Minister said that in less than two years since the Post Office instituted its own housing scheme for staff, more than 700 housing loans amounting to R26,4 million had been approved.

He said the scheme had been extended from Pretoria and the Witwatersrand area to Durban, Transvaal country areas, Port Elizabeth and Cape Town.

Exceptionally good progress had also been made with the provision of official housing for Post Office staff, the Minister added. During the 1981-82 financial year, about R15 million was spent on housing. — Sapa

Folweni takes off

Government is gradually realising that it does not have the means to solve the country's housing crisis by following the formal township approach. The answer to the problem must lie in the direction of self-help housing.

Perhaps the rising cost of conventionally built township houses, coupled with the declining gold price and the deteriorating balance of payments situation, helped to make this clear.

Now the self-help option is increasingly receiving official blessing. Natal, through the Urban Foundation's (UF) Inanda "Newtown" self-help housing scheme, has been a pioneer in the field. This is not surprising. Demand for housing units in Durban alone is estimated at 93 000 units — more than the State-built housing stock in the whole of KwaZulu.

KwaZulu's planning, co-ordinating and advisory committee estimates that it will cost R976m to remove the current housing shortfall in Natal of 170 000 units. Statistics like these, and the UF's success at Inanda, have led the KwaZulu Development Corporation (KDC) to embark on a self-help housing project of its own at Folweni in the

Umbumbulu district. The scheme was initiated by the KwaZulu government to rehouse the 60 000 people living in appalling conditions in Malukazi — a squalid, packing-case shanty town on the outskirts of Durban's Umlazi township.

Basic facilities, which consist of gravelled roads, stormwater drains, piped water supplied to communal taps and a bucket latrine system, were provided at Folweni with funds made available by the Department of Co-operation and Development. So far 1 600 sites, measuring 12 m by 16 m, have been provided. And an extension of 5 000 sites is planned.

As in the Inanda self-help project (*Current Affairs* April 9), people are encouraged to build their own homes. But KDC officials boast that Folweni is a more down-to-earth project for one important reason. At Folweni, most of the houses are of wattle and daub, while at Inanda most are concrete. "It's not that we discourage people from building with concrete block," says Arthur Koningkramer, KDC's liaison officer for Natal. "It's just that at Folweni we are dealing with people who are less able to afford more substantial houses."

In spite of the fact that most of the houses are built of wattle and daub, they appear quite acceptable. With tin roofs glinting in the sun, Folweni is already assuming the ordered look of a conventional township. The KDC has built a demonstra-

tion house and an office from wattle and daub to show the standard that can be achieved. Officials are available to provide home builders with technical assistance.

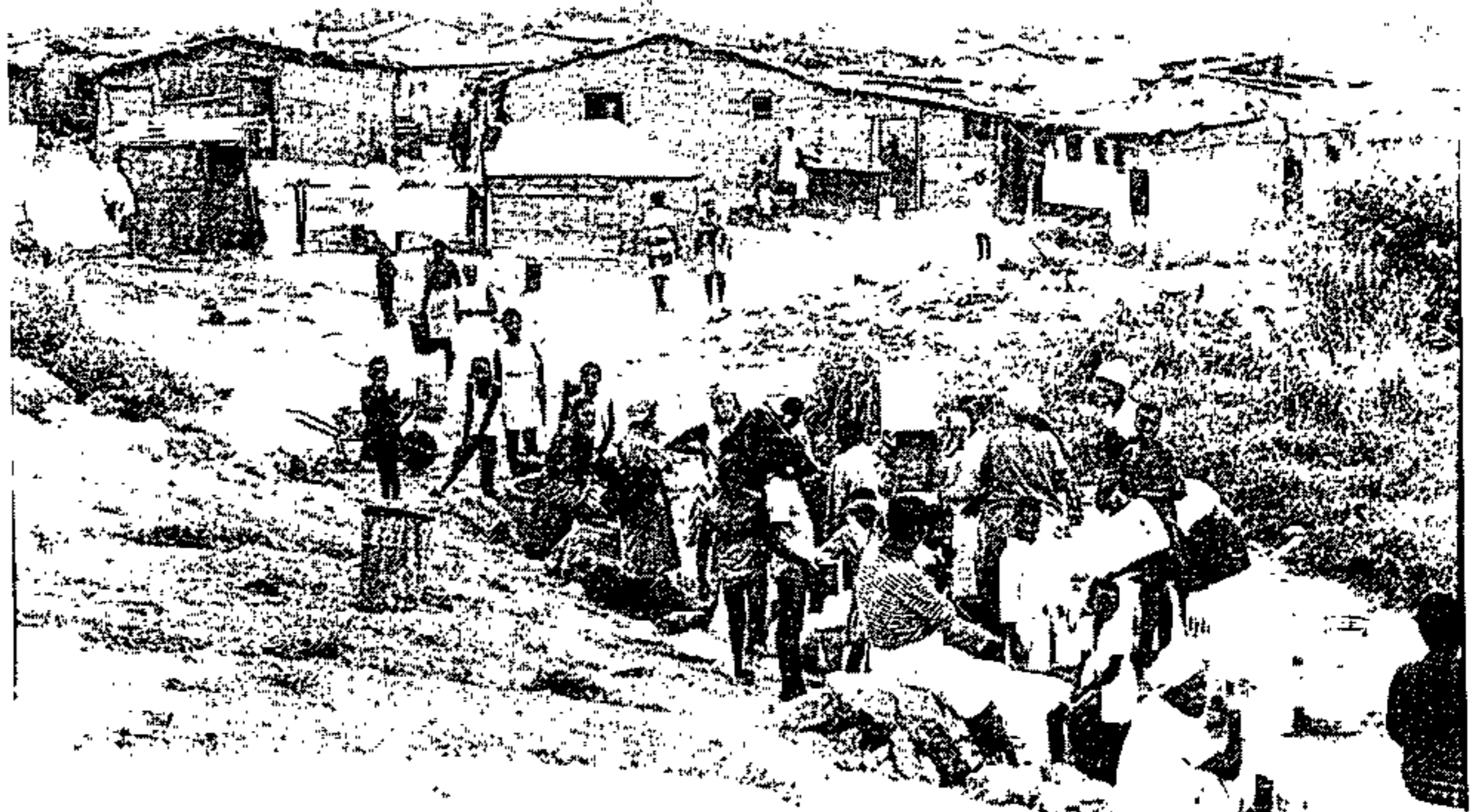
If the Folweni experiment is impressive, even more impressive is the budget on which it has been achieved. The cost of providing the infrastructure was R830 000.

repayments are R50/month which includes nominal interest charges.

So far the KDC has advanced R50 000 in the form of loan finance, with 22 loans granted and 46 in various stages of approval.

in the Umbumbulu district is tribally owned and "it's not that easy to set up a township anywhere you want one. Folweni was established only after delicate negotiations between the tribal chiefs and the KwaZulu government."

Koningkramer admits that Folweni might not have the solid appeal of a conventional township. But he notes that the buildings are far superior to those at Malukazi, from where most of the residents come. In addition, he says, it testifies to a change in official thinking on housing policy.



Folweni ... down-to-earth in major respects

This means the cost of services/site was a mere R500, compared with R3 500/site in the standard black township. It is possible to build a reasonable house for as little as R500 along Folweni lines. But the average cost of most dwellings is around R1 000, which includes materials and labour.

Compared with the cost of the average

al. The one possible drawback of Folweni is that it is a long way from employment centres. The township is 14 km from Umlazi, with Durban another 15 km away.

But as Koningkramer points out, the land

Saturday, April 17, 1982

No to full black property rights

CAPL Times 17/4/82 (123/27)

Political Staff

HOUSE OF ASSEMBLY — The Prime Minister, Mr P W Botha, has squashed two major aspects of black aspirations — full property rights and South African citizenship.

However, he has not entirely ruled out some reciprocal citizenship terms of passports and other benefits once a confederation had been established.

These two issues, which have been at the forefront of black demands, were raised during the Prime Minister's vote in which Mr Botha spelled out in greater detail than ever before his general views on a future confederation.

He told the Leader of the Opposition, Dr Van Zyl Slabbert, that the government had gone "a long way" with the 99-year leasehold rights for blacks in the white urban areas and could not go further.

It would create "chaos", he said, and pointed out that even in the homelands not everyone was entitled to full property rights.

Sovereign states

Dealing with the concept of a Southern African confederation, Mr Botha said that the homelands became full sovereign states once they accepted independence from South Africa. Legal experts nevertheless distinguished between citizenship nationality.

He said he wanted to deal with the matter in some detail because Mr Vause Raw, leader of the New Republic Party had raised the issue of a common citizenship in the envisaged confederation.

"The first fundamental fact that he has to understand is that a confederation, unlike a federation, is not a state and therefore it cannot have citizens or nationals," he said.

"A confederation is a formal association or society of independent states which derives its existence from a multi-lateral treaty which also serves as the charter of the confederation.

"The confederation is normally formed for a well-defined purpose such as a mutual desire to co-operate in certain specific fields, for example, foreign affairs, defence, trade and finance."

Independence

A confederation had no central government with authority over the member states which retain their independence and sovereignty.

However, it did have to have a "confederal structure" in the form of an assembly or council which could not usurp the functions of government. The co-operation of the member governments was needed before the recommenda-

tions of the confederal assembly could be carried.

The functions of the assembly were limited in scope and had to be extensively defined. Representation was on the basis of "semi-diplomatic representation such as that in public international organizations".

Representatives were appointed by their governments and were not elected.

Various secretariats would have to be established to carry out the confederal assembly's recommendations or those of its specialized agencies.

"It is also not uncommon to establish an arbitral or judicial body to interpret the multi-lateral treaty and to decide questions of law," he said.

There would be no formal "head of state" and recommendations were formulated on a basis of unanimity.

"However, having said this, I wish to point out that there would be no reason barring a confederation from discussing and seeking solutions regarding matters which concern the citizenship and nationality of citizens and nationals of participating states," said Mr Botha.

"For instance, the fact that the international community consistently refuses to recognize the legal fact of the independence of the states that were formerly part of the Republic, certain problems regarding the passports issued by those states are being experienced.

"I would think that it would be appropriate for a confederation which involves those states to devise a method to solve this problem.

"It would also be possible for a confederation to consider reciprocal rights for the nationals of participant states in one another."

Mr Botha said this was already being done on a bilateral basis and there was no reason why it should not be done on a multi-lateral one.

"In character some such rights may in substance resemble citizenship rights such as preferential job opportunities and residence rights."

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killing the roof



their rents have just been raised to about R900 or R30 a day. They will join the landlords are asking in accommodation-starved Johannesburg.

them," he said.

In another case a Johannesburg businessman, Mr T A Bernhardt, was evicted from his flat at Malija Court in Bellevue because the landlord, Mr M Zar, wished to move members of his family into it.

"In the nine months I have lived in the flat I've spent at least R500 redecorating it and the landlord refuses to refund a cent of it.

"Instead he has offered me a pokey little flat upstairs in exchange for my flat — which gives me no choice about moving out.

"So his family is going to have the benefit of hours of hard work — and I am on the street.

"What makes it worse is that there is nothing I can do," he said.

Miss Louise Lazarus, an airways hostess, has been trying for three months to

find a flat for herself and two friends to live in.

"The landlords just don't seem to want to give their flats to single people.

"Every time we see a flat we like the landlord tells us he doesn't like single people because they are rowdy and messy.

"It's just not fair to us," she said.

But while rents are soaring higher and higher, the quality of accommodation seems to drop lower and lower.

Often a "desirable executive flatlet with private garden and kitchenette," is a converted servant's quarters with a pocket handkerchief of lawn outside and the kitchenette is a tiny formica top with a sink next to it.

Back to Mr Levy: "When a flat comes on to the books we have no idea what sort it is.

"But there are a great many converted garages and servants' rooms being let as executive apartments which is basically illegal because you are only allowed to have one dwelling on a property."

Another estate agent, who did not want to be named, said: "The tenant isn't getting the deal he used to.

"A few years ago when you moved into a flat it was a forgone conclusion that the landlord would decorate it before you moved in.

"These days any painting that is done has to be done by the tenant or not at all.

"It has even got to the stage where fixtures and fittings to the interior of the house have to be cared for by the tenant because the landlord feels, why should he?

"The landlord knows he will have a tenant whatever the condition of the flat — so why should he bother?"

THEY MAY PAY HALF THEIR WAGES FOR A PLACE TO LIVE

123
SUNDAY EXPRESS APRIL 18, 1982

EXPRESSSCOPE

DESPERATE TENANTS WARNED THAT SOON

Landlords make a as rents go through



BY CHRISTINA PRETORIUS

BY THE end of 1982 South Africans will be spending at least 50% of their salaries on rent.

This is the view of an authority on the accommodation crisis, Mr Ronald Levy. The average South African now spends only 25% of his salary on rent.

In the United States people budget a third of their salaries for paying the rent and in Europe rent takes a 50% chunk out of salaries.

Coupled with the increase in rents is the shortage of 20 000 homes — most in the densely populated Vaal Triangle — announced in March by the Minister of Community Development, Mr Pen Kotze.

And the difficulty in acquiring building society bonds means that buying a house — at any price — is extremely difficult. Rented accommodation seems to be the only escape — but many hazards face tenants.

Despite estate agents and accommodation specialists advising tenants to sign long leases, persuading a Johannesburg landlord into a lease longer than two months is just about impossible.

At one time short leases were more to the advantage of the tenant than the land-

lord but today the position is reversed.

Once the tenant has been lucky enough to find accommodation he is forced to stay put, but the expiry of the short lease gives the landlord carte blanche to raise the rent.

And landlords are not above evicting tenants to install favoured members of their families.

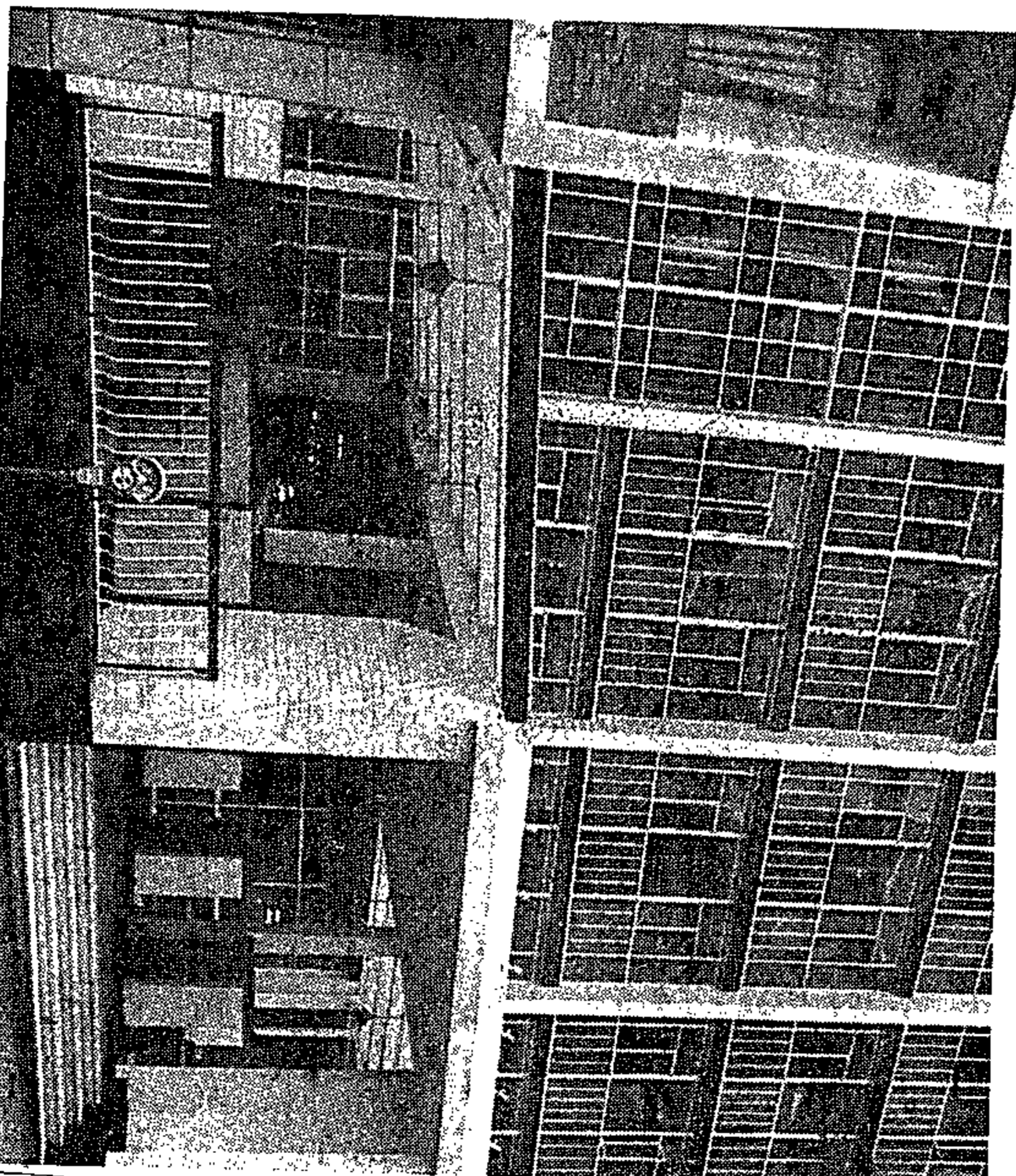
In the case of landlords who want to sell flats tenants are often 'evicted' when rents are raised so high the tenants are forced to leave.

Mr Levy, managing director of Seekers' Accommodation Agency, said that by the end of this year tenants will have to hand over at least half their salaries to their landlords.

"Today the landlords are in the driving seat.

"They can literally demand what they please for their accommodation.

"The problem is not going to improve — it is bound to get worse," he said.



● St Tropez. Tenants of this Hillbrow residential hotel are desperate because ranks of homeseekers who can no longer afford to pay the high rents

behind in building accommodation for the future. Today, although there are many flat-sites available, the cost of building is too high.

"Developers cannot build flats for which the tenant will be able to pay a reasonable rental," said Mr Levy.

Mr Basil Elk, president of the Institute of Estate Agents, said this week that landlords were not "bogeymen".

"South Africans have been living at a false level for too long.

"All the increase in rentals means is that we are at long last drawing into line with America and Europe.

"But even now landlords are not getting a true return comparable with the cost of the building the tenants are living in.

"Landlords have been playing the Government's role for too long.

It is not for private enterprise to run sheltered accommodation and old age homes and to help pensioners.

"If the Government had made more of an effort to encourage the building of flats maybe the tenant — and the landlord — would not be in the situation they are today," he said.

When I visited Seekers' Accommodation Agency this week they had 272 homes for rent — but, other than a few bachelor flats, there were no other flats available for under R200 a month.

The average price for a two-bedroom flat is R425 a month.

In April 1981 the average rent was R200 a month.

Even in the traditionally 'lower-class' parts of Johannesburg — Mayfair, Newlands, Brixton, Turfontein, Rosettenville, South Hills,

Southdale and Robertsham — the rents are comparable with the rest of Johannesburg.

The stranglehold landlords have over their tenants is most evident in Johannesburg's residential hotels.

This month some the tenants of the St Tropez Hotel, Hillbrow, had their rents for single-roomed apartments upped to R775 (or R25 a day) a month from R193, when the building was sold and the new owners decided to turn it into a 'foodless' hotel.

The tenants — the rents of those in two-roomed apartments have skyrocketed to R900 a month (or R30 a day) — received a letter warning them of the rent increase and allowing them two weeks notice if they wished to leave the block.

Mr Levy said there had been a flood of St Tropez residents joining his agency.

Mrs Ethel Spall, a widower who lives in the block, had to receive medical treatment after being advised of the increase.

"I nearly had a heart attack when I heard what the rents were going up to.

"I just don't know what I'm going to do — I have nowhere to go and I just don't have R900 a month to spend," she said.

"There are dozens of people in the block who are in the same position as I am.

"How can someone earning R500 afford to live these days. I don't know. I won't be able to live," she said.

The manager of the hotel, known only as Billy, said there was nothing he could do.

"I've been manager of this hotel for nine years and I've never seen anything like it.

"I do sympathise with the tenants but I can't help

123

SUNDAY TIMES, Business Times, April 18, 1982

3

THIS IS WHAT IT WOULD COST THE POTENTIAL HOME BUYER

Purchase price	80% bond	Term (years)	Rate (%)	Monthly repayment	Required salary	Deposit	Bond/inspection costs	Transfer cash	Cash required
R18 750	R15 000	30	13½	R172	R688	R3 750	R310	—	R4 060
R28 050	R22 440	25	14	R271	R1 084	R5 610	R405	—	R6 015
R43 812	R35 050	20	14¾	R455	R1 820	R8 762	R490	R1 215	R10 467
R62 500	R50 000	20	15¼	R668	R2 672	R12 500	R595	R1 875	R14 970
R85 000	R68 000	20	15½	R908	R3 456	R17 000	R722	R2 615	R20 337

Figures supplied by SA Association of Building Societies

Changes needed to save home owning, building sector

● From Page 1

low) required from bond seekers to obtain even the most modest dwellings or flats by yesterday's standards.

● A crisis of expectations. Young South Africans have been conditioned to expect to buy the sort of houses in the sort of areas in which they were raised. This will become increasingly unrealistic.

● The fact that there is little or no tax relief in SA on bond repayments, or in other ways which would help home seekers.

Such relief, common overseas, would enable the building societies to extricate themselves from their current bind in which they are under political (ie, artificial or non-market) pressure to hold down bond rates, when market forces would naturally force these still higher.

This would allow the societies to compete more effectively with the banks for funds to finance bonds granted.

What are the solutions? Estate agent Eskel Jawitz says there are three "archaic" constraints on home ownership. He lists them as:

- The 20-year maximum repayment term on bonds over R30 000.
- The "absolutely crazy" loan ratio of 25%.
- Discrimination against working married women, whose incomes may not be combined with their husbands for purposes of arriving at their bond ceiling.

An unhelpful constraint lying on the horizon and damaging buyer confidence is the proposed fringe benefit tax on bond assistance provided by employers.

Elimination of the four-to-six-year delay in township proclamation and the delays in obtaining sectional-title registration are other factors also aggravating the home-ownership situation, says Mr Jawitz.

While acknowledging the problems facing potential home owners — primarily the bond drought — he says he does not entirely subscribe to the view that the situation has reached the edge of an explosion.

"White South Africans tend to over-house themselves," he says.

"Young people looking for a home should ask themselves what their counterparts overseas would accept as reasonable accommodation."

"They should not dream of the ideal house and then try to buy it. They should buy what they can afford irrespective of the type of accommodation or the suburb."

"The worst thing to do is to rent accommodation while trying to accumulate further capital."

This week the societies announced rises in tax-free and subscription shares. This has done something to bring the societies into rough parity with returns offered by some other institutions. But they still suffer by comparison with Government bonds.

If the impasse cannot be overcome, the only resolution of the home seeker's nightmare will be the participation of other financial institutions — banks, insurance companies etc — in the mortgage bond business.

Revolution threatens

THE towering walls of South Africa's entire home-building, home-financing and home-trading edifice are in critical danger of collapse.

The huge but antiquated system is threatened not only by factors in the current sharp downturn in the business cycle.

It is also sliding fast into a structural senescence brought on by fast-changing fundamentals in economic and (home) sector conditions.

Some possible solutions are suggested further on in this report.

On the cyclical side, the all-important industry, affecting virtually every South African, is being crippled by:

● The worst drought in mortgage bonds in memory.

● Soaring interest rates on bonds.

● Unequal competition between the banks and the building societies for funds to finance the bonds.

● Bad judgment on the part of the societies in granting unrealistically generous bonds too liberally during the boom, thus forcing up prices to their current absurd levels.

Thus the unwary among home seekers were fooled into overpriced properties which they could not really afford, and are now staggering to maintain repayments or are being forced to sell.

When money was in surplus the societies upgraded house and apartment values. Now, say agents, they are refusing to downgrade values despite the fact that this is what the market demands.

And they (and many estate agents) are doing little to discourage sellers from continuing to seek ridiculously high prices.

● Not least, the inexorable rise in home-building material and labour costs — now far outstripping the country's general inflation rate, and with structural as well as cyclical roots.

By STEPHEN ORPEN and COLIN BOWER

123 S. Times 18/4/82
to shatter

R11 000-m

homes industry

More important on the so-called "structural" side, the growing earthquake is mainly the result of:

● An institutional structure for bond finance that is no longer able to cope or compete without increasingly shattering disruptions to living conditions and lifestyles.

● Conditions for bonds which have made nonsense of the relationship between bond repayments (far too high) and the monthly incomes (far too

● To Page 3

Many factors making bond backlog worsen

123 19/4/82 Star

Chief Reporter
The backlog of home-seekers waiting for building society bonds continues to grow as South Africa enters an economic slump.

Any hope would-be homeowners may have

had that the downturn would reduce demand for homes and ease the predicament of building societies, has been dashed.

Mr Tim Hart, executive director of the Association of Building

Societies, said there were no signs of any let-up in demand for building society finance.

On the contrary, the backlog of bond applications was continuing to grow, he said.

Mr Hart pointed to the scarcity of money due to Government fiscal policy and the gold price drop as reasons why fewer bonds may be granted.

Dr Chris van Wyk, joint managing director

of Trust Bank, said that there would have to be a savage rise in interest rates charged to borrowers to restore the flow of money to building societies. The alternative was for the Government to subsidise bonds, he said.

To each a fair place, says PW

OUTDSHOORN — The Prime Minister, Mr P W Botha, says he has no further political ambitions in South Africa and wants only to see each population group allotted a fair place in



ination to appreciate the pride of a man who has actually built his own family's home nor of the admiration he receives from his family.

If a home builder gets stuck there's a foundation man around — a black building expert — to advise, but usually the builder asks a neighbour. A man with an aptitude for hanging doors might hang those of his neighbour's in exchange for his neighbour fixing his windows.

As Chris put it: "We just show them how."

Today the plans for 524 homes have been passed at Khutsong and 418 have been built or are being built.

IKAYA LETHU

Absenteeism has dropped by half.

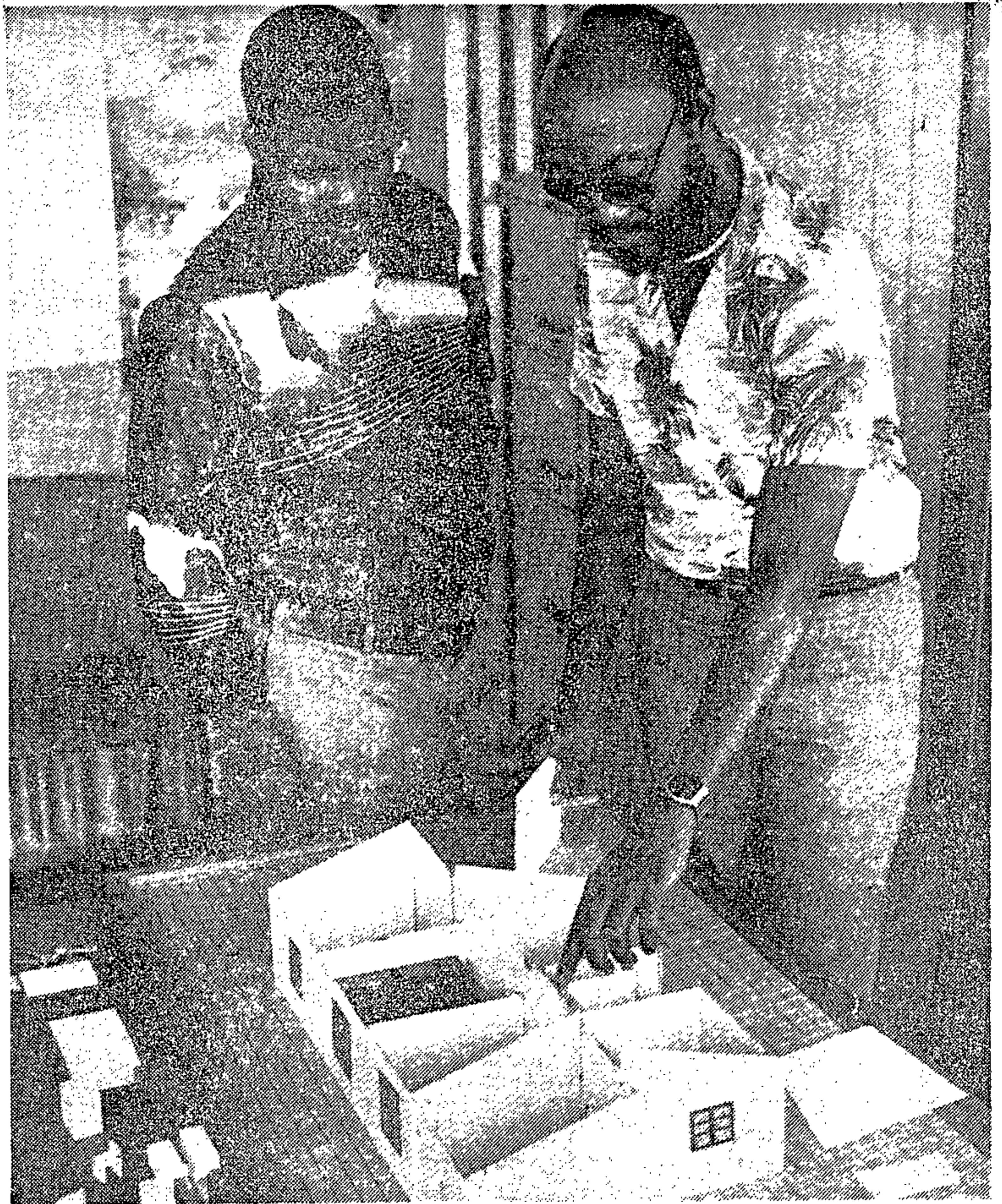
The ambition of the homebuilders of Khutsong is to extend their homes and embellish them. Some have already replaced the standard front doors with ornately carved doors. Some have begun laying out gardens.

The people have formed their own residents' association to keep an eye on standards and collect ideas.

The little bits of extra money that might, in the past, have gone on drink—what else was there?—today goes on new furniture, curtains, rugs or on the garden.

The word Khutsong means "place of rest." That is appropriate enough. But it might change in time because the people have nicknamed the scheme "ikaya lethu" — our own home. Put a capital letter in there and it has the ring of a town that has proven something of immense importance.

The self-help



How to build a house for a little more than R3 000 — Mr Steve Manyane, senior liaison officer of the Urban Foundation (right) examines its model of a home designed by the prospective homeowner who has never before designed a home. The man went on to build his own house.

housing scheme at Khutsong will continue indefinitely. Now a similar and larger scheme has been started at Katlehong near Germiston. There again nobody will have subsidised anybody.

LITTER AT THE ZOO

I had a call from a reader on Tuesday last week — the day after the Easter Holidays — complaining of the awful litter outside the

zoo. I had seen it myself on the way in that morning and it was a sorry sight. But I also noticed that all the litter bins outside the zoo were filled to overflowing. The fault then lies with the municipality.

FIGHTING THE NOISE MENACE

The Keep Johannesburg Quiet campaigners meet again tomorrow evening this time to define what sort of action they want the authorities to take against

the rising crescendo of urban and suburban noise.

The situation at the moment is that the local councils have not the foggiest idea of what to do. The Traffic Department is impotent when it comes to booking noisy motorcyclists. The sellers of certain motorcycle exhaust systems — especially made to produce noise — are laughing all the way to the bank.

Owners of noisy trucks, motorists who use their horns un-

necessarily, demolition firms with their jackhammers and compressors, owners of constantly barking dogs — they are all able to get away with it simply because there are no effective laws, or, where the laws exist they are not implemented.

The only way to check noise pollution and curb the stress it causes is to bring pressure to bear on our deaf councils.

The meeting is at 8 pm at the Union Club (69 Joubert Street) tomorrow.

THE ENVIRONMENT

A model of hope for Africa

Everybody loves a story with a happy ending. Everybody likes a story filled with hope. And everybody with a soul enjoys reading of how people in the depths of despair pick themselves up and make a go of it.

Here's a story with all three elements. Last week I raised the question of how are we going to build 4 million homes in the next 20 years when the cost of a decent home, albeit ever so modest, is R20 000? This week I know how. Chris du Plessis, an old friend now with the Urban Foundation in Johannesburg, told me about it.

The James Clarke column



There is a shanty town called Vull-kombers — "dirty blanket" — near Carletonville. Its inhabitants, with grim humour, called it thus because they were "removed" to that miserable area so quickly from their traditional place that there was no time to wash their blankets — a custom black people have when they move from one place to another.

The shanty town is not far from

Spooktown, another shanty town whose name has all the sparkle and poetry of other shanty towns of recent memory like Shinkwater and Winterveld.

Its inhabitants were despondent, some often drunk. They worked on local farms, on the mines or in town. Absenteeism was high. Hope for the future low. Eleven thousand

families in rows of hot tin sheds.

The two shanty towns are part of Khutsong, a township. The Urban Foundation selected Khutsong to demonstrate something called self-help housing. The local administration board agreed to lay down roads and services. The Urban Foundation took over from there. What it has done must surely be a model for the whole of Africa.

First they won the trust of the shanty dwellers. Then they identified the opinion leaders. They showed them models of various types of houses — decent houses with toilets, bedrooms, kitchens, pitched roofs . . .

"WE SHOW THEM HOW"

The foundation set up a site office with a table in which geometrical grooves were cut (see picture). By using pieces of board which slide into the grooves the people were shown, one family at a time, models of their own existing shack. The proportions were accurate, even the family furniture was placed in the shack exactly as the family had it arranged back home.

They were then shown how to assemble a model of a house of their choice. The windows stick on by magnets. Model furniture could be arranged. Father, mother, children — the family gathered

about the table and designed their own home. An Urban Foundation in an stood by and gave advice only when asked.

The head of the family was told how he could build his own home for just over R3 000. Life back in the shanty towns perked up. People were planning, discussing designs and techniques. All a man had to do was pay a R200 deposit. If he hadn't got the money he could work off the deposit by making bricks in the Urban Foundation's nearby brickyard, or help assemble roof trusses. Bricks, trusses and materials bought in bulk by the foundation are sold at cost. One does not have to have much imag-

123 Rent structure for housing 21/4/82
thousand R. Col. 662
*19 Mr. C. W. EGLIN asked the Minister of Community Development:

Year
1970
1971
1972
1973
1974
1975
1976
1977
1978
1979
1980

- (1) Whether the Government has appointed a committee of experts to investigate all aspects of the present rent structure for housing financed through his Department; if so, who are the members of the committee;
- (2) whether the committee has commenced its investigation; if so, when is it expected that the committee will submit its report?

The MINISTER OF COMMUNITY DEVELOPMENT:

- (1) Yes, I have appointed a committee of knowledgeable persons from the private sector as well as the public sector. The composition of the committee is as follows:

Chairman: Mr. B. A. van der Vyver
 - Deputy Director General
 Community Development
 Members: Mr. W. J. Marais- Deputy
 Director General: Building Services (Community Development)
 Mr. P. D. McEnery—Chief
 Director: Community Development
 Prof. T. Louw—Chairman,
 National Housing Commission
 Mr. D. Cleary—Member of
 the National Housing Commission and Housing Manager, City Council of Port Elizabeth
 Mr. C. H. Kotzé—Chief Director, Central Transvaal Administration Board
 Mr. W. J. van den Berg—
 Town Treasurer, Brakpan.

Address: P
 J
 2
Officials: S

Area of Operation: National
Founded: + 1920
Registration: No

White	Total
..	..
..	..
..	..
694	718
738	767
686	690
607	615
560	594
596	604
..	642
672	703

x
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Telephone: (011) 642 4601

1977 - Opens ranks to blacks.
 1973 - Affiliates to TUCSA. Withdraws from TUCSA in 1977.

(123) Hansard Q.61. 675-
Housing Act: assistance 676

21/4/82
541. Mr. C. W. EGLIN asked the Minister of Community Development:

- (a) What were the last two dates on which the income levels for qualification for assistance under the Housing Act were adjusted and (b) what were the income levels that were set on each of these dates?

The MINISTER OF COMMUNITY DEVELOPMENT:

- (a) March 1975 and September 1980 in

21 APRIL 1982

676

the case of Whites and June 1977 and September 1980 in the case of other population groups.

- (b) March 1975 R540 per month
- June 1977 R540 per month
- September 1980 R650 per month

Registration: Applied for registration 15/4/81

Founded:

Area of Operation: Walvis Bay

Officials:

Telephone:

Address: Private Bag 5017
Walvis Bay
9190

WALVIS BAI MUNISIPALE PERSONEELVERENIGING

Payment of fees to housing development
 company 23/4/82
 123 Hausard Q.61. 696
 *13. Prof. N. J. J. OLIVIER asked the
 Minister of Co-operation and Development:

- Whether his Department has instituted an investigation into the alleged payment of fees by Blacks to a certain housing development company, the name of which has been furnished to the Minister's Department for the purposes of his reply, in respect of the allocation of stands for residential purposes (a) in Soweto and (b) elsewhere?
- †The MINISTER OF CO-OPERATION AND DEVELOPMENT:
- No, but I have requested that all the facts be accumulated by the Department of Co-operation and Development and put before me as soon as possible.
- Questions standing over from Wednesday, 21 April 1982:
- D. East :S Union.
 - J. Erntzen ssociation.
 - S. Essop (Ch.).....
 - G. W. Francis rs & Conductors Union (P.E.)
 - A.E. Frazer Peninsula).
 - A.G. Foobiah loyees Union.
 - R. Fortuin inion (Natal).
 - D.N. Gillies..... ssociation (Southern Areas)
 - R. Goed..... Witwatersrand Bakery & Confectionery Industrial Union.
 - M. Govender..... Natal Baking Industry Employees Union.
 - A. Grobler S.A. Jockeys Association.
 - P. Grobler Artisan Staff Association.
 - C.J. Groenewald..... Kimberley Transport Workers Union.
 - A. Hamman Johannesburg Municipal Workers Union.
 - M.F. Hansa Transport Workers Union (Coloured and Asian)
 - D. Hartogh Garment Workers Industrial Union (Natal)
 - J.M. Harper..... Boland Inmaakwerkers Vereniging
 - D. Hartwell S.A. Operative Mason's Society.
 - J. Heeger National Union of Commercial and Allied Workers.
 - I. Heineberg National Union of Distributive Workers.
 - J. Hendricks Western Province Sweet Workers Union.
 - P. Henry Chemical and Allied Workers Union.
 - M. Herbert S.A. Canvas and Ropeworkers Union (Cape).
 - J. Hlongwane S.A. Theatre Union.
 - F. Jordaan Cinematograph Projectionests Union (Coloured).
 - G.J.B. Janse van Rensburg Durban Integrated Municipal Employees Society.
 - E. Jacobs Transvaal Musician's Union.
 - M. Kagan Steel Engineering and Allied Workers Union.
 - B. Khumalo National Union of Leather Workers.
 - G.J.B. Janse van Rensburg S.A.R. & H. Employees Union.
 - E. Jacobs Die Spoorbond.
 - M. Kagan Witwatersrand Liquor and Catering Trade Employees Union.
 - B. Khumalo Witwatersrand Tearoom, Restaurant and Catering Trade Employees Union.
 - B. Khumalo Black Allied Workers Union.

23/4/82 123
COM

Building Society flat-buying slammed

By PENNY CUMMINS
Property Editor

PEOPLE may be forced onto the streets if building societies continue to buy blocks of flats, according to a Johannesburg estate agent.

"The function of a building society is not to buy existing blocks of flats and throw people on to the streets if they can't afford to buy their homes", he said yesterday.

Mr Errol Friedmann, joint managing director of JH Isaacs, was commenting on the purchase of La Fayette, a block of flats in Illovo, by the Southern Trident Building Society's development company. The deal was completed on April 1, when the Trident had already been incorporated into the United Building Society.

"A Building Society's responsibility is to provide money for housing," said Mr Friedmann. "That doesn't mean venturing into high class areas and selling

exorbitantly."

Mr Allan Wentzel, erstwhile managing director of Southern Trident, said the deal was an exception.

"We converted and sold several blocks of flats under sectional title. The others, which were concentrated in Natal, Florida and Roodepoort, were for lower and middle income buyers. But I thought that La Fayette would provide a good return on investment."

In a newsletter published last month, JH Isaacs castigated societies which paid above market prices for buildings, and were preparing to sell the flats at a profit.

Since 1970 Building Societies have been empowered to operate development companies. The companies cannot hold more than R12 million of property investment at one time. As a matter of policy they tend to concentrate on developing and proclaiming townships, and developing groups of new houses or sectional title units.

The housing they create is usually for middle or low income families, both black and white. But most societies have engaged in the occasional high income project.

"The development arms are there to make a profit," said Mr Wentzel.

Mr Friedmann said yesterday that the practice of buying and reselling blocks of flats by building societies had now ceased.

"The building societies agree with us that it is wrong, and they are in sympathy with our attitude."

The Director of the Association of Building Societies, Mr Tim Hart, said yesterday that he was not aware of societies buying and reselling flats.

"They must be exceptional. I am only aware of the development corporations creating new housing. But I'd think it a very good idea if they were to dolly up and improve an existing building and then resell it. It certainly isn't illegal or undesirable."

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Leases: Suzman, Morrison clash

CAPC Tind 22/4/82 (123) 123

Political Correspondent

HOUSE OF ASSEMBLY — The Deputy Minister of Co-operation, Dr George Morrison, clashed with Mrs Suzman on the availability of land for the 99-year leasehold scheme.

He said that by the end of February this year 18 182 plots had been made available for the scheme.

In addition, more than 14 000 applications had been received for the scheme and by the end of 1981, 12 000 applications had been approved.

Earlier, Mrs Helen Suzman, MP for Houghton, slammed the government for "allowing every possible bureaucratic obstacle" to stand in the way of the private sector acquiring leasehold land in the black townships.

She said that housing developers and employers were by no means re-

assured that an amendment to the Black Urban Areas Act passed last year in fact gave them the same security of title and tenure as black lessees under the 99-year leasehold system.

The amendment, which was introduced at the end of the last session of Parliament, was interpreted as a move to open the black townships to the private sector by extending to them the same security for title and tenure enjoyed by blacks under the 99-year leasehold scheme.

The legislation arose from a key recommendation of the Viljoen com-

mittee report on black housing.

Mrs Suzman said the shortage of land remained a "major stumbling block" to the provision of housing units in every black township in South Africa.

"As for the obstacles provided by the absolutely idiotic regulations about survey, they continue to make the acquisition of 99-year leasehold — either by individual blacks or by the private sector where whites are concerned — practically impossible," Mrs Suzman said.

She also condemned the government for failing to implement the urgent recommendations of the Viljoen committee report concerning the payment of subsidies for housing.

"This vital issue was referred to a committee under the Deputy Minister of Finance, Mr Danie Steyn, for 'urgent investigation' as suggested by the Viljoen committee.

"What has emanated from this committee? For without a proper formula for subsidization the recommendations of the Viljoen committee are still-born," Mrs Suzman said.

The report had stated: "The subsidies should be determined, the criteria set and the revised subsidy scheme introduced as a matter of the utmost urgency."

Mrs Suzman said: "A further three months have passed since the deputy minister's committee was set up. That makes it nine months since Viljoen reported."

"Thus, meanwhile, the shortfall in housing in Soweto has gone up by a further 2 660 units, using the Viljoen estimate of 4 000 additional units required per annum."

The Viljoen committee had estimated that the shortfall in black housing in the urban areas was 168 000 which would cost R1 700m to meet.

In Soweto alone the shortfall was about 35 000 units, growing at the rate of 4 000 units a year. 55 000 units were required in Soweto over the next five years.

Members' Questions

Planned City coloured area under review

THE government is now studying the Group Areas Board report on the proclamation of a coloured group area in Constantia or Hout Bay. The minister of community development, Mr Per Kotze declined to say what the board had recommended. "The report of the group areas board was only received recently and is at present under consideration," he said in reply to a question from Mr Roger Hulley (PFP Constantia).

Kitson saw father five times

MISS AMANDLA KITSON was allowed to see her jailed father, David Kitson, five times in five days during her recent visit to South Africa, the Minister of Justice, Mr Kobie Coetsee, said yesterday. Mr Coetsee said these visits "constituted a deviation from existing policy. I, however, considered this to be justified in view of the fact that Miss Kitson lives abroad." He was replying to a question by Mrs Helen Suzman (PFP Houghton).

5 Robben Island prisoners under 18

NONE of the 386 prisoners serving sentences on Robben Island for crimes against the security of the state were under the age of 18, the Minister of Justice, Mr Kobie Coetsee, said yesterday. Five of the other 201 prisoners on Robben Island were under 18. He was replying to a question tabled by Mrs Helen Suzman (PFP Houghton).

55 doctors left SA last year — PM

THE NUMBER of doctors to leave South Africa permanently dropped from 123 in 1979 to a preliminary estimate of 55 last year. This was disclosed this week by the Prime Minister, Mr P W Botha, in a written reply to a question by Dr Alex Boraine (PFP Pinelands). Mr Botha said 123 medical doctors had left South Africa permanently in 1979, 59 in 1980 and the preliminary figure for 1981 was 55.

Govt not notified of Ciskei toll-gate

THE CISKEI Government had not informed the South African Government of its intention to erect a toll-gate barrier on the national road between Grahamstown and King William's Town, the Minister of Foreign Affairs, Mr Pik Botha, said yesterday. He was replying to a question by Mr Errol Moorcroft (PFP Albany). — Political Staff and Sapa

ca B.

Govt 'winning' housing battle

HOUSE OF ASSEMBLY — The battle against the shortage of housing for blacks was being won, the Minister of Co-operation and Development, Dr Piet Koornhof, said yesterday.

Replying to debate on his budget vote, he said there had recently recently been considerable changes in the government's attitude towards the housing problem.

The state was now providing low-cost housing for only the lowest income groups but was providing infrastructure to make it possible for higher-paid individuals and their employers to erect dwellings more easily.

Dr Koornhof said the 99-year leasehold scheme had made a relatively slow start, but more people were expected to make use of it during the next year than had done so in the past four years.

It had been decided that aerial surveys for land apportionment in Soweto would reduce costs considerably and would reduce the time of surveying the entire area from eight years to one year.

Dr Koornhof said he had hoped to be able to make an announcement in this regard yesterday, but the scheme still required the Surveyor General's seal of approval. An announcement could be

expected in the near future.

Good progress had been made last year in the erection of dwelling units in Soweto and elsewhere. The provision of infrastructure in Soweto was developing into a success story, the minister said, adding:

"Watch Soweto in the next two to three years."

Steps were being taken to make Soweto economically self-sufficient and this situation should be achieved within about five years.

Dr Koornhof said the next regions to enjoy such concentrated attention would be urban areas of the Eastern Cape.

He stressed that it was the duty of employers to help their employees secure proper housing.

"The colossal housing problem can be solved if we all work together," he said.

Development and housing in the urban areas enjoyed the highest priority next to the development of the national states and the urbanization problem was receiving high-level attention.

The Planning department in the Prime Minister's office was working on a national urbanization strategy aimed at a more even population spread. — Sapa

EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered); leave columns (2) and (3) blank.

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NOTE

1. The answers only on the right hand pages will be marked. The left hand pages may be used for rough work, but no credit will be given for such work.
2. 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.
3. 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.
4. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.

1. 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



Mr R. M. Friedlander, of Claremont, Cape Town and Mr O. C. Vermeulen of Grahamstown, at the CPMA congress in East London.

Dept urged to lower housing standards

⁽¹²³⁾
EAST LONDON — The Department of Community Development has been urged to lower the standard of its subsidised houses because they are becoming too expensive to live in.

Delegates at the annual congress of the Cape Province Municipal Association made the appeal here yesterday because of increasing problems in their subsidised housing schemes.

The Grahamstown municipality proposed a motion calling for greater freedom for councils

O. Ripstein
23/4/82
"to develop housing schemes at reduced standards with funds from the Department of Community Development". The motion was passed after discussion.

