

HOUSING & HOSTELS - GENERAL

1987

JANUARY - MAY.

Curry calls for more state housing relief

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Dispatch Reporter
PORT ELIZABETH — A motion at the labour Party congress here by the Minister of Local Government in the House of Representatives, Mr David Curry, seems set to revolutionise state-assisted housing — and have implications for local authorities.

His motion asks that local authorities be approached to reduce drastically, or do away with certain of the components in rentals, such as contributions towards the maintenance and renewal fund, administrative costs and insurance.

He asked that the government be approached to subsidise the components of the costs paid to local authorities.

He said total rentals comprised many components and many families

could not afford to contribute to the components, such as maintenance and renewal, rental loss fund, community facilities fund, administrative costs and the insurance fund.

The move is aimed at bringing relief to people who cannot afford the high rentals — and who are hit by the economic decline.

It will have enormous implications for the coloured areas in East London, where there is a rent backlog of over R100 000.

Mr Curry said in support of his motion: "We talk a lot of politics at congresses, but these are the things which hit our people and delegates involved in local government should listen attentively.

"I know of pensioners paying R150 a month

rent, of which only R7,50 comes to my department. The rest goes to the local authority and we must deal with subsidising the tenant to help pay for service charges.

"I have already announced relief for people who are not employed and those whose incomes have been reduced."

He said another problem was that people with set salaries were seeing their disposable income reduced and some of them could not afford rents.

"We are dealing with this matter at the highest level and we have to come up with rental relief," he said.

He said the cost of land to build had become prohibitive and it was his dream to reach the situation where they could give land freely to

the people at no cost.

He also urged delegates involved in local government "to poke their noses into schemes being built for them and if they are not happy with what the local authority is coming up with, give me a ring and we will stop it."

"You can stop a housing scheme," he told delegates and outlined how he was trying to bring the best possible schemes within reach of the people.

An earlier motion, from the Reiger Park constituency, called on the government to stop building "repugnant prototype sub-economic and economic houses with inferior materials".

It called for better material and better plans which would lend character to the housing schemes.

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Mortgage rate cuts welcomed

Financial Editor

CUTS in the mortgage bond rate announced yesterday by the United Building Society (UBS) and Natal Building Society (NBS) will save the average family between R44 and R64 a month in repayments.

Estate agents said yesterday that they would also make it possible for people at the lower end of the market to qualify for a bond, as building societies normally grant one on the basis of repayments being a quarter of the breadwinner's salary.

Sapa reports that both the UBS and NBS will cut the mortgage rate for new borrowers to 13,5% from 15%, and UBS will cut the bond rate on existing loans to 14% from April 1.

This means that they are both above the rate of 12,5% currently charged by the Standard Bank. But estate agents said they expected to see building society rates drop still further.

Mr Jonathan Durr of Durr Estates, Mr Raymond Dunlee of Pam Golding Properties and Ms Joan Aronowitz of Real Estate

7 all said they expected to see the bond rate down to 10% by the end of the year.

Ms Aronowitz said the drop would have more than a psychological effect on prospective buyers. "An extra R44 a month can mean a lot to some young families."

She noted that repayments at 13,5% or 14% would seem low to people who had become accustomed to rates of between 18% and 19,5% a year ago.

A family with a bond of R40 000 over 20 years were paying R663,87 a month at 19,5% at the start of 1986.

They are now paying R526 at the current 15%. A drop to 14% will mean a payment of R497,50 and at 13,5% they will pay R482,92.

Mr Dunlee said the lower rate would also encourage investors to buy a house for letting, since they could expect a reasonable return.

More good news yesterday was that the gold price rose to \$401,55 an ounce and the rand closed at \$0,4645 after rising briefly to \$0,47. — See Page 8.

CAR TRIPS 7/1/87

Injured policeman dies

Staff Reporters

A POLICEMAN who was critically injured when he was hit by a stone on Sunday after an alleged racial incident in Laai-plek, died in Tygerberg Hospital last night.

Dr P Rossouw, the medical superintendent on duty at the hospital, said Constable Pieter J Van der Merwe, who sustained serious head injuries, died at 10.15pm in the intensive care unit.

He was married and lived in Vredenburg.

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BUSINESS BRIEF

Gold (close)	\$401,55
Rand	\$0,4640/50
FT index (close)	1334,30
BD 100	1534,70

Fleeing taxi

Rise in subsidy ceiling mooted

Construction, property boost

Cap Times 14/1/87 123

By AUDREY D'ANGELO
and NEILL HURFORD

THE CONSTRUCTION and property industries are expected to receive a shot in the arm soon through a rise in the ceiling price to qualify for the first-time home buyers' subsidy, from R40 000 to R50 000.

The National Association of Home Builders has been pressing for this for some time and its executive director, Johan Grotius, said yesterday that he believed it was now "almost certain" that the government would agree to the subsidy being paid on houses costing up to R50 000 exclusive of the site.

Stimulate demand

He said that this, together with lower interest rates, would stimulate the demand for homes.

Some building companies are specializing in homes qualifying for the subsidy, now the most active part of the real estate market.

They are developing sites all over the Peninsula for buyers of all races.

But the MDs of local construction companies pointed out that the R40 000 "ceiling" had been unchanged for more than two years, while building costs had escalated.

This meant that houses had become too small for many would-be buyers.

"If the ceiling is raised, it will make all the difference to the home build-

ing industry," said Bellandia MD John Clark.

"Our houses have had to become more and more compact as costs rise, and it is becoming increasingly difficult to keep the price below R40 000.

"Two-bedroomed homes have become more popular than ever before. People are buying them and building the third bedroom later."

Aska MD John Gloyne said: "The ceiling of R40 000 was set at a time when you could build reasonable accommodation for that.

"Now the escalation of costs means that you cannot build nearly such a good house for that price."

Willem de Klerk, MD of Multibou, said that rising costs over the past two years had made it "more difficult to provide a decent house for R40 000".

Increasing costs

"With costs expected to escalate 18% this year, it is essential that the R40 000 ceiling be raised," he said.

Hans Moser, joint MD of Faircape Homes, whose business is exclusively in the area of first-time buyers, said the raising of the R40 000 ceiling would be an adjustment to increasing costs.

It would allow houses of similar dimensions and finish to two years ago to be built.

"This move, when it happens, will be long overdue," he said.

GOVT SET TO UP HOUSING SUBSIDY

THE Government subsidy for first-time home-buyers is now almost certain to be lifted from R40 000 to R50 000 following the slide in interest rates.

Reports of the new generosity from Pretoria are growing in the wake of mounting pressure from the National Association of Home Builders (NAHB) and a decision could be made "by the end of this month" according to one source.

Mr Johan Grotius, executive director of the NAHB, says that the association believes that: "The substantial reduction in bond rates which, in turn, means a pro rata rate cut in the use of State funds for the subsidy scheme, is a strong element in favour of the association's proposals for an increase in the subsidy.

All races

"A rise in the subsidy limit would in no way affect the use of the scheme by people of all races whose income does not enable them to use the permissible amount in full."

The first-time home subsidy has been "a boon to an otherwise

SAPA

struggling industry, and has helped to maintain the stability in an important sector of the residential market."

However: "Rising costs have offset the advantages and relief is now urgently required."

The scheme was introduced four years ago when home-builders were doubtful about its feasibility.

However, since then design and active marketing together with the new national building regulations have helped the industry to get the scheme moving, thus filling a crucial gap in the provision of homes.

The general mood in home-building reflected a marginal improvement in the last quarter of 1986, but there remain too many uncertain and negative factors to instil

CEILING

full confidence for 1987 despite a 21,5 percent rise in the value of plans passed for houses for 10 months of last year compared with the same period in 1985.

Mr Grotius said: "The industry is unlikely to derive full benefit from this improvement after the normal lag of nine to 12 months before plans reach the construction

stage. "About half this increase represents cost rises and not an increase in volumes.

Waste

"Secondly, the waste factor between plans approved and work executed remains relatively high."

Although Mr Grotius has no doubt that the

—bond rate plunge must have a moderately stimulatory impact on home-building, he believes that what the industry needs is an assurance that the lower rates will not soon mushroom again.

• Blacks are also entitled to this subsidy administered through buildings societies.

BONDS

Drop in number of homes repossessed

From **MALCOLM FOTHERGILL**

JOHANNESBURG. — The tide of repossessions which saw thousands of South Africans losing their homes last year because they could not keep up with their bond repayments seems to be turning.

Figures for the past few months show a significant drop in the number of sales in execution and building society spokesman say they are hopeful the worst is over.

They also say the total number of people involved is small in relation to the number of bondholders — certainly less than 1 percent.

Because most or all of the houses involved will be sold the societies themselves and the people who invest with them will not lose in the long run, they say.

TRAGEDY

Accurate figures on the dimension of the tragedy that has struck families throughout the country are impossible to come by, but an educated guess puts their number at between 3 000 and 4 000.

This figure is arrived at by assuming a nationwide bond "book" of R21-billion and an average bond of R50 000, which means there are about 420 000 bondholders in the country.

Although most societies are reluctant to divulge figures, the Natal Building Society's managing director, Mr John Bennett, says the number of repossessed and unsold properties on the NBS book stands now at only 134, out of 70 000 properties.

Adding in the repossessed properties which have been sold brings the total to 140.

Two years ago, the NBS had three unsold repossessed properties on its hands. In June last year it had 85, in September it had 118 and in December it had 134.

"Other societies are probably worse off in this respect than we are, but repossessions are a non-event as far as the NBS is concerned," Mr Bennett says.

The Perm's Mr Jopie von Honschooten says the period from April to June last year was the worst for repossessions and that figures for September, October and November showed a levelling off.

Areas of the country which had been hit particularly hard were those which had had high levels of unemployment, but the total number of repossessions was by no means alarming when seen in relation to the total number of bonds.

"Every company that provides financing, of cars or television sets or houses, is going through a stage where it has to repossess, but we're not in desperate straits.

"In the more than 100 years of the Perm's existence we have never lost depositors' or shareholders' funds as a result of repossessions.

"The potential for loss is not great and is unlikely to be realised."

Both Mr von Honschooten and the Allied Building Society's Mr Ian Wylie point to a silver lining around the dark cloud of repossessions.

This is that building societies are not in the business of looking after houses and are therefore delighted to get repossessed houses off their hands by selling them to anyone prepared to take over the bond repayments.

Says Mr Wylie: "The Building Societies Act allows societies to lend up to 100 percent on the price fetched at a sale in execution.

"This means a young person with no capital but with a high earning capacity can get a house by simply taking over the bond repayments.

"Normally, he would need to pay a deposit of 20 percent."

The costs to a building society in getting a sale in execution can be considerable.

Only after a bondholder is three months behind in his repayments does the society get its attorneys to issue a summons. By the time judgment has been given, attachment orders against the title deeds served and a date set for the sale in execution, several months could have passed.

During this time the society has been forking out on the upkeep of the property, which might include security guards and electricity to run a swimming pool's filter system.

All the building societies stress that they bend over backwards to keep a bondholder in his house as long as possible.

Black housing seminar attracts 2 000

CONFUSION over legislation and regulations governing black housing supply are regularly blamed for the lack of involvement by developers in this sector.

The need for clarification has been highlighted by reponse to a forthcoming series of seminars on the subject to be given by the Urban Foundation (UF): more than 2 000 delegates have responded, exceeding all expectations by the Foundation.

UF executive chairman Jan Steyn says the private sector has expressed a need for fuller understanding of the implications of the Black Communities Development Amendment Act of 1986.

The Act, published last July, was designed to clear the way for greater involvement by the private sector in the provision of black hous-

ing, allowing private township developers greater flexibility in meeting the needs of the consumer by being able to procure land directly.

It specifies that the approval of the Minister of Constitutional Development and Planning is no longer needed by developers.

Expanded

Response to the seminar series has come from property developers, major employers in commerce and industry, architects, planners and surveyors, provincial and local authorities, bankers and building societies, politicians, lawyers and academics.

Organisations such as the Black Sash will be sending representa-

tives and the House of Delegates is understood to have asked for a block booking.

The series, to be held during February and early March, has been expanded in order to accommodate as many people as possible.

It includes workshops in Johannesburg, Durban, Port Elizabeth, Cape Town, Bloemfontein and Pretoria.

Topics for discussion include:

- An explanation of the Act;
- Black township establishment and development procedures;
- The implications of these procedures for both the public and private sectors;
- The conversion of leasehold to freehold ownership; and
- Land pricing controls on public land.



STEYN . . . need for fuller understanding of the Act

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Urban Foundation plans more housing seminars

By Michael Tissong

In response to an overwhelming number of applications for an Urban Foundation seminar series on black housing, the series has been expanded to accommodate more people.

The foundation said more than 1 000 delegates have responded.

"The need for enlightenment on legislation and regulations governing black housing supply has been dramatically borne out by the response to the UF's national seminar series which begins on February 16.

"The response has come from property developers, major employers in commerce and industry, architects, planners and sur-

veyors, provincial and local authorities, bankers and building societies, politicians, lawyers and academics."

The seminars will be held in Durban on February 16, Port Elizabeth on the 18th, Cape Town on the 19th, Bloemfontein on the 20th, Johannesburg on the 23rd and Pretoria on the 24th.

Topics include:

- The 1986 Black Communities Development Act.
- Black township establishment and development procedures.
- The implications of these procedures for both the public and private sectors.

Fees for delegates are R100. They may register by writing to Box 52622, Saxonwold, 2132.

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Repossessed houses go cheaply to societies



Dispatch Correspondent
JOHANNESBURG — Houses priced on the market at R80 000 are being sold in Johannesburg for as little as R150.

And in one case a house worth R40 000 sold for R10.

But the catch is that these prices are not

available to the general public. They are what banks and building societies pay in some cases to buy repossessed houses.

When these houses are auctioned, the institution holding the mortgage bond bids against other bidders to ensure the price fetched is higher than

the outstanding bond.

Where there is not much buyer interest in the property, the institution holding the bond is able to secure the deeds at bargain-basement prices.

"But", says Ian Wylie, manager of repossessed properties for the Allied Building Society, "we don't

want the properties back."

It is not often that financial institutions must buy back properties on which they have granted a bond.

"They are only trying to secure their investment," said the valuer for the Johannesburg municipality, Mr Nick Botha.

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The majority of banks and building societies contacted said they made a loss on houses bought back at auctions.

"We are money lenders, not property owners," said the manager of the Johannesburg mortgage branch of the SA Perm, Mr John Grobler.

Repossessed houses at bargain prices

By Frank Jeans

Because of the growing housing stock brought about to a great extent by repossessed properties, potential buyers often have a golden chance to secure homes at bargain prices — particularly if they go directly to the building societies.

The one thing a building society does not want to be is a homeowning society and in these times of strained family budgets which can inevitably lead to the off-loading of their most vital asset, they might well have a farther "homes for sale" book which they are only too eager to trim.

One building society spokesman says: "While affordability is of vital concern today in the

homes market, it might be worthwhile for home seekers to contact the societies to check if they have reasonably priced properties for sale.

"Societies, particularly those with a large book of repossessed properties, might be prepared to consider selling at below market value so long as the price covers outstanding debt."

The building societies generally emphasise that even today, the repossession is a last resort and that they "bend over backwards" to accommodate the borrower to allow him to keep his home.

This would appear to be con-

frmed by the reported number of repossessed homes nationally which, while swelling the housing stock, represent only an estimated five percent of all residential bonded properties in the country.

Under law, a repossessed property must be sold by public auction to the highest bidder, so that it is in a building society's interest to be represented at the auction in order to bid up the price to cover the debt of a particular property.

Conversely, if there are no other bidders, the building society can, in effect, secure a property for £10, although the existing bond debt remains.

The society then takes transfer and becomes owner of the property and it is at this juncture, market forces come into play.

While the property can be let at a highly attractive rent to cover the bond repayments, the society is saddled with added administration costs on the house.

Most societies pass on the property to an estate agent to sell at market value.

But for those who get in quick, there could be bargains as the societies might accept an offer that just covers the outstanding mortgage which would be considerably less than the original owner paid for the property and which would be well below the market value.

Home loans

By STAN MHLONGO

26/1/87
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BARCLAYS is providing a home mortgage rate of 12,5 percent - described by a bank spokesman as the lowest available - for black home buyers.

The buyer must have 99-year-leasehold or deed of grant.

A spokesman said the bank would help first-time homeowners get the one-third government subsidy on their repayments if the bond is less than 40 percent of the actual purchase price.

Secondary market still some way off

No change for home loans

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B/Dag
29/1/87

BUILDING societies would welcome the development of a secondary market for home-loans, but they do not see this as likely in the near future.

This emerged in a *Business Day* survey after news of the development of such a market in the UK. Britain's *Financial Times* last week reported that National Home Loans, a UK mortgage investment company, was selling about 1 250 mortgages to a separate UK-incorporated company, NHL First Funding.

Proliferation

The rapid growth in mortgage lending in the UK, and the proliferation of financial institutions competing with UK building societies for mortgage lending, has prompted the latest development.

The move is expected to boost mortgage lending without increasing the capital of those institutions securitising home loans; such institutions are also expected to offer lower interest rates, undercutting building societies.

MD of UBS, Mike de Blanche, says there is no comparison between SA and the UK or the US. Sheer volume has changed the whole picture overseas. He does not believe SA has reached a stage where a secondary market in home

HELENA PATTEN

loans is either practicable or necessary.

He does not accept there is any real need for SA building societies to sell off part of their book. Whereas British mortgage bonds are more often than not fixed-interest bonds, leading to building societies sometimes paying more for their investments than they get for their bonds, SA societies are able to increase their interest rates on mortgages when necessary. This changes the whole position, he says.

However, he does not rule out the possibility of a secondary market developing in the future.

Brian Kemmey, deputy MD of the Perm, says that while conditions are not yet ripe for the development of such a market in SA, it would be a useful and eventually necessary market mechanism.

Flush with money

He says building societies are currently flush with money and there is no shortage of funds. However, as in the UK and Australia, there are periodic peaks and valleys in the supply of money and a time will undoubtedly come when SA needs additional capital, especially since foreign funds are unavailable.

Standard hits back at home loan critics



Dennis Matfield ... deadly serious

STANDARD Bank has hit back at critics who allege it is stalling in granting the cheap mortgages it promised to house-buyers.

Competitors say Standard is granting the headline-grabbing 12.5% mortgage bonds to selected existing clients only.

Standard's sensational move in December caused building societies and banks to cut their rates and margins on home loans are now paper thin. Building societies' funds cost more and they have not been able to match the rates offered by Standard and Barclays.

Standard's financial services managing director, Dennis Matfield, this week denied that cheaper loans were available to only a few. He reiterated that Standard intended to grab at least R1-billion worth of mortgage business this year.

Former bedmate

Some competitors contend that Standard had overreached itself by offering mortgages at 12.5% when building societies were still lending at 16%. They say it is pulling back because of impossibly narrow margins.

More cynical observers say Standard's headline-grabbing move into home lending was designed primarily to "get its own back" on former bedmate United Building Society. By chasing lending rates down, it would squeeze competitors' margins while having no intention of taking much business at 12.5%.

Mr Matfield says that because of the serious nature of the allegations concerning Standard's involvement in this market, he has disclosed to Business Times details of the bank's home lending.

Of the applications processed to date, 1 318 loans have been approved

By David Southey

for R85.7-million. Another 845 applications involving R45-million were rejected. Most of the applications were not approved because the bank's assessors put their valuations below the sale price.

Mr Matfield says most applications were from new borrowers and not from existing mortgage holders wishing to switch from building societies to Standard.

Licence bid

Speculation about an intensifying battle between Standard and the UBS is fuelled by unconfirmed reports that the UBS application for a banking licence has been approved by the Registrar of Financial Institutions. Attempts by Business Times to reach UBS managing director Piet Badenhorst this week to gain confirmation were unsuccessful.

Mr Matfield rejects all charges that Standard is deliberately slow in granting loans, or that it is not serious about 12.5% mortgage rate.

He says: "Let there be no doubt about our intention to get a substantial share of this market. We are determined that home loans will become a core element of our business and we are confident of reaching our target of R1-billion in mortgages by the end of the year."

Hiccups

Mr Matfield says it is no secret that Standard has experienced administrative hiccups in processing loan applications — mainly because of the sheer volume and the fact that it has not had sufficient valuers. He says steps have been taken to increase administrative staff to handle mortgage business and that from this month processing will be speeded up.

The size of Standard's approvals in the first month suggests that the societies have lost market share in the new-business category. Although no building societies will admit to having lost business to Standard, analysts say it is inevitable given that the bank's mortgage rate is 1.5 percentage points below the 14% most societies are offering new borrowers.

One expert says: "There's no way Standard can grab a billion rands' business in one year without denting market share of its competitors."

It is precisely to counter such realised or potential losses in new-business growth that several societies are boosting their business in hire purchase and leasing.

Allied last year acquired French Merchant Bank — now renamed Allied Bank — and the UBS banking licence will give it more flexibility in buying in and lending out funds in new market categories.

Advantage

The societies' ability to compete with banks in many lending areas is severely restricted by legislation which prevents them from raising more than 5% of their total funding by way of deposits of less than a year's maturity.

At the same time, building societies are at an advantage relative to

banks in other deposit categories, such as their tax-sheltered investments. A freer market for competing financial institutions will eventually result in the abolition of these distinctions.

Latest adjustments in the prime overdraft rates of Barclays and Standard — up to 12.5% — are seen by some as evidence that building societies are indeed battling to compete with banks at current low rates and have pressured the Reserve Bank to "intervene".

Discount rate

The banks think there is enough liquidity around for the Reserve Bank to cut its discount rate by another 0.5% or 1%, which would also send their call deposit rates down. That would, of course, provide a filip to banks' margins and enable them to compete even more aggressively on home lending with the societies.

By maintaining its discount rate levels, the Reserve Bank has forced the banks to lift prime overdraft rates — and has prevented them from gaining a keener edge on societies.

But with liquidity in the money market expected to improve in February and March, pressures for easier rate patterns could soon re-emerge — mostly at the expense of building societies.

M&R's third lodge order

MURRAY & Roberts Building (Transvaal) has won a R5-million contract for constructing the third budget hotel for City Lodge at Isando, alongside the Jan Smuts Airport freeway.

M&R has built the other two City Lodge hotels and knows what managing director Hans Enderle wants.

Jim Henrey, managing director of

M&R, says: "After our involvement in the Randburg and Sandown lodges, the Jan Smuts contract is clearly a vote of confidence. Construction methods have been refined, enabling us to meet the short construction time."

Work on the 162-room Jan Smuts Lodge will begin while the 159-room Sandown Lodge nears completion.

VERY little of the millions of rands government set aside last year for house-building and job-creating programmes has been spent.

Red tape, bureaucratic delays and the refusal of many local authorities to cooperate are responsible for the logjam.

Even efforts by private sector-sponsored organisations such as the Urban Foundation are finding it difficult to maintain any sort of momentum.

Concern is being expressed that many of these ambitious schemes, announced with much acclaim early last year, will never actually materialise unless action is taken at the highest level to revitalise efforts.

Mike Ridley, retired MD of LTA and appointed last year to head the Urban Foundation's housing utilities companies, said one of the worst problems was getting sufficient land to accommodate the various housing projects now on the drawing boards.

Difficulties are also being experienced in getting various guide plans passed. Part of the reason seems to be hiccups in the process of devolving powers down to local authority level.

Officials at this lower level, fully aware residents in their areas are opposed to the establishment of low cost, black housing schemes adjoining their properties, are apparently placing every

Govt's housing schemes stymied

B/Day
2/2/87

CHRIS CAIRNCROSS

conceivable obstacle in the way of the housing projects.

The stalled proposals for the massive black township between Johannesburg and Pretoria — which received much adverse reaction from white residents adjoining the area — is regularly cited as being a valid reason for taking a "more considered" view of any plans that require official clearance.

A second major problem is finalising the mechanisms needed to attract private sector financing for the low-cost core housing that is so essential to solving the country's accommodation problems.

The SA Housing Trust, formed at the end of last year with a R400m gratuity from government, has yet to get off the ground.

The trust is looking to bolster this amount with at least another R800m supplied by the private sector — as base financing for core housing.

Indications are that the institutions — the target market for raising these amounts — have been less than receptive to the initial proposals.

Delays thwart housing plans

Own Correspondent

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Difficulties getting land

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Indications are that the private sector have not been receptive to the initial proposals.

REPRESENTATIVES of various communities which have been threatened with resettlement will converge in Oukasi, Brits, on Friday to discuss forced removals.

A spokesman for the organisers, Reverend O K Mokgopela, yesterday announced that the meeting will be held at the Roman Catholic Church hall starting at 6pm. Delegates from Driefontein, Kwamokgopa, Crossroads and other areas are expected to attend.

Mr Makgopela said the occasion was called a "Covenant Project" and was a means to bring together those with com-

Removals' groups to meet

mon problems. He added that Oukasi residents will get a chance to learn and share with other communities which have also been victims of resettlement.

A service has been arranged for Sunday (February 8) to pray for the problems the black communities are faced with removal. Other details of the meeting will be released later as arrangements are still being made.

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Driefontein
3/2/87

Why banks re-entered home loans market

A QUESTION mark in the building society movement is: can the banks re-entry into home loans be regarded as strategic or tactical?

If it is strategic, then eventually all parties will settle down together sharing the market according to their expertise.

If tactical, to be followed by an equally tactical withdrawal, the implication is totally different.

It would mean the banks take the building societies; which are either listed or about to be listed on the JSE boards, as serious competitors.

The banks entry could be effective as good public relations with the man in the street who is concerned about his monthly bond instalment in the short term.

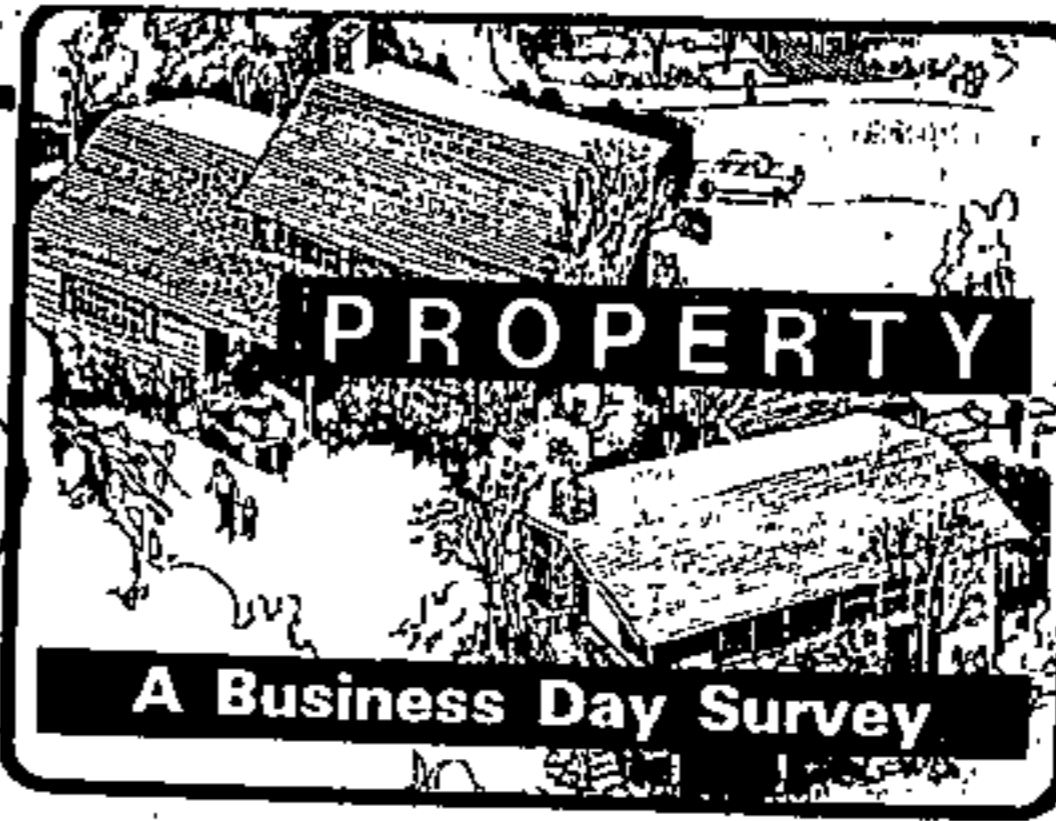
The bargain the banks are offering is a bond rate

about 1% below those of the societies. It makes sense for a banking sector awash with cash to make such advances now, fully confident their rates will rise again.

But the pitch doesn't appear to be aimed at the man in the street. It is really to new bond-holders only. Anyone with an existing mortgage of, typically, R60 000 would find himself with a one-off cost of about R1 000 for the right to swing to a bank's home loan scheme.

One building society manager, obviously none-too-pleased with the banks entry into the home loan market, says: "To manage that sort of development is a social responsibility and a financial one. Banks have plenty of financial muscle, but little or no housing or development expertise."

Optimism as prices start a new climb



THE market for existing houses may finally be on the way up, but it is certainly not the right market for a speculator looking for a quick return on his money.

This warning comes from Aida Geffen, founder and chairman of Aida Real Estate, the biggest residential estate agency in SA.

She does, however, recommend it for those who want to invest now and think long term.

"They will benefit, provided we don't have any political problems."

Geffen's reading of the market is that there won't be any dramatic increases in house prices for the next six months, but they will rise slowly and steadily for the next two years.

"Figures show they are already rising. Sales will be boosted by the lower bond interest rates — remember, at one stage last year we were paying 23%," she says.

Although there are many properties on the market, there isn't a great choice for genuine buyers, or speculators for that matter.

There's still a shortage of good properties at the right prices. Most sellers are asking for "unrealistic prices, which creates buyer resistance".

However, where properties are put on the market at realistic prices it is relatively easy to find buyers for them — even if they are very expensive.

Geffen says Aida sold five houses for more than R1m each in the last three months. It's the first time this has happened in more than a year. Until recent-

ly, the most a house worth R1m would fetch was around R750 000.

Pace's Roger Caplan suggested some time ago that when building society rates dropped below the 14% mark developers would dust off old feasibility studies and breathe new life into them.

They have done just that, he says. "But what happened was that, with the exception of low-priced subsidy home schemes, very few got the final green light."

As a result, the market won't be swamped with newly-built spec homes in the middle and upper price ranges in the near future — which is good news for the existing homes market.

Home buyers will virtually be forced to concentrate on existing homes, which will reduce the surplus that has been bedevilling the market for some time now. At the beginning of the last quarter of 1986, the surplus in the white sector was estimated at 37 000.

Caplan has noticed an increase in demand for existing houses but, he says, demand is not yet strong enough to increase prices. But he points out "an increase in the velocity of sales usually precedes price increases".

Pace has noticed an increase in sales in the R250 000 to R300 000 bracket. And in Sandton and north and north-east Johannesburg, says Caplan, sectional title sales in the mid-R80 000 range have perked up.

He believes that the stage is set for prices of existing units to rise.

THE SA Housing Trust (SAHT) has not yet decided when to raise about R1bn in the capital market.

The company, established last month, was analysing when it would be most opportune to do so, MD Joe Taylor told *Business Day* yesterday.

"Our decision will depend on the view taken on interest rate movements over the short and medium terms."

SAHT intends raising about R1bn from the private sector in government-guaranteed loans, which will qualify as prescribed assets. This will be in addition to an R400m interest-free State grant.

Gerard Croeser, Deputy-Director of Public Finance, said yesterday "it would be pointless for the SAHT to borrow funds now at rates of about 14%, only to invest in short-term instruments. This would mean an effective outflow of cash."

However, Taylor said, no finality

Trust uncertain of loan timing

B1 Day 123 4/2/87
LINDA ENSOR

had been reached on the issue.

SAHT's low-income housing projects could have got off the ground much earlier were it not for the vast amount of preparatory work that had to be done, Taylor said.

Taylor, former economic adviser at the State President's Office and senior Santambank GM, assumed duties in the new year.

SAHT would be working through agencies such as the Family Housing Association, local authorities and private-sector organisations.

Discussions with building societies were under way to investigate the possibility of societies performing some of the administrative functions, such as noting applications and registering bonds.

Safe as houses if politics don't ruin the recovery



□ Houses in SOWETO

THE signs are clear and experts' opinions are pretty unanimous: the residential market bottomed towards the end of last year and the beginning of this year.

The question they do not want to be drawn on, however, is whether this recovery will be ongoing or, as with previous recoveries, it will be knocked on the head by a negative political event.

In a sensitive climate like SA's, it is not unreasonable to expect that a major political event like an election will set back the recovery of a high investment market, particularly if the recovery has only just started.

P W Botha's Rubicon speech and the imposition of the state of emergency didn't deal kindly with the residential market.

Upward trend started in 1986

This time, however, the market appears to be showing resilience. But no one would be stupid enough to claim the recovery will overcome all obstacles.

On the positive side, the recovery has not been affected by the announcement that whites are to go to the polls in May.

The upward movement, in fact, started in the dying weeks of 1986, when it was already abundantly clear that an election would be held this year.

In November, for example, Aida Real Estate, the biggest residential property broking company in the country, sold 399 houses for an average of R90 527, which compares more than favourably with the 332 it sold for an average of R86 563 in October, or the 298 for an average of R85 976 it sold in November 1985.

Tertius Beyers of the Bureau for Economic Research (BER) of the University of Stellenbosch confirms this trend. He says information gathered by the BER itself indicates "that the market was livelier towards the end of 1986".

Official Central Statistical Services figures, which are always several months late, show that in September last year house prices were still drifting downwards.

At that stage, says Beyers, the average price of a house was 11% lower than the peak at the end of 1983.

This trend is confirmed by Aida's figures which show that between March and August last year average prices dropped steadily from R89 590 to

R82 043. But the number of units sold increased initially, from 279 in March to 292 in April, then fell to 265 in May, and then started rising steadily from 290 in June, to 313 in July and 371 in August.

Aida's sales and prices were on the boil and getting hotter in February when 400 houses were sold for an average R87 806. But that was before the Rubicon speech.

However, the signs are now obviously strong enough for Beyers to adopt a bullish stance and to predict that, "once the residential market does start to improve, 1983 prices can be reached by the end of the year".

In support of that, he says, "it seems as if prices in the higher (above R125 000) and the lower (below R60 000) price groups have bottomed, but that prices in between are drifting downwards."

"The reason for this trend is that most public servant buyers probably buy into this (lower) category, and it is probably that most speculators also operate in this category."

Better prospects to spur revival

The factors the BER believes will spur a revival of the residential market include:

□ Better economic prospects. It believes that improved business conditions will promote confidence in the economy, while the higher employment figures and real disposable income should stimulate demand.

□ Low bond rates. BER expects them to remain below the inflation rate for the rest of this year.

□ The higher gold price, which, apart from the income effect, should boost confidence among consumers and speculators.

□ A possible increase in the R40 000 limit in the government's subsidy scheme for first-time home buyers.

□ Salary increases and tax cuts, as a prelude to the election.

□ The high cost of new housing.

The problems that could affect the residential market recovery are a relatively slow recovery of the economy, the oversupply of houses, a low population growth and net emigration loss among whites, as well as the state of emergency creating more uncertainty.



□ ... and houses in SEBOKENG

THE BEST TOWNHOUSE SITES IN BRYANSTON

A CHANCE OF A LIFETIME


SP forecasts a b

LAST year was a difficult year, but this year offers many opportunities.

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MORTGAGE GROWTH

Up, up and away

F/M 6/2/87
 (123) 

Though estate agents and potential property sellers see 1986 as a poor year, building society figures for mortgage advances tell a different story.

Says Allied senior GM Geoff Bowker: "In the past six months we have experienced more growth than in any other six-month period in our history." At least two other major societies had similar increases in mortgage advances.

Growth, of course, has been from a very low base, as 1985 was a particularly bad year for long-term investment. Nevertheless the performance of the societies over the nine months between their financial year-end in March and the end of December is encouraging.

The Perm reports an increase in total balances of 15,8% between April 1 and December 31, which compares favourably with 7,4% in the same period in 1985. Allied's growth of 18%, off a slightly smaller base, is well up on 11,6% for the same period for 1985; as is Natal Building Society's (NBS) 17,2% against a previous 8%.

Market leader United Building Society (UBS), is not prepared to release latest figures on mortgage advances. In the 1986 financial year it lent nearly R7 billion of the R18 billion provided by the five major societies. Whether it maintained market share later during 1986 is not yet known.

Saambou did not fare particularly well. In fact, growth dropped, from 9,6% in 1985 to 7,1%. And Barclays experienced negative growth of 9,2% against a previous negative growth of 8%. They are however the smallest of the six biggest providers of home loans, with total balances at end-December of R1,6 billion and R956m respectively.

However, these two poor figures do not dent overall performance. At December 31 the Perm's home loan portfolio stood at R5,1 billion, Allied's at R4,2 billion, and NBS's at over R2 billion. For these three plus Saambou, net new advances for April-December of R1,7 billion were 92% higher than the R904m added in the same nine months of

1985.

Though with liquidity high, building societies were prepared to lend funds for purposes other than buying and building, it is likely that only a small proportion of loans were classified as "further advances," presumably mostly home improvements.

Accelerated growth when investor confidence generally was shaky and the property market particularly vulnerable is something of a surprise. Impetus must also have come from aggressive marketing by most societies at a time of intense competition for market share and high liquidity. Sliding interest rates may have tempted back buyers frightened off when rates went over 20%.

While the surge in mortgage advances is good news for the property market and encouraging for economic forecasters looking for signs of upturn, what will be its impact on building society balance sheets?

It has come at a time when increasing inflation, decreasing returns on savings and uncertainty about the course of interest rates has been keeping money out of long-term savings (*FM* January 30.)

The result has been an increase in cost of longer-term funds (on which building societies basically rely), which means reduced margins.

This, of course, is an argument in favour of increasing the total book. High turnover compensates for smaller margins. It also justifies the enormous amounts invested recently in computer technology.

Presumably societies see the need to increase volume as so pressing that they are prepared to run the risk of increases in properties in possession. Societies, of course, maintain they have not lowered lending standards. Serious losses over the past two years were due not to bad lending, they say, but to the length and severity of the recession.

Whatever the reason, the value of properties in repossession in 1985-1986 increased dramatically: UBS from R5,5m to R25,6m, the Perm from R3,8m to R19m, Allied from R2m to R6m, NBS from R947 000 to

R4,4m, and Saambou from R275 000 to R5,5m. The nine months since year-end are unlikely to have been any better.

However, possibly out of the pipeline by now are homeowners who bought between 1980-1984 when property prices were at their peak and were forced to sell when high interest rates and, sometimes, loss of jobs upset their financial planning.

Certainly, the outlook is more promising than for some time. But, like so much else, the health of building society balance sheets is riding on the course of events in 1987. ■

EXPORT INCENTIVES

Crying for reform

Within the next year, commerce and industry can expect to see real, perhaps fundamental, reform of export incentives, which by then will cost taxpayers some R500m through direct benefits.

The structure of export incentives is complicated, while technicalities are flawed by anomalies and often overtaken by events (see box). It can also be argued that such incentives, like any subsidy, distort markets.

The Kleu Committee is holding an investigation behind closed doors. It will hand Pretoria reports on different sectors. Kleu's brief is to find ways of making South African products internationally more competitive, especially in the light of possible sanctions.

One possibility is classification of an "export service industry," which means exactly that: a service provided to increase foreign exchange reserves. Professionals, argues Ernst & Whinney's Daryl Sahli, providing expertise to overseas clients or construction companies assisting in overseas projects, do not qualify for these benefits.

Category A export incentives allow an exporter to claim compensation of 50% of the import duty on "inputs" used in the production of goods for export. As Sahli points out, it matters not whether the inputs are import-

F/M 6/2/87

CWC 7/12/87
**Bills on
coloured
housing
bodies** *123*

PARLIAMENT. — The Labour Party-controlled House of Representatives is to establish a housing board and a housing fund to promote the provision of housing and a development board to promote community development, urban renewal and township development.

Two draft laws, the Housing Bill (House of Representatives) and the Development Bill (House of Representatives) which were tabled in Parliament yesterday, provide for the establishment of the new boards.

With serious shortages of housing for coloured people in different parts of South Africa and poor living conditions in many areas, the House of Representatives administration clearly believes that the new bodies will be able to marshal and co-ordinate resources to provide better living conditions for coloured people.

The Housing Board will construct dwellings, prepare and carry out projects; acquire any building material and equipment necessary for this; transfer its interest in any dwelling or project to a local authority; and grant approval for the construction of dwellings and the implementation of projects.

12/2/87

The Lion is dead

THE African National Congress has paid tribute to former Transvaal president and member of the national executive committee, Mr Gert Sibande, who died in Swaziland. He was 85.

Mr Sibande, one of the stalwarts of the organisation, was born in Ermelo where the conditions of near-slavery for farm workers forced him to join the liberation struggle.

During the 1930s he helped organise the farmworkers and tenant farmers in the Bethal district into an agricultural workers union.

From that time he was active in bringing the message of freedom to the hard-pressed rural communities of the eastern Transvaal where he earned himself the nickname of "The Lion of the East".

He was charged with treason together with 157 other people in 1956. In 1959 he was banished to the Komati-poort district in terms of the then Native Administration Act of 1927. He later sought refuge in Swaziland where he lived until his death on January 30 this year.

'Aim was to burn houses of cops, councillors and informers'

FOUR TOLD OF HIT SQUAD



FOUR of the accused in the Duduza terrorism trial were members of a hit squad whose aim was to burn houses that belonged to the police, councillors and informers, the Pretoria Supreme Court heard yesterday.

A State witness, who gave his evidence in camera and may not be identified, said one of the accused, Mr John Mlangeni, recruited him to join this hit squad "to maintain law and order" in Duduza.

He was giving evidence at the trial of

BY MONK NKOMO

seven alleged members of the banned Congress of South African Students who have pleaded not guilty to charges of terrorism, attempted murder and possession of hand grenades and a bomb.

Mr X said the hit squad which consisted of about 10 people attacked and burned the house of Mr Vincent Makoloba a few days after the house of Mr Joseph Thobela was petrol-bombed.

The witness said members of the hit squad included the ac-

cused — Mr Mlangeni, Mr Veli Mazibuko, Mr Samuel Lekatsa and Mr Humphrey Tshabalala.

He told the court that he attended a night vigil in Duduza on May 17, 1985 where Mr Thobela urged residents in Duduza to boycott buses because of increased fares.

He also threatened to "necklace" those who did not heed the call.

Another speaker Mr Archie Mbatia, told the audience to attack school buses that transported white children, said Mr X.

Mr Mbatia also told them to fight Bantu

Education, the court heard.

The State witness said two men, who identified themselves as members of the ANC's military wing, Umkhonto we Sizwe, trained their hit squad in the usage of hand grenades at a mine dump near Tsakane on June 24, 1985 — a day before a number of targets were attacked in Duduza and Springs.

The hit squad, which comprised three groups from Tsakane, Kwa-Thema and Duduza, were each promised R10 000 if the attacks on power stations, councillors and policemen were successfully carried out, Mr X said.

Asked by the State advocate, Mr John Oberholzer why these targets were chosen, Mr X replied that it was because councillors and policemen were seen as supporters of "the oppressive system". (Proceeding)

A housing surplus

SURPLUS housing in white suburbs was sufficient to accommodate 300 000 blacks in "unaccustomed comfort" but this was not likely to solve the housing crisis facing the urban poor unless the Group Areas Act was scrapped soon.

This was said in a speech by Allied Building Society's managing director, Mr David Waugh, published in the lat-

est edition of *Attie's publication Housing*.

The report quoted Mr Waugh as saying the black housing shortage now stood at half a million units while an oversupply of between 25 000 to 30 000 housing units in white areas was being increased by poor economic conditions.

Service with a smile

GIRL with that warm smile is Miss Audrey Mosehla of Senaokane in Soweto, who is a bank teller.

123 Sowetan 11/2/87

(5) No.

The LEADER OF THE OFFICIAL OPPOSITION: Mr Speaker, arising from the reply given by the hon the State President, is he in a position to make the text of that speech available at this stage for public information in view of the fact that there is no statutory provision which precludes its publication?

The STATE PRESIDENT: Mr Speaker, I am prepared to let the hon the Leader of the Official Opposition have a copy of the speech should the Director-General have it at his disposal.

The LEADER OF THE OFFICIAL OPPOSITION: Can it be made public?

The STATE PRESIDENT: Mr Speaker, the text of the speech can be made public as long as every word of it is published, and not certain extracts only. [Interjections.]

Mr SPEAKER: Order!

Chissano: discussions
10/2/87
The LEADER OF THE OFFICIAL OPPOSITION asked the State President:

Whether he intends to meet with President Joachim Chissano of Mozambique to discuss (a) the Nkomati Accord and (b) other matters of mutual interest; if so, when is it intended to hold such a meeting?

†The STATE PRESIDENT:

It is generally known that the South African Government is in favour of talks on a variety of subjects with the governments of all its neighbours, including Mozambique. However, it is not customary to make public statement in this connection.

Ministers: ~~ANC~~ ~~ANC~~ ~~ANC~~
10/2/87
Booklet, "Talking with the ANC..."

*1. Mr P G SOAL asked the Deputy Minister of Information:

(1) Whether the Bureau for Information has reprinted the booklet entitled "Talking with the ANC...", which was originally published in June 1986; if so, (a) when, (b) why and (c) how many additional copies were printed;

(2) whether any changes were made in the reprinted booklet; if so, (a) what changes, (b) why and (c) on whose instructions were these changes made?

The DEPUTY MINISTER OF INFORMATION:

(1) Yes.

(a) July 1986.

(b) Because of overwhelming demand for the publication, both in South Africa and overseas.

(c) 100 000 copies.

(2) Yes.

(a) A photograph was replaced by another and some linguistic and technical improvements were effected.

(b) This was done to improve continuity between the text and the photographs and to improve the text technically.

(c) On the instructions of the management of the Bureau for Information.

*2. Mrs H SUZMAN—Law and Order.
[Reply standing over.]

*3. Mrs H SUZMAN—Law and Order.
[Reply standing over.]

*4. Mrs H SUZMAN—Law and Order.
[Reply standing over.]

Pietersburg: meeting

*5. Dr W J SNYMAN asked the Minister of Law and Order:†

(1) Whether, with reference to his reply to Question No 16 on 2 September 1986, the departmental investigation into the vacating of a hall in Pietersburg during a meeting of the National Party on 22 May 1986 has been completed; if not, why not; if so,

(2) whether the District Commissioner of the South African Police, Far Northern Transvaal Division, received instructions from a certain person in connection with the vacating of the hall; if so, (a) what were the findings of the departmental investigating team in respect of this person, (b) what was the nature of the instructions concerned and (c) how long were those present given to vacate the hall before tear-smoke was used;

(3) what is the policy of the South African Police in respect of the use of tear-smoke in partially closed spaces in which members of the public are present?

†The MINISTER OF LAW AND ORDER:

(1) Yes.

(2) (a) to (c) This departmental investigation is considered to be a domestic matter and the findings were brought to the attention of the officers of the South African Police concerned, in writing, thus it is not considered to be of interest to supply additional information regarding the matter, except to say that the necessary remedial steps were taken.

(3) No fixed policy in respect of the use of tear gas, also in partially closed spaces is determined, since every event is handled according to circumstances attached thereto.

†Dr W J SNYMAN: Mr Speaker, arising from the reply of the hon the Minister, can he categorically state that the hon the Minister of Foreign Affairs had absolutely nothing to do with the instruction or in any way influenced the actions of the brigadier?

†The MINISTER: Mr Speaker, I have indicated to the hon member that the inquiry was of a departmental nature, that it has been finalised and that it is not in the interests of those officers that we should give further information about it.

*6. Dr W J SNYMAN asked the Minister of Constitutional Development and Planning:†

What total amount was owing to institutions under his control in respect of arrears (a) house rent and (b) service fees in Black residential areas in the Republic on the latest specified date for which figures are available?

The DEPUTY MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING AND OF PUBLIC WORKS AND LAND AFFAIRS:

The control over the former development boards was devolved to the respective Administrators on 1 July 1986 and that over Black local authorities on 1 October 1986. Separate figures in respect of house rents and service fees which are in arrears in Black residential areas are not available. The amount owing to the local authorities in the respective provinces as on 30 November 1986 and which is recoverable, is R177 647 546,87.

Indications are that there has recently been an improvement in the rate of recovery in various townships. Special measures to shorten the procedures for recovery of the outstanding amounts, are under consideration.

B14A forms

*7. Mr S S VAN DER MERWE asked the Minister of Home Affairs:

Whether a shortage of B14A forms (notice of change of address) used for the purposes of the population register and the voters' roll occurred at any regional offices or the head office of his Department during the course of January 1987; if so, (a) at which specified offices, (b) why and (c)

Goodbye to Norweto?

VARIOUS organisations were yesterday sceptical about the Government's decision to shelve plans for the new black township of Norweto.

They said it might simply be an election ploy.

The organisations have called on the Government to scrap the Group Areas Act and other apartheid structures that restrict the movement of blacks.

The organisations which include the Soweto Civic Association (SCA), the Transvaal Rural Action Committee (Trac), the Azanian People's Organisation (Azapo), the Black Sash and the South African Council of

By JOSHUA
RABOROKO

Churches (SACC), said they were doubtful on the motives for the decision.

The Minister of Constitutional Development and Planning, Mr Chris Heunis, this week indefinitely postponed plans for Norweto which was to be built between Johannesburg and Pretoria following opposition from whites in the area.

Mr Heunis said his department had received numerous representations and as a result the proposal for the establishment of Norweto had been shelved.

The chairman of the SCA, Dr

Nthato Motlana, said it was a step in the right direction because "we want blacks to build homes anywhere they wish to in South Africa as long as the area has a developed infrastructure.

"The Government must abolish the Group Areas Act and the whole system of separate development," Dr Motlana said.

Afraid

Azapo's president, Mr Patrick Molala, said the postponement of the Norweto plan by the Government was not a surprise.

"The Government is afraid that it will lose votes in that constituency in the coming elections," he said.

Post Focus

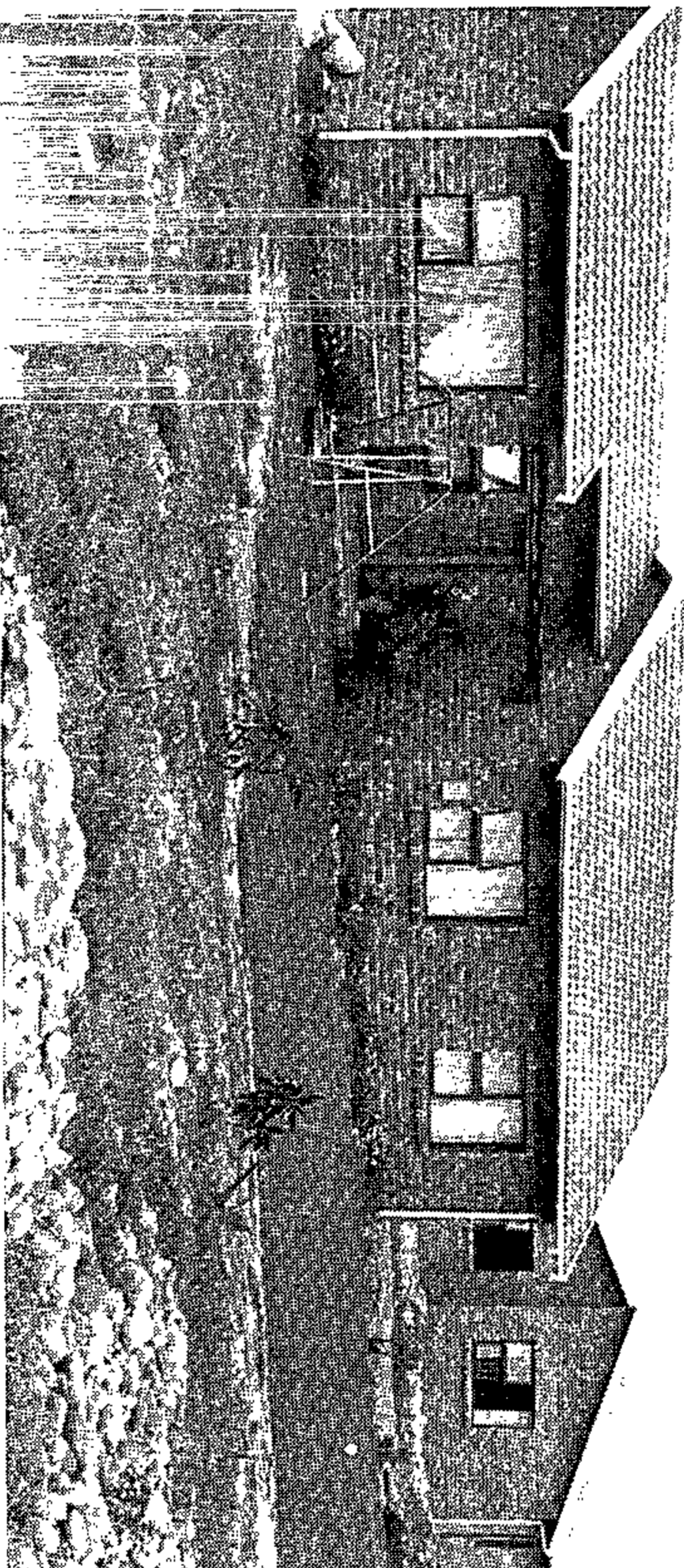
Place in the sun

... but for some



First-time
dayside buyers
the storm clouds
are gathering . . .

□ A young couple moved into this two-bedroomed house in Himeville Road, Bluewater Bay, a month ago. They are clearing away stones dumped from road-building operations to start a garden.



FIRST-TIME home owners can choose a house costing up to a maximum of R40 000 to qualify for a 100% bond and a 33,3% subsidy on repayments.

This means that a couple buying a R40 000 home over 20 years would pay about R342 a month — the amount after the subsidy amount of R155 is deducted from the repayment of R497.

If the price of the plot is added, naturally the repayment is higher, but the subsidy will not apply to any figure higher than the R40 000 for the home.

Owners have a choice of various plans, and can have a two or three-bedroomed home.

In most cases a garage and the surrounding walls are added when the owner can afford these, and in some cases foundations are laid for additions when the house is built.

First-time home owners are not allowed to buy homes which have been occupied.

Most estate agents had no strong objections to this, agreeing that even if the

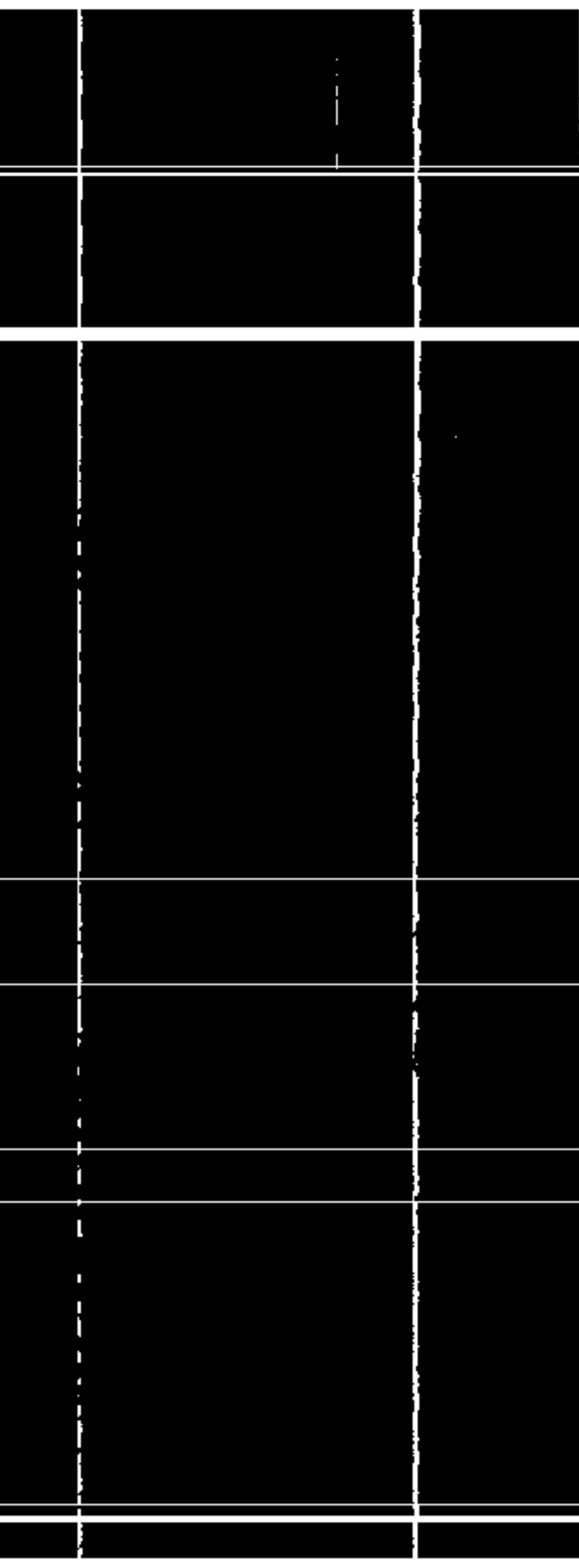
There are few
frills at the start

— they come
later when the
couples 'settle'

ceiling was raised to about R50 000 there was little which could be bought for that amount.

The main reason for this clause is that first time home owners should not have unnecessary repair expenses within, say, the first seven to eight years.

Repairing an old home or fixing damage done by previous tenants — which could be extensive even in a short time, according to some agents — could land them in financial difficulties, perhaps leading to the eventual repossession of the home.



YOUNG first-time homeowners have found themselves at the centre of a controversy over the siting of their houses in Bluewater Bay, Port Elizabeth's northern bayside suburb.

In setting out to build a pleasant future for themselves and their families using subsidised bonds and repayment terms, they and developers have unwittingly upset some established residents and two city councillors.

The critics believe the new houses, built for a maximum of R40 000, are out of character with existing homes, many of which are valued at between R100 000 and R150 000.

But the owners and developers say first-time home owners should be given a chance to build their "place in the sun" and to develop their properties.

One developer accused some residents in established suburbs of being "selfish and having short memories" when it came to young homeowners.

At the centre of the controversy are new houses next to the national road.

Weekend Post special report by YVONNE STEYNBERG

They qualify for 100% bonds and a subsidy on repayments.

First-time homes can be built in any area where the maximum cost of the house is R40 000.

Weekend Post investigated the situation after some residents of Bluewater Bay complained about the small and unwallied houses built next to the high fence between the suburb and the national road.

Those complaining accused the Government and/or the municipality of spoiling the entrance to their suburb with "sub-economic" houses.

On being told they were owned by first-time buyers who would be making improvements when budgets allowed, many residents softened their attitude — but still considered the site "unsuitable and ill-chosen".

Mr Ivan Krige, one of the suburb's two councillors, said a better site would have been a more wooded area, like Glenroy Park in

the western suburbs, where the owners would not have to spend much on garden layouts.

"A small home would appear so much more attractive among trees rather than next to a wide busy national road, right at the entrance to the city," Mr Krige said.

The other councillor, Mr Charles White, found it "regrettable" that the houses were built on the perimeter of Bluewater Bay.

"It is a pity this was allowed to happen, as at present the houses are not pleasing to the eye from the national road and on very sparse and barren plots."

The small homes also showed to bad advantage against established large homes costing R100 000 to R150 000.

Mr White thought the plots could be divided into smaller units than the average 1 200 square metres in Bluewater Bay — minimum requirement is 600 square metres — as a

smaller plot would make it easier for young homeowners to develop their gardens.

Developer Mr Dimitri Zenios said he was surprised at how short the memories of many people were.

"People are selfish and seem to forget they also had to start small," he said.

"When I first came to this country in 1964, a house built with a separate toilet was a luxury, and in most cases a carport was all new owners could afford — in spite of the fact that house prices, and therefore deposits and bond rates, were low."

Many modest houses were built in the western suburbs, and most had ended up as big, lovely homes with extensive gardens.

"The young people need a chance to start somewhere, and with the escalating prices this is the only way they can acquire a home," he said.

In Bluewater Bay, young mothers were proud to show Weekend Post their new homes, and their brave attempts at laying out gardens and planting lawns.

First priorities for most were to build surrounding walls — because of the freeway the back walls must be of brick — and garages.

They explained that they had to go for a first-time homeowners' scheme because:

- There was no way they could raise the minimum deposit of well over R10 000 on an established small home.

- They wanted to get out of cramped flats to allow the children a garden and fresh air.

Bluewater Bay was the choice of many couples with children because:

- The beach was within walking distance.

- The freeway made it easy for husbands to reach work, compared with areas like Sherwood and Glenroy Park.

- Children could walk to school.



The row of houses for first-time homeowners built on the fringe of Bluewater Bay next to the N2 freeway — sites considered by some councillors and other residents to be an unfortunate choice for young couples.

Repossessions add to housing stock

15/2/87 SIT (123)

By Udo Rypstra

RESIDENTIAL property sales are picking up in number and prices are firming.

An unprecedented number of houses are coming on the market because of repossessions by building societies. The paradox is that as South Africa's economy rallies, the aftermath of bad times seems to have arrived for many house-buyers.

Auctioneers are doing a roaring trade. Aucor is rewriting marketing procedures with the help of American advisers and handling up to five auctions a day on the Reef.

December and January — traditionally quiet months — turned out busy for auctioneers.

Confidence

The United Building Society, South Africa's largest mortgage lender, reports brisk business in loans in the last two weeks of January. But managing director Mike der Blanche is waiting for February figures before endorsing reports of an upswing.

SA's largest real-estate group, Aida National Franchises, says property sales have improved. Confidence in the housing market has increased, and business has been helped by lower interest rates.

Group chairman Aida Geffen stresses

es that the market is merely bottoming out and that value increases will be gradual in the next two to five years.

Aida, which operates through 26 franchise offices, improved its 1986 turnover by 18% from R282,5-million in 1985 to R332,6-million. The number of units sold rose from 3 258 to 3 760 — a 15% increase. December and January sales were 18% up in value and 15% in volume compared with the same months in the previous years.

Mrs Geffen says the average price of a house sold by the group was R95 500 in 1983 and R86 726 in 1985. The average firmed to R88 500 in 1986. These are not true averages because the group concentrates on the upper end of the market. The figures include five houses sold for more than R1-million each.

Mrs Geffen says a house bought now for R65 000 could realise between R70 000 and R80 000 in two to five years. She says a house costing R500 000 today could be worth R1-million or R1,2-million five years from now.

There are no official statistics on repossessions, but building societies confirm that they are at an unprecedented high.

Mr der Blanche attributes the in-

crease to a spate of liquidations, sequestrations and high unemployment.

Aucor says that the UBS and Allied Building Society residential property holdings have climbed to more than R50-million from R7-million two years ago.

Contingency funds to cover mortgage losses have always been included in their reserves. The UBS increased its fund from R6-million in 1985 to R44-million last year.

Aucor marketing director Tony Michael says the holding cost of houses in repossession could be as high as 2% of the outstanding bond.

Aucor held a property seminar attended by delegates from banks, building societies, pension and housing funds to illustrate how American conglomerates like Hudson & Marshall and Fannie Mae, the large American mortgage lenders, handle disposal of repossessed properties.

Mr Michael says: "The response indicated that financial institutions are concerned about their unwanted property holdings."

He says Aucor can attract more than 50 potential buyers to a house auction.

"We have started doing it the American way, and we realise we are on something big."

Aucor says it is selling 50 repossessed houses a month.

Low-income housing plan is 'bogged down'

16/2/87 Star

By Frank Jeans

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by March this year.

The Government's R750 million injection into low-income housing still appears to be bogged down, with only about 13 per cent of the allocation having found its way to the building site so far.

And of the R400 million allocated to the Housing Trust, the committee says that "not a cent had yet been spent".

"It is time the relevant parties gave serious attention to the matter," says the committee.

The economics committee of the Institute for Housing of Southern Africa estimates that less than R100 million of the original R350 million package announced in June last year has been spent.

Looking at the recent mini-budget, the institute believes there will be few direct or indirect benefits for housing.

Events beyond the budget, such as lower mortgage rates and the fact that building societies are flush with cash, are seen as holding much more promise for the homes sector.

It is understood that the entire R350 million should be spent



Mr de BEER hands over the house key to Mr and Mrs Helmod Radebe.

More cash for homes

(123)
Souton
16/2/87

By MZIKAYISE EDOM

THE Government has earmarked R1 195-million for the provision of more housing in black townships, the Deputy Minister of education and Training, Mr Sam de Beer, said on Friday.

Mr de Beer was speaking at a prize-giving ceremony held in Daveyton, near Benoni. A building construction company, George Rennie, was handing over a three bedroomed house worth R65 000 to Mrs Peretia Radebe.

Mrs Radebe won the house last August in a competition run by the company. Mr de Beer was invited by the company to officially hand over the house to Mrs Radebe.

Mr de Beer said the money will be spent as follows:

- R445-million will be used for the provision of services to sites and for housing in urban black townships;
- R750-million will be made available for low cost housing in the townships.

The money, Mr de Beer said, has been made available by the State through the National Housing Fund.

"This is by far the largest amount ever to have been provided in a single year from State funds towards the development of housing and community facilities for blacks in areas outside the South African trust areas and the self-governing states," he said.

He added that a R15-million project has been approved by the National Housing Committee to improve housing in Daveyton.

"South Africa is at a crossroads in terms of its approach to the provision and improvement of housing in urban towns to suit the needs of its less fortunate citizens.

"A fresh approach in this regard is essential. I am of the opinion that we have the knowledge and skills to overcome most of the problems facing us in this field," Mr de Beer added.

A jubilant Mrs Radebe said her house blues are now over. Before winning the house, she was staying as lodger in Wattville.

"From now on, my family will have decent accommodation. I appeal to the Government to provide more houses for those families who cannot build their own houses," she said.

Govt unable to act 'as State funds are low'

Subsidy freeze floors first-time home buyers

THE home-building industry and many members of the public have been dealt a body blow by government's failure to raise the subsidy ceiling for first-time home buyers' from R40 000.

The decision, by a committee of housing Ministers, comes months after repeated representations to government. Disappointment is particularly sharp as the industry believed that pleas by the National Association of Home Builders (NAHB) had been successful.

The issue has been referred back to the SA Housing Advisory Council. Although no specific reason was given for the decision, the Ministers told the NAHB that while they were aware of the plight of the industry, it had to be borne in mind that State funds were low.

JANE STRACHAN

Gough Cooper MD Tony Acton said that while the black, coloured and Indian markets will not be affected much, the ceiling was a serious problem in the white sector.

He agreed with other industry representatives that it was becoming increasingly difficult to provide homes for whites at this level. Margins are being eroded and as costs rise this will become more of a problem.

One advantage, he said, was that it would force buyers' aspirations down.

Vista Homes marketing manager Adrian Hartnady said the decision was disappointing. He feared that because a R40 000 home these days was "really tight and small", home-seekers might decide to stay in their flats rather than buy an

unacceptably small house.

NAHB executive director Johan Grotius said it was a fallacy that the building industry could adjust itself to dwindling standards. The eroding effect of rising costs was to demolish a very important sector of the industry, he said.

The subsidy was introduced in June 1983 to promote the provision of houses in the affordable price range. The R40 000 limit applies to the building cost of the home.

"The building industry reached great heights in design and construction techniques, to produce practical and aesthetically pleasing accommodation within the constraints of the scheme.

"But the stage has now been reached where the housing gap experienced in the past years is re-appearing," he said.

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17/2/87
by Day

Govt 'no' to subsidy pleashatters builders

Finance Staff

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The home-building industry has been shattered by the Government's decision not to raise the R40 000 level for its subsidy to first-time home buyers.

Because the cost spiral has made it virtually impossible for builders to put together a first-time home package at R40 000, the National Association of Home Builders approached the Government to raise the limit to R60 000.

This section of the residential property market has been particularly buoyant because the R200-a-month subsidy for the home-owner brought affordability within reach, but builders say they can no longer afford new homes at the R40 000 price level.

The NAHB fined its representations to the Government in line with falling interest rates and the home-building industry had expected a favour-

able response.

The Government has turned down our request and is a great disappointment not only to builders but to the public who have been waiting for many months for a decision on the subsidy," said Mr Johan Grosluis, NAHB executive director.

He said the subsidy scheme was a breakthrough in the provision of affordable housing for all population groups when it was introduced four years ago.

It helped to "close a critical gap which was rapidly developing in the country's home-building programme.

The builders reached great heights in design and construction techniques which were practically and aesthetically pleasing. It is a pity that the constraints of the subsidy have now been removed where the housing gap experienced in the past is reappearing.

Spary 17/2/87

because of rising costs. It is a fallacious argument, home-building source said, and should be rejected. The building industry could and should adjust itself to dwindling standards.

This decision demolishes a very important sector of the industry, and there is little doubt that it could result in failures among ancillary business and worsen the employment situation.

In reply to the argument that a subsidy increase to R60 000 would place an additional financial burden on the State, Mr Grosluis said: "This would be minimal when measured against the increased stability within the building industry along with the mobilisation of a substantial amount of private sector capital."

Mr Grosluis said the subsidy request has been referred back to the South African Housing Advisory Commission for further investigation and recommendation.

PE's black housing: new plans

By KIN BENTLEY

NEW moves are afoot to tackle the massive black housing backlog in Port Elizabeth.

Chairman of the Peace and Prosperity Utility Association, Mr Bruce Mann, said today this multi-racial company, formed in December last year, had submitted structure plans to the South African Housing Trust for funding of an initial 108 low-cost housing project at Motherwell, outside PE.

The company hoped to have the trust's approval in the next few days.

Should this be granted, and this was virtually certain, final approval from the Cape Provincial Administration's Office of Community Services would have to be secured before building could start.

Thereafter, Mr Mann said, the total would be pushed up to 300 units. Depending on the success of the venture, further similar projects would ensue.

Mr Mann said the association's seven-man board, which includes Professor Tertius Delport, dean of the faculty

of law at the University of Port Elizabeth, and businessman Mr David Abel, also included two black members. Their names would be released later.

He said the association was non-political and not directly connected to the Action for Peace and Prosperity organisation, which he said was formed last year.

Both he and Mr Abel serve this organisation.

The housing association would be one of several private sector companies working to overcome that backlog in PE.

Mr Joe Taylor, the managing director of the SA Housing Trust, said the association, a Section 21, non-profit company, would act as an agent for the trust.

● At the weekend it was announced that an initial R40 million had been approved by the board of the trust for affordable, low-cost homes in six initial areas, including Motherwell.

Mr Taylor said the trust was established in November last year with "seed capital of R400 million from the Government".

Management is from the private sector, with Dr Fred du Plessis, chairman of Santam, serving as the trust's chairman.

The vice-chairman is Mr Meyer Kahn of SA Breweries.

Other members of the board include Mr Derrick Cooper, a director of Barlow Rand, and Mr Boet Viljoen, the ex-managing director of the SA Perm.

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Edited by Jane Strachan

Housing law changes mean greater certainty

CHANGES in legislation governing black housing constitute significant and in some cases fundamental changes to certain aspects of SA property law. For both buyers and developers, there is wider scope and a more certain environment in which to act.

Private sector developers, businessmen and members of the legal profession have indicated their need for a fuller understanding of recent important changes in the field of black housing supply, in terms of full ownership rights and new township development procedures.

Reacting to this need, the Urban Foundation (UF) is currently running a seminar series at centres around the country — and has been overwhelmed by response.

UF housing manager in charge of housing policy, Jill Strelitz, says the ownership and development process has been regulated by last September's amendments to the Black Communities Development Act so that it no longer relies on bureaucratic whim.

The intention of the series is to dispel confusion and provide the tools of township development for practitioners in the different fields,

to get them feeling comfortable with the "new reality" of ownership and what it means to black home development.

Strelitz points out, though, that because the regulations are new, problems will only emerge once they are put into practice.

For this reason the UF is hoping for eventual market feedback.

Speaking at the Durban sessions this week, attorney Johan Latsky said the change of direction in the Black Communities Development Act went much further than merely necessary amendments to a number of outdated and technically unworkable provisions in the original Act.

The new provisions would significantly contribute towards "normalising" the acquisition of land title in black areas, would "privatise" in a number of ways the supply of serviced land in black urban areas and actively encourage development of new forms of land business, transforming the traditionally slow-moving township establishment process into a quick-moving one.

Fundamental property law changes contained in the amended legislation included:

□ The creation of land ownership

rights for blacks... the same rights of ownership which can be acquired in terms of SA common law.

□ Staged tenure — 99-year leasehold is retained in a form of permanent registered title.

□ The possibility of granting a form of unsurveyed but registered leasehold title in informal settlements, subject to a survey being completed within four years.

□ Provides developers with the legal certainty of knowing which process to follow in order to establish and develop a township.

□ Land use control — the Amendment Act allows erven to be made subject to registered conditions of title regulating land use. Essentially, the land use zone of any erf can be defined simply by reference to standard land use conditions, published as an annexure to the new Township Establishment and Land Use Regulations.

Further seminars are being held at the Elizabeth Sun in Port Elizabeth today, at the Cape Sun in Cape Town tomorrow, the Bloemfontein Holiday Inn on February 20, Johannesburg Sun on February 23, Burgerspark Hotel in Pretoria on February 24, Indaba Hotel, Sandton, on February 25, Cape Sun on February 27 and at the Indaba Hotel on March 4 and 5.



Greenfields block completed

THE Greenfield Group's new, five-storey Sandown office complex (left) has been completed. The 6,000m² building, in Sandown Valley Crescent, was built by Murray & Roberts Buildings (TVL) for the group and Anglo American Property Services.

Govt rent move 'good'

GOVERNMENT'S commitment to the abolition of rent control could lead to a renewal of investor confidence and prompt new development, says the SA Property Owners' Association (Sapoa).

Sapoa executive director Peter Erasmus says the most important single issue of this week's move towards the further phasing out of rent control is that investor confidence can now be restored, with the reasonable assumption that rent control has moved outside the ambit of political machinations.

Erasmus notes that whereas the ideal situation would be the complete abolition of rent control, as it is a system whereby owners and landlords provide subsidised accommodation, it is also accepted that, given practical politics, this cannot be done.

It was announced in Parliament this week that rent control in white areas

JANE STRACHAN

would be phased out this year, maintaining protection for tenants over 70 and occupants below certain income limits.

The practical effect of the change is that protection passes from the premises to the tenant, and as these protected tenants will be limited to those who are now occupying premises, the effect will be the eventual elimination of rent control.

As well, the control has also been removed from the relatively well-to-do and is now limited to the relatively indigent. In this regard, says Erasmus, government is to be congratulated.

He says the measure comes at a good time as the gap between the rentals of controlled premises and market-related premises is not so wide and the impact of change will not be felt so severely.

AIRLINE MOVEMENTS

enjoy over those in the Transvaal is that special UHF aerials will not be needed to pick up the signal. In the Transvaal the SABC would not allocate M-Net an ordinary VHF frequency and many viewers had to buy UHF aerials at up to R200 before they could tune in. Technicians says viewers in the Durban area should be able to receive the signal clearly, using their existing aerials, as far as Ballitoville on the North Coast and Amanzimtoti to the south.

Badenhorst says the station plans to broadcast at least 15 new, full-length feature films a month, many of them no more than two years old.

Two hours, between 17h00 and 19h00 each night, will be "open time" when all television owners will be able to receive the M-Net signal. The rest of the evening's viewing will be available only with decoders. The service will start at 15h00 on weekdays and at 14h00 at weekends.

Decoders are expected to cost viewers around R595 each with subscription fees running at R29 a month.

The long-awaited expansion of M-Net's service could boost the station's revenue substantially. The station has already pulled in nearly R3m in advertising income. Research has shown that M-Net has the potential to reach an additional 50 000 viewers in each of the regional markets. With advertising rates increasing exponentially with each additional certified 1 000 viewers, commercial sales manager, Ken Bailey, says: "It will definitely increase our clout in the marketplace."

High investment

Progress it might be, but M-Net is still a long way from being classified an outright money spinner. Capital investment in the required technology is high — already about R20m has been sunk into the venture and a further R40m is needed. The cost of suitable programme material is also high. Broadcast rights to a half-hour boxing match can cost as much as R55 000.

Bailey reckons at least 150 000 subscribers are needed to put the station solidly in the black. With 8 200 on the books there's obviously a long way to go.

There are indications, however, that the service is catching on. According to original Amps estimates M-Net's viewership was running at around 100 000. But validation research conducted by the South African Advertising Research Foundation has recently put the figure closer to 200 000. Says Bailey: "Intuitively we always felt the figure was a little low."

If further confirmation that M-Net was on to a good thing were needed, research has shown that there are over 600 000 VCRs in South African homes. Given SA's consumption for entertaining TV, the prospect of inducing less than a third of them into becoming M-Net subscribers is not all that unrealistic.

Badenhorst predicts 5 000 decoders a month will be sold once they become available to house owners on the Reef in April. ■

HOUSING TRUST

Open for business

The SA Housing Trust (SAHT), launched last November with a R400m State grant, has so far received only R13m of its capital. But it has already approved R40m in loan finance for six housing projects in anticipation of receiving the balance in March.

The approved projects will provide 6 137 new low-cost housing units — a small erosion of the estimated 550 000-unit low-cost housing shortage. But the list of beneficiaries makes it clear that assistance will not be restricted to self-help and site-and-service projects for the unemployed.

The Urban Foundation's Family Housing Association (FHA) will receive two loans of R5,7m and R6m. These are for housing projects at Katlehong and Thokoza, involving the construction of 2 000 and 1 600 houses respectively.

The KwaNdebele housing agency has been granted R14m to build 1 084 units, the SA Development Trust has R6m for 945 houses at overcrowded Bothshabelo, Peace and Prosperity (a Section 21 non-profit company) receives R2,3m for 108 units at Motherwell near Port Elizabeth and Bopro (another Section 21 company) gets R2,7m for 400 units, also at Bothshabelo.

SAHT MD Joe Taylor tells the *FM*: "While no official policy documents have been drafted, we are provisionally targeting our financing at the under-R20 000 housing unit market."

He explains that the SAHT is not a direct lender in the housing market. "Our role will be that of a finance wholesaler to bodies in the retail market that qualify in terms of experience, security and management efficiency."

Structurally, the SAHT plans to operate through a countrywide network of approved agents, who will carry responsibilities including granting and registering bonds, physically building houses, repayments and insurance.

But in some cases the SAHT might take direct transfer of land and register bonds as security for loans. Loans to "retailers" will be granted for periods of three to 25 years at a current 8% interest rate. A flexible approach, based on the circumstances of each project, will determine practical operations, says Taylor.

Officially in operation with a skeleton staff since the first week of January, Taylor expects the company to be fully operational within six months.

SAHT's board of directors includes Sanlam's Fred du Plessis (chairman), SA Breweries' (SAB) Meyer Kahn (vice-chairman), Barlow's Derek Cooper, Boet Viljoen (past chairman of the SA Perm) and Joe Taylor, who was formerly MD and senior GM of Santambank before he was seconded as Economic Advisory Council executive officer for two years.

Current day-to-day operations are man-

aged by Taylor, Peter Mountford, GM new business, who has been seconded from SAB, and deputy GM Charles Snyman, a former Southern Life executive who is responsible for the money and capital markets.

Taylor says the SAHT will not aim its operations at the housing needs of any specific sector of the population.

"While the greatest visible need for low-income housing is in the black community, it must be stressed that we are a non-racial body. All population groups will be considered," he says. ■

CIVIL ENGINEERING

New structures

The prolonged recession and fall off in bread-and-butter railways and harbours work has led to the restructuring of South Africa's civil engineering industry.

The emphasis has shifted markedly from heavy civil engineering work towards construction of townships, access roads, and sewage reticulation — generally the lighter side of the civils industry.

But there are no fears that this development will make local heavy civils contracts vulnerable to poaching by international firms. SA Federation of Civil Engineering Contractors' (SAFCEC) executive director Kees Lagaay tells the *FM*: "Fortunately, while there has been a slowdown in many sectors, national roads projects have been pretty buoyant."

"For the last two years this sector has had new contracts totalling about R300 a year. This made a significant contribution to the industry's turnover in these difficult times."

But he says that although Department of Transport Director General and chairman of the National Transport Commission Adriaan Eksteen has warned that there will be fewer new road contracts awarded in 1987, many of the contracts awarded in the last two years are just coming to fruition. Most of the money allocated will be spent this year and existing contracts will not tail off for another year.

Lagaay says the direction taken by the industry is dictated by the type of work put out by its major clients. "Our main concern is the general fall-off in the flow of work — 70% of which comes from the public sector."

"If a whole programme of dams, railways or power station construction was needed, then I would say the industry has the flexibility to readjust to meet the demands of heavy civils work."

"It is a flexible industry and whatever the market decides, we have to go with it."

He says that while the civil engineering industry is still in the grips of a "prolonged downturn," its order books are considerably healthier than they were eight months ago.

Although tender prices have hardened in some areas, there is still over-capacity in terms of men and machinery; prices are still generally low and highly competitive. ■

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Call for cheaper building methods

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African Affairs Correspondent

THE finance required to build sufficient homes for the black population was 'frightening', the Pinetown manager of the S A Permanent Building Society, Mr L Hamilton, said at a seminar on black housing at Pinetown yesterday.

The seminar was organised by the Pinetown municipality in conjunction with the Pinetown/New Germany Division of the Natal Chamber of Industries.

Mr Hamilton said the authorities were only 'scratching the surface' in providing sufficient homes for blacks.

He said building materials never before considered by building societies, such as glass fibre, wattle and daub and polyvinyl woven cloth tubes had now become the norm.

Mr Hamilton said it was essential that cheaper, sounder methods of construction should be found and accepted to provide more homes for blacks.

A Johannesburg architect, Mr G Gallagher, called for the drastic simplification and speeding-up of township proclamation, rezoning and development.

Mr Gallagher said the scrapping of minimum building regulations in specific areas had to be replaced with absolute minimum requirements for public health and public safety.

JANE STRACHAN

HOUSE prices for 1986 were 17% down on those for 1985, after adjustment for inflation, according to the latest United

House prices down 17% on 1985 figures

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20/2/87

Building Society (UBS) quarterly housing review. And although the average price rose slightly during the last quarter of the year, compared with the previous quarter, UBS economist Hans Falkena does not foresee a sharp increase during 1987. The average price of a medium-sized house was about R71 200 in the fourth quarter of 1986 — 2% down on the same quarter of 1985 but 3% higher than the previous quarter. The average for 1986 was R71 100. In Johannesburg, average prices for small, medium and larger older houses were R65 866, R79 803 and R120 912 respectively. For new houses, those prices were R69 900, R100 175 and R143 464.

Turning point for homes market?

homes market?

Frank Jeans

By Frank Jeans

House prices have improved slightly in recent months and with economic activity beginning to show signs of picking up, the residential property market should be near to turning point.

This is the view of the United Building Society in its latest housing survey, and while the pointers to recovery are more encouraging, the society warns against any expectation of a sudden take-off into a seller's market.

"We do not see any sharp rise in prices this year in view of the relatively weak financial position of the average South African as well as the effect of net emigration on the market," says the review.

While the sweep of bond-rate cuts in past months must have

contributed to the better conditions in the homes business, the United does not see any further reductions in rates during this year.

Indeed, the rates pattern might well harden towards the second half of 1987, with the result that the mortgage rate could also be affected to some degree.

As far as funding is concerned, there is unlikely to be any problems ahead.

Signs of a mild recovery in the economy, in turn should lead to a moderate rise in the de-

mand for mortgage finance, says the review.

"Fortunately no shortage of funds is likely to develop in the foreseeable future."

Looking at house price-levels, the United says the average price of a medium-size house during the last three months of 1986 was about R71 200 — 2 percent down on the figure for the same period in 1985 but 3 percent up on the third quarter of 1986.

"For last year as a whole, the price of a medium-size house averaged about R71 100, imply-

ing a drop of 2 percent on the average 1985 figure.

"After adjustment for inflation, however, the drop was more than 17 percent."

The only region which experienced a decline in prices in this area of housing was the "rest of Natal" (2 percent), although the average price for all houses in this region also showed some improvement.

Prices on the West Rand, the western Cape and in the Durban-Pinetown area, experienced rises of more than 5 percent during the fourth quarter of last year.

The most expensive region for houses in the medium-size category appears to have been the Western Cape, followed by Pretoria, the Durban-Pinetown area and Johannesburg.



"GREAT! AND JUST WHEN I HAD A CASH BUYER!"

Millions for housing in pensions

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Stav
2/12/87

By Frank Jeans
Millions of rands could pour into housing programmes if behind-the-scenes moves lead to the wider mobilisation of pension-fund investments.

It is understood that, conscious of its responsibility in the financing of housing, there is pressure by the pension-fund industry on the Government to pave the way for a massive injection of money into housing stock, through accepted channels such as building societies.

While pension-fund managers are unanimous that their first duty is to their members, they nevertheless believe they have a vital role to play in housing and infrastructure services. The problem lies in the fact that while pension funds are committed to a 53-percent prescribed investment in Government and semi-Government stock, they say a percentage of

Big funds could provide a boost to beat the problem

this should go into housing and not from any additional funding. Certainly, a meagre 1 percent, say, of the R26-billion prescribed investment would represent a healthy R260-million surge for the housing scene. The strategy might well be extended to the insurance industry which has prescribed investments of 33 percent of taxed business and 53 percent untaxed.

Mr Dorian Wharton-Hood, managing director of Prudential Assurance, says: "I would have no objection so long as it was treated as a prescribed asset."

Pension-fund involvement in housing will be one of the main talking points at the annual conference in Cape Town of the Association of Pension and Provident Funds of South Africa

ca from March 1 to 3. Mr A J van Rynveld, of the board of governors of the Urban Foundation, will examine the various methods of providing the required finance.

Outlining the challenges generally, of the pension-fund industry at a Press conference yesterday, Mr Arnold Bassera-bie, president of the association, said: "It is expected that out of the total population of South Africa, more than 5 percent will be of pensionable age by the year 2 015, compared with under four percent at present. "In other words, from the current 1.1 million of the population

of more than 64 years, this will rise to about 3 million within the next 30 years."

Pension-fund men too, expect an announcement to be made at the conference for a breakthrough from the fragmented form of the funds set-up and the establishment of a Pensions Institute of Southern Africa which will be the major voice and representative body of the industry. Mr Gerard Ehmke, senior assistant general manager, Federated Life Assurance, will also touch on a contentious issue — the need for greater communication in pension-fund dealings with members.

Houses cheaper

JOHANNESBURG —
House prices have dived
17 per cent since 1985,
the latest United Build-
ing Society (UBS) quar-
terly housing review has
reported.

Moreover, UBS econo-
mist Mr Hans Falkena
expects only a modest
increase, at best, this
year — in spite of the av-
erage price rising margi-
nally during the last
quarter of last year,
compared with the pre-
vious quarter.

In Johannesburg, av-
erage prices for small,
medium and larger
older houses were
R65 866, R79 803 and
R120 912 respectively.

For new houses in
these categories the
prices were R69 900,
R100 175 and R143 464.

The average for 1986
was R71 100. — Sapa

19 October 1986 of a certain person, whose name has been furnished to the South African Police for the purpose of the Minister's reply; if so, (a) when and (b) what is the name of this person;

(2) whether the investigation into the incident has been completed; if not, why not; if so, what were the findings;

(3) whether any person has been charged in connection with this incident; if so,

(4) whether he will furnish particulars of the person so charged; if not, why not; if so, what are the relevant particulars?

The MINISTER OF LAW AND ORDER:

(1) Yes.

(a) 19 October 1986.

(b) Sherlock Davids.

(2) Yes, the docket was referred to the Attorney-general for decision.

(3) and (4) No, the decision of the Attorney-general is not known yet.

Sectional Titles Act

361. Mr D J N MALCOMMESS asked the Minister of Public Works:

(1) Whether the regulations in respect of the Sectional Titles Act, No 95 of 1986, have been published; if so, when; if not, when is it intended that (a) these regulations will be published and (b) the said Act will come into operation;

(2) whether he will make a statement on the matter?

The MINISTER OF PUBLIC WORKS:

(1) No.

(a) In terms of section 54 of the Sec-

HOA

(b) (i) 651 fines.
(ii) R11 460.

Decentralised industries

363. Mr P C CRONJÉ asked the Minister of Constitutional Development and Planning:

(1) Whether the amount paid per month per employee in respect of decentralised industries differs in the various decentralisation regions; if so, (a) on what basis are these amounts calculated and (b) (i) what amount was paid per month per employee to, and (ii) how many workers were employed in, decentralised industries in Botshabelo as at the latest specified date for which information is available;

(2) whether any checks are kept on the salaries of workers in these industries; if not, why not; if so, what salaries were being paid to the workers in these industries as at the above date?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(1) Yes.

(a) The employment incentive is a fixed percentage of salaries and wages to a maximum amount per worker per month. The incentive is based on the development priorities within each region as expressed in the different levels of incentives and as set out in the manual.

(b) (i) 95 percent of the wages and salaries limited to a maximum of R100 per worker per month.
(ii) 5 661 in January 1987.

(2) No, except for the purpose of the payment of incentives. It is not a nor-

HOA

mal function of the Government to control salaries and wages.

Housing

365. Mr P G SOAL asked the Minister of Constitutional Development and Planning:

Whether his Department spent any money in the 1986-87 financial year on the construction of houses for Blacks in (a) Cape Town, (b) Durban, (c) Pietermaritzburg, (d) Pretoria, (e) Port Elizabeth, (f) Kimberley, (g) East London, (h) Bloemfontein and (i) Johannesburg, if not, why not; if so, what amount in each case?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(a), (b), (c) and (d) No.

(e) Yes, a self-build scheme at a total cost (advance) of R8 071 875 has been approved. An amount of R1 500 000 has been allocated for spending during the 1986-87 financial year of which R149 202 has thusfar been expended.

(f) No, but 247 two-roomed houses at a cost of R1 212 907 has been approved; the tender for the houses was approved on 5 February 1987 but no funds have thusfar been spent.

(g) Yes, 20 houses for which an amount of R290 529 has been advanced, are being erected; 124 houses and services for 164 erven to the amount of R2 073 275.

(h) No.

(i) No, but a project of 109 core-houses to an amount of R568 224 in Naledi has been approved of which 19 will be erected by private developers and 90 per tender by the local authority. The tenders are still to be considered by all the parties concerned and no funds have yet been expended.

HOA

362. Mr P G SOAL asked the Minister of Law and Order:

(a) How many incidents of each specified kind were reported in 1986 to the mobile charge office in Rosebank, Johannesburg, referred to in his reply to Question No 747 on 23 April 1986, and (b) (i) how many fines had been paid, and (ii) what total amount in fines had been collected, at this charge office as at 31 December 1986?

Mobile charge office	
Theft.....	676
Theft from motor vehicles ..	204
Theft of motor vehicles ..	144
Housebreaking ..	141
Theft of bicycles ..	28
Assault ..	26
Assault with the intent to do grievous bodily harm ..	19
Reckless driving ..	9
Robbery ..	7
Malicious injury to property ..	2
Pointing of a firearm ..	2
	<u>1 258</u>

Handwritten: 23/2/87

the Defence Act No 44; if so, (a) where are these barracks situated, (b) how many persons/offenders can these barracks accommodate and (c) for what reasons were these barracks established;

(3) what was the average number of offenders detained in detention barracks in 1986?

The MINISTER OF DEFENCE:

- (1) (a) (i) 5.
- (ii) None.
- (b) 429.
- (c) As on 9 February 1987.

(2) No. (a), (b) and (c) fall away.

(3) Different categories of persons are admitted to detention barracks, viz persons awaiting trial, persons sentenced to detention and persons who are kept in safe custody. It is not possible to supply the average number in respect of offenders.

Central Energy Fund

314. Mr B B GOODALL asked the Minister of Economic Affairs and Technology: What was the balance in the Central Energy Fund as at 31 December 1986?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY:
R3 727 412 634.

Central Engery Fund

315. Mr B B GOODALL asked the Minister of Economic Affairs and Technology:

What total amount was collected on behalf of the Central Energy Fund in the 1986-87 financial year?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY:

Total income collected on behalf of the Central Energy Fund for the period 1 April 1986 to 31 December 1986:

Gross CEFlevy received (4c/1).....	R240 004 434
Less payment to:	
SFF-Association (administration of the crude oil stock-piling programme)	R10 926 967
Department of Transport (combating of oil pollution)	R 2 731 742
Netto CEFlevy received.....	R 13 658 709
Interest received on funds invested	R226 345 725
Dividends received (Sasol 3)	R347 258 345
	R 25 000 000
Total income for the period	R598 604 070

Unemployed Black persons

316. Mr B B GOODALL asked the Minister of Home Affairs:

(a) How many Black persons were unemployed as at the date of the latest current population survey and (b) what is the date of this survey?

According to the information published in Statistical News Release P27.3 on 12 January 1987

- (a) 503 000.
- (b) October 1986.

Mossel Bay oil-gas project

321. Mr D J N MALCOMESS asked the Minister of Economic Affairs and Technology:

- (1) Whether (a) the State, (b) Soekor and/or (c) any other company in which the State directly or indirectly owns shares has purchased any land in the Mossel Bay area for use in connection with development of the oil-gas project; if so, (i) what specified land in each case, (ii) what was the cost of each specified piece of land and (iii) from whom was each such piece of land purchased; if not,
- (2) whether any land is to be purchased in the Mossel Bay area for this purpose; if so, (a) what area of land and (b) what steps had been taken to acquire this land as at the latest specified date for which information is available?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY:

- (1) (a) and (b) No.

(c) Yes. Land was purchased in the name of Moosref (Pty) Ltd, a wholly-owned subsidiary of CEF (Pty) Ltd of which all the issued shares are State-owned.

(i) (a) The remaining extent of portion 4 of the farm Duinzigt No 244 in the division of Mossel Bay in 36,5752 ha.

(b) Portion 1 of the farm No 298 in the division of Mossel Bay in 123,1260 ha.

(c) Portion 1 of the farm No 301 in the division of Mossel Bay in 235,0803 ha.

(ii) Purchase prices were as follows:

(a) R248 100.

(b) R477 400.

(c) R682 673.

(iii) The land was purchased from the following persons:

(a) Harold Russel Muller.

(b) Hendrik Pienaar.

(c) Johannes Jochemus Albertus Vermeulen.

(2) Fall away.

99-year leasehold

322. Mr E K MOORCROFT asked the Minister of Constitutional Development and Planning:

How many plots were surveyed in each province of the Republic in 1986 with a view to the 99-year leasehold scheme?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Cape Province.....	95 601
Orange Free State	43 100
Transvaal.....	169 362
Natal	10 506

23/2/87
99-year leasehold
123

323. Mr E K MOORCROFT asked the Minister of Constitutional Development and Planning:

- (1) (a) How many persons in each specified Development Board or Office for Community Services area applied in 1986 for (i) leases in terms of the 99-year leasehold scheme and (ii) leave to purchase property under freehold title and (b) how many such applica-

tions had been granted as at the latest specified date for which figures are available;

such area represent an increase or decrease in comparison with the relevant figures for 1985?

THE MINISTER OF CONSTITUTION, DEVELOPMENT AND PLANNING:

	(1) (a)		(b)		(2)
	(i)	(ii)	(i)	(ii)	
Northern Cape	276	0	276	0	decrease
Western Cape	1 106	0	11 106	0	increase
Eastern Cape	3 875	0	3 875	0	increase
Natalia	158	0	97	0	increase
Southern Orange Free State	1 514	0	1 482	0	increase
Orange Vaal	1 356	0	1 356	0	decrease
Central Transvaal	1 276	0	681	0	decrease
Northern Transvaal	115	0	115	0	increase
Western Transvaal	370	0	363	0	increase
Highveld	3 199	32	2 769	0	increase
East Rand	5 345	0	5 345	0	increase
West Rand	8 151	0	8 151	0	increase

National Manpower Commission

327. Mr E K MOORCROFT asked the Minister of Manpower:

- (1) Whether, with reference to his reply to Question No 1043 on 30 May 1986, consultations concerning the report of the National Manpower Commission on the working conditions of farm and domestic workers have now been completed; if not, (a) why not and (b) what remains to be done to complete this investigation; if so, (i) when and (ii) what organisations and persons were consulted in this regard;
- (2) whether the report has been released; if so, when; if not, (a) why not and (b) when will it be released;
- (3) whether any action affecting the working conditions of farm and domestic workers is to be taken as a result of the findings of this Commission; if not, why not; if so, (a) what specified action and (b) when?

The MINISTER OF MANPOWER:

- (1) No.

HQA

First/third-class passengers

328. Mr A SAVAGE asked the Minister of Transport Affairs:

What was the total number of (a) first and (b) third-class passengers transported by the rail services of the South African Transport Services in each of the four main metropolitan areas of the Republic in the 1985-86 financial year?

The MINISTER OF TRANSPORT AFFAIRS:

	(a)	(b)
Cape Town	41 285 218	123 165 623
Johannesburg	39 705 185	222 675 028
Durban	4 409 685	106 326 837
Pretoria	3 592 807	83 940 157

329. Mr A SAVAGE asked the Minister of Transport Affairs:

Whether the South African Transport Services made a profit or sustained a loss on rail commuter services in the 1985-86 financial year; if so, (a) what was the amount of such profit or loss and (b) (i) in which areas and (ii) in respect of which services was the profit or loss the highest?

The MINISTER OF TRANSPORT AFFAIRS:

- A loss was sustained.
- (a) R546 million.
 - (b) (i) All areas.
(ii) Third class.

Unemployed persons

330. Mr P H P GASTROW asked the Minister of Manpower:

How many White, Coloureds and Asians, respectively, were registered as unemployed in each inspectorate area as at the latest specified date for which figures are available?

The MINISTER OF MANPOWER:

	Whites	Coloureds	Asians
Bloemfontein	1 523	627	—
Cape Town	4 156	16 035	36
Durban	4 635	2 519	11 465
East London	706	1 098	31
George	395	1 430	—
Johannesburg	10 292	3 762	871
Kimberley	262	1 194	10
Port Elizabeth	1 894	4 780	72
Pretoria	2 328	303	54
Total:	26 191	31 748	12 539

Note: These figures are as at 31 December 1986.

Firearm licences

332. Mr K M ANDREW asked the Minister of Law and Order:

- (1) Whether the requirements for obtaining a firearm licence are identical for members of all race groups; if not, (a) why not and (b) what are the points of difference;
- (2) whether any applicants for firearm licences are required to pass a test or demonstrate their skill in some other way; if not, why not; if so, (a) what is the nature of the test or demonstration required and (b) since when has this procedure been followed;
- (3) whether any such test or demonstration is uniformly applied; if not, (a) why not and (b) what are the variations applicable in respect of (i) the age of the applicant, (ii) the race of the applicant, (iii) the geographical area and (iv) any other specified aspects of the test or demonstration required?

The MINISTER OF LAW AND ORDER:

- (1) Yes. (a) and (b) Fall away.
- (2) No, formal testing or demonstration is required at this stage.

HQA

to; if not, why not; if so, (a) how many were acceded to and (b) what were the circumstances surrounding each of these cases?

The MINISTER OF DEFENCE:

- (1) Yes, three.
- (2) Yes.

(a) Three.

(b) The national servicemen requested not to do duty in Black townships for personal reasons. The requests were considered sympathetically and they were employed elsewhere in infrastructure posts.

Life sentences

206. Mrs H SUZMAN asked the Minister of Justice:

(a) How many persons are at present serving life sentences for offences against the security of the State and (b) in respect of what date is this information furnished?

The MINISTER OF JUSTICE:

(a) 22.

(b) 10 February 1987.

Members killed/injured

207. Mrs H SUZMAN asked the Minister of Law and Order:

How many policemen, excluding policemen killed or injured in vehicle accidents or outside the Republic, were (a) killed and (b) seriously injured in the execution of their duties in 1986?

The MINISTER OF LAW AND ORDER:

(a) 42.

(b) 52.

for crimes committed against the following victims:

- 8 Coloured men
- 2 Coloured women
- 4 White men
- 3 White women.

4 White men were executed after having been convicted and sentenced to death for crimes committed against the following victims:

2 White men.

In one case a Coloured man and a Coloured woman* were executed after having been convicted and sentenced to death for a crime committed against a White woman.

In one case a Black man and a Coloured man were executed after having been convicted and sentenced to death for a crime committed against a White man. In one case two White men, a Coloured man and an Indian man were executed after having been convicted and sentenced to death for a crime committed against a White man.

(ii)* One Coloured woman (mentioned above). In total the numbers are as follows:

- Black men 89
- Coloured men 24
- White men 6
- Indian man 1
- Coloured woman 1

(b) (i) Murder:

- Black men 81
- White men 6
- Coloured men 19
- Coloured woman 1
- Indian man 1

(ii) Rape:

Coloured men 2

(iii) More than one offence: Murder and robbery with aggravating circumstances.

- Black men 3
- Coloured men 1

Murder, robbery with aggravating circumstances and the attempted robbery with aggravating circumstances.

- Black men 3
- Murder and rape.
- Black men 2
- Coloured men 2

South West African/Namibian prisoners in RSA

210. Mr S S VAN DER MERWE asked the Minister of Justice:

How many South West African/Namibian prisoners in South African prisons were serving sentences for crimes against the security of the State as at the latest specified date for which figures are available?

The MINISTER OF JUSTICE:

None.

Dominique Souchon

214. Mr S S VAN DER MERWE asked the Minister of Justice:

(1) Whether a certain person, whose name has been furnished to the Minister's Department for the purpose of his reply, was charged in court with any offence in terms of the Prisons Act, No 8 of 1959, during the last two months; if so, (a) when, (b) what was the charge and (c) what is the name of this person;

Handwritten: Housing (23/2/87)

208. Mrs H SUZMAN asked the Minister of Constitutional Development and Planning:

What was the total number of houses built for Blacks in the 1985-86 financial year in each of the nine main urban areas in the Republic?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Cape Town	557
Port Elizabeth	1 443
Kimberley	582
Bloemfontein	99
Witwatersrand	4 202
Pretoria	221
Pietermaritzburg	0
Durban	0
Vereeniging/Vanderbijlpark	917

Death sentence

209. Mrs H SUZMAN asked the Minister of Justice:

(a) How many (i) males and (ii) females of each race group were executed in the Republic in 1986 and (b) for what crime or crimes had each death sentence been imposed?

The MINISTER OF JUSTICE:

(a) (i) 88 Black men were executed after having been convicted and sentenced to death for crimes committed against the following victims:

- 26 Black men
- 5 Black women
- 4 Coloured men
- 2 Coloured women
- 25 White men
- 16 White women
- 1 Indian man
- 1 Indian woman.

21 Coloured men were executed after having been convicted and sentenced to death

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R400m lift for black housing

SIT 123
22/2/87



Joe Taylor ... R40m spent already

AFTER months of delay, it's all systems go for the SA Housing Trust, which has R400-million of capital to spend on low-cost black housing.

The R400-million of taxpayers' money will be lent to blacks at the subsidised rate of 8% for houses costing R20 000 or less.

The trust will be able to issue loan stock, which will be regarded as a prescribed asset for life assurers and pension funds. In time, this could add up to R2-billion available for lending.

The R400-million is in addition to the R350-million which Finance Minister Barend du Plessis said the Government would spend on black housing.

Self-help

Much of the Government's money will be spent on self-help schemes for poorer blacks. Private-sector township developers are experiencing strong demand in the R25 000 to R40 000 bracket from blacks being helped by their employers.

Colin Hibbert, managing director of Time Holdings, which does project management, says: "Black housing is becoming something of a boom area."

Critics say the Government's R750-million is being spent too slowly to make an impact on the housing shortage and the economy generally.

Managing director of the trust is former banker Joe Taylor, 45.

He was appointed by the triumvirate of businessmen chosen by the State President to oversee the housing project — Sanlam's Fred du Plessis, SA Breweries' Meyer Kahn and Barlows' Derek Cooper.

Mr Taylor has laid the foundations

By David Southey

and established contacts in both the private sector and black community. The hope is that the Government will use the trust to channel hundreds of millions of rands more into black housing.

PFM Finance spokesman Harry Schwarz says: "The SA Housing Trust has my full support. I would like to see it prove itself as soon as possible. If sound business methods are applied, I would like to see much more money channelled through it."

In addition to his close ties with key black businessmen, Stellenbosch-educated and Afrikaans-speaking Mr Taylor has the support of the Cabinet.

Businessmen and agencies involved in black housing projects claim that Mr Taylor is ideally placed to slash through the red tape involved in the approval and acquisition of land.

Bureaucratic delays involved in the identification and approval of land for black housing are said to be the biggest stumbling blocks in the way of speedier implementation of projects by the private sector. Until land is approved, not a cent can be spent on construction.

Because the land issue is a political hot potato, delays are common.

Mr Schwarz says all bottlenecks, especially the land issue, must be removed as soon as possible.

"The original R750-million was supposed to form part of a stimulatory package for the economy. If this expenditure were to be expedited it would help to alleviate the housing shortage and could prove a stabilising factor in the black community. Such spending would help a number of in-

dustries, boost employment and overall recovery in the economy."

Mr Taylor insists that his organisation will not become politically involved.

"Our only objective is to provide as much housing as possible at the lowest possible cost in order to improve the quality of life of black, Asian and coloured urban dwellers. This involves training of labour — using funds already earmarked for this purpose by the Government — and the creation of job opportunities."

Mr Taylor discloses that R40-million has been approved and that the balance is invested with the Corporation for Public Deposits.

Priorities

To determine needs and priorities, contacts have been made with the National Housing Commission in Pretoria, building societies, companies involved in black housing development, and non-profit organisations such as Port Elizabeth-based Peace and Prosperity, the Urban Foundation's Family Housing Association, and others classified as Section 21 companies.

The SA Housing Trust intends establishing contacts with as many development agencies as possible which have facilities for supervising actual building. Black businessmen have approached Mr Taylor with lists of people wishing to apply for housing. The trust is compiling a computerised databank

□ To Page 3

House prices slightly improved in last quarter of 1986: *Review*

24/2/87
B/Daw
123

THERE was a slight increase in house prices during the last quarter of 1986, compared with the previous quarter, says the latest issue of the United Building Society's *Quarterly Housing Review*.

The average price of a medium-sized house was roughly R71 000 in the fourth quarter of last year, says the *Review*.

This is 2% down on the figure for the fourth quarter of 1985, but 3% up on the third quarter of 1986. For 1986 as a whole, the price of a medium-sized house averaged some R71 000, implying a drop of 2% on the average 1985 figure.

But, after adjustment for inflation, the drop was more than 17%.

The only region which experienced a decline in prices of medium-sized houses, quarter-on-quarter, was Natal (-2%), although the average price for all houses in this region did show a positive trend.

Prices on the West Rand, in the Western Cape, and in Durban-Pinetown, increased by over 5% in the quarter.

Following the decline in interest rates across-the-board during December last, the UBS reduced its mortgage rate, with effect from April 1, 1987, to 13,5% on new loans, and to 14% on existing loans.

The mortgage rate on existing bonds has already been reduced to 15% from January 1. These reductions have been accompanied by commensurate reductions in monthly repayments.

But the best in the favourable trend in lending rate has undoubtedly been seen.

The *Review* says it is doubtful whether there will be a further reduction in rates — they could, rather, begin to harden again towards the second half of 1987.

"The mortgage rate could also be affected to a degree by such a development."

Although the long-awaited recovery in the economy is now mildly in evidence, and this trend is likely to lead to a moderate increase in the demand for mortgage finance, no shortage of funds is likely to develop in the foreseeable future, according to the report.

The UBS notes that with inflation remaining at record levels and economic activity beginning to show signs of picking up, "house prices should be near their lower turning point".

But the United does not foresee a sharp increase in house prices during 1987, in view of the relatively weak financial position of the average South African, as well as the effect of net emigration on the property market.

A somewhat more optimistic view both on house prices and on interest rates is taken by Natal Building Society.

According to NBS assistant GM, loans, Trevor Olivier, the society expects interest rates to remain at fairly low levels for the time being — and at least for the rest of 1987.

The NBS is charging 13,5% for new loans, which rate "is matched for the moment only by the UBS", says Olivier.

With effect from April 1, the rate on existing bonds will also reduce to 13,5% (which will be the lowest rate in the movement).

As for house prices, Olivier says it is quite clear that prices of existing homes have not kept pace with inflation.

An excellent buying opportunity exists, because once confidence returns to the property market prices "will escalate rapidly".

UBS policy to assist those home-owners in trouble

IT is the United Building Society's policy to assist a borrower in difficulty, to avoid repossession of a property, says GM Piet Kruger.

Kruger's advice to borrowers with financial problems is to discuss these with their nearest UBS manager at the "first best opportunity".

But any businessman has limits beyond which he cannot help. In this case, if the society's security is threatened, it is obliged to take action.

The SA Permanent's manager, mortgage management, Dirk Ackerman, says the major reason for the current level of properties in possession is the general economic downturn.

But an analysis of the Perm's holdings shows that the number of repossessions is not alarming relative to the scale of operations, although there has been a definite increase in repossessions.

The Perm will do everything possible to afford the house-owner every opportunity to retain possession, Ackerman says.

Concessions will be judged on market value of the property, bearing in mind the society's position as trustee of other people's money.

Allied Building Society's senior GM, Geoff Barker, says his society also repossesses bonded properties "only as a last resort".

If the bond is low relative to valuation, the Allied would be prepared, for example, to suspend payments for three months, says Barker.

Clearly, the scale of the bond relative to property value is the most sensitive factor as judged by major societies.

The moral for the borrower is only to go for high bonds if there is a generous margin of income to back up repayments and a reasonable assurance of continuity in that income.

In other words, to go above the 215% income limit and to have a bond of 80% or more is to compound risks.

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Flat rentals poised for 50% jump

CAR TRIPS 28/2/87

123

FLAT rentals, suppressed by poor economic conditions, are set to rise 50% to 60% in the next two years, making sectional title an excellent investment for individuals, says Denis Ritchie, director of a city real estate company.

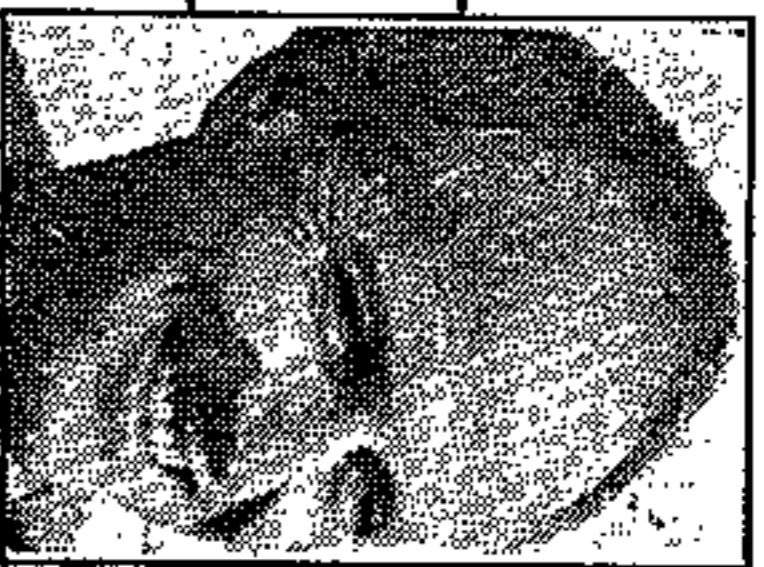
"We have been through a period of deep recession in which units bought at the peak have seen a dip in price, but now, with rentals set to soar in the next 24 months, there will be an excellent return for investors in individual flats," maintains Ritchie, a director of Permanent Trust Association.

The brokerage has been heavily involved in the flat market since the advent of sectional title.

The rental jump, says Ritchie, will be related to a suppressed upward tendency over the past five years due to poor economic conditions.

This had subsequently resulted in a "dumbing up" syndrome, where families who would normally have split into several living

Sectional title is becoming a better investment. Neill Hurford reports.



units, continued to have adult children occupying the family home.

The improved economic outlook indicated that there would be increased pressure on rental accommodation as youngsters sought their own homes.

"You will not see major increases in maintenance costs, as historically, levies do not rise faster than the inflation rate. Costs will thus rise by only around 15% to 16%, while demand-boosted rentals will rise 50% to 60% percent," he predicted.

Already, net returns of 9% are being obtained on recently purchased sectional title units, he added, and they are set to rise.

His optimism has been endorsed by a noticeable recent return of investors to the sectional title market. Stabilized mortgage interest rates were a major factor in the movement.

A demonstration of the "pressure cooker" effect of slow rental growth was the fact that six years on, rentals for two-roomed flats in the city bowl area still stood at around R220

FLAT FOR SALE

Not any more... not with sectional title selling taking over.

to R230 against 1981 rents of about R190. This was a situation which would swiftly normalize in the good times.

Selling prices of existing units are now around half of their replacement value at today's building costs, says Ritchie. This combined with a relative dearth of building activity in the sector should mean capital appreciation on existing flats will rocket in the next few years.

SA is short of 600 000 houses

24/2/87
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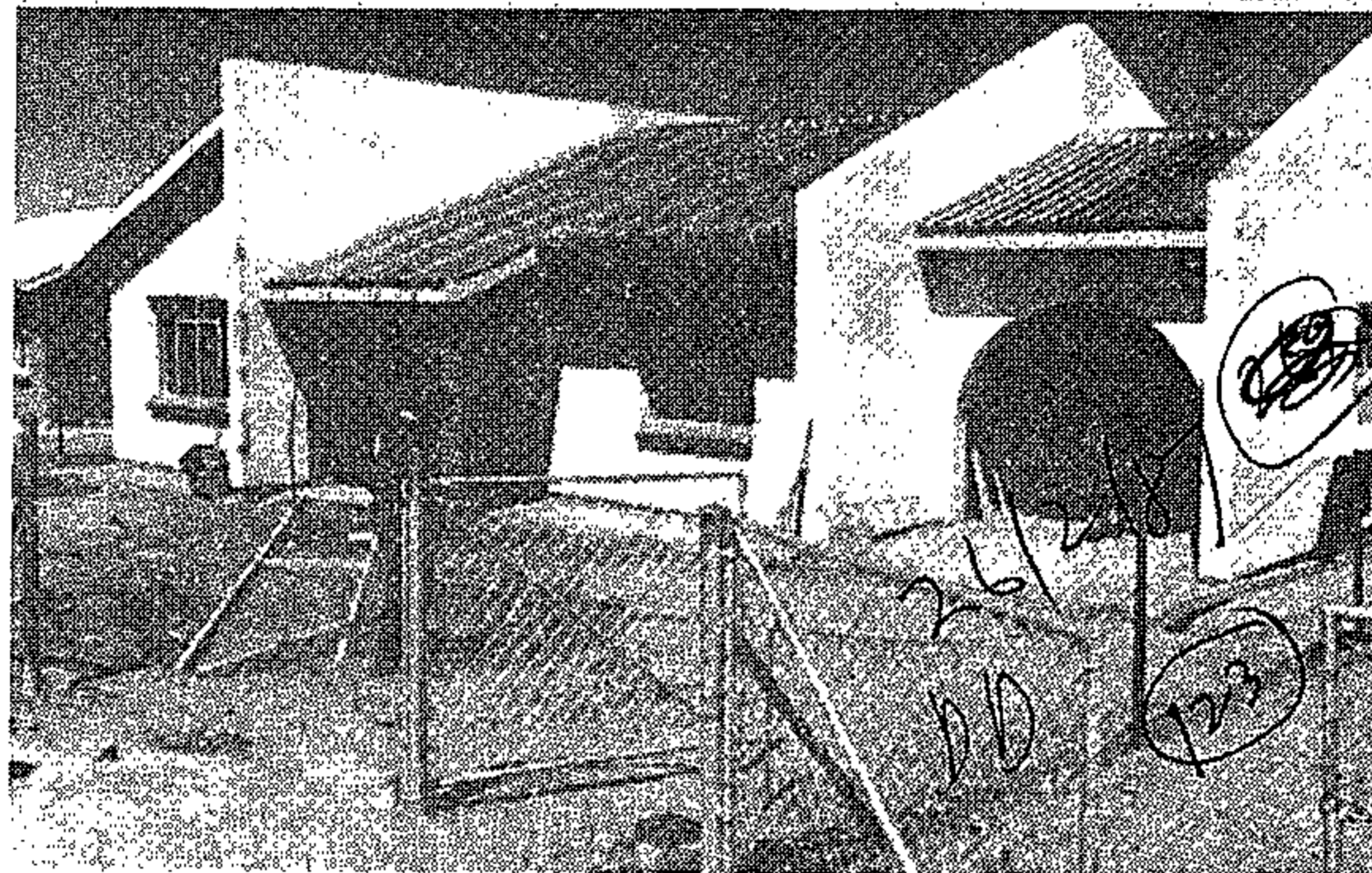
SA WAS confronted with a massive shortage of 600 000 houses, more than 500 000 for blacks, Population Development Deputy Minister L T Landers said in Durban yesterday.

Landers told a housing symposium although there was a surplus of more than 37 000 houses for whites, it was not uncommon for 30 to 40 people to live in one house in the townships. Backyard squatting was common in many urban areas. The high rate of population growth

(123) GERALD REILLY

was the most crucial problem facing the country. It was increasing at 2,3% a year.

Landers said if it continued at that rate a population of 80-million would be reached by 2020. There were 10-million children under 15 who would enter the labour market within the next few years. To accommodate them, the economy would have to grow at 5% a year.



One of the houses that Sats built for its employees at Sterkstroom.

Sats to expand Border housing for workforce

Dispatch Reporter
EAST LONDON — The South African Transport Services (Sats) is planning to expand its house ownership scheme for its black workforce to include other areas in the Border, among them East London.

This was announced by the regional manager of Sats here, Mr Louis Du Toit, in a press release yesterday.

The other areas included in future development project are Steynsburg, Adelaide, and Cathcart.

Mr Du Toit added that Sats had not yet acquired ground for its intended housing but plans for the project were at an advanced stage.

Its house ownership scheme for blacks, inaugurated three years ago, was flourishing, Mr Du Toit said.

Because of increased demand for accommodation Sats had adopted a more vibrant approach than was the case with previous schemes.

The acquisition of land has enabled Sats to embark on numerous projects for the erection of houses to accommodate its employees.

Mr Du Toit added that to date almost one thousand employees had been assisted with either a home of their own or a loan to improve their existing accommodation.

He said the latest objective was to erect 250 new dwellings on newly acquired ground at Mlungisi township, Queenstown.

The houses would vary from two-bedroomed ones to three-bedroomed ones with a garage.

"These high standard facebrick houses, as those erected in previous projects, will be fully carpeted and will have waterborne sewerage, built-in-cupboards, stoves, electrical connections, and hot and cold water supply," Mr Du Toit said.

He said the Mlungisi project was expected to take off shortly, adding that it was the in-

tention of Sats to have both its own civil engineering department and the private sector involved in the project.

The anticipated total cost was R5 500 000 and the expected completion period was three years.

Mr Du Toit said similar project schemes had already been completed at Burgersdorp, Elliot, Aliwal North and Sterkstroom being a total of 153 houses at a cost of approximately R3 100 000.

Mr Du Toit said he was proud of the project since it showed Sats' concern for its employees. The project also led to a stable workforce, he said.

"Developments of this nature reflect the initiative being taken by South African Transport Services for the provision of a high standard of housing for the local populace and the integration of both private and Transport Services' manpower resources in the fulfilment thereof," Mr Du Toit concluded.

600 000 houses needed, says Landers

Mercury Reporter
SOUTH Africa is faced with a shortage of 600 000 housing units, of which 500 000 are needed for blacks.

This was revealed by the Deputy Minister for Population Development in the House of Representatives, Mr Llewellyn Landers, at a symposium organised by the South African Housing

Institute in Durban yesterday.

Mr Landers said at the present population growth of 2,3% a year, South Africa's current population of 28 million would increase to about 80 million in 33 years.

This projection was the optimal population determined by the availability of

natural resources and it was vitally important that the country be able to support the growth with job opportunities, education, basic health services and housing.

In order not to go beyond the 80 million mark by the year 2010, the total fertility rate would have to decrease to an average of two children per woman.

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As Press gags improve perceptions ...

Housing sector showing signs of picking up

26/2/87
B Day
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CONFIDENCE in the housing market firmed last month as seen in a higher level of sales and marginally higher prices.

Building societies and estate agents feel the market has improved recently.

SA Perm manager, mortgage management, Dirk Ackerman says mortgage-bond volumes have increased steadily in the past three months — particularly in the black home market, which has been stimulated by more-flexible standards and the recent amendment to legislation allowing blacks to own houses.

United Building Society GM Piet Kruger says the UBS has seen a steep increase in borrowing this month, in line with increased activity in the market.

The size of bonds has not increased markedly, he adds.

Aida Real Estate says its sales of houses rose 56,2% last month to 339 units compared with January 1986. The value of sales rose 64,4% to R30,8m and the average price of houses sold rose 5,25% to R90 964 in

HELENA PATTEN

the same period.

The average price of houses sold by Aida last month was 2,83% higher than in December. The rand value of housing sales in January was 13,2% higher in December compared with January. The number of units sold was 24% higher.

De Huizemark MD Pieter Hamman says there has been a definite livening of the market.

The company's January sales were at an all-time high of R25m.

But buyers are still driving a hard bargain, and prices have not started rising yet, he says.

People are more confident than a year ago because the state of emergency and the muzzling of the Press has succeeded in changing people's perceptions of SA's political stability, Hamman claims. Lower interest rates have also stimulated demand.

Eskel Jawitz of Eskel Jawitz Real Estate says public perception is more positive and the market is improving because of lower bond rates and Press censorship.

5 families evicted in Zola

PANIC gripped Zola township in Soweto yesterday when at least five families were evicted from their homes for being in arrears with rent.

The affected families — all staying in the same street — had their houses locked up after furniture was taken out by Soweto City Council police. Some claimed that household items were damaged in the process.

The Soweto City Council director of housing, Miss E Bester, yesterday referred our enquiries to Mr Nido Malan, the Town Clerk. Mr Malan and Mr Julius Mdlalosi, chairman of the housing committee, said they were not aware of evictions in Zola. However, Mr Malan promised to investigate.

Within minutes after word spread that people were being thrown out of their houses, pupils from neighbouring schools and neighbours converged on the scene.

A Soweto Civic Association official on the spot said they had received information that about 20 families were to be evicted in the area yesterday. He said the presence of a large number of residents at the scene could have been responsible for the municipal police pulling out.

Some few hours after the evictions, Mrs Winnie Mandela, wife of the jailed African National Congress leader, Nelson Mandela, and Mr Aubrey Mokoena, publicity secretary of the Release Mandela Campaign, visited the area.

They arrived while some youngsters were helping the families to take in their furniture to the houses. Mrs Mandela gave a hand in putting back furniture in one of the houses.

She heard that council police numbering more than 50 arrived in the area at 9am. Some white council police went into several houses to ask people why they were not paying rent when other residents were doing so. Items were then taken out of their homes and in some cases houses were locked up and keys taken away.

Speaking to the *Sowetan*, Mrs Mandela said they were not going to be spectators and watch people being evicted from their homes. The latest steps were a deliberate move to provoke people who cannot afford the exorbitant rent.

Black projects get R2m boost from NCR gift

81 Day 27/2/87

(2.3.)

SOPHIE TEMA

A WIDE range of projects, from self-help housing to assistance for black entrepreneurs, will benefit from the R2m donation this week by NCR Corporation to the Urban Foundation.

R1-million — the largest portion of the donation — will be placed in trust for use during the next two years by the Private Sector Council on urbanisation and the removal of key obstacles to a non-discriminatory society.

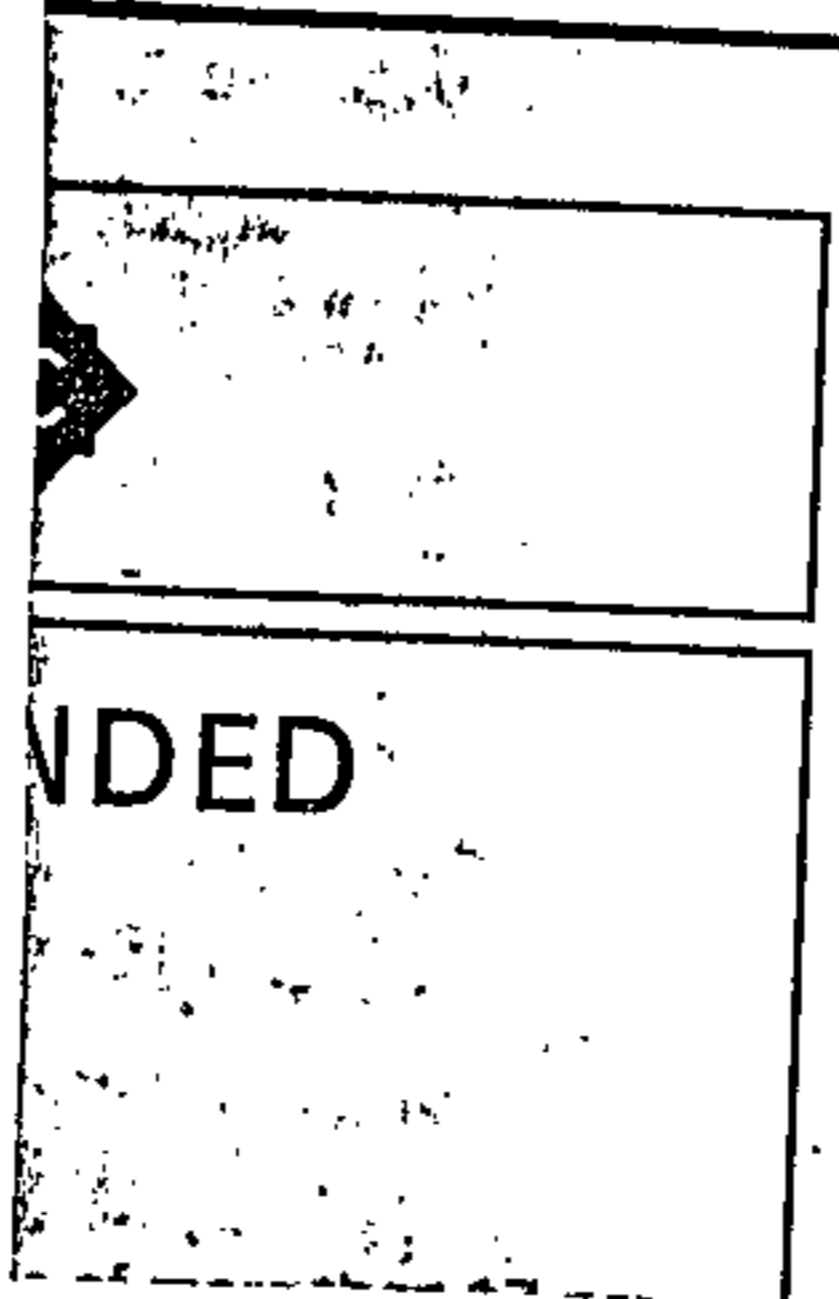
Other Urban Foundation initiatives to benefit are:

- Self-help housing, which services residential sites, provides a range of housing services to enable families to manage building of their own houses and provides access to finance;
- Funda Centre, an adult education resource centre in Soweto whose main purpose is to develop leadership for social reconstruction;
- The Urban Black Entrepreneurial Development Programme, which aims to promote the development of black business in both the informal and formal sectors as well as develop skills and create jobs;
- Local government (to promote public support through a communications programme and to negotiate with government for the implementation of an alternative system of local government. R50 000 will be used for the initiative's research programme and to finalise the plan for submission to the State.);
- R100 000 will be directed to the Association of Black Accountants of SA (Abasa) to establish a centre for accounting studies to deal with the training and supply of black accountants;
- R65 000 will go to its Parent and Community Self-Help and Effectiveness Programme, which educates parent co-ordinators associated with the organisa-

tions 10 branches.
Last year NCR gave R1m to the Urban Foundation for black education programmes.

The R2m cheque was handed by NCR's MD Jim Houston to Jan Steyn, executive chairman of the foundation.

After the handing over of the cheque Steyn said: "The Urban Foundation is greatly indebted to NCR for its generous donation of R2m, which will involve and benefit various black projects in SA."



R20-million housings for 100 SA blacks!

THE US Congress has earmarked a massive R20-million to house a mere 100 black South African employees in this country.

But the money can't be spent without the US Government openly breaking South African law.

At around R200 000 each, the money would buy a luxurious northern suburbs-style mansion for every black employee at the US embassy, consulates and information offices in Cape Town, Pretoria, Johannesburg and Durban.

The astonishing Catch-22 situation arises from anti-apartheid legislation on the provision of housing.

BY PATRICIA CHEVNEY and GUS STIEGLER

US law says adequate housing is to be acquired for black South African US Government employees only in neighbourhoods open to all.

But the US embassy cannot openly break South African law by sending their non-US employees who do not have diplomatic immunity into white or even "grey" group areas.

Struggle

The State Department in Washington, ordered to provide the housing, is struggling through a mire of laws in its efforts

to put the little-known Section 208 of the Anti-Apartheid Act into effect.

This section appears under the heading "Welfare and protection of victims of apartheid by the United States."

"Victims of apartheid" is taken to mean black South Africans in general. The section reads:

"The Secretary of State shall acquire, through lease or purchase, residential properties in the Republic of South Africa that shall be made available, at rents that are equitable, to assist victims of apartheid who are employees of the United States Gov-

ernment in obtaining adequate housing.

"Such properties shall be acquired only in neighbourhoods which would be open to occupancy by other employees of the United States Government in South Africa."

"There are authorised to be appropriated \$10 000 000 for the fiscal year 1987 to carry out the purposes of this section."

Confrontation

But compliance with the letter of this American law would place the US embassy in direct diplomatic confrontation with South Africa by contravention of the Group Areas Act.

The brushing aside of this section of the Comprehensive Anti-apartheid Act of 1986 that requires employee housing to be acquired only in areas open to all races could result in the charge that State officials are ignoring the wishes of their own Congress.

Local US officials will not be drawn into a situation they regard as "very sensitive".

Sources indicate that Washington's Appropriation Bill — the authorisation for the housing funds actually to be released — which will make the ground-plan plainer, will be prepared after South Africa's May 6 elections, when legal avenues to move into "grey" areas could be open.

Loans

"We will probably see some overt action by Congress to make an appropriation later this fiscal year," said a local US official.

"We want to study how we're going to do this first," said a Washington State Department official.

In any event, long before the Anti-Apartheid Act was passed, the US embassy implemented a housing programme, approved by the State Department in November 1985.

Though this programme breaks no racial barriers to residential areas, it offers all locally hired South African employees of all races 100 percent US loans.

Ray of hope for building industry

Black housing mini-boom on the cards

2/3/87
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B/Day

MICK COLLINS

THE start of a black housing mini-boom, partly fuelled by government's R750m commitment last year, has provided a ray of hope for the building and construction industries. Investment in black township housing is expected to jump 16,2% this year after a 13,2% increase last year.

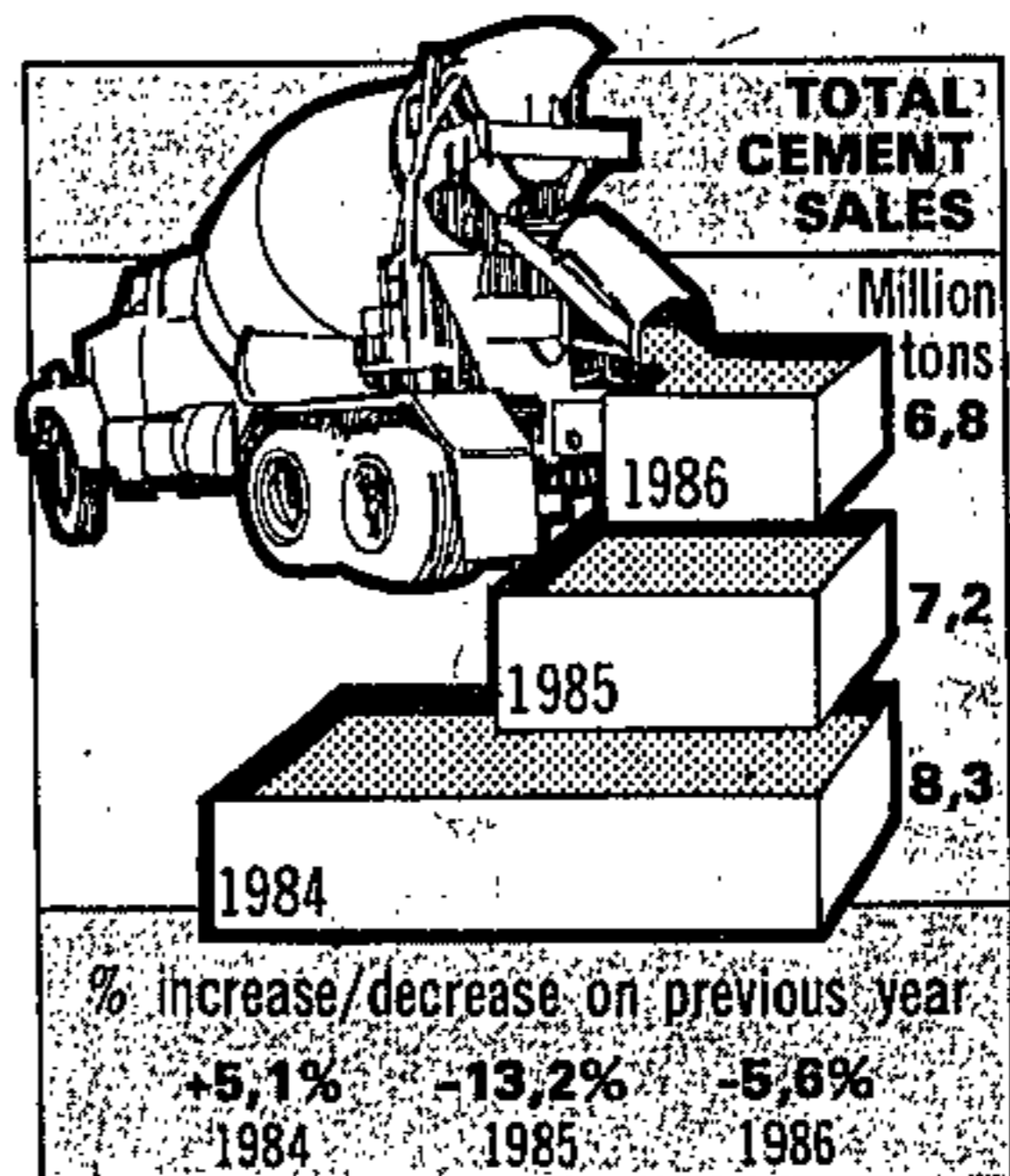
This could reverse the down-trend in cement sales during the past three years (see graph).

And more money is likely if blacks demand that cash in which they have a vested interest — insurance and banking — is used for their benefit.

The Bureau for Economic Research (BER) said if government made it easier for those institutions to invest directly in black areas, it could produce major growth in the building industry.

That growth in black areas is buoyant is borne out by Cement Distributors (CD) which says demand from black states helped bolster overall 1986 cement sales. CD distributes more than 90% of all national rail cement sales.

CD's national sales manager Tony Johnson said: "The trend is continuing. Reports from the Free State, Eastern Cape and Border areas all confirm a buoyant black building scene. Transkei



sales were the highest ever in 1986. And our feeling is that the trend will continue."

He said despite the recession, sales in Ciskei and other homelands continued to increase and it was obvious there was tremendous potential for cement sales in all black areas.

Transvaal Chamber of Industries (TCI) latest figures showed cement production increased by 2,7% in December — a turnaround from the decline of the

● To Page 2



Black housing mini-boom

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previous four months.

The TCI said production for 1986 dropped by 4,6% compared with 1985, but the improving trend of the past few months was encouraging.

Johnson, quoting figures for a three-year period, said in 1984 sales of 8,3-million tons, or a plus factor of 5,1% compared with the previous year, were recorded.

He said: "In 1985 sales took a dip to 7,2-million tons, or minus 13,2%. Sales dropped again last year to 6,8-million tons (minus 5,6%) (see graph)."

"But, for the first time in many

months, there is definitely a more positive outlook and more optimism in the market place. The feeling is that most indicators are now favourable for the recession to bottom out with low interest rates, availability of money and a sound gold price."

Positive feedback from the SA Federation of Civil Engineering Contractors (Safcec) includes a bumper January with contract awards of R153m, compared with R78m in January 1986.

● From Page 1



CMPG Times 3/3/77

Housing: Greater role for pensions?

By JANE ARBOUS

PENSION funds could play a far greater role in the long-term financing of residential housing and infrastructure, A J van Ryneveld, a member of the Urban Foundation's Board of Governors, told the conference yesterday.

Speaking on the role of pension fund finance in the provision of housing, Van Ryneveld said getting the best return on investment was an important but not exclusive goal. And by helping to improve prospects for better social conditions, the interests of pension fund members would also be promoted.

The pension fund movement had very large assets and a strong, positive cash flow. On reasonably acceptable investment terms, Van Ryneveld believed that between one and two billion rand per annum could be forthcoming: this would represent 10% to 20% of new monies available for investment.

Although pension funds could play a helpful but limited role in the financing of mortgage bonds for their own members, they could play a much larger role in housing mortgages generally through lending institutions

Higher interest rates would be required and among others, building societies could consider offering wider types of deposit including some with fluctuating interest rates and preferably with marketability.

Van Ryneveld said pension funds' role in low-income housing could only be an indirect one of providing money on acceptable market-related terms to government or other appropriate institutions such as the recently-created SA Housing Trust.

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Country homes offered

rent free

Post Reporter

RENT-FREE accommodation is being offered to people who are prepared to live in unoccupied farmhouses in the Barkly East district.

"People are welcome," said a spokesman for Town Clerk Mr Bruce Ramsay, "so long as they are decent folk."

"They can keep cats and dogs if they like, chickens, horses, whatever. Rent is free in some instances. In other instances it is negotiable."

"There's one lovely farmhouse only 34km from town and many others all over the district."

So far three farmers have made enquiries. "If we get five or more farmers coming forward," the spokesman said, "Mr Ramsay will regard the scheme as worth pursuing."

Mr Ramsay was away on business today and could not be reached for further details.

Yesterday, Mr Ramsay invited farmers with unoccupied homes on their properties to get in touch with him so that he could try to let these premises as retirement homes.

"If we do let them," Mr Ramsay said, "it will provide a boost to business in town as well as help the farmers."

"I plan to get in touch with public bodies such as the police and the prisons department to offer homes to retired members."

He said there were 134 vacant houses in the district. Not all of them were immediately habitable.

"This is because depopulation is a problem common to all rural areas. Either farmers' sons move to the cities because they don't want to farm, or big farmers have bought out smaller ones and don't need the extra homes."

"We are asking farmers with empty houses to get in touch with us. We will then publicise these and put applicants in touch with the farmers."

Some farmers would be willing to let retired people occupy the houses free of charge as long as they kept the premises in good repair.

The area had much to offer, Mr Ramsay said. The scenery was beautiful and there was a country club, golf, angling, riding and bowls.

Parliamentary questions

(123) SMR 9/3/87

A total of 8 021 houses had been built for blacks in the nine main urban areas in South Africa, the Minister of Constitutional Development and Planning, Mr Chris Heunis, said in a written reply to Mrs Helen Suzman (PFP Houghton).

11/3/86 (23) B/Day
Edited by Mick Collins

Employers play role in housing

EMPLOYERS are playing a bigger role in the sale of state-owned houses in urban areas as changes in legislation to SA property laws take effect.

Units sold under government's "big sale" rose to 49 406 at the end of January. Compared with the 39 430 units sold up to the end of January 1986, this gives a net figure of 9 976 sold in the 12-month period — an average of 800 houses/month.

"Employers played an important role in a large proportion of the sales," says Transvaal Provincial Administration sales co-ordinator Alex Weiss.

He says the financial and logistical support of employers is a vital factor in the selling process.

"Many potential buyers have little real understanding of the advantages of home ownership as opposed to renting.

"New legislation affecting urban black communities — promulgated in September last year — drastically improves the opportunities for home ownership within these communities, both for existing housing and for new developments."

MD of Lesogo Estates, Levy Tshauke, says when problems with finance are encountered during a sale, the employer is approached for help.

"In most cases this is forthcoming. But what the market really needs is a body catering for the development of black estate agents.

"Our needs are different from the larger white estate agencies in that we are largely concerned with the primary housing market. We desperately need new black estate agents."

On the development front April 8 has been declared D-Day for the R300m Blue Downs project on the Cape Flats. Final tender submissions will be considered by the Department of Local Government, Housing and Development Committee and a final choice is expected to be made.

Project director Carel Marais says no difficulties are expected and building should be underway by July or August and by Christmas the handover rate should be around 200 houses a month.

House of Representatives' Minister of Local Government and Housing David Curry has also announced that the sewerage works to serve the Blue Downs project will be fully privatised.

He says the department has accepted a R9,5m tender from Aquafund, a wholly-owned subsidiary of E L Bateman.

In the past month Goldstein Housing has secured black housing contracts totalling R14m. A spokesman for the company says the projects are mainly in the Cape and Ciskei and are for a total of 750 units.

"The majority will be constructed in concrete blocks, with bagged and painted exteriors. The clients are municipalities, provincial administrations and development services boards."

The company has already moved on to all the sites and completion dates range from April to July.

The Atteridgeville City Council has allocated 260 stands to a joint venture between LTA Comiat Homes and African Development and Construction Holdings (ADCH) for housing which will help to alleviate the critical shortage in the area.

There are 3 500 names on the waiting list for houses in Atteridgeville, West of Pretoria. The joint LTA Comiat and (ADCH) venture, called Tshepang Homes, will start work on the R12m development next month.

Tshepang Homes is currently doing market research in Atteridgeville to establish popular demand.

It is expected that selling prices will range from R25 000 to R50 000, including the cost of the land.

Buyers will be assisted in obtaining building society approval for loans with 10% deposits.

(123) B Day 11/2/81

Home boost for blacks

HOME ownership for blacks has received a massive boost with the completion of a survey of 450 000 erven in urban areas throughout the country.

The survey project, undertaken by 350 members of the SA Institute of Land Surveyors, has taken two years and allows for freehold title and the 99-year leasehold system to be run in tandem.

A spokesman for the Federation of Institutes of Professional Land Surveyors of SA says it is erroneous to blame land surveying as having been a bottleneck in the introduction of home ownership schemes.

"We have shown we can handle the practical aspects quickly and efficiently."

He says although the final costs of the project have not yet been analysed, the survey was undertaken at reduced fees — with government providing R28m as bridging funds.

"The 100 000 erven in Soweto are not included in our figures. This survey was carried out independently

MICK COLLINS

and as far as I'm aware is still going on. A survey is not complete until a general plan is approved."

Government opted for the controversial aerial survey of Soweto in 1978 in the belief that it would be quicker and cheaper.

"This was done notwithstanding that the method was untried and achieved lower standards of accuracy. The aerial survey took as long as the conventional method used elsewhere, even though it had a 16-month headstart," the spokesman says.

Security of title is considered the cornerstone of property ownership, especially in the small erven of black townships.

"The development of site-and-service facilities is a formality. Government should now press ahead with its new urbanisation programme and relaxation of influx control."

● See Page 13

This could be
the time to buy

Market 17/3/87
B/DAY
responds
to a new
confidence

IN nominal terms at least, the downward trend in the price of residential property has recently been arrested — and a slight, but perceptible upward trend has shown itself.

Of course, if viewed in real terms, the position is much bleaker — the United Building Society's *Quarterly Housing Review* calculates medium-sized houses dropped in value by some 17% in real terms during 1986.

The degree to which the residential property market has lagged behind the general inflationary process as measured by the CPI is illustrated by the discount of current house prices on replacement cost. The trend of opinion is that prices are easily 25% to 40% below replacement.

This conveys the message that residential property — in common with other classes of real estate — has recently been a pitifully poor refuge for money against the ravages of inflation.

But the interaction of the property cycle with other aspects of the economy is a complex one, and it is important to realise there have been other extended periods in the past — like the first half of the 1970s for example — when nominal house prices stagnated or even declined while the general level of prices went soaring ahead.

Common sense would tell us the longer this type of anomalous behaviour in the property market — during a period of double-digit inflation — continues, the more certain it becomes it will be terminated by a short, sharp catch-up phase.

Even allowing for the political confidence factor and some emigration, the ingredients for a catch-up are now evidently present in the SA economy.

These factors include a drying-up of new house and sectional title development; a fall in the cost of mortgage money (now 12,5% at the margin); and a revival in the economy as a whole. And with mortgage money in the 12,5%-13,5% range, we are once again in a situation in which residential property purchase can be financed at strongly negative real rates.

This mix of circumstances has historically been the basis for a property boom.

The added objection may be raised that more expensive house prices cannot be afforded by middle income South Africans at present salary levels: within the narrow context of salary levels as they now stand the objection must be sustained for the most part.

There are strong grounds for suspecting the worst depression since the 1930s to hit the SA economy — with concomitant high levels of white unemployment — coupled with the effects of fiscal drag during a highly inflationary period, has dragged down the levels of real after-tax remuneration to levels which are unsustainable during periods of greater prosperity.

Thus if the recovery in the economy gathers momentum, then salaries and wages have a lot of catching up to do. And if salaries do some catching up with the bloated CPI, then concepts of affordability of house prices — within the building societies' 25% constraint — will require upward adjustment.

In the last resort, if we reject the argument that SA is approaching the political Apocalypse, then the demand for housing must continue to grow.

Reading the economic with the political arguments, the present could be a rare opportunity to buy.

PERCEPTIONS about the residential market have changed for the better, but prices have yet to move decisively off bottom.

According to Eskel Jawitz Real Estate MD Eskel Jawitz, public responses are far more positive than they were.

Although prices have firmed in places, compared with levels prevailing only four months ago, Jawitz questions whether there has been a generalised improvement as yet.

Various indications of improved sentiment can be noted, like far better attendance at show days. On the other hand, there is still a fair amount of stock on the market.

There are two main reasons, says Jawitz. Firstly, the censorship of news has led to less public disquiet and secondly, the price of money has declined — although it is anyone's guess what interest rates will do next.

But as institutions are still not shifting their money, even at present rates — it seems the issue of affordability is overriding the current relative cheapness of mortgage funds.

Buyers need to be sure they can service borrowings, even at interest rates higher than now.

Obviously, the next watershed in the market is the May 6 election — with its effects on political confidence.

As for specific segments of the market, Jawitz notes little sectional title stock has been created recently, so the slack is gradually being taken up.

Emigration appears to have diminished as a factor affecting the residential market. Jawitz understands inquiries at various embassies have fallen off. But they could flare up again.

Jawitz estimates current prices for second-hand housing stock are between 20% and 40% below replacement cost. But: "We like to talk about market value, not about cost," he says.

What type of house can be expected to do best if the anticipated firming of prices becomes general and prolonged? Jawitz says the trend is undoubtedly towards compact and easily-managed homes.

Subsidy shapes the new house market

123
B/day
17/3/87

THE market for new houses has been substantially shaped for the past few years by the interest rate subsidy for first-time buyers (currently one-third of the interest normally payable for houses under R40 000).

But the affluent type of buyer who is prepared to build because he is dissatisfied with what he finds available in second-hand stock has re-entered the market.

Sage Schachat MD Alan Schlesinger acknowledges one important indicator — the gap between replacement costs and house prices, has closed significantly in recent months, as the second-hand house market has moved up.

New house prices have, in contrast, been remarkably stable for some time, despite the continued increase in builders' costs.

For one thing, the prolonged recession has brought out the best in the building industry. Builders

have been able to contain the impact of their own rising input costs on sale prices.

Then there has been the influence of the subsidy on interest rates for first-time buyers.

The subsidy, originally one-quarter of interest rates, is currently one-third. At current rates, it is worth about R170/month. And it is still just possible to build a first-time house within the R40 000 limit.

Schlesinger notes an important change in the housing market, as a direct result of the subsidy. In past recessions, rhetoric urging white South Africans to adjust to lower first-time standards had little or no effect.

But the amount of housing stock now on the market built according to standards to qualify for the subsidy is sufficient to have begun to remould social attitudes. The acceptability of more modest standards "is becoming reality".

What does lower standards

mean? The typical house for R40 000 would be a two or three-bedroomed house, with one bathroom and no garage or servants' rooms, but with a layout suitable for the addition of these amenities later.

The typical subsidised house is being built on stands of 1 000m², although Schlesinger would prefer a size of 500m² to 600m².

Schlesinger notes there are no more than moderate differences between the type of house being built for different ethnic communities.

If future political circumstances permit there should be a considerable pent-up demand for housing for blacks to take up the likely slack in demand for housing by whites. That slack will come about because of the falling off in urbanisation and population growth among whites. In a word, the white housing market is now "mature".

A recession hedge — residential land price

THE prices of residential land have withstood the recent recession far better than in previous comparable phases of the property cycle.

According to of Sage Land Holdings MD Barry Nichol, this time around land was bought either for cash or by individuals who could shoulder their burden of instalments.

This situation contrasts with the boom-and-bust psychology of the late 1960s and early 1970s.

When the boom broke then, the first commitment abandoned by the over-extended speculator was his residential plot.

And there were some individuals who had bought not just one but "six, eight or even 10 plots".

In recent years, there has also been some winnowing out of residential land developers, a process which in itself has

also brought increased stability to the market: the stock of "wholesale" land in the pipeline has diminished.

Today, there are perhaps only five major developers — apart from Sage Land Holdings itself, Anglo-American, JCI, Gencor and Mondorp.

The increased cost of turning raw land into residential plots has largely driven from the marketplace the individual township entrepreneur of former years.

The increased cost of servicing township development afflicts the whole range of activities involved in creating retail land.

A further implication of this state of affairs is that there is significant upward potential in land values, as the supply of processed land cannot be increased in the near future to keep pace with any increased demand.

Signs of revival in homes demand

SIGNS of a revival in the domestic home market appeared to be confirmed in February.

The United Building Society (UBS) reported loans granted of R240m, 40% higher than the R169m loaned by the UBS last February, and a record for the period.

UBS GM Piet Kruger said demand for bond finance had been particularly buoyant over the past few months. "Lending has been picking up in all areas of the country, but particularly in the Western Cape."

Basil Elk reports residential sales for January and February broke all previous records. A company spokesman said sales amounting to R44m were achieved over the past 50 days.

"Activity in the market increased, but prices remained stable. Indications are sellers should not expect prices to rise drastically, but rather attribute renewed activity as the result of lower interest rates, availability of funds, combined with housing scheme purchases by government employees."

Chairman of the National Association of Home Builders (NAHB), Bernie Barnard, said a survey recently completed among members indicated an increase in building costs of between 16%-18% was expected during the year.

"Our members expect an upturn in home building activity based on the number of plans being passed, and trends from previous years. Positive inquiries are being received from the building public and we are receiving encouraging feedback from supplier industries."

The NAHB warns those prolonging the decision to build now, and points out surplus housing stock with estate agents is decreasing.

"It is always best to build at the start of an economic upturn. Funds currently available at reasonable rates may not be available in the not-too-distant future and negotiated and tender prices are still competitive."

Cheap housing on show ^{5/Day}

(123) (10)
HOUSES costing as little as R3 600 will be offered to KwaNdebele residents at the Ekangla Show, beginning March 21. KwaNdebele Utility Company (KUC) chairman F Kotzenberg says families' lifestyles are important in view of the commitment to a higher quality of life.

KUC does not see its role merely as that of supplying houses. It is a developmental agency as well. All show houses are up-gradeable and expanding families will be able to extend living quarters.

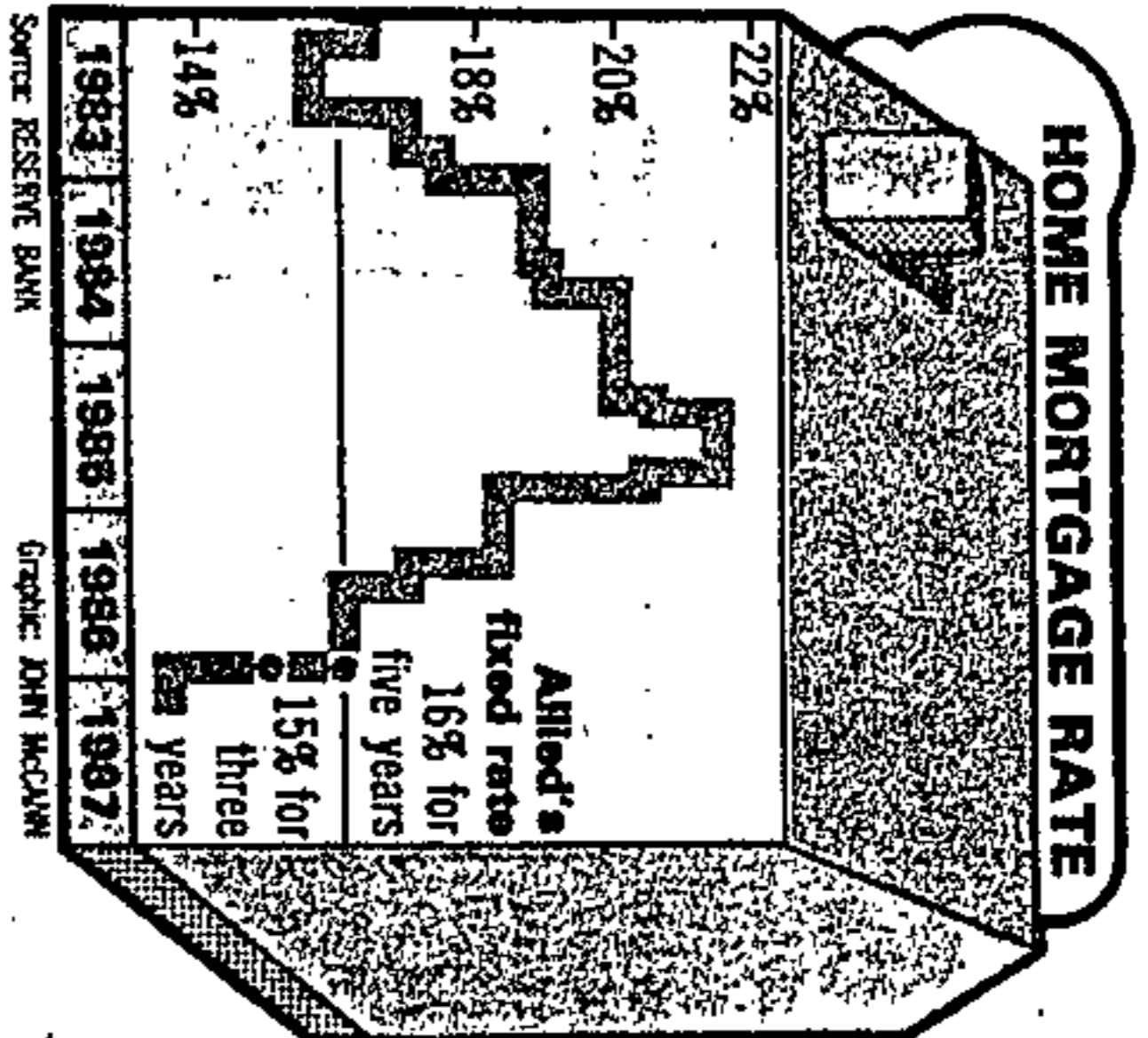
Water and sewerage services are priorities, as are good roads and adequate public transport, he says.

Business Day Reporter

"The smaller houses start at R3 600 and prices range to R13 000 for bigger houses. Those who can afford R170 a month can buy the top-of-the-range option."

Visitors will see 2-, 3- and 4-roomed houses constructed from a variety of materials.

"The information we gain about residents' aspirations and financial circumstances will help us to develop KwaNdebele and will provide data to help government plan for further development projects."



Allied: fixed-rate housing loans

(123) B/Cay 19/3/87

THE Allied Building Society will offer housing loans at a fixed rate of interest from today.

The scheme, which is rare in the bond market, will enable prospective homeowners to obtain home finance at a fixed rate of 15% for three years, or 16% for five years. Allied MD Allan Tindall says existing bondholders will be able to convert to the scheme, but because of legal constraints, the society will do this by rewriting their bonds.

At the end of the agreed term,

HELENA PATTEN

bonds could be converted to standard variable mortgage contracts or renegotiated to fixed-rate bonds based on interest rates prevailing at the time.

William Wolke, Allied's assistant GM marketing, said: "Our prime purpose is to remove uncertainty from the budgeting of the average home-buyer and to encourage more first-time buyers to come forward."

He said there were indications that

interest rates could rise next year. However, borrowers who had entered into a fixed-rate contract would not be subject to adjustments in rates until the period of contract expired.

Funds available for the scheme were limited. Also, the rates quoted could vary depending on demand and other market forces.

Allied's novel move, which is based on similar schemes in Scandinavia, comes at a time when the home finance market is seen to be increasingly attractive to banks.

CAH-1448 19/3/87
123

Allied offers fixed rate bond scheme

JOHANNESBURG. — The Allied Building Society today launches a fixed rate bond scheme which will offer interest of 15%, fixed for three years — 1% above the current market rate — or 16% for five years.

Allied says in a statement it is pitching its offer towards "first-time home owners and to other clients who need to know precisely what their monthly commitments will be for the next few years".

The scheme — an Allied first — could also attract existing and potential borrowers who want to hedge against a rise in interest rates.

Limited funds

Allied foresees a secondary market for commercial property owners and developers who might wish to use the fixed rate to establish a steady return from their leases.

"Although our prime purpose is to remove uncertainty from the budgeting of the average home-buyer and to encourage more first-time buyers to

come forward," says Allied's AGM, marketing, William Wolke.

"The scheme is also open to existing borrowers who may wish to convert to the Fixed Rate Bond."

Funds for fixed rate bonds were limited, Allied says, and subject to demand and to other market forces, the quoted interest rate could vary from time to time.

Adjustment

"The important consideration is that however much future rates may fluctuate — and there are strong indications rates could rise next year — borrowers who have entered a contract at 15% or 16% do not have to worry that their rates will be subject to adjustment until the period of three or five years has run its course," said Wolke.

At the end of the agreed term, bonds may be converted to standard variable mortgage contracts or re-negotiated to fixed rate bonds at the rates prevailing at that time. — Sapa

Appeal to private sector on housing

B100 25/12/87 125
GERALD REILLY

PRETORIA — The private sector was urged yesterday to become more involved in the provision of low-cost housing by Manpower and Public Works Minister Pietie du Plessis.

He told the National Association of Home Builders in Randburg that the housing advisory council was concentrating, in the short-term, on intensified action for the provision of housing and more efficient methods to reduce the housing shortage.

Referring to the private sector's contribution to the provision of low cost housing, Du Plessis said until now the State's contribution had been by far the greatest.

"The time has come for the private sector, as a partner in the provision of low cost housing, to come forward with suggestions."

Du Plessis said great strides had been made through the subsidising of 33,3% of interest on mortgage bonds for first-time home owners on a maximum building cost of R40 000 for a new home. The housing advisory council is investigating increasing the limit.

Du Plessis said that in the additional estimates R400m had been contributed to the SA Housing Trust this year.

He said of the house-selling campaign that 500 000 stands had to be surveyed before houses could be sold. About 679 000 stands have been, or are in the process of being, surveyed. The building industry would benefit from the renovations of the dwellings.

Du Plessis said there had been 17 800 100%-subsidised loans for public servants in 1985. By the end of last year the number had increased to 31 400. This 76% growth could be attributed to a great extent to loans granted to Indians, coloureds and blacks.

Mans 3/3/87
**Sats to spend R32-m on new
houses for black employees**

200 123
The Argus
Correspondent

PRETORIA. — The South African Transport Services has decided to spend R32-million on new houses for its black

employees in the 1987-88 financial year.

Mr James Colyn, the superintendent of the company's black house-ownership scheme, said the move follows the success of a scheme in the last financial year in which 1 500 houses were built.

The scheme was started 30 months ago and has provided work for hundreds of people. It is expected to last for as long as there is money and need for houses among employees.

Mr Colyn said employees were entitled to

a loan of R30 000 or more, depending on income, with low interest rates and free house insurance for workers earning R10 000 or less a year.

The demand for houses was growing but the company had enough resources to meet employees' needs. About 65 applications for loans were received in March and the company was processing them.

Mr Colyn said the company was offering good quality houses, its own inspectors and reasonable tenders to save money.

Land for blacks 'in a year'

DOMINIQUE GILBERT

GOVERNMENT'S attempts to provide individual land tenure for blacks could take up to a year to complete, Director General of Public Works and Land Affairs Piet van Blommenstein said yesterday.

He said 73 000 stands had been surveyed in terms of the 1983 National Housing Commission and had been scrutinised, but documents had been returned to government surveyors for finalisation of plans. A further 45 000 stands are still under survey. About 518 000 stands had been surveyed and the documents approved, while documents for 43 000 stands, which had been surveyed, still needed approval.

Report by Dominique Gilbert, 11 Diagonal Street, Johannesburg.

123 F/M 27/3/87

HOME LOANS

Entering secondary markets

Now that building societies are moving from the comfortable world of friendly societies into the demanding environment of big business, it is not surprising to find them seeking new types of funding.

Traditionally, housing finance has come from small investors. In the past few years this has increasingly been supplemented by corporate funds. Now societies plan further moves from conventional sources of funding.

At least one, the Allied, is looking at ways to tap secondary markets through securitisation of mortgages. This means packaging and selling loan portfolios as mortgage-backed securities. The society (bond underwriter) channels both principal and interest payments to the purchaser, while retaining responsibility for administering and servicing the loan.

An essential element is the sorting and selling of similar loans. Fixed instead of variable interest rates would make the process far easier. Allied, of course, is already experimenting with fixed rates, offering loans for three to five years at 15% and 16%.

It was fixed interest rates that launched securitisation in the US. When interest rates rose to unprecedented levels in the Seventies, leaving societies with seriously mismatched assets and liabilities, the thrift industry desperately needed to restructure balance sheets. This it achieved by bundling and selling non-productive assets at a discount.

Secondary markets in home loans had existed in the US since the late Forties, thrift organisations buying and selling mortgages to each other. But in 1970, the process was refined to broaden the market and make loans more saleable. So successful was the move that *Euromoney* estimates mortgage securities worth \$1 trillion were traded last year alone.

In SA, the idea has a long way to go. Not all building societies share Allied's interest.

That it could require changes to the Building Societies Act is seen as a considerable obstacle by some, while others believe it cheaper to raise funds via Negotiable Certificates of Deposit (NCDs) and other existing instruments.

However, stockbroker's analyst Richard Jesse considers the concept attractive in principle. "It's another form of negotiable paper in which institutions can invest, backed by the security of appreciating property."

From the building societies' perspective, there is good reason for exploring new avenues of funding.

While financial institutions continue to press money on reluctant consumers, they remain acutely concerned about future fund

flows. Liquid as they are now, they are very aware of the need to build up longer-term funds to match longer-term commitments.

Building societies are particularly vulnerable. With limited access to the money market, while lending for periods of up to 30 years, they are firmly locked into the longer end. So their reliance on medium- to long-term money is greater than banks', which have considerable term flexibility in both borrowing and lending.

At least four building societies will have the added problem of an outflow of funds, originally attracted by the opportunity to convert traditional shares into equity as they converted from mutuals to companies.

There is no doubt that the opportunity to get a slice of action attracted investors to United Building Society, Allied, Natal Building Society and Saambou over the past few years. A substantial amount of this will soon move out. In fact, United, which announced its intention to list some years ago, must already be experiencing an outflow.

Not that securitisation is the instant answer to all funding problems.

To start with, Allied is still investigating the legal implications of ceding bonds to a third party. Legislation may be needed.

Should this prove forthcoming, a viable market has still to be established. The only sure way to get this going would be for institutions to guarantee marketability by repurchasing if necessary. But, given the fluctuations in availability of money, this possibility is remote.

Instead they will have to resort to selling the idea.

Should they succeed, there are still several problems, including variable interest rates and the possibility that homeowners will pre-pay debts or default. These can be resolved: the first through the introduction of fixed rates; the second if the purchaser of the security is willing to accept the risk; the third if the building society is prepared to stand good.

So the problems — legal, practical and technical — are not insuperable. And secondary markets may well prove a valuable source of future funding.

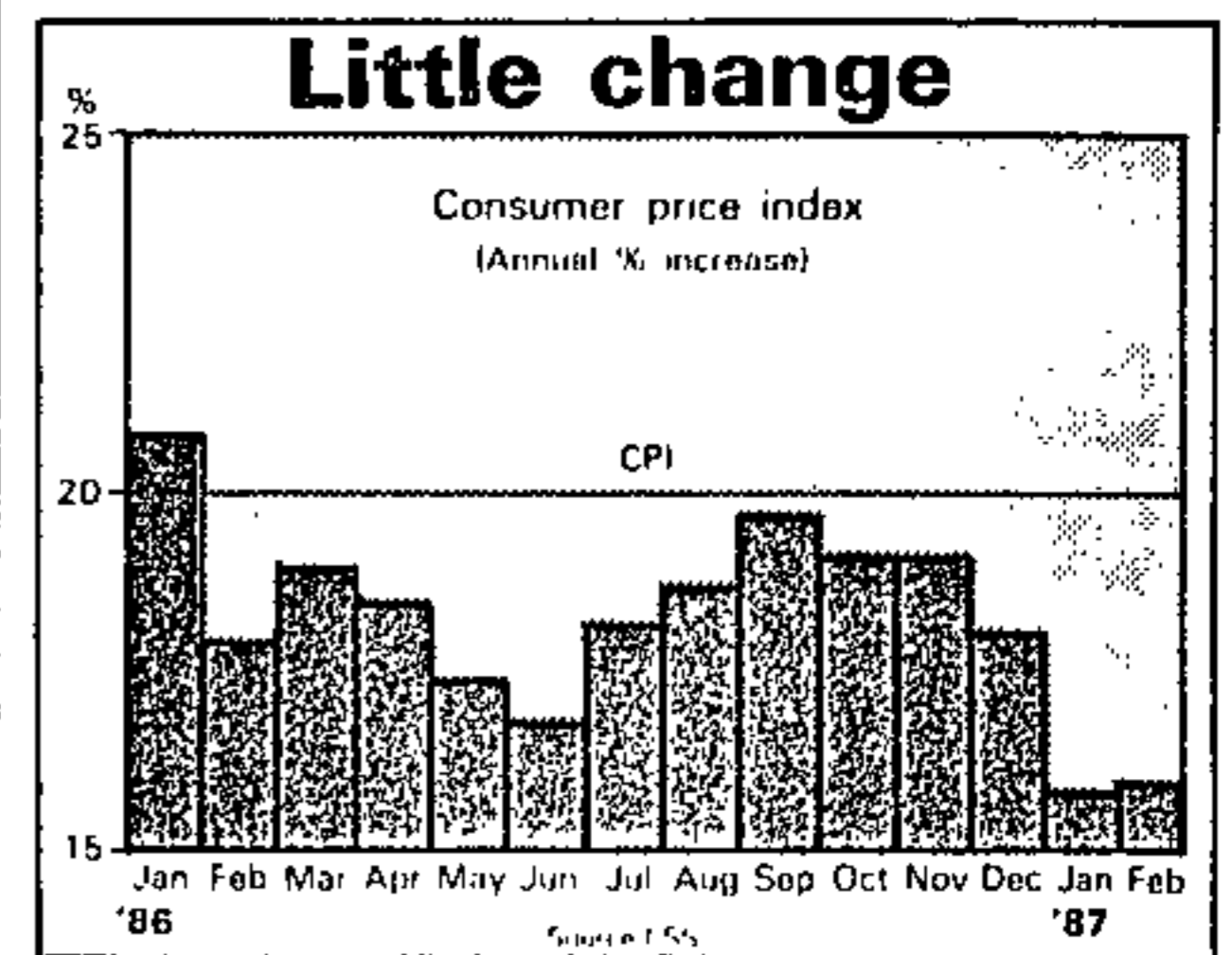
INFLATION

Trend still down

Economists do not see the overall downward trend in inflation being halted, despite the slight increase in the consumer price index (CPI) in February to an annual 16,3% from 16,1% in January.

Food prices are still one of the main inflationary forces, the food index rising by 21,8% in the year to February against 19,3% in January.

The decline in the month-on-month increase in CPI from 1,4% in January to 1,1% is seen as encouraging by most economists. "This indicates that CPI should continue its downward trend this year, although individual monthly figures may deviate," says At Engelbrecht, senior economist at Volkskas. He expects inflation to average between



15,5%-16% for the year.

However, this decline, especially in the second half, will be due more to statistical reasons than to anything fundamental. Monthly increases in inflation in the second half of 1986 were much higher than the present figures: for example, CPI rose by 2% in July and 1,5% in August.

"In the second half of this year, CPI will be calculated off a high base, implying a decline in the inflation rate on a yearly basis," says Peet Strydom, economist at San-korp. He calculates that if the monthly increase in CPI remains at 1%, inflation this year would decline to 14,2% and the year-to-year figure for December would be 10,3%.

Sanlam's recent *Economic Survey* predicts that the CPI will rise slightly soon, to average between 16%-17% for the year. This suggests that inflation will continue to accelerate in excess of 1% monthly for the rest of the year.

Sanlam says that if the rand maintains its present strong trend, the effect of import prices on inflation will continue to recede. However, it warns that increased economic activity could put pressure on prices later in the year.

Strydom agrees that inflationary forces will remain strong. "Items like food and motor vehicles will continue to rise, though some relief is expected on housing through lower interest rates."

□ See Leaders

F/M 27/3/87



The Star

Apartheid's death throes

JOHANNESBURG, with its growing social crises as thousands of blacks, Indians and coloured people — some driven by hope, some by despair — find accommodation in flats, converted offices, warehouses and factories, is providing a foretaste of South Africa's looming national dilemma. The dilemma: how will metropolitan communities react to the post-apartheid era?

Make no mistake, the battle against apartheid in central Johannesburg is over. It has been won. Whatever apartheid laws remain, the realities that cannot be ignored are staring them out: "white" Hillbrow is the prime contradiction. It is now 50 percent black according to the Central Business District Association. Mr Pik Botha admitted this week that 45 000 blacks live there. Hillbrow is a post-apartheid community. There is no going back.

In cities which consider themselves less racially neurotic — London or New York, say — mixed high-density living brought with it serious social problems and in some parts, residential polarisation. Harlem and Islington are prime examples of the informal apartheid which resulted. If such polarisation is a natural urban phenomenon, so be it — as long as nobody *prescribes* it.

A few white Hillbrow residents last week called for the mass removals of Hillbrow's blacks — a move which would surely be South Africa's final tragedy. No, there is no going back.

A fascinating aspect of Johannesburg's so far not too painful transition has been the ambivalence — the sheer confusion — displayed by the Government over the mixing of Hillbrow. Mr Botha, in pointing out the 45 000 contraventions of the Group Areas Act, saw fit to say there had been only five prosecutions. And as CBDA chairman Mr Nigel Mandy pointed out, there has been little to support the initial white fears of "white flight" behaviour". He quoted

The fall of the Group Areas Act in inner Johannesburg is now inevitable and perhaps more imminent than many believe. How Johannesburgers, black or white, adjust to the post-apartheid period is undoubtedly going to set the pace for how quickly the rest of South Africa will shake off apartheid.

Black housing backlog grows

By DAVID JACKSON

THE BLACK housing shortage has reached critical proportions and is worsening — at a time when the glut in white housing is growing.

Shock new statistics by the National Building Research Institute of the CSIR indicate that the backlog could be as high as 832 000 — 300 000 more than forecast.

Experts believe the dramatic increase could be the result of the relaxation of influx control.

The new figures are contained in an updated report by Dr Tobie de Vos, chief economist of the CSIR's National Building Research Institute.

They are based on the premise that a third of the estimated 1 780 000 people living in non-family housing units require family housing for their relatives living outside the urban areas as a result of the Influx Control Act — now abolished.

The backlog figure of 538 000 units — on which State departments are believed to base their projec-

**THE GREY
REVOLUTION:
Pages 8 & 9**

tions — assumes that close to one in six of blacks living in compounds and similar establishments, or as tenants in private homes, requires a separate family home in the urban areas.

Statistics

The report, 'Housing under Group Areas and Influx Control Legislation', contains other shocking facts.

● Discussing overcrowding in black townships, it says: "The fact that 5,9-million people presently live in only 466 000 relatively small housing units — an average of nearly 13 people per dwelling — is indicative of the seriousness of the situation."

● The mayor of Katlehong, near Germiston (population

about 300 000), contends there are between 16 and 24 people living in each dwelling, says the report.

● In Durban, one third of Indian households are considered to be overcrowded. It is fairly common, says the report, to find six to eight people living in a two-bedroomed flat.

● In Port Elizabeth, up to 15 to 20 people have been found to be living in three or four-roomed housing units.

● In Bloemfontein, there are many cases of between 14 and 17 people living in two-roomed houses, the report says.

● In Kimberley, about 50 percent of the households are overcrowded and up to 30 people have been found to be living in a four-roomed house.

● In Uitenhage, overcrowding has reached "critical proportions". Up to 42 people have been found living in a two-bedroomed house and up to four families in a one-bedroomed house.

Frustration

The report says that if "grey" areas are established, some whites will move out.

Because of the increased demand for houses in these areas, owners would probably be able to get higher prices for their properties than would currently be the case, it says. This would enable them to move into better accommodation.

"Such a step would greatly relieve the frustrations of affluent people who are unable to obtain reasonable housing in their own areas."

● Mrs Helen Suzman, PFP chief spokesman on black issues, yesterday urged the Government to introduce a national strategy to deal with the housing crisis.

(News by L Venter and D Jackson, 11 Diagonal Street, Johannesburg.)

**Soweto Council
in new move on
rent defaulters**

MASS

By LAN



SKOSAN

Sowetan 3/4/87

EVICTIIONS

Goods
dumped
in the
street
then
they're
moved
away

PLAN

SOWETO rent evictions are to be stepped up and each councillor will submit the names of 25 people in his area who owe rent. These people will then be evicted.

This means that at any one time about 725 people will be liable for eviction.

And yesterday about 25 families were evicted in Jabulani township in what could be the implementation of the new strategy.

Details of the new strategy were uncovered by the *Sowetan* during an interview with a councillor.

The councillor, innocently talking about something else said: "For instance we have decided at an executive meeting that each one of us must submit 25 names of people who would be evicted for failing to pay rent.

"We know that it has been said that no one else would move into a house where the owner is evicted. We also know that the evicted families would attempt to go back into their old homes.

Jail

"If they go back into their homes, they will be arrested and put in jail for contempt of court," said the councillor.

He strongly felt that the new action would end the rent boycott.

Soweto Council's Housing Director, Miss Estelle Bester said the council submitted names of people in arrears to their lawyers, who in turn obtained a court order to evict defaulters.

She did not want to

To Page 4

Plan to step up evictions

From Page 1

comment on the new strategy mentioned by the councillor because evictions in Soweto had been going on long before she assumed duties as housing director.

In yesterday's evictions some of the belongings of those evicted were taken away in council vans. It is not known where they were taken.

The chairman of the Dlamini Senaone Residents Committee, Mr Stephen Sangweni felt the whole exercise would fail.

He said the councillors were provoking the people and warned them to stop it before a situation similar to the one in White City Jabavu occurred. In that incident 27 people died following evictions from their homes.



FURNITURE belonging to some of the evicted families was dumped in the street before it was seized.

HOME LOANS

Standard's home moves

123 FM 3/4/87

Plans to extend home loan repayment periods well beyond the present 30-year maximum to "stabilise" monthly bond repayments are being considered by Standard Bank. An announcement is expected within weeks.

Standard is still working on the details, but there is talk that repayment periods could be extended to 50 years or more, saving up to R100 a month on substantial (R100 000) mortgage repayments.

In the fiercely competitive home loans market, in which Allied Building Society has introduced a guaranteed fixed interest rate option, Standard is looking for ways to show that it, too, is in the market to stay.

Building societies are currently restricted to granting loans with a maximum period of 30 years on certain lower amounts, while the majority run over 20 years.

The question of the repayment period, however, is largely academic. The average "life" of a home loan is seven years.

Given the current high inflation rate, even if nothing has been paid off the capital of a loan, the resale price is usually much higher than the loan and is, thus, good security for any lender. Recently, of course, there have been exceptions.

New buyers would find extended loan periods particularly attractive as for them low monthly instalments are far more critical than they are to long established homeowners.

Older buyers, who are concerned about paying off their homes before retirement, could elect to pay larger than minimum instalments to avoid that situation.

Extended periods also mean that the interest proportion of total repayments over the full period would rise substantially and bondholders would be well advised to step up their instalments later on. Repayments, for example, on a R100 000 loan at 14% over a 30-year period would total R426 600, of which R326 000 is for interest only. Against that, of course, runs the old argument that accelerated payments amount to no more than throwing good money after bad.

Still, as salaries increase, the ratio of monthly instalments to income has tended to fall dramatically, even allowing for hikes in the bond rate.

If one were to assume a 20% inflation rate over the next 10 years, a R1 000 instalment today would have the same value as R138 today by 1997. At the same time, a salary today of R5 000 a month, assuming increases kept up with inflation, would equate to more than R30 000 in 1997. The ratio of instalments to salary would thus drop dramatically.

"The first five years on a home loan are, in any event, the most difficult," says Standard Bank Financial Services managing director Dennis Matfield. "During that period there is hardly any capital repayment anyway." If Standard Bank proceeds with its plans to extend home loan periods, it could have a significant effect on building societies which, unlike banks, are presently restricted by law in terms of the periods over which they can lend on homes.

Standard's entry into the home loans market has already caused a significant ripple effect. In the first three months of this year — the period in which it has openly been involved in home loans — it has been an aggressive rate cutter and has approved loans totalling R250m. That is still small fry compared to Barclays, which hopes to top the R1,5m mark by year-end. But then Barclays has been in the home loans market for much longer.

Matfield is adamant that Standard is here to stay. He points out that with more large companies raising their own finance through inter-corporation loans, the banks are increasingly looking to the personal market for expansion.

Such competition can only be beneficial to the residential property market and add significantly to the economic recovery which, as our cover story shows, looks well set for improvement.

RENT DECONTROL

Last lap

A month after the announcement that the last remnants of the Rents Act are to be phased out, notices are already being sent to protected tenants by the Department of Local Government, Housing and Works (DLG) advising them personally of the changes.

The process, when complete, will see the emphasis changed from controlled rentals on flats — many of which were occupied by people who could afford higher rentals — to individual protection of the indigent. This protection will not be transferable when the "protected person" moves out.

The immediate effect will be to reduce the number of units on which landlords have to accept uneconomic rentals. The ultimate aim is the total abolition of control which has been partly responsible for the dearth of new rental flats over the past decade.

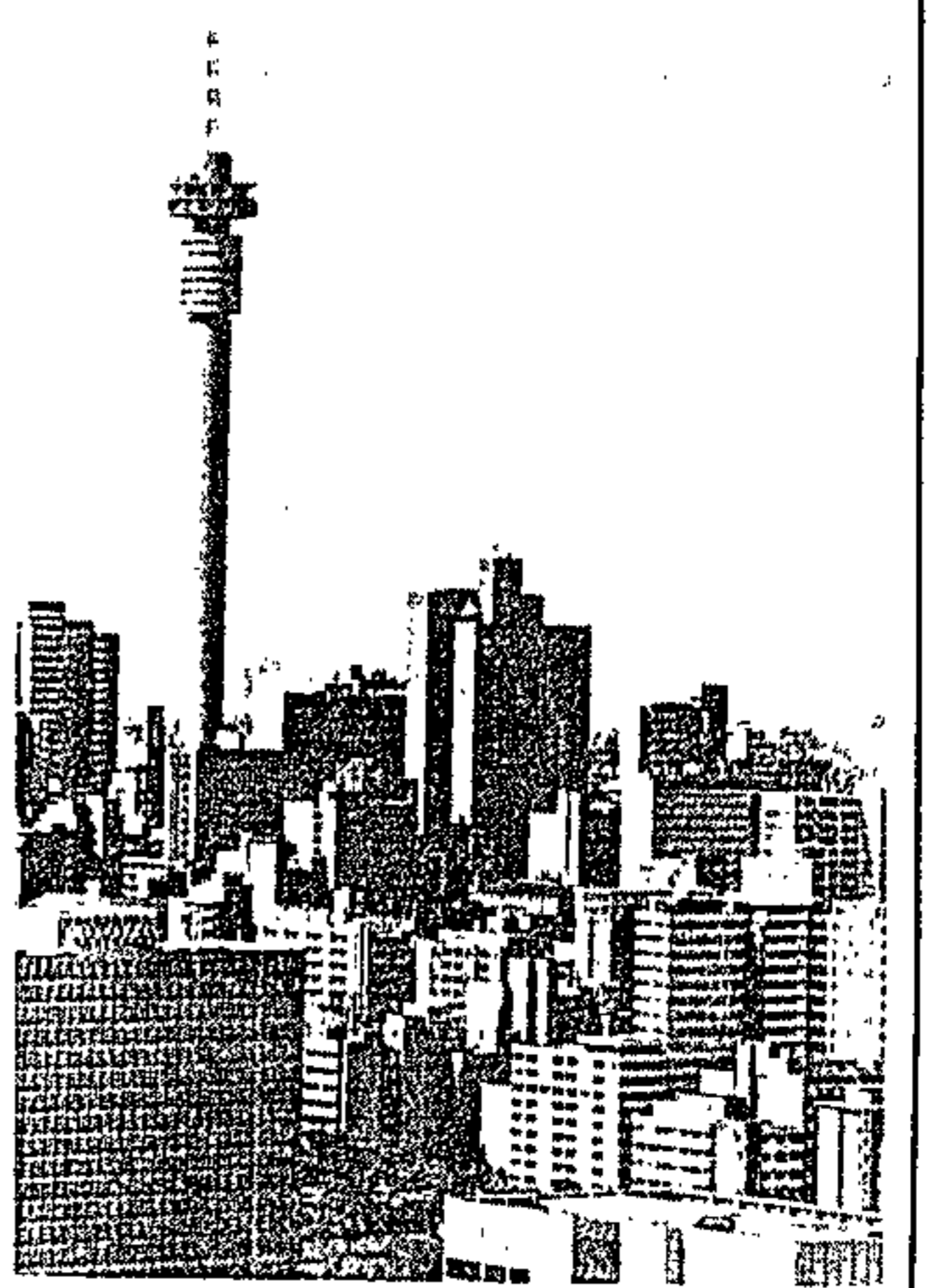
But, warns the DLG, it will be a slow process as existing staff are being utilised to process the applications. As a result, local

offices of the DLG have selected "priority" areas where they believe the need for phasing out is most needed.

Generally these are areas which, because of their location, should be considered high-rent districts. Clearly it is unfair to expect landlords to subsidise tenants in such prime locations.

In Johannesburg and Pretoria, such "priority" areas remain to be defined whereas the coast is off to a better start. In Cape Town, for example, areas such as Constantia, Tokai, Rondebosch, Hout Bay and Llandudno have already been defined. Durban's Point area, South Beach, Marine Parade and the central area will also receive priority.

The DLG says that it is writing to tenants in blocks in these areas instructing them to make application to the DLG for protection.



Rent-controlled flats ... a question of priorities

However, since it is virtually impossible to check each tenant's income personally, these applications will be in the form of a sworn affidavit.

Tenants who tell lies in these affidavits about income or age could face perjury charges.

To qualify for protection occupants have to be over 70 or earning less than R750 a month (single) or R1 250 a month (married couple).

The process, however, applies only to whites since the phasing out announcement was made by the DLG which represents

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(123) 1977
3/4/87

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But, warns the DLG, it will be a slow process as existing staff are being utilised to process the applications. As a result, local

white interests exclusively.

Although the rent control roll-back, which was done in stages, initially applied to all races, this was changed last year. The DLG's equivalents in both the coloured and Indian houses elected to re-instate rent control which now applies fully in those areas.

Coloureds and Indians living illegally in white areas would, however, be subject to the phasing out of rent control.

Landlords of rent-controlled buildings in "non-priority" areas, says the DLG, can still apply for exemption in the same way as they have always been able to apply for de-control.

However, they would have to wait their turn if local offices of the DLG were inundated with other requests — with those in "priority areas" getting first preference.

Local DLG offices would be instituting a type of "register of protected tenants" in which persons who qualify for exemption would be listed. ■

2000 (1987) F/M 10/4/87

ELECTION — KRUGERSDORP

The 'Munsie' factor

It would be difficult to say who came out worse in the verbal exchange between Manpower and Public Works Minister Pietie du Plessis and the hecklers at the back of the hall in Krugersdorp last week.

The level of debate was not high-brow. Threats, boos, hisses and chanting were met with ministerial rejoinders like "let's hear from the boer with the boep," "you pigs," "I'm sorry for your mothers," "get someone to change his nappy," and so on.

Yet, in an election which is marked by a conspicuously low turnout at public meetings, the one at Krugersdorp last Friday was at least lively. Du Plessis was there in support of the National Party's (NP) candidate, sitting MP Leon Wessels. The local town hall was packed with supporters as well as the opposition — an indication of the tough challenge from the Right that the NP is facing in the town.

It's a straight fight between Wessels, who is thought to be a leading "New Nat," and the Conservative Party (CP) candidate Clive Derby-Lewis. The PFP have stood aside for Wessels, and Derby-Lewis says the CP and HNP reached a pact in Krugersdorp whereby the HNP agreed not to stand.

Both candidates agree that the single most important local issue is the black township of

Munsieville. This run-down settlement borders on the new white suburb of Dan Pienaarville, in which the whites invested because they expected the blacks of Munsieville to be moved to Kagiso.

The battle for Krugersdorp is therefore one observers will be watching to gauge just how strong rightwing sentiment is.

About 30% of the constituency are English-speaking and they include "the broad spectrum of the South African voting population from blue to white collar workers," says Derby-Lewis, whose wife Gaye, incidentally, is standing for the CP in Hillbrow. "If Krugersdorp falls the NP will fall in the Transvaal," he claims.

Wessels, a lawyer, is not playing down his national verligte image — and his honesty could earn him a few votes. He says that if he can keep his seat in what is perceived to be a conservative constituency, it will be a victory for negotiation and reform politics, and proof that the broad mass of South Africans can be persuaded to accept reform.

The hecklers at last week's meeting were there ostensibly in support of Derby-Lewis, but the chants were in favour of the AWB, not the CP. And Derby-Lewis' links with the AWB is one issue he is having to deal with.

Recently, *Beeld* published photos of him with the AWB at Pik Botha's memorable meeting in Pietersburg last year, which was broken up by the Right. Derby-Lewis has no remorse about having been there together

with the other rightwing parties, and acknowledges having informal links with the AWB. "They are decent people, unlike the ANC which burns people," he says.

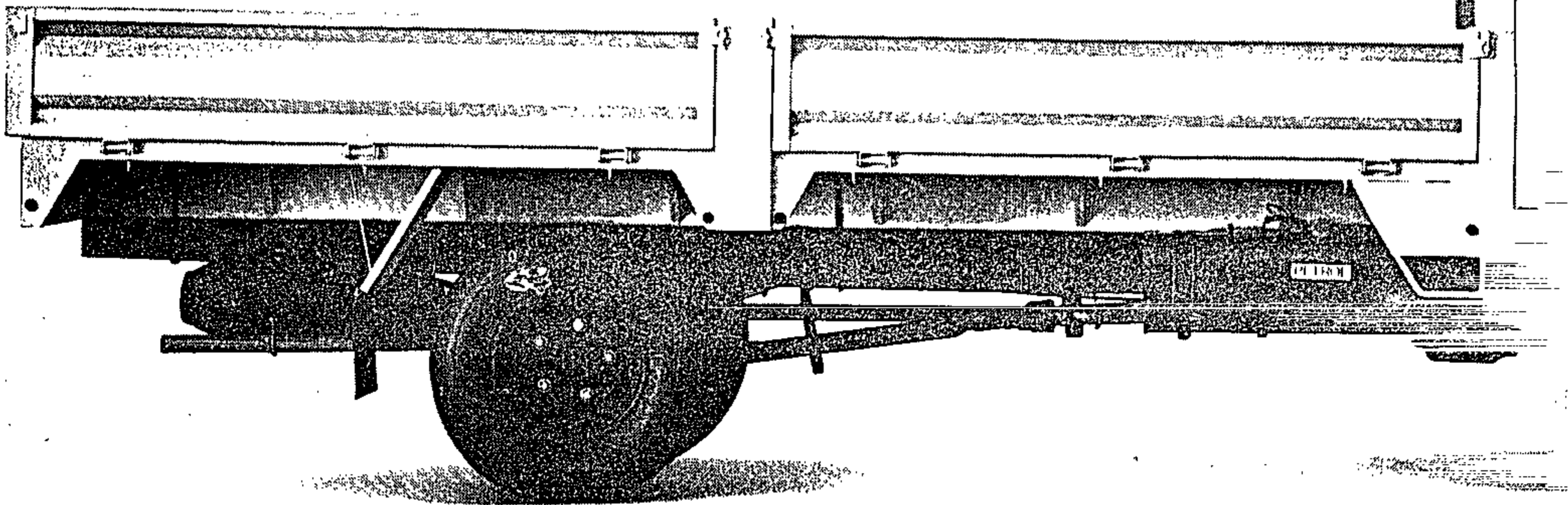
Munsieville has become a hot issue ever since it was reprieved when, in 1985, government announced a moratorium on forced removals. Within weeks of the announcement tension flared up between the two communities. A white family's house was petrol-bombed and local residents declared they were going to form a vigilante group to protect themselves. To keep the peace, the army was moved into the strip of land dividing the two communities.

Wessels has had a hard time of it. At a meeting in the town hall last year about 500 whites passed a motion of no-confidence in him. A petition calling for the removal of Munsieville was signed by more than 11 000 people.

At the last election Wessels won the seat by a majority of 2 126 votes. Compared to his total count of 5 748 votes, the PFP got 1 164, and what was Connie Mulder's New Conservative Party, 2 458. So the petition could be indicative of a drastic swing. However, Wessels says that it is not relevant as many of the signatories are people who fall within the municipality but not in his constituency.

Subsequently a decision was taken to build a road through the strip to separate the two communities. This is now under construc-

Canter's back...



Rising costs hit owner builders

By RAYMOND HILL
 FREQUENT rises in material and labour charges are costing the Eastern Cape's home-building industry thousands of rands.

And with the latest price hike in cement and bricks has come a warning for "do-it-yourself" builders to look out for the pitfalls along the way.

People who think that they could save money by doing the work themselves are wrong, the experts say.

Those in the know have pointed out that "self-builders" could lose money in the long run, and even abandon the project halfway through the "cost-saving" exercise because of the lengthy operation.

But a Gelvan Park man, who did not want to be identified, said he had saved thousands of rands in building his own home, and knew of other "self-builders" who had also saved considerable amounts.

It was definitely worthwhile to do your own home building, provided you had the necessary skill, he said.

Rising costs of building

materials were highlighted this week with the announcement that the price of cement at the only cement factory in the Eastern Cape, Pretoria Portland Cement, Port Elizabeth, was to rise by more than 5% from R4,68 to R4,93 for 50 kilograms.

There is an extra charge of 50c for "bagging" the cement.

Anybody can buy direct from the factory — provided a minimum of 100 50kg bags are bought for cash. Customers must provide their own transport.

Rail delivery charges are added where necessary.

This is the third increase since December, 1985.

Mr Berry Pavey, general manager of Cement Distributors, said there was no price control.

The price of facebricks, manufactured by a Port Elizabeth company, went up 4,2% from R240 to R250 a thousand this week. Prices previously went up in November, 1986.

Mr Johan Grotsius, executive director of the National Association of

Home Builders, said the ability of the industry to produce something "worthwhile" was affected whenever labour and material costs went up.

The home building industry had had "quite a few" increases in recent months.

He advised "do-it-yourself" builders to beware of the pitfalls involved.

Home-building was a "costly and complicated exercise", and expertise was "absolutely necessary".

"Self-builders" mistakenly thought it was cheaper to do the work themselves.

They could, for example, spend more money than necessary because they did not have bargaining power when dealing with suppliers and sub-contractors, said Mr Grotsius.

Mr Keith Miller, a partner in Arctic Construction, Port Elizabeth, said his firm would be losing between R15 000 and R25 000 a month because of the increase in the price of cement and bricks.

He said timber prices

rose in January, resulting in a loss of R200 on every home built by his firm.

Mr Miller explained that the extra costs could not be recovered on contracts undertaken before price increases were announced.

The necessary adjustments had been made for contracts undertaken after April 1.

Labour costs, he said, were "astronomical", and there had been a 7,5% increase in all work categories recently.

Mr Miller also discouraged people from building their own homes because of the high costs and time involved.

The self-builder often never completed the job because of a lack of time and money, he said.

Experts could construct a house within eight to 10 weeks, whereas the self-builder took between three months and six months to do it, Mr Miller said.

Mr Victor van Rensburg, managing director of Wonderwonings, said his company tried to absorb price increases.

Council to be lenient with some, tough with others

EVICTIIONS: NEW TURN

Sowetan
7/9/87

By JOSHUA RABOROKO

THE Soweto City Council is going to be tough on rent defaulters but will be sympathetic to pensioners, the unemployed and those who simply cannot afford to pay, town clerk Nico Malan said yesterday.

The crisis took another turn yesterday when residents interviewed said they were prepared to pay electricity and water bills but believed they had paid off their houses and thus did not have to pay rent.

Mr Malan also hinted that rents would be scrapped in some areas because these houses had been bought on 30 or 40 year schemes.

"All I am prepared to say is that we have made some proposals to the Government and these are being considered," he said.

Reacting to the eviction threat by Mr Malan, Azapo secretary-general, George Wauchope, said the council should stop evicting people for the sake of peace in the townships.

This follows the judgment handed down last week by Mr Justice Goldblatt in the Rand Supreme Court that the council had the right to evict residents. Three residents had challenged the council's right to do so after it had started with evictions last year.

Urged

More than R160 million is owed in rents in townships throughout the Transvaal.

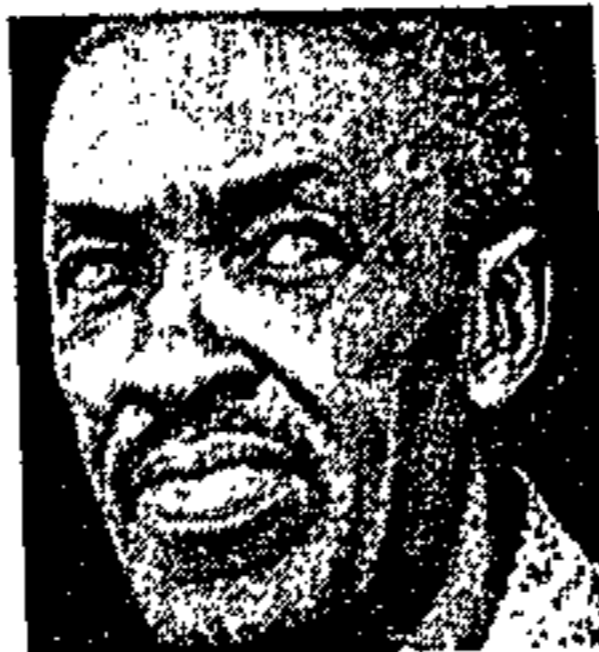
After the court ruling, Mr Malan urged residents to pay up their rents to avoid eviction.

Mr Malan yesterday said the council has made certain proposals to the government concerning the restructuring of rent in Soweto because some homes had been bought under the 30-year and 40-year schemes.

He conceded that they would have to redeem rent in some of the homes, but others would have to continue paying their rent, which he said was minimal in most



Dr ELLEN Khuzwayo: Leaders should give direction.



Mr AMBITION Brown: Legal action to be taken against the council.



Mrs JOYCE Kalaote: Homes paid-off.



Mr SOKESIMBONE Dlamini: Pay essential services only.

cases.

"We have been sympathetic towards residents and never evicted them on a permanent basis because all those whom we took action against have re-occupied their homes.

"The council will be sympathetic to pensioners, the sick people, the unemployed and all those who cannot simply afford to pay, but each case will be treated on merit," he said.

Dr Ellen Kuzwayo said it was painful that leaders who could be giving direction on the rent impasse were in de-

attention, because people were now confused.

A resident, Mrs Joyce Kalaote, urged councillors to negotiate with residents because most of the homes in Soweto have long been paid off.

Mr Sokesimbone Dlamini said Soweto residents should only pay essential services because they have long paid off their homes.

Sofasonke Party's Mr Ambition Brown said his party would take legal action against the council for evicting the people because they were paying high rentals.

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Sow 07-04-87

3,5-m need better housing — bishop

10/4/87
Religion Reporter

A Catholic bishop says 3,5 million people in South Africa are without adequate housing and the situation is apparently beyond official control.

Bishop Reginald Orsmond's statement has been released to highlight the United Nations' International Year of the Homeless.

He said the latest National Building Research Institute report showed South Africa was short of 832 000 housing units.

The report said 5,9 million people lived in 466 000 small housing units, with as many as 42 people living in a two-bedroomed house.

Bishop Orsmond said the "serious situation was not enjoying priority treatment" and that the general response of the authorities was to issue eviction

notices before moving in to demolish "simple homes" of destitute families.

All too often the authorities would then say they were not aware of the evictions, he said.

He said the Catholic Church had asked that municipal authorities consult residents and civic associations, that emergency camps with basic amenities be established immediately, that no one be evicted without being given suitable alternative accommodation and that "immediate consideration be given to the allocation of new land for cheap, reliable housing".

"Failing to do so will result in the growth of problems for tomorrow. Repression is no answer to the problems faced by our people who seek basic human rights," Bishop Orsmond said.

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Star

The house that subsidies built			
First time homeowners subsidies			
Whites			
	1985	1986	Remarks
Nov	1 922	5 705	The Department of Local
Dec	2 089	6 115	Government Housing &
Jan	2 257	6 717	works (LGHW) took over
			from the Dept of Public
			Works in November 1985
Source: LGHW			
Coloureds			
Oct	692	No Statistics are available	
Nov	756	for 1985	
Dec	842		
Source: House of Representatives' Administration			
Blacks			
Oct	614	Month by month statistics	
Nov	755	were not kept by the	
Dec	839	Department of Community	
Jan	933	which was in charge of ur-	
		ban black housing until April	
		1, 1986.	
Source: Department of Development Aid			
Indians			
Oct	682	2 049	
Nov	792	2 236	
Dec	936	2 399	
Source: House of Delegates' Administration			

HOME SUBSIDIES

Is R40 000 fair?

Government's refusal to increase the price ceiling set on subsidies to first-time home buyers is being strongly contested by the National Association of Home Builders (NAHB).

The NAHB is pressing on with its efforts to increase the upper limit from its present R40 000 to R55 000.

"We lost a round. We haven't lost the fight and the matter isn't dead yet," says association director Johan Grotsius. "The Committee of Ministers for Housing has referred it back to the SA Housing Advisory Council (SAHAC)."

The scheme allows for government to pay a third of the interest of first-time homeowners' bonds for five years, thus substantially reducing monthly bond repayments. Provisos are that the houses must be new and that building costs (excluding land) must not exceed R40 000.

Since it came into operation, the scheme — which applies to all races — has grown in popularity, particularly among whites and Indians (see table).

But ascertaining the extent of the scheme's popularity has not been easy, since statistics are kept by different departments. In fact, accurate monthly figures have only been kept since the start of 1986 for subsidies granted to coloureds and Indians.

Were it not for the scheme, however, a good many more builders would be out of business, believes Grotsius.

But government's claim that there is no need to increase the R40 000 limit is being strongly contested. Grotsius argues that the scheme is an anachronism — R40 000 bought an attractive house in 1983, but due to inflation, it does not any more.

And, he says, by lifting the limit to

R55 000, it does not follow automatically that all who take advantage of the scheme will opt for houses at that price. Most blacks, for example, apply for loans of R6 000-R20 000 and only recently have a significant number of blacks been applying for loans in the R30 000-R40 000 category.

A comparatively small number of homeowners qualify for subsidies, says Grotsius. He explains: "Government, semi-government, financial institutions, and many private firms offer their employees subsidies. We believe this accounts for 70% of the market.

"Of the remaining 30%, only a small percentage are eligible."

He estimates that the scheme has cost government only R20m from its inception to the end of 1986.

"Not only is that a drop in the ocean, but government should bear in mind that a good percentage of that comes back in the form of GST on materials, labour taxes and profits."

On the average house, he sets this figure at around R8 400. The subsidy, on the other hand, amounts to R170 a month on a R40 000 home — amounting to R10 200 over five years. Balancing one against the other, he believes the cost to government is, overall, only R1 800 over the five-year period.

However, not everybody agrees with Grotsius that a house can no longer be built for R40 000.

Several companies, such as Schachat Cul-lum and Vista Homes, have shown that it is still possible. Low cost housing is also being constructed, for example, in Mabopane, Bophuthatswana, by Liat Construction, a London-based company managed here largely by Israelis.

The company builds 50 m² and 60 m² L-shaped houses and sells the 60 m² version to the Bophuthatswana government for R17 000 m² apiece.

The answer, in this case, is mass production. The company divides its work force into three "waves." The first prepares the foundations, the second adds the basic structure, including the roof, and the third finishes off.

"It's a logical continuation method, the way they build roads," explains contracts manager Alex Lifshitz.

RACE

A burning issue behind the growing strikes

SPECIAL REPORT by DAVID JACKSON

NEGOTIATORS were this weekend still locked in talks in a bid to head off the threat of increasing black strike action in the public sector.

As the strike by black railway workers — the longest-ever in the public sector — entered its fifth week, union spokesmen warned that a one-week strike by postal workers in the Soweto and Johannesburg areas could spread to other regions. Sympathy strikes by black unions are not ruled out.

Black workers are flexing their economic muscle in the up-to-now largely unaffected public sector as the campaign for black bargaining moves to a new underground.

Incidental

The "trigger" issues — in the railway stoppage the dismissal of a black worker — are being seen as incidental to the main goal.

In the view of unions such as the South African Railway and Harbours Union (Sarhu), the black union which is at loggerheads with the South African Transport Services (SATS), the aim is to win footholds which have largely been gained in the private sector — the principle of direct management negotiation with the black workforce through their own "democratically chosen representatives".

In the words of Sarhu this week in a message to the Minister of Transport: "It is only in the government sector that these demands are still regarded as extreme despite the fact that your Government claims to have initiated major reforms in the labour field."

At the crux of the railway dispute is the fact that SATS still does not officially recognise Sarhu.

Sarhu can probably claim to have about one-fifth paid-up members of the black workforce, labour experts pointed out this week. SATS prefers to deal with Blatu, a staff association, which has the much larger "formal" membership.

Significant

In addition, a sticking point for the emerging black unions is what they see as institutionalised racism in the public sector.

In the case of SATS, for instance, Sarhu has asked the Minister of Transport to explain "why SATS incorporates the division of workers on the basis of race, with racially defined disciplinary codes and conditions of employment".

According to Mr John Lewis, editor of the SA Labour Bulletin: "Organisations such as SATS still seem wedded to the idea of company

unions or staff associations.

"There has, however, been quite a significant change of attitude in terms of management's immediate responses, even if they don't seem any more happy about recognising unions which are independent and based outside the service ... but at least they're not firing everybody.

"It could have been a lot worse. Two or three years ago these workers might have been back in the homelands by now."

Another motivating factor is the gains made by other unions in the private sector.

Rejected

Mr Lewis says: "The gains that have been made by the independent unions on simple things such as racism, let alone wages, have been very vocal and visible, while workers who are in constant contact with these workers in the private sector are still basically left with the conditions of 20 years ago."

The Government, for its part, has seen a political motive behind the wave of labour unrest.

The Minister of Manpower, Mr Eli Louw, last week accused the trade unions umbrella body, Cosatu (Congress of South African Trade Unions), and the United Democratic Front of attempting to transfer the crisis in the townships and schools to the workplace.

But this "conspiracy" theory is rejected by Mr Lewis, among others.

He says: "Obviously there is a political element. People's frustrations are building up and merging into concern about conditions of work.

"But in no sense is it a conspiracy. The way workers move into action in thousands can't be explained by conspiracy.

"I don't see a solution at the moment guaranteeing peace unless one or the other side is willing to compromise on its demands and conditions."

● See Join the club, page 32.

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FINANCE

Rising costs forcing new house prices ever higher

The cost of building the cheapest three-bedroom house is expected to soar by 20 percent as economic recovery gathers momentum.

This means the contract price for a new home will rise from the present R55 000 level to almost R80 000 over the next two years.

This prediction follows a meeting recently between leaders of the Building Industries Federation and representatives of related industries.

FRANK JEANS

At a Press conference, Mr Lou Davis, executive director of Bifsa, said:

"When the economy really takes off we can expect building costs generally to rise by 30 percent to 35 percent as material suppliers push up prices.

"This pattern will eventually settle down to an annualised 20 percent increase in costs for the

foreseeable future."

The labour question will be one of the most contentious issues facing the industry in coming months and building leaders expect union problems. But Mr Davis emphasised that the unions so far had acted responsibly in pay demands.

Builders have seen their work force slump to crisis levels and margins have been sliced in the wake of recession. Inevitably, on the back of improved conditions,

workers coming back into the industry will expect higher wages.

Aligned with this is what builders believe is the likelihood of "potential chaos" in the material supply industry as the economy recovers and prices rise.

Mr Peler Jacobsen, president of Bifsa, said he had no doubt that conditions were improving but insisted the trend could be affected dramatically by any future increase in interest rates.

"Rates must not rise, for this could only kill growth," he said.

What is clearly evident, however, is the fact that the industry must accept what Mr Davis sees as a "total structural change".

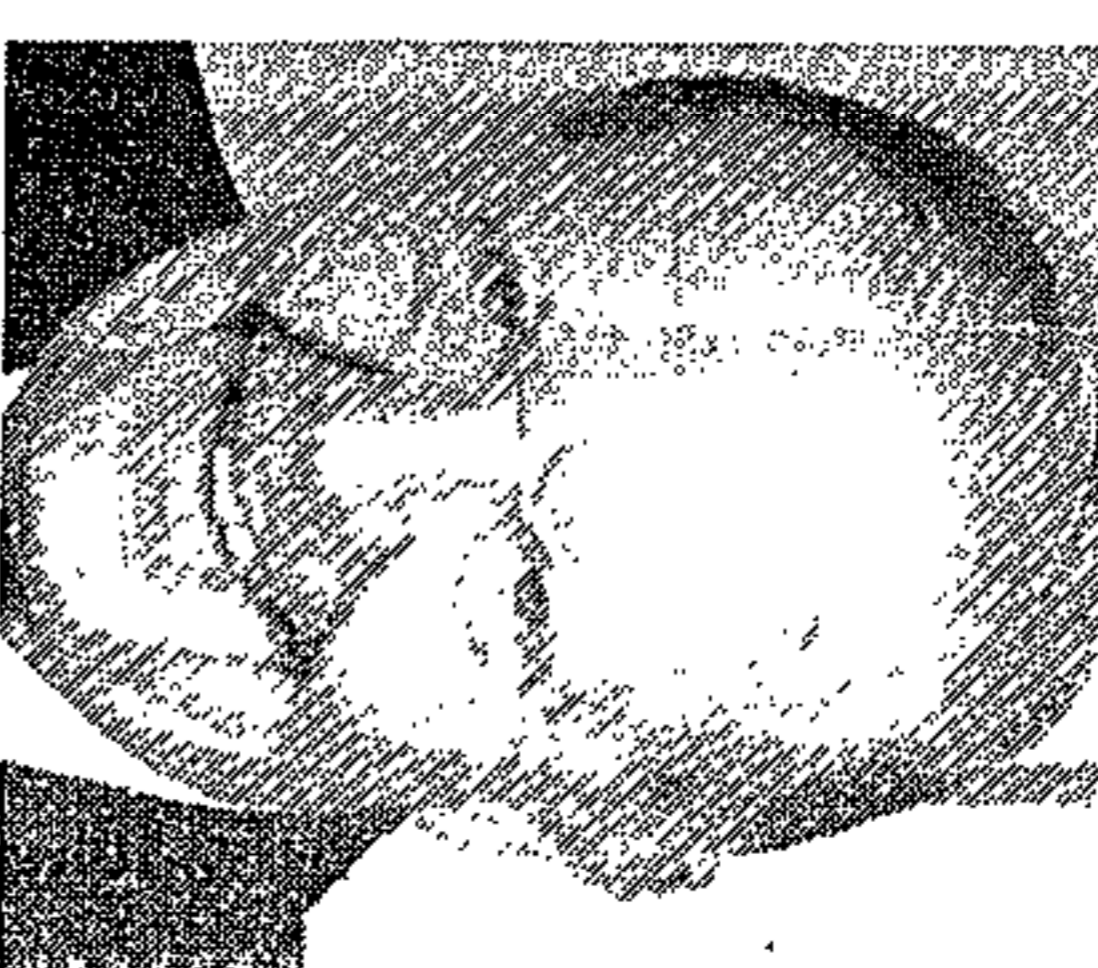
And this infers a still greater involvement in the most crucial sector of building — low-cost housing is an area which has been virtually a life-saver during the prolonged slump. This will mean, too, a wider ac-

ceptance by organised building of the growing importance of the informal sector into which, for instance, goes an estimated 50 percent of the brick industry's output.

"We should remember that blacks don't want something cheaper," said Mr Jacobsen. "And we should realise, too, that it is imperative that we incorporate the 75 percent of the rest of South Africa's population into the economic process."



Mr Davis . . . Bifsa director.



Mr Jacobsen . . . Bifsa president.

Agony of evicted families**NO PLACE TO SLEEP**

123
Sowetan
13/4/87

SOWETO families evicted for rent arrears yesterday told of the agony of being left without a place to sleep or cook their meals and being exposed to hooligans.

The families are some of the 300 people who were evicted for the continued non-payment of rent. More evictions are feared.

The evictions were carried out by the Messenger of the Court on behalf of the Soweto Council which warned last week that it will take tough action against rent defaulters.

Crisis

The rent crisis in Soweto, which has entered its eleventh month, has taken a new turn with some residents showing willingness to pay water and electricity bills, while others wait for direction from their leaders in the face of these evictions.

Evicted families, who were found huddled around their empty homes, said they were stranded because they did not have money to pay the high rent arrears.

Mrs Claudia Mthimkulu (59) said she was unemployed and did not know where she would get money to pay R700



Mrs GLAUDIA Mthimkulu with her 11-month-old grand-child in Jabulani, Soweto, yesterday. They have been evicted from their home.

for her rent arrears. The eviction from her home was a "terrible blow to the family because we have nowhere to sleep and cook."

Children

She has four school-going children who would be forced to abandon their studies because "I simply cannot afford to pay the high rent and also support them," she said.

She was evicted from her home on Wednesday morning. Her furniture, kitchen utensils and other household goods were confiscated.

"I appeal to the authorities to give me back my household goods and to negotiate with me about paying arrears. I was not warned to pay and strongly believe that the eviction was unjust," she said.

Another resident, Mrs

Jane Dube (54), who is a mother of eight children, said she was stranded and neighbours had offered some of her children sleeping accommodation.

Painful

She said it was painful for her to be without some members of the family because "we always pray together at night before going to sleep."

She could not understand why the authorities evicted people from their homes without first talking to them. She believed that her house had been paid for and she only had to pay for electricity and water.

"I do not know where to sleep during the weekend, especially because thugs usually go on the rampage in our area during weekends."

By JOSHUA RABOROKO

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Tips for the homebuyer

Finance Staff

SO MANY legalities surround buying or selling your home that many a would-be buyer or seller is caught up in unnecessary tangle that will cost time and money to unravel.

The answer is to know your rights and obligations, says Mr Billy van der Merwe, president of the Association of Law Societies' which represents more than 6 000 attorneys countrywide.

As a public service the ALS has issued a guide to help people about to buy or sell a home and tips include:

- Examine the house yourself to make sure everything is as you want it. Inspect it in the best light possible. Darkness can hide many defects.
- Buyers should make a point of finding out whether the roof, plumbing, electrical system, swimming pool and geyser are in good order.
- While most agreements have a 'voetstoots' clause (an 'as is' clause excluding liability of defects of which the seller was unaware), you can add to the contract other conditions — such as a warranty that the roof doesn't leak. Should a problem then arise, you will be able to ask for repairs to be done or claim money to have them done.
- There is no such thing as a standard offer or purchase sale contract. Certain conditions are printed as a matter of routine but each sale is unique.
- Before signing any document you should see your attorney. Try to obtain a copy of the title deeds beforehand as you pay for his time.
- Establish the total buying cost before entering into an agreement.
- Get a copy of the building plans from your local authority. The plans will pinpoint illegal additions or alterations. Check for any town planning proposal which might adversely affect your property values in future.
- Until you take transfer pay nothing but a small deposit — between 5 and 10 percent of the purchase price.

Housing a big ⁽²³⁾ problem

HOUSING is the biggest problem facing resettled communities and the South African Government, which legislates removals; could face rebellion and revolution if adequate housing was not provided.

This was said by KaNgwane Minister of Interior, Mr P I Masilela, who warned that inadequate or insufficient housing created frustrated communities.

Meeting

Mr Masilela was addressing a meeting of KaNgwane town councillors and representatives of the building industry in Johannesburg while on a tour of the Reef.

He said that the people of Kanyamazane were originally residents of Nelspruit and those at Eestehoek were resettled from Carolina and Ermelo in the Eastern Transvaal.

Sah't: R250m available for investment

THE SA Housing Trust (Sah't) anticipates that during the next 12 months an average of about R250m of its R400m state grant will be continuously available for investment in the local money and capital markets.

MD Joe Taylor says this year Sah't expects about R30m to be generated as interest from investments such as Sats and Escrom stock, Treasury bills and bankers acceptances.

The projects approved for this year will, Taylor believes, provide a major catalyst for the construction industry, in particular for

LINDA ENSOR

building suppliers. Already applications for R80m (about 9 000 homes) have been approved and those for another R125m are under consideration.

At the present rate at which housing applications are flooding in, Taylor estimates that by the end of 1989 R200m will have been spent to construct about 22 000 homes.

While the structure and operating methods of the company have been worked out, negotiations on the role which building societies

will play have still to be finalised.

Building societies are, says Taylor, hesitant about assuming the administrative and collection functions — especially the "hard" collection of arrears — which Sah't wishes them to do.

Taylor says: "With building societies going public, profitability is going to be important and they will be wanting to concentrate on those low-risk markets which they have already penetrated."

He says, however, the "war" between banks and building societies could work in Sah't's favour. Standard Bank is keen to get into the

bond market, and providing finance through the Sah't could be one way of doing so. No bonds for Sah't-funded houses have as yet been registered.

Apart from the financial institutions, Sah't will also be working through private sector project teams of civil engineers and land surveyors to develop raw land and infrastructures. Discussions are also underway to secure the assistance of the SA Development Bank.

And development agencies, such as the Urban Foundation and local authorities, will also be used for the erection of housing superstruc-

tures.

So far, Sah't has been overwhelmed with applications for the financing of housing on serviced sites and has not been able to play a pro-active role in purchasing land and developing infrastructures.

In the three months since its birth in January, it has begun to gather information on the demand for housing in specific areas and the availability of land and serviced stands which could in future form the basis of a centralised data bank on black housing for the whole country.

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WANTED: 600 000 HOMES

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THE serious shortage of housing in South Africa — estimated at some 600 000 homes — will come under focus at a conference to be held in Johannesburg next month.

The conference whose theme is the "Small Builder and Urban Housing" — is probably the first of its kind and will deal with various problems and solutions, according to a spokesman for one of the organisers.

The spokesman said in the light of present housing policy, it was clear that the "small" builder would play an important role in providing houses, which necessitated a forum where the role of the small builder could be discussed.

He said the conference was partly inspired by the recent White Paper on Urbanisation, specifically the following statement:

"When awarding contracts, preference should be given to the promotion of black entrepreneurship and the creation of employment opportunities in the communities where projects are launched."

South Africa is suffering from a serious urban housing shortage, recently estimated at a current backlog of 600 000 homes, more than 500 000 for blacks, plus an estimated need for over 2 million houses during the next 20 years.

An example of the severity of the housing shortage is the fact that 7,4 million low income people in South Africa live in only 466 000 houses.

Botha opens new centre

LEBOWA is to open its new multimillion rand government building complex situated at Lebokagomo township today.

The official opening, to be conducted by State President P W Botha, will start at 10 this morning.

The complex, believed to have cost the Phathudi government close to R8-m, comprises a Legislative Assembly chamber, offices and four ministerial houses.

Transport

The Lebowa homeland believes that the building of this central head office where all departments will be housed will enable the homelands to cut down on transport and telecommunication costs.

The opening of this complex means that all government offices previously situated in Seshego township will now move to the Lebokagomo.

Launch of self help project

THE Vukani Self-Help Centre for the disabled is to hold a general meeting at Uncle Tom's Hall in Orlando West tomorrow, the organisation's co-ordinator, Mr John Mothepeng, said yesterday.

The meeting is to launch a self-help project that will promote job creation for the disabled.

Project

He said the launching of the project had been prompted by the economic strain affecting unemployed disabled people in the community.

The meeting, where the draft constitution will be read will start at 10am and about 100 delegates are expected. The public is encouraged to attend the meeting for help with suggestions.



'Dream come true'

MS PAM Molaung has been appointed Market Research Manager for the giant OK Bazaars Stores in Johannesburg. Her appointment, effective from March, "is like a dream come true," she said yesterday.

THE VALLEY
FAREWELL TO SUMMER MUSIC FESTIVAL

★ SOUL BROTHERS ★ OZILLA
★ BRENDA FASSI and STEP AHEAD ★
★ BENJAMIN BALL ★ IZZY BOY
★ MASEDI ★ CONDRIY ZIQUBU and
★ LAMUMBA ★ ZIA ★
★ LAZARUS KGAGUDI ★

FUN VALLEY
SUNDAY MAY 3 AT 11am
NO BOTTLES ALLOWED

S 16532

Opening new doors

Black housing is emerging as an area of significant investment opportunity for the private sector — with the emphasis firmly on affordability rather than luxury.

And with funds for housing now forming a large part of many corporate social responsibility budgets, developers are looking to cash

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FM 24/4/87

in on the black housing boom.

Some extensive schemes are underway in the PWV area — in Vosloorus, Tembisa, Katlehong and Sebokeng, as well as Midrand. In the Cape there are opportunities in Guguletu, Langa and Khayelitsha, and in the OFS mining companies are looking to provide permanent housing for workers and their families.

One such scheme is located just outside Welkom. Here, 10 developers are to build 33 000 houses at a cost of R700m over the next five years. Most of the funds will come from building societies. Around 16 000 of the houses have already been earmarked for purchase by Gencor and Anglovaal employees with bond subsidies. Prices will range from the sub-economic to R50 000.

The new town borders on Thabong township, and town clerk James Ngake estimates that it will swell the population of the area to about 250 000. He says a survey commissioned by Anglo American and conducted by Market Research Africa revealed a critical shortage of housing. Occupancies averaging 17 people per house were recorded in Thabong.

Many applications

Ngake says there were more than 50 applications from developers seeking to become involved in the scheme. The 10 selected will also play a part in the provision of infrastructure and recreational, health and religious facilities.

Says Mike Graham, MD of Time Housing: "Our tasks will include not only the design and building of houses, but also town planning and the development of infrastructural services. We will also be arranging finance for prospective buyers and marketing homes ourselves."

For Time, the benefits are considerable, Graham says. Not strictly a construction company, it commissions builders and coordinates their activities to take advantage of economies of scale.

Graham says it is difficult to determine what profits from sales will actually be, but does say prospects are good enough for Time to establish a permanent Free State office.

"We also expect there to be more developments like this in the OFS," he adds.

Ngake says there will be advantages for buyers in the competition for sales between developers who will have to offer a wide range of styles and prices.

Employment opportunities

Another plus factor is that the scheme will create vast new employment opportunities locally. About 60% of the work is expected to go to small, local construction companies.

And local labour may well be used for much of the remainder, to be shared by LTA, M & R, Bester Brothers, the Urban Foundation's OFS utility company and Time Housing. ■

HOME LOANS

Deploying resources

Before taxation started swallowing slices of the perks pie in 1985, there was a distinction, in tax terms, between employee home loan schemes *funded* by employers and schemes *subsidised* by employers. The former bestowed a tax benefit on employees, the latter did not.

The distinction, however, was more apparent than real.

Companies, either reluctant to tie up large amounts of capital in low-interest loans or unwilling to take on the administrative burden, found ways to pass on loan schemes without incurring tax penalties for employees.

Explains tax consultant Raymond Fine: "There were two ways of doing this. Either the building society made a low-interest loan to the employee and recouped losses by charging the employer management fees. Or

in back-to-back loans the employer simultaneously invested money in the building society."

Not all organisations were willing to resort to these measures, however, fearing comebacks from Inland Revenue. They preferred to maintain their own home loans schemes; huge portfolios were accumulated in the private and public sectors.

With the introduction of fringe benefits tax all concessions began to be phased out. There seems little reason for employers to continue funding loan schemes.

In the public sector, the push towards privatisation has added impetus to moves away from self-funding. Latest to pass on its book was Escom, which distributed 50% to United Building Society, 20% to Barclays, 20% to the Perm, and 10% to Saambou.

Allied, which missed out on Escom's R285m divestment, is making a determined effort to tap private-sector schemes, by persuading businesses that provision of housing finance is a specialised business best left to professionals.

Revenue is apparently smoothing the way by letting bygones be bygones. According to Allied's David Waugh, companies previously engaging in tax avoidance strategies no longer have to fear that disclosure of subsidy schemes or management fee schemes will lead to back taxation. This in turn means they are free to convert loan schemes operative in March 1984 to subsidy schemes.

"The only absolute requirement is that there must have been an employee enjoying genuine housing assistance at that date," says Waugh.

Since September, Allied has made presentations to about 100 companies holding a total of about R1 billion home loans. "Its offer is attractive," conceded a rival.

"Audiences have been receptive," says Waugh. He is not prepared to disclose figures but describes the project as "very successful." He believes there is more to come.

There are still large amounts tied up in loans to public-sector employees. Though many State and near-State institutions have divested home loan portfolios over the past few years — including the SABC, SABS, CSIR and Sasol — South African Transport Services (Sats) and Posts and Telecommunications (P & T) are, between them, funding loans worth about R2 billion.

There is also great potential in the private sector. Says Waugh: "A lot of mining companies which own houses are looking at selling them to employees with funding from financial institutions."

United GM Piet Kruger agrees there is a strong potential market still in the private sector, "and we are going all out for it." Says NBS's Trevor Olivier: "We have written a number of schemes over the past few months, including two in the past two weeks, which could result in business worth around R50m."

To employers, the greatest advantage of converting from a loan to a subsidy scheme is that it frees money for more productive uses.

A disadvantage is that institutions don't always have funds available.

Kruger, however, claims that over the past four years, United has avoided such fluctuations. "We have supplied a constant stream of money to the mortgage market, irrespective of economic conditions and the cost of money."

Says Allied MD Alan Tindall: "Over the past few years we have made our participation in the capital market more sophisticated and will ensure funds are available."

Funding will be easier in the future, because of changes in legislation last year. Building societies now have limited access to the money market — they may hold 5% of liabilities in short-term funds. This will provide an alternative source when longer-term money is scarce.

Africans have major slice of homebuilding market

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SMA
25/4/87

The swing to homebuilding among blacks gains momentum, with an estimated 61 percent of new house plans going to that sector, compared with 39 percent to the traditional white residential area.

In recent months, home plans for Africans have accounted for 40 percent of the total homebuilding market, with coloureds taking 13 percent and Asians 8 percent.

Commenting on the big switch, the latest review of *The Property Economist* says the trend can only intensify and demand will be "insatiable for the next few years".

While the cost of a new house is certain to escalate over the next two years, the PE says the average size of a home in a white area is 150 sq m and costs R56 000 to build.

Homes for blacks are 77s m and cost about R25 000, while Asian homes are more luxurious at 118sq m (R46 000) with houses of coloured people coming in at 103sq m (R34 000).

Prospects for the white residential market are not so bright and the publication believes that as a result of the rejection by

FRANK JEANS

the authorities to raise the R40 000 subsidy for first-time homeowners, the end of the this particular market is now in sight.

"The housing market for whites is becoming increasingly subsidy driven," it says.

Average home prices in the white market dropped from R80 000 in 1984 to R75 000 early this year, and during this time building costs have risen by 32 percent.

And prices in the future?

The PE believes that if economic conditions continue to improve and if the May 6 election results generate increased confidence, then there should be a strengthening of home prices in the second half of this year and early in 1988.

Returning to homebuilding for blacks, the *Property Economist* says, however, that although it must be the the growth sector of the future, homebuilders who move in there should brace themselves for "unpleasant surprises".

"The non-white cultures are substantially different from

those of the whites.

"Non-white political in-fighting is a day-to-day activity as the reshaping of power takes place in each township and region.

"They will be operating in an environment where mayors and officials are being shot down and their houses burned and there is always the uncertainty in securing building stands, not to mention the safety of employees and theft of building materials on sites."

On the back of optimism about the economy in general, the outlook for the property industry is good, although PE is concerned that investors might well over-react to the strength of the upswing.

"The expected 2 percent to 4 percent growth in the economy this year and slightly less growth next year, will not create boom conditions in the immediate future," it says.

"The present buoyancy in the property markets is the result of pent-up demand for the take-up of space and we advise caution about overdevelopment of space this year and next," the publication says.

Informal housing 'key to problem'

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27/4/87

Post Reporter

THE authorities will have to accept and upgrade existing informal housing settlements if the black housing shortage of about 634 000 units is to be overcome.

This was said by the Urban Foundation's Eastern Cape director of policy and programmes, Mr Roger Matlock, in an address to the Rotary Peace Conference in Maseru today.

At the same time, the confusing variety of subsidy systems should be replaced by one aimed at the costs of land, services and maintenance rather than the costs of houses.

Everyone in South Africa had to acknowledge the size of the problem and pledge themselves to solving it, said Mr Matlock.

While there were shortages of 538 000 units for Africans, excluding the national states, and 96 000 units for coloured and Indians, there was an oversupply of white homes of 37 000.

The shortage — the result of legislation and the declining economy — had led to chronic overcrowding and the mushrooming of shack housing.

Mr Matlock said it was conservatively estimated that the 5,9 million urban blacks lived in 466 000 houses measuring on average 50 m². This amounted to 13 people a house, with about 4m² living space per head, while the average white home measured 160m².

The fact that 200 000, or 40% of Port Elizabeth's African population, lived



Mr R MATLOCK

in shacks was "clear proof of the authorities having buried their heads in the sand over urbanisation and having failed dismally in planning to cope with it".

Shacks had to be accepted as a valid and perfectly acceptable form of shelter and informal settlements had to be upgraded by involving all interest groups from each area in the preparation of detailed plans.

As far as the location of low-income housing schemes was concerned, major considerations were access to water and proximity to job opportunities.

However, ideological motives ensured that settlements were rising far from work opportunities.

Mr Matlock warned that inadequate maintenance of engineering services in large townships in the Eastern Cape was leading to a situation which threatened "a great disaster with serious widespread health implications".

GOVT 'NO'

Rent: Civic groups must see councillors

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TO TALKS

Duel in the air

BIRDS' Mike Mangena and Chiefs' Absalom Thindwa battle in the air for the ball. Chiefs won the match 3-1. See page 20.
Pic: JOE MOLEFE



Don't forget Soccerpot

THE Government will not meet leaders of black political organisations or civic associations to discuss the rent crisis in black townships.

This was said by Mr John Griffiths, chairman of the constitutional committee of the Transvaal Provincial Administration, who added that the Government will only negotiate with councillors.

He said Transvaal residents owed about R160-million in rent arrears. Soweto accounts for R80-million of this figure.

By MZIKAYISE EDOM

He said the decision to evict people was taken by individual councils and not the Government as most people believed.

"The local authorities are autonomous and they take their own decisions. They can come to us for advice but the final decision is theirs," Mr Griffiths added.

Scores of families have been evicted from their homes in Soweto and Katlehong, on the East Rand. The majority of those evicted are from Soweto.

Mr Griffiths said since the evictions started, residents have started paying rent, fearing that they may also be evicted.

"The evictions have had an influence and things are getting back to normal, especially in Soweto," he said.

Discuss

"We will meet anybody to discuss the rent crisis, as long as these people come through the offices of the councillors.

We are not prepared to meet any leader from black political organisations or civic associations, civic associations because councillors were elected by the people to represent them," Mr Griffiths said.

"The Soweto council has tried to solve the problem. They have also sent us a memorandum on the rent issue and this has been discussed at a very high level (Government) and there has been some progress," Mr Griffiths said.

2 hurt in electric

TWO people from Soweto are in a "serious condition" at the Baragwanath Hospital where they were admitted after an electrical transmitter exploded on them on Friday.

They are Mr Arthur Masiza (28) and Mr Mandla Dlangalala, both of Zondi in Soweto.

A member of Mr Masiza's family said she heard a loud explosion on Friday just after 5am. She rushed from her bedroom and heard Mr Masiza begging for help.

"I could not stand seeing Arthur Soweto."

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(123) w/p 28/4/87

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Warning to builders over profiteering

By DENISE BOUTALL

A WARNING was sounded this week against excessive profit-taking by companies building houses in Port Elizabeth's black residential areas.

Speaking at the opening of the Imbumba housing project in Motherwell, the SA Permanent Building Society's assistant general manager, Eastern Cape, Mr Malcolm Lobbin, said the black housing shortage was expected to continue for some time.

"It is important that the building industry protects the consumer and ensures that prices are not artificially pushed up because of the enormous demand."

Imbumba is a joint project of the Urban Foundation, the Perm, Grinaker and Arctic Construction, and entails the construction of 500 houses in Motherwell.

Mr Lobbin said the aim of the consortium was to prevent exploitation and keep prices down by putting up houses quickly and efficiently.

Another benefit was a one-stop service from planning, to construction, to finance and transfer of the property.

The project is being coordinated by the Urban Foundation. The houses are being built by Grinaker, marketed by Arctic Construction and financed by the Perm.

Opening the scheme, the president of the East Cape African Chamber of Commerce, Mr Nat Mkaza, urged construction companies to employ black builders as sub-contractors.

Mr Mkaza praised the consortium for its commitment to using black sub-contractors on the project

but added: "I appeal to the Government and the contractors to allow our people a slice of the work. I hope the next Imbumba project will be undertaken by black contractors."

In an interview, Mr Mkaza said the 60 black builders currently working in Port Elizabeth had grown out of a handful of "backyard" builders in about three years. They had undertaken most of the upgrading work in Motherwell and were now building in Kwadwesi.

The Imbumba scheme will ultimately consist of 500 houses of which 290 are expected to be built in the first year. There are 37 possible designs.

The houses are aimed at people earning R400 a month and more.

"We're aiming to build about 30 houses a month, but if the demand is there we'll be able to build more," said Mr Peter Arton-Powell, residential development and construction manager of the Urban Foundation.

CAPE TOWN 28/3/87
70% discount on govt black housing

Own Correspondent

JOHANNESBURG. — Homes in Lekoa (Vaal Triangle) will be sold at reductions of up to 70% to boost the government's mass sale of black housing that started in 1983.

The discounts are also aimed at ending the rent boycott, by including rent arrears in the reduced purchase price, which is payable by the residents over five years.

Recommendations have also been made by the National Council of Local Authorities that the 70% discount be

introduced in all other black areas.

The prices of all existing houses in the older Lekoa townships — Sharpeville, Boipatong and Bophelong — were reduced by 70% from April 1. In Sebokeng and Zamdela prices of newer houses were reduced by about 40%, with an extra discount for people who have electrified their homes.

Lekoa town clerk Mr N P Louw yesterday confirmed the reductions and said the council had decided on the reductions at the end of March.

FOCUS

QUESTION: For the past 10 months, residents in many black townships have been boycotting rent. How much have the local authorities lost in revenue during this period?

Answer: Residents owe a total of R160-million. This affects the whole of the Transvaal only, and of this amount, Soweto owes about R80-million.

Q: How much of this money have you recovered?

A: I should explain that in the Transvaal we have six regions: the East Rand, West Rand, Eastern Transvaal, Central Transvaal, Western Transvaal and Northern Transvaal. The only region where we are having serious problems at the moment is the West Rand Region. Residents in this region have not been paying their rental and service fees. In the other regions, the payment of rent and service fees is approximately 90 percent which is very close to normal.

Evict

Q: Before you started to evict people, did you first consult them and their leaders to try to solve the problem? Doctor Nthato Motlana, chairman of the Soweto Civic Association, has been trying in the past few weeks to meet the town clerk of Soweto, Mr Nico Malan, to try and break the deadlock?

A: I would not like to get into Dr Motlana's problems with the Soweto City Council, because I am not aware of the details.

When you ask me if we have consulted with the people and the leaders, you must take into account that we have to discuss this with the

THE rent crisis in Soweto and other townships continues. *Sowetan* writer MZIKAYISE EDOM spoke to the chairman of the constitutional committee of the Transvaal Provincial Administration, Mr John Griffiths about the problem. This is the edited version of the transcript of the interview.

Rent crisis



MR JOHN Griffiths, chairman of the constitutional committee of the Transvaal Provincial Administration.

councillors in charge. Not with anybody, but with the local authorities. On several occasions, we have met with the executive committee of the Soweto Council to discuss the rent crisis. The council has submitted an extensive memorandum to us, setting out all the problems concerning the non-payment of rent.

Deadlock

They also put forward some proposals to break the deadlock. In my opinion, the Soweto Council has done as much as they can do to try and solve the rent problem. Some of these proposals involve legal action.

Q: The problem is that residents have lost confidence in councillors. They feel that they are the mouthpiece of the Government, and that the councils are doing nothing to solve their problems. The councillors have also been accused of having no powers and of being stooges and puppets of the Government. What

are your comments on this?

A: Yes, I must admit that extra-parliamentary groups foster that idea and they do everything to discredit councillors. But we have had discussions with the local authorities in the Transvaal and at the moment I must point out that these men are doing their best to help their communities. It is not true that the councillors have no powers and it will be as a result of the elected leaders, councillors, and not as a result of the attacks by other people on councillors, that this conflict will be settled.

I have no doubt in my mind that in the rest of the Transvaal, including the West Rand and the East Rand, the pattern is improving. People are getting back to situations where there is normality and where the payment in some cases is 122 percent of what should be paid monthly. I am not prepared to tell you where, because the moment I do this, there will be action to try and disturb the situation in these areas.

Willing

Q: Some people have stated that they are prepared to pay the outstanding amounts, but they feel that the rent they are presently paying is very high and that the services they get from the councillors are very poor?

A: I think that we are now addressing something which is being used as the basis for not paying rent. If people feel that they are paying high rents, why then are they refusing to pay for services like water, electricity, and sewerage because they must realise that it is impossible for any council to continue to find bridging finance

to boost their diminishing funds. Can you imagine the situation you would be in if you were without funds but you were expected to but you were expected to provide services to the community? There is nowhere in the world that a Government will accept the principle of supplying services to people for free. This Government will not allow a situation where people will not want to pay for the services they get. It is not possible.

Evictions

Q: Do you think that by evicting people you are solving the problem?

A: I think that evicting people will have an influence. I do not say that this method will correct the situation but since some people were evicted, people have started paying. I think that you must take into account that if you are faced with eviction, you are going to have a rethink. This method has worked. Most people fear paying their rent because of intimidation.

Q: Is the Government prepared to meet representatives of the residents to solve the problem?

A: Under certain conditions we can meet them. We would not do it under normal conditions. We will not impair the credibility of councillors. These representatives will have to come through the offices of councillors. The councillors are elected leaders and they

were elected by the people. People must have confidence in the local authorities.

Q: Who ordered the evictions?

A: We are not involved in the evictions. Individual councils took the decision to evict people. The Government cannot prescribe to councils how they should recover outstanding amounts. If the councillors approach us for advice, we will discuss their problems but we will not tell them what to do because they are autonomous bodies.

Tomorrow Mr Griffiths discusses the Regional Services Councils.

Allied's mortgage loans jump 25,4%

CAPE TOWN 28/4/87

123

Own Correspondent

JOHANNESBURG. — Mortgage loans advanced by the soon-to-be-listed Allied Building Society jumped by 25,4% to R4,5 billion from R3,6bn in the financial year ended March 31, 1987.

Allied is the first society to report March-end results. It is probable that other societies, too, have experienced an accelerated demand for home loans indicating a revival in the property market.

In its last report as a mutual the society states that its declared policy last year was to expand its share in the home loan market, in the course of which it innovated fixed-rate loans for set periods. More than 80% of its R1,1bn inflow of funds was made available to home owners in a year which began when the property market was depressed.

Total share capital was increased by 46% to just over R2bn but this exceptional growth stemmed partly from investors securing their positions to qualify for shares in Allied Group which will be listed on the JSE on June 10. Other deposits went up from R2,8bn to R3,2bn, a 16,9% improvement.

With its reserves R34,1m higher at R168,8m, total assets rose from R4,3bn to R5,5bn, a growth of 26,9%.

Taxed income improved from R29,8m to R34,1m but this was largely a reflection of the lower interest rate pattern. Interest paid to investors re-

Allied Bank has been granted Authorized Dealer Status in terms of a Government Gazette dated April 24, 1987.

This means the bank, officially launched in January, is now in possession of a foreign exchange licence, and will be in a position to buy and sell foreign currency in the near future.

Kevin De Villiers, MD, said the Bank was expected to start dealing on June 1.

While the bank will offer its foreign exchange facilities to all corporates, the middle-sized corporates are specifically targeted.

The bank is looking to transact mainly trade-related business and will downplay speculative dealing.

He announced yesterday that within the next two months, the Bank would start an international division to facilitate imports and exports. — Helena Patten.

duced to R550m from R585,5m on the increases funds which had been raised through share capital and deposits.

The costs of administration and operations at R141,5m were 22,7% higher than in the previous year. In their report the directors comment that total administrative and operational costs had been held to approximately the prevailing inflation level despite the upward cost pressures on data processing equipment and systems.

Tip ...

EC aid to victims of apartheid on ice

28/4/87
B/Daw

MIKE ROBERTSON

LONDON — EC aid to SA, amounting to about R40m, has been put on ice after church and humanitarian groups objected to vetting procedures.

An SA delegation left Belgium last week after a row with EC officials, saying they would not submit proposals for the R40m the EC has set aside for aid to victims of apartheid.

EC officials were trying to play down the row yesterday.

But the net result is the money will not be used unless the church and humanitarian groups back down and submit proposals for new projects.

An EC spokesman said it had made R20m available last year for humanitarian aid to SA.

Of this, 40% of the money had gone to the Kagiso Trust, an independent organisation with its own board of trustees, which had been set up as a channel for EC aid; 46% had gone to the SA Council of Churches and SA Catholic Bishops' Conference; while the rest had gone to trade unions for training projects.

In all, 55 aid projects had been approved and six were still under scrutiny.

The EC spokesman said the officials and the SA delegation, led by Beyers Naude and Ahmed Dango of the Kagiso Trust, had differed over procedure.

Allied's home loans jump 25%

B/Daw 28/4/87

MORTGAGE loans advanced by the soon-to-be-listed Allied Building Society jumped by 25,4% to R4,5bn from R3,6bn during the financial year ended March 31, 1987.

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HAROLD FRIDJHON

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3 million houses needed

123
S/T
4/5/87

MORE than 3,2 million housing units must be provided by the year 2000 if every family outside the homelands is to be accommodated separately from one another, according to the South African Institute of Race Relations (SAIRR).

In its quarterly report, the SAIRR said this meant that if the housing backlog is to be eliminated 200 000 housing units would have to be built each year.

The institute noted in its report that only 8 000 units were built for blacks between 1980 and 1985, compared with more than 43 000 houses built for whites in 1984 alone.

The report said the figure of 574 063 usually given for the black housing shortage did not give a true reflection of the situation as it excluded the homelands, which could be in excess of 440 000 units.

While there was a surplus of 36 757 units in white areas, the coloured

By SY MAKARINGE

housing shortage was officially estimated at 52 000 and that of Indians at 44 000.

The institute said the shortage of land for black housing had been identified as a key factor by planners, black local authorities and the Houses of Delegates and the House of Representatives.

Obstacle

"A major obstacle to the allocation of land is racial land zoning enforced by the Group Areas Act and the Black Communities Development Act. African town councillors are thus increasingly identifying the Group Areas Act as the major constraint in meeting housing needs," the report said.

Other obstacles, according to the report include:

- Resistance by white

local authorities to allocate land for black housing.

- Eighty four percent of Africans cannot afford low cost housing without subsidies. The figure for whites is nine percent.

- Duplication of administration — nine government and local authority departments are involved in the provision of housing.

"The urban housing backlog is a consequence, among other factors, of Government attempts to limit African settlement in the cities by limiting or freezing housing provision.