Delegates from Grahamstown said it was becoming difficult to keep rents down for subsidised houses because of rocketing costs.

They were backed by a Cape Town city councillor, Mr J. A. K. Muir, who urged the CPMA executive to call in expert help on the matter. —
DDR

TRIBAL LAW FM 23.4.82 The women lose out

123
An anomaly between tribal and civil law is placing building societies in an invidious position, and black women are bearing the brunt of it.

The Association of Building Societies (ABS) has advised members that granting loans to black women wishing to register leasehold is simply not worth the risk.

An unresolved conflict surrounding the

contractual rights of women married in terms of traditional or customary union is at the heart of the matter. A woman who is married in terms of customary law is legally a minor and has no contractual capacity. Moreover, even if her parents have been married in terms of customary law and she is married in terms of civil law, if she is later divorced or widowed, she reverts back to minor status and her father or nearest male relative becomes her guardian.

Says one legal spokesman: "The majority of urban women are detribalised, married in civil law, and won't enter into tribal marriages. However, a situation can arise where a mortgage is advanced and a man later appears and says he is the customary law husband and that she is a minor and not in a position to create binding obligations. In the case of single, divorced or widowed women, the risk is even greater."

Women married under ante-nuptial contract are not regarded in a more favourable light. The reasoning is that even if the woman is married in civil law under an ante-nuptial contract, she could lose her husband, get divorced, and marry a second time in customary law — in which case she once again becomes a minor.

"Considerable difficulties are then created in enforcing the mortgage bond," says a society official.

Says ABS executive director Tim Hart: "Although societies are keen to grant loans to black women, we have advised all our members that they're on thin ice legally. Opinion is that, in terms of the law, we might be entering into an unenforceable contract with a woman who could be a legal minor."

The problem is complex. In terms of Section 6A(1)(a) of the Blacks (Urban Areas) Consolidation Act, administration boards can grant 99-year leaseholds to "qualified" persons. The Act is sexually non-discriminatory and there is nothing in it specifying that it applies only to males.

Law is grey

According to one building society spokesman: "Building societies are being forced to practice what appears to be discrimination when, in fact, we do not wish to discriminate on grounds of sex. The law is grey and indefinite and needs amending."

Babette Kabak, co-convenor of the Women's Legal Status Group, agrees. "The situation is reprehensible and should be clarified immediately. A woman married with an ante-nuptial contract, regardless of colour, should be treated like any other individual and only her credit-worthiness examined," she says.

There are also a number of unclarified, related problems. For example, a woman may inherit property with a bond attached. The question then arises whether she will be forced to sell the property despite her ability to fulfil financial obligations.

The FM understands that representa-

tions have been made to government for action to be taken, but have met with a reluctance to make changes in tribal law. A legal spokesman says: "Only a simple amendment to the Urban Areas Act is required. This should state that a 99-year leasehold bond is valid for any black woman over 21, regardless of status."

The establishment of the leasehold system has been beset with problems since it was introduced in 1978 — only 1 770 have been registered nationally. In the face of the critical housing shortage, elimination of the anomalies is urgent.

CAPL Times 24/4/82

123

Questions on Wavecrest are still unanswered

By JANE ARBOUS

TODAY the dream Wavecrest township near Jeffrey's Bay consists of several thousand empty plots serviced by roads, electricity and water. But the questions being asked by the public on how it all went wrong, remain unanswered.

The property development scandal which broke 10 years ago, surfaced again during last week's civil action in which the Trust Bank claimed R4-million and interest for transactions that took place 10 years ago.

The bank, a co-developer of the scheme, was confident enough to sue 10 defendants, some of whom were prominent businessmen linked to the bank at the time.

But after hints in the Supreme Court of unjust enrichment and a conspiracy to steal, the ac-

tion was settled out of court and in secret.

The unusual circumstances surrounding the speed and manner in which the multi-million rand township was established, have never been fully explained.

Developments so far include:

● Repeated calls for a judicial commission of inquiry but this has never materialized.

● A minority report by a Provincial Council select committee which the then Administrator, Mr A H Vosloo, refused to table.

● The Trust Bank report, as well as the minority report, which were handed to the police in the mid-1970s.

● A police investigation which was completed late in 1979 and handed to the Attorney-General who is still considering whether further action, if any, is to be taken.

● And now the aborted civil case which had been pending since 1979.

One of the most extraordinary aspects of the development was the decision by the Provincial Administration to give it blanket approval. Usual policy in the case of a property scheme as large as this (3 800 erven) is to phase in development, with authorization only being given for the initial stages.

Pushing ahead, the Provincial Administration went against the wishes of the Townships Board which consisted of town planners, architects and provincial officials.

The first seeds of doubt over the development were sown by the United Party opposition in the Provincial Council in 1972. A series of probing questions covering four printed pages were put to the MEC in charge of Local Government, Mr Frans Conradie.

'Jobs for pals'

Fiery clashes over allegations of "Nationalists feathering their own nests" and "jobs for pals" followed.

The Administrator, Mr Vosloo, who said he was "sick of mud-slinging", finally agreed to the appointment of a select committee to conduct an inquiry.

In 1974, after months of demands for the committee's report to be tabled, Mr Vosloo decided not to disclose the full text. In fact, only four pages (containing recommendations) of the 144-page report were tabled.

Cover-up allegation

Accusing him of a "cover-up", one of the two UP MPCs allowed on the committee, Mr Theo Aronson, alleged that:

● The Jeffrey's Bay municipality approved the township application before it received it.

● In return for an R800 000 donation from the development company, the municipality waived a requirement that they pay a 7½ percent "incorporation endowment" on the plots.

● A brother of Mr Frans



Dr Fred du Plessis



Mr Frans Conradie



Mr Theo Aronson



Mr A H Vosloo

A permanent 'black mark'

THE Trust Bank would always have "a black mark" against its name for its involvement in the Wavecrest property de-

ba- in Wavecrest. "Thousands of ordinary people who normally would never have bought there, were attracted by

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cle, the chairman of the Wavecrest Plottolders Protection Society, Mr Dave Blem, said yesterday.

Calling for a judicial commission of inquiry into the 10-year-old scandal, Mr Blem said from his Durban home that the secret settlement between Trust Bank and the men it was suing was "unsatisfactory" in the light of all the unanswered questions.

Mr Blem, who is one of several thousand people throughout South Africa owning land in the township, has been involved for years in attempts to find out what went wrong.

During one of several meetings with the Trust Bank chief, Dr Fred du Plessis, he was told that the bank deeply regretted ever having got involved

the massive advertising campaign by the Trust Bank. It was their first move into property and their good name and the picture of this golden development prompted people to buy.

'Dreams shattered'

"Instead their dreams were shattered.

"Over the past eight years we have paid and paid, never seeming to dent what we owe on the land. And although very few houses were ever built, land owners still have to pay service charges every month."

The area would never be "a status one" as promised, Mr Blem said. Because no building restrictions were instituted, anything from pondoks can be erected on the land.

Conradie was one of the land surveyors employed by the developers.

● A law firm in which Mr Conradie was a former partner was involved in the scheme.

● The chairman of the inquiry into Wavecrest, Nationalist MPC Mr J H Heyns was a partner in a law firm involved in the scheme.

● The developers used "gangster-type" tactics on Mr Aronson in an attempt to prevent him from probing their financial affairs.

Full-page newspaper advertisements were placed by both the developers, Jeffrey's Bay Property Holdings (Pty) Limited, and the town's mayor, Mr B Keet, explaining their positions and replying to some of the allegations.

The then Prime Minister, Mr B J Vorster, was urged to act.

Police

The row raged on and in 1979 the findings of an internal inquiry instituted by the newly-appointed head of Trust Bank, Dr Fred du Plessis, were given to the police.

Dr Du Plessis handed his report over after the results had been sent to the Registrar of Financial Institutions.

Both the minority report and the administration report were also given to the police whose investigation involved allegations of "unreasonable advantage".

Ten years later the seaside township stands desolate.

And in spite of the accusations and counter-accusations the questions people hoped would be disclosed in the civil court action remain unanswered.

Trust Bank won 'substantial damages'

THE Trust Bank won "substantial damages, running to millions" in the settlement it reached with the 10 defendants it was suing over the controversial Wavecrest development, according to a legal source quoted in the Financial Mail this week.

Secrecy surrounds the deal and Trust Bank officials refuse to comment on the terms.

The bank's claim for R4-million plus 11 percent interest for nearly 10 years was brought last week against 10 defendants, one of them a City property developer, Mr Bill Mitchell.

The bank alleged in the Supreme Court that Mr Mitchell and former principal officers of the bank conspired in 1972 to steal money in a series of transactions involving the development of Wavecrest township near Jeffrey's Bay.

The Financial Mail said it was clear that the sheer magnitude of the case influenced the settlement decision, details of which may never be known.

Involved were five firms of attorneys, 11 counsel, dozens of potential witnesses and a court record that would have run to thousands of pages.

Hundreds of documents in tin trunks were held in readiness.

The Financial Mail said costs would have been "staggering".

24/4/82

123

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PROPERTY ARGUS 24/4/82 123

Curb on rent rises

(Continued from Page 1) The trouble with white housing, says Mr Berkowitz, is that 'a lot of people can afford to eat bread and some can afford to eat chocolate cake. At the moment a lot of bread eaters are eating chocolate cake.'

The average white South African's earnings will be just over R1 000 a month this year, which means he can afford to live in a house or flat valued at only R31 000.

'And where, asks Mr Berkowitz can you get a house or flat for that price in a good area?

Ultimately, the snobbish white housing market would have to adjust to more realistic price levels, but the key lay with the building societies which control home-building finance.

APPRECIATION

'More and more people are reaching the point where they say they can not afford a house any more.'

'People will live in a small house if everyone else lives in a small house — snobbishness will disappear.'

Mr Berkowitz calculates the purchase of a R37 000 home this year with a R30 000 bond would realise a capital appreciation profit of about R80 000 within 10 years. The sale price should rise to R103 000 by 1991, the bond reducing to about R20 000.

But the R80 000 profit will be needed to buy a better type of home in 1991 when average home prices could be around R103 000.

Curb on rent rises ahead - economist

PROPERTY ARGUS 24/4/82

123.

Tom Hood
Property Editor

LANDLORDS will have to curb rent increases in the next 12 months, in spite of a shortage of flats.

This is the view of property economist Neville Berkowitz.

With the economy in a downturn, workers are

likely to earn less after inflation and the imposition of a 5 percent loan levy, he says.

Tax changes in the Budget meant companies would have to earn an extra 7,5 percent this year just to hold their present earnings position.

If inflation, as forecast, reached 15 percent, companies would therefore have to find an extra 22,5 percent more money just to stay level.

In other words, a flat being rented at R450 a month would have to rise to R550 in 12 months. A R300 flat would jump to R367,50.

RESISTANCE

But with the economic downturn, average pay rises are not likely to match inflation. The market would not be able to bear these increases — people would reach the point where they would say they could not afford any more.



Mr Neville Berkowitz

Signs of consumer resistance were already seen in Johannesburg where rents were raised to R350 from R275 in a block of flats near the airport.

'Twenty percent of the tenants said they could not afford it and moved

to smaller flats,' Mr Berkowitz told Property Argus.

Property companies should be prepared to accept less because of simple market forces. They may have to absorb many costs themselves and perhaps cut dividends.

SPIRALLING

'This year will be rough but in the longer term it will be possible to increase rents as spiralling building costs make rent rises justifiable.'

More homes could be built at prices people could afford if building societies limited bonds to only R30 000 a household, he said.

At present R30 000 is the average mortgage paid by societies.

The bonds limit would force builders to go for less luxurious standards and provide homes below R40 000 in terms of to-

(Cont on Page 2 Col 1)

Homes and flats: What's right and wrong

THE crisis in the market for accommodation (last week's Business Times, front page) is undeniable.

However, the president of the Association of Building Societies, Hendrik Sloet, has reacted to BT's lead story with the following comments:

"The housing shortage will continue and prices will remain high. But it would be wrong to suggest the building societies could influence the value of housing." (BT does not agree.)

Mr Sloet: "Factors contributing to the home shortage and high prices include:

- The shortage of money.
- Increased building costs (a staggering 93,3% in only three years).
- More than 35 000 white couples under the age of 35 are married annually. All or most need housing of some sort.
- South Africa has a net increase in immigrants each year — 30 000 in 1980.

"If the price of housing was too high just because of the shortage of mortgage finance in 1979-80, why has it not decreased now that the granting of loans is severely restricted?" (Because the grey market and new sources of finance are being tapped.)

Mr Sloet says that the val-

123 S. Timm 25/4/82
By Stephen Orpen

ue of any commodity is the price a willing purchaser is prepared to pay to a willing seller *without undue pressure on either party.* (BT's italics).

BT comment: This proves the BT comment about the grey market and new sources of finance. BT also disagrees that buyers and sellers are experiencing "undue pressure" in many cases.

Mr Sloet: "The market determines the price of housing. Building societies can only ensure that their security for loans is a realistic one in the marketplace should the mortgage have to be recalled."

BT comment: It depends on what one calls "realistic". A *much* less conservative policy by the societies is *not* advocated. Only a moderately less cautious approach.

"It is not within the powers of building societies to set the price of properties, just as banking institutions could not influence the prices of the cars or furniture they finance."

BT comment: Partly true. The marketers of houses, and others, also play a part.

Mr Sloet: "It is unrealistic to expect societies to have full coffers when there is a general shortage of money."

"In the same way, one cannot expect the societies to have cheap money when it is expensive elsewhere."

BT comment: No and yes! The coffers need not be virtually empty. More funds could be carried forward from the boom times.

But one does not expect the money to be cheap. Indeed, bonds should carry higher interest rates under a proper

free-market system. The borrower should be relieved via tax relief.

Mr Sloet: "We want to be able to attract the savings of the man-in-the-street by offering him a return comparable to what he can get from other financial institutions."

Fair enough!

"The building-society movement was based on the concept: 'To every thrifty family its own home.'

"But South Africans are not saving as they used to. Personal savings in the past 10 years had been stable at 10%, but last year dropped below that for the first time."

"We do not think that mortgage payments should be tax-deductible."

"Housing in all the leading countries is subsidised. The subsidy should rather be in the form of an incentive on the rate of dividend payable to investors in building soci-

eties' shares.

"This encourages people to save. Also a high interest rate encourages borrowers to repay their loans quickly."

"In general, it is not a good idea to extend the period of bond repayment."

"If we increase the period from 20 to 30 years, the man with a bond above R30 000 will save plus or minus R18 a month in actual cash payments. But he will pay R21 600 more in interest over the extra 10 years."

"Regardless of the current tight economic situation, the societies have increased their investment funds in the past 11 months by R1 055-million and in the same period lent out R1 065-million in mortgages."

"Building societies are still growing, not declining. We are still the second largest group of deposit-receiving institutions in the country."

123 Housing breakthrough

Industrial
Week
27/4/82

A NEW system of low-cost building is being introduced to SA by Peter Bayly Construction aimed at the mass housing market.

Main advantages of the system are it's speed, an average house of 60 m² can be completed in a week, utilising local site materials and unskilled labour. No prefabrication is required thus eliminating transport costs.

1980 - October - Merges with the Motor Industry Combined Workers Union. (See page 80) .

MOTOR INDUSTRY WORKERS UNION OF S.A.

123 ~~123~~ Howard Q. Col. 743 -
 99-year leasehold scheme 744
 30/4/82
 591. Mr. P. R. C. ROGERS asked the
 Minister of Co-operation and Development:
 How many houses (a) built and (b) sold
 in terms of the 99-year leasehold scheme
 were financed (i) by building societies and
 (ii) by means of private capital from the
 inception of this scheme to the latest

specified date for which figures are avail-
 able?
 The MINISTER OF CO-OPERATION
 AND DEVELOPMENT:
 (a) (i) 870 (ii) 136
 (b) (i) 1 552 (ii) 336

Address: 201/4 City Centre
 Corporation Street
 Cape Town
 8001
 Officials: Secretary: A. Frazer
 Area of Operation: Western Cape
 Founded: 1939
 Registration: Yes

Telephone: (021) 433658

Fosatu Annual Report
 1980/81

Year	Membership			Fosatu Annual Report
	African	Asian and Coloured	White	
1980				460
1979				445
1978				..
1977		30	347	377
1976		21	201	222
1975		26	305	331
1974		28	294	322
1973		98	320	418
1972				
1971				
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JEWELLERS AND GOLDSMITHS UNION

NEW BOND RATES BLOW COMING

28/5/11
w/c Masu

(521)

A. Adams Kimberley Municipal Council
 M. Adams Tramway Officials Association
 M. Balwe Domestic Workers and Sales
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 G. Beetge
 D.C. Ben
 J.R. Ben
 C. Bezui
 J. Boon
 W. Borm
 J.P. Bos
 R. Both
 D.J. Br
 J. Bronf
 V. Brow
 J.M. Bus
 R.J. Coe
 J.T. Coc
 T. Corne
 J. Danie
 N. Danie
 N. Dlamini
 F. Dube African Garment Workers
 A. Duma (Chairman) South African Domestic Workers
 L.J. Durrant Durban Rubber Workers
 C. du Preez African Tobacco Workers
 National Union of Cigarette
 Trawler & Line Fishermen

Home-seekers' hopes dashed

ANOTHER rise in mortgage rates is expected in the next two weeks but this will not help the thousands in the queue for housing bonds.

The EP Building Society, one of the country's smallest, is taking the lead with a one per cent rise in bond rates from next month. The bigger societies are likely to follow.

**By TOM HOOD,
Property Editor**

But cash raised will not go far to ease the mortgage famine.

Others who bought houses when bonds were cheaper will not be able to afford them with the new increase and may be forced to sell their homes.

It will be needed to protect the societies from raids on their coffers by banks and other institutions which are enticing savers to switch their money.

DOWNTURN
If this happened, it could bring a downturn in the property market, say estate agents.

INVESTORS
Cash raised by the bonds increase will help to pay higher interest rates to investors bringing them up to rates paid elsewhere.

So far, house prices generally have not dropped below 1981 levels in the Cape in spite of the bonds shortage. Houses and flats are still scarce.

The latest rise will bring bond rates to between 14.25 percent on loans under R10 000 and 16.25 percent on loans of R50 000.

But asking prices are coming closer to selling prices.

The higher monthly payments could end the hopes of hundreds of young couples of owning their own homes. Many people in the queue for home loans will also drop out.

"Sellers are being forced to scale their expectations down," said a building society official.

123
Mercury
1/5/82

Mortgage bond rates to go up once again

PORT ELIZABETH—Mortgage bond rates are going up for a fifth time in 15 months by a maximum of 1 percent, but each building society will determine its own increase following a decision to do away with the cartel agreement in the movement.

This was confirmed yesterday by Mr Ronnie Munford, general manager of the Eastern Province Building Society, who said his society had already increased the rate by 1 percent on new bonds and this would apply from June 1 on existing bonds.

Mercury Correspondent

He did not expect all building societies to increase bond rates by 1 percent because the increase would be determined by each society's investment mix.

Those with big portfolios of savings accounts paying 4 percent interest a year would probably increase their bond rates by 0,5 percent to 0,75 percent, while there would also be different rates for different types of properties.

Investment rate

Notices had already gone out to his clients and he expected other building societies to follow suit. Mr Munford said building societies already determined investment rates individually.

The latest increase means that since February last year the bond rate has risen by up to 5,25 percent — an increase of up to 58,3 percent on bonds under R10 000 and up to 47,7 percent on bonds of more than R40 000, depending on the increases decided on by individual building societies.

The Port Elizabeth

branch manager of the EP Building Society, Mr Bernie Muirhead, said that in anticipation of the bond rate rise the investment rate on new paid-up indefinite period shares had been increased from 12,5 percent to 14 percent from Wednesday.

This would also apply to existing shares from today when the rate on new fixed period shares would be increased from 13,5 percent to 14,5 percent. Both were partially tax free.

He said on a bond of R10 000 with the EP Building Society the new rate would be 14,25 percent pushing up the monthly repayment over 25 years from R115 to R123.

Other examples showing the new interest rates and outstanding bond amounts were:

- R15 000 at 14,5 percent from R176 to R188.
- R20 000 at 14,75 percent from R238 to R254.
- R25 000 at 15 percent from R303 to R323. Repayment over 20 years:
- R30 000 at 15,25 percent from R381 to R402.

● R40 000 at 15,75 percent from R520 to R552.

● R45 000 at 16,25 percent from R603 to R639.

Building societies do not need Government approval to push up bond rates.

Another 320 agencies quit

Property Editor

THE drop in property sales has forced more than 320 firms of estate agents to close shop this year.

This leaves 4 290 firms registered with the Estate Agents Board.

There was also a drop of almost 320 to 6 008 in the number of partners, directors or sole traders registered as estate agents.

The number of employees plunged by 910

or over 10 percent to 7 806 since January.

The board reported this week some 3 000 estate agents and more than 900 firms went out of the business since the peak of last year.

"Many small-time and part-time agents have given up and left the game to the professionals," said a spokesman for the board.

Those to go were chiefly small firms that expanded overnight in times of cheap and plentiful finance and easy selling of homes.

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Transvaal Retail Me

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National Union of Comm Kimberley Shop Assista

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WHOLESALE & RETAIL TRAC

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Steel, Engineering and Allied Workers Union

S.A. Woodworkers

S.A. Operative Masons' Society

Port Elizabeth Operative, Plumbers Employees Association

National Union of Engineering, Industrial and Allied Workers

Metal and Allied Workers Union

General Workers Union

Engineering Industrial Workers Union of South Africa

Engineering and Allied Workers Union

Electrical and Allied Workers Union of South Africa

Electrical and Allied Trades Union of South Africa

Building Workers Union

Building, Construction and Allied Workers Union

Blankenburger Vakbond

Black Allied Workers Union

Amalgamated Union of Building Trade Workers

Amalgamated Engineering Union of South Africa

Amalgamated Society of Woodworkers

CONSTRUCTION

Johannesburg Municipal Water Work Mechanics Union

General Workers Union
Escom Workers Association
Escom Salaried Staff Association

Cape Town Gas Workers Union
Escom (Cape Western Undertaking) Salaried Staff Association

ELECTRICITY, GAS AND WATER

S.A. Diamond Workers Union
S.A. Association of Dental Mechanicians

Optical Workers Union
Jewelers and Goldsmiths Union

Diamond Cutters Union of South Africa

Other

Bond rates to go up again

By GORDON KLING

HOME-OWNERS are to be hit with yet another big rise in mortgage bond re-payments from the beginning of next month amidst a break in the ranks of the building societies cartel on interest rate structures.

One major society confirmed yesterday that it was raising its bond rate by one percent from June 1, only two months after implementation of the previous one percent increase.

Industry sources expected all others to follow, but with slight variations in

their rates, since for the first time the increase has not been sanctioned by the Association of Building Societies.

Confirming this yesterday from Johannesburg the association's director, Mr Tim Hart, said it was correct that the body had been informed that some societies were putting up their rates. There was nothing illegal in the move, however.

Industry sources yesterday said it was certain all societies would follow the trend and the Registrar of Financial Institutions, Mr

Naas van Staden, had been informed of this along with an increase in the societies' share rates which have tax implications.

It is understood that the Registrar did not react to the information and the societies are anxiously awaiting a response. Mr van Staden was not available for comment yesterday.

The EP Building Society first broke the association ranks earlier this week by increasing the rate on its one-third tax-free indefinite period paid up shares from 12,5

percent to 14 percent, and by one percent to 14 percent for its fixed period shares.

The society's managing director, Mr R E Munford, yesterday said in Grahamstown that the members of the building society association had agreed to break the cartel agreement on interest rates at a meeting about two weeks ago. The move had been taken because all had different mixes of investments, bonds and liquidity, and accordingly required rates to be tailored

to their individual needs. This could permit some societies to raise rates on vacant land, for example, by more than those on houses. But the average was expected to be along the lines of the one percent rise now disclosed by the EP.

This rise is the fifth in the past 18 months, taking the interest payable on a R10 000 bond up by about R8 a month or R41 a month higher than in January last year. A R20 000 bond will go up by about R17 a month, up R35 a month on January, 1981;

payments on R30 000 will rise by R25 for a R126 increase over 18 months ago; and a R40 000 bond will rise by another R33 for a rise of R176 over the position 18 months ago.

Interest rates will now range from about 14,25 percent on bonds of R10 000 or less to 16,25 percent on those above R40 000.

Workers Association an umbrella body - Federation of Electrical Trades Unions of South Africa.

Membership of TUCSA

Agreement

Industrial Council for the Iron, Steel and Metallurgical Industry - Radio Manu-

Industrial Council for the Iron, Steel and Metallurgical Industry - Lift Engineers

Industrial Council for the Iron, Steel Engineering

Industry Port Elizabeth

son

Telephone: (011) 834 6781

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DES UNION OF S.A.

Black Allied Workers Union

Cape Explosives Industrial Workers Union

Chemical and Allied Workers Union

Chemical Workers Industrial Union

Chemical Workers Union

Durban Rubber Industrial Union

Engineering and Allied Workers Union

Engineering Industrial Workers Union of S.A.

Federated Mining, Explosives and Chemical Employees Union

Industrial Salariat Staff Association

General Workers Union

Metal and Allied Workers Union

National Union of Engineering, Industrial & Allied Workers

National Union of Motor Assembly & Rubber Workers of South Africa

S.A. Chemical Workers Union

South African Allied Workers Union (SAAWU)

Steel, Engineering and Allied Workers Union

Umbogintwini Industrial Workers Union

Weskapse Plofstof & Chemiese Operateursakbond

Non-Metallic Mineral Products

Building, Construction and Allied Workers Union

Glass & Allied Workers Union

Glass Workers Union

National Cement Employees Union

National Union of Brick and Allied Workers

Transport & General Workers Union

Base Metal Industries and Manufacture of Fabricated Metal Products

Machinery and Equipment

Amalgamated Engineering Union of South Africa

Amalgamated Society of Woodworkers

Black Allied Workers Union

Electrical and Allied Trade Union of S.A.

Electrical and

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General Workers

General Workers

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Motor Assembly

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National Union

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South African

Steel, Engine

Transvaal, Ra

United African

Motor and Allied Workers Union

Diplomats' home cost R800 000

Political Staff yesterday

HOUSE OF ASSEMBLY. — The residence for the South African ambassador to Ciskei and his personnel in King William's Town cost R800 000.

The purchase of a property in the town for the chief justice of Ciskei cost R160 000.

These details were contained in the memorandum by the Minister of Community Development, Mr Pen Kotze, on the government's building programme for the 1982-83 financial year tabled

An amount of R760 000 had already been spent on the "purchase of and improvements to properties to serve as residential accommodation for ambassador and personnel" in King William's Town while a further R10 000 would be spent during the current financial year.

An amount of R150 000 had already been spent on the Chief Justice's accommodation and a further R10 000 would be spent during the 1982-83 financial year.

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Group Areas Act removals

CAPE TIMES 5/5/82

123

Political Correspondent

HOUSE OF ASSEMBLY.
— The Group Areas Act has granted the white population group greater privilege and caused them less disruption than any other group.

This emerges from statistics given by the outgoing Director-General of Community Development, Mr Louis Fouche, in his department's annual report tabled yesterday.

Up to September 30 last year, 774 603ha had been proclaimed white group areas, 94 729ha proclaimed coloured group areas and 48 550ha proclaimed Indian group areas.

"An inevitable result of the establishment of separate residential areas is the resettlement of disqualified persons in their own residential areas," Mr Fouche said.

Up to September 30 last year, 2 013 white, 34 135 Indian and 73 392 coloured families had been resettled.

The vast majority of families resettled had lived in slum and overcrowded conditions and had been resettled in communities where they had proper housing at reasonable prices and with community facilities.

Dealing with District Six in particular, Mr Fouche said the coloured families moved since it was declared a white group area had all been

provided with alternative accommodation which was "almost without exception" better than that they had vacated.

"Of the 10 465 coloured families who previously lived in District Six, all but 20 have been rehoused *inter alia* in the newly developed residential areas of Belhar and Mitchell's Plain."

The report, dated September last year, said the remaining 20 families should have been rehoused by the end of October 1981.

Mr Fouche said the building programme in Mitchell's Plain was progressing satisfactorily.

"Contracts for the erection of a further 10 400 dwelling units have already been awarded whilst the erection of a further 8 000 units is being planned."

The report also said "substantial success" had been achieved in rehousing squatter families, particularly in the Western Cape.

"The problem has almost been overcome in the municipal area of Cape Town. The remaining families in this area will probably be rehoused during 1982."

The report showed that of the 30 103 squatter huts registered in Cape Town, 18 936 had been demolished since 1975 and a further 11 167 remained to be demolished.

South African Allied
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S.A. Electrical Work
S.A. Boilermakers, I
Paper, Wood & Allied
Media Workers Associ
Amalgamated Engineer

Paper & Paper Produ

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Paper, Wood and Allie
National Union of Fur

Wood & Wood Products

Trunk & Box Workers I
Transvaal Leather and
Textile Workers Union
Textile Workers Indus
Tanning, Footwear and
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National Union of Clot
General Workers Union
General Workers Union
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Garment Workers Union
Garment Workers Indus
Black Allied Workers U
African Trunk & Box Wo
African Leather Workers
African Garment Workers

Textiles, Clothing, Leather and Footwear

Rustenburg Tabakwerkersvereniging

National Union of Cigarette & Tobacco Workers

African Tobacco Workers Union

Tobacco

Witwatersrand Brewing Employees Union

Witwatersrand Baking & Confectionery Industrial Union

Western Province Sweet Workers Union

S.A. Electrical Workers Association

S.A. Boilermakers, Iron & Steelworkers, Shipbuilders and Welders

South African Allied Workers Union (SAAWU)

Sugar Industry Employees Union

Sweet Workers Union

Sweet Workers Industrial Union (Natal)

Bonus scheme suggested to aid black housing (123) Star - backlog now 160 000 5/5/82

The authorities should consider the introduction of bonus obligations to raise funds for black housing, it was proposed at the Junior Congress of the Afrikaanse Handelsinstituut yesterday.

There were many South Africans who for ideological reasons refused to invest money in Defence bonds, it was said. State funds were limited and had to be supplemented from other sources to build homes.

In the past three years, the average income of economically active black urban households had risen by about 40 percent. The blacks' position had been materially improved but it was still impossible for them to find proper housing. Current estimates were

that the shortage in urban housing was 160 000 units.

An independent research group, Davida Management Services, estimated that 6,11 million units would be needed to house the black urban population up to the year 2020.

In terms of 1980 money value, this housing need would require outlay of R48 880 million.

UNREALISTIC

From 1965 to 1979 114 000 units had been built at a cost of R174 million in urban areas. From 1955 to 1978 housing projects in rural areas had cost R143 million.

It would therefore be unrealistic to finance future housing needs only from taxes.

Only by involving the whole population to contribute could the burden be eased.

Money from Defence obligations was poured into the Treasury and a separate trust fund could be created for housing funds. This could be the beginning of a black building society from where money could be obtained to finance housebuilding.

Only individuals were allowed to invest in Defence bonds but, as the social development of urban blacks was in the interest of large corporations and local authorities it could be more advantageous to allow these organisations to invest in housing bonds.

These new sources of finance could help alleviate unemployment.

Higher bond rates 'forcing owners to sell'

By GORDON KLING

DRASTIC increases in mortgage bond interest rates, coupled with a slide in the residential property market since the beginning of the year, are being reflected in an increase in forced sales of homes.

A spokesman for the United Building Society yesterday confirmed that there had been a slight increase in foreclosures by building societies on borrowers unable to meet their repayments in the past two months. The position was expected to worsen with the latest round of increases.

He did not believe there was cause for alarm, since most borrowers would pull in their belts on other expenditure before sacrificing their homes. If the worst came to the worst, they would sell on their own before facing the additional expense of forcing a building society to take action.

The Cape Town manager of the EP Building Society, Mr Roy Van Litsenborgh, said however that in general borrowers appeared to be paying more attention to their arrears position in the realization that if they got a month behind it would be difficult to make up.

One of the biggest problems caused by the upward spiral in bond interest rates was a communications gap, causing a delay in borrowers adjusting their instalments; it could take a few months to get payments on to the correct level.

"We haven't had any significant indication of a rise in houses being pushed on to the market because owners can't afford their bonds," said the chairman of the Institute of Estate Agents in the Cape, Mr Geoffrey Seeff. "Of course it can and does happen, but will be buyers who find they have bitten off more than they can chew."

Slump

Worse hit than homeowners by the bond interest rise and the market slump have been the estate agents.

Sales figures in the Cape Town municipal area for the first quarter of the year show a 20 per cent slump in the number of transactions over the same quarter a year ago. Value is also down by R600 000 to R57-million in spite of higher average selling prices; the average home sold for R44 300 compared with R35 800 in the first quarter of last year.

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State effort hampered

Cape Times 5/5/02 123

HOUSE OF ASSEMBLY. — Efforts by the state to solve the housing problem have been seriously hampered by proposals of unimplementable solutions, the retiring Director General of Community Development, Mr Louis Fouche says in his last annual report.

The report, tabled yesterday, says problems in the field of housing had recently received attention at all levels.

"All sorts of solutions, some ill-conceived and others superficial, have been proposed.

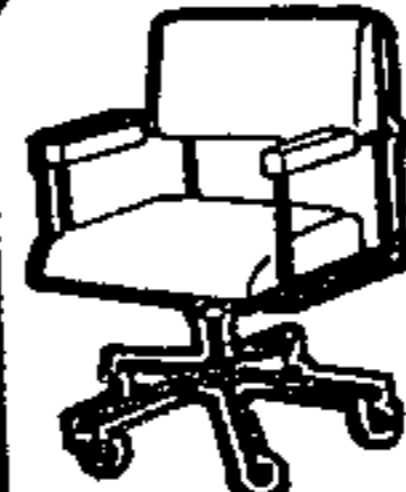
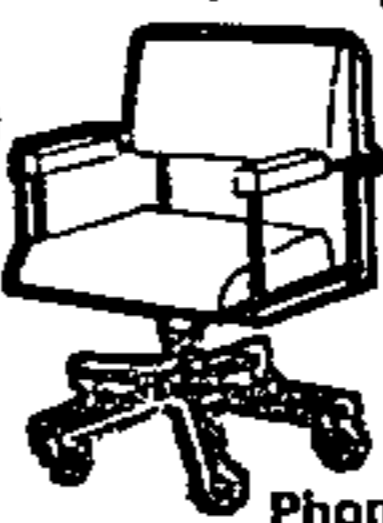
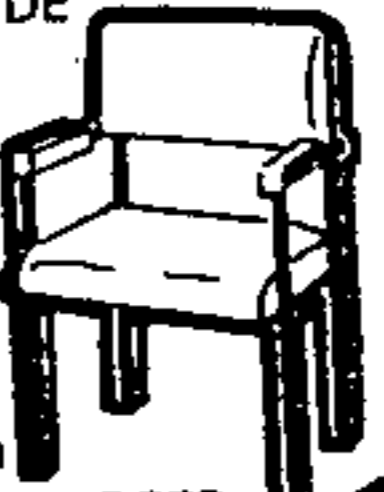
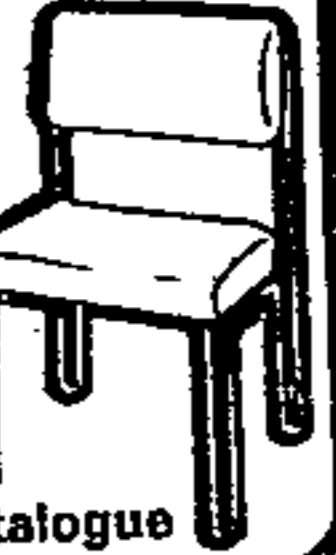
"These wise and appealing ideas have, realistically speaking, contributed very little to resolving the housing question.

Mr Fouche says the department and its statutory bodies, as a result of full-time involvement in housing for several decades, are the only ones with a thorough knowledge of the problem and able to deal with it.

The quickest and most effective method of relieving the pressing housing needs of the lower income groups is unquestionably the execution of mass housing by the authorities, Mr Fouche says.

"It must however be accepted that the Exchequer cannot bear the full burden of housing. The individual, the employer and the private sector will have to become more closely involved." — Sapa

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Commander

Earlier, security forces an elite suicide squad. Swapo are believed to be the military wing of and the units sent in by in the 16-year bush war in the most concerted. This year's thrust has each rainy season. into the area at the end of po's annual infiltration "Death" because of Swa- of the "Triangle of has earned the dubious ti- Kombad and Olavi which area around Tsumeb, into small groups in the They have now split up the white farming areas. separating Owambo from crossed the "red line" than 100 Swapo men have

Platoons

Three platoons of more Boshok tracked on the farm raiders were being where a group of three south-west of Olavi, ed as far south as 40km

Cost rise spurs housing crisis

CAPE TIMES 5/5/82 123

Political Staff

HOUSE OF ASSEMBLY. — The sharp rise in building costs was causing serious problems in housing in South Africa, the Department of Community Development said yesterday.

In its annual report for October 1980 to September 1981, which was tabled in Parliament yesterday, the department said there were "substantial shortages" in certain urban areas for flats.

It said the fulfilment of housing needs had been impeded by the sharp rise in interest rates together with the rapid escalation of building costs.

"The relatively faster rise in building costs as opposed to the rise in other commodities has the adverse effect that members of the public are looking to the department for housing because they are no longer able to be assisted in the private sector.

"The department is however not in a position to increase its direct contribution to housing provision because the means at its disposal are very limited.

"Housing is not only becoming increasingly expensive but the occupation of settled tenants has been jeopardized as a result of the sale of flats under sectional title," the department said.

It also said "the continual sharp rise in building costs and the limitedness of building society loans is making it increasingly difficult for families to acquire homes of their own.

"As a result an increase is expected in the demand for flats coupled with inflationary pressure

on rentals.

"Whilst it will be necessary to guard against the exploitation of tenants, serious consideration will have to be given to enhancing the attractiveness of the letting market as a field of investment by removing any restrictions and, if possible, by creating incentives.

"The department is affording this matter prompt attention."

The department said the existing problems, bottle-necks and tendencies in the housing field could be summarized as follows: The sharp increases in the price of land for building, services and building costs, and housing costs rose more rapidly than personal income; there were inadequate funds to assist families who qualified for state assistance; the shortage of funds experienced by building societies; the inability of the private sector, whose existence depended on profit-making, to provide housing for lower income groups; a decrease in enthusiasm by local authorities who were hesitant to undertake forward planning; the apparent negative effect of rent control on the provision of new dwelling units; the inability of the middle income group to meet their housing needs independently; and the disappointing contribution on the part of employers in providing housing for their employees.

The department also said: "The shortage of housing for whites is increasing and, in particular, the position of the aged and others in need of care for whom welfare housing is provided, is causing concern."

State effort hampered

CAPE TIMES 5/5/82 123

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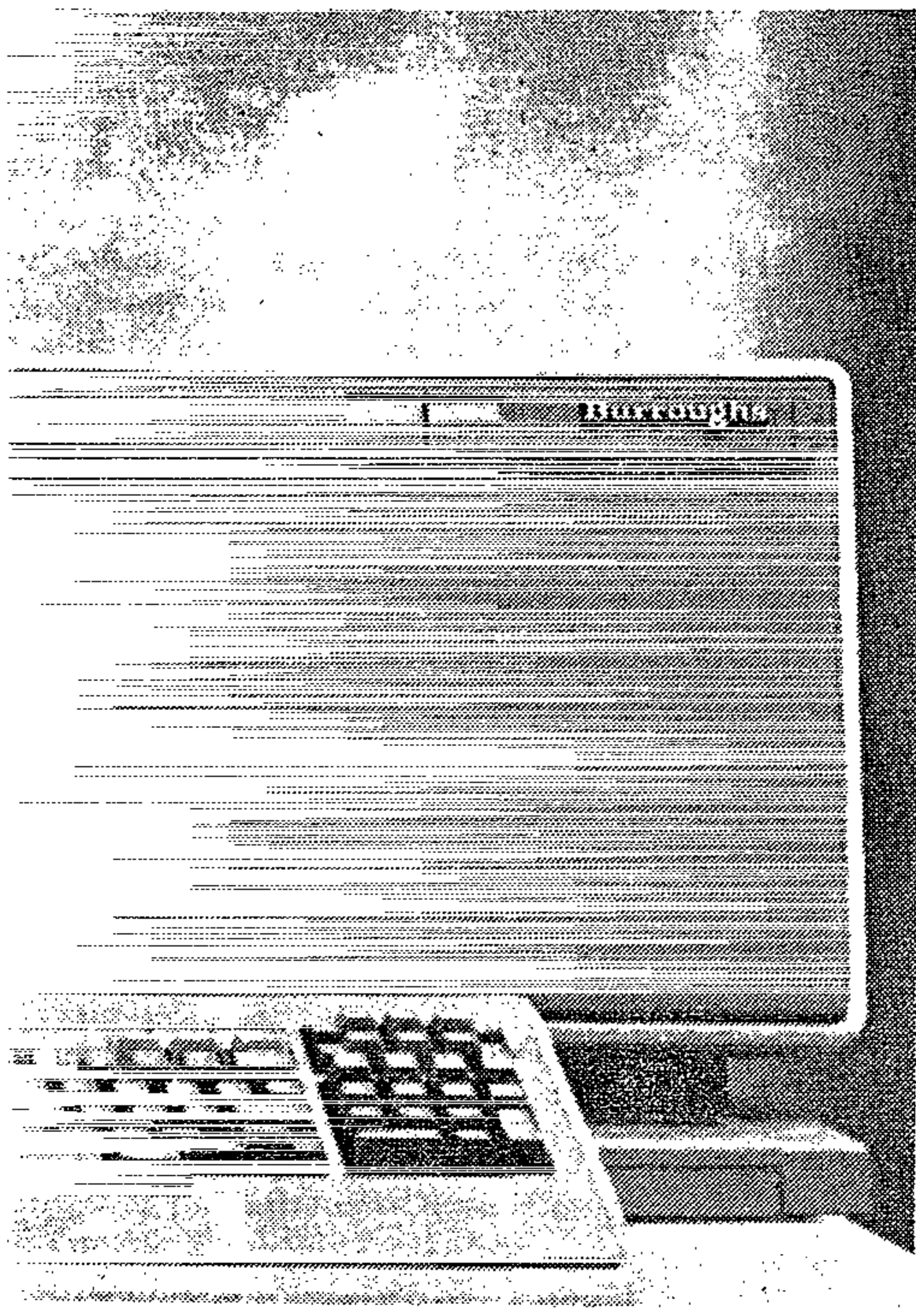
The report, tabled yesterday, says problems in the field of housing had recently received attention at all levels.

"All sorts of solutions, some ill-conceived and others superficial, have been proposed.

"These wise and appealing ideas have, realistically speaking, contributed very little to resolving the housing question.

Mr Fouche says the department and its statutory bodies, as a result of full-time involvement in housing for several decades, are the only ones with a thorough knowledge of the problem and able to deal with it.

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123 Hansard Q. Col. 765-
99-year leasehold scheme 766
5/5/82

563. 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 in each of the nine main urban areas?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

- (a) General plans in respect of the various urban Black residential areas consisting of a total of 182 393 stands have been approved for leasehold purposes up to 31 March 1982.

(b)

West Rand	1 519
East Rand	145
Bloemfontein	6
Vanderbijlpark	135
Port Elizabeth	26

No rights of leasehold have been registered in the following urban areas—

Pietermaritzburg—(The land is not yet registered in the name of the Administration Board);

Durban—(Leasehold for Lamontville was only recently approved);
Pretoria—(Survey of residential area has not yet been finalized);
Kimberley—(Survey of residential area has not yet been finalized);
Cape Town—(Leasehold scheme is not applicable).



HOME LOANS: BANKS GET GREEN LIGHT

Property Argus
8/5/82

123

TOM HOOD
Property Editor

BANKS were given the green light this week to enter the home loans market.

This is the interpretation in building society and banking circles of a statement by the registrar of Financial Institutions, Mr Naas van Standen, that building societies are free to raise their interest rates so long as they do not exceed the 22 percent limit of the Limitations and Disclosures of Finance Charges Act (Ladofca).

And that could lead to hundreds of millions of rands becoming available to the thousands of families who cannot buy a house or flat because building society bonds have almost dried up.

In the past the Government indirectly controlled mortgage rates but Mr van Standen's statement is

clearly in line with the Government's new free market policy in relation to the money market, foreign exchange and the Reserve Bank's tender rate.

Some of the major banks are now doing hard in-depth thinking about home loans.

Already the major bank credit cards offer loans for swimming pools, garages and home improvements.

WARFARE

One of the barriers has been the belief that the Government could prevent building societies acting on their own and increasing bond rates.

"Inevitably we must expect the banks and building societies to get into a more open warfare as in the United States", said a bank executive.

"Building societies are already trespassing into bank business with their cash cards and free cheques. They have also gone into insurance, township developments

and home development schemes".

Banks are already well entrenched in the home loans business in Britain and Canada.

South Africa's banks could enter the market but consider they would need to compete on equal terms with building societies, says Dr Johan Cloete, chief economist of Barclays Bank.

This means building societies would have to meet the banks' stringent conditions in terms of assets and cash resources.

While short-term interest rates remain high, banks would not be keen to take on long-term housing loans.

Banks would have to develop long-term deposits on the other side of their balance sheet if they went into the housing market in a big way.

One bank going for housing business is Trust Bank, currently offering loans of up to R15 000 for five years for home improvements.

This is done on a perso-

nal loan basis, so that interest is charged at around 20 percent.

There is no shortage of funds. Once an application is approved a cheque is issued the same day, says the bank.

The bank's 20 percent might seem high compared with the 15,25 percent charged by most building societies and the 15,25 rate which two small ones, EP and Standard, are to charge in future.

But many families are already paying above building society rates where they fall back on the grey market and pay as much as 7,5 percent raising fees when they raise housing finance.

DISAPPOINTED

The president of the Institute of Estate Agents, Mr Basil Elk, says home-seekers applied for bonds totalling R300-million in February but building societies could supply only a third.

"Thousands of disappointed families are battling to find finance to own their own homes."

Speaking at the institute's congress at Sun City this week, he said the immediate future of housing rested squarely with the Government which should be actively doing things to assist building societies capture enough finance from the market place to fulfil their traditional function.

- Sweet Workers Industrial Union (Natal)
- Sweet Workers Union
- Sugar Industry Employees Union
- South African Allied Workers Union (SAAWU)
- S.A. Boilermakers, Iron & Steelworkers, Shipbuilders and Welders
- S.A. Workers Association
- Workers Union
- Confessionary Industrial Union
- Employees Union
- Wit.
- Wit.
- Tob.
- Afr.
- Nat.
- Rus.
- Tex.

Freeze rents to sort out chaos, says MPC

123

stan

11/5/82

Chief Reporter

The Government should declare a cooling off period during which residential rents would be frozen while the "absolute chaos" in South Africa's housing was sorted out, the MPC for Hillbrow, Mr Simon Chilchik, said today.

Mr Chilchik said that in terms of a State formula people should not pay more than a quarter of their income on housing.

But many people were paying as much as half or three-

quarters of their income on rent. Pensioners paid almost all of their pension on rent.

Mr Chilchik, who is also the Johannesburg city councillor for Hillbrow, proposed rents be frozen for certain period during which the Government should appoint a commission of inquiry to hear landlords and tenants.

The Government and the private sector had to create a partnership during this period to overcome the housing shortage.

The issue of rocketing rents is expected to be debated in Parliament later today and tomorrow when the Department of Community Development budget vote comes up.

In his budget speech earlier this year the Minister of Finance, Mr Horwood, announced tax concessions for developers building flats for rental.

But this concession was not expected to cost the Government more than R1 million during this financial year.

and Kenn

Kotze to act on rent control

Parliamentary Staff

THE Minister of Community Development, Mr Pen Kotze, announced in the Assembly yesterday that he would propose the appointment of a parliamentary select committee to investigate and report on the desirability of removing statutory control over rents.