"While influx control has been partially abandoned, the retention of the Group Areas and Black Communities Development Acts remain a major legislative restraint on mass housing provision," the report said.

New concessions to encourage home-ownership

The Argus Correspondent

JOHANNESBURG. — The Government has announced major concessions on housing prices for whites, coloured people, Indians and blacks.

The concessions are being interpreted as an attempt to break rent boycotts in black areas, but critics say they do not go far enough.

Soweto Civic Association president Dr Nthato Motlana commented: "We believe the Government is at last beginning to appreciate what we have been saying for years. This is some kind of progress.

"But they haven't even addressed one of the fundamental demands of the boycott, that the councillors and the community councils themselves must go."

Mrs Helen Suzman, Progressive Federal Party MP for Houghton, said she had no doubt the announcement was

part of an attempt to stabilise South African society two days before the election.

"You cannot do that in two days, and I have always been in favour of home-ownership for blacks. I hope it will take off and be successful.

"This may help solve the crisis brought about by the non-payment of rents. But it will not solve the problem of increasing the existing stock of houses."

The new housing campaign was announced by the Bureau for Information in Pretoria last night.

Condition of sale

Adjustments and additions made to the conditions of sale applying to existing housing units erected with National Housing Funds include:

A discount of up to 65 percent on the calculated purchase price of any house which has structural defects. Previously

the maximum discount was limited to 20 percent.

Any arrears in rent pertaining to the cost of the stand and erection of the dwelling can be included in the loan amount.

A tenant who has paid rent regularly over the past three years can buy without a deposit.

Transfer and other costs are included in the loan in deserving cases.

Further benefits not directly linked to the sales campaign include:

The raising of the maximum cost limit of a dwelling and stand from R27 000 to R30 000.

The maximum income limit of persons who qualify for aid is raised from R800 to R1 000 a month.

A 25 percent cash discount.

A five percent discount to buyers who buy before June 30, 1988.

The new benefits are to be implemented on July 1.

House prices on the way back up

123
 SMC 95787

Finance Staff

House prices in the main metropolitan areas have started rising and should be back to the boom-time levels of 1984 before the end of the year, says the Bureau for Economic Research (BER) at the University of Stellenbosch.

In its latest building and construction survey, BER says people have adjusted to political uncertainty and are now once again prepared to invest in fixed property.

The improved demand for housing has also resulted in increased activity amongst architects, quantity surveyors and builders.

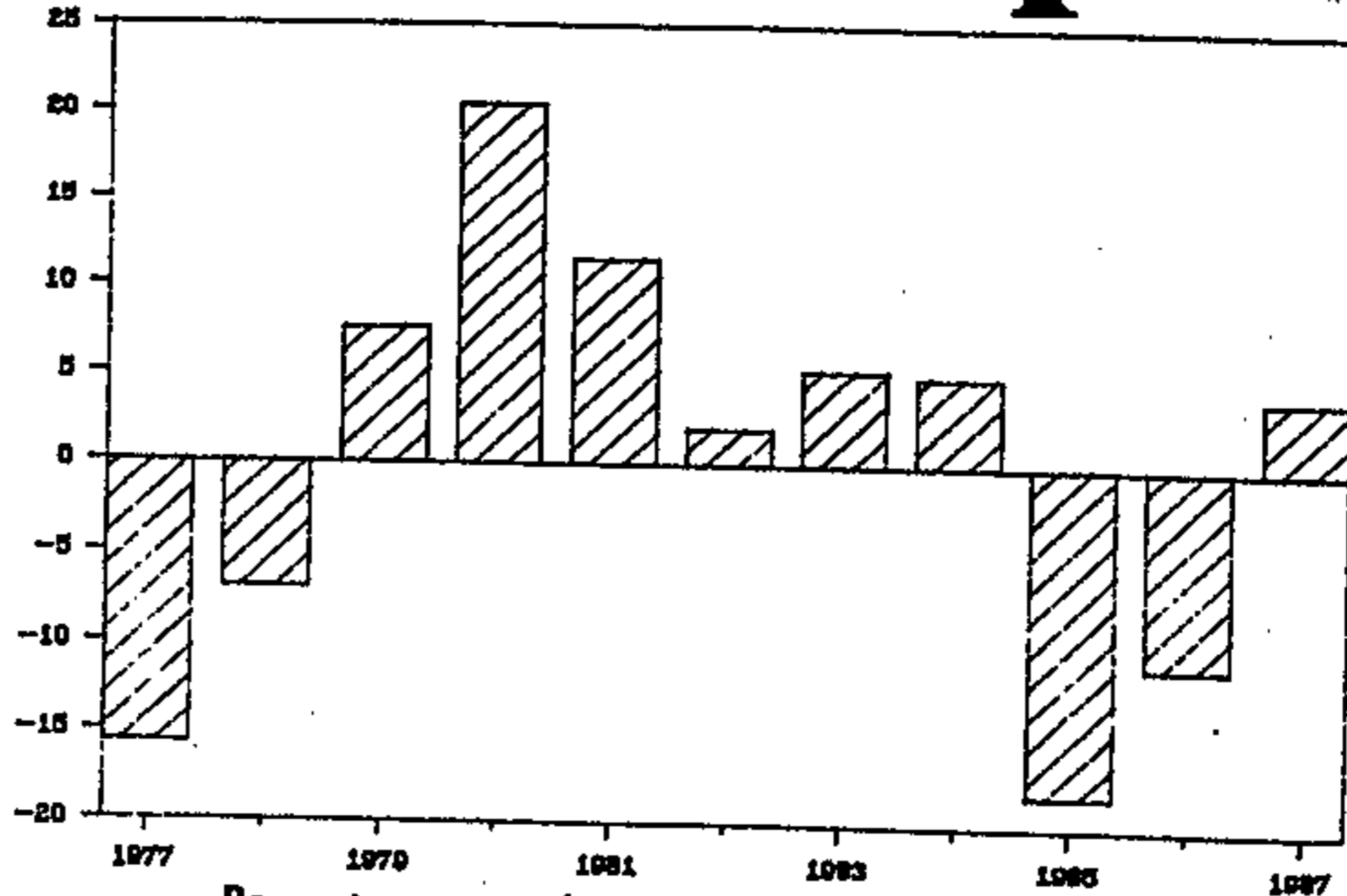
An average housing price rise of 15 percent for 1987 is forecast by bureau economist Mr Tertius Beyers, who compiled the latest survey. This takes into account the oversupply of housing for whites, which will dampen the possibility of a boom.

Pressure on prices comes from five sources, he says. Prices in June 1986 were 14 percent lower than two years earlier.

"At a time when prices of most commodities rose sharply, house prices declined to well below replacement costs, making them a good investment."

"Even though real disposable income is still declining, the economic outlook has improved and people had started to buy in anticipation of pay rises in 1987."

He pointed out that interest



Percentage growth in residential buildings.

rates were relatively low with the implications of cheaper mortgage rates. The sharp drop in the tempo of speculative residential building and a still-growing population in the young buyers' market had caused a pent-up demand.

High-priced houses were the quickest to react to the renewed interest in residential property — this category also suffered the biggest setback when the slump began.

Prices of medium-priced houses — the category "where most of the second time subsidised house buyer buys into" — were mildly affected by the recession and should surpass the previous peak levels before the middle of 1987.

But prices at the lower end of the scale, he adds, have shown no sign of improvement. How-

ever, prices in this market kept stable throughout the recession, says Mr Beyers.

A net 27 percent of home builders reported increased volumes of work in the March quarter.

"One danger signal is that 21 percent of housing contractors experienced serious problems in obtaining foremen while a further 22 percent experienced some problems.

"A shortage of labour at the start of an upswing will obviously lead to serious problems later. As a result of the recession, many retrenched workers have turned to other trades and are not prepared to take the risk of returning to the industry."

Wage increases are forecast to average 12 percent this year (after only 6,9 percent last year)

BER sees demand increasing

House prices to hit 1984 peak

Cape Times 5/5/87

123

By AUDREY D'ANGELO
Financial Editor

HOUSE prices in Cape Town have been firming since the middle of 1986 "and should reach the 1984 peak levels before the end of this year", according to the latest survey of the building and construction industry by the Stellenbosch Bureau for Economic Research.

Pointing out that demand is increasing, the bureau says this will cause a relaxation of the stiff competition which has squeezed profit margins.

Building materials have risen in price and it expects wages and salaries also to rise, pushing prices up.

Discussing regional differences, it says price movements in Johannesburg were similar to those in Cape Town.

"Prices have bottomed out since April last year and have been slowly on a road to recovery since then."

Although few transactions have taken place in Port Elizabeth, prices there started to firm in August last year.

And in Pretoria, "prices have jumped by approximately 10% in the last quarter of 1987".

"With the likelihood of upward salary adjustment for civil servants this year, we expect prices will top the 1984 peak levels in the third quarter of the year."

Discussing market sectors, the survey says the most expensive properties, which suffered the biggest setback when prices started to drop in 1984, were "the quickest to react to the renewed interest in residential property".

"Prices in the middle category have also started to improve. This is the category most of the second time subsidized house buyers buy into.

"Prices in this range have been mildly affected by the recession and should surpass the previous peak levels before the middle of 1987."

But, the bureau says: "It is interesting to note that prices at the lower end of the scale have shown no sign of improvement.

"We have anticipated that, as this is the price range in which the first time home buyer normally enters the market, prices should be quick to react to any positive signs.

"Prices have however remained stable in this market throughout the recession."

(123) D.D 5/5/87

New housing campaign

PRETORIA — A new housing campaign aimed at lower income groups has been announced by the Bureau for Information.

The bureau press release was issued on behalf of the Minister of Constitutional Development and Planning, Mr Chris Heunis; the Minister of Manpower and Public Works, Mr P. T. C. du Plessis; the Minister of Local Government, Housing and Works (administration) in the House of Assembly, Mr A. A. Venter; the chairman of the Ministers'

Council and Minister of Housing (administration) in the House of Delegates, Mr A. Rajbansi; and the Minister of Local Government, Housing and Agriculture (administration) in the House of Representatives, Mr D. M. G. Curry.

Adjustments and additions made to the conditions of sale applying to existing housing units erected with National Housing Funds include:

- "A discount of up to 65 per cent on the calculated purchase price of any house which has structural defects and/or the general condition which is of an unsatisfactory standard;

- "Any arrears in rental pertaining to the cost of the stand and erection of the dwelling can be included in the loan amount;

- "The tenant who has at least paid rent regularly during the past three years can buy without a deposit. Where regular instalments could not be made by the tenant as a result of circumstances beyond his control, a local authority can approve a purchase without a deposit; and

- "Transfer and other costs are included in the loan in deserving cases when a unit is purchased.

"A bottle-neck identified in 1983 at the start of the sales drive, was the number of units which had been corrected on unsurveyed stands in black residential areas.

"At present, a total of about 730 000 stands are involved," the statement said. — Sapa

A new scheme to crack rent boycott

(23) B Day 6/5/87

IN WHAT is seen as part of government's drive to break the rent boycott and encourage blacks to buy their own homes, a new housing campaign aimed at lower income groups has been announced by the Bureau for Information in Pretoria.

The housing price concessions apply to all lower income population groups — coloureds, Indians, blacks and whites — but commentators say they are aimed specifically at the black market in a pre-election move by government.

Several adjustments and additions have been made to the conditions of sale applying to existing housing units erected with National Housing Funds.

"A discount of up to 65% on the calculated purchase price of any house which has structural defects and/or the general condition which is of an unsatisfactory standard. Previously the maximum discount was limited to 20%."

The statement also said that any arrears in rental pertaining to the cost of the stand and erection of the dwelling can now be included in the loan amount.

Other major adjustments and conditions include:

□ The tenant who has paid rent regularly during the past three years can buy without a deposit. Where regular installments could not be made by the tenant as a result of circumstances beyond his control, a local authority can approve a purchase without a deposit; and

□ Transfer and other costs are included in the loan in deserving cases when a unit is purchased.

"The existing, as well as the added benefits, should serve to motivate prospective buyers to pay cash either with their own funds, or assisted by employers or financial institutions," the statement said.

The above new benefits are to be imple-

mented on July 1.

The statement said that the existing scheme for first time home buyers is also being investigated.

In this scheme, government is subsidising 33,3% of the interest payable by a home buyer over the first five years of his loan repayment. This scheme applies to new housing units where the cost does not exceed R40 000.

The bureau Press release was issued on behalf of Minister of Constitutional Development and Planning Chris Heunis, Minister of Manpower and Public Works P T C du Plessis, Minister of Local Government, Housing and Works (administration) in the House of Assembly A A Venter, chairman of the Ministers' Council and Minister of Housing (administration) in the House of Delegates A Rajbansi and Minister of Local Government, Housing and Agriculture (administration) in the House of Representatives D M G Curry.

...-based company — I

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Practically, we are proposing that the Hands off Cosatu campaign not be conducted as separate from the living wage campaign, but rather as a second prong, and be conducted at the level of the actual formation, out of SSC's and locals, as well as organizations such as SAYCO, of armed defence committee's of workers, who will undertake the physical defence of Cosatu offices and other property, and not at the level of gross advertisements in the bourgeois press, directed at the bourgeoisie itself.

The way in which a defence committee can be set up could be the following: regional officials of Cosatu request that each affiliate make available 3 workers each night a week. Out of this, a total committee of anything between 12 and 20 workers is possible, each evening of the week. The volunteered workers can either be told beforehand to bring along whatever weapons they possess, be it pangas or knives or pick axes, or these can be stored centrally each morning in the affiliates offices, ready for use in the evening. For the duration of each night, therefore, a worker's defence committee will be available to guard over Cosatu premises and property. The youth, through Sayco, can also quickly be drawn into this system, especially during the daytime when lots of unemployed youth are available.

Such an approach to the living wage campaign and the Hands off Cosatu campaign, with its insistence on the building of organs of working class power, will see Cosatu play the central role for the working class as a whole in determining the way forward.

CAPE TIMES 7/5/87
Group Areas
'blocks boom'

Own Correspondent (123)

JOHANNESBURG. — If the Group Areas Act were removed, the property market would boom and the depressed building industry would be stimulated.

The results of a study of the act by the University of Cape Town's academic planning officer, Dr Renfrew Christie, says the corresponding uplift would see small construction firms, which would otherwise die, growing and land hunger diminishing.

The study, undertaken on behalf of the SA Institute of Race Relations, indicates that political, economic and housing shortage instability would be reduced and the economy as whole would benefit.

"While the emergence of the 'grey areas' has indicated likely future trends by injecting some lift into a flat market, we have noted that continued uncertainty has limited the effect of these changes."

The report warns that the pent-up, stifling dwelling conditions experienced by blacks could burst its banks in a type of "Doctor Zhivago Solution" in which the under-housed could move by force into white homes.

Basic need

"This may seem far-fetched in present-day SA. But the analogy demonstrates the enormous basic need for mass housing and its possible implication for political instability and housing rights.

"It also clearly increases the desire of those who do have the means but are denied access to white property to escape township conditions.

"This explains why, when Fordsburg was opened to Indian residence in 1982, by 1984 prices reached R180 000 for a flat unit sale or R700 a month rental for three bedrooms."

The warning by Christie is highlighted by Tuesday's ultimatum by the government to a Durban couple whose legal mixed marriage made international headlines in 1985.

The couple were informed that their beachfront flat would be sold by the government within three months because they had violated the Act.

Jimmy James and his Indian wife, Shan, are apparently one of many couples in SA to receive notices from the Department of Development Planning this week informing them about the enforced sale of their properties.

This was confirmed by the departmental spokesman on group areas, J W Fourie.

New housing move hailed

THE United Municipalities of South Africa has welcomed the recent announcement about the proposed new housing campaign aimed at the lower-income groups.

The president of Umsa, Mr Tom Boya, said he particularly welcomed the provision that tenants who had paid rent regularly during the past three years could now buy without a deposit, and that discounts of up to 65 percent could be given on houses with structural defects.

This comes into effect on July 1.

Mr Boya, however, expressed concern over the government's racial



MR TOM BOYA

housing policy.

He said this "distorted" the housing problems in black areas.

"The Government should realise the sale of the existing housing stock did not go far enough in addressing the housing problems. It also does not bring about any relief to the thousands of people currently on the waiting list for houses.

"What is needed is the provisions of adequate land and infrastructure for housing development," Mr Boya said.

He urged the Gov-

ernment to scrap the Group Areas Act which he said had brought about disparity in the provision of housing on the basis of colour.

New confidence

The gradual recovery in the white residential market in the past six months has reflected the general state of the economy in more ways than one.

Commentators agree that the turning point of activity in the white housing market was reached in the third quarter of 1986. Demand started picking up "one weekend in October," says one estate agent. Depressed prices have also started to move up again; and estate agents expect an increase in demand to extend the trend.

It seems that confidence, pitifully low last year, is slowly but surely returning to the white housing market, much in line with other sectors.

Hans Falkena, chief economist at United Building Society, believes residential prices will start to rise moderately in the coming months, with an average increase in 1987 of some 5%-10%.

Aida National Franchises registered a 46% increase in nominal value of residential property prices and a 51% increase in units traded between October 1986 and March 1987. In the past six months, average prices increased by 3.5%.

Stefan Swanepoel, Executive Director of the Institute of Estate Agents, says, however: "There won't be a boom, but there will be a gradual strengthening in the market. In the long term, property prices have always increased at a rate greater than inflation. But it may be some time before they fully recover. It will not happen this year.

"Pick-ups in demand always lead price. This is followed by an increase in demand for bonds, then later house prices. But there may be a hardening of interest rates later in the year: people are still wary of this," he says.

The surprising development is that over the past 12 months some building societies have dealt with more business in mortgage bonds than ever before. Geoff Bowker, Senior GM at Allied Building Society, says that business was consistently good even before the cuts in bond rates.

"I find the complaints of estate agents — about the weakness of the housing market in the past 18 months — difficult to reconcile with our figures. Either Allied has taken business from other potential lenders, or estate agents who have been doing well have

kept quiet about it."

It seems that the recession has brought structural change in the building industry. Economic circumstances have forced a lowering of aspirations as far as houses are concerned. Commentators agree that standards have been lowered, that emphasis is now on cost and space-efficient design.

Business has picked up, but it is not all good news for the homebuilder, according to Lou Davis, Director of the Building Industries Federation of SA.

"Cost developments have not all been reflected in the market. Recession has forced many construction companies to absorb cost increases that suppliers have passed on — some have charged below cost simply to keep market share."

According to Davis, normal escalation in costs has been of the order of 16%-18% in 1986. If there is only a gradual lift-off in the market, the likely increase in building costs won't exceed 20%. However, sudden lift-off — though not expected by most — would result in labour and material shortages, forcing builders to pass on increases in the range of 25%-30%.

As long as the replacement value of houses

is significantly greater than market prices, and there is a surplus of some 30 000 units of accommodation for whites, recovery in housing construction will be slow.

Housing campaign welcomed

10/5/87
123
C/Pres

THE United Municipalities of South Africa has welcomed the recent announcement by the Bureau for Information on behalf of the various cabinet ministers with regard to the proposed new housing campaign aimed at the lower income groups to be

implemented on July 1. Tom Boya, the president of Umsa, said in a statement that he particularly welcomed the provision that tenants who had payed rent regularly during the past three years could now buy without a deposit, and that a dis-

count of up to 65 per cent on the calculated purchase price of any house which had structural defects could be effected.

However, Boya expressed concern over the racial fragmentation of policy with regard to housing.

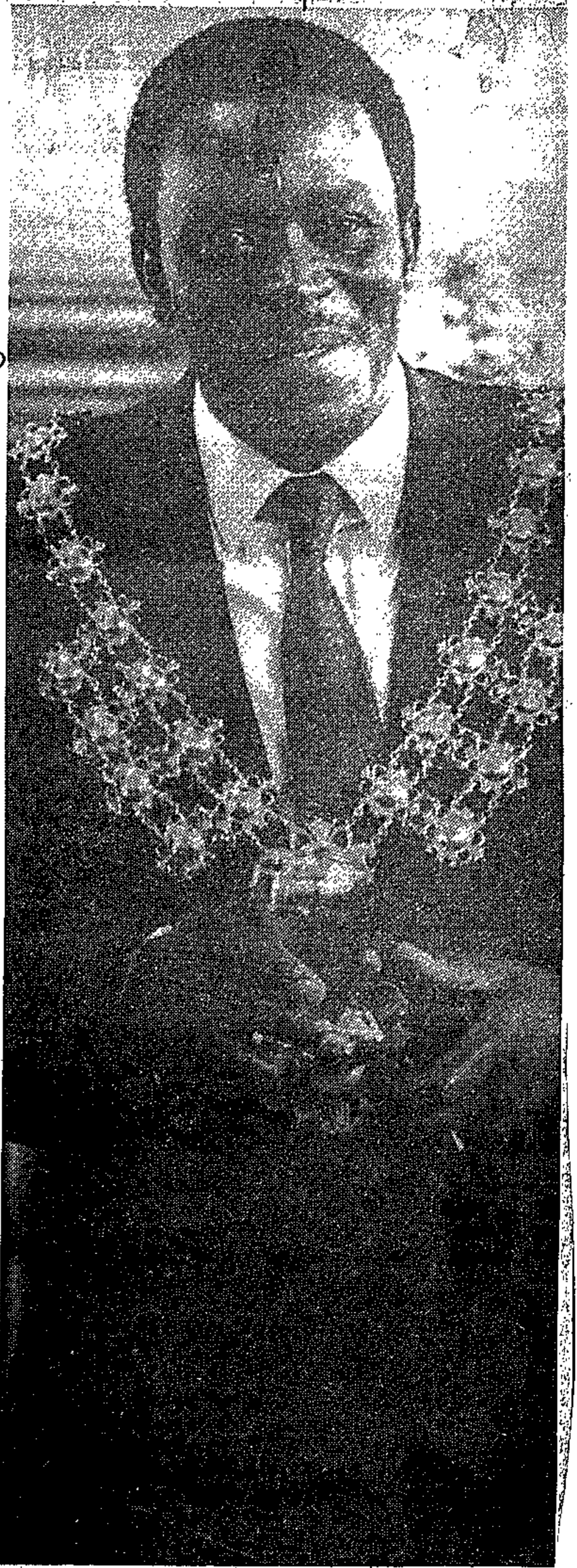
He said Umsa was "dead set" against the proclamation of ministries on a racial basis, as it "distorted" the housing problems in black areas.

"The government should realise the sale of existing housing stock did not go far enough in addressing the housing problems.

"It also does not bring about any relief to the thousands of people currently on the waiting lists for houses.

"What is needed is the provision of adequate land and infrastructure for housing development," Boya said.

He urged the government to scrap the Group Areas Act which, he said, had brought about disparity in the provision of housing on the basis of colour.



Tom Boya ... 'What is needed is land.'

Market rate

One of the smaller societies, the Eastern Province, says the soaring demand is beginning to exceed available funds.

The largest society, the United, says home-buyers must be prepared to pay a market rate for loans.

The United granted loans totalling R240-million in February, up 40 percent on February last year.

In a statement today, the Perm said when rates were reduced to 14 percent it was expected that the cost of funds would fall, "however, persistently high rates of inflation have mitigated against longer-term savings and the funding cost has not reduced as expected".

A rise in investment rates was not contemplated at the moment, said Mr Peter von Broembsen, marketing manager, today.

Mr Chris Ball, managing director of First National Bank, which is not adjusting its 12,5 percent rate, said today the building societies had misread the deposit market in the past and their borrowers were now paying the penalty.

Giant travel indaba

DURBAN. — A travel indaba, one of the world's biggest and most important tourism industry get-togethers, will be held at the Durban exhibition centre next week. — Sapa.

ONE of the big three building societies, the Perm, has raised its home loan rates and others are likely to follow.

New borrowers pay the new rate of 14,5 percent from today and thousands with existing bonds will pay the extra 0,5 percent from June 15.

Bond rates are under pressure because societies face a revenue crunch. Investors are putting their cash into the rocketing stock exchange.

The Natal Building Society has already announced a bond rate rise of 0,5 percent from June, bringing it into line with most other societies. The increase follows a rise in rates paid to savers.

The spectacular performance of the Johannesburg Stock Exchange this year made many people, especially pensioners, reconsider their investment in building societies.

A million rands a week is reported to be pouring into one unit trust alone, most of this cash from small investors.

All-time peak

With election uncertainties over, the JSE industrial share index soared to an all-time peak of 1894 points today, a gain of 12.

One Cape company, Waltons Stationery, today announced a 44 percent rise in dividend payouts for the past financial year. Another local company, Faircape Homes, listed a week ago when its shares were sold for 60c, saw them almost double in price to 115c yesterday.

Mortgage funds have also been eroded by life assurance companies offering investments which keep pace with inflation.

But a mini housing boom has produced a big demand for bonds.

The number of applications for home loans continues to rise, said a spokesman for the NBS today.

BOND RATES BEGIN TO RISE

By TOM HOOD
Business Editor

Rebus

12/5/81

123

General rise in home loan rates unlikely

Call this 13/5/87

123

Own Correspondent

JOHANNESBURG. — Major building societies and banks are unlikely immediately to follow the lead of the SA Perm, which announced on Monday that it would increase its home loan rate by 0,5% to 14,5% from June 15.

There is, however, a growing feeling that interest rates could be bottoming out.

It seems unlikely that the Allied would raise its home loan rate ahead of its listing on the Johannesburg Stock Exchange on June 10.

Also, the United Building Society has not yet made any move to follow the Perm's example.

ENL. TIMES 15/15/87
123

House prices firming - Allied

Financial Editor

THE Allied Building Society formed a special division to deal with the "unusually high level" of properties in possession, chairman Denis Paxton says in the annual report.

But "it is possible that this situation is now bottoming out, as there are indications house prices are firming in line with the economic upswing."

Paxton says that in contrast with the black consumer market, "the housing market for whites is characterized by weaknesses caused by emigration and unemployment".

Discussing the need for more black housing and a lifting of restrictions on where middle-class blacks can live, he calls for "an all-out and integrated campaign to provide land and appropriate housing."

Paxton says "finance is not the major inhibiting factor" in the provision of more housing for blacks. "The problem lies fairly and squarely in the area of legalistic and regulatory restriction."

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123 15/5/87 B/Day

MICK COLLINS

'Spell out details of home-ownership'

THE Transvaal Provincial Administration (TPA) has appealed to employers in industry and commerce to explain to their black employees the finer financial points of home-ownership in terms of government's "big sale".

The move follows recent reports that many buyers of State-owned houses are confused by their continued obligation to pay site rent on homes after they have bought them.

The TPA's Alex Weiss says homes bought on leasehold or full property-ownership rights in urban black townships are still subject to the payment of site rent.

"This monthly fee is, broadly speaking, the equivalent of rates

and taxes in white urban communities. Prior to purchase, the monthly house rental was a small part of the overall rental paid to the local authority.

"This falls away after purchase but the remaining balance, which covers the cost of services — sewerage, refuse removal, paving and road maintenance — still has to be paid."

Weiss says many new homeowners are confused by this and think they are still paying rent.

"This is not the case. They own legal title to the homes they have bought, and no longer pay house rent to the local authority. All they continue to pay is water, electricity and site rent.

"In addition to this, if they have not paid cash for their house, they must pay off the loan or the bond used to finance the purchase — either to the National Housing Commission, their employer or the financial institution — whichever is the case."

Property unit trusts seminar

MICK COLLINS

THE only real sales growth in electrical goods will come from

the black market, as electrification and middle-class housing is

Black sales growth seen

KAY TURVEY

advertisements over the by adver-

Association Julian : "It is a affecting hundreds of

bird of the ding.



Archbishop Tutu

No permit for Tutu

11/18/77 CP Correspondent *ilfres*

(123)

ARCHBISHOP Desmond Tutu has not, and would not, apply for a permit to live in his official residence, Bishopscourt, according to a statement from his office.

His personal assistant, Matt Esau, this week challenged the State to take action against Tutu following the serving of eviction orders on blacks living in white suburbs without permits.

Bishopscourt is in a white suburb and the leader of South Africa's Anglican community requires a permit in terms of the Group Areas Act to live there.

He can be evicted from his residence if his neighbours complain about his pres-

ence.

Esau said: "The church has never considered applying for a permit and will not do so now because Bishopscourt is the official residence of the Archbishop of Cape Town. I challenge the government to take action against the Anglican Church."

"If Piet Badenhorst, Deputy Minister of Constitutional Development and Planning, is saying that properties will be confiscated and sold at a public auction if people refuse to move out, let them try it with Bishopscourt."

Badenhorst has declined to comment on the issue.

The 'loan arranger'

By STAN MHLONGO

THE SA Permanent Building Society has become the biggest loan-giver to blacks wanting to build their own homes, and in March alone the bank made loans totaling R51,8-million.

At a Press conference at its Crown Mines' branch, the Perm's managing director, Bob Tucker, said his society had committed itself to non-racialism and "to providing the joy of owning a home to many underprivileged blacks".

"Remember that it is the building societies who created housing for whites in the towns and our commitment is not only to some two million elite. Instead, we are committed to serving 30 million South African people," explained Tucker.

17/5/87
123
C/Per
He said that, from April 1, 1986 to March 31, 1987, the Perm had granted a total of 11 000 loans to a value of R323-million to black people. "A record which few banks in SA have matched," said Tucker.

Tucker said his society's commitment to non-racialism had left the Perm open to some vigorous backlash attacks by certain forces, "the aim being to destroy what we are trying to achieve".

"Because of the high rate of inflation, people have been disinclined to invest for longer terms unless they are offered a high rate of interest. This has affected the cost of funds to the Perm, causing us to increase the bond rate by half a percent," concluded Tucker.

The Star

Township rents: handle with care

AS PARLIAMENT reopens, all three Houses would do well to turn their attention to the rent crisis in the townships. Because of the crucial flaw in the country's constitution those affected by the crisis are ill-served by the new dispensation. Structures set aside for them are either inadequate to deal with the problem or have been spurned by township dwellers. Yet legislators should see to it that the matter is kept at the forefront of official attention.

All levels of government must proceed with a great deal of care and understanding. The warning, therefore, to certain Sowetan leaders to settle their rent arrears or be evicted is a disturbing development. It can only bring the crisis to a head at a time when prudence is called for.

In normal circumstances it is the responsibility of every resident to pay for the services he receives. However, the situation in the townships is anything but normal. Ham-handed action can quite easily have disastrous consequences.

Having restored relative quiet in the townships by

maintaining a heavy military presence, the authorities are helpless to break the rent boycott which is, in part, a response to the troop presence and the State of Emergency. They have also failed to appreciate the dilemma faced by residents. The official edict to pay or be evicted in itself invites far worse consequences from those urging a boycott. As the warning was issued to the Soweto leaders last week, a family mourning the death of a father was being evicted for non-payment of rent. This flies in the face of assurances by councils that all cases are treated with sympathy and understanding.

Black organisations, while refusing to deal with councillors, have shown a willingness to negotiate with officials. But the councillors form the central plank of government's black local authority structure. Bypassing them could mean a serious loss of face for the Government. There is a way out, however. An independent mediator could find enough common ground to bridge the difference.

1232

BUSINESS

JCI building 'new concept' migrant hostels

By Finance Staff

New concepts in the design of migrant labour hostels on gold mines, with the emphasis on their convertibility to married quarters, have been developed at the JCI-managed H J Joel mine, near Virginia in the Orange Free State.

According to JCI, the migrant labour system has invariably been characterised by overcrowded and inferior accommodation. The company says its objective is to move towards a stable workforce which will have the freedom to live at or near the mines with their families.

It is implementing home ownership and housing allowance

schemes for housing close to the mine. However, the company says it will be a long time before the majority of employees are accommodated in that way, and it therefore envisages providing single accommodation for many years.

The new HJ Joel single quarters comprises four villages of about 400 residents accommodated in 29 blocks. Each block consists of four units housing 16 men (or eight seniors), and each unit has its own lounge including TV and beverage counter, ablutions, laundry and outdoor living area.

Each bedroom accommodates two men — but one in the case of seniors, who make up about 13 percent of the complement.

Design has been particularly directed towards future conversion of the units into family accommodation, if the need arises.

Other features of the new quarters are toilet and ablution facilities located within the units, modern kitchen and dining facilities, a community hall, tavern, shopping centre, clinic and sports facilities.

JCI says that in the complex it has tried to reduce the numbers accommodated per room and to upgrade the standard of accommodation, with the emphasis on offering privacy.

Project management of the design and construction of the complex was done by Anglo American Property Services, and R41 million has been budgeted for it.



One of the new-look single quarters blocks, with outdoor facilities, at H J Joel gold mine.

UF doubles agenda for '87

CAF Times 19/5/87

THE Urban Foundation has announced that it is to embark upon policy, programmes and construction activity to the value of R170 million in the current financial year. This will more than double the level of activity undertaken in the last financial year.

In making the announcement, the chairman of the Foundation, Mr J H Steyn, said: "Some nine years ago The Urban Foundation approved its first budget of R2,7 million. The board of directors, and subsequently the board of governors, has confirmed plans and budgets for the residential development and construction division of some R150 million and for the policy and programmes division of R19,8 million (see annexure below).

"The latter activity will continue to be funded from donations to be raised. No donated funds will be allocated to our construction activities which will be funded by loans raised from financial institutions," he explained.

He went on to say that the results of the Foundation's work should not be evaluated only or even significantly in monetary terms.

"We should rather be assessed on the impact that our portfolio of activities can have on the quality of life of poor and disadvantaged people, through the creation of opportunities for self-advancement and on the creation of opportunities for self-advancement and on the creation of structures which are compatible with the ideals and objectives of the Foundation."

IN this respect he emphasized the need for a process of structural change in South Africa to be promoted in a partnership between business leadership and the communities. A fully participatory process of community involvement remained essential to any success which the Foundation could hope to achieve. The programmes of the Foundation conducted via its regional activities throughout the country were important ingredients in giving content to the partnership concept.



By JAN STEYN
Executive Chairman of
the Urban Foundation

Steyn 123

1. "However," he added, "perhaps the most important respect in which the Foundation can remain a beacon of hope in a very turbulent environment is by continuing its work to seek to achieve appropriate policy change in South Africa, such as, for example, the contribution it made to the abolition of influx control and securing property rights for blacks. In this respect, I once again confirm the unanimous support which the Foundation has from its boards to work to secure the radical review of the remaining racially discriminatory measures on the South African statute book. Fundamental in this respect are:

The full implementation of the government's reform agenda as announced in January last year. In particular:

- Restoration of citizenship to all the people who lost it when the TBVC areas took independence. Until this occurs some six to nine million people are still subject to controls over their movement, and thus influx control has not been abolished for all.

- The cessation of forced removals.

2. "The repeal of the legislation affecting the racial zoning of land, in particular the Group Areas Act and relevant provisions of the Land Acts, both of which deny black people access to land for settlement, housing and agricultural opportunities.

"The Urban Foundation is also committed to work for such policy changes as are necessary to ensure that we are as South Africans able to change direction from a road leading to ever-increasing repression and on-going revolt to one in which

we move steadfastly towards a society founded upon justice and in which race is rejected as the cornerstone upon which its future structures are to be built.

"It is immensely encouraging," he concluded, "that the plans of the organization to play this dynamic role both in product and in policy terms carried the unqualified endorsement of its board of directors and board of governors and the enthusiastic support of its management and staff."

The Urban Foundation's operating planned activity 1987/88

THE plans of the Urban Foundation for the 1987/1988 financial year include those to:

- Develop 11 000 stands and 7 000 houses throughout the country;

- Launch shack up-grading programmes in the Cape and Natal with the potential to benefit some 10 000 families;

- Promote and support education programmes that will enhance the standing of some 8 000 teachers, provide facilities for 150 000 adult learners and have an impact on the lives of scholars throughout the country;

- Facilities for the development of entrepreneurs by promoting deregulation and the provision of counselling and other support which will facilitate their access to markets, premises, finance and skills;

Continue to promote policy changes in respect of:

- Citizenship for all South Africans;

- The Lands Acts;

- The Group Areas Act;

- Appropriate local government;

- The provision of housing finance;

- The making available of land for housing and urban development;

- The financing of education;

- The provision of appropriate in-service education, training and certification for teachers;

- Improved preschool provision;

- The enhancement of the impact of the private sector on education generally.

(12)

(13)

2/5/87
AD

CMC to oppose increases in rents

Dispatch Reporter

EAST LONDON — The Coloured Management Committee (CMC) had resolved to oppose proposed municipal rental increases here, the chairman, Mr D. W. Alexander, said here yesterday.

At a meeting on May 12, the committee also decided that the question of rental hikes be referred to the Association of Coloured Management Committee's meeting in Port Elizabeth in September.

Mr Alexander said he understood that rentals in coloured housing schemes would be raised from July 1 this year.

The acting housing manager, Mr M. Smith, said proposed rental increases were being dealt with by the action committee. A final decision would probably be taken on May 26.

Mr Alexander, who emphasised he was not being "racialistic", said the committee had evidence that the people of Milner Estates paid lower rentals than people in Parkside.

"Facts will prove that even taking the pensions of the two race groups into consideration, then it is proved that whites pay less than their coloured counterparts."

Mr Alexander said the committee was negotiating with the House of Representatives for the decrease of rentals in Fynbos and Vergenoeg, in Buffalo Flats.

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Group Areas housing 'timebomb'

by TOM HOOD, Business Editor

THE Group Areas Act excludes millions of people from the housing market and prevents much-needed building of low-cost housing on new land — with a threat to unoccupied white houses, a leading academic has warned.

Dr Renfrew Christie, the University of Cape Town's new academic planning officer, sketched an ominous scenario for South Africa in the form of a "Dr Zhivago-type solution" by the turn of the century, where homeless masses move into the mansions of the propertied classes.

He says in a study of the Act and property market economics that the Government, the private sector and those wanting to end apartheid had a common interest in removing the Act.

The Act "shuts millions of South Africans off from participation in the housing market and so threatens the integrity of the market. If the problem is not solved, there could well be no upper property market at all."

He said the "Dr Zhivago solution", in which the underhoused move by force into white homes, may seem far-fetched in present-day South Africa, but the analogy demonstrated the enormous basic need for mass housing.

Dr Christie said the average housed urban black had 3m² of living space — barely larger than a double bed.

Soweto households averaged 16 people and up to 30 had been found in four-roomed houses in Kimberley and 42 in a Uitenhage two-bedroom house.

In addition, millions of people were squatting or simply homeless.

Yet nearly 37 000 unwanted homes were available in white residential areas — 19 300 standing unsold and 17 400 for rent.

If the Act was removed or relaxed, the property market was likely to boom "for a substantial time" and the building industry would be stimulated.

Back affordable housing is

market target

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By RALPH JARVIS
Property Editor

SOUTH AFRICA'S real estate market in the black areas, in what is now regarded as "affordable housing".

And it is into this market that Corobrik in the Eastern Cape will be making a major drive in the year ahead.

This was stressed last week by the managing director of Corobrik in the Eastern Cape and Natal, Mr Ray Andrews.

"We will be making a major drive in the year ahead, particular with the astwall system using the axibrick. We will also be introducing a new building system called 'ast track'," Mr Andrews said.

"This is a system we sponsored which was developed by the Institute of Productivity Research in co-operation with the national Association of Home Builders.

"It's a most exciting organisational and technique approach which an ordinary sub-contractor in use. Using this method, the improvements in productivity will be as high as 50%.

"It's not unusual for a man who has become accustomed to using the ast track system to lay bricks at a rate of 800 to 1000 an hour.

rate a good bricklayer would lay in a day!

"So there are obviously tremendous benefits to be gained."

Mr Andrews said there were training videos on the system available.

Another Corobrik innovation was what was called "Corohome", a service system rather than a building operation.

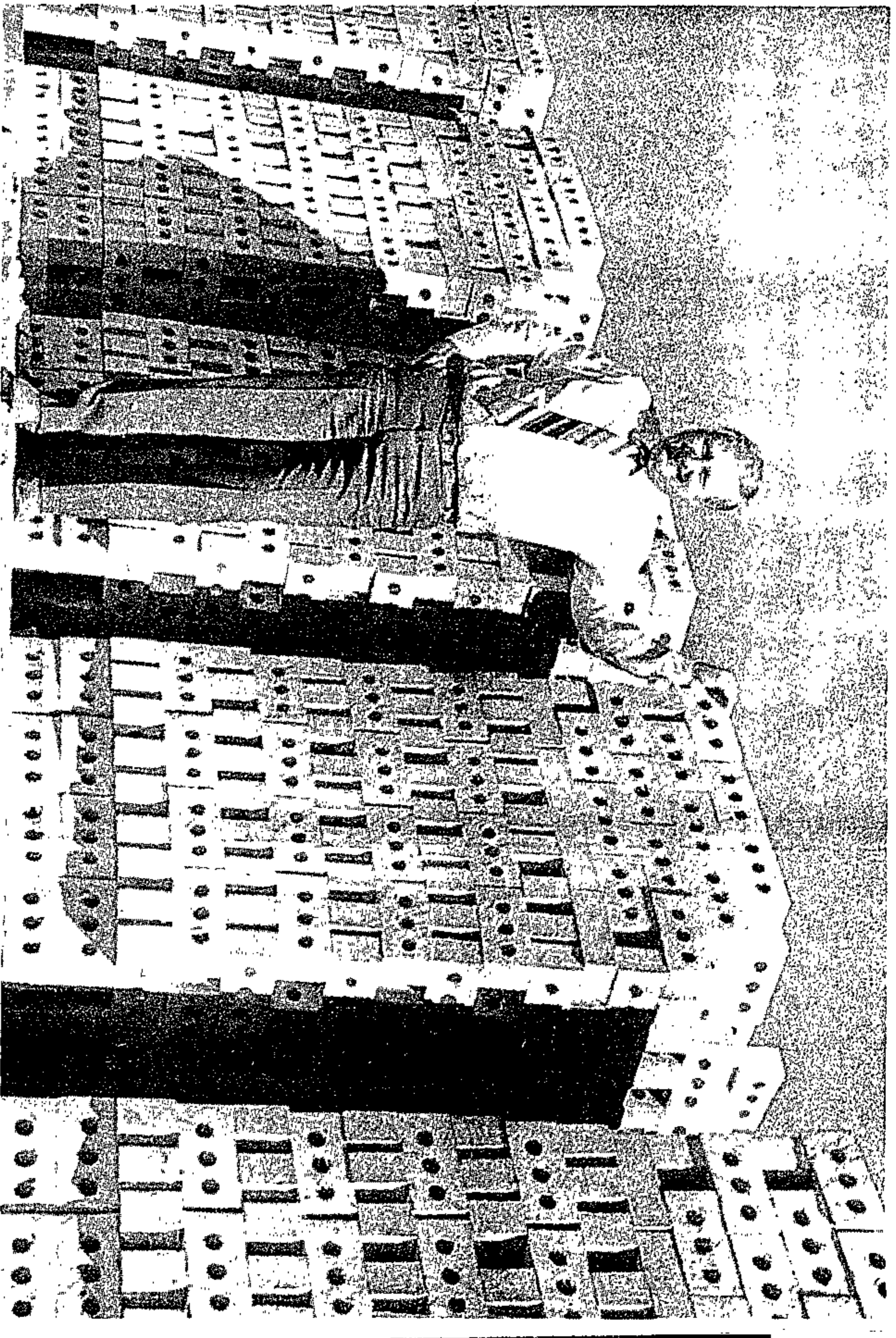
"We have found that many smaller builders lack the resources to find a way through the maze of bureaucracy and approvals needed to build a house, particularly in the black areas," Mr Andrews said.

"There is also a tremendous need among these people who want homes, and who can afford them, but don't know how to start.

"Corohome is simply a package which helps the people through all the procedures.

"It starts with the design for a core house which can grow with them as their incomes grow. On the strength of that design they can choose what they can afford.

"Corohome was introduced in Natal about a year ago and at this stage we are working on 3 000



Up and running again... the branch manager of Corobrik in the Eastern Cape, MR DEWEY SCHMIDT, with face bricks fresh from the kilns at Coega.

Property industry leaders meet

LEADERS of the country's property industry are to gather next month on the Natal South Coast to thrash out strategies for a changing South Africa.

A group of 40 decision-makers will attend the property executive programme designed by the South African Property Owners' Association (Sapo) to examine strategic issues involving the indus-

broader topics such as likely future political dispensations and their effect on property trends.

The programme, which is already fully booked, will run from June 3 to 6.

Titled "Future perspectives in a changing South Africa", it will be led by Prof Nic Wiehahn, Director of Unisa's School of Business Leadership.

Slabbert, executive director of the Institute for Democratic Alternatives for SA (Idasa); Dr Fred du Plessis, chairman of Sanlam and of the National Housing Trust; Dr Chris Stals, Director-General of the Department of Finance; Mr Laurie Korsten, executive director of Hill Samuel Merchant Bank and Dr Zac de Beer, chairman of the Southern Life Associ-

tor Peter Erasmus said the impact of this project on the property industry as a whole was likely to be considerable.

"While the emphasis will be on strategic matters, with a broad look being taken at such matters as the validity of property as an investment, the issues will also be studied in depth," he said.

making their contributions in workshops.

The advantage of this method, Mr Erasmus said, was that not only were senior executives being exposed to the opinions of their peers, but by the end of the programme they should have come up with ideas, thoughts and solutions.

Any course of action to be taken is expected to

RSC move may save town R250 000

The introduction of Regional Services Councils (RSCs) on July 1 could result in a saving of R250 000 on water, electricity and sewerage tariffs for Randburg.

The chairman of the Randburg Management Committee, Mr Frans Lourens, said in his budget speech yesterday this would result from the standardisation of tariffs throughout the Central Witwatersrand RSC under which Randburg falls.

At present, Randburg's tariffs are dictated by the Rand Water Board, Escom and

the Johannesburg City Council's sewerage division.

Another advantage of the RSCs, Mr Lourens pointed out, was a commission collection of about R100 000 which Randburg's council will receive as a payroll and turnover collection agent for the RSC.

For this it is entitled to a 2,5 percent collection commission.

Randburg had budgeted R126 000 for the regional services taxes it will itself have to pay the RSC, he said.



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treatment, (b) to whom and (c) when;

(5) whether he will make a statement on the matter?

†The MINISTER OF LAW AND ORDER (for the Minister of Justice):

(1), (2), (3), (4) and (5). The circumstances surrounding an incident on 5 May 1987 at the Durban Prison of the nature referred to in the question, are the subject of a motion application brought before the Supreme Court in Durban on 18 May 1987.

The hon member will probably agree that the information asked for may form part of the facts to be considered by the Court and that it will not be in the interest of the administration of Justice to pre-empt the process of litigation.

Group Areas Act

*12. Mr R M BURROWS asked the Minister of Constitutional Development and Planning:

(1) Whether, since 12 February 1987, his Department has received any applications from couples who entered into mixed marriages for the issue of permits in terms of section 26 (3) of the Group Areas Act, No 36 of 1966, to reside permanently in White areas and to be exempt from the provisions of the said Act; if so, how many as at the latest specified date for which information is available;

(2) whether any of these applications have been granted; if not, why not; if so, how many as at the latest specified date for which information is available;

(3) whether any such applications have been refused; if so, for what reasons in each case;

(4) whether he will make a statement on the matter?

The DEPUTY MINISTER OF INFORMATION (for the Minister of Constitutional Development and Planning):

(1) No. Applications for the granting of permits in terms of section 26 (3) of the Group Areas Act, No 36 of 1966, are dealt with by the different Provincial Authorities. The information for each Province is as follows:

Transvaal and Orange Free State

(1) None.
(2) and (3) Fall away.

Natal

(1) Two applications have been received.

(2) Both applications are still under consideration.

(3) Falls away.

Cape Province

(1) Six applications have been received.

(2) Yes—One application granted.

(3) Yes—Five applications have been refused. The applicants are in terms of section 12 of the Act disqualified persons to acquire and/or occupy immovable property in a proclaimed white area.

(4) No.

†Mr F J LE ROUX: Mr Chairman, arising out of the hon the Minister's reply, could he perhaps give us an indication as to what criteria are applied in the granting of applications of this nature?

†The DEPUTY MINISTER: Mr Chairman, obviously I cannot answer that question and I will appreciate it if the hon member would put the question on the Question paper. [Interjections.]

Temporary Removal of Restrictions on Economic Activities Act

*13. Mr R M BURROWS asked the Minister of Economic Affairs and Technology:

Whether any action has been taken in terms of the Temporary Removal of Restrictions on Economic Activities Act, No 87 of 1986; if not, why not; if so, (a) what action and (b) in respect of what date is this information furnished?

†The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY:

Yes, but these actions have not yet resulted in the issue of proclamations in terms of the Temporary Removal of Restrictions on Economic Activities Act, 1986.

(a) Information in respect of actions taken up to 13 February 1987 was given in my written reply to Question No 307 on 23 February 1987.

In addition the Competition Board has completed its investigations in regard to the preparation and sale of foodstuffs, licensing of taxis, legislation pertaining to Black businessmen, business licensing and hours of business.

The recommendations of the Board in regard to the regulation of:

(i) foodstuffs were accepted by the Minister of National Health and Population Development and the relative old regulations were substituted by less restrictive new regulations;

(ii) taxis were accepted by the Government and have already been incorporated in the White Paper on National Transport Policy which will be implemented by the Minister of Transport Affairs;

(iii) Black businesses have been referred to the Ministers of Constitutional Development and Planning and of Education and Development Aid who will institute the necessary further actions;

(iv) business licences and hours of business were referred to the four Administrators for comment and the necessary further actions will be taken as soon as the comments have been received and processed.

Four further petitions for the issue of proclamations were received. Three of these are in respect of the pro-

cedures which must be followed to obtain permission to use land for business purposes. The Competition Board has already started an investigation into the use of land for business purposes in general.

The fourth petition is in respect of an industrial centre and will be submitted for consideration by a parliamentary committee as soon as the necessary investigation has been completed.

(b) 22 May 1987.

SATV News/Network: monitoring

*14. MR P G SOAL asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services:

(1) Whether he has taken note of the findings of the monitoring by Rhodes University journalism students of the coverage given by SATV News and Network programmes to political groupings during the election campaign; if not, why not; if so,

(2) whether he has taken any action as a result; if not, why not; if so, what action?

The MINISTER IN THE STATE PRESIDENT'S OFFICE ENTRUSTED WITH ADMINISTRATION AND BROADCASTING SERVICES:

(1) Yes.

(2) No further action will be taken on account of the reasons mentioned in my speech in the No-confidence debate.

Rent/service charges in arrears

*15. Dr W J SNYMAN asked the Minister of Constitutional Development and Planning:

What total amount was owing to organisations under his control in respect of arrears (a) rent and (b) service charges in Black areas in the Republic, as at the latest specified date for which figures are available?

(123) Howard

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†THE DEPUTY MINISTER OF INFORMATION (for the Minister of Constitutional Development and Planning):

The total amount in respect of arrears rent and service charges for which figures are available as at 31 March 1987 is R271 584 554.

Separate figures for (a) rent and (b) service charges are not available.

†Dr W J SNYMAN: Mr Chairman, arising out of the hon the Deputy Minister's reply, I want to ask him whether he can tell the House why separate amounts for services and rents are not available.

†THE DEPUTY MINISTER: Mr Chairman, once again I am not in a position to reply to that question. I shall appreciate it if the hon member would place it on the Question Paper.

*16. Dr W J SNYMAN—Constitutional Development and Planning [Reply standing over].

Own Affairs:

Provincial education councils

*1. Mr R M BURROWS asked the Minister of Education and Culture:

(1) Whether a date has been set or suggested for the coming into operation of the provincial education councils; if not, why not; if so, what is this date;

(2) whether any organisations were consulted prior to the setting of this date; if not, why not; if so, what organisations;

(3) whether, prior to this date, the functions of these provincial education councils are being performed by another body; if so, by what body?

†THE MINISTER OF EDUCATION AND CULTURE:

(1) Yes. The education councils are in the process of being constituted and it is planned that they be implemented on 1 August 1987.

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(2) No. Such consultation beforehand is in practice quite impossible.

(3) No.

School hostels: vacant places

*2. Mr R M BURROWS asked the Minister of Education and Culture:

What was the total number of vacant places in school hostels for (a) male and (b) female pupils at schools falling under the control of his Department as at the latest specified date for which information is available?

THE MINISTER OF EDUCATION AND CULTURE:

	(a)	(b)
Natal 87-04-30	849	582
Cape 86-12-31	4 156	4 368
OFS 87-05-20	1 316	1 173
TEDE 87-01-20	5 864	5 041
Total	12 185	11 164

Married women teachers

*3. Mr R M BURROWS asked the Minister of Education and Culture:

(1) Whether (a) his Department and/or (b) the provincial education departments employ or employed married women teachers in a temporary capacity; if so, how many were so employed as at the latest specified date for which information is available;

(2) whether any married women employed as temporary teachers have had their services terminated as a result of their marital status; if so, (a) how many, (b) for what reasons and (c) in respect of what date is this information furnished;

(3) whether he will make a statement on the matter?

†THE MINISTER OF EDUCATION AND CULTURE:

(1) (a) and (b) Yes.
732—Natal 87-05-01
4 699—TEDE 86-09-30
1 475—Cape 87-02-10
1 293—OFS 87-03-01.

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(2) No.

(a), (b) and (c) fall away.

(3) No.

For written reply:

General Affairs:

Pamphlets

7. Mr P G SOAL asked the Deputy Minister of Information:

Whether the Bureau for Information produced any pamphlets during the course of the past three months; if so, (a) what was the (i) title and (ii) cost of each such pamphlet, (b) on what date was each printed and (c) how many copies of each were printed?

THE DEPUTY MINISTER OF INFORMATION:

Yes.

(a) (i) (aa) 1st Friday in May.

(bb) Message by the State President.

(cc) Message by the State President The Hon P W Botha.

(dd) Purpose and function of the Bureau for Information in the Northern Cape.

(ii) (aa) R1 400.

(bb) R18 000.

(cc) R20 000.

(dd) R40.

(b) (aa) 25 April 1987.

(bb) 4 May 1987.

(cc) 2 May 1987.

(dd) February 1987.

(c) (aa) 46 000.

(bb) 1 300 000.

(cc) 500 000.

(dd) 2 000.

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Decentralisation incentive benefits

45. Mr J J WALSH asked the Minister of Constitutional Development and Planning:

Whether any industries that have been awarded decentralisation incentive benefits (a) have had these incentive benefits (i) removed and (ii) reduced, (b) were place-bound industries and (c) have since ceased to operate; if so, (aa) how many in each case and (bb) in respect of what date is this information furnished?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(a) (i) A total number of 110 firms have been notified that the incentives which they presently enjoy will be phased out over a period of two years ending on 31 August 1987 and, in the case of one company, on 30 June 1987. In the case of a number of firms falling under the sawmilling industry the incentives will be withdrawn only in respect of part of their production, namely wet sawmilling, which does not qualify for incentives while certain secondary stages of processing do qualify.

(ii) A total of 124 firms have been notified that certain components of the incentives package granted to them will be phased out. In the case of producers of certain Cement products and tombstone manufacturers the transport rebates will be withdrawn on 31 August 1987 and in the case of industries established at coloured and Indian preference employment and points the long term incentive will be withdrawn on 29 February 1988.

(b) The withdrawal of the incentives of the 92 firms mentioned in (a) (i) above and of 38 of the firms mentioned in (a) (ii) above. A total of 130 firms, is being affected in terms of multilateral guidelines on the consideration of applications for incentives by material orientated and local-

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ity bound industries as well as on the basis of a decision by the Government in 1984 to phase out the incentives of existing industries falling in the two categories.

- (c) (aa) The Decentralisation Board is not aware of any firm closing down its operations as a direct result of having to forfeit part or all of its decentralisation incentives.
- (bb) From 1 July 1984 to 13 February 1987.

Family housing units

50. Mr P G SOAL asked the Minister of Constitutional Development and Planning:

- (1) (a) How many family housing units

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Township	(1) (a) (i)	(ii)	(iii)	(1) (b)
Huhudi	242	—	—	R 1 833 116
Ditlong	32	—	—	R 214 259
Tidimalo	25	—	—	R 169 072
Motswedimosa	40	—	—	R 292 032
Douglas	25	—	—	R 181 961
Galeshewe	—	56	—	R 280 000
Biochoko	—	2	—	R 10 000
Pabellelo	164	1	—	R 1 772 191
Adelaide	226	1	—	R 1 450 733
Aberjeen	—	383	—	unknown
Alexandria	—	1	—	unknown
Alival North	—	32	—	unknown
Bathurst	—	10	—	unknown
Beaufort West	—	312	—	unknown
Bedford	—	56	—	unknown
Cathcart	—	4	—	unknown
Dordrecht	21	—	—	R 169 015
East London	20	2	—	unknown
Elliot	—	—	—	R 165 250
Fort Beaufort	—	8	—	unknown
George	—	14	—	unknown
Graaff-Reinet	—	801	—	unknown
Humansdorp	—	150	—	unknown
Indwe	—	25	—	unknown
Jannestown	—	—	4	unknown
Kirkwood	—	17	—	unknown
Mossel Bay	77	17	—	unknown
Somerset East	—	137	—	R 645 442
Sterkstroom	—	1	—	unknown
	—	21	—	unknown

HoA

Township	(1) (a) (i)	(ii)	(iii)	(1) (b)
Steynsburg	—	—	1	unknown
Port Elizabeth	—	—	1 160	unknown
Khayelitsha	—	—	225	unknown
Langa	—	—	132	unknown
Guguletu	—	—	265	unknown
Qudushoorn	—	—	100	unknown
Allanridge	21	58	—	unknown
Bethulie	—	57	—	unknown
Bloemfontein	—	117	283	unknown
Boshof	—	2	—	unknown
Bultfontein	—	2	—	unknown
Brandfort	—	95	—	unknown
Clocolan	—	34	—	unknown
Dealesville	30	67	—	unknown
Dewetsdorp	10	2	—	unknown
Edenburg	—	8	—	unknown
Excelsior	—	13	—	unknown
Fauresmith	14	7	—	unknown
Ficksburg	—	13	—	unknown
Fouriesburg	—	17	—	unknown
Hennenman	—	17	—	unknown
Hertzogville	25	51	40	unknown
Hobhouse	10	26	—	unknown
Hoopstad	7	5	—	unknown
Jagersfontein	—	30	—	unknown
Jacobsdal	10	7	—	unknown
Koffefontein	—	1	—	unknown
Ladybrand	—	1	—	unknown
Margard	—	33	—	unknown
Ondalstrus	—	22	—	unknown
Paul Roux	—	66	—	unknown
Petrusburg	—	13	—	unknown
Philippolis	10	14	—	unknown
Reddersburg	10	1	—	unknown
Rosendal	—	13	—	unknown
Rouxville	—	2	—	unknown
Senekal	—	16	—	unknown
Smithfield	—	129	—	unknown
Soutpan	—	11	—	unknown
Springfontein	—	1	—	unknown
Theunissen	—	21	—	unknown
Trompsburg	—	17	—	unknown
Tweespruit	—	16	—	unknown
Vanstadensrus	—	—	—	unknown
Ventersburg	—	—	—	unknown
Verkeerdevllei	100	—	—	unknown
Virginia	—	11	—	unknown
Welkom	1 100	—	—	unknown
Wesselsbron	—	57	—	unknown
Wepener	70	20	139	unknown
Winburg	100	104	—	unknown
Zastron	68	11	—	unknown
	—	47	—	unknown
	—	1	—	unknown

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Township	(1) (a) (i)	(ii)	(iii)	(1) (b)
Leragwana	23	—	—	unknown
Bohlokong	2	20	—	unknown
Kgoisong	13	56	—	unknown
Kgubetswana	10	7	—	unknown
Ntswanatsatsi	10	—	—	unknown
Ngwathe	22	20	—	unknown
Evaton	120	252	—	unknown
Namahadi	40	2	—	unknown
42nd Hill	43	6	—	unknown
Phirrona	48	4	—	unknown
Tlholong	32	25	1	unknown
Kwakwatsi	21	1	—	unknown
Maokeng	50	50	200	unknown
Ntsha	22	43	—	unknown
Zamani	7	—	—	unknown
Metsimaholo	10	—	—	unknown
Tumahole	102	—	2	unknown
Mamafubedu	49	5	—	unknown
Petsana	28	145	—	unknown
Matwantlwang	27	4	—	unknown
Matlahaneng	14	4	—	unknown
Thembahtle	42	31	—	unknown
Qalabotjha	34	—	—	unknown
Mokwallo	22	16	—	unknown
Rammulotsi	15	—	—	unknown
Ezenzeleni	48	—	—	unknown
Amersfoort	192	—	—	unknown
Barberton	—	23	214	R 9 630 000
Piet Retief	—	5	—	R 100 000
Wesselton	—	48	212	unknown
Mamelodi	—	—	200	unknown
Ateridgeville	—	12	9	unknown
Bellast	—	17	—	unknown
Bethal	—	112	42	R 4 502 000
Hendrina	—	7	—	R 220 000
Lydenburg	—	3	—	R 495 000
Machadodorp	8	—	86	unknown
Ogies	—	33	—	R 99 000
Standerton	—	70	—	R 1 540 000
Volksrust	13	2	3	R 1 025 000
Witbank	—	373	—	R 2 984 000
Balfour	—	11	—	R 550 000
Lebohong	142	—	—	R 852 000
Bloemhof	16	1	—	R 68 000
Christiana	10	7	5	R 76 500
Hartbeesfontein	17	5	—	R 99 000
Koster	45	9	—	R 243 000
Leudoringstad	12	3	—	R 67 500
Lichtenburg	45	—	—	R 180 000
Makwassie	18	7	10	R 131 172
Orkney	30	50	83	R 4 225 000
Otrosdal	10	4	—	R 125 000

HoA

Township	(1) (a) (i)	(ii)	(iii)	(1) (b)
Potchefstroom	6	17	70	R 3 942 000
Sannieshof	39	7	—	R 161 220
Schweizer-Reneke	77	103	—	R 2 406 500
Suitfontein	20	2	—	R 140 000
Ventersdorp	—	24	—	R 480 000
Wolmaranstad	46	—	—	R 207 000
Zeerust	18	—	—	R 111 600
Tembisa	—	140	—	R 560 000
Katlehong	176	306	826	R 24 874 000
Vosloorus	—	477	100	R 15 964 000
Tokoza	—	95	—	R 2 040 000
Wartville	—	10	—	R 300 000
Daveyton	—	839	63	R 29 675 000
Kwa Thema	—	242	—	R 2 305 000
Tsakane	—	70	—	R 210 000
Duduza	—	2	—	R 40 000
Ratanda	—	100	—	R 300 000
Botleg	—	4	—	R 100 000
Refilwe	—	—	5	R 276 936
Soweto	—	3 000	—	R 45 000 000
Dobsonville	400	440	—	R 20 800 000
Diepmeadow	—	361	—	R 10 830 000
Mohlakeng	—	200	—	R 7 000 000
Bekkersdal	140	6	—	R 2 123 840
Alexandra	704	—	—	R 3 538 764
Kagiso	—	267	—	R 11 450 000

(2) Housing shortage

Township	Shortage	Township	Shortage
Mathomola	4	Enhalakahle	182
E'thembeni	250	Bhongweni	280
Thembinikosi	67	Steadville	368
Tidimalo	28	Matatiele	—
Motswedimosa	20	Shakaville	198
Bongani	43	Mamelodi	5 961
Mataleng	15	Ateridgeville	3 500
Mziwabantu	53	Thabazimbi	27
Kutlwano	30	Nylstroom	125
Huhudi	123	Naboomspruit	175
Valspan	450	Messina	150
Ikhutseng	217	Amsterdam	50
Boipelo	52	Piet Retief	300
Boichoko	64	Barberton	568
Thakatalou	38	Wakkerstroom	30
Brunville	229	Carolina	180
Enkanyezi	22	Christiesmeer	30
Thembahtle	155	Ernelo	1 500
Sibongile	184	Belfast	350
Bhekuzulu	476	Morgenon	200
Chesterville	490	Bethal	2 000
		Sabie	400
		Dullstroom	30

HoA

Township	Shorage	Township	Shorage
Wakkerstroom	80	Alexandra	8 000
Hendrina	700	Kagiso	5 000
Amersfoort	70	Allanridge	17
Lydenburg	512	Hobhouse	45
Breyten	200	Smithfield	105
Machadodorp	60	Bethulie	240
Davel	60	Hoopstad	81
Ogies	800	Soutpan	—
Lothair	120	Bloemfontein	6 000
Perdekop	100	Jagerfontein	481
Standerton	850	Springfontein	45
Volksrust	1 000	Boshof	50
Witbank	7 000	Jacobsdal	20
Balfour	564	Theunissen	135
Bloemhof	300	Bultfontein	47
Carletonville	3 000	Koffiefontein	27
Christiana	80	Trompsburg	—
Coligny	50	Brandfort	130
Fochville	300	Ladybrand	291
Hartbeesfontein	200	Tweespruit	60
Koster	200	Clocolan	33
Leuodingstad	150	Marquard	15
Lichtenburg	80	Vanstadensrus	—
Makwassie	100	Dealesville	15
Orkney	350	Ondandaarus	1 600
Ortosdal	50	Ventersburg	186
Porcheftroom	2 500	Dewetsdorp	55
Sannieshof	21	Paul Roux	131
Schweizer Reneke	200	Verkeerdelei	30
Stilfontein	828	Edenburg	—
Swartrugens	15	Petrusburg	31
Ventersdorp	200	Virginia	1 100
Wolmaransstad	200	Excelsior	53
Zeerust	140	Philippolis	25
Tembisa	7 000	Welkom	8 905
Katlehong	30 000	Fauresmith	85
Vosloorus	2 628	Reddersburg	30
Tokoza	4 500	Wesselsbron	70
Wattville	747	Ficksburg	37
Daveyton	7 400	Rosendal	35
Kwa Thema	14 000	Wepener	100
Tsakane	3 500	Fouriesburg	15
Duduza	1 000	Rouxville	72
Ratanda	700	Winburg	68
Botleng	587	Hennenman	100
Reflwe	150	Senekal	181
Zithobeni	150	Zastron	50
Ekangala	3 000	Ashton	143
Soweto	22 600	Robertson	102
Dobsonville	2 580	Ceres	63
Diepmeadow	11 000	Hermanus	84
Mohlakeng	3 500	Paarl	850
Bekersdal	3 500	Stellenbosch	160

Township	Shorage	Township	Shorage
Kuilsriver	160	Beaufort West	33
Worcester	222	Bedford	447
Langa	7 000	Burgersdorp	595
Nyanga	3 500	Cathcart	400
New Crossroads	1 000	Colesberg	446
Guguletu	8 000	Cookhouse	138
Khayelitsha	15 000	Dordrecht	183
Paballelo	500	Elliot	545
Lingelhle	2 098	Ford Beaufort	894
Rini	5 212	George	639
Ibhayi	24 984	Graaff Reinet	393
KwaNobuhle	2 274	Hankey	51
Leratswana	—	Hanover	42
Bohlokong	1 100	Hofmeyr	87
Kgotsoeng	1 144	Indwe	276
Kgubetswana	25	Jamestown	59
Ntswanatsatsi	—	Jansenville	329
Ngwathe	—	Jeffreysbay	10
Evaton	10 000	Kareedouw	3
Namahadi	56	Keimond	35
42nd Hill	249	Keiweg	34
Phiriona	212	Kenton On Sea	141
Tholong	40	King William's Town	673
Kwakwasi	—	Kirkwood	328
Maakeng	1 800	Komga	101
Ntha	—	Lady Grey	191
Zamani	—	Maclear	266
Metimaholo	—	Middelburg	35
Tumahole	679	Molteno	577
Mamatlbedu	229	Noupoort	534
Petsana	54	East London	2 577
Matwantlwang	—	Patterson	170
Mafalalang	9	Pearston	188
Thembaikhle	36	Port Alfred	1 226
Qalabotjha	38	Queenstown	3 392
Mokwallo	68	Rhodes	36
Rammubotsi	94	Richmond	84
Ezenzeleli	16	Somerset East	440
Aberdeen	25	Sterksroom	309
Addo	273	Steynsburg	620
Alexandria	399	Steytlerville	18
Alicedale	87	Stutterheim	189
Aliwal North	194	Tarkastad	256
Barkly East	1 883	Tylden	256
Bathurst	288	Ugie	4
	256	Venterstad	173
		Victoria West	56
			240

(3) Yes.	(3) (a) (i)	(3) (b) (i)	(3) (c) (i)	(iii)
Mamelodi	—	—	112	November 1987
Atteridgeville	—	41	140	November 1987
Amersfoort	—	7	—	November 1987

	(3) (a) (i)	(3) (b) (i)	(3) (c) (i)	(ii)
Barberton	—	27	—	November 1987
Wesselton	—	53	43	November 1987
Piet Retief	—	5	100	November 1987
Belfast	—	20	—	November 1987
Bethal	—	333	69	November 1987
Hendrina	—	217	—	November 1987
Lydenburg	—	29	—	November 1987
Machadodorp	287	12	144	November 1987
Ogies	—	47	—	June 1987
Volksrust	—	—	200	November 1987
Witbank	—	507	—	November 1987
Christiana	—	7	5	November 1987
Fochville	3	—	—	June 1987
Harbesfontein	17	—	—	March 1987
Koster	10	4	—	April 1987
Leeudoringstad	2	3	—	December 1987
Lichtenburg	2	3	—	December 1987
Orkney	200	250	230	December 1987
Ottosdal	35	19	—	December 1987
Potchefstroom	6	43	417	May 1987
Sannieshof	75	3	—	December 1987
Schweizer-Reneke	32	20	—	November 1987
Sitfontein	2	3	98	December 1987
Ventersdorp	—	24	—	December 1987
Wolmaransstad	4	—	—	May 1987
Tembisa	—	—	—	Within 3 years
Katlehong	581	3 000	—	July 1987
Vosloorus	200	3 000	2 000	July 1987
Watville	—	4 028	200	July/Dec 1987
Tokoza	—	59	—	September 1987
Daveyton	—	700	—	December 1987
Kwa-Thema	—	721	1 881	December 1987
Tsakane	—	500	—	December 1987
Duduza	—	602	—	December 1987
Ratanda	—	550	—	February 1988
Refilwe	—	351	—	July 1988
Impunmelelo	108	—	—	August 1987
Zithobeni	160	11	—	February 1988
Ekgangala	254	—	—	December 1987
Soweto	—	2 000	—	February 1988
Dobsonville	—	964	—	December 1987
Diepmeadow	—	30	—	December 1987
Bekkersdal	—	180	—	December 1987
Alexandra	286	174	—	June 1987
Barkly-West	175	—	30	July 1987
Philipsstown	45	—	—	June 1987
Paballelo	69	—	—	April 1987
George	140	—	—	April 1987
Graaf-Reinet	166	—	—	April 1987
Queenstown	313	—	—	June 1987
Allanridge	10	—	—	September 1987
Bultfontein	—	—	62	May 1987
	—	—	—	June 1987

	(3) (a) (i)	(3) (b) (i)	(3) (c) (i)	(ii)
Hennenman	25	—	—	December 1987
Ladybrand	—	—	154	June 1987
Virginia	—	—	1 030	December 1987
Welkom	—	—	217	March 1988
Bethlehem	—	45	75	June 1987
Evaton	60	300	16	June 1987
Maokeng	100	400	200	December 1987

Housing units: electricity

52. Mr P G SOAL asked the Minister of Constitutional Development and Planning: Whether any housing units in Black townships have yet to be supplied with electricity; if so, (a) which townships are involved and (b) what percentage of Black housing in each specified region had not yet been supplied with electricity as at the latest specified date for which information is available?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Township	Percentage	Date
Belabela	99	31 January 1987
Khursoane	70	31 January 1987
Kokosi	60	31 January 1987
Guaton	85	31 January 1987
Alexandra	80	31 January 1987
Kagiso	70	31 January 1987
Mohlakeng	80	31 January 1987
Bekkersdal	85	31 January 1987
Munsieville	90	31 January 1987
Emzinoni	82,7	31 January 1987
Siyathuthuka	60,4	31 January 1987
Siyathemba	81,3	31 January 1987
Sakhele	100	31 January 1987
Kwazamokuhle	41,2	31 January 1987
Lebohang	100	31 January 1987
Masing	44,1	31 January 1987
Emthanjeni	100	31 January 1987
Sakhile	68,5	31 January 1987
Vukazakhe	59,4	31 January 1987
Mhluzi	12,6	31 January 1987
Kwa Thandeka	100	31 January 1987
Emjindini	81	31 January 1987
Kwa Zanela	95	31 January 1987
Silobela	97	31 January 1987
Wesselton	90	31 January 1987
Kwa Chibukuhlu	100	31 January 1987
Lothair	100	31 January 1987
Ethandakukhanya	98	31 January 1987
Simile	100	31 January 1987
Esizameleni	100	31 January 1987
Emgwenya	100	31 January 1987

Handwritten notes: 26/5/87, Howard, 12, 15

	(3) (a) (i)	(3) (b) (i)	(3) (c) (i)	(ii)
Barberton	—	27	—	November 1987
Wesselton	—	53	43	November 1987
Piet Retief	—	5	100	November 1987
Belfast	—	20	—	November 1987
Bethal	—	333	69	November 1987
Hendrina	—	217	—	November 1987
Lydenburg	—	29	—	November 1987
Machadodorp	287	12	144	November 1987
Ogies	—	47	—	June 1987
Volksrust	—	—	200	November 1987
Withank	—	507	—	November 1987
Christiana	—	7	5	November 1987
Fochville	—	—	—	June 1987
Harbeesfontein	3	—	—	March 1987
Koster	17	—	—	April 1987
Leeudoringstad	10	4	—	December 1987
Lichtenburg	2	3	—	December 1987
Orkney	200	3	230	December 1987
Ottosdal	35	19	—	December 1987
Potchefstroom	6	43	417	May 1987
Sannieshof	75	3	—	December 1987
Schweizer-Reneke	32	20	—	November 1987
Sitfontein	2	3	98	December 1987
Ventersdorp	—	24	—	December 1987
Wolmaransstad	4	—	—	May 1987
Tembisa	—	—	—	Within 3 years
Katlehong	581	3 000	—	July 1987
Vosloorus	200	4 028	2 000	July 1987
Watville	—	59	200	July/Dec 1987
Tokoza	—	700	—	September 1987
Daveyton	—	721	—	December 1987
Kwa-Thema	—	500	1 881	December 1987
Tsakane	—	602	—	December 1987
Duduza	—	550	—	February 1988
Ratanda	—	351	—	July 1988
Rehliwe	108	—	—	August 1987
Impumbelelo	—	11	—	February 1988
Zithobeni	160	—	—	December 1987
Ekgangala	254	—	—	February 1988
Soweto	—	2 000	—	December 1987
Dobsonville	—	964	—	December 1987
Diepmeadow	—	30	—	December 1987
Bekkersdal	—	180	—	December 1987
Alexandra	—	174	—	June 1987
Barkly-West	286	—	30	June 1987
Phillipstown	175	—	—	April 1987
Paballelo	45	—	—	April 1987
George	69	—	—	April 1987
Graaf-Reinet	140	—	—	April 1987
Queenstown	166	—	—	June 1987
Allanridge	313	—	—	September 1987
Bullfontein	10	—	62	May 1987
	—	—	—	June 1987

	(3) (a) (i)	(3) (b) (i)	(3) (c) (i)	(ii)
Hennenman	25	—	—	December 1987
Ladybrand	—	—	154	June 1987
Virginia	—	—	1 030	December 1987
Welkom	—	—	45	March 1988
Bethlehem	—	—	75	June 1987
Evaton	60	300	16	June 1987
Maokeng	100	400	200	December 1987

Housing units: electricity

52. Mr P G SOAL asked the Minister of Constitutional Development and Planning: Whether any housing units in Black townships have yet to be supplied with electricity; if so, (a) which townships are in-

volved and (b) what percentage of Black housing in each specified region had not yet been supplied with electricity as at the latest specified date for which information is available?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Township	Percentage	Date
Belabela	99	31 January 1987
Khutsosane	70	31 January 1987
Kokosi	60	31 January 1987
Guaton	85	31 January 1987
Alexandra	80	31 January 1987
Kagiso	70	31 January 1987
Mohlakeng	80	31 January 1987
Bekkersdal	85	31 January 1987
Munsieville	90	31 January 1987
Emzinoni	82,7	31 January 1987
Siyathuthuka	60,4	31 January 1987
Siyathemba	81,3	31 January 1987
Sakhelwe	100	31 January 1987
Kwazamokuhle	41,2	31 January 1987
Lebohang	100	31 January 1987
Masing	44,1	31 January 1987
Emthanjeni	100	31 January 1987
Sakhile	68,5	31 January 1987
Vukazakhe	59,4	31 January 1987
Mhuzi	12,6	31 January 1987
Kwa Thandeka	100	31 January 1987
Emjindini	81	31 January 1987
Kwa Zanela	95	31 January 1987
Silobela	97	31 January 1987
Wesselton	90	31 January 1987
Kwa Chibukuhlu	100	31 January 1987
Lothair	100	31 January 1987
Ethandakukhanya	98	31 January 1987
Simile	100	31 January 1987
Esizameleni	100	31 January 1987
Emgwenya	100	31 January 1987

Handwritten notes: 26/5/87, HANSEN, and circled numbers 1, 2, 3.

Township	Percentage	Date
Ezamukhule	100	31 January 1987
Kwa Dela	100	31 January 1987
Nylstroom	99,53	31 January 1987
Naboomspruit	99,72	31 January 1987
Messina	89,2	31 January 1987
Duduza	72	31 January 1987
Botleng	70	31 January 1987
Zithobeni	60	31 January 1987
Refilwe	65	31 January 1987
Tsakane	96	31 January 1987
Impumelelo	100	31 January 1987
Ratanda	49	31 January 1987
Katlehong	65	31 January 1987
Vosloorus	5	31 January 1987
Tokoza	70	31 January 1987
Wartville	40	31 January 1987
Daveyton	1	31 January 1987
Kwa Thema	30	31 January 1987
Tembisa	35	31 January 1987
Biesiesvlei	100	31 January 1987
Bloemhof	96,8	31 January 1987
Carletonville	94,7	31 January 1987
Christiana	100	31 January 1987
Coligny	97	31 January 1987
Fochville	98,3	31 January 1987
Hartebeesfontein	97,3	31 January 1987
Koster	98,9	31 January 1987
Leeudoringstad	99	31 January 1987
Lichtenburg	99	31 January 1987
Makwassie	97	31 January 1987
Orkney	87	31 January 1987
Ottosdal	98,9	31 January 1987
Potchefstroom	72,4	31 January 1987
Sannieshof	100	31 January 1987
Sweizer-Reneke	98,8	31 January 1987
Stilfontein	94,3	31 January 1987
Swartuggens	99,3	31 January 1987
Ventersdorp	90,4	31 January 1987
Wolmaransstad	99,03	31 January 1987
Zeerust	99,29	31 January 1987
Phatakahle	89	31 January 1987
Tahlehong	89	31 January 1987
Ikgomotseng	89	31 January 1987
Lephoi	89	31 January 1987
Tikwana	89	31 January 1987
Maphodi	89	31 January 1987
Mangaung	89	31 January 1987
Ratanang	89	31 January 1987

HoA

Township	Percentage	Date
Masilo	89	31 January 1987
Seretse	89	31 January 1987
Irumeleng	89	31 January 1987
Madikgetla	89	31 January 1987
Majwemasweu	89	31 January 1987
Dithlake	89	31 January 1987
Borwa	89	31 January 1987
Phahameng	89	31 January 1987
Manvatseng	89	31 January 1987
Thapelang	89	31 January 1987
Hlohlolwane	89	31 January 1987
Moemaneng	89	31 January 1987
Tswelangpele	89	31 January 1987
Tswaraganang	89	31 January 1987
Kutlwanoeng	89	31 January 1987
Tshepong	89	31 January 1987
Morojaneng	89	31 January 1987
Motlomo	89	31 January 1987
Meloding	89	31 January 1987
Ha-Rasebei	89	31 January 1987
Bolokanang	89	31 January 1987
Thabong	89	31 January 1987
Mahlatsweisa	89	31 January 1987
Poding Tse Rolo	89	31 January 1987
Oibing	89	31 January 1987
Ipopeng	89	31 January 1987
Ohoweng	89	31 January 1987
Monyakeng	89	31 January 1987
Megheleng	89	31 January 1987
Mautse	89	31 January 1987
Makeketla	89	31 January 1987
Masjaing	89	31 January 1987
Tweleyathunya	89	31 January 1987
Matlakeng	89	31 January 1987
Phomolong	89	31 January 1987
Matwabeng	89	31 January 1987
Malebogo	89	31 January 1987
Tshepanong	89	31 January 1987
Leratswana	89	31 January 1987
Zamani	85	31 January 1987
Petsana	85	31 January 1987
Bohlokong	85	31 January 1987
Mamatubedu	85	31 January 1987
Rammulotsi	85	31 January 1987
Ntswanatsatsi	85	31 January 1987
Kgubetswana	85	31 January 1987
Mokwallo	85	31 January 1987
42nd Hill	85	31 January 1987
Namahadi	85	31 January 1987
Qalabofjha	85	31 January 1987
Ntha	85	31 January 1987
Kwakwatsi	85	31 January 1987
Ezenzeleni	85	31 January 1987
Tumahole	85	31 January 1987

HoA

Township	Percentage	Date
Metsimaholo	85	31 January 1987
Phrintona	85	31 January 1987
Kgotsong	85	31 January 1987
Matlwantlwang	85	31 January 1987
Maokeng	85	31 January 1987
Ngwathe	85	31 January 1987
Mafahlaneng	85	31 January 1987
Evaton	85	31 January 1987
Tholong	85	31 January 1987
Thembaahle	85	31 January 1987
Lekoa	85	31 January 1987
Aberdeen	99,2	31 January 1987
Dordrecht	100	31 January 1987
Addo	100	31 January 1987
Elliot	99,8	31 January 1987
Adelaide	99,2	31 January 1987
Fort Beaufort	95,4	31 January 1987
Alexandria	98,1	31 January 1987
George	99,5	31 January 1987
Alicedale	100	31 January 1987
Graaff-Reinet	96,1	31 January 1987
Alwal North	82	31 January 1987
Hankey	100	31 January 1987
Barkly East	99,1	31 January 1987
Hanover	100	31 January 1987
Bathurst	100	31 January 1987
Hofmeyr	100	31 January 1987
Beaufort West	97,6	31 January 1987
Indwe	99,7	31 January 1987
Bedford	100	31 January 1987
Jamestown	100	31 January 1987
Burgersdorp	93,9	31 January 1987
Jansenville	99,7	31 January 1987
Cathcart	100	31 January 1987
Jeffreys Bay	100	31 January 1987
Colesberg	99,5	31 January 1987
Kareedouw	100	31 January 1987
Cookhouse	100	31 January 1987
Keimond	100	31 January 1987
Keiweg	100	31 January 1987
Humansdorp	100	31 January 1987
Kenton On Sea	100	31 January 1987
Patterson	100	31 January 1987
King William's Town	94,4	31 January 1987
Pearston	99,3	31 January 1987
Kirkwood	100	31 January 1987
Port Alfred	100	31 January 1987
Klipplaat	100	31 January 1987
Queenstown	92	31 January 1987
Krystna	100	31 January 1987
Rhodes	100	31 January 1987

HOA

Township	Percentage	Date
Komga	100	31 January 1987
Richmond	100	31 January 1987
Somerset East	98,1	31 January 1987
Lady Grey	100	31 January 1987
Sterkstroom	99,4	31 January 1987
Maclear	100	31 January 1987
Stevnsburg	98,3	31 January 1987
Middelburg	100	31 January 1987
Stevlerville	100	31 January 1987
Molteno	99,3	31 January 1987
Stutterheim	100	31 January 1987
Mossel Bay	95,1	31 January 1987
Tarkastad	97,8	31 January 1987
Kwadwesi	90,1	31 January 1987
Tyden	100	31 January 1987
Motherwell	99,8	31 January 1987
Ugie	96,9	31 January 1987
Noupoort	99,7	31 January 1987
Venterstad	100	31 January 1987
East London	90,8	31 January 1987
Victoria West	100	31 January 1987
Maraleng	99,9	31 January 1987
Mziwabantu	100	31 January 1987
Thakalantou	23	31 January 1987
Tidimalo	100	31 January 1987
Bongani	100	31 January 1987
Matlhomola	100	31 January 1987
Ditlong	100	31 January 1987
Thembinkosi	100	31 January 1987
Lukhanyisweni	100	31 January 1987
Boichoko	99	31 January 1987
E'ithembeni	98	31 January 1987
Boipelo	95	31 January 1987
Motswedimosa	99,9	31 January 1987
Valspan	100	31 January 1987
Huhudi	99,9	31 January 1987
Ikhutseng	97	31 January 1987
Kutlwano	100	31 January 1987
Langa	36	31 January 1987
Nyanga—Old Crossroads	90	31 January 1987
—New Crossroads	93	31 January 1987
Guguletu	42	31 January 1987
Khayelitsha	98	31 January 1987
Mfuleni	95	31 January 1987
Kaya Mandi	20	31 January 1987
Lwandle	100	31 January 1987
Mbekweni	67	31 January 1987
Zweletemba	100	31 January 1987
Nkqubela	100	31 January 1987
Zolani	90	31 January 1987
Zwelihle	98	31 January 1987
Lingelehle	95	31 January 1987

HOA

Township	Percentage	Date
Ibhayi	66	31 January 1987
Kwanobuhle	98	31 January 1987
Rini	91	31 January 1987
Galeshewe	46	31 January 1987
Paballelo	99	31 January 1987
Bhekuzulu	95	31 January 1987
Sibongile	95	31 January 1987
Sihembile	95	31 January 1987
Steadville	95	31 January 1987
Enkanyezi	95	31 January 1987
Brunville	95	31 January 1987
Enhlalakahle	95	31 January 1987
Shakaville	95	31 January 1987
Klaarwater	95	31 January 1987
Bhongweni	95	31 January 1987
Ishokolele	95	31 January 1987

Greater Soweto

59. Mrs H SUZMAN asked the Minister of Constitutional Development and Planning:
What was the population of Greater Soweto as at 31 December 1986?
1 474 000

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

- (a) Main Committee: 3 times
Executive Committee: 2 times
- (b) As soon as the Development Task Team has met it's aims or when in a position to delegate it's role to existing bodies it's future will be reconsidered.

Eastern Cape Strategic Task Force

60. Mr D J N MALCOMESS asked the Minister of Constitutional Development and Planning:

- (1) (a) How many times did the Eastern Cape Strategic Task Force meet in 1986 and (b) when is it anticipated that it will complete its business;
- (2) whether this body has issued any publications in connection with its activities; if so, (a) what publications and (b) when;
- (3) whether this body has reported to his Department on the results of its activities; if not, why not; if so, what results have been reported?

QUESTIONS UNDER NAME OF MEMBER

Burrows, Mr R M—
General Affairs:
Constitutional Development and Planning, 11
Economic Affairs and Technology, 12
Justice, 10
Own Affairs:
Education and Culture, 15, 16

Dalling, Mr D J—
Justice, 1
Transport Affairs, 1

Malcomess, Mr D J N—
Constitutional Development and Planning, 43

Snyman, Dr W J—
Constitutional Development and Planning, 14

Soal, Mr P G—
General Affairs:
Administration and Broadcasting Services, 14
Constitutional Development and Planning, 19, 33
Defence, 6
Information, 7, 17

Suzman, Mrs H—
General Affairs:
Constitutional Development and Planning, 43
Law and Order, 2, 3

Van der Merwe, Mr S S—
General Affairs:
Justice, 3
Law and Order, 5, 9

Walsh, Mr J J—
Constitutional Development and Planning, 18

Home is a patch of floor the size of a double bed

THE average urban black in South Africa lives in a space not much larger than a double bed. The demand for housing is expected to grow at such a rate that by the year 2000 even that space will be considered a luxury.

A South African Institute of Race Relations investigation released this month estimates an average township resident occupies a patch of floor 3m square in which he or she washes, eats, sleeps, studies and relaxes.

Author Dr Renfrew Christie writes that in Soweto an average of 16 people occupies each house.

In Uitenhage he reports a two-bedroomed house had 42 occupants, in Kimberley up to 30 occupants have been found in four-roomed houses and in Katlehong "it is claimed houses accommodate between 16-24 persons each".

Christie compares this density to the oversupply of housing in white areas where there are at least 37 000 empty housing units.

In his study, which was completed just prior to the post-election government threats to clamp down on contraventions under the Group Areas Act, Christie argues it is in the interests of the government as well as the private sector "to eliminate this fundamental apartheid law.

"If the Act is removed or relaxed, it is highly likely that the property market will boom for a substantial time. The building industry will be stimulated. Many small construction companies that would otherwise die, will grow.

"The economy as a whole will benefit to a surprisingly high degree. Land hunger will diminish. Political, economic and housing shortage instability will therefore be reduced."

Christie estimates by the year 1990 at least 1,5-million homes must be built to accommodate the growth in the black urban population and to catch up with the backlog. And an additional half million homes would have to be built every five years after that to keep up with the demand. Yet between 1981 and 1985 only 41 000 homes were provided for Africans.

He says the constraints of the Act result in new urban land not being released on the necessary scale for mass low-cost housing.

"One reason is the bureaucracy involved in administering the Act. An Eldorado Park Extension (near Johannesburg) has been waiting 12

There's the case of the four-room house with 30 inhabitants. Or the two-room house with 42 residents. A new report on housing warns that 1,5-million homes must be built in the next three years, reports
MOIRA LEVY

years for proclamation.

"But these delays are not simply a function of bureaucratic lethargy. They stem from the nature of racial zoning. Attempts to open new residential land for blacks usually prompt political resistance from whites. Lengthy negotiation is thus often necessary before new areas are opened up.

"Racial zoning also implies the creation of unused 'buffer zones' between racial areas, which inhibits the optimal use of land."

Contrary to conservative white fears that residential integration will cause a drop in property values, the repeal of the Act will almost certainly revive the depressed property market, Christie argues.

"The Act has blocked access to the property market by blacks who have the money to buy houses in white areas. They wish to move to improve their living standards and are prepared to pay to do so. Thus, if they are allowed access to the market in white areas, both prices and standards are likely to rise. This is confirmed by trends in unofficial mixed areas where property prices rose once black people began to move in."

Christie interviewed several estate agents who are strongly convinced that the property market would boom if the Act was abolished or relaxed.

"For example, if it had not been for black tenants Hillbrow would be a dismal area for landlords," Christie writes. He claims one building of 48 flats in Joubert Park, Johannesburg, contains 30 African tenants; the rest are mainly classified coloured or Indian.

However, Christie warns the repeal of the Act alone would not bring about the necessary property boom. A change to the law would have to be accompanied by an appropriate subsidy system. "A need for housing does not translate into demand unless those who experienced that need have the money to attempt to satisfy it."

CAPT TINKS
29/5/87

Prof 123
against
'virtual
handover'
of homes

Staff Reporter

TOWNSHIP home ownership through subsidized sales would be a positive development, but the virtual handover of township homes on the basis that they had been paid for many times over by their tenants was economically unsound.

This is the opinion of Professor Charles Simkins, associate professor of economics at the University of Cape Town.

Prof Simkins was approached by the Cape Times yesterday and asked to comment on calls for the sale of township houses to their tenants in the light of the rent boycott, which in Soweto and certain other townships has lasted almost a year.

According to the Minister of Constitutional Development and Planning, Mr Chris Heunis, blacks in townships outside the homelands owe R271,6 million in back rents and service charges.

"I'm not against subsidized home sale, but I am against houses being virtually handed over merely because they are old," said Prof Simkins.

Condition

"From an economic point of view these houses still have a value as long as people can live in them and obtain some future service from them.

"The age of township homes is not the issue. What is relevant is the condition they are in and age should only come into it as far as their overall condition is concerned.

"To automatically hand over all such homes would not be fair since some people have been staying in some homes a relatively short time and have no particular or special claim on them.

"Another point is that while incomes of township dwellers have been low, the rents paid by them have been subsidized and are lower than the free market rate.

"However, I do think there is an argument for the sale of township houses at subsidized rates since this encourages home ownership among people who would not otherwise be able to afford it," he said.

□ Comment — Page 8.

HOUSING FUNDS

Millions unaccounted for

Given the acute black housing shortage, government's decision last year to allocate R750m for the provision of affordable, low-cost housing is welcome. But what's happened to it?

FM inquiries show that R350m was allocated to the white, coloured, Indian and black general affairs administrations and R400m has gone to the new SA Housing Trust (SAHT). But of the R350m, R226,4m has been absorbed into the general housing budgets for whites, coloureds and Indians and cannot be specifically accounted for.

The remaining R123,6m earmarked for black projects has been employed by the Department of Development and Planning in a host of projects, including the purchase of land adjoining Duduza and Vosloorus on the East Rand, levelling land at Khayelitsha and for infrastructure at KwaNobuhle. Part of this money was also made available for subsidised material loans to self-builders.

A major difficulty in trying to track down the number of completed units is that policy has shifted from providing rented accommodation to encouraging home ownership. Government wants the homeless to build for themselves, seeing its role as merely the provider of infrastructure and services. How-



Black housing . . . getting funds into the system

ever, it will still offer financial assistance for home-builders through subsidised loans.

Also, official priority is to involve the private sector in the provision of low-cost black housing. To this end, the R400m was allocated as an interest-free loan to establish the SAHT. The R350m balance allocated to the white, coloured, Indian and black general affairs administrations was designed "to stimulate housing and job creation in the public sector."

According to the Department of Finance, the money received by the white, coloured and Indian administrations was absorbed into the general housing budgets and it is "therefore impossible to determine when or on what the additional money was spent."

The decision to establish the SAHT was taken after an investigation by a committee comprising representatives of the private

sector, among them Sanlam's Fred du Plessis (chairman) and SA Breweries' Meyer Kahn (vice-chairman). Other board members include Joe Taylor (MD), Boet Viljoen (ex-SA Perm) and Barlow's Derek Cooper.

The trust will be operating off a capital base of R1,2 billion, made up of the R400m allocation plus a further R800m to be raised on the capital market. Exactly when the cash will be raised will depend on requirements and ruling interest rates.

Taylor says the trust is to work as a catalyst for the construction industry with the aim of involving the private sector in low-cost housing. Broadly, the trust will provide short-term bridging finance for the entire housing process from the provision of raw land to completed houses of less than R20 000. The trust hopes to turn these loans over as quickly as possible by recouping the money as soon as sites have been serviced or homes completed.

Although it plans to remain primarily a financial institution, the trust also intends to co-opt professionals to develop "innovative schemes to make the whole development from raw ground to completed houses more affordable." The emphasis is on job creation

and providing both technical and financial assistance for small black builders.

However, the SAHT also sees itself with a role to play in financing individual owners (on a long-term basis) to make home ownership possible. It is negotiating the provision of this facility with existing institutions such as building societies. The trust hopes the institutions will administer the loans although the bond money will come from the SAHT itself. Final details are still to be worked out.

So far, R80m worth of trust money has been approved for loans. Of this, R11,7m went to the Urban Foundation's Family Housing Association for the servicing of stands in Katlehong and Thokoza. Other funding went for housing projects in Botshabelo, KwaNdebele, Daveyton, Motherwell, Khayelitsha and Siyathuthuka in Belfast.

The SAHT will be considering new proposals for an additional R130m this week.

The trust is still in its infancy — it was formed only in January. One of the first tasks it faces is to establish its credibility as a genuine private initiative rather than an adjunct to government's homeland and decentralisation policies.

The danger is that it will be perceived by blacks as an imposed, rather than a participatory, scheme. Taylor, however, believes it will be acceptable because of the overwhelming need for housing.

Not unreasonably, he reckons any organisation delivering the goods will be seen to be worthwhile. ■

123

FM
29/5/87

HOUSING + HOSTELS - GENERAL

1987

JUNE

—

DECEMBER

~~NOVEMBER~~

UBS puts up its bond rate

CAPE Times
1/6/87

123

Financial Editor

THE cost of buying a home has risen for thousands of families with mortgage bonds from some of the major building societies.

Yesterday the biggest — the United Building Society (UBS) — announced that it was raising its interest rate on mortgage bonds from 14% to 14.5% — in line with increases already announced by the Permanent and Allied Building Societies.

This means that repayments on a bond of R50 000 over 30 years will rise from R652 a month to R674.

The higher UBS interest rate will apply to new bonds from today and existing ones from August 1, when the society will raise its bond rate on blocks of flats and commercial properties to 15%.

But at least one major building society has no immediate plans to raise its bond rate.

Granny bonds

The Natal Building Society (NBS) will hold its rate at 14% for as long as possible, according to its general manager, new loans, Mr Trevor Olivier.

"We will try to hold our rate. But the length of time we can do so depends on the effect of the 'granny bonds' and the cost of funds."

Reported in the Cape Times yesterday, the NBS is trying to prevent an outflow of funds into "granny bonds" by offering existing customers over 60 a new 10-year deposit scheme with a current rate of 14.5% making an effective 15.5% a year.

Higher building society bond rates will widen the gap between the cost of their home loans and those from the banks.

Both the Standard Bank and the First National Bank are moving strongly into the home-loans market, offering a rate of 12.5%. And Syfrets Bank home loans are 13.5%.

The Syfrets Bank home loans rate is permanently 1% above the prime lending rate offered by Nedbank to favoured clients, which is currently 12.5%.

Dr Azar Jammine, director of the Econometric research unit, said the backlash of higher bond rates was inevitable as building societies were forced to make their own deposit rates more attractive to hold on to customers.

"The government scheme has created a sorry state of affairs for home-owners," he said.

"The government would have been far wiser had it instead offered senior citizens a similar sort of savings package by offering subsidies to building societies to handle the scheme themselves."

"Now the building societies, already in hot competition with the banks in the home loan business, have the government as a competitor."

(2) No. see (1) above:

(a) and (b) because a vacancy for the post of Director of Education existed as from 1 January 1987.

(3) Technically, yes: executive authority was however vested in one person only during this period;

(a) the senior official available acted since a substantive vacancy existed,

(b) no additional costs were involved, since a person acting in a post of this nature is not paid acting allowances;

(4) No.

Mr R M BURROWS: Mr Speaker, arising from the reply of the hon the Minister to paragraph (1) of the question, did I understand him correctly to say that the approval of the Cabinet is required for the appointment of an own affairs Director of Education?

†The MINISTER: Mr Speaker, that is quite correct. Appointments in certain posts higher than a certain level are approved by the Cabinet.

WEDNESDAY, 3 JUNE 1987

†Indicates translated version.

For written reply:

General Affairs:

Financing formulae

13. Mr R M BURROWS asked the Minister of National Education:

(1) Whether he has drafted common financing formulae for the spending of State moneys in education in South Africa; if not, why not; if so,

HoA

(a) when will they be made public and (b) what bodies were involved in the final discussions on these formulae;

(2) whether he will make a statement on the matter?

The MINISTER OF NATIONAL EDUCATION:

(1) Common financing formulae for education departments in South Africa have already been drafted, but have not been formalised as general policy, as certain parties concerned still have to be consulted.

(a) The actual formulae as well as a strategy for implementation will be announced as soon as the negotiations have been completed.

(b) The final discussions regarding the formulae for education, excluding universities and technicals, must still take place.

(2) No.

Own Affairs:

Housing assistance

2. Mr P G SOAL asked the Minister of Local Government, Housing and Works:

What amount was spent by the State in respect of housing assistance to the White population group in the latest specified financial year for which figures are available?

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS:

R77 378 559.

Cape Town: housing units

12. Mr S S VAN DER MERWE asked the

Minister of Local Government, Housing and Works:

How many accommodation units for aged White persons were built in the Cape Town municipal area with financial assistance from the State in 1986?

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS:

None, but various projects are being built and R3 694 259 has been spent on planning of projects as well as on the renovation of existing units.

School buildings

13. Mr S S VAN DER MERWE asked the Minister of Local Government, Housing and Works:

(a) How many school buildings were constructed by his Department in 1986 and (b) what was the average capital cost of constructing these buildings?

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS:

(a) 19 School buildings have been completed.

(b) R3 241 394.

(c) The work in and round the dwelling has been undertaken on the initiative of the Department of Public Works and Land Affairs while the security measures have been executed at the request of the South African Police.

(d) R1 870 000.

THURSDAY, 4 JUNE 1987

†Indicates translated version.

For written reply:

General Affairs:

Westbrooke Estate

56. Mr P G SOAL asked the Minister of Public Works:

Whether his Department is undertaking any construction work on the Westbrooke

HoA

Estate in Cape Town: if so, (a) what construction work, (b) for what purpose, (c) at whose request is this work being undertaken and (d) what is the total estimated cost involved?

The MINISTER OF PUBLIC WORKS:

(a) Yes.

The erection of a durable and functional decorative fence (partially supplemented by a wall faced with Table Mountain sandstone) round the estate. Necessary repair and renovation work also had to be done in and to the dwelling including the upgrading of services like the electrical wiring. Paving has been laid in the vicinity of the dwelling and the storm-water drainage has been improved.

(b) To improve the safeguarding of the estate and the general condition of the dwelling as well as the access round the dwelling.

(c) The work in and round the dwelling has been undertaken on the initiative of the Department of Public Works and Land Affairs while the security measures have been executed at the request of the South African Police.

(d) R1 870 000.

FRIDAY, 5 JUNE 1987

†Indicates translated version.

For written reply:

General Affairs:

Members of Parliament: visits abroad

41. Mr D J N MALCOMESS asked the Minister of Foreign Affairs:

Whether any members of Parliament were

Howard

AMID signs of government backtracking on a Group Areas Act clampdown, the PFP suspects warnings about contravening the Act were aimed at discouraging blacks from staying in or moving to white areas.

PFP queries Act warnings

4/6/80
B/Dny 123

NORMAN SHEPHERD

Vereeniging lawyer Jack Cooper said yesterday he had received a letter from the director-general of the Constitutional Development and Planning Department advising him to ignore a previous notice warning him to stop contravening the Act or his property would be sold within three months.

Cooper had sublet part of his offices to the Oranje Vaal General Workers' Union.

Said Cooper: "I think they are pretending the whole thing did not happen."

PFP MP for Durban Central Peter Gastrow said he had asked Minister of Constitutional Development and Planning Chris Heunis in the House of Assembly on Tuesday whether any

notices had been served on non-whites to vacate or sell premises in white areas or if owners of such properties had been given notice to evict non-white tenants.

Heunis said no to both questions.

Said Gastrow: "I don't know if the Minister was playing technical word games. There might have something else instead of eviction orders."

"The impression is that the controversy over the Act during the election was designed as an intimidation exercise."

Constitutional Development and Planning Department director John Fourie said: "If he (Heunis) said so (that no eviction notices were issued over the 12 months to May), then that is so."

House prices up 10% in the Eastern Cape

5/6/87

123
CP

Business Editor

A RISE of 10% in house prices in the Eastern Cape was recorded in the first quarter of this year on the fourth quarter of last year, for an annual increase of 4%, according to the United Building Society.

The United says all regions experienced a rise in house prices in the first quarter over the 1986 fourth quarter, with Natal (outside the Durban-Pinetown area) the highest at 11% (7% annual change), followed by the Eastern Cape and the West Rand with 9% (2%).

In contrast, prices in the Western Cape rose by only 2% on the 1986 fourth quarter (7%), by 1% in the Durban-Pinetown area (6%), by 2% in Pretoria (an annual decline of 1%) and by 2% in the Vaal Triangle (annual decline of 4%).

In its latest quarterly housing review, United gives the average price of smaller sized houses in the Eastern Cape as R52 402, medium-sized houses as R70 450 and large houses as R92 938.

The average price of new smaller-sized houses is given as R53 204, new medium-sized houses as R79 677 and new large houses as R97 567, while older small houses averaged R52 116, older medium-sized houses

R69 268 and older large houses R92 414.

It says smaller houses in South Africa currently cost on average R62 000, medium-sized houses R74 500 and larger houses R105 000, with the price of a medium-sized house up 5% on the 1986 fourth quarter, for an annual rise of 3%.

It expects building costs to rise by 17% this year, which will be reflected in the price of new houses. It says that it is unlikely that the average increase in house prices will exceed the likely inflation rate of 17%, but a rise of 5% to 15% is not unrealistic.

In the first quarter of this year mortgage bond repayments dropped to an average of R750 a month from R1 230 in the 1986 fourth quarter for a decline in real terms of 58%, mainly because of an inflation rate of 17% and a 9,5% fall in the mortgage bond rate.

It says the economy is now entering an upswing phase, implying that the demand for money will start to rise more meaningfully. This in turn is likely to lead to a hardening of interest rates across the board.

The increase in deposit rates is bound to lead to higher mortgage rates, it says.

State is not provider of housing, Sanlam boss tells executives

By Frank Jeans

The State should not be seen as the Godfather of Housing but the Big Brother in a partnership with an unshackled private sector in the provision of homes, says Dr Fred du Plessis, chairman of insurance giant, Sanlam.

Speaking to leading property executives who are meeting this week on the south coast to thrash out strategies for a changing South Africa, Dr Du Plessis said: "We have to get away from the idea that the State is the provider of housing.

"The private sector, however, had to be enabled to do the job and not hired to do so."

Dr Du Plessis, who is also chairman of the SA Housing Trust, told the meeting organised by the South African Prop-

erty Owners Association: "The key to the trust's programme is to enable an economic surplus to arise for the homeowner.

"This surplus is represented by the labour element which can be put into the house by the owner himself — the well-known sweat equity concept."

The Sanlam chairman foresees the building of 60 000 to 70 000 homes annually in this way, using Department of Manpower courses to train the owner-labourers.

While he acknowledges that the availability of land was a "difficult political area", Dr Du Plessis believes a start could be made without creating a Group Areas issue.

"Those people who need housing *en masse* would not be involved in the Group Areas issue anyway," he said.

Former leader of the Opposition, Dr Frederick van Zyl Slabbert, told the property men South Africa could go for co-optation or negotiation as routes to reform.

"While co-optation is seductive because of the sense of immediacy it offered, negotiation required the deferment of short-term gratification in anticipation of long-term reward," said Dr Van Zyl Slabbert, who is executive director of the Institute for Democratic Alternatives for SA.

"For the foreseeable future, Government strategy is co-optation with constitutional change, but I am convinced that as the country proceeds along the co-optive route, the imperative for a negotiated solution will become increasingly clearer."

123 57687

Sanlam boss: Don't rely on State

'Partnership' on housing urged

5/6/87
12/3

SOUTH AFRICANS had to get away from the concept of the State as a provider of housing and look to a partnership between government and the private sector, Sanlam chairman Fred du Plessis said yesterday.

Du Plessis, who is also chairman of the SA Housing Trust, was speaking to property chiefs who have gathered on the Natal South Coast

MICK COLLINS

to analyse strategies for a changing SA in a programme organised by the SA Property Owners' Association.

At the heart of the housing problem, he said, was the need to move from the idea of the State as a godfather providing houses and instead look to a partnership between government and the private sector.

Probably the single most important aspect of the problem was that the private sector had to be enabled to do the job and not hired to do it. The key to the Housing Trust programme was to enable an economic surplus to arise for the house-owner.

"This surplus is represented by the labour element which would be put into the house by the owner himself — the well-known sweat equity concept."

Du Plessis envisaged the building of 60 000 to 70 000 homes annually in this way, using Department of Manpower courses to train the owner-labourers.

He acknowledged that the availability of land was a difficult and political area, but said he believed a start could be made without creating a Group Areas issue of it, as those people who needed housing en masse would not be involved in the Group Areas issue anyway.

Frederik van Zyl Slabbert, former Opposition leader and now executive director of the Institute for Democratic Alternatives for SA (Idasa), said SA could go for co-option or negotiation as routes to reform.

"While co-option is seductive because of the sense of immediacy it offers, negotiation requires the deferment of short-term gratification in anticipation of long-term reward."

(123) 6/6/87 WP.

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Collapse of self-help houses plan

By DENISE BOUTALL

THE Port Elizabeth Municipality's first faltering steps in self-help housing have come to a halt.

Tenders for the construction of 137 core houses — very basic one-roomed units with rudimentary bathrooms — have expired without the contract being awarded.

Disagreements between the City Council, the Northern Areas Management Committee and the House of Representatives administration have delayed the finalisation of the contract.

"It's a great pity because the plots have been serviced and are ready for development and there are 8 000 coloured families waiting for houses," Director of Housing Mr Andrew Gibbons commented.

The idea behind the core house project was that the people would complete the houses by adding on two more rooms.

This project was to have been followed by two other projects involving a total of 744 core houses.

However, the lowest tender of R1,1 million was considerably more than the council had provided on its budget.

The NAMC argued that the tenders were far too high and recommended that they be rejected and that the contract be awarded to a company which had not tendered.

The council in turn accepted the tender but now its application for increased funding from the House of Representatives has been turned down because the House's Housing Board is not prepared to accept the tenders "on a purely core house only".

Meanwhile the tenders have expired. Mr Gibbon said various developers had been asked to make presentations on low-cost housing to the NAMC later this month.

The idea of a self-help approach to solve the housing needs of the very poor in Port Elizabeth was first raised in 1981.

In 1983 the principle of self-help was also accepted by the Government.

Apart from tin shacks the only self-help housing project in the city has been undertaken by the Urban Foundation, who have which has helped 109 families to build their own homes in Kleinskool.

CBE 10/15 8/6/87 (123)

New rules make home buying easier

By PETER DENNEHY

BUYING one's own home in a council housing estate has been made much easier for many tenants since the House of Representatives announced a series of concessions for home buyers.

In a letter to local authorities early last month, the Department of Local Government, Housing and Agriculture announced that a discount of up to 65% of the purchase price "may be allowed on the grounds of structural defects and general condition of the dwelling". Previously, the maximum discount allowed in this category was 20%, the letter said. Other changes approved by the Committee of Ministers responsible for housing, and the Housing Board, include:

Tenants who have paid rent regularly for three years may purchase without a deposit. Local authorities may even approve sales without deposits where there was a break in payment "due to circumstances beyond the tenant's control";

The maximum income for benefit from the Housing Fund rises to R1 000 a month;

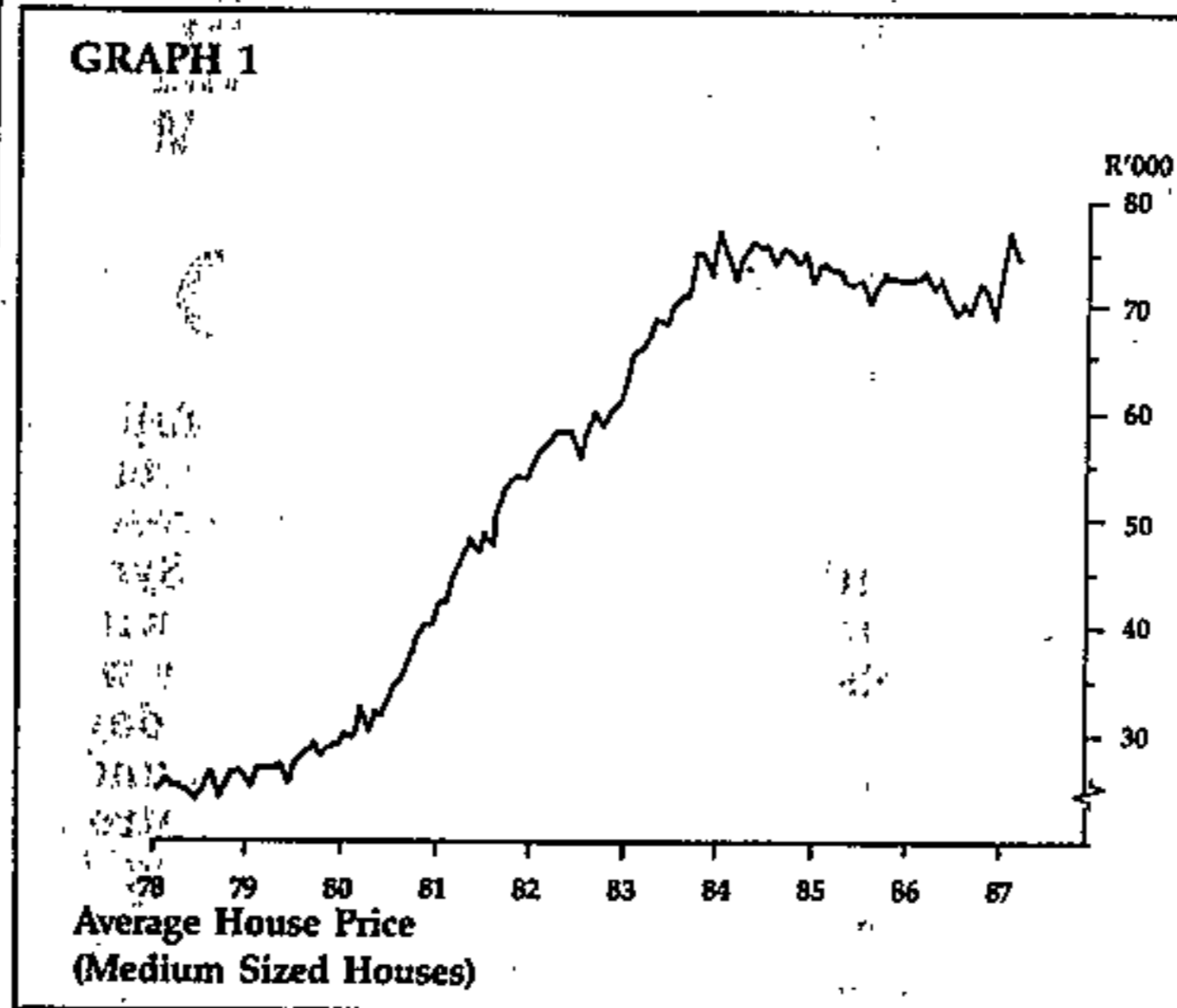
The maximum cost of the house to be bought with the help of the fund rises from R27 000 to R30 000;

Approval may be granted to include transfer and other costs in the loan amount.

These measures were designed to stimulate the sales of houses and promote home ownership, the letter said. Where occupants were in serious difficulty, the department may consider granting further relief.

9116 Temp 8/6/87

W Cape tops most expensive housing list



THE Western Cape is now one of the most expensive places in SA to buy a large or medium-sized house, according to the United Building Society's quarterly review.

And, out of 12 areas, including Johannesburg, the Western Cape is the most expensive of all to buy a small new house. Pretoria is the most expensive for small older houses.

According to the UBS figures, the average price of a large new house in the Western Cape is R134 740 and of a large older one R118 666.

A medium-sized house costs an average of R95 570 if it is new and R86 574 if it is older.

A small one costs R69 715 if it is new and R62 398 if it is older.

The average price of a large new house in Johannesburg is R144 575 and of a large older house R131 111. A large medium sized house costs R105 680 if it is new and R82 326 if it is older.

But a small house is cheaper than here — R64 888 if it is new and R60 174 if it is older.

In Pretoria a large new house costs R137 700 and a large older one R102 828. A new medium sized house costs R85 244 and an older one R84 512.

A new small one costs R67 047 and an older one R70 269.

In Durban-Pinetown a large new house costs an average of R100 415, and a large older one R110 585. A new medium-sized house costs R92 248 and an older one R82 001.

The UBS expects building costs to rise by 17% in the course of this year and house prices to go up by a further 5% to 15%.

Business 'anger'

Rent boycott crackdown

CAP TINTS 10/6/82 (123)

Political Staff

THE business community is predictably reacting with "anger" and "concern" over renewed attempts being made by government to force employers to act as rent collection agents for local authorities.

The Association of Chambers of Commerce (Asso-com) rapidly signalled yesterday that it is to oppose vigorously government's efforts, which patently bypass normal judicial processes and are a recipe for creating further problems in SA's still tense industrial relations environment.

Government's efforts are contained in a highly coercive and controversial draft bill tabled in Parliament yesterday.

Presented by Constitutional Affairs Minister Mr Chris Heunis, the Promotion of Local Government Affairs Amendment Bill, if passed into law, will effectively empower local authorities unilaterally to issue garnishee orders against employers to pay outstanding rent and service payments owed by their employees out of any salary or wages.

It is published at a time when many black local authorities are still experiencing rent boycotts and total arrears have now mounted to more than R294m.

The rent bill is wider in scope than its predecessor, the Black Local Authorities Amendment Bill, which attracted widespread criticism and opposition when it was tabled in Parliament last year.

In fact, so strong was the opposition that the coercive rent collection clause was eventually excised.

The relevant clauses contained in this new bill bypass normal judicial processes by permitting a local authority to file a statement with the clerk of a magistrate's court spelling out the amount payable by an individual.

This will have the effect of a civil judgment lawfully given in the court, and form the basis of an attachment order against the debtor.

It could also amount to an attachment order against the debtor's employer, obliging him to pay to the local authority the amount owed out of the employee's salary and wages.

The bill further declares that a debtor shall, at the request of the local authority, furnish details of whether he is employed and by whom.

Failure to comply with this request, or providing false information, renders the person liable to a fine not exceeding R1 000 or to six months imprisonment.

Any employer who fails to comply with the attachment order served on him will also be guilty of an offence and liable to a fine not exceeding R2 000, or imprisonment for 12 months, or both.

The bill stipulates that all monies received by way of fines or estreated bail will be paid over to the local authority.

(UNREP 3)

Rent-from-pay: Govt decision upsets business

The Argus Correspondent

JOHANNESBURG. — Businessmen are upset over proposed Government legislation which would turn employers into rent collectors. And black organisations have warned them not to comply if the Bill becomes law.

The legislation, which seems intended to break the year-long rent boycott, will give local authorities the power to force employers to deduct debts from the salaries of their employees without through normal legal procedures.

Employers could be fined R2 000 if they failed to implement the order and workers a R1 000 fine for not disclosing the name of their employer to local authorities.

Assocom spokesman Mr V Brett said yesterday that the proposed law appeared to be by-passing the normal judicial process.

"Debtors should be summoned through the courts.

"We are extremely unhappy about it and we will be making ourselves heard."

Deepen conflict

The Azanian People's Organisation (Azapo) and the United Democratic Front (UDF), have warned businessmen not to obey the proposed legislation.

UDF president Mrs Albertina Sisulu said: "My warning goes straight to the employers not to do what the Government is asking. If employers co-operate with the Government, we will boycott them.

"There is no way this thing will work. It now depends on the employers."

Azapo president Mr Nkosi Molala said: "Far from resolving the rent crisis, the Government will contribute to further deepening the conflict.

"Employers should not make themselves accomplices to robbery that is being perpetrated by the Government.

Bertie Reed to sail in Bermuda race

Yachting Reporter

SOUTH AFRICAN master yachtsman Bertie Reed is to compete in the Bermuda One-Two, one of America's premier yacht races, which starts on Saturday.

The 600-mile event, which sets out from Newport, Rhode Island, is a single-handed event to the island of Bermuda with a six-day stayover followed by a two-man event back to the mainland.

Reed's yacht, Stabulo Boss, has been renamed Aquaboy for the race after getting sponsorship from a large security company in the United States.

Reed told his wife, Pat, that at this stage he had no definite plans after the race but was interested in taking part in the Lisbon-to-Mossel Bay race, which takes place later this year and forms part of the Diaz 500 festival.

Soweto Day stops sport for five days

Staff Reporter

SOWETO Day will stop all sport this weekend for affiliates of the South African Council on Sport.

Sacos has decided no games will be played from June 13 to 17 as a mark of respect for those who died in the 1976 riots.



BOMB AT US EMBASSY: Wrecks of the US Embassy in Rome yesterday, to the

Car bomb planted by SA — Botswana

Argus Africa News Service

GABORONE. — Botswana has accused South Africa of being responsible for a car bomb that killed three people in Gaborone in April.

The Botswana government said it had protested to the South African government and demanded an explanation.

A statement released in Gaborone yesterday said police investigations had shown that the vehicle was held by South African police for three days before being driven to the Botswana capital by a "South African agent".

The statement alleges that during that time an explosive device was fitted to the vehicle which was to be detonated later for an unknown purpose.

than Std 10; if so, how many in each case?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(1) Yes: Std 10, but a lower qualification in deserving cases is also acceptable.

(2) (a) (i) (aa) 20

(bb) 10

(cc) 80

(dd) 118

(ii) 0

(b) (i) (aa) 0

(bb) 63

(cc) 152

(dd) 33

(ii) 0

Detainees

80. Mr S S VAN DER MERWE asked the Minister of Water Affairs:

(1) Whether any persons employed by his Department have been detained; if so, how many since 1 September 1984 as at the latest specified date for which information is available;

(2) whether the posts of such detained

Whites

(b) (i) 26 839 355 454

(ii) +4.8%

Coloureds

1 965 070 957

+4.4%

Indians

1 296 794 320

+8.6%

Notes: (1) These statistics excludes taxpayers paying tax under the Final Deduction System, in respect of whom accurate statistics are not available.