Speaking in the debate on his budget vote, Mr Kotze said he would also ask that the committee to investigate and report on:

● Measures to afford tenants continued protection against exploitation, victimisation and arbitrary ejection.

● Measures to curb related malpractices with reference to the Sectional Titles Act of 1971, the Share Blocks Control Act of 1980, and the Alienation of Land Act of 1981.

The Minister said he intended giving notice of a motion for the appointment of such a committee, which would have

power to take evidence and to call for papers.

He said he trusted members of the Assembly would support the proposed motion because "the facts of the matter indicate indisputably that urgent action is needed."

The Minister said it was in the public interest that the present "check-mate position" be ended.

This position has arisen in so far as the continued existence of rent control was restricting the provision of new dwelling units for renting.

This had resulted in exorbitant rent increases.

Rents would continue to rise until equilibrium in the renting market had been restored.

Mr Kotze said tenants in the private sector were burdened with rising rents and the scarcity of accommodation for letting was causing serious concern.

"It is unfortunately a fact that the price for accommodation has risen considerably of late. Investigation of literally hundreds of cases, as a result of representations received, proved however that landlords in general are not exploiting the

situation," Mr Kotze said. Landlords had to cope with rising expenditure on, for example, rates and taxes, municipal services, mortgage interest, maintenance and insurance.

These costs made rent increases unavoidable if landlords were to survive. Because of the high costs of building and finance it was also not a viable proposition to provide new letting accommodation.

On the whole, tenants were not affluent enough to be able to afford the rents which had to be charged to give the landlord a reasonable return on his capital investment.

Mr Kotze said private enterprise was adamant that it would not take part in the provision of new letting units as long as rent control continued to be applied and there was a danger of the scope of this measure being extended.



Mr S F Kotze

ARGUS 12/5/89

123

Chemical & Chemical Products, Coal, Rubber & Plastic Products

Black Allied Workers Union

Cape Explosives Industrial Workers Union

Chemical and Allied Workers Union

Chemical Workers Industrial Union

Chemical Workers Union

Durban Rubber Industrial Union

Engineering and Allied Workers Union

Engineering Industrial Workers Union of S.A.

Federated Mining, Explosives and Chemical Employees Union

Industrial Salaried Staff Association

General Workers Union

Metal and Allied Workers Union

National Union of Engineering, Industrial & Allied Workers

National Union of Motor Assembly & Rubber Workers of South Africa

S.A. Chemical Workers Union

South African Allied Workers Union (SAAWU)

Steel, Engineering and Allied Workers Union

Umbojintwini Industrial Workers Union

Weskapse Plofstof & Chemiese Operateursvakbond

Non-Metallic Mineral Products

Building, Construction and Allied Workers Union

Glass & Allied Workers Union

Glass Workers Union

National Cement Employees Union

National Union of Brick and Allied Workers

Transport & General Workers Union

(2)			(a)		(b)		
	Whites	—	2			8	4
Asians	—	—			—	1	1
Coloureds	17	18	4	4	74	72	20
Blacks	81	89	9	8	201	239	21
							37

123 Hansard Q.61 801
Administration boards/residential stands
12/5/82 808

559. Prof. N. J. J. OLIVIER asked the Minister of Co-operation and Development:

- (1) Whether any Administration Boards have residential stands available for development by private companies; if so, (a) which Boards, (b) (i) how many such stands are available and (ii) in which townships are they situated, in respect of each such Board, (c) when did the stands become available and (d) what is the purchase price of the stands;

- (2) whether any Administration Boards have made any residential stands available to private companies for development; if so, (a) which Boards, (b) (i) how many such stands have been made available and (ii) in which townships are they situated, in respect of each such Board, (c) on what terms were the stands made available and (d) what are the names of the companies involved?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

- (1) Yes.

- (a) Highveld
Central Transvaal
Western Transvaal
Drakensberg
Southern O.F.S.
Oranje Vaal
East Rand
Western Cape

- (b) (i) 82 079

- (ii) Highveld

Balfour
Standerton
Volksrust
Belfast

Bethal
Dullstroom
Secunda
Hendrina

Lydenburg
Middelburg
Withank

Central Transvaal

Mamelodi

Atteridgeville

Western Transvaal

Biesiesvlei
Bloemhof
Carletonville
Christiana
Fochville

Leeudoornstad
Lichtenburg
Makwassie
Orkney
Ortosdal

Stilfontein
Swartruggens
Ventersdorp
Witpoort
Wolmaransstad

Hartbeesfontein Potchefstroom Zeerust
 Klerksdorp Sannieshof Koster
 Schweizer Reneke

Southern O.F.S.

Bloemfontein Fouriesburg Springfontein
 Boshoff Henneman Theunissen
 Bultfontein Hertzogville Trompsburg
 Brandfort Margard Tweespruit
 Clocolan Petrusburg Ventersburg
 Dewetsdorp Reddersburg Virginia
 Excelsior Rouxville Wesselsbron
 Fauresmith Senekal Winburg
 Ficksburg Soupan Zastron

Oranje Vaal

Sebokeng Zamdela

East Rand

Tembisa Vosloorus
 Kathlehong Ratanda
 Tokoza Kwathema

Drakensberg

Greytown

Western Cape

Langa Nyanga

Guguletu

- (c) Exact dates are not available.
- (d) Residential sites are not sold. However, if a site is acquired in terms of the 99-year leasehold scheme the amount payable for a right of leasehold varies between R120 and R750 depending on the value of the land and the nature of the infrastructure provided.

(2) Yes.

- (a) Highveld
 Central Transvaal
 Eastern Transvaal
 Northern Cape
 Eastern Cape
 Southern O.F.S.
 Oranje Vaal
 East Rand
 West Rand
 Western Cape

(b) (i) 6 230

(ii) *Highveld*
 Witbank

Central Transvaal

Mamelodi

Atteridgeville

Eastern Transvaal

Carolina

Piet Retief

Ermelo

Northern Cape

Galeshewe

Daniëlskuil

Eastern Cape

Port Elizabeth

Uitenhage

Grahamstown

Southern O.F.S.

Bloemfontein

Bultfontein

Clocolan

Excelsior

Ficksburg

Hertzogville

Hoopstad
 Jacobsdal
 Ladybrand
 Margard
 Odendaalsrus
 Rouxville
 Springfontein
 Virginia
 Welkom
 Wesselsbron

Oranje Vaal

Sebokeng

Sasolburg

East Rand

Tembisa

Tokoza

Kathlehong

Vosloorus

Daveyton
 Kwathema

West Rand

Diepkloof

Pimville

Orlando West
 Diepkloof Extension

Western Cape

Guguletu

- (c) Sites were made available in terms of the 99-year leasehold scheme and in terms of section 42 (f) of Act 25 of 1945. The sites in Guguletu were made available to the Uhuntu Utility Company on a 30-year lease renewable for a further period of 30 years. The lease consideration is a nominal amount. The dwellings when completed will be let to eligible Black families.

(d) *Highveld*

United Development Company

*Central Transvaal*Sigma Motor Corporation (Pty)
Ltd.

Goldstein

United Development Company

Eastern Transvaal

Ermelo Mines

Northern Cape

De Beers (Pty) Ltd.

Wacon Lime

Record Stone Crushers

Eastern Cape

S.A. Permanent Building Society

United Development Company

National Building Society

Allied Building Society

Standard Building Society

Rhodes University

Volkswagen of S.A. (Pty) Ltd.

Oranje Vaal

United Development Company

S.A. Permanent Building Society

A.E.C.I.

Carbochem

Sasol I

Electricity Supply Commission

Private Individuals

Southern O.F.S.

Homes Trust

Poly Flora

Thaba Nchu Transport

Stoomhoek Transport

Excelsior Stropers

L.T. Motors

Electricity Supply Commission

Badenhorst Transport

Mobil Oil

South African Railways

Albany Bakers

Anglo American

Boerediens

Wesselsbron Electrical

East Rand

S.A. Permanent Building Society

A.E.C.I.

Gundle Industries

Ronald J. Hill

L.B. Mahlangu

United Building Society

Urban Foundation

Impact Homes

Lenning Holdings

J. en W. Beleggings

Barlow Rand

S.A. Trident for Impact Homes

West Rand

Rand Mines Properties

Rio Tinto

Machem

United Building Society

Future Generation

A.D.C.C. Homes

B. Peters

Allied Building Society

Everite (Pty) Ltd.

S.A. Permanent Building Society

South African Broadcasting Cor-
poration

Poly Foil

D. and M. (Pty) Ltd.

De Beers (Pty) Ltd.

Nedbank

South African Police

Department of Education and
Training

Anglo American

Pick 'n Pay

Sasol

Shell Oil

J. Mahlangu Building Contractor

Wimpy Homes

Goch Cooper

Concord Construction

Tshabalala Enterprises

L.T.A. Construction

Natal Building Society

Davis Construction

Edward Dube

Johannesburg Stock Exchange

Liberty Life

The Star

I.B.M.

123 ~~450~~ Hansard Q. Col. 800
Public Service: housing loan guarantee

12/5/82
*12. Mr. J. W. E. WILEY asked the Minister of Community Development:

Whether single men employed by the Public Service on a permanent basis are eligible for the 100 per cent housing loan guarantee; if so, what procedure is to be followed in applying for such guarantee?

The MINISTER OF COMMUNITY DEVELOPMENT:

No. A committee under the guidance of the Commission for Administration is however investigating housing benefits for Civil Servants.

For written reply.

1980-'81

White	262 280
Coloured	478 529
Asian	11 927 234
Black	—
Total	13 668 043

(iv) 1976-'77

White	2 029 603
Coloured	148 556
Asian	1 900 574
Black	8 355
Total	4 087 088

1977-'78

White	463 408
Coloured	1 054 649
Asian	363 917
Black	107 500
Total	1 989 474

1978-'79

White	1 170 593
Coloured	434 983
Asian	1 431
Black	2 063 855
Total	3 670 862

1979-'80

White	3 304 839
Coloured	315 092
Asian	187 740
Black	2 194 046
Total	6 001 717

1980-'81

White	2 615 401
Coloured	324 470

1980-'81

Asian	509 546
Black	670 303
Total	4 119 720

(v) 1976-'77

White	2 807 826
Coloured	5 043 752
Asian	193 894
Black	1 422 670
Total	9 468 142

1977-'78

White	1 830 021
Coloured	6 633 156
Asian	332 857
Black	2 967 377
Total	11 763 411

1978-'79

White	1 059 950
Coloured	3 998 686
Asian	62 907
Black	4 350 581
Total	9 472 124

1979-'80

White	2 177 169
Coloured	4 761 735
Asian	561 829
Black	7 524 963
Total	15 025 696

1980-'81

White	2 221 825
Coloured	1 144 064
Asian	1 726 214
Black	5 042 512
Total	10 134 615

(vi) 1976-'77

White	240 583
Coloured	1 526 761
Asian	—
Black	—
Total	1 767 344

1977-'78

White	64 756
Coloured	—
Asian	—
Black	59 500
Total	124 256

1978-'79

White	74 655
Coloured	753 124
Asian	—
Black	555 835
Total	1 383 614

1979-'80

White	154 121
Coloured	320 623
Asian	14 727
Black	1 915 808
Total	2 405 279

1980-'81

White	684 570
Coloured	1 117 161
Asian	138 814
Black	236 298
Total	2 176 843

(vii) 1976-'77

White	257 700
Coloured	98 469

1977-'78

Asian	67 632
Black	—
Total	423 801

1978-'79

White	473 424
Coloured	635 594
Asian	224 545
Black	—
Total	1 333 563

1979-'80

White	545 137
Coloured	389 628
Asian	25 269
Black	13 829
Total	973 863

1980-'81

White	236 346
Coloured	1 167 044
Asian	67 547
Black	—
Total	1 470 937

(viii) 1976-'77

White	591 093
Coloured	1 752 712
Asian	—
Black	—
Total	2 343 805

1979-'80

White	2 062 414
Coloured	576 034
Asian	—
Black	79 648
Total	2 718 096

1977-'78	
White	1 364 490
Coloured	1 099 207
Asian	—
Black	349 219
	<hr/>
	2 812 916

1978-'79	
White	69 198
Coloured	982 820
Asian	—
Black	1 060 435
	<hr/>
	2 112 453

1979-'80	
White	3 103 731
Coloured	1 915 357
Asian	—
Black	1 815 316
	<hr/>
	6 834 404

1980-'81	
White	1 157 042
Coloured	1 041 144
Asian	—
Black	—
	<hr/>
	2 198 186

(ix) 1976-'77	
White	4 704 705
Coloured	14 794 407
Asian	1 535 618
Black	1 241 745
	<hr/>
	22 276 475

1977-'78	
White	4 265 299
Coloured	10 417 327

Asian	3 452 796
Black	3 914 787
	<hr/>
	22 050 209

1978-'79	
White	4 756 441
Coloured	10 791 601
Asian	1 350 616
Black	9 500 063
	<hr/>
	26 398 721

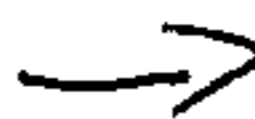
1979-'80	
White	6 642 063
Coloured	21 832 125
Asian	3 573 860
Black	15 647 982
	<hr/>
	47 696 030

1980-'81	
White	5 420 837
Coloured	16 425 512
Asian	7 135 966
Black	14 430 918
	<hr/>
	43 413 233

- (b) Funds are not allocated for each individual project whilst in practice, at the beginning of each financial year, especially in respect of the larger local authorities only a total amount is allocated to a specific local authority which it allots to current and new projects which it is authorized to execute. The required information is therefore not readily available.

Confiscated drugs

577. Mr. P. R. C. ROGERS asked the Minister of Law and Order:



(1) What funds were available to his Department as at 31 December 1981 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, in the last five years 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) (a) and (b) As at 31 December 1981 the full amount of R258,2 million made available for the 1981-'82 financial year had already been taken up. The hon. members attention is invited to the fact that the concept of economic and sub-economic housing no longer exists.

(2) (a) (i) 1976-'77.

White.....	3 979 134
Coloured.....	51 373 283
Asian.....	20 656
Black.....	44 985
	<u>55 418 058</u>

1977-'78

White.....	5 354 408
Coloured.....	55 545 383
Asian.....	—
Black.....	—
	<u>60 899 791</u>

1978-'79

White.....	7 709 489
Coloured.....	96 839 087
Asian.....	1 200 011
Black.....	174 301
	<u>105 922 888</u>

1979-'80

White.....	6 495 280
Coloured.....	67 522 143
Asian.....	1 053 086
Black.....	3 987 340
	<u>79 057 849</u>

1980-'81

White.....	5 099 848
Coloured.....	101 469 810
Asian.....	106 150
Black.....	7 553 810
	<u>114 229 618</u>

(ii) 1976-'77

White.....	1 071 358
Coloured.....	2 911 170
Asian.....	9 711 880
Black.....	353 526
	<u>14 047 934</u>

1977-'78

White.....	724 574
Coloured.....	5 762 120
Asian.....	11 209 058
Black.....	532 610
	<u>18 228 362</u>

1978-'79

White.....	1 116 340
Coloured.....	6 637 475
Asian.....	28 826 205
Black.....	1 052 444
	<u>37 632 464</u>

1979-'80

White.....	2 375 891
Coloured.....	6 613 704

Asian.....	38 730 721
Black.....	1 500 000
	<u>49 220 316</u>

1980-'81

White.....	1 927 416
Coloured.....	2 951 432
Asian.....	18 105 837
Black.....	1 329 810
	<u>24 314 495</u>

(iii) 1976-'77

White.....	1 244 137
Coloured.....	—
Asian.....	—
Black.....	—
	<u>1 244 137</u>

1977-'78

White.....	3 186 777
Coloured.....	4 953 350
Asian.....	495 555
Black.....	—
	<u>8 635 682</u>

1978-'79

White.....	20 704
Coloured.....	1 384 315
Asian.....	4 791 668
Black.....	—
	<u>6 196 687</u>

1979-'80

White.....	76 876
Coloured.....	9 658 431
Asian.....	35 229
Black.....	—
	<u>9 770 536</u>

Hansford Q. Col. 823-832
Economic/sub-economic housing
14/5/82
321. Mr. T. ARONSON asked the Minister of Community Development:

123





Minister Pen Kotze . . . bonds
for low-cost housing

ket for possibly two years, before going longer, will save the NHC as much as 2% over a 20-year period.

Kotze also said in a statement that an agreement has been reached with the building societies whereby they will provide mortgage bonds on low-cost housing units erected by local authorities for selling purposes. Buyers funded by the societies will be treated on the same basis as those funded by the NHC. The initial offer by the societies will cover houses already sold, as well as an amount made available directly to the NHC. It is suggested that this involves about R30m, but this cannot be confirmed.

infrastructural development.

The agreement with the banks is limited to the original R150m. About R60m of this will be provided by Senbank, the consortium leader, with the other two banks contributing about R45m each.

The funds required are for long-term purposes, which means that borrowing costs are being viewed long term. Following the suggestion of Senbank, the NHC will fund itself on a short-term basis for at least a year, and possibly as long as three years. The chosen vehicle at this stage is negotiable bills, the rate for which is based on the 90-day bankers' acceptance, implying a three-monthly rate review. However the package is flexible enough to enable recourse to other forms of finance, local and offshore.

The rationale behind this approach is to avoid a long-term lock-in while capital market rates are at peak levels. Senbank estimates that tapping the short-term mar-

NHC (123) FM 14/5/82
Going private

The National Housing Commission (NHC) will make its first entry to the markets next month as a borrower in its own right. Its debut will be attended by Senbank, UAL and Volkskas Merchant Bank, who in consortium have arranged to meet its financing needs "with a cheap and flexible package."

The NHC, administered by the Department of Community Development, was empowered by the Housing Amendment Act of 1982 to borrow in its own right, at ministerial discretion, to finance capital works. An amount of R150m to round off the current year's allocation to the National Housing Fund was put forward in the 1982/83 budget as part of Finance Minister Owen Horwood's attempt to reduce the government's funding burden. According to the Minister of Community Development, Pen Kotze, the money will be used to finance building projects currently under construction. However, he adds, Horwood has approved another R20m to be used for

RENT CONTROL: TENANTS GET NEW JOLT

*Property Argus 5
15/5/82
123*

Chemical

Black A
Cape Ex
Chemica
Chemica
Durban
Enginee
Enginee
Federat
Indust
Genera
Metal
Nation
Natio
S.A.
South
Steel
Umbog
Weska

Non-

Buil
Glas
Glas
Natio
Natio
Trans

Base
Mach

Amal
Amal
Blac
Elec
Elec
Engin

Engineering

Engineering Industrial Workers Union of S.A.

Gener
Gener
Iron
Metal
Motor
Motor
Motor
Motor
Natio
Natio
Radio
S.A.
S.A.
S.A.
S.A.
S.A.
South
Steel

Property Editor
THOUSANDS of families living in flats received a jolt this week when the Government announced a parliamentary select committee will investigate the desirability of removing rent control.

Flats and terraced houses built before 1949 are still rent controlled. They contain the largest group of tenants in the country, according to property men.

Being older buildings, they often house many pensioners and low-income families who cannot afford to take on better flats with higher rents.

Tenants fear rent control will ultimately be abolished and if it happens without anything being done to build more flats for renting, rents could rocket to market levels because of the

housing shortage. "Rents will continue to rise until equilibrium in the renting market has been restored," said the Minister of Community Development, Mr Pen Kotze, in the Assembly.

Leading property men agree privately that rent control is not likely to be phased out completely while there is a scarcity of rented accommodation.

The SA Property Owners' Association, director Mr Don Kennedy, says price control on rents is the most important deterrent to investment in building blocks of flats.

DETERRENT

The high cost of building is a greater deterrent, claims Mr Joe Abel, managing director of Permanent Trust Syfrets, one of the country's biggest administrators of flats.

To build three-room flats at Plumstead will need rents of R600 but the market level is around R300.

The only way to provide flats for low-income families needs bold action by the Government such as allowing developers to write off the cost of a block of flats after four

or five years, he said. "In spite of the increase in the cost of living, lack of liquidity and the high cost of bank overdrafts, rent levels are still rising and will continue to rise in the foreseeable future because of the supply of flats not catching up with demand."

It was significant that although rent escalations were general, the rate of increase was related to geographical location. Increases on the Atlantic coast were greater than those in other parts of the Peninsula.

Mr Abel pointed out that the end of rent control would still leave hundreds of protected tenants whose rents could not be increased without permission from the Rent Board.

If the Government thought rent control was inhibiting new building, it could provide for security of tenure of the low-income group and raise the income limits laid down in the Housing Act of 1966, said Mr Abel.

The provision for a married couple could be

Continued on Back Page.

How to save electricity

THE electricity department of the Cape Town City Council has drawn up an informative pamphlet entitled Practical Hints to Save Money and Minimise Power Cuts this Winter.

Tips include setting the hot water geyser for maximum savings, how to save energy when cooking, what to look for in cooking pots, and the time of day to restrict the use of electricity.

The pamphlets are available free from the electricity department and all council cash desks.

RENT CONTROL

Property Argus 15/5/82 123

Continued from Page 1. increased to R800 a month from the current R650 and that for a single person in a flat to R450 from R360.

The exemption should also apply to the elderly, pensioners and the disabled.

But the Act should consider the joint income of members of a household rather than the present system where only

the income of the lessee is taken into account.

Another property expert, who declined to be named, forecast the ending of rent control is still a long way ahead.

"With the possibility of a referendum and an election in the next two years, no government would risk alienating such a large block of voters as tenants," he said.

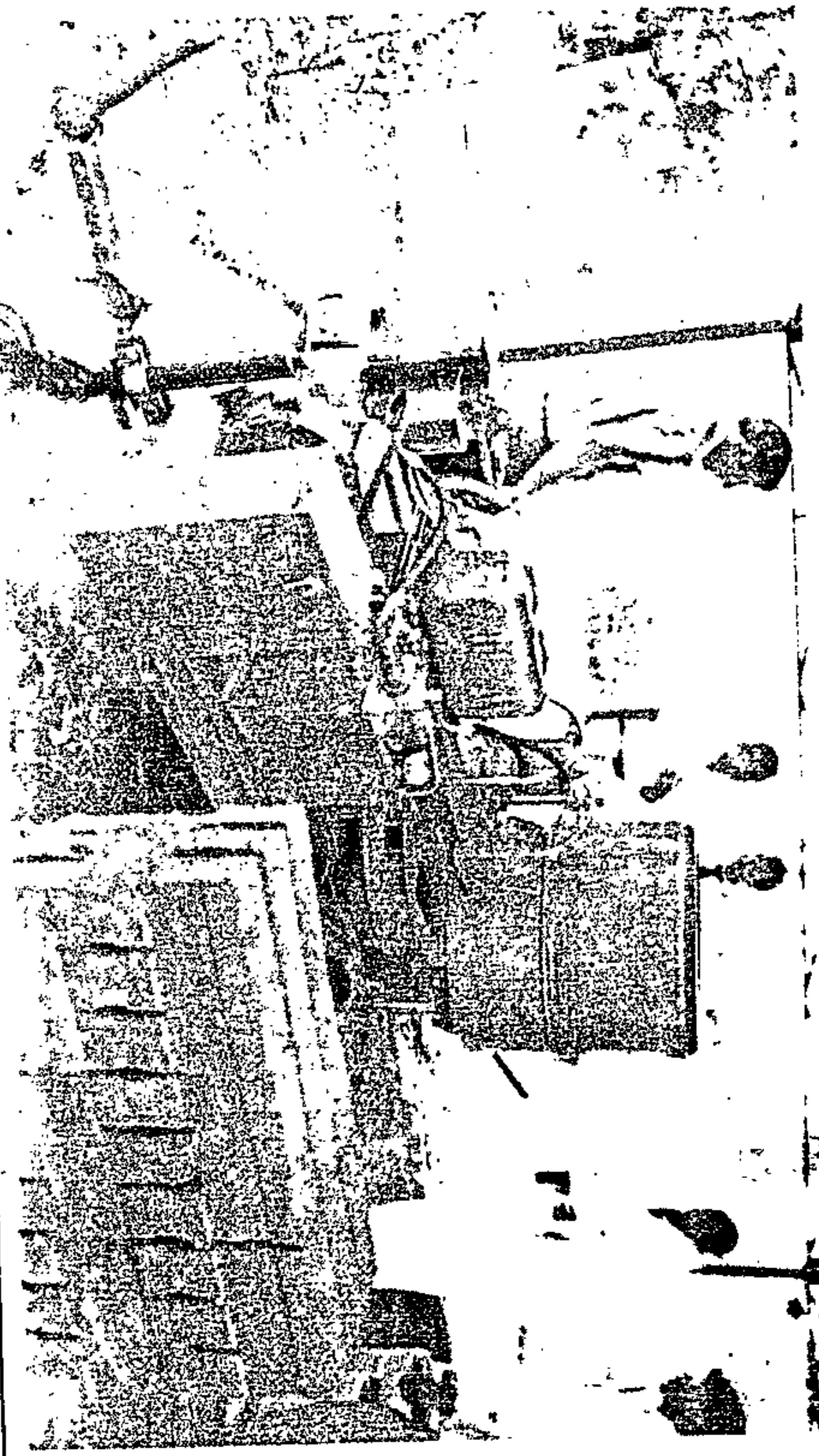
ders

Transvaal, Radio, Television and Allied Workers Union

United African Motor and Allied Workers Union

NEWS

Mud bricks could solve housing headache



A NEW technology for brick making, which combines the ancient craft of mud bricks with the modern science of chemical additives, has recently arrived in SA.

Developed in Switzerland by Consolid AG, it is claimed that this technology will incur considerable savings and be of great benefit to self-help housing projects.

It requires low capital expenditure and eliminates the need for skilled labour and expensive transport infrastructures.

The technology was originally designed to create roads by applying chemicals to natural soils.

Additives bind the clay

materials in the soil to provide a water resistant agreement that may be applied to the surface of the road.

The process was extended some years ago by the inventor, Dr G Scherr, to the making of bricks from local soil, so



Dr G Scherr.

that bricks can be made in situ, eliminating expensive transportation costs. The CLU 3000 brick making machine and the

chemicals can be taken on site to form mud bricks that are both durable and of standard size.

A sifting machine removes all the undesirable stones and rocks, and the soil treated with the two chemicals has a drying time of as little as 24 hours.

The company says that mud bricks, which are not porous like those of clay, are more dense, convey little ambient heat into the interior of a dwelling and also make it soundproof.

Unskilled labour can be trained to operate the self powered brick maker within one hour and one machine can produce 3 000 bricks per day, enough for 100 houses a year.

Back 'right' to home ownership

AR 645

18/5/82

123/122

Provincial Staff

THE right of blacks to home ownership had to be recognised in any "free enterprise society" with its political consequences, Mr Geoff Everingham (PFP Pinelands) said in the Provincial Council yesterday.

"It is not the free enterprise system which is oppressing the black people of this country. Rather, it is the manner in which the system has been manipulated by the National Party," Mr Everingham, chief opposition spokesman on the bud-

get debate. "After all, a characteristic of a communist economy is the absence of private property ownership, and that is precisely what applies to the black people of this country."

Only whites had the initiative of private enterprise, as blacks were prohibited from owning land in 87 percent of the country. The Group Areas Act reserved all central business districts of the major metropolitan areas for whites — a facting and coloured and Indians in conflict to the principle of free enterprise and private ownership.

In a free market economy, all people had freedom of choice in consumption, occupation, saving and investment. The absence of home ownership severely limited investment opportunities for blacks.

Mr Everingham said Provincial Administrations had made representations to the central Government to be recognised immediately, "together with the political consequences of accepting the permanence of an urban black population which has no interest in the homelands".

Mr Everingham moved the Opposition amendment to approve the Cape budget for 1982-83, the blacks".

123 *Harvard Q. 61. 871-872*
99-year leasehold scheme
2/5/82

*4. Mr. P. A. MYBURGH asked the Minister of Co-operation and Development:

Whether any sites under the 99-year leasehold scheme are available to churches; if so, in which areas in the Republic are they available?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

Sites are available to churches in terms of the 99-year leasehold scheme in all Black residential areas where the leasehold scheme is applicable provided that such churches have been recognized as qualified persons as defined in section 1 of the Blacks (Urban Areas) Consolidation Act, 1945 (Act 25 of 1945), as amended by section 1 of the Laws on Co-operation

MAY 1982

872

and Development Amendment Act, 1981
(Act 111 of 1981).

(123) 99-year leasehold scheme
Hansard Q 61.877-879
603. Mr. P. R. C. ROGERS asked the
Minister of Co-operation and Development:
21/5/82 →

- (1) How many persons in each specified Administration Board area applied for leases in terms of the 99-year leasehold scheme in 1981;
 - (2) whether the figures in respect of each such Administration Board represent an increase or decrease in comparison with the relevant figures for 1980?
- The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(1) Administration Board	1980
Oranje Vaal	47
Southern O.F.S.	—
Highveld	42

→

Mobile homes to the rescue?

123

Mercery
26/5/82

● **WHITE** South Africans are living through the worst drought in mortgage bonds in history. Approximately 12 000 prospective home owners are applying for bonds worth R300 million a month — and most of them go away empty handed. Thirty four percent of houses and apartments are rented properties and with the escalation in building costs to almost 32 percent in 1981, this kind of property is becoming difficult to find and very expensive.

Are there alternatives? One estate agent has suggested tent towns. More likely, though, will be mobile home estates.

JENNIFER CRWYS-WILLIAMS looks at life in a movable home without wheels.

THERE is an annual demand for 120 000 houses for people of all races in this country. At present rates, it will take 19 years and an investment of R1 700 million to make up the backlog — and we aren't even talking about the up and coming generation. An Association of Building Societies spokesman has described the situation as catastrophic.

It is exceedingly difficult to rent a property, let alone to buy one. Not only is there a desperate shortage of houses and flats from which to lease, but the prices of these properties are frequently prohibitive. It is difficult to find a house to rent in a 'good' area, for instance, for less than R600 and frequently R900 is the asking price.

In the main, three groups of people are struggling in the property crisis: the retired, the young without substantial means and immigrants.

'Parking' is not allowed

Could mobile homes be a temporary answer? They were launched in South Africa over 12 years ago and have been used mainly to provide housing for families of men involved in one capacity or another in the bush.

Most of the mobile homes in this category — there are approximately 8 000 of them — are sited near projects such as new power stations, mining developments and paper mills.

Under current legislation, mobile homes cannot be parked (and it should be made clear that a mobile home has to be connected to all facilities such as sewerage, water and electricity) on properties in residential areas. The only solution, should someone want to live in a mobile home, is to go to an estate catering for them.

There are only two of these in the country: one in Honeydew, Transvaal, one at Inchanga, Natal, with a two more planned (one for Scottburgh with 80 percent of the units being reserved for retired people and a smaller one in Pinetown).

Seventy two mobile homes are currently sited at the Parkhome Estate, Inchanga, with another two moving in shortly. Land is being prepared for

Pictures: Jimmy Hutton



ABOVE: Sheila and Des Hosking, immigrants from Zimbabwe, in the spacious sitting cum dining room of their double width mobile home.

BELOW: Wendy Cavanagh, with her new baby and friends. She and her husband rent their mobile home for R130 a month. 'You could live here and save for a deposit on a proper house.'

metres of ground space. The larger, double width model will set the buyer back R42 000 (for four bedrooms) and will take up 120 square metres of ground.

The prices quoted are inclusive of wall-to-wall carpeting, curtains and light fittings, electrics and plumbing, and if these are not to everyone's liking (the curtaining in particular is pedestrian), prices can be adjusted on request.

Although it would be a mistake to regard a mobile home as easily mobile (as opposed to caravans), a bond cannot be raised on them under current building society regulations, which are issued against fixed property.

Transportation costs

A prospective buyer would either have to pay hard cash, or put down a large deposit against a bank or hire-purchase loan. The only other outlay to be considered is the transportation from the factory to the site and, depending on where the owner decides to live, this can be substantial. The cost of moving a single width home from the Pinetown factory to Inchanga, for instance, is in the region of R1 500.

Facilities on the estate, available without charge, include a swimming pool, tennis court, recreational hall (old-time dancing), a workshop for hobbies and individual repair work (the estate has a repair man), a laundry and drying facilities. Most home owners, though, have their own washing machines.

The retired

Maud and Ron Eagar are a retired couple living in one of the older mobile homes. They don't have a bad word to say either of their home or of the estate on which they live.

On Ron's retirement, they decided to sell their Bluff home (expensive, too many robberies, too much upkeep) and buy their present one.

Both emphasise as the main advantages of mobile home living the strong community spirit, the economy (overheads kept to well below R200 per month) and the security they now feel. The estate has a guard and dog and is fenced — all good peace of mind.

26/5/82

121

more homes: there is space for 300 homes, although for the moment only 94 sites will be available.

The estate is situated in rolling countryside, with attractive views and, according to residents, 91 different species of birds...

Keen gardeners

Each mobile home has its own plot, which it rents from the holding company for between R90 — R100 per month (from July). Residents are free to landscape their gardens and they do this, with very few exceptions, with gusto.

Roads on the estate are tarred and curving, to take advantage of the terrain. They are all named after birds.

Each site is fully connected to water, electricity and sewerage. Because the estate is not connected to the national grid, electricity is supplied from a privately owned generator and although this can supply enough electricity for street lighting, interior lighting and electrical appliances (including washing machines and tumble-driers), standard size cookers are not permitted. Residents use gas, which is delivered to order once a week.

The only other financial outlay a resident has to budget for (the main one is for the rental of the land) is electricity, averaging out at between R10 — R11 per month, and a small charge on water (14 kilolitres per month are provided free).

Homes must have SABS approval

Only homes manufactured to South African Bureau of Standards' (SABS) specifications are permitted on the estate in terms of provincial legislation and the only company to manufacture SABS approved homes is CI Parkhomes. SABS models have fully insulated walls, floors and ceiling and carry a 30 minute fire rating.

The homes themselves come in two widths — the single-width Cedarburg which comes in two and three bedroom configurations and the double-width model with three or four bedrooms. The four bedroom model has two bathrooms (the main one is en-suite), as well as a walk-in wardrobe. The two bedroom model costs approximately R22 000 and covers either 52 or 60 square

Without substantial means

Falling into another category are Wendy and Gavin Cavanagh. They are both New Zealanders and couldn't afford the rentals being asked in Durban. A mobile home seemed the answer. Theirs is rented — for R130 a month — and is a basic, albeit fairly comfortable model. Wendy has a new born babe and, although she is reasonably content with the home itself, finds life on the estate boring.

With 90 percent of the residents retired, and with shops and other facilities some distance away, this is understandable.

'But this place is the answer for people like us,' she says. 'If we were staying we'd probably stay here and save enough money for a deposit on a house.'

And the immigrants

Finally, the immigrants. Sheila and Des Hosking live in a double-width Tulbagh home, three bedroomed and spacious enough for most conventional homes. They are former Rhodesians and had to cope not only with retirement but with stringent currency restrictions when they left the country.

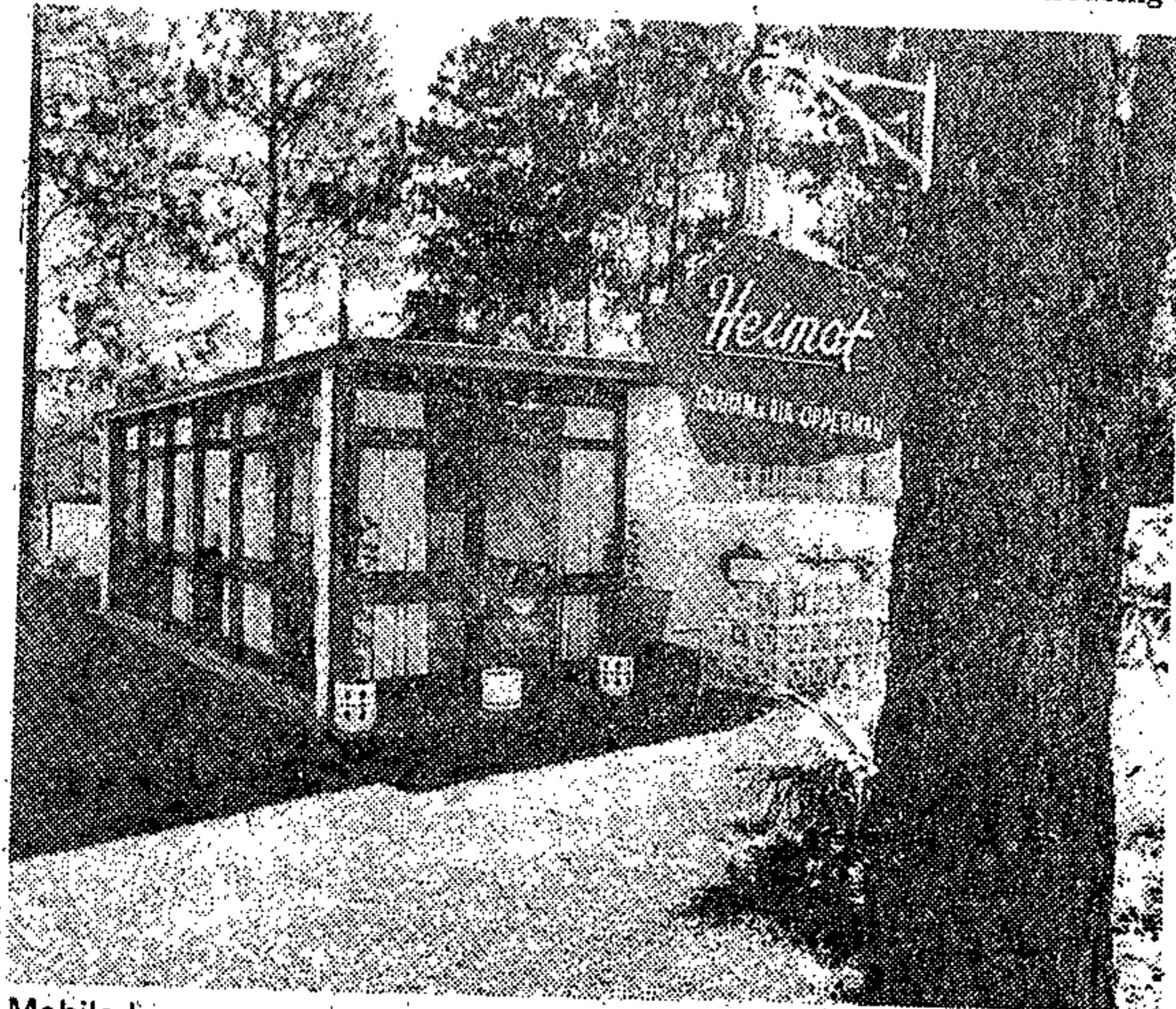
'I looked at all the houses in our price range. For R30 000 you can get a hovel in Pinetown and we just weren't prepared to do that. Then I saw one of these and it seemed the answer.'

Drawbacks are few but Des feels cramped on his little bit of land and cannot see why they can't buy it. They both like their home and they love the community.

'If we'd bought an ordinary house we'd have found it so difficult to meet people. Here there's a tight community — we even have our own emergency nursing service — and we like everyone. If we go away, someone looks after our house and our garden and we do the same for them.' Neither would move, they say.

Are mobile homes a thing of the future? A staggering eighty percent of American homes are built in factories or with factory-built components.

With the expected life of a locally built SABS approved mobile home put around the 25-year mark, they may be a temporary and valuable solution to our housing crisis.



Mobile homes are on individually landscaped sites. Gardens are carefully tended by residents.

Conflicting 26/5/82 (123) rulings on Mercury mobile homes cause concern

Mercury Reporter

A RULING against mobile homes by the CSIR-affiliated Agreement Board could mean that thousands of young families will have to do without comfortable housing.

The board, which issues certificates approving building systems after carrying out tests, has issued a ruling that homes which can be moved do not qualify for a certificate of approval.

This is in conflict with a decision by another CSIR-affiliated body, the SA Bureau of Standards, which has already issued certificates of approval to a range of mobile homes.

In a statement, the board gives no reasons for its decision to outlaw mobile homes.

Many local authorities will only allow structures which carry the so-called 'Agreement certificate'.

This means that mobile homes will not be allowed in areas where these cer-

tificates are applicable, even though mobile homes comply with, and in some cases exceed, the board's standards and carry SABS approval.

In Natal, the province's building regulations stipulate that a structure should have either an Agreement certificate or SABS approval. However, certain local authorities in the province have passed their own building regulations, and many lay down that an Agreement certificate is a necessity.

Confusion has arisen in the mobile home industry as a result of the differing stands taken by the board and the SABS.

The chief executive of CI Homes (a large Pietermaritzburg producer of caravans, mobile homes and pre-constructed housing which is put together 'on site'), Mr Martin Done, said yesterday that the conflicting stands by the board and the SABS should be reconciled.

RBW 27/5/85

(123)

No big helping hand for black women

YOU are a black woman, single, divorced or widowed, maybe. You are earning a good salary and your job is secure. You have dreams and means of buying yourself a beautiful house under the 99-year-lease scheme.

But, unless you have ready cash, you may never realise your dreams because nearly all building societies — except the Permanent Building Society — are not giving loans to black women.

They claim tribal law — under which a woman remains a minor — creates difficulties and, for this reason, they cannot offer loans.

Yet the Permanent Building Society does not see this as a problem at all — as tribal law only applies to those who marry under it and those who live in Natal. Under the Natal code of Native law all black women are regarded as minors.

Under customary law, black women remain minors for life and therefore are unable to enter into enforceable contracts.

But, for black women who do not marry under tribal law, the

same laws apply as do those for white women.

This means they can choose to marry out of community of property and remain majors.

The managing directors of three of the four building societies phoned by EVE said they were keen to give black women loans because they were "good customers and breadwinners" but couldn't because of the "legal implications".

However Mr K Symonds, of the Permanent Building Society, said: "We have no hesitation whatsoever, as long as they qualify. We have done a lot of business with them and take into consideration the fact that most are professionals who have sound security and are earning good salaries. They deserve the best for their money."

However, the other three building societies said they didn't give loans and gave the following reasons:

● Mr P van Straten, loans manager for the Natal Building Society said: "We do not assist black women because of the legal implications. Under customary laws they are minors and

cannot enter into enforceable contracts."

Questioned whether this ruling was not discriminatory, his answer was: "White women do not marry under tribal or customary laws."

● Mr Piet Badenhorst, managing director of the United Building Society, said his company was still trying to clarify the legal status of black women and was not giving loans at present.

● Mr G Bowker, assistant general manager loans of Allied Building Society, said his company didn't give loans, on legal advice.

By CAROL MATHIANE

"We were told by our attorneys that by giving black women loans we would be putting ourselves at risk. However, building societies have made representations to the Government to amend the laws affecting the status of black women."

● Mr T Hart, director of the Association of Building Societies

said: "Because of customary law it is not possible for us to give black women loans (under this law they are minors and unless their marital status changes, it will be difficult for them to secure loans," he said.

Commenting on their reasons Mr Ramarumo Monama, a leading black lawyer at the Centre for Applied Legal Studies, University of the Witwatersrand said:

"The building societies should show me one black woman in Soweto married under customary law who would want such a loan. The kind of woman who applies for a loan has a high income and would never entertain such a marriage. I wonder where the building societies get such arguments."

One woman who was recently refused a loan is the principal of the school of radiography at Baragwanath Hospital.

"It seems building societies are happy to accept money from black women and lend it to other people," she said.

"It is a rather instance of discrimination against the black woman. Many women who are

being refused loans are earning more than men who are getting them."

She said she had spent time and money getting documents together, organising the 99-year-lease only to have the building societies turn her down.

Mrs Roberta Johnston of the Women's Legal Status Committee said it was grossly unfair for the building societies to turn black women down.

"It's high time they changed their minds about this. If they can repossess from a male defaulter why can't it be the same for a woman. If a woman can pay back the loan why not give it to her?" she said.

Her colleague Mrs Babette Kabak said:

"Customary union has created a lot of problems and that is why our organisation has recommended the Law Commission look into it in the hope that changes are introduced."

Meanwhile, a large number of black women who are in secure employment (and they make up quite a percentage) have no prospect of owning their own homes.

Use containers for housing, suggest experts

123
29/1/82
WOK

Mail Correspondent

DURBAN. — A growing supply of redundant containers, now becoming a problem for shipping lines in Europe, could be turned to advantage in the form of emergency accommodation for people, say South African housing authorities.

They do not think the damaged or obsolete containers will make particularly inviting homes, but if the price is right they could provide a ready substitute for shacks like those at Crossroads — or as temporary accommodation for owner-builders.

"Anything that effectively boosts the amount of affordable accommodation has got to be a good idea," said low-cost housing authority Mr Paul Andrew who believes the containers will be useful because they are easily transportable and should be relatively inexpensive.

Dr Julian Evenwell, man-

aging director of Besterecta Construction, saw the containers as providing temporary protection against the elements, but not much more.

The cost of building a house was only about 40% of the total cost of providing housing after making provision for roads and services, he noted, and this could probably be brought down to 25 or 30% using conventional methods if items such as carpeting were eliminated.

Another housing authority, Mr Chris April, a member of the President's Council, agreed that containers were not an ideal solution to the housing shortage, but thought they would look better than the shacks at Crossroads.

Sources in the container industry yesterday said there was no significant surplus of containers available in the city yet, although more could be expected to become available. The present price was about R1 300.

Other

- Diamond Cutters Union of South Africa
- Jewellers and Goldsmiths Union
- Optical Workers Union
- S.A. Association of Dental Mechanics
- S.A. Diamond Workers Union

ELECTRICITY, GAS AND WATER

- Cape Town Gas Workers Union
- Escom (Cape Western Undertaking) Salaried Staff Association
- Escom Salaried Staff Association
- Escom Workers Association
- General Workers Union
- Johannesburg Municipal Water Work Mechanics Union

CONSTRUCTION

- Amalgamated Society of Woodworkers
- Amalgamated Engineering Union of South Africa
- Amalgamated Union of Building Trade Workers
- Black Allied Workers Union
- Blankebouwerkersvakbond
- Building, Construction and Allied Workers Union
- Building Workers Union
- Electrical and Allied Trades Union of South Africa
- Electrical and Allied Workers Union of South Africa
- Engineering and Allied Workers Union
- Engineering Industrial Workers Union of South Africa
- General Workers Union
- Metal and Allied Workers Union
- National Union of Engineering, Industrial and Allied Workers
- Port Elizabeth Operative, Plumbers Employees Association
- S.A. Operative Masons' Society
- S.A. Woodworkers
- Steel, Engineering and Allied Workers Union
- S.A. Electrical Workers Association

WHOLESALE & RETAIL TRADE AND CATERING AND ACCOMMODATION SERVICES

Wholesale & Retail Trade

- Black Allied Workers Union
- Commercial, Catering and Allied Workers Union
- Concession Stores and Allied Trades Assistants Union
- Domestic Workers and Salesladies Association
- Kimberley Shop Assistants, Warehousemen and Clerks Association
- National Union of Commercial, Catering and Allied Workers
- National Union of Distributive Workers
- Pretoriase Vakbond vir die Kleinhandel Vleisbedryf
- Transvaal Retail Meat Trade Employees Union

Catering and Accommodation

- Commercial, Catering and Allied Workers Union
- East London Liquor & Catering Trades Employees Union

Property Reporter

(123)

DON'T UNDERESTIMATE 99-YEAR LEASE FOR BLACK HOUSING

THE importance of the 99-year-leasehold system for black housing has been grossly underestimated, Dr Jan Steyn, director of the Urban Foundation, said this week. He said the 99-year-lease system "was an essential step in the promotion and development of the free enterprise system in South Africa."

"It created the first base on which conventional finance resources, such as from building societies, could be made available to potential black home owners," he said.

The introduction of this system had made it possible for the country, and particularly blacks, to move towards the four values his foundation thought were essential: The free economic system, which he regarded as a fundamental human right. Although it was no guarantee against tyranny and oppression it was a cornerstone of the type of society in which people would like to live.

Freedom of choice, which needs considerable development in South Africa, was the second of the four values and elimination of discrimination on irrational grounds the third.

The creation of housing or residential developments was an important area in which these three values could be consolidated.

The fourth fundamental value was self-reliance. Underscoring the importance of the change that had come about after the 99-year-leasehold had been introduced, he said: "Historically, housing was at a denial of choice of everything in enterprise value. And there

Mention the "housing problem" and people generally think in terms of the provision of the standard suburban three-bedroom family dwelling. But there are many who, either by choice or for financial reasons do not aspire to this form of accommodation, nor do they fancy the main alternative — flat life.

These are the single professional people, retired and young married couples, teachers, nurses, students, pet lovers and garden enthusiasts ... all hoping to rent garden cottages which exist legally and illegally throughout Johannesburg.

Although tacit recognition of some "granny cottages" has been made by some local authorities, this form of accommodation has a far greater potential for satisfying the needs of society when viewed in the context of the life cycle of a family.

While it is recognised that the stable nuclear family group is the basis of our society, by enshrining the suburban ethic as a dogma of municipal legislation we have succeeded in fragmenting society and isolating both the young and old from that focus.

It is a remarkable anomaly that while the definition of a "special residential" erf is clearly defined as being for a single dwelling, it actually holds two — for different races. However, it is also becoming apparent that for a number of reasons, not least the direct and indirect costs of keeping a live-in servant, people are

How to ease the housing problem

123
Star
4/6/82

Local authorities should permit home owners to convert outbuildings into garden cottages. The beneficial social and economic consequences would be substantial, says Antony Trowbridge.

opting to do without domestic help.

The question then arises — what to do with such accommodation? Their conversion to "garden cottages" is frowned upon on the basis of a vague fear of "overcrowding" and the false assumptions about "creating slums" whereas the rapid growth of high density luxury townhouses should have dispelled that idea.

It has been proposed that these anomalies could be resolved comparatively simply by permitting every existing or new property developer to have the option of building or converting existing outbuildings into a garden cottage to accommodate two persons, OR having two servants — but not both.

The social and economic consequences would be substantial. A family currently struggling to meet rising bond payments and the cost of living would, by letting the cottage, greatly lessen their burdens.

Alterations can be relatively inexpensive and much needed ac-

commodation in improved environment circumstances would become available. Security for the property would be increased in having someone on the premises, particularly during the annual family holidays.

The role of the garden cottage, however, is most advantageous in the life-cycle of the family. The cottage serves as an ideal "pad" for teenagers to entertain their friends. On getting married the youngsters also have the opportunity of living economically and so save for their nuclear family house and so create the same cyclical process.

Alternatively they could take over the house, and parents the cottage for their retirement. The "spin-offs" of this arrangement would be the all-important integration of grandparents to the

family circle, and lessening the need for old-age homes.

But it is important to consider the wider social and possibly negative implications. Certain constraints would be necessary.

For instance: no cottage should exceed 50 sq metres in area and the total area of the main house and cottage should be contained within the coverage of land stipulated under the Town Planning regulations. Furthermore, there should be only one vehicle access from the street and on-site parking should be provided for any additional vehicles (to avoid street parking).

It is possible to envisage that properties in excess of say 50 000 sq metres could be permitted to have both a cottage and accommodation for a servant and/or a gardener.

Given such suitable constraints, current accommodation shortage would be substantially eased; a substantial small-builders market would be created, and property developers would be encouraged to build because more future property owners would enter the affordability market level by virtue of the income factor offered.

Such a development would be attained in the existing areas without any extra load upon municipal services, while the increase in rateable values of the properties would correspondingly be an extra source of revenue.

All that is needed is sufficient vision and intention among local authorities to realise that herein lies a vast untapped potential for improving the overall standards and quality of living of many thousands of presently dissatisfied residents.

● Antony V Trowbridge is futures researcher for a large mining house.



p 1c

STAATSKOERANT
VAN DIE REPUBLIEK VAN SUID-AFRIKA

REPUBLIC OF SOUTH AFRICA
GOVERNMENT GAZETTE

123

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 CAPE TOWN, 11 JUNE 1982

GOEWERMENSKENNISGEWING

GOVERNMENT NOTICE

DEPARTEMENT VAN
 GEMEENSKAPSONTWIKKELING

DEPARTMENT OF COMMUNITY
 DEVELOPMENT

No. 1175] [11 Junie 1982

No. 1175] [11 June 1982

PARLEMENTÊRE GEKOSE KOMITEE OOR
 HUURBEHEER EN VERWANTE
 AANGELEENTHEDE

PARLIAMENTARY SELECT COMMITTEE ON
 RENT CONTROL AND RELATED MATTERS

Hierby word vir algemene inligting bekend gemaak dat die Volksraad op 21 Mei 1982, op voorstel van Sy Edele die Minister van Gemeenskapsontwikkeling, 'n Gekose Komitee aangestel het met die volgende opdrag:

It is hereby notified for general information that on 21 May 1982 the House of Assembly, on the motion of the Honourable the Minister of Community Development, appointed a Select Committee with the following terms of reference:

Om ondersoek in te stel na en verslag te doen oor—

To enquire into and report upon—

1. die wenslikheid al dan nie van statutêre beheer oor huurgelde;
2. maatreëls om aan huurders voortgesette beskerming teen uitbuiting, viktimisering en willekeurige uitsetting te verleen;
3. maatreëls om verbandhoudende wanpraktyke met betrekking tot die Wet op Deeltitels, 1971, die Wet op die Beheer van Aandeleblokke, 1980, en die Wet op die Vervreemding van Grond, 1981, te bekamp; en
4. aangeleentheid wat daarmee in verband staan,

1. the desirability, or otherwise, of statutory control over rents;
2. measures to afford tenants continued protection against exploitation, victimization and arbitrary ejection;
3. measures to curb related malpractices with reference to the Sectional Titles Act, 1971, the Share Blocks Control Act, 1980, and the Alienation of Land Act, 1981; and
4. related matters,

en dat bevoegdheid aan die Komitee verleen word om getuienis af te neem en stukke te vorder.

the Committee to have power to take evidence and call for papers.

Die Gekose Komitee verlang dat alle persone en instansies wat graag vertoë oor die onderwerp van die Komitee se ondersoek wil voorlê, aansoeke om die voorleg-

The Select Committee desires all persons and institutions who wish to submit representations on the subject of the Committee's enquiry to submit applications for the

for full text see 8262

123

Star 12/6/82

Building societies state their case

THE property market must be governed by the men in the middle of the financial world — the building societies which handle the cash for most of the house deals in the land.

In recent months, the societies have come under fire from some sectors of the Press and public because, after an incredible period where loans were freely available, the sudden clamp-down was little understood. Now loans are difficult to obtain and applications are screened carefully.

Nevertheless, home loans are still big business. In their last financial year, ended March 1982, the members of the Association of Building Societies advanced R1 660 million for existing homes and R457 million for new construction. These amounts, though way below the figures for the previous year of R4 051 million and R1 012 million, still represent an enormous amount of money.

What do the top executives of the building societies think of the situation now?

MR PETER RICHARDSON, joint managing director of the United Building Society, pointed out that although the Association of Building Societies may make certain recommendations about mortgage rates, it was still up to the individual societies to make their own decisions.

'Certainly, as far as the United is concerned, there is no consideration about raising the rates at the present time,' he said.

Mr Richardson said the country is facing a downward phase of the business cycle. And in all downward phases we have a lower level of activity in all spheres.

'The country has a deficit which, it has been said, is building up to R5 000 million on the current account; the price of gold is down and there is not much opportunity for exports. We have got to look after the affairs of the country. We have been over-spending and we have got to bring the whole thing back again. And the only way to do that is to slow down the demand for commodities.

'And if you are going to slow down activities, then I am afraid it is very difficult to exclude any portion of the economy. That's what the authorities are doing — they are trying to encourage a slow-down.

'I think the major problem of societies during the past year was the loss of colossal sums of money from our ordinary paid-up shares. The movement as a whole lost just on R440 million and the United lost something like R170 million in a very brief period and that money had to be got back at higher rates of interest.

'That was a serious blow to the movement.'

Has the 99-year lease had any effect on building society funds?

'There has been no effect whatsoever from the scheme. A substantial sum of money was made available by the Urban Foundation and that was allocated to black housing. Where we have granted loans to blacks, we have drawn up to 90 percent of the money as a deposit from the Urban Foundation. Only the small difference of 10 percent is taken from the bulk of the society's funds.

How about those loans in the future?

'Oh, in the future it will come from our resources. There is no question that the funds will come from the bulk of resources and that might be deposited by anybody.

'We like to have a spread of our properties and a spread to the community as a whole. Blacks would not be considered at all as blacks. Before that situation arises, however, you are going to have a market to develop for blacks and there is not one at the moment in the sense of interchange.'

On interest rates, Mr Richardson said whatever the effect of what was happening overseas, there would be a delay before it happened here.

How much competition with the banks exists in the battle for people's savings?

'The competition has always been there,' he said. 'All this talk that the competition is something new is a lot of eyewash as far as I am concerned.'

'There is lots of nonsense about building societies encroaching on the banks' preserves because of taking institutional deposits. I joined the society 35 years ago and we took deposits then from institutions such as insurance companies.

'The only area where we have not thus far competed is on mortgage advances. The reason the banks haven't competed there is that the avenues which they have for investing their money are much more lucrative than mortgage bonds. Even today, with the high rates, our average rate is under 14.25 percent. What bank would lend you money at that rate?

'So yes, there is competition but the extent of that competition, the so-called war that is a figment of the imagination, is somewhat over-exaggerated.'

How about interest rates? Have they levelled off?

'I don't know. I have no crystal ball. Experts seem to think that perhaps long-term rates are reaching their peak but there will be increases in short-term rates and certainly the short-term rates at the moment are still pretty high.'

'I cannot see a downturn and the rates could even harden between now and the end of the year and not start peaking out until next year.'

would hope that we are going to see that the outflow of money from indefinite period shares is being stemmed. Last year there was a tendency for people to forget about the benefits of tax-free and to go for the highest rates which were fixed deposits.

'The big fallacy at the moment is that because interest rates have been rising for the past 18 months, they will never come down. But they do.'

'One must also bear in mind that everyone gets sentimental about the high cost of housing because it is an essential commodity and everybody starts worrying about what their sons and daughters are going to do about a house. They forget everything else has risen and a large proportion of the public gets some form of subsidy for their housing.'

'I believe the impact is not as great as some people make it out to be. The other thing is young people have got to be a little bit more modest in housing requirements and not start where mom and dad left off.'

'There is a feeling here

that under the umbrella of free enterprise, building societies have got to provide the housing need for the whole country. I don't see this being possible. Traditionally, we have dealt with the middle rung; the wealthy can look after themselves and the bottom end cannot afford their own houses.'

The cost of money is high for them, he said.

'I think there has got to be some other form of finding a means of housing the mass of people in urban areas and that can only be done by raising some form of money at Government level.'

On the 99-year lease system...

Mr Bowker said: 'According to the latest figures there have been 2 000 registrations. That is pretty few when one considers the time that has elapsed since it was introduced. (Four years). The R30 million which was produced for the funding of black housing has been used to the full.'

Another 400 to 500 leases will be registered

To page 7.

praf

Handwritten notes:
... of its benefits ...
... in housing ...
... from ...
... of ...

Rates are terribly difficult. I doubt very much that they will come off, but I doubt whether they will go up an awful lot either. I think we are in for a spell of high interest rates where they will stay there.

'They won't move another four percent up and they won't move four percent down.'

What can people do to help themselves in the housing situation?

Mr Richardson said: 'You save yourself an awful lot of money if you pay your bond off more quickly. If anyone ever calculates how much interest he pays over the years, well, it is colossal.'

'There are groups who cannot pay off quickly and of necessity they have to extend the period of repayment. But they should still increase their repayments as soon as they can.'

MR JIMMY DODDS is managing director of the Allied Building Society.

Mr Geoff Bowker, assistant general manager, advances, agreed.

'There are a lot of contingencies which can affect the situation — money supply, Government interference, — but as it stands now I don't think we have reached a peak.'

Does that apply to mortgage rates as well?

'Well, the two are interdependent. The present margins in building societies at the moment are so narrow that if competition forces the investment rates up, then surely the mortgage rates must follow.'

'I would think that certainly the short-term rates are likely to go harder in the last quarter. Everyone says we are in for a tough time.'

What is the general state of the market? Is more money coming in?

Mr Dodds said: 'I think we are jogging along much the same as we did last year.'

'We have only had two months of this year. I

(123) Star 12/6/82



MR A J Richardson.



MR John Bennett.



MR H J Dodds.

in the next 90 days, he said.

Then, blacks will have to pay the same rates of interest as whites, although the figure would be less because of the lower prices of houses and the differential interest rates.

Mr Bowker said there had been a couple of re-sales among black homeowners and the sellers had made a profit. They became capitalists overnight, he commented.

MR BOET Viljoen is managing director of the South African Permanent Building Society and was head of the Viljoen Commission into black housing. In general terms, how does he see the movement going?

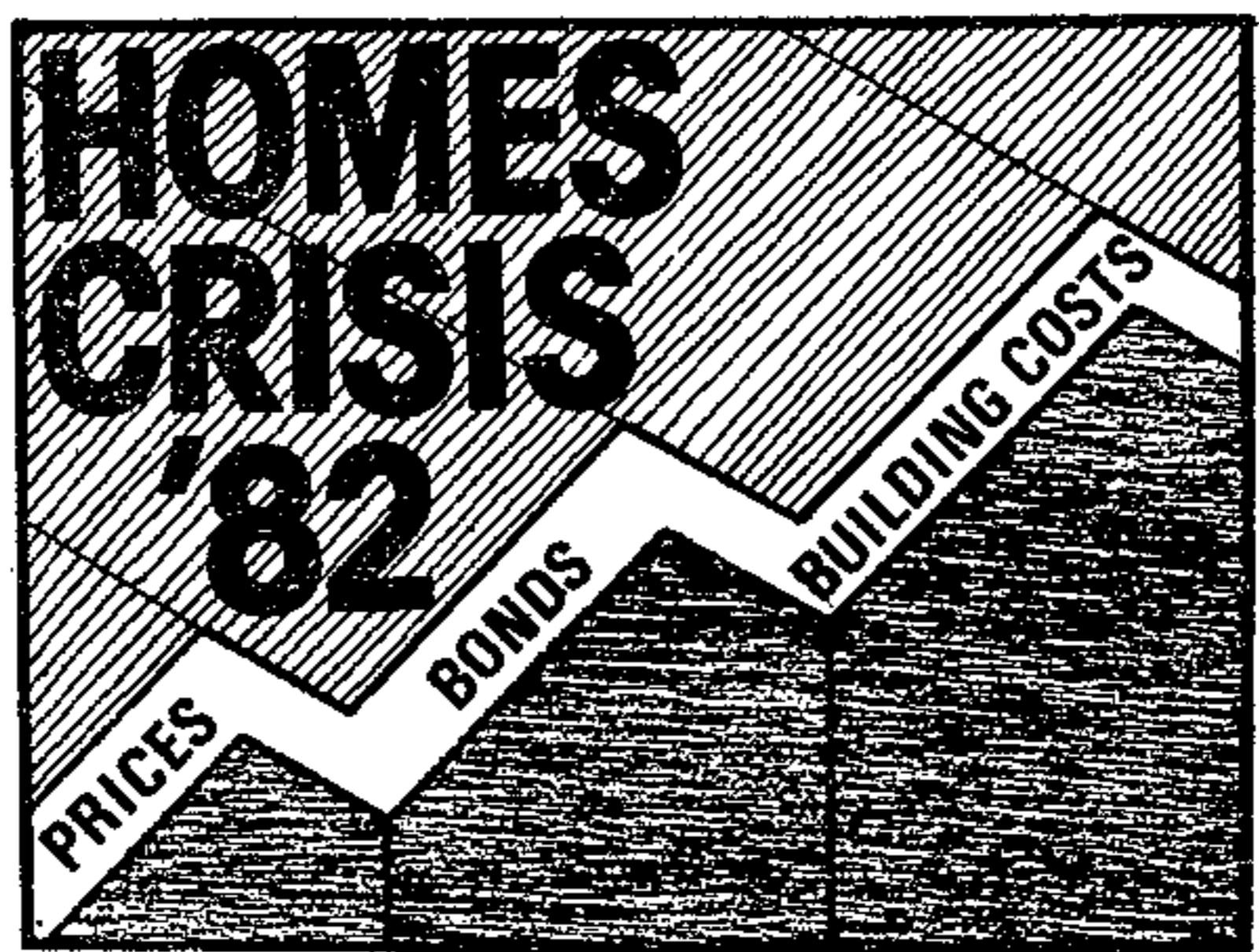
'For many years there was the thought that whatever is happening to other financial institutions, building societies were something apart.

'They were doing a particular job of work — providing houses which was looked upon almost emo-

aged our affairs. In 1980, there was lots of money around. Banks had lots of money and they were taking on commitments as fast as they could. We granted loans — we couldn't store the money in a corner at call-rates

happened in the last two years.

'We will continue to attract business. We will have to look at the margins and they will have to be sufficiently wide to enable societies to build up their reserves strongly.'



lower than the price we had paid for it.

'There is no money presently in banks or building societies. Why did not the banks store up some money so they have some now? It is a futile argument.

'Our function is to ac-

He said some free services would have to be looked at... services such as free cheques.

'But I see a very exciting future for building societies but both the authorities and the investing public will have to adjust

with us and these will be repaid unless the institutions are prepared to take the same rate as we offer the man in the street. And they probably won't want to do that.

'We have always taken the conservative view to lending. When one is conservative during the peaks one can afford to be during the valleys.

'We feel now that there are early indications that the position may be improving, but slowly,' he said.

Mr Bennett said the rates remained high and many people could not afford the repayments. But he added the arrears position was 'very satisfactory' and there had been no repossession.

On the question of property prices, especially in Natal, Mr Bennett said over a wide range of values there was no indication of drops, except possibly at the top. The middle-price range was not being affected although he understands the building industry seems to be expecting a reduced demand.

tionally as something so far above what the other institutions were doing that societies had to be helped at times.

'Now we have moved into an era of free market rates. We are quite happy to be part of it provided that not only the rates on investors' money is market-related, but also the bond rate.

'Building societies will negotiate with authorities in order to get a formula whereby they will be able to continue in business. The industry is R30 000 million strong and has done a great job of housing people in South Africa and will continue to do so.

'Building societies are in good shape. They have put their house in order. They have acted prudently and looked after their businesses carefully.

'We have not misman-

cept money from the public and put that into home-loan finance. We have also been wrongly blamed for inflating house and building prices. Today there is no money and still building prices go up, so the argument is not valid.

'Now where do we go? Over the next 10 to 15 years building societies will be of a different description to what they were 20 to 25 years ago. The competitive nature of the market is changing.

'Building societies are giving thought to how they see themselves structured for whatever the future may hold. Very positive discussions have been held with the authorities and rather than waiting for the authorities to come to us we went to them. We fully understand that the mix of investments will change as has

themselves to a different formula of building society operation to provide the home loan finance required over the next decade.

Mr JOHN BENNETT is managing director of the Natal Building Society, which is 100 years old this year. It is the only society which has its head office in Durban — how does he see the strength of the movement in Natal?

'My impression is that the position on the availability of funds has eased a little. It is still not satisfactory, and would be borrowers still have to face a long wait. But from my own society's point of view, the outlook does appear a little better than it did two months ago,' he said yesterday.

The NBS, he reiterated, is not relying on institutional money and is not in the market for it.

'There are some fairly small sums still invested

Although there appeared to be quite a bit of house-building going on, this could be a continuation of previous orders — it is like a spinning wheel taking time to slow down.

The NBS's own development company is 'going pretty well,' said Mr Bennett.

'We have been building 20 houses a month in the Verulam area and at a pretty high rate at New Dawn Park in the Newlands East area. Another big development is planned for Lenasia and there are numerous smaller, white developments including one in Pietermaritzburg.'

Mr Bennett believes plastic money such as his own society's cash card is here to stay. It is, he says, something of the future with so many advantages over the pass-book.

'I firmly believe this is how transmissions and withdrawals will be conducted in the future.'

Those missing estate agents

THE Estate Agents Board has announced that at the height of the boom in the property market, there were almost 5 000 estate agency firms and nearly 17 000 individuals in the field.

'Today there are 4 200 firms and 13 500 individuals with fidelity fund certificates. What happened to the others?'

'We would also like to know,' says the latest newsletter.

It warns that the agents' position is:

- If they are acting as estate agents, they are doing so illegally and could not claim commission for their services. They will be prosecuted in court for contravention of clause 26(a) of the Estate Agents Act.
- If they are employee estate agents and are practising without a fidelity fund certificate, their employer will also be charged in court because he should not employ as an estate agent any person not in possession of a fidelity fund certificate.

AI, nove use for disused tanks

It may not be of much help to city dwellers who do not usually have old disused water tanks, but those on smallholdings or farms may well benefit from a novel plan by Mr Mike Bateson, of Cape Thatchers (Pty) Ltd, to turn them into attractive, useful rondavels.

"There are many derelict tanks especially in the rural areas and they are often an eyesore," Mr Bateson said.

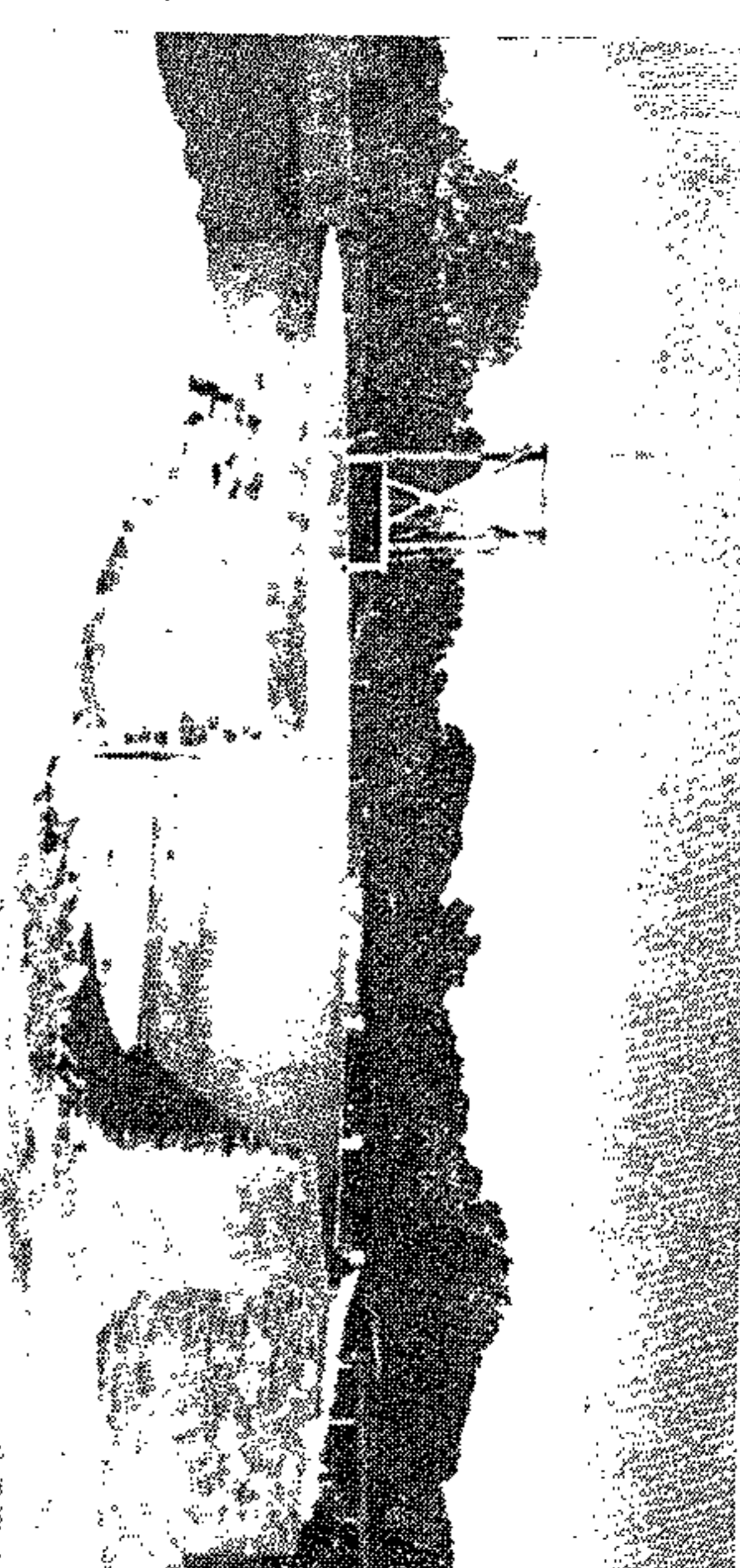
"We believe that provided they are well situated, their conversion into a detached structure is a pleasing, practical and economic proposition."

Possible uses for such buildings are many and varied, depending on their location — guest room, work room, office, workers' armitory, farm stall, entrance-control or ticket office.

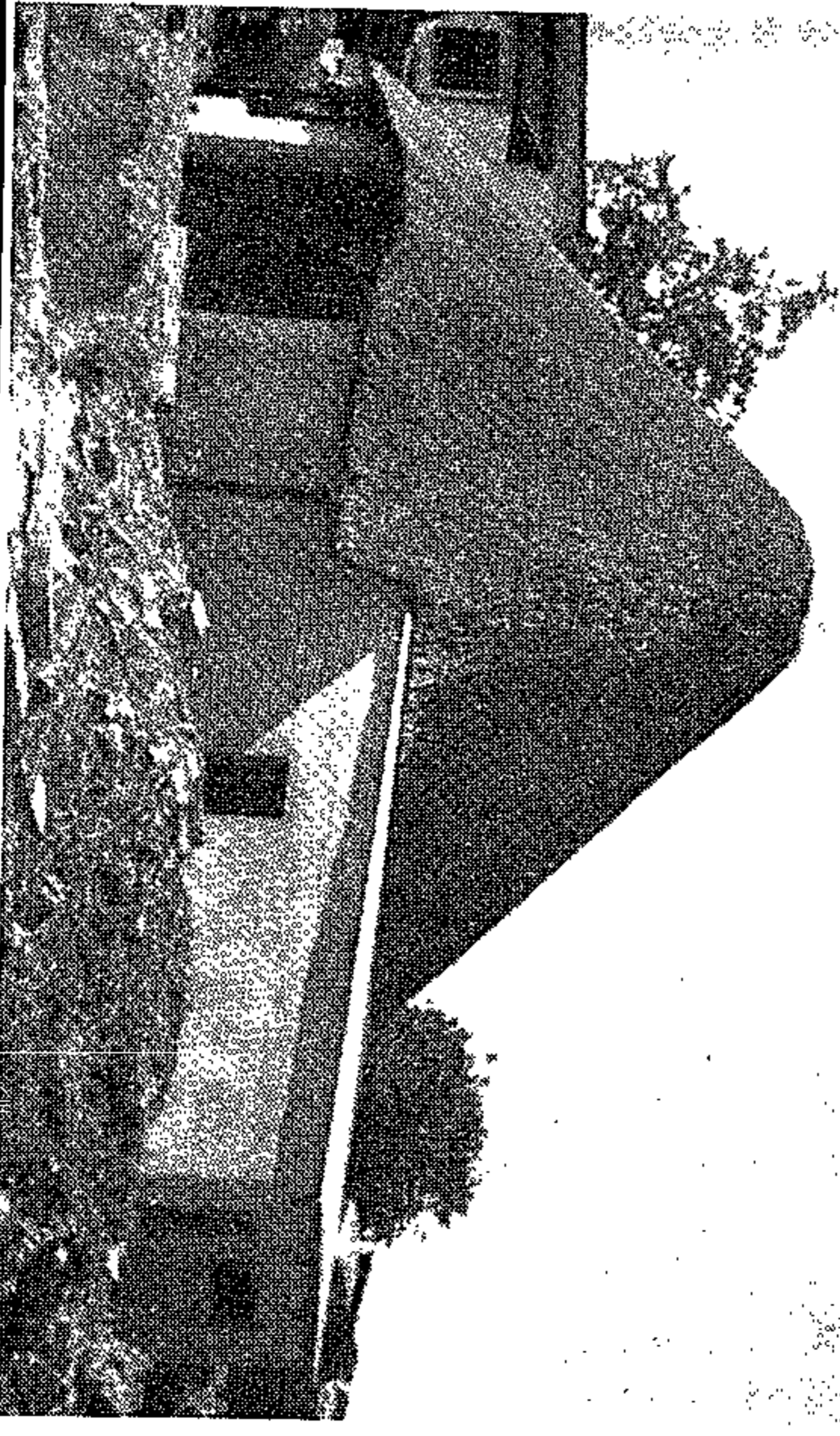
"The savings are great compared with the costs of new building, because the foundations and exterior walls are already built.

"So, apart from a door and windows, the roof is the only major construction needed."

For the roof frame, treated poles are recommended. 25mm-diameter round timber, such as cedar, is preferred for 150mm thick thatching reed to be woven on to, and completed with a plastered cone.



A derelict old water tank (above) is transformed by a thatch roof into an attractive rondavel (below).



Has Estate Agents Board any teeth?

123
E. Post 12/6/82

By SHIRLEY PRESSLY
IS the Estate Agents Board a body without teeth?

Board members who attended a seminar on the work of the Estate Agents Board had to do some fast talking to convince some estate agents present otherwise.

The seminar was arranged by the Port Elizabeth and Midlands branch of the Institute of Estate Agents and was well attended.

The board was represented by its manager, Mr S van Soelen, Mr P C du Plessis, of National Real Estate in Bloemfontein and Mr Les Weil, joint managing director of A Isaacs.

Mr Peter du Plessis, of Bloemfontein, a member of the Estate Agents Board, pointed out that the board had been fathered by the institute.

Nearly all the board's members were institute members and were not paid employees but practising estate agents.

A touchy point which sparked off heated debate was the question of why the law-abiding estate agent had to cover for the non-law-abiding estate agent and whether the steps

contravened the code of conduct.

The reply in both cases had been that it was a matter for the civil courts, not the Estate Agents Board.

Mr H Ovsowitz wanted to know: "What has a civil action to do with whether an estate agent has contravened the code of conduct?"

Mr Du Plessis replied that both cases would surely have been investigated had the requests been phrased in the manner in which they were put across at the meeting.

"If a request to investigate is well formulated and done in the right process we will investigate it and take it to its logical conclusion," he said.

Prepared questions were put to the board.

The first question, "Has the board proved beneficial to estate agents," evoked an unequivocal "Yes" from the board members, and most of the estate agents present seemed to agree.

Mr Weil said that at virtually the stroke of a pen a profession had been created. The educational process, however, was a lengthy one.

He touched briefly on the

were not accompanied by cheques at all.

He pointed out that there were 14 000 estate agents and when Fidelity Fund certificates had to be renewed, one batch of mail could bring in up to 2 000 applications.

He appealed to people not to telephone and ask whether their applications had been received during the peak November period. "If you've had no reply within a month, then phone," he said.

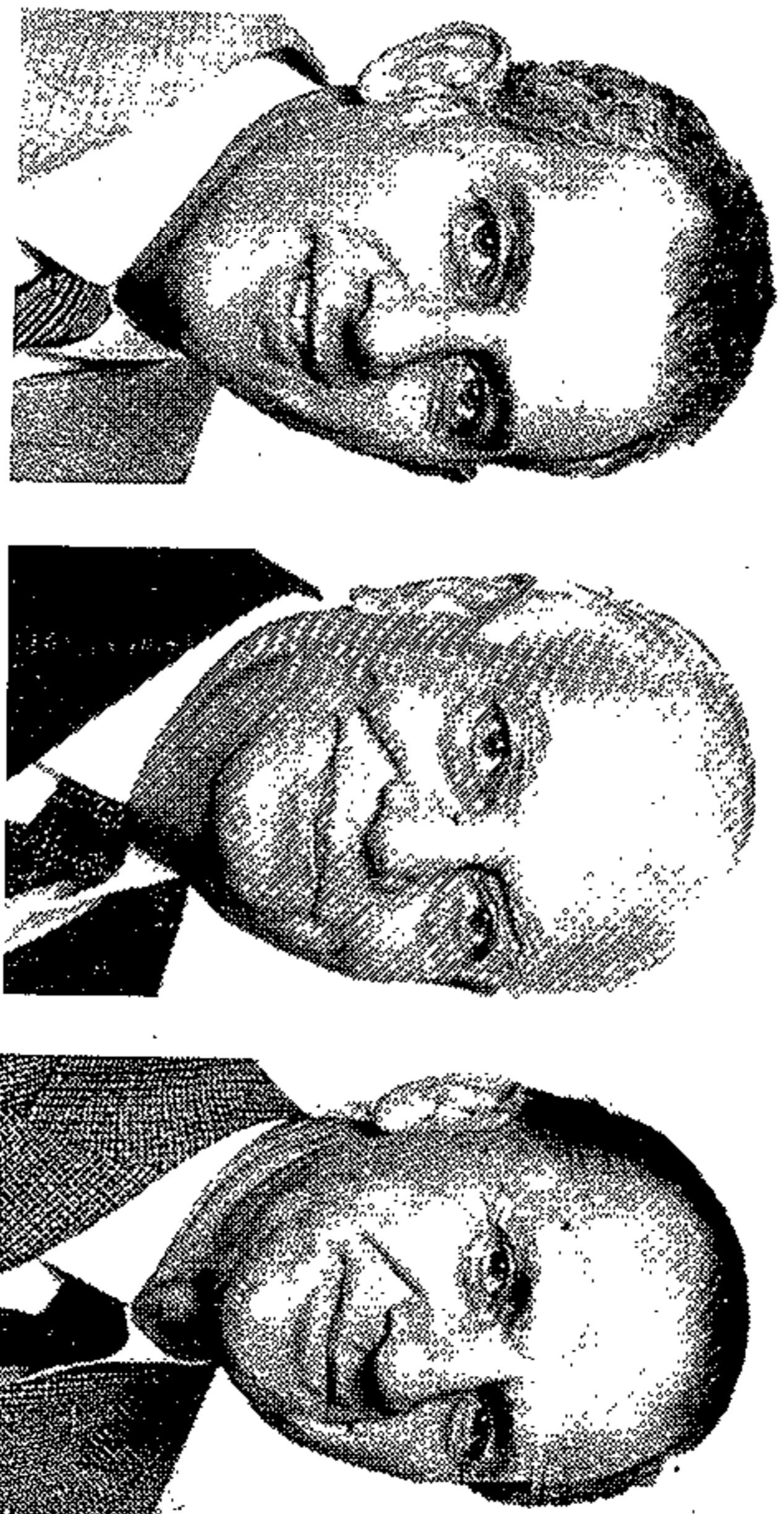
He pointed out that an employee who became a principal had to wait for his new certificate.

The board would not go out of its way to prosecute somebody who was awaiting issue of a Fidelity Fund certificate, but if a complaint was laid then it would have to investigate.

One questioner wanted to know what real powers the board had in issuing Fidelity Fund certificates.

In terms of the Estate Agents Act, these could be issued to anybody provided the recipient was not insolvent and did not have a criminal record.

Mr Weil replied that the board had not wanted to create a (the ad sho) and



Three prominent men have been appointed to serve on the Estate Agents Board. They are (from the left) Mr BASIL ELK, national president of the Institute of Estate Agents of South Africa, Mr K P DESAI, of Tongaat, and Mr JOHN PHILIP, of Johannesburg.

Mr Du Plessis said that the board had increased its fines quite considerably and there had been appeals against the severity of the fines.

From January next year the names of offenders, category of offence and date of offence would be published in the Government Gazette.

The only way the board could find out if a firm was stealing money was through the audit

The board members pointed out that the onus was on the estate agent — not on his auditor, who could not be disciplined by the board.

Mr Weil said the board's disciplinary committee was hearing all kinds of cases.

An agent who was instructed to purchase an apartment and had then gone out and bought it himself was fined R1 000 for contravening the code of

educational standards were set down in the Estate Agents Act.

The board informed its members through a newsletter, seminars and the Estate Agents Handbook.

Initially, it had been proposed, the institute's examination would be a minimum standard.

A 40-hour course roughly equivalent to a matric history course was being compiled by professionals, and the board was looking

White expertise can boost black housing

A LEADING South African building products manufacturer has predicted that the injection of white business knowhow, finance and building expertise could stimulate the growth of a property-owning black middle class as well as new private business enterprises in black urban areas.

"White business can play a significant role in helping to solve the critical housing shortage," says Mr Martin Mealin, executive director of Everite Ltd.

"The responsibility of Government is to provide sub-economic housing, infrastructure and community facilities.

"There is no doubt that Government cannot satisfy the demand for housing by

all population groups unaided.

"Private enterprise will have to be induced and mobilised to contribute to solving the problem."

Building societies, large employers, private developers and building supply companies like Everite are currently studying the implications of the Government's decisions allowing the development of housing in black areas by private enterprise.

Mr Mealin predicts these likely developments to result from these Government initiatives:

- The establishment of a healthy black building industry.

- The building of houses for speculation purposes.

- The development of a free market mechanism in the buying and selling of houses and the birth of a real estate business in black urban areas.

- The growth of service and retail industries like hardware stores and builders' merchants, which in turn will create more job opportunities in the area.

"It is bound to have a considerable effect on Soweto in the longer term," Mr Mealin says.

"The implication will be a real improvement in the quality of life for urban blacks, following the development of middle-class and elite suburbs, and a general upgrading and renewal of the surrounding neighbourhoods."

against unregistered agents were strong enough.

Two estate agents complained that they had sent affidavits to the Estate Agents Board pointing out that an estate agent had

Timeshare expert to speak

ONE of South Africa's foremost authorities on timesharing, Mr Brian Stocks, will be the guest speaker at the annual meeting of the Port Elizabeth branch of the South African Property Owners' Association (Sapoa) to be held in the Sidebar Room at the Edward Hotel at 5pm on June 21.

Mr Stocks will speak on *Property timesharing in South Africa*.

In one of Soweto's show-piece developments recently completed at Diepkloof Extension, Everite acted as project manager in partnership with Schachat Houses as contractors and suppliers of an extensive range of building materials.

"In this project we have brought together the administration board, which allots the land, the building contractor, the building society and client," Mr Mealin says.

"We've co-ordinated the development on a non-profit basis as a service to the community in helping to produce a cost-effective and creatively designed community group."

question of apprenticeship of estate agents or some form of induction into the profession.

Did the Estate Agents Board not provide for yet another bureaucratic body which restricted free enterprise, the board members were asked.

Mr Van Soelen replied that he did not think it was yet another board which introduced yet more bureaucracy.

He chastised estate agents for not filling in their Fidelity Fund certificate applications correctly.

About 35% to 40% of the applications were incorrectly filled in, were not accompanied by cheques for the right amount, or

that any changes to the Act took between two to three years to implement.

The board had been loath to wield a "big stick" but it was aiming towards improved educational qualifications for estate agents. Audited reports now also had to be submitted annually.

"It's not fair to close the shop, but we must ensure that people who come in have the education," said Mr Van Soelen.

Each application for a Fidelity Fund certificate was treated on its merits.

If an agent with a criminal record applied for a certificate, the case would be treated individually on merit.

cates, which meant that they had to be sent in in time. It was no good finding out about an offence a year after it was committed.

Submitting audit certificates in time was the estate agent's responsibility.

The defence used by many estate agents, however, was that their auditors had not sent them off as instructed.

conduct.

The board members were asked what action they could take against unregistered estate agents.

Mr Du Plessis replied that the remedy lay in the courts, which had the authority to levy fines.

Asked what the viewpoint of the board was on educational standards Mr Weil replied that no defined

at an "agent-in-training" situation whereby apprentices would be allowed to do certain things but not others until they qualified.

He said the course would start at a low level and intensify as the years progressed.

To what extent the CIEA certificate would be recognised in future was uncertain.

Claims amount to R3 million

Property Reporter

THE total amount of claims lodged with the Estate Agents Board from August, 1977, to December last year is close on R3 million. The number of firms involved was 123 and the individual number of claims lodged comes to 1 338.

These statistics were released by the manager of the Estate Agents Board, Mr S van Soelen, at a seminar of the Estate Agents Board held by the Port Elizabeth and Midlands branch of the Institute of Estate Agents in Port Elizabeth last week.

The total amount of claims paid comes to R700 787 and the total amount of claims pending amounts to R878 361.

Black homes the new priority

Housing crisis hits all racial groups

According to the National Manpower Commission, South Africa needs 251 000 houses to wipe out its current housing shortage.

In the commission's 1981 annual report released recently, it was revealed that whites currently need 18 000 houses, coloured people 46 000, Indians 19 000 and blacks who live in "white" areas 168 000.

The housing shortage for blacks in "trust" areas is estimated to be about 258 000. Further, it is estimated that in both the "formal and informal" black urban areas alone there is a backlog of about 560 000 housing units.

PROSPECTS

Just eliminating the housing shortage for blacks living in so-called "white" areas would cost in the region of R1 700 million (estimated by the commission at R10 000 a unit).

"The prospects for eliminating the housing backlog are not very good," the commission reported.

This was due to a shortage of government funds and changed economic conditions in the private sector.

Housing, the commission concluded, remained one of the most difficult problems the country had ever had to solve.

CAUSES

Until the current housing shortage is solved, it is generally believed that rented accommodation for

A fullscale investigation is to be carried out into the country's housing crisis which, for the first time, has begun to affect all races.

SHERYL RAINE of The Star's Pretoria Bureau reports that the housing problem is one of the most difficult facing South Africa today and one which will not be easily solved.

whites will be in short supply and rents can be expected to continue to spiral.

A glance at an impressive batch of figures released by the former Department of Statistics last week concerning housing and flat rentals for 1980 revealed the root causes of the white housing crisis.

REVEALED

Looking at the number of houses and flats completed during the past 10 years it was revealed that:

- While 7 948 flats were completed nationally in 1974, this figure had dwindled to a mere 1 753 by 1979.

- Areas such as Pretoria and the Witwatersrand were especially hard hit by a slump in the building sector and economic pressures. These areas were particularly popular settlement areas for immigrants.

- In Pretoria only 211 flats were completed in 1979 as compared with 1 651 four years earlier.

- On the Witwatersrand only 571 flats were added to the "for rent" lists in 1979 while 1 471 were completed in 1975.

- The national figures for houses completed revealed a sig-

nificant fall-off towards the end of the 1970s.

- About 22 288 houses were built for whites in 1974 and that figure dropped to 15 531 by 1980.

BLACK NEEDS

As the government puts together its commission of inquiry into the country's housing ills, several factors must be kept in mind.

It should be remembered that provision has to be made for the existing shortage as well as the on-going demand for housing, according to the report of the Commission for Manpower.

At present whites need 38 000 additional houses a year, coloured people 12 500, Indians 4 100 and blacks (in "white areas" only) 36 000.

If blacks in home-lands are taken into account, then the annual housing need for blacks would be closer to 60 000, according to research estimates.

The need for housing is determined by population growth, immigration and the influx of people to urban areas, all of which are significant factors in the country's current housing crisis.

In addition there are several problems connected with the provi-

sion of housing which have been identified by the Director General of Community Development which were included in the report of the Commission for Manpower:

RENT CONTROL

- A sharp increase in the cost of building services and construction has occurred

- Building societies are short of funds.

- The private sector, because it is profit oriented, is unable to provide housing for lower income groups.

- Employers have made disappointing contributions in the housing field.

Rent control has had a negative effect on investment in housing.

- Housing costs have increased faster than personal income.

The responsibility for providing housing has become "too big for the State to bear" says the Director General of Community Development.

SUBSIDIES

Individuals, employers and the private sector in general will have to be involved to a higher degree than at present if the country's housing problems are to be solved. Govern-

ment funds should be used for the provision of lower income group housing and infrastructure alone.

He has suggested that problems in connection with housing be taken into account in adjusting wages and salaries.

There appear to be no ready or simple solutions, but the official has made some suggestions.

The private sector will have to be assisted by the State in a variety of ways, especially in respect of low-cost housing, by, for instance, the granting of loans at subsidised rates for the provision of infrastructures and, in certain cases, tax concessions.

Available finance must be used more economically by erecting complexes to house more than one family and making use of alternative building methods.

PREDICTIONS

White housing will, according to predictions made in the annual report of the Commission of Manpower, have to take somewhat of a back seat, relying on self-building schemes rather than the Government to alleviate shortages.

In the future the emphasis will have to be mainly on the needs of blacks in white urban areas whereas in the past 20 years, when shortages were not as acute as they are now, white and coloured housing enjoyed first place on the priority list.

123
Star
14/6/82

Statistics highlight dramatic rent rises

123

stew

14/6/82

By Sheryl Raine
Pretoria Bureau

The country's skyrocketing rents — as many as three increases in the past two years — have been dramatically highlighted by figures for 1980 released by the Department of Statistics.

Just two years ago the average rental for a flat with three living rooms (excluding kitchen, bathroom, pantry or balcony) was R136 a month in Pretoria, R135 on the Witwatersrand and R103 in the Vaal Triangle.

According to the annual report of the Department of Statistics for white housing in 1980, houses with three to six living rooms were fetching an average of R177 a month in Pretoria, R156 on the Witwatersrand and R145 in the Vaal Triangle.

Today rental agents estimate that houses in Johannesburg's less fashionable suburbs are going for R750 a month and those in fashionable areas for as much as R2 000 a month.

In Pretoria, accommodation seekers are lucky to find a house to rent under R500 a month.

R150 A MONTH

During the "good old days" of 1980 the average annual rent increase for houses with three to six living rooms was a mere 18,8 percent. The average house was being rented for about R150 a month.

Flat rentals increased by an average of only 10,8 percent during 1980 with centres like Durban, Pretoria and the Witwatersrand showing increases around 15 percent.

Today Johannesburg's bachelor flats are fetching rents of R180 to R200 a month. The same flats were rented for R60 two years ago.

FEAR

Tenants live in daily fear of rent increases. Recommendations of percentage increases given by the South African Property Owners Association have fallen by the wayside as the simple rules of supply and demand allow landlords to command ever-increasing rentals.

In Pretoria these days, even rent-controlled buildings have had rent increases approved which have doubled rents in the past year while other premises have increased 35 percent, according to recent Press reports.

From 1975 to 1980, house rentals for prem-

ises of four or five living rooms rose by an average annual rate of 11,2 percent while the increase for flat rentals during the same period was 9,6 percent.

SAMPLE

The Department of Statistics, which has since been incorporated into the Office of the Prime Minister, arrived at the figures for housing rentals by conducting surveys by post on a sample basis in 147 urban areas.

During 1980 only 83 percent of the nation's flats were occupied. Nowadays Johannesburg families are reported to be prepared to cram themselves into one-bedroomed flats for the sake of a roof over their heads.

Pensioners are homeless, penniless, or both.

● See Page 15.

Builders assured: red tape is out

123 317 Star 15/6/82

By Frank Jeans

The present building regulations set-up is not only pushing up the costs of property development but is delaying and even discouraging projects.

It is in the light of this that the Government is determined to cut through the "red tape" in the present regulations.

This was said by the Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers when he addressed the Brick Development Association at the Wanderers.

"Building contractors will have to play their part by moving away from old ideas in regard to new methods and the use of new materials," he said.

Dr De Villiers said the day may come when manufactured housing held a market

share similar to that in the United States, where this type of housing provided no less than 40 percent of the total housing market.

Mr A R Kemp, chairman of the BDA, gave a strong hint that brick prices rises are inevitable in the light of the continual fuel and wage cost spiral.

"Labour costs can represent between 30 percent and 40 percent of total costs," said Mr Kemp.

"In fact, three main cost centres contribute to the problem over which management has little control — salaries, fuel, railage and maintenance materials.

"While we must try to be as efficient as possible and deliver the lowest possible price consistent with earning a proper return on capital employed, it is inevitable

that the selling price of our product will have to increase from time to time unless somebody somewhere can really get on top of the inflation bogy," he said.

The brick industry had done its part in keeping down selling prices so far. In the PWW area for example, a price per thousand for stock bricks in March 1977 and R30,10 and in March 1982 the figure was R48,75.