(2) These statistics are incomplete because approximately 20 per

employees are filled by temporary employees; if not, what arrangements are made regarding these posts; if so,

(a) how many temporary employees had been engaged to fill such posts as at the above date and (b) what steps are taken in respect of such temporary employees when the detained employees are released by the Police?

THE MINISTER OF WATER AFFAIRS:

(1) No.

(2) Falls away.

Taxable earnings

93. Mr J J WALSH asked the Minister of Finance:

(a) What were the total taxable earnings for Whites, Coloureds and Indians, respectively, in 1986 and (b) what was the (i) total taxable income earned in this year by each of these race groups and (ii) percentage increase or decrease for each such group over the previous year?

THE MINISTER OF FINANCE:

(a) No statistics are available in respect of total taxable earnings.

cent of individual taxpayers have not yet been assessed for the 1986 year of assessment. The percentage growth has therefore been calculated on the average income per taxpayer.

State housing sale

Orange Free State

3 837

111. Mr P C CRONJÉ asked the Minister of Constitutional Development and Planning:

How many houses had been sold to Blacks by his Department under the State housing sale announced by the then Minister of Community Development on 3 March 1983, as at the latest specified date for which figures are available?

TOTAL 51 787

Mining sector: tax revenue

116. Mr C J DERBY-LEWIS asked the Minister of Finance:

(a) What amounts were budgeted in respect of tax revenue from the mining sector for the 1980-81, 1985-86 and 1986-87 tax years, respectively, and (b) what were the actual amounts collected from this source in each of these tax years?

As at 30 April 1987:

Transvaal	41 036
Cape Province	6 352
Natal	562

THE MINISTER OF FINANCE:

(a) and (b)

Estimate

Collections

Financial Year	Mining Leases		Income Tax	
	Estimate	Collections	Estimate	Collections
1980-81	R 695 m	R 31 m	R 880.2 m	R 3 006.4 m
Diamond Export Duty 1985-86	R 468 m	R 37 m	R 633.2 m	R 2 938.1 m
Diamond Export Duty 1986-87	R 680 m	R 35 m	R 56.7 m	R 345.3 m
Diamond Export Duty	R 35 m	R 35 m	R 48.4 m	R 3 450.2 m

Nurses: salary scales

126. Dr M S BARNARD asked the Minister in the State President's office entrusted with Administration and Broadcasting Services:

(1) What are the salary scales payable to (a) male and (b) female persons of each race group employed in institutions falling under the control of Government Departments as (i) student nurses, (ii) staff nurses, (iii) professional nurses, (iv) chief profession-

(2) whether salary parity has been achieved in respect of all nurses falling under the control of such Departments; if not, (a) why not, (b) when is it anticipated that salary parity will be achieved and (c) what is the estimated annual cost of bringing about parity by increasing the salaries of Black, Coloured and Asian nurses?

al nurses and (v) chief nursing service managers:

13/6/87

Housing utility company launched

UNIFOUND Housing — a new Urban Foundation subsidiary utility company in the East Cape — was officially launched in Port Elizabeth yesterday.

Unifound is a "significant grouping of human and financial resources dedicated to the improvement of living conditions through pragmatic, practical land and housing development schemes," its chief executive officer, Mr Peter Arton-Powell, said.

Mr Arton-Powell said he hoped to achieve a turnover of R10 million in this financial year.

There is a housing shortage of between 35 000 to 40 000 units in the PE and Uitenhage area.

Mr Arton-Powell said the new company was committed to the scale delivery of serviced land and homes for deprived and low-income communities within the PE and Uitenhage area.

Urban development 'aggravates

Far from helping to reduce poverty, inequality and unemployment, urban development in South Africa is worsening those problems, says Professor David Dewar of the University of Cape Town.

Writing in the *Wits Business School's Business Alert*, he says the present pattern of urban development is "precisely the reverse" of what it should be.

"The situation is untenable. One of the greatest challenges of our time, as we start along the path towards a post-apartheid era, is to reconstitute the fragmented South Africa in a more integrated way: to seek actively the quality of city as opposed to that of dormitory or suburb."

Professor Dewar says that on the macro level there needs to be the closest possible integration between larger employment generators and the communities which house their labour force.

"At the micro level, there needs to be the greatest possible mix and overlap of activities — residential, small-scale industrial, commercial and cultural activities should overlap to the greatest possible degree."

The present pattern, however, is for a low density of dwelling units and for land use to be compartmentalised to the greatest possible degree.

The consequences, says Professor Dewar, are severe. "The cities in essence operate as agglomerations

SA's problems'

The proposed satellite black cities will inevitably become ghettos of poverty that will remain millstones around the neck of the country, warns a Cape Town University professor.

of local areas tied together by transport routes."

People from the poorer areas "have to travel enormous distances to work, to shop or to partake in any way in the opportunities of the city."

"It is a grey, dismal world held together by daily amounts of travel which are unprecedented in the world."

The current model of urban development being mooted by the Government — satellite black cities around, but removed from, the main metropolitan areas — will increase rather than decrease fragmentation, says Professor Dewar.

"Rather than being model new towns or, worse, viable city states, they will inevitably become ghettos of black poverty that will remain millstones around the neck of this country, regardless of the social and political milieu which emerges."

At the moment, South Africa's approach to city building centres on

the individual house — "indeed, the problem of cities is now seen as being synonymous with the provision of shelter."

"The simple reality, however, is that when people are poor there is simply no way in which they can satisfy the full range of families' needs through the individual dwelling unit."

"In this situation, the public spatial framework, which accommodates the collective life of the city and which represents the foci of collective community resources and energies, is vitally important."

"If these spaces are celebrated, they enable poverty to be tolerated with dignity, since poverty does not become a badge."

"They represent the arena in which most social experiences are played out and they act as extensions to the private dwelling unit."

"They are the places where people meet, children play, lovers court, teenagers read and study

when the house is overcrowded, and so on.

"They also play a vital economic role since they provide the primary vehicle through which informal-sector producers and traders can gain access to central trading and producing areas at very low overheads."

"Significantly, when the public spatial experience is rich, the entire environment is positive, regardless of the material quality of individual buildings and other urban elements."

"Conversely, when that experience is sterile, the entire environment will be poor, regardless of how well individual buildings are designed and made."

On the difficulties poor people experience in raising credit, Professor Dewar says attitudes and practices in the building society movement "will have to undergo a radical transformation".

Powerful case

"I question, however, whether, because of their inherently top-down structure, they will ever be able to reach the very poor."

"I believe there is a very powerful case to be made for the stimulation of a grassroots financial institutional capability, in the form of savings and credit unions or housing co-operatives attached to community organisations and the integration of these into the system of national housing finance."

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12/6/87 DA

New rent bill welcomed by FCI

JOHANNESBURG— A statement by the president of the South African Federated Chamber of Industries (FCI), Dr H. Snyckers, yesterday welcomed with reservations the Promotion of Local Government Affairs Amendment Bill which proposes that employers be compelled to collect outstanding rents for local authorities.

He said the fundamental principle of the bill, namely the recovery of debt through judicial process, had to be welcomed.

Also, the fact that the bill compels the debtor to disclose particulars about his employment and employer and does not place the burden of disclosure on the employer, was to be commended.

However, Mr Snyckers said the bill should provide for adequate and definite procedures and remedies for a debtor who wished to oppose, question or appeal against the recourse taken by the local authority in terms of the bill.

— Sapa

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IN THE HOUSE

Where the Casspirs failed, can business succeed?

IF anything highlights the view that the government is losing control, it is the heavy-handed method it has opted to use in handling the rent issue.

In addition, the State of Emergency, which expires this week, has been re-imposed.

Taken together, the two measures mean the government is prepared to bend the law to achieve its objects in those areas, such as rent collection, where it can't use force.

Early this week Minister Chris Heunis tabled a Promotion of Local Government Affairs Amendment Bill which — if it becomes law — will enable local authorities to issue garnishee orders against employers for outstanding rent owed by their employees.

The Bill is much wider in scope than a similar one withdrawn last year after a concerted outcry from employers' organisations who objected to doing the government's dirty work for it.

This year, with outstanding rent amounting to R271-million, the government seems bent on imposing the new law against all protest.

Heunis's motivation of the bill is that it will merely introduce "uniformity of action by local authorities in respect of all population groups", since provisions already exist for outstanding rent to be collected from whites, coloureds and Asians.

This is poppycock: the bill is a political response to the rent boycott, and even Heunis's secondary motivation — that there is "a need for a summary procedure for the recovery of amounts due" — needs examination. Why not, for instance, use the law of the land?

Government attitudes to the rule of law are such that any expressions of a need for "summary procedures" must be regarded with the gravest suspicion.

Anyway, money is not the is-

sue. If the government were earnest in its appeal for black co-operation, it would write the whole R271-million off. And objections from employers' organisations are not the issue either — although it is worth noting that protests by the business community now appear to carry little weight with the government. Businessmen, it seems, have been licked into line.

The real issue is that the Bill is further evidence, if any is needed, that control in the townships has broken down and that black perceptions of a lack of goodwill on the part of the government are well founded.

So if the government is intent, as it appears to be, on confrontation over the rent issue, how can it expect anything but the most cynical of reactions to its pleas for negotiation on the political future of blacks?

Government attitudes were, for example, clearly shown during the debate on a PFP private member's motion on political rights for blacks in the House of Assembly on Tuesday.

Nic Olivier (PFP, nominated, whose motion it was) called for a constitutional council to negotiate black political rights, saying a major problem for the government was that it did not know who the real leaders of the people were. The ANC had the support of a sizeable proportion of the population, and if the ANC were left out, these people would be left out, too.

The gist of Heunis's reply was that calls to negotiate with the ANC were calls to "negotiate with communists on South Africa's internal affairs".

Nothing could be clearer: if they won't join you, beat them — one way or the other.

Jean Le May

● For business views on the rent issue, see PAGE 21

A business 'no' to rent-collection

By HILARY JOFFE

GOVERNMENT moves to compel employers to deduct rent from workers' wage packets are a recipe for industrial conflict, say industrial relations managers in manufacturing and retail.

Managers have become accustomed to politics on the factory floor,

But the rents Bill tabled in parliament this week has raised the spectre of a wave of strikes similar to the "pension strikes" in 1981, in protest against a government Bill which would have prevented workers getting their pension contributions back if retrenched or dismissed.

"It would be disastrous," says Metal Box group personnel manager Neil Cumming. "We would be forced to do something which we had not negotiated with our employees and we would envisage some form of industrial conflict would result. The unions would not accept our deducting rent."

Many of Metal Box's workers live in areas such as Sharpeville, Sebokeng and Soweto, where rent boycotts are in force. The Bill could have a very negative effect on industrial relations, says PG Glass industrial relations manager Phil Cohen, who

fears that it would reinforce perceptions of business being an ally of the state. He emphasises that "If the Bill went through we would do everything possible to resist it."

Checkers' Andy Maclaurin is more ambivalent. "The Bill looks fraught with problems," he says, "but I'm not sure how else the government could handle this issue, faced with the violation of rental payments." He does, however, express concern about the move: "It will do nothing for the relationship which business is trying to build with the workforce."

Employers feel it's too early to say what they would do to avoid being forced to collect rent for local authorities. At present they seem to be relying on the employer federations to protest against the Bill.

But it is possible that if the rents measure looks as if it will be implemented, some employers will make representations themselves to the government. Stronger action is a possibility that no-one will discuss at present.

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FRM

RENT BOYCOTT

Brunt on business

Government has proposed drastic measures to recover the nearly R300m owed for rents and services in black townships.

The Promotion of Local Government Affairs Amendment Bill tabled in parliament this week provides for:

- The effective by-passing of the courts; and
- Compels employers to hand over to local authorities wages and salaries, both owing and future, of employees who are in arrears for rents and services.

A similar move last year to force employers to dock the wages and salaries of black employees who were in default with their

rents and service charges was withdrawn after a massive outcry from both unions and organised business.

The chief director of Constitutional Promotion in Chris Heunis' office, Len Dekker, says the difference between the new proposals and last year's move is that they now apply to all races and not just blacks. They are also "more democratic" in that a debtor is given more notice of intended action and therefore more time to avert it.

The new Bill provides for a local authority to give 14 days written notice by registered post to a rents and service charges debtor to settle. If he does not do so, a statement can be filed with the clerk of a magistrate's court which will have the effect of a civil judgment in favour of the local authority.

The statement can be withdrawn at the discretion of the town clerk.

After the local authority has given 14 days written notice of the "judgment" to the debtor, the local authority may apply to the clerk of the magistrate's court in which the "judgment" is deemed to have been given for an order. This will be known as an "emoluments attachment order," for the attachment of any "emoluments" currently or in future owing or accruing to the debtor by or from his employer up to an amount necessary to

cover the "judgment" and costs of the attachment.

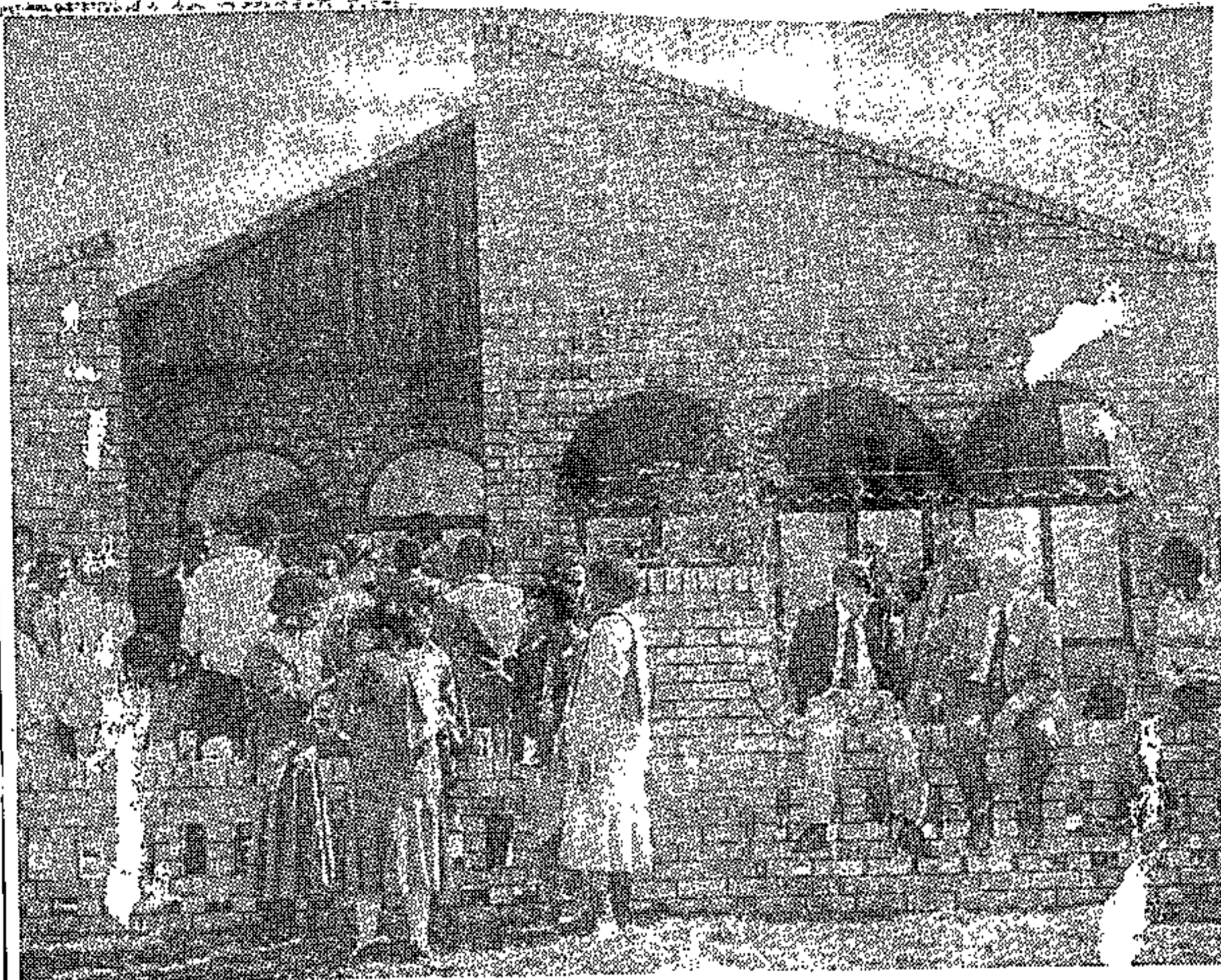
The employer will be obliged to pay to the local authority out of the emoluments of the debtor the amounts specified in the order until the "judgment" debt and costs have

been paid in full.

The Bill says a debtor will have to tell a local authority whether he is employed and if so the name and address of his employer. Failure to do so can lead to a fine of R1 000 or six months' imprisonment.

Employers who fail to comply with the "emoluments attachment order" face a fine of R2 000 or a year's imprisonment.

All fine money will be paid to the local authority in favour of which the "judgment" is deemed to have been given. ■



The first showhouse in Katlehong opened recently.

New Katlehong housing era dawns

By SELLO SERIPE

KATLEHONG's high income residents are in for a treat following the completion of a new elite residential complex which is presently being constructed by Israel's Minrav International.

The complex has been named after Katlehong mayor Thami Siluma and is known as Siluma View.

The first completed house - which Minrav put up as a show house - was officially opened this week.

The company's local manager, David Shary, said that the houses would cost between R40 000 and R80 000 each.

The completed show house, which comprises a garage, kitchen, sitting-room, three bedrooms and two bathrooms will cost R54 000.

"This is the first of 80 houses which are scheduled to be built in Katlehong and 480 in Vosloorus," said Shary.

The company has made a firm commitment to the policy of reform and ex-

'Alarming' stats

By SOL MORATHI

THE Black housing backlog had reached alarming proportions while white housing is growing.

This was said by Dr Tobie de Vos of the National Building Research Institute of the CSIR in Pretoria.

New figures indicate that the black housing backlog could be as high as 832 000 - 300 000 more than forecasted. This excludes the independent home lands of Transkei, Bophuthatswana, Venda and Ciskei.

The figures are based on the premise that a third of the estimated 1 780 000 people living in non-family housing units require housing for their relatives outside urban areas.

The backlog figure of 538 000 units assumes that close on one in six black people living in compounds and similar establishments require separate family homes in urban areas.

expansion of opportunities for the black community.

"We have a proven track record to this effect with the completion of 300 houses from projects which are also to yield 2 000 housing units in various parts of the country.

"This include projects in Protea North and Orlando West in Soweto; Man-

gaung, Botshabelo, Thabong and Heidelberg in the Free State and Leshebe in the Eastern Cape," he said.

Further projects for which negotiations are underway include 1 700 sites for the coloured community near Cape Town and 300 sites for the black community in Port Elizabeth.

Press 14/6/87

Forcing rent from bosses?

Cape Times 15/6/87

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Own Correspondent

JOHANNESBURG. — Employers may be effectively "press-ganged" into recovering from their employees some R297 million in unpaid rent owed to local authorities around the country.

According to officials of the Department of Constitutional Affairs, this is one of the main objectives of the coercive "Rent Bill", the Promotion of Local Government Affairs Amendment Bill, which the government is once again attempting to push through Parliament.

They said, however, that little thought had gone into deciding how this was to be done, or over what period of time it was intended to make up this substantial rent shortfall.

Nor is there much clarity over how practically they are going to deal with the rent boycott.

What is made clear, however, is that the rent shortfall is not going to be written off, and government is determined that employers must also shoulder the responsibility for ensuring that their employees pay their rents and other services.

As previously reported, the Rent Bill — if passed into law — will effectively empower local authorities to unilaterally issue garnishee orders against employers to pay outstanding rent and service payments owed by their employees out of salary or wages.

The Bill also clearly stipulates that if employers fail to carry out this task they will be guilty of an offence and liable to a fine not exceeding R2 000, or imprisonment for 12 months, or both.

Attempts by government to introduce similar provisions into law last year via the Black Local Authorities Amendment Bill were widely opposed — even within the government hierarchy, where it was seen as a recipe for employer-employee confrontation.

As a result the provision was excised from draft legislation.

That it has again emerged indicates the difficulties government faces in dealing with the rent boycott.

□ Support for the Cape Times' suggestion that township houses be given away to those who live in them was expressed yesterday by David Carte, editor of Business Times, in his weekly column.

Township houses, which had a market value of R7 000 to R8 000 each, were being sold by the State at R1 200, he said. The Council for Scientific and Industrial Research estimated there were half a million state houses in South Africa, so the giveaway would cost the state R600 million.

Annual rental income, which the state would forgo if it gave away the houses, was "estimated to fall far short of R300 million", which was less than half a percentage point of GST, or 0,6% of the annual budget.

□ A new strategy to speed up the sluggish sale of houses in black townships has been launched nationwide. The sales co-ordinator in the Transvaal, Mr Alex Weiss, said concessions had now been introduced. If a house had structural defects, the tenant-buyer could get a discount of 65%. The average selling price of a house was about R1 200 a unit.

Govt 'press-ganging' employers

R297m rent

Shock for businessmen

CHRIS CAIRNCROSS

EMPLOYERS are going to be effectively "press-ganged" into recovering, from their employees some R297m in unpaid rent owed to local authorities around the country.

This is one of the main objectives of the coercive "Rent Bill", the Promotion of Local Government Affairs Amendment Bill, which government is once again attempting to push through Parliament, Department of Constitutional Affairs officials have confirmed.

They confess, however, that very little thought has gone into outlining how this is to be done, or over what period of time it is intended to make up the substantial rent shortfall.

Nor is there much clarity over how, practically, they are going to deal with the ongoing rent boycott.

What is clear, however, is that the rent shortfall is not going to be written off, and government is determined employers must shoulder the responsibility for ensuring their employees pay their rents and fees for services.

The Rent Bill - if passed into law - will effectively empower local authorities to unilaterally issue garnishee orders against employers to deduct out-

Bill only 15/16/87

LONDON - An Anti-Apartheid Movement spokesman said yesterday a great deal of pressure would be exerted on companies with subsidiaries in SA if they complied with the Rent Bill.

AAM executive secretary Mike Terry said: "Foreign companies with subsidiaries in South Africa want to be seen as challenging the regime. They make out they are a force for change.

"Should they be seen to be doing the government's work for them, our reaction would be immediate."

standing rent and service payments from employees' wages and salaries.

It also clearly stipulates that if employers fail to carry out this task they will be guilty of an offence and liable to a fine not exceeding R2 000, or imprisonment for 12 months, or both.

The Bill has been widely criticised as being an "horrendous" piece of legislation, destined to considerably exacerbate the already tense industrial relations environment.

Attempts by government to introduce similar provisions into law last year, via the Black Local Authorities Amendment

● To Page 2

Rents shock for employers

Bill were widely opposed - even within government hierarchy, where they were seen as a recipe for employer-employee confrontation.

As a result, the provisions were excluded from draft legislation.

That they have again emerged indicates the difficulties government faces in dealing with the rent boycott, and its determination to force employers to deal with what is essentially a "political" problem for which there appears no solution.

HELEN WISHART reports the new Bill has come under fire from the legal profession for eroding the authority of the courts.

Lawyers said the Bill tabled in parliament on Tuesday enabled local authorities to take the law into their own hands.

If the Bill was passed, local authorities would be able to procure and execute judgment against a debtor, without his ever appearing in court or his defence ever being heard.

The lawyers mentioned several other objections to the Bill.

(1) A local authority could obtain an order against a "debtor" within 14 days of serving him with a notice, without there being any financial inquiry into the latter's

Bill only 15/16/87

financial circumstances. Usual court procedure involves a detailed analysis of a debtor's income and expenditure account, prior to the court making an order that the debtor pay his debt. This is to ensure the order would not cause undue hardship to the debtor's family, for example, or place him in an untenable position vis-a-vis other creditors.

Employers would be forced to deduct money from an employee's salary. This method of forcing the employer to identify with the local authority, in the eyes of his employees, would impose further strain on the employer/employee relationship, unnecessarily harming industrial relations between the two.

Non-compliance with any aspect of the measures would be a crime, even though the debt itself would be a civil claim.

The suggested provision by which a debtor could be arrested was described by one lawyer as "Dickensian".

Service by registered post of the critical notice initiating the whole procedure of recovering a debt was unsafe, especially as no provision had been made for a magistrate to check for proper service.

● From Page 1

1770

1976-1977
New rent
law could

start unrest'

JOHANNESBURG — In-
troducing legislation to
force employers to de-
duct outstanding rent
from black workers' pay
packets will further
drive a wedge between
capital and labour, the
chairman of Shell, Mr
John Wilson, said yester-
day.

He said all business
must be dismayed that it
was again being in-
volved in this sort of act.
Big business has warned
the government not to
push the bill through.
Many companies are re-
ported to hold the view
that to turn multination-
als into rent collectors
for government — which
has estimated arrears of
R297m — could be the
final straw for many
foreign-owned com-
panies in SA, and could
set off further industrial
unrest.

- (iv) in respect of (b) (iv)—A-level of the Stalplein parking garage;
- (v) in respect of (b) (v)—53 bays on the B-level of the H F Verwoerd Building garage; 11 bays on the A-level of the Stalplein parking garage and 11 bays on the C-level of last-mentioned parking garage;
- (vi) in respect of (b) (vi)—6 bays on the A-level of the H F Verwoerd Building garage; 1 bay on the B-level of the H F Verwoerd Building garage, 6 bays on the A-level of the Stalplein parking garage and 1 bay on the C-level of the Stalplein parking garage.

- (d) (i) All Ministers.
- (ii) All Deputy Ministers.
- (iii) All members of Parliament.
- (iv) 36.
- (v) 344.
- (vi) 117. These are mainly members of the President's Council, the British Embassy, service vehicles of the Department of Public Works and Land Affairs and the company who maintains the lifts, the Provincial Secretaries of Transvaal, Natal and the Orange Free State and persons such as the Governor of the SA Reserve Bank and the Chairman of Armscor.

(2) No. I have however approved that a number of permits be issued to the Press Gallery Association in respect of

the basement parking area beneath Stalplein. Ten permits in total have been issued to representatives of The Argus, "Beeld", "Die Burger", Cape Times, Natal Mercury, SAPA, SABC and "Die Transvaler".

Community councils/local authorities

100. Mr P G SOAL asked the Minister of Constitutional Development and Planning:

- (1) What total amount was in the reserve funds of community councils and Black local authorities in each specified area for the 1985-86 financial year;
- (2) whether any portion of these reserve funds had been transferred to any Black local authorities as at the end of the 1984-85 financial year; if not, why not; if so, what was the amount involved;
- (3) whether any of these funds were transferred to meet deficits on any revenue accounts; if so, (a) what amounts and (b) when?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(1) Western Cape.....	R4 634 928
Eastern Cape.....	R22 177 382
Northern Cape.....	R12 883 251
Southern Cape.....	R3 020 368
Natal.....	R2 496 616
East Rand.....	R17 384 580
Central TvI.....	R3 427 655
Northern TvI.....	Nil
Eastern TvI.....	R4 717 806
West Rand.....	R86 624 212

(2) Western Cape—No funds were transferred due to the fact that separate bookkeeping had not yet been implemented at that stage.

Eastern Cape—Yes..... R9 498 619
 Northern Cape—Yes..... R1 379 154
 Southern OFS—Yes..... R3 082 328
 Natal—No funds were transferred due to the fact that the local authorities had not yet been vested with the function of financial control.

East Rand—Yes.....	R7 691 071
Central TvI—Yes.....	R3 427 655
Northern TvI.....	Nil
Western TvI—Yes.....	R285 233
Eastern TvI—Yes.....	R4 717 806
West Rand—Yes.....	R61 864 554

- (3) No. (a) and (b) Fall away.

Average expenditure

102. Mr S S VAN DER MERWE asked the Minister of Education and Development Aid: What was the average expenditure, excluding expenditure of a capital nature, per school falling under the control of his Department in 1986?

The MINISTER OF EDUCATION AND DEVELOPMENT AID:

In view of the diversity of size, location and composition of the schools, the calculation of the figure asked for, would be without any real meaning or value.

School buildings constructed

103. Mr S S VAN DER MERWE asked the Minister of Education and Development Aid: (a) How many school buildings were constructed or caused to be constructed by his Department in 1986 and (b) what was the average capital cost of constructing these buildings?

- (a) 53 new schools.
- (b) R1 821 000.

The MINISTER OF EDUCATION AND DEVELOPMENT AID:

Note: 25 Primary and 28 secondary schools were completed. The average capital cost per primary school amounted to R1 043 000, whereas that of a secondary school amounted to R2 517 000. The primary and so also the secondary schools, respectively are not all of the same size. The abovementioned figures do not include

classrooms erected at existing school buildings.

Shortage of housing

120. Mr P G SOAL asked the Minister of Constitutional Development and Planning:

- (1) What was the estimated shortage of housing for Blacks outside the national states at the end of 1986;
- (2) how many houses were provided in 1986 for Blacks outside the national states and in each province by (a) the State, (b) local authorities and (c) the private sector;
- (3) when is it expected that the shortages will be eliminated in areas outside the national states?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

- (1) ±342 478
- (2) Transvaal

(a) Nil

(b) 2 184

(c) 8 450

Natal

(a) Nil

(b) 20

(c) Nil

Orange Free State

(a) Nil

(b) 859

(c) Accurate figures not available. However 3 792 building plans were approved.

Cape Province

(a) Nil

(b) 5 933

(c) 1 938

- (3) It is doubted whether the shortages will be eliminated in the foreseeable future due to such factors as availability of funds, population growth, unemployment, influx, etc. Possibly with more private sector involvement, the shortages can be alleviated in twenty to thirty years time.

Townships proclaimed

122. Mr P C CRONJÉ asked the Minister of Constitutional Development and Planning:

- (1) (a) How many Black townships outside the national states were (i) proclaimed and (ii) deproclaimed in 1986 and (b) where are these townships situated;
- (2) how many persons moved into the proclaimed townships in 1986?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

- (1) (a) (i) None.
(ii) One.

(b) Brits.

- (2) Falls away.

Delville Wood Commemorative Museum

136. Mr P H P GASTROW asked the Minister of Public Works:

- (1) What was the cost of the opening of the Delville Wood Commemorative Museum;
- (2) whether his Department made arrangements for members of the South African Defence Force to attend the opening; if so, (a) how many such members were present and (b) why;
- (3) how many civilians attended the opening by invitation;
- (4) whether any such civilians were offered a free trip to France; if so, (a)

how many and (b) from what source were these trips financed;

- (5) (a) what is the cost of this museum project, (b) what amount has been collected by the Delville Wood Museum Fund-raising Committee and (c) in respect of what date is this information furnished?

The MINISTER OF PUBLIC WORKS:

- (1) R1 104 128.
- (2) Yes.
- (a) 25.
- (b) Due to the close involvement of the Defence Force in the development and administration of the museum.
- (3) 216.
- (4) Yes.
- (a) 216.
- (b) Out of funds provided for this purpose in the Department of Public Works and Land Affairs' budget.
- (5) (a) R9 369 000.
(b) R439 625.
(c) 10 June 1987.

Defence Act: certificates issued

144. Mrs H SUZMAN asked the State President:

On how many occasions were certificates issued in terms of section 103ter (4) of the Defence Act, No 44 of 1957, in South West Africa/Namibia from (a) 1 January 1977 to 31 December 1983 and (b) 1 January 1984 to the latest specified date for which information is available?

The STATE PRESIDENT:

- (a) Nil.

- (b) One, until 5 June 1987.

SWA/Namibia: detainees

145. Mrs H SUZMAN asked the State President:

How many persons were being detained in South West Africa/Namibia in terms of (a) the Terrorism Act, No 83 of 1967, (b) the Suppression of Communism Act, No 44 of 1950, (c) Proclamation AG 9 of 1977 and (d) Proclamation AG 26 of 1978 as at the latest specified date for which information is available?

The STATE PRESIDENT:

As at 5 June 1987:

- (a) Nine.
(b) Nil.
(c) One.
(d) Nil.

Defence Act: certificates issued

146. Mrs H SUZMAN asked the State President:

- (1) How many certificates were issued in terms of section 103ter (8) of the Defence Act, No 44 of 1957, in South West Africa/Namibia from (a) 1 January 1977 to 31 December 1983 and (b) 1 January 1984 to the latest specified date for which information is available;
- (2) (a) what are the names of the deceased in respect of whom these certificates were issued and (b) in what specified areas did these deaths occur?

The STATE PRESIDENT:

- (1) (a) Nil.
(b) One, until 5 June 1987.

- (2) (a) Mr Frans Uatopa.
(b) Ovambo.

Financial assistance to publishers

176. Mr P G SOAL asked the Minister of Foreign Affairs:

Whether his Department has at any time provided any (a) financial and/or (b) other assistance to the publishers of a certain publication, particulars of which have been furnished to the Minister's Department for the purpose of his reply; if so, (i) what specified assistance, (ii) (aa) when, (bb) why and (cc) on whose instructions was this assistance provided and (iii) what are the names of the (aa) publishers and (bb) publication in question?

The MINISTER OF FOREIGN AFFAIRS:

As a matter of principle I do not consider it to be in the national interest to reply to questions of this nature even if the reply would have been in the negative.

THURSDAY, 18 JUNE 1987

Indicates translated version.

For written reply:

General Affairs:

First-year students

33. Mr K M ANDREW asked the Minister of Education and Development Aid:

- (a) How many, and (b) what percentage of the total number of, first-year students enrolled at each university for Blacks in 1986 (i) dropped out during the year and

MENT

PARLIAMENT '87



5/14/87
No houses
for blacks

Political Staff

The State built no houses for blacks in South Africa last year to reduce the backlog officially estimated at 342 478.

Local authorities and the private sector built 23 176 houses. The Government doubted whether the shortage would be eliminated "in the foreseeable future".

The Minister of Constitutional Development and Planning, Mr. Chris Heunis, disclosed this yesterday in Parliament in reply to questions by Mr. Peter Soal (PFP Johannesburg North).

(ii) failed their examinations in all subjects at the end of the year?

The MINISTER OF EDUCATION AND DEVELOPMENT AID:

(a)	University of Zululand.....	(i) 244	(ii) 78
	University of the North.....	40	321
	Medical University of Southern Africa.....	12	25
	Vista University.....	830	925
(b)	University of Zululand.....	19,8	6,3
	University of the North.....	2,75	22,14
	Medical University of Southern Africa.....	2,85	11,16
	Vista University.....	12,5	13,9

Per capita expenditure

40. Mr R M BURROWS asked the Minister of Education and Development Aid:

What was the per capita expenditure, (a) including and (b) excluding expenditure of a capital nature, on Black school pupils in the 1985-86 financial year?

The MINISTER OF EDUCATION AND DEVELOPMENT AID:

- (a) R387,02
- (b) R303,23

Own Affairs:

State housing sale

16. Mr P C CRONJÉ asked the Minister of Local Government, Housing and Works:

(a) How many houses had been sold by his Department in each province under the State housing sale announced by the then Minister of Community Development on 3 March 1983, as at the latest specified date for which figures are available and (b) how many houses remained to be sold in each province as at that date?

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS:

HOA

30. Mr P G SOAL asked the Minister of Local Government, Housing and Works:

Whether any houses in White group areas are not being supplied with electricity at present; if so, what (a) total number and (b) percentage of houses situated in White group areas in each province was not being supplied with electricity as at the latest specified date for which information is available?

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS:

No, not insofar as housing supplied by the Department is concerned.

HOA

FRIDAY, 19 JUNE 1987

of the emergency regulations in 1986; if so, (a) when, (b) where and (c) what is the name of this person;

- (2) whether he received a request from or on behalf of this person to furnish reasons for her detention; if so, when;
- (3) whether he has furnished this person with such reasons; if not, why not; if so, on what date?

The MINISTER OF LAW AND ORDER:

- (a) 14 June 1986.
- (b) The Female Prison, North End, Port Elizabeth.
- (c) Sandra Steward.

5. Mr S S VAN DER MERWE asked the Minister of Law and Order:

How many investigations had been held by the South African Police into alleged contraventions of the Group areas Act, No 36 of 1966, since 1 January 1987 as at the latest specified date for which information is available?

The MINISTER OF LAW AND ORDER:

394 cases until 30 April 1987.

Joint management centres

9. Mr P G SOAL asked the Minister of Law and Order:

With reference to his reply to Question No 114 on 20 February 1987, (a) what are the names of the members of each of the eleven joint management centres, (b) on what basis were they appointed and (c) what tasks do these members perform in these joint management centres?

The MINISTER OF LAW AND ORDER:

(a) and (b) I refer the honourable member to my reply to written questions numbers 114 and 565 which I regard as sufficient.

Sandra Steward

10. Mr S S VAN DER MERWE asked the Minister of Law and Order:

(1) Whether a certain person, whose name has been furnished to the South African Police for the purpose of the Minister's reply, was detained in terms

Note: This person was already released from detention on 5 September 1986.

Gold/silver/platinum

107. Mr C J DERBY-LEWIS asked the Minister of Economic Affairs and Technology:

How many fine ounces of (a) gold, (b) silver and (c) platinum were (i) mined and (ii) marketed in 1984, 1985 and 1986, respectively?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY:

	1984	1985	1986
(a) (i)	21 861 000	21 524 000	20 514 000
(ii)	Classified information.		
(b) (i)	6 978 907	6 699 708	7 172 113
(ii)	7 625 159	7 077 593	7 629 781
(c) (i)	Classified information.		
(ii)	Classified information.		

Uitenhage: crime

123. Mr D J N MALCOMMESS asked the Minister of Law and Order:

Whether a certain person, whose name has been furnished to the South African Police for the purpose of the Minister's reply, was detained in terms

Demand for home loans increasing

Own Correspondent

JOHANNESBURG. — The domestic home market is on a recovery track. Demand for home loan funds is on the up and up and the value of residential building plans passed has increased substantially.

The Perm reported an increase of 46% in the value of new bonds issued in the first five months of this year compared to the same period last year. From January to May this year, the building society issued new bonds to the tune of R920,2m.

The Perm's senior GM operations, Hugh MacLachlan, said: "The increase can be ascribed to a pick-up in demand for housing in general, specially in the lower income group."

Similarly, new loans granted by the NBS in the first five months of this year grew by close on 55% compared to the same period last year.

The Allied also reported strong demand, with new home loans until May totalling R866m. Home loans manager Geoff Bowker said there had been no shortage of bond applications in the past 18 months.

Also reporting significant growth in new home loans issued up to May this year compared to the same time last year was Saamboq. Senior GM Christie Kuun ascribed the increase of around R53m to heightened demand.

The Standard Bank's GM home loans, Terry Power, said he was

happy with the R390m the bank had issued in new home loans. "The second half of this year will show a significant increase over the first half," he said.

In volume terms, the Standard had issued 5 700 loans.

First National Bank's Jimmy McKenzie says the bank's home loans book has grown from R990m to just on R1,3 billion in four months. About 3 800 new loans had been granted in this period.

Syfrets trust director Brain Button said new residential bonds for this year to date had exceeded the budgeted amount by 50%. He said the trust's growth was significant compared to last year.

Training for reform



ECONOMY

Drop 'unpaid rents' move, Ackerman urges Government

Business Editor

AN urgent call to the government to abandon its proposals to make employers collect unpaid rents of black employees was made today by Mr Raymond Ackerman, chairman of Pick 'n Pay.

"Any such decision will squash business confidence and labour relations and knock the economy," he told shareholders at the company's annual meeting in Cape Town.

"If the State President Mr P W Botha wants businessmen to stay out of politics, he must keep this highly emotive issue away from business," he said.

He said Pick 'n Pay's directors wanted to encourage more of its 17 000 staff to become shareholders.

At present 1 900 employees held shares in the company.

Business showed a significant improvement since the company's financial year end in February.

Turnover for the last four months was 21 percent ahead of a year ago, while at this time last year the turnover increase was only about 11 percent.

After opening two experimental and wholesale outlets in the Transvaal the company had decided to go ahead and open four more this year.

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RENT BOYCOTT

Landlords above the law

Unless government somehow manages to get the embattled black local councils back on track, the township rent boycott is likely to continue. The problem is part of a larger malaise involving a crisis of legitimacy in black government.

Also, forcing employers to deduct rents and arrears from township dwellers' wages could lead to confrontation on the shopfloor, and both business and the trade unions have accordingly condemned the Promotion of Local Government Affairs Amendment Bill (FM June 12).

The Bill gives sweeping powers to local authorities to attach wages and confiscate property without going through the courts. It allows local authorities to act as judges in their own case, says Legal Resources Centre Director Geoff Budlender. "It thus denies offenders the opportunity to fight what might be a mistake on the part of the local authority."

The Bill will further erode the judicial system and increase pressure on US corporations still operating in SA to disinvest, says American Chamber of Commerce Executive Director Adrian Botha.

Rents were politicised when government made them the revenue base for the black councils as constituted by the Black Local

Authorities Act of 1982 — structures which were rejected by most blacks.

The current unrest began in the Vaal Triangle three years ago over increased rents. The boycott has since spread to more than 50 townships, creating arrears of about R297m.

Many black councillors have resigned — or been killed — and about 20% of councils have collapsed.

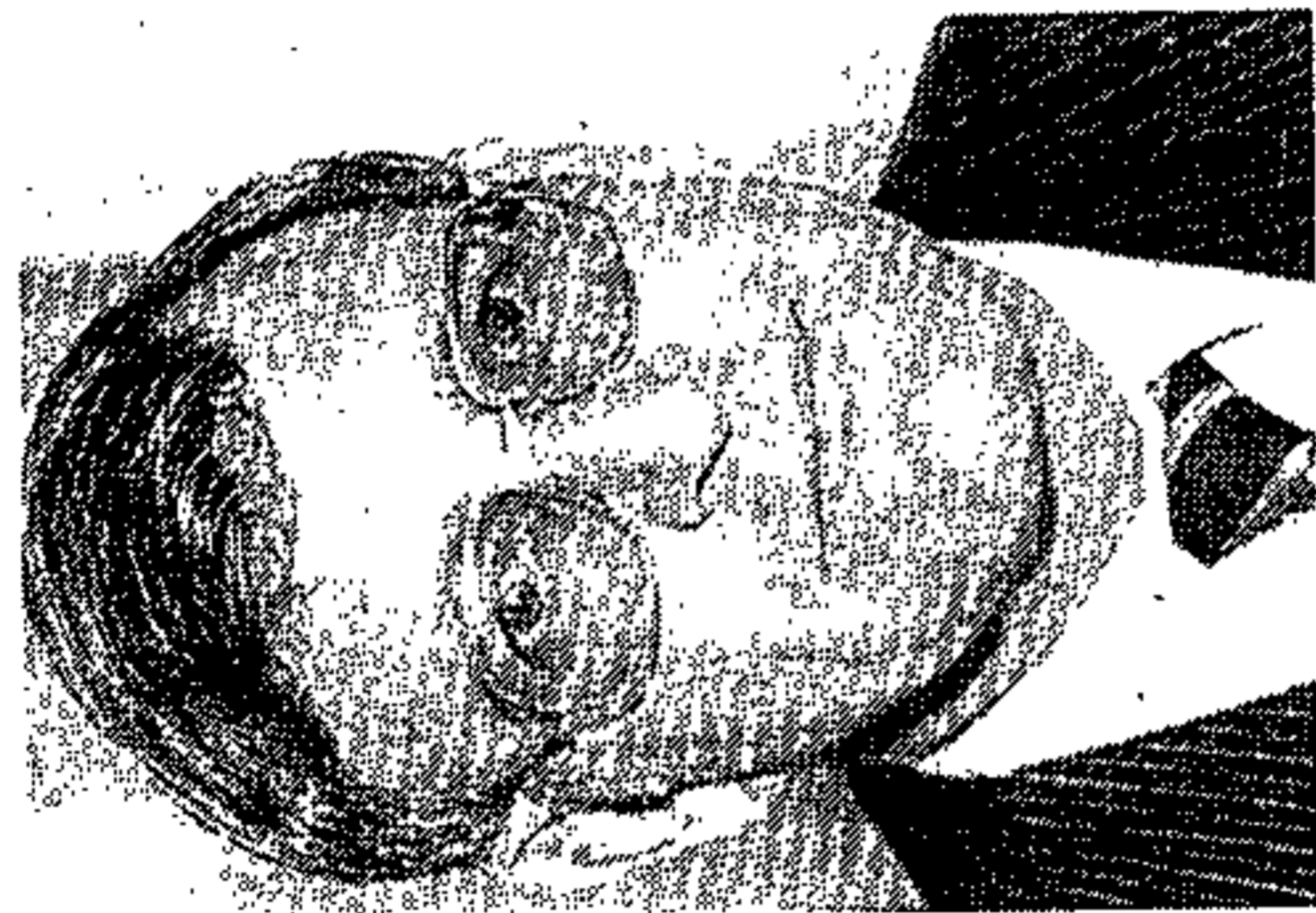
The key issue remains the lack of legitimacy of the black councils whose funding underlies the rent crisis. They are largely dependent on rent and service charges instead of assessment rates. Rent increases — in some areas 400% over the past eight years — have been resisted, often with disastrous results. The rent protest in Mamelodi in November 1985 left 22 dead.

Whether financial aid through the regional services councils (RSCs) will help ease the problem remains to be seen. More worrying, though, is the launching of the RSCs with

black components enjoying little public support.

A number of strategies have been devised by government to break the rent boycott — so far to no avail. The "strategy for the collection of arrear rental and service charges" suggested several plans involving, among others, businessmen, councils, the Department of Education and Training and the security forces working within the context of the controversial Joint Management Centres. Plans included education camps for youths, programmes to motivate residents and legal steps which included identifying "hostile residents" as a first priority for civil procedures.

Late last year Nic Louw, town clerk of Lekoa, which hosted the State President two weeks ago, said talking to people didn't work. He preferred eviction. The situation in the six Vaal townships under Lekoa's jurisdiction is unclear as the council now replies only to



Nico Malan

written requests for information.

However, in Soweto, it's worth noting that all of the 72 evicted families promptly moved back into their houses with whatever property they had left after the messenger of the court confiscated goods to defray outstanding arrears. According to Soweto Town Clerk Nico Malan, confiscated goods can be reclaimed if they are paid for, and he notes that many evicted residents do find the money at that point. However, moving back is illegal and council lawyers are again grappling with this problem.

Simply giving away the houses to their occupants (an idea some have floated) won't solve the problem, according to the Urban Foundation's Brian Whittaker, because less than 15% of the monthly payment is for house rental. The bulk is for services which must still be paid by house-owners. So why are thousands of residents not paying?

A moot point is whether blacks are getting what they pay for. Accusations of corruption and poor service-delivery are rife — despite promises from councillors that monthly increases would be used to improve services. But the perception that they are being cheated remains impossible to break.

It must be pointed out that black councillors are hamstrung. For instance, last December Soweto Mayor Nelson Botile promised residents a 50% cut in rents. However, under the existing financial dispensation Soweto cannot afford such largesse. In fact, it has announced increased services charges from October 1.

The problem also has a practical dimension — thousands of families have massive rent arrears. Where the boycott has been active for more than two years debts could be as high as R2 000 — huge relative to average monthly incomes.

Another government plan is to capitalise arrears by adding them to the purchase price of a house. However, government's "Big Sale" remains largely unsuccessful. By April — more than four years after the scheme started — only about 52 000 of the 345 640 dwellings on offer had been sold.

Soweto also invited debtors to put down a deposit of about R300 and pay the balance in instalments. Not many have done this, says Malan.

Another option is the request by blacks to write off arrears. But this could result in a right wing backlash.

Obviously government wants a solution without losing face. It is therefore unlikely to write them off. And perhaps it is right in principle. This option may encourage further boycotts and it would not solve the underlying problem of the financing of local authorities or their acceptability to blacks.

The only way out, it seems, would be to negotiate with community organisations that are perceived to have constituencies. But then government is emphatic that it won't negotiate with such bodies.

The immediate outlook, therefore, remains unchanged — deadlock and confrontation will continue. ■

Demand for home loans up

GRETA STEYN

THE HOME market is on a recovery track. Demand for home-loan funds is on the up, and the value of residential building plans passed has increased substantially.

The Perm reported an increase of 46% in the value of new bonds issued in the first five months of this year, compared with the same period last year. From January to May this year, the building society issued new bonds to the tune of R920,2m.

Similarly, new loans granted by the NBS in the first five months of this year grew by close on 55% compared with the same period last year.

The Allied also reported strong demand, with new home loans until May totalling R866m.

Saambou also reported significant growth in new home loans issued up to May this year.

Standard Bank GM, home loans, Terry Power said he was happy with the R390m the bank had issued in 5 700 new

home loans. First National Bank's (FNB) Jimmy McKenzie said the bank's home loans book had grown from R990m to just on R1,3bn in four months. About 3 800 new loans had been granted in that period.

He said there was no need to guarantee the bank's 12,5% bond rate, and FNB intended to remain aggressively competitive in the market.

Syrets Trust director Brian Button said new residential bonds for this year to date had exceeded the budgeted amount by 50%.

Another indication that the property market is picking up comes from building statistics for the first quarter of 1987. The value of residential building plans passed increased by more than 28% compared with the same period last year. The value of building plans increased by 17,6%.

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HOUSE PRICES

Getting out of line

There is a growing gap between expectation and reality in the residential property market which is keeping the lid on any significant improvement in sales.

Reports of an upsurge in the market are encouraging sellers to demand higher asking prices for their houses — in some cases



considerably higher than they were asking a year ago.

In reality, according to the United Building Society (UBS) quarterly housing review the average price of an existing medium-sized (141 m²-220 m²) house rose 5% in the first quarter of this year on the fourth quarter of 1986. The year-on-year first-quarter increase is 3%.

Aida Geffen, chairman of Aida Real Estate, says the increase in the average house price in the 12 months ending April was 4,2%. The company's average price per unit in April was 10,34% higher than in April 1986 but, she says, this was inflated by several sales in excess of R0,5m.

In fact, the gap is widest in the lower to middle-price bracket, where there is, according to agents, an acute shortage of stock. The main reason for this is the increase in demand from first-time buyers who are balking at the cost of new houses.

According to the UBS, prices of new houses are now some 13% higher than those of existing houses — chiefly because of rapidly rising building costs. Construction costs are expected to increase 17% this year.

What is more, the demand is highest from young families with a need for the facilities offered in established areas, such as public transport, schools and shops. With prices of new houses beyond what is realistically affordable, many are turning elsewhere.

Obviously, sellers are hoping to cash in,

usually with a view to "buying up" themselves. Many argue they have held their properties for several years, often spending considerable amounts on improvements. Moreover, they are reluctant to accept that prices are moving upward slowly off a base which is probably below what they originally paid for their homes. Consequently, asking prices bear little relation to the price at which most deals are closed.

Meanwhile, the UBS statistics fuel speculation of a year-end mortgage rate rise.

The society says that, with the economy in an upswing, demand for money can be expected to rise, leading to an increase in rates paid to depositors — and, ultimately, in those charged to borrowers. On normal supply and demand forces, as demand for houses increases, so will the cost of bond finance.

However, UBS points out that house buyers have had it relatively easy in the past two years with average bond repayments dropping to R750 a month from R1 230 in the fourth quarter of 1984. "In real terms, mortgage repayments have declined by 58% over the past two years, mainly as a result of an average inflation rate of 17% and a 9,5 percentage point fall in the mortgage rate."

The upshot is that there are even more buyers who feel that now is the time to take the plunge — especially since residential property prices have been static for two years and some societies are offering bonds at a fixed rate of interest for three years.

However, according to Nationwide Real Estate Group MD Lourens Badenhorst,

agents still do not expect more than a 3%-4% increase on the 150 000 property transactions concluded on the Rand last year. And, he says, most of that will occur in the R200 000 and up price bracket.

WOODBIDGE ISLAND

A new view

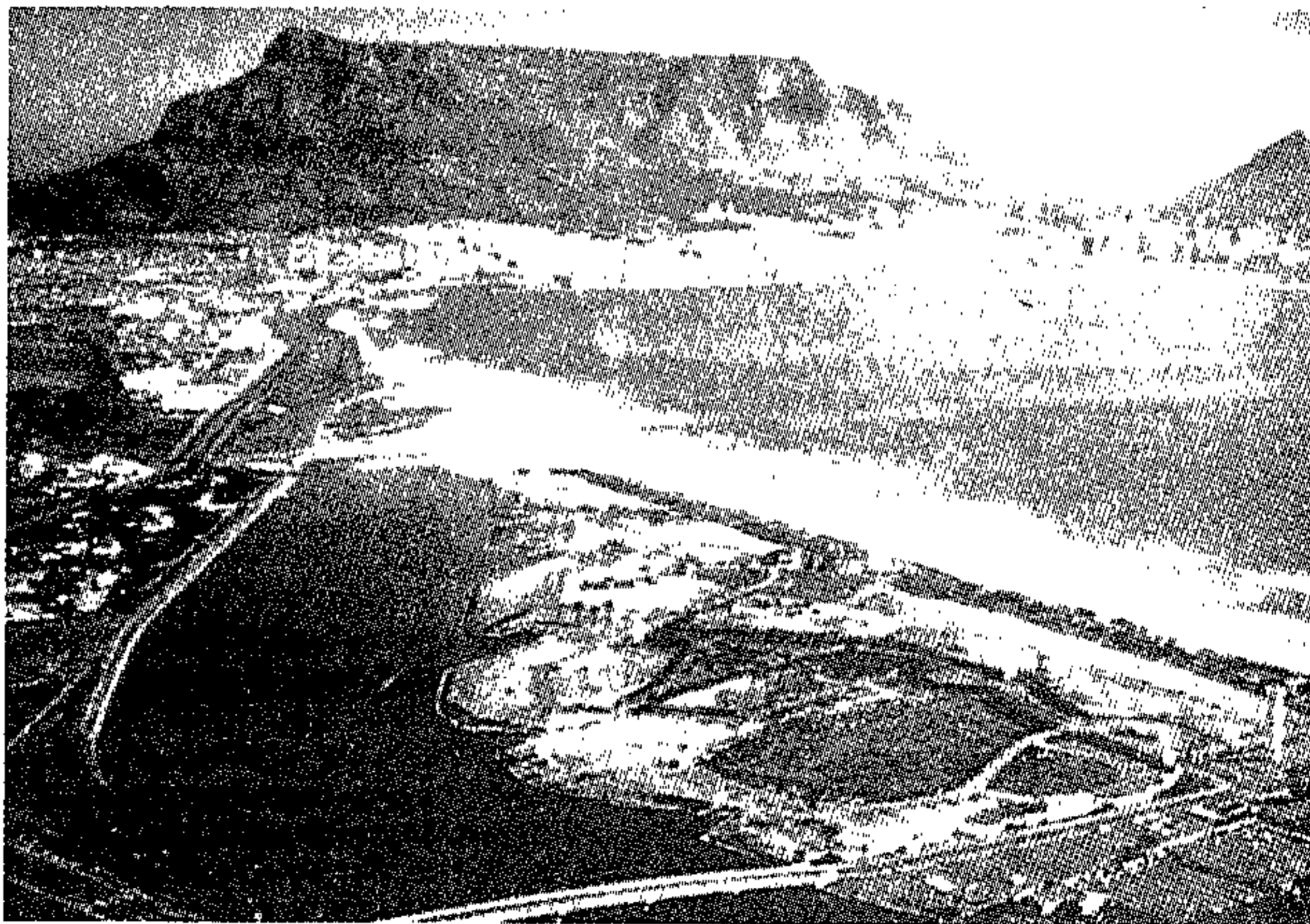
A re-think by the developers of the Woodbridge Island (WI) sectional title scheme in Cape Town could put holiday homes in the hands of buyers at a fraction of the price originally intended.

The plans for WI, at Milnerton just outside the city, have been re-formulated by owners of the land, Darling & Hodgson (D & H), and Murray & Roberts (M & R).

As suggested in the *FM* last year (*Property* December 5), the project has been scaled down from the original intention to build luxury units in the R200 000 and upwards bracket targeted at foreign investors. It will now be aimed at buyers with about R95 000 and less to spend. Part of the sales pitch will be the suitability of the units as holiday homes.

The site is undoubtedly a prime one, bounded by the Milnerton Lagoon, the Milnerton Golf Course and the sea. It has a spectacular view of Table Mountain across Table Bay and is linked to the mainland by a bridge specially constructed for the project.

The original plan faltered for financial



D & H's Woodbridge Island ... going for a bigger catch

123

WITH the potentially explosive June 16 anniversary of the 1976 black student revolt behind them, the authorities are preparing to crack the most sustained upsurge of civil disobedience since the Defiance of Unjust Laws Campaign of 1952: the refusal of township tenants to pay rent and service charges.

But, judging from the cries of approval which greeted a defiant June 16 speech in Soweto by Rapu Molekane, general secretary of the South African Youth Congress, the rent boycotters will not surrender easily.

Soweto has become the main arena for the pending battle. So far, however, the Soweto Council has refrained from launching an all-out direct assault by physically evicting defaulters en masse.

The boycott was initiated a year ago in Soweto in support of demands for an end to the State of Emergency, the release of detainees and the dissolution of the "collaborating" Soweto Council.

But with at least half of its nearly 110 000 tenants still refusing to pay rent or service charges, the Soweto Council has so far evicted relatively few rent defaulters, perhaps because it feared wholesale evictions could ignite popular resistance.

Lawyers for the Soweto Civic Association doubt whether as many as 50 families have been evicted. But they know that summons have been served on 270 rent defaulters, or, more accurately, pinned to their

RENTS: The state won't back off. Neither, it seems, will the boycotters

The state is determined not to lose the battle against the biggest civil defiance campaign since the early fifties. The question is whether iron-fist tactics will ignite further unrest. PATRICK LAURENCE reports

doors by nervous messengers of the court. The lawyers fear that as many evictions may be imminent in what could mark the start of a major crack-down.

There are further signs that a major offensive is looming against the rent boycott which, according to official calculations, has deprived the state of nearly R300-million.

One clear sign came during President PW Botha's visit on June 9 to Sebokeng and Sharpeville. If the authorities were planning to wipe the slate clean, Botha could not have had a more opportune time to announce that his government was scrapping the accumulated debt.

Another indication is a contentious

Bill before parliament empowering local authorities to recover money owed by rent defaulters from employers.

The Bill contains two central clauses. The first compels rent defaulters to supply local authorities with the names of their employers. The second enables the local authority to obtain a court order obliging employers to deduct the money owing on rent and transfer it to the local authority.

A third pointer is the renewed State of Emergency. The re-drafted Emergency regulations contain a clause making it an offence to issue or publish "subversive statements" urging people to participate in an "act of civil disobedience" by refusing to pay rent or service charges. Contraventions are punishable by a fine of up to R20 000 or imprisonment for a maximum of 10 years.

The edict clearly makes it difficult and hazardous to campaign openly for a rent boycott. Not that it was easy before the State of Emergency. The Internal Security Act of 1982 and, before that, the Criminal Law Amendment Act outlawed civil disobedience, making it punishable by heavy fines and long jail sentences and — in the case of the now superseded Criminal Law Amendment Act of 1953 — by whipping.

But the new Emergency decree, first imposed last December and renewed last week, specifically described outlawed exhortations to people to withhold rent as an "act of civil disobedience".

By the time it was proclaimed, the boycott, which began nearly three years ago in black townships in the Vaal Triangle, had already acquired a momentum of its own. Hence the

need to revert to further measures to break it.

Apart from the Bill to turn employers into rent collectors for the state and the so far judiciously small number of evictions, psychological pressure has been applied in an attempt to break the morale of Soweto leaders.

One manifestation was the disinformation campaign against Winnie Mandela, wife of the jailed African National Congress leader Nelson Mandela. In a bid to discredit Winnie Mandela, the mayor of Soweto, Nelson Botile, accused her of urging residents not to pay rent while she herself was doing so. Later his chicanery was exposed.

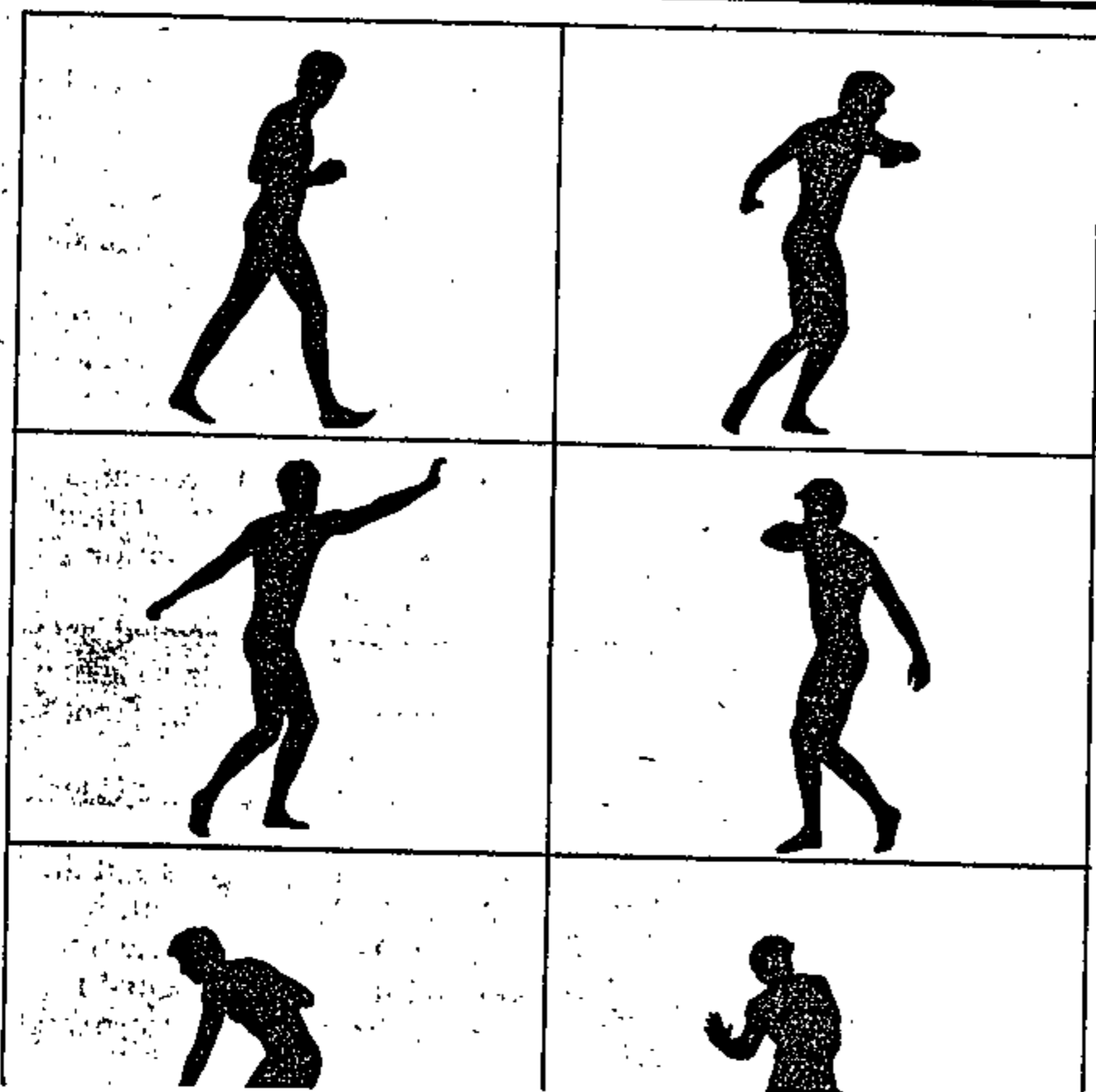
In a bid to unnerve Soweto notables, the Soweto Council served notices on them threatening action unless their arrears were paid. Leaders in receipt of notices included Mandela, Albertina Sisulu, a national president of the United Democratic Front, Dr Nthato Motlana, veteran chairman of the Soweto Civic Association, and Desmond Tutu, who retained his Soweto house after being elected Archbishop of Cape Town.

The deadline for payment expired before June 16 without any move from the Soweto Council, however, possibly because it was loath to infuriate residents on the eve of the anniversary of the 1976 revolt.

But even deployment of the full range of legal weapons — stepped-up evictions, seizure of furniture pending payment of arrears, recovery of money owed through court orders authorising deductions from the wages of rent defaulters — may not guarantee success for the authorities.

Calls to withhold rent struck a deeply responsive chord in Soweto, not least because of the questionable legitimacy of the Soweto Council. The councillors were elected on a poll of barely over 10 percent, with most voters boycotting the 1983 election in protest against the exclusion of blacks from parliament. Today, in an outward manifestation of their political alienation, most councillors live behind rolls of razor wire in a specially guarded complex on the edge of Soweto, fearful of their own constituents.

Far from ending the boycott, the pending campaign to break it may provoke a new form of resistance, or even civil disobedience, from employers who have already voiced strenuous objections to the move to make them Botha's rent collectors.



By ANTHONY JOHNSON
Political Correspondent

OPPOSITION parties have demanded a parliamentary select committee to determine whether the Minister of Finance, Mr Barend du Plessis, offered the Labour Party a R1.5-billion housing "bribe" in return for the LP dropping its opposition to a finance bill.

Allegations that the minister diverted the sum from the Central Energy Fund (CEF) as part of a "quid pro quo" payment to the LP in favour of coloured housing, were made in Parliament yesterday by the chief whip of the PFP, Mr John Malcomess.

The Speaker, Mr Louis le Grange, ordered the PFP's transport spokesman out of Parliament when he refused to withdraw the "bribe" allegation.

Both the PFP's finance spokesman, Mr Harry Schwarz, and the Conservative Party's spokesman on economic affairs and technology, Mr Clive Derby-Lewis, last night called for a select committee investigation into the affair.

Mr Derby-Lewis said: "The alleged coercion is a further reflection of a ploy used by a desperate regime in an attempt to justify their colossal mistake... of the National Party's tricameral experiment.

"How do we know that the government is not digging into other funds to placate their co-governors into submission?"

Mr Schwarz said the CEF was created to contribute towards the stabilization of fuel prices for motorists and in order to help find new energy sources like Sasol and the Mossel Bay gas project.

Money obtained from motorists should not be used for purposes unconnected with South Africa's fuel situation, he said.

Speaking during the budget debate yesterday, Mr Malcomess

Bribe claim: Parliament probe call

Cape Times 20/6/87 (123)



Mr Du Plessis



Mr Malcomess

quoted from Hansard to show that the LP had withdrawn its opposition to the General Sales Tax Amendment Bill after Mr Du Plessis had given them R1500 million for black and coloured housing.

Mr Malcomess also alleged that this large sum of money could only have come from the CEF by "subterfuge" — a remark he was forced to withdraw.

When Mr Du Plessis was challenged by Mr Malcomess to confirm that he had "ended up in the

middle of a LP caucus", struck the deal and then swore the LP to secrecy, the minister replied across the floor: "All caucus meetings are secret."

Mr Malcomess asked Mr Du Plessis whether he would confirm the offer but the minister responded that he was "not prepared to break a confidence".

The PFP whip went on to say that he did not blame the LP for "accepting the bribe" because coloured people had been hounded out of many areas and there had been a totally inadequate provision of both land and housing for them. Mr Malcomess had to withdraw the word "bribe".

Mr Malcomess maintained the whole affair should never have happened. "If you require money for housing then vote for it, don't nick it out of another fund created for a different purpose.

"The taxpayer is entitled to know what his money is being spent on. This has been the largest sum of money ever paid as an incentive to persuade a party to change its mind," he said.

At the prompting of Mr Du Plessis, the Speaker ordered Mr Malcomess to withdraw any inference of bribery.

When Mr Malcomess replied, "I am afraid I cannot, sir," he was ordered to leave the House.

Bosses of top firms strongly oppose rents snatch

BARNEY MTHOMBOTHI

Some of the country's most powerful businessmen have come out strongly against the Government's proposed "surrogate" or "collect the rent" Bill.

The Promotion of Local Government Affairs Amendment Bill proposes to force employers to deduct outstanding rents from the salaries of their black workers.

Latest developments are:

- Mr Tony Bloom, chairman of the Premier Group, has urged his colleagues to "resist the coercion at all costs". He joins Mr Raymond Ackerman of Pick 'n Pay, and Mr Chris Ball of First National Bank managing director, in criticising the move.

- The Government has been warned that the Bill, if passed, would present the disinvestment lobby overseas with powerful ammunition against foreign companies operating in South Africa.

- The trade union movement and other extra-parliamentary organisations have voiced strong objections to the Bill.

- The giant Anglo American Corporation said it was "strongly opposed to the proposed Bill and, in concert with employer bodies and other individual firms, will be conveying our views to the standing committee".

Bill resisted

● From Page 1

standing committee on constitutional development, expressing "grave concern" about the Bill.

The chamber expressed the hope the proposed legislation would be reconsidered and an alternative solution found.

Premier's Mr Bloom said it was ironic that a government which warned business to keep out of politics should now be forcing politics into business:

"I am extremely unhappy about the prospect of coercing employers into collecting arrear rents from their employees and strongly urge the Government to reconsider the proposed Bill."

Pick 'n Pay's Mr Ackerman said the proposed legislation would cause "utter chaos" in the workplace, adding:

"We are very much opposed to this Bill from a company and a personal point of view and are using all our influence to voice our objection to try to prevent it becoming law, through Government contacts and chambers of commerce."

First National Bank's Mr Ball said both the Association of Chambers of Commerce and Federated Chamber of Industries had objected strongly to the legislation "and we support their objections."

Standard Bank said it was viewing the introduction of the Bill with "grave misgivings."

The Bill has been reintroduced after the Government was forced to drop it last year because of strong opposition.

The Government revealed this week that the money owed by township residents, many of whom have been refusing to pay rent for more than a year in protest against the state of emergency and the presence of troops in the townships, had risen to R297 million.

The South African-German Chamber of Commerce and Industry this week despatched telexes to the Minister of Constitutional Development and Planning, Mr Chris Heunis; the Minister of Manpower and Public Works, Mr Pietie du Plessis; the Minister of Economic Affairs and Technology, Mr Danie Steyn, and to the chairman of the parliamentary

● To Page 2

By ANTHONY JOHNSON
Political Correspondent

OPPOSITION parties have demanded a parliamentary select committee to determine whether the Minister of Finance, Mr Barend du Plessis, offered the Labour Party a R1,5-billion housing "bribe" in return for the LP dropping its opposition to a finance bill.

Allegations that the minister diverted the sum from the Central Energy Fund (CEF) as part of a "quid pro quo" payment to the LP in favour of coloured housing, were made in Parliament yesterday by the chief whip of the PFP, Mr John Malcomess.

The Speaker, Mr Louis le Grange, ordered the PFP's transport spokesman out of Parliament when he refused to withdraw the "bribe" allegation.

Both the PFP's finance spokesman, Mr Harry Schwarz, and the Conservative Party's spokesman on economic affairs and technology, Mr Clive Derby-Lewis, last night called for a select committee investigation into the affair.

Mr Derby-Lewis said: "The alleged coercion is a further reflection of a ploy used by a desperate regime in an attempt to justify their colossal mistake... of the National Party's tricameral experiment.

"How do we know that the government is not digging into other funds to placate their co-governors into submission?"

Mr Schwarz said the CEF was created to contribute towards the stabilization of fuel prices for motorists and in order to help find new energy sources like Sasol and the Mossel Bay gas project.

Money obtained from motorists should not be used for purposes unconnected with South Africa's fuel situation, he said.

Speaking during the budget debate yesterday, Mr Malcomess

Bribe claim: Parliament probe call

CAPE TIMES 20/6/87 (123)



Mr Du Plessis



Mr Malcomess

quoted from Hansard to show that the LP had withdrawn its opposition to the General Sales Tax Amendment Bill after Mr Du Plessis had given them R1500 million for black and coloured housing.

Mr Malcomess also alleged that this large sum of money could only have come from the CEF by "subterfuge" — a remark he was forced to withdraw.

When Mr Du Plessis was challenged by Mr Malcomess to confirm that he had "ended up in the

middle of a LP caucus", struck the deal and then swore the LP to secrecy, the minister replied across the floor: "All caucus meetings are secret."

Mr Malcomess asked Mr Du Plessis whether he would confirm the offer but the minister responded that he was "not prepared to break a confidence".

The PFP whip went on to say that he did not blame the LP for "accepting the bribe" because coloured people had been hounded out of many areas and there had been a totally inadequate provision of both land and housing for them. Mr Malcomess had to withdraw the word "bribe".

Mr Malcomess maintained the whole affair should never have happened. "If you require money for housing then vote for it, don't nick it out of another fund created for a different purpose.

"The taxpayer is entitled to know what his money is being spent on. This has been the largest sum of money ever paid as an incentive to persuade a party to change its mind," he said.

At the prompting of Mr Du Plessis, the Speaker ordered Mr Malcomess to withdraw any inference of bribery.

When Mr Malcomess replied, "I am afraid I cannot, sir," he was ordered to leave the House.

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NO HOME CAN BE A KILLER

123

HOMELESSNESS.

This is the silent killer which, if left for long, will leave South Africa reeling in pandemonium and confusion.

CSIR researchers in Pretoria have recently found that the black housing backlog has reached alarming proportions.

Cries for more land and alternative housing among blacks have fallen on deaf ears.

Subsequently, many frustrated and desperate people have resorted to squatting.

Researchers reckon there is no help in sight from the government.

According to the researchers, one of the reasons for the present housing backlog was the government's earlier policy of regarding blacks in urban areas as temporary



SOL MORATHI

sojourners.

As a result of this policy, it placed a halt on the building of houses in 1968. In 1976 this policy was partly revised.

Lack of approved accommodation made it more difficult to qualify in terms of Section 10 of the Black Urban Consolidation Act No 25 of 1945, which controlled the influx of blacks.

The homeless resorted to squatting or lodging and joining the ever-increasing army of surplus labour.

The economic reality of undeveloped rural black areas in South Africa, in which a rapidly growing population could not be accommodated, made influx control increasingly ineffective.

The increase in the number of legal urban black residents has also made it essential for the Department of Co-operation and Development Aid to address the issue of the housing backlog.

For this reason the department requested that higher density housing be built as soon as possible.

The housing backlog for blacks in the urban areas alone has been estimated at

160 000 units.

But according to the CSIR's latest figures, the backlog could be as high as 532 000 - about 300 000 more than forecast.

The problem has been addressed by encouraging self-help, low-cost housing and involvement of the private sector.

Due to the lack of available space in the areas designated for township development, high-rise and high-density housing has become the only viable solution.

The State's response to the problem has been to undertake the provision of low-cost mass housing on a large scale by financing low interest loans.

The State assumes the role of a landlord to large numbers of people primarily because the unregulated housing market is unable to supply this essential component at an affordable cost.

In the past the State attempted to fulfil the role of providing housing for those blacks who were considered to be legal residents. Due to the extent of the housing backlog, this responsibility is being partially deferred to the private sector.

Notifiable Diseases

Viral Hepatitis A	149
Viral Hepatitis B	44
Viral Hepatitis (undifferentiated)	224
Yellow fever	0

Infant mortality

127. Dr M S BARNARD asked the Minister of National Health and Population Development:

- (a) What are the major causes of infant mortality for (i) Whites, (ii) Coloureds, (iii) Indians and (iv) Blacks and (b) what was the percentage of deaths from each of these causes in respect of each race group for the latest specified period of 12 months for which figures are available?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

Period: 1 January 1985 to 31 December 1985

- (a) and (b)
- (i) Whites:

Certain conditions originating in the perinatal period 56,6%
 Congenital anomalies 18,8%
 Diseases of the respiratory system 7,9%

- (ii) Coloureds:

Certain conditions originating in the perinatal period 38,5%
 Infectious and parasitic diseases 30,0%
 Diseases of the respiratory system 15,8%

- (iii) Asians:

Certain conditions originating in the perinatal period 53,2%
 Infectious and parasitic diseases 14,3%
 Congenital anomalies 14,3%

- (iv) Blacks:

Certain conditions originating in the perinatal period 35,0%

Scheme	Divisional Council	No. of points	Length of line	Quote date	Start date	Completion date	Scheme accepted
Bermolli	Postmasburg	8	23	—	—	1986	Yes
Witboom	Postmasburg	22	65	—	—	1986	Yes
Gamagarra	Postmasburg	15	38	—	May '87	Jun '87	Yes
Lovedale	Postmasburg	32	140	—	Aug '87	Dec '87	Yes
Perth	Kuruman	4	12	May '87	—	1987	Not yet

Whites	Coloureds	Asians	Blacks
149	51	15	57
44	76	18	171
224	164	60	365
0	0	0	0

Infectious and parasitic diseases 30,6%
 Ill-defined symptoms 13,5%

Lung cancer

128. Dr M S BARNARD asked the Minister of National Health and Population Development:

- How many persons in each race group died of lung cancer during the latest specified period of 12 months for which figures are available?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

Deaths due to lung cancer during 1 January 1985 to 31 December 1985. Whites 1 436; Blacks 959; Coloureds 662; Asians 60.

Escom

133. Mr C D DE JAGER asked the Minister of Economic Affairs and Technology:

- Whether Escom is undertaking or planning certain power-supply projects in the magisterial districts of (a) Kuruman, (b) Kathu and (c) Oltantshoek; if so, (i) what is the nature of each such project, (ii) when was each project commenced or will it be commenced and (iii) what is the envisaged date of completion in each case?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY:

- (a) Yes.
- (b) Yes.
- (c) Yes.
- (i), (ii) and (iii)

Scheme	Divisional Council	No. of points	Length of line	Quote date	Start date	Completion date	Scheme accepted
Grasylakte	Postmasburg	25	50	Jun '87	Aug '87	Dec '87	Not yet
Rooiwal	Oltantshoek	17	58	Jul '87	—	1988	*
Blikfontein-Streilly	Kuruman	112	332	Aug '87	—	1988	*
Van Zylsrust "C"	Kuruman	61	167	Sept '87	—	1988	*
Van Zylsrust "B"	Kuruman	112	325	1988	—	1989	*
Lilyveld	Postmasburg	8	28	Oct '87	—	1988	*
Korannaberg	Postmasburg	36	165	1988	—	1989	*

* If the scheme is accepted.

The following schemes will be investigated and quoted from 1988 onwards:

- Kuruman area: Van Zylsrust balance, 847 km.
- Oltantshoek area: Mount Leonard, 80 km; Lamoteng, 70 km and Young, 43 km.
- Postmasburg area: Tierkop, 52 km; Stofdam, 19 km; Ossa, 43 km; Witdraai, 45 km; Meintjies, 13 km; Witsand, 37 km and Strahmore, 27 km.

Extensions in existing networks will be installed as follows:

- 1987: Kuruman, 1 km and Postmasburg, 23 km; 1988: Kuruman, 34 km and Postmasburg, 25 km.

Abortions

137. Mrs H SLUZMAN asked the Minister of National Health and Population Development:

- How many women had legal abortions in 1986 in terms of the Abortion and Sterilisation Act, No 2 of 1975?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

792.

Housing units

139. Prof N J J OLIVIER asked the Minister of Constitutional Development and Planning:

- (a) How many housing units in Black townships were sold in freehold to Blacks during the latest specified 12-month period for which information is available and (b) in which townships are these houses situated in each case?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

- (a) No housing units have thus far been sold to Blacks under the freehold system.

- (b) Falls away.

Vacant posts

143. Mr R M BURROWS asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services:

- (a) How many posts were there in the Public Service as at the latest specified date for which figures are available, (b) how many such posts were vacant as at that date and (c) what percentage of persons employed in the Public Service are not White?

The MINISTER IN THE STATE PRESIDENT'S OFFICE ENTRUSTED WITH ADMINISTRATION AND BROADCASTING SERVICES:

Information with regard to posts/persons in the Public Service during September/October 1986 was as follows:

- (a) 270 119.
- (b) 33 722.
- (c) 62%

Foreign media

175. Mr J VAN ECK asked the Minister of Home Affairs:

- Whether, since 1 January 1987, any appli-

Missing CEF money still 'lost'

Political Staff

CONFUSION exists over just where or how the government has either spent, invested or lodged nearly R3 billion from the Central Energy Fund (CEF).

Two government departments have come up with separate explanations as to how R1,2 billion allocated for the stimulatory package last year can be accounted for.

The issue was raised on Friday by Mr John Malcomess, who alleged that the Minister of Finance, Mr Barend du Plessis, had offered the Labour Party R1,5 billion for coloured and black housing last year if they would withdraw their opposition to a finance bill.

The money was to come from the CEF, a fund created by a levy paid on each litre of fuel bought.

The allegation was denied by Mr Du Plessis yesterday when he replied to the second reading of the budget.

The confusion over the amount of money in the CEF and just where it is, follows a question by Mr Malcomess earlier this session to the Minister of Economic Affairs and Technology, Mr Danie Steyn.

Mr Steyn disclosed that currently there was R3,1 billion in the fund, R2,9 billion less than at March 31, 1986.

In addition, according to Mr Malcomess, a further R1 billion in levies from the sale of fuel and interest should have accumulated in the fund.

It is now accepted that the R1,2 billion for the stimulatory package announced by the government last year came from the CEF.

But while the Department of Finance states simply that the money came from the CEF for the stimulatory package, the Department of Economic Affairs and Technology maintains the CEF bought government stock.

No explanation has as yet been forthcoming as to where the rest of the money in the CEF has been allocated.

When he addressed Parliament yesterday, Mr Du Plessis gave his explanation of how he came to address the caucus of the Labour Party in June last year — the date on which Mr Mr

Malcomess alleged he made the offer to the Labour Party.

Mr Du Plessis stated he was making the disclosures with the permission of the leader of the Labour Party, the Rev Allan Hendrickse.

He said during the course of 1986 it had become obvious that there was a need to stimulate the economy and that two avenues were open — to drop GST to 10% or to produce a R1,2 billion stimulatory package which could be aimed at specific areas.

It had been decided to opt for the latter, he said.

Mr Du Plessis said that the MP for Schauderville, Mr Charles Redcliffe, had, however, subsequent to the package being finalized introduced an amendment to the GST Amendment Bill declining to pass it until GST was dropped to 10%.

This, he said, had been done in the absence of Mr Hendrickse.

Mr Du Plessis said he had approached Mr Hendrickse and had been given permission to address the LP caucus and explained that if he was forced to drop the stimulatory package R750 million earmarked for housing would be lost.

Questions

The LP caucus, he said, had consequently reversed its decision and its opposition had been dropped.

Mr Du Plessis referred problems as far as the CEF was concerned to Mr Steyn, expressing the hope that having given the facts the matter could now be put to rest.

Several questions remain unanswered, however, amongst which are:

□ Just where has the other amount outstanding from the fund been placed?

□ Is there any point in having a Central Energy Fund if it is simply to be used for any purpose which takes the Government's fancy?

□ Is this not another example of off-balance sheet budgeting?

CP MPs
operate
on
'Goebbels
concept'

HOUSE OF ASSEMBLY. — It seemed that CP MPs operated on the Goebbels concept that the greater the lie and the more often it was repeated, the greater the chance that people would believe it, the Minister of Finance, Mr Barend du Plessis, said yesterday.

Replying to the Own Affairs budget debate, he said this could be the only reason they paid no heed to the facts that had been brought to their attention.

They had taken inspiration for the style of presentation of their speeches from Mr Eugene Terre'Blanche, the Afrikaner-Weerstandsbeweging leader, and had continued with the practice of spreading irresponsible untruths and incorrect facts.

"How does it feel to be sitting in the House on the basis of the absolute lies you spread in order to get the people to vote for you?" he said.

Mr Du Plessis said the PFP spokesman on Finance, Mr Harry Schwarz, who had called him a "Lone Ranger" earlier in the debate, was himself a political lone ranger.

Whenever he joined a political party a division became imminent.

At one point during Mr Du Plessis' speech, as he speaking about the CP, Mr Schwarz called across the floor: "Why are you so cross?"

"I'm not cross," replied Mr Du Plessis. "I'm serious. The economy is a serious business." — Sapa

SPAC 23/6/89
123

Housing waiting list grows

The waiting list for white housing in Johannesburg increased by 211 to 946 in April according to a Housing Department statement.

Of the applications, 464 are for old age accommodation, 342 for economic and 140 for assisted housing.

Casa Mia Villa for the aged in Berea has the longest waiting list of 114.

● All the benches which were removed from bus stops in Johannesburg have been re-installed after consultation with the ward councillors, said a senior public transport official.

Challenge for societies

Standard Bank to boost home loans

CAPE TOWN 24/6/87 (123)

From TERRY MEYER

JOHANNESBURG. — Building societies, already battered by mortgage loan competition from the banks, are to face an even greater challenge from Standard Bank later this year.

The bank has embarked on a major expansion of its home loans division in a concerted effort to show that it is in the home loans business to stay.

The bank will also start offering building loans for the construction of new homes.

Home loan offices

Until now banks have generally steered clear of such loans as they involve a great deal of extra administrative work due to regular "draws" by builders for work done.

As part of its expansion campaign Standard has started to establish regional offices, independent of the branches, which will specialize in home loans.

This will be the first time that any bank has established specific home loan offices which are staffed with property experts.

Regional home loan divisions have just been set up in Durban and Cape Town and the Johannesburg central office has been turned into a regional branch. A Pretoria Office is to be opened shortly.

In addition, the bank has:

- Appointed 40 full-time assessors — a first for a bank — to professionally

handle all loan applications.

- Employed sectional title experts in each office to advise and handle applications for townhouse and flat sales;

- Started recruiting a team of sales experts to aggressively market Standard home loans to borrowers and estate agents.

Until now Standard, like the other banks, has been using its branch bank network to process loans and refer them to a centralized loan office in Johannesburg for final approval.

This, says Terry Power deputy GM of Standard Bank's home loans division, has resulted in "less than perfect" service to clients.

Building societies, on the other hand, have been fighting back with the emphasis on a much better and personal service to clients.

Staying power

They have also put a great deal of effort into wooing estate agents who are very often instrumental in advising clients on where they should borrow their mortgage funds.

Building society strategy in recent times has been to cast doubt on the long-term staying power of banks in the home loans field.

Now Standard Bank plans to prove that it is not only here to stay but will offer the full range of services in an effort to significantly increase its share of the market.

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Parliament in brief

No freehold sales to blacks 123

THE sale of freehold land to blacks announced last year as part of the government's new urbanization strategies — has not yet begun.

CMB 7MP 24/687
The Minister of Constitutional Development and Planning, Mr Chris Heunis, said yesterday: "No housing units have thus far been sold to blacks under the freehold system."

Bigger challenge for building societies as . . .

B/Day

24/6/87



123

Standard Bank widens home loans division

TERRY MEYER

BUILDING societies, already battered by mortgage loan competition from banks, will face a greater challenge from Standard Bank later this year.

The bank has embarked on a major expansion of its home loans division to show it is in the home loans business to stay.

It will also start offering building loans for the construction of new homes.

Until now, banks have steered clear of such loans as they involve extra administrative work because of

regular "draws" by builders for work.

As part of its expansion campaign, Standard has started to establish regional offices, independent of the branches, which will specialise in home loans. This will be the first time a bank has established specific home loan offices staffed with property experts to advise clients on the spot.

Until now Standard, like other banks, has been using its branch bank network to process loans and refer them to a centralised loan office in

Johannesburg for final approval.

This, says deputy GM of Standard Bank's home loans division, Terry Power, has resulted in "less than perfect" service to clients.

Now Standard plans to prove it will offer the full range of services.

Applications from borrowers will still be made through branch managers but these will immediately be referred to the new offices for "significantly" improved service, he says.

● Does it pay to switch your bond from a building society to a bank? See Property, Page 12.

ALG 25/6/87 (123)

NATIONAL/INTERNATIONAL

Big business girds for battle on rent-collection

The Argus Correspondent

JOHANNESBURG. — New and extended battle lines were drawn today by big business in its fight to block Government moves which would turn employers into rent-collectors.

The solidarity of business opposition was made complete when the influential South Africa-Britain Trade Association (Sabrita) in Johannesburg, and its twin, the United Kingdom-South Trading Association in London, joined the fray.

Urgent appeals to the Government to abandon the proposals have been made in the wake of the return of a Sabrita mission that collected evidence that business anxiety over the repercussions was equally acute in Britain.

Formal submissions have been lodged with the standing committee on constitutional development and planning pressing for the withdrawal of the rent-collection proposals in the Promotion of Local Government Affairs Amendment Bill.

Grave risks

The moves were announced today by Mr Murray Hofmeyr, president of Sabrita and executive director of the Anglo American Corporation, one of the business giants that have voiced alarm.

The American Chamber of Commerce and the South African-West German Chamber of Trade and Industry had already warned the Government of the grave risks of industrial unrest that threatened companies hauled into the political arena because of the rent-collection proposals.

The Association of Chambers of Commerce and the Federated Chamber of Industries have also warned the Government of the risks of strikes and added pressures from overseas on disinvestment and sanctions if companies were perceived as aligning themselves with the Government over the rent boycott issue.

● National Manpower Commission against move, page 9.

Mine capex good for builders

28/6/87
123
ST

HOSTEL builders can look forward to good business from the mines, judging by a speech by Tony Young, architect and town planner at Anglo American, at this week's Capex in Mining conference in Johannesburg.

Mr Young stressed the need for upgrading hostel accommodation and for moving away from the "compound" approach to the "open village".

He demonstrated how the cost to house each man increased to as much as R20 000 for a really "decent" set-up.

ALL ROUND

The implication is that builders, contractors and manufacturers of materials for low-cost housing should see hundreds of millions coming their way from capital expenditure on improved mine accommodation.

The conference, which was attended by mining-supply companies, research organisations, investment analysts and a few representatives of the mining houses, stressed that nearly all industries benefit from capital spending on mines.

A few points emerged which provide food for thought for shareholders in mines and service companies.

Even in real-money terms, capex on gold mines increased by more than 100% from 1975 to 1986. The higher capex coincided with the appreciation of both the dollar and the rand price of gold, which enabled mines to exploit lower grades of ore.

Although this obviously prolongs the life of a mine, it does mean that that attributable profit is attacked from two sides.

DIVIDENDS

One is higher capex, although this is offset partly by a lower tax bill, and the other is lower production and hence revenue from the same number of tons of ore treated.

Shareholders therefore effectively get lower dividends, only more of them. One speaker suggested that the gold mines should be mining as high a grade as possible to pay off SA's debt as it was retarding economic growth.

One quipped: "Why leave all the rich stuff for Mr Tambo?"

The outlook for capex on gold and platinum mines was bright, but in coal and base metals it was another story. The expected growth in worldwide demand for coal did not include new orders for SA, and the domestic growth forecast did not provide much hope for new projects in the next couple of years.

If the generating capacity being installed by Eskom is to be used, the rate of growth in consumption of electricity will have to top 11,5% a year in the next six years.

There is not a great chance of that happening, and the demand for coal will not increase.

The outlook for base-metal producers is equally gloomy. Expenditure on base-metal exploration by the major mining houses has fallen sharply and no greenfields projects are envisaged.

The Chamber of Mines Research Organisation did itself proud with talks on the replacement of compressed-air systems with hydraulic systems, and non-explosive mining methods.

One inference seemed to be that one should be buying shares in cabling companies as they will benefit from supplying the mines.

UBS puts up ^{14.5} home-loans ^{12.5} rate to 14½%

The Argus Correspondent

DURBAN. — The United Building Society, the country's biggest, will raise its home-loans rate to 14,5 percent from tomorrow.

This follows recent adjustments announced by SA Perm and Allied and coincides with the launch of the Government's Granny bonds, which are expected to drain millions of rands from the building-society movement and force up the cost of money.

UBS officials were not available for comment today and the bond-rate increase has not been publicly announced.

However, people asking about new loans were told the rate would be 14,5 percent from tomorrow.

● See Page 15.

Govt to decide on rent hikes

123 DP
20/6/87

Reports by
**MATTHEW
MOONIEYA**

EAST LONDON — The government is to be approached on the question of rent hikes in Milner Estate and the city council is to discuss the matter again.

The MP for East London City, Mr Peet de Pontes, said he had made urgent representations to the government about the sharp rise in Milner Estate rents.

Mr De Pontes said he had asked the Minister of Local Government and Housing, Mr Ami Venter, to assist the residents by way of a further subsidy or waiver in respect of the municipality's obligations to the department.

This announcement came before last night's monthly city council meeting when the new rentals were on the agenda to be sanctioned.

The issue involves 169 houses which have had kitchens built. The rents are scheduled to come into effect on July 1.

The recommendation in council said the hikes were designed to offset the cost of the additional kitchen units and should the subsidy relief measures be approved by the Department of Local Government and Housing, the rents would be reviewed and adjusted accordingly.

At last night's meeting the councillor for the

area, Mr Phillip Rohtbart, appealed for the matter to be referred back to the action committee for further discussion.

This was accepted and Mr Donald Card asked that the views of the Coloured Management Committee be obtained and that they be included in the submission to the government as the coloured areas were also scheduled to face rent hikes.

The mayor, Mrs El-sabe Kemp, supported the move that the matter be discussed and said all the details had not been given that at the last meeting when the matter was discussed.

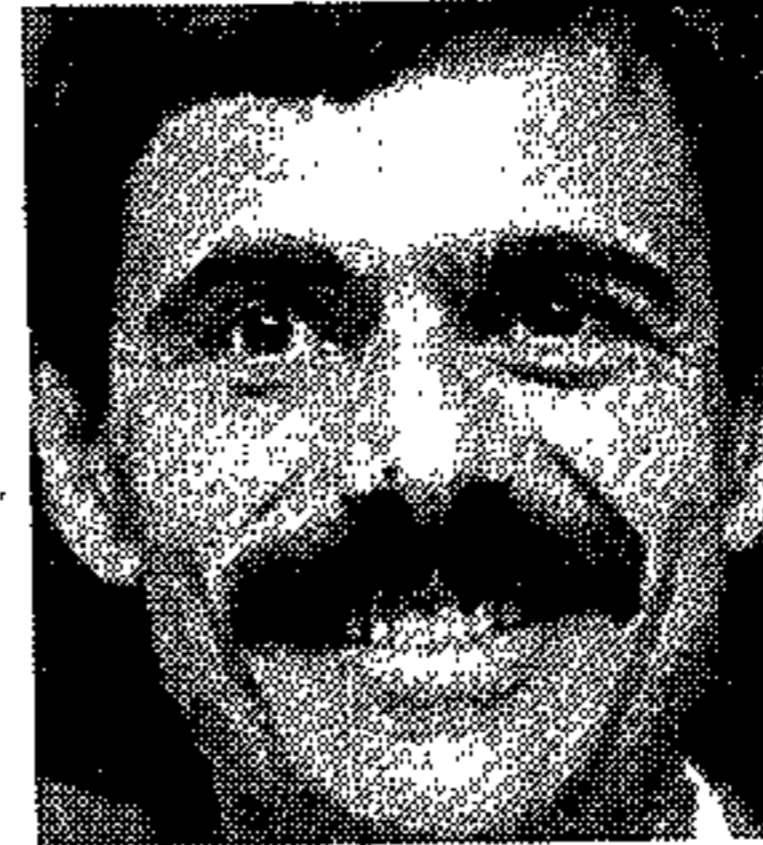
She said it now appeared that the increase was caused solely by the additions of the kitchen and added that the rent had to be increased gradually.

"There is a bit of a discrepancy and I feel we should discuss it again," she said.

In his statement earlier, Mr De Pontes said Mr Rohtbart had approached him about the rent increase and the hardship it was causing residents.

"I have also been advised by residents that a petition is being drawn up as the residents concerned will simply not be able to afford the increased rentals.

"The increases apparently stem from the addition of kitchens to the houses. While the kitchens are welcomed, and in fact are long overdue, residents advise that



MR DE PONTES

they were not fully consulted and were not informed as to the additional cost that this would bring about.

"In certain instances rents have almost gone up four times due to the kitchen extensions."

Mr De Pontes said that, while Milner Estate was under the control of the city council and was primarily its responsibility, the money for the additions had been obtained from the Department of Local Government.

Because of this, he had approached Mr Venter.

Mr De Pontes said he would also forward the people's petition to the minister and would follow up everything possible to assist the residents who found themselves in a predicament.

The councillor with the housing portfolio, Mr Vossie Bezuidenhout, refused to comment on the claim that the residents had not been fully informed.

He said he would only comment after he had consulted the municipal officials.

EVICTIONS of rent defaulters are carried out almost daily in Soweto — and many residents keep asking: "Who will be next?"

Other councils have warned residents they face discontinuation of services, or eviction, if they do not pay rent.

But no lasting solution has been found to the issue, which has resulted in councils losing at least R160m and scores of people being thrown out of their homes for non-payment.

Soweto City Council has taken strong action against tenants who owe large amounts in rent arrears — some have been evicted, others have had their electricity supply disconnected.

But community organisations, politicians and businessmen argue that evictions and the discontinuation of basic services will not solve the problem.

No solution in sight to rent payment stalemate

(123) B/Day 30/6/87

SOPHIE TEMA

In the Vaal, where more than 100 people were reported to have died in the first three months of violence in 1984 as a result of the rent issue, the council was granted a court order to evict 1 800 families from their houses.

Members of the business sector intervened on behalf of the families and entered into negotiations with the area's local authorities. In this area, tenants are being offered home-ownership with rent arrears added to loan repayments.

Government now intends introducing legislation forcing employers to help local authorities

collect unpaid rent — a move condemned by many leading business people and black as well as white organisations.

Soweto town clerk Nico Malan has said if the Bill becomes law, evictions in the townships will cease.

Last week the Soweto City Council applied stronger measures when at least 21 people, who had moved back into their houses after they had been evicted, were arrested on charges relating to contempt of court.

They were held at Jabulani police station until Friday. When they appeared in court, charges were not brought against them, and they were released.

PRETORIA — The Artisan Staff Association (ASA) has warned

Sats warned of skills crisis

Timeshare sales

up by 34%

CAT Times 11/7/87
Finance Staff

123

THE timeshare industry has grown by 34% in 12 months — reaching 85 500 sold units by the end of this May, as opposed to 60 000 units by the end of May last year.

And family ownership has also increased by 35% to reach 54 500, as opposed to 40 000, according to figures presented at the current Sapoa/RCI timeshare conference.

But supply is outstripping demand, in anticipation, no doubt, of a pending boom. South Africa's timeshare industry now boasts a total of 153 000 weeks available — a 73% leap in a year.

Resort numbers have also leapt, from 54 to 70 in the same period, while the number of developers have grown by a more conservative 15%, from 47 to 54.

Financing facilities offered by some developers bring down monthly payments to as little as R25.

"So who can't afford to buy a holiday for life now?" asks Bruce Ravenhill, MD of RCI Africa, the international timeshare swapping agency.

"Current SA surveys indicate that 88% of timeshare owners are content with their purchase. Price ranges are wide — from as little as R500 per week to R35 000 a week, such as for a Christmas week in a deluxe complex.

"The highest number of resorts are on the Natal South Coast (21), followed by 'inland' (16), Natal North Coast (10), Durban (7) and Umhlanga Rocks (5).

In terms of units, Durban beats all with 602, followed by Umhlanga with 574, South Coast (536), Cape (419), inland (355) and the less dense North Coast (348).

The figures underline the fact that the timeshare industry flourishes best in already established resort locations with a supportive infrastructure.

123
B/day
2/17/87

Clash looms over rents

ORGANISED commerce is on a collision course with government over the latter's attempt to use employer machinery to collect the R294m in outstanding rents owed it by black township dwellers.

Assocom says it does not believe government's plan would resolve the issue, and has backed up its stand with a demand to Parliament to 'squash' proposed legislation.

"It would seriously complicate relations between employers and employees, and bedevil industrial relations in the process.

"The chamber entirely rejects the Promotion of the Local Government Affairs Amendment Bill, now before Parliament, which if passed could compel employers to collect arrears rent from employees."

Criticism

With the Bill at present before a parliamentary standing committee, Assocom has, on behalf of organised commerce, submitted a memorandum to the committee recording its criticism and objection to the measure. It asks government to withdraw the Bill.

Informing members of the latest moves in its Chamber Bulletin, Assocom says: "Government came up with a similar scheme about a year ago but was forced to abandon the idea because of universal protests.

MICK COLLINS

The protests of employers are now louder than ever.

"Now government has come with this bit of controversial legislation in the hope of breaking the boycott in this way."

A further reason for resistance to the proposed legislation, it says, is that it would bypass normal judicial procedures, giving debtors a chance to voice their arguments and work out a satisfactory settlement agreement.

"Under the new proposals, town clerks would be able virtually to prepare their own statements of debt and demand that employers act as their debt collectors, without consultation with the people involved.

"The chamber finds it necessary to object in the strongest possible terms to government's plans to use

businessmen as rent collectors."

Clearly the chamber is concerned about the boycott and is willing to discuss the problem with government to find ways of resolving the problem in some other way.

"The rent boycott started in black townships about two years ago. It is reported that total arrears have accumulated to R294m. This is the amount government now wants employers to collect for them.

Refuse to pay

"According to the latest figures in Soweto, about 50% of the township's registered tenants are paying rent, which means that the other half are still refusing to do so. The Soweto council has lost R80m as a result of the boycott."

Rent payments, Assocom says, have become a highly emotional issue clouded by many misconceptions.

THE vice-president of the constitutional committee of the Transvaal Provincial Administration, Mr John Mavuso, says his first priorities are uplifting the standard of living in black townships and providing more houses.

Giving his first interview since he was appointed to this position by the State President, Mr P W Botha, last July, Mr Mavuso said these could be achieved through the controversial Regional Services Councils.

The former member of the central committee of the Inkatha movement, led by Chief Mangosuthu Buthelezi, the Chief Minister of KwaZulu, said the introduction of the RSCs was the best thing that ever happened to black local authorities because "it will be the first time they will decide on how the money, from the RSCs, can be allocated to local authorities."

Mr Mavuso, a businessman, is the only black serving in the TPA.

Mr Mavuso, who takes his time before answering questions, said: "In the long run, the black community will benefit a lot from these bodies. The Act states that the money should be used in under-developed areas and nearly all black townships are lacking in a lot of things, especially services."

He said for many years the standard of living in black townships was very low. He said the first task of the RSCs was to improve services like water, electricity and sewerage.

"Roads are also going to be improved and more houses, especially for the low-income group, will be provided. We can achieve this only by participating in the RSCs," Mr Mavuso said.

He said he agreed to serve in the TPA because it was the only way he could help improve the standard of living in the black townships.

The soft-spoken and reserved man said: "This is not an easy task but I hope that within the next few years, things will have improved. A lot of work is to be done but now that we have the funds, through the RSCs, we will achieve our goals," he said.

He said black councillors have been criticised in the past for doing nothing for the community. He said they could do little because of a lack of funds.

He appealed to the community to give them a chance.

"With the formation of the RSCs and the funds available, the councillors will be able to

● Improving the quality of life in black townships

● More houses

MAVUSO'S MISSION

FOCUS

By **MZIKAYISE EDOM**

attend to the people's grievances. This will not be done in a short time," he said.

He said it should be appreciated that councillors have been trying under difficult conditions to do their best. He

also said that since his appointment, the Government had stopped evicting squatters.

Squatting, he said, was illegal, but when no alternative accommodation was available, it could be allowed.

"I do not say people should go out and squat. The Government is doing its best to provide houses. It will take some years before we can overcome this problem. We are doing our best to alleviate the situation," Mr Mavuso said.

He said that it took the Government a long time to create a body in which black and white councillors could discuss the problems of the people, irrespective of colour.

"But we are getting somewhere. The money to finance these RSCs



MR JOHN Mavuso, vice-chairman of the constitutional committee of the Transvaal Provincial Administration.

123
Sowetan
3/7/87

made of six sub-committees: hospital and health service; road and regional services; housing and community development; local government, library and museum services; physical planning and land use; and general provincial services.

Mr Mavuso serves on three of these committees: chairman of the Housing and Community Development Committee; vice-chairman of Local Government, Library and Museum Services and committee member of Roads and Regional Services Council.

Refused

Mr Mavuso was born in Pongola, Natal. He attended school in Ermelo. In 1945 he settled in Alexandra Township, near Johannesburg.

He refused to speak about his family and his private life. He did say that he was married, had

African National Congress in the late '40s and was in its youth league. In the early '50s, he was elected secretary of the Alexandra branch of the youth league.

He says that between 1952 and 1979, he was detained and banned on several occasions for serving in political organisations. Mr Mavuso later served on the central committee of Inkatha.

He resigned from the central committee of Inkatha following his appointment to the TPA, but he is still an active member of the movement.

will come from the salaries and wage bill. Other funds will come from an establishment levy which is based mainly on the sales turnover," he said.

The constitutional committee of the TPA is

children and lived in Soweto.

He would not say how old he was, how many children he had and what businesses he owned.

He said when he arrived in Alexandra, he joined the now banned

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...for the same dossier to

Govt 'discount houses' sales behind schedule

SOPHIE TEMA *6/2/87*

PRICES of government-owned houses, which were to have become available under the State's new "mass sale" campaign on July 1, have not yet been determined by the National Housing Commission (NHC).

Government recently announced all houses under the control of the NHC were to be sold at discount prices of up to 65%.

People who bought their houses before July 1 this year for higher prices will not be compensated, despite the discounts now offered to prospective purchasers.

Since government announced *the sale* of black houses in 1983, 52 767 houses — about 15% of the total housing stock available under the sale — have been sold.

Sales co-ordinator for the Transvaal Provincial Administration (TPA) Alex Weiss, said: "The prices for the houses have not yet been determined, as the NHC is still awaiting reports from appraisers."

"It will take a bit of time before we know whether the campaign is successful," said Weiss.

WANTED WAREHOUSE RACKING

Shelf width approximately 1 metre

Length approximately 2,5 metres

Minimum number of racks 3 high

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Mine employers are opposed to rent deductions

Staff Reporter

THE Chamber of Mines has allied itself with other sectors of the business community in opposing the proposed legislation by means of which employers may be compelled to deduct rent arrears from wages for payment to local authorities.

In terms of the Local Government Amendment Bill, businessmen may effectively be press-ganged into recovering from their employees some R297m in unpaid rents.

In a statement yesterday, a chamber spokesman said that while members did not condone the non-payment of rents and services charges, they felt there were several reasons why the promotion of the bill should be rejected.

"Firstly," the spokesman said, "employers are drawn by an extraordinary legal procedure into a dispute to which they are not party. This may have far-reaching industrial relations implications and employers would have to bear the brunt of strikes and other industrial action which might arise from the deductions."

He said the chamber's understanding of the bill was that it was primarily intended as a means of recovering rents and charges for services left unpaid by residents of black townships. It felt that the matter was "between local authorities, as the lessors and providers of the services, and the lessees who are users of the services. It is not a matter into which the employers of lessees should be drawn".

The spokesman said the chamber was also opposed to the bill because it had the effect of allowing a local authority to obtain judgment against an employee merely by filing a statement with the clerk of the local magistrate's court. No provision was made for an employee to defend the action in the magistrate's court.

"This introduces a highly undesirable precedent into South African law. It removes the right of a debtor to state his case before judgment is given against him and a statement by a government official is given the force of a judgment in a court of law."

The spokesman said the chamber felt that the bill should be withdrawn. Action for the recovery of rents and service charges in the townships should be allowed to take place in accordance with the ordinary legal procedure for the recovery of debts.

The Cape Town Chamber of Commerce and the the Association of Chambers of Commerce have both taken a "strong stand" against the proposed measure.

'Townships need R364-m'

By MZIKAYISE EDOM

ABOUT R364-million is needed within the next five years to upgrade the standard of living in the four black townships serving in the Central Witwatersrand Regional Services Council, it was announced yesterday.

Giving his budget speech at a Press conference held in Johannesburg, the chairman of the CWRSCs, Mr Gerrit Bornman, said: "This money will be needed to eliminate the backlog in providing infrastructure, water, electricity and sewerage in all the houses in the four townships."

Project

The townships are Soweto, Diepmeadow, Dobsonville and Alexandra.

"For the current financial year (87/88), we need R74-million to start on the project. We only have R66-million in our coffers which will be used for the most needy townships. We will have to look for more funds to complete our projects for the current financial year," Mr Bornman said.

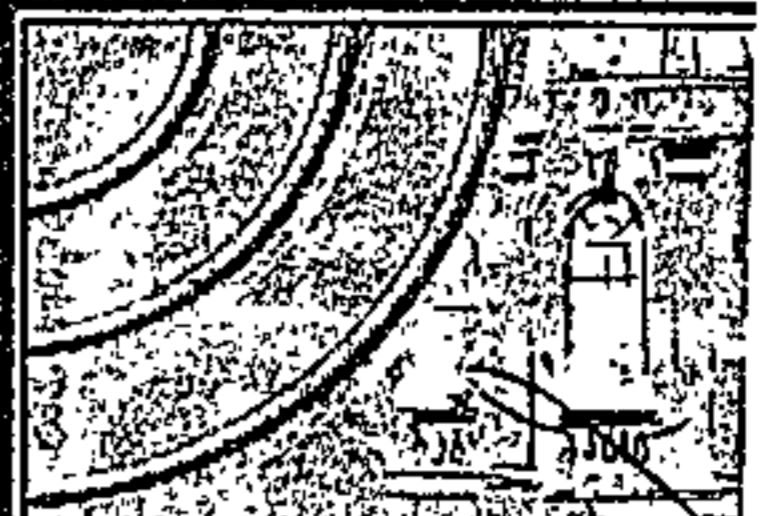
He said the current infrastructure in these areas is in many cases below acceptable standards.

"We will have to upgrade the whole system," Mr Bornman said.

He said the R364-million will be divided as follows:

- Soweto — R190-million:

• To Page 2



R364-m needed

• From Page 1

- Diepmeadow — R98-million;
- Alexandra — R58-million; and
- Dobsonville — R18-million.

This money will be allocated to the townships, the most needy in the CWRSCs, over the next five years, Mr Bornman said.

"We have a budget of R495 076-million for the current financial year," he added.

He said of this money, R425 076-million will be used for the bulk supply of water, electricity and sewerage purification to all black and white local authorities serving within the CWRSCs.

The remaining R66-million will be used to upgrade the standard of living in the underdeveloped areas, namely Soweto, Diepmeadow, Alexandra and Dobsonville.

The CWRSCs comprises the following areas: Alexandra, Davidsonville, Diepmeadow, Dobsonville, Ennerdale, Johannesburg, Lenasia, Lenasia South, Marlboro Gardens, Randburg, Roodepoort, Sandton and Soweto.



Chamber of Mines opposes rent Bill

8/7/87

B. Day

123

Business Day Reporter

THE Chamber of Mines has warned of far-reaching industrial relations implications should legislation compelling employers to deduct rent arrears from wages for payment to local authorities be promulgated.

In a statement yesterday, the chamber associated itself with other business organisations in opposing the Local Government Affairs Amendment Bill.

While it did not condone the non-payment of rents and service charges, there were several reasons for rejecting the Bill, it said.

Employers would be drawn "by an extraordinary legal procedure into a dispute to which they are not party", and they would have to bear

the brunt of strikes and other industrial action which might result.

Furthermore, said the chamber, "the Bill may well have the effect of compounding further the confusion in some people's minds over the relationship between the business sector and the State."

It also argued that the Bill allowed a local authority "to obtain judgment against an employee merely by filing a statement with the clerk of magistrate's court. No provision was made for an employee to defend the action."

This, it said, introduces a highly undesirable precedent into South African law.

Call for joint housing

123 9/17/87
Sue Post

JOHANNESBURG — A leading figure in construction has urged the creation of joint ventures between black and white developers and contractors to help solve the black housing crisis.

In an address to Nafcoc's annual conference, Mr Alain Gouvernel, managing director of LTA Comiat Homes, yesterday said co-operation between black and white enterprise should play an active role in the provision of housing for the estimated 44% of urban blacks who could afford to buy houses either with or without subsidisation.

He said individual subsidies should be replaced by a system subsidising the interest on all home loans. — Sapa

10/7/87 (83) FM

OPEN CBDs

Now for Knysna

The Knysna CBD this week became the 48th to be officially opened to trading by businessmen of all races since government started "de-racialising" central trading areas in 1985.

CBDs now "open" are: Johannesburg, Durban, Nelspruit, Estcourt, Howick, Potchefstroom, Cape Town, Ottery, Witbank, Colenso, Delmas, King William's Town, Volksrust, Port Shepstone, Vryburg, Malmesbury, Kimberley, Nigel, East London, Stellenbosch, Queenstown, George, Paarl, Swellendam, Somerset West, Fish Hoek, Port Elizabeth, Bellville, Parow, Hermanus, Pietermaritzburg, Plettenberg

The FM brings its readers the most news, comment and interpretation possible under the new regulations restricting publication of certain matters.

It does not believe that the restrictions are necessary or in the public interest, but will obey the law.

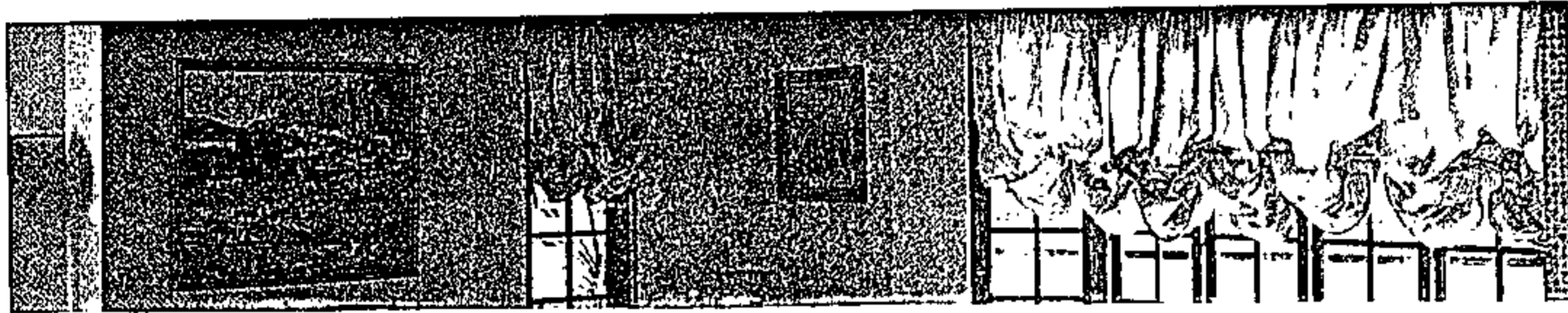
Bay, Strand, Still Bay, Verwoerdburg, Eshowe, Worcester, Pietersburg, Montague, Welkom, Milnerton, Benoni, Grabouw, Glencoe, Vanderbijlpark, Gordon's Bay, Springs and Knysna.

Proposals for open CBDs which have been accepted since March last year, but which have not yet officially been proclaimed

"open" due to technical reasons have come from: Akasia, De Aar, Edenvale, Empanjeni, Frankfort, Germiston, Graaff Reinet, Harrismith, Kempton Park, Klerksdorp, Kroonstad, Krugersdorp, Kuils River, Matatiel, Mooi River, Moorreesburg, Oudtshoorn, Pinetown, Postmasburg, Prieska, Randburg, Roodepoort, Sandton, Uitenhage, Upington, Virginia, and Westonaria.

Proposals still under consideration by government have come from: Alberton, Balfour, Bethlehem, Bloemfontein, Boksburg, Bredasdorp, Carletonville, Ceres, Douglas, Kokstad, Ladysmith, Messina, Middelburg (Tvl) Newcastle, Port Alfred, Potgietersrus, Pretoria, Richard's Bay, Rustenburg, Swartruggens, Warrenton and Westville.

Only one proposal, from the Bloemspruit Local Board, has been delayed.



BLACK HOUSING

Private in parts

Hardly surprising, perhaps, but a seminar on black housing last week concluded that if any progress is to be made in beating the backlog, private developers will have to be called in to do their bit.

Until now private sector companies have been severely restricted in the amount of work they can undertake in the black areas.

Part of the problem, pointed out town planning consultant Lloyd Druce, is that there is a greater shortage of land for black housing than official figures suggest.

True, Department of Co-operation and Development research shows a net surplus of 3 606 ha in the black metropolitan areas of the Transvaal, but this is misleading, says Druce, because there are other factors to be considered.

"Certainly, there is land available on a regional basis," Druce tells the *FM*, "but that is not necessarily where the demand lies." He estimates, for example, a shortage of 1 040 ha in the Katlehong/Thokoza/Vosloorus area and a shortage of 3 780 ha (sufficient for 54 000 houses) on the central Witwatersrand. In some of the over-populated areas there are as many as three shacks for each formal house.

He adds that the situation is aggravated by the fact that some of the available land cannot be utilised because of geological problems. In the Suurbekom region of Soweto, for example, the Rand Water Board permits no development.

Druce will venture no predictions on the future housing shortage, saying "there are too many variables involved" and it is impossible to estimate the rate of urbanisation since the scrapping of influx control.

But National Building Research Institute chief economist Tobie de Vos estimates that by the year 2 000, SA will have a cumulative shortage of about 2,7m "formal" black houses. But this figure, which excludes the "national states," assumes nothing will be built until then.

The real "formal" shortage on his calculations, therefore, will be 2,7m less whatever is built over the next 13 years.

Not much to go on, and the consensus is that the lack of reliable stats is doing much to hamper efficient planning.

The profit motive seems to provide the most likely route to salvation. The Black Communities Development Amendment Act of 1986 opens the door to entrepreneurs to some extent by granting land development rights to the private sector.

Nevertheless, problems remain. The Group Areas Act is prominent among them, with developers pointing out that the restriction on area will create an artificial market.

Affordability could also be a crunch and private developers are likely to look first at the upper end of the black market. For the rest, significant business could be done in the lower end with financial support. ■

123) B/Day

Action on black housing urged

SOPHIE TEMA

THE magnitude of the black housing problem in SA should not be underestimated, says American Chamber of Commerce in SA (Amcham) president Ian Leach.

Speaking at a symposium on employers' experience of black housing, Leach said employers were all aware of past practices, and their challenge was to recognise the gross imbalance in housing standards the problem had caused.

The private sector had a vital role to play in both direct and indirect housing assistance, and employers should do something about the problem.

"The private sector has not yet become sufficiently involved in fulfilling its responsibility or even understanding the problem.

"Black employees have been disadvantaged for such a long time that it is going to take a concerted effort by all employers to overcome the backlog that has accumulated."

Leach said that until recently blacks lived in houses with no electricity, no bathroom, no floor finish or ceilings, and no water-borne sewerage. They also had no choice in the style or location of the house, and no option to own it.

Fortunately, much progress had been made in recent years to rectify this unsatisfactory position.

He suggested that employers needed to offer competitive remuneration packages, and said the provision of housing assistance in one form or another would contribute towards the recruitment and retention of productive employees.

12/23
12/17/88
Sapa

Chamber joins 'rent' Bill chorus

THE Chamber of Mines has allied itself with other sectors of the business community in opposing the proposed legislation by means of which employers may be compelled to deduct rent arrears from their employees' wages.

A chamber spokesman said this week that while members did not condone the non-payment of rents and service charges they felt there were several reasons why the promotion of

the Local Government Affairs Amendment Bill should be rejected.

"Firstly, employers are drawn by an extraordinary legal procedure into a dispute to which they are not a party. This may have far-reaching industrial relations implications and employers would have to bear the brunt of strikes and other industrial action which might arise from the deductions."

Secondly, the spokesman said, the

chamber was opposed to the Bill because it had the effect of allowing a local authority to obtain judgment against an employee merely by filing a statement with a clerk of the court. No provision was made for an employee to defend the action.

"Furthermore, the Bill may well have the effect of compounding further the confusion in some people's minds over the relationship between the business sector and the State." - Sapa.



Imagine ^{B/D} living on a ^{15/11/87} double bed ¹²³

While black and coloured people occupy living areas the size of a double bed, there are 12 Johannesburg whites per hectare. RENFREW CHRISTIE examines black housing demands, empty white housing and the Group Areas Act

out of 3m² per person living standards. Among other things, the Group Areas Act stops them. Fordsburg 1984 shows how the property market could boom if the Act were changed.

This present problem of 3m² per person among the housed — let alone the needs of the millions of unhoused — is pure luxury compared to the likely problem in 13 years' time.

Assume the population doubles between 1981 and 2000 — a conservative assumption. At the same time it will move from about 40% to 50% urban to 70% or 80% urban. The HSRC claims the African urban population will increase from six-million in 1985 to 19-million by the year 2000. This excludes people in the "national states". Notwithstanding decentralisation attempts, it is most likely that this urbanisation will occur in three areas: Durban, Cape Town and the Pretoria/Witwatersrand/Vereeniging area or greater Johannesburg.

The HSRC estimates may be conservative, but let us accept them as working figures. To house these 13-million new urban people and meet the 1985 backlog, at least 1.5-million homes must be built between 1986 and 1990, with a further 500 000 in each subsequent five-year period. But between 1981 and 1985, only 41 000 African homes were provided.

T J de Vos, of the National Institute of Building Research, has calculated that 56% of African households are financially unable to make any contribution towards housing, another 10% could pay only R41 per month and, if it is assumed that households have needs one-third higher than the Household Subsistence Level, 76% of all African households have no money for housing. Mass housing needs are not monetarised, nor are they likely to be through wages in the next 13 years.

But in those 13 years at least two-and-a-half to three-million houses must be built, most of them around Johannesburg. The present population of Johannesburg and environs is some three or four million. That will double or triple in the

next 13 years, to, let us say, 10 or 12-million. Most will be housed in squatter camps, low-cost State housing schemes and low-cost private sector housing. These housing schemes are not part of today's property market, but they impinge upon it. To the extent that they are inadequate or fail to meet the need, that failure puts pressure on property market housing.

This will not be the pressure of people — wanting the necessary money — wanting to cross an artificial barrier and buy into good living standards. It will be the pressure of desperate people without shelter, moving towards a "Doctor Zhivago Solution". Such pressure could indeed bring down standards, lower house prices and create slums. If low-cost housing schemes are unsuccessful, the effect on the property market could be severe.

However, a major obstacle to the creation of low-cost mass housing is the Group Areas Act, for new urban land is simply not being released on the necessary scale. One reason is the bureaucracy involved in administering the Act.

But these delays are not simply a function of bureaucratic lethargy; they stem from the nature of racial zoning. This ensures that attempts to open new residential land for blacks usually prompt political resistance from whites who feel threatened by the prospect of a "ghetto" on their doorsteps. Lengthy negotiation is thus often necessary before new areas are opened up.

'Buffer zones'

Racial zoning also implies the creation of unused "buffer zones" between racial areas, which inhibits the optimal use of land.

Abolition or relaxation of the Act would speed up home building on greenfield sites substantially, removing a serious threat to the long-term integrity of the property market. Two-and-a-half or three-million houses almost certainly cannot be built in time to meet the need if the Act remains in place as it stands.

By contrast, the economic benefits of successfully housing millions in low-cost housing, without the hobbling effect of the Act, are large.

The white Johannesburg region is a small city on world standards, between 50th and 60th on the list of biggest cities. Its three-million people are housed at 12 persons per hectare, which is lower even than Los Angeles, the proverbial wide open city, which has 14 persons per hectare. It could comfortably grow more dense, with corresponding economies of large scale and of richer interconnection.

Changing or removing the Act would thus not only allow black people with financial resources to acquire housing. It would also reduce the main constraint on the property market — the fact that housing need does not translate into demand — by opening access to low-cost housing for millions.

□ THE briefing paper "Group Areas and Property Market Economics" is obtainable from the SA Institute of Race Relations, PO Box 97, Johannesburg 2000.

Basic need

This "Doctor Zhivago Solution," in which the under-housed move by force into white homes, may seem far-fetched in present-day SA. But the analogy demonstrates the enormous basic need for mass housing and its possible implications for political stability and for property rights. Where a mass need is not monetarised into an economic demand it turns into a political demand — and if not channelled it might be achieved by force.

The existence of this vast force of the under-housed who lack money but want housing is not only a growing threat to stability. It also clearly increases the desire of those who do have the means but are denied access to white property to escape township conditions.

This explains why, when Fordsburg was moved to Indian residence in 1982, by 1984 prices could reach R180 000 for a flat unit sale or R700 per month rental for three bedrooms — and why a recent advertisement for property in Woodstock (Cape Town) offered a two-bedroomed house in a "white" area for R35 000 and in an open area for R48 000.

Those with the necessary money, credit or employer subsidy badly need to buy themselves

IN SOWETO and other black urban areas, according to the CSIR, there is an average of 16 people occupying each house. In four-roomed houses in Kimberley, up to 30 occupants have been found. Bloemfontein's two-roomed houses often contain from 14 to 17 people; 42 have been found in a Uitenhage two-bedroomed house.

Assume an average of 16 persons per home. Each house is most likely to be the standard unit, 48m² in size. Divide this by 16, and each person lives in 3m² of space.

The average housed urban African or coloured South African thus lives on a space not much larger than a double bed. This is not including squatters and shanty-dwellers, of whom there are several millions.

Many houses in white group areas are very large, although government is succeeding with its plan to reduce the size of new homes by limiting the first-time buyer's subsidy. An up-market home occupies between 350m² and 600m² and a subsidised new home between 80m² and 100m². White rented accommodation in flats is somewhat smaller. It seems reasonable, therefore, to assume a conservative 120m² for each of the empty 37 000 housing units in white areas.

At the present average of 3m² per person, the empty housing could overnight give shelter to 1 480 000 people. The presently empty dwellings could house one-and-a-half-million people at once, at Soweto housing standards.

There are many more than one-and-a-half-million squatters or homeless people today. They could be housed immediately by State allocation; readers of the novel "Doctor Zhivago" will recall that, after the Russian revolution, this is precisely what happened when the landless moved into the mansions of the propertied classes.

1 050 low cost homes

16/7/87

(23)
Soweto

THE Family Housing Association is to spend R20-million for the building of 1 050 low-cost houses in Tembisa, near Kempton Park.

Mr. Matthew Nell of the FHA told a Press conference that the project which began at

By MZIKAYISE
EDOM

beginning of this month will involve four separate housing options for would-be home owners.

The sites have been allocated as follows:

- 50 for individual sales.

- 300 for contractor-built.

- 450 for owner-built; and

- 250 stands to various developers to build middle-income housing.

Mr Nell said the stands will be provided with water, waterborne

sewerage, electricity, high-mast lights and graded roads. Deposit is R410.

"Bus routes will be tarred. Each stand will cost R6 995. This price will include the cost of servicing the land, leasehold costs, annual leasehold fee, local authority contribution and the sales administration fee," Mr Nell said.

The houses, which will all be completed by the end of September, will be erected in Motsu, Tsenolong, Leboeng, Moteong and Ibazelo sections.

20:58
1987

1987

Umsa blames apartheid for housing shortage

By Mckeed Kotlolo

The president of the United Municipalities of South Africa (Umsa), Mr Tom Boya, has blamed apartheid for the ongoing black housing problems.

Mr Boya was speaking in Pretoria at the Transvaal Provincial Administration's three-day training session on home ownership marketing.

Mr Boya said Umsa would strive for the removal of all the discriminatory legislation which had made blacks unable to afford decent housing.

He also urged the Provincial Authority to expedite the introduction of freehold rights, as most blacks still regarded the 99-year leasehold system as an inferior form of ownership.

Mr Boya urged blacks to buy their houses in order to develop a pride in them.



123

SM 17/7/87

THE ECONOMY

Caught in the crossfire (and still wondering how to dodge)

Employers have found themselves in a tricky dilemma: the state wants them to collect rent, the unions want them to stop deducting taxes
HILARY JOFFE reports

EMPLOYERS will be obliged to deduct rent payments in the same way as they currently deduct PAYE from workers' pay packets if the "rent" Bill, currently before parliament, is enacted.

Most employers are opposed to the Promotion of Local Government Affairs Amendment Bill (the rent Bill) and some talk of refusing to comply with its provisions if they become law.

But most have rejected trade union demands in negotiations this year to cease deducting PAYE.

Employers and representative bodies, including the Federated Chamber of Industries, Assocom and the Chamber of Mines, have come out in protest against the rent Bill, introduced in parliament last month for a second time. It was dropped last year as a result of employer and trade union opposition.

"I have yet to speak to anyone in business who agrees with the idea," says the personnel manager of one American-owned manufacturing company.

Adds FSA Management Consultants' Mike Beaumont: "Employers are very concerned that they will get caught in the crossfire of a dispute between landlord and tenant: the state and blacks. They have enough difficulty in the industrial relations sphere without introducing the controversial black housing question into it."

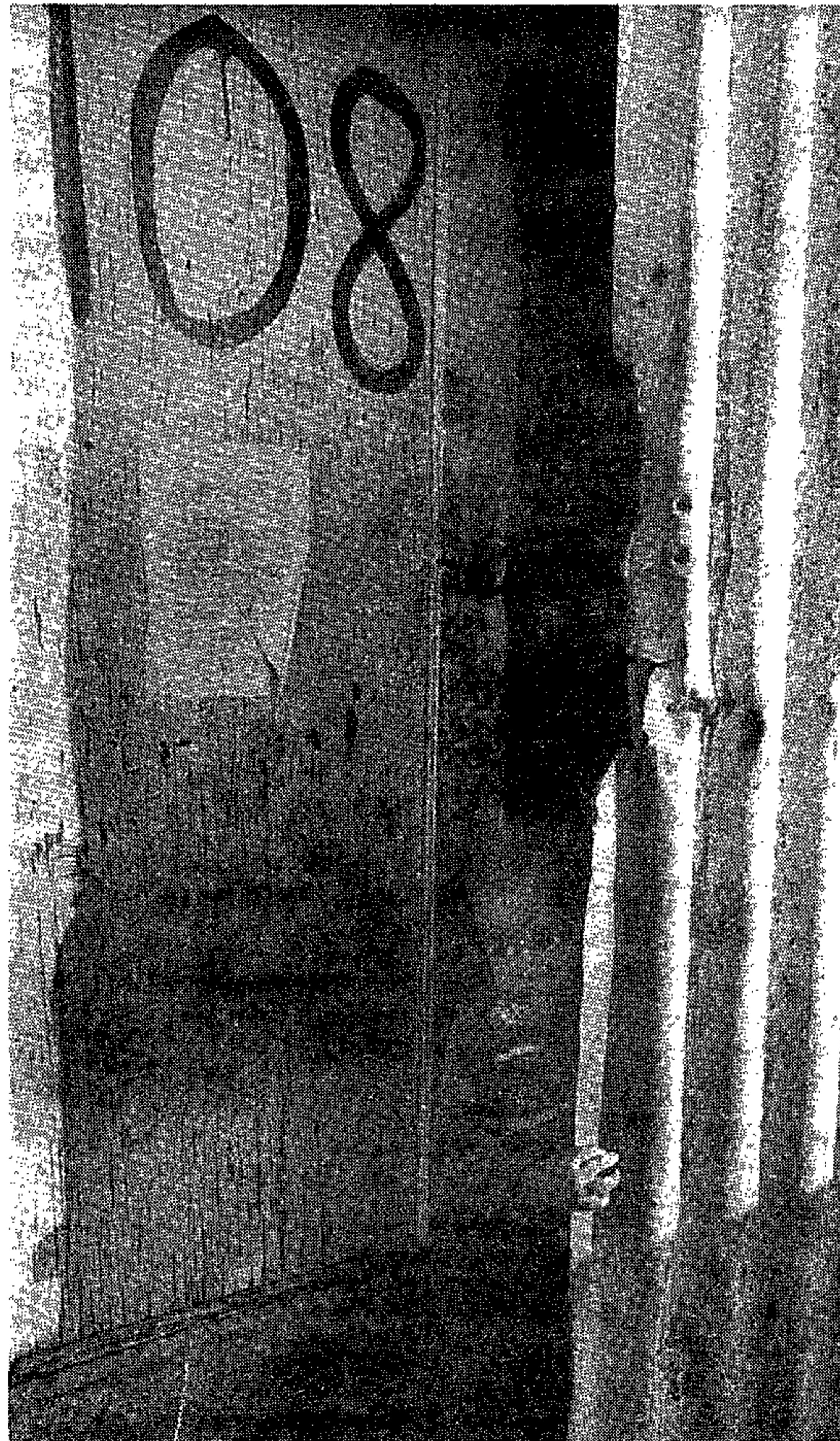
Employer bodies such as the FCI have had time to consider the Bill and are working out precise responses for submission to the standing committee. Other bodies planning to submit representations to the committee include Assocom, the Urban Foundation and the Institute for Industrial Relations. Some companies have attempted to make individual representations to the government.

The deadline for submissions on the proposed legislation is the end of this month.

Most employers are hoping the Bill will not be passed at all. And while many have said they will oppose the legislation if it's enacted, most companies contacted by *WM* were not clear on how they would do so. They said they could not comment on what their options would be before the Bill became the "letter of the law".

If the Bill becomes law in its present form, employers could be legally obliged to deduct rent payments from the salaries of workers who had not paid rent.

"The intention of the Bill is to create a mechanism which will allow ad-



If the door had a handle, this small boy would not be able to reach it — nor the eviction notice, nailed under the house number
Picture: SANTU MOFOKENG, Afrapix

ministrative bodies to issue the equivalent of a garnishee order," says Beaumont.

A garnishee order allows a debtor's employer to pay his/her creditors out of his/her salary, if a debt is proved in a civil court and the debtor does not pay it.

"If the law goes through in its present form, employers could choose to disobey it or not, but they would be breaking the law if they did not comply," says Premier Milling's new Group Human Resources Manager Theo Heffer.

The only legal avenue, he speculates, might be to contest the legality of the law itself. But, like other employers, he is hoping that employer representations will succeed and the Bill will be dropped.

A glimmer of hope suggested by one researcher is the possibility that local authorities may find administration of such a scheme very difficult. He questions whether they would be able to link individual rent-payers to specific employers, especially since with the abolition of influx control there is no reason for them to keep such records.

Employers who refused to deduct

rents would be breaking the law in the same way as if they refused to deduct PAYE tax from pay packets.

Cosatu unions have this year put the tax issue on the agenda in wage negotiations. It's not an issue they have been winning. Some employers have simply rejected the idea because it would require them to break the law; others have been prepared to debate it.

"The demand to us is to stand up and be counted, in response to the call for 'No taxation without representation'," says Heffer, drawing the analogy between tax deductions and rent deductions.

But on the whole, employers are far more sympathetic, it seems, on the rents issue than on the tax issue. "They are totally different issues: one relates to a political protest; the other concerns the infrastructure under which we all operate," says AECI's Bokkie Botha.

The system of rent payments in the townships means that there are similarities, though. Housing researchers point out that in black areas rent payments cover all sorts of service charges such as water, electricity and garbage collection.

Rents: A law that rolls judge and prosecutor into one

IF the rents Bill becomes law, local authorities will have powers equivalent to judges. But unlike judges, they'll be passing verdicts on cases in which the aggrieved parties are ... themselves.

The Promotion of Local Government Affairs Amendment Bill has evoked a storm of protest in some business quarters because it makes provision for local authorities to turn employers into rent collectors.

But, according to Geoff Budlender, national director of the Legal Resources Centre, a more serious consequence of the Bill is that it gives local authorities — which in the black townships are largely appointed, not elected — the power of a court.

According to the proposed legislation, if a debtor has not paid his outstanding rent 14 days after receiving a warning notice, the local authority can file a statement with the magistrate's court clerk which will have "all the effects of a civil judgement".

"The principle is that a complainant can become a judge and the defendant cannot defend himself," Budlender said. "It literally makes the court a rubber stamp of the government."

"The court plays no part in this process whatsoever, other than to receive the local authority's statement. There is no provision for adjudication on the validity of the local authority's claim — the claim is the judgment," Budlender said.

"And there is no possibility of appeal — there is nothing to appeal against. The only remedy would appear to be an application to the Supreme Court for review."

In addition, the Magistrate's Court Act provision that magistrate's courts cannot hear cases involving more than R5 000 is waived by the Bill. Thus, if passed, local authorities would be able to issue effective judgements in cases usually heard only by the Supreme Court.

Budlender believed, however, that it would be difficult to enforce the provision which enables local authorities to order employers to deduct outstanding rent from debtors' wages, and to forward the owed amount to the local authorities.

He pointed out that since the abolition of influx control last June, black local authorities no longer have an up to date register of residents' employers — until last year, working for an employer for 10 years could entitle black people to permanent residence in an urban area.

Thus, Budlender said, each year it would become increasingly difficult to establish whether rent defaulters were employed or not and to trace their employers.

The Promotion of Local Government Affairs Amendment Bill tries to circumvent this loophole by ordering debtors to "disclose ... whether he is

The proposed rents laws give local councils the powers of courts over employer and employee alike, reports JO-ANN BEKKER

employed by any person and, if so the name and address of that employer" to any local authority employee. Debtors who fail to disclose this information face a maximum penalty of a R1 000 fine and six years' imprisonment.

But Budlender said only selective enforcement of the Bill, should it be passed, would be possible.

"Although particular individuals and companies might be singled out it will become more and more difficult to use it as a broadsweeping procedure," he predicted.

Budlender said it was already possible for local authorities to obtain court ruling to order employers to deduct outstanding rent from their employees' salaries. But the proposed new legislation made it easier to obtain such an order and imposed stiffer penalties (a maximum of 12 months imprisonment and R2 000) for non-compliance.

The notion of using employers to deduct rent dates back to 1967, said Budlender, when the Blacks (Urban Areas) Consolidation Act contained similar provision. Although then more than 25 percent of a debtor's wage could be deducted.

At the end of 1984 the Lekoa Town Council, which administers the Venter Triangle townships where the rent boycott started, tried to get employers to collect the outstanding dues, but shelved the scheme after business representatives resisted.

Employer outrage flared again in 1986 when a proposed amendment to the Black Local Authorities Act tried once more to turn them into rent collectors. The amendment was withdrawn.

Government sources reportedly said the Bill had been shelved because it applied only to black local authorities. The new colour-blind Bill applies to all local authorities — although Budlender says its obvious intention is to break the prolonged rent boycott in black townships and recover outstanding dues estimated at R300-million.

But he believes there could be unintended consequences in the de-racialised Bill, which would enable any regional services council or municipality to issue effective judgements.

Interested parties have until the end of the month to make representations to the government on the Promotion of Local Government Affairs Amendment Bill.

NBS to offer cheaper HP loans

CAM: Tim's
18/7/87
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The banks are making inroads into the home loans market. But the building societies are fighting back — and consumers will gain in the process. AUDREY D'ANGELO talked this week to Mr John Bennett, MD of the Natal Building Society (NBS).

EXPENSIVE hire purchase agreements should soon be a thing of the past. And banks will find themselves competing with at least one building society to offer short-term loans at favourable rates of interest.

Until now, building society loans have had to be secured with a bond on property. But two months ago the NBS secured a banking licence, which means that it can offer clients overdrafts without a bond.

Mr John Bennett says it is planning to offer loans "at slightly below market rates" for purchases like TV sets, furniture and microwave ovens.

It has already granted about 1 200 loans to staff in Natal and will make them available "soon" to the general public, starting in Durban and spreading to other parts of the country.

They should be available in the Western Cape by the end of the year.

The NBS is already active in the participation bonds market. Investments include sectional title offices in a Wale Street building and industrial property in Epping.

Its Waldorf office building in St George's Street, due for completion in April after delays because of a planning objection, will be owned by a subsidiary company and, says Mr Bennett: "fortuitously, I think the market will be about right when it is ready."

"Things are already picking up in the commercial property market and concessions like 'three months rent-free for new tenants' are disappearing.

Agents tell us that, although small pockets are still to be found, this will be the last A1 office accommodation available in the city to tenants who



John Bennett

want a lot of space and guaranteed parking."

But home loans are still the society's main business. Mr Bennett says the NBS is experiencing "a good steady demand from all races" and has funds available.

An increasing proportion is for housing loans to black people. Although most of this has so far been on the Reef and Port Elizabeth, "there are pockets of acceptable housing in Guguletu and Langa, and Bellandia is building now at Khayelitsha."

Pointing out that it was fortunate for the government that its decision to allow black people to buy 99-year-leasehold properties came at a time when there was no shortage of building society funds, Mr Bennett says the NBS has given preference to black applicants for the past eight or nine years.

"Following a policy of enlightened self-interest, we have never turned down an application from a black purchaser purely because of a shortage of funds."

The NBS is also less strict in the standards of security black applicants have to meet than it is with whites, although it does not take the income of an entire family into account.

Mr Bennett says most loans to white people are currently to first-time home owners moving into new houses costing up to R40 000, plus the cost of the land. These clients qualify for a government subsidy on the interest for the first five years of the bond.

The scheme has been in operation for four years, which means that the first to benefit from it will find their repayments suddenly shooting up by between R160 and R180 a month in a year's time, when the subsidy expires.

"One hopes that their incomes have gone up in the meantime," says Mr

NBS to offer cheaper HP loans

From page 15

home loans are now to subsidized buyers, including municipal and government employees, who sometimes receive a housing subsidy larger than their entire salary.

This can create difficulties for unfortunate employees in the lower grades, if there is a delay in registering transfer and they are charged more than they can afford in occupational interest in the meantime.

home without a garage and, once transfer has been taken, obtain another bond and have a garage built. He thinks it a pity that the subsidy cannot be granted to second-hand houses, including comparatively new ones repossessed by building societies, which offer very good value to the purchaser "although this would be anathema to the building industry".

Mr Bennett says about 70% of

It is now common to buy such a

By then."

To page 17

(53) 18/7/87

TO ADVERTISE ON THIS

Council told to fix house prices

Dispatch Reporter

EAST LONDON — Residents of Ghost Town in Buffalo Flats here are demanding to know when the East London City Council's housing department will determine the selling prices of their houses.

Some reported that they had been waiting for as long as six years to buy their houses — but have been thwarted by the unavailable selling prices.

The Democratic Party MP for Border in the House of Representatives, Mr Peter Mopp, said the council should

prices of their houses before the end of August.

Most residents interviewed reported they wanted to buy their houses despite serious defects in them.

They said that most of the houses in Ghost Town, or Buffalo Flats extension 1, had defects and that this entitled them to buy the houses at discount prices of up to 65 per cent.

A tour of the area showed many houses had seriously cracked walls, some to the extent of being dangerous.

Concrete floors and walls had also sunken

in, leaving large gaps under ceilings. In many houses doors could also not close properly because of the cracked walls. Most cracks went right through the walls.

The cracks were apparently caused by a lack of decent foundations.

Residents said they could not renovate the houses because of the uncertainty resulting from the unavailable selling prices.

A spokesman from the city council housing department said yesterday that a number of houses in Ghost Town had been sold already, but that the selling prices of houses with structural defects had not yet been determined.

He denied that most of the houses had structural defects.

ARG 45 21/7/87

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500 000 houses for sale at big discounts

Municipal Reporter

MORE than 100 000 houses have been sold in terms of the Government's home-ownership policy and major new discounts are being offered to woo more buyers.

The Government is selling about 500 000 units, built with National Housing Commission funds, to tenants at favourable discounts.

So far 101 462 units have been sold and a further 428 513 earmarked for sale — 288 239 for blacks, 124 400 for the coloured community, 8 382 for Indians and 7 492 for whites, according to a joint statement by Cabinet Ministers concerned with land and housing.

EXISTING DISCOUNTS

Existing discounts include: 25 percent for cash sales (30 percent for buildings costing less than R2 500), five percent for those who have been renting for five years or longer and five percent for those buying before June 1988.

The statement said there had been various submissions, particularly from black local authorities, for the adjustment and improvement of the selling conditions.

Many of the houses had been built many years ago and there had been specific requests to reduce the prices of these buildings.

MAJOR ADJUSTMENTS

The Government had therefore decided to make "important adjustments" to sale conditions. These included offering a 65 percent discount if there were structural defects in the house and taking into account its overall state (the previous maximum discount was 20 percent) and rent arrears could be included in loans for the purchase price.

Tenants who had paid rent regularly for three years could buy without a deposit, or local authorities could waive the deposit in particular circumstances, and transfer and other sale costs could also be included in loans in deserving cases.

However, the final price with all the discounts could not be less than the original cost of the building.

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Wall of suspicion blocks credibility, black acceptance

Cape Times 25/1/87



Political correspondent
BARRY STREEK takes a
look at the Urban
Foundation.

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IN spite of all the glib talk these days about "negotiation" and "talks" between white and black people, the problems and difficulties of this taking place in the midst of conflict, suspicion and differing goals are enormous.

This has been graphically emphasized in the commemorative publication, which Leadership magazine released this week, on the first ten years of the Urban Foundation.

During those ten years, the Urban Foundation has initiated a large number of projects to upgrade conditions in black residential areas, it has raised considerable sums of money — R170-million worth of work is being done this year alone — and it has pushed for policy reforms, including the scrapping of the hated pass laws, the removal of restrictions on the development of black townships and the provision of security of property for black people.

But, while the body is praised by business leaders such as Harry Oppenheimer and Anton Rupert, black suspicions about the role of the Foundation remain.

'An escape valve'

For instance, the publicity secretary of the Azanian Peoples Organization (Azapo), Muntu Myeza, said the Foundation "runs with the hares and hunts with the hounds."

"It purports to assist the black community but it helps to prop up apartheid."

"When the Urban Foundation was founded in 1976, its basic aim was to provide an escape valve for bad government policy, to give black people something to protect, to create a buffer zone between the masses and the government."

"It is a deliberate attempt to frustrate efforts to bring about meaningful change as soon as possible," Myeza said.

Dr Neville Alexander of the Cape Action League said he did not deny that some of the investments the Foundation had made in education, health and other facilities had been useful, but it was "anathema to the intelligentsia; in so far as it presented as making a contribution towards change, it is rejected."

Suspicious of motives

"We don't see the people who work with the Urban Foundation as collaborators, they seem to be sincere and dedicated, but we could never cooperate with them," he said.

Fikile Bam, regional director of the Legal Resources Centre in Port Eliza-

ferences with the Foundation "they'll come and use the centre", particularly after it was used for meetings after the conflicts in 1985.

At first, Netzi thought he might have to resign his post because of the opposition he encountered. "People were sabotaging projects: I'd invite people along and they would contact me to say they could no longer make it, that they'd had a telephone call from a certain organization warning of consequences if they took part."

It has been argued that to allay these suspicions, the Foundation will have to adopt a higher political profile. For instance, Tony Bloom, the chairman of the Premier Group and a member of the Foundation's Board of Governors, said: "I believe the Foundation should have done more to establish links with the radical organizations. I think you have to take sides — that's a personal view and a minority one on the board."

Commitment to change

However, Chief Mangosuthu Buthezi, the Chief Minister of KwaZulu, said: "Their commitment to peaceful and constructive change should serve as an inspiration to every South African who recognises that apartheid has caused untold suffering."

He also said the organization was living proof that people of all races could stand together shoulder to shoulder and get things done for the common good.

Mr Harry Oppenheimer, the Foundation's president, admits that the "suspicion that the real object of the business community is not freedom and democracy for South Africa but a new, more acceptable and more defensible form of apartheid, goes very deep."

Practical expression

But the Foundation had done much to remove this suspicion and he believed a growing number of people were viewing it as "the best example of a practical way in which we may hope to bring peace, justice and prosperity to this troubled land and that they will regard it as a practical expression of idealism which has infinitely greater chances of success than any policy of trying to ruin the country's economy in the belief that this will bring about a change of heart in our obstinate and resentful government."

Jan Steyn, the Foundation's executive chairman, said it had to be appreciated that the Foundation "finds itself in a peculiar position as far as

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Fikile Bam, regional director of the Legal Resources Centre in Port Elizabeth, had a somewhat different response. He said the Foundation was "obviously doing a good job on housing but people were suspicious of its motives, particularly in Johannesburg".

"They described it as an attempt to build a black middle class and, in so doing, fragment black unity."

"The Foundation has been described as a status quo organization, staffed by whites, its activities designed merely to ameliorate the conditions of apartheid."

But, Bam said, in Port Elizabeth the picture seemed to be somewhat different and its management in the Eastern Cape included representative blacks. "I wouldn't describe them as Uncle Toms."

Fierce opposition

"There is very high praise here of the Urban Foundation's programmes, particularly the sub-economic programmes," he said.

At the Uluntu Centre in Guguletu in Cape Town, erected at a cost of R1 million five years ago, Madodo Netti, the education projects manager, had direct experience of the suspicions.

In some quarters, capitalism and apartheid were directly linked and the opposition was fierce and unyielding. The Foundation, with its free enterprise approach, was seen as protecting the interests of government.

Netti says the Foundation's credibility is now picking up although its image is not entirely free of stigma, but even if people had ideological dif-

ferences. For instance, Tony Bloom, the chairman of the Premier Group and a member of the Foundation's Board of Governors, said: "I believe the Foundation should have done more to establish links with the radical organizations. I think you have to take sides — that's a personal view and a minority one on the board."

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Jan Steyn, the Foundation's executive chairman, said it had to be appreciated that the Foundation "finds itself in a peculiar position as far as black views on its activities are concerned."

Lower priority

"Someone once said the best we could hope for was an 'embarrassed acceptance'. The point is that black people are participating in a struggle for their own liberation. That is their primary objective. Everything else is relegated to a lower priority."

"Against that background I think it is very difficult to expect people to say they believe the Foundation is an outstanding, excellent, wonderful institution."

He also says a market survey in August 1985 showed "very strong" support for the Foundation in the black community.

"But if you went to a high profile black leader whose primary aim is to work for the liberation of his people, I would be very surprised if he was prepared to publicly articulate unqualified approval of the Foundation."

Not easily won

"After all, our work could be viewed as being counter-revolutionary."

"May I add that we have always been welcomed by 'ordinary people' and have never been asked to leave," Steyn said.

The Urban Foundation experience has clearly demonstrated credibility among the majority of South Africans is not easily won, even with the call for "negotiations" being the current vogue.

9/11/75 25/7/82
Wealth
123
resources
'changing
hands'

By BARRY STREEK
Political Staff

A REDISTRIBUTION of wealth and resources is taking place in South Africa, says the executive chairman of the Urban Foundation, Mr Jan Steyn.

He also says the abolition of the Group Areas Act is an indispensable prerequisite for the building of a new and more just South Africa.

"As long as we cling to the protection and the privilege which we believe the Group Areas Act affords, we will make it impossible for black people to participate fully in building a common future," Mr Steyn says in a special edition of Leadership magazine marking the first 10 years of the Urban Foundation.

Mr Steyn says in 1967, when the foundation was established, the government was "determined to make urban areas as unattractive as possible for blacks, using influx control".

The foundation soon realised that "there simply could not be mere amelioration".

Looking back on the last ten years, many things seemed implausible today, particularly in the field of housing.

"The fact is that a redistribution of wealth — or at least a redistribution of resources and the development of capital formation — is taking place."

The pace changed in the early eighties when the then Prime Minister, Mr P. W. Botha, made his "adapt or die" speech which "created a strong impetus for reform".

LAND IS THE MAIN LINK TO BLACK ADVANCEMENT

LAND ownership has always been pivotal in the black struggle for liberation, Transvaal Provincial Administration executive committee member John Mavuso said this week.



ZB MOLEFFE

Mavuso was delivering the keynote address at the official opening of the Housing '87 Show at the East Rand's Siluma View, a low and high-income housing project outside Katlehong.

that South Africa was not a welfare state.

Therefore, the only feasible way of bringing about the re-distribution of wealth and income was to give opportunity to those who did not have the necessary support "to acquire their fair share of the economic cake".

"Land is basic in the formation of capital," added Mavuso. He went on: "By following this route, we shall

avoid the danger of frightening away people with the necessary skills and expertise for the overall development of our towns and, indeed, our country."

The Housing '87 Show, which opened on Tuesday, continues until August 30. Highlight of the show is our reader competition.

First prize is an R11 000 stand donated by the Family Housing Association. Other prizes include ap-

pliances and free subscriptions to *City Press* and its sister publications *Drum* and *True Love*.

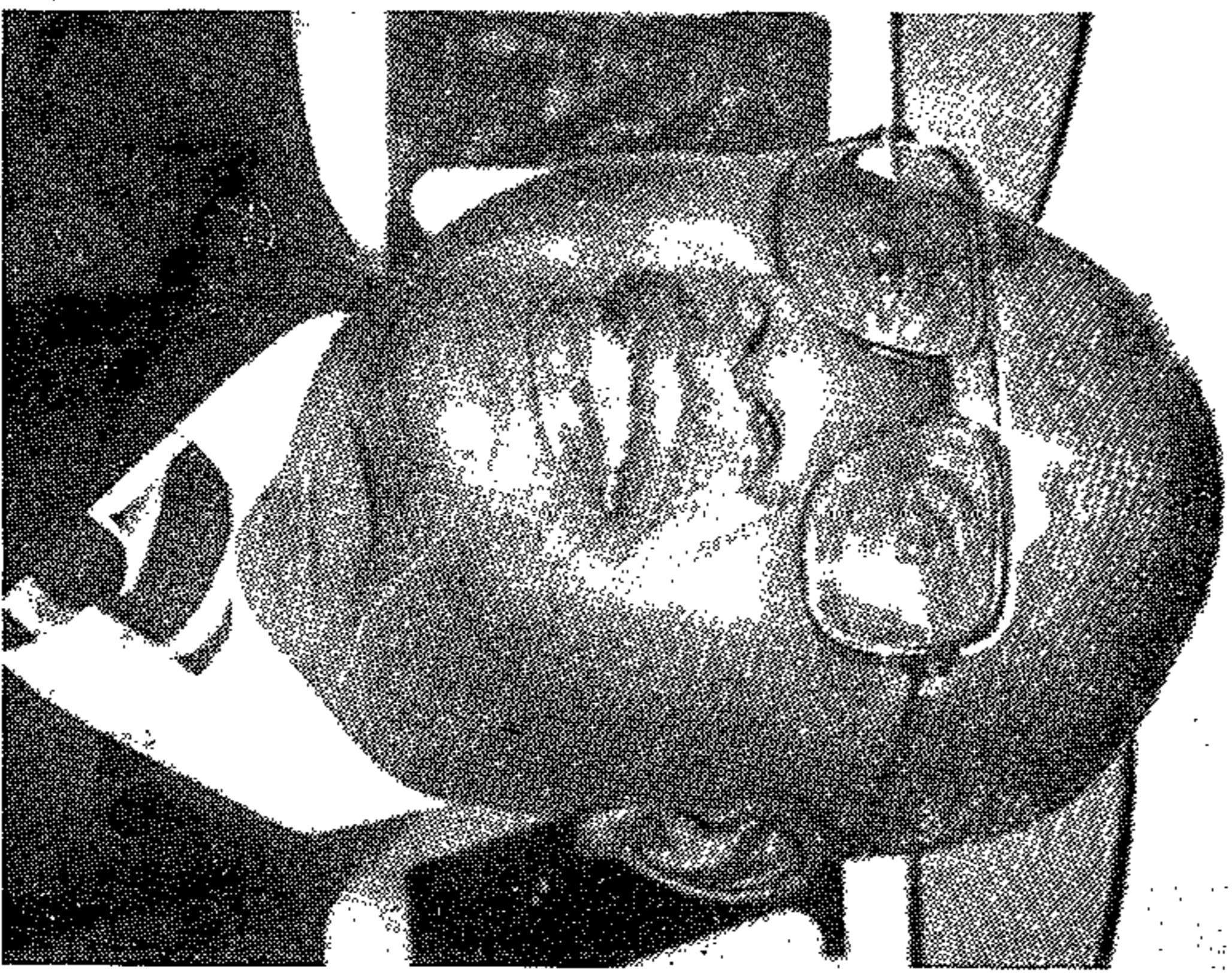
In order to qualify for the prizes, *City Press* readers will have to select the house they regard as the best on show.

A panel of judges will decide on the best home. The winner of the prize will be the person whose entry coincides with the judges' decision. There will be a draw if more than one correct entry is submitted.

Housing '87, on the other hand, said the organisers, would stimulate home ownership in Siluma View. This would also serve as a showcase for housing levels that would be erected in this new Katlehong residential area.

Twelve houses, erected at between R55 000 and R75 000 - including the cost of land - will be on show during the Housing '87 Show.

These houses have been built by recognised major development companies. A number of black home builders are also taking part in the Siluma View project.



Ownership pivotal ... John Mavuso.

The FHA, in conjunction with the Katlehong Council, is co-ordinating the Housing '87 Show.

Since the start of land sales in Siluma View in November last year, there have been more than 300 inquiries. Phases A and B are sold out, but C comes on show in August with 443 stands being available.

12/23
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Home ownership for all is the FHA's goal

THE FAMILY Housing Association's goal is to provide urban communities with access to housing which they can afford.

The FHA seeks to fulfil this goal by stimulating and supporting the home building industry in the provision of appropriate and affordable housing.

The FHA converts undeveloped land into serviced and proclaimed residential townships where privately-owned houses can be built.

Service stands are then sold direct to families or to home builders.

The FHA assists low income families in managing the building of their own homes.

The FHA also offers low income families housing which it will arrange to have built

Through these programs families gain access to housing which they would not otherwise be able to afford.

During 1987 the FHA will sell some 6 400 residential stands and 2 600 homes in FHA developments in Soweto, Mamelodi, Khutsong, Thokoza, Vosloorus, Tembisa and Atteridgeville.

The Siluma View project is managed and financed by the Family Housing Association.

'Govt must give houses'

THE government could not avoid its responsibilities to participate in the provision of appropriately subsidised, low-cost housing, Jan Steyn, chairman of the Urban Foundation, said in a special edition of *Leadership* magazine to celebrate the foundation's 10th anniversary.

"The real challenge now is to give the poorer classes access to affordable housing," said Steyn.

"Existing shelter must be preserved," he added.

"With the enormous

26/7/77
C. P. Steyn
housing shortage in our country, it is indefensible for us to break down any dwelling which affords some shelter for the individual and which he has erected through his own efforts," he added.

He said a second challenge was to make it possible for people at the lower end of the scale to gain access to finance.

Small loans were needed for this, he emphasised, adding that financial institutions had to be brought into the financing of these.

"I cannot be deterred by the present situation. We will carry on in a responsible manner on the basis that people inside government respond to carefully researched, well-presented arguments in favour of change."

"As long as that strategy works, that is the course we will follow," said Steyn.

He also denied that the UF was attempting to create a middle-class buffer zone between the masses and government.

"The challenge facing us

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to maintain the strategy of playing the bridge-building role, of attempting to neutralise the forces that want to maintain repression on the one hand and promote violent revolution on the other."

"If we proceed resolutely to dismantle the discriminatory structures that affront human dignity and deny equal opportunities we will indeed overcome prejudice and intolerance and lay the foundations for a new, more just South Africa," concluded Steyn.

- Sapa.

CAP6 TRS 28/7/87 (123)
R200m housing approved

THE SA Housing Trust (SAHT), established at the beginning of the year to tackle the twin problems of unemployment and housing, has approved housing loans valued at more than R200m so far. This is about half the amount voted to it in the form of an interest-free loan from the state. SAHT's managing director, Mr Joe Taylor reckons the loans approved thus far will finance 20-22 000 housing units, each with an average price of about R11 000.

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28/7/87

House prices are taking off again

By TOM HOOD, Business Editor

HOUSE prices are rising and sales are approaching the boom levels of 1983 and 1984, says the Stellenbosch Bureau for Economic Research.

Prices jumped 14 percent in the 12 months to February and are set to rise another 15 percent this year, says the bureau's latest building and construction review.

The 14 percent increase is mainly due to a sharp rise in high-income-group houses, the range above R150 000.

ENTREPRENEUR

Bureau economist Mr Tertius Beyers said: "Prices of high-income-group homes are always the first to react to any change in market conditions.

"The likely reason is that the professional buyer is most probably an entrepreneur or professional worker who experiences changes in incomes and profits sooner than your average buyer."

Prices of middle-income homes have also started to harden but in the lower-income group they are "still drifting along".

Mr Beyers said: "Among the latter group people are forced to use any additional income to buy necessities such as food and clothing."

The highest increases are in Cape Town and Port Elizabeth, the bureau estimates.

Mr Beyers said: "Prices dropped the

most in these areas during the recession to unrealistic, low levels.

"With the improved business conditions investors were quick to jump in to procure the bargains."

Prices in Johannesburg are also increasing but not at the same pace.

The bureau gives three main factors in its prediction of a 15 percent rise this year:

- Negative real interest rates — that is, below the inflation rate.

- An increase in real disposable income — salaries rising faster than inflation and income tax.

- Renewed confidence in the economy.

The prices of existing houses are also underpinned by rising building costs.

Mr Beyers said: "The replacement cost of a house at this stage is well above the market value and there is scope for a long-term upward trend in house prices."

Building costs have almost doubled since 1980 but the contract price for houses rose by "a very low" 1,1 percent last year, indicating competitive conditions and lack of demand for new houses.

Building costs in the Peninsula, however, rose by 19 percent in the first quarter of this year.

Demand for new houses was expected to pick up slowly with the economic revival and it will be some time before the market price for a house caught up with its replacement cost, Mr Beyers said.

ARGUS 28/7/87 (123)

Urban Foundation celebrates a decade of community work

By LINDA GALLOWAY
Staff Reporter

THE Urban Foundation, agency for constructive private-sector involvement in solving the problems facing South Africa, celebrates its 10th anniversary this year.

It has been a decade of achievement and set-backs and a shift in perceptions for the foundation, under the continued guidance of its founding fathers — financial giants Mr Harry Oppenheimer and Dr Anton Rupert, and executive director Mr Jan Steyn.

The agency has attracted the "highest praise" and the "sternest criticism" from both sides of the gulf it seeks to close, in a climate of intense political activity and extreme polarisation from its inception.

In its 10th year the foundation has decided not to publish an annual report, but *Leadership SA* has devoted an entire publication to its work.

1976 uprisings

The beginnings of the foundation have roots in the most intense period of South African conflict — the uprisings of 1976 — when white businessmen got together to find a new approach to black urban housing problems.

Amid stern warnings from then Prime Minister BJ Vorster not to "meddle in politics", the deputy-chairman of Anglovaal, Clive Menell, had discussions with Nick Die-mont of Anglo American, with a view to organising a conference dealing with broader issues which would be visibly supported by Afrikaans and English concerns.

The need for a permanent private-sector organisation to initiate improvements in black communities was recognised and the invitations to 160 delegates were sent by Mr Harry Oppenheimer, then chairman of Anglo and De Beers.

Mr Oppenheimer stressed that delegates would have to distinguish between problems which were essentially political, and therefore not within the ambit of the private sector, and those which legitimately concerned them and which they could attempt to solve.

This statement made non-white delegates to the conference sceptical, believing township problems had their roots in politics and therefore any attempt to solve them would necessitate a political stance.



Mr Jan Steyn who is executive director of the Foundation.

The outcome of the conference was the establishment of the Urban Foundation and Mr Justice Steyn accepted the job of executive director.

The foundation began operating on March 1, 1977 and from the start there was pressure on the foundation to "deliver the goods". This, to white business, meant immediate action on urban needs. To the black community it meant changes in legislation.

In its first 20 months of operation 135 different projects in housing, education, health and community facilities resulted in several million rand being raised overseas and the drawing up of a code of employment practice.

The foundation also played a major role in the introduction of new legislation enabling blacks to buy homes on 99-year leases.

Act as catalyst

In 1980 the foundation declared that its fundamental aim was "real structural change... a system in which discrimination based on race or colour has been eliminated," — a statement which caused consternation among its members.

Mr Oppenheimer explained that the foundation wished to act as "a catalyst in initiating dialogue and negotiations between the urban communities themselves, representatives of central and local government organisations and the private sector".

The foundation is still active in the fields of housing, the promotion of small businesses and education and its agitation for change continues with a slightly more political perspective than was first envisaged.

An article entitled *Bou-*

quets and Brickbats canvassed the opinions of a wide range of community leaders on the work of the foundation, including businessmen and political activists.

In spite of generally positive black attitudes to the foundation, the UF's attitudes and activities have caused heated debate among black leaders.

Dr Ellen Kuzwayo, president of the Black Consumer Union and a member of both the UF's board of governors and its Transvaal regional board, has faced threats from Soweto youths to cut her links or face reprisals.

"I was severely criticised but felt I had a duty to be there to contribute in terms of the way I saw the best interests of my people," she said.

"The UF began to bring about movement, addressing not only the quantity of houses but the quality."

When people had been oppressed for a long time even the best things were not seen as 100 percent solutions.

"Negative issue"

The UF was addressing "very serious problems" but there was one "very negative issue" — the UF executive tended to "allow only whites... with a sprinkling of blacks," which tarnished its image.

Mr Tony Bloom, chairman of the Premier Group and a member of the UF board, believes the UF needs a "higher political profile" to enhance its image in the eyes of blacks.

"I think you have to take sides," he said, while acknowledging that it was a personal view, and a minority one on the board.

The regional director of the Legal Resources Centre in Port Elizabeth, Mr Fikile Bam, said there was "high praise" for the work of the UF in the Eastern Cape.

Azanian People's Organisation publicity secretary Muntu Myeza was harshly critical of the foundation, saying it "purports to assist the black community but helps to prop up apartheid".

Whatever the nature of the foundation's work, it has always sought two objectives — to involve local black communities in defining needs and designing and implementing answers to them, and making the solutions innovative and accessible to other agencies or institutions.

Up to 22 000 units being built

R220m in loans approved by housing trust

28/7/07
B/D
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HOUSING loans valued at more than R220m have been approved by the SA Housing Trust (Saht), established at the start of the year to tackle the twin problems of unemployment and housing.

This is about half the amount voted to it in the form of an interest free loan from the State.

Saht MD Joe Taylor said the loans approved would finance some 20-22 000 housing units, each with an average price tag of about R11 000.

These are all now under construction, effectively on a self-help basis, the activity fairly evenly spread throughout black residential areas.

Taylor said Saht had refined its funding strategy during the past few months, the focus being on the small black builder.

Funding had also been broadened to cover the purchase of plots and the provision of basic infrastructure.

CHRIS CAIRNCROSS

Large construction companies were not being approached to take part in any of the schemes being conducted under the Saht umbrella, except on a management or consultative basis.

Taylor said they were, however, being encouraged to provide ancillary support in the form of skills transfer, training and bulk buying.

At this stage, the Saht had made no real attempt to go to private sector financial institutions for more funding — which would be classified as prescribed investments.

Much depended on the future demand for funds and on the pattern of interest rate movements.

Taylor doubted if any approaches to the market would be made much before September or October. Any stock issued would carry a coupon comparable to that offered on long-dated RSAs.

established for the staffing of this centre and (ii) how many persons have been employed in respect of each of these posts;

(2) how are the functions divided between this curricula centre and the curriculum and/or syllabus division of provincial education departments;

(3) whether any relationship exists between this curricula centre and the education departments of other race groups; if so, what is the nature of this relationship;

(4) whether any functions are performed or are to be performed by this curricula centre on behalf of the education departments of other race groups; if so, (a) what specified functions and (b) why?

THE MINISTER OF EDUCATION AND CULTURE:

(1) No, however there is a Directorate for curriculum development,

(a) This Directorate was established on 1 June 1985,

(b) it is situated in Pretoria but functions in conjunction with the provincial education departments,

(c)	post	(i) establishment	(ii) filled
	chief education specialist	1	1
	senior deputy chief education specialist	4	3
	deputy chief education specialist	7	1

(2) the co-functioning referred to in (1) (b) occurs within a network for curriculum development which is managed by a network committee. The sections of provincial education departments responsible for curriculum development are each represented on the network committee. These sections undertake the research projects

HoA

which have been jointly planned, while the Directorate formulates policy advice. The network committee has separate curriculum committees for the individual areas of curriculum development;

(3) yes, other education departments may send observers to the curriculum committees;

(4) the Department is prepared to render specialised services to other education departments on request in accordance with item 14 of Schedule 1 to the Constitution of the Republic of South Africa, Act 110 of 1983.

(a) any related functions requested by the departments,

(b) on the grounds of a tradition of mutual rendering of services which exists between the respective education departments.

Howard

WEDNESDAY, 29 JULY 1987

Indicates translated version.

For written reply:

General Affairs:

Lethlabile Township

8. Mr P G SOAL asked the Minister of Education and Development Aid:

(1) What is the total estimated cost of (a) building Lethlabile Township and (b) providing the (i) (aa) water, (bb) sewerage and (cc) electricity reticulation systems, (ii) bulk (aa) water and (bb) electricity supplies, (iii) water storage facilities, (iv) sewage outfall and treatment plant, (v) (aa) trunk and (bb) internal roads and (vi)

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storm water drainage in this township;

(2) what types of roads are being provided in this township;

(3) (a) what is the average cost of providing services per stand in the township and (b) how many serviced stands had been provided there as at the latest specified date for which information is available?

THE MINISTER OF EDUCATION AND DEVELOPMENT AID:

(1) (a) R20,2 million.

(b) (i) (aa) R3,4 million.

(bb) R2,5 million.

(cc) R0,6 million.

(ii) (aa) R5,8 million.

(bb) R0,3 million.

(iii) Enclosed in (ii) (aa).

(iv) R1,8 million.

(v) (aa) Nil.

(bb) R300 000.

(vi) R500 000.

(2) At the moment only gravel roads.

(3) (a) R6 380 per stand, including bulk services.

(b) 3 167 as at 31 May 1987.

National states

113. Mr P G SOAL asked the Minister of Education and Development Aid:

How many Blacks in each national state were employed in undertakings established (a) on an agency basis and (b) by development corporations for national states as at the latest specified date for which figures are available?

THE MINISTER OF EDUCATION AND DEVELOPMENT AID:

	(a)	(b)
KanGwane	1 617	150
KwanDebele	4 800	236
KwaZulu	35 764	3 024
Lebowa	7 050	14 300
Gazankulu	5 335	4 793
Owaqwa	20 160	1 391

Shortage of housing

129. Mr P G SOAL asked the Minister of Education and Development Aid:

(1) What was the estimated shortage of housing for Blacks in each national state at the end of 1986;

(2) how many (a) houses were built in terms of self-build schemes, and (b) serviced sites were provided by the South African Development Trust,

THE MINISTER OF EDUCATION AND DEVELOPMENT AID:

(3) when is it expected that the shortage will be eliminated in each national state?

(1) Although the functions relating to towns have been transferred to the

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HoA

Governments of the self-governing territories the Department of Development Aid estimated the shortages as follows:

Lebowa	11 073
Owaqwa	481
KwaZulu	61 468
KaNgywane	12 439
KwaNdebele	1 314
Gazankulu	4 255
South African Development Trust	
Self-Governing Areas	70 314
Total	161 344

(2) The figures in respect of Lebowa, KwaZulu and Gazankulu were available as the functions relating to towns still vested in the Department of Development Aid in 1986. These figures, and figures in respect of South African Development Trust land outside the self-governing territories, are as follows:

(a) Lebowa	105
KwaZulu	1 235
Gazankulu	524
South African Development Trust Land	633
<hr/>	
2 497	
(b) Lebowa	664
KwaZulu	1 125
Gazankulu	2 499
South African Development Trust Land	10 374
<hr/>	
Total	14 662

In respect of Owaqwa, KaNgwane and KwaNdebele these functions had been transferred and figures are not available.

(3) It is not possible to indicate when the shortage will be eliminated. The self-

HoA

building scheme are an ongoing process. Progress in providing sufficient housing depends on complex and often unpredictable economic, demographic and other factors.

Own/general affairs: hospitals

222. Mr R M BURROWS asked the Minister of National Health and Population Development:

(1) Whether the allocation of hospitals to own and general affairs departments is being considered by his Department; if so, in respect of each province, which hospitals are being considered for allocation to the (a) own affairs health departments and (b) general affairs health departments;

(2) whether he will make a statement on the matter?

THE MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

(1) Yes.

(a) As per the attached list.

(b) The remainder of public hospitals.

(2) No.

1. To be allocated to the Administration: House of Assembly

1.1 Transvaal

Paardekraal, Krugersdorp
Randfontein Clinic
Vereeniging Hospital
Far East Rand Hospital
Andrew McColm
Bernice Samuel, Delmas
Bloemhof
Brits
Delareyville
Duiwelskloof
Edenvalle

Amend

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WEDNESDAY, 29 JULY 1987

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John Fotheringham Clinic
Elsie Ballot, Amersfoort
Evander
F. H. Odendaal, Nylstroom
Genl. De la Rey, Lichtenburg
Groblersdal
H. A. Grové, Belfast
Hendrik V. D. Bijl, Vanderbijlpark

Good Hope, Ysterplaat
Kraifontein
Parow
Ruyterwacht
Goodwood

Province Aided

Kempton Park
Louis Trichardt
Discoverers Memorial, Roo-depoort
Phalaborwa
Pretoria-West
Sannieshof
South Rand, Rosentenville
Sybrand Van Niekerk, Carletonville
Van Velden Memorial, Traanen Ventersdorp
Voortrekker, Potgietersrus
Warmbaths
Waterfal-Boven
Willem Cruywagen, Germiston

Carolina Maternity, De Doorns
Booth Memorial, Cape Town
Harmony Home, Kimberley
Die Wieg Maternity, Moorreesburg
Newhaven Home, East London
Regina Nursing Home, Villiersdorp

National Health and Population Development

Umgeni Care and Rehabilitation Centre, (Middelands Pietermaritzburg)
Witrand, Potchetsroom

1.3 Natal

Grey's Pietermaritzburg
Hillcrest
Greytown

1.4 Orange Free State

Voortrekker, Kroonstad
Bethlehem
Sasolburg
Jagersfontein
Zastron

2. To be allocated to the House of Representatives

2.1 Transvaal

Reigerpark Clinic

2.2 Cape Province

Graymead Clinic, Caledon
Mamre Clinic, Swartland,
Malmesbury
Darling Clinic, Swartland,
Malmesbury
Riebeeck-West Clinic, Swartland, Malmesbury

1.2 Cape Province

William Slater
Volks, Cape Town
Riebeeck-West Clinic
Riebeeck Castle Clinic
Port Elizabeth Provincial
Despatch Day Hospital
Walvisbay
Day Hospitals
Deep River

HoA

tween the applicant and an occupant. The Department is now being held responsible for alleged damages sustained by the applicant.

The matter has been referred to the State Attorney and is therefore *sub judice*.

(4) Falls away.

State-controlled schools: non-White pupils

*4. Mr R M BURROWS asked the Minister of Education and Culture:

- (1) Whether, with reference to his reply to Question No 3 on 23 June 1987, any non-White pupils who are not children of diplomats or members of consular missions, are admitted to State-controlled schools falling under his Department; if not, in terms of what statutory provisions are they not so admitted;
- (2) whether he will make a statement on the matter?

Handwritten: The MINISTER OF EDUCATION AND CULTURE:

- (1) No, not according to available records. They are not so admitted in terms of

section 14 read in conjunction with item 2 of Addendum 1 of the Constitution of the Republic of South Africa, 1983 (Act No 110 of 1983), and

section 1 of the National Education Policy Act, 1967 (Act No 39 of 1967), as amended;

(2) No.

*Mr P H P GASTROW: Mr Speaker, arising from the hon the Minister's reply, could he perhaps give us an indication on what basic principle foreigners, whether in this instance they are diplomats or not, have the right to be educated in those schools, while South African citizens of the same race and ethnicity are not allowed into the schools? On what basic principle does this take place? [Interjections.]

*The MINISTER: Mr Speaker, I refer the

hon member to my Hansard because I dealt with that question yesterday. If he is not satisfied with that, he may place a question in that regard on the Question Paper again.

*Mr P H P GASTROW: It had nothing to do with the principles! [Interjections.]

Teachers: jobs lost

*5. Mr K M ANDREW asked the Minister of Education and Culture:

Whether any teachers in the Parow School Board area have lost their jobs as a result of the abolition of posts, redundancies, retrenchments or other reductions in staff complements; if so, (a) how many, (b) when, (c) why and (d) what was the change in pupil numbers during the same period?

Handwritten: The MINISTER OF EDUCATION AND CULTURE:

Yes.

- (a) 21.
- (b) 31 December 1986.

(c) Due to the decline in the number of pupils, at the schools concerned,

(d) A net total increase of 124 based on the average enrolment for the first increase was limited to certain schools whereas a notable decrease in pupil numbers occurred at other schools, a decrease in the number of personnel was effected.

Teachers whose posts were abolished were informed timeously to enable them to apply for teaching posts elsewhere. Some of them were appointed in other teaching posts.

For written reply:

Own Affairs:

Amounts spent on housing

5. Mr P G SOAL asked the Minister of Local Government, Housing and Works:

What amounts were spent by his Department in the 1986-87 financial year on the construction of housing for Whites in (a)

Handwritten: Howard 4/8/87

Cape Town, (b) Durban, (c) Pietermaritzburg, (d) Pretoria, (e) Port Elizabeth, (f) Kimberley, (g) East London, (h) Bloemfontein and (i) Johannesburg?

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS:

- (a) 15 410 738.
- (b) 3 666 047.
- (c) 906 628.
- (d) 17 012 174.
- (e) 3 083 709.
- (f) 519 042.
- (g) 4 489 612.
- (h) 449 122.
- (i) 17 364 310.

Venterspos

46. Mr P J PAULUS asked the Minister of Local Government, Housing and Works:

- (1) What total amount was spent by die State on effecting improvements in the White town of Venterspos in the latest specified period of five years for which information is available;
- (2) whether a long-term plan for improving and extending this town has been drawn up; if so, (a) when, (b) by whom and (c) what are the particulars thereof?

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS:

(1) No funds were spent.

(2) No. A Committee of the Development and Housing Board under the chairmanship of Mr Boet van Straten has investigated the problems surrounding Venterspos incisively. The investigation is completed and the Committee's report has been submitted to the Development and Housing Board for consideration and recommendations. The moment that recommendations are made to me I will consider it further.

Handwritten: Howard 5/8/87

†Indicates translated version

For written reply:

General Affairs:

Bosfontein: telephones

230. Mr S S VAN DER MERWE asked the Minister of Communications:

- (1) Whether any applications for telephones in Bosfontein (Registration No 200 JO), formerly known as Machakaneng and situated on the border between the Republic and Bophuthatwana, were outstanding as at the latest specified date for which information is available; if so, (a) how many and (b) when were the applications received;
- (2) Whether there has been any delay in installing these telephones; if so, what (a) is the nature of and (b) are the reasons for this delay.
- (3) (a) To what authority do persons living in Bosfontein apply for telephones and (b) where is this authority situated?

The MINISTER OF COMMUNICATIONS

(1) Yes.

- (a) 58, as at 22 June 1987.
- (b) 1 during 1983, 7 during 1984, 13 during 1985, 26 during 1986, and 11 during 1987.

(2) Yes. (a) and (b) As no vacancies exist on the party lines serving the area construction work of a considerable magnitude is necessary in order to provide connections for the applicants. Owing to limited capital funds and other priorities it has not yet been possible to make provision for the work involved in a construction programme.

- (3) (a) The Postmaster, Brits or the Department's Northern Transvaal Regional Office.
- (b) Brits and Pretoria, respectively.

Handwritten: Howard 5/8/87

Only a few to benefit from UBS's lower rate

By Sven Lünsche

Only a few people will benefit from the United Building Society's cut in the mortgage rate on new bonds to 12,95 percent.

Economists said today the demand for new bonds had declined rapidly over the last few years, with individuals' savings at new lows.

"The big benefit to potential buyers only comes if they pass on the lower rates to existing bond holders," an economist at a stockbroking firm said.

The majority of UBS home loan bondholders were therefore expected to pay the existing rate of 13,5 percent, only a month after they were threatened with a 14,5 percent rate.

Analysts also pointed out that few bond-seekers could comply with the conditions set by the UBS in order to get the cheaper rate.

For example, if a house was valued at R100 000, R20 000 would have to be put in deposits, before the 12,95 percent was granted.

HIGHER RATE

Bonds with lesser security — those for more than 80 percent of the value of the building — would be granted at a higher rate, possibly 13,5 percent.

Mr Martin Keyser, general manager of the UBS, said the United would maintain its differential mortgage rates because bonds were related to the cost of funding them. It would be too costly to reduce the rate across the board on R8 billion worth of loans granted.

The United accounts for about one in three bonds granted in South Africa and its move takes the cost of new bonds to within a striking distance of the banks — which now charge 12,5 percent.

Other building societies are unlikely to match the UBS rate in view of the way their margins are being squeezed by demands for loans with the banks and the Government's granny bonds.

Most societies will continue charging a top rate of 14,5 percent.

Star 23

6/18/87

MP calls for action on white housing

Nico Muller
Parliamentary Reporter

CAPE TOWN — The white Own Affairs Department of Local Government, Housing and Works should urgently consider selling welfare houses at a nominal price to people who had been living in these houses for a long period where the construction cost of the houses had already been redeemed, the National Party MP for East London City, Mr Peet de Pontes, said last night.

Mr De Pontes said the stability and emotional security caused by home ownership need not be emphasised.

The biggest demand for white housing was for people below the age of 30 and above 60 — where incomes varied from between R150 and R850 per month.

A total shortage of 22 900 houses had been identified for whites.

There was an estimated shortage of housing for 16 000 aged whites.

The accommodation problem for young people was mostly financial, while the elderly faced problems such as frailty with accompanying loss of self-reliance.

Mr De Pontes said the government could also look, especially for young people, at a hire purchase system of repayment to replace the normal rental system.

Correctly structured, such a system would allow a person to buy a house and, as his income rose, would allow greater redemption of the purchase price.

Additional tax incentives to employers to help employees buy houses would also help, he said.

● Geriatrics were the fastest growing group in white South African society, Mr De Pontes said.

Projected population figures for people over 60 in South Africa showed a substantial increase from 365 000 in 1980 to 434 000 in 1990 and 500 000 in the year

2 000. 6/9/87 DP
An analysis of 2 000 admissions to East London's Frere Hospital showed that 67 per cent of white admissions were geriatric, he said.

Additional day care centres, hospitals and frail age homes would become important for sufficient and co-ordinated welfare assistance to senior citizens.

The basic departure should be that senior citizens should, as long as possible, be part of their own communities.

This would help the senior citizen to stay self-reliant and active in the community as long as possible while getting the necessary nutritional, medical and other aid from the centre.

He said one had to accept that the government did not have the funds for the total accommodation need and that the private sector had an important role to play here.

A possible solution would be a higher government contribution to the organisations active in welfare accommodation and especially the larger employers that already made a contribution towards accommodation in the sense of retirement resorts for their retired personnel.

Mr De Pontes also made a plea for specialised central or regional care centres where the chronic aged could be transferred when they could no longer be taken care of in existing institutions.

In this way the running costs of old age homes could be lowered in that they were then aimed at the self-reliant elderly.

This would also bring about a lowering of the contributions residents in these homes were presently paying, by bringing it in line with the real cost of their accommodation. Such a scheme would also ensure that the government's welfare funds were used more directly.

Call this 6/8/87

Minister queries housing figures

HOUSE OF ASSEMBLY. — Figures indicating there were 37 000 houses standing empty in white areas or that there was a total oversupply of as many as 83 000 dwelling units for whites had to be seriously questioned, the Minister of Local Government, Housing and Works, Mr Amie Venter, said yesterday.

Replying to debate on the Committee Stage of his budget vote, he said he was concerned at reports from the media and other sources that there was an over-provision of housing for whites throughout the country.

His department had investigated the origin of these figures and found that the methods followed by the researchers did not take sufficient account of the complexity of the matter.

As a result their conclusions were unacceptable.

"People and the circumstances under which they live are not quantifiable for meaningful statistical analysis unless note is taken of the many variables and differences in the circumstances under which people, as individuals and as members of groups or communities, live."

It was generally accepted that existing statistical sources on housing were inadequate and that an accurate determination of housing needs could not be made without further in-depth research.

His department was confident that the system it was using to determine housing needs would shortly reach a level of efficiency that would meet realistic expectations and provide a valid data base.


According to the latest figures, 27 378 whites needed housing. — Sapa

Kruger rands

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7/18/81 (12⁴) B/Dwy

Are black freehold rights now on hold?

LAST year, amid a blaze of publicity, government announced full freehold property rights had been extended to black people, both in the non-independent homelands and in black townships outside the homelands.

The moves — which were announced in July and September last year — reversed a key element of Verwoerdian apartheid and were welcomed in many circles at the time, not only because the old policy was discriminatory but also because they would give security of property to black people.

But in Parliament recently, Minister of Constitutional Development and Planning Chris Heunis said, in reply to a question tabled by Nic Olivier (PFP, nominated): "No housing units have thus far been sold to blacks under the freehold scheme."

Campaign

Olivier had wanted to find out how many housing units had been sold in black townships over the past 12 months.

Clearly, the extension of freehold title rights to black people has yet to take place.

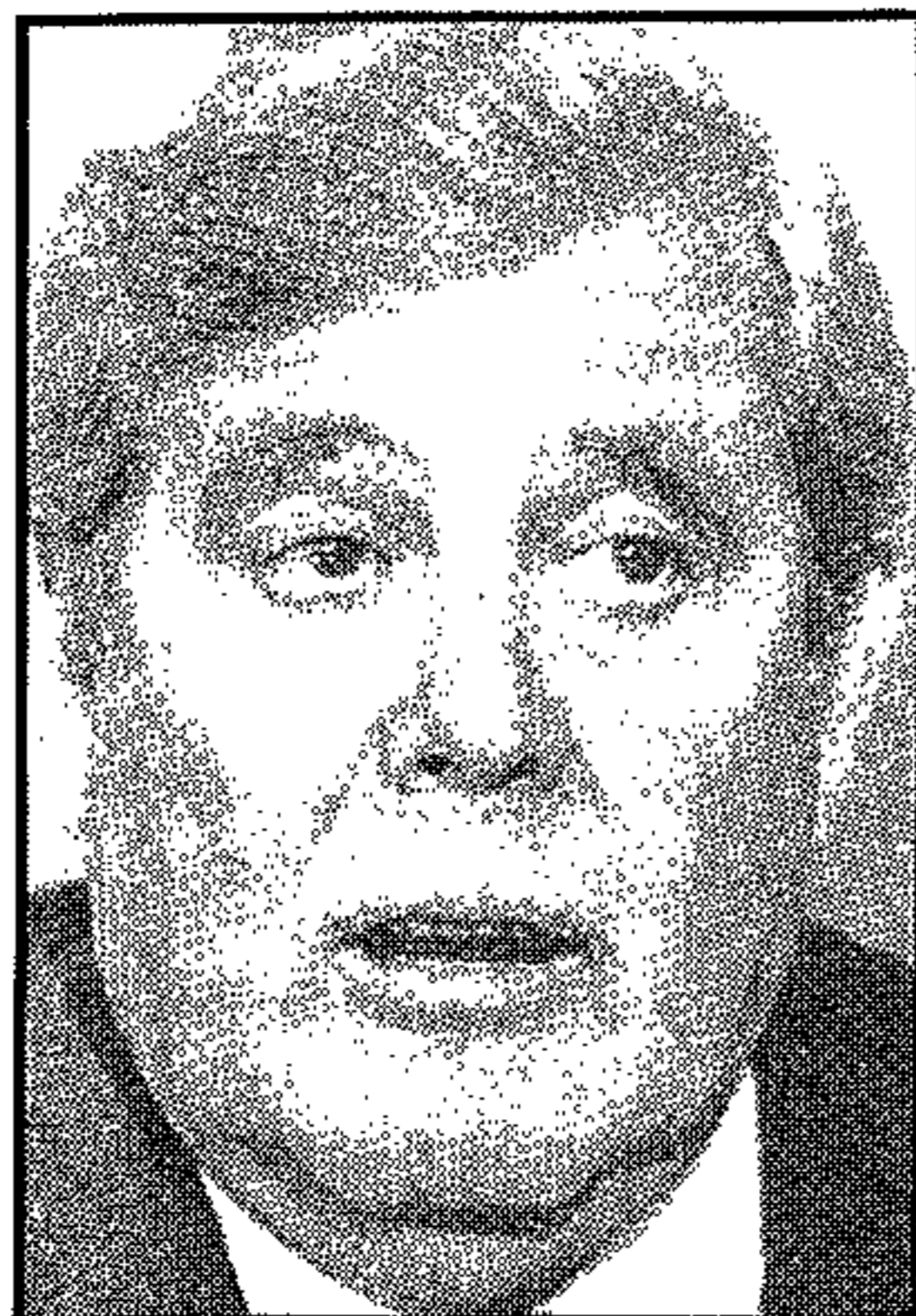
But in some quarters there is belief that it has in fact already taken place.

For instance, Informa — a magazine published by the Department of Constitutional Development and Planning about black affairs — contained a recent article explaining that the campaign to sell houses funded by the National Housing Commission was started on July 1, 1983, and "all population groups were involved".

Opportunity

It said tenants in black townships were given the opportunity to buy their rented houses at a reduction of up to 40%.

So far, 51 189 of the 344 227 housing units involved in the programme for black people had been sold" and about 293 000 houses were still available, Informa said. As they could not have been sold" with full property rights, they were presumably bought under the 99-year lease scheme, and



□ HEUNIS ... "no units sold"

Informa's figures show that the programme has hardly been a resounding success.

Indeed, in a recent book — "The Political Economy of Modern South Africa" (David Philip) — Alf Stadler, the University of the Witwatersrand political scientist, estimated that this amounted to "perhaps 1% of housing stock".

Part of the problem is technical. In March this year, the Director-General of Public Works and Land Affairs, Piet van Blommenstein, said government's attempts to provide individual land tenure would take up to a year to complete.

He said then that 73 000 National Housing Commission stands had been surveyed and scrutinised, but documents returned to government surveyors for finalisation of plans. A further 45 000 stands were still under survey.

About 518 000 stands had been surveyed and the documents approved, while documents for 43 000

BARRY STREEK in Cape Town

stands, which had been surveyed, still needed approval.

The need for proper surveys is obviously essential before any land can be sold under freehold title and they will have to be completed, at least in defined areas, beforehand.

But assuming those administrative steps are completed, will the sale of property in black areas take off?

The experience so far indicates that this is unlikely.

'Strategy'

A major problem is essentially political. Stadler argues that, after the Soweto uprising in 1976, "privatisation of municipal and government housing in the townships became an important strategy for creating a property-owning 'African middle class' with 'a stake in the country'."

There is clearly a strong perception in the townships that government and business have a deliberate policy of creating a black middle class as a political strategy to defuse tensions and establish a "buffer" group with vested interests in maintaining stability.

This belief has certainly facilitated suspicion and resistance to the purchase of property. It has not been helped by the perception that the 99-year scheme is a lesser right than freehold title, which is available to other groups.

There is also a belief that the houses are not worth the asking price, and it is argued that people who have been paying rent for years have already paid for their cost.



□ OLIVIER ... asked question

Indeed, an intriguing thought giving away the houses has been circulating in government circles although there has been some opposition to this idea.

However, there is historical precedent for regarding permanent occupation of property as the basis for freehold title: the farm land occupied by Trekkers and other settlers last century eventually became recognised as ownership, although nothing was paid for the land. In this way, these settlers acquired assets and capital for virtually nothing.

What is beyond dispute is that despite last year's announcements freehold title to property has yet to be acquired by black people in the urban areas.

And it still remains to be seen whether, after completion of the surveys and other technical details, black property ownership does in fact start taking off some time next year.

**United
refutes
bond
claims**

FINANCE STAFF

The United Building Society (UBS) yesterday refuted claims that only a few new bondholders will benefit from its 12,95 per cent mortgage bond rate.

The Star had claimed on Thursday that few people would benefit from the lower rate, as there was a decline in demand for new bonds over the last few months.

A UBS spokesman argued that all new borrowers who satisfy the society's normal requirements would receive the new 12,95 percent rate.

"With our average mortgage lending running to well in excess of R200 million a month for the first five months of this year, it follows that a very significant number of people will benefit from our new rate."

At the same time, existing United borrowers will continue to pay an existing rate of 13,5 per cent.

"Since the United has funded more than 300 000 existing homes in South Africa to date, all these homeowners will benefit from our decision to hold these rates," the spokesman said.

ther toll projects. These projects are currently under construction.

- (b) (i) On National Route 3 between Freere and the farm Keeverfontein with the toll plaza located at the northern end near Keeverfontein;

On National Route 1 between Kroonstad and the farm Vergeenoeg with the toll plaza located to the south of the Vergeenoeg interchange; and

The Du Toits tunnel on National Route 1 between Paarl and Worcester.

- (ii) Freere—Keeverfontein: During March 1988;
Kroonstad—Vergeenoeg: during June 1988; and
Du Toitskloof tunnel: during April 1988.

Hartbeespoort Government Water Scheme

*18. Mr A GERBER asked the Minister of Water Affairs:†

- (1) Whether water from the Hartbeespoort Government Water Scheme is being supplied to Bophuthatswana at present; if so, (a) what quantity and (b) for what purposes;
- (2) whether it is the intention to enlarge the (a) Rudd Dam and (b) main canal from this dam; if so, when;
- (3) whether this will be done with the object of making a quantity of water or an additional quantity of water available to Bophuthatswana; if so, what quantity;
- (4) whether this water will be made available for irrigation purposes only; if not, for what other purposes;
- (5) whether he will make a statement on the matter?

†The MINISTER OF AGRICULTURE (for the Minister of Water Affairs):

- (1) Yes.
(a) 1 600 cubic metres per day.

†The MINISTER OF LAW AND ORDER (for the Minister of Justice):

- (a) None.
(b) Falls away.

Housing: statistics

*21. Mr K M ANDREW asked the Minister of Home Affairs:

- (1) Whether the Central Statistical Services keep statistics on housing in respect of the various population groups; if not, why not; if so, whether there is a (a) shortage or (b) surplus of housing for (i) Whites, (ii) Coloureds, (iii) Indians and (iv) Blacks in the Cape Peninsula; if so, what was the extent of the shortage or surplus in respect of (aa) Whites and (bb) Coloureds as at the latest specified date for which information is available?

The MINISTER OF HOME AFFAIRS:

- (1) and (2) No, the Central Statistical Service has no survey concerning this subject.

Mr K M ANDREW: Mr Speaker, arising from the hon the Minister's reply, in view of the fact that I was advised that his was the department to which to direct this question, could the hon the Minister tell us whether any department that he knows of keeps these figures? [Interjections.]

The MINISTER: Mr Speaker, the functional responsibility in regard to housing rests with other departments and the hon member should know which other departments are concerned.

Mr K M ANDREW: Does the hon the Minister know?

The MINISTER: Central Statistical Services does not operate where there is a functional responsibility on the part of other departments. These are specifically the own affairs departments relating to housing.

Mr K M ANDREW: Mr Speaker, further arising from the hon the Minister's reply, may I ask him, in view of Coloured housing being an own affair, to whom I should address that question?

The MINISTER: Mr Speaker, there is an own affairs department in the House of Representatives dealing with housing and no doubt the hon member has sufficient knowledge of the way Parliament operates to direct his question to them. [Interjections.]

Group Areas Act

*22. Mr K M ANDREW asked the Minister of Constitutional Development and Planning:

Whether any action has been taken against (a) owners and (b) occupants of residential property in the Cape Peninsula in terms of the provisions of the Group Areas Act, No 36 of 1966, during the past two years; if so, (i) in what suburbs were the affected properties located, (ii) what action was taken, (iii) who initiated the action, (iv) who decided that action should be taken, (v) why was action taken, and (vi) what was the outcome of the action taken, in each case?

†The MINISTER OF TRANSPORT AFFAIRS (for the Minister of Constitutional Development and Planning):

- (a) Yes.
(b) No, not by my Department.
(i) Kenwyn, Ottery, Lansdowne, Wetton and Philippi.
(ii) Notices in terms of section 41 (i) of the Act were served on them.
(iii) Action arose from complaints lodged with the Police by the public.
(iv) In terms of Government Policy.
(v) In terms of Government Policy and in view of occupation by disqualified persons in contravention of the provisions of the Act.
(vi) Five affected persons have not yet reacted. Two occupants have vacated the premises concerned. Two occupants have applied for re-classification. One occupant has applied for a permit to occupy.

*19. Mrs H SUZMAN asked the Minister of Law and Order:

- (a) How many persons were being detained in terms of section 29 of the Internal Security Act, No 74 of 1982, as at 31 July 1987 or the latest specified date for which information is available and (b) how many of these persons were under the age of 18 years?

The MINISTER OF LAW AND ORDER:

- (a) 221 persons.
(b) 16 persons on 31 July 1987.

Internal Security Act

*20. Mrs H SUZMAN asked the Minister of Justice:

- (a) How many persons were being detained in terms of section 28 of the Internal Security Act, No 74 of 1982, as at 31 July 1987 or the latest specified date for which information is available and (b) how many of these persons were under the age of 18 years?

Building societies under the whip

By Stephen Rogers

THE United Building Society's mortgage-rate reduction could result in other societies bringing the cost of money closer to the 12,5% offered by banks.

Borrowers who apply for a UBS loan up to 80% of the value of a property will be offered 12,95%, and applicants for a loan over 80% will pay 13,5%. The rate for existing bondholders will be lowered from 14,5% to 14%.

This move reverses the UBS rate increase at the beginning of the month and has been interpreted as the first serious attempt by a building society to stem the flow of business to the banks.

UBS managing director Mike de Blanche declines to be specific about the motives behind the rate decrease, except to say "it will make the UBS more competitive".

With First National writing almost R60-million of new housing business a month and Standard's figure having doubled in recent months, the problem is serious for building societies.

Standard's housing book is now more than R500-million. Its target is R1-billion for the year. In spite of Standard's disappointing profit results, managing director Conrad Strauss says the bank is not losing on 12,5% lending.

First National has R1,5-billion in housing loans.

Although the banks' market share is well

below the R8-billion of UBS, if the rate differential is maintained the position could change.

It is uncertain how much new business the UBS will attract. Building societies can lend up to 90% of a property's value. Most of them say loan applications are closer to 90% than 80%.

So most new business may be written at 13,5%. Even if a new borrower qualifies for 12,95%, it is still higher than the banks' rate and is not guaranteed for any period of time — unlike Standard's.

Some analysts believe that the new rates are merely a marketing ploy and will soon be revised. However, Mr de Blanche stresses that the new structure is not a temporary measure and will be maintained "as long as market conditions permit".

The other societies are waiting.

But they are worried by recent developments and the building society movement is now under threat on two flanks. The banks are eating away at their market share and granny bonds are threatening to erode their deposit base.

It is believed that the Department of Finance has reassured the societies that it will revise granny bonds. It is likely that the age limit will be raised and the maximum amount reduced.

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- (5) whether he will make a statement on the matter?

†The MINISTER OF AGRICULTURE (for the Minister of Water Affairs):

- (1) Yes.
(a) 1 600 cubic metres per day.

(b) Mining.

- (2) (a) and (b) Yes, there is a possibility, but the date is as yet unknown.
(3) Yes, but the possible additional quantity has not yet been determined.

(4) No, the indications are that the water will be applied mainly for domestic use and limited industrial purposes. The possibility of stock watering and small scale irrigation is, however, not excluded.

(5) Yes, Bophuthatswana is a co-basin state of the Crocodile River catchment and as such is entitled to water from the catchment. Negotiations in this regard are taking place on a continuous basis between the Republic of Bophuthatswana and the RSA through the Permanent Water Commission, which was established to specifically discuss matters of this nature.

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WEDNESDAY, 12 AUGUST 1987

† Indicates translated version.

For written reply:

General Affairs:

State budget: percentage spent on agriculture

190. Mr A GERBER asked the Minister of Agriculture:†

What was the average annual percentage of the total State budget spent on agriculture in the years (a) 1951 to 1960, (b) 1961 to 1970, (c) 1971 to 1980 and (d) 1981 to 1986?

The MINISTER OF AGRICULTURE:

- 12/8/87
- (a) 9,36 per cent.
 - (b) 6,87 per cent.
 - (c) 4,36 per cent.
 - (d) 3,25 per cent.

Other expenditure in respect of agriculture, eg from statutory levy funds, is not included in these percentages.

Answer

Rent/levies in arrears

267. Mr J H VAN DER MERWE asked the Minister of Constitutional Development and Planning:†

With reference to his reply to Question No 15 on 26 May 1987, (a) what total amounts were owing to organizations under his control in respect of arrear (i) rent and (ii) levies for (aa) water supply, (bb) electricity supply and (cc) other specified services as at 30 April 1987 or the latest specified date for which figures are available and (b) what steps are being taken to collect these amounts?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Provincial Administration of Natal

- 12/8/87
- (a) (i) As house rent and service fees are levied as a single amount,

from their salaries and to forward it to the Councils, is bearing fruit.

— A manual to institute civil action against defaulters has been compiled for Transvaal and made available to the local authorities.

— Black Councils undertake legal action (civil action) against defaulters.

— In certain cases services are suspended.

— Defaulters are sometimes threatened with ejection and in certain cases ejected.

— In certain areas newsletters are circulated under residents to emphasize the importance that payments be made.

— The Municipal Police are used to remind defaulters to comply with their obligations. (Monies are not collected by the Municipal Police).

Provincial Administration of the Orange Free State

(a) The total amount in arrears on 30 April 1987 in the Orange Free State regarding (i) rent and (ii) levies for (aa) water supply; (bb) electricity supply and (cc) other specified services amounts to R10 929 839,00.

(b) — The effect of money in arrears is constantly emphasized during the preparation and consideration of budgets.

— Black local authorities take civil action against inhabitants where payments are in arrears.

— Services are in some cases suspended.

— Information actions are continuously launched in order to improve communication between inhabitants and the Council and to emphasize the necessity for

the payment of rent and service charges.

Provincial Administration of the Cape Province

(a) (i) R21 703 524.

(ii) (aa), (bb) and (cc) R21 519 927 (are not kept separately)

as on 30 April 1987.

Action taken to recover arrears in respect of (a) above, are as follows:

— Personal interviews with rent and service charge defaulters.

— Letters to residents notifying them of arrears and requesting them to make arrangements for the settlement thereof.

— Negotiations with employers/employees regarding voluntary deduction orders.

— Action in terms of the Housing Act (Act 4 of 1966).

— Civil action in terms of Regulation 18 (1) of government notice R1036 of 14 June 1968.

Supplementary reply to Question No 18 on Monday, 15 June 1987, put by Mr S S van der Merwe (col 145).

Regional services councils

18. Mr S S VAN DER MERWE asked the Minister of Constitutional Development and Planning:

(1) Whether any persons have been appointed as chairmen of any regional services councils; if not, when will such chairmen be appointed; if so, (a) in respect of which councils, (b) what are their names in each case and (c) (i) what remuneration package will they receive and (ii) how will this package be made up;

(2) whether these chairmen will receive any fringe benefits; if so, (a) what

THE total value of building plans passed for May 1987 increased by 25,1 percent compared with May 1986.

Plans for dwelling houses rose 22,1 percent, the majority falling into the urban areas of Pretoria and the Witwatersrand.

Although the total value of building plans passed in 1986 declined by 12,5 percent when compared with 1985, the plans for dwelling houses increased 21,3 percent.

The average price per dwelling house during 1986 was R42 600 as against R53 500 and R59 100 during 1985 and 1984 respectively.

This decrease indicates the sharp increase in the number of plans passed for dwelling houses in black urban areas.

The government in its fiscal policy stance has committed itself towards solving the black housing problem. At the beginning of 1986, R750-million was put aside for black housing.

Trust

Over R400-million was to be used to establish a national housing trust where funds would be lent to blacks at a subsidised rate of 8 percent for houses costing R20 000 or less. An amount of R350-million was made available for Government spending on black housing.

It was estimated by the economics committee of the SA Institute for Housing that by February this year only 13 percent of the initial R750-million had found its way into the building sites. This means that the major impact of housing development (R650-million) is still to be felt.

The money made available will help create the beginnings of a boom era in black housing. This upsurge in building and construction activity will be supplemented by infrastructural development and upgrading in regions favoured for housing development as well as business and industrial expansion.

Relieving

This will have a stimulatory effect on the rest of the economy. Industries in the subsectors immediately associated with building and construction such as cement, paint and glass will obviously be the first to benefit.

Construction, being labour intensive, will also help towards relieving a proportion of the unemployed especially as activity in the sector increases.

Although the Government has indicated its willingness to allow black housing and development in urban areas through support given for example to the Development Bank and the Housing Trust in this area, many fundamental problems still remain.

AN ECONOMIST of the First National Bank, Lynn Pikholtz, looks at a sore point in our national life, the huge backlog in black housing.

FOCUS



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Homes for the people

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Major impact of new housing policy still to be felt

Not least of all is the cost involved — estimated to be a staggering R18-bn. if the housing backlog is to be eliminated within five years.

The Government sees its responsibility more towards providing land and infrastructure rather than participating directly in mass housing schemes.

Racial zoning severely impedes the allocation and utilisation of land. Land made available on a regional basis often does not coincide with where the demand lies.

A land shortage of 30 000 ha in the Central Witwatersrand has been identified.

The acute housing shortage manifests itself in overcrowding in the African townships where the average occupancy is estimated to be 16 people per dwelling.

Moreover the Government's stance places a fair proportion of direct financial participation in the hands of the private sector and the black residents themselves.

When the low incomes of the black population are taken into account, it is unlikely that the vast majority would be able to make a significant contribution towards housing costs.

According to the National Building Research Institute, 84 percent of Africans, 50 percent of coloureds and nearly 33 percent of Indians cannot afford a low cost dwelling without a subsidy.

Only a quarter of Africans could make any contribution to housing costs at all and in 1985

only about 12 percent could afford a building society bond of more than R20 000.

The provision of fixed low interest rates by building societies, Government subsidies and the freeing of institutional funds are all mechanisms which would make houses more within financial reach.

The SA Housing Trust has approved loans valued at more than R220-million which should finance 20 000 - 22 000 housing units at an average value of R11 000.

Alternative materials, cheaper and faster building techniques and low maintenance costs have become major factors in institutional and public choice.

The lack of manpower resources at a construction level inhibits development in this area. The probability of the costs of traditional building materials rising steeply as building activity picks up makes the investment in alternative materials and methods worthwhile.

Self-help timber-frame

construction is benefiting greatly from the demand for low cost housing. A housing unit of this type that is 54 square metres in size is estimated to cost between R5 000 and R6 000.

While housing plans and development to date may just be the tip of the approximate 574 063 unit shortage (excluding the homelands), they represent a significant trend of Government policy towards housing and what we should anticipate in the building and construction sector in the future.

It should be noted that the extent of the time lag between the allocation and use of funds, or more specifically, between the planning and construction of the dwelling units will greatly affect the impact made on the housing shortage itself and the economy generally.

It is generally expected, however, that we should witness a noticeable increase of capital expenditure in black housing by the year end.

United could provoke an interest rate war

12/8/87 Star (123)

Magnus Heystek
Finance Editor

The battle between banks and building societies is expected to hot up from next Monday when South Africa's newest bank, called the United Bank, opens its doors for business.

This new entrant into the banking fray can even lead to lower interest rates offered to borrowers as other banks try to maintain market share.

United Bank will be operating from the 72 United Building Society branches countrywide using the existing UBS and Volkskas systems and infrastructure.

Initially, United Bank will be offering two products — namely personal loans and short-term fixed deposits but some corporate business will also be handled.

"The new bank hopes to offer the full range of commercial services such as cheque accounts, electronic fund transmissions, treasury and international services and personal financial planning," Mr. Piet Badenhorst, Chief Executive of the



ER Bosman, MD

United Building Society said yesterday.

The bank will focus its initial marketing effort on selected United clients, who will be invited to make use of the new facilities at their disposal. With a present client base of over 300 000 bondholders and more than two million depositors this represents quite a considerable client base. To maintain existing clients, competing banks will have to offer alternative or even superior products.

With an initial share capital of R60 million, United Bank will



CA Scholtz, GM.

over time evolve into a fully fledged commercial bank with the short-term potential for a balance sheet of the order of R1 billion worth of potential business.

The new bank's cost effectiveness will be enhanced by the fact that virtually all the infrastructure required to function is already in place. "We are fortunate to have a sophisticated and extensive systems capability which will ensure that we will be fully operational from day one," said Mr. Badenhorst.

One contentious point is



AC van Vliet, GM.

whether the new bank will compete directly with existing clients of Volkskas. Answering this question Mr. Badenhorst said: "Volkskas has a long established and extremely loyal client base to whom we will not address ourselves. Instead we will focus our attention on our own established United clientele and then broaden our scope to other segments of the market that are more compatible with the intended positioning of United Bank.

The United Bank will be jointly owned by the United Building Society and Volkskas Bank. This follows the recent tie-up between the two with United acquiring 30 percent of Volkskas and the latter getting 10 percent in the UBS.

The first managing director of the United Bank will be Mr. Nallie Bosman, a career banker with Volkskas, who until recently was general manager at Volkskas's regional head office in Durban.

Mr. Piet Badenhorst has been appointed chairman of the new bank. Others on the board are Mr. Mike de Blanche, managing director of the UBS, Dr. Pieter Morkel, managing director of Volkskas Group and Dr. Danie Cronje, executive chairman of Volkskas Merchant Bank.

Two general managers have already been appointed. They are Mr. Arie van Vliet and Neels Scholtz.

Minister wants extensive home ownership in SA

By MAGGIE ROWLEY, Financial Staff

HOME-ownership contributed towards peace and stability and therefore needed to be extended to as broad a base as possible, Mr F W de Klerk, Minister of National Education and chairman of the Ministers' Council, said today.

Opening the 21st convention of the South African Property Owners' Association (Sapoa) in Cape Town, Mr de Klerk said the success of South Africa's economy rested on stability. Home-ownership in any country almost assured stability.

While the white population was stagnating in growth the black population was growing rapidly, he said. As a result there was a vast need for more housing.

"And if we want a stable community there is also a great need to assure the growing section of the population that in the near future they will gain home-ownership and a vested interest in the soil of this country," he said.

"If we want stability and want to make this a great country we will have to upgrade the quality of life of all South Africans and get rid of backlogs in providing these for the growing sections of our population," he said.

The Mayor of Cape Town, Mr Leon Markowitz, called on the Government to abolish the Group Areas Act and to open surrounding trading areas, besides the central business districts, to people of all race groups as few black businessmen could afford high CBD rents.

Flat tenants demand R150 000

Rent boycott threat in city

By Martin Challenor

Tenants of eight blocks of flats in central Johannesburg, the majority of them black, have threatened to stop paying rent until they learn what has become of an estimated R150 000 in deposits they say they lodged with a letting agency, Group C Ventures, that is to apply for liquidation next week.

Residents of Argyle Court received a letter from Hillcrest Finance and Property Consultants of Randburg on July 24 saying that with immediate effect, "the new owner of the building is Hillcrest Property Management CC.

"The previous owners, Group C Ventures, are no longer connected in any way to the building. However, any deposits previously paid to Group C Ventures can only be recovered from that company.

"Hillcrest Property Management CC are in no way connected to that company and therefore are not responsible for any monies held by them."

A group of tenants moving out of Argyle Court at the end of July confronted the woman caretaker of the building and demanded their money. She was hit over the head with a stick by one man who accused her of stealing the money.

Tenants identified these buildings as being run by Group C Ventures: Argyle Court, Branksome Towers, Protea Mansions, Claridge Court, Fleming Court, Coniston Court, Margate Court and Ansol Court.

Tenants said they had paid R17 400 in deposits to stay in Argyle Court. On their calculations residents of the eight blocks had lodged R150 000 in deposits.

Tenants said they were under the impression that Argyle Court was owned by Gorfil Bros Investments, and leased to Group C Ventures.

Referred to an attorney

Tenants of Argyle Court said that in the past few days they had been contacted by Gorfil Bros and referred to an attorney to receive their deposits.

Mr Nick Seward-Jones of Gorfil Bros investment would not confirm or deny that they were the owners of Argyle Court. When read the list of eight buildings, he said: "Just seven of them."

Mr Seward-Jones referred inquiries to his attorney, Mrs Diane Unterhalter, who said in a letter her law firm acts "for the owners of various of the buildings mentioned".

The letter said the owners of the buildings had let them to Group C Ventures. The lease agreements had been cancelled and they had subsequently let the buildings to Hillcrest "but it might well be necessary to institute legal proceedings against Group C Ventures".

"Our clients did not receive or hold any deposits paid by the sub-tenants of Group C," the letter said.

Attorney Mrs Blorinda Scalco said Group C Ventures was going into liquidation next week. Meanwhile, people were demanding their deposits at her law office.

Mrs Scalco said she did not hold any money for Group C Ventures.

"When the trustee is appointed, the tenants can take the matter up with him," Mrs Scalco said. The tenants have threatened to stop paying rent until then.

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Housing: 'Greedy' developers slammed

By MAGGIE ROWLEY

MASS housing developers who move into black townships motivated by "greed for profit", came under scathing attack at the Sapoa conference in Cape-Town.

Mr Albert Koopman, managing director of Worklink, yesterday told delegates urgent attention had to be given to turning development areas into economically viable zones rather than financially viable zones for industrial operations.

"Developers can no longer afford to be driven purely by a mode of profit, a mode of self interest.

"This lies at the root of the grievances held by small builders and black developers. They feel they are being denied the opportunity of playing their role in their own societies."

Major development companies needed to redefine their roles as marketeers and financiers. Means should be found to scale down building operations and give to the small entrepreneur the role of building homes.

Never before had there been a more urgent need for the creation of

jobs than now and property developers could play a very important role in this regard.

An example of this was to develop a joint "kibbutz" with the local community where the workplace was right next to the place of residence.

"If the community builds their own homes under management guidance of property developers, joint discussions could take place to provide a 'share factory' for the manufacture of building materials and/or other cottage type products.

"If property developers guaranteed uptake of products manufactured in this way, the risk aspect will be removed from the small artisan and it would allow for the development of a cohesive co-operative marketing body run by the property developer," he said.

By redefining their role as trainers of entrepreneurs, developers could actively promote black business. Property developers could also look at improving efficiency and cost effectiveness with their own supply channels by setting up as many co-operatives as possible.

Parliament

R267m rent, levy arrears — Heunis

By BARRY STREEK
Political Staff

RENT arrears and service levies arrears in black townships totalled R267 million, the Minister of Constitutional Development and Planning, Mr Chris Heunis, said yesterday.

His figures — given in reply to a question tabled by Mr Koos van der Merwe (CP, Overvaal) — show that R231,6 million, or 86,7%, of this was owed in the Transvaal.

Mr Heunis said R2,8 million was owed in Natal, R10,9 million in the Free State and R21,7 million in the Cape.

Separate figures for rent and service levies for water supply, electricity supply and other services were not available.

In Natal, all possible administrative measures were taken to recover the arrear rents and levies "including negotiations with large employers to collect outstanding and current rentals from the lessees concerned on a voluntary basis by means of a stop order.

"In an attempt to combat the unrest

situation in the country, no legal steps have as yet been taken against the lessees concerned."

In the Transvaal, people in arrears were called in to discuss arrangements.

"Tenants who are unemployed as a result of circumstances beyond their control are assisted with partial or total remission of rent and service charges.

"In certain areas, the system whereby residents voluntarily approach their employers to deduct rent and service charges from their salaries and to forward it to the councils, is bearing fruit.

"A manual to institute civil action against defaulters has been compiled for Transvaal and made available to local authorities.

"Black councils undertake legal action (civil action) against defaulters.

"In certain cases, services are suspended.

"Defaulters are sometimes threatened with ejection and in certain cases ejected.

"The municipal police are used to remind defaulters to comply with their obligations," Mr Heunis said.

Govt moves to reduce black rental arrears



Mr Steyn Mr Heunis

Supplies Fund gets most of loan back

AN amount of R1 012-million lent to the Central Energy Fund (CEF) has been repaid to the National Supplies Procurement Fund as "a result of the Government's stimulatory programme".

The CEF had in turn paid the repayment to the Treasury, the Minister of Mineral and Energy Affairs, Mr Danie Steyn, said in the Assembly.

"What the Treasurer will do with that I don't know. That's a budgetary action," he said during the committee stage of the mineral and energy vote.

The total loan to the Central Energy Fund amounted to R1 269 553 387,97 — an "audited figure". The amount still outstanding would be paid soon, Mr Steyn added.

It was a "factual story" which could be checked, he said.

In reply to a question by Mr Roger Hulle (PFP Constantia), Mr Steyn said that was the only money that had flowed from the CEF.

Replying to points raised by Conservative Party members, Mr Steyn said the Government was not prepared to use the country's minerals to counter sanctions. — Sapa.

Parliamentary Staff

A TOTAL of R288,545-million in rents and services fees for black township houses had not been paid by April this year and steps were being taken by the four provincial administrations to collect these arrears.

The Minister of Constitutional Development and Planning, Mr Chris Heunis gave the figure in Parliament in reply to a question from Mr Jan van der Merwe, Conservative Party MP for Overvaal.

The figure referred only to townships under the control of Mr Heunis's department, which includes the provincial administrations.

In the Transvaal the arrears were R231 569 523, in Natal R2 822 284, in the Free State R10 929 839 and in the Cape R21 703 524.

Steps taken

Mr Heunis detailed the steps that were being taken by the four provincial administrations to collect these arrears.

● In the Cape action included:

Personal interviews with defaulters;
Letters to residents informing them of arrears and asking them to make arrangements for settling;

Negotiations with employers and employees about voluntary deduction orders;

Action under the Housing Act and;

Civil action under Regulation 18 (1) of Government Notice R1036 of June 14 1968.

● In the Transvaal:

Tenants in arrears were called in to discuss arrangements to pay off the arrears;

Those unemployed as a result of circumstances beyond their control were helped with partial or total remission of rent and service charges;

In some areas residents voluntarily approached their employers to deduct rent from their salaries.

Black councils were taking legal action against defaulters.

Some services were stopped, some defaulters were threatened with eviction and some evicted.

● Mr Heunis said in Natal all possible administrative steps were taken to collect rent, including negotiation with large employers to collect arrears voluntarily by stop order.

● In the Free State the effect of arrears was constantly emphasised during the preparation and consideration of budgets.

HOUSING

'Dramatic' drop in standard of houses for whites

By TOM HOOD, Business Editor

THE standard of white housing has dropped dramatically in seven years and the average house is now about 46 percent smaller in floor area, specification and size of plot, says Mr R J Crockett, a director of homebuilders Sage Schachat.

"Events in this period succeeded in achieving the long-term objective of reducing the high standards of housing which South Africans took for granted for so long," he said today at the South African Property Owners' Association conference Cape Town.

In 1980, the home-loan rate was 11 percent, rising to an all-time high of 23 percent in March 1985 and at present it is at 14,5 percent, he said.

Another negative factor was the substantial rise in the price of land impacting on the cost of the total package, leaving less for the house (building) part of it.

Three bedrooms

In 1980 the average transaction was R69 000, made up of R54 000 for the house and R15 000 for the land, excluding bond and legal costs.

For this, a buyer would expect a 115m² to 120m² brick-under-tile home with 20m² of outbuildings, three bedrooms, two bathrooms, living room, dining room, fully-fitted kitchen and either a study or family room. This would include such extras as a patio or pergola outdoor living area.

Today, for R62 000 (equal to R32 000 in real terms) a home owner would get a R45 000 house while the land would cost R16 000. The house would be from 70m² to 75m², brick under tiles, with no outbuildings and only two to three bedrooms, one-and-a-half bathrooms, combined living/dining area and a modestly-fitted kitchen.

Salaries had not kept pace with building costs while inflation had increased from about 14 percent a year to more than 19 percent at times. Building costs could rise by about 20 percent this year.

Gap slightly closed

The gap between cost of a house and site and what a purchaser could afford had closed only slightly as a result of softer bond rates and land prices.

High building-cost increases and relatively-low salary increases expected in 1987 would dilute any positive impact that recent softening of interest might have on affordability.

More than 75 percent of new housing is subsidised in one form or another, said Mr Crockett.

"Had it not been for positive steps taken by the government to actively encourage home ownership, particularly for the low-income group, our industry would probably have experienced its worst recession ever."

'Upgrading the answer for SA'

By MAGGIE ROWLEY, Finance Staff

INFORMAL housing, including squatter camps, would have to be upgraded rather than demolished if South Africa was going to meet the housing shortage, says Mr Colin Appleton, Western Cape regional director of the Urban Foundation.

He told the 21st annual convention of the South African Property Owners' Association in Cape Town today that informal housing was frequently minimum shelter.

However, for many thousands of South Africans it would be the only form of housing they would be able to afford, especially in the early stages of migration to the urban areas.

In the past, South Africa had tended to opt for the demolition of these shelters which had often been accompanied by social disruption and community resistance.

ENORMOUS SUBSIDIES NEEDED

Unless the government embarked on an enormous subsidisation programme, the low income of blacks precluded the bulk of the population from buying conventional housing.

It was estimated that the black urban population would virtually double to 18-million by the end of the century. This would mean between 125 000 and 150 000 hectares of ground would have to be acquired around the major urban centres for housing.

In addition, the black housing backlog stood at around 600 000 units and if a modest R20 000 was spent on each unit to provide a conventional low-cost home on a service site, an astronomical R12-billion would be required at present-day costs to satisfy the current backlog before future needs were addressed.

"This excludes the ongoing cost of subsidisation which would have to be provided at a substantial level if the bulk of people were to be able to afford even these modest units," said Mr Appleton.

ADVANTAGES IDENTIFIED

The government and the private sector urgently needed to develop policies to facilitate the upgrading of existing informal housing and to establish site-and-service schemes.

Mr Appleton said that internationally, several advantages had been identified in the upgrading of informal settlements and shelters, rather than their destruction. These included:

- Maximum conservation of time and money already invested by people in their own housing;
- Capitalising on the existence of cohesive communities, facilitating mutual assistance in the development process;
- Reinforcing the initiative of individuals by helping them to improve on the efforts they have already made; and,
- An intrinsic commitment not to place people in a position in which they are unable to afford housing.

The government and private sector also needed to provide a full spectrum of community facilities to ensure development of the human potential.

"In developing policies for housing in the future it will be imperative that a process of planning and consultation with the affected community takes place.

"Through this process, not only do we learn about their housing requirements, but we will make a substantial contribution towards creating a climate of understanding and meeting the challenge of our housing demand," said Mr Appleton.

LAST YEAR it seemed government had decided to phase out the single-sex hostels for some 700 000 migrant workers in SA, but this no longer appears to be the case.

The controversial hostel system, mostly for single black men from the rural areas working in the towns and cities, has long been condemned because of the isolation of residents from the rest of the community, the conditions in the hostels and the extensive controls exercised over them.

The system, which houses more than 300 000 black people, mostly men, and a further 400 000 men on the mines, has also been condemned because the workers are not only separated for long periods from their families but also have to live in "unnatural" circumstances with members of one sex.

'Family units'

Indeed, Liz Sparg, who wrote on the matter in a research paper in 1984, argued that the workers in the hostels were "treated in the crudest way as commodities in the labour process".

In May last year it appeared that government was taking steps to end the system and turn the hostels into family housing. Minister of Constitutional Development and Planning Chris Heunis said in Parliament that his department "does not consider conditions in the single-quarter accommodation to be satisfactory".

As a result of the repeal of Influx

And there's still no home-from-home

BARRY STREEK in Cape Town

Control, "it is envisaged that all single quarters in the townships will eventually be altered into family units and that employers who insist on housing employees in single quarters will be requested to erect hostels themselves".

It was an emphatic statement, leaving little doubt that Heunis wanted to see the end of the hostels. But a month later Heunis — who at the same time revealed that 58 of the 186 single sex hostels for migrant workers were filled to the brim — said two more would be built during the 1988/9 financial year because "a demand for accommodation of persons on a single basis exists at Pietersburg and Hoedspruit".

Now it has been confirmed that the existing hostels at Lwandle, near Somerset West, and The Strand are to be upgraded — at a cost of R3,78m — by the Cape Provincial Administration for accommodating single black workers.

Far from leaving it to employers to erect single sex hostels, government is continuing to extend the system. Ken Andrew, chairman of the PFP's federal executive, commented that the Lwandle decision "flies in the face of government's claimed policy of 'orderly urbanisation'".

'Anger'

He said it was "madness" to provide only single quarter accommodation in a township serving Somerset West and Gordon's Bay, which are both in Heunis's Helderberg constituency, as well as The Strand, with the only family housing for blacks being available many kilometres away.

Andrew added: "Government never seems to learn, or perhaps it doesn't want to. This decision has caused considerable anger and was taken without even consulting

the people most concerned.

"Family housing is a prerequisite for a stable community, and I call on Heunis to reverse the decision without delay."

Heunis indicated this week that "renewed representations" had been received from the people in Lwandle that the existing residents, who include women and children, should be accommodated there.

"Further information has accordingly been called for in order to reconsider the matter."

So the Lwandle decision is to be reviewed and it is possible, because it directly contradicts the policy outlined by Heunis in May last year, that it could be changed.

But, sadly, this seems unlikely. Heunis said the municipalities of Gordon's Bay and The Strand, as well as the Divisional Council of Stellenbosch, were in favour of upgrading Lwandle as a single sex hostel, while the Somerset West

municipality was in favour of the provision of family housing.

This indicates that the attempt to transfer the single sex hostels into family housing is meeting resistance from white local authorities, making it even more difficult to implement the policy outlined last May. While there is this confusion about government policy regarding single sex hostels, the social problems continue.

For instance, City Press reported last weekend that Glebe hostel in Durban, which houses some 10 500 tenants, had become a haven for prostitutes of all races.

"Even schoolchildren and married women have become constant visitors in this hostel when they are certain to make themselves a quick buck," the newspaper said.

Questions

Peter Soal, the PFP MP for Johannesburg North, who has persistently tabled questions in Parliament about the single sex hostels, has called for a halt to "this thoroughly un-Christian existence" which was forcing families to live apart. "One of the root-causes of our problems is this single-sex hostel system. We should be moving away from the system, not building more hostels," Soal said.

In principle, Heunis seemed to agree last May. But unless the Lwandle decision is reversed, this does not appear to have become practical policy yet.

(123) 5/10/87
14/8/87

Need for housing land

THE lengthy procedures involved in identifying land for low-income housing will have to be short-circuited and the role of guide plans reviewed, the Urban Foundation's Colin Appleton said yesterday.

Appleton, the organisation's Cape area director, addressed the SA Property Owners' Association (Sapoa) convention in Cape Town.

In the short term, what might be required was the formation of a special "task force" of representatives of the public and private sectors, with special delegated power, to identify suitable land around the urban areas for low-income hous-

By JANE STRACHAN

ing and make it available as rapidly as possible, he said.

And instead of demolishing established informal housing, ways should be found to upgrade it and policies developed to facilitate access to this basic kind of shelter.

Estimates of the backlog for housing for blacks were usually quoted at around 600 000 units, according to Appleton. Assuming a modest figure of R20 000 to provide a conventional low cost unit on a serviced site, R12bn would be required at present day costs to satis-

fy the current shortfall.

While it was extremely difficult to estimate the number of people living in informal housing in SA, an Urban Foundation study of the Durban Functional Region estimated the total population in 1986 as 3,3-million, of which 1,5-million (45%) were black people who lived in shacks and informal settlements.

This crisis arose largely because the reality of black urbanisation had been ignored. Yet it was estimated that by the end of the century 18-million blacks would be urbanised, two-thirds of this population living around the existing metropolitan areas.

Special

Radical rethink needed on housing

By MAGGIE ROWLEY

Ms 645

14/8/82

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A RADICAL rethink by both government and private sector was needed if South Africa was to redress the huge housing backlog and cater for future housing needs.

This was the overriding view of speakers at the 21st convention of the South African Property Owners Association (Sapoa) in Cape Town this week.

The backlog in black housing stands at about 600 000 units. If a modest R20 000 was spent on each unit to provide a conventional low-cost home on a serviced site, an astronomical R12-billion would be required at present-day costs to satisfy the backlog before future needs were addressed.

Frightening future

And the future needs are frightening. It is estimated that the black urban population will nearly double by the year 2000. Two-thirds of this population will live in and around the existing metropolitan areas. This means an additional area of ground of about 130 000 hectares — more than 12 times the size of Soweto — would have to be acquired for housing in these areas, Mr Colin Appleton, Western Cape regional director of the Urban Foundation, told delegates.

Unless the government embarked on a huge subsidisation programme, even low-cost conventional homes were beyond the means of most black people.

Therefore to address the crisis and

to meet future needs, a radical rethink on informal housing would be required, Mr Appleton said.

He argued that while informal housing was frequently minimum shelter, it was the only form of housing many thousands of South Africans could afford. Therefore rather than bulldozing squatter camps and other informal dwellings, the government and private sector should be looking at upgrading these shelters.

Revamp system

But before this could become a reality the unaffordable levels of standards for both services and houses — which have remained largely restrictive measures whose usefulness is more applicable to the first world — would have to be reviewed as would policies controlling access to land and finance.

If unplanned settlements and the illegal invasion of ground were to be avoided, the whole process of the release of serviced land would have to be speeded up. Serviced land would also have to be located as close as possible to work opportunities and transport routes.

In addition, the system of subsidies would have to be revamped in order to focus on the poor, rather than the middle classes; to create initial access to shelter and to stimulate housing supply while avoiding the stimulation of demand for excessive standards.

A number of speakers stressed the need for developers to move away from a "dormitory approach" to

black housing and to allow black developers to participate in this market.

Housing projects created communities which needed to be served by other facilities such as retail shops, recreation and industrial facilities — a point which seems to have been missed by most developers to date. Mr M Liposa, managing director of African Development & Construction Holdings, said.

While there were many opportunities for development in the black sector there were also threats, the most important of which was the conflict of interests between existing white developers and emergent black developers with the tendency of financial institutions to favour the former, he said.

Conflicting interests

White developers should be creative and tolerant enough to be able to allow black developers to participate and benefit from exploitation of opportunities in the black sectors. Such a practice would be good strategic business thinking and would foster goodwill.

Among the laws hindering housing development that came under scrutiny was the Group Areas Act. However merely abolishing this would not solve the housing crisis, Dr Frederik van Zyl Slabbert, executive director of the Institute for Democratic Alternatives for South Africa (Idasa) pointed out.

Rather, what was required was a multiple, long-term strategic approach, which would entail a large-

scale political initiative from the government with a sustained private sector input that would in turn unleash the active co-operation of communities themselves in community development and housing.

Political initiative

The political initiative would have to set goals which were acceptable to those communities. In addition it would have to justify short-term sacrifice for longer term reward such as an unequivocal commitment to the legal dismantling of apartheid structures which would create conditions of freedom of association in which credible community leadership could develop. This leadership could then devolve effective power to the communities so that the people within them could act autonomously in pursuing their own interests.

Against such political goals, the new South African Housing Trust — which aims to raise R1-billion through mobilising government and private sector resources — would be able to operate in a much more amenable climate and it would also make it easier for both public and private sector interests to generate new financing and development strategies for housing. Through co-operation from communities, the non-commercial risk of such ventures due to political instability and unrest would also be reduced.

Dr Slabbert called on the Sapoa to push in the short term for the Group Areas Act to be scrapped, and for de-regulation, particularly in black areas.

(b) Pending:

Coloureds.....	1
Indians.....	—
Blacks.....	1

Own Affairs:

Economic/sub-economic housing

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mentioned housing projects erected by the Department itself, the Department also finances the construction of dwellings by local authorities, housing utility companies and welfare organisations from the Development and Housing Fund. The information indicated below reflects the housing projects at present under construction in 1987 or which will be constructed in 1987:

3. Mr P G SOAL asked the Minister of Local Government, Housing and Works:

WELFARE HOUSING

Whether his Department intends building any (a) economic and (b) sub-economic housing in the Republic in 1987, if not, why not; if so, (i) how many units in each case and (ii) in which centres will they be constructed?

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS:

(a) No. The terms "economic" and "sub-economic housing" refers to an obsolete method of financing which is no longer applicable. Housing is now financed to a standard interest rate. According to the Department of Local Government Housing and Works' latest housing policy the Department envisages the execution of pilot schemes in a number of centres to demonstrate the concept of basic homes which can be extended according to the family's needs, as well as the erection of an experimental wooden house project, namely:

Centre	Number of units
Albertville:	
Johannesburg..	10 basic homes
Goodwood:	
Cape Town.....	11 basic homes
George:	
Cape Province .	26 wooden houses

(b) (i) and (ii): In addition to the above-

Howard

HOA

Centre	Number of Persons	DWELLING UNITS	Number of dwelling units
Allwal North.....	35	Centre	
Beacon Bay.....	50	Lichtenburg	13
Despatch.....	86	Pietersburg.....	50
Fort Beaufort	35	Pretoria.....	901
George.....	45	Witbank.....	50
Hartenbos.....	20	Boksburg.....	22
Joubertina.....	21	Johannesburg.....	126
Knyana.....	35	Roodepoort	52
Komga.....	12	Pinetown.....	66
Moltego.....	25	George.....	14
East-London	120	Mossel Bay.....	28
Port Alfred.....	26	Oudtshoorn	22
Port Elizabeth	144	Bellville.....	230
Queenstown.....	58	Caledon.....	10
Stutterheim.....	48	Cape Town.....	219
Uitenhage.....	20	Montagu.....	10
Bellville.....	40	Riversdal.....	15
Cirrusdal.....	20	Springbok.....	56
Hermanus.....	67	Worcester.....	50
Cape Town.....	321	Bloemfontein.....	77
Kraaifontein.....	22	Welkom.....	90
Malmesbury.....	43		
Montagu.....	32		
Napier.....	41		
Nieuwoudtville.....	14		
Paarl.....	98		
Postmasburg.....	18		
Prins Alfred.....	11		
Somerset West.....	60		
Springbok.....	20		
Swellendam.....	28		
Villiersdorp	24		
Vishoek.....	70		
Wolseley.....	56		
Worcester.....	52		
Bloemfontein.....	48		
Dealesville.....	17		
Harrismith	16		
Kroonstad.....	28		
Parys.....	31		
Villiers.....	18		
Virginia.....	20		
Warden.....	7		
Welkom.....	40		

Housing units built

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4. Mr P G SOAL asked the Minister of Local Government, Housing and Works:

(1) (a) How many housing units for White occupation were built in each specified area in the Republic in 1986 and (b) what is the number to be built for members of this population group in 1987;

(2) whether, with reference to his reply to Question No 38 on 10 April 1986, the survey of the shortages in housing has been completed; if not, (a) why not and (b) when will it be completed; if so, (i) what was the scope of this survey and (ii) what were the findings?

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS:

HOA

- (1) (a) Cape Metropolitan area 88 houses
 Durban Metropolitan area 75 houses and welfare housing for 10 persons
 Pietermaritzburg 21 houses
 Pretoria Metropolitan area 385 houses and welfare housing for 20 persons
 Port Elizabeth Metropolitan area welfare housing for 40 persons
 Kimberley welfare housing for 152 persons
 East London 142 houses
 Bloemfontein none
 Witwatersrand Metropolitan area 203 houses and welfare housing for 80 persons
- (b) The hon member is referred to my reply to question 3.

The survey of housing needs is an ongoing process in order to maintain the reliability of housing shortages at the highest possible level.

- (2) (a) and (b) The computerised waiting-list programme was launched on 21 April 1986 and 215 000 application forms were despatched to all the local authorities in the Republic. Good co-operation was received and as at 31 May 1987 the needs of 23 414 cases in respect of Whites were registered, of which the particulars are as follows:
- 8 528 married persons
 - 2 464 divorced persons
 - 10 198 widows or widowers
 - 2 224 single persons

The Department is, however, aware of a considerable number of cases where particulars of needs have not been supplied, especially in regard to recently married or aged persons. These cases are followed up and new needs are received daily at a constant rate for registration.

The survey of housing needs is not only in respect of the lower income group and it is endeavoured to involve persons of all income groups who have a housing need. Persons with an income higher than the present income limit to qualify for state assistance are apparently not adequately involved and an effort is being made to accomplish this.

- (2) whether all persons living on the land to be incorporated are Tswanas; if not, how many persons of each specified race or ethnic group are living on this land; if so, how many Tswanas will be affected;
- (3) whether the residents of this area will be allowed to retain their South African citizenship; if not, (a) why not and (b) what will be the position of (i) non-Tswana and (ii) White persons in this area subsequent to incorporation;
- (4) whether the residents of this area were consulted regarding the decision to incorporate Bostfontein into Bophuthatswana; if not, why not; if so, (a) when, (b) in what manner and (c) what was their response;
- (5) whether the Government of Bophuthatswana was consulted concerning incorporation; if not, why not; if so, (a) when, (b) in what manner and (c) what was its response;
- (6) who is responsible at present for the rendering of local government services to the communities of Bostfontein?
- THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:
- (1) Yes.
- (a) In respect of Portion 4 of Bostfontein 458-JQ, as soon as the South African Development Trust Corporation (SADT) bought out the relative white owners (6).
- (b) Incorporation was requested by the Republic of Bophuthatswana and recommended by the Commission for Co-operation and Development.
- (c) The Parliament of the Republic of South Africa.
- (d) ±1 072 ha (Portion 4 of Bostfontein 458-JQ).
- (2) At present there are 92 blacks (91 Tswanas and 1 Swazi) who are entitled to be registered as joint owners of the relative land.
- (3) Yes.
- (s) Falls away.
- (b) (i) and (ii) Retains RSA citizenship as far as RSA legislation is concerned.
- (4) No, because 92 of the possible 98 owners of the relevant farm portions are already blacks and the Government of Bophuthatswana requested the incorporation. (a), (b) and (c) Fall away.
- (5) Yes.
- (a) In August 1985.
- (b) By way of formal discussions between the Government of the RSA and Bophuthatswana.
- (c) The Government of Bophuthatswana was in favour of incorporation.
- (6) No local authority services are rendered at present.

Own Affairs:

Universities

59. Mr A GERBER asked the Minister of Education and Culture:
- (1) (a) Which universities fall under the control of his Department, (b) by what total amount were these universities subsidised during the latest specified period for which information is available and (c) in which vote

1887 Howard

FRIDAY, 21 AUGUST 1987

Indicates translated version.
 For written reply:
 General Affairs:
 Bostfontein/Machakaneng

229. Mr S S VAN DER MERWE asked the Minister of Constitutional Development and Planning:

- (1) Whether Bostfontein (Registration No 200 JO), formerly known as Machakaneng and situated on the border between the Republic and Bophuthatswana, is to be incorporated into Bophuthatswana; if so, (a) when, (b) why, (c) who took the decision in this regard and (d) what area of land is involved;

Howard

Housing headache!

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NEEDED — 332 000 MORE UNITS BY THE YEAR 2 000

by IRVING STEYN
Weekend Argus
News Editor

IMAGINE the vast, sprawling development of 50 000 houses that is Mitchell's Plain, a project that took 12 years to complete. The metropolitan area of Cape Town would have to build four more in the next 12 years — or nearly one every three years — to satisfy the areas' housing needs by the turn of the century.

This is a mind-boggling task that is going to call for some radical changes in policy and attitude if the authorities are to get anywhere near meeting the challenge.

Just on the capital side, and assuming the same sort of housing at R20 000 a house is built, you will be looking at a R8-billion housing bill in Cape Town alone by the year 2000.

The housing backlog for the coloured community is estimated to be between 50 000 and 82 000. And that is just the backlog.

In addition, by the year 2000 the coloured community will need between 57 000 and 108 000 houses. And that is just for the coloured community.

■ Then there is the black community's housing needs, more difficult to determine, but figured to be a backlog last year of between 33 000 to 41 000 units — excluding those people living in shacks. But if you want to include them the backlog for formal housing would look more like 78 000 and 86 000 units.

Now, looking to the year 2 000, the black community is going to need an additional 25 000 to 165 000 dwelling units, depending on their rate of urbanisation. The latter figure is the most likely.

There are still the needs of the white community to cater for. It is estimated the likely demand by the year 2000 will be between 44 000 and 58 000.

A conservative estimate of the total housing need in metropolitan Cape Town by the turn of the century in just more than 12 years is 332 000 housing units. By comparison there are presently total of 175 000 housing units in the Cape Town municipal area — a figure that has taken more than 300 years to reach.

The Cape Town municipal area now covers about 300 square kilometres and, at current densities, another 200 square kilometres are needed by the year 2000 — two thirds the size of the existing municipal area.

A University of the Western Cape study shows that about 86 percent of all sub-economic and 71 percent of economic and 47 percent of private houses are overcrowded.

The Cape Town City Council has a severe shortage of undeveloped land and existing residential areas can only provide another 12 500 units for coloured families, or cater for only 27 percent of the people on the waiting list.

Existing housing funds are already insufficient to cater for demand and

with heavy demands being made on central Government, it is highly unlikely anywhere near the R8-billion will be available for housing.

Another problem is the pressure which will be put on valuable agricultural land on the urban fringe and on nature and mountain areas and it is clear that existing densities will have to be substantially increased

— smaller plots, more houses on existing plots and high density/low-rise building forms are needed.

Each bit of open land in the city will have to be looked at to see if it can be used, including the buffer strips around Langa and Guguletu. It has been estimated that between 3 520 and 51 280 units — 21 000 to 32 000

people could be accommodated in these buffer strips between the townships.