This was an increase of 62 percent as against a rise in the national consumer price index of 87,5 percent.

An international survey had revealed that South African face bricks were among the cheapest in the free world.

Mr Kemp said that a number of brickmakers were now stockpiling which was evidence of the speed with which

the brick industry could move from famine to feast — or vice versa.

"Certainly, the change in the brick supply position," he said, "is a valid answer to those critics who blamed the brick shortage on the industry's inability to plan forward. The ups and downs in building contracting are so sudden and so violent, as to make forward planning a difficult, if not impossible task."

90 pc loans—new qualifications

ARGUS 12/6/82 123

PEOPLE earning up to R800 a month will now qualify for the 90 per cent mortgage bonds granted jointly by the National Housing Commission and building societies, the Minister of Community Development, Mr Pen Kotze announced today.

He also announced that the income limit for joint loans would rise from R720 to R900 a month. The maximum bond that can be obtained under the scheme has been raised from R23 000 to R33 000 while the limit for joint loans has been increased from R27 000 to R35 000.

The previous limit was R650 a month.

D. Dispatch 123
**Limits for housing
loans raised** *18/6/87*

PRETORIA — Loans are now available to individuals in terms of the Housing Act enabling them to buy flats under the Sectional Title Act.

This has been announced by the government along with changes to the maximum building and income limit for 90 per cent building and buying loans and loans granted jointly by the National Housing Commission and building societies.

The limit for 90 per cent building and buying loans would be raised from R23 000 to R33 000, according to the government statement.

The limit for joint loans would go up from R27 000 to R35 000.

The maximum income

limit for 90 per cent building and buying loans would go up from R650 to R800 a month and the maximum income limit for joint loans would go up from R720 to R900 a month.

The statement said since the building cost limits were determined last year, building costs had increased by about 45 per cent with the result that the present building cost limits were totally insufficient.

"Because of the limited funds at the department's disposal for the provision of housing, the department wants to encourage people in the economic income group as much as possible to provide for their own housing by means of individual loans." — DDC.

HOUSING SHORTAGE

Self-help to what?

FM 18/6/82

123

P W Botha's announcement at last year's Good Hope Conference that the "self-help" approach would be adopted to solve SA's critical black housing problem, was welcomed by all concerned. However, even some proponents of the approach believe that implementation is no guarantee of success.

For example, Professor Dave Dewar, director of UCT's Urban Problems Research Unit (UPRU), contends that "large-scale implementation of the self-help approach is dependent on innovative institutional de-

sign enabling general decentralisation of control to community level.

"If the policy is implemented under existing (centralised) financial decision-making and control mechanisms and institutions, the results are likely to be chaotic and many of the predictions of opponents of the approach will be validated."

According to Dewar, in a paper published recently entitled *Seven potential dangers in the new approach to low-income housing*, genuine decentralisation of control to the local community is required. An organisational structure, incorporating generally representative bodies, must be established to facilitate this. In addition, it must be supplemented by financial networks to supply credit to community bodies and enable them to implement decisions.

He argued that far-reaching changes to the existing system are required if low-income housing problems are to be tackled effectively. Most fundamental is the recognition that the self-help approach should not be implemented as a substitute for conventional solutions, but rather as an option.

Nor should the self-help approach be confused with self-build. "Self-help, used in the context of housing, is a management term," he said. "It implies that individuals and communities control the major decisions about dwellings and environments regardless of who does the building. Self-build is a

special limited case of a much broader concept."

So a related danger is that imposition of self-help might force individuals to build for themselves, whereas the rationale for self-help, according to Dewar, "is that by allowing individuals and local communities to control decisions about housing, they can find ways of achieving a product which more closely fits their needs and pockets than centralised systems can achieve."

Private-sector participation in housing provision also has its pitfalls. For example, "there is a real danger that if government increasingly abrogates responsibility for

the provision of housing in favour of employers in the private sector, housing will increasingly become a mechanism for tying labour and reducing wages. By definition, the poorer the worker, the more susceptible he will be to this syndrome," said Dewar.

The recent Viljoen Committee Report on private-sector participation in low-income housing provision recommended a revision of the housing subsidy system. However, government has kept tightlipped while it awaits the findings of the Steyn committee, appointed to examine the financial implications of Viljoen.

Dewar argues that the subsidy system should be maintained, but adjusted so that subsidies take the form of grants to needy families and are not attached to housing units. Subsidies should apply regardless of the source from which finance is borrowed. (At present subsidies only apply when finance is borrowed from the National Housing Fund and not from private lending institutions.) He says that it would be neither beneficial nor politically possible to phase out the subsidy system at present.

Unless these problems are ironed out, the new approach could create as many problems as it is designed to solve.

Govt loans for home buyers

123
204
18/6/82

Pretoria Bureau

PEOPLE in the economic income group are to receive Government assistance in the form of loans to help them buy flats under sectional title, the Minister of Community Development, Mr Pen Kotze, announced yesterday.

Loan limits and limits on income will be raised for loans made jointly by the National Housing Commission and building societies.

● The limit for 90% building and buying loans would be raised from R20 000 to R33 000 and the maximum income limit would be raised from R650 to R800 a month.

● The limit for joint loans would go up from R27 000 to R35 000 and income limits from R720 to R900.

A way to build more houses in less time

South Africans will need between three and four million houses during the next 20 years, and one of the only ways to meet this demand is the use of industrialised housing.

This is the feeling of Professor T L Webb, of the Unisa School of Business Leadership, who has studied the subject extensively.

"In this day and age of soaring costs, manpower problems and a serious housing shortage, the average man in the street still tends to think of his ideal home in terms of traditional and orthodox building as far as construction methods are concerned.

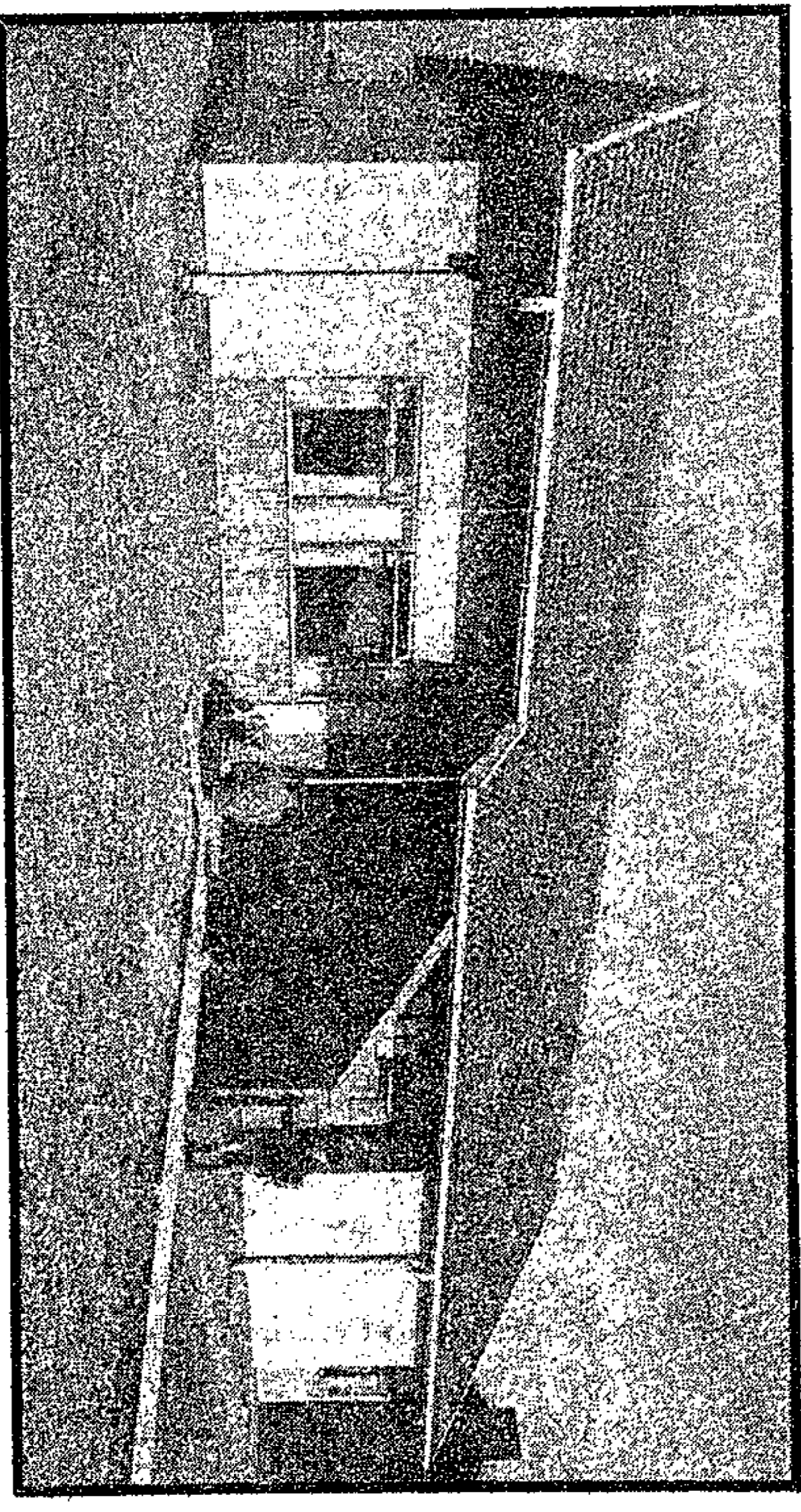
The shortage of housing is not a new problem. Attitudes and methods will have to change if we are ever going to cope with the demand for houses in South Africa. WENDY ROBERTSON spoke to Professor T L Webb of Unisa, about a possible solution.

"The term 'industrialised building' includes building techniques ranging from what is really only a slightly modified traditional building method in which, for instance, building units larger than normal bricks

methods involve assembling a series of factory-made units to give a stereotyped structure. These methods permit little interchangeability and the sizes and positions of rooms are fixed.

"Both open and closed methods may be based on either lightweight or heavyweight components. Typical lightweight components include asbestos cement, timber or processed timber products and hollow steel or plastic units. Heavyweight methods are based on panels or elements of either concrete or prebuilt solid or hollow burnt clay bricks or blocks," he said.

In South Africa there has been in-



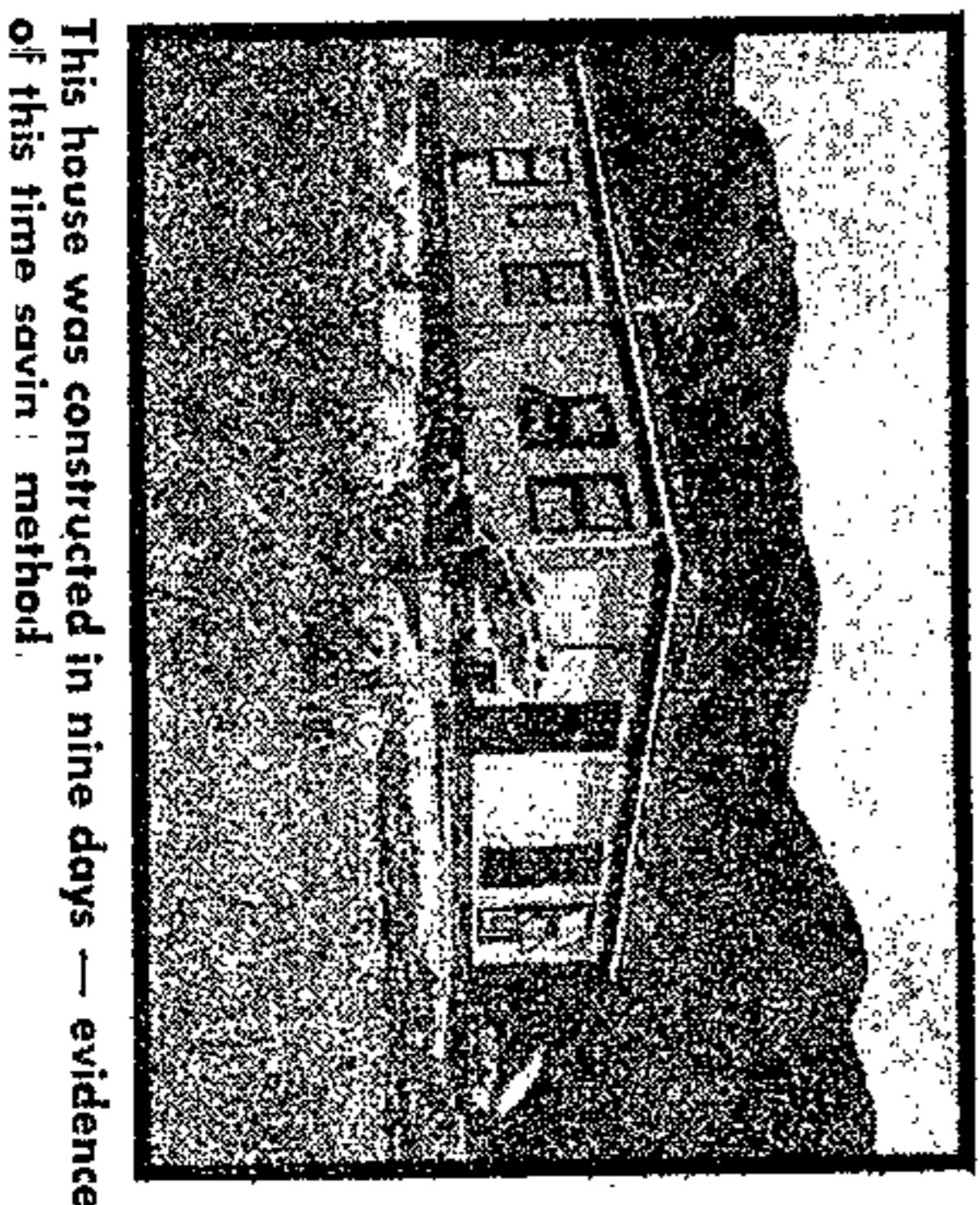
Lightweight components include asbestos cement, timber or processed timber products and hollow steel or plastic units.

the labour content. "This is particularly true of traditionally skilled artisans, relative to traditional building methods, and it enables buildings to be erected more rapidly and in many cases with less scarce material than for the conventional method," said Professor Webb.

In Europe, the labour content for a typical 100 sq m house has been reduced from about 2500 man hours for a traditional construction method, to about 800 man hours for a good, well managed industrialised method.

It may seem then that industrialised building, being less labour intensive than most traditional building methods, may result in unemployment. According to Professor Webb, this is unlikely for two reasons.

"Even today relatively unskilled labour in the building industry is becoming scarce. Almost all present-day workers not only aspire to doing less arduous work, but are increasingly demonstrating an ability to acquire special skills, so that even fewer people will be available for traditionally unskilled activities," he said.



This house was constructed in nine days — evidence of this time saving method.

"Not only is this an anachronism, but it also has very real disadvantages in this era of industrialisation and innovation. New materials and methods of construction as well as our modern managerial and technological skills make it possible to erect at least as good a house in a shorter time and at a comparable or even lower cost," said Professor Webb.

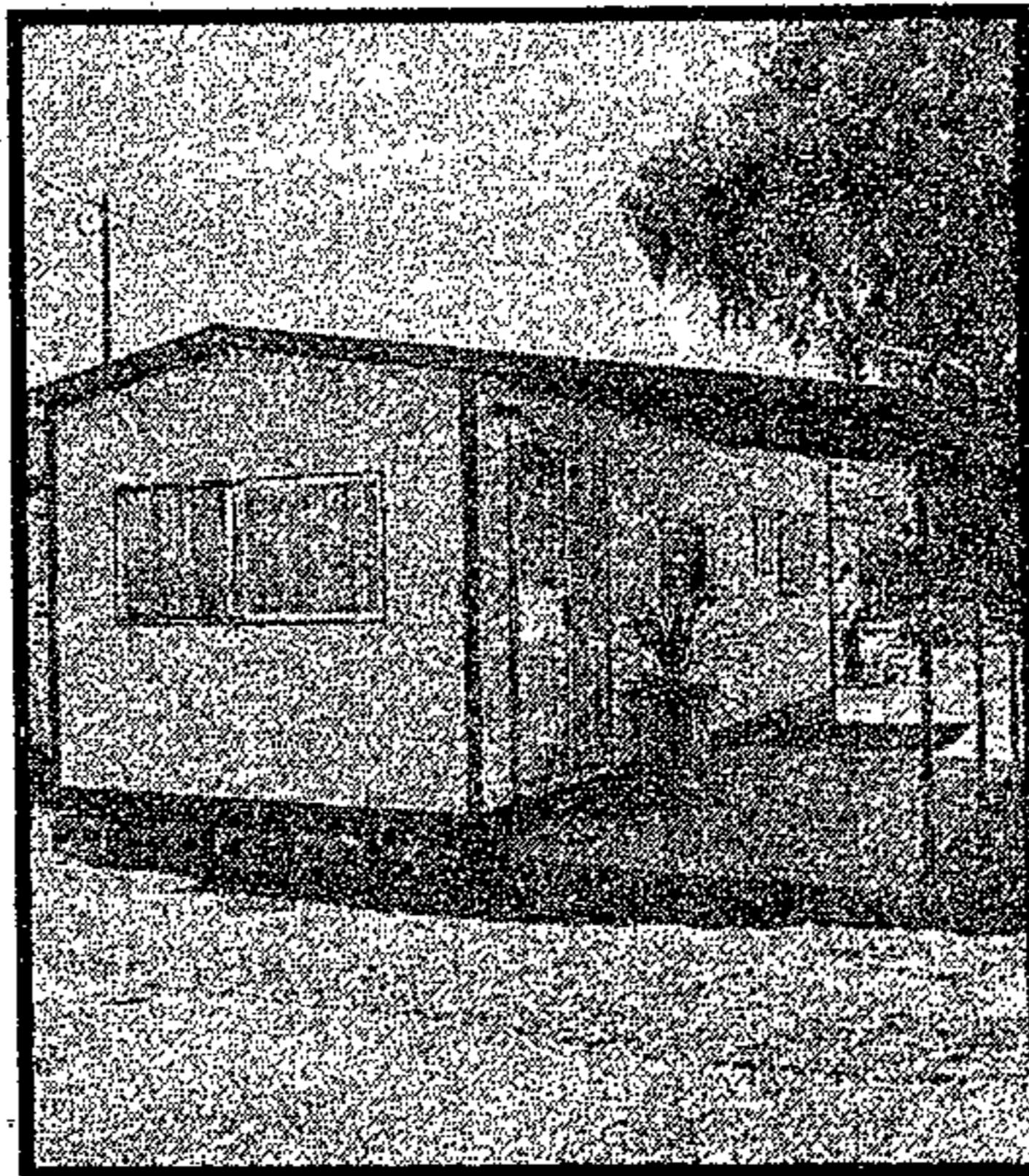
Industrialised building is a process of building whereby panels, complete walls or complete rooms are manufactured in a factory and subsequently assembled on the building site to form a complete house, school or factory.

Building has undergone little real change during the last 70 years or so. Traditional methods of building involve handling and placing, largely by hand, large quantities of heavy material by slow, tedious and arduous processes requiring varying degrees of skill. All these activities cannot proceed at once and therefore this method is time consuming.

Consequently, the philosophy and techniques of other industrial processes have had an important effect on the building industry world wide and are being increasingly adopted in it.

are used in a virtually conventional way, to a highly industrialised process in which almost all the work is done in a factory and the structure merely assembled on the site. In order to discuss the matter effectively it is necessary to outline the characteristics of the various methods," said Professor Webb.

and use of industrialised building methods, particularly during the past few years of abnormal building demand. These new methods have, however, only been used to a limited extent and their development is proving to be evolutionary rather than revolutionary, largely because of prejudice and the



Industrialised building is a process in which panels, complete walls or complete rooms are manufactured in a factory and subsequently assembled on site.

"There are two categories of industrialised building methods. The 'open' methods involve combining standardised components such as wall panels, doors, windows and roof sections. This gives designers a good deal of flexibility. 'Closed'

conservative attitude of both home owners and the building industry. According to Professor Webb, this picture is rapidly changing and will inevitably continue to favour industrialised building.

Professor Webb feels that it is unlikely that there will be any immediate cost advantage of using industrialised building. "All indications to date suggest that for a house of comparable quality, the initial cost will be much the same as for traditional methods. Its major cost advantages lie in the fact that it reduces

EDITOR: Robin Cooper.
FEATURES: Wendy Robertson, Patsy Hudson, Vanora Morrow.
GARDENING: Zoe Gilbert, Una van der Spuy.
DO-IT-YOURSELF: Des Buchanan.
PROPERTY COLUMN: Michael Sandrock.
PRODUCTION: Maureen Blogg

CALL TALK 18/6/82
Easier
 (123)
National Housing terms

By GORDON KLING

MAJOR changes in National Housing Fund loan regulations announced yesterday by the government will bring subsidized home-ownership within reach of thousands for the first time.

This is the significance of an announcement by the Minister of Community Development, Mr Pen Kotze, that bond and income limits in terms of the National Housing Act are being revised.

Loans in terms of the scheme had virtually dried up in the wake of the recently-departed economic boom which saw building costs, salaries and house prices soar beyond qualifying limits, last adjusted about two years ago.

Now a big boost in bond amounts which can be granted and in maximum salaries for eligibility will effectively bring back the benefits of a 90 percent bond at interest rates about one-third lower than those charged by building societies.

In addition, the scheme will now also apply to sectional title developments, an increasingly popular method of purchasing flats.

The new regulations are:

- The limit for 90 percent building and buying loans would be raised from R23 000 to R33 000.
- The limit for joint loans would go up from R27 000 to R35 000.
- The maximum income limit for 90 percent building and buying loans would go up from R650 to R800 a month.
- The maximum income limit for joint loans would go up from R720 to R900 a month.

Move welcomed

Mr Kotze said that since the building cost limits for joint loans in March were determined in August 1980 and those for joint loans in March last year, building costs had increased by about 45 percent, with the result that the present building cost limits were totally insufficient.

"Because of the limited funds at the department's disposal for the provision of housing, the department wants to encourage people in the economic income group as much as possible to provide for their own housing by means of individual loans."

Welcoming the move yesterday, the general manager of the Garden Cities non-profit housing programme, Mr Selwyn Meyers, said it was a "tremendous step forward" that would greatly extend the scope of assisted home-ownership.

The new limits would allow a large percentage of wage-earners to apply for help.

A catch, however, remains in the availability of funds from the Department of Community Development's housing vote, which is usually hard-pressed to meet total demands from all sectors including the provision of old age homes.

vice jobs
 jobs
 courts etc
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shibata → who to give
 11/12/82

Special

Shibata
 Construction
 11/12/82

Dept. Transport
 Committee
 Closed Shop
 Courts
 TU
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1. Introduction

Govt loans for home buyers

Pretoria Bureau

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Loan limits and limits on income will be raised for loans made jointly by the National Housing Commission and building societies.

- The limit for 90% building and buying loans would be raised from R22 000 to R33 000 and the maximum income limit would be raised from R650 to R800 a month.

- The limit for joint loans would go up from R27 000 to R35 000 and income limits from R720 to R900.

Phone trouble

The Rand Daily Mail would like to apologise to readers who had problems telephoning the newspaper on Wednesday and yesterday morning. The Mail's new telephone system, which was installed at the end of last month, had a few teething problems, which have hopefully been fixed.

INSIDE

Title fight on the box

An edited version of last Friday's WBA world heavyweight title fight between Larry Holmes and Gerry Cooney in Las Vegas will be screened at 6.33 in Sportsview by SABC-TV this evening.

- See Page 6

Gold's three year lowest

The dollar continued to soar yesterday and the gold price fell to \$309 at the second fixing in London, its lowest price August 23, 1979.

- See Page 11

Plus Gilbey's PUNTER'S FRIEND

Rugby boss to visit SA

The president-elect of the English Rugby Football Union, an opponent of sports links with South Africa, will be at Ellis Park next month for the matches involving the Syd Millar European rugby side.

SIMS, may also escape prosecution.

Sources say four of the mercenaries facing the death penalty — Mr Bernard Carey, Mr Aubrey Brooks, Mr Roger England and Mr Jeremiah Puren — offered to plead guilty to save their colleagues.

The Durban couple could be home on Saturday after nearly seven months in jail.

Should negotiations succeed, the four men would appear in court on Monday to plead in mitigation of sentence before Chief Justice Earl Seaton decides on their punishment.

Facing treason charges with them will be SA spy Mr Martin Dolinchek, who has chosen to go it alone despite attempts to persuade him to accept the representation of British barrister, Mr Nicholas Fairbairn, who has been acting for his colleagues.

Neither Mr Fairbairn nor the Seychelles Attorney-General, Mr Bernard Rassool, would comment last night.

The withdrawal of charges against Mrs Ingles came suddenly yesterday afternoon when Mr Rassool rose to tell the court he was dropping charges against her.

The judge said she should be released forthwith.

Mrs Ingles was hustled into a car and taken back to the cell she has lived in since she and Mr Sims were captured after arriving in the Seychelles seven months ago to establish a "safe house" for the mercenaries and act as their bankers.

Her eyes gleaming with tears as she sat between two policemen in the back seat of the car, Mrs Ingles said: "I'm happy".

The British High Commission second secretary, Mr Michael Edwards, said he expected Mrs Ingles to fly to South Africa.

Mrs Ingles and Mr Sims came to the Seychelles a month before the November 25 coup attempt last year.

Their job was to run the mercenary "safe house" high on the hills above the national airport where they had a cache of AK47 assault rifles.

They were also to act as the mercenaries' bankers with control over two bank accounts in Victoria.

R20 000 had been transferred to those bank accounts from Colonel Mike Hoare's Swiss bank account at the Swiss Bank Corporation in Geneva. The transfers went to the Standard Bank in Victoria under the names of Mr Sims and Mrs Ingles.

Before they left for the Seychelles, Mr Sims, a Durban racehorse trainer, and Mrs Ingles received from Col Hoare 80 AK47 rifles which they stashed in their Homestead Avenue home in Hillcrest, Natal.

The couple were led to believe their trip would be little more than a holiday.

So on the beaches of Beau Vallon Bay they gambolled in the sun and in the surf among the palm trees. Often Mrs Ingles went topless.

But their happy holiday turned into a nightmare.



"Portrait with a hat", is the title of this sculpture through the maquette which is one tenth the concrete and ceramic tiles.

High rate of interest

Mail Reporter

STICKS, stones, metal pipes and marble have been put together in a bid to win R35 000 in a sculpture competition in Johannesburg.

The sculptures, by 87 artists of all races from as far afield as Alexandra and Cape Town, are being shown by the Standard Bank in the Milner Park Showgrounds. The bank is looking for a sculpture for the piazza of its new administration building.

tration building

The entrance is a tall and, at the top, a sculpture by Michelangelo and the use of twisted stone, glass and wood in the theme depicting a flame.

Junta rejects ceasefire, prisoners

LONDON. — Prime Minister Mrs Margaret Thatcher said yesterday the Argentine junta had refused to accept a ceasefire for the South Atlantic and will not allow prisoners of war to be shipped directly back to Argentine ports.

In the island capital of Port Stanley yesterday, Argentine prisoners broke free and ran amok in the streets after a rumour that the British liner Canberra, now taking Argentines on board, would leave without them.

The rampaging prisoners were among thousands being marched in groups of 200 from the airfield to the jetty where boats were waiting.

Versailles

By PETER [unclear]

DURBAN Turf Club's "invitation rule" when for this year's Rothman.

At yesterday's final invited Versailles to the higher rated horses.

Versailles and the cur Cove, are the only two 18-horse July field in Frisky.

Three imported horses R200 000 race over 2 July 3 — the original Have A Fling, winner Inns; and Frisky, stable Fling and whose owner allowed Have A Fling Inns.

The Transvaal is wet horses (if the Zimbabwe now with Transvaal

13) E. Post 1968

Lack of homes burdens clinics

THE lack of housing in black and coloured areas burdened the family planning clinics, and made it unfair to "bring a child into the world when there would not be a roof over its head".

This was said by the chairman of the Family Planning Association, Mrs. D. Gulson, at the association's annual meeting this week.

By upgrading the temporary structures and by teaching general hygiene and proper family planning to the community,

the association could help to rectify this problem, she said.

"Awareness" was the operative word in family planning and the association had certainly achieved it this year, she said.

Education programmes were receiving support and there was increased interest in counselling and pregnancy testing.

Attendance also increased at the clinic which helps couples overcome sexual problems through teaching and advice by trained doctors.

frame USING



TIMBER! Homes of the future

● Timber-frame buildings going up in the US, where about 90% of all new housing is of timber-frame construction.

method is certainly additional brick and yet. ... becoming a force ... have been growing to explode. ... million a few years ... this year is likely ... more than 5 000 ... houses being built ... beginning to be kept ... measuring the

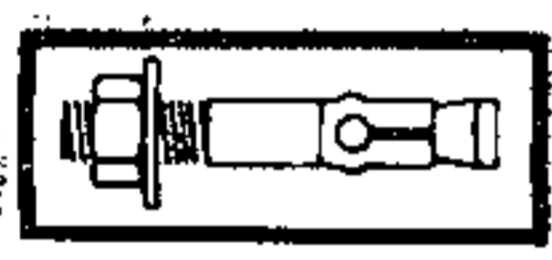
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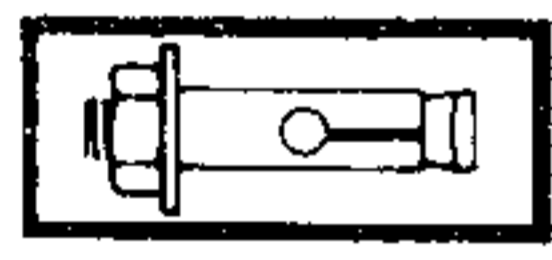


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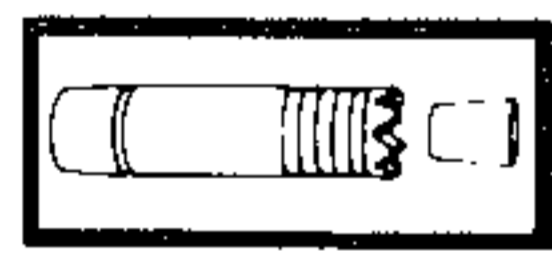
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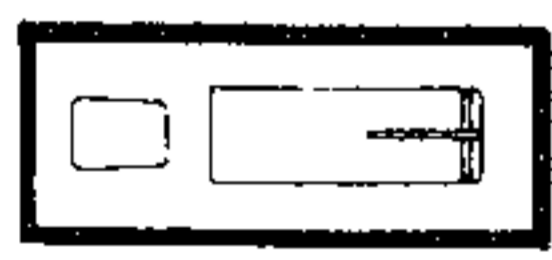
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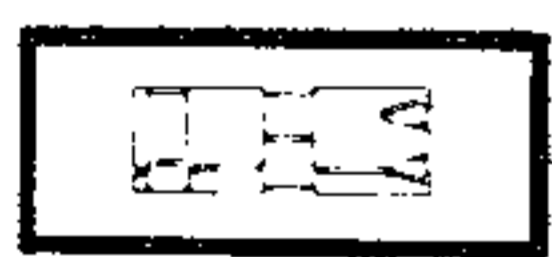
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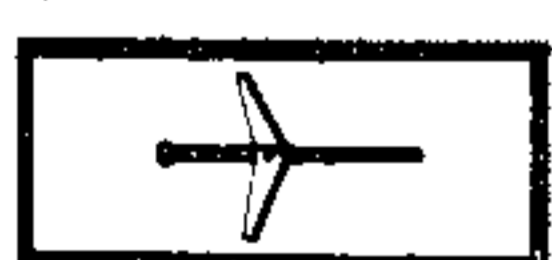
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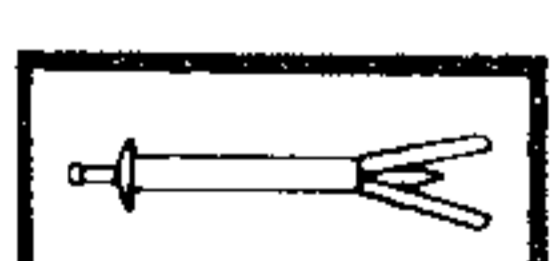
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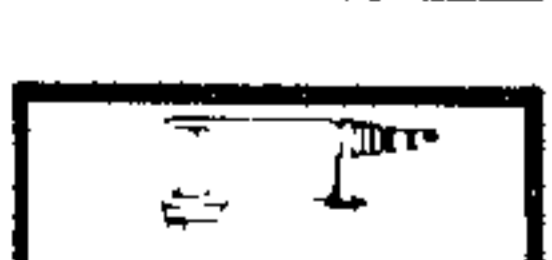
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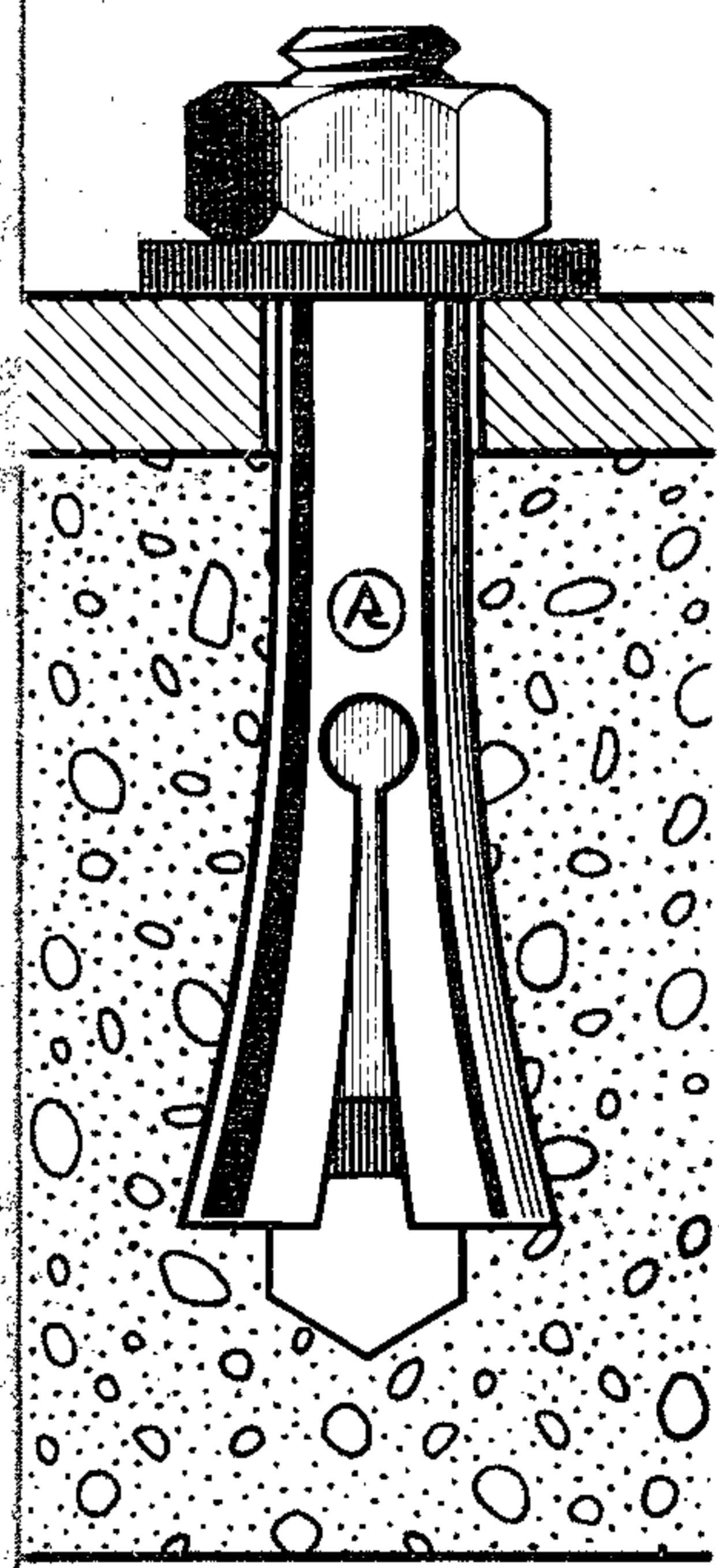
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Things that have passed the test of time



● From the outside it is impossible to tell whether a house is a timber-frame or conventionally built dwelling. This attractive house is timber-frame.

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And they are easier and cheaper to alter. They are no more fire-hazards than are conventional houses ... and there are many who claim that they are less of a fire risk than conventional houses. All the timber used in their construction is protected by fireproof boards. Even their roofs — similar to normal houses'

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What needs stressing is that timber-frame housing is not a new concept. In most of the states of Australia, 98 percent of all houses built are timber-frame houses and 90 percent of all houses built in America are the same. In Britain — where the percentage is rising steadily — 25 percent of all houses now being built are of timber-frame construction.

They are also far from unknown in South Africa. The early settlers built them in the Western Cape, the Eastern Cape and Natal ... because there was an abundance of timber in those areas when they opened them up.

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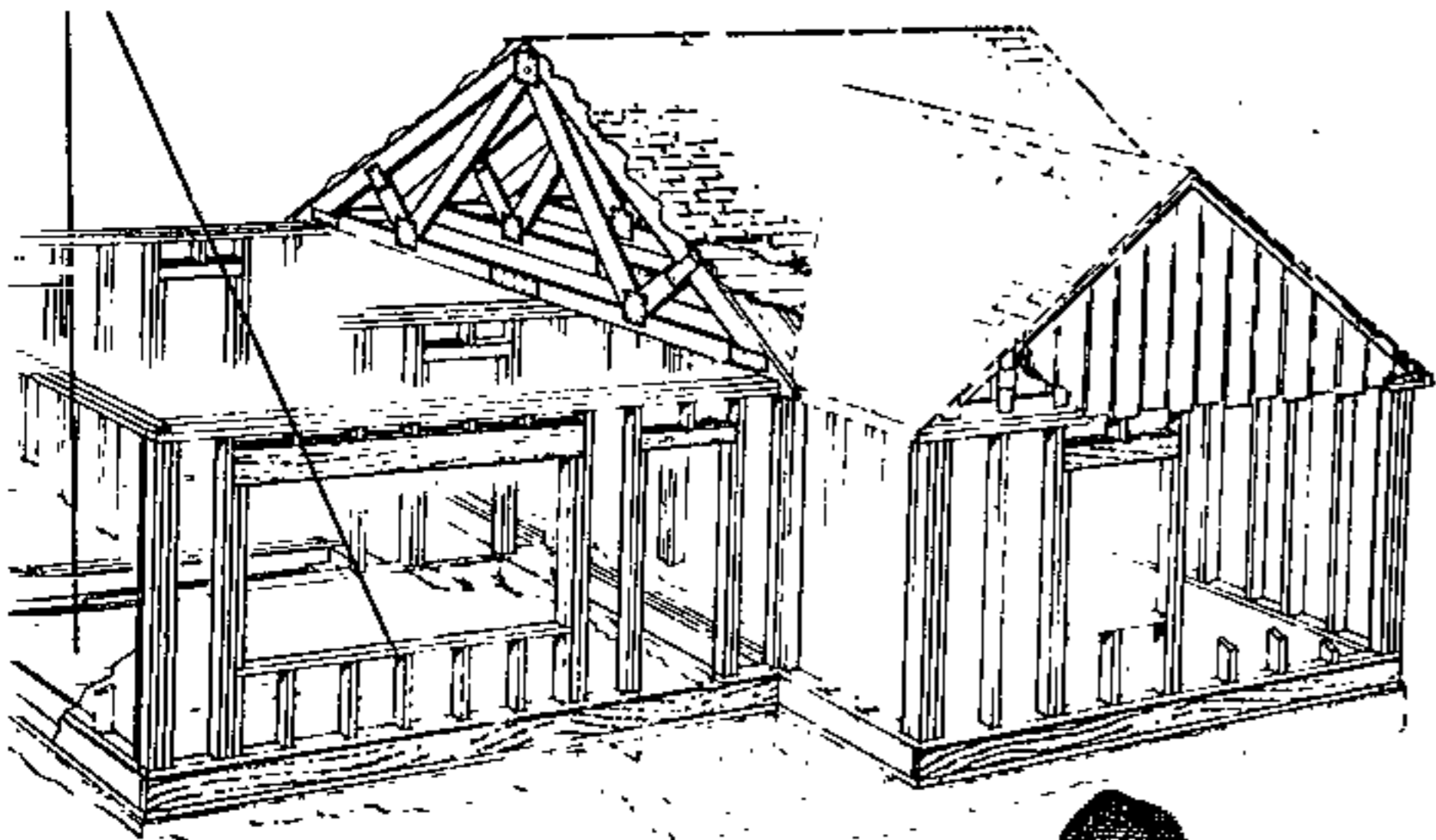
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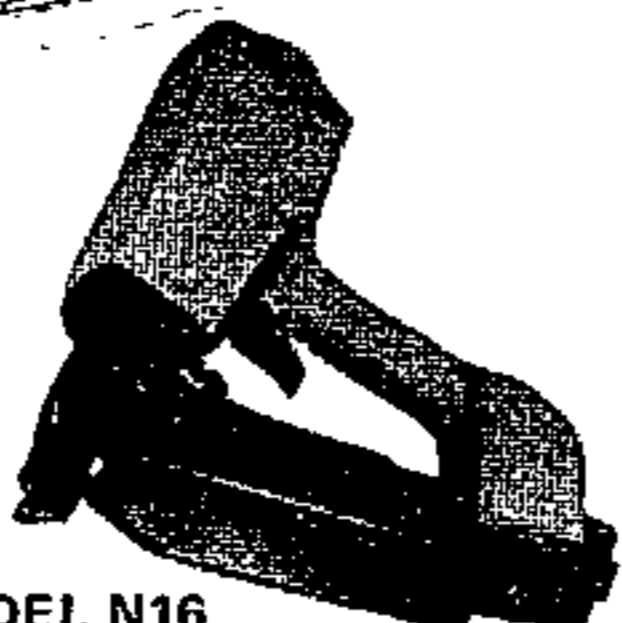
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They were, in fact, timber-frame houses and — depending on the architect's skill and woman's touch — could be made just as attractive inside as any other similarly designed house of the period.

↓
The house
Bostitch builds.



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Timber Frame HOUSING



● Timber-frame buildings going up in the US, where about 90% of all new housing is of timber-frame construction.

THE timber-frame construction method is certainly nowhere near rivalling the traditional brick and mortar way of building houses ... yet.

But there is no doubt that it is rapidly becoming a force in the building industry.

Its acceptability and its popularity have been growing steadily and now seems to be about to explode.

From a few houses worth about R1-million a few years ago, the market for timber-frame houses this year is likely to be worth more than R20-million ... more than 5 000 houses will be built.

Accurate statistics of timber-frame houses being built throughout the country are only now beginning to be kept ... so there is, as yet, no way of accurately measuring the percentage growth over the years.

However, a random sample of the replies the South African Lumber Millers' Association (Salma) received to a questionnaire it sent out requesting statistics on the number of timber-frame houses built, indicates that some builders are expanding rapidly ... some build a set number every month and others are only now getting into building these type of houses.

□ □ □

Only one builder, as far as we know, has tried building timber-frame houses and discontinued building them.

But Masterbuilt, for example — the Schachat Cullum subsidiary — built eight houses in 1981 but will build at least 40 this year.

Frame-Bou, of Chloorkop, builds two a month and another four every month on a labour-only basis for another contractor.

And Lumreek Buildings, of Alrode, which gives no indication in its reply that it is already building timber-frame houses, is hoping to get a contract for 100 houses and is building a fac-

Compiled by DAVID PINCUS

tory to mass produce components.

The firm that pulled out of building them seems to have done so for a number of negative reasons.

The director I talked to cited market resistance as the main problem and saw "no reason why we should try to sell timber-frame houses when it's so much easier to sell ordinary brick houses".

He conceded that timber-frame houses could be built with fewer skilled workmen on site and that they were ideal for, as he put it, "mass production".

But he felt that, to really make money from building them, it would be necessary to build a factory or workshop to prefabricate the frames. That he was not prepared to do.

□ □ □

In addition, he felt that it was the responsibility of the licence-holders of the methods he used — Gypsum Industries — "to ensure that we get an adequate supply of suitable timber".

However, David Eloff, executive director of the South African Lumber Millers' Association, strongly denied that anyone should have difficulty getting the correct type of timber for timber-frame houses.

"It's there. It's in stock with the merchants. All you have to do if you need it is ring a reputable merchant, say how much you need and where you want it delivered. And make sure that you pay them on time," he said.

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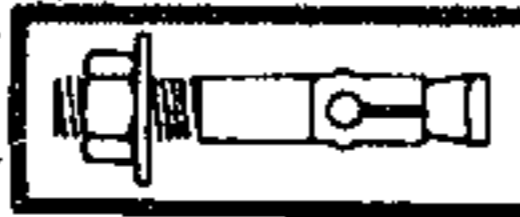
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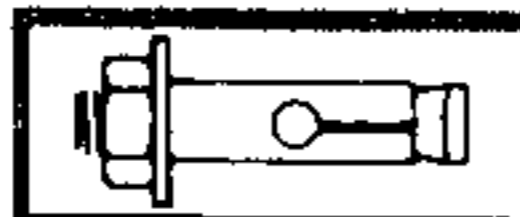


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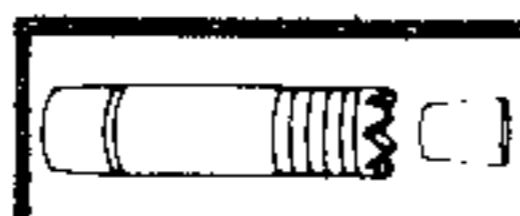
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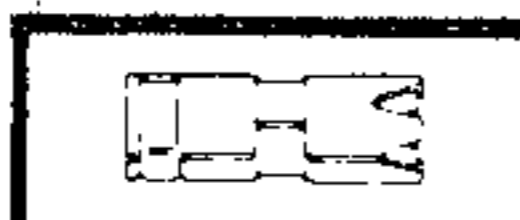
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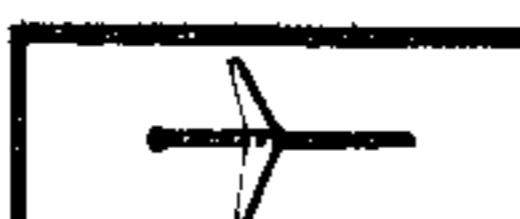
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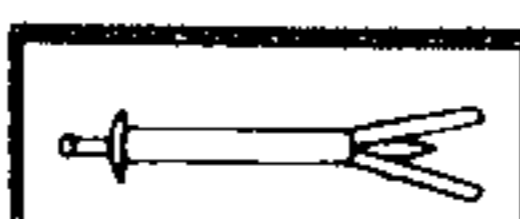
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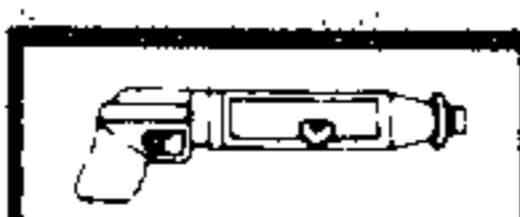
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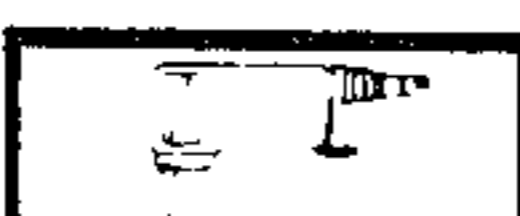
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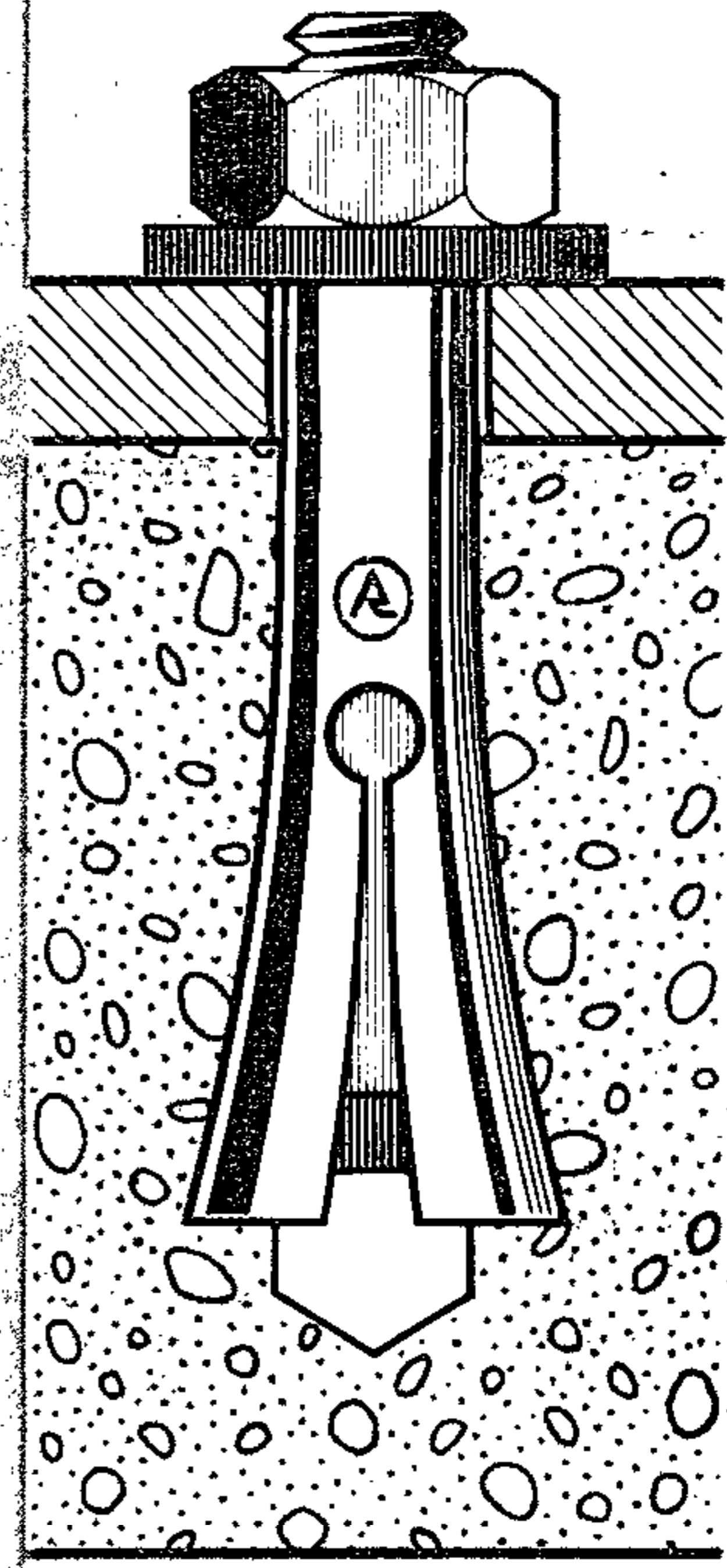
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Buildings that have stood the test of time

TIMBER-FRAME houses being built in South Africa now are the result of more than two decades of costly development and research. It can rightfully be claimed that they are the result of the scientific age in which we live.

Unlike conventional houses — which simply developed down the years without anything remotely similar to the scientific control that marked the development of the modern timber-frame house — every step in the development of the timber-frame house in this country since the early Sixties has been carefully scrutinised, criticised and literally torn apart by highly-skilled men paid to be ultra-demanding.

Indeed, some may say — and they may be correct — ultra-cynical. There can be little doubt that this was the right approach.

What was being aimed at by those who were developing these houses, and those who were vetting their de-

velopment, were houses that would last as long, be as comfortable, as resistant to fire, as easy to heat, as livable and as acceptable as conventional brick houses. These criteria have been met to such good effect that the timber-

frame houses they developed have been awarded Agrément certificates — the ultimate stamp of approval in South Africa — by the Agrément Board.

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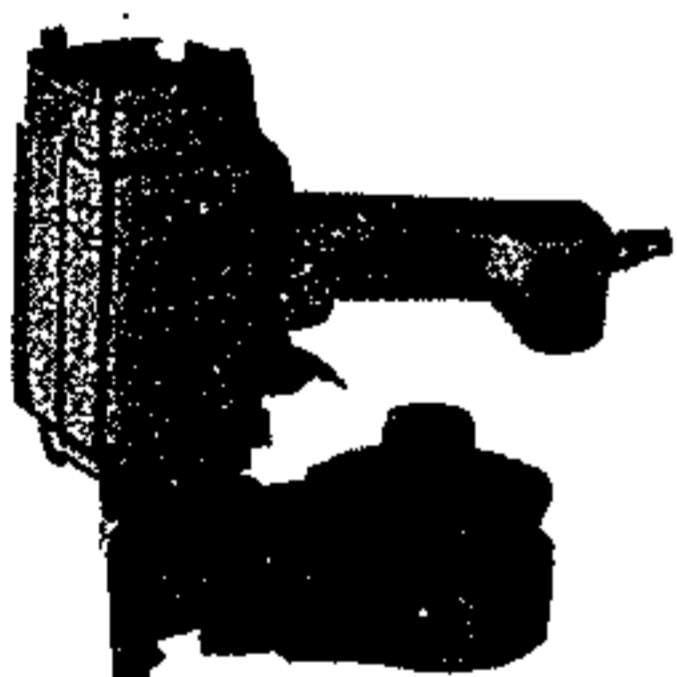
They were, in fact, timber-frame houses and — depending on the architect's skill and woman's touch — could be made just as attractive inside as any other similarly designed house of the period.



● From the outside it is impossible to tell whether a house is a timber-frame or conventionally built dwelling. This attractive house is timber-frame.

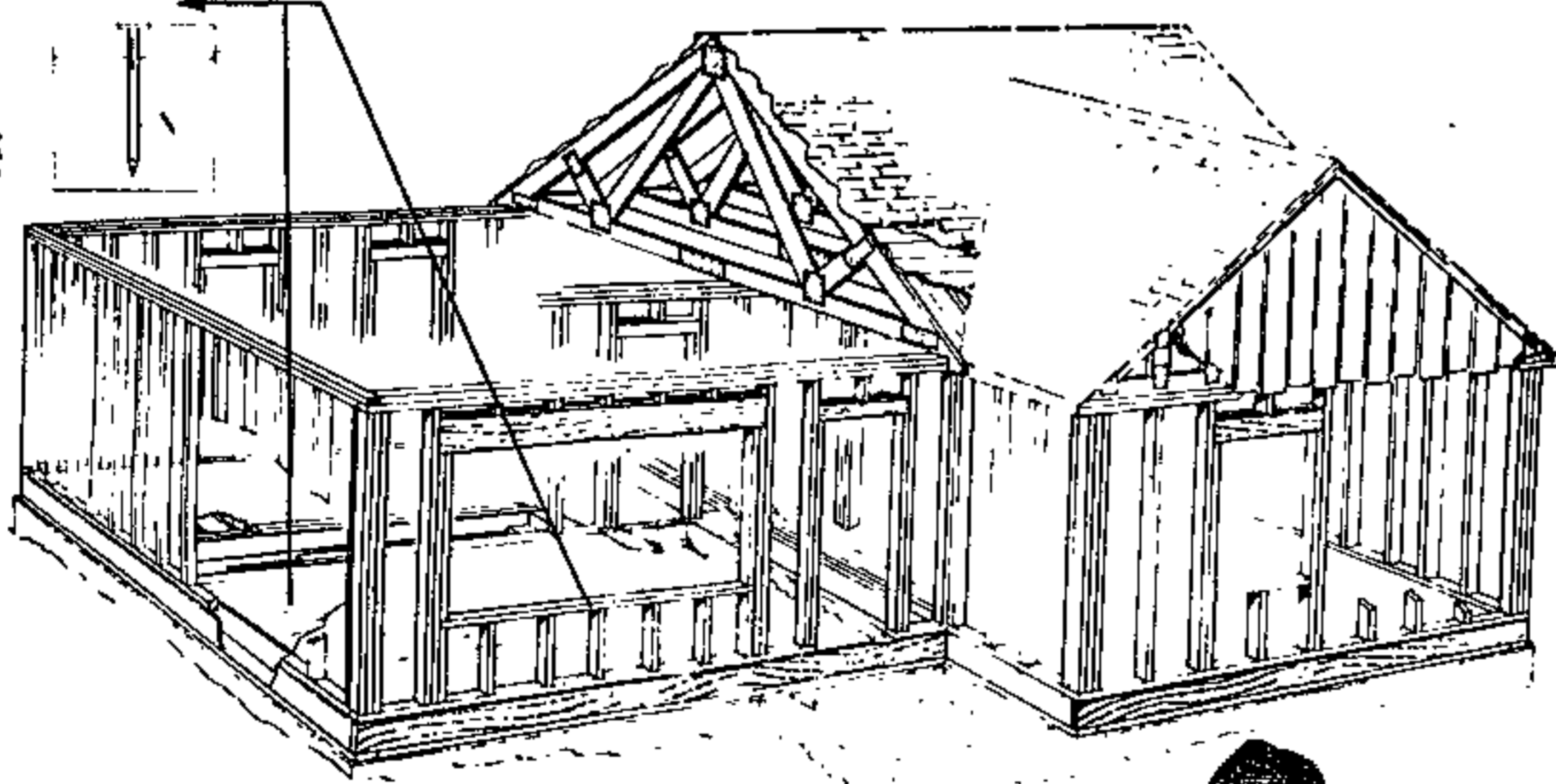
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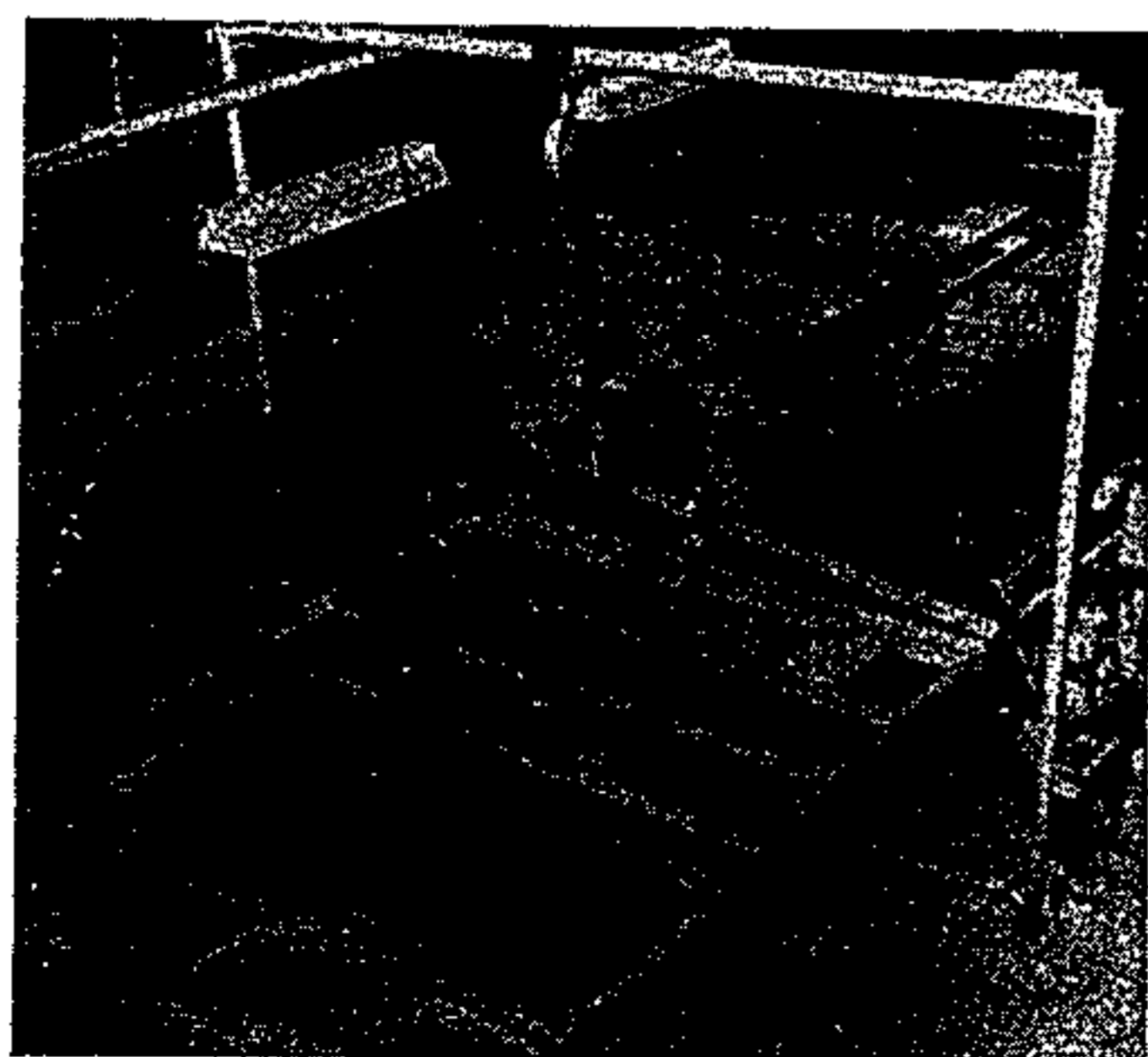


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GYPSUM PROTECT

GYPSUM Industries, holders of the Agrément certificates for both brick-veneer and Rhinoshield methods of building timber-frame houses, registers and licenses all builders wishing to use either method.

It does this to protect its own interests in those certificates, the reputations of all companies using those methods and, most important, the public... against what can be called quackery in timber-frame building.

□ □ □

As the holder of the two certificates, Gypsum Industries is responsible to the Agrément Board for the reference by all licensees to those certificates.

It has developed a system whereby companies are rigidly assessed before they are licensed to build in either of the methods.

Once a licence is granted, standards are constantly checked and the necessary on-site training given. Those found unsuitable are not given licences.

□ □ □

Even when it is considered that contractors are skilled in timber-frame building, Gypsum's building systems developer monitors every timber-frame building site.

Companies licenced to build timber-frame homes are listed above.

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Schachat Cullum, Johannesburg; McFarlane Homes, Craighall; Lumreek Buildings, Alrode; Parcell Installations, Florida; Frame-Bou, Chloorkop; Lumberloc, Fish Hoek; A H Parsons Contractors, Sandton; Andcor (Natal), Durban; Key Note Rapid Homes, Troyeville; Abstract Construction, Excom; Canada Construction, Dieprivier; Canema Homes, Durban; Timbercraft, Kraalfontein; Voslamber Construction, Newlands, Cape; Norman and Co, Pietersburg; P H Bouers, Suidderkruis; David Beckett Building Services, Bryanston; Levenbach Roofing, Kenwyn; Harrid Construction, Linden; World Wide Wooden Structures, Johannesburg; H M Stone, Queenstown; Kolbe's Joinery, Nelspruit; Brian Griffiths, Bryanston; Pinetown Roofing, New Germany; Lual Homes, Bedfordview; S M Goldstein, Wynberg; Goldstein Building, Natal, Pinetown; Collins Contractors, Maritzburg; Besbou Woningen, Luipaardsvlei; Van der Watt Bouers, Pretoria; Haire Construction, Pinetown; Theron Construction, Noordburg.

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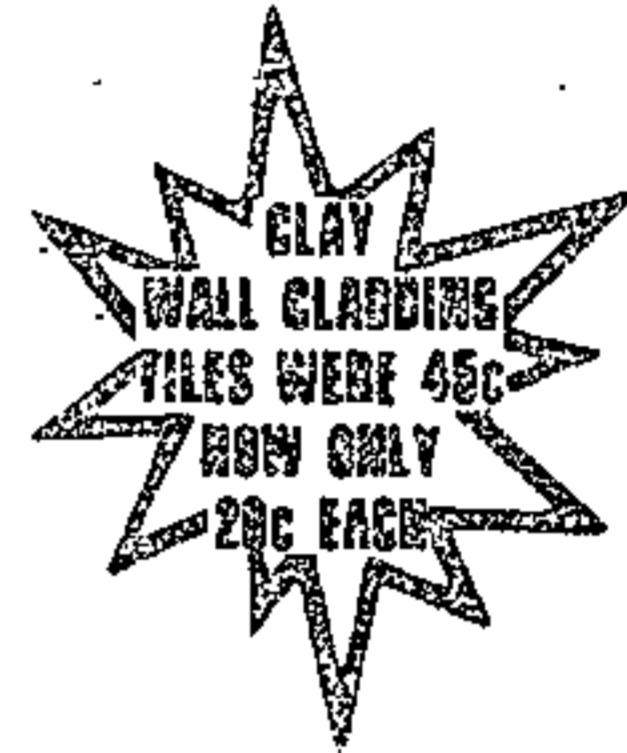
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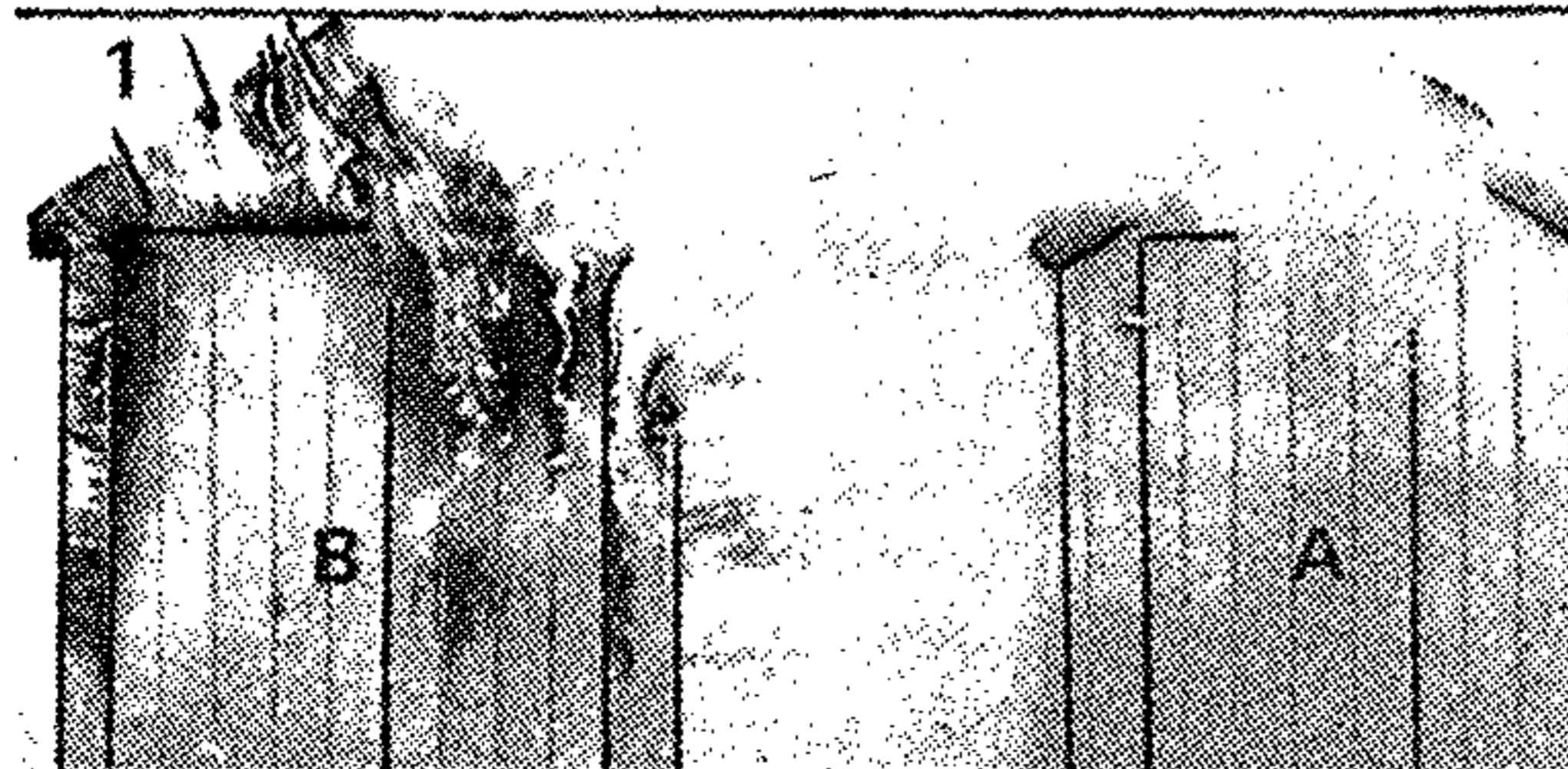
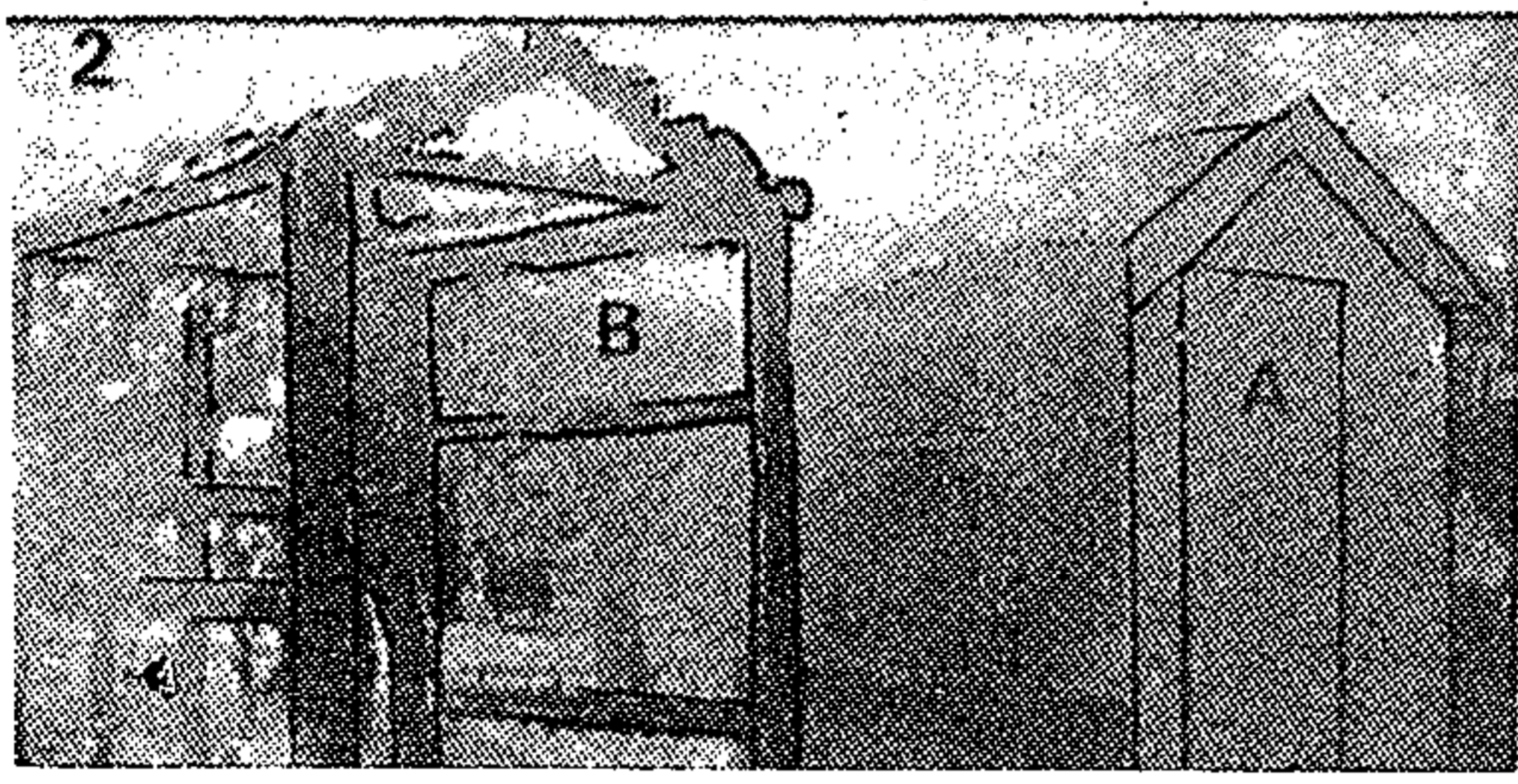
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The photographs show two tongue and groove wooden huts A and B. The roofs were covered with bituminous felt and lined inside with expanded polystyrene tiles. Hut A was treated inside and out with Decadex Firecheck and Hut B with ordinary emulsion paint. Both were identical in all other respects. Both huts containing straw soaked with paraffin were ignited. Photograph 1 was taken 15 minutes after ignition and clearly indicates the level of control in Hut A. Photograph 2 was taken after 45 minutes when Hut B was totally destroyed by fire.

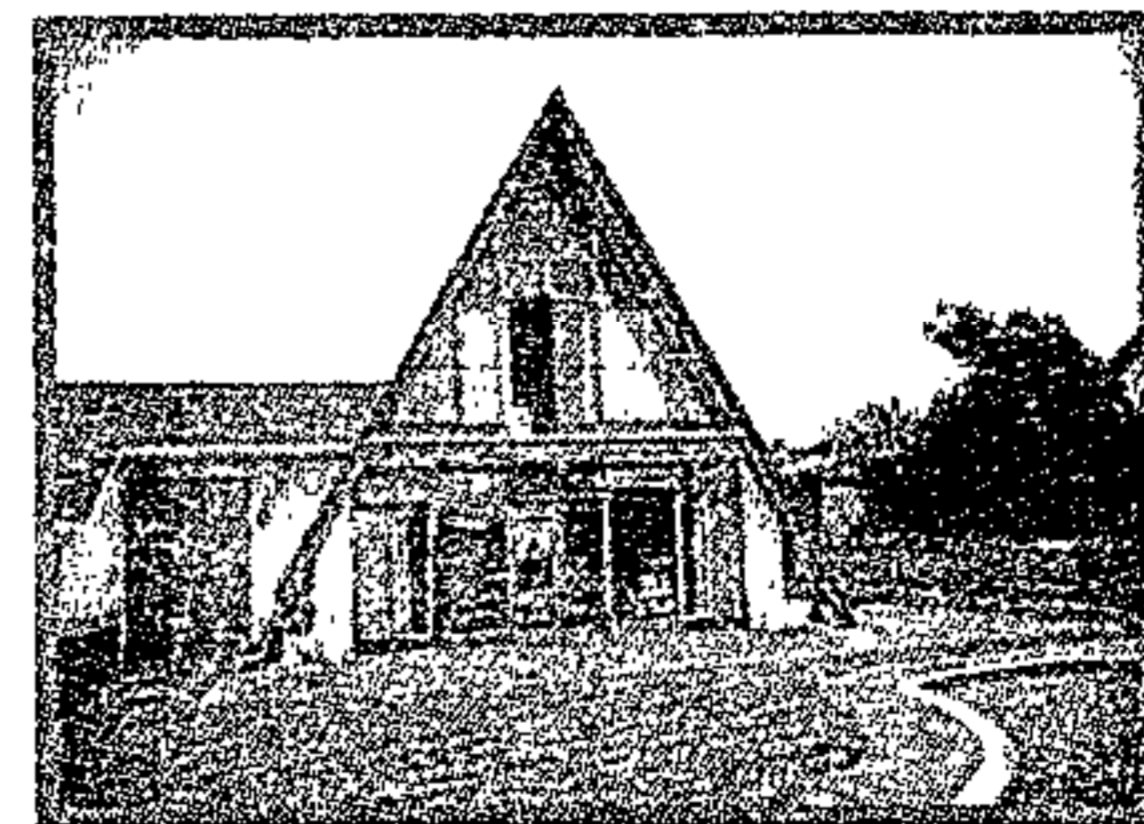
Hut A withstood intense heat and flames from the adjacent Hut B resulting in severe scorching but no transmission of flame. Internally all the surfaces were blackened but

were otherwise unaffected. All the expanded polystyrene ceiling tiles had been contained against combustion by the Decadex Firecheck membrane. The test was filmed by the Central Office of Information Film Unit in the presence of Preston Fire Brigade Officials.



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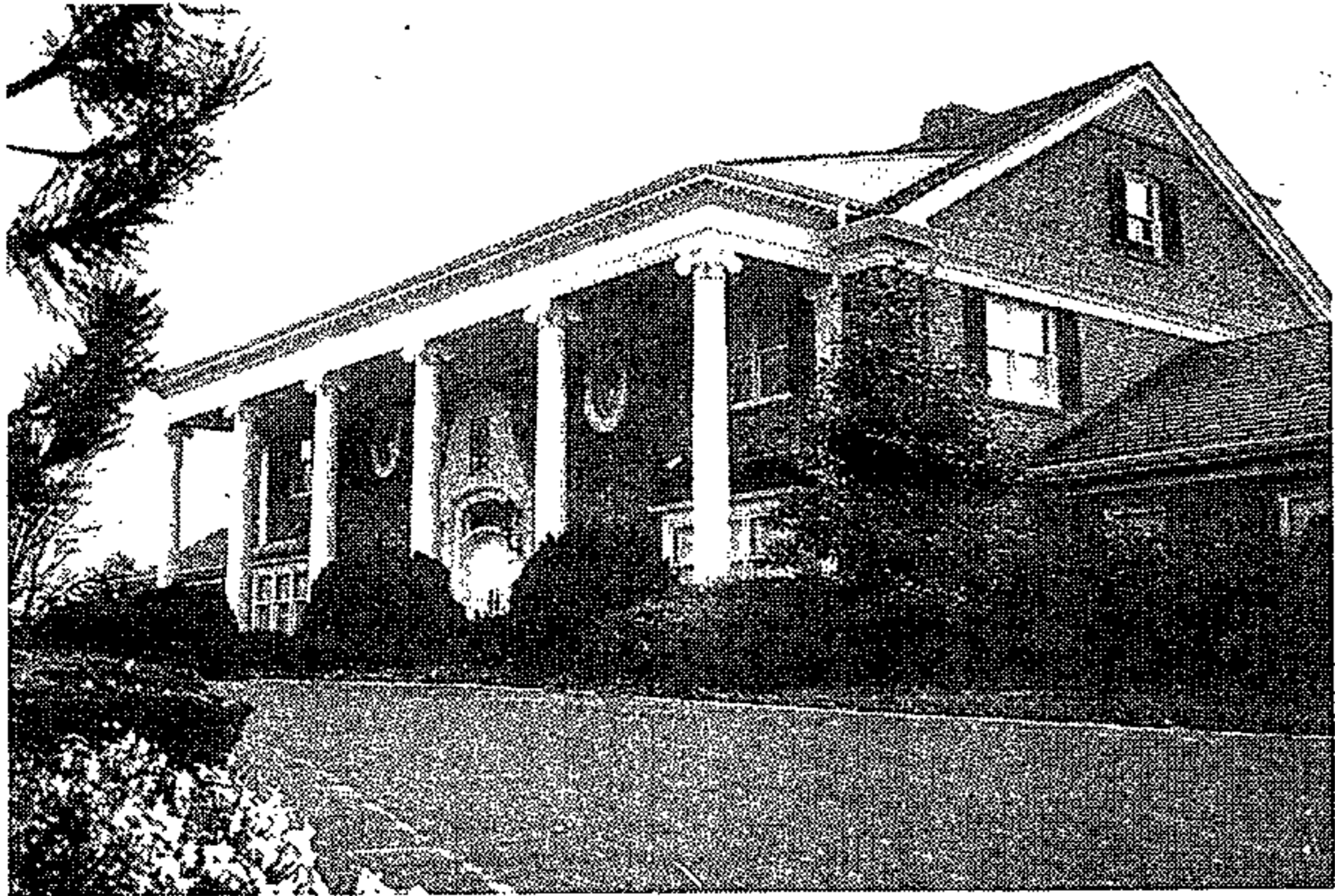
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● This is a timber-frame house in the US. It cost \$1-million to build in 1973. One like it could be built in Randburg — but not Johannesburg.

Lumber men to hold seminars

THE South African Lumber Millers' Association (Salma), which has been actively involved in promoting timber-frame housing since 1971, is to hold a series of seminars on this method of construction right round the country, starting in September this year.

"We are still negotiating with people of international standing to speak at these seminars, so do not want to say who they will be at present," said Willem Hattingh, deputy director of Salma.

"But I can say that we will bring these seminars to the people and not expect the people to go too far to get to them."

"We will, for example, not hold just one

seminar in Johannesburg and expect it to attract everyone in Johannesburg and on the Reef who is interested.

"We will hold separate seminars on the East Rand, the West Rand, in Johannesburg itself and in Randburg.

"We will also structure those seminars to cater for specific groups. We will hold separate sessions for architects, draughtsmen and quantity surveyors, for builders and members of allied trades, for local authorities, for building societies and finance houses and, of course, separate sessions for members of the public who want to learn more about this method of construction and to have their questions answered by experts."

JO'BURG AGAINST ... RANDBURG FOR

THERE'S only a thin line that divides Johannesburg and Randburg ... but as far as their councils' attitudes to timber-frame houses are concerned, that line may just as well be as wide as the South Atlantic Ocean.

Timber-frame houses are allowed and welcomed in Randburg.

They are not allowed — in other words, it is illegal to build them — in Johannesburg.

□ □ □

This was made clear to me when I telephoned John Bates, public relations officer of the Johannesburg City Engineer's Department.

"They are out. They are not acceptable, even though the Agrément Board has said they are acceptable ... they are just out," he said.

In case he hadn't made himself clear, he added: "In terms of the by-laws, they are out."

Asked why the Johannesburg City Council has adopted this view, he said: "I don't make the laws."

Beverley Abrahams, Schachat Cullum's public relations officer, canvassed the opinion of Christo Geyer, Randburg's town clerk, on timber-frame housing.

In sharp contrast, he explained that Randburg's at-

titude to new building methods is that they must conform to a code of standards, have passed prescribed tests and been approved by the SABS and the Agrément Board.

All builders that use those methods must be licensed and be under the control of the manufacturers (presumably, licence-holders).

The new form of building must result in aesthetically-acceptable buildings which do not distract from the appearance of the neighbourhoods in which they are built.

□ □ □

Randburg has found, said Mr Geyer, that timber-frame houses comply with all these conditions. Consequently, the Council has no objection to them and has found that "the appearance of a house erected by means of such a system is that of a typical house in Randburg".

Mr Geyer stressed that Randburg insists on good workmanship and strict supervision by the "manufacturer," which is probably why he was able to say in reply to another question that the first timber-frame

houses were built in Randburg in 1972 ... "and after 10 years those houses appear to have lasted as well as any orthodox houses".

□ □ □

Mr Geyer continued: "Progressiveness brings about change, and when the change is acceptable to everyone concerned, it results in desirable progress."

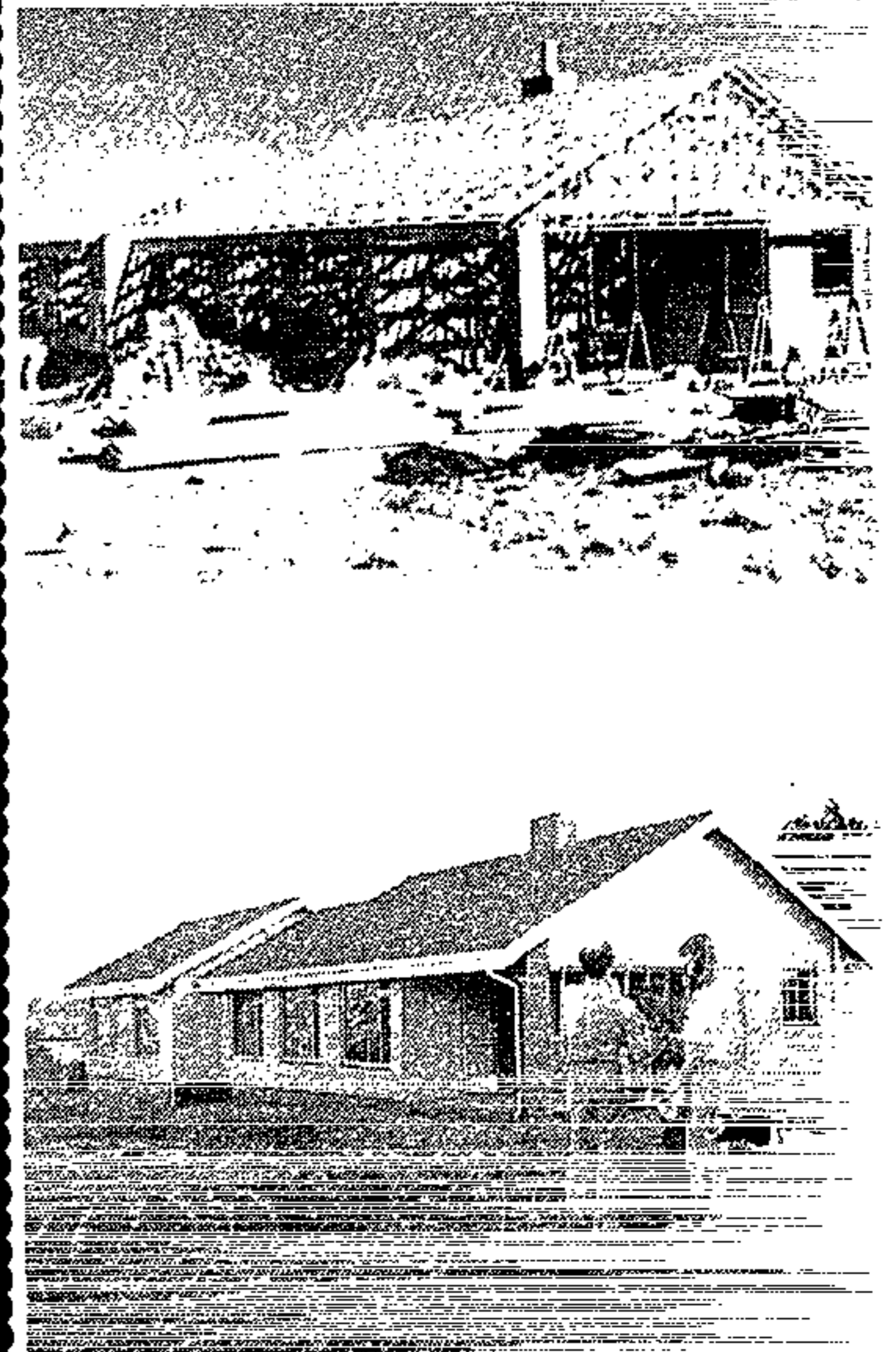
"Randburg is not a normal town in terms of age or progress," he explained. "It has grown to become the sixth largest urban centre in the Transvaal in the short span of 22 years."

"Progressive decisions have marked many stages of the town's short history."

"Progress, especially on the building front, is likely to be always looked on favourably by Randburg."

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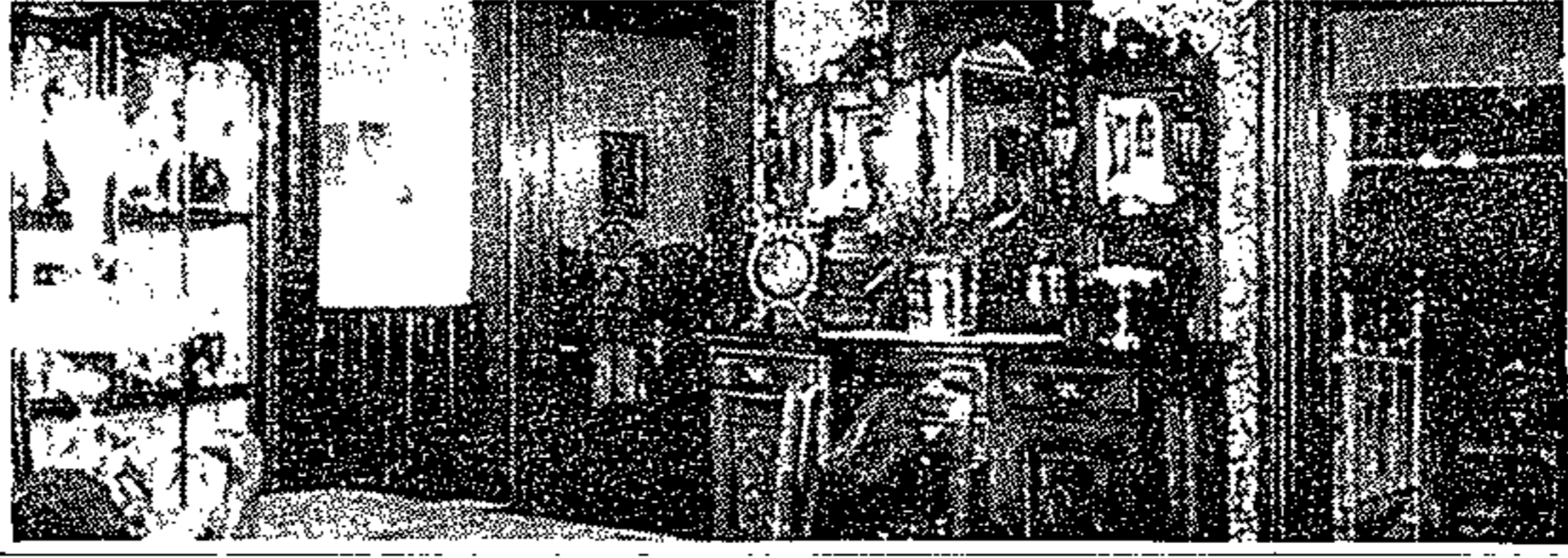
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... sheets of corrugated iron nailed to timber frames. Many of them are still in use today. Those old houses certainly showed timber-frame construction lasts ... and lasts. South Africa is not without more sophisticated examples of timber-frame houses that have lasted just as well.

There are many fine old examples in the Cape and in Natal in areas where wood was plentiful when they were first settled.

Even the interior of the corrugated iron houses could be made extremely attractive. All they really needed was a spark of sympathy from the designer — and a woman's touch.



● The interior of the replica of the corrugated iron mine manager's house at the Kimberley Mine Museum. It was occupied by a number of mine managers and was one of the better houses.

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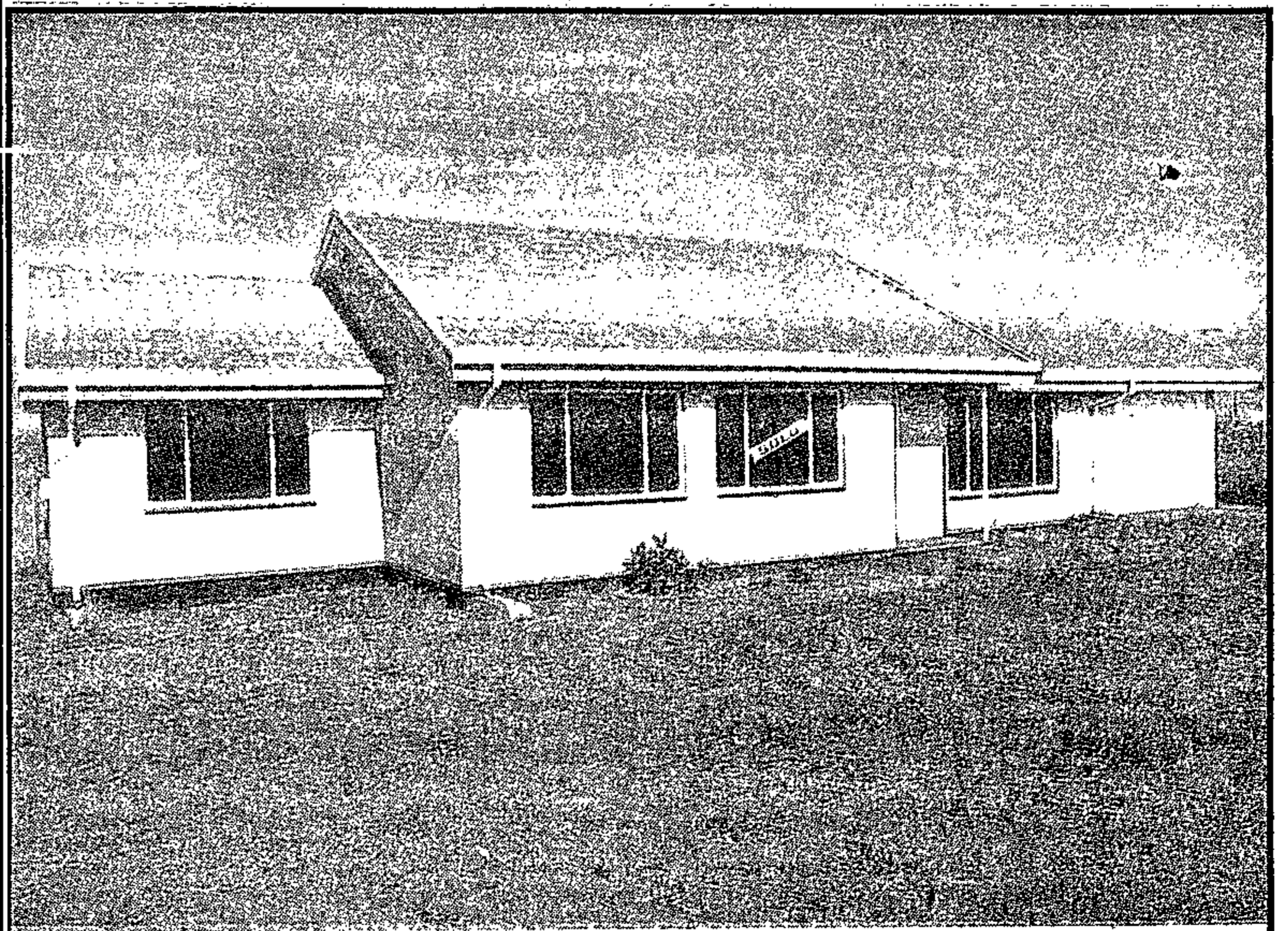
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NOWADAYS, when there seems to be no end to rises in the cost of fuel — be it electricity, coal or oil — it is comforting to know that at least one building method makes it possible for the householder to reduce the cost of heating his home in winter.

That form of construction is, as you may already have guessed, timber-frame construction.

□□□

That saving is on-going and becomes bigger as the cost of fuel goes up.

Over the years it becomes a bigger cost saving than any major initial saving in the building of a house.

In Britain, where extensive tests have been carried

Energy costs cut by 45%

out, it has been found that the cost of heating a timber-frame house can be as much as 45 percent less than the cost of heating a home of identical design but built of conventional

materials.

As far as we know, no meaningful, similar experiments have been carried out in South Africa... but there is little reason to doubt that the savings here would also be considerable.

Our reason for presuming this, apart from the sales talk and claims of those who build them, is that one Sunday we left our conventionally-built home,

where an anthracite heater had been burning in the lounge for more than a month, to interview some people who live in Fairway Village, the timber-frame housing development in Randburg.

No one in the village had, up to that point, even thought of switching on a heater. In one house, where the builders had thoughtfully provided an open-

hearth fireplace in the lounge — yes, they can be safely used in timber-frame houses — it (the fireplace) was still in its pristine condition, covered by a large, old framed photograph.

The reason for this is the superior insulation of modern timber-frame houses. They are enveloped in highly-effective insulating material, which is placed on all the outside walls and over the entire ceiling.

□□□

Added to that is the fact that the ceilings are generally about 15cm lower than in conventional houses.

This means that, when heaters do have to be turned on, there is less space to heat — and the insulation ensures that most of the heat stays in the house.

In summer, timber-frame houses are cooler. The same insulation that kept the heat inside the house in winter keeps the heat of the sun outside in summer.

TIMBER-FRAME A FIRE HAZARD? YOU CAN PUT IT TO THE TEST

ONE of the biggest misconceptions about timber-frame houses is that they are fire hazards.

Nothing can be further from the truth. Fact is that they comply fully with the fire regulations on single-storey buildings... that they should be fire-resistant for a half an hour.