It is estimated that the present population of about a million people in the Cape Town municipality could be doubled by employing unused and relatively unnecessary vacant land and building to higher densities on under-utilised land.

...and can Cape Town beat it?

moving rapidly away from its target market — those who are earning below R1 000, and primarily those earning below R450 a month.

Taking a wage of R450 a month and the earner's ability to afford what is now basically being built, 75 percent of the people on the city's waiting list are precluded from owning a home. What is wanted is a more affordable alternative housing system.

Building costs have put even the most rudimentary conventional housing beyond the price range of those applying for state assisted housing.

The cheapest conventional house the city council can provide costs about R19 000 for the house and serviced land. This option of City Council self-help at Steenberg is the latest attempt by the city to make housing cheaper.

This week's announcement that the council is to embark — among other things — on a 2 000 unit housing development on 109 hectares of duneland between Lavendar Hill and Rondevlei did not specifically say that it is very much part of an alternative system.

Part of the new scheme will provide houses at the cost of R8 000 to R9 000 each, which actually represents a nice bit of mutually beneficial negotiation between the municipality and the government's job-creation programme.

It is a combination of teaching unemployed people skills and persuading them to do so on part of the new development, constructing re-designed "stack sack" houses.

CAN Cape Town lick its housing problem? For Mr Neville Riley, who as Deputy City Planner is in the city's housing hotseat, the answer is straight: "I have no major misgivings that by the year 2000 and given normal opportunities, we will be able to meet the challenge."

But he also makes no bones about "sacred cows" concerning the rigidity of present building and other regulations which may have to be sacrificed in the process.

When he speaks on Cape Town's housing problem, he refers specifically to coloured housing, for the simple reason the City Council has no direct involvement for either the planning or provision of black housing.

Not that he would find that problem any more daunting, but rather believes the municipality could make a pretty good job in sorting that particular problem out, given the chance.

At the moment the City Council is committed to close on 3 000 housing units for Indian and coloured communities in the current financial year — although his personal ambition is to treble the output.

However, there are problems concerning the procurement of land close to the city which is available for coloured housing development and this represents one of the council's main challenges at the moment.

The way costs are escalating, the municipality is

Own Affairs:

Farmers: sequestration

62. Mr T LANGLEY asked the Minister of Agriculture and Water Supply:

- (1) Whether the emergency plan to render assistance to farmers facing sequestration has been implemented; if not, why not; if so, (a) from what date, (b) (i) how many applications for assistance have been received, (ii) how many such applications have been (aa) granted and (bb) refused and (iii) in respect of what date is this information furnished and (c) what is the attitude of the private sector in this connection;
- (2) whether he will make a statement on the matter?

The MINISTER OF AGRICULTURE AND WATER SUPPLY:

- (1) Yes.
- (a) 8 June 1987.
- (b) (i) 129.
- (ii) (aa) 14.
- (bb) 66.
- (iii) 20 August 1987.
- (c) Positive.
- (2) No.

Note: Of the 129 applications 5 received the normal assistance and section 21 (1) certificates were issued and further enquiries made in respect of 8 applications. Further information was requested regarding 6 applications and 30 applications are under consideration.

WEDNESDAY, 26 AUGUST 1987

Indicates translated version.

For written reply:

General Affairs:

99-year leasehold scheme

278. Mr K M ANDREW asked the Minister

HoA

of Constitutional Development and Planning:

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 available?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Reliable information is not readily available in the form in which the hon member has asked the question. Information that is available on the sale of houses built and sold in terms of the 99-year leasehold scheme is as follows:

Transvaal:

Statistics are kept of houses sold in terms of 99-year leasehold scheme only. No record is kept of the financial source of the purchaser.

Natal:

- (a) (i) and (ii) Nil.
- (b) (i) 42.
- (ii) 423.

Orange Free State:

- (a) (i) 1 881.
- (ii) 1 795.
- (b) (i) 302.
- (ii) 1 803.

Cape Province:

- (a) (i) 3 849.
- (ii) 323.
- (b) (i) 3 849.
- (ii) 1 655.

Information as on 30 June 1987.

Kleinskool/Chaty River/Uitenhage Road

313. Mr D J N MALCOMESS asked the Minister of Constitutional Development and Planning:

- (1) Whether the area between Kleinskool, the Chaty River and Uitenhage Road is to be proclaimed

as a group area for Coloured persons; if so, (a) why and (b) when;

- (2) whether this area was proclaimed as a group area at an earlier date; if so, (a) when and (b) for what race group;
- (3) whether any persons who are not Coloured are living in this area; if so, how many (a) White, (b) Coloured, (c) Indian and (d) Black persons were living in this area as at the latest specified date for which figures are available;
- (4) whether persons who are not Coloured are to be moved from this area; if so, (a) when and (b) where are they to be moved to;
- (5) whether the Group Areas Board has sat to consider the question of proclaiming this area as a Coloured group area; if so, when;
- (6) whether a decision has been taken regarding the proclamation of this area as a Coloured group area; if so, (a) when and (b) what was the decision?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

- (1) The matter is still under consideration. (a) and (b) Fall away.
- (2) No. (a) and (b) Fall away.
- (3) Yes, on 9 July 1987 the figures were as follows:
- (a) None.
- (b) Approximately 600 families.
- (c) None.
- (d) Approximately 900 families.
- (4) Should the area be proclaimed as a Coloured group area, a decision will be made regarding housing of persons who are not of the Coloured group. (a) and (b) Fall away.
- (5) Yes, on 13 August 1987.
- (6) No, not yet. (a) and (b) Fall away.

HoA

Customs and Excise Act: contraventions

327. Mr R W HARDINGHAM asked the Minister of Finance:

Whether his Department has received any reports of contraventions of the provisions of the Customs and Excise Act, No 91 of 1964, in regard to rebates on fuel for the purposes of (a) agricultural production, (b) fishing industry engines, (c) public passenger transport services and (d) stationary machinery in underground mines; if so, (i) (aa) how many reports in respect of each of these categories and (bb) in respect of what date is this information furnished and (ii) what action has been or is being taken in each case?

The MINISTER OF FINANCE:

- (a) Yes.
- (b) Yes.
- (c) Yes.
- (d) No.

(i) (aa) Separate statistics are not available. Written as well as verbal reports were received.

(bb) Falls away.

(ii) All complaints were investigated and where underentries in excise duty were detected, those concerned were assessed for the duty. Where possible the excise duty was collected and penalties imposed. It must, however, be pointed out that not all the claims could be enforced because of certain legal problems arising from the inherent nature of the system. An important shortcoming of the system was that the privileged user could obviously not be compelled, at the time of purchase of the cheaper fuel, to furnish an accurate indication of expected consumption on rebatable activities. Total reliance had to be placed on his honesty and even if his consumption of rebate fuel subsequently appeared suspicious,

HoA

Housing crisis here to stay — researcher

THE housing crisis in South Africa has become so serious that even a new, democratic government would be unable to solve it overnight, according to Vanessa Watson.

Watson, who has researched housing in many countries, said the crisis could only be solved if the State made available more money and housing was not treated like a commodity sold for profit. "Even if we had a new government now, the housing crisis would still be with us because of the huge backlog created over the years.

"The important difference would be in the approach to the housing problem. A

new government would have to cut back on the profits made by professionals and the high interest rates of building societies and banks.

"They should allow people to build houses in better locations, like near the cities and their places of work.

"We could also learn from other Third World countries where the housing policies are based on the people's needs.

"Housing policy should not be a form of control. The provision of houses should be a priority above something like defence."

Watson said the problem had become worse since the introduction of a new

THE recent rent increases have again highlighted the serious housing crisis in the Western Cape and the rest of South Africa. RYLAND FISHER asked Vanessa Watson, a researcher at the Urban Problems Research Unit (UPRU), how the problem could be solved.

housing policy in 1982, when the Government decided it would no longer take responsibility for the provision of housing.

"Before that the policy was that the State should provide housing for low income people. In this way, they could enforce the Group Areas Act and their other policies. But even though the State used to say they were providing housing, they spent very little.

"The change in housing

policy came about for two reasons. First, because of the economic crisis and the Government spending more on defence, it felt it had to cut back on housing.

"Secondly, the Government had been the landlord for low income people for all the years and all housing problems and grievances could be laid at their door.

"With their new policy, housing had become the responsibility of private developers and the State shortage. Because of the

now only provides housing for the very poor.

"The Government's top housing priority now is to spend money on site and service schemes. Since 1983, the Government has failed to put up one house.

"They have also shifted from rental to ownership schemes. The cost of building a house nowadays is beyond the reach of most people.

"Part of the reason for this problem is the housing shortage. Because of the

Group Areas Act there is a shortage of housing in black areas. This pushes up the price of land and housing. Added to this is the Government's

decentralisation policies which forced blacks to move out of the cities to places like Khayelisha and Atlantis. It costs much more to build in these areas.

"Other factors which make building a house so expensive are exorbitant professional fees, the highly monopolised building materials industry, inflation and the mismanagement of the economy.

"In the end, when one adds the high interest rates

charged by building societies, people end up with bonds totalling much more than the actual cost of the house.

"Under the new strategy of privatisation, the developers add their profits as well, which adds to the cost of land and housing.

"In the long term, one wants safe, decent and adequate housing to be a basic right. What is needed is for more money to be made available and for the profit motive to be taken out of housing.

"But the problem is so great that everyone cannot be provided with houses overnight—even if we had a completely new government.

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deliberate dishonesty was virtually impossible to prove. As a result of increasing misuse and problems encountered in providing misuse legal advice was taken. It was recommended that the system be amended to place the onus on the user to prove correct use and to monitor use accordingly. For these reasons the new system of refunds was introduced on 1 July 1987 whereby declarations of the actual use have to be made. Law enforcement can now also take place through a single administration and false declarations concerning actual consumption will constitute easily proven fraud.

What was the total (a) number of houses built, and (b) amount spent on providing housing for Blacks, by the (i) State and (ii) private sector in the 1985-86 financial year in each of the (aa) urban and (bb) non-urban areas of each national state?

THE MINISTER OF EDUCATION AND DEVELOPMENT AID:

(a) (i) (aa) No houses were built by the State but the following number of self-building loans were granted:

Gazankulu	192
Lebowa	105
KwaZulu	926
KaN'gwane	300
South African Development Trustland	691
Total	2214

(bb) Nil.

(ii) (aa) Gazankulu Unknown
 Lebowa 89
 KwaZulu 309
 KaNgwane 65
 South African Development Trustland 1103
Total **1566**

(bb) Unknown.

(b) (i) (aa) The amounts granted in respect of self-building loans are as follows:

Gazankulu	R 1 622 000
Lebowa	R 841 500
KwaZulu	R 4 630 302
KaN'gwane	R 1 192 487
South African Development Trustland	R 2 488 500
Total	R 10 774 789

(bb) Nil.

(ii) (aa) Gazankulu Unknown
 Lebowa R 3 425 286
 KwaZulu R 3 133 700

THURSDAY, 27 AUGUST 1987

†Indicates translated version.

For written reply:

General Affairs:

Housing by State/private sector

58. Mrs H SUZMAN asked the Minister of Education and Development Aid:

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Howard 27/8/87

KaN'gwane	R 285 000
South African Development Trustland	R 25 150 000
Total	R 31 993 986

(bb) Unknown.

The figures in respect of Qwaqwa and KwaNdebele are not available as the functions relating to towns had been transferred to the governments of the said self-governing territories prior to the 1985/86 financial year.

East London Prison

245. Mr F J LE ROUX asked the Minister of Justice:†

- (1) Whether any repairs were recently made to the East London Prison; if so, what was the cost involved;
- (2) whether tenders were called for; if not, why not; if so, (a) what persons or bodies submitted tenders, (b) what was the amount of each tender and (c) to whom was the tender awarded;
- (3) whether he will make a statement on the matter?

The MINISTER OF JUSTICE:

(1), (2) and (3) The East London Prison is presently being modernised and enlarged by the South African Prisons Service at a cost of approximately R1 million. The expenditure will be spread over more than one financial year and the work should be completed during 1989 if progress is according to plan.

This building work was not given out on tender to private contractors because East London Prison, which accommodates long- and short-term convicted prisoners as well as awaiting-trial prisoners, could not, due to a lack of substitute accommodation, be evacuated for the duration of the building and renovation work. In view of the security considerations involved it was decided that the Prisons Service itself should execute the work with prison labour and the necessary technical assistance from the Department of Public Works and Land Affairs, as is normally done in these circumstances.

Tenders, contracts and quotations for the

HoA

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supply of building material or rendering of special services by the private sector (e.g. the cladding of steam boilers which was recently completed) are arranged through the Department of Public Works and Land Affairs and/or the State Tender Board.

For the hon member's information it is confirmed that the South African Prisons Service places a high premium on the job and training opportunities in prisons which are made possible by way of the Prisons Service's own building activities. However, when the private sector, during times of a general and/or regional slack in the building industry requests that building projects of the Prisons Service in a particular region should also be put out on tender, the requests are considered sympathetically where possible. The greater part (±75% for 1987/88) of the annual budget for building work is, however, traditionally already taken up by contract services.

Reply substituting reply to Question 153 on 6 and 7 August 1987 put by Mr R M Burrows (Col 486 and Col 498):

Full-time employees

153. Mr R M BURROWS asked the Minister of Constitutional Development and Planning:

- (1) What was the total number of persons employed in a full-time capacity in his Department as at the latest specified date for which information is available;
- (2) (a) how many such persons were employed in each of the eight most senior post levels in his Department, (b) how many of these persons were (i) male and (ii) female and (c) to which population group did each of these persons belong;
- (3) (a) what will be the applicable salaries and/or salary scales of each of the eight most senior post levels in his Department with effect from 1 July 1987 and (b) what financial and other specified benefits will be applicable to each of these post levels as at 1 July 1987?

25/8/87

Howard

Housing for all



Bob Tucker is MD of the SA Perm. Of all institutions, the Perm has taken the lead in the provision of housing loans to blacks. It was a conscious decision, compelled by socio-economic necessity, as he explains to the FM.

What is the extent of your exposure to the black market?

This year we granted R300m in loans to the black community and this figure is increasing significantly. The UBS has granted a substantial amount, although we are probably granting at a faster rate now. I'm disappointed at the lack of response from the other financial institutions, as we are facing a severe housing shortage.

When dealing with black buyers what role does the employer play, for example in providing collateral?

Their role varies. Sometimes they use our services simply as a channel to provide their own money, sometimes they have no involvement at all. However, the majority of responsible employers lend assistance, whether through collateral or some kind of subsidy. **Are you satisfied that your return on investment in this area has been good, and that you are getting a good enough return for members?**

We get precisely the same return as in other areas as we lend at a flat rate.

What do you see as the special risks of investing in the black market?

Sometimes there are political risks in a housing development and at other times areas may be vulnerable because they are

dependent on one industry, which may be in decline. We certainly insist that the area be upgradable. If there were no prospect of the housing stock and services improving, it could rapidly turn into a slum.

As it happens, there is a lower repossession rate because housing in the black market is in such short supply. If somebody can't meet payments, there are plenty of people prepared to buy him out. The rate of arrears is a little higher, but no more than one would expect at this point in the economic cycle.

We do have different criteria for lending to low income earners in certain approved housing schemes. Instead of the usual ceiling of 25% of the breadwinner's income, we take 25% of the income of all adults in the household. We also waive many of the requirements such as water-borne sewerage — provided, as I have said, the area is upgradable. **You have opposed any increase in the first-time buyer's threshold as this would move resources away from the black area. Is this stand really to the benefit of your white members?**

I believe that it is in the interest of the entire population that a scarce resource like housing should be applied according to its need. Subsidies come out of taxes and I can't accept that taxes should be used to subsidise extravagant, luxury housing — an area where there is already a surplus. Subsidies should go to people who can't otherwise afford a house.

Have you suffered any criticism from people who might regard your interest in the black market as motivated by self interest?

We haven't been "posturing" as we have done exactly what we set out to do. I would consider the best analogy to ourselves to be Metro Cash & Carry who have an equally high exposure to the black market. I must

emphasise, however, that we haven't neglected the white market — in fact we granted significantly more bonds than any other institution or society last year — among both blacks and whites.

Does the Perm concern itself only with the purchase of existing houses or does it plan to play a greater role in township development?

Last year we built 500 houses through our development arm in both the low cost black areas and the lower-to-middle white section. We don't have any plans to increase this dramatically. We see our chief role as providing home loans right across the national spectrum.

How much of an obstacle is bureaucracy in the provision of black housing?

Red tape is severely inhibiting all the way along the line. It's a problem when it comes to identifying suitable raw land, then registration is a hassle. So the amount of serviced and registrable land doesn't come close to the requirements.

In what sense can the building societies act in partnership with government and organisations like the Urban Foundation?

Building societies provide the infrastructure and expertise needed for the delivery of home loan finance. I believe the private sector mechanism should be used. I don't believe, though, that the private sector can be co-opted into the bureaucracy. Instead of creating an extra group of civil servants to administer, for example, cheap loans for blacks at the sub-economic level, they should pay the difference to building societies who could administer the loans far more efficiently.

We are already involved with the Urban Foundation in the provision of self-help housing in Katlehong. Similar projects will undoubtedly develop over time.

are used.) Pre-primary classrooms are not provided by the Department.

(ii) 172 classrooms at 21 existing primary schools, 538 classrooms at 25 new primary schools.

(iii) 263 classrooms at 23 existing secondary schools, 823 classrooms at 28 new secondary schools.

(2) Yes.

(a) (i) The Department does not provide pre-primary schools.

(ii) 1 494 calculated at 40 pupils per classroom. (Global statistical calculation with information as at March 1986).

(iii) 3 030 calculated at 35 pupils per classroom. (Global statistical calculation with information as at March 1986).

(b) Approximately R347 million calculated at 40 and 35 pupils per

primary and secondary classroom respectively and approximately R584 million calculated at 40 and 30 pupils in primary and secondary classrooms respectively.

Housing

*15. Mr K M ANDREW asked the Minister of Constitutional Development and Planning:

(1) (a) How many houses were built by each specified Development Board in 1986 and (b) what was the amount spent on (i) housing and (ii) infrastructural development for such housing by each Development Board in the 1985-86 financial year:

(2) whether there is a shortage of housing in townships in any community services area: if so, how many units are required in each specified community services area?

†The DEPUTY MINISTER OF DEVELOPMENT PLANNING (Reply laid upon the table with leave of House):

(1) (a) No houses were built by the former Natalia Development Board in 1986. Hostel blocks were, however, provided for single persons.

(b) (i) R2 956 370 was spent on hostel blocks.

(ii) R298 585 was spent on hostels infrastructure and R7 177 426 on housing infrastructure (i.e. serviced sites).

(2) Yes. The estimated shortage in Natal, outside KwaZulu and South African Development Trust areas, was estimated at sixty to eighty thousand units at the end of 1986.

Orange Free State

(1) (a) Southern OFS Development Board: 30
Orange-Vaal Development Board: 33

(b) (i) Southern OFS Development Board: R219 900.
Orange-Vaal Development Board: R283 993.

(ii) Southern OFS Development Board: Nul.
Orange-Vaal Development Board: Nul.

(2) Yes.
Southern OFS Development Board: 3 148
Orange-Vaal Development Board: 9 148.

Answer

11/9/87

Transvaal

(1) (a) None. Development Boards only acted as agents for Black local authorities for provision of infrastructure to serve stands in black towns.

(b) (i) None.

(ii) East Rand	R46 211 870	(39 282 sites)
West Rand	R7 911 710	(5 552 sites)
Highveld and Tvl	R3 555 848	(2 737 sites)
Western Tvl	R744 998	(668 sites)
Northern Tvl	R190 000	(150 sites)
Central Tvl	R None.	
(Funds expended by black local authorities).		

(2) Yes.

East Rand	75 362
West Rand	56 180
Highveld and Tvl	17 754
Western Tvl	8 964
Northern Tvl	450
Central Tvl	9 488
TOTAL	168 198 Units

Cape Province

(1) (a) Northern Cape	580
Eastern Cape	5 121
Western Cape	None
Oudshoorn	100
Walvis Bay	51

(b) Northern Cape	(i)	(ii)
Eastern Cape	3 621 700	1 366 000
Western Cape	17 100 664	939 935
Oudshoorn	None	43 064 059
Walvis Bay	2 400 000	2 100 000
	661 092	200 000

Poni Geoffrey Nocanda

*16. Mr D J N MALCOMESS asked the Minister of Justice:

(1) Whether the Attorney-General in Grahamstown has received the document from the South African Police on the investigation into allegations by a certain person, whose name has been furnished to the Minister's Department for the purpose of his reply, that he was tortured into admitting that he had set fire to a home in October 1985 after receiving instructions to that effect; if so, (a) on what date did the Attorney-General receive this document, (b) what is the name of the person concerned, (c) from whom did this person allegedly receive these instructions and (d) what are the particulars of the incident;

not made available to Mr Wheeler beforehand.

- (d) Mr T F Wheeler during lunch.
 (2) (a) and (b) As it later appeared Mr Thabo Mbeki was present at the lunch.

(3) Mr Wheeler attended the lunch as guest of honour of the US Council on International Business where he addressed the Council's "Fifth Annual Congress on South Africa" on new developments in the RSA as only speaker. He left immediately after his address. Mr Wheeler acted in the best interests of the country by stating our case on an important occasion.

†Dr J J VILONEL: Mr Speaker, arising from the reply of the hon the Deputy Minister, I want to ask him whether he is of the opinion that this type of question in the South African Parliament, and also the spirit resulting from it, firstly, promotes South Africa's case abroad and, secondly, whether it assists South Africa's representatives abroad to carry out their task. [Interjections.]

†The DEPUTY MINISTER: Mr Speaker, I think this is a rhetorical question. The reply is obvious. [Interjections.]

†Mr F J LEROUX: It is a stupid question! [Interjections.]

†Dr J J VILONEL: You are undermining our case.

†Mr F J LEROUX: On a point of order. Mr Speaker: Is it in order for an hon member to say that we are undermining their case? [Interjections.]

†The SPEAKER: Order! I shall decide on this matter. What did the hon member for Langlaate say?

†Dr J J VILONEL: Mr Speaker, I said "you are undermining our case".

†The SPEAKER: Order! I think the hon member should rather withdraw that. I do not think it is parliamentary.

†Dr J J VILONEL: With great respect, Mr Speaker, I want to say I am sure of my point when I make it.

†The SPEAKER: Order! I request the hon member to withdraw it.

†Dr J M VILONEL: I withdraw it, Mr Speaker.

Rent and services project

†8. Mr P G SOAL asked the Deputy Minister of Information:

- (1) (a) What is the purpose of the rent and services project referred to in his reply to Question No 3 on 18 August 1987, (b) when (i) was it implemented and (ii) is it expected to be concluded, (c) what specified items are included in the amount of R4 345 145 spent on this project and (d) at what group or community was this project directed;

(2) whether the effectiveness of this project has been evaluated; if so, (a) by whom, (b) what procedure was followed and (c) what were the findings?

The DEPUTY MINISTER OF INFORMATION:

- (a) The project was an educational campaign to create a better understanding within the target market concerning the supply of electricity, transport, housing and water with a view to promoting payment of rent and services.

(b) (i) November 1986.

(ii) Most elements of the campaign were completed by 31 March 1987. According to current plans all elements will be completed by March 1988 although this decision could be affected by circumstances at that time.

(c) Production and media costs. (TV, radio, press, posters and outdoor advertising.)

(d) Black community.

(2) Yes.

(a) Bureau for Information and market research organisations.

(b) The analysis of patterns of payment of rent and services, market research, standard procedures and the comparison of market research results.

(c) At the height of the campaign a noticeable improvement could be discerned in the pattern of payment of rent and service charges, compared to the normal cyclical patterns.

Research into the effectiveness of the campaign showed that the campaign had reached a majority of Black people and a majority of this group indicated that they reacted positively to the message of the campaign.

Wider market research has shown that attitudes in the Black community towards the payment of rent changed from being preponderantly negative to being preponderantly positive in the period September 1986 to May 1987.

Times Media: agreement

*9. Mr D J DALLING asked the Minister of Transport Affairs:

Whether, with reference to his reply to Question No 11 on 18 August 1987, the South African Airways has entered or intends entering into an agreement with Times Media similar to the one entered into with Perskor (Pty) Ltd of South Africa; if so, (a) with effect from what date and (b) what are the terms of the agreement with Times Media; if not, (i) why not and (ii) when was the decision taken in this regard?

†The DEPUTY MINISTER OF TRANSPORT AFFAIRS:

No.

(a) and (b) Fall away.

(i) The decision not to enter into an agreement was taken by Times Media.

(ii) Unknown.

Mr D J DALLING: Mr Speaker, arising out of the hon the Deputy Minister's reply, may I ask him whether the terms offered for this contract to Times Media were the same as the terms offered to Perskor?

The DEPUTY MINISTER: Mr Speaker, I cannot tell the hon member whether the details are exactly the same, but I think the hon member will be reminded of the replies given to him previously, viz that as long as it is to the commercial advantage of SAA, it is prepared to enter into agreements with any other publishing company.

Mr D J DALLING: Mr Speaker, arising further out of the hon the Deputy Minister's reply, may I ask him then why the SAA continues with the contract with Perskor when that contract for the airways is running at a loss?

The DEPUTY MINISTER: Mr Speaker, the hon member may put that question on the Question Paper. [Interjections.]

Booklet: "Face to Face with the ANC"

*10. Mr P G SOAL asked the Minister of Law and Order:

(1) Whether the South African Police have carried out an investigation to ascertain who (a) published and (b) printed a certain booklet, the title of which has been furnished to the Police for the purpose of the Minister's reply and which was produced in Cape Town in or about September 1986; if not, why not; if so, what is the title of this booklet;

(2) whether this investigation has been completed; if not, (a) why not and (b) when is it anticipated that it will be completed; if so, when was it completed;

(3) whether the Police have ascertained who was responsible for (a) writing, (b) publishing and (c) printing the booklet; if so, who in each case;

(4) whether any charges have been investigated against any persons in connection with this booklet; if not, why not; if so, (a) what charges and (b) with what result;

INVESTMENT

ARGUS 1/9/87 123

Black workers want pension funds directed into housing — Old Mutual

From TOM HOOD, Business Editor

JOHANNESBURG. — Black workers want insurance companies and pension funds to put more money into houses instead of into high earning investments on the Johannesburg Stock Exchange and multi-million rand office and shopping developments.

Mr David Motau, an Old Mutual pensions manager, told a symposium here that companies justified these investments by saying they were obliged to seek the highest possible return for their beneficiaries.

Retirement needs were becoming a big issue with black

trade unions, he said.

"They complain that most funds are invested in cities and the JSE and not much is invested in Soweto.

"They also believe pension funds should negotiate with workers about accepting a house now and a smaller pension at retirement if a low return would be obtained if money was invested in developing underprivileged areas."

Investing in black houses would also release State funds that currently went into housing and that money could be diverted into State pensions.

"Perhaps our investment strategies should be looked at in order to invest where the

need is."

Black workers also believed both employees and employers should be represented on the management of pension funds

Unions were demanding a lump sum on retirement from provident funds rather than a monthly payment from a pension fund.

But black salaries were increasing rapidly and a pension fund might provide better value in the end.

Another demand was that employers' contributions should be paid out when a worker withdrew from a pension fund.

Among other demands by

unions were provident funds with:

- A Savings element built in.
 - A minimum pension from member and employer contributions.
 - Member control or equal representation on management of funds and more member involvement.
 - Members informed regularly about their money in the funds.
 - Members rights clearly spelt out.
- "It is no good waiting till stones start flying — employers must involve black workers in pension fund management.



OFFICE FURNITURE REQUIREMENTS

BUILDING, 9 BROWNING RD, WATORY. TEL: 47 2116

De Beers quits Govt-linked body

The Argus Correspondent

KIMBERLEY. — The De Beers company has withdrawn from the Diamond Producers' Association, and the Government-linked marketing body is faced with a major crisis.

With De Beers having almost total control of the DPA agency, its withdrawal places the agency in jeopardy.

Neither De Beers nor the DPA would comment on the move. It is believed, however, that the move is part of De Beers' strategy to distance itself from any Government-based agency which could affect its marketing policies.

Several key officials in the DPA in Kimberley could be affected by the De Beers action.

VENTURES

'Unique' sports store for Bellville

By ADA STUIJT

FORMER Springbok rugby player Mr Dave Stewart has signed a R3,4-million, 15-year lease for a gigantic and unique sportsman's store in Bellville — another branch of his successful Logans Sports warehouse in Rondebosch.

The store's free services will include shower and changeroom facilities for business people keen on running during the day, and a free sauna for the health conscious.

Mr Stewart said as far as was known, this was the first time a sports store would provide such facilities — certainly in the Tygerberg area.

CENTRAL BUSINESS DISTRICT

House prices likely ^{2/9/87} to rise by up to ¹²³ ~~2000~~ 15% — UBS report

JOHANNESBURG — House prices are likely to rise by between 10 and 15% in the coming year compared to an anticipated inflation rate of around 16%, says the United Building Society in a survey housing.

The main factors contributing towards this upward trend, it says, are the continuous increases in building costs — currently some 16% per annum — and firm prospects of a gradual improvement in the overall financial position of the average South African.

In a national overview, the building society said house prices sustained their upward trend during the second quarter of 1987.

On the regional position, United said the most noticeable increase in house prices occurred in the Johannesburg area, where prices rose by approximately 5% and 15% compared to the first quarter of 1987 and the second quarter of 1986.

In the Durban/Pinetown area and in the Rest of Transvaal, an increase of 4% was registered in the second quarter.

However, some regions experienced a further weakening in house prices on a quarter-on-quarter basis, such as the rest of Natal (-7%), Eastern Cape (-3%), Free State and Northern Cape (-3%) and the Vaal Triangle (-1%). Nevertheless, even in these areas (excluding the Vaal Triangle), house prices were all higher than a year ago. — Sapa

3/9/87
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R/AGM

Prices of houses set to rise, says UBS

MICK COLLINS

FIRM prospects of an improvement in the cash position of most South Africans is likely to push house prices up by between 10% and 15% in the coming year, says the United Building Society (UBS).

And, given the current economic conditions and monetary policy, it foresees no material changes in the mortgage rate pattern during the rest of 1987.

In a second quarter national overview of the housing market, it says another major factor in the upward trend is the increase in building costs — currently about 16% a year — which is on a par with the anticipated inflation rate.

The UBS says house prices sustained their upward trend during the second quarter of 1987.

The price of a medium-sized house currently stood at about R77 000, reflecting an improvement of approximately 8% on the corresponding period in 1986 and a 3% increase compared to the previous quarter.

Larger houses (221m²-350m²) now cost R108 000 on average, while smaller dwellings (80m²-140m²) traded at roughly R61 800 — respectively 10% and 3% higher than a year ago.

On a regional comparison, the UBS says the most noticeable increase occurred in the Johannesburg area, where prices rose by approximately 5% and 15% compared with the first quarter of 1987 and the second quarter of 1986.

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HOUSE PRICES

Market on the move

At last the effects of the lower mortgage rates appear to be filtering through to the residential property market. Sales are on the increase and house prices are showing a continuing upward trend.

According to the United Building Society (UBS) *Quarterly Housing Review*, house prices rose by an average of 8% in the year to June and by 3% in the second quarter of 1987, reflecting increased buyer confidence.

UBS economist Hans Falkena says the biggest incentive to homebuyers could be the reduced cost of mortgage repayments — repayments on new loans have fallen to an average of R770 a month compared to R1 230 in the fourth quarter of 1984.

However, there are areas where unemployment and economic hardship are still taking their toll. While the average price of a large (more than 221 m²) new house in SA may be R121 000, the eastern Cape average of R96 000 is barely more than half the Johannesburg price of R180 000.

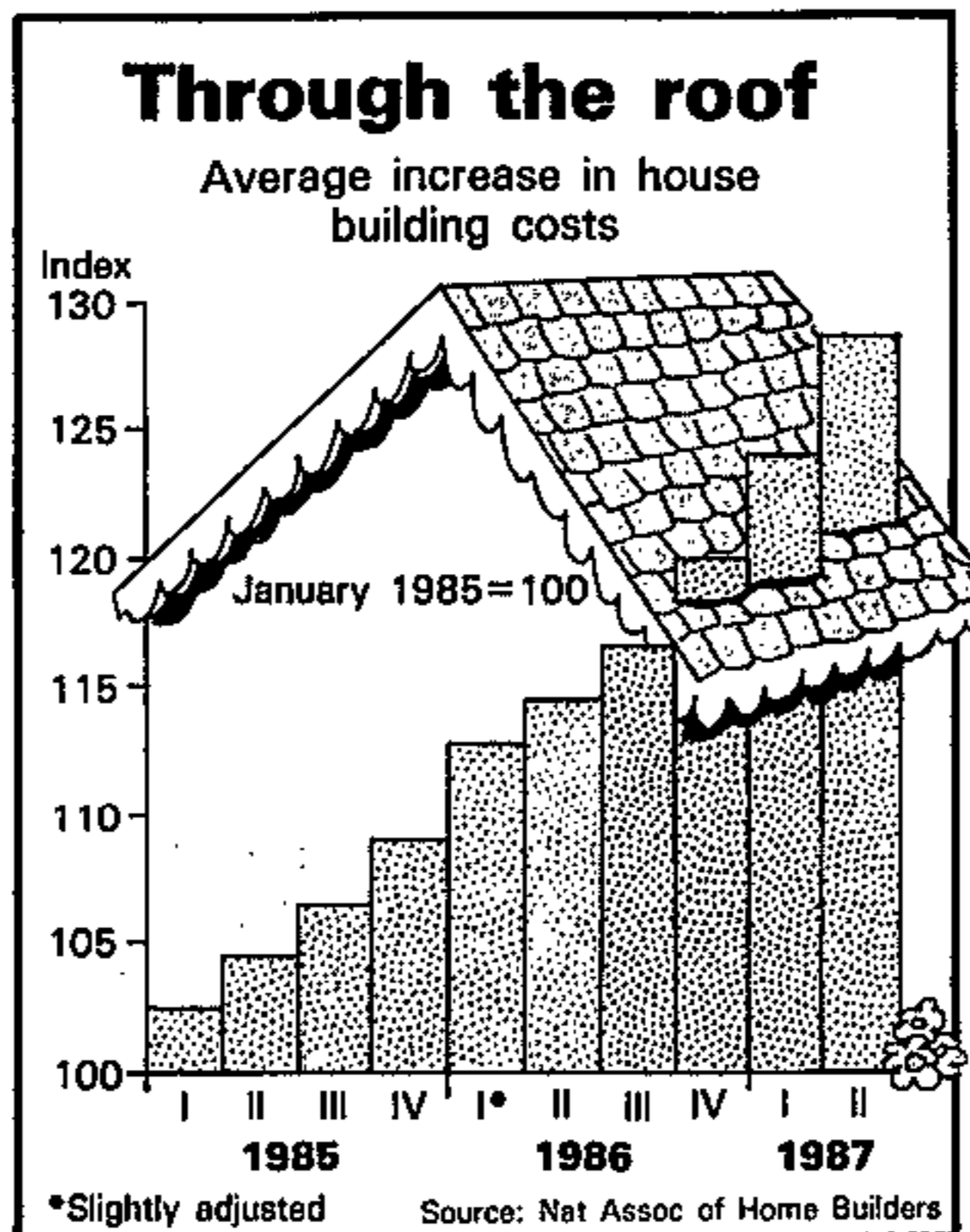
Prices in the eastern Cape fell by 3% in the quarter to June, while rising by 5% in Johannesburg. The Free State and northern Cape, Vaal Triangle and the rest of Natal regions, as defined by the UBS, also experienced declines in this quarter.

But in every region except the Vaal Triangle prices were higher than a year ago (see graph).

Johannesburg estate agent Eskel Jawitz says the market looks "much more positive" largely because of a shortage of good stock as opposed to an over supply last year. "Houses often sell for R10 000 to R15 000 more than a year ago," he says.

And prices seem to be moving fastest in upmarket areas. Aida Real Estate's national average rose to R103 000 in June, representing an 18,6% rise on the same month in 1986.

House building is also on the increase,



What of the future? Falkena says: "We expect house prices to rise by some 10%-15% during the next 12 months, compared to an anticipated inflation rate of approximately 16%."

The news for buyers is even more encouraging: "Given the current economic conditions and monetary policy, we foresee no material changes in the mortgage rate pattern this year."

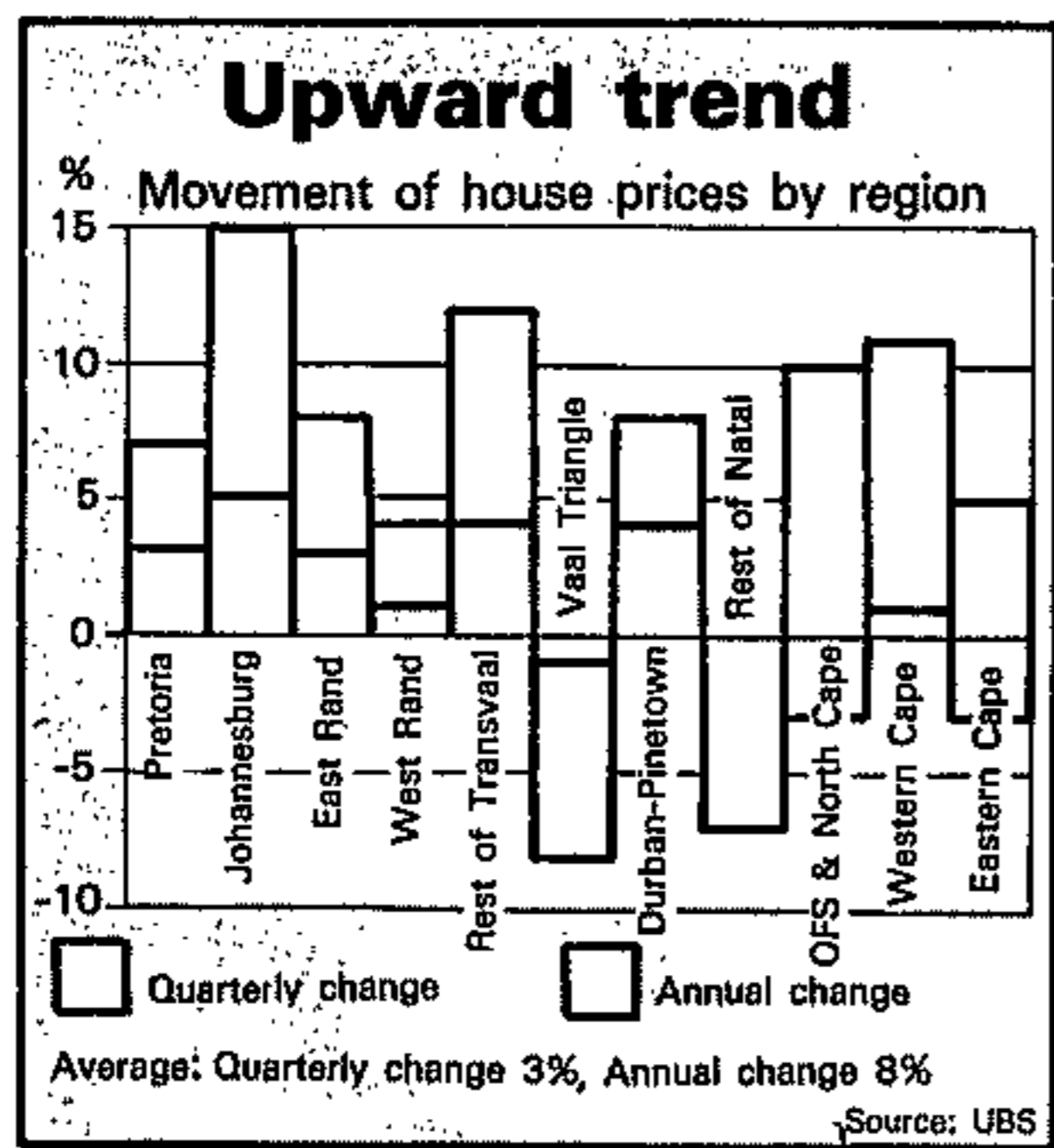
thanks largely to firming prices. According to Central Statistical Services, the value of building plans passed for residential buildings increased by 28,2% in the first half of 1987 compared to the same period in 1986, showing new confidence in the new house market. Buildings completed increased by 3,3%, although there was a 12,3% drop in the flat and townhouses sector.

The value of residential building plans passed increased in every major centre except Durban and East London, where they fell by 2,5% and 17,5% respectively. On the Witwatersrand the value of building plans passed increased by 19,9% from R307m to R369m, although the value of buildings completed fell by 14,4% from R279m to R239m.

There is, however, a major obstacle to further residential development — the difference in price between new and existing dwellings remains considerable. For medium-sized (141 m²-220 m²) dwellings the difference nationally is R20 000 (R95 000 new and R75 000 existing) and for large houses in Johannesburg is as high as R40 000 (R180 000 and R140 000).

In the depressed Vaal Triangle, a new house would be priced at almost twice what an older house would sell for — R94 000 against R50 000.

One of the reasons for rapidly increasing building costs is that contractors held down prices during the recession. They have remained below the rate of inflation for three years (see second graph), going up by only 9% in 1985 and by 10,1% in 1986. According to the National Association of Home Builders this could spiral to 16% this year.



Cape Times 10/9/87

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Council housing: New sale scheme

Municipal Reporter

LOW-INCOME white, coloured and Indian wage-earners are all eligible to buy their rented council houses in terms of a new government scheme — but blacks are still in the process of receiving this dispensation and there are slightly different provisions attached to the various groups.

Almost identical circulars have been sent out to local authorities by the Houses of Assembly, Representatives and Delegates.

A spokesman for the Department of Community Development and Planning said yesterday that the same formula would soon also apply to black housing — at present blacks do not yet have freehold property rights outside the homelands.

Cape Town's city administration department suggested this week that two "differences in emphasis" in the three circulars should be clarified.

One difference was

New bill to speed up black housing

Political Staff

A NEW amendment bill aimed at speeding up black housing development was tabled in Parliament yesterday.

The Housing Amendment Bill provides for exemption from "certain measures with regard to the erection of a building and the usage of materials in the erection of such a building".

A statement released yesterday by the Minister of Constitutional Development and Planning, Mr Chris Heunis, said amendments in the bill were aimed at expediting decision-

making regarding housing and the provision of infrastructure services for black communities.

He said the provisions of the 1966 Housing Act have already been repealed for white, coloured and Indian communities, but still apply to black communities. Powers, duties and functions under these provisions were transferred to his department in May.

Certain powers would now be delegated to the Provincial Administrators, to facilitate the establishment of regional committees that could finalize housing matters, he said.

that whites may have property transfer costs included in the loan amount if the local authority agrees, while coloured people may have these costs included "in certain instances" which are not specified.

The other difference was that while everyone may get a discount of 65% of the purchase price of a house with structural defects, Indians will be granted this only subject to the recommendation of the Housing Development Board.

The Houses of Assembly and Representatives leave this to the discretion of the local authorities concerned.

Only those who have an income of under R1 000 qualify for this scheme, and the maximum cost of the houses they buy is R30 000, including the cost of the land. Deposits may be waived or paid in instalments.

The government resolved in 1983 to sell the existing 500 000 housing

units erected with National Housing Funds "on favourable terms to existing residents".

Progress had been gratifying, according to one of the circular minutes from the government, but the new scheme had been introduced to promote sales even further.

In the Cape Town municipal area latest statistics indicate that 11 755 of the 29 539 "saleable dwellings" had been sold so far.

Owners have to pay up to keep flats

The forced sale of 28 flats in the Berea block, Villa D'Este, has left owners with the option of paying out thousands of rands for homes they have already paid for — or losing the flats which they bought in 1985.

As they try to raise the money needed to avoid eviction, Mr Geoff Bowker, senior general manager of the Allied Building Society, warned prospective buyers to refer all legal documents to attorneys.

Residents, many of them retired people, were warned by the society in February of last week's foreclosure. But they were totally unprepared for the shock of having to raise additional amounts from R18 000 to R30 000 to retain their properties, after bids at last week's auction were well up on the original cost of between R18 000 and R70 000.

Their fate was part of the aftermath of the crash of the Nilands (Pty) Ltd property empire in 1986. Managing director Mr David Niland fled South Africa for America after his estate was sequestrated, leaving estimated debts of R14 million.

Mr Niland sold the 61 Fife Avenue flats on shareblock pending the granting of sectional title, said one of the affected flat owners.

SMC
12/9/87

SHIRLEY WOODGATE
Municipal Reporter

(123)

When the register was opened 28 owners who raised bonds through organisations other than Allied or who paid cash found they were unable to take transfer of their properties.

Their money was unaccounted for as Niland had ceded their properties as surety on loans and mortgages totalling R1,4 million, and money which they had placed in trust with Mr Niland's attorney, Mr Jack Wainer, was also missing.

A 73-year-old widow who did not wish to be named said she was seeking an additional R18 700 plus sheriff's fees and interest to retain the flat she had originally bought for R29 000.

A retired engineer said if he wanted to avoid eviction he would have to obtain a bond — at the age of 71. At least one owner is believed to have forfeited the full amount of his flat.

Residents plan to apply for compensation from the Estate Agents' Fidelity Fund as it is believed Mr Niland was a member.

Bank's new bond policy expected to boost sales

ARGUS 15/9/87 123

By DEREK TOMMEY
Financial Editor

A DRAMATIC increase in the sale of "expensive" houses is forecast by Cape Town estate agents following the revolutionary changes in the Standard Bank's mortgage loan policy, announced today.

In view of the general shortage of better quality housing available for sale, it could also lead to a rise in house prices, they add.

The Standard Bank, for the first time in South Africa, is offering house buyers 100 percent loans for R100 000 or more at rates of interest as low as 11,5 percent.

The Standard Bank is also offering "young achievers" — successful up-and-coming professional businessmen and women — with a satisfactory credit rating, 100 percent mortgages of up to R100 000 and 90 percent bonds thereafter.

These moves will open up a new market for property — young couples with high incomes but no capital — and should lead to an upsurge in property transactions, said Mr Samuel Seeff, director of a Cape Town estate agency.

DIFICULT TO SAVE

In today's conditions of high inflation and high taxes, young couples found it extremely difficult to save the R20 000 or so deposit needed to buy a house in a desirable area.

The problem was even greater in Johannesburg — the country's biggest property market — where about the lowest price for a reasonable house in the northern suburbs was R160 000 and the prices of most houses on the market started at R200 000.

"Young couples — even with good jobs — can't get the deposit together for these houses, but could afford to repay the bonds, especially as many received housing subsidies.

SUBSTANTIAL MARKET

No survey has been done on the size of the young people's market, but it could be substantial, he said.

As there already was a shortage of houses for sale

throughout the country it could have an influence on house prices.

Bankers see the move by the Standard Bank as an attempt to lend some of its surplus funds and also to build up a long-term relationship with people who could be worthwhile clients in the future.

With companies reluctant to borrow money at today's high interest rates, bank lending which provides their bread and butter has not shown much increase.

Lending on property, where the risks are far lower than lending to businesses, seems a profitable alternative.

In addition, as it creates a long-term relationship between the Standard Bank and its thousands of bond holders, it also creates a substantial market for the bank's other products.

BETTER TIMES

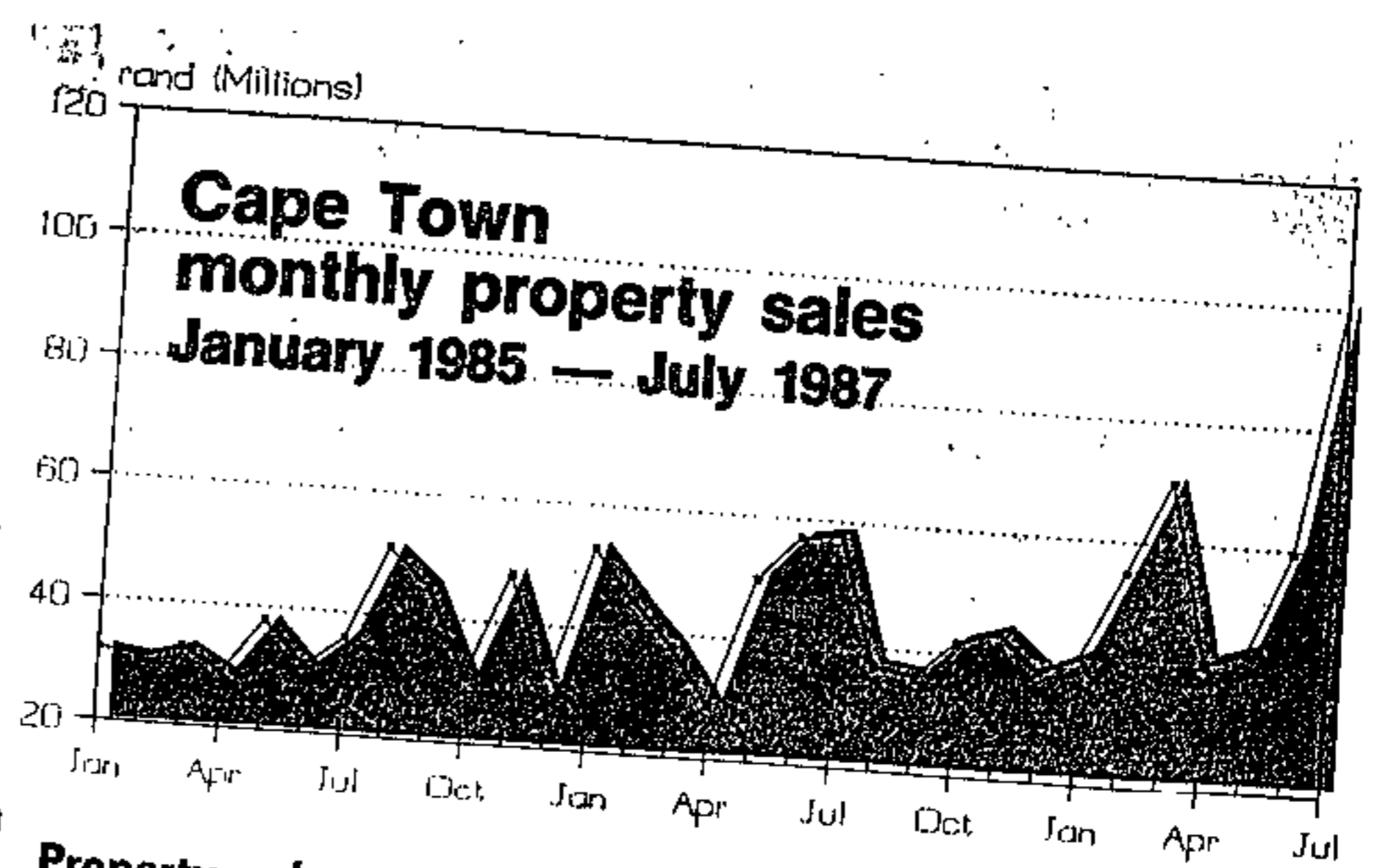
Meanwhile, Dr Ockie Stuart, one of the Western Cape's top economists, has predicted that better times are ahead for the ordinary South African.

In the latest report of the Bureau for Economic Research at Stellenbosch, he predicts increased consumer spending and an upturn in new investment which should give the economy a substantial boost.

The bureau reports that businessmen are expecting the economy to continue to improve. But although increased overtime is being worked, there has not as yet been much increase in employment.

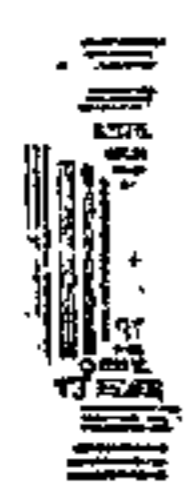
However, expansionary factors in the economy, and the increase recently in the salaries of public servants, should give the economy another boost, he says.

Although private sector fixed investment had shown little increase, he said this could not be expected at the start of the economic upswing when there still was surplus capacity.



Property sales in Cape Town reached a record 1 770 in July as the housing boom accelerated in all areas.

SEEFF



CAT Tracks 15/9/87 123

Research in black housing

Financial Editor

MANY of the firms keen to capture a larger share of the black consumer market — seen as the main growth area — have too little information about it.

Pointing out in the current issue of its newsletter that "very few marketers have had the opportunity to visit a typical black home", Intermark gives some information provided by Analytic Marketing, which has carried out intensive research in the Pretoria-Witwatersrand area.

It says that most black housing is a four-roomed unit designed to accommodate six or seven people. There is usually a dining-room/kitchen and a living room which is also used for sleeping and not all houses have bathrooms.

According to the article, more than 22% of black township dwellers are in the highest income group — A double-plus — with more than R1 400 a month. Another 9,8% are A-plus with between R1 100 and R1 395 and 16,3% in the A income group with from R800 to R1 099.

Another 26,7% are in the B income group with between R500 and R799 and 24,3% in the C income group with R499 or less.

Although 36,5% of homes are occupied by fewer than four people, the article says, and another 28,3% by from five to six people, 17,8% are occupied by seven or eight people and 17,3% by more than nine.

In the past 12 months 38% of families carried out home improvements, mostly painting and tiling, on which they spent an average of R700.

More than 80% of homes have electricity, 70% a TV and 40% a telephone.

Burglar proofing has been installed in 60% of houses, 58% have outside toilets, 19% garages and 2,5% carports.

Most — 72% — have fencing around the property and 40% have walls.

South African agricultural organisations have offered certain kinds of food.

- (b) Yes. The representatives concerned were informed that the South African authorities are sympathetic towards the possibility of training members of the relative communities in disciplines such as medical services.

- (2) Not relevant.
(3) No.

Patrols: plain clothes/unmarked vehicles

*2. Mr P G SOAL asked the Minister of Defence:

- (1) Whether any members of the South African Defence Force conduct patrols in the Black townships while dressed in plain clothes and using unmarked vehicles: if so, (a) why do they conduct plain-clothes patrols, (b) which townships are patrolled in this manner and (c) what tasks are undertaken by plain-clothes members of the Defence Force in unmarked vehicles;

(2) whether any members of the Defence Force conducting a patrol in an unmarked vehicle in Attteridgeville on or about 11 August 1987 made enquiries as to the whereabouts of the home of a certain person, whose name has been furnished to the South African Defence Force for the purpose of the Minister's reply; if so, (a) to what purpose was this information put, (b) who instructed these members to obtain this information and (c) what is the name of this person;

- (3) whether he will make a statement on the matter?

†The DEPUTY MINISTER OF DEFENCE:

- (1) Yes.
(a) To be as inconspicuous as possible.
(b) Any township where the need may arise.

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in Eshowe or Mtunzini magisterial districts who are required to collect their pensions in Kwa-Zulu.

- (b) There are ± 110 pensioners in the Pietermaritzburg magisterial district who collect their pensions in the KwaZulu magisterial district of Vullindlela and ± 60 pensioners in the Impendhle district who collect their pensions in the KwaZulu magisterial district of Hlanganani.

(i) It is more convenient for the pensioners concerned.

- (ii) There is no specific agreement in terms of which these pensioners are paid by the KwaZulu Government on behalf of the Natal Provincial Administration.
- (iii) (aa) and (bb) Fall away.

(3) The KwaZulu Government submits claims in respect of all pensions paid on behalf of the Natal Provincial Administration. The claims are accompanied by suitable supporting documentation and are paid in full by the Administration.

Mr K M ANDREW: Mr Speaker, arising out of the hon the Deputy Minister's reply, may I ask him why, in answer to Question No 19 on 25 August, in which I asked whether there was a pay-out point for social pensions to Black pensioners in each magisterial district of the Republic, the answer given was "yes"?

†The DEPUTY MINISTER: Mr Speaker, I am prepared to go into that matter and to furnish this information to the hon member.

Reformatories/industrial schools

*4. Mr K M ANDREW asked the Minister of Education and Development Aid:

Whether it is the intention to open any (a) reformatories and (b) industrial schools for Blacks; if not, why not; if so, (i) when, (ii) where will they be located and (iii) what total number of juveniles will it be

possible to accommodate in these (aa) reformatories and (bb) industrial schools?

†The DEPUTY MINISTER OF EDUCATION:

(a) and (b) Yes.

(i) With a view to the acceleration of the provision of these facilities, negotiations to obtain existing facilities are taking place. If at all possible, the Department envisages admitting the first pupils during the course of 1988.

(ii) Still under negotiation.

(iii) According to the planning of this type of school, a reform school can admit a maximum of 216 pupils and an industrial school a maximum of 360 pupils.

In this regard I also refer to the statement by Minister F W de Klerk, Chairman of the Cabinet Committee for Social Affairs, which was released on 15 August 1987.

Mr K M ANDREW: Mr Speaker, arising out of the hon the Deputy Minister's reply, in view of the fact that his colleague the hon the Minister of Justice last week told us they do not keep figures of how many juvenile offenders there are, may I ask him on what basis his department plans reformatories and industrial schools in terms of the numbers required to be accommodated there?

†The DEPUTY MINISTER: Mr Speaker, these surveys will be done from time to time as these pupils who are sentenced under the Children's Act and the Criminal Procedure Act are referred to these schools. On this basis we will from time to time see to our requirements.

Sectional Titles Act

*5. Mr K M ANDREW asked the Minister of Public Works and Land Affairs:

Whether the status and/or rights of persons living in rent-controlled (a) units and (b) blocks of flats will be affected when the Sectional Titles Act, No 95 of 1986, comes into operation; if so, in what manner?

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THE MINISTER OF PUBLIC WORKS AND LAND AFFAIRS:

No, but the lessee of a rent-controlled sectional title unit may be affected under the following circumstances.

The Rent Control Act, No 80 of 1976, makes provision for the circumstances under which a lessor may give notice to a lessee of a rent-controlled dwelling to vacate such dwelling. One of the circumstances under which such notice may be given is where the lessor requires the dwelling for his personal occupation or that of his parent or child. The Sectional Titles Act, No 66 of 1971, however provides that such notice may not be given in respect of rent-controlled sectional title units. This provision has not been embodied in the Sectional Titles Act, No 95 of 1986, and the owner of a rent-controlled sectional title unit will now be in the same position as the owner of a rent-controlled dwelling.

Mr K M ANDREW: Mr Speaker, arising from the hon the Minister's reply, may I ask him whether a decision has been taken as to when the Sectional Titles Act, 1986, is to come into operation?

The MINISTER: Mr Speaker, I shall enquire about the date and forward the information to the hon member.

Munsieville: relocation of residents

*6. Mr C J DERBY-LEWIS asked the Minister of Constitutional Development and Planning:

(1) Whether his Department provided any funds for the relocation of residents of the Black township of Munsieville, near Krugersdorp, during the latest specified period of 12 months for which information is available; if so, (a) what amount and (b) for what purposes were these funds used;

(2) whether any residents of this township were relocated during the above period; if not, why not; if so, how many;

(3) whether these residents were re-

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located on a voluntary basis; if not, on what basis were they relocated?

†THE DEPUTY MINISTER OF DEVELOPMENT PLANNING:

(1) No.

(a) and (b) Fall away.

(2) No. Because it was decided in 1985 that Munsieville will be retained as a Black township.

(3) Falls away.

Outkaiser: relocation of residents

*7. Mr C J DERBY-LEWIS asked the Minister of Constitutional Development and Planning:

Whether it is the intention to relocate the residents of the Black area known as Outkaiser and situated in the Brits district; if so, (a) what funds will be required for this purpose and (b) when is it anticipated that the relocation of these residents will be finalised?

THE DEPUTY MINISTER OF DEVELOPMENT PLANNING:

(a) and (b) It is not possible at this stage to give definite answers to these questions because the resettlement is a continuous process for which a definite time scale has not been set.

Middelburg: electrical power station

*8. Mr H J COETZEE asked the Minister of Economic Affairs and Technology:†

Whether it is the intention to erect an electrical power station in the vicinity of Middelburg, Transvaal; if so, (a) where, (b) when, (c) at what estimated cost and (d) who is the present owner of the land that will be used for this purpose?

†THE MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY:

No, not at this stage.

(a), (b), (c) and (d) Fall away.

Expenditure cut

*9. Mr A GERBER asked the Minister of Education and Development Aid:†

Whether schools under the control of his Department were recently requested to cut their expenditure; if not, why not; if so, (a) in respect of what items, (b) by what total percentage and (c) when?

†THE DEPUTY MINISTER OF EDUCATION:

Departmental educational institutions do not handle their own budgets. The financial provision in respect of such institutions is determined centrally by the Department's head office in the year preceding the particular financial year according to approved basis. If expenditure has to be curtailed, the initiative is taken by Head Office. Continuous attempts are made to keep the running costs of schools as cost effective and low as possible. Management training by private consultants, for example, is one method employed to ensure that the management of schools, and therefore the resultant costs, is done as cost-effectively as possible.

Tuition fees

*10. Mr A GERBER asked the Minister of Education and Development Aid:†

(1) Whether it is the intention to charge tuition fees at schools falling under his Department; if so, (a) why, (b) with effect from what date and (c) what tuition fees will be charged;

(2) whether these fees will be compulsory?

†THE DEPUTY MINISTER OF EDUCATION:

(1) No.

(a), (b), (c) Fall away.

(2) Falls away.

Detention of two persons

*11. Mr S S VAN DER MERWE asked the Minister of Law and Order:

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(1) Whether he has been requested to furnish reasons for the continued detention of two persons, whose names have been furnished to the South African Police for the purpose of the Minister's reply; if so, (a) when, (b) by whom and (c) what are the names of these persons;

(2) whether he has furnished these reasons; if not, why not; if so, what are the reasons?

THE DEPUTY MINISTER OF LAW AND ORDER:

(1) No.

(a) and (b) Fall away.

(c) The names which were furnished by the hon member.

(2) No, because a request to furnish reasons, was not received.

Knowledge Tiyo

*12. Mr S S VAN DER MERWE asked the Minister of Law and Order:

(1) Whether the disappearance of a certain person, whose name has been furnished to the South African Police for the purpose of the Minister's reply, from Valkenberg Hospital on or about 19 August 1986, has been reported to the South African Police; if so, (a) when and (b) what is the name of this person;

(2) whether the matter has been investigated; if so, with what result; if not, why not;

(3) whether he will make a statement on the matter?

†THE DEPUTY MINISTER OF LAW AND ORDER:

(1) Yes.

(a) 10 September 1986.

(b) Knowledge Tiyo.

(2) Yes. The missing person has thus far not been located and the investigation is continuing.

(3) No.

Airports

*31. Mr C B SCHOEMAN asked the Minister of Transport Affairs:†

Whether it is the intention to privatize airports, if so, to what extent?

†The MINISTER OF TRANSPORT AFFAIRS:

The possible privatisation of State airports will be investigated as part of a function evaluation programme which will be undertaken by the Commission for Administration. No opinion can consequently be expressed at this stage.

Own Affairs:

*1. Mr K M ANDREW—Local Government, Housing and Works. [Withdrawn.]

Tuition fees

*2. Mr A GERBER asked the Minister of Education and Culture:†

- (1) Whether it is the intention to charge tuition fees at schools falling under his Department; if so, (a) why, (b) with effect from what date and (c) what tuition fees will be charged;
- (2) whether these fees will be compulsory?

†The MINISTER OF EDUCATION AND CULTURE:

- (1) The matter of tuition fees is currently being considered. A final decision has not as yet been taken in this regard.
 - (a), (b) and (c) Fall away;
- (2) falls away.

†Dr W J SNYMAN: Mr Speaker, arising out of the hon the Minister's reply, I wish to ask him whether he realises that the hon the Minister of Education and Development Aid furnished a different reply to exactly the same question.

†The MINISTER: Mr Speaker, the hon member should by now know that this Department is an own independent Department of Education and Culture in the Administration.

tion: House of Assembly, while the department that the hon member is referring to is another independent department. Naturally it is possible that two different replies can be given.

†An HON MEMBER: They are two legs of the same body.

†Mr T LANGLEY: Mr Speaker, further arising out of the hon the Minister's reply, does that mean that if department A says that an apple is green, department B can say that that apple is red and then both those questions have been correctly replied to? [Interjections.]

Rent-controlled premises

*3. Mr C W EGLIN asked the Minister of Local Government, Housing and Works:

- (1) Whether any surveys have been conducted in any areas into the number of rent-controlled premises in those areas since his statement on this matter on 17 February 1987; if not, why not; if so, (a) in what areas as at the latest specified date for which information is available and (b) what were the results of these surveys;
- (2) whether rent-control has been phased out in any areas in terms of the above-mentioned statement; if so, (a) in which areas and (b) in respect of how many restricted units had rent-control been lifted as at the latest specified date for which information is available; if not,
- (3) whether the phasing out of rent-control is being reconsidered; if so, what are the circumstances surrounding this decision?

†The MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS:

- (1) (a) and (b) No, but according to my statement on 17 February 1987 surveys were conducted beforehand of properties which, according to the Rent Boards' records, are still under rent control and the position is as follows in respect of the respective regional office's service areas:

Area	Number of rent controlled properties
Western Cape	13 922
Southern Transvaal ..	19 330
Natal	7 889
Northern Transvaal ..	9 505
Northern Cape	486
Orange Free State	1 417
Eastern Cape	11 784
TOTAL	64 333

(2) (a) and (b) Yes. As at 9 September 1987 as follows:

Area	Number of units decontrolled in respect of phase 1
Western Cape	1 743
Northern Transvaal ..	115
Northern Cape	46
TOTAL	1 904

(3) Falls away.

Teaching staff: recruitment/appointment

*4. Mr R M BURROWS asked the Minister of Education and Culture:

- (1) With reference to his reply to Question No 6 on 1 September 1987, (a) what are the conditions required to be met for the recruitment and appointment of teaching staff in respect of each province and (b) (i) when and (ii) in terms of what laws and/or ordinances were they imposed;
- (2) whether, in recruiting and appointing teaching staff, education departments and/or school management bodies may deviate from the conditions laid down in such laws and/or ordinances; if so, in what manner;
- (3) whether, in recruiting and appointing teaching staff, education departments and/or school management bodies may impose on persons to be appointed or recruited as teachers conditions relating to (a) their (i) religious and (ii) political viewpoints and (b) the training institutions attended

by them; if so, in terms of what statutory authority;

†The MINISTER OF EDUCATION AND CULTURE:

- (1) (a) The conditions which apply to applicants before they may be recruited and appointed in teaching posts in my Department include that they must be White, registered with the Teachers' Federal Council, suitably qualified in accordance with given criteria, fulfil additional requirements in accordance with the Act or Ordinance in terms of which they were appointed including inter alia South African Citizenship, health, character and willingness to render such services as may be required.
- (b) (i) the requirements in accordance with which recruitment and appointments are done were in certain instances transferred from previous legislation to existing legislation and ancillary legislation Dates of the specific Acts and Ordinances are as indicated in (ii) below,
 - (ii) Constitution of the Republic of South Africa, (Act 110 of 1983)
 - National Education Policy Act, (Act 39 of 1967)
 - Educational Services Act, (Act 41 of 1967)
 - Mentally Retarded Children's Training Act, (Act 63 of 1974)
 - Technical Colleges Act, (Act 104 of 1981)
 - Cape Education Ordinance, (No 20 of 1956)

INCREASING demand from first-time home buyers is one of the reasons Disa Development Corporation — the Cape-based residential project management group seeking a main board listing in the "Banks and Financial Services" sector of the JSE — predicts an increase of nearly 200% in after-tax profits for the current financial year.

It forecasts taxed profits of R2,5m (R850 000) for the year to August 1988. Turnover is expected to rise by 130% from R10m to R23,2m in the same period.

The directors base their forecast on the increase in consumer spending, resulting from an improved economy. This, they believe, has led to a

Disa forecast 200% increase in profits

growing demand for high-quality, low-cost housing.

They say almost 300 new building contracts have been accepted in the first month of the new financial year.

The proceeds from the listing will be used to extend Disa's services to the project management of mass-housing schemes for the lower-income sector and commercial devel-

opments. The group has recently been awarded two multi-million rand project management contracts.

They say Disa's management team has developed sound marketing strategy to design modern homes in the R25 000 to R65 000 bracket and with increasing financial assistance from the government and private sectors, these homes will

be easily affordable to first-time homeowners.

The listing of the Disa Development Corporation, which takes the form of a private placing of 3 600 000 shares and a public offer of 2 400 000 shares, closes on October 8.

The sponsoring brokers are Fergusson Bros, Hall Stewart & Co Incorporated.

A total of 30m shares will be in issue when Disa is listed. The group is forecasting earnings of 8,7c a share for the year ending August 1988, giving an earnings yield of 10,5%. Dividend yield is expected to be 4,7%. The directors intend maintaining a cover of 2,1 times.

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Black housing shortage of 500 000 — Heunis

Political Staff

THERE WAS a shortage of about 500 000 black homes, the Minister of Constitutional Development and Planning, Mr Chris Heunis, said yesterday.

He was addressing the first National Housing Commission meeting at which blacks were represented.

Mr Heunis said the present composition of the NHC was proof that the government was serious in its intention of involving blacks in decision-

making and with this in mind, regional committees of the NHC would be established from September 1 to give local communities a greater say.

The provision of housing, Mr Heunis said, had to be viewed as an "utmost priority".

It was essential that members of the NHC were aware that they had been appointed as watchdogs of the norms and standards and had to ensure that the services were within the financial means of the communities.

Bank offers 100% bonds at 11,5%

*Copy Trans
15/9/87
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Own Correspondent

JOHANNESBURG. — The Standard Bank is offering 100% home mortgage bonds — some at an interest rate as low as 11,5% — on loans of R100 000 upwards, if the borrower meets high credit standards.

This was disclosed yesterday by Mr Terry Power, deputy general manager of the bank's Home Loans Division.

The new offer forms part of a package of several developments being introduced by the division.

He said the 100% bonds would be available in two sectors.

● Under a "Prestige Plan Account", the loans would be made available to borrowers who wanted "a little extra" and who qualified through their assets and income.

"For that category of person, we will provide not only a 100% bond in excess of R100 000 on a reasonably unlimited basis — for example for a beach cottage — but the interest rate will be 1% below the current rate," said Mr Power.

● A second plan is for "young achievers" — through the Achiever Plan account for successful up-and-coming professional or businessmen and women who would be granted 100% bonds for loans up to R100 000, then a 90% bond thereafter — subject to the applicant's credit standing.

The Standard Bank caused a flurry of excitement at the inception of its Home Loans Division in December 1986, when it announced mortgage loans at 12,5% — then well below the ruling average rate offered by building societies at that time.

It guaranteed that the mortgage rate would remain unchanged till December 1987. This promise was later extended to June 30, 1988 for approved and registered bonds.

Mr Power said the bank will not exceed the average rate charged by the major building societies, and this undertaking will remain in force till the end of December 1988.

Mr Power said that since the bank launched its Home Loans Division, 8 500 applications had been approved by the end of August, involving loans worth R850 million.

Better times for man in the street — PAGE 3

This, he said, put the bank slightly ahead of its target of loans worth R1 billion by the end of the year.

Commenting on the new loans, Mr Power explained that the bank had listened to estate agents in nationwide meetings in trying to find out what people wanted and not what the financial institutions thought should happen.

"Our policy is 'if it is good business, then let's look at it'. We want to be innovative and flexible," said Mr Power.

Included in that flexibility is the willingness to assess for loans sectional title developments, building loans and "straight-forward" mortgage assessments.

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BLACKS NEED 1/2-M HOMES - HEUNIS

- HEUNIS

THERE was a shortage of half a million homes for blacks, Mr Chris Heunis, Minister of Constitutional Development and Planning, said yesterday at the first meeting of the National Housing Commission at which blacks were represented.

The chairman of the commission, Mr Coen Kotze, said this was the first time that blacks were getting a direct say in making decisions about the housing needs of their community.

Mr Heunis said the presence of blacks on the commission showed that the Government was serious about involving them in decision-making. Communities would be given a greater say in the regional committees of the commission which came into being on September 1.

Legislation would be introduced next year to devolve the executive authority for provincial housing from himself to the provincial administrators.

The regional committees would initiate state-funded housing projects while the responsibility for the financing of these projects would rest with the provinces.

The National Housing Commission would remain under Mr Heunis as a national policy-making body.

Mr Heunis told the commissioners that providing housing for all was "one of the major forces to fight the powers of revolution."

"You have been appointed as watchdogs to ensure that housing standards are maintained but you should ensure that the services provided are as far as possible within the financial means of the community concerned."

If they did not keep housing within the financial needs of the community they would "change the country to a socialist system and succeed before the others (the revolutionaries) had started," Mr Heunis said.

Court halts sale of rent defaulters' houses

By MONO BADELA

THE Soweto City Council's attempt to sell the houses of rent defaulters in order to break the 15-month rent boycott collapsed yesterday when residents were granted a court order to stop the "big sale".

And no-one was happier than the 85-year-old Josephina Mofokeng. Until yesterday she had been resigned to her forthcoming eviction from the Jabulani "match-box" home she had occupied since 1957.

"Only yesterday the superintendent at the Zola administration had told me that they were going to sell my house and that they were going to look for a room for me somewhere in Zola."

Attorney Krish Naidoo, who represented Mofokeng and five other registered tenants scheduled for eviction, told *Weekly Mail* Mr Justice R Goldstone of the Rand Supreme Court gave a consent order that the Soweto City Council "undertake to postpone the action/sale of the applicants' properties pending the final determination of an application for recession of judgement to be brought by each of the applicants within 14 days".

Naidoo said the supreme court order meant homes in Soweto would not be auctioned until the end of the month.

The application for an order restraining the city council from proceeding with the sale was brought before the court at 8am, exactly two hours before the auction was to have begun. By 9.30am the matter was over. No argument was led.

Residents who brought the action owed amounts ranging from R444 to R747,52.

Yesterday Soweto Town Clerk Nico Malan confirmed the sale would be delayed, pending the outcome of the action.

Earlier this week the Soweto City Council announced it had arranged to sell 37 houses, belonging to rent defaulters in Jabulani, by public auction. Notices to this effect had been published in the *Government Gazette*.

The new Soweto director of housing, Estelle Bester, had announced more houses would probably be put on sale in future. "The council's lawyers are proceeding," she said. "By law we have got to act against defaulting tenants."

She said of the 37 homes earmarked for action, only 18 were still available as some tenants had made "satisfactory payment arrangements".

About 30 percent of tenants occupying the 78 464 houses in Soweto were now paying rent, she said.

A White City Jabavu delegation told a press conference yesterday a meeting arranged with Malan last Sunday ended abruptly because two councillors tried to be part of the meeting.

The residents' delegation told Mal-



Josephine Mofokeng, 85 ... overcome at losing her house

Picture: ANNA ZIEMINSKI

of the delegation. But "we strongly believe these homes were built for the benefit of residents and not councillors. The sale of homes is going to aggravate the situation."

●A three-year battle over rent hikes ended in victory last week for 40 000 residents of Tumahole, near Parys, when a supreme court in

Bloemfontein granted the township civic association an interdict prohibiting the further collection of arrear rentals.

Now residents are considering an action to demand more than R500 000 from the authorities as money they claim has been overpaid in high rentals.

Soldiers selling houses to blacks to beat boycott

POLITICAL STAFF

CAPE TOWN — The SADF is helping to sell houses to blacks as part of the strategy to contain the total onslaught — and help beat the rent boycott.

The entry of troops into the great housing sale, first launched two years ago, has been confirmed by a spokesman for the SADF.

The use of SADF personnel by other government departments is not new — they help out in black education, in hospitals, game conservation, the police, and even in the offices of the Receiver of Revenue.

The spokesmen said the soldiers would not be receiving any commission over their normal military pay.

He pointed out that Minister of Defence General Magnus Malan had insisted that various areas had to be addressed as a matter of urgency to counter the total onslaught.

Housing, particularly black housing, was one of the areas.

He said the houses being sold were those owned by the National Housing Commission.

Most of the soldiers involved in selling had been transferred because they needed to be in a particular area for "welfare reasons".

Often there were no military duties for them. However, the selling was being done on a voluntary basis and people had been chosen on the basis of education, experience and interest.

The number involved was "very limited".

The sale of homes would also help break the rent boycott, he said.

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Jimmy McKenzie...
R1,5bn on the books

Banks step up battle of the housing bonds

By Stephen Rogers

THE two major banks in the home loan market, Standard and First National, have intensified the race for market share, each introducing new products this week.

Standard has announced a 100% bond for all prestige and achiever plan account holder., and First National has countered with a 90% plus bond.

But prospective house-buyers owners should think carefully before applying for one of the packages. Standard's 100% bond is riddled with qualifications.

To qualify for the full bond the borrower must have either a prestige or achiever plan account.

Improvements

The criteria for a prestige plan account are an annual income of R75 000 and net assets of about R200 000. Clients with prestige accounts are offered the lowest bond rate in the market of 11,5% on loans of R100 000 and upwards.

The achiever plan account holder must earn R36 000 a year and will be granted a 100% bond up to R100 000. Payment is the current rate of 12,5%.

First National's scheme is slightly different. All borrowers will be offered a 90% bond plus the option of adding the bond and transfer costs — about R700 on average — to the capital amount.

Proviso

In addition, the borrower will be offered a loan of up to 10% of the 90% of the bond, paid over its lifetime, for home improvements. This effectively results in the borrower being advanced almost the total amount of the bond.

The bond rate will remain 12,5% and the package is available to all customers regardless of the size of the borrowing.

But neither package is likely to be available to all people.

First National's scheme is

available to all customers but subject to the usual banking proviso of "branch manager's discretion". Any branch manager worth his salt will not grant a 90% plus bond easily.

However, the competition between the banks will benefit those customers who qualify for the packages.

They spotlight an increasingly intensive campaign between the two banks. First National says its new product came first and that the 90% plus bond was in the pipeline for weeks. Standard says its offer has been available for about three months.

Jimmy McKenzie, senior general manager at First National, says: "Our home loan book is already more than R1,5-billion and we intend to increase it dramatically in the next 12 months."

Standard's book stands at R850-million and is expected to exceed its target of R1-billion for this year.

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Govt drive on housing in low gear

LESS than R20m has been spent on building about 7 000 houses 15 months after government announced a R750m boost for housing.

Finance Minister Bar-end du Plessis made the announcement in June last year. The SA Housing Trust, a private housing financier, was to have received R400m of the money last November, but was only set up in January and got the money on March 2 this year.

It has since paid out R7,5m in loans to build 1 039 houses and provide 2 700 serviced stands. Bonds in transit could take this to R12m.

The only government department which reported results in housing was the Department of Development Aid which used R10m to finance 5 055 self-help schemes in the year to March 1987 (including two months' activity before the R750m was announced) and a further 1 020 in Botshabelo.

In the context of the recent announcement in Parliament of a 500 000 housing backlog, PFP spokesman on the administration of black affairs Helen Suzman said: "At this rate, we'll never solve the housing crisis. We are supposed to have 10 000 houses built by the end of the year.

"The main problem remains the urgency of identifying and producing serviced land for site and serviced schemes to house the 1,3-million squatters in black urban areas throughout SA."

NORMAN SHEPHERD

Apart from the R400m which went to the trust, much of the remaining R350m, mainly earmarked for infrastructure, was swallowed in government departments.

It could not be established how much has been spent on infrastructure.

About R124m went to the Department of Community Development and Planning and R62m to the Department of Development Aid.

The rest went to Own Affairs departments with the smallest allocation to Public Works, a Finance Department spokesman said. Their shares could not be established.

Development Aid set aside R21,3m — just over a third — of its allocation for low-cost self-help building loans in trust areas and independent states, of which it has used about R10m.

Community Development's entire allocation was for infrastructure.

CMR Tait's 2/9/87 (123)

Bank steps up home bonds battle

JOHANNESBURG. — First National Bank announced a new mortgage bond scheme at the weekend offering "90%-plus" bonds.

The bank's senior general manager, Mr Jimmy McKenzie, said the new home loans package was designed to give home buyers the opportunity of buying "more home for the same monthly outlay".

Buyers were being offered a facility of a 90% bond with the option of adding bond and transfer costs to the amount of the bond.

"Thus the 90%-plus bond," Mr McKenzie said.

They were also offering buyers an extra 10% of the bond on top of

the "90%-plus" to make immediate improvements to their homes.

"Our interest rate remains a very competitive 12,5%, for both existing and new customers. The new package is available to all our customers regardless of the size of the bond.

"Payments are credited on a daily basis, and the borrower therefore receives immediate benefit for all payments, effecting a substantial saving over a period of 20-30 years.

"This is in contrast to many bond repayment systems in which deductions are made on a fixed date each month. In these schemes, late payments are credited only on the next fixed repayment date, incurring extra interest costs."

Further benefits in the First National home loan package include:

- A decision in principle within 24 hours, and a final decision within three business days;
- An optional three months' grace before starting repayments;
- Bonds for the purchase of holiday or second homes;
- Calculation of bonds on 30% of joint income;
- An optional repayment period of up to 30 years instead of the more common 25 years.

Standard Bank recently announced 100% loans for over-R100 000 homes and offered 11,5% rates for "special" customers. — Sapa

Black Sash warns on housing crisis

'Invasion of homeless is inevitable'

SPM
23/9/87

Government policies will lead to conflict between the haves and have nots unless the housing backlog is tackled, the Black Sash has warned.

About half a million people live in shacks on the Witwatersrand, the organisation has estimated, while one in six South Africans is homeless.

The Witwatersrand Network for the Homeless will hold an ecumenical service at St Mary's Cathedral on Saturday at 1 pm, to be addressed by Bishop Zithulele Mvemve.

Homeless everywhere

In a information package to co-incide with the service, the Black Sash said the homeless lived in backyards in white, Indian and coloured residential areas, in shacks behind houses in African areas and in rented properties in grey areas such as Hillbrow, Yeoville and Mayfair.

They lived in station waiting rooms, warehouses and parks, on church and mine properties, on agricultural land

and on smallholdings, on the peripheries of urban areas, and on undeveloped land designated for residential occupation by other groups, the organisations said.

"Some have no shelter at all and are living under bushes, in cardboard boxes which they fold up during the day, in public lavatories, under bridges and on city pavements.

"Homelessness is a huge and largely uncatere-for phenomenon of crisis proportions on the Witwatersrand. There is a never-ending cycle of eviction, demolition, prosecution and jailings as a futile set of control measure is deployed in vain to resist the inevitable process of urbanisation.

"If the important issues of Group Areas and inequitable land allocation are not urgently addressed it is likely that the near future will see continued and greater invasion of land by homeless people."

Looking to the future, the Black Sash predicted further overcrowding in existing formal houses, the growth of shacks, conflict between the haves and have nots, conflict between formal town councillors and other representatives, and the invasion of white spaces, vacant buildings and lands.

Despite official action, this will be impossible to control, costly and conflict-ridden, the movement said. Whites will increasingly fear that they are being swamped and threatened.

The Black Sash said small pieces of land, mainly in buffer strips, were being used for houses developed by private sector property developers.

The movement noted that houses built by the SA Housing Trust cost R14 000. Monthly repayment, including municipal levies and insurances, amounted to R220.

...weat, he said. — DDC

Home loans war hots up

23/9/87
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Daily Dispatch Correspondent

JOHANNESBURG — Standard Bank fired the latest salvo in the home loans war yesterday when it announced an "instalment capping option" which effectively fixes monthly instalment payments for five years.

The bank's move follows last week's announcement that it offered 100 per cent bonds in certain cases.

Meanwhile, First National Bank has joined the fray by advertising "a unique new home loans package" — which includes a 90 per cent bond plus an option to add all bond and transfer costs.

FNB also offers "the immediate benefit of having your bond payment credited on day of deposit". But yesterday the Standard announced that it, too, would credit bond accounts immediately with any funds deposited.

Mr Von Brumsen said home owners should bear in mind that a mortgage was a long-term commitment, and that paying cheap rates now could mean paying dearly later.

Prospective home owners should carefully consider the long term picture, he said.

Turning to the competition between banks and building societies, Mr Von Brumsen said banks could take advantage of cheap short-term funds, which enabled them to cut mortgage rates. But building societies were legally restricted as to the amount of short term funding they could use.

Reacting to the Standard's move to cap instalments, the UBS home loans general manager, Mr Piet Kruger, said building societies already had schemes whereby home owners paid only the interest due on their bonds for a period of five years. During this period the capital amount owing remained the same.

By contrast, the Standard's "instalment capping" scheme increases the capital amount owed while borrowers continue to pay the same instalment.

SA needs 600 000 new houses

By JIMMY MATYU

THE country was faced with an incredible housing shortage at present and an estimated 600 000 houses were needed.

The president of the Brick Development Association, Mr. Leon van Rhyn, of Johannesburg, has warned that if the correct planning was not conceived and implemented without delay, the situation would snowball beyond hope of recovery.

And he called on the authorities to explain how they envisaged facing this housing shortage.

Mr. Van Rhyn said a clear indication from the Government would enable the clay brick industry to gear up to meet whatever demands this solution might impose upon this industry.

He said the industry was capable of producing far more bricks than present demand levels but needed advance warning as to when these bricks would be required.

"I forecast that 64 billion bricks will be needed to meet the housing requirements between now and the end of the century, including the current shortage estimated at 600 000 houses.

"The country is faced with an incredible housing shortage at present and if the correct planning is not conceived and implemented without delay, the situation will snowball beyond hope of recovery," he said.

Mr Van Rhyn said the clay brick industry as a whole had been badly hit by the recession and in the last two years 16 factories been mothballed due to economic circumstances.

"Until recently our members who are responsible for the production of 90% of South Africa's clay brick supplies were faced with a demand which was less than 65% of the capacity of their remaining factories," he said.

Mr Van Rhyn said that with correct planning the clay brick industry had sufficient capacity to meet the potential demand.

"The greatest stimulus the Government can provide to the economy at this time would be to announce in detail its long-term plans for meeting the Republic's current and future housing needs with particular reference to making available suitable land," he said.

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NUM slams mines for lack of housing

Daily Dispatch
Correspondent

JOHANNESBURG —
The National Union of Mineworkers (NUM) yesterday criticised the mining industry for failing to negotiate with the union on the implementation of housing schemes for black workers and their families.

Earlier this week, Anglo American announced plans for the construction of 24 000 homes, while Rand

Mines, Gencor, JCI and Anglovaal said they had also embarked on housing projects.

The NUM called for the dismantling of the migrant labour and hostel system at its annual conference last March.

The NUM assistant general secretary, Mr Marcel Golding, further slammed the exclusion of foreign migrants from the schemes. The government has turned down a request from

Anglo that the families of foreigners be permitted to settle in South Africa.

"Foreign workers have made an important contribution to the mining industry in South Africa, and are entitled to this benefit. Anglo need not have meekly accepted the government ruling," Mr Golding said.

He also said the figure of 24 000 houses was insignificant compared to the 180 000-strong Anglo workforce, and this did not benefit colliery employees. Other mining groups have not quantified the size of their proposed schemes.



As a result of the Government's homeland policy and its determination that black people should be "temporary sojourners" in the urban areas, very little housing was provided for black people here since the 1960s.

In 1986 the influx control policy was replaced by the introduction of the policy of orderly urbanisation. This policy introduced freedom of movement for all African people lawfully in white South Africa. However, the Group Areas Act, the Land Acts, allocating 13 percent of the land to blacks who are 73 percent of the population, and a host of other legislation still control people's residence in the urban areas and their ability to find accommodation where they might wish to live and find work.

The Government says there is a shortage of 342 000 housing units for black people outside the homelands and 161 344 inside the non-independent homelands. That makes a total of 503 344 families who are without adequate shelter. At an average of 6 persons a family that means three million people are homeless.

Informed estimates assess the housing shortage at 825 000 units including the homelands (Urban Foundation), and 832 000 units outside the homelands (Dr T de Vos, NBRI).

Using the Urban Foundation estimates as the middle figure, at least five million people, one in every six South Africans, is homeless.

They are everywhere:

Homeless people are presently living in backyards of properties in white, Indian and coloured residential areas; in shacks behind houses in African areas; in rented properties in "grey" areas such as Hillbrow, Yeoville and Mayfair; in railway station waiting rooms, warehouses and parks; on church and mine properties; on agricultural land and on smallholdings on the peripheries of the urban areas, and on undeveloped land designated for residential occupation by other groups.

Some have no shelter at all and are living under bushes, in cardboard boxes which they can fold up during the day, in

Why many in SA are homeless

FOCUS

public lavatories, under bridges, on city pavements, and in parks. Most of them are poor but some are not. They need state assistance but they are not helpless.

One estimate is that there are half a million people living in shacks on the Witwatersrand alone: more people are living in shacks than in existing formal housing in the African areas.

Who is homeless?

Homeless people are termed "squatters" and "trespassers" and "vagrants" because they reside in an illegal manner, as defined by the place where they stay and the type of shelter that is their home. There is still nothing in our law to compel the authorities to furnish homeless people with a place to stay before demolishing their shacks or evicting them or jailing them.

Homeless people include:

- People born in the area — whose parents lived and worked there. As

urban expansion pushed out the perimeters of the city townships were developed for other race groups. Black families were pushed onto neighbouring farms, further away from the urban area, or moved into the city;

- People from the black urban areas for whose natural increase no provision was ever made. We have seen the stamp of a man evidencing a wait for a house of 22 years. This is exacerbated by building regulations which promote unrealistically high standards at a prohibitive cost.

Shacks

Over the years people from black areas have moved out to peri-urban areas to find a place to erect shacks. Others have left to escape the violence of the urban areas;

- Pensioners — including men too old to be of use on farms, widows of farm labourers and retired urban African workers squeezed out of the city, who are given inadequate institutional support and lack traditional family support in a changing society.

- People from rural areas — who before and since the abolition of influx control, were prepared to chance their luck living illegally in and around the urban areas rather

THE Black Sash and the Witwatersrand Network for the Homeless will hold an ecumenical service at the St Mary's Cathedral, Johannesburg, tomorrow at 1pm. In this article JOSIE ADLER of the Black Sash's Urbanisation Working Group and the Agency for Industrial Mission's Shackdwellers Project looks at the root causes of homelessness.

transfer of land outside the homelands to black ownership;

- The Group Areas Act of 1950, re-enacted in 1966, has led to the removal of more than three-quarters of a million people. Houses were destroyed and are still being destroyed. It also prevents proper planning and development in all respects;

- The land in South Africa belongs to white people. Only the central government, elected by whites, can decide what land will be allocated for black occupation; and

- Only the central government can decide whether and where some land will be set aside for the residential and industrial purposes of coloured and Indian people in terms of the Group Areas Act.

The problem of homelessness cannot be properly addressed until land has been made available for the millions of people who cannot afford to buy what is currently on offer. Land is needed for proper planning and for vast site and service schemes.

Land

There is land in South Africa but people do not have access to it. Government policy remains the same. Land can be found at Onverwacht / Botshabelo that hopeless city planned for one and a half million people soon to be incorporated into QwaQwa, hundreds of kilometres from anywhere; land can be found on the peripheries, hundreds of kilometres from where the job opportunities and the potential for small business/informal sector development are. Land will not be made available, we are told, where land is needed — within the core of the metropolitan area.

As far as possible African people must be located in or near to homelands; African people must not be allowed to come to metropolitan areas in unrestricted numbers; African people must not be allowed to purchase or to settle on agricultural land; the land belongs to the white man and, as P W Botha more or less told the House of Representatives, everyone must be grateful for the government's generosity in allowing them to live anywhere at all.

Until apartheid goes and land is released from the restrictions of the Land Acts there can be no solution to the vast and critical problem of homelessness.

than endure their bad luck of no work and no money where they have been. These include migrant workers who leave their bachelor hostel accommodation, preferring to live with their families either brought from the rural areas or established locally; and migrant widows, deserted by their menfolk, who have come to look for these men or to earn money.

Why homelessness?

Most of South Africa's homeless people have never had a permanent home with security of tenure. They cannot expect to have a home in the future and they are managing to exist if not to live life in all its fullness — as they have done for decades and as they will go on doing unless something is done about it.

The root causes

- The majority of the people of South Africa do not have a vote, and thus exercise no direct influence on decisions made by the central government on legislation passed by Parliament;

- The history of South Africa since the arrival of the first white settlers is a history of dispossession, under the National Party this has been formalised, codified and pursued with relentless determination;

- The 1913 and 1936 Land Acts prevent the

Political comment in this issue by A Klaaste and J Thloloe. Sub-editing, headlines and posters by S Matlhaku. All of 61 Commando Road, Industria West, Johannesburg.

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SIT (123) 27/9/87

By Stephen Rogers

THE housing-bond war between banks and building societies intensified this week when both Standard and Trust introducing packages to tempt the undecided.

Under Standard Bank's latest package, the borrower will be given the option of accepting a fixed monthly repayment over the next five years.

If interest rates move up in this time, the difference between the new rate and the fixed repayment will be debited to the borrower and will accumulate.

Capitalised

At the end of the five years the accumulated interest will be capitalised and repayments will be calculated on the new amount.

The house-owner gains by paying a fixed amount for five years and the increase in his income will place him in a good position to pay future

nigher repayments.

But Standard gains if bond rates rise. The capitalisation of accumulated interest at the end of five years means that the borrower will be paying interest on the deferred amount.

Furthermore, if bond rates are higher at the end of five years he will be paying a higher rate of interest on the accumulated sum. Economists expect interest rates, on the back of a new business cycle, to rise in 1992 to much higher than present levels.

"If this capping option is widely adopted, Standard stands to increase its profitability on these bonds," says a building society. But this assumes the borrower will be able to pay.

The property market is starting to recover, so the

House-bond war hots up with new offers

risk of large bad debts seems low — though five years is a long time in the SA economy.

Dennis Matfield, managing director, Standard Bank Financial Services, says: "We have looked at the possibility of bad debts and do not see a problem."

Difference

Standard's is not the only fixed bond available.

Allied Building Society offers a fixed bond rate of 15% over three years and 16% over five years. The difference between its bond and Standard's is that Allied has fixed the rate and not the repayment. So there is no accumulation of interest after five years.

Trust Bank has joined the

fray with the introduction of a 100% bond, the Ultimate, which will be offered to all new borrowers at the present interest rate of 12,5%.

Senior general manager Kobus Roetz denies that the bond was introduced in reaction to similar packages from Standard and First National, saying, "it has been in the pipeline for about six weeks".

He declines to say what Trust Bank's home loan book is. But commenators say the bank has been making inroads into the home loan market and estimate that its book is not far behind Standard's R850-million.

Trust also offer fixed bonds at similar rates to Allied. But Mr Roetz says there is little demand for them.

Trust Bank offering 100 % home loans

By TOM HOOD
Business Editor

TRUST Bank is the latest to join the battle between banks and building societies by offering no deposit, 100 percent loans to home-buyers.

Both Standard and First National banks have come out with offers of lower bond rates while Standard and Allied Building Society have packages that peg bond rates for as long as five years to guarantee fixed monthly repayments.

The flood of money into the home-loans business and low bond rates have given a boost to the housing market since the beginning of the year.

Trust Bank said today its new package was not limited to specific income groups and removed a major obstacle for potential home-owners — getting a deposit together.

PLOTS

The bank's new bonds may also be used to buy plot and build houses.

"It does not make sense that people who can afford bond repayments should be kept out of the housing market purely because they do not have deposits," said Mr Kobus Roetz, Trust Bank's senior general manager, banking services.

Monthly payments may not exceed 30 percent of a married couple's income.

Mr Roetz said bond rates would be "competitive".

"Our personalised banking style makes us sensitive to client needs and abilities and permits us to put together a financial package which will responsibly and effectively meet client requirements."

1/10/87
Kemmey
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MORE than 2,4-million houses must be provided for the black population between now and the year 2000 in order to wipe out the critical housing backlog in the black areas, Mr Brian Kemmey, deputy managing director of the SA Permanent Building Society (Perm), said this week.

Speaking at a seminar on black housing, Mr Kemmey said the crisis could be satisfactorily addressed only if there was a greater involvement from the private sector and the Government.

He strongly urged banks to also lend out money to potential black home builders as building societies alone could not cope with the

Housing crisis causes unrest

demand.

"The banks are saying a lot of nice things at the moment, but they have not done anything. Building societies cannot do it on their own," Mr Kemmey said.

Unrest

He said analysis of political unrest in the black townships always showed that housing was one of the elements

which forced blacks to react violently.

"We won't survive in this changing era if we ignore the requirements of black people in this country. Building societies, estate agents, banks, the media as well as the Government have a role to play in the provision of houses to the black population," Mr Kemmey said.

He said there was also a strong need to build low cost houses of between R20 000 and R30 000, in the black community.

"Many people spend time arguing about statistics. It's futile. Let's address the critical housing shortage," Mr Kemmey said.

Steyn: urgent need for more housing

STELLENBOSCH — Despite recent signs of progress, urgent measures were required to identify and release land for housing development for disadvantaged communities, the executive chairman of the Urban Foundation, Mr Jan Steyn, said.

Addressing the South African Institute of Public Administration last night, Mr Steyn said it was only in the past decade that the realisation that without dynamic economic growth no political ideology could prevent South Africa from suffering a marked erosion of its capacity to sustain reasonable standards of living for its populations, had gained ground.

"Throughout our history the authorities in South Africa have to one degree or another attempted to keep the Third World in South Africa at bay, as it were, to compartmentalise it off from the so-called modern sector.

"With the integration of planning and administration, and the relaxation of laws governing the access of Africans to the developed core economy, the full enormity of the backlog of needs has been driven home."

He said while the concept of an in-

ter-dependent, common society was fully recognised by the established authorities, it was clear that:

Unemployment among blacks was increasing; there was still a formal housing backlog of over 500 000 units; under-nutrition is prevalent and many areas had no electricity.

There was a huge shortage of qualified teachers in black schools. The pupil-teacher ratio was unacceptably high, there was a lack of pre-school and day-care facilities and an urgent need for welfare services.

Mr Steyn said privatisation of public sector operations was one way in which the government could effectively involve the private sector. Deregulation was another.

"The government has progressed considerably in its views on the accommodation of black people in and around our cities.

"I strongly suspect, however, that the issue of black residence in our cities and towns is still a source of anxiety and that the recommendations of the White Paper are not always implemented with the requisite urgency," Mr Steyn said. — Sapa

ARGUS 2/10/87

METROPOLITAN

123

Store chain in drive to sell shares to staff

"Instead of expecting the Government to do everything to secure the country's future, business should take the initiative in developing more houses and giving staff a stake in the company and try to make South Africa a home-owning and share-owning democracy," Mr Ackerman said.

Pick 'n Pay is also planning to expand its housing scheme.

Sixteen percent of the company's staff — 2 703 workers — already own shares. Store managers get 500 on appointment, others are given 100 after 10 years' service and executives receive more as they are promoted.

"We want people lower down to get shares. It will involve a tremendous marketing effort. My job is to go round the country explaining this to 17 000 people who at the moment do not understand the share market."

From dividends

Shares will be "sold" to employers through a share trust scheme. The company provides share-purchase loans which are repaid out of dividends.

Mr Ackerman believes that 40 percent of the staff could own shares by 1992.

The first step will be to subdivide the present shares by issuing four new shares to shareholders for every one they hold.

This will automatically lower the price from the current R44 to about R11 and also make them more marketable.

The market value of Pick 'n Pay's shares is about R950-million, including about R80-million for the holding company, Pick 'n Pay Holdings (Pikwik).

● Mr Hugh Herman, who has been joint managing director for the past three years, becomes the sole MD. Mr Ackerman's new rôle will be executive chairman and chief executive officer. His son Gareth has been appointed a director of Pikwik.

By TOM HOOD,
Business Editor

MR RAYMOND ACKERMAN has abdicated the managing director's throne of his supermarket chain after 20 years to undertake his mightiest marketing effort.

He will stomp round his Pick 'n Pay empire of more than 100 stores to persuade the 17 000 full-time staff to become shareholders of the chain.

Employees are soon to get a free offer of at least R1 200 worth of shares — the value of which could double in a short time — in the country's biggest profit-sharing scheme so far.

Mr Ackerman's aim: to make 50 percent of the staff shareholders as soon as possible after explaining what shareholding means and its benefits.

The quest for solutions

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The mind-boggling proliferation of bodies involved in low-cost housing has long argued for some kind of rationalisation. The Housing Amendment Bill introduced this month is apparently designed to do precisely that — to speed up decision-making on housing and the provision of infrastructure for black communities.

At best the thinking behind the Bill is a reflection of remarks made earlier this year by Deputy Finance Minister Kent Durr: "The forms of home creation currently the norm are in need of rethinking and restructuring to cope with demands being made in the housing sphere. The traditional and comfortable views of the past must make way for inventiveness, ingenuity and imagination if we are to cope with the new situation."

At worst, it is representative of the kind of imaginative tinkering which looks like change, but actually just means more busy work for bureaucrats.

A memorandum to the Bill says it seeks to rationalise black housing, left out in the cold when each of the three houses of parliament passed their own laws on housing, repealing various sections of the Housing Act of 1966. What the Bill does, in effect, is devolve some powers to the provinces, others to local authorities, and yet others to regional committees.

What it doesn't do is address the large number of players on the field, who make teamwork difficult and obscure goals.

In government alone, there are so many departments, divisions and committees each responsible for some facets of some housing, that it seems suspiciously as though the blame for slow progress is being spread as widely and as thinly as possible.

To begin with, the old National Housing Commission was divided into four with the advent of the tricameral parliament. A minister from each house now has overall responsibility for own affairs housing, while black housing in metropolitan areas falls under the jurisdiction of the Department of Development Planning, under Minister Chris Heunis. Black housing in the trust

The field of low-cost housing is full of players — but the major problem, land allocation, still has to be addressed by government. This means a hard look at the Group Areas Act.

areas and homelands falls under Gerrit Viljoen, Minister of Education and Development Aid.

However, there is also a Committee of Ministers on Housing, chaired by Pietie du Plessis, Minister of Manpower, Labour and Public Works. This department is also responsible for the administration of the South African Housing Advisory Council, which is chaired by Boet Viljoen and advises the ministers.

The Department of Finance, under Minister Barend du Plessis and deputy Kent Durr, also plays a role because of the introduction of subsidies and development incentives.

Then, of course, there are also the private-sector players, in the form of such organisations as the South African Housing Trust under the chairmanship of Sanlam's Fred du Plessis; the Urban Foundation's Family Housing Trust; and the Institute of Housing for SA. The National Association of Homebuilders and the SA Property Owners' Association (Sapoa) also

have an interest in the matter, as do scores of independent developers and contractors.

The result, inevitably, is duplication of effort, reinvention of the wheel and the squandering of scarce resources.

In June last year, the government announced it would grant R750m for the provision of low-cost housing, an activity it fervently hoped would stimulate the economy through job creation. R350m of this went to white, coloured, Indian and black general affairs administrations — R226,4m into general housing budgets and R123,6m for

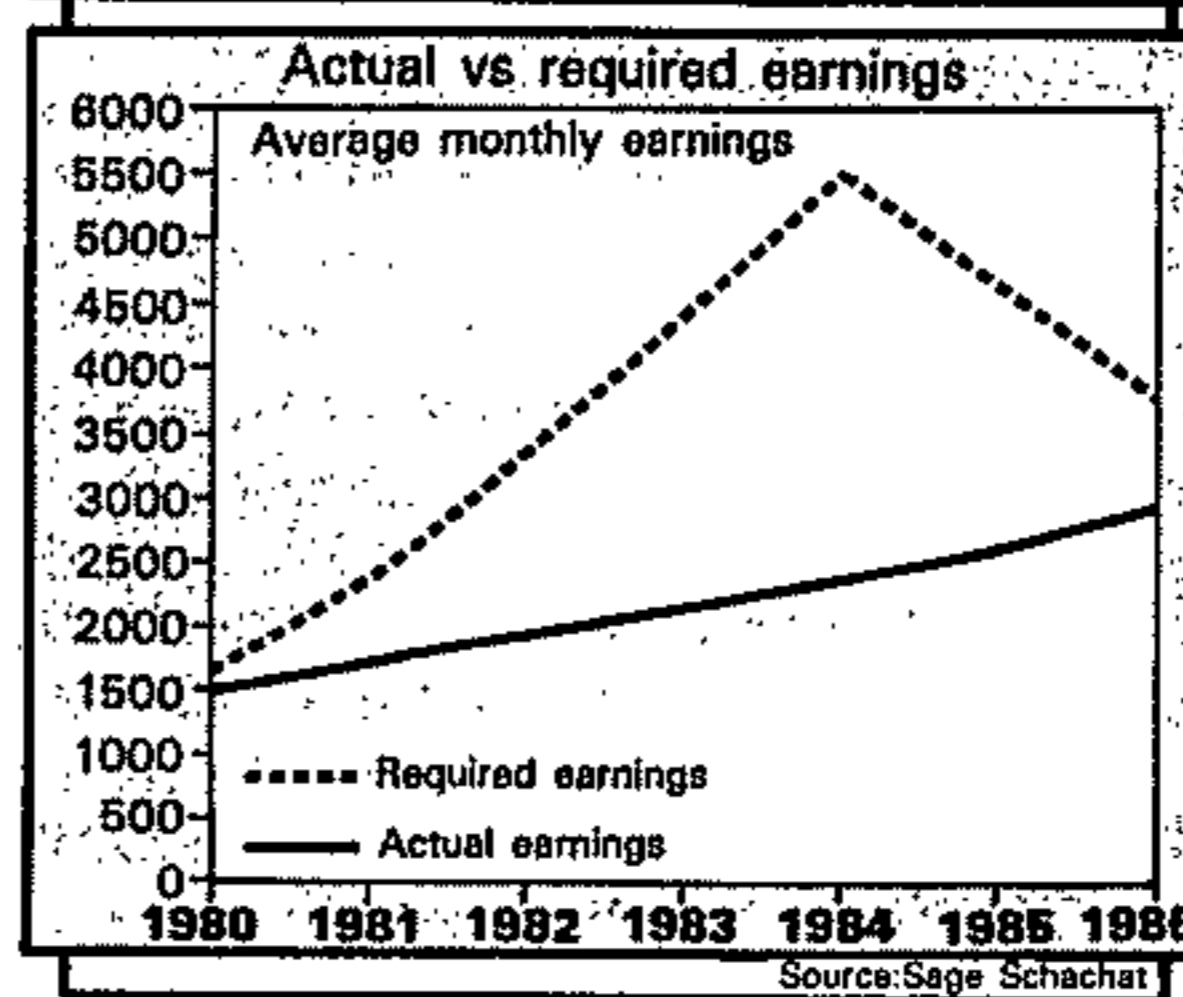
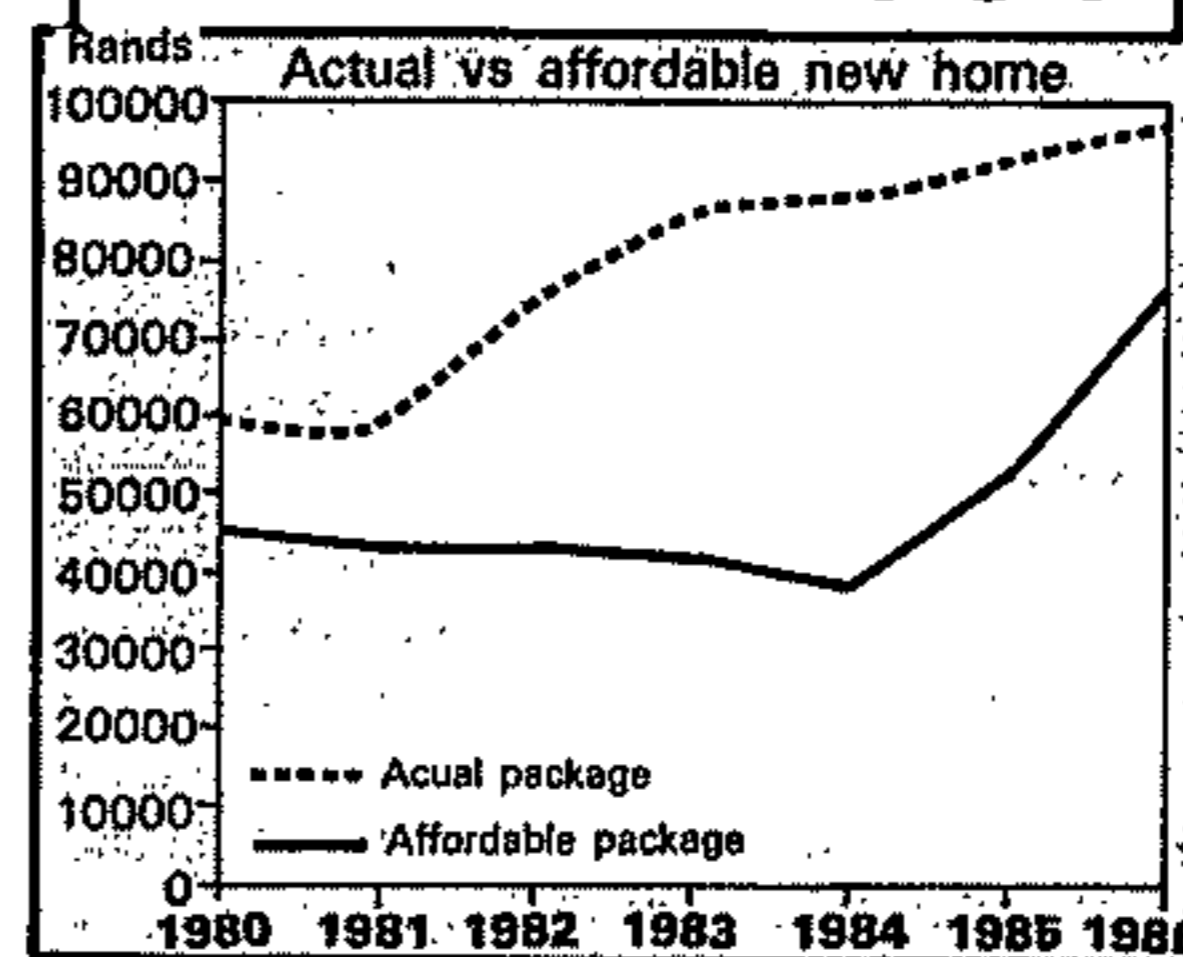
land, services and materials loans to self-builders. Almost all of the latter amount went to the Department of Development Planning.

Yet the only government department to report results this year is the Department of Development Aid, which used R10m to finance some 6 000 houses. It was allocated R62m of the R350m and has set aside a further R21m for low-cost, self-help building loans in trust areas and independent states, of which it has spent R10m. So in total, R20m has been spent on around 7 000 houses.

The other R400m of the government grant went to the SA Housing Trust in March this year. The

stated aim of the trust is to work as a catalyst for the construction industry, with the aim of involving the private sector in low-cost housing. It does this by providing short-term bridging finance for the housing process —

The affordability gap



Source: Sage Schachat



Low-cost housing types (L to R): standard matchbox (Soweto); more imagination at Ennerdale; Meadway Mews for whites

from the provision of raw land to completed houses of less than R20 000.

It has also gone about hiring professionals to develop innovative schemes to make the whole process of development more affordable, with the emphasis on job creation and technical and financial assistance for small black builders. For example, in June it financed eight project teams around the country to concentrate on the purchase of suitable ground for the provision of serviced stands at less than R4 000.

SA Housing Trust MD Joe Taylor reckons that a 50 m² house on this, built for R200/m², would result in a "decent" dwelling for around R14 000. At the bond rate applied by the trust (8% for 15 years on a house costing less than R20 000) the monthly instalment would be around R108. Other charges such as rates and insurance would bring this to R220.

The trust would also like to finance individual owners to make home ownership possible on a large scale. It is negotiating with building societies to administer the loans, although bond money will come from the trust itself. And it hopes to raise a further R800m on the capital market through issuing loan stock which will be regarded as a prescribed asset for life assurers and pension funds.

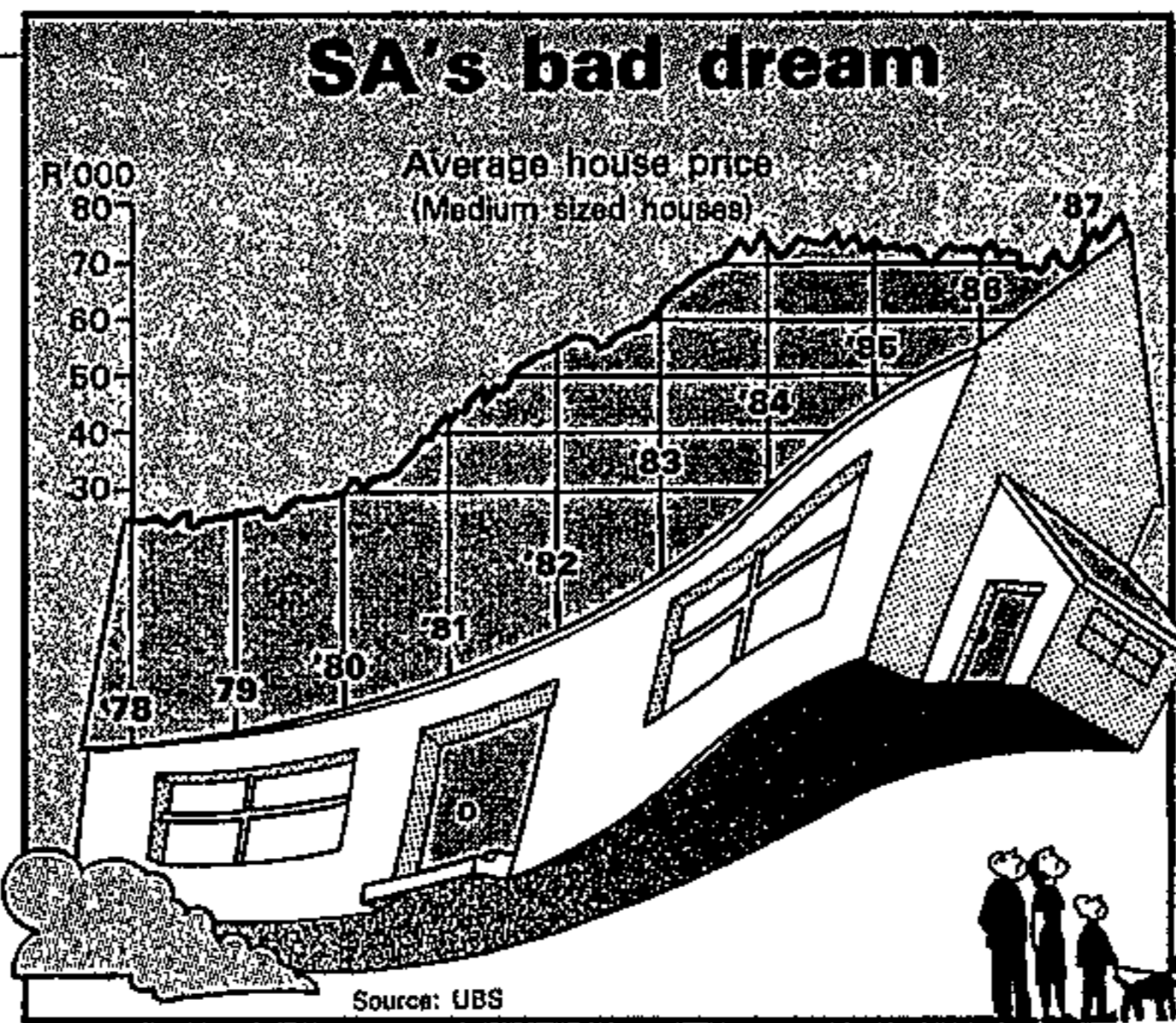
In time, Taylor says, this strategy could make up to R2 billion available for lending.

Meanwhile, it has already approved loans totalling R220m to finance some 20 000-22 000 housing units, each with an average price tag of R11 000. And it has focused on the small black builder, using large construction companies only on a management or consultative basis, to provide skills transfer, training and bulk buying.

Independent developers tend to aim higher than this — at "up-market" blacks who can afford houses in the R25 000 to R40 000 bracket, and who are either eligible for the first time buyers' government subsidy or who have housing subsidies from their employers.

It is this market which seems to attract the building societies which, not unreasonably, expect the security such subsidies afford them. However, the SA Housing Trust estimates that building societies are catering for just 13% of the demand for bonds among blacks, with the SA Perm the only one providing finance for alternative building methods.

It is here that the question of affordability comes in. While no one expects the government to continue to provide all low-cost housing, it must be borne in mind that the ability of a family to pay for housing is limited by the amount of income that can be devoted to shelter after other necessities of subsistence — food and clothing — have been paid.



The National Building Research Institute has found that while only 2,4% of whites are unable to make any contribution towards their housing, the figures for coloureds, Indians and blacks are 31,1%, 8,2% and 56,4% respectively.

In addition, while around 9% of whites require some form of assistance to acquire housing, 84% of blacks cannot afford a low-cost house without some form of subsidy. Less than 12% of black households can afford an unsubsidised loan of more than R30 000.

There are two ways around the problem. The first is to encourage alternative home acquisition methods which at least enable families to enjoy some sort of shelter. The second is for financial institutions to become more aware of alternative building methods and the opportunities they afford to maximise resources.

Imaginative solutions are essential. Heunis said in June that the housing shortage for blacks in 1986 amounted to 342 000 units, and that 19 000 houses had been built during the year. By April this year, the shortage of houses for blacks was an estimated 500 000-550 000 units which, on an average cost of R20 000 per package, represents a staggering R10,2 billion. What's more, 300 000 more units a year will need to be

built just to satisfy current demand — at a cost of R8 billion a year.

National Association of Home-builders' executive director shortage Grotius puts the present shortage even higher — at 832 000 units, with 80 000 ha of land needed for development in the PWV area alone. Llewellyn Lewis, a member of the association's committee on housing strategy and president of the Institute for Housing of SA, believes problems will not be eradicated by new technologies and economies of building scale. Innovative financing is required.

The National Building Research Institute says that, in view of the government's stated support for the con-

cepts of site-and-service and self-help schemes, it might give consideration to the granting of a once-only capital subsidy to each homeowner in the form of a residential stand with basic services. The recipients would then have to apply their own resources and initiative to construct suitable and affordable accommodation.

But the government is already a little dodgy on the issue of subsidies. In February, it rejected a plea by the Home-builders association to raise the subsidy level for first-time buyers from R40 000 to R60 000. It still stands at 33,3% of the interest on a R40 000 new house payable for five years.

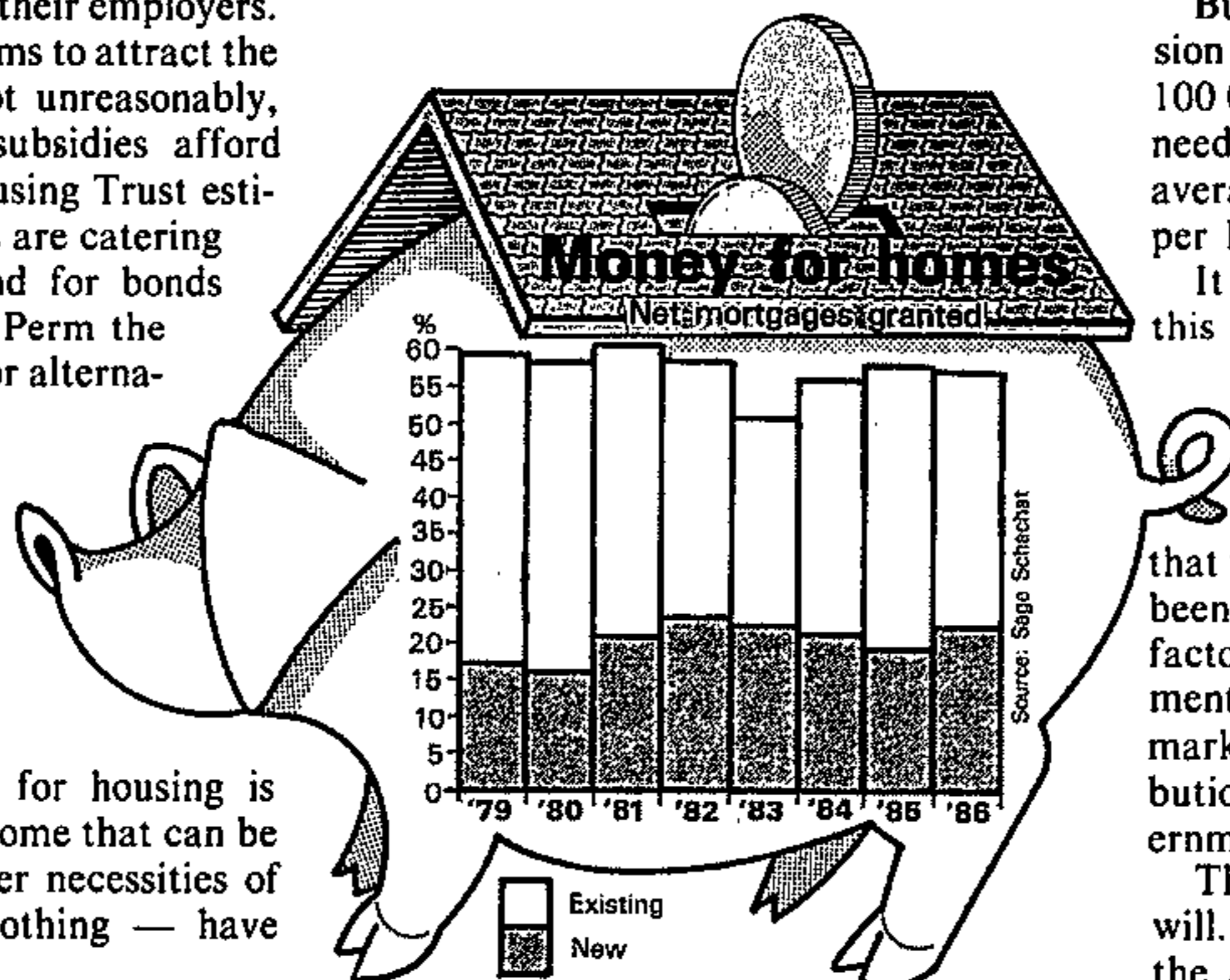
The Urban Foundation says R1,2 billion a year of institutional investment will be needed to meet the housing backlog. And it has been estimated that if just 5% of the R40 billion currently invested by pension funds were to go towards housing, this could provide for 100 000 (R20 000) homes.