This fire rating was introduced, not as a means of controlling fire, but to afford the minimum time deemed necessary to evacuate a building and prevent loss of life.

What, then, makes a timber-frame house so fire resistant? The Rhinoboard internal finish is the answer to fires that start inside houses.

It is classified as a non-combustible material and acts as a fire-resistant cladding which protects the timber frames.

The external load-bearing walls of a Rhinosield house are clad internally with Firestop Rhinoboard, which gives even better resistance against fire to the external timber framework.

Even though the roof and the roofing materials of Rhinosield, brick-veneer and conventional brick houses are common, the 9.5mm Rhinoboard ceilings in timber-frame houses will obviously perform better in a fire situation than will the 6.4mm Rhinoboard normally used in conventional brick houses.

The Agrément Board — which has given its seal of approval to both brick-veneer and Rhinosield timber-frame housing, and which is always most demanding in its requirements and searching in its investigations — is satisfied that all the fire precautions have been adequately complied with and that timber-frame homes are perfectly safe.

There is, in fact, nothing to stop anyone who wants one to have an open-hearth fireplace built into his timber-framed house... and use it.



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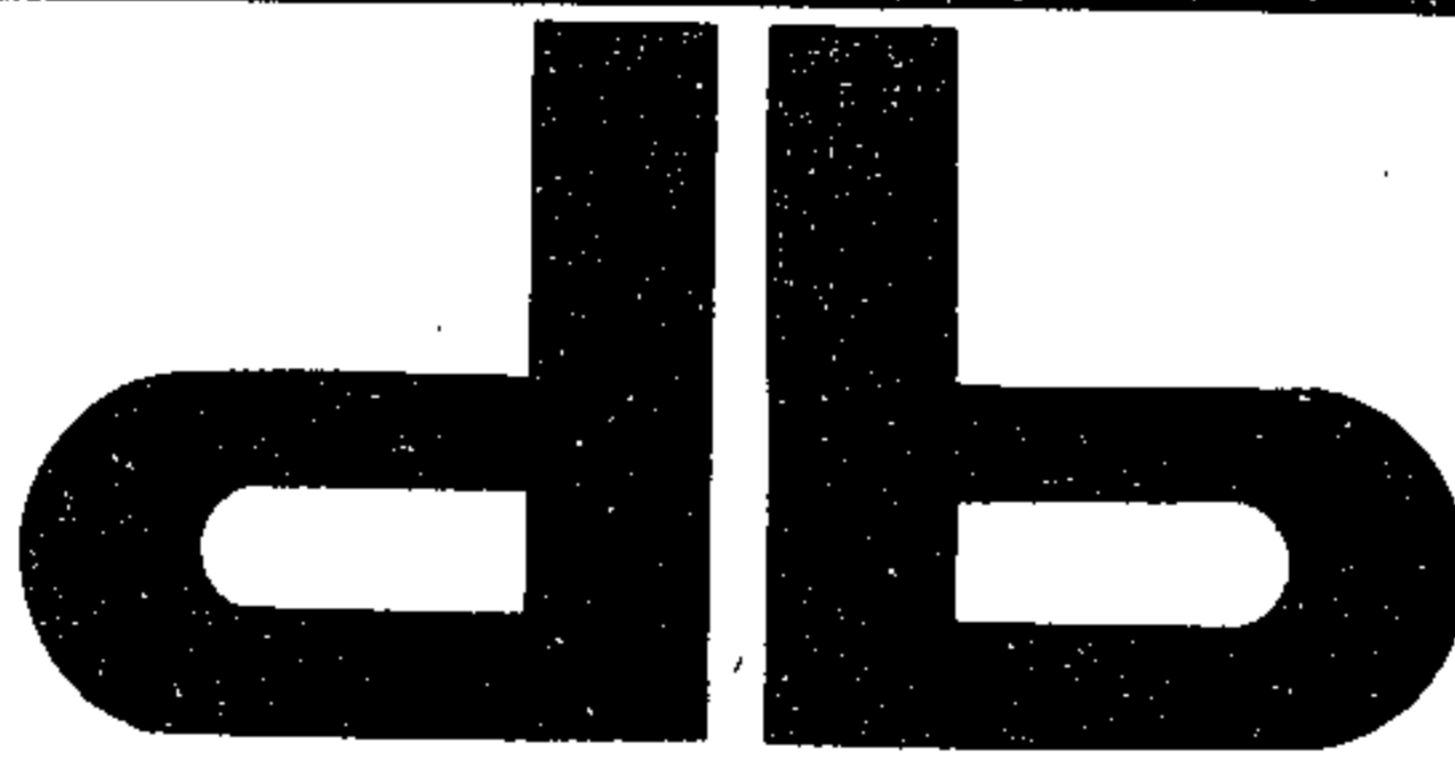


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A GOOD 'PLUG' FOR TIMBER HOUSES

WHEN the only really big complaint about a house is that some of the electric plug points have worked loose from the wall, it's more a tribute than a complaint.

And that is the only complaint Don and Heather Gray have about their stylish brick-veneer timber-frame home in Boskruijn No 5, outside Randburg ... some of the plug points are loose.

For the rest they and their four boys are happy — very happy — with the house they bought at the end of 1979.

● Don and Heather Gray in the spacious lounge of their timber-frame home with two of their four sons, twins Mark and Paul.



Cause for complaint

RICK THORNETT, managing director of Flow Systems — who operates from a timber-frame house his company bought in Randburg — does have a few complaints about the house ... but admits that "you will have similar complaints about any new house".

"Timber-frame houses aren't any different to conventional houses, once you get used to the fact that the walls are hollow," he said in a rather tacti-

turn manner.

"We have been in this house for about six months and it's still in good condition and I reckon we'll make money on the R90 000 we paid for it when we decide to sell.

"It was cool in summer and it's warm now that it's winter ... much better than a brick house."

The problems he faced were that

some windows stuck and there were light switches that didn't work and "they" hung the garage doors on the cladding, not on the solid timber upright ... "someone should have made sure that that didn't happen".

However, "everything was fixed easily. Everything works now. There's no reason why timber-frame houses shouldn't catch on if they're properly built."

are situated, as well as the bathrooms.

The playroom and a spare guest bedroom, as well as the study, are at the top of the stairs.

By attaching shelves to the one wall of their playroom, on which they have placed a number of heavy objects, including a television set, the Grays have — maybe unwittingly — given the lie to a belief that the internal cladding of a timber-frame house cannot support much more than a coat of paint and a light picture or two.

The Grays don't only enjoy living in their home for its architectural beauty and features, which include such unusual ones as a wine cellar under the stairs and a nearby L-shaped storeroom.

"I find that in winter it retains its heat very much better than our last house and it stays lovely and cool in summer ... although the study and playroom do tend to get very warm when the day is a scorcher," Heather Gray told me.

"The finish in the house is superb. It is very much better than any other house's finish that we know of, and it has things like teak doors."

Asked about the noise aspect, she said that she and Don lived in the house, so had become used to its noise level, but did not

think that it was any noisier than a similar conventional house would be.

"And bear in mind we have four young sons and they can be noisy when they want to be ... and often even when they don't want to be."

She appreciated the fact that the rooms were all marginally bigger than they would have been had the house been built of brick and that if they ever want to, they can alter the house relatively cheaply and with relatively little fuss.

It was only when I pressed her and told her that I wanted to be as objective as possible — that I did not want a eulogy of timber-framed housing from her — that she thought for a while and came up with her complaint about the plugs.

She felt they should have been fixed to the wall so that they did not get loose easily ... "because, after all, one uses plugs a lot in a house."

Asked if that was all that she did not like or found wrong in the house, she thought some more and said she wasn't very impressed with the pattern of floor-covering in the kitchen and would replace it as soon as she could.

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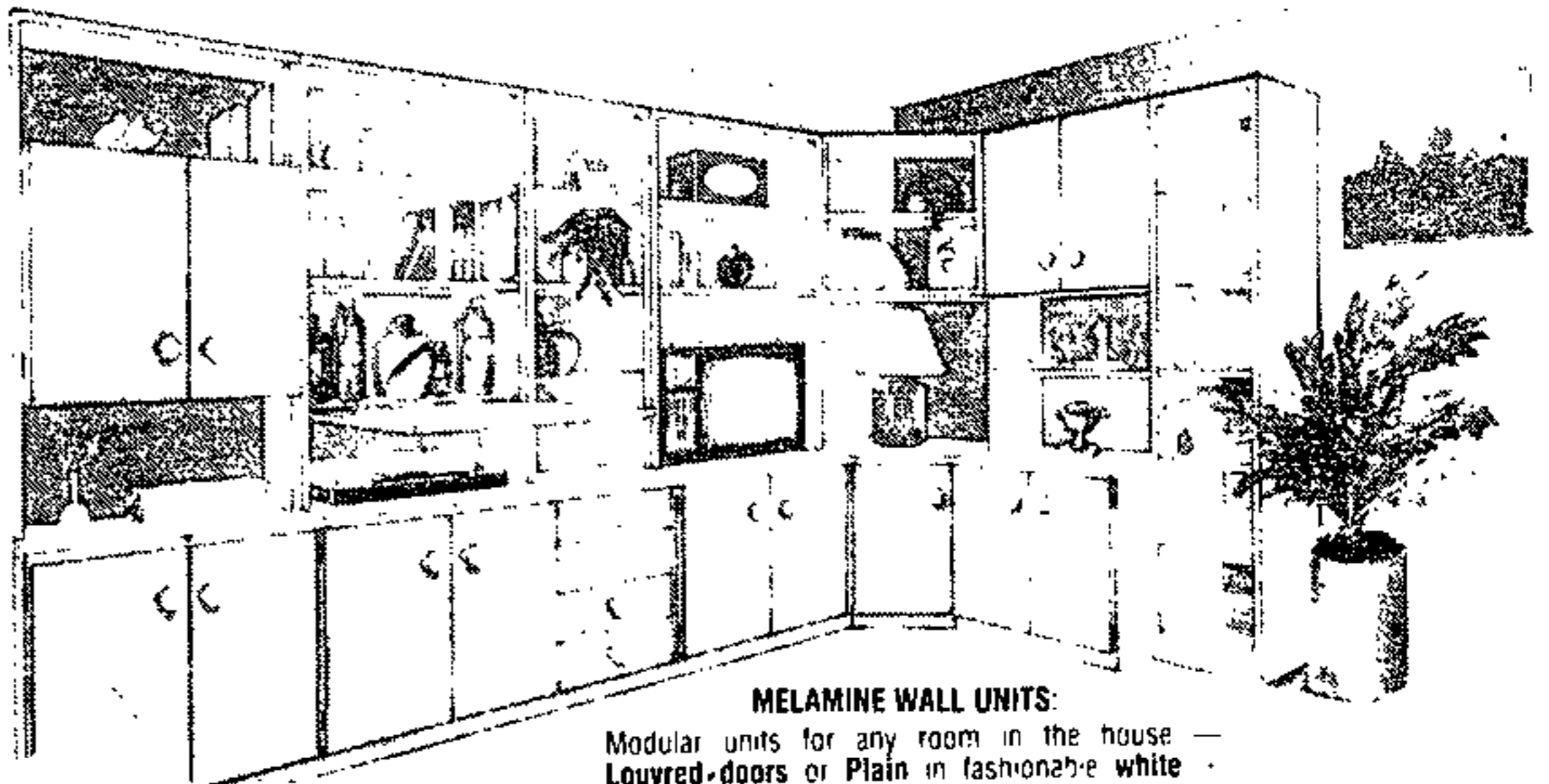
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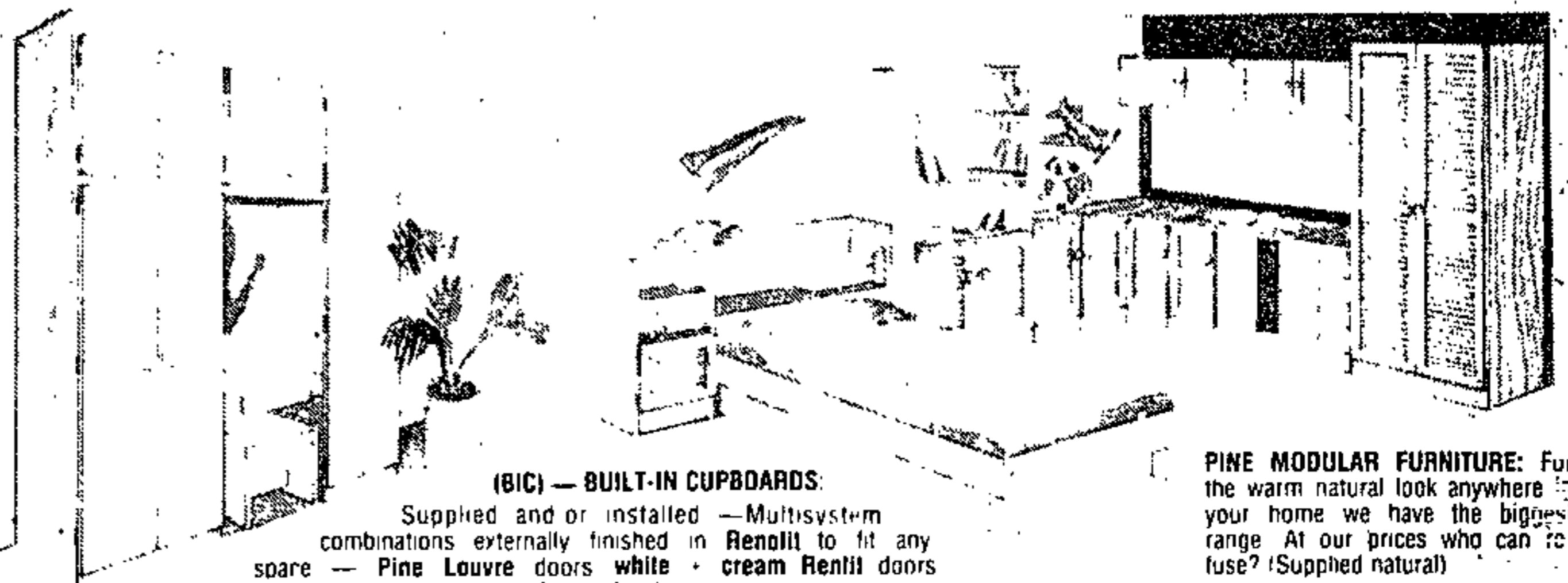
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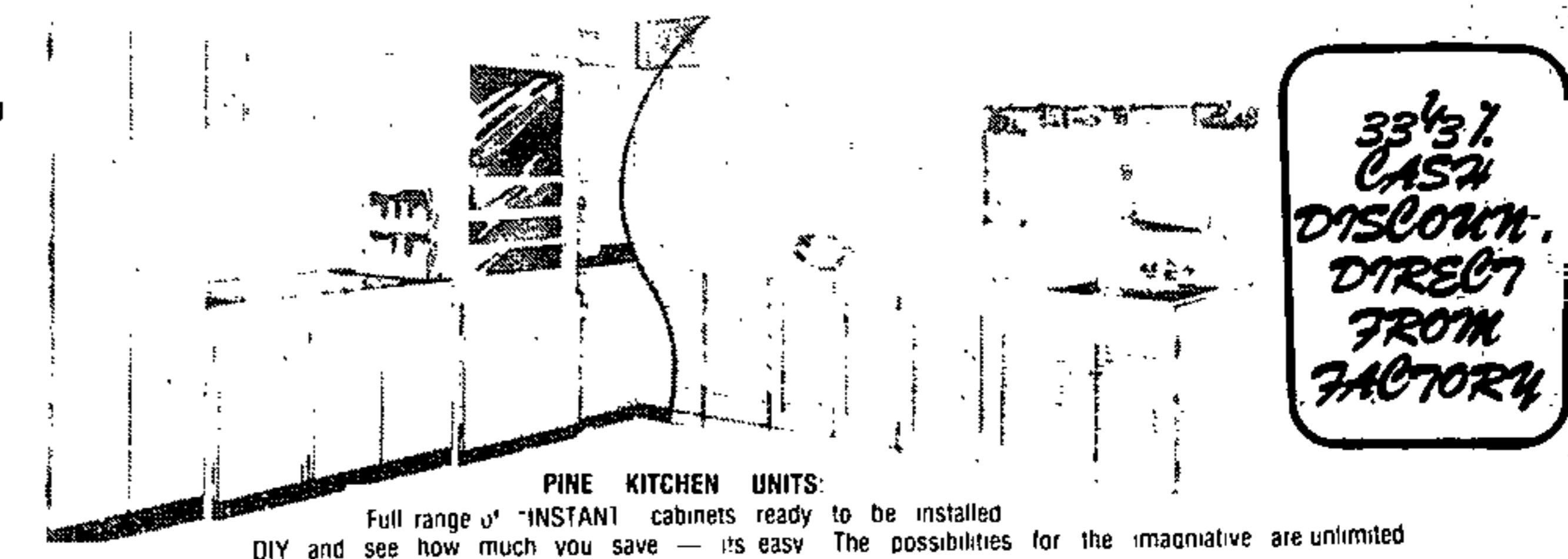


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Good enough

ONLY a very brave, possibly a foolish, man would be prepared to state categorically how old the timber-frame method of building really is. It can probably be traced back to Biblical times and maybe even before that.

The tribes of Israel, according to the Bible, were always buying cedar wood from Lebanon and it cannot all have been used purely for decoration.

There is historical evidence that timber-frame construction was already being used in Britain in AD 43.

● The kitchen of a timber-frame house built in 1973 and lived in since then by the Hallermann family of Randburg.

There can be little doubt that the famous Globe Theatre, where Shakespeare made his plays famous in London, was not only built largely of timber but was probably also a timber-frame structure.

There is a strong suggestion that this is the case in drawings of the Globe that still exist.

And if one reads anything about

early British architecture, it soon becomes apparent that timber was one of the favoured building materials.

Kent and Cheshire were counties well known for great houses built of timber and "half-timber" (could that mean timber frame?), among them being Haddon Hall, Bolsover Castle, Hardwick Hall, Holland House and Hatfield House, to name a few. They are all old.

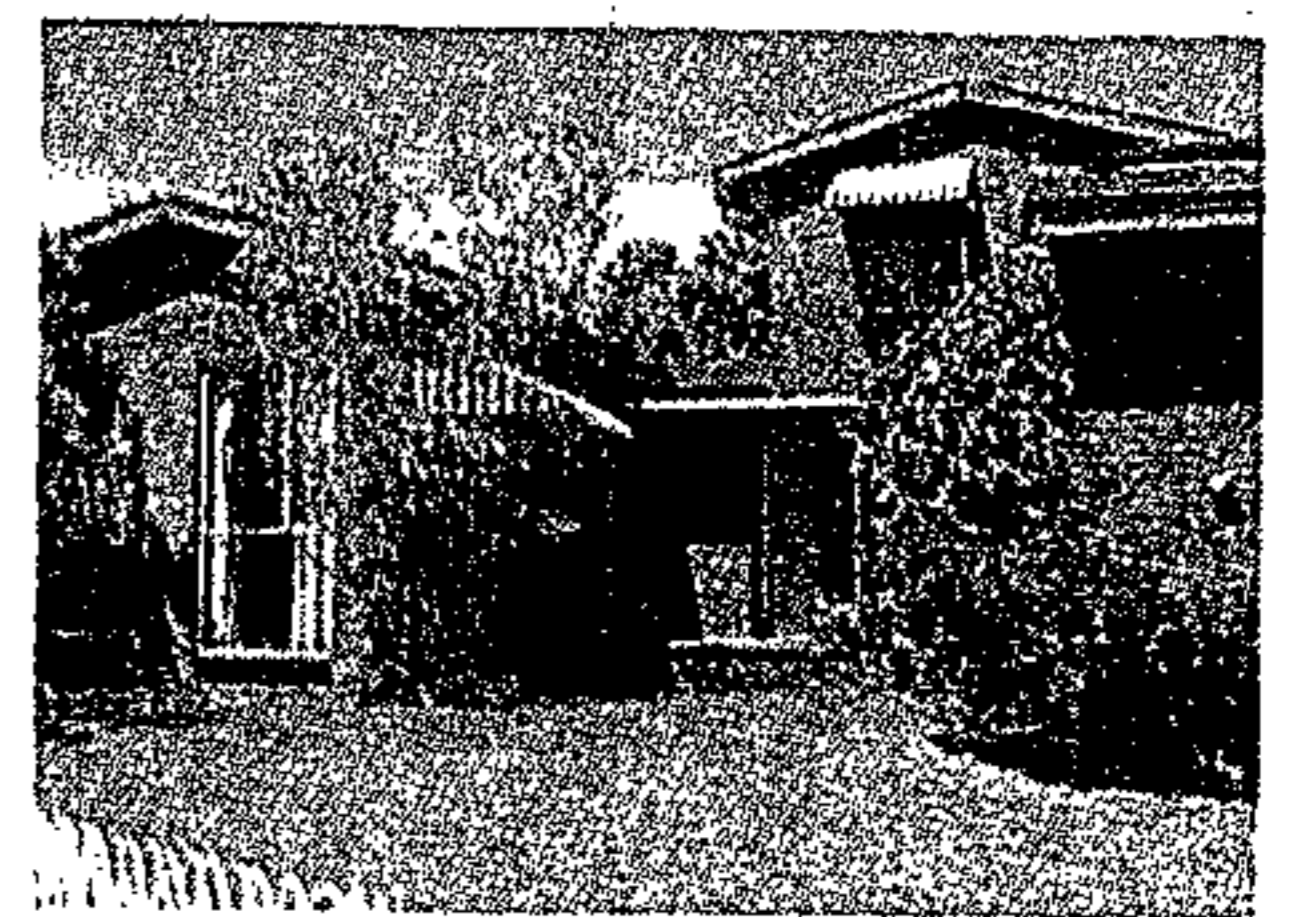
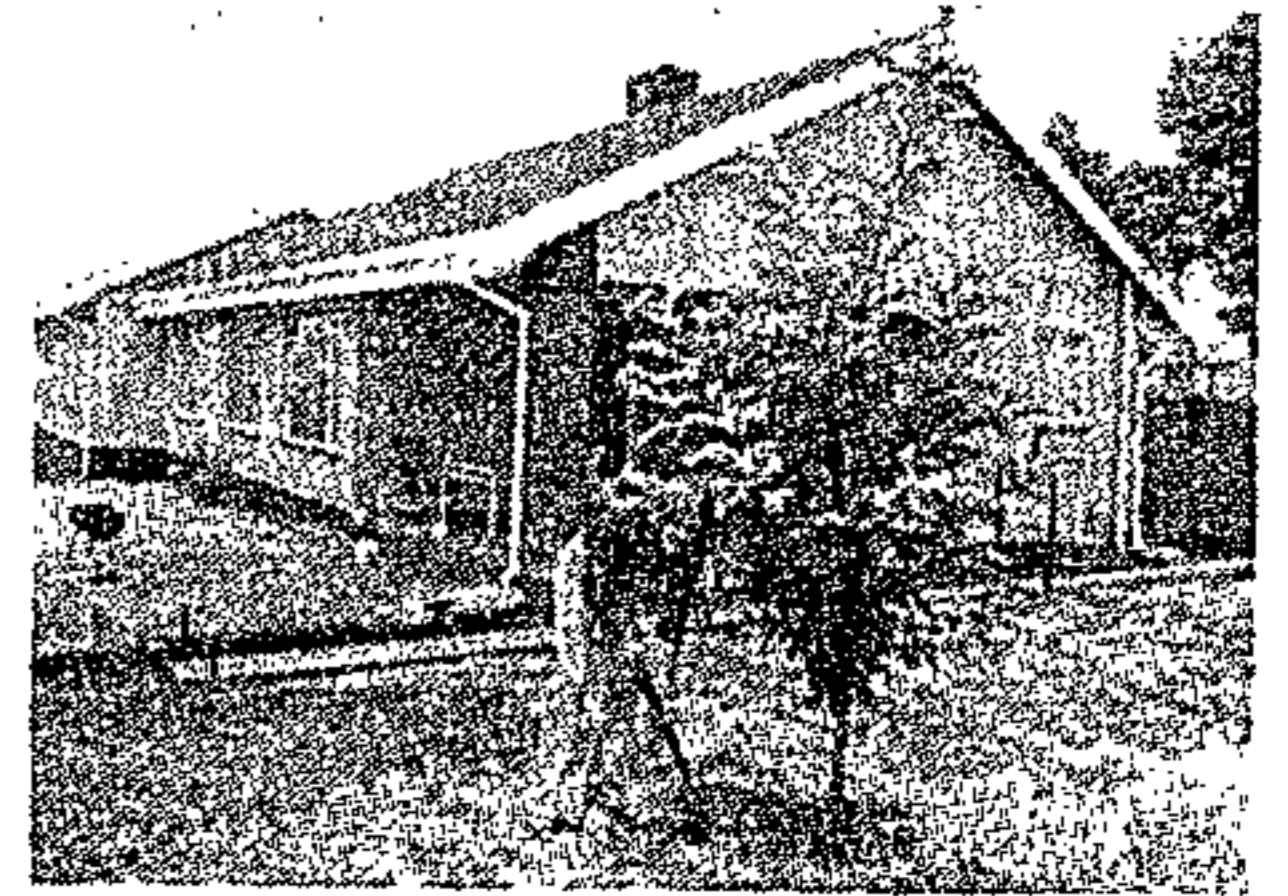
In South Africa itself, timber-frame houses housed a whole generation of pioneers. Most of the original houses put up in Kimberley, Barberton, Johannesburg and on farms throughout the Transvaal, the Free State and inland Natal were corrugated iron


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Six Sowetos in twenty years is the target

21/6/82
 123
 Spar

By Melody McDougall
 Vereeniging Bureau

The challenge to provide four million homes for blacks over the next 20 years at an estimated cost of R30 000 million is our greatest opportunity to create jobs and to educate and train people which, in the end, will be the only effective way of curbing the population explosion by economic upliftment.

This is the view of Mr John Knoetze, chairman of the West Rand Administration Board, who was one of the guest speakers at the two-day manpower symposium which was held at Vanderbijlpark last week.

In his address Mr Knoetze said that the housing backlog in black urban areas amounts to 168 000 units (excluding the 258 000 houses which are needed immediately in the trust areas). At an average cost of

R10 000 per unit, an estimated R1 700 million would be needed to complete the project.

"State funds for housing, now in very short supply, should in future be used to acquire land and to provide essential services," said Mr Knoetze.

"Consequently, responsibility for housing itself will also increasingly become the individual who will be required to contribute his own savings and sweat, the employer who will assist with loans or by embarking on company housing schemes, and the financial institutions which will provide 99-year leasehold loans and undertake housing projects."

Financial details of private sector participation are being investigated by the Steyn Committee whose findings should be available shortly.

According to Mr Knoetze, it is reported that our black population is growing at a rate of 3 percent a year. In 1980 the black urban population was estimated at 9 million. This figure is expected to be 20 million by the year 2000, and without adequate rural development this could rise by several more millions as work-seekers stream to the cities.

"We can no longer avoid planning and building the estimated six cities roughly the size of Soweto if we are to have any choice in the orderly settlement of the rapidly increasing black urban population of the future," said Mr Knoetze.

But where are those cities to be built? According to Mr Knoetze this is a major planning exercise which will tax our technical and administrative skills and human natural resources to the full. Having emphasised

the necessity for rural and homeland development, Mr Knoetze devoted the rest of his talk to urban development in the PWV area. It is here, he believes, that the future of South Africa — and more particularly its economic and political future — will be determined.

Mr Knoetze said the Prime Minister had unveiled the new regional development plans at the Good Hope Conference. The new philosophy is one of regional development in tune with market forces.

"Decentralisation incentives will be concentrated in areas adjacent to many of the more rapidly growing areas of the country. The costs of operating in these areas will be much less, meaning that a given expenditure on incentives will generate a proportionally larger number of jobs."

So it is expected that development, including



Mr John Knoetze... current backlog is 168 000 homes.

black housing, will flourish in decentralisation points such as Bronkhorstspuit, along the declared axis in the Transvaal, Natal and in the Eastern Cape.

According to Mr Knoetze, one of the most important recommendations of the Viljoen Committee is that Government housing

funds will in future increasingly be made available to finance land and essential services.

This has opened the door for the private sector to make a more substantial contribution to black housing. Mr Knoetze concluded on an optimistic note, stating that, with the acceptance of the

majority of the Viljoen Committee recommendations, a new era in black housing has begun.

"The State has for far too long tried to shoulder the full burden of housing our black citizens, but the doors are now open for everybody to participate in this enormous task."

The case for abolishing rent control

Argus 21/6/82

123

By **JOS GERSON**

Lecturer, UCT School of Economics

A PARLIAMENTARY select committee has been appointed to investigate the lifting of rent control on the remaining controlled properties, most of them of pre-war vintage. The committee would do well to consider the lessons that emerge from the accomplishments and failures of recent related policies.

In 1978 the Government announced that it would phase out rent control in a gradual and systematic way, starting with the newer buildings and extending it each year to older and older buildings.

This policy decision immediately benefited landlords. The value of their properties rose to reflect the higher rents they could be expected to charge. Tenants also recognised that rents would now rise more rapidly.

Significantly these measures were combined with permission to sell individual flats on sectional title, an option not previously available.

Many tenants who availed themselves of this opportunity (however reluctantly) soon experienced a rapid appreciation in the value of their apartments as property prices rose rapidly from very depressed levels.

Tenants of older buildings did not have this early option. When their buildings were finally decontrolled, property prices had already risen substantially and so had the costs of alternative accommodation.

It was the strong objections of this latter group and the support they received from politicians of all parties that caused the Government to pause and in some instances reverse its policy. This, in turn, severely discouraged property developers from engaging in the construction or renovation of buildings for rented accommodation.

Thus the Government achieved the worst of both worlds. The formal

terms of supplying them with new rentable accommodation) if it had followed a different strategy.

It is not yet too late to learn from the recent experience in dealing with the balance of (older) buildings under control.

The Rents Act should be amended (if necessary) so as always to vest rent control in the tenant rather than in the building. All building would thus be de-controlled but the tenants in hitherto controlled buildings would acquire a "protected" status. This initial protection might or might not be made dependent on a means test as before.

The rights to protection would be non-transferable other than to widowed spouses. Tenants would lose their rights upon vacation of the premises. Landlords would be entitled to "buy out" their protected tenants at mutually acceptable prices.

Wherever agreement cannot be reached, the protection would simply continue as before.

At the same time — and this is most important — the Government would have to do its utmost to convince developers that no new measures of rent control will ever again be contemplated.

Some will say that I am not being fair to landlords. It must, however, be pointed out that rent control has been enforced for a long time — several decades in the case of many pre-war buildings.

Landlords who bought those buildings in the interim did so fully expecting rent control to continue and therefore at prices low enough to have yielded a competitive expected return.

In any case notwithstanding our deliberations about "fairness", politicians will be guided by political expediency, which is usually on the side of the more numer-

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SECTION B

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3	60%	
4	45%	
Examiners' Initials		

abolition of rent control on most post-war buildings redistributed wealth from tenants to landlords.

Yet the threat of rent control was never removed. Indeed several apartment blocks were recently recontrolled!

The Government continues to threaten landlords who demand "excessive" increases. Thus the developers remain unconvinced and almost all new construction is geared towards sectional titles.

The Government could have accomplished more for itself, for the established tenants and for prospective tenants (in

ous tenants. Economists have no business taking sides with landlords or tenants.

Yet it is possible to point out to the politicians that without having to alienate important interests, they can implement efficient economic policies. Such policies demand that scarce resources, like accommodation, be properly priced.

My proposal would achieve this and thereby a more efficient utilisation of space. Tenants who refuse to "sell out" would be sacrificing the gains they could make by capitalising their rights and moving to less expensive accommodation.

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Rise in Housing Commission loans

Property Reporter

LAST week it was announced by Mr Pen Kotze, the Minister of Community Development, that 90% loans granted jointly by the National Housing Commission and building societies would be increased

in relation to salary, subject to a higher overall limit and available for the purchase of sectional title units.

The Minister said building costs had escalated by 45% since the loan limits were fixed in 1980 and 1981.

"Because of the limited

funds at the department's disposal for the provision of housing, the department wants to encourage people in the economic income group as much as possible to provide for their own housing by means of individual loans," Mr Kotze said.

● The limit for 90% building

and buying loans would be raised from R23 000 to R33 000.

● The limit for joint loans would go up from R27 000 to R35 000.

● The maximum income limit for 90% building and buying loans would go up from R650 to R800 a month.

● The maximum income limit for joint loans would go up from R720 to R900 a month.

Railway workers face housing clamp

123
S. Times
27/5/82

By CAS St LEGER

HOUSING loans for new South African Railways' employees are likely soon to be drastically curbed.

Top management met this week to discuss changes to the Railways' housing schemes, regarded by employees as the biggest and the best in the country.

Dr EL Grove, deputy general manager of SAR, said because of the economic recession, management was looking at the entire capital budget.

The Railways' home-ownership scheme was just one of the aspects of the budget being examined.

Railways PRO Mike Adendorf said loans already allocated or in the pipeline would definitely not be cancelled or withdrawn.

However, he said, there were sure to be curbs on allocations of new loans for prospective Railways' homeowners.

Earlier on Friday, a Roodepoort estate agent was telephoned by a Railways' housing inspector and told that three deals she was negotiating for employees had been cancelled.

The estate agent said she was told the deals had been withdrawn due to lack of funds.

Union leader speaks out

Mr J R Benade, secretary of the Federated Consultative Council of the SA Transport Services Staff Association and general secretary of the Running and Operating Staff Union, said the Railways' housing scheme had come under the magnifying glass.

No curtailment on benefits would be made by management without consultation with the unions and Mr Benade had been assured that no cutbacks would be made except in the case of luxuries.

There had been a growing commitment in regard to housing for coloured, Asian and black Railway worker housing over the last few years.

The railwaymen had to be realistic, said Mr Benade. The 10 local housing officers throughout the country had been asked to provide housing statistics with a view to reviewing the situation.

Instead, clerks had misinterpreted this instruction and some applicants had been told that funds had been cut off.

Two years for loan

This had occurred particularly in the Western Transvaal and Western Cape areas, said Mr Benade.

At present, railwaymen on permanent staff (after two years' employment) are entitled to a 100 percent housing loan or they may apply for assistance under the pension-fund scheme.

The sum available under the Railways Home Ownership Scheme is fixed by Government White Paper. For the year 1982-83, R325-million had been allocated.

This sum may not be used for other purposes.

Under the 100 percent scheme, funds totalled R146,25-million.

Of the R1 250-million in the pension-fund scheme, SA Transport Services could borrow R178,75-million for housing for all races.

Requirements under the second scheme were allocated monthly.

If employee benefits were to be changed, said Mr Benade, he would be the first to know. Nothing had yet been finalised.

BLACKS BLOODED

WHY SOCIETIES CAN'T HELP IN THE HOMELANDS

By DAVE McDERMOTT
Property Editor

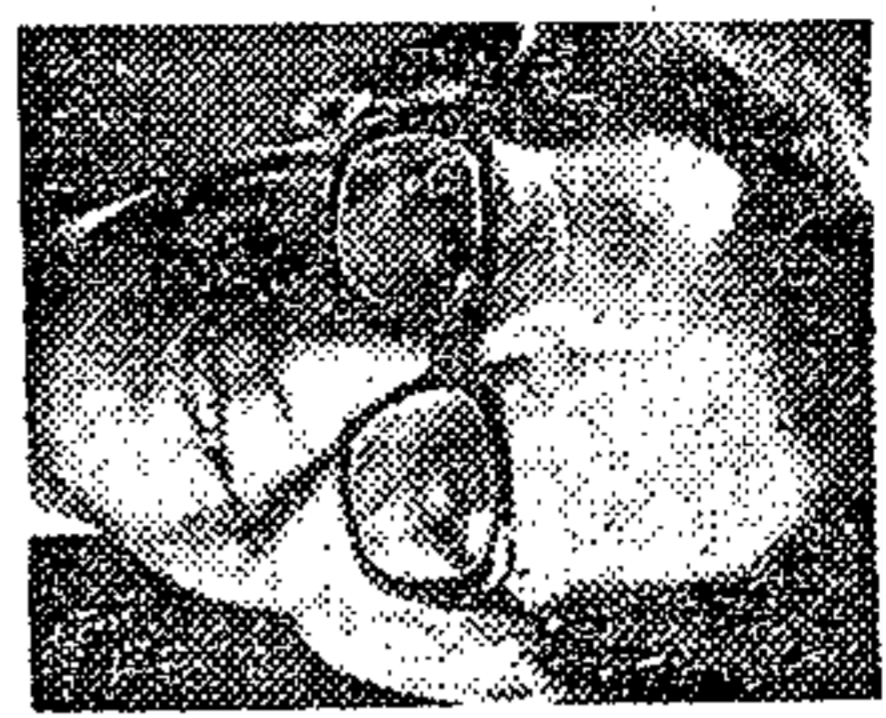
BUILDING societies will not get involved in the funding of homes for blacks in the homelands until tenure of title is brought into line with 99-year lease and adequate arrangements are made for the security of investments.

"At the moment," says Tim Hart, the director of the Association of Building Societies, "we cannot get involved — we dare not."

"But we are not letting the matter lie and we are still making efforts to get in and assist."

Hart says the different land tenure systems that apply in the homelands represent the main stumbling block. "Until some arrangement is made that will give titles deeds that can be officially registered in a deeds office, we are blocked."

Societies are also worried about their security in some of the independent homelands which enact their own building societies



Tim Hart

legislation and the question of nationalisation, which has been hunted at.

"In the first place," says Hart, "you cannot get title to anything. Secondly, until one knows exactly what is going to happen in the future in the homelands building societies are obviously very reluctant to get in there."

"However, notwithstanding a few of these problems, we are negotiating at length with the authorities that control these areas to find some way out of the impasse." The societies are seeking the co-operation

and support of a substantial body, like, for instance, the Kwazulu Development Corporation, which could undertake to set up an organisation to take over the bonds — be it a housing society or a housing corporation or some such body — in the event of anything happening that would make it impossible for the societies to realise their securities.

Giving an example, Hart says the amendments that would have to take place to bring the tenure of title in Kwazulu into line with 99-year lease represent a very thick document.

"There are archaic things that still sit in that ordinance. For instance, if you upset the chief you can lose your land."

"We have steadfastly put forward the 99-year lease in all our negotiations because once a man gets that it is his

and you cannot take it away from him for any reason other than he fails to pay his dues in terms of an undertaking which affects that property.

"Even if he is had up for high treason, his title to that land still stands. He may not be able to occupy it because he is locked up in jail but his title remains and then his interest in that can be sold or transferred."

Hart says that without the building societies the 99-year lease scheme would "still be stuck in the starting blocks."

He feels that where the building societies have been permitted to assist they have gone out of their way to promote loans for black housing.

"The black housing situation is an unusual one in that it was artificially strangled until 1976 when we discovered that as the investments with the ad-

ministration boards had been declared prescribed investments we could then as building societies invest money with them.

"We grabbed this opportunity and said we would invest money with them provided they built houses and then granted loans to others to own them.

"Then came the revival of the 30-year occupation right which was no good to us because it could not be registered as it was too short but we went in boots and all in the belief that the momentum was now going."

The societies demonstrated to the authorities that they and individuals were ready to do something about solving their own problems and as a result, Hart believes, the authorities realised there was a huge force available to tackle the problem. Out of this came the steps towards title and the 99-year lease.

"Now, wherever there

is 99-year-lease we apply the same considerations to our security and the person that is going to borrow as we do with, for example, Westville or Chatsworth.

"If they pass muster we will lend. In fact, one of the things very few people understand is that a building society wants to know that the security on which it lends is in the first place durable and secondly that it is attractive in the market place."

Qualifying attractiveness, Hart says that what is attractive in Soweto might be totally unattractive in Houghton.

"Therefore you can not say that you will only lend on replicas of Houghton houses in Soweto.

"If houses are the type that we believe are going to last and people demonstrate that they are prepared to pay good money to buy them then it is a marketable security and we will go in for it."

Tax relief needed on home bonds

CAPT Times 28/6/87

123

By PAUL DOLD
Financial Editor

THE chairman of the EP Building Society, Mr G J Krige, has called for tax relief on home bonds as well as capital grants to young couples who are building their first homes.

Speaking at the annual meeting on Friday he said the adjustments now being forced on the public in lowering housing standards are necessary even though they are painful.

"Compared to world standards the white population in South Africa is living in luxury housing. The luxury standard has created unrealistic expectations in the minds of all population groups.

"The main causes of the luxury housing situation are the cheap mortgage finance of the past and subsidies paid by employers. I would like to advocate that the whole system of subsidized housing be reviewed and that the authorities, on the one hand, tax housing subsidies and, on the other, supply incentives by way of tax relief on bond interest."

Housing prices in some areas had risen over the last three years by 200 percent with borrowers making handsome capital profits. While, on the other hand, many investors have lost buying power.

With the inflation in housing prices young married couples were finding it extremely difficult, or nigh impossible, to accumulate the necessary deposit for a home.

While the De Kock Commission is to make recommendations regarding building societies and other financial institutions it was expected that the approach would be on the basis of competition in the market for money and effective control of the money supply.

"This is unlikely to solve the housing prob-

lem or the anomalies that exist in the system."

Building costs would not fall this year but the rate of increase should slow down to about 18 percent.

"The demand for accommodation is still strong due partly to the large increase in immigrants and rents are likely to escalate further this year.

"House prices in the middle and lower-income brackets are not expected to decrease but high price properties will be affected by the cost of mortgage finance."

Turning to the problems of the building society movement he said that societies in general have had to struggle to maintain liquidity due to share rates not being competitive. Large amounts of fixed deposits were attracted at high market rates.

Bond rates were not raised soon enough due to protracted talks with the authorities which caused a loss of income.

Societies' profit margins had been too small to build up sufficient free reserves so that income from this source could even out the fluctuation in interest rates.

"Reviewing the money management of the economy over the last two years, it would appear that liquidity in the system should have been reduced much sooner so that rates could have moved gradually with an earlier benefit on the inflation rate."

Interest rates appeared to have peaked and only minor fluctuations were expected for the rest of the year. Rates should start declining within the next nine months. But the fall would be slow and with the prospect of double digit inflation for years to come rates were unlikely to drop back to those at the end of the seventies.

Ampros R55-m vote of confidence

(123)
S. Times
27/6/82

By Vera Beljakova

IN the face of recession, Anglo American Property Services (Ampros) is pushing ahead with 12 new township developments countrywide covering a total of 500ha which will gross at least R55,2-million.

Ampros's director, Peter Gardiner, has been out shopping for prime land throughout South Africa for the past year and will have spent almost R33-million on developing 10 residential and two industrial townships.

"Prime locations will always be the last hit by any recession, if at all," comments Mr Gardiner, who is responsible for estate development and marketing.

"At today's high cost of servicing any township stand, we must buy the best locations. Land costs plus servicing now average R14 000 a stand in the upmarket areas."

The two industrial townships are Amaprop (Anglo American Properties) Jet Park Extension 1 by Boksburg (21 stands on 24ha) and Powerville Ext 4 at Vereeniging (278 stands on 74ha). Sales from both townships will gross over R22-million.

Ampros's residential township developments are scattered throughout the Rand, Natal and the Cape. Prime townships are planned for Transvaal's Sandton and Springs, the Cape's Bellville and Natal's Gillitts.

In Sandton, Amaprop townships are Fourways Ext 12 (104 stands on 26ha), Sunninghill Ext 2 (180 stands on 46ha) and Lyne Park Ext 4 (80 stands on 14ha). Natal's Dove-

house development of 236 stands on 99ha is in Gillitts.

On behalf of Rand Selection Corporation, Ampros is developing two townships in Springs: Bakerton Ext 3 with 828 stands on 103ha for Indian group occupation, and Pollak Park Ext 5 with 128 stands for

group housing on 14ha situated in the centre of a golf course.

For SA Townships, Ampros is developing Bryanston Ext 34 with 26 stands on 49ha and Meadowhurst, about which plans have not yet been released.

For Creative Homes, Am-

pros is developing Bellville Ext 33 and Ext 47 with a total of 202 stands on a total of 31ha in the exclusive Tygerberg Valley between Bellville and Durbanville.

The Cape's marketing team labels this development as the "Afrikaner's Sandton".

Curbs ahead on railway housing loans

ARGUS
11/7/82

123
270

Argus Correspondent

PRETORIA.—Housing loans for South African Railways employees will in all probability be drastically curbed, but a general cutback in housing loans in the civil service seems unlikely.

Top railway management met last week to discuss capital budgeting in face of the economic recession.

Railways PRO Mr Mike Adendorf said management was still looking at all aspects of the capital budget to see where it could curb spending. Housing loans were just one aspect they were considering.

RECRUITMENT

"In all probability it will curb the number of housing loans granted, but to what extent it can't say. But there is no indication when management will come to a decision on this," Mr Adendorf said.

However, informed sources in the civil service doubt whether there will be cutbacks placed on housing loans for central public service employees.

They point out that last October the ceiling on housing loans was raised from R20 000 to R40 000 and from April 1 housing benefits were extended to include unmarried employees as well.

One of the reasons for these changes was to help with the recruitment of staff. The feeling is that it is still difficult to recruit staff and it would become a near impossible task if the housing benefits were limited or curbed.

NO SIGN

The Department of Community Development also has a housing benefit scheme for Government employees in which the department guarantees the deposit for a house. But a spokesman for the department said he was not aware of any curbs being placed on the scheme in the near future.

Home ownership by blacks seen as the best solution

THE black man in South Africa can hardly be expected to be a supporter of a capitalist system based on ownership of private property if he is not allowed to participate in it.

This statement was made by Mr Philip Sceales, chairman of the United Building Society, when he addressed the society's annual meeting.

He said that since the 99-year leasehold system was

introduced, the UBS Development Corporation had built 485 houses for blacks and was now engaged in the construction of a further 181. Another 245 were in the planning stage.

The Urban Foundation had devised an excellent self-help scheme at Kattlehong, he said, where 209 stands had been made available by the East Rand Administration Board for the first phase.

The UBS had granted loans of about R8 000 to be used for the purchase of materials.

"The applicants have to build the houses themselves and what we term their 'sweat equity' makes the completed property worth not less than R12 000.

"Building is closely supervised by the Foundation and by us and the loan is paid out only on completion when the applicant gets title to his 99-year lease," he said.

Mr Sceales said the scheme was a really excellent one and provided housing to blacks at a figure they could afford.

Monthly instalments were about R100, "which is within the capacity of a considerable number of blacks".

Mr Sceales said that 639 mortgages had been registered by blacks over 99-year leaseholds in favour of the society, representing 49% of the total of these mortgages.

"These numbers are trivial in relation to a population of 20 million and show that as yet the progress towards the creation of a black home-owning class is pitiful."

"Last year the chairman of the SA Permanent Building Society made the excellent suggestion that the State-owned houses leased to blacks should be sold to them, releasing more funds for building, but the proposal seems to have fallen on deaf ears," said Mr Sceales.

Meanwhile in Durban the chairman of Toyota South Africa, Dr Albert Wessels, has announced that the board of Toyota has made available R200 000 a year for five years to assist with staff housing.

This announcement was made against a background of decisions made by the Government that companies would now be permitted to help with the financing of black housing in the black urban areas and could, in fact, own houses in those areas and rent them to

their staff.

The second announcement embraced concessions made by the Minister of Finance in the main Budget and which are meant to encourage companies to generally assist with the building of houses for employees.

Toyota is now conducting surveys to establish, among other things, length of service of employees. Staff members with the longest service will be helped first.

M

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E-Post
1/7/82

(123) PM 2/7/82

New bid for freedom

Here we go again. The Parliamentary Select Committee investigating rent control is asking for evidence.

And interested parties in the private sector who submitted suggestions to the Johannes Commission, the Fouche Commission and sundry other official inquiries will be getting copies of the old memoranda out of their files, polishing them up and sending them on.

Better luck this time. The Fouche Commission recommendations did lead to a form of decontrol, it's true. But the end result did nothing to entice developers back into building flats-for-rent, which is what the present inquiry is all about.

Private sector reluctance is understandable. For one thing, government finally baulked at the idea of abolishing the Rents Act completely and thus left all units first occupied before October 20 1949 under control. For another, it maintained control of individual units in some decontrolled buildings, effectively banning their conversion for sectional title.

Even worse, Community Development Minister Pen Kotze slapped control on a modern block in Johannesburg, just to underscore the fact that he still has power to control what he likes and when he likes.

And now a new body is having to look at the reasons why private developers will not build rental flats. Surely the answer was self-evident. No developer in his right mind will build a block of flats which could be subjected to rent control at the whim of the

Minister.

High building costs are another problem. Small tax concessions for flat developers were announced in the last budget, but they have made no impression. Hence the appointment of the select committee which, according to chairman Pierre Cronje, deputy Minister of Community Development, may well be turned into yet another fully-fledged commission.

There are no new options. If the committee or commission really wants to get anywhere, it will need, first and foremost, to recommend the total abolition of rent control.

Thereafter, it will have to find ways of

day before a letter by 846 dock workers handed to the Elizabeth port manager providing three special allegations of General Union members. The signatories, 264 of their names to a list of names who said they were questioned by police about their membership and to belong to the Black Staff Association (SATS).

Surprise

In the letter, the workers expressed surprise at the interference in their affairs. They had written to the general manager calling for the recognition of their union and "now we see the police questioning us about joining the union".

The SATS management has elected to ignore the letter because it comes from a union it does not recognize. Management has repeatedly said it will deal only with the in-house Black Staff Association.

tute investigations should you produce any evidence showing activities have gone beyond normal bounds and practices.

Second time

Dr Loubser's telex refused for the second time a request from the general-secretary of the organisation, Mr Har Lewis, for an interview to discuss the tension in East Cape ports over the SATS refusal to recognize the union.

Mr Lewis had told Dr Loubser that his organization, of which the General Workers' Union was an affiliate, "includes almost all major port workers' unions throughout the free, non-communist world".

It therefore had "a great body of experience in industrial relations structures and problems which could make a considerable contribution to discussions and settlement of the dispute between SATS".

Dr Loubser could not be reached for comment.

making it attractive for developers to build for rental. That will entail a good deal more than the 10% initial write-off and 2% a year depreciation allowance which are currently available.

The touchy problem, of course, has always been the plight of pensioners and the other needy. But they, as government has been told scores of times, are the responsibility of the State, not the private sector.

Possible solutions on this score would thus include:

- Massive-scale development of white sub-economic housing by government itself, an unacceptable option at a time when state spending has to be kept in check; and
- The introduction of a means test (possibly based on income levels laid down by the Housing Act) which would entail making up the difference between an *affordable* and a *market* rent. This subsidy option, it is interesting to note, was rejected out of hand by the Fouche Commission.

What is certain is that some kind of help will have to be extended to lower-income tenants whose lifestyles are geared to the system. Decades of misguided protectionism will make such aid imperative.

A R350-m ⁽¹²³⁾ boost for home loans, if ^{Star} 3/7/82

If the Government cut by half the high level of prescribed investments required from building societies, about R350 million could be made available for housing.

This is the view of Mr C J Saunders, chairman of the Tongaat group, who believes the effect of the high rate of prescribed investment "seriously prejudices" the amount of money which could be freed for home loans.

Seconding the report of the United Building Society at its recent annual general meeting, Mr Saunders said: "While it may not be correct to halve the level of prescribed investments the authorities should carefully and continually examine their requirements in this regard.

"Not to reduce the prescribed level is to deny the people of this country the basic facilities needed to provide and own their homes.

"This denial and the effect that it can have are so serious, that they may not be ignored."

The Tongaat chairman also added his voice to the chorus for action in relieving the building society home borrower by way of tax concession in bond payments.

"There are many families who are unable to finance the basic loan required to start on the road to home ownership and family stability," said Mr Saunders.

"It is in this area that the Government can assist materially in stabilising life in South Africa by reducing the combined cost of taxation and mortgage interest in the lower-income group.

Mr Saunders also urges action to increase the value of tax-free investments in building societies which must go some way to increasing the flow of funds to the societies.

A black headache now for building societies

123
28
S. Evans
24/7/82

A SECRET report by a major building society has revealed serious defects in the black home ownership scheme when borrowers default.

The Sunday Express has learnt that serious concern is being expressed by the NBS over a report prepared by its legal advisers. The matter will be raised with the Association of Building Societies in an effort to clear up vital

issues over black home loans.

The major problem relates to black defaulters when societies have to buy-in homes to protect their investment.

In the case of a white housing sale-in-execution, societies can bid as low as R1 for a house against which they have a bond. This effectively means they are buying it for the price of their bond plus R1.

In doing so, they still have a legal contract with the borrower, in which the buyer owes the society the outstanding amount of the bond.

Societies can then act against the debtor if they are unable to sell the house on the open market.

In terms of the 99-year leasehold rules, however, societies are forced to bid for the total amount of the bond

outstanding, which has the effect of extinguishing the debt. They are then unable to pursue the borrower as there would no longer be an instrument of debt, according to the society's legal advisers.

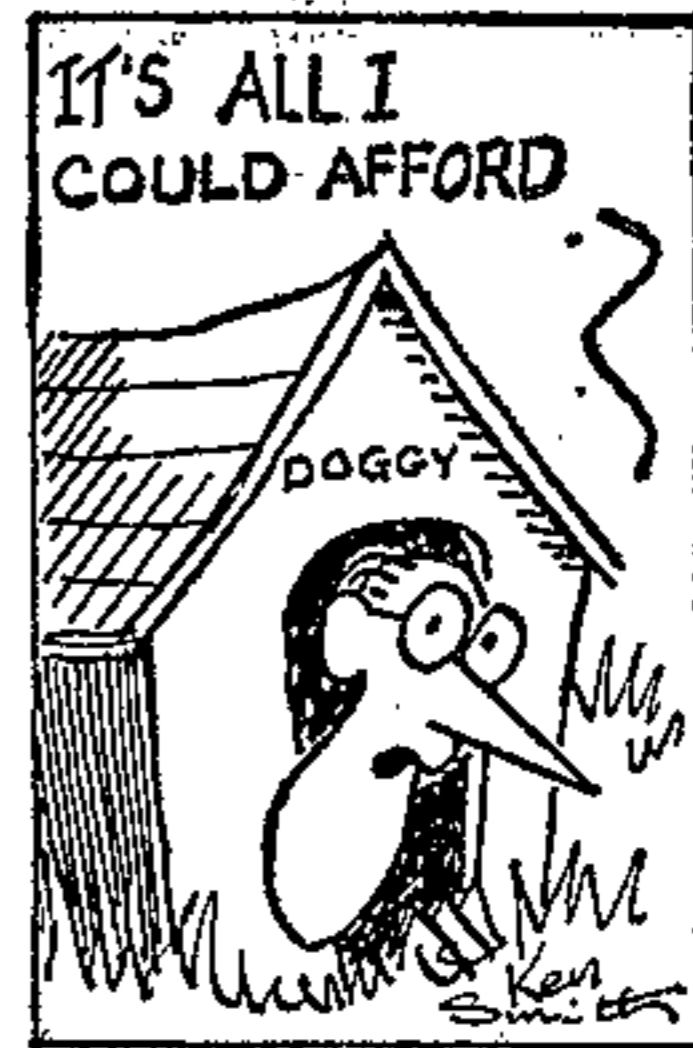
The next problem arises with the fact that societies, under the 99-year leasehold plan are then allowed to hold the

property only for a maximum of 12 months. If after 12 months the property is unsold it would seem that the society would lose its asset.

Yet another problem relates to the sale of the property taken in by the society. Normally they would place it with an estate agent to raise the highest price. However, estate agents are unknown in black townships.

Further increase in bond rate is on the cards

(123) Star 7/7/82



The bond rate is expected to rise in the next three months, putting home ownership even further beyond the reach of the average first-time buyer.

Mr Hendrik Sloet, president of the Association of Building Societies, said a decision on an increase in lending rates would be taken later this month.

The bond rate has

risen 4,25 percent in a year. Last March the minimum was 9,75 percent and the maximum 11,75 percent. Since April this year the rates have been 13,25 percent minimum and 15,25 percent maximum.

Building society spokesmen believe mortgage rates have not yet peaked and that home-owners and potential property buy-

ers could be in for even harder times.

Mr E F Allen, chairman of the Allied Building Society, said diminishing cash resources of the banking system and the inability of the man in the street to save in the face of inflation pointed to a continued shortage of money and increasingly high interest rates.

An estate agent, Mr

Eskel Jawitz, said he did not believe a higher bond rate would have any effect on the supply or price of houses.

"Houses are still very undersupplied and people will continue stretching themselves to buy, whatever the cost.

"Renting has become prohibitive so the only alternative is to buy," he said.

Mr Jawitz said first-time home-owners could still get reasonably priced properties in the R40 000 to R50 000 range if they were prepared to buy in the south of Johannesburg or on the outskirts of the East and West Rand.

House cost	Deposit needed	Monthly payment	Minimum salary
R40 000	R8 000	R451	R1 800
R60 000	R15 000	R634	R2 500
R100 000	R25 000	R1 051	R4 200

The table shows the minimum salary needed by the family breadwinner to qualify for a building society bond if mortgage rates go up one percent.

Rent control probe: All views invited

123

W/R ARCAUS (copy) 10/7/82

By Tom Hood
Property Editor

MANY thousands of people are affected by rent control — tenants, including pensioners, owners of rent-controlled flats and landlords hoping for sectional title.

They now have a chance to make constructive proposals about it to a cross section of 12 parliamentarians who could decide its future.

They are invited to give their views to a parliamentary select committee.

Anyone wishing to submit representations should write to the Select Committee on Rent Control, House of Assembly, Cape Town 8000, by July 30 and make sure the actual representations reach him by not later than August 20.

A committee member, Mr Colin Eglin, the Opposition's housing spokesman, said today there were four key matters which would have to be decided:

● Should there be any law to protect a tenant from harassment or exploitation?

● Should rents be determined solely by free market forces or should there be State machinery for regulating rents, either

generally or in particular cases?

● Should the respective rights of tenants and landlords be determined solely by common law and the terms of their lease agreements or should there be some law giving all tenants, or certain categories of tenants, greater security of tenure?

● Given today's circumstances what is the best method of ensuring that there are an adequate number of letting units available at prices which the city dwellers in the middle and lower income bracket can afford — and what should be the respective roles of the State and the private sector.

"It is easy to point to problems and to defects in the present system. However, what is required are suggestions for alternatives that will eliminate the present problems without creating new ones," added Mr Eglin.

The select committee's job is to inquire into and report on:

● The desirability or otherwise of statutory control over rents;

● Measures to afford tenants continued protection against exploitation, victimisation and arbitrary ejection;

● Measures to curb related malpractices with reference to the Sectional

Titles Act, Shares Blocks Control Act and Alienation of Land Act; and

● Related matters.

The select committee's chairman is Mr P Cronje, deputy Minister of Community Development and the other members are: J P J Blanché (Boksburg), W H Delport (Newton Park), C W Eglin (Sea Point), A F Fouché (Witbank), P J S Olivier (Fauresmith), A T van der Walt (Bellville), A A Venter (Klerksdorp), A B Widman (Hillbrow), A G Thompson (South Coast), J H van der Merwe (Jeppe) and T Aronson (Walmer).

Corporate earnings for housing?

123
E. Post
10/7/82

THE executive director of the Building Industry Federation of South Africa (Bifsa), Mr Lou Davis, has suggested that portions of corporate earnings be diverted into capital for worker housing in an attempt to take care of a peaceful labour future.

Mr Davis makes this suggestion in the latest issue of *South African Builder*, official journal of Bifsa.

Mr Davis, who attended the recent first annual dinner of the Master Builders and Allied Trades Association (East Cape) in Port Elizabeth, said that in a country which currently boasted a shortage of more than 500 000 housing units with an additional, increasing demand of 180 000 a year, it was very difficult to give credit to those who foresaw an imminent slump in the building industry.

"Undoubtedly money is required to produce homes, but the choice is patently clear — either we are going to house every sector of our population adequately, or we are going to perpetrate an unstable labour society which does not produce industrial profits.

"Would it not, therefore, be better to divert portions



Property news

by
Ralph Jarvis

of corporate earnings into capital for worker housing rather than grab everything now and lose all earnings in future years because of work stoppages, under-productivity and the general bloody-mindedness of discontented, disloyal and militant workers?

"In the case of the public sector, there can be no greater incentive to providing housing for the nation than that of 'internal defence and security'."

Mr Davis said that, perhaps, the moment had dawned when housing appropriations should enjoy the same intense analysis as the defence budget, which seemed to be infinite in the enormity of its demand.

Commenting on what the "gloom loons" were doing to industry, the country and themselves, Mr Davis said:

"The reason labour is today commanding such high premium wages stems from the fact that during the last recession in the building industry some 40% of our artisan force left for more stable work opportunities — never to return.

"That means, then, that we not only have to train many and more people to fill those gaps, but we have to project a positive image for any prospective recruit into the industry.

"With the threat of imminent recession being pushed down your throat would you contemplate a career in industry is 6% on turnover.

"Compare that with the manufacturer of women's underwear and see which business you would prefer to be in!

"If the gloom loons will please tell us whether or not, to stop Bifsa training efforts, which could cost up to R400 million during the next 18 years, to advise industrialists to plan for permanent zero growth, to persuade the peoples of our country to live in tents erected on minedumps and, generally, to put our heads in the sand until prosperity passes by — believe us, we will be most grateful"

in the industry? We doubt it!

"Result? Too few people to fill too many vacancies, for too much money — that's the result.

"And that money is going to come out of the pocket of John Citizen as well as that of Gloom Loon who started it all.

"What of materials, you may ask?

"We would be most interested to meet the materials manufacturer who is prepared to invest millions of rands in capital development with the prospect of stockpiling all his products in the wake of a recession.

"Undoubtedly he will believe the prediction of woe and gloom and will cut back on production and — when the so-called boom comes back — you will enjoy shortages of material, black market pricing and increasing building costs.

"And who pays? Why, you and your mate, Gloom Loon.

"Just in case anyone believes that the building industry has made or is making unjustifiable profits, may we respectfully spell out the difference between a margin and a profit.

"The higher margins which builders have been forced to charge — and we must emphasise that the extent of those margins is controlled by a very effective tendering system — include, among other things, overheads because of premium salary demands, replacement of capital equipment which became obsolete during the depression and can no longer be repaired with *bloudraad* and 150mm nails, interest on borrowed monies because the clients and some professionals do not pay promptly.

"For those interested pundits who may like to know, the official published profit margin for the build-

underlining, emphasis or for diagrams, for which pencil may also be used.

- Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book (s) are used.

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Slum fears over lower housing standards

ARGUS 12/7/82 (123)

123

THE new, reduced standards for coloured housing schemes will cause such schemes to degenerate into "slums," according to Mr J D Johnson, chairman of the Boland Association of Management Committees.

Housing dominated the association's annual meeting at Worcester this weekend. It was attended by the director-general of community development, Mr P C van Blommestein, his deputy, Mr P D McHenry, and the assistant regional representative of the Department, Mr S P Fourie.

NEW PRIORITY

The officials faced a barrage of questions from delegates representing 22 towns from Hermanus and Bredasdorp to Touws River and Tulbagh.

In his address Mr van Blommestein said the State could no longer help all those income groups who had been helped in the past, and the highest priority would now be given to housing for the poorest people — those earning about R150 a month.

PREFERRED

Mr McHenry said that in view of the minimum standards prescribed in the Slums Act, the department's architects had found decent, basic housing could still be supplied if electricity, floor cover, ceilings, paint, plaster and fences were left out.

During discussion Mr Johnson said coloured people believed that this

kind of housing affected their human dignity.

The Worcester Management Committee, he said, would prefer 50 proper houses to 100 of these basic units. There were teachers, policemen and other salaried people in Worcester who had to live in sub-economic houses. With the emphasis on basic housing, no provision was made for such people.

UNDERCUT

A delegate from Hawston said the coloured community had not been consulted before these new lower standards were laid down. Some contractors who were building houses approved by the Department of Community Development used sub-standard materials and further undercut prescribed standards.

In reply, Mr McHenry said that the department, with its limited staff, relied on local authorities to act as its agents in controlling standards.

MOST BONDS COME FROM FORCED LOANS

123
W/L ARGUS Property 17/7/82

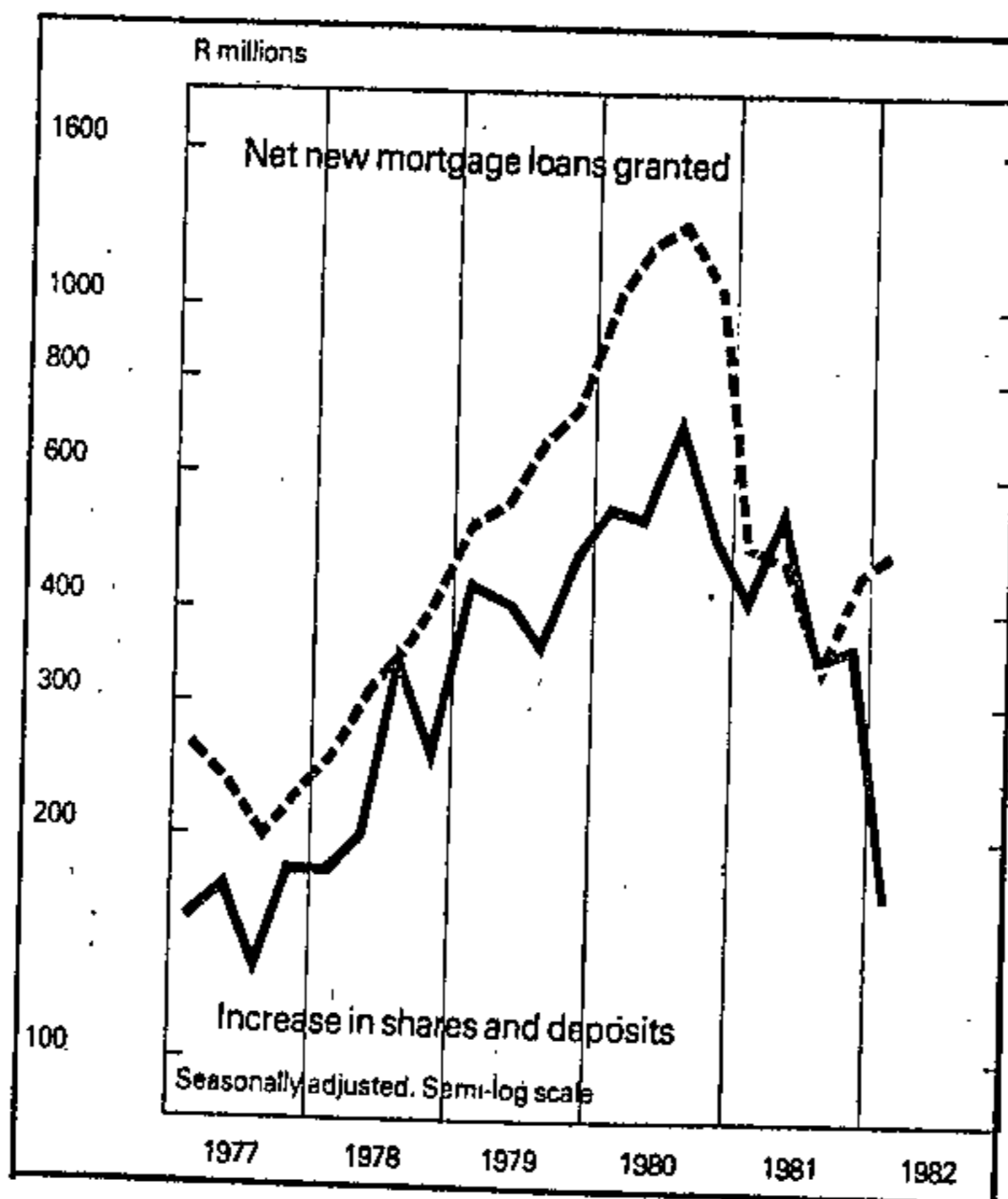
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By TOM HOOD,
Property Editor

AN INDICATION of the battle by building societies to attract funds is the fact that 80 percent of the R389-million paid out in new loans in April and May came from matching finance from investors.

Only about R78-million came from voluntary funds and was not locked in for two or three years as an investment for a back-to-back loan.

This means the vast majority of bond applications to building societies is being matched in hard cash for the home loan required either through company assistance, participation by the seller or help from the buyer's relatives.



Reserve Bank figures of building society funds.

Mr Hendrik Sloet, president of the Association of Building Societies, made the calculation that 80 percent of all new

loans granted were made against matching investments.

INVESTMENTS

Another pointer to the pressure facing societies — the country's main providers of housing funds — is shown in the latest report by the association which discloses that share investments dropped by R75,8-million in April and May compared with a gain of R9,7-million for the same period last year and a R189-million gain for the same months in 1980.

The erosion of lending capability is evident from the two-month figures.

The amount of R389-million advanced was R3-million up on a year ago but less than half of the R940-million of new loans granted in April and May two years ago.

The snag about "matching investments" is that the investor is sacrificing the higher interest rates offered by banks and financial institutions. In turn he wants to be compensated and frequently asks for a raising fee of anything between 5

and 15 percent which is paid once only and usually in cash in advance.

And this fee, on top of the deposit and legal fees for buying a home, can be the final cost that puts a house or flat beyond reach of most young people.

Mr Sloet says in the association's latest newsletter: "The backlog of housing must be growing steadily while building societies are unable to meet the demand for home purchase finance.

"Society rates have been lagging behind the market for at least 18 months now and unless the general level of rates available in the market place starts to decline soon, action to assist home purchasers will have to follow."

And that means, he says, a further increase in building society rates is "inevitable."

SAVINGS

Some building societies increased their special savings rates this week in an effort to stem the outflow of cash that was attracted by higher rates offered by the banks.

In April and May building societies had a R15,7-million outflow from their savings accounts, much of which is believed to have been diverted to more profitable investments with banks and other institutions. A year ago savings for those two months grew by R67,5-million and by R54-million two years ago.

If the latest move to attract more funds succeeds, the higher cost will have to be met by borrowers — bringing the inevitable rise in mortgage rates all that much nearer.

In the two months 15 413 loans were granted against 17 403 a year ago and 45 749 two years ago.

The average loan was R32 400, up 15 percent on the year-ago R28 194 and 40 percent higher than the R23 149 average of two years ago.

NOTE CAREFULLY

1. Enter at the top of each page and in column the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for answers. The use of a ball point pen is acceptable. Red or green ink may be used for underlining, emphasis or for diagrams, but pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to the examination book (s) are used.

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Housing cheaper each year

By Vera Beljakova

CONTRARY to popular consumer belief, housing in South Africa becomes cheaper every year.

Today an "average" home-builder needs to work only 2,5-years to afford a R28 500 three-bedroomed house of 100m².

This is an improvement on the 2,9 years he would have had to work in 1970 to afford a similar home, which then cost R9 500.

The improvement in home-building capacity is much more dramatic for the col-

oured and black sector, according to a survey from the Department of Statistics based on average income figures which are then married to Markels' record of building costs.

In all cases the costs quoted are for an "acceptable" house — that is, by today's standards, a 100m² home with built-in cupboards, tiling and other such additions.

During the same 11 years (1970-81), coloureds have improved their capacity from 10,1 years in 1970 (for the R9 500 home) to 7,8 years for the currently acceptable R28 500 home.

Blacks, however, have seen their capacity escalate at the most rapid pace. Their capacity almost doubled, says Ray Jensen (Cape's Business News), "from 19,8 years down to 10,3 years for

the same 100m² three-bedroomed home".

The main hindrance to home building, though, remains lack of skilled artisans, a situation now worsening due to lack of bond finance.

On the other hand, building costs are already slowing down from a monthly escalation of 2% last year to 1% in 1982.

More competitive tender-

ing in times of recession will soon trim margins even further, thinks BER (Bureau of Economic Research).

Building costs may tumble as the recession bites more deeply into everyone's pocket and bond finance continues its decline.

On the other hand, with the removal of price control — timber costs have leapt by 12% and steel by 17% — builders are likely to find the coming period trying.

Meanwhile, Murray & Roberts is currently quoting building prices per m² as R350-R400 for residential, R350-R550 for commercial high-rise and R225-R375 for industrial constructions.

(23) S. Times 18/7/82

Schwarz blames Govt control

Argus Correspondent

DURBAN. — Government mismanagement of the economy was the primary factor in yesterday's controversial 1 percent increase in the mortgage bond rate, Mr Harry Schwarz, Progressive Federal Party finance spokesman, said today.

Mr Schwarz said the soaring bond rates were putting "housing out of the reach of the ordinary man."

"He is being hit by not only the high bond rates but also increasing building costs. The effects of the bond rate are going to leave scars, not only on the economy but also on the social structure of South Africa."

WARNED

Mr Schwarz said Government mismanagement of the economy was clearly a primary factor in the soaring interest rates.

"We warned during last year's general election that it was a 'vote now, pay later election'. This was one of the best economic forecasts ever made."

Mr Schwarz demanded to know what had happened to the commission of inquiry appointed during the general election by the Finance Minister, Mr Owen Horwood, to investigate increasing bond rates.

"Since then the bond rate has increased on a number of occasions and the ambit of the commission has been increased. It is now time the public is told whether the commission has reported and, if it has, what is in its report," he said.

Commenting from Pretoria, Mr Horwood said: "The factual position is that determination of mortgage bond interest rates is in the hands of the building societies."

Bonds rise: New strain on the COL

ARGUS 20/7/82

THE cost of living for many South Africans will rise again in September when building societies increase mortgage rates by a further 1 percent.

This will be the fifth increase in the past 21 months. Homebuyers will now be paying between 14.25 percent and 16.25 percent for their bonds.

Since the end of 1980 the rate of interest on mortgage bonds has risen by 5.25 percent.

The new increase means repayments of between R7.50 and R8 a month more — depending on whether they are repaying bonds over 20 or 25 years — for every R10 000 they have borrowed from a building society.

The monthly repayment on a R20 000 bond repayable over 25 years will increase by around R16 to R252 while the monthly repayment on a R32 000 bond repayable over 20 years will increase by about R22 to R450 a month.

A R45 000 bond will now require monthly repayments of R634 while a R75 000 bond will mean about R1 050 a month.

TIGHT

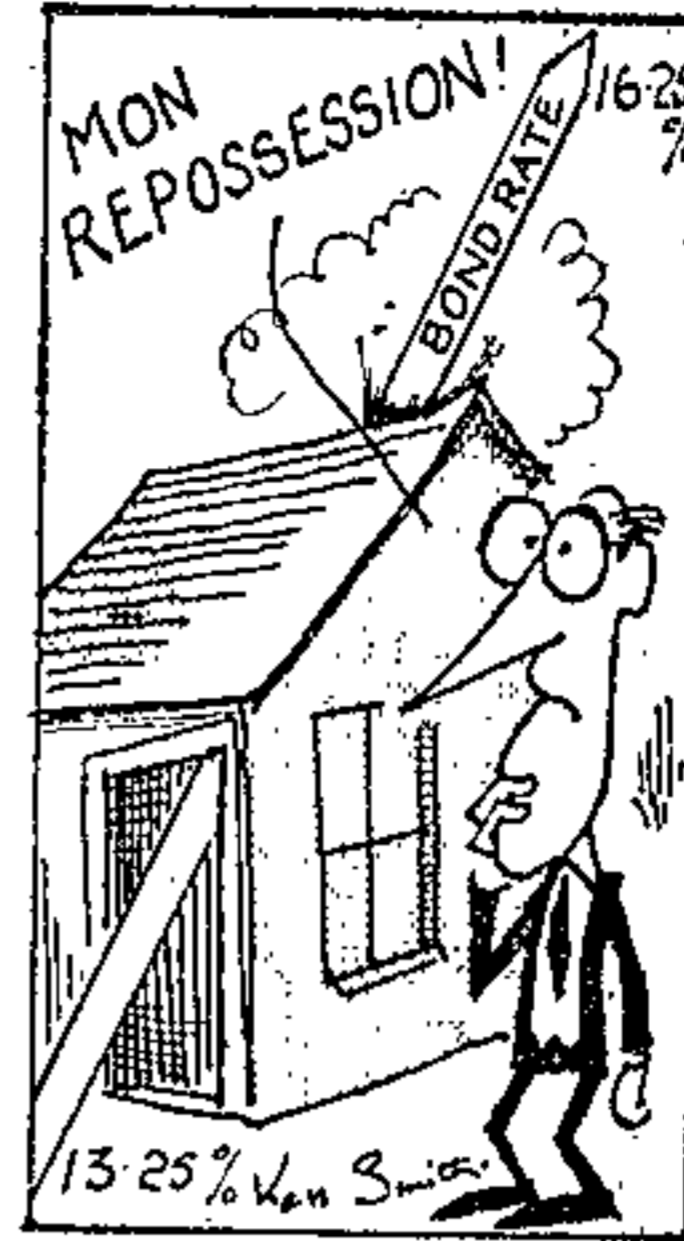
Since the end of 1980 the cost of a mortgage bond has risen by R40 a month for every R10 000 borrowed.

The building societies say the increase in rates is necessary because of tight money conditions and increased competition from the commercial banks for funds.

Building society officials point out that most of the funds they are receiving these days are coming from "back-to-back" or forced loans. This is money put up by third parties to assist the building societies to grant mortgage bonds.

Bond rate hits record 16,25 pc after 5th rise in 18 months

123 ~~123~~
star 20/7/82



By Frank Jeans

The bond rate goes up by 1 percent, from the maximum 15,25 percent to a record 16,25 percent, on September 1.

This means that a homeowner with a R45 000 bond on his property will face an extra outlay of R40 a month, while a man with a R60 000 bond will pay R51 more.

The latest bond rate increase — the fifth since March 1981 — underlines the mounting pressure by building societies to allow them to operate freely in the money market.

A leading building society executive says: "The only way to get adequate bond finance is to pay competitive rates on the money market."

"We are competing with banks which have 7 percent more on their lending rates than societies have on

How yesterday's bond increase affects the home buyer:

Cost of house	Deposit	Bond and instalment	Salary needed
R40 000	R8 000	R32 000 (R438)	R1 800
R60 000	R15 000	R45 000 (R648)	R2 500
R80 000	R20 000	R60 000 (R846)	R3 400
R100 000	R25 000	R75 000 (R1 057)	R4 200

theirs."

Mr Tim Hart, director of the Association of Building Societies, says: "We are up against the problem of the increasing cost of retaining the funds we already hold."

An economist expressed the view that there would be no dramatic action taken to cater to the specific needs of building societies.

MOVEMENT

Leading estate agent Mr Basil Elk comments: "There may be some dampening on the market but prices won't come down."

This is how the bond rate has moved in the

past 16 months:

● March 1981 — up by 0,75 percent to 9,75 percent minimum and 11,75 percent maximum.

● June 1981 — up by 1,5 percent to 11,25 percent minimum and 13,25 percent maximum.

● October 1981 — up by 1 percent to 12,25 percent minimum and 14,25 percent maximum.

● April 1982 — up by 1 percent to 13,25 percent minimum and 15,25 maximum.

● September, 1982 — up by 1 percent to 14,25 percent minimum and 16,25 percent maximum.

Staggering cost of bond perks

Cape Times 21/7/82

123

THE BURDEN is borne almost exclusively by ordinary taxpayers who do not receive housing benefits from their employers, many of whom will never be able to afford a home of their own, according to the Consumer Council.

Information supplied by building society sources and tax experts indicates that about 50 to 60 percent of building society bonds benefit from housing perks conservatively worth at least half the monthly repayments on an employee's bond.

Building society mortgage advances as of March totalled R11,3-billion, according to Central Statistical Services at the Department of the Prime Minister, and taking half of these as being subsidized to the extent of at least 50 percent on the average 15,25 percent interest now being charged on building society bonds means that about R800-million in interest is affected by benefits.

Considering the benefits to be worth half the repayments, they would total about R400-million.

Assuming the people who gain these benefits are paying an average tax rate of about 20 percent, the Receiver of Revenue is losing about R80-million in personal income tax. The Receiver is also losing out in taxation on company profits which would be much higher if they did not lend out housing money to employees at rates far below what they could earn on the open market.

Major companies, financial institutions, and the Ministry of State Administration have declined to supply the Cape Times with any details of the housing perks they offer their employees but reliable sources maintain that building societies offer bonds to their employees at a flat interest rate of 2,5 percent — less than a sixth of the normal average rate — while state employees effectively pay less than one third of the normal rate. Public servants are also to obtain 100 percent bonds, in-

Mortgage bond perks for hundreds of thousands of South Africans coupled with the staggering rise in interest rates throughout the economy, have grown to the point where they are costing the country about R80-million a year. GORDON KLING reports.

stead of the usual 80 percent through a scheme whereby pensions are taken as security for the 20 percent of the loan that would normally have to be contributed by the would-be homeowner, and they are eligible for further benefits if they make early repayments on their subsidized bonds.

The Chief of Liaison at the Commission for State Administration in Pretoria, Mr J J Verreyne, yesterday said all details regarding salaries and service benefits in the public service were confidential.

"You can't let everyone know what you're doing in an open market. It would be like playing poker with an open hand," he said.

"It is not company policy to discuss staff benefits publicly," said a spokesman for the British Petroleum Company.

A spokesman for Barclays National Bank said it was not prepared to divulge its housing benefits.

Senior building society sources, however, said the oil companies and banks all offered attractive tax-free housing benefits to their employees.

Tax expert, Dr Aubrey Silke, pointed out that regulations pertaining to housing benefits were due to be amended by fringe benefits legislation next year, but they were currently in a very disordered state and rather arbitrary as well.

In a case where an employee arranges a bond at a building society and his firm agrees to meet half the repayments, the benefit would clearly be taxable in the hands of the employee, he said, except in the case of state employees where legislation has specifically

exempted them from liability for tax on housing perks.

But where an employer makes a housing loan to an employee at a very low or even nil rate of interest, the employee is not liable for tax and the firm can in fact save on tax as well by effectively earning reduced profits through the loss in interest that could otherwise be earned in the open market on its housing money.

Even draft legislation on the proposed fringe benefits tax, he pointed out, made provision for a very favourable rate of interest on housing loans to public sector employees through a government fixed "official" rate of interest.

PFP spokesman

Dr Silke agreed that since the Minister of Finance had only limited sources to gather revenue from, it could be said that the taxes of those who did not benefit from housing perks were effectively subsidizing those who did.

The chief opposition spokesman on finance, Mr Harry Schwarz, emphasized that as a member of the commission of inquiry into the fringe benefits legislation he could not comment on its probable findings.

But he believed that many people were seeking jobs with building societies and banks specifically to gain from their housing loans.

"For the ordinary person who doesn't get a subsidized loan, housing is becoming a luxury and because of high interest rates these people will have to downgrade their level of accommodation. The interest rate pattern together with the other things happening in the economy is putting a tremendous squeeze on the standards of the community and it is benefiting only a privileged few."

The director of the Association of Building Societies, Mr Tim Hart, however, said: "My feeling is that it (perks) has become such an integrated part of our whole home ownership philosophy in this country that it would be very hard to move out of it. Either the employee gains from a subsidy or he'll have to be compensated if he is going to maintain his life style."

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'Lower priced houses set to rocket'

WTTJ houses hideously expensive and bonds almost impossible to get, the bad news is that prices at the lower end of the market are set to rise even higher.

So if you are planning to buy a first house, a prominent estate agent's advice is: Buy now.

The good news is reserved for people planning to buy at the top end of the market. These prices are likely to drop in the next year or two. Middle price houses will probably hold their own.

The prices of even the cheapest houses are escalating out of the reach of middle income young couples.

"We want to buy a house but the prices are rising faster than we can get a deposit together," says a 29-year-old television technician who is married with a 20-month-old son.

"And even if we had the deposit, it's very unlikely that we'd get a bond without matching finance."

And a 27-year-old communications technician finds similar difficulties.

"Most young couples can't afford a first house costing more than R30 000 to R35 000 but the sort of houses available for that price normally need a lot of expensive renovation," he says.

Both men are married to working women and when their wives' salaries are included, their gross monthly earnings are about R2 000 a couple.

SUBSIDY

Between 60 and 80 per cent of all homeowners are entitled to some form of housing subsidy, say building society chiefs, but these can be as low as two percent of monthly repayments.

While a few building societies will take the wife's earnings into account when assessing a couple's monthly income, many will not because of the official thinking that a family commitments might force a woman to stop earning.

"The trouble is that many youngsters want to start where their parents left off," says Mr Geoffrey Seeff, chairman of the Western Cape branch of the Institute of Estate Agents.

"Their parents bought in developed areas, but they have to be prepared to go to the more outlying areas like Kraaitfontein, Table View and Fish Hoek where the prices aren't so high."

But even in the cheaper areas, the young couple still has to find a 20 percent cash deposit

BY VIVIEN HOPLER

and be earning enough to afford bond repayments no higher than a quarter of their monthly income.

HIDDEN COSTS

And then there are the hidden costs of buying a house.

For example, people buying a R40 000 house in Observatory on a R30 000 bond can expect to spend R600 on Government transfer duty, about R470

on the attorney's conveyancing fee, about R400 to have the bond registered, about R50 for the building society's inspection fee, about R380 in interest, and up to R350 for balance of rates plus another R70 for fire insurance — a total of about R2 000 in cash, on top of the deposit.

"People who are starting out now and want to buy for the first time have a problem," says Mr Seeff. "My advice is: Buy something, even if it's only a bachelor flat. At least that will be a start and a hedge against inflation."

Can anything be done to solve the problem?

Yes, says Mr Colin Eglin, the PFP's spokesman on housing, and city architect Graham Parker. Mr Eglin suggested several financial devices. These include:

- Bond repayments should be made tax deductible for couples or people with dependants buying their first house.

- Only people earning below a certain amount would be eligible.
- Equity sharing. Instead of a bond for 100 percent of the purchase price, for example, the buyers borrow only 50 percent from the loan institution. This means they pay interest on only half the purchase price, and the institution owns the other half.

- Delayed interest payments. For the first few years the bond repayments are very low, and they increase as the purchasers' income increases.

Mr Graham Parker, who was senior architect in the Mitchell's Plain planning unit, suggests owner-builder schemes.

"This could be a sophisticated version of the self-help schemes," he said. "Plot owners subcontract bricklayers, electricians, and so on themselves, cutting out the often very substantial profits made by the contractors."

BOND	TERM (YEARS)	RATE (%)	MONTHLY REPAYMENT	GROSS MONTHLY INCOME
R10 000	25	14,25	R123	R492
R15 000	25	14,5	R187	R748
R20 000	25	14,75	R253	R1 012
R25 000	25	15	R321	R1 284
R30 000	25	15,25	R390	R1 560
R35 000	20	15,75	R481	R1 924
R40 000	20	15,75	R550	R2 200
R45 000	20	16,25	R635	R2 540
R50 000	20	16,25	R705	R2 820

FOREIGN MONEY POURS INTO CITY PROPERTY

Bus Argus 24/7/82

123

By Tom Hood, Property Editor

FOREIGN investors are using the financial rand to buy property in Cape Town, where prices are still well below overseas levels and yields on lettable buildings are much higher.

More than R15-million has come in this year, Mr Gerald Divaris, head of a city real estate and development company, estimates.

He says: "There is a vast number of investors in Britain and the United States who could be encouraged to get in-

involved in South Africa and particularly Cape Town.

"The R15-million inflow was apparently achieved without any special marketing effort."

He leaves this weekend to open an office in the United States, where he hopes to encourage more

investment. He intends to stay two years to establish the business and has already been licensed to practise in the states of Virginia and California.

One target for overseas

money has been the Milton Manor block of flats now being built on the Elizabeth Hotel site in Sea Point, where the cheapest costs R250 000.

Fall in rand

Although building work began only a few months ago, a third of the flats have been sold for more than R6-million — all in cash deals.

The fall in the rand and rise of the dollar could be another incentive for overseas investors if they knew more of what property was available in Cape Town.

Mr Divaris believes the next two years could see a big improvement in the American economy and it will be a good time to start promoting South African property.

The next 12 months could be tough for the South African economy and that would prevent commercial rents escalating further. Supply of new commercial and industrial buildings is beginning to catch up with demand and by next July there could be an equilibrium.

Prices of buildings and rents have rocketed in

the past two years and they should stabilise, although they are not likely to drop.

Flat rents

Rents of flats are also unlikely to fall because of the severe shortage of all kinds of accommodation. Apart from a few luxury blocks, no flats development can be expected because of the possibility of rent control coming back.

Cape Town could derive great benefits if the city council became more realistic about the needs and wishes of developers.

"The council is sensitive to the opinions of the vociferous few people

Continued on Page 2.

Bus ARGW 24/7/82

FOREIGN MONEY 124 POURS IN

From Page 1.

who have resisted new developments.

"But the development of the city produces more rates and taxes for the public and investors should be encouraged to bring their money here."

Parking

The city centre faces a parking crisis. The new Southern Sun hotel has been allowed to go ahead without making provision for parking under the building and it will displace scores of motorists by taking over most of the parking garage near by.

Monthly parking has increased to R160 a month in Johannesburg and Cape Town's reserved parking can be expected to reach that level as well.

At current prices it costs R15 000 to build a parking bay in the city centre and that would mean a charge of R250 a month for the permanent parker.

Parking is now a major factor in determining letting and rents. If the owner of an office block had no guaranteed parking, he will lose tenants to other blocks that have parking.

A sign of the times is that many professional firms are now looking to buying their own building rather than leasing it to safeguard themselves from future rent rises, M Divaris says.

BUS ARGUS 24/7/82

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The boreal thorough that never was

Behind - the - scenes arguments over how and when to survey black townships — and more importantly, who pays — have flowed to and fro between Government officials and surveyors for years.

Leasehold Scheme in a logjam

In the process black home ownership has been logjammed. And like the old arguments over which professions the most important, each side in the dispute has gone to lengths to defend its position and blame the other for the delay in implementing the 99-year leasehold scheme.

Several colliding factors caused the dispute.

● A survey of each land on which a 99-year lease is to be registered is required by law — as it is for a leasehold on which freehold title is registered.

● Some administrators have been pushing streamline the procedure in order to reduce costs and speed up

“Certain officials feel the black home owner should bear the cost of the survey. Why then do they not expect him to bear all the costs of electrification, roads, sewerage and water reticulation? The fact is the cost of bulk surveys of black townships would be less than one percent of the total cost of services.”

Mr Len Course, chairman of the Central Council, bemoaned opportunities lost. “When the State began establishing black townships in white areas 25 years ago, surveyors tried to persuade the authorities to have them properly surveyed because it was obvious to us that some form of title would eventually have to be provided,” he said.

“If other countries envy our surveying system why on earth should we wreck it with something inferior?” asked Mr G M Lourens, a member of the Central Council of Land Surveyors.

“Why can't the State finance surveying as part of the normal costs of infrastructure?” asked another surveyor.

The 99-year leasehold system became law four years ago and was heralded as a breakthrough to housing the tens of thousands of homeless urban black families. But to date only about 1 500 leaseholds have been registered. What is holding up progress? Anthony Duigan reports.

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Four years ago the survey profession suggested that Soweto, which contained the largest number of unsurveyed stands anywhere, be surveyed by aerial photography.

This was turned down by “certain officials who today blame the survey profession for delays in the 99-year leaseholds”, says one Pretoria surveyor.

Soon after Mr John Knoetze took over as chairman of the West Rand Administration Board in 1980 he began pushing for an aerial survey of Soweto.

was done properly — and work shared out fairly among surveyors.

Wrab officials believed it could best be done through their own consultant planning and apportioning the job. “We felt we were quite within our rights to handle things this way and believe it is cheaper,” said one senior Wrab official.

Central Council member Mr Lourens disagreed: “I was made to understand that the Central Council would undertake the planning and organising of the work.”

But it is the money that talks. Wrab, putting up R4 million from the R160 million overseas loan raised for improving services in Greater Soweto, used the surveyors’ argument: bulk aerial surveys can now be carried out with the money lent for Soweto’s infrastructure.

Some surveyors are smarting at what they believe is a go-it-alone attitude by Soweto which, they believe, should be throwing in its lot with other black areas.



John Knoetze . . . aerial survey urged.

On the other hand, points out one surveyor: “We won the war to defend the principles on which South Africa’s system of land title is based — cadastral surveys, the system of measurement which covers the position, dimensions, extent and unique designation of every piece of property registered.”

At a meeting of the Transvaal Institute of Land Surveyors recently it was pointed out that boundary disputes

in South Africa are rare because of this cadastral survey system. This is not the case in other countries such as the United States and Britain which do not have this system.

“I have not heard of more than half a dozen cases that reached the courts during the last 30 years,” said Mr Course. “Compare this with the situation in the United States where the Department of Forestry alone is faced right now with 90 000 cases involving boundary disputes to the extent of 110 million dollars.”

“It is customary in the United States to take out title insurance to compensate yourself in the event of someone turning up with a better claim to ownership of what you thought was your land.”

“This title insurance is unheard of in South Africa and unnecessary because of the rarity of boundary disputes in our excellent system.”

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NOTE 1 2 3 4 Ar Mac

123 Mercury
31/7/82

Rent control is THE issue

SOME 350 delegates, representing the cream of the country's property owners, converge on Durban next week for a three-day conference in which lobbying on rent control seems bound to be the main behind-the-scenes activity.

For while the keynote address on the state of the country's economics will be given by the Minister of Finance, Mr Owen Horwood, an early warning shot on the mood of the developers was sounded this week by the President of the Property Owners' Association, Mr Bob Levitt.

Forecasting that the public will not countenance forever a shortage of a vital commodity such as rental accommodation, he said: 'The private sector will win its case ultimately.'

Sapoa was formed in 1966, following the passage through Parliament of the Rents Act that year. Sapoa's aim was to protect the interests of its companies and shareholders.

Since then, the Government announced it would phase out rent control, began the pro-

cess and then halted it for what many suspected were politically inspired motives, shortly before a general election.

The phasing out had followed recommendations of the 1977 Fouche Commission on Housing.

But now, the present Minister of Community Development, Mr Pen Kotze, has set up a parliamentary select committee on what Mr Levitt described as the 'increasingly deleterious

effects of this legislation'.

Deputy president, Mr Piet Moolman, said the coming conference would play an important part in the development of an efficient and stable property industry.

'The conference will look towards a better understanding of the economic cycle and the generally long-term, and therefore high risk, nature of the environment of property development,' he said, adding that Sapoa was now formed into an articulate and authoritative

pace maker for the healthy development of the country.

Mr Robin Vorster, chairman of the education committee, said Mr Horwood's paper would examine in depth the country's economic situation and prospects.

His speech will be supported by an evaluation of the economic cycles on the property industry by Mr Attie de Vries, of the Bureau for Economic Research of the University of Stellenbosch.

COLIN VINEALL, Property Editor

Mr Don Kennedy, executive director of Sapoa, said of the expected 350 delegates at the conference: 'They will be the survivors of one well-defined economic cycle, the decision-makers who know the only constant characteristic of the property industry is change.'

'Sapoa's council believes that this big-issue conference programme will help the delegates to recognise the changes in the new cycle and to interpret them creatively.'

Mr Vorster said that in

another series of papers challenges and opportunities in industrial development resulting from the Good Hope plan and White Paper would be studied.

'The conference will also take a hard look at urban development trends.'

Mr Nigel Mandy, chairman of the Johannesburg Central Business District Association, will give the Andries van Riet honour lecture, covering metropolitan and regional development in southern Africa from 1950 to the year 2000.

Visiting American guest Mr Gordon Blackley will show the latest Californian home-builder designs in a competition supervised by him only last month.

□ A novel aspect of the conference will be a debriefing weekend — including the day at Greyville for the Gold Cup.

But Mr Kennedy promises that although the participating members are promised lots of fun, there will be 'plenty of shop talk and at top level'.