Obviously some degree of co-ordination is now called for. A Sapoa report on low-cost housing calls for the establishment of a large national housing body, jointly administered and financed by the State and the private sector. This would take direct responsibility for the development of land, the issue of building contracts, the allocation of loan funds and the administration of debts.

But the thorniest issue remains the provision of land for development. More than 100 000 ha in urban areas are going to be needed in the next four years — if the average gross density is taken at 100 people per hectare.

It is simply going to be impossible to make this much land available without effecting drastic changes to the implementation of the Group Areas Act and without speeding up the process of declaring and rezoning appropriate land. Now that the restrictions on home ownership have been lifted, the Act remains the one major factor which inhibits the natural development, though slow, of a stable black housing market. It is to this, rather than the redistribution of administrative functions, that government must turn its attention.

This, of course, is a question of political will. But the message from the market is that the Act must go soon.



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	1981-82	1982-83	1983-84	1984-85	1985-86	Total
Local Authorities Loans Fund Board	R 450	R 450	R 450	R 1 000	R 1 000	2 000
Annual Report of the SA Mint	740	740	775	450	3 000	4 800
Unit Trust Companies	670	780	800	950	900	3 335
Building Societies	670	780	800	950	915	4 115
Banks	730	780	No report	760	925	4 125
Pension Funds	730	780	No report	760	925	2 415
Friendly Societies	730	780	No report	760	900	2 360
Insurance	930	*	960	report 1 200	1 200	4 290
* No statistics available						
Total	4 920	2 010	4 515	6 230	9 765	27 440

	1981-82	1982-83	1983-84	1984-85	1985-86
Local Authorities Loans Fund Board Annual Report of the SA Mint	None	Black and White	Black and White	Black and White	Black and White
Unit Trust Companies	None	None	None	None	None
Building Societies	None	None	None	None	None
Banks	None	None	None	None	None
Pension Funds	None	None	None	None	None
Friendly Societies	None	None	None	None	None
Insurance	None	None	None	None	None

	1981-82	1982-83	1983-84	1984-85	1985-86
Local Authorities Loans Fund Board—white bond	Duplicating paper	Duplicating paper	Duplicating paper	Duplicating paper	Shaka Mat
Annual Report of the SA Mint	Duplicating paper	Duplicating paper	Duplicating paper	Duplicating paper	Shaka Mat
Unit Trust Companies	Content: GP	Content: GP	Content: GP	Content: GP	Content: GP
Building Societies	Content: GP	Content: GP	Content: GP	Content: GP	Content: GP
Banks	Content: GP	Content: GP	Content: GP	Content: GP	Content: GP
Pension Funds	Content: GP	Content: GP	Content: GP	Content: GP	Content: GP
Friendly Societies	Content: GP	Content: GP	Content: GP	Content: GP	Content: GP
Insurance	Content: GP	Content: GP	Content: GP	Content: GP	Content: GP

(e) (i) How many of these reports contained a photograph or drawing of the
 (aa) political head; and
 (bb) top official of this Department and/or the statutory bodies in question; None
 (ii) How many of these pictures were in
 (aa) Colour; and One (Director: SA Mint)
 (bb) black and white in each case? None (1985-86)

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Deregulation
 Mr J J WALSH asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services:

- (a) How many applications for deregulation have been (i) received, (ii) investigated and (iii) granted in terms of the Temporary Removal of Restrictions on Economic Activities Act, No 87 of 1986,
- (b) in how many cases has deregulation taken place and (c) in respect of what date is this information furnished?

THE MINISTER IN THE STATE PRESIDENT'S OFFICE ENTRUSTED WITH ADMINISTRATION AND BROADCASTING SERVICES:

- (a) (i) 14.
- (ii) 14 of which 7 are still in progress.
- (iii) No proclamations were issued, but particulars of the interim steps which have been taken were given by the Minister of Economic Affairs and Technology in his written reply to question number 307 on 23 February 1987 and oral reply to question number 13 on 26 May 1987.

(b) Refer to the reply under (a) (iii).
 (c) 31 August 1987.

Freehold

416. Mr P G SOAL asked the Minister of Constitutional Development and Planning:

- (1) How many plots had been surveyed for sale in freehold to Black persons in each specified area as at the latest specified date for which information is available;
- (2) whether any of these plots are ready for sale; if so, (a) how many and (b)

in which areas; if not, (i) why not and (ii) when is it anticipated that they will be ready for sale?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

- Orange Free State:**
 (1) 105 359, August 1987.
 (2) No.
- (a) and (b) Fall away.

- (i) The opening of Township Registers in terms of section 46 of the Deeds Registries Act is receiving attention.
- (ii) As and when Local Authorities submit applications for the opening of Township Registers and the Deeds Office is enabled to do so.

Cape Province:
 (1) 114 132, August 1987.
 (2) No.

- (a) and (b) Fall away.
- (i) The opening of Township Registers in terms of section 46 of the Deeds Registries Act is receiving attention.
- (ii) As and when Local Authorities submit applications for the opening of Township Registers and the Deeds Office is enabled to do so.

Transvaal:
 (1) 356 678, August 1987.
 (2) Yes.

- (a) 1 831.
- (b) Spruit-View, Katshehong (Germiston).
- (i) and (ii) Fall away.

Natal:
 (1) 10 478, August 1987.

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(2) No.

(a) and (b) Fall away.

(i) The opening of Township Registers in terms of section 46 of the Deeds Registries Act is receiving attention.

(ii) As and when Local Authorities submit applications for the opening of Township Registers and the Deeds Office is enabled to do so.

Pretoria: offences

496. Mr P G SOAL asked the Minister of Law and Order:

How many cases of (a) murder, (b) culpable homicide, (c) assault with intent to do grievous bodily harm, (d) common assault, (e) rape, (f) robbery, (g) theft of vehicles and cycles, (h) damage to property, (i) housebreaking with intent to steal and theft and (j) possession of drugs were reported at each specified police station in the (i) Pretoria and (ii) Pretoria North police districts in 1986?

THE MINISTER OF LAW AND ORDER:

(i) PRETORIA	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Pretoria Central ...	21	11	150	513	40	536	799	231	889	2
Sunnyside	5	9	31	331	30	57	967	245	905	1
Pretoria West	5	11	94	322	36	118	280	167	631	1
Brooklyn	10	22	74	275	21	93	1 369	204	1 678	1
Wierdabrug	16	10	116	132	17	78	474	91	770	—
Erasmia	19	10	138	188	23	90	78	116	405	1
Atteridgeville	36	13	507	580	81	307	58	541	152	—
Lyttelton	7	7	54	99	8	45	420	67	615	2
(ii) PRETORIA NORTH										
Pretoria North	21	35	126	362	41	130	656	159	1 097	—
Rosslyn	—	2	7	29	1	18	14	14	184	—
Soshanguve	23	18	389	387	58	237	77	278	125	—
Assen	3	5	14	18	5	7	4	5	32	—
Kameeldrif	7	13	136	107	26	30	40	47	155	—
Britz	25	25	414	349	55	122	234	157	754	1
De Wildt	7	11	36	52	15	32	28	26	107	—
Hammanskraal	4	17	81	106	13	39	42	44	166	—
Hartbeespoortdam	7	19	137	167	10	36	44	54	275	—

Group Areas Act

506. Mr S S VAN DER MERWE asked the Minister of Law and Order:

Whether, with reference to the reply of the Minister of Constitutional Development and Planning to Question No 310 on 11 September 1987, the South African Police have served all of the notices issued in terms of section 41 of the Group Areas Act, No 36 of 1966; if not, in respect of which properties have notices been

served; if so, when were the notices served in respect of each property?

THE MINISTER OF LAW AND ORDER:

No. Notices in respect of several properties at different addresses which are dealt with during the normal course of duties, have not yet been served. However, because the work involved in compiling these addresses countrywide would be so voluminous and time-consuming, it is not practically feasible to furnish this information.

HQA

Krugersdorp: workers' union

508. Mr S S VAN DER MERWE asked the Minister of Law and Order:

(1) Whether officials of a certain workers' union in Krugersdorp, the name of which has been furnished to the South African Police for the purpose of the Minister's reply, laid any complaints with the Police in May 1987 regarding threatening telephone calls and the vandalising of office premises; if so, (a) on what date, (b) what was the nature of the complaints, (c) what action was taken by the Police as a result of these complaints, (d) what were the results of this action and (e) what is the name of this worker's union;

(2) whether any persons have been arrested in connection with these incidents; if so, (a) how many and (b) when?

THE MINISTER OF LAW AND ORDER:

(1) Yes.

(a) 6 May 1987 and 18 May 1987.

(b) Contravention of section 1 (1) of the Intimidation Act, 1982 (Act 72 of 1982); Housebreaking with the intent to commit a crime unknown to the prosecutor; Malicious damage to property.

(c) Case dockets were opened in respect of all three complaints and have been fully investigated.

(d) No suspects could up until now be identified or traced as a result of the available evidence on hand.

(e) The name furnished by the hon member.

(2) No.

(a) and (b) Fall away.

Kroonstad: workers' union

509. Mr S S VAN DER MERWE asked the Minister of Law and Order:

Whether any action was taken on or about 11 May 1987 in respect of the (a) offices and (b) officials of a certain workers' union in Kroonstad, the name of which has been furnished to the South African Police for the purpose of the Minister's reply; if so, (i) what action in each case, (ii) why, (iii) what was the result of this action and (iv) what is the name of this workers' union?

THE MINISTER OF LAW AND ORDER:

(a) and (b) No, as far as could be ascertained, the South African Police has no record of such action.

(i) to (iv) Fall away.

MONDAY, 5 OCTOBER 1987

Indicates translated version.

For written reply:

General Affairs:

Black farmers: loans

570. Mr R J LORIMER asked the Minister of Finance:

(1) Whether, with reference to his reply to Question No 106 on 8 June 1987, Black farmers are eligible to apply for loans from the Land and Agricultural Bank; if not, why not; if so,

(2) whether any Black farmers have applied for loans from this bank; if so, (a) how many, (b) when and (c) what was the outcome of each application; if not,

(3) whether this bank has at any time taken any steps to encourage Black farmers to make use of its services; if so, (a) what steps and (b) with what results; if not, why not;

(4) whether he will make a statement on the matter?

HQA

WS

Blacks hindered by housing obstacles

The average black person who has saved money and wants to build a house for himself faces a number of obstacles before he can join the ranks of homeowners.

This is one of the facts which emerged at a one-day seminar organised by the Permanent Building Society for the staff of Argus newspapers this week.

During a panel discussion chaired by Mr Ray Dale, the regional assistant general manager of the Perm, reporters were told that unlike the average white person wanting a house, a deposit alone could not guarantee a black person a home.

Money is just one of the obstacles he will have to overcome in his search for property.

Mr John le Grange, the sales manager of the Simmonds Street Branch of the Perm, said the

WINNIE GRAHAM

shortage of serviced land, coupled with the overwhelming demand for houses and red tape, made it "very difficult" for the ordinary black person to acquire a house — "and the problem is getting worse".

Because of the complexity of homeownership, with black people having to follow different procedures to acquire a home, he advised would-be black homeowners to get advice from building societies.

The discussion panel was told that virtually all houses in the Soweto area were still being sold under the 99-year lease scheme rather than on freehold, despite the fact it was more than a year since the Government announced freehold property rights for black people.

It was suggested few people had taken advantage of convert-

ing their property from 99-year leasehold to freehold because freehold rights required the payment of transfer duties which pushed up the cost of land ownership.

Mr Dale said he was particularly concerned about the shortage of housing at the lower end of the market (R10 000 to R20 000 properties) where the need was greatest.

Hodeco, the Perm's housing development company, was trying to provide housing for black families but was hamstrung by a shortage of serviced stands.

Research had shown, he said, that black homeowners wanted much the same sort of houses as white families — and they were prepared to pay.

Mr Elliot Mahlangu, the manager of the new loans division, added: "Initially their needs are different and black families will start with smaller houses, build-

ing on as their families grow." Mr Brian Kemney, deputy managing director of the Perm, told the seminar corruption was one of the main problems facing developers wanting land for housing. In some instances a bribe of R1 000 a stand was expected before the ground was released for development.

"We will not pay bribes," he said. "If we did, these increases in the price of the stands would have to be passed on to the purchaser."

"We are not suggesting all local authorities are corrupt, or that the authorities are not aware of the problem, but there is corruption and something must be done and done urgently."

Mr Eddie Rossot, manager: new loans, said Johannesburg companies were increasingly becoming conscious of the need to provide housing for their black staff and many were acquiring their own land for this purpose.

By Ian Smith

HOUSE building has been in the doldrums in recent years. But, increasingly, the construction sector is looking to the low-cost housing market to provide new impetus.

Gearing up for the major developments ahead is one of South Africa's biggest home builders, Ilco Homes, which is now heading for a listing on the JSE.

Chief Executive Jos Demmers, who has been in the business for 35 years, says the R17.5-million which will come from the placement of 10-million shares — 7.5-million privately and the balance on offer to the public — at 175c each will provide some of the funds needed to meet future demand.

Mr Demmers successfully tendered in 1975 for what was then described as the largest single mass housing contract in the world — 5 000 houses at Mitchell's Plain. He reckons his companies have built more than 60 000 houses.

He also built the first ship-building slipway in South Africa, the Umlaas storm-water canal in Natal, the R K Kahn hospital and other high-rise and school buildings.

But some five years ago, ahead of a change in government policy, he sold his main contracting business to Murray & Roberts while he re-

tained the Ilco name. At the same time he changed direction and the new Ilco has concentrated on developing land it already controls.

Mr Demmers, who started his first company as a 21-year-old immigrant from Holland, says he has found his niche serving the low-income home owner. "That's where the massive demand lies, and it will be there for a long time to come."

His company has pioneered what he calls production line housing. "It's just like building a car," he says. "But instead of the cars coming past the workers, they go past the houses."

Each team is responsible for one stage of house construction in a whole section of the development project. In this way optimum efficiency is achieved, both in productivity and in use of materials. The system can be used for building with any materials, he says.

He also makes wide use of small local sub-contractors to ensure cost-effective construction.

Already the company has completed housing schemes at Ennerdale, Lenasia, Isipingo, Phoenix, Chatsworth, Klipspruit West and Merbank. Now Ilco is more than halfway through the Standfontein Village project, which has gained international recognition for its design, landscaping and market appeal.

Low-cost housing the impetus for new listing

"There are already more than 1 000 families living there and we have speeded up the construction to meet the demand, which is incredible," says Mr Demmers.

Now he is looking at even bigger projects. "We have plans for quite a few new cities which will each eventually house more than 100 000 people. In Johannesburg we have already bought the land for a very big town and we will start work as soon as the necessary approval has been granted."

The company's main operations will be centred on Cape Town, Durban and Johannesburg — "because that's where the masses are".

Mr Demmers says Ilco already has land under its control on which 40 000 houses

could be built.

The company provides a one-stop service. It provides the land, develops the infrastructure and services, landscapes the sites and builds the houses, markets the project and even provides second bonds to buyers who cannot raise the full deposit. But most buyers have bonds granted by the major building societies.

"Now we must begin to look at highrise low-cost housing," says Mr Demmers. "We cannot keep building outwards."

Full financial details of the company will be published in the prospectus this week.

The offer opens on October 9 and closes on October 30, and Ilco is due to be listed on November 13.

*The MINISTER OF LAW AND ORDER:

No. not in respect of incidents on 12 and 13 September 1987.
(a) to (c) Fall away.

its normal courtesy towards the Tall Ships First Fleet, but this was not possible within the restrictions which were placed on the SA Defence Force.

Tall Ships First Fleet: gun salute

*27. Mr J VAN ECK asked the Minister of Defence:

- (1) Whether he or any member of the South African Defence Force was approached in connection with providing the so-called Tall Ships First Fleet with a gun salute as they entered Table Bay on 10 September 1987; if so, (a) by whom and (b) on what date;
- (2) whether he acceded to this request; if not, why not; if so,
- (3) whether this gun salute was given; if not, why not;
- (4) whether he will make a statement on the matter?

The DEPUTY MINISTER OF DEFENCE:

- (1) Yes.
 - (a) Mr A Green, Director of the Cape Festival, approached the SA Defence Force.
 - (b) 4 September 1987.
- (2) and (3) No. The organisers, on a number of occasions, requested that there should be no visible SA Defence Force involvement at the reception of the ships. The SA Defence Force would have wanted to display

New Questions:

S.A. Housing Trust Limited

*1. Mr D J N MALCOMESS asked the Minister of Finance:

Whether a housing grant of approximately R750 million to a certain trust, the name of which has been furnished to the Minister's Department for the purpose of his reply, was approved in the 1986-87 financial year; if so, (a) what is the name of this trust, (b) how much of this sum has been paid to the trust, (c) where is the balance of this sum and (d) (i) what total amount had been spent by this trust as at the latest specified date for which information is available and (ii) what facilities were provided with this money?

The DEPUTY MINISTER OF FINANCE (Dr G Marais) [Reply laid upon the table with leave of House]:

The grant for housing of approximately R750 million was not approved in full for a certain trust. Only part of this amount was appropriated for the said trust.
(a) S.A. Housing Trust Limited.
(b) R400 million.
(c) Balance of R350 million was appropriated as follows for low cost housing:

ADDITIONAL ESTIMATES 1986/87

Department Development Planning	R'000
Department Development Aid	94 400
Administration: House of Assembly	61 800
Administration: House of Representatives	17 600
Administration: House of Delegates	38 400
	49 000
	261 200

123

MAIN ESTIMATES 1987/88
National Housing Trust

Total 89 000

(d) (i) Total amount claimed and paid on 31 August 1987 350 200

(ii) Representing:
— Housing units 583

(e) Additional information

(i) Total value of approved projects on 31 August 1987 R170.0 million

Representing:
— Housing units 11 252

(ii) Units completed and serviced stands on 31 August 1987, payment of which will be effected shortly 20 100

Representing:
— Housing units 474

(iii) Purchase price of raw land in possession R13.9 million

Cosatu House, Johannesburg

*2. Mr S S VAN DER MERWE asked the Minister of Law and Order:

- (1) Whether any members of the South African Police took any action at Cosatu House in Johannesburg on or about 22 April 1987; if so, (a) what action and (b) what was the purpose of this action;
- (2) whether the Police were assisted on this occasion by any members of the South African Defence Force; if so, (a) by how many such members, (b) why and (c) what was the nature of the assistance provided by them;
- (3) whether any complaints or charges have been laid against any members of the security forces following action taken on the above occasion; if so, (a) what complaints or charges and (b) when;
- (4) whether these complaints or charges have been investigated; if not, why

The MINISTER OF LAW AND ORDER:

(1) Yes.

(a) and (b) The building was cordoned off and entered in order to arrest a number of persons, who according to information included three trained terrorists, who had hidden there after they had attacked members of the Police earlier in the day.

This group of persons, who according to information had been treated by a witchdoctor in order to protect them from the bullets of the Police, had earlier in the day marched to Doornfontein Railway Station in group formation and heavily armed, with the apparent intention of launching an attack on the station.

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(23) 6/10/27

Group Areas gave home ownership to thousands — Heunis

PARLIAMENT — Many communities had pleaded for the protection of the Group Areas Act, the Minister of Constitutional Development and Planning, Mr Chris Heunis, said in the House of Assembly yesterday.

Speaking in debate on the President's Council (PC) Group Areas report, Mr Heunis said the Group Areas Act had given housing and home ownership to thousands of South Africans who would never have had it otherwise.

He said it was typical of the Progressive Federal Party that its PC members were "visible in their absence" in not taking part in the PC debate. Its views, like those of the CP, were extremist

and the National Party did not ask forgiveness for not accommodating their standpoints.

The reaction of the CP which wanted an "exclusive white world", was predictable.

Mr Heunis said there would be a long process of negotiation before the Group Areas issue was finally resolved.

● The Minister of Education and Culture, Mr Piet Clase, said there was no conflict between the principles of the PC report

and the present education system in South Africa and no reason why the present educational dispensation could not be continued once open residential areas had been implemented.

● Mr DPA Schutte (NP Pietermaritzburg North) said the PFP had agreed to the kwaNatal Indaba proposals that kwaZulu belonged traditionally to the Zulus, but was now not prepared to grant such a privilege to other communities. — Sapa.

Govt delayed to

†Mr J H VAN DER MERWE: Mr Speaker, further arising from the reply of the hon the Deputy Minister, will the briefings reveal what questions the different respondents were asked, their answers and the interpretation thereof?

†The DEPUTY MINISTER: Mr Speaker, the briefing will contain some of the answers with their replies.

†Prof S C JACOBS: Mr Speaker, further arising from the reply of the hon the Deputy Minister, for what reason will only some questions be given and not all? [Interjections.]

†Mr J H VAN DER MERWE: Mr Speaker, on a point of order: I wish to come back to the point of order which I made during my question. When I addressed the hon the Deputy Minister a few days ago as "Piet", you gave a definite ruling and said that you will not allow an hon member to be addressed by his first name across the floor of the House. I put it to you now that exactly the same happens when hon members shout at me "Kooos, run". With all respect, I see no difference between what I said to the hon the Deputy Minister and what was said to me. I ask you to make the ruling which was applicable to me, applicable to hon members who continually shout at me in this way.

†Mr SPEAKER: I have listened to the hon member. I gave my ruling according to the circumstances at the time. We shall continue with questions on own affairs.

Own Affairs:

Questions standing over from Tuesday, 29 September 1987:

Rent-controlled premises

*1. Mr C W EGLIN asked the Minister of Local Government, Housing and Works:

With reference to his reply to Question No 3 on 15 September 1987, how many of the (a) 13 922 rent-controlled premises and (b) 1 743 decontrolled premises in the Western Cape area were located in the area falling within the Sea Point constituency?

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*The MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS:

- (a) 1 168 properties.
(b) 344 units comprising 27 houses and 74 flat blocks.

Pre-primary education: investigation

*2. Mr R M BURROWS asked the Minister of Education and Culture:

- (1) Whether the Committee of Heads of Education has requested that an investigation be undertaken into aspects of pre-primary education; if so, (a) on what date and (b) with what result;
(2) whether such an investigation is being undertaken; if so, (a) when was the investigation initiated, (b) what persons are involved in the investigation, (c) what organisations were consulted or are to be consulted during the course of the investigation, (d) what aspects of pre-primary education are being investigated and (e) when is the investigation expected to be completed;
(3) whether he will make a statement on the matter?

THE MINISTER OF EDUCATION AND CULTURE:

- (1) Yes.
(a) 6 July 1987.
(b) The investigation has not been completed.
(2) Yes.

(a) 8 July 1987.

(b) At the initial stage of the investigation it is being handled as a research project of the Department of Education and Culture.

(c) After the research phase by the Department of Education and Culture, recognised interested bodies will be consulted before the report is put before the provincial education councils and the CHE.

(d) All facets related to pre-primary education.

(e) During 1988.

(3) No.

Students: bursaries/loans

*3. Mr K M ANDREWS asked the Minister of Education and Culture:

- (1) Whether his Department grants (a) bursaries and (b) loans to approved students studying at universities with a view to becoming teachers; if so, (i) what financial assistance is available to each student and (ii) what conditions relating to (aa) repayment and (bb) any other specified matters are applicable to such bursaries and loans; if not, why not;
(2) whether such bursaries and loans were granted at any time during the past five years; if so, (a) when and (b) why were they stopped?

THE MINISTER OF EDUCATION AND CULTURE:

(1) (a) and (b) Yes.

(i) Between R3 000 and R4 200 per annum.

(ii) (aa) Students who terminate their studies before qualifying pay back capital plus interest.
(bb) Students who qualify as teachers redeem the study debt through service.

(2) Yes.

(a) Throughout the specified period.
(b) Falls away.

Group Areas Act

*4. Mr R M BURROWS asked the Minister of Education and Culture:

- (1) Whether he has made or intends making provision for the admission of pupils of all population groups to schools which fall under his Department and are situated in or near the areas mentioned as mixed residential areas in the President's Council's report on the Group Areas Act; if not, why not; if so, (a) as from what date will pupils of all population groups be admitted to such schools and (b) what persons or bodies will play a role in the admission of pupils;

(2) whether he will make a statement on the matter?

THE MINISTER OF EDUCATION AND CULTURE:

(1) As the report is still being considered it would serve no purpose to consider the kind of provision referred to in the question.
(a) and (b) Fall away;

(2) No.

Mr R M BURROWS: Mr Speaker, arising out of the hon the Minister's reply, is it not strange that during yesterday's debate on the report of the President's Council's committee on the Group Areas Act, he commented on all aspects which the report recommended for consideration by his department except that relating to applications to Government schools for permits by persons of other races?

†The MINISTER: Mr Speaker, the hon member has probably lost sight of the fact that he had put this question down to be replied to last week. The reply was drawn up to be furnished on that date. No decision had then been taken or debate had taken place on this report, but the hon member now refers to the fact that I took part in the debate yesterday and says that there are questions that I still have to reply to. What purpose does it serve if I now repeat to him what I said yesterday?

†Mr J H VAN DER MERWE: Piet, you can

Mr R M BURROWS: Mr Speaker, further arising out of the hon the Minister's reply, as I said in my first supplementary question, the hon the Minister yesterday referred to all relevant aspects dealt with in the President's Council's report except the suggestion regarding the admission by permit of pupils of

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terms of the Prevention of Illegal Squatting Act, 1951, has been assigned to the Provincial Administrators and their Administrations. The following information was therefore furnished by the Provincial Administrations:

- (a) ±786 200 squatters as on 30 June 1987;
- (b) ±40 000 families as on 30 September 1987 (It includes families in the back yards of Black towns);
- (c) ±37 249 families as on 30 September 1987 (It includes families in the back yards of Black towns);
- (d) ±3 003 families as on 30 September 1987.
- (2) Yes.
- (a) PWV area..... unknown
Western Cape nil
Eastern Cape nil
Durban/Pinetown area 3 003
- (b) Illegal squatting is an offence and it can not be accepted that each and every squatter family qualifies for housing in a relevant area. Sites will be provided for those who qualify on a priority basis and if circumstances so dictate, assistance in the form of material loans will be provided.

Upgrading of roads

564. Mr P G SOAL asked the Minister of Constitutional Development and Planning:

What total amount was budgeted for the upgrading of roads in Black areas falling under his Department for the 1986-87 and 1987-88 financial years, respectively?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Projects which include the construction of roads/streets normally form part of township development and are submitted by local authorities for approval by Regional

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Committees of the National Housing Commission. The information as requested by the hon member is therefore not readily available and an extensive survey will be required to ensure a meaningful reply.

Objections to establishment of townships

565. Mr P G SOAL asked the Minister of Constitutional Development and Planning:

- (1) Whether any local authorities have raised objections to the establishment of Black townships since 15 September 1986; if so, (a) which local authorities, (b) in respect of which Black townships, (c) when in each case and (d) on what grounds did each of these local authorities raise these objections;
- (2) whether plans for any of these townships were cancelled in consequence of these objections; if so, for which townships?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

- (1) Yes. As township development vests in the provincial administrations, the following information has been obtained from the various provincial administrations:
- (a) Town Councils of Midrand and Ventersdorp;
- (b) Ivory Park (previously Park Ridge) at Tembisa (Kempston Park) and Tshing (Ventersdorp);
- (c) 3 July 1987 and 7 September 1987 respectively;
- (d) The structure Plan for Tembisa, drawn up by the Town Council of Tembisa, is, as far as external roads and access points are concerned, not acceptable to the Town Council of Midrand;
- The Town Council of Ventersdorp objected because of the security situation which may arise as a result of the locality of a

road adjacent to the new extension.

- (2) No. 123
- Women permitted to buy houses

566. Mr P G SOAL asked the Minister of Constitutional Development and Planning:

- (1) Whether (a) single and (b) married Black women are permitted to buy houses in urban Black areas; if not, why not; if so,
- (2) whether any conditions are imposed on Black women wishing to buy houses in such areas; if so, (a) what conditions and (b) why?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

- (1) (a) and (b) Yes.
- (2) (a) No conditions are imposed in instances where black women are competent persons who are unmarried or who are married out of community of property. In instances where black women are competent persons who are married in community of property or in instances where customary unions prevail, the conditions are laid down by regulation 16 of the Regulations promulgated by Government Notice R2451 of 1 November 1985.
- (b) To ensure maximum uniformity between the various population groups irrespective of cultural differences.

Privatization of SATS

567. Mr D J N MALCOMMESS asked the Minister of Transport Affairs:

- (1) Whether any consideration has been given to the privatization of the South African Transport Services; if not, why not; if so, (a) when, (b) what was the decision reached in this regard and (c) what factors were taken into consideration in reaching this decision;

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(2) whether he will make a statement on the matter?

THE MINISTER OF TRANSPORT AFFAIRS:

- (1) Dr Wim de Villiers addressed the question of privatisation in his investigation into the South African Transport Services and his report is currently being considered by the Minister.
- (2) No.

Subsidies to bus operators

568. Mr D J N MALCOMMESS asked the Minister of Transport Affairs:

Whether the National Transport Commission grants subsidies to bus operators; if so, what criteria are applied in (a) granting and (b) determining the extent of these subsidies?

THE MINISTER OF TRANSPORT AFFAIRS:

No, not as such. The function of the National Transport Commission in the relevant regard is to consider applications submitted by the Department of Transport and on the strength thereof to make recommendations to the Minister.

(a) and (b) Fall away.

For the sake of completeness I wish to point out that the following criteria are taken into account by the Department of Transport when the subsidisation of commuters is considered—

whether the need exists for workers to be transported from their place of residence to their place of employment;

the unemployment situation prevailing in the area where employment opportunities exist;

whether the place where workers are to be transported from is a resettlement area, township or squatter camp;

whether rail facilities exist for commuting purposes and, if not what the

the prescribed procedures are being followed in terms of section 41 of the Act.

Group Areas Act

557. Mr S S VAN DER MERWE asked the Minister of Constitutional Development and Planning:

- (1) Whether, since 1 January 1986, his Department has received any applications for exemptions from the provisions of the Group Areas Act, No 36 of 1966, in respect of residential premises in each specified magisterial district in the Orange Free State; if so, (a) how many such applications had been (i) granted and (ii) refused as at the latest specified date for which information is available and (b) what were the reasons for (i) granting and (ii) refusing each application;
- (2) whether any action has been taken against (a) owners and (b) occupants of residential property in the Orange Free State in terms of the provisions of the said Act during the above-mentioned period; if so, (i) in respect of the owners or occupants of which properties, (ii) what action was taken, (iii) who initiated the action, (iv) who decided that action should be taken, (v) why was action taken and (vi) what was the outcome of this action in each case?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

- (1) As the issuing of permits in terms of the Group Areas Act is dealt with by the Provinces, the following information was provided by the Orange Free State Provincial Administration:
- Yes.

(a)	(i)	Magisterial District	Magisterial District
		Bloemfontein District	2
		Heilbron Magisterial District	2
		Sasolburg Magisterial District	1
		Welkom Magisterial District	1
			2

H6A

for the payment of local authority service charges in respect of water, electricity, rates and sewerage; if not, why not; if so, (a) to what extent and (b) to which local authority;

- (2) whether the said prison is paying these service charges; if not, why not; if so, what amount was paid in respect of (a) water, (b) electricity, (c) rates and (d) sewerage in each of the latest specified two accounting periods for which information is available;
- (3) whether he will make a statement on the matter?

The MINISTER OF PUBLIC WORKS AND LAND AFFAIRS:

- (1) The Department of Public Works and Land Affairs is liable for the payment of charges in respect of water, electricity, rates and sewerage.
- (a) The total amounts due for water, electricity and sewerage are paid. As far as the rates are concerned it depends on the amount which Parliament appropriates every year for this purpose. A percentage of the rates due are paid to the relevant local authority.
- (b) In respect of electricity and rates the Municipality of Cape Town.

In respect of water and sewerage, the Western Cape Regional Services Council.

- (2) As explained in (1) above the relevant charges are paid by the Department of Public Works and Land Affairs.
- (a) Water—1985/86—R289 234
1986/87—R415 172.
- (b) Electricity—1985/86—R473 777
1986/87—R679 968.
- (c) It is not possible to indicate specific amounts since rates paid are not calculated separately in respect of each individual property owned by the State.

H6A

(d) Sewerage—1985/86—R7 137.00
1986/87—R7 137.00.

- (3) No.

Housing backlog

561. Mr P G SOAL asked the Minister of Constitutional Development and Planning:

What is the extent of the housing backlog for Blacks in respect of each of the nine development areas in the Republic of South Africa?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

The extent of the housing backlog in respect of development regions A, B, C, D and E is as follows:

Development region:	A—36 554	B—9 936	C—26 645	D—56 913	E—2 584
	(123)				

The Provincial Administration cannot furnish reliable information in respect of Regions F, G, H and J which are situated mainly in the Transvaal.

Squatters

562. Mr P G SOAL asked the Minister of Constitutional Development and Planning:

- (1) Whether his Department has any estimates of the number of squatters in (a) PWV area, (b) Western Cape, (c) Eastern Cape and (d) Durban/Pinetown area; if so, what was the estimated number of squatters in each of these areas as at the latest specified date for which information is available;
- (2) whether any of these squatters are on official waiting lists for housing; if so, (a) how many in each area and (b) when is it anticipated that sufficient housing will have been provided for these squatters in each area?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

- (1) The execution of the provisions in

tinged against the 23 persons who are being detained as a result of their involvement in the End Conscription Campaign; if so, what charges in each case;

- (2) whether any of these persons have been charged with any offence; if so, (a) which of these persons, (b) when, and (c) (i) with what offence, and (ii) in terms of what statutory provision, in each case?

The MINISTER OF LAW AND ORDER:

- (1) Yes. Possible charges of contravening regulation 5 of the Emergency regulations promulgated by virtue of the Public Safety Act, 1953 (Act 3 of 1953)—possession of subversive statements were investigated.

- (2) Yes, against 9 of the detainees.

(a) I do not consider it to be in the interest of the persons involved to furnish their names.

(b) 15 February 1987.

(c) (i) and (ii) I refer the hon member to my reply in paragraph (1) above.

Black residential areas: dwelling units

266. Mr J H VAN DER MERWE asked the Minister of Constitutional Development and Planning:†

Whether his Department and/or organisations falling under him or his Department are currently offering for sale dwelling units in Black residential areas in the Republic; if so, (a) at what price, (b) on what conditions of payment, (c) what are the sizes of these units, (d) (i) what was the original cost of construction per unit and (ii) what will it cost now to construct similar units and (e) in respect of what date is this information furnished?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Yes.

- (a) At selling prices determined by directive of the National Housing Com-

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mission, and which is applicable to all population groups:
Original cost of erection + replacement value
2

Should structural faults occur in the dwelling, dependant on the seriousness thereof, a further discount of up to 65% of the purchase price (as determined by the above formula) may be allowed.

- (b) In terms of directives issued by the National Housing Commission per circular no's: 17 of 1983 and 10 of 1984, viz:

Cash Sale

In terms of a cash sale, the buyer is entitled to an additional discount of 25% on the purchase price of the property. A further discount of 5% is allowed should the purchaser have lived in the property for longer than a five-year period and in terms of the current special selling-drive, a further 5% discount is allowed provided that the selling-price does not fall below the original erection-cost of the dwelling.

Hire-Purchase

Should a property be sold on hire-purchase, the buyer qualifies for a 5% discount on the purchase price provided he has inhabited the house for a five-year period. In terms of the special selling-drive, he would also be eligible for a further 5% discount provided that the selling-price does not fall below the original erection-cost of the dwelling.

Should the prospective purchaser have proven to be a reliable tenant for a period of three years, he may purchase the property free of deposit. Should he not qualify, 10% deposit of the selling-price will have to be paid.

Monthly-repayment is based on a differentiated interest rate, based on monthly income. The differentiated rates are as follows:

Monthly Income	Annual Interest Rate %
To R300	3
Over R300—R350	5
Over R350—R450	7
Over R450—R650	9
Over R650—R1 000	11.25

To further ease the financial burden of prospective buyers, a new hire-purchase selling formula has recently

been approved by the National Housing Commission. The formula is applicable to newly-built houses but can also be applied to existing properties should the prospective buyer so desire. The formula is basically a percentage of a buyer's monthly income, (according to which monthly repayments are based) dependent upon whether the dwellings erection-cost was either more, or less than R5 000. The percentages are tabulated as follows:

Hire-value to	Group	Median	% of Interest and redemption for hire or purchase of house and stand in excess of R5 000	Amount	% of Interest and redemption of a stand alone or stand/house under R5 000	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1 000	0- 50	25	3,00	0,75	1,00	0,25
2 000	0- 50	25	3,00	0,75	1,00	0,25
3 000	0- 50	25	3,00	0,75	1,00	0,25
4 000	0- 50	25	3,00	0,75	1,00	0,25
5 000	0- 50	25	3,00	0,75	1,00	0,25
6 000	0- 50	25	3,00	0,75	1,00	0,25
7 000	0- 50	25	3,00	0,75	1,00	0,25
8 000	0- 50	25	3,00	0,75	1,00	0,25
9 000	0- 50	25	3,00	0,75	1,00	0,25
10 000	0- 50	25	3,00	0,75	1,00	0,25
11 000	51- 100	75	4,00	3,00	1,25	0,94
12 000	101- 150	125	5,00	6,25	1,50	1,88
13 000	151- 200	175	6,50	11,38	2,00	3,50
14 000	201- 250	225	8,00	18,00	2,25	5,06
15 000	251- 300	275	9,50	26,13	2,50	6,88
16 500	301- 350	325	11,00	35,75	2,75	8,94
18 000	351- 400	375	12,50	46,88	3,00	11,25
19 500	401- 450	425	14,00	59,50	3,50	14,88
21 000	451- 500	475	15,50	73,63	4,00	19,00
22 500	501- 550	525	17,00	89,25	4,50	23,63
24 000	551- 600	575	18,50	106,36	5,00	26,75
25 500	601- 650	625	20,00	125,00	5,50	34,38
27 000	651- 700	675	21,50	145,13	6,00	40,50
28 500	701- 750	725	23,00	166,75	6,50	47,13
30 000	751- 800	775	25,00	193,75	7,00	54,25
31 500	801- 850	825	27,00	222,75	7,50	61,88
33 000	851- 900	875	29,00	253,75	8,00	70,00
34 500	901- 950	925	31,00	286,75	8,50	78,63
36 000	951-1 000	975	33,00	321,75	9,00	87,75
37 500	1 001-1 050	1 025	35,00	358,75	9,50	97,38
39 000	1 051-1 100	1 075	37,00	397,75	10,00	107,50
40 500	1 101-1 150	1 125	39,00	438,75	10,50	118,13
42 000	1 151-1 200	1 175	41,00	481,75	11,00	129,25
42 000	1 201	1 175	41,00 fixed		11,00 fixed	129,25

Hoa

(c) one-roomed house 13 m²
 two-roomed house 25 m²
 three-roomed house 36 m²
 four-roomed house 54 m²
 five-roomed house 66 m²

(d) (i) The erection-cost per unit varies per project to project, period to period and location to project.

Erection cost per 3-roomed unit has escalated over the years as follows:

1950 ±	R210 per unit
1960 ±	R600 per unit
1970 ±	R2 000 per unit
1980 ±	R6 000 per unit
1986 ±	R8 000 per unit

(ii) In conjunction with the Building Research Institute, the National Housing Commission has determined a factor formula according to which replacement-cost is determined. The formula is as follows:

Factor × original cost = current replacement value. Eg R210 × 7,7 = R1 617,00

The list of factors is submitted as follows:

Year	Factor
1950 or earlier	7,7
1951	6,7
1952	7,0
1953	7,7
1954	7,5
1955	7,5
1956	7,5
1957	7,0
1958	7,0
1959	7,0
1960	7,3
1961	7,4
1962	7,4
1963	7,0
1964	7,0
1965	6,0
1966	5,8
1967	5,5
	5,0

Year	Factor
1968	5,0
1969	4,7
1970	4,0
1971	3,8
1972	3,7
1973	3,3
1974	2,8
1975	2,5
1976	2,0
1977	2,0
1978	2,0
1979	1,9
1980	1,5
1981	1,0
1982	1,0
1983	1,0
1984	1,0
1985	1,0
1986	1,0
1987	1,0

(e) 30 June 1987.

Community services

272. Mr K M ANDREW asked the Minister of Constitutional Development and Planning:

- (1) What service charges are being paid per household on (a) water, (b) electricity, (c) refuse removal, (d) sewerage, (e) administration, (f) maintenance, (g) community facilities, (h) insurance and (i) any other specified services in respect of each specified community services area in the Cape Province;
- (2) what rent formula is currently being used to calculate interest and redemption payments on dwelling units in these areas;
- (3) whether this formula is applied to all townships in the Cape Province; if not, (a) why not and (b) (i) in which townships is this formula not applicable and (ii) what formula is applied to these townships?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Northern Cape

(1)	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Matieling	1,98	4,23	3,28	3,29			19,97		
Ikhutse	3,65	1,74	2,12	3,50			16,01		
Valspan	2,20	Nil	2,75	4,45			16,83		
Boichoko	1,50	2,60	2,32	5,90			16,11		
Boipelo	3,60	5,00	1,60	2,65			17,91		
Bongani	2,75	4,37	3,80	4,85			12,48		
Ditloung	7,78	Nil	6,90	1,26			6,56		
E-Thembeni	5,00	0,25	6,10	4,70			22,08		
Huhudi	4,75	1,35	2,30	4,00			18,13		
Lukhanyisweni	4,00	Nil	3,50	5,00			11,17		
Marydale	Nil	Nil	Nil	Nil			11,00		
Mathomola	4,95	2,80	2,30	3,45			13,96		
Motswedimosa	2,00	2,50	3,93	5,06			14,74		
Mziwabantu	6,80	0,50	3,95	4,24			11,04		
Niekerkshoop	Nil	Nil	Nil	Nil			7,50		
Theminkosi	5,11	Nil	3,20	3,52			7,98		
Tidimale	4,41	0,66	3,43	2,00			21,60		
Thakalathou	1,10	3,00	5,50	10,50			13,89		
Windsorton	3,00	Nil	1,00	Nil			12,50		

(2) Rent as prescribed by the National Housing Commission are applicable in all Black townships in the Northern Cape under this office's area of jurisdiction. Rent differs according to income of tenant.

(3) Yes.

Western Cape

(1)	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Ashton	1,00	—	—	2,85	5,65	—	—	—	—
Robertson	—	—	—	5,25	4,75	—	—	—	—
Ceres	4,50	—	—	5,25	7,40	—	—	—	—
Hermannus	3,60	—	—	4,75	7,90	—	—	—	—
Paarl	—	—	—	1,60	9,00	—	—	—	—
Stellenbosch	4,40	—	—	2,40	8,40	—	—	—	—
Kuilsrivier	2,10	—	—	4,25	7,25	—	—	—	—
Worcester	1,10	—	—	1,15	4,90	—	—	—	—
Langa	3,90	—	—	0,40	4,06	—	—	—	—
Nyanga	3,90	—	—	—	—	—	1,98	—	—
Gugulethu	3,90	—	—	—	—	—	—	—	—
Langa	0,26 Street lighting	—	—	—	—	—	—	—	—
Nyanga	0,42 Fire fighting	—	—	—	—	—	—	—	—
Gugulethu	0,26 Street lighting	—	—	—	—	—	—	—	—
	0,42 Fire fighting	—	—	—	—	—	—	—	—
New Crossroads	A-1	—	—	—	—	—	—	—	—
	9,62	—	—	—	—	—	—	—	—
Khayelisha	A-1	—	—	—	—	—	—	—	—
	23,00	—	—	—	—	—	—	—	—

No separate classification.

(c)

one-roomed house	13 m ²	Factor
two-roomed house	25 m ²	5,0
three-roomed house	36 m ²	4,7
four-roomed house	54 m ²	4,0
five-roomed house	66 m ²	3,8

(d) (i) The erection-cost per unit varies per project to project, period to period and location to project.
Erection cost per 3-roomed unit has escalated over the years as follows:

1950 ± R210 per unit	1978	2,0
1960 ± R600 per unit	1979	1,9
1970 ± R2 000 per unit	1980	1,5
1980 ± R6 000 per unit	1981	1,0
1986 ± R8 000 per unit	1982	1,0
	1983	1,0
	1984	1,0
	1985	1,0

(ii) In conjunction with the Building Research Institute, the National Housing Commission has determined a factor formula according to which replacement-cost is determined. The formula is as follows:
Factor X original cost = current replacement value. Eg R210 x 7,7 = R1 617,00

The list of factors is submitted as follows:
Factors for calculation of the replacement value

Year	Factor
1950 or earlier	7,7
1951	6,7
1952	7,0
1953	7,7
1954	7,5
1955	7,5
1956	7,5
1957	7,0
1958	7,0
1959	7,0
1960	7,3
1961	7,4
1962	7,4
1963	7,0
1964	7,0
1965	6,0
1966	5,8
1967	5,5
	5,0

Northern Cape

(1)	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Mataleng	1,98	4,23	3,28	3,29	19,97				
Ikhuiseng	3,65	1,74	2,12	3,50	16,01				
Valspan	2,20	Nil	2,75	4,45	16,83				
Boichoko	1,50	2,60	2,32	5,90	16,11				
Boipelo	3,60	5,00	1,60	2,65	17,91				
Bongani	2,75	4,37	3,80	4,85	12,48				
Ditloung	7,78	Nil	6,90	1,26	6,56				
EThembeni	5,00	0,25	6,10	4,70	22,08				
Huhudi	4,75	1,35	2,30	4,00	18,13				
Lukhanyisweni	4,00	Nil	3,50	5,00	11,17				
Marydale	Nil	Nil	Nil	Nil	11,00				
Mathomola	4,95	2,80	2,30	3,45	13,96				
Motswedimosa	2,00	2,50	3,93	5,06	14,74				
Mziwabantu	6,80	0,50	3,95	4,24	11,04				
Niekerkshoop	Nil	Nil	Nil	Nil	7,50				
Theminkosi	5,11	Nil	3,20	3,52	7,98				
Tidimalo	4,41	0,66	3,43	2,00	21,60				
Thakalaton	1,10	3,00	5,50	10,50	13,89				
Windsorton	3,00	Nil	1,00	Nil	12,50				

(2) Rent as prescribed by the National Housing Commission are applicable in all Black townships in the Northern Cape under this office's area of jurisdiction. Rent differs according to income of tenant.

(3) Yes.
Western Cape

(1)	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Ashton	1,00	—	—	2,85	5,65	—	—	—	—
Robertson	—	—	—	5,25	4,75	—	—	—	—
Ceres	4,50	—	—	5,25	7,40	—	—	—	—
Hermannus	3,60	—	—	4,75	7,90	—	—	—	—
Paarl	—	—	—	1,60	9,00	—	—	—	—
Stellenbosch	4,40	—	—	2,40	8,40	—	—	—	—
Kuilsrivier	2,10	—	—	4,25	7,25	—	—	—	—
Worcester	1,10	—	—	1,15	4,90	—	—	—	—
Langa	3,90	—	1,76	0,40	4,06	—	—	—	—
Nyanga	3,90	—	—	—	—	—	1,98	—	—
Guguletu	3,90	—	—	—	—	—	—	—	—
Langa	0,26 Street lighting	—	—	—	—	—	—	—	—
Nyanga	0,42 Fire fighting	—	—	—	—	—	—	—	—
	0,26 Street lighting	—	—	—	—	—	—	—	—
Guguletu	0,42 Fire fighting	—	—	—	—	—	—	—	—
	0,26 Street lighting	—	—	—	—	—	—	—	—
	0,42 Fire fighting	—	—	—	—	—	—	—	—
New Crossroads	A-1	—	—	—	—	—	—	—	—
	9,62	—	—	—	—	—	—	—	—
	A-1	—	—	—	—	—	—	—	—
Khayelitsha	23,00	—	—	—	—	—	—	—	—

No separate classification.

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:



(2) Rent formula used is as prescribed by National Housing Commission.
 (3) This formula is applied to all townships except the 5 000 core houses in Khayelitsha.

Eastern Cape		Welfare								
(1)	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Aberdeen	1,22	0,42	1,49	1,80	9,19	0,89	Nil	Nil	Nil	
Addo	1,86	Nil	Nil	Nil	9,14	Nil	Nil	Nil	Nil	
Dukathole	6,02	1,83	4,74	4,12	10,67	5,18	0,03	Nil	Nil	
Alicedale	1,43	Nil	4,16	2,99	14,00	0,36	0,99	Nil	Nil	
Alexandria (Old Town)	3,83	1,01	2,04	Nil	7,76	3,01	Nil	Nil	Nil	
Alexandria (New Town)	4,06	Nil	2,17	Nil	8,23	3,22	Nil	Nil	Nil	
Adelaide	1,29	0,15	1,36	2,01	5,77	2,12	0,01	Nil	0,04	
Barkly East	2,48	0,54	2,12	2,07	7,97	1,10	0,21	Nil	Nil	
Barhurst	0,90	Nil	1,07	Nil	7,07	0,11	Nil	Nil	0,02	
Beaufort West	3,83	0,03	1,32	2,64	7,23	0,55	Nil	Nil	Nil	
Bedford	1,10	0,08	1,44	2,04	9,19	0,81	1,33	Nil	0,05	
Burgersdorp	1,44	1,58	2,25	1,44	7,86	2,61	0,07	Nil	0,01	
Carhcart	1,13	Nil	1,70	4,09	7,45	0,90	0,27	Nil	0,05	
Cookhouse	3,63	0,65	3,32	4,28	9,58	1,44	0,06	Nil	0,06	
Colesberg	1,40	0,04	2,45	2,05	7,56	1,43	2,45	Nil	0,02	
Dordrecht	1,87	0,06	2,32	2,44	6,84	1,13	Nil	Nil	Nil	
Elliot (Old Sites)	2,10	Nil	2,73	Nil	9,53	1,36	Nil	Nil	Nil	
Elliot (New Sites)	2,60	0,29	2,37	3,17	8,28	1,18	Nil	Nil	Nil	
Fort Beaufort	1,95	Nil	0,83	1,70	5,61	0,48	0,01	Nil	0,01	
George	1,09	0,33	3,34	1,10	11,62	1,68	0,14	Nil	0,05	
Graaf-Reinet	3,21	4,31	2,40	2,31	13,52	5,23	0,88	Nil	0,01	
Hanover	1,35	Nil	2,66	2,61	11,13	1,34	Nil	Nil	Nil	
Hanky	0,97	Nil	1,52	Nil	8,20	0,31	Nil	Nil	Nil	
Hofmeyr	0,96	Nil	1,47	1,19	7,91	0,88	0,02	Nil	0,35	
Humansdorp	2,11	0,40	2,01	5,03	8,05	1,74	0,17	Nil	0,15	
Indwe	2,01	Nil	3,94	1,13	9,44	1,31	0,16	Nil	0,01	
Jamestown	6,26	2,84	1,31	3,08	3,21	6,30	0,04	Nil	0,01	
Jansenville	1,59	0,23	1,63	1,42	11,43	1,13	Nil	Nil	Nil	
Jeffreys Bay	0,93	Nil	2,06	0,84	9,06	0,61	Nil	Nil	Nil	
Kareedouw	1,56	Nil	1,54	1,67	7,05	0,34	Nil	Nil	Nil	
Kirkwood	1,36	Nil	2,53	0,03	7,99	0,26	0,10	Nil	0,03	
East London	6,83	0,79	8,47	6,72	14,57	1,38	0,79	Nil	0,55	
Keitroad	0,11	Nil	0,41	0,83	5,37	Nil	Nil	Nil	Nil	
Kenton-On-Sea	0,64	Nil	0,94	Nil	7,09	0,52	Nil	Nil	0,01	
King William's Town	5,38	0,29	3,70	3,12	8,95	3,01	0,63	Nil	Nil	
Klipplaat	1,20	Nil	1,49	1,30	7,97	1,12	Nil	Nil	Nil	
Knyana	1,37	Nil	1,52	1,39	5,98	1,74	Nil	Nil	Nil	
Komga	2,47	0,09	2,28	2,31	10,06	2,26	0,06	Nil	Nil	
Kwadwesi	Nil	6,66	4,79	5,67	6,00	6,60	Nil	Nil	Nil	
Kwamagxaki	Nil	7,29	4,36	1,43	6,58	3,52	Nil	Nil	Nil	
Lady Grey	0,29	Nil	1,42	0,65	8,60	0,45	Nil	Nil	Nil	
Maclear	1,22	Nil	1,99	2,10	9,75	1,02	0,36	Nil	Nil	
Middelburg	1,21	0,03	4,26	2,27	6,94	0,68	0,03	Nil	0,03	
Motherwell	Nil	Nil	4,98	4,22	7,21	4,22	Nil	Nil	0,48	

Hoa

(2) Rent formula used is as prescribed by the National Housing Commission.
 (3) Yes.

Eastern Cape		Welfare								
(1)	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Molteno (New Sites)	5,70	0,21	1,22	1,23	6,21	0,45	0,01	Nil	0,02	
Molteno (Old Sites)	5,48	0,20	1,18	1,17	5,98	0,43	0,01	Nil	0,02	
Mossel Bay (JCC Camp)	Nil	Nil	Nil	Nil	6,70	Nil	Nil	Nil	Nil	
Maraisplais	2,00	1,40	3,09	4,58	10,31	1,89	Nil	Nil	Nil	
Noupoort	0,88	0,42	2,46	2,20	10,11	0,58	0,03	Nil	0,05	
Paterson	2,55	Nil	4,82	Nil	8,44	0,52	Nil	Nil	Nil	
Pearston	0,21	0,10	2,03	0,83	10,62	0,81	Nil	Nil	Nil	
Port Alfred	4,31	Nil	0,29	Nil	7,64	0,53	0,01	Nil	0,01	
Queenstown	9,27	0,23	4,29	2,00	8,32	0,76	0,58	Nil	0,07	
Richmond	2,90	Nil	1,39	2,57	19,59	1,50	Nil	Nil	0,05	
Steytlerville	4,09	Nil	1,63	1,42	6,66	1,24	Nil	Nil	0,04	
Somerset East	1,22	0,89	2,72	2,11	8,43	1,35	0,80	Nil	0,15	
Tarkastad	0,81	0,63	2,15	1,59	7,22	1,56	0,07	Nil	0,03	
Ugie	0,70	Nil	0,60	2,53	10,25	1,76	0,16	Nil	0,03	
Sterkstroom	1,30	0,16	1,93	2,56	7,49	0,22	0,02	Nil	Nil	
Steynsburg	0,89	0,34	1,56	1,31	8,89	1,05	0,03	Nil	Nil	
Stutterheim	1,80	Nil	1,06	Nil	5,40	0,96	3,75	Nil	0,01	
Venterstad	4,43	0,84	3,52	3,35	11,43	2,23	0,17	Nil	0,01	
Victoria West	1,25	0,52	3,08	2,58	13,22	0,60	Nil	Nil	0,03	

Black townships: population

Town	(a) De facto
Douglas (Bongani)	2 158
Hopetown	591
Postmasburg (Boichoko)	5 051
Daniëlskuil (Thakalaton)	2 124
Delporshoop (Tidimalo)	2 278
Barkly West (Mataleng)	3 522
Uppington (Prabellelo)	15 267
Prieska (E'Thembeni)	2 145
Griekwastad (Mathlomola)	1 196
Olfantshoek (Ditloung)	1 563
Niekerkshoop	114
Marydale	222
Vryburg (Huhudi)	18 445
Warrenton (Ikhuseng)	13 590
Jan Kempdorp (Valspan)	2 973
Reivilo (Bojelo)	1 026
Windsorton (Kulyano)	297
De Aar (Wonzwakazi)	11 519
Ibahayi	289 825
Ashton	2 413
Kwanobuhle	120 000
Robertson	1 123

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

275. Mr K M ANDREW asked the Minister of Constitutional Development and Planning: What was the (a) *de facto*- and (b) *de jure* population of each of the Black townships falling under each community services area as at the latest specified date for which figures are available?

Hoa

[Handwritten signatures and initials]

Munsieville: relocation of residents

627. Mr C J DERBY-LEWIS asked the Minister of Constitutional Development and Planning:

- (1) Whether his Department provided any funds for the relocation of residents of the Black township of Munsieville, near Krugersdorp, during the period (a) 1 January 1975 to 31 December 1980 and (b) 1 January 1981 to 31 December 1985; if so, (i) what amounts, and (ii) for what purposes were these funds used, in each case;

- (2) whether any residents of this township were relocated during the above periods; if not, why not; if so, how many in each case;

- (3) whether these residents were relocated on a voluntary basis; if not, on what basis were they relocated;

- (4) whether any representations were made to him in regard to the relocation of this township; if so, (a) when, (b) by whom and (c) what was the purport of these representations;

- (5) whether it has been decided that Munsieville be retained as a Black township; if so, (a) when, (b) by whom and (c) why?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

- (1) (a) No.

- (b) Yes.

(i) R3 088 140.

(ii) For the servicing (water, roads and sewerage) of 1 025 sites in Kagiso where the residents of Munsieville would have been resettled.

- (2) No. Because the Government reconsidered the matter.

- (3) Falls away.

- (4) Yes.

(a) 2 December 1985 and 11 February 1986.

(b) City Council of Krugersdorp.

(c) That the residents of Munsieville still be resettled but should the decision to retain Munsieville not be revised, planning and construction of roads and zoning of land for industrial purposes be done in such a way that a suitable buffer between White and Black development be provided as far as possible.

(a) 25 October 1985.

- (5) Yes.

(b) The Government.

(c) The decision was taken in view of changed political, social and economic circumstances and representations to the Government by the residents of Munsieville.

Oukastie: relocation of residents

628. Mr C J DERBY-LEWIS asked the Minister of Constitutional Development and Planning:

Whether, with reference to his reply to Question No 7 on 15 September 1987, a decision has as yet been taken on the relocation of the residents of the Black area known as Oukastie; if not, (a) why not and (b) when is it anticipated that a decision will be taken?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Yes (a) and (b) fall away.

National Housing Commission

629. Mr C J DERBY-LEWIS asked the Minister of Constitutional Development and Planning:

- (1) (a) What total amount has the National Housing Commission realized in respect of the sale of housing units in the Black areas of the Republic, (b) how many housing units has it sold, (c) for what purpose have these funds been used and (d) in respect of what date is this information furnished;

- (2) whether this facility of purchasing

housing units controlled by the National Housing Commission has been made available to (a) Whites, (b) Coloureds and (c) Indians; if not, why not; if so,

- (3) whether the conditions for purchasing such housing units are the same for all population groups; if not, (a) why not and (b) what are the differences; if so, (i) (aa) what are the categories of prices charged, and (bb) how many units have been sold, in respect of each of these three population groups and (ii) in respect of what date is this information furnished?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

- (1) (a) State financed housing which has been erected with funds from the National Housing Fund has realized R10 867 892.25.

(b) 59 400.

(c) Funds are paid into the National Housing Fund as soon as it is received from the local authorities concerned and used for the funding of other projects.

(d) 30 September 1987.

- (2) (a), (b) and (c) Since the acceptance of separate legislation by the various Administrations for Own Affairs the facilities to purchase housing units are administered by their own Housing Boards.

- (3) Yes.

(a), (b) Fall away.

(i) (aa), (bb) and (ii) These questions should be put to the various Administrations for Own Affairs.

Relocation of Munsieville

630. Mr C J DERBY-LEWIS asked the Minister of Constitutional Development and Planning:

Whether the residents of Krugersdorp have at any time been given an undertaking that the Black residential area of Munsieville would be relocated; if so, (a) by

whom, (b) when, (c) where were the persons concerned to have been moved to and (d) what was the Black population of Munsieville at the time?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Yes.

(a) The Government, the Town Council of Krugersdorp and the West Rand Development Board;

(b) On more than one occasion over a period of about 20 years;

(c) Black town Kagiso at Krugersdorp;

(d) About 3 600.

Khayelitsha: formal elections

631. Mr K M ANDREW asked the Minister of Constitutional Development and Planning:

- (1) Whether any formal elections for representatives on a local authority have been held in Khayelitsha; if so, (a) when, (b) what were the results and (c) what is the name of the local authority concerned; if not, (i) why not, (ii) when are elections due to be held, (iii) who will be eligible to vote, (iv) who will supervise the elections and (d) for what body will persons be elected;

- (2) whether any persons in Khayelitsha are currently recognized as leaders or representatives of some or all of the residents there; if so, (a) which persons, (b) on what basis have they been elected as leaders or representatives, (c) since when have they been recognized and (d) on what matters have they been consulted;

- (3) whether any leaders or representatives have been given any authority by the Government to (a) make any decisions and/or (b) take any actions affecting Khayelitsha; if so, (i) what authority, (ii) in respect of what (aa) decisions and/or (bb) actions, (iii) (aa) on what legal grounds and/or (bb) in terms of what statutory provisions and (iv) with what results?

(123) by way 8/10/87.

MENT

HOUSE OF ASSEMBLY — Setting up four separate systems of legislation, administration, financing and supply for

Bill will aid black housing

housing brought the concept of own affairs to absolute absurdity, Nic Olivier (PFP nominated) said yesterday.

He said during the second reading debate on the Housing Amendment Bill that the housing shortage was a problem common to all groups.

The PFP, as an opposition party, was caught in a dilemma over the Bill.

From a pragmatic point of view it accepted the necessity of the machinery the Bill provided for the supply of black housing. But support of the measure could also be seen as support for the concept of own affairs.

Olivier said he wanted to state clearly the PFP's voting for the Bill did not, in any way alter, its fundamental rejection of the concept of own affairs.

Unless provision was made for more land for urban black housing on a large scale the housing problem would never be solved.

The obvious way to do this was to amend the Housing Act of 1966 and, under the circumstances, the PFP would support the amending Bill.

Development Planning Deputy Minister Piet Badenhorst said it was the responsibility of the private individual to provide for his own housing and the Bill helped him do so.

It was also the responsibility of employers and the private sector to help them with housing. The Bill also provided for black communities to have their own housing committees.

Sheila Camerer (NP Rosettenville) said the Bill was a watershed in socio-economic relations. It helped overcome one of the main stumbling blocks by providing for the state to provide collateral with the building societies in support of housing loans.

The Bill was passed with the CP objecting.

IS got

EXECUTIVE HIDEAWAY

9/10/87

(123)

(123)

Durban

55 000 people homeless

MORE than 55 000 people are still homeless in Natal following the recent devastating floods — and the official death toll now stands at 228.

These figures were released this morning by SAP liaison officer Major Charl du Toit.

Port Natal tops the death list with 172, followed by Natal (Midlands and Pietermaritzburg) with 38, and 18 in Northern Natal.

In addition, Major du Toit said, 125 people are still officially listed as "missing." The homeless tally is made up of 24 676 in Port Natal, 30 000 in Natal, and 1 000 in Northern Natal.

Meanwhile water services have begun improving as essential repairs have been carried out.

Last night New Germany, Pinetown and surrounding areas had "limited supplies" through taps — but residents were warned to "cooperate by using as little as possible" until full repairs have been effected.

At Canelands, Verulam and Ottawa, residents yesterday had running water for the first time in a week.

But vast areas in Durban were still "dry" as the city was still being served by only one of its four aqueducts. — Sapa

PLANS have been drawn up and submitted to government for approval of SA's first multiracial township, to be established on the northern borders of Randburg.

The area stretches from Roodepoort to Lanseria and covers some 1100ha. It includes an initial 7 500

stands and has the potential, should it ever be developed, of becoming the country's first "open city".

The development has provisionally been labelled Kosmos City, and is the brainchild of Pretoria property developer Theuns Bester, who the land from Tuckers Land Holdings when the latter was placed in liquidation.

According to Bester, application for registering the open township was lodged with the Department of Development Planning three years ago.

The application was turned down at the time. No reason was given, but it was presumed to be because the development had been geared to be open to all race groups. Nothing has materialised since.

Multiracial

town plan

B/day 12/10/87

CHRIS CAIRNCROSS

But it is now learnt that the plans for Kosmos City could be resuscitated following government's new approach to the Group Areas Act, enunciated by President P W Botha in Parliament some two weeks ago.

It is believed to be one of a number of similar developments now being looked at collectively by the Department of Development Planning.

In view of the potentially controversial nature of the schemes officials are refusing to release more information. But indications are that they will be treated more sympathetically now than in the past.

Plans to borrow billions overseas for cheaper houses

By TOM HOOD, *ARGUS*
Business Editor 15/10/87

123
A LEADING house builder, Ileo Homes, aims to borrow billions of rands from overseas and to cut the cost of building houses drastically.

"If we can get cheaper money, we won't pay as much interest and many more people will be able to afford cheaper houses," says the company's Mr Jos Demmers.

He plans to visit the United States in January and says that in spite of sanctions against South Africa it is still possible to borrow money for non-white housing.

"Enormous savings will also result from bringing money through financial rand channels. We will effectively double the money."

Only a fifth of the money borrowed

was used for housing, the other four-fifths went on interest, he said.

"Interest rates will be as low as 2,5 to 3 percent because of the financial rand."

Lowest bond rates at present are 12 percent from a local commercial bank but Mr Demmers said: "We will be looking at below 5 percent to home-buyers."

In one respect, "alarming" housing shortages were developing in the cities because of the influx of people.

But in another sense, the home-building industry had a market "that does not exist anywhere else. We are talking about billions needed, not millions".

It was calculated that R250-billion at a zero rate of inflation would be needed to produce all the houses needed by the year 2000, he added.

Homemakers eyes R50-bn black market

From JOHN SPIRA

JOHANNESBURG. — The enormous possibilities that arise from the recent creation of the R300-million turnover Homemakers group have yet to be appreciated.

So contends Ruben Swidler, executive chairman of World Furnishers, whose company will contribute a substantial 30 percent of Homemakers' projected 1987 taxed profit.

Mr Swidler draws attention to the following specific benefits that will flow from the new group structure, illustrated in the accompanying diagram:

- World can look forward to concluding millions of rand in additional sales because it is now in a position to offer a total package — softs and tableware (via Fablibe, Selwyn Nieman and Housewares) in addition to its traditional furniture business.

- World can offer in excess of 90 outlets to Housewares, Fablibe and Selwyn Nieman — outlets which are strategically placed throughout Southern Africa and which can also be used as collection points.

- Housewares has long had its eye on the burgeoning black market, while other companies within the merged group also appreciate that their potential for future development lies in this area. The World network will help them realise these aspirations.

- World has a mailing list — categorised by age, income, marital status and occupation — exceeding 200 000 names. This will now become available to all group companies.

Looking at the potential of the black market, Mr Swidler indicates that this market accounted for 40 percent of South Africa's retail spending power in 1986, according to the University of South Africa's Bureau for Economic Research.

He adds: "Between now and the year 2000, another R50-billion will be added to black purchasing power 25 percent more than total white buying power in

1985. There is a massive drive toward inward industrialisation, improved employer/employee relations and, most importantly, urbanisation.

"In 1960, South Africa's total population was 16 million. By 1985 it had doubled and by the year 2000 it will have trebled. The black proportion of the total will have grown from 68 percent, in 1960 to 78 percent in 2000, with the result that by the turn of the century about three million homes will be required to house the growing urban population.

"This is where the potential of Homemakers lies. This is the growing market in which it will be operating."

Illustrating the benefits that World is currently deriving from this market, Mr Swidler cites the following statistics:

- Sales for the first nine months of the company's current financial year are 32 percent higher than those achieved in the same period last year.

- Projected taxed earnings for the year to December 1987 are R7 125-million (equivalent to 71c a share), which represents a 40 percent improvement on last year's results.

- Third quarter results are running 106 percent ahead of expectations.

- World has a controlled growth programme and in the last quarter of 1987 will open five new stores — all in rural areas.

The Homemakers merger is not expected to become effective before January/February next year, which means that the merger ratios will be crucial.

These are 540 Fablibe per 100 World, 1900 Fablibe per 100 Bradlows and 190 Fablibe per 100 Housewares. World should therefore be priced at 918c, Bradlows at 3230c and Housewares at 323c. All are currently trading at discounts to these prices, with World being the most undervalued relative to Fablibe.

W/ARGUS 17/10/87 123

House market in classic recovery

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onal
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By Udo Rypstra

A CLASSIC recovery is taking place in the home market with house prices now rising rapidly, rentals firming and a shortage of stock developing across the board, real estate agents say.

The picture is pretty national with even Port Elizabeth — often the Cinderella of the industry — reporting upward price movements and a lack of home listings.

A return of confidence in the country's economic future and the stabilising of the socio-political situation are given as prime reasons for the upturn.

Firm

The ranks of estate agents are also swelling again with those who bailed out when the going became tough, returning.

Seasoned agents say home prices are back at the level they were in the boom period three to four years ago. They believe they will firm even more to catch up with inflation of the past few years.

Some say it is now cheaper to build than to buy a second home while others say we are rapidly getting to that stage.

Agents report several cases where people, who bought a year ago, are realising profits of up to 25% now. Investors are also returning.

"Give me R100-million worth of homes at realistic prices and we'll sell them within weeks. That's how demand is outstripping supply," says veteran estate agent Piet Hamman, of the Huize-mark, Johannesburg.

Hamman believes it is not yet cheaper to buy than to build because he anticipates building costs to rise sharply as well.

But Scott McRae, of Camdon's Realty argues differently. He agrees that building cost rises, long pent up by the recession, have started to filter through across the board

from bricks to timber.

"Contractors who have been absorbing cost increases to remain competitive in a thin market, have started to adjust their prices. The effects on the cost of new homes will be substantial in the next eighteen months.

"Nonetheless, prices for existing homes are escalating even faster. For the first time in some years, it has become cheaper to build than to buy."

He suggests investors should consult with established property marketing organisations like his own, which is prepared to become involved in a development from its initial planning stage.

Reasons for the upturn are varied. Both Hamman and McRae say the "exodus" has petered out.

"Those who were planning to leave South Africa have done so. Many are returning.

Even at today's more expensive levels, South African property is still very good value relative to world prices," says McRae.

"Also, South Africans have become used to the security situation. At the height of the unrest, an incident would send ripples throughout the property market. Today the effect is minimal."

Increase

Aida National Franchises chairman Aida Geffen reports her group sold 454 homes last month against 333 homes in September last year — a hike of 37%.

In Johannesburg, she says, many homes priced around R500 000 have changed hands and the Parktown franchise has sold several for over R1-million in the past three months.

She believes prices will increase, particularly in the upper market.

Rob McKee, general manager of Geoffrey Seeff, re-

ports the Cape Town market is much the same and cites the flush cash position of building societies and innovative loan schemes as other boosts for the property market.

"The home market in the middle income range of between R80 000 and R120 000 has closed up quite dramatically here and the shortage is now moving into the upper market.

"The market cycle moves fairly quickly and it looks like a lot of pent-up purchasing potential has been released. Those who rented are now purchasing," he says.

Ferdie Harzenberg, who runs the Port Elizabeth-Uitenhage franchise Aida Real Estate operation, says the decision by Delta Motor Corporation to remain in the Eastern Cape and the Mosgas project have restored confidence.

Home prices in Port Elizabeth are rising but are still to reach the previous boom time level.

500 000 housing backlog in SA

CAPE TOWN — South Africa had a housing backlog of 500 000 and "real co-operation" between the public and private sectors was required to solve the problem, the Administrator of the Cape, Mr Gene Louw, said yesterday.

He was delivering the opening address at the biennial congress of the Institute for Housing in Cape Town.

Mr Louw said the backlog included 40 000 units in black residential areas in the Western Cape.

His administration, which assumed responsibility for black urban areas last October, was "firmly committed" to improving housing in these areas and, "more specifically", to eliminating the disparity in community development between blacks and other population groups.

In the Western Cape only 21 961 black families occupied "acceptable conventional housing".

It was estimated that more than 4 000 hectares of additional land were needed for black housing, while only 3 000 were available. The estimated cost of infrastructure for dwelling units was R8 000 to R9 000, representing an outlay of R860m.

The leader of the Labour Party, the Rev Allan Hendrickse, said an estimated 100 000 more housing units for coloureds were needed.

123

EWB/T

21/10/87

New home subsidy scheme for lower-wage families expected

ARGUS 21/10/87 123
Staff Reporter

A NEW housing interest subsidy scheme for families earning up to R20 000 a year is expected to be announced by the Government "in due course", the outgoing president of the Institute for Housing, Dr Llewellyn Lewis, has disclosed.

Addressing the institute's congress in Cape Town yesterday, Dr Lewis said the availability of affordable land and finance had been identified as the two most important obstacles to providing sufficient housing.

Because of this the institute's board had adopted a "primary defensive strategy" for 1986/87. This was to motivate the public and private sectors to establish and provide, according to market-related principles:

- An appropriate housing financing system for the lower-income market, and

- Land and a sufficient range of serviced sites for the provision of appropriate housing for individuals or groups.

Particular attention had been paid to the first strategy and a comprehensive financing strategy for affordable housing had been developed, Dr Lewis said.

"It is expected that elements of this proposal will be incorporated into a new interest subsidy scheme by the Government, which will provide meaningful financial assistance to the entire spectrum of families earning up to R20 000 a year.

"An announcement in this regard is expected in due course and, when this happens, one obstacle to the provision of housing — access to affordable mortgage financing — will have been effectively removed."

Priority would be given to shifting the remaining major obstacle, the provision of sufficient affordable land, Dr Lewis said.

The institute's statement said that "healthy families in healthy communities" and the board would be well advised to devote priority attention to promoting this concept, Dr Lewis added.

The abolition of influx control had been an essential step and the promotion of home-ownership was a national priority. The move away from a migratory labour system and the provision of family housing were essential.

"The recent announcement by the mining houses of the development of 24 000 family houses, within local communities and close to places of employment, is one of the most positive developments in recent years," Dr Lewis said.

All indications were that the economy was slowly recovering and that the country was set for a growth period of two to three years.

"The housing industry is at a historical watershed — the problem can be solved through the creative partnership between the public and private sector," Dr Lewis said.

- The institute's new president is Mr Ken Finlayson.

REGISTRATION ACT. LICENSING ORDINANCE ACT. were during private initiative.

CAPE TOWN 22/10/87

SA in 'vicious circle of fertility and poverty'

123 Political Correspondent

THE South African population was already caught in the "vicious circle" of high fertility and abject poverty, the Deputy-Minister of Population Development, Mr Luwellyn Landers, said yesterday.

Speaking at the biennial congress of the Institute of Housing for Southern Africa in Cape Town, Mr Landers said the task of improving the quality of life of a fast-growing population like SA was as complex as repairing an airplane in flight.

A recent University of Pretoria study

had shown that if a population was growing at 2,4% a year, at least 10% of the GNP had to be spent on the provision of infrastructure such as schools and factories "just to prevent the situation from getting worse."

SA had grown at annual rate of 2,3% between 1980 and 1985, and if this pattern was maintained the population would jump from 28 million to 47 million in the next 14 years.

"It is absolutely imperative that population growth does not outstrip the potential

growth of supporting systems like educational and health services, housing and job creation, as well as depleting our natural resources like water.

"If this happens, the quality of life of all South Africans will deteriorate rapidly with consequences too ghastly to contemplate," he said.

Mr Landers said that overcrowded housing in SA had a negative impact on the infant mortality rate but "experience has shown that overcrowding certainly has an impact on the total fertility and teenage pregnancy."

CITY/NATIONAL

Redistribution of resources key to housing crisis, city congress told

Municipal Reporter

THE key to South Africa's housing crisis was in the redistribution of resources, but political decisions ensured that most resources went on white housing, researcher Mr Taffy Adler told the Institute of Housing of Southern Africa today.

He warned that the housing issue was becoming increasingly politicised — "spurred on by the pressure of the homeless".

Mr Adler, who was a trade union official for 10 years before joining the Labour and Economic Research Centre, was delivering a paper, *The South African Housing Scenario — A View From Below*, to the institute's congress.

South Africa had the capital and technical knowledge to reduce its housing problem significantly, if not eliminate it entirely, Mr Adler said.

"It is no accident that even in today's climate, when there is a high awareness of the dimensions and consequences of a housing crisis, the majority of housing resources are still allocated to the white sector.

"Nor is it an accident that those resources which are allocated to the black community go to service the wealthier section of that community."

"Skewed distribution"

This "skewed distribution" was a result of deliberate decisions by those in a position of power, including the State, building societies, housing developers and local authorities.

A more equitable distribution of power was necessary for a better distribution of housing, Mr Adler said. Although this was obvious it was not taken seriously.

"The very absence of any recognised leader of those sections of the community most in need of shelter — and here I am talking of trade union, community and/or squatter representatives — at a major conference on the theme of housing people is proof of this."

Housing had come to the fore as political and industrial relations issues and there was "widespread rejection" of the housing options currently available for workers, Mr Adler said.

"Interesting trends" about financing housing were emerging and unions which had negotiated with employers about housing schemes would cooperate.

IF YOU were in a south-bound train from Johannesburg in the early fifties, you would pass the little station of Mamlankunzi. After Mlamla, if you looked through the window to your right, you would see the sprawling shantytown we called the Orlando Shelters.

The town originally consisted of rows of rooms, built with grey bricks, but the people found one room for each family too small. So some would add an extra room, built with corrugated iron, cardboard, anything.

All sorts of things were piled on the roofs to hold them down and because there was no space for all their belongings in the small rooms.

People had to walk distances to the communal taps and the communal toilets. There was no waterborne sewerage in all of Soweto — called the South-Western Townships of Johannesburg — then.

Men driving wagons pulled by oxen came every evening to collect the nightsoil and a stink would envelop the whole township.

We were young then; we accepted the squalor as normal. Nothing was more exciting than playing hide and seek in the dark corners of the Shelters on a summer night.

We played in the gurgling Klip River that cut below Shanty 2, meandered between Shanty 2 and Shanty 1 and then on the eastern side of Shanty 3 and Shanty 4 on its way to the Vaal River.

I still remember the walks to the Orlando Station when we would hold our breath as we found our way over a

SA is rich enough to provide homes for all

Why has the imagination all dried up?

worsens some of us remember the utterances by Big Business that followed the events of June 16, 1976. Remember that Big Business advocated the creation of a black middle class, who owned their homes.


The argument was that people who had something to defend would not riot. And shortly thereafter

the local authorities stopped providing cheap housing. That middle class has been created, but it has its own resentments against a apartheid society. It is not about to be a buffer against the anger from below.

Truth is: the people need homes and this country is rich enough to provide them.

PERSPECTIVE

Joe Phisoa



Elliot, last November because she was tired of living with her parents.

Her husband is employed as a driver on the East Rand, and she works for — appropriately — the Witwatersrand Network for the Homeless.

The Network, to quote one of their publications, "concerns itself with one of the most pressing problems facing the country today — that of homelessness."

Official

At the moment Mrs Mofokeng is on maternity leave.

She and the other women tell me about their struggle to put up their shacks.

"Between November and last January 6

heaps in the village. There are no rubbish bins.

"We still have to pay householders in the neighbourhood of Mshenguville for water. There is no water provided by the council here."

I continued to walk through the village. I passed people still building in the few spaces that are still open. One picture I will not forget is that of a pregnant woman and her husband digging the foundation for a new shack — hopefully a home for the coming baby.

Again my mind swung back through the decades to Shantytown and the Moroka Squatter Camp. I remember that after a lot of a station the

Soweto Council demolished our shacks four times. And mind you, it does not take anything less than R800 to build a shack.

"After they have pulled down the shack, we find we cannot use some of the material again. We have to buy some more.

"We have now been given house numbers; so we have official permission to be here. And for that we pay the Soweto Council R35 a month.

"The council officials have said that the money is for the toilets, refuse removal and the maintenance of the streets. They told us they pay R31 000 a month to the company that hire out the toilets and cleans them.

"As for the refuse removal and the roads, they are joking. There are no streets in Mshenguville. The council workers remove rubbish heaps at the edges of the village, and ignore the

Johannesburg City Council and some businesses in the city started a massive housing project that wiped out the two places. That project led to most of the new townships in deep Soweto: Molapo, Mapetla, Moletsane, Zola, Emdeni, Tladi, and so on.

Why did the imagination that led to the wiping out of Shantytown dry up?

As the housing crisis

railway line and the river.

Neat

All these memories came flooding back as I stood in Mshenguville the other day. More than 30 years and still nothing has changed. Of course, the faces might have changed, but I see the same shacks and the same dirty river.

I spotted three women sitting around a table in a well-kept shack, and I went to talk to them. The shack is neat, in a fenced yard. A little stoep has been built along the front wall of the shack.

The women are all neighbours having morning tea and a chat. The kitchen is warm because of the coal stove that is burning. A curtain divides the room in two, the kitchen and the bedrooms. This shack has been turned into a real home.

Mrs Constance Mofokeng tells me she is the owner. She came to Mshenguville with her husband, George, and her 10-year-old son.

Blacks need two million houses in 13 years

Municipal Reporter

MORE than two million new houses will be needed for South Africa's black population by the year 2 000, Urban Foundation executive director Mr Mike Ridley told the Institute for Housing.

Addressing the institute's congress in the city yesterday, Mr Ridley said an estimated 150 000 units were needed every year to keep pace with population growth and increased urbanisation.

In addition, there was a backlog of at least 500 000 units.

However, the delivery of completed houses was not keeping pace with need and in 1986 only about 25 000 had been built by the combined efforts of the public and private sectors, he said.

"The current pace may be slightly higher, but is nowhere near fast enough to cope with demands, quite apart from the backlog."

"Massive" quantities of land — estimated between 120 000 and 150 000ha — were needed, mainly in the major urban areas and in the Pretoria/Witwatersrand/Vereeniging (PWV) region in particular.

Essential actions necessary to alleviate the situation included:

- Setting aside sufficient land;

- Effective and streamlined procedures for township establishment;

- Attention to the "critical shortage" of essential bulk infrastructure;

- More accommodating attitudes to housing standards;

- Innovative home loan financing; and

Utility companies were well placed to play an important role in meeting the modest housing needs of lower-income South Africans, Mr Ridley said.

An example of their future role was illustrated by an environmental evaluation of blacks in the PWV area for 1987/88. This had shown that even with a first-time home owners subsidy:

- Thirty-four percent of blacks could not afford any houses being provided;

- Forty-seven percent could not afford even the minimum unit built by a leading utility company; and

- Seventy-two percent could not afford a "conventionally delivered house".

"In other words, a significant gap continues to exist in the housing market which few, if any, homebuilders are focusing on," Mr Ridley said.

Utility companies were well-placed to undertake potentially more financially risky projects with initially poorer prospects for rate of return on investment.

copy Times
23/10/87

Unions 'will soon demand housing assistance'

Staff Reporter

ORGANIZED labour would formulate a comprehensive set of demands for financial assistance for housing from employers "within the next 12 to 18 months", labour expert Mr Taffy Adler predicted yesterday.

Mr Adler, now a researcher with the Labour and Economic Research Centre, was a senior trade union official for ten years (1976-86) with the Federation of South African Trade Unions (Fosatu) which has since become the Congress of SA Trade Unions (Cosatu).

Mr S Myers, who chaired the Institute for Housing session which Mr Adler addressed, said it was the first time in the history of the Institute that a paper from "the trade union or workers' point of view" was presented.

Resources

"Right here and now, South Africa has the capital and technical know-how to reduce, if not entirely eliminate, our housing problem," Mr Adler said.

"Why don't we? Why is there still a major crisis in housing? The key to the housing crisis in South Africa lies in the reallocation of resources. The allocation of resources is, of course, a political question."

It was no accident, he said, that the majority of housing resources were still allocated to the white housing sector, nor was it an accident that those allocated to the black community went to service the wealthier section of that community.

Housing assistance was already part of the established "conditions of service" of senior management, Mr Adler said, and this practice needed to filter down.

Housing crisis almost out of control

by JOHN YELD
Municipal Reporter

SOUTH Africa is facing a housing crisis of almost uncontrollable proportions, Professor Willie Esterhuyse of Stellenbosch University's political philosophy department, has told the Institute for Housing of Southern Africa.

Addressing the institute this week, he said the cost-effectiveness of the existing bureaucracy should be reviewed and he questioned the housing subsidy policy.

The housing crisis was mostly the result of years of "ineffective

urbanisation and housing policies, bad planning and ideological wishful-thinking," Professor Esterhuyse said.

Fortunately these had been corrected to a significant degree by the State's acceptance of positive urbanisation.

"It is definitely no longer a case of ad hoc planning or crisis management, and for this the State must get credit," he said.

Red tape

However, land for housing had to be made available quickly and efficiently.

"Fussiness and bureaucratic red tape will not only aggravate the crisis, but will strengthen existing political perceptions among blacks that everything possible is being done to make matters as difficult as possible for them — as was the case with the 99-year leasehold system."

Apart from the basic infrastructure and services for informal settlements, the State would have to provide schools, clinics and old-age homes, as well as public amenities, Professor Esterhuyse said.

"In more informal settlements community facilities and amenities of good quality are even more necessary than in other areas."

Subsidies

From a moral-ethical and social philosophical point of view there were good arguments for a housing policy which provided subsidies. However, there was a problem with the criteria of who should be subsidised.

"Is it not possible that (subsidies) are one of the reasons why many whites are in reality flying higher regarding housing than their financial wings can carry them?" Professor Esterhuyse asked.

"Would we not advance further towards resolving the housing crisis if subsidies were judiciously channelled to those who have yet to enter the housing market?"

It would be instructive to determine the cost of maintaining the bureaucratic infrastructure which has to deal with housing, he said.

Professor Esterhuyse suggested that a cost-effective analysis of the bureaucratic infrastructure for housing was overdue and that consideration should be given to appointing a minister of housing at central Cabinet level.

w/e AR663

24/10/87

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EWS

Housing crisis is snowballing

CAPE TOWN — More than two million new houses will be needed for South Africa's black population by the year 2000, Urban Foundation executive director Mr Mike Ridley has told the Institute for Housing.

Addressing the institute's congress in Cape Town this week, Mr Ridley said an estimated 150 000 units were needed every year to keep pace with population growth and increased urbanisation.

In addition, there was a backlog of at least 500 000 units.

However, the completion of houses was not keeping pace with need and in 1986 only about 25 000 were built by the combined efforts of the public and private sectors.

SATURDAY STAR CORRESPONDENT

"The current pace may be slightly higher, but is nowhere near fast enough to cope with demands, quite apart from the backlog."

Massive areas of land — estimated at between 120 000 and 150 000 ha — were needed, mainly in the major urban areas and in the PWV region in particular.

Essential actions necessary to alleviate the situation included:

- Setting aside sufficient land.
- Effective and streamlined procedures for township establishment.
- Attention to the critical shortage of essential bulk infrastructure.
- More accommodating attitudes

to housing standards.

- Innovative home loan financing.

- A reassessment of housing subsidies.

Mr Ridley said utility companies were well placed to play an important role in meeting the modest housing needs of lower-income South Africans.

An example of their future role was illustrated by an environmental evaluation of blacks in the PWV area for 1987/88. This had shown that, even with a first-time home-owners' subsidy:

- Some 34 percent of blacks could not afford any houses currently being provided.

- Almost 47 percent could not afford even the minimum unit built by a leading utility company.

- And 72 percent could not afford

a "conventionally delivered house".

"In other words, a significant gap continues to exist in the housing market which few, if any, home-builders are focusing on," said Mr Ridley.

Utility companies were well placed to undertake potentially more financially risky projects, with initially poorer prospects for rate of return on investment.

In order to use resources to the best possible effect, it remained important for the public sector to confine its involvement in housing to ensuring an adequate supply of land, bulk services, and the delivery of housing — particularly for renting — to the very poor.

Actual serviced land and housing delivery was most effectively provided by the private sector, he added.

Unions put housing on the bargaining table

WINNIE GRAHAM

Organised labour is in the process of formulating a housing policy and will soon start in earnest to negotiate housing schemes with employers.

This is according to Mr Taffy Adler, former trade union official who now works as a researcher with the Labour and Economic Research Centre.

Speaking at the national housing congress in Cape Town this week, he said unions had placed housing on the bargaining table. Companies needed to remove it from the area of "management prerogatives" and allow it to become part of normal negotiations between management and labour.

"Failure to do so not only creates another industrial flashpoint, but also consolidates the

widely held view that management is assisting in the systematic refusal to provide shelter for the homeless," he said.

Most company schemes provided some kind of financial assistance for the purchase of housing, but they had been imposed unilaterally as part of management's prerogative. At the same time, he said, workers often lost their subsidised loans when they left the company, and were then unable to pay market rates for their loans. In some cases striking workers have been evicted from company-owned houses.

"The result of these factors is that a well-

intentioned housing programme becomes the source of resentment and possible industrial action," he said.

Workers had only small amounts of disposable income, faced the reality of unemployment and had little access to finance.

Thus organised labour, he said, was focussing on the technicalities of housing provision. A housing allowance, as part of the wage package, was being discussed.

Mr Adler said: "A more ambitious project looks to the formation of co-operatives of unemployed workers to provide the labour in housing projects. These ideas will be pooled with the experience of a few unions which have been involved in negotiating housing schemes with employers."

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AKG 27/10/87

Manufacturers in move towards mixed housing

By TOM HOOD, Business Editor

PORT ST JOHN'S. — Two major manufacturing companies are currently talking to their shared trade union about joint support for a mixed housing scheme for their employees.

This was disclosed by Mrs Kate Jowell, assistant director and senior lecturer in industrial relations at the University of Cape Town's Graduate School of Business.

At the annual congress of the Building Industries Federation yesterday, she said the union would only confirm to her that the question of a mixed development was on the agenda for negotiation.

The successful establishment of a mixed area, even if supported only by black and brown workers, opened up "the next layer of the onion — education," she said.

"And so the peeling off proceeds to expose core after core issue to incremental reform."

Business and labour, she said, must get involved in the political change process because "the major political actors" were unable or unwilling to move at present.

"Besides, business and labour have a shared in-

terest in securing a viable economy and the kind of economic and political system that allows them both a measure of independence in securing the interests of their respective shareholders," Mrs Jowell said.

Housing represented another opportunity for reform-minded business and labour, given the publication of the President's Council report on the Group Areas Act.

Residential separation of the races has been a core issue for Government since the 1950s.

OBSCURE

The Government had accepted in principle that certain areas may become mixed by a process of local choice, although the process remained somewhat obscure.



Mrs Kate Jowell

City Times 2/10/67

House prices up 20%, rising

Own Correspondent (123)
JOHANNESBURG. — House prices have risen 20% this year and more increases are on the way, says Stellenbosch University's Bureau for Economic Research (BER).

Building costs are also likely to move up sharply as housing demand continues to grow.

The predictions are made in BER's latest building and construction report.

It says house prices are rising rapidly throughout the country and predicts a 20.4% increase for the year. The figures reflect improved consumer confidence, which is likely to spill over into keener demand for newly-built houses.

The report picks out four factors likely to boost demand: Low interest rates, expectations of high inflation, increased real disposable income and

increased economic activity generally.

As more work is available, contractors are likely to widen their profit margins.

Adding further to building costs is a shortage of skilled labour, warns the report. Contractors and sub-contractors are already reporting skills shortages.

Property boom

Post Reporter

HOUSE prices in Port Elizabeth have risen an estimated 15% since January — the first significant rise in three years.

Economic upturn leads to improved PE prices

"It's a sure sign of renewed confidence in PE," a leading estate agent said.

"In fact, we like to think of it as a sure sign of the new PE."

Coupled with the prospect of better times in the motor industry — with car sales expected to continue rising well into next year — and the imminent boost to industry being brought by Mosgas, agents say a boom in the property market is on the doorstep.

In fact, they say, too many buyers are chasing too few houses already.

Agents said they could not explain why a "sellers' market" had suddenly emerged in the past four months or so, but they all agree that this is the first tangible indication of an upswing in the economy of the Eastern Cape.

Mr Ray Long said that in the economic slump during the past three years contractors built houses for which buyers could not be found.

"Only recently," he said, "all these empty houses have been bought and now

there are more buyers than houses."

Mr John Fraser set the price increase at "at least 15%".

"There are many more buyers than there are houses available," he said. "Most of the people knocking on my door are out-of-towners wanting to come back to PE."

He said buyers were not short of money.

"Certainly we are following the trend in Johannesburg," said Mrs Dawn Humphries, an agent.

"The average price increase on the Rand this year is a little more than 20%. Our average in PE, I should say, is between 10% and 15%."

"After the lean times, estate agents were having we are greatly encouraged. We are telling people: 'Hang on to your property. The price should be even better next year.'"

"At last it really does look as if an economic turnabout has come to PE."

"Less than a year ago dozens of shops

were standing empty in North End. Now there is only one.

"Suddenly there is a scarcity of houses and flats to let. It seems that the people who cleared out when the slump was at its lowest are coming back to PE."

By her reckoning, the price of the average house was increasing by at least R2 000 for every month that went by.

Agents said houses in all price categories throughout the city were being snapped up.

Mrs Liza Barnard said that "when Ford deserted us two years ago", there was an almost immediate slump of between 15% and 23% in prices.

"Now suddenly sales in PE are very lively. Judging from my books, I should think that this year we've seen an average increase of 10%."

Mr Gideon Langner said the increase

could be "anything between 10% and 15%".

"It's turned into a sellers' market all of a sudden," he said. "The best advice that the home owner can take is: 'Hang on to your property. It should be worth more soon.'"

● The Stellenbosch University's Bureau for Economic Research reports that throughout the country the average house price has increased by 20% and that further increases appear to be on the way.

Figures, reflect improved consumer confidence, the bureau reports. This is likely to prompt a keener demand for new houses.

Four factors are likely to boost demand, the report says: low interest rates, expectations of high inflation, increased real disposable income and increased general economic activity.

Simon's Town,
Fermaritzbrug,
akpan, Delmas,
P. Krugerdorp,
a, Randburg,
Vereniging,

West and White

If you were in a south-bound train from Johannesburg in the early 'fifties, you would pass the little station of Mlamkankunzi. After Mlamkankunzi, if you looked through the window to your right, you would see the sprawling shantytown we called the Orlando Shelters.

The town originally consisted of rows of rooms, built with grey bricks, but the people found one room for each family too small. So some would add an extra room, built with corrugated iron, cardboard, anything.

All sort of things were piled on the roofs to hold them down and because there was no space for all their belongings in the small rooms.

People had to walk distances to the communal taps and the communal toilets. There was no water-borne sewage in all of Soweto — called the South-Western Townships of Johannesburg.

Squalor accepted

Men driving wagons pulled by oxen came every evening to collect the nightsoil and a stink would envelop the whole township.

We were young then; we accepted the squalor as normal. Nothing was more exciting than playing hide and seek in the dark corners of the Shelters on a summer night.

We played in the gurgling Klip River that cut below Shanty 2, meandered between Shanty 2 and Shanty 1 and then on the eastern side of Shanty 3 and Shanty 4 on its way to the Vaal River.

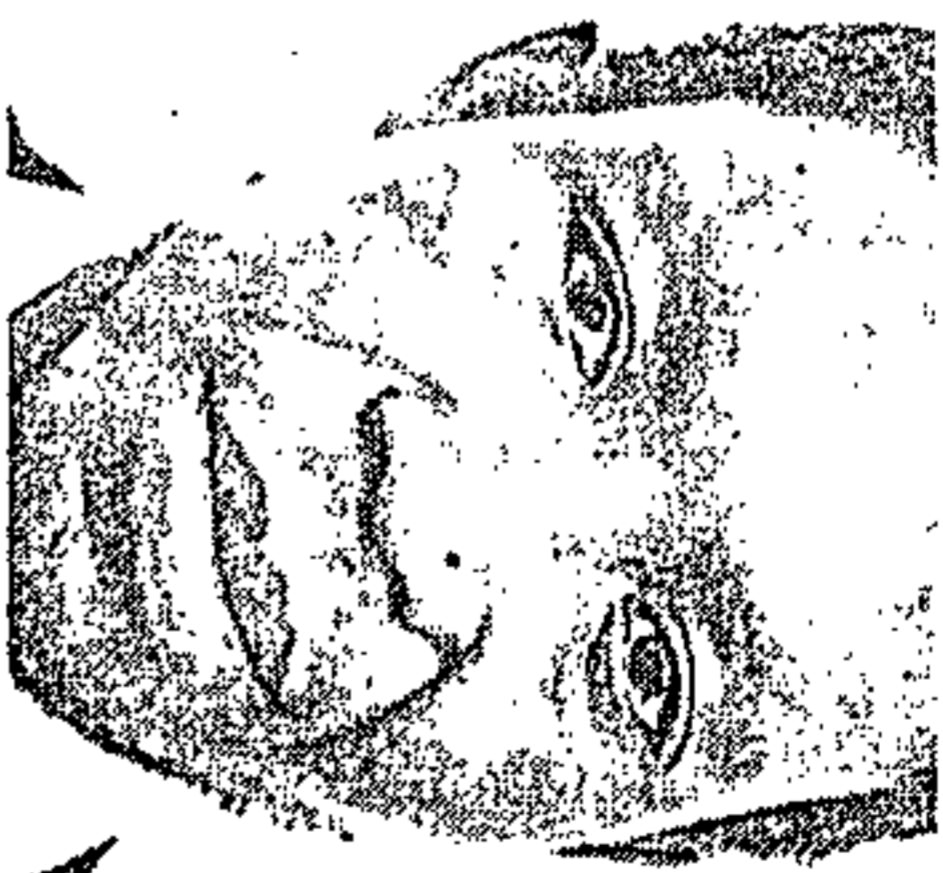
I still remember the walks to the Orlando Station when we would hold our breath as we found our way over a narrow ledge between the railway line and the river.

All these memories came flooding back as I stood in Mshenguville the other day. More than 30 years and still nothing has changed. Of

An invitation

If you have a complaint about the editorial content of The Star you are invited to write to The Ombudsman, c/o The Editor's Secretary, Box 1014, Johannesburg 2000.

30 years on, and still they live in shanties



Joe Thlooe of the Sowetan (right) pays a nostalgic visit to his childhood home and asks why the national housing crisis is allowed to worsen when the country is rich enough to solve the problem.

course, the faces might have changed, but I see the same shacks and the same dirty river.

I spotted three women sitting around a table in a well-kept shack and I went to talk to them. The shack is neat, in a fenced yard. A little stoep has been built along the front wall of the shack.

The women are all neighbours having morning tea and a chat. The kitchen is warm because of the coal stove that is burning. A curtain divides the room in two, the kitchen and the bedrooms. This shack has been turned into a real home.

Mrs Constance Mofokeng tells me she is the owner. She came to Mshenguville with her husband George and her 10-year-old son, Elliot, last November because she was tired of living with her parents.

Her husband is employed as a driver on the East Rand and she works for — appropriately — the Witwatersrand Network for the Homeless.

The Network, to quote one of its publications, "concerns itself with one of the most pressing problems facing the country today — that of homelessness".

At the moment Mrs Mofokeng is on maternity leave.

She and the other women tell me about their struggle to put up their shacks.

"Between November and last January 6, the Soweto Council demolished our shacks four times. And mind you, it does not take anything less than R800 to build a shack.

"After they have pulled down the shack, we find we cannot use some of the material again. We have to buy some more.

"We have now been given house numbers, so we have official permission to be here. And for that we pay the Soweto Council R35 a month.

"The council officials have said that the money is for the toilets, refuse removal and the maintenance of the streets.

"They told us they pay R31 000 a month to the company that hire out the toilets and cleans them.

"As for the refuse removal and the roads, they are joking. There are no streets in Mshenguville. The council workers remove rubbish heaps at the edges of the village and ignore the heaps in the village. There are no rubbish bins.

"We still have to pay householders in the neighbourhood of Mshenguville for water. There is no

water provided by the council here".

I continued to walk through the village. I passed people still building in the few spaces that are still open. One picture I will not forget is that of a pregnant woman and her husband digging the foundation for a new shack — hopefully a home for the coming baby.

Again my mind swung back through the decades to Shantytown and the Moroka Squatter Camp.

I remember that after a lot of agitation, the Johannesburg City Council and some businesses in the city started a massive housing project that wiped out the two places. That project led to most of the new townships in deep Soweto: Molapo, Mapeta, Moletsane, Zola, Emdeni, Tladi and so on.

Why did the imagination that led to the wiping out of Shantytown dry up?

New middle class

As the housing crisis worsens some of us remember the utterances by Big Business that followed. Remember that Big Business advocated the creation of a black middle class, who owned their homes.

The argument was that people who had something to defend would not riot.

And shortly thereafter the local authorities stopped providing cheap housing.

That middle class has been created, but it has its own resentments against apartheid society. It is not about to be a buffer against the anger from below.

Truth is: the people need homes and this country is rich enough to provide them.

CME Terms 4/1/87

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Home loans competition on the boil

Financial Editor

COMPETITION between banks and building societies in the home loans market is still intense.

The latest move to make buying a house easier comes from First National Bank, which has announced a flexible bond repayment system.

This, it says, will enable homeowners to "vary their monthly bond repayments to suit their financial circumstances".

Mr Chris Vitri, head of home loans, explained: "People who want to pay less for a certain period — such as young couples starting out or a professional person who has just bought a practice — can choose to pay only interest.

"We do not allow the instalment to be less than the interest because this would mean adding to the capital sum owed, which should remain the same."

Mr Vitri said that, since house prices can be expected to rise with

inflation, home buyers who sell within a few years without having paid off any of the capital can still expect to make a profit.

The Standard Bank and leading building societies said that although they do not advertise it they are usually willing to let a buyer pay only interest for a certain period.

"We also have a 'capping' scheme under which a buyer can fix the interest rate for a maximum period of five years," said Mr Terry Powers, head of the Standard Bank home loans department.

"This means that if the interest rate goes up from 12,5% to 14,5% a borrower making use of the scheme can go on paying 12,5%."

The snag to the "capping" scheme is that although the monthly instalments remain the same, the closing balance rises.

However, a spokesman for the Standard said many people buying a house prefer to know that the monthly instalment will never rise during a period when their expenses will be high.

One dies, 42 hurt in train crash

CAPE TOWN
5/11/87
123

Cut-price housing

Own Correspondent

JOHANNESBURG. — Government has slashed black-housing prices for the third time and is now selling houses in Transvaal townships for as little as R249.

In a bid to boost the sale of government housing stock, the National Housing Commission (NHC) is now offering some houses at a 60% discount.

The revised prices follow recommendations from black local authorities to sell houses at far less than the average prices asked when sales began in 1983.

The new prices will be introduced in all black urban areas in the Transvaal with the exception of Soweto, where new prices are expected soon.

Houses will be sold under 99-year leasehold — only to registered tenants — and title will be convertible to freehold should government announce freehold rights for blacks in urban areas.

Mr Alec Weiss, NHC sales co-ordinator, said yesterday: "Houses have already been selling at the new prices in some areas of the Transvaal and the response to the new prices is expected to be great with many people now able to buy their houses for cash at the lower prices."

Mr Weiss said that in the Orangevaal region the sale of houses rocketed to 602 for October.

AFFORDABLE HOUSING

A long time coming

The organised building industry has effectively been shut out of initiatives by the South African Housing Trust (SAHT) to stimulate development of affordable housing.

A lack of consultation, says the Building Industries Federation (Bifsa), has prevented the federation, which represents hundreds of contractors as well as industry professionals, from making a meaningful contribution to the solution of the low-cost housing problem, especially in the fields of quality control and skills provision.

Says executive director Lou Davis: "Although Bifsa was one of the first to assist the SAHT by arranging for all the requirements to build a pilot scheme of only 20 houses in a black residential area, using unemployed black trainees as a job creation source, it is sad that the scheme, although highly successful, has been limited to a 'one off' exercise for reasons beyond our control."

He says the building industry is concerned that the basic building skills being taught to thousands of blacks taking part in the Manpower Department's unemployed training scheme will be wasted because "there does not seem to be any dynamic movement resulting from the potential of the SAHT".

The National Association of Homebuilders, in consultation with the Brick Development Association, has also expressed disappointment "at the apparent lack of progress with the application of the total R750m made available by government towards the stimulation of home building activity at the lower end of the market."

Joe Taylor, MD of the company administering the SAHT, says R281m of the R350m allocated to the trust has been "approved" for housing projects. About R21m of this has actually been spent — on just over 1 000 houses and 2 700 serviced sites.

He counters criticism by quoting the mission statement of the trust: "The improvement of the quality of life through the funding and initiation of affordable mass housing, in such a way as to maximise job creation, opportunities for entrepreneurs and the application of own resources by the individual within communities."

To this end, he says, the SAHT has opted for two development methods — staged (where the infrastructure is provided by a contractor and the rest by the owner) and aided self-help. It uses development agents in various areas to provide the management, supervision and technical support necessary in self-help schemes.

However, delegates to the recent Bifsa congress pointed out that the creation of this organisational structure was unnecessary, as

the building industry could have provided these services.

Admittedly, there is an element of self-interest in the Bifsa attitude; it is keen to attract small builders from the informal sector into the organised fold.

But, contractors say, Taylor's claim that most of the SAHT's money must be spent on developing site and service stands compatible with his market segment (housing packages under R20 000) is a smokescreen for the fact that there is simply not enough building land being made available.

Says Davis: "There is a dearth of land — not even serviced land, just ordinary building plots, which could be used to provide thousands of sorely needed housing units, a multitude of job opportunities and a burgeoning formal and non-formal building sector."

"The enormous opportunity for providing jobs — and thereby the earnings potential to sustain an affordability level for all types of housing — is being dissipated by unnecessary controls, restrictions and traditional attitudes." ■

RESIDENTIAL PROPERTY

Looking for lift-off



For the man in the street, a house used to be his major investment — and many who got their fingers burnt in the stock market crash could well return to the relative safety of four

brick-and-mortar walls.

So some analysts have it. They say a stake in the residential property market has traditionally represented a “hedge against inflation” which is of increasing concern to South Africans still facing a decline in real disposable income combined with rapidly rising living costs.

And they say that relative to the negative return offered on fixed interest investment, property looks good.

Another factor in the property popularity stakes is the fierce competition between banks and building societies for mortgage bond custom which has kept rates down and is likely to do so for some time to come.

It is not unusual for a property boom to follow an equity peak — and the first steps in this particular cycle have already been taken, with institutional investment managers turning to commercial property as the place to park their stock exchange profits (*Property* September 11).

So the market has been poised for an upturn for some time now — if it's not already in one. That dynamic alone should see prices rise steadily in the year ahead with good returns for those who care to lay their money down.

Says Neville Berkowitz of the *Property Economist*: “The panic on the JSE was caused by the man in the street, with between R10 000 and R250 000 to spend. He is too unsophisticated to see that the market works in cycles and so cut his losses when it started to fall. But he would feel comfortable in residential property as it's a tangible asset that he can understand. The opportunities for the small investor in commercial and industrial property are really limited to syndication, which is still fairly small-scale.

“We should see rentals climb and investment in blocks of flats should become worthwhile again — usually through sectional title schemes.

Investment demand should lead to further construction of flats and townhouses.

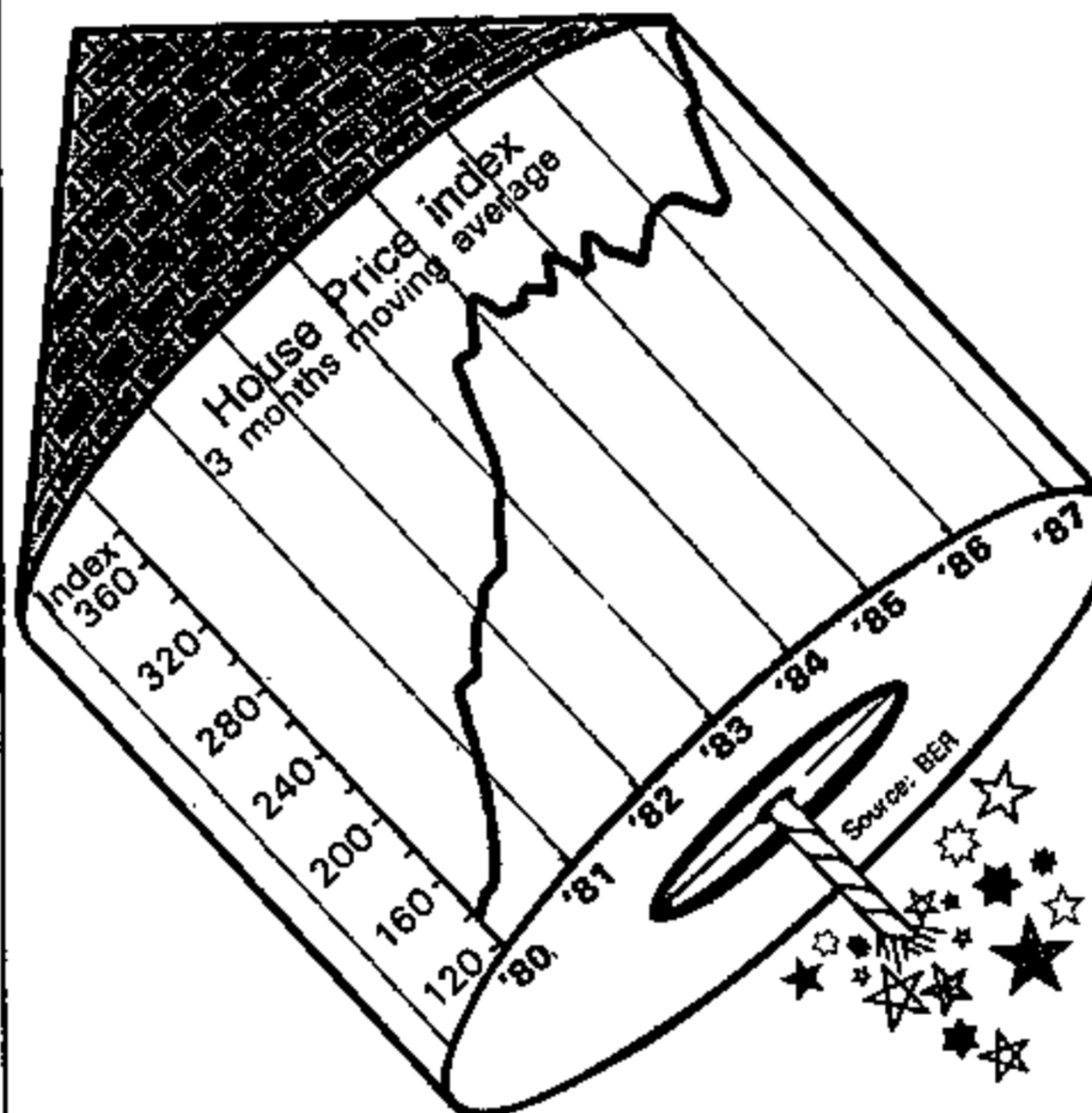
“There is a ceiling to how much rent can be paid, especially as monthly incomes aren't rising as fast as inflation, but I expect to see some significant

The recent rout on the JSE has disillusioned many an investor in shares and this could underpin a significant flow of funds into property, especially houses. Although estate agents are cautious, economists have a more buoyant view.

residential investments come on stream in the second half of next year.”

But others are having difficulty correlating the stock market crash with an automatic increase in residential prices.

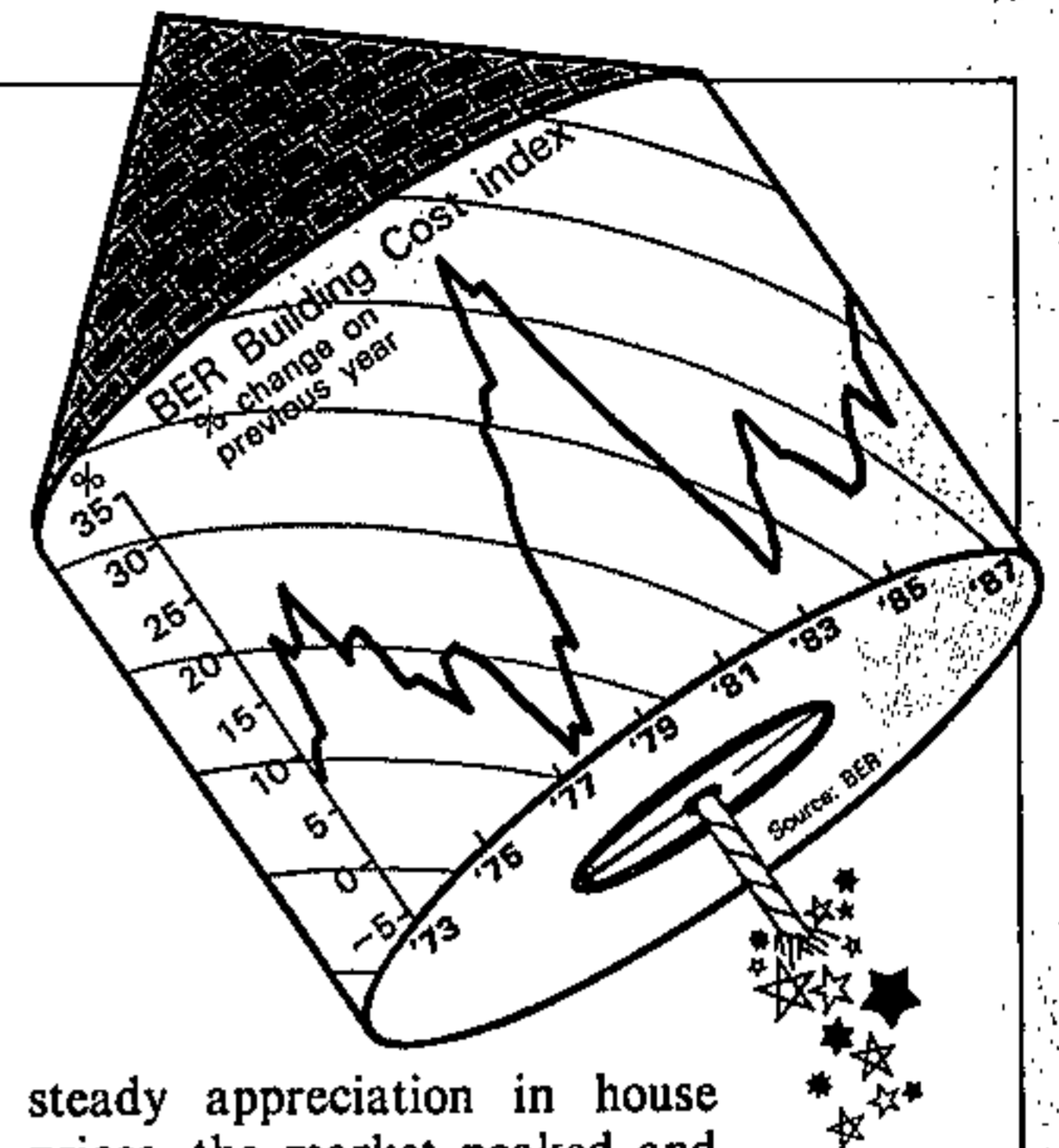
Says estate agent Eskel Jawitz: “It is easy to see that adjustments in the equity market will affect commercial and industrial property directly but the link with residential property is hard to see. In upmarket areas the



JSE boom has meant that there's more money around to spend on houses and we hear cases of people who bought shares with borrowed money, lost on the JSE and now have to sell in a hurry. But overall perceptions have been positive for the last few months. Improvements of between 10% and 20% have taken place in middle and upper areas — but you can still pick up a house in the southern suburbs for R55 000.”

De Huizemark group chairman Piet Hamman says: “I can't see the stock market adjustments having a major impact unless the crisis is prolonged. What has happened, though, is that people's attention has once more been focused on property as a far less risky investment than shares.”

And there are doubts that the buoyancy can be sustained, with some pointing to the disasters of the mid-Eighties. Then, after years of



steady appreciation in house prices, the market peaked and began moving sideways (see graph).

What really pricked that particular bubble was political unrest, uncertainty about the future and the consequent net upturn in emigration. People just refused to take the longer view — which is what investing in property is generally all about.

The combined effect of sluggish demand and the rising stock of saleable houses dumped on the market by would-be emigrants desperate to unload, served to keep house prices flat.

Certainly, for anyone with spare cash to invest, the relative attraction of the stock market's paper chase, with its booming prices and the excitement of a never-ending stream of new listings, made investing in fixed property appear relatively dull by comparison.

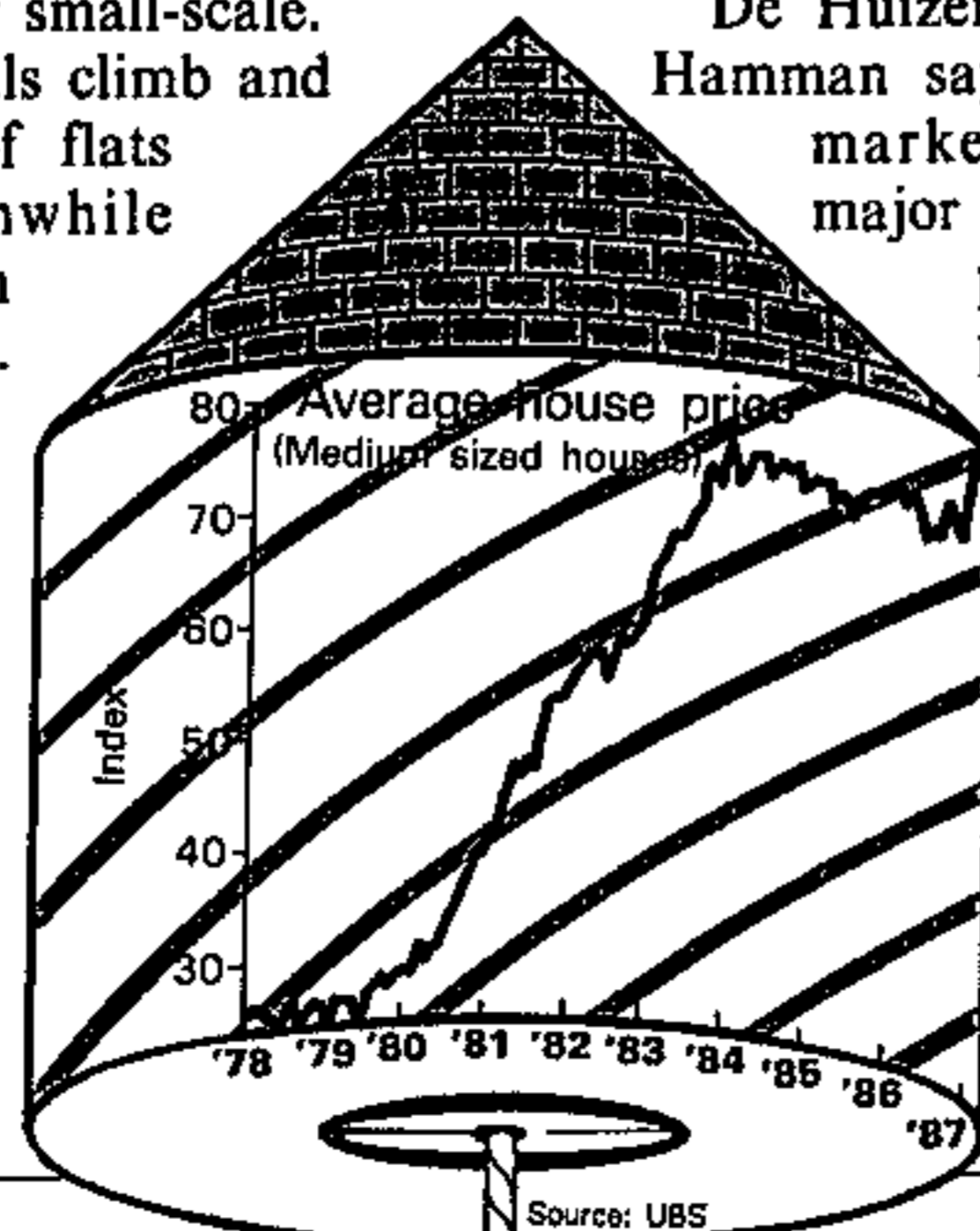
But the encouraging thing about markets is that sentiment can, and often does, change. In this instance it has been helped along by a return to relative tranquillity in SA's townships and an improved general economic outlook.

Economist Hans Falkena, who monitors housing sale trends for the UBS, says signs that the property market was beginning to move were there as far back as January. National average house prices were 15% up in the second quarter of this year compared with the same period last year. Third-quarter figures have not yet been computed, but he expects the quarter-on-quarter increase to be around 10%.

As a result Falkena is bullish for property's prospects in the year ahead. He says: “If you want to change your home or get a bond, you should not waste another second. The market has already moved quite substantially and the longer you wait the smaller your eventual appreciation.”

But, like most commentators, he does not see a direct correlation between the stock market crash and renewed investment in housing. Rather, he says, the market is being underpinned by changing sentiment over political and economic scenarios and inflation in building costs which is pushing the cost of home building higher each month (see graph).

“People realise,” he says, “that the market



is coming off a low base and they'll never have a better chance than now to buy."

Just how far and how rapidly property prices will rise in the ensuing months is difficult to tell.

Predictably, there are those estate agents poised for a return of the good times. They fondly recount how property prices put on as much as 35% on a year-on-year basis in the early Eighties when the gold price hit US \$800/oz and surplus liquidity helped keep interest rates down.

Institute of Estate Agents president Bruce Wilson says:

"I haven't seen the effect yet myself but the smaller investor who burnt his fingers on the JSE is bound to look elsewhere. As property is on an upswing it must look attractive. A property price adjustment is long overdue — we've seen inflation both in consumer prices and in the value of shares but not in bricks and mortar. So far there's been movement in the middle and upper range, though the less desired areas are still sluggish."

Property prices, the agents hold, should

rise at least at the rate of inflation each year. Which means that if they come off a low base — as they did early this decade — a massive surge forward can be expected as the market makes up for lost ground.

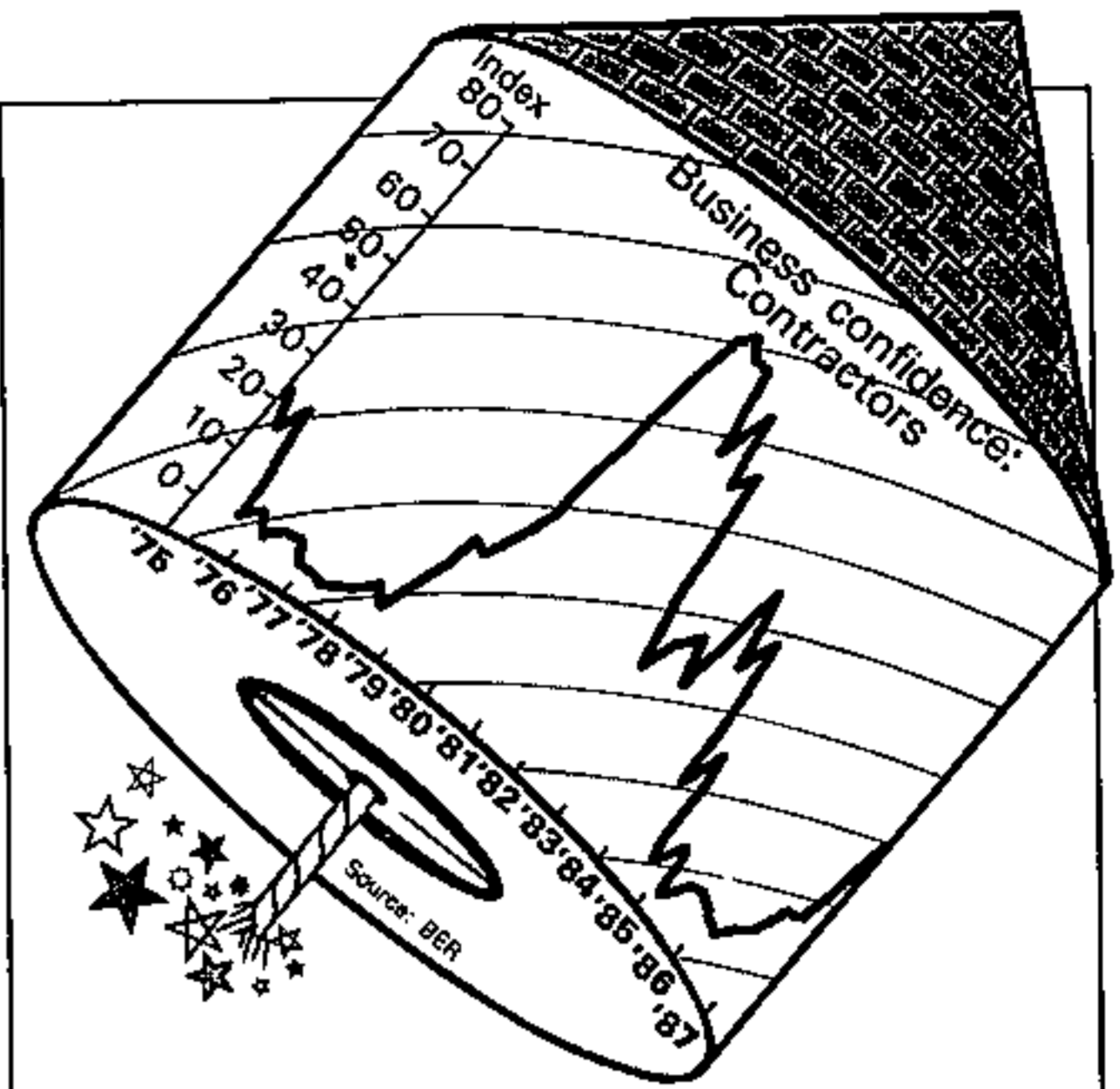
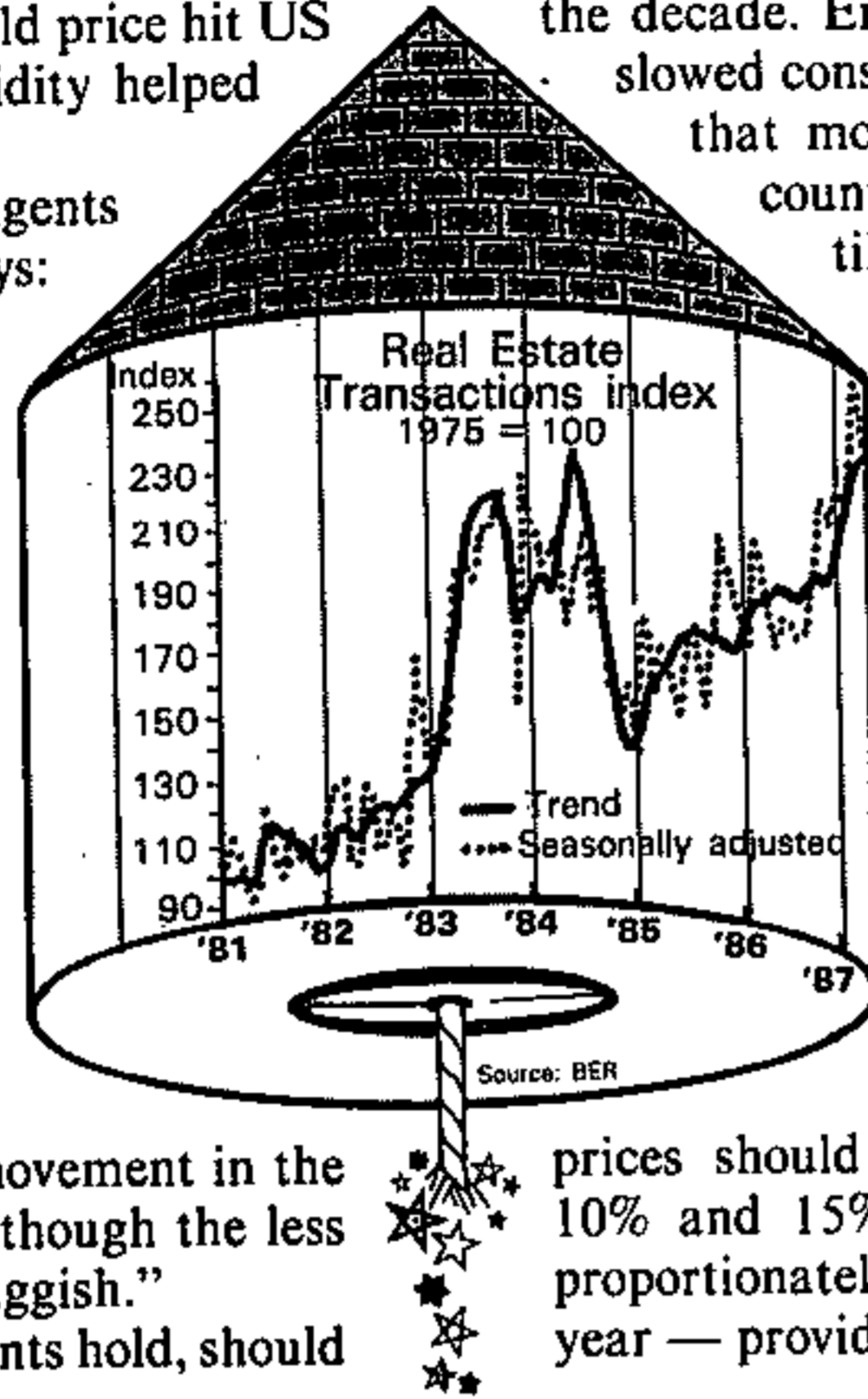
To some extent the present situation is analogous, but, as Falkena points out, there is much more capacity in the market than there was available around the beginning of the decade. Emigration, although it has slowed considerably, is still positive in that more people are leaving the country than entering. Thus until the slack is absorbed, he

says, there will be no meteoric rise in house prices — inflation notwithstanding.

"On the other hand, I don't see the prices tending rapidly downwards again. The upturn will last for at least a few years before anything dramatic happens."

Taking his best shot at it, he reckons house

prices should rise on average between 10% and 15% next year with perhaps proportionately bigger rises the following year — provided the flow of new housing



stock to the market remains constant.

However, Econometrix economist Azar Jammine predicts that house price increases next year will be at least in line with the inflation rate — moving to as much as 25% higher than they are now if the gold price goes into orbit. He sees this as likely — even with the current oversupply of residential accommodation in the white market.

Of course there are negatives in the scenario, the major one being that the higher level of property sales and transactions he is predicting could trigger a rise in mortgage rates (see box).

Rates are negative only because demand for credit — which includes home mortgage bonds — is slack. Greater demand for home

WATCH THE MORTGAGE RATE

As investors bail out of the Johannesburg Stock Exchange, one likely avenue for their funds is the private housing market. Over the last few years, lack of confidence, penal levels of interest rates, and the record numbers of repossessions have depressed house prices to bargain basement levels.

More recently, despite high levels of liquidity in the financial markets and relatively low interest rates, it has been the continuing lack of confidence that has limited activity in the housing sector.

Now all that seems to be changing. There is a clear improvement in confidence, as reflected in higher consumption spending generally, increased sales of new motor vehicles, an upward turn in fixed investment spending, and expectations expressed by the retail sector for a buoyant Christmas season. Assocom's confidence index also touched 100 in its latest survey (see *Economy*).

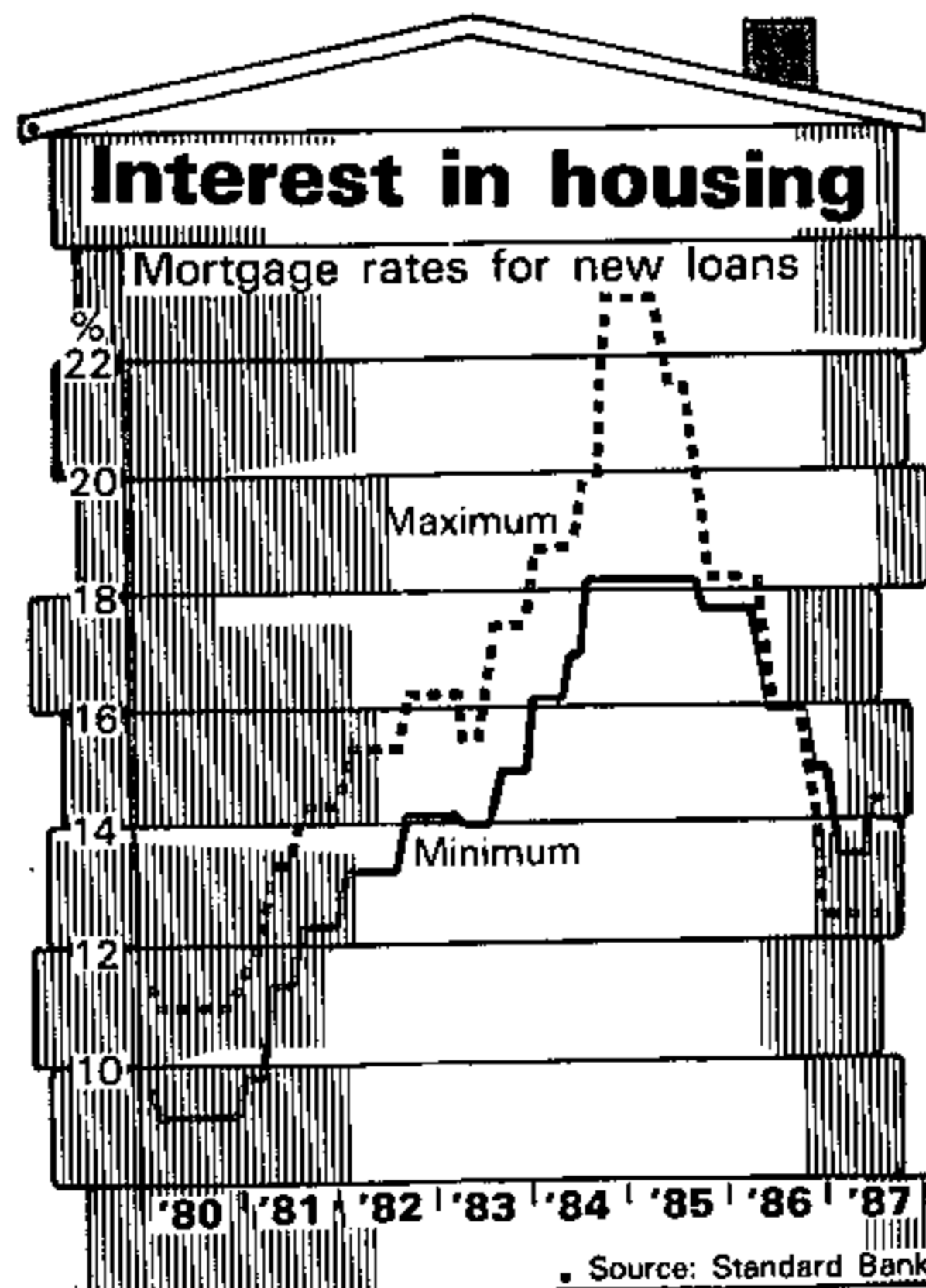
House prices have been steadily edging up, indicating that the pent-up demand of the last three years is finally coming to market. With confidence improving generally this can only mean house price increases will begin to gather momentum.

Will this mean higher mortgage rates? The short-term answer is "no." With banks and building societies awash with funds there will certainly be enough cash

to go round at existing prices for probably the next six months to a year.

Says Hendrik Sloet, MD of Saambou National: "There is more activity in the property market, although we have seen no increases in the numbers of applications yet. But we are still very liquid and will be able to stick to existing rates for some time."

Until rates do go up there will be no



other arbiter of demand than rising house prices. Trevor Olivier, assistant GM of the NBS, says that in the absence of a move in interest rates, "I think you are going to see a surge in house prices by as much as 25%. The existing housing stock is being taken up, and a lot of new development is starting." As demand picks up — with the price of materials rising rapidly and builders beginning to take the opportunity to expand their margins — the scene is set for "a phenomenal surge in house prices."

Olivier believes interest rates will remain stable for the next four to six months because of excess liquidity in the market. He makes the point that sales of shares by investors will not increase liquidity further, however, since obviously for every seller there is a buyer.

What could make "things change rapidly," says Olivier, is if the cash from share sales is used to buy houses ahead of perceived price increases. Indeed, the familiar snowball effect could have sharp repercussions on property values. And it won't be until, say, mid-1988 that bond rates will rise sharply and begin to put a ceiling on house price increases.

When the market will peak is anyone's guess. But while interest rates remain low, one thing is clear: the private housing market is now the best attraction in town.

finance and consumer credit in a more buoyant economy could see rates kicking up sharply again. But for the moment there is a definite window of opportunity.

A great deal depends on confidence. However, it could be argued that those who have contemplated emigration over the past three years have either gone or decided to stay. For those who remain, the glitzy possibilities of JSE investment have dulled severely; and that leaves property as an option — particularly as its buoyancy depends precisely on that commitment to the longer-term stability of the country.

And where else can sensible investors put their money now?



The signs go up . . . financial safety in four walls

GOLD

Why it won't perform

If you are an investor, sitting in Johannesburg or Cape Town, wondering why the gold price has not gone up after the world stock markets' meltdown, ask yourself: what would I, personally, sell in order to buy gold?

The question gains added point in the US, Europe or the Far East, where the range of investment alternatives is far greater than in SA and where, with the obvious exception of the US dollar, the main currencies are hard ones and inflation is under control.

Go through the list of possibilities. Would you sell your house to buy gold? Only if you are a reborn gold bug, believing in apocalypse tomorrow. Would you sell blue-chip industrials? Not after falls of a third or so, which have left them more reasonably valued on yield and p/e criteria, with the hope that the next move is more likely to be up than down.

Would you sell government stock? In SA, given prescribed asset requirements, fund managers may say: I wish. In the rest of the world, the flight into quality bonds has been part of the aftermath of the crash. With interest rates expected to fall and attractive returns available — a real return of 5% on D-mark bonds, for example — why swap them in favour of a non-interest-bearing, dollar-denominated commodity?

Would you swap cash, always assuming you have some, for gold? Again, surely not. In uncertain times, your daddy told you, cash is king. Anyway, you want to keep liquid to go bargain-hunting later on — or because your job might not be there next month.

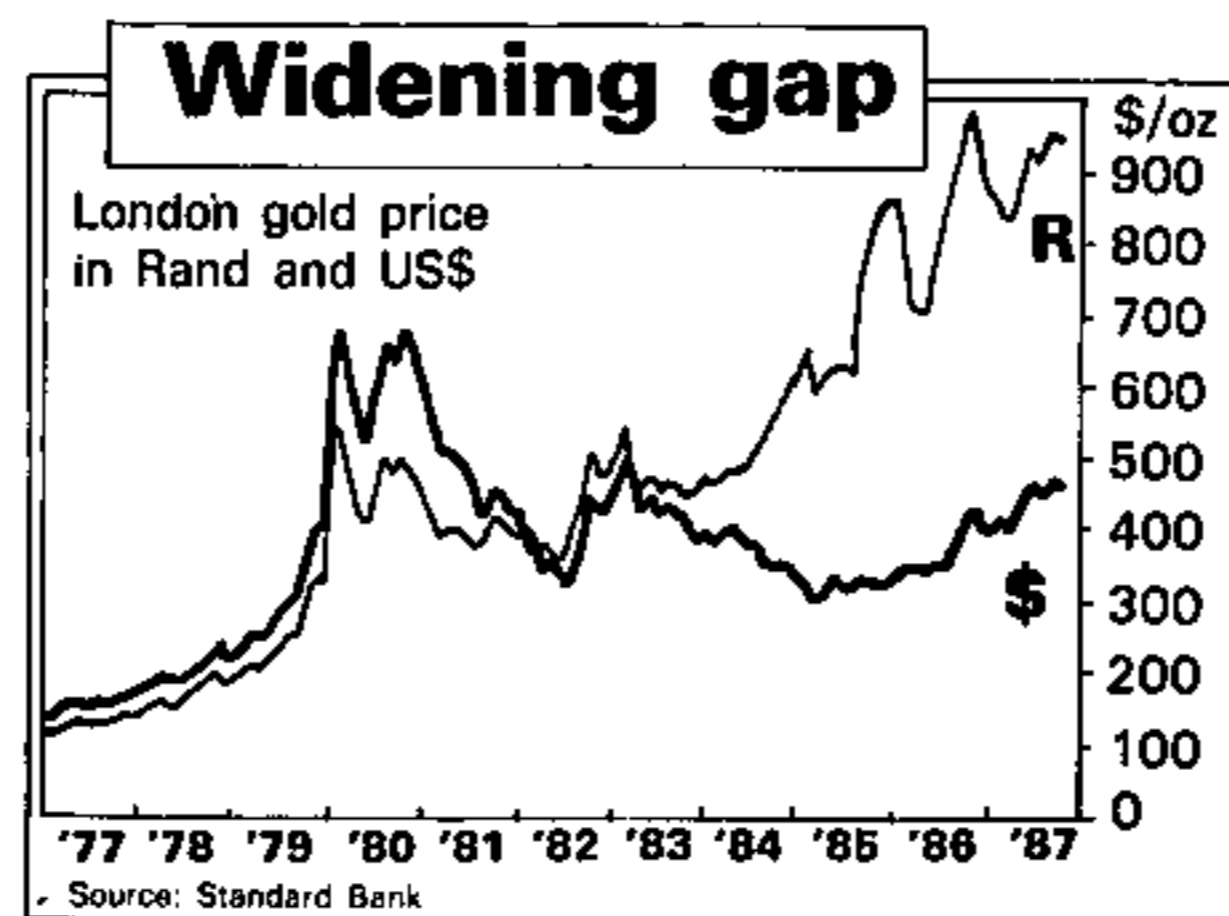
This line of reasoning, or something like it, seems to have motivated investors recently. In the initial shock of Black Monday and Tuesday, October 19 and 20, gold soared initially to US\$490. Lack of follow-through and a wave of selling, particularly in Hong Kong, where the stock market was closed, trimmed the price back to pre-crisis levels.

A sudden shortage of liquidity — personal, corporate and among the financial institutions — has been the primary effect of the

Previous slumps in paper markets have often seen investors turn to gold as a store of value. But so far the events of October have had little impact on gold's slow upward trend. What is different this time round?

stock market crash. Many investors have had to sell whatever was saleable. Gold, as a relatively liquid market, inevitably bore some of the brunt of this process. Indeed, with the collapse of paper fortunes, investors who had put a precautionary 5%-10% of their net worth into gold would have become overweight in it.

As a degree of calm returned, investors took stock of the new financial environment.



For those able to focus on gold at all — and they are only a minority of the global financial community — there seemed to be more negative than positive factors.

In the weeks running up to the crash, inflationary expectations were on the rise worldwide. Commodity prices had increased since the beginning of the year, with base metals up 40% by August. The boom in financial assets carried obvious risks that too much money would start chasing too few goods. The crash amended this outlook, shifting the odds towards a greater risk of disinflation or outright deflation and away

from the risk of inflation.

The liquidity shortage and the collapse of paper values impacted on gold mining companies. Last week, there was evidence of a number of shelved capital-raising plans via share issues. Instead they hocked future gold output to obtain funds for expansion. One North American mining group arranged a \$100m financing by pledging the delivery of 260 000 oz gold to creditors, and there were other smaller deals. The result was the build-up of a gold overhang on the market.

Major central banks were also said to be selling gold to finance dollar support operations. Both the Bundesbank and the Bank of Japan were alarmed earlier this year at the cost of dollar support operations, estimated at \$90 billion, by all the major central banks, and the inflationary implications for their own economies of selling D-marks and yen to buy dollars.

If market rumours are correct, they have included some gold disposals in the mix of more recent dollar support operations. The Bank of Japan, which holds little gold, is said to have sold surplus gold acquired for last year's Hirohito coin issue.

There is little doubt that the Group of Seven (G7) monitors the gold price closely and is at pains to dampen down any impending flight into gold, which would complicate their central banks' problems of international currency management. Indeed, the vice-chairman of the Federal Reserve, Manuel Johnson, recently told *Le Monde*, the Paris daily newspaper: "In our desire to keep inflation low, we have been keeping a very close eye on the fluctuations in the gold price."

It may not be going too far to suggest that the G7 is attempting to manage the gold price informally, as the old gold pool did in the Sixties. Central banks have learnt one lesson since then: they will not defend a fixed, publicly stated gold price, giving speculators a one-way bet. But by a combination of physical and futures markets operations, they may be able to head off any concerted

Millions more boost housing for blacks

(123)
Primer

8/11/87

THE SA Housing Trust has spent R21-million on building homes and servicing stands for blacks and has another R260-million earmarked for them.

First National Bank has given another boost to black home ownership by making large loans available to sound borrowers.

The SAHT says it has so much work in the pipeline that it will probably need R200-million more than the R400-million Government grant it received in March. It is considering raising funds in the private sector next year.

The trust's managing director, Joe Taylor, says proposals for 17 800 houses and an additional 22 800 serviced stands have been approved. More proposals will be submitted to the board on November 25.

Dobsonville

Negotiations with two banks and a building society to administer bond schemes and the collection of repayments are almost complete.

Apart from announcing its backing for three Soweto builders in a R60-million housing project for Dobsonville, First National Bank says it will join other banks and make "unlimited" funds available for all races — a move which Mr. Taylor describes as a boost for the housing programme.

FNB assistant general manager Chris Vietri says these loans will be in addition

By Udo Rypstra

to its other lending into which it has so far poured R1,8-billion.

The loans will enable clients to pay for houses through approved builders. The builders will be able to draw against these loans for working capital as they go along.

Mission

Reacting to criticism that the SAHT has been slow in providing funds, Mr Taylor says the trust's mission is not only to provide housing, but to create jobs and develop communities through "sweat equity".

As a new organisation with no experience to rely on, one of its main tasks has been the acquisition of land through a preliminary right of leasehold agreement which took four months to negotiate with various authorities.

Mr Taylor says: "To turn raw land into serviced land takes others at least at least 13 months. We have done it in 10 months. We could have handed over the R400-million to big construction companies, but that would not have met our objectives."

He says "whole towns" will be built, complete with trade centres, fresh-produce gardens and home industries to address regional unemployment problems.

According to delegates who attended the Dobsonville housing launch this week, the only obstacle facing the building industry is a dampening of confidence caused by the stock-market collapse.

Some property observers believe the market will benefit, but others say a negative mood will lead to more unemployment — and a reduced demand for housing.

Mr Vietri says demand for home loans has been strong, "but we will have to wait and see what happens".

Survey conflicts with Govt figure

Floods 'left 590 000 homeless'

By Lesley Cowling

The Natal floods have left about 590 000 people homeless and destroyed about 118 000 houses, adding to South Africa's housing backlog, according to the SA Institute of Race Relations' *Social and Economic Update*.

This estimate comes from an independent survey of the area by the University of Natal and differs from the Government estimate of about 50 000 homeless, the *Update* says.

The total black housing backlog, including the "independent" homelands, is more than 1,1 million units. The coloured housing backlog could be between 90 000 to 100 000 units and there is an oversupply of white housing of about 27 000, the *Update* says.

However, it says that developments in the past quarter again show that the Government regards black housing as a priority. Significant quantities of land were being released to be used for

housing, legislative changes were to be introduced to speed up housing delivery and freehold title was finally to be registered.

But racial land zoning and limitations on land for blacks in the urban areas continue to obstruct the increase of housing. A result of racial zoning is the existence of "buffer zones" on the borders of townships, on which an estimated 100 000 houses could be built.

Political analysts had suggested that white local authorities and Members of Parliament feared the allocation of suitable land for black housing would prompt right-wing resistance.

Soweto needed most land

Because not enough land was available for low-cost black housing, prices were being driven up in areas earmarked for development. In the Transvaal, Soweto required the most land for housing in the first half of this year.

Affordability was the most significant constraint to the increase of housing. New housing development appeared to be restricted to black people who had subsidies from their employers or the State, but this "middle-class" was drying up, the *Update* reports.

Local authorities in black townships face allegations of favouritism and corruption and a building society official has alleged that some officials demand bribes of R1 000 a stand from developers before allocation.

There are at least 1,3 million squatters in South Africa, according to official figures, and demolition of squatter shacks continues, the *Update* says.

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Govt discounts boost rented house sales

Own Correspondent

JOHANNESBURG. — About 17,8% of 350 000 rented township houses on offer to registered black tenants country-wide have been bought.

Last week the National Housing Commission (NHC) released new prices of houses approved by the government, offering a 60% discount on some that were built more than 20 years ago.

The government has dropped its prices to bargain level to boost its "massive" housing sale introduced in 1983.

Transvaal Provincial Administration MEC Mr John Mavuso said there had been a marked increase in the sale of rented houses to registered tenants countrywide.

He said the government's huge discounts offered to tenants contributed towards the increase of the sales.

Mr Mavuso said up to September, 17,8% of the houses had been sold countrywide and under 20% of the houses in the Transvaal were bought.

In the Orangevaal region sales rock-

eted in October, with 602 houses being bought.

The prices of houses for all urban townships in the Transvaal have been approved — except for some on the West Rand, including Soweto, which are to be announced shortly.

In Bronkhorstpruit in the Eastern Transvaal, five-roomed houses that were originally priced at R1 554 are now to be sold off for R514.

Other areas where prices have been drastically slashed are:

● Khutsong in Carletonville — four-roomed houses from R1 690 to R690.

● Khutsong in Carletonville — three-roomed houses from R1 442 to R592.

● Mamelodi in Pretoria — four-roomed houses from R1 600 to R536.

● Daveyton in Benoni — four-roomed houses from R1 170 to R490.

● Thembisa in East Rand — four-roomed houses from R1 001 to R378.

● Brakpan in East Rand — four-roomed houses from R1 000 to R353.

● Thokoza in East Rand — four-roomed housees from R1 010 to R351.

Allied move could spark bond rate war

The Argus Correspondent

DURBAN. — A new round of mortgage bond rate cuts is due to follow the Allied Building Society's weekend announcement that its rates for new borrowers will drop to 13 percent from 14,5 as from yesterday.

However the cuts, which should further stimulate a recovering property market, will tend to help new buyers rather than existing bondholders.

Mr John Bennett, managing director of the Natal Building Society, said that his board was to meet yesterday to decide on possible cuts.

He felt strongly it was wrong to penalise existing customers by giving new borrowers cheaper finance — even though it might be necessary to offer this option for a short while.

Mr Bennett noted that the Allied had not announced a date when existing borrowers would also enjoy an equivalent rate cut.

He said the NBS, like the Allied, had been "watching the recent market position carefully."

The building societies' cost structure has been reducing be-

cause older investments at higher rates have been maturing — which now makes it a little easier for them to offer a lower bond rate.

The banks, with rates at 12,5 percent and the United, at 12,95 percent for new borrowers, have been worrying the other societies which at present offer 14,5 percent.

The Allied said in its announcement that from yesterday it is offering bonds of 90 percent and an option to peg rates for as much as five years.

PEGGED RATE

Existing borrowers can also take the pegged rate option — at 14 percent for one year, 14,5 percent for two years, 15 percent for three years, 15,5 percent for four years or 16 percent for five years.

Meanwhile, other building societies said they were not planning to follow the Perm's lead in opening banking halls on Sundays.

"People really just want to obtain money on Sundays and our automatic teller machines already provide that," Mr Bennett said.

The Perm move, which initially drew some negative reaction from staff but has been placed on a voluntary basis, sees roughly 18 out of 55 Natal outlets open on Sunday mornings.

The move is partially seen as an effort to limit the costliness of computer problems which have resulted in Perm customers using the automatic tellers of other institutions through the Saswitch network. The Perm has to pay other institutions a fee for the volume of Perm business which they handle.

Mr Brian Whitfield, general manager (marketing) at the Perm, said there had been computer "teething problems" but it was "simplistic" to say the cost of ATM use was behind the Sunday move.

In fact, the Perm had identified a real customer need to have branches open on Sundays.

"They want to be able to come in and discuss their needs without the pressure on time." He said at present the Sunday openings were only in Natal but might be extended elsewhere.

Cheaper money on way — top banker

11/11/87
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By TOM HOOD
Business Editor

THE cost of home loans has been slashed by about 46 percent in three years and may become cheaper if, as top bankers believe, the prime overdraft rate is cut.

Money market managers say the market is awash with funds and more cash is expected to be switched from the stock exchange by large investors who were heavy sellers of shares in the past few weeks.

Some inter-bank rates have already dropped.

The managing director of Syfrets, Mr Brian Button, said pressure was building up in the market for a cut in the prime rate.

Cheaper imports

Also, with the increase in the value of the rand imports were expected to become cheaper.

Other bankers believe the Reserve Bank is not keen on a cut, as it might be short lived.

However, a cut in the prime rate, the rates banks charge their best customers, could result in the banks lowering their home loan rates.

Aggressive competition by banks and building societies has trimmed bond rates substantially this year.

And an inflow of money from the stock exchange could help to keep rates low for the next few months, building industry spokesmen say.

Bond rates vary from 12,5 to 14,5 percent, the lowest in years. In some cases transfer and bond fees can be included in the loan.

Many builders and estate agents offer a no-deposit package, which effectively means a 100 percent loan.

A home-owner with a R50 000 bond will pay R603 a month at the current 13,5 percent charged by most building societies. Repayments on a R50 000 loan would have been R885 three years ago, 46 percent more, when rates hit a peak of 21 percent.

Rates charged

The highest rate, the 14,5 percent charged by the Perm and EP societies, could also tumble.

Lowest rates today were 12,5 percent, the same as the prime overdraft rate, charged by Standard and First National banks. Next comes UBS with 12,95 percent.

Allied, Saambou and Boland Bank charge 13 percent, with Saambou charging 12 percent on a new loans of half the purchase price and Allied offering a fixed rate of 16 percent for three years.

On 13,5 percent are NBS, Trustbou, Syfrets Bank and Good Hope Bank.

Several institutions will tailor monthly repayments to suit the buyer's cash flow — he could arrange to skip two instalments, for instance, if he is going on an overseas holiday.

Institutions have money "practically coming out of their ears", according to estate agents, who claim bond applications are practically granted "yesterday".

The millions of rands diverted from building societies into unit trusts in the stock exchange bull run earlier this year could be reversed, says Mr Kevin de Villiers, Allied's managing director.

"With the decline in JSE prices and the shock effect on small investors, it is probable that a good deal of traditional money will revert to the home loan and property sectors," he says.

It was still too early to measure such an inflow, but it would probably be enough to maintain the pressure for the base mortgage rate to stay low for the next few months.

He believes the price of money will stay low in the short term but will gradually increase.

Battle of the Bonds hots up

cmc 7/19/82
11/11/82

BY AUDREY D'ANGELO
Financial Editor

HUNDREDS of rands a year are being lopped off bond repayments as the battle for custom between banks and building societies hots up.

Leading estate agents said last night that lower interest rates on bonds announced in the past few days would stimulate already buoyant property sales.

But some warned that the lower rates could also have the effect of pushing up house prices "since people will be able to afford to pay more."

Rates to drop

The latest to cut its interest rate on home loans, from 14,5% to 13,5%, is the Natal Building Society (NBS). And unlike other societies which have recently announced cuts, the NBS is bringing down its rate for existing as well as new borrowers.

The regional manager, Mr Kingsley Loney, said yesterday that rates on new loans would drop immediately and those on existing loans from February 1.

"We could have brought our rates for new borrowers below 13,5% if we had let existing borrowers go on paying 14,5% to subsidize the new business," he said.

"But we believe in looking after our existing borrowers and have therefore taken a more balanced view which we

believe will be more acceptable in the long term."

Mr Lawrence Seeff, managing director of the Seeff Organization, said the average bond was R40 000 over 20 years and on this a cut of 1% in the interest rate would work out at R30 a month.

"This competition between banks and building societies can do nothing but good for home buyers and the property industry," he said.

Mr Storm Durr, chairman of Durr Estates, said he hoped the competition would lead to more cuts in bond rates.

He said the property market was already busy and there was a shortage of houses in the medium-price range "because so few have been built in the last few years".

But Mr Durr warned that lower interest rates tended to push up prices, particularly as demand increased.

The cheapest bond rates so far were offered by the commercial banks at 12,5% and by Saambou, which announced yesterday that it would match this rate on loans up to 50% of the purchase price.

Saambou's rate for 80% mortgages was 13%, in line with the rate for new borrowers announced by the Allied at the weekend.

The Allied is also offering existing borrowers the option to change to a fixed rate of interest for up to five years. These rates rise progressively according to the length of the period chosen, from one year at 14% to five years at 16%.

Syfrets Bank, which charges one percentage point above Nedbank's prime lending rate for favoured customers, is currently charging 13,5%.

Software aims to ease housing backlog

B/Day

12/11/87

123

BY USING computers to assist engineers, consultants, local authorities and surveyors in the design of township services, where the real bottlenecks in the creation of new townships occur, the economy could be stimulated and a large part of the mass housing problem solved.

So contends Vincent Bester, director of software development at Allyson Lawless Systems, a local computer-aided design (CAD) house specialising in applications for civil engineering and design.

Speaking at the launching of the IBM-compatible version of Stardust — a locally-developed terrain modelling, volumes and road design program — Bester said lack of expertise means that design of a township's infrastructure is not keeping pace with construction.

"For a small township, from concept to actual commencement of township construction, could take anything from one to two years," he said. "This lead time is unacceptable, and the bottleneck lies with services design."

Production-line

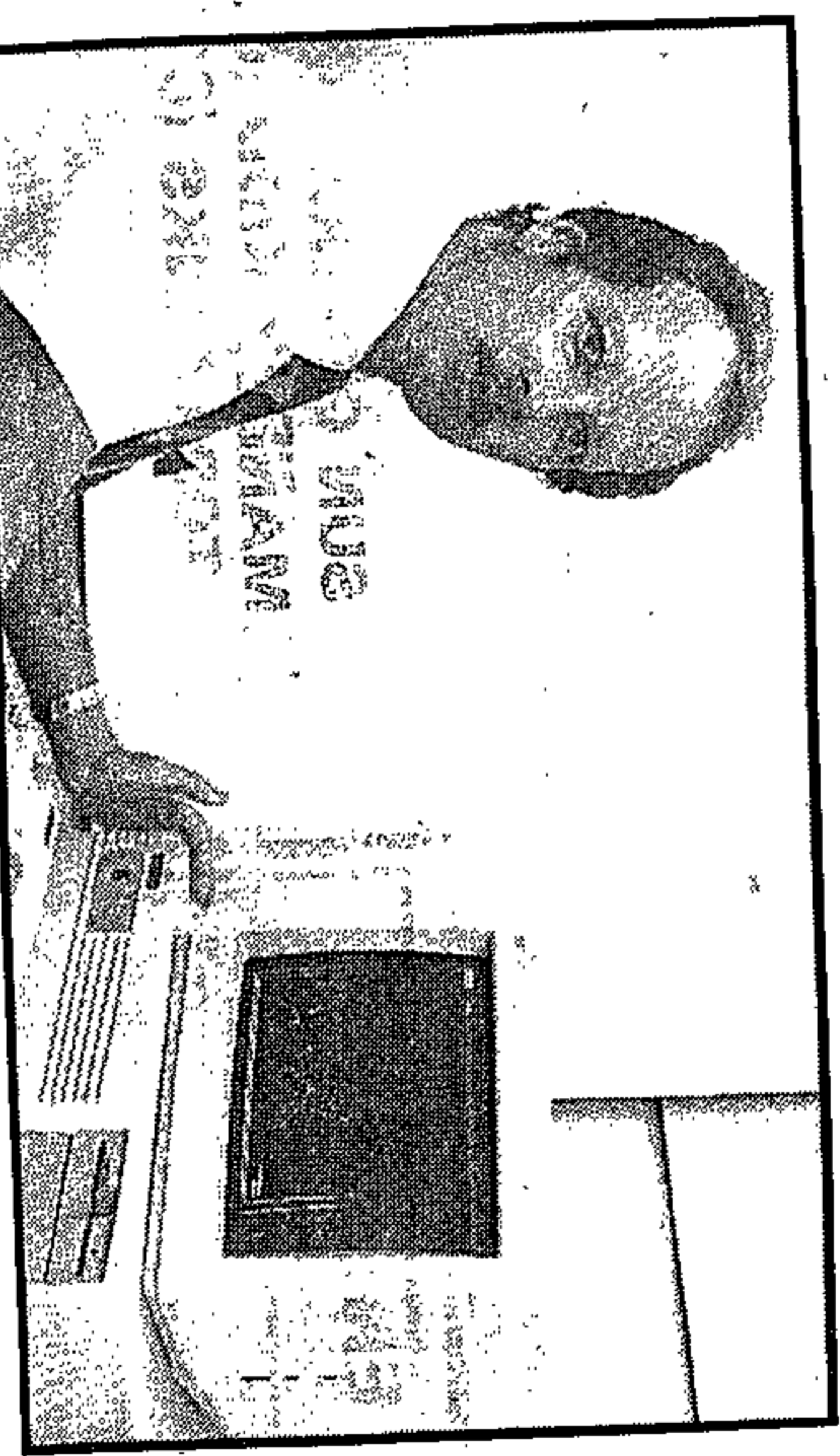
Construction of houses is easy, he said, explaining that this takes place in a production-line fashion, where a first team excavates and moves on to the second house. A second team sets the foundation, and the process is repeated with other crews doing more sophisticated work.

"This method ensures that, for example, about 20 houses a day are being completed by a company down in Mitchell's Plain."

While construction of mass housing is a relatively simple affair, Bester described the design and implementation of township services as a "killer".

"Firstly, a surveyor has to survey the site and generate a terrain model. For a small area — say something like 300 survey points — three or more days would be spent on generating contours," he said.

"It has become possible to take 1 000 spot shots a day with modern



□ BESTER... computerisation to aid mass housing and stimulate economy

electronic workstations and computerised survey software which could then be reduced and contoured in the same day. We're talking about a small township, where it would traditionally take just under a month to survey. Now this process can be cut down to a few days."

After the survey is completed, the design of township services for 1 000 sites could take up to six months to complete using a manual system. However, Bester cites the example of Computdraw, an engineering consulting company which turns out township services for more than 1 000

stands a month using Allyson Lawless Systems software.

"By computerisation we can increase throughput on design six-fold, cutting design time by 50% to 85%," Bester said.

"The implications are important. Firstly, more houses are constructed in a given time. Secondly, increased construction would mean a greater number of labourers employed. This would stimulate the economy, as these labourers would earn more, spend more — and enable many to buy their own houses, stimulating the property market in turn."

Previously, the application software which performs these design functions has been available only on expensive technical computers. Allyson Lawless Systems has installed about 40 sites nationwide on Hewlett-Packard workstations.

Introduction of a PC-based version of Stardust makes it available to more consulting engineers.

The cost of the complete package is R9 000, but individual modules — such as roads design — are available separately.

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HOUSING SCHEMES

Soothing fevered brows

In its second major move on the housing market this week, the Allied has announced a scheme to assist companies with the selection and provision of suitable housing schemes for employees.

Its decision to drop the mortgage rate on new loans to 13% has brought interest rates back into the spotlight. Now, through its latest development, Allied is giving new momentum to black housing, which has become a significant factor in collective bargaining.

It has teamed up with leading firms of home builders and consultants to help companies co-ordinate a housing strategy for employees. Allied's move — other societies have embarked on similar initiatives — is indicative of the priority now being accorded company-assisted housing.

Even relatively small companies are facing demands from workers for home loans or housing subsidies while major corporations, notably the mining houses, are being asked to finance and develop entire housing projects.

What's more, government has expressed itself keen to see the private sector involved in housing from the provision of accommodation through to offering financial assistance to owner-occupants.

However, few companies are equipped to deal with the diversity of demands, the difficulties of land procurement or the property administration skills necessary to make housing assistance a success.

To this end, a consortium of the Allied, Schachat Homebuilders and Habitech have retained International Compensation (IC), a human resource and productivity consultant, to advise employers on effective methods of structuring a corporate housing policy.

The consortium offers employers a turn-key package, the first step of which is a comprehensive survey of worker demands and expectations followed by advice on the impartial application of an assistance policy.

Keith Clubb, MD of IC, believes mortgage bond subsidies will eventually take the place of company home loans, for a number of reasons including:

- The fact that, under a subsidy scheme, company funds are freed for business use;
- An immediate decision can be made on the quantum or rate of subsidy;
- Administration is mostly in the hands of the building society;
- The use of subsidies will enable companies to offer competitive remuneration packages without tying itself to unsatisfactory employees; and
- That bonds are transferable.

The second step of the consulting process is for the builders in the consortium to pre-

sent to employers a range of homes and back-up services suited to specific company needs. The objective is to allow the employee a choice of homes within the constraints of his budget — and so allow the employer to assist staff into homes of their choice rather than prescribing to them.

The members of the consortium are all involved in developing black housing in areas convenient to work centres. A database listing available stands and serviced sites has been compiled and the third step is to make the land portfolio available to the employer.

Once the company and employees have settled on a scheme, the Allied provides development and mortgage finance. It also assists in explaining and completing documentation.

David Waugh, Allied's corporate division GM, says it will bear all valuation, bond cancellation and re-registration costs of a company embarking on a scheme devised by the consortium. ■

EAST LONDON

Going for broke

East London, once unkindly dubbed the "ghost on the coast," is keen to change its tarnished image.

The town is currently contemplating a R14m entertainment centre on its esplanade — all in line with a concerted drive to bring tourists flocking back to its beachfront.

Giant entertainment group Interleisure has indicated that it will support the centre which complies with the broad principles of a beachfront study undertaken by consultant Revel Fox — also responsible for Durban's remodelled beachfront.

However, although the 4 560 m² development has the unanimous approval of the city council, the Cape Administrator must still approve the inclusion of the municipal-

owned aquarium and the pedestrianisation of the section of the esplanade between it and Longfellow Street.

The rest of the property is owned by Leisure Holdings, the directors of whom are Norbert Baumker and Brian Kinnear. Baumker owns the Kings Hotel and Time-share which is to become part of the centre and Kinnear is a local industrialist.

The three-storey centre will include a live entertainment venue, a theme pub, a coffee shop, three restaurants, four cinemas, a 10-pin bowling alley, and a variety of arts and crafts stalls.

The restaurants will be operated by Leisure Holdings under franchise to Interleisure. It is not yet certain, however, whether Interleisure's Ster Kinekor will take the cinema space, geared to seat around 600. It is already said to be considering four cinemas seating around 400 in the proposed Clarendon Gardens shopping centre.

In the first stage of the project, a R1m upgrading programme, the restaurant and bar facilities on the west side of the Kings Hotel will be demolished and located elsewhere in the hotel.

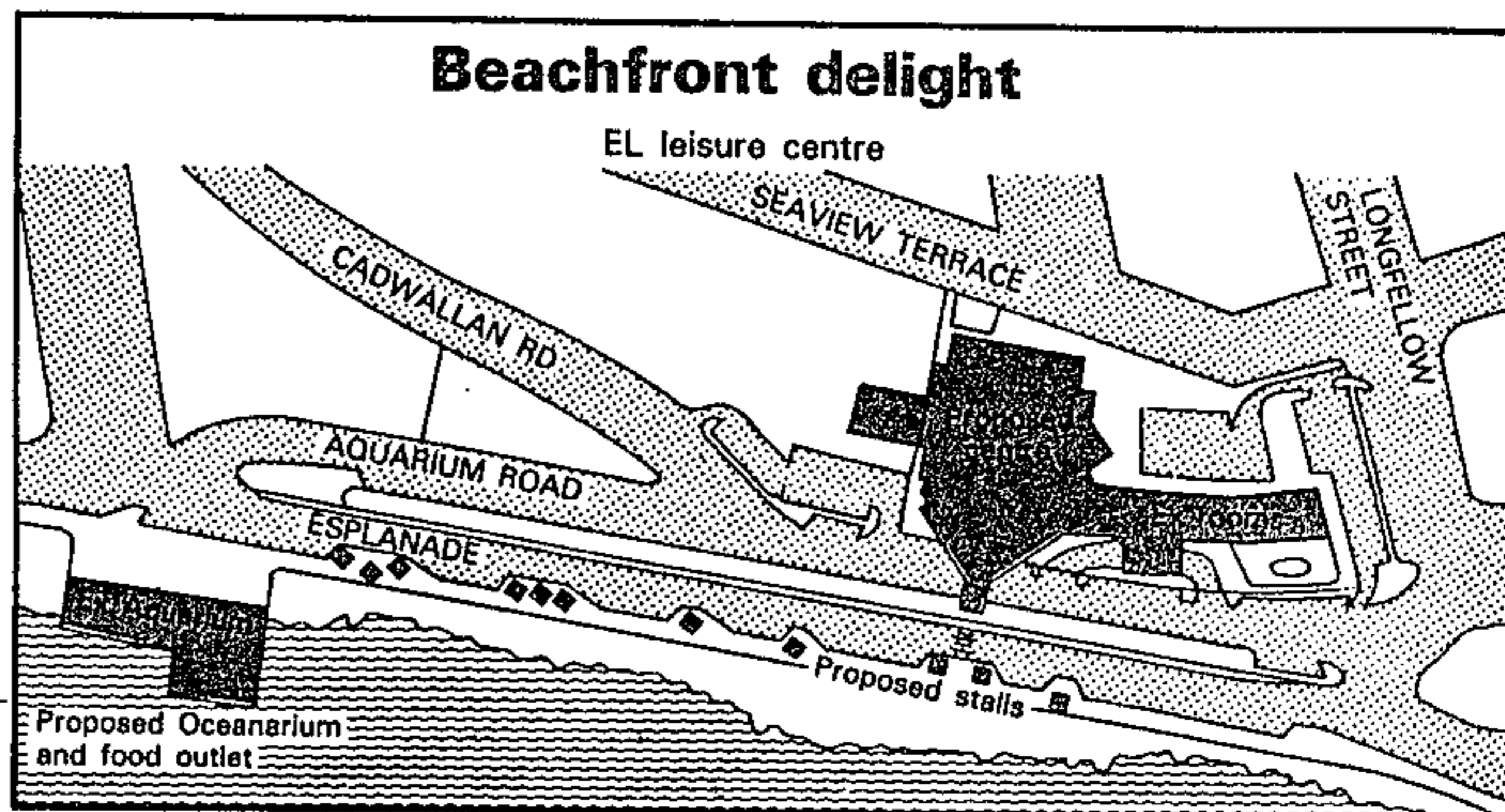
Baumker says planning for the centre is based on two feasibility studies — one conducted independently by Interleisure. Further, it has the support of local businessmen.

Ted Walsh, director of the East London Publicity Association, believes the centre will generate substantial tourist and holiday income, as well as additional rates and taxes for the city and employment for more than 100 people.

He predicts it will act as a catalyst for the development of the rest of the beachfront.

However, Howard Williams, chief executive of international leisure consultant Horwarth & Horwarth, claims the establishment of a centre such as the one proposed for East London makes little sense.

"Although the concept of entertainment centres has become popular in Europe, they





FOCUS ON GROUP AREAS

THE STATE'S HOUSING MONEY GOES TO THOSE WHO DON'T NEED IT

Thousands are homeless, but the government spends on reshuffling those who have homes already. A new study calculates the costs of the group areas policy.
JO-ANN BEKKER reports

MORE than three quarters of the state's housing money for Indians and coloureds is spent on people who already have homes.

In the past 15 years, more than 76 percent of state spending on Indian and coloured housing went on families who contravened the Group Areas ban on mixed residential areas.

And, in terms of the Act, the state relocated 126 000 families — about 630 000 people — and 2 771 traders between 1950 and 1984.

These are some of the indications of the cost of the group areas policy, revealed in a recently released research paper written by a South African Institute for Race Relations researcher, Claire Pickard-Cambridge.

Government ministers have told parliament "information was not available" as to the total cost of implementing group areas.

But Pickard-Cambridge said between 1960 and 1975 alone, R200-million of the R261-million state expenditure on coloured and Indian housing went on rehousing "residentially disqualified" families.

By the end of 1975 the direct cost to the taxpayer of moving 1 277 traders had amounted to R24,4-million.

In Johannesburg, 280 Indian traders were moved from the city centre to the outlying Oriental Plaza in the mid-Seventies, at a cost of R16,6-million — about R59 000 per trader.

Pickard-Cambridge said the Act also ensured valuable land in some formerly mixed areas which was allocated to whites, such as Cape Town's District Six, lay unused for years.

"In this massive programme of relocation it was the taxpayer who bore the expense of administration, surveying, land acquisition, demolition, removals, compensation and new construction," she said.

"The Group Areas Act substantially reshaped the country's urban landscape. In its attempt to unscramble racially mixed residential patterns ... it had effected the creation of 918 group areas by December 1985."

She said about 126 000 families had been moved, included 83 691 coloured, 40 067 Indian and 2 418 white families.

From 1 September 1984, the administration of Group Areas Act removals became an "own affair". Own affairs administrators maintain that removals in terms of the Act have been negligible since then.

In recent years, Pickard-Cambridge said, various pressures had forced it into retreat.

"In an attempt to stimulate the economy and to foster a black 'middle class' it has sanctioned the opening of some commercial zones to all races; while it continues to support residential segregation in principle, it has abandoned attempts to enforce the Act by removing black people from white-designated areas and indeed the Act has not been used to move black communities or individuals since 1984."

However, the evictions of black tenants from "grey areas" in recent weeks has continued under other guises — although this is not covered in the SAIRR report — as the evictions of Hillbrow tenants this month have demonstrated.

Described as the "essence of apartheid" by the then prime minister, DF Malan, the Group Areas Act was enacted in 1950, two years after the National Party came to power.

Pickard-Cambridge says the Act was partly a realisation of electoral promises to the white working class to segregate white working class districts, and partly the result of demands for protection against economic competition from Indian traders.

However, she adds, the 1950 legislation was not simply the product of Nationalist ideology but the culmination of repeated attempts by white legislators since the late 19th century to impose segregation more effectively — in response to demands by white interest groups.

On the other hand, the policy of enforcing racially segregated residential and business areas was a major focus of protest throughout the decades. It was a central concern during the African National Congress' defiance campaign in the Fifties; the state-appointed commission into the Soweto 1976 uprising found it had

triggered the unrest and the Group Areas Act was singled out as a target for opposition by the United Democratic Front in 1983.

Pickard-Cambridge says the establishment of the tricameral parliament gained the National Party reluctant new allies in enforcing group segregation — from the groups which had been the victims of the Group Areas Act: "Coloured and Indian administrations in the tricameral parliament, although committed to opposing the Act, can meet the acute housing needs of their constituents only within the present segregated system and so are virtually compelled to accept, and sometimes even request, extensions to group areas in their attempts to secure more land for housing."

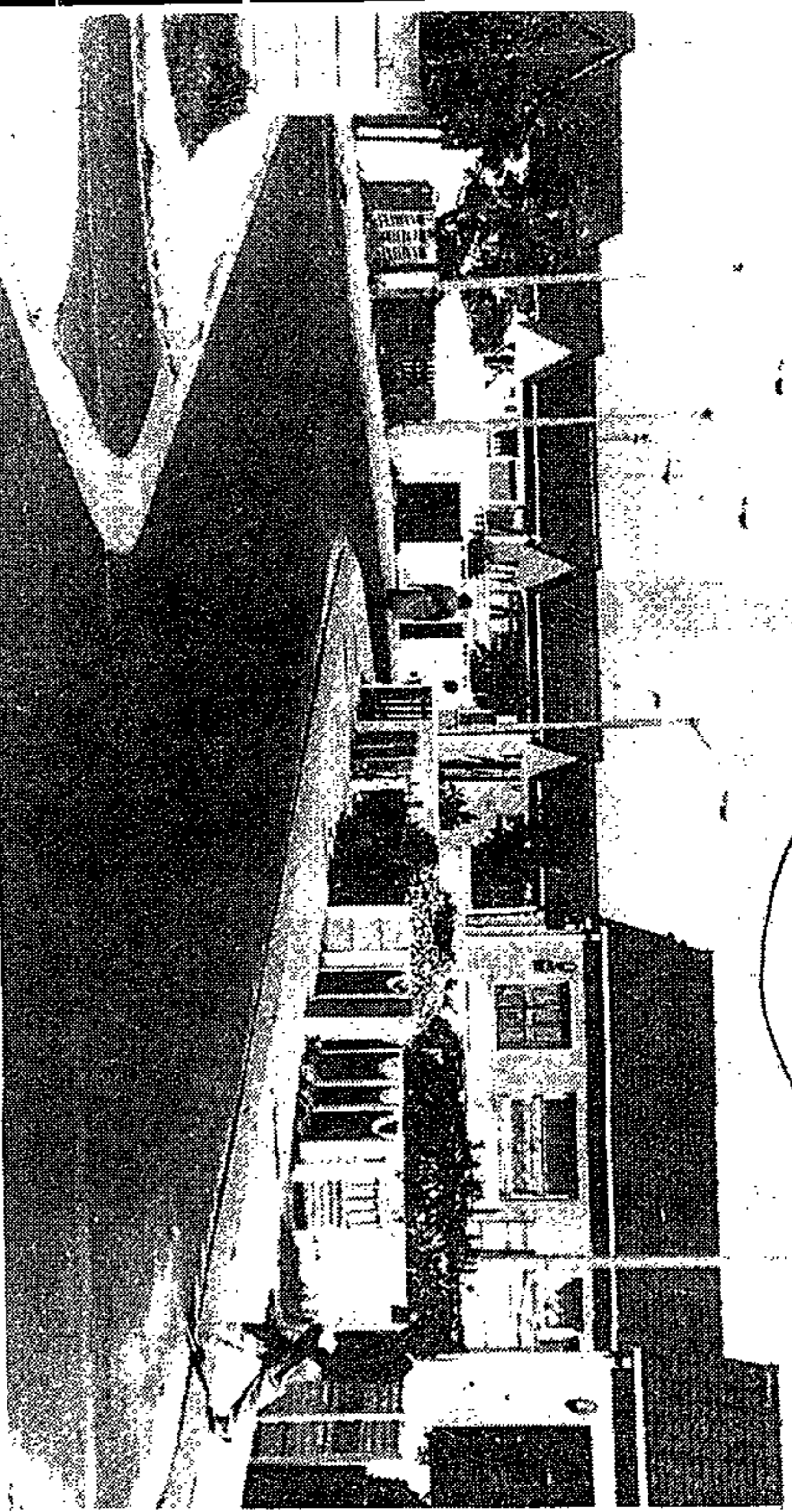
She says despite the government's clear but gradual retreat from rigorous segregation and the increasing trend away from it in major urban areas, "very substantial changes in law and policy alike are required before all South Africans can enjoy equal access to land".

There is another network of laws which touch on land and property segregation. These include the demarcation board established by the Promotion of Local Government Affairs Act of 1983, the guide plans drafted in terms of the Environment Planning Act of 1967 and the Mining Rights Act of 1967. The latter enforces residential segregation in the proclaimed gold mining districts of the Witwatersrand, Heidelberg, Klerksdorp, and the Free State.

The publication, *Land and Race*, is the third in a series of SAIRR investigations into the Group Areas Act. The first found that, far from boosting the market in areas reserved for whites, the Act obstructed the growth of the entire property market. It predicted if the Act were repealed, property prices and housing standards were sure to rise.

The second research paper analysed police crime statistics in suburbs of Johannesburg and found there was no substance in the claim that crime rates were higher in racially integrated areas. It found in some segregated areas occupied by whites rates of violent crime were higher than in racially mixed suburbs.

The research gives the lie to Malan's statement in 1950 that the Group Areas Act would "preserve Western civilisation". The races were at differing stages of cultural and political development, Malan said, and conflict between them could be prevented only by removing contact between them.



□ A view of an Ilco Homes housing development at Mitchell's Plain in Cape Town

Ilco won't start a job unless there is a plan

WHEN Ilco Homes moves on to a site everything has been planned in detail and it won't start the job until its own back-up is operating.

The most impressive back-up infrastructure it created was in the Cape. In 1975, the Cape Town city council accepted its R42m tender to build 4 000 homes in Mitchell's Plain in the biggest single housing contract yet awarded.

Mitchell's Plain has become a benchmark, a standard against which other similar and even other upmarket developments are measured.

It was developed by the Cape Town city council on the Cape Flats to provide the city's coloured inhabitants with housing and all city amenities.

It had its detractors in the beginning but it has grown into a city with a population of 250 000, silenced them and proved them wrong.

Ilco's tender was on a design and construct basis. It included the building of roads, the provision of drainage and sewers, the design, building and laying out of parks and playgrounds, and the provision of other services.

The contract stipulated Ilco was to complete the houses in three and a half years. It met that deadline but at peak production it was building 200 houses a month, or 10 and sometimes more houses every working day.

The potential for smart-ups in a contract of that magnitude and complexity is enormous. Ilco foresaw most of them and sidestepped them. For example, it designed and established a large, carefully-planned back-up infrastructure be-

fast and efficient production of the houses, and a minimum number of hold-ups.

Its main elements were:

□ A fully-automated, high-volume batching plant to make ready-mixed concrete. The plant which needed only one man to operate it, could handle the batching for 25 houses and day and cope with 225 tons of cement a day.

□ A 10 000 m² warehouse was built to house the materials needed for the contract. Ilco's policy is to buy materials early and in bulk to obtain maximum price discounts and avoid, as far as possible, price escalations.

□ A factory to make roof tiles in different colours was built.

□ Another factory to make precast units, such as gutters, steps, lintels and manholes was also built.

□ A steel yard was established.

□ So was a material preparation yard for timber products and electrical conduit tubing.

□ A maintenance workshop was built.

□ Ilco also established a cement block yard and installed two fully-automated machines imported from Germany. Between them, the two machines could produce enough blocks to build 25 houses a day.

□ A spray paint shop where all doors and window frames which were bought "raw" were finished was also established.

□ A double-storey office block was built to house on-site staff.

□ And an office block was built for the city council's employees.

GOOD TRACK RECORD

FEW can deny that Ilco Homes has a good track record but CE Jos Demmers believes its future is even brighter.

He expects Ilco to become involved in a number of a major projects in "the foreseeable future."

"We plan to build housing for 70 000 people in the western Cape and have also applied for approval in principle to establish a city to house 30 000 people in that part of the country."

"Ilco has favourable options on the land for both."

It is participating in the planning of a city between Pretoria and Johannesburg that will house 110 000.

Ilco is working on several contracts at present, including the completion of 2 300 houses in Strandfontein Village in the Cape, which has already earned it the Award of Merit for 1987, and the development of two highrise buildings in Pinehaven.

Cash-rich Ilco Homes for JSE

Ilco Homes, one of SA's important builders, is soon to be listed on the JSE. Including work in progress worth nearly R8m and cash resources of R12,8m its current assets exceed R25m. Current liabilities consist of short-term borrowings of slightly more than R1m and R2,2m of accounts payable.

There has been no difference in the before- and after-tax entries of its balance sheet since 1984 because, as the prospectus explains: "Ilco follows the accounting policy of not providing for deferred taxation. Deferred taxation should be viewed as a contingent liability since the ultimate utilisation thereof is contingent upon the earning of taxable income in the future. On a going concern basis it is accepted that as future developments increase, Ilco's taxable income should be reduced to nil."

New financial year

The company, which this year changed its financial year to end on June 30 to bring it into line with the building sector generally, showed a profit of R2,16m in the four months to June 30 and expects to show a profit of R8m in fiscal 1988.

In 1984 its net income before and after tax was slightly more than R1m. In 1985 it rose to R2,5m. In 1986 it increased marginally to R2,6m but lost ground was made up in 1987 when profits rose to R4,4m.

Based on an index of 100 in 1984, turnover was 206,7 in 1985, 223,5 in 1986, 375,5 in 1987 and 596,7 on an annualised basis in the four months to June 1987. The forecasted index for 1988 is 650.

From fiscal 1984 to fiscal 1987, inclusive, assuming there were 23,25-million shares were in issue, EPS was 4,6c, 11c, 11,3c and 19,3c, respectively. In the four months to June 30 the EPS was 9,3c. The forecast for 1988, when 30,75-million shares will be in issue is 28c.

The Ilco offer, underwritten by Bondland Bank which closed on October 30 was for 7,5-million shares at 175c each. A third of the 7,5-million shares, 8% of the shares that will have been issued in June 1988, were offered to the public.

Private placing

The balance, 5-million shares, was reserved for private placing "with employees and business associates of Ilco and other selected persons." Any shares not taken up in the private placing will be available for the public.

The reasons given in the prospectus for going public are "to enhance the public identity of Ilco and to facilitate the raising of funds to further its objectives," to offer employees and others a chance to participate directly in the equity and growth of the company and to obtain a spread of shareholders "to the extent required to obtain a listing of Ilco on the JSE."

Holdem, the holding company, of which CE Jos Demmers is "the sole registered and beneficial shareholder", held 94,6% of the entire issued share capital of Ilco before the listing. The balance was held by senior management, members of Demmers' family and the Ilco Share Incentive Trust.

Holdem will hold 71,5% of the issued share capital after the completion of the offer.

Ilco was incorporated on September 17 under the name Smibot (Eldonoms) Beperk. The name was changed to Strandfontein Development Co (Pty) Ltd on June 2, 1982, and the company was used by Holdem as a vehicle to extend its mass housing building operations in the Western Cape. Strandfontein Development Co changed its name to Ilco and converted into a public company on September 22.

Ilco incorporated in September 1986 with an issued share capital of 100 ordinary R1 shares, all of which were in issue.

Increased share capital

On September 22 this year the authorised share capital was increased to R1 000 and subdivided into 100-million ordinary shares of 0,001c each of which 9,75-million were issued at par to the holding company and 19,75-million were converted into shares of no par value.

Six days later, according to the prospectus, "authorised share capital consisting of 100-million shares of 0,001c each converted into stated capital of which 19,75-million shares of no par value were in issue."

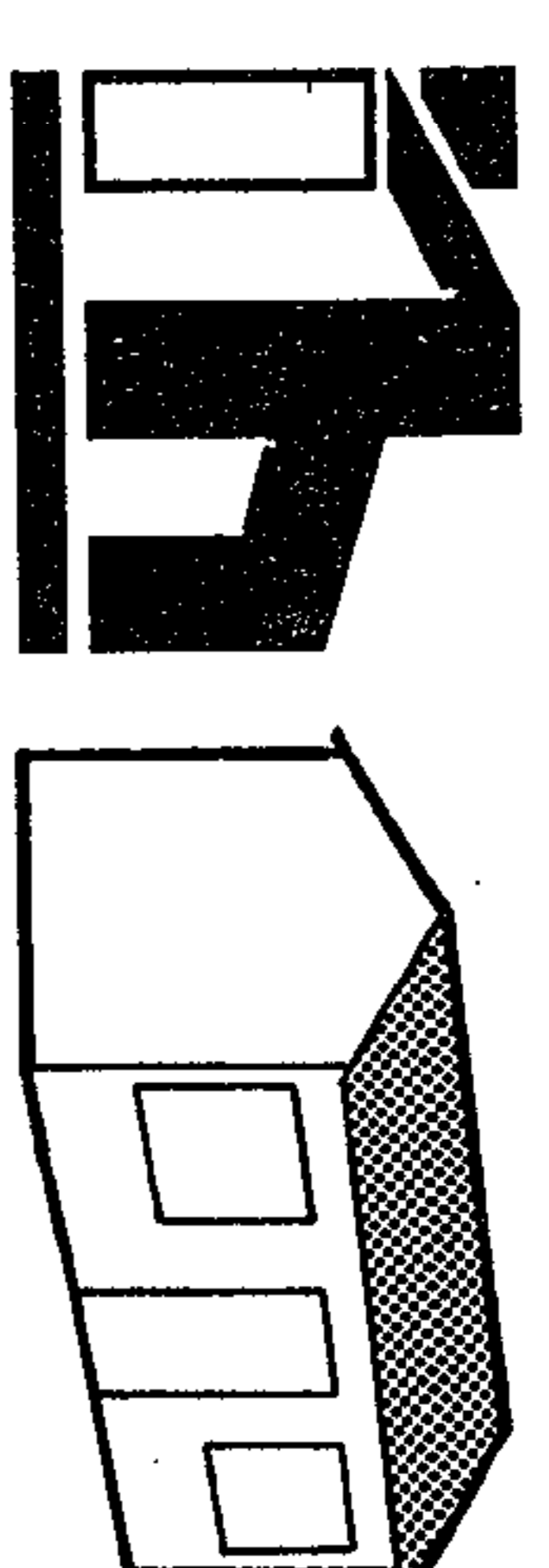
"To facilitate the listing of Holdem's building operations, conducted through Ilco and its subsidiaries," Ilco took over the shares of its (Ilco's) subsidiaries in Durban and Cape Town at their net asset value on July 1 and allotted 2,75-million shares to Holdem. This increased the total issued capital to 22,5m shares of which the Ilco Share Incentive Trust bought 750 000 at 175c each.

On July 1, Holdem was appointed to run Ilco for 15 years. And it has the right to renew that contract for another 15 years. It will attend to the financial, technical and administrative requirements of Ilco, bear all management costs and pay for the group's rentals. The initial fee is R14m/year and will escalate annually at 6% of the CPI, compounded.

Ilco CE Demmers has built more than 60 000 houses in 35 years. The Ilco group — Ilco Homes Ltd, Ilco Homes (CT) (Pty) and Ilco Homes (Dhn) (Pty) — is one of the pioneers of building houses on a production line system.

It also built one of the first slipways in SA for building ships, the Umlaas storm-water canal and outfall, the K R Kahn Hospital in Natal and many schools and residential housing.

New Listings



ilco homes limited

A Business Day Survey

Written by DAVID PINCUS

A finely tuned system

THE CRITICAL housing shortage and in particular the need by thousands of families for low-cost housing proved to be the opportunity Ilco Homes needed to become a leader in that particular field.

It has capitalised fully on that opportunity. And in the process it has developed a fast, efficient, "total home building system" based on the production line system which turns out houses more rapidly than conventional systems and cuts the cost of building them by about 20%. This saving is passed on to purchasers.

The Ilco system is finely tuned, extremely sophisticated, computer-controlled and relies on meticulous attention to detail and exacting management standards. However, Ilco admits it is still being developed, although it is already far more efficient than the systems many of its competitors use.

Ilco buys and holds stock of every item required for a project, so had to develop an efficient stock control system. Holding stock does have many advantages, but it also has the potential to create work stoppages because of a shortage of material or even of a single item developing.

Ilco ensures constant stock levels by using its computer to manage, monitor and "guarantee" the timely recording of all items. The computer is also used to ensure that all materials are delivered to sites promptly and when needed.

Homes scheme a winner



ILCO HOMES was the winner this year of the Cape Town Mayor's Award of Merit for Strandfontein Village, its middle-income group housing development southwest of Mitchell's Plain.

The purpose of the award, which was first presented in 1986, is to acknowledge contributions the private sector makes to enhancing the urban environment.

Among the special features of the development that probably tilted the judges' decision in favour of Ilco are its public areas or village squares decorated with indigenous plants and shrubs. Their purpose is to create neighbourhoodness by providing residents with areas they can play, in use for markets and even for meetings.

Another of Strandfontein Village's features is its brick-lined play streets, or

"wonderwen", as they are called in Europe, where the concept was developed. Because the intention is to allow children to play in them safely, they have been deliberately built as short, winding streets that will discourage motorists from using them as throughways or short-cuts and slow all vehicular traffic forced to use them down to almost a snail's pace.

The developers also commissioned the world-famous sculptor, Jossel Mendle, to create two sculptures. One is a play sculpture, the other a contemplative piece.

Their purpose, says CE Jos Demmers, is to serve as focal points for community activity "and as embellishments which will enliven the urban environment."

Strandfontein Village was designed by private consultants who are supervising the work. It is being built by Ilco at a cost of R140m.

When completed at the end of 1989 it will consist of 2 500 single residential dwellings, a community centre, a high school, three primary schools, three creches, 32 shops, a medical clinic and eight churches.

IT WAS Winston Churchill who, when Britain was in dire straits during World War Two, said, "give us the tools; we'll finish the job".

And now that SA is having to cope with mass urbanisation, Jos Demmers, CE of Ilco Homes makes a somewhat similar plea.

He asks for land on which Ilco can build mass low-cost housing schemes to help ease the shortage of decent dwellings in SA.

No-one really knows how big this shortage is. Minister of Constitutional Development and Planning Chris Heunis claims it is 500 000 homes, but other experts disagree. They say it is more.

Demands action

All agree, however, that it is a problem that must be urgently addressed if a solution is to be found, and that it demands action from both government and private sectors.

Demmers says: "Land is the key to overcoming this problem. Moderately-priced land on which we can build essential housing must be made available now."

There are, he says, maybe hundreds of thousands of people in SA who have absolutely nowhere to live. "They are being driven by desperation into taking drastic action to combat their piteous situation."

Because of their desperation, unsanitary shanty towns which are the breeding ground of disease, resentment and other social ills are springing up all over the country. The incidence of crime in them is high and escalating.

The development of mass housing schemes which is the obvious answer has other advantages. One of them, not often recognised, is the creation of many job opportunities.

And, says Demmers, it has been conclusively proved throughout the world that every house built creates at least one permanent new job. It can even be a job providing services for the new development.

Plea for land to provide housing

"It doesn't really matter what the job is," says Demmers. "Any new job contributes to society by improving living standards and helping to establish a more stable society."

People are drawn to cities by prospects of employment, earning worthwhile salaries or wages and enjoying more advanced life styles. However, they find on their arrival that they have entered into a tough world in which essentials such as food, housing and clothing are difficult to obtain, because it is not easy to get work.

This leads to the rapid development of overcrowded slums and shantytowns which are recognised throughout the world as a prime breeding ground for prostitution, crime, discontent and disease.

Children raised in those conditions develop anti-social attitudes and see no wrong with crime and acts of violence.

"This is a legacy that no responsible country should bequeath its children and future generations," says Demmers.

Many answers

"There are many answers to this problem. The most obvious one is to start building houses that can be sold at affordable prices now.

"If we start now, SA has a good chance of avoiding many of the more serious problems caused by overcrowding being experienced in many other countries."

Demmers points out that in addition to increasing the incidence of crime and violence, urban overcrowding is also creating political problems in SA.

Soon to be a major force

MOST of SA's industrial and financial muscle is located in the PWV area; so it is not surprising to find that Ilco Homes is establishing itself right at the hub, in Johannesburg.

With contracts totalling R10,6m it has not yet set the world alight up here, but it will doubtless soon become a force to be reckoned with.

The efficiency of its production line, computerised system of building will soon be recognised and come into its own in and around Johannesburg. It has already been demonstrated to the Johannesburg council and the Department of Community Development, both big punters in the provision of mass housing.

Ron Schloss of the Department of Building Science of the University of the Witwatersrand believes that the future of the building industry around Johannesburg lies in that area, in the provision of housing and infrastructure in the surrounding black townships and coloured and Indian areas. These areas need schools, clinics and hospitals.

Johannesburg, on the other hand, has too many schools and hospital space it cannot use so the building industry's future does not lie in providing it with those necessities.

There is, however, an area that exists and is probably growing fastest in the black, coloured and Indian areas.

It is the mass low-cost housing market that specialises in providing units that qualify for the government subsidy scheme. The houses must be new and cost less than R40 000 to build, without the ground, and they must be the first homes those who buy them have ever owned.

Ilco has built 1 110 houses for the Department of Community Development at Ennerdale, east of Soweto, for a contract value of R9m. It has also built 396 houses at Klipspruit West for the Johannesburg council for a contract value of R1,6m.

The Department of Community Development designed the houses in Ennerdale. There were 30 different sizes and styles, but every house has two or three bedrooms, as well as a kitchen, bathroom and living room.

Their roofs are either tiled or of asbestos. Some houses are finished off in a combination of plastering and bagging, but most are plastered on the outside.

Ilco designed the council's houses. They are simple houses in six different styles and sizes.

Ilco has developed a high profile in Natal. Its operations there are centred on the coastal regions where it has been involved in mass housing developments, high-rise flat developments, duplex housing schemes, the building of schools, factories, hospitals and individual houses.

It has, for example, built more than 50% of the houses built in the Newlands and Chatsworth.

FOR MORE than 35 years Ilco's founder and CE, Jos Demmers or, to give him his proper name, Adrianus Demmers, 54, has been building housing for the masses.

He received both academic and practical training in construction and building science in his native Holland, before he emigrated to SA where he founded his own building concern in 1955.

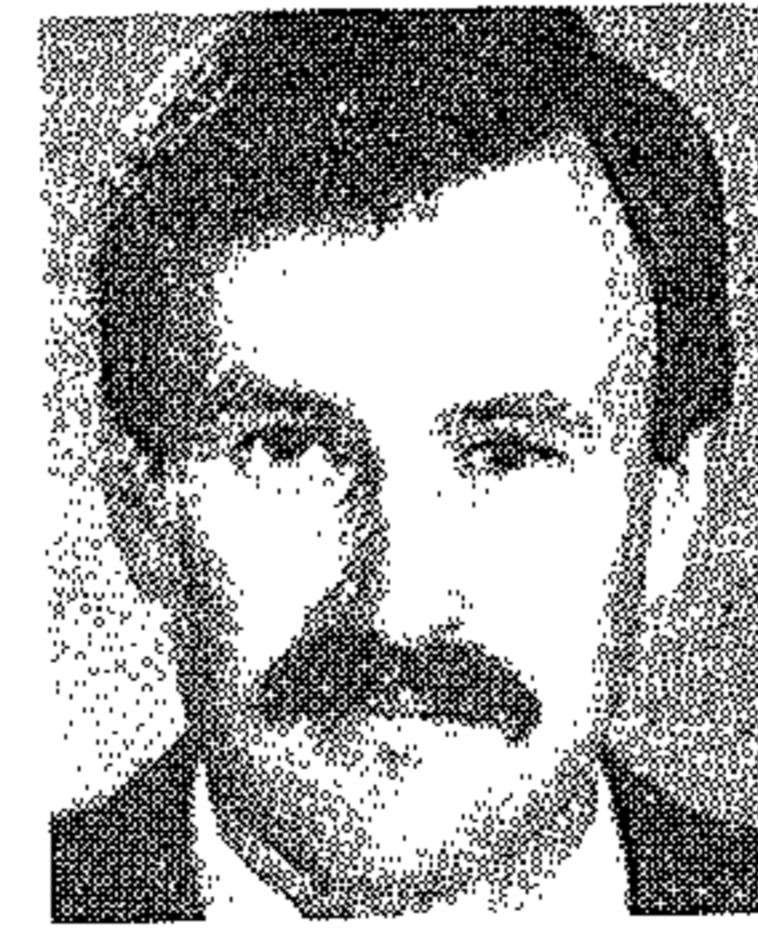
His specialities include production efficiency and mass housing construction and, as CE, he controls and directs Ilco Homes' strategy.

Robert Turner, 45, director of Cape operations, started in the building industry in Rhodesia some 31 years ago. He has been in SA for 23 years and has managed Ilco's Cape operation for 11 of those years. His responsibilities include controls on labour, materials and the implementation and execution of new building methods.

Qualified men at the top



□ TURNER



□ MORRISON



□ JACKSON

Warwick Lombard, 31, has a B Compt and diploma in accountancy. He worked for an auditing company for eight years and joined Ilco in 1982.

He is responsible for the overall administration of the company, financial control and reporting.

Before he joined Ilco

Richard Jackson, 33, has a BSc QS degree and is responsible for technical administration and controls the Ilco Homes groups' estimating and final project costing on all developments.

He assists with the administration of the company, but is responsible for Ilco's operations.

Homes in 1983 he was with a firm of quantity surveyors in Durban.

Operations director Steven Morrison, 32, who has a B Comm and diploma in accountancy, joined the company in 1984.

He assists with the administration of the company, but is responsible for Ilco's operations.

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Los Angeles

Govt promises to streamline GA Act

By ANTHONY JOHNSON
Political Correspondent

Heunis: 'Go vertical' to resolve land scarcity

Political Correspondent

PRETORIA. — The government has promised to "streamline" the Group Areas Act to make it more effective.

The Deputy Minister of Planning, Mr Piet Badenhorst, yesterday said a government technical committee was examining the Act to close loopholes in existing legislation which would aid consistent enforcement.

Mr Badenhorst was responding to a debate at the National Party's Transvaal congress after several delegates expressed fears that lax enforcement of the statute was driving whites out of their suburbs.

Delegates also claimed that the failure to enforce the Act rigidly had encouraged a multitude of social and other ills, including health hazards, drug-taking, shebeens, violent crime and even terrorism.

PRETORIA. — South Africa will have to "go vertical" to help resolve the critical problem of land scarcity and overcrowding in certain black areas, the Minister of Constitutional Development and Planning, Mr Chris Heunis, said yesterday.

"We will have to accept that we cannot give every individual a plot in this country," Mr Heunis told delegates to the National Party's Transvaal congress here.

Earlier, a number of delegates stressed that it was critical that the identification of new residential land for blacks be speeded up because of wholesale squatting and the growing encroachment on white residential areas by blacks, coloured people and Indians.

Delegates complained that the growing influx of blacks into urban areas was threatening white self-determination, posing a health hazard and fuelling the "revolutionary onslaught".

Overcrowding in some areas was so chronic that up to four families were living in three-roomed homes.

Party in the municipal elections next year.

Mr Badenhorst acknowledged that there were gaps in the law but reassured delegates that a departmental committee was looking at the recommendations of the President's Council report on the Act to improve enforcement.

He also emphasized that the government's departure point remained that "own" communities would be maintained for those who wanted them and that rights of established groups would be protected.

...of the prize of my choice is:.....



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Stimms
12/11/87

Co-ordination called for to beat housing shortage

By Udo Rypstra

LACK of co-ordination in the attempt to overcome South Africa's critical housing shortage is so frustrating that some businessmen are calling for one central organisation to streamline building efforts.

But others say that even though are too many organisations dedicated to this cause, co-ordination imposed on the private sector might delay the rapid progress being made in some areas.

They call for elimination of red tape through some degree of co-ordination, but insist that the private sector be left unfettered.

Maze of laws

The Association of Building Societies of South Africa (ABSSA) called this week for a central organisation to co-ordinate the efforts of at least eight Government bodies, South African Housing Trust (SAHT) managing director Joe Taylor says much time has been spent on achieving some kind of co-ordination — especially to find a speedier passage through the maze of property legislation to buy land with its R400-million.

Large tracts

Government parties dealing with the housing crisis are the central and four "own affairs" departments, and the black department which is divided into another four. Other organisations involved include the National Housing Commission, the South African Housing Trust, the Development Bank of South Africa and the Homebuilders Association, the regional service councils, corporations owning large tracts of land, and provincial and municipal authorities.

Some researchers say that no fewer than 1.1-million black people, including those living in the "independent homelands", need housing and there is a surplus of 27 000 houses for whites.

Definition

The ABSSA has asked for a definition of the term low-cost housing so as to identify projects that the private sector may become involved in.

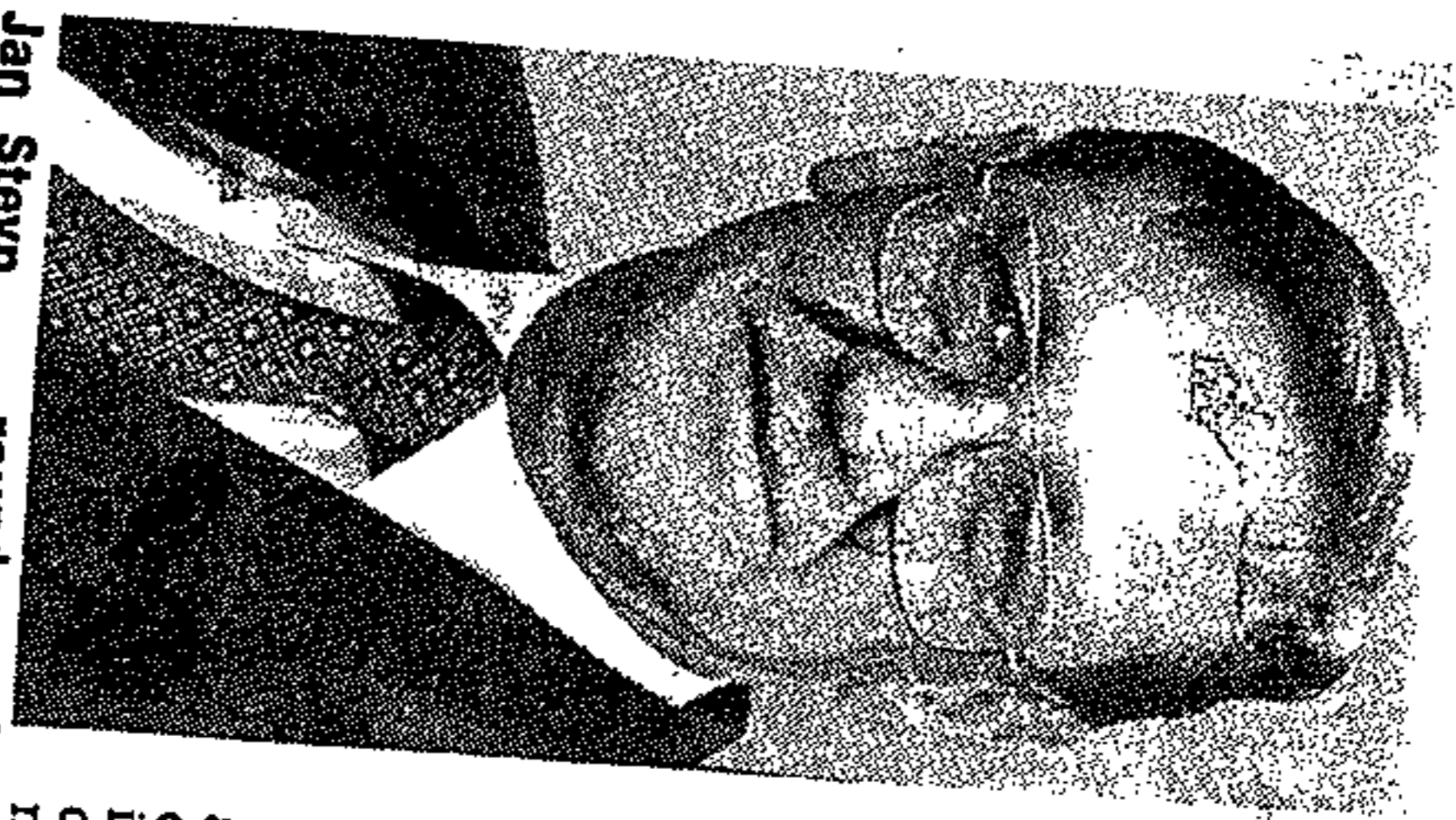
It says: "Throughout the world, governments are primarily responsible for housing the underprivileged. In SA, it is estimated that nearly 50% of the black population cannot afford the most basic housing. Government will, therefore, have to continue to play the dominant role in housing certain income groups.

"Financial institutions, building societies in particular, must accept the challenge of providing money for those able to afford their own houses."

Now that the building rate is picking up because of the efforts of

many organisations, architects and township planning consultants are beginning to stress the importance of providing educational, health, retail and social facilities in mass developments — not after but during construction of houses.

The FHA believes that both the public and private sector are not acting quickly enough in providing these facilities.



Jan Steyn ... round-up of progress in beating backlog

THE implementation of new regulations on black home-ownership, announced last year with the aim of restoring freehold property rights to urban blacks, would streamline the process of property ac-

Streamlining black home ownership

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B/dca
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quisition, Family Housing Association spokesman Alan Kitchin said. The first freehold title deeds to be granted under the new regulations were handed over to one Soweto and one Katlehong resident last week.

Kitchin said the regulations introduced fundamental changes to procedures for leasehold purchases applying before September, 1986.

These included:

- The introduction of full ownership as an option in black areas and the possibility of converting from 99-year leasehold to full ownership;
- The widening and "normalising" of the definition of who is "competent" to hold leasehold or ownership rights, to the extent that it approximates the situation prevailing in white areas;

ROGER SMITH

□ The identification of a definite procedure for the establishment of black townships;

□ The definition of procedures to be followed by private sector developers in servicing land and granting leaseholds.

Kitchin said: "The industry is generally optimistic that, once established, the procedures will offer greater flexibility and incentive to the private sector in its involvement in black areas.

"With land developers now in the position of being able to grant leasehold on, or give transfer of, land they have developed, the whole leasehold procedure can be streamlined from that previously existing."

HOUSING needs of low income South Africans were not being addressed dynamically, Urban Foundation (UF) Executive Chairman Jan T Steyn said yesterday.

Poor urgently need housing

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Blou
17/11/87

Speaking at the annual meeting of the Family Housing Association (FHA) to mark the 10th year of UF activities, Steyn said SA had a black housing backlog of at least 500,000 nationally — while 300,000 homes were needed in the PWV area alone.

He made a plea for a fundamental reassessment of SA's system of allocating houses on a racial basis.

Up to 200,000 houses would have to be built each year in SA's urban areas to redress the shortage. Last year

SOPHIE TEMA

about 25,000 houses — an eighth of the annual target — were built.

Steyn said almost three quarters of the black population in Durban — as many as 2-million people — lived in informal settlements.

He said present structures led to unwarranted multiplication of human and other infrastructural provisions and this resulted in policy variations on issues such as subsidisation and standardisation.

Steyn calls for more houses

17/11/87 (123) Star

By Carina le Grange

Although significant progress had been made in providing black housing, the needs of low-income South Africans — who had the most acute housing needs — were not being addressed dynamically, the chairman of the Urban Foundation, Mr Jan Steyn, said last night.

Mr Steyn was delivering the keynote address at the annual meeting of the Family Housing Association at a Johannesburg hotel.

He said South Africa had a nationwide black housing backlog of at least 500 000 units, of which 300 000 units were required for the Pre-

toria/Witwatersrand/Vereeniging region alone.

He called for a single ministry of housing, saying the provision of housing in South Africa which was structured along racial lines led to "unwarranted and irrational multiplication of scarce human and other infrastructural provisions.

"A single ministry of housing is a structural prerequisite for true dynamism in South Africa's housing process," Mr Steyn said.

Earlier, he had outlined the progress made in providing housing for economically independent black families.

House prices up by over 20%

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By TOM HOOD, Business Editor
AFTER three years of stagnation, house prices have soared by more than 20 percent this year and are ahead of "boom-time" levels of 1984, according to Stellenbosch University's Bureau for Economic Research.

And prices will go up again next year, says Dr Ockie Stuart, the bureau's director, in a survey released today.

Such a price rise means a home selling for R70 000 in the Peninsula a year ago will now cost the buyer at least R14 000 more. And a buyer who fancied a R120 000 home a year ago would have to find another R24 000 for the same property.

Prices are increasing fairly rapidly around the country, according to the bureau. The four main factors fuelling the boom are:

- Low interest rates;
- Expectations of high inflation rates;
- Increased disposable personal income;
- Increased economic activity in general.

The demand for houses is keen after an improvement in consumer confidence and more residential building is going ahead, the survey says.

"Building costs are likely to rise rapidly as a result of the keener demand. This will especially be the result of a shortage of skilled labour," says Dr Stuart.

"Also, builders are more likely to widen their profit margins in an attempt to recoup some of their losses of the past few years."

The cost of building a house has already accelerated. A year ago, costs were rising at an annual rate of 5,8 percent. But this increased to 11,3 percent for the June quarter of this year and to nearly 16 percent for the September quarter.

BUSIER NOW

Dr Stuart comments: "The increase in costs is perhaps a low price to pay for the additional jobs that will be created."

Another indicator of an upswing is that architects and quantity surveyors are busier now than they were a year ago, says Dr Stuart.

However, most building companies cannot find enough artisans. According to the survey, more than 60 percent of home-building companies are short of artisans.

In view of the present low level of building activity, these indications are "rather ominous" since they point to upward pressure on wages, the survey concludes.

500 000 houses needed for blacks — UF

THERE is a housing backlog of 500 000 units among blacks, the executive director of the Urban Foundation, Mr Ian Steyn, has said.

Addressing the annual meeting of the Family Housing Association (FHA), Mr Steyn, said approximately 300 000 of these units were required in the Pretoria-Witwatersrand-Vaal complex.

According to him it has been reliably estimated that approximately 1,5-million to 2-million blacks were living in informal settlements in the Durban region.

"If we are to address this massive need for housing of low income black South Africans, it is imperative that as many as 200 000 houses are built in urban areas alone.

"In the light of this, it is indeed sobering to reflect on the fact that in 1986 only approximately 25 000 houses, were built for this sector of the market," Mr Steyn said.

He said a study carried out by the Foundation found that about 50 percent blacks in the PWV area could afford to buy homes.

Mr Steyn said private sector must help the government in providing housing.

Sowetan Reporter

The Group Areas Act, however, inhibited the economic supply of land, creating artificial shortages of residential sites and often resulting in high prices.

He praised the FHA, which is committed to making affordable housing to all, for their role in helping to reduce housing backlog in South Africa.

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ants, local authorities and surveyors involved in the design of township services.

Vincent Bester, director of software development for CAD house Allyson Lawless Systems (ALS), says the design and implementation of township services is a profit killer compared with the construction of houses.

Cutting costs

An example of how computerisation could reduce costs is in the function of a surveyor who, in the inspection of a small township site with 300 survey points, would spend at least three days generating contours. The use of electronic workstations and computerised survey software, on the other hand, enables 1 000 "spot shots" to be taken and contoured in the same day.

After a survey is complete, the design of services for 1 000 sites would normally take up to six months to complete manually, compared with only a month using Stardust.

The system has already been used effectively in Mamelodi's eastward expansion, Ennerdale Extension 2 and the Lenasia South development project, cutting design time from 50%-85%.

Advantages come in the form of higher housing throughput, reducing building escalation costs and enabling the earlier collection of revenue.

To date Stardust has been available only on expensive technical computers, but ALS has now introduced an industry-standard version. ■

MASS HOUSING

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Breaking the logjam

Few doubt that SA's housing shortage is critical; many, though, will point to bottlenecks in delivery systems which prevent a solution of the crisis.

One of the biggest problems encountered, particularly by private sector developers, is the holding cost of land while it is being surveyed and the infrastructure readied for building work to begin.

Now, a local computer company has developed a terrain modelling, volumes and road design software package that can cut design time for 1 000 stands from six months to one.

Launched last week, the program, called "Stardust," is aimed at engineers, consult-

AFFORDABLE HOUSING

Smoothing the middle road

Rapidly rising building costs are putting pressure on government to increase the R40 000 ceiling on which interest rate subsidies are applicable to first-time home buyers.

Builders predict there could be a surge in demand for middle-income housing if government relents. The fact that, at today's prices, R40 000 is unrealistically low — even for a modest first home — has tended to discourage participants.

The FM understands the Department of Local Government and Housing, which oversees white housing matters, has now recommended to the Committee of Ministers on Housing that the R40 000 construction value on new houses qualifying for the first-time buyers' subsidy be raised — probably to R55 000.

The subsidy equates to 33,3% of the interest payable on a mortgage bond for five years. Since October 1986, it has been calculated on a 16% bond rate. Only the cost of improvements, and not that of the site, is included in the present R40 000 limit.

An increase to R55 000 was requested in March last year by the National Association of Homebuilders (NAHB).

Figures then available showed that building costs had risen 25,4% from June 1983 when the subsidy scheme was introduced to January 1986 — raising the cost of the 1983 R40 000 house to around R52 000.

More recently, the NAHB has requested government to consider applying the 33,3% interest subsidy formula to a total land and house package of R75 000.

This, says executive director Johan Grotius, would overcome the problem of well-to-do buyers obtaining expensive stands, building R40 000 houses to qualify for the subsidy, then taking second bonds for additions or extensions.

This is important because one of the objectives of government when the bond interest subsidy scheme was introduced was the promotion of more modest housing standards.

However, although the building industry has reacted creatively in designing houses which come in under the limit, budgetary constraints have ensured that houses have shrunk to the point where they no longer appeal to middle-income buyers at whom the subsidy scheme is aimed.

Sage Schachat MD Alan Schlesinger says: "The R40 000 subsidy has been a significant force in shaping the direction of SA's housing. People have agreed for many years that the white population is overhoused and the subsidy has helped young people develop more modest aspirations.

"But I feel that after four years it is time for a higher limit as R40 000 is not a realistic

price for a new house in any white area."

As building costs have risen to around R500/m², the floor area of a R40 000 house has been reduced to 80 m² — from an average four years ago of 100 m².

Moreover, says Grotius, there is a danger now that "builders in this market could be creating the nuclei of future slums."

Of course, there has been the fear that builders would simply use an increased limit to increase their own margins — placed under severe pressure in recent times.

However, as Adrian Hartnady, marketing director of Vista Homes, points out, the middle-income market is a highly competitive one, and one of its strongest forces is the profit margin potential buyers are prepared to accept.

OFFICE PARKS

A watershed

Town planners' visions of Johannesburg and Pretoria eventually becoming one continuous urban conurbation are rapidly becoming a reality.

The extensive ribbon development on both sides of the Ben Schoeman highway is already beginning to create the impression that the two cities are linked.

Now Anglo American Property Services (Ampros) has pulled off something of a coup in the consolidation of several smallholdings to form Waterfall Park, the first office park in burgeoning Midrand.

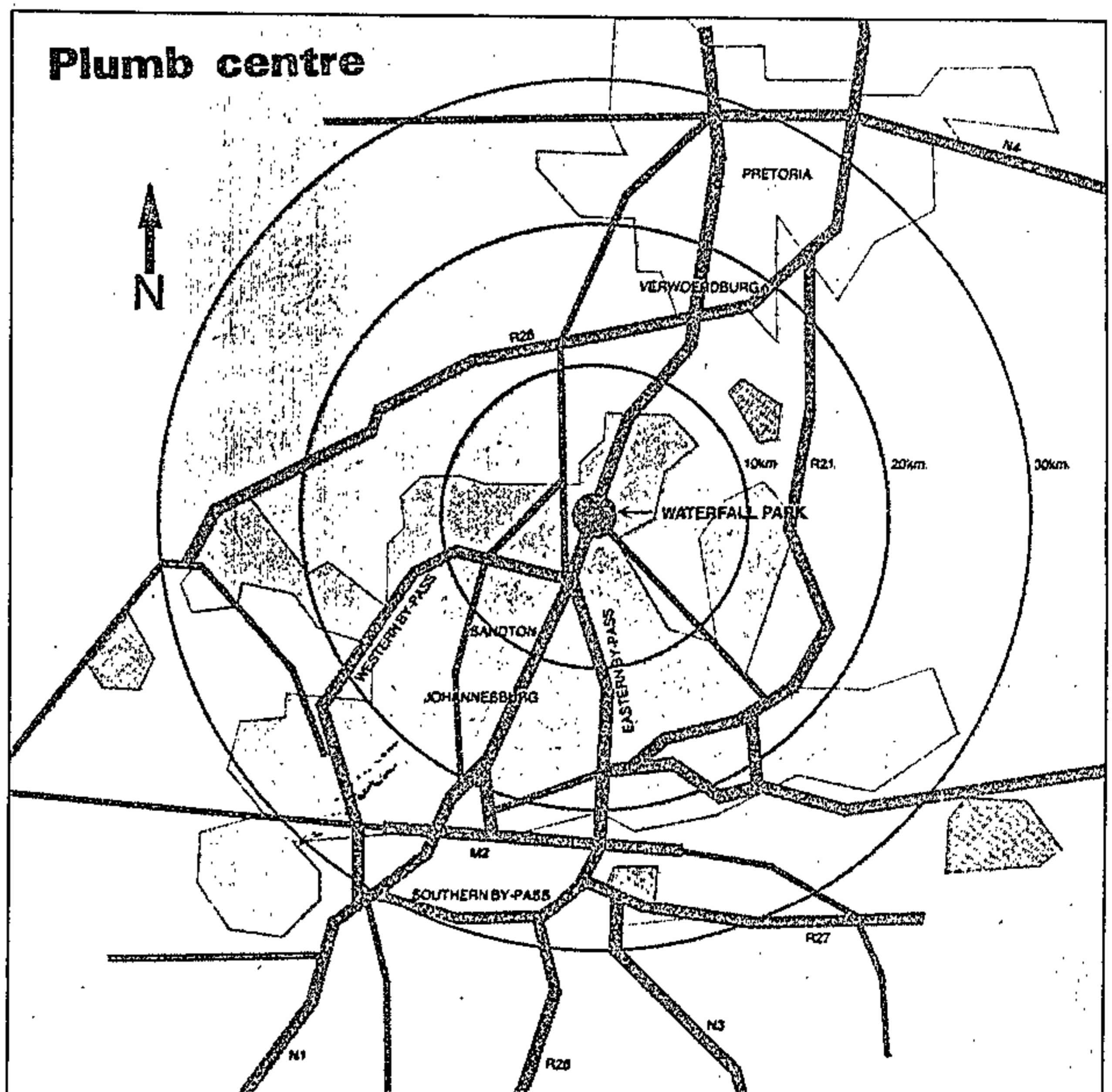
The 32 ha office park is midway between Johannesburg and Pretoria, adjacent to the north-south Ben Schoeman highway (an extension of the M1) and just 5 km north of the interchange with the east-west N1 bypass.

Land prices to end-users have been pegged at R150/m² and already, according to Ampros' Peter Gardiner, considerable interest has been shown by commercial and industrial developers in the Midrand area.

Before development goes ahead, however, Ampros is to provide a road system, essential services, street lighting, parking, signage, landscaping, fencing and a sophisticated security system.

There are 27 available sites, varying from 6 000 m²-11 000 m², each with an FAR of 0,4 and allowable coverage of 30%.

A special feature will be the provision of





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Stronger demand will underpin the trend, says UBS

House prices set to rise 15% in next 12 months

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MICK COLLINS

A SUSTAINED upward trend in building costs is set to drive house prices up an estimated 15% in the next 12 months, says the United Building Society (UBS).

In its quarterly housing review, the building society says the gradual strengthening in demand for residential property will also serve to underpin the trend.

In turn, increased demand for housing will flow especially from expected real salary adjustments, a slowdown in the current emigration trend, the low cost of mortgage finance and a moderate improvement in general economic activity, the UBS says.

"Moreover, the recent slump in stock market prices is bound to redirect new investment funds in the property market.

"Building costs will move in tandem with higher labour costs, increases in the prices of basic building materials and an anticipated widening of building contractors' profit margins."

UBS does not expect any major changes in the mortgage rate pattern during the next six months.

"However, the anticipated increase in the demand for money during the second half of 1988 could result in a moderate increase in the general pattern of interest rates."

GERALD REILLY reports the value of building plans passed in the first nine months of the year increased by 33,6% to R4,083bn, compared with the January-September period last year, according

Houses increased in value by 41% to R1,72bn, flats and townhouses by 44,1% to R295,2m, non-residential buildings by 20,5%, and additions and alterations by 33,7% to R1,21bn.

Buildings completed in the nine months decreased by 9,7% to a value of R2,547bn.

The increase in the value of plans passed in September was a spectacular 52%, compared with September last year.

Residential building plans increased in value by 53,8% and additions and alterations by 73,7%.

The main contributors to the big increases were the Witwatersrand, Cape Town and Pretoria for residential buildings, and the Witwatersrand, Cape Town and Durban for alterations and additions.

ESTATE AGENTS

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Famous Five stick together

It seems deregulation has done little to encourage freer competition in the real estate industry.

Latest evidence of this is the battle royal raging between the Big Five real estate agencies operating in the PWV and the expanding multi-listing services company MLS.

With bases established in Durban and Cape Town, MLS operates a property multi-listing service whereby the agency selling a property listed in a central data bank pays a proportion of its commission to the listing agent and to MLS.

The Big Five, however, appear determined to shut MLS out of the PWV, the most lucrative of SA's residential markets presently accounting for 54% of all house sales. According to the latest *UBS Quarterly Housing Review*, the PWV boasts the highest average house prices — from R98 064 on the East Rand to R124 988 in Pretoria.

At an informal meeting this week, Big Fivers pledged not to make use of MLS, or to buy shares in the operation as agents elsewhere have done. They also maintain agencies who join MLS will "lose out" to non-MLS members, indicating a willingness to co-operate with smaller agencies — provided they toe the line.

On their flanks are Nationwide, a company operating a national referral network which has one of the Big Five as a member, and the franchisees of Aida Geffen, another Big Fiver.

The Property Association, representative of the smaller Reef agencies, is remaining non-committal, but it seems likely it will come down on the side of MLS.

The crux of the argument is the Big Five's contention that, should they join MLS, they will be sharing their "good" property listings with agencies which otherwise would not have had a look-in on their market.

Says Big Fiver Eskel Jawitz: "I regard the system as a form of socialistic real estate. I am not talking in terms of large or small estate agents, but rather, successful and profitable ones. I think MLS is a crutch for weak and unsuccessful estate agents."

And Lew Geffen, head of another Big Five agency, says: "We spend a lot of money on promotion and marketing with the result that we obtain sole mandates on properties. I don't want to share this with others who are

not prepared to spend money themselves."

Jawitz also believes sole mandates are beneficial to sellers, ensuring the market for a property is tested properly. He also argues that the seller should have the choice of which agent or agents will handle the property and says he fears professionalism will be diluted if agents without area expertise trespass on traditional territories.

MLS MD Bruce Wilson counters that a member agent doesn't have to list any property with MLS so an agency with a sole mandate is not forced to open the property to other members. However, he points out, this should really be the choice of the seller rather than the agent.

He also disputes that MLS is any sort of "crutch." He says the efficient agency will use MLS as a tool to provide better client service.

"It takes an average of a third of the time to sell a property on MLS compared to normal methods. Not every agent has every buyer and another agent may have the very buyer for a particular property."

Still, Scott McRae, director of Camdon's Realty and Nationwide, is adamant that the multi-listing concept will not gain ground in the PWV area. He believes there is little grassroots support for MLS anyway. Moreover, he claims the success of MLS in Durban rests

on the support of major agencies — something which will not happen on the PVW. He also contends that MLS is not as beneficial to the seller as has been suggested.

"There is a danger, where so many agents are involved in selling a property, that an agent will be tempted into talking the price down to make the sale ahead of the competition."

But Wilson says: "Prices have in fact been better using MLS. The difference in Durban between the prices asked for and the final sale figures has only dropped an average of 7% as opposed to a non-MLS average of 20%. In the Cape the drop from asking price is an average of 8% on MLS listed properties, compared to a non-MLS average of 15%-20%."

However, it is the two other Big Fivers who give the clue to the group's real strategy.

Aida Geffen, founder of a real estate franchise system, says the decision to join MLS or to buy shares in the operation rests with

her company's franchise board, but that its members don't believe there is anything to be gained by doing so now.

Rather they are directing efforts at improving the company's in-house system of information pooling.

Basil Elk admits there may be a place for MLS in the market, but quickly adds that it's not a new idea. Co-operation between agents has a long history, he says.

"We share transactions with a number of other agents, when it will benefit the client and doesn't cost anything extra. MLS is a costly duplication of what already exists and it will be the consumer who pays for it. Perhaps those companies who are considering joining don't trust each other enough to co-operate without formal rules.

"Another problem is that the seller no longer knows who is selling the property. This could result in less service to the client."

Wilson is aware of such informal "arrangements" between different agencies, but suggests if these were adequate MLS wouldn't have come into existence.

"Loose co-operative arrangements have existed since the days of Van Riebeeck. It doesn't give the service which MLS is providing worldwide. In Canada about 85% of stock is sold through MLS or similar services and the figure is about 70% in the US."

But, although the MLS concept was recently approved by the Competition Board, there are still doubts that free market forces are in operation in the two next most profitable markets, the western Cape (average house price R124 930) and Durban (R123 185), where MLS has gained significant ground.

Of 16 major estate agents in Durban, for example, only one is not a member of MLS. There certainly seems to be overall support for the system.

Hume Estates MD Gary Ord-Hume admits his company joined MLS reluctantly, but has now found the positive factors outweigh the negative.

"From an agent's point of view we can give the seller a more accurate assessment of the market value of the property because other member agents also view and value it. The seller scores because of improved co-operation between estate agents and increased professionalism."

However, Ord-Hume says, there are differences between Durban and the PWV. The



Jawitz



Wilson



Geffen

major one is that rather than a system of sole mandates, most Durban properties are listed with several agents simultaneously. Of 800 non-MLS listed properties on his agency's books about 700 are listed with other agencies.

Arguments both for and against a multi-list system are fairly convincing. But experience elsewhere has shown if the PWV agents' stiff wall of opposition against it cracks, some form of MLS service will be inevitable. ■

VERWOERDBURG

Techno-trail

In line with its plans to encourage light industry (*Property* July 31), Verwoerdburg has unveiled plans for a 115 ha technopark along the lines of that being developed at Stellenbosch in the Cape.

Verwoerdburg has spent around R7,5m acquiring the site, south of the Pietersburg highway just after it splits from the Ben Schoeman Pretoria highway.

The council will provide all infrastructure, landscaping and recreational facilities before it sells the land at R40/m²-R50/m². Verwoerdburg's chief planner Douw Nel estimates the total value of the development, once fully developed, at R500m.

Nel says Verwoerdburg has seen a role for itself in the development of hi-tech industries since the Seventies. He argues that Verwoerdburg's position between Pretoria and Johannesburg is ideal — there are 250 000 people within 15 minutes' drive of the CBD and over 1m in a 30-minute radius.

The park will not just cater for computer-related industries, but also for companies operating in the food, medical and light engineering fields. It will also be geared to encourage small hi-tech businesses.

The site is near the CSIR, Pretoria University and the Menlyn shopping centre. Further, says Nel, its proximity to Armscor's Kentron as well as the Littleton Engineering Works has already resulted in interest from companies supplying Armscor.

The council has also held discussions with technikons and technical colleges with regard to their taking research space at the park. The University of Pretoria has also expressed interest and will be encouraging companies with which it has connections to consider participating in the development.

The thinking behind both the Stellenbosch and Verwoerdburg parks is the need for SA to develop its own technology because of increasing isolation. Close co-operation between research organisations, development companies and manufacturers can significantly speed up the process of technology transfer to industry.

The advantage of the Verwoerdburg initiative is that it may well prevent the relocation of essential, hi-tech industries on the PWV to what was previously the only technopark in the country — at Stellenbosch. ■

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HOUSE PRICES

Against inflation

In a time of high inflation, at least house prices are showing signs of flattening out.

Although the latest *UBS Quarterly Housing Review* reflects an 11% third-quarter national average increase compared with the same period last year, it shows that there was effectively no price movement on the second quarter.

The figures were, however, computed before the stock market crash in October — widely expected to send more money into property. Consequently, the figures for the fourth quarter could tell a different story.

The average price of a medium-size house at the end of the third quarter was R77 000, the same as the second quarter. In fact, although prices in all regions surveyed by the UBS were higher than a year ago, some major regions even experienced a quarter-on-quarter drop in prices: Johannesburg (-5%); East Rand (-1%); Pretoria (-2%) and Western Cape (-1%).

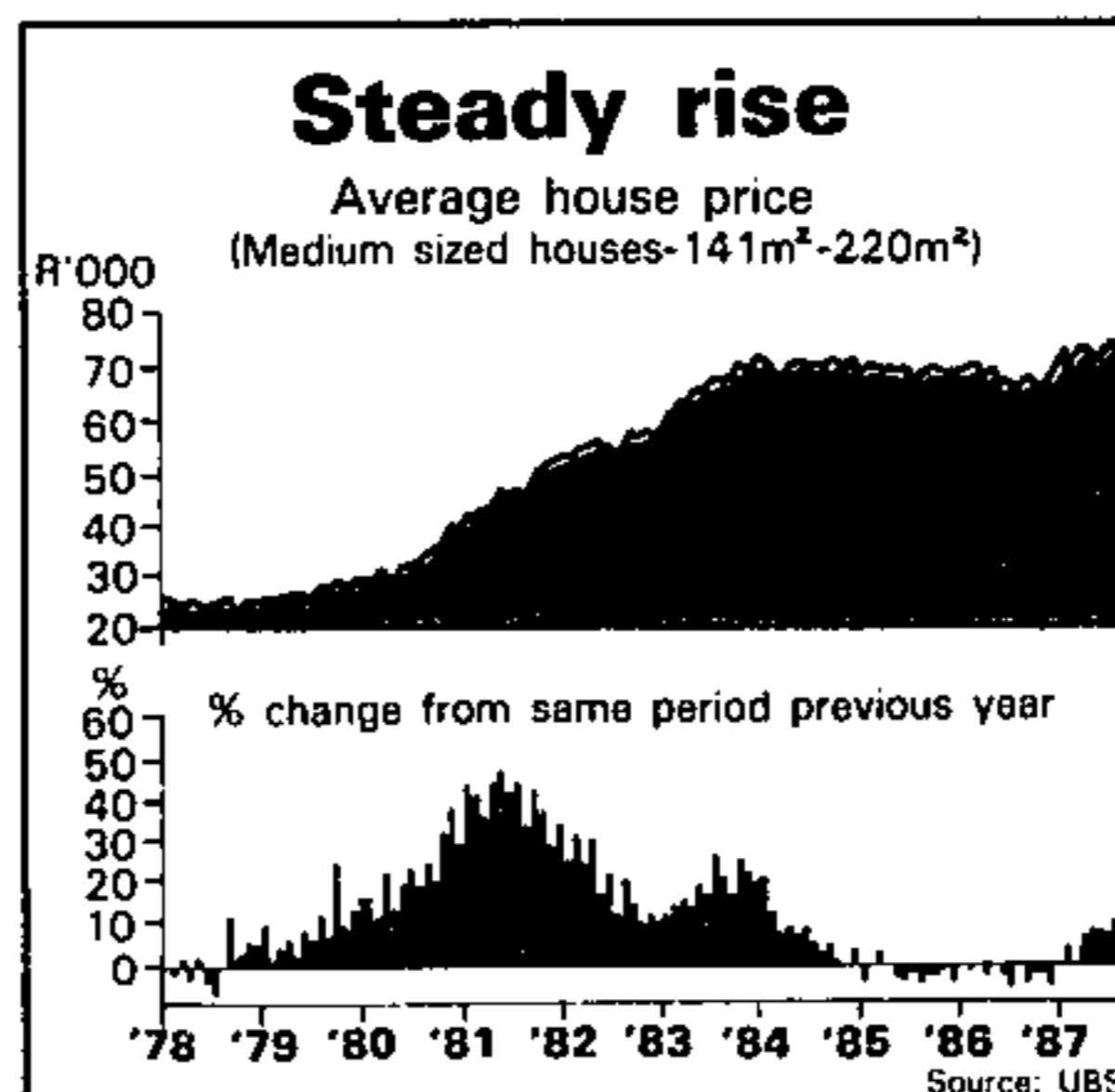
Those which showed increases were: Vaal Triangle (7%); OFS and the Northern Cape (9%); Eastern Cape (8%) and the Rest of Natal (6%). All of these prices are coming off a relatively low base.

Another interesting fact to emerge from the review is that it is still considerably cheaper to buy an existing house than to build a new one. The average price of a new medium-size house is R88 800, while an existing house of the same size sells for around R75 600.

UBS chief economist Hans Falkena puts the price differential down to a combined effect of the still relatively low demand for existing housing and the continued increase in building costs — currently running at 16% a year.

What's more, these costs are expected to move up further in tandem with higher labour costs because of a shortage of skilled labour, increases in the price of building materials and the widening of building contractors' profit margins.

Falkena expects this to contribute to an increase in new house prices of up to around 15% in the next 12 months. At the same time he anticipates a gradual strengthening of demand for existing housing — fuelled, he



says, by the fact that the recent slump in the stock market should redirect investment funds into property. ■

KYALAMI

Wheel spin

While earthworks for the new Kyalami race-track go ahead, it seems the controversial project may have struck yet another snag.

The Midrand Town Council, in whose municipality the site falls, has refused to approve the development plans of Motor Racing Enterprises (MRE) and has called for a new plan to be submitted at a council meeting this week.

In a deal with Amaprop in 1986, MRE retained the 40 ha track site, following lengthy disputes over MRE's rezoning proposals. However, the transfer back is awaiting proclamation.

Midrand management committee chairman Koos Buys says the new plan will have to gain the council's approval before any more work can be done.

Other matters the council "found to be unsatisfactorily addressed" on the original site plan were:

- The property description was not included and the area of the site was not shown. Boundaries were not clearly demarcated;
- No distances were shown. The council wants an indication of the proximity of buildings to both the existing and proposed boundaries of the site, with special references to those on the northern and western sides;

- The proposed entrances to the site were unacceptable. The council insists that the access from the site to the nearest provincial road must be of a suitable surface. In fact, the council says, the surface of both internal and external roads must be defined;

- The number of parking areas was not shown. The council wants documentation of agreements on leased areas, details of the type of surface planned, internal circulation routes and a parking schedule which includes on site and lease area parking; and

- The internal and external traffic circulation pattern was not clear. The council wants the effect of the proposed road K58 assessed.

Meanwhile, the planning of Amaprop's Kyalami Park residential estate, north of the new track, is well advanced. Servicing could commence early next year. ■

KNYSNA

Useful heritage

Knysna's historic Belvidere Estate, the last large tract of open land suitable for development on the shores of the lagoon, has been subdivided into 167 stands for an exclusive new residential development.

Formal marketing of the R22m project, which is being backed by the Board of Ex-

Concern over housing costs

CMF 7/11/87 123

By DAVE PHILIP

THE non-profitmaking Housing League fears that soaring building costs may soon put a home beyond the reach of many people in the lower and middle income groups.

Chairman G H Hansmann warns that rising interest rates will inevitably push up monthly instalments paid to building societies by home-owners.

In the annual report he states, "the effect of lower interest rates for home buyers was welcomed as a means of financial relief, but it is important to view this as a short-term bonus."

He also says: "The escalating cost of housing is a grave matter for concern and unless it can be contained, the provision of homes will become a most vexing problem."

"In order to effect some measures of relief, the maximum amount allowed to qualify for a subsidy should be increased."

Properties owned by the league for future development for whites include three farms at Kuils river, flat sites in Milnerton, Kuils River and

Diep River and plots in Zwaanswyk.

"Negotiations are also being conducted with various authorities for a site at Bloubergstrand," Hansmann says.

The league has decided to use its last pocket of land at Thornton for flats.

Marketing has begun for the R4,5m retirement project in Constantiaberg, which is due for completion in 1989, and some units have already been sold.

"Primary concern in the choice of a site for retirement projects has been that senior citizens not be isolated but should continue to integrate into the social mix," Hansmann says.

The sales campaign for houses built with State funds over the past year has been most successful in Bishop Lavis Township, while at Ruyterwacht and Brooklyn it has been much slower.

In conjunction with the SA Housing Trust, the league will be "endeavouring to obtain land for the development of black and coloured housing" says Hansmann.

HOUSE prices are poised to rise by an estimated 15 percent over the next 12 months, says the United Building Society in its quarterly housing review.

This was due to a sustained upward trend in building costs and the gradual strengthening in demand for residential property.

"Building costs will move in tandem with higher labour costs, increases in the prices of basic building materials and an anticipated widening of building contractors' profit margins.

"In turn, increased demand for housing will flow especially from anticipated real salary

Housing costs to rise

adjustments, a slowdown in the current emigration trend, the low cost of mortgage finance and a moderate improvement in general economic activity.

"Moreover, the recent slump in stock market prices is bound to redirect new investment funds in the property market."

UBS does not anticipate any major changes in the mortgage rate pattern during the next six months.

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New bank joins bond costs war

Own Correspondent

JOHANNESBURG. — Competition between banks and building societies for existing bond holders is escalating, with the Trust Bank, like Nedbank, also slashing the cost of transferring a bond to the bank.

The general manager of Trust Bank, Mr Kobus Roetz, said yesterday, the bank reduced the costs of transferring a bond from another institution to the Trust Bank, "on an ad-hoc basis". Unlike Nedbank, which had specified a 50% reduction, the Trust Bank had no fixed rate of reduc-

tion and considered each case separately.

He said many bond holders saw the costs of transferring a bond as an obstacle to switching to a bank, which was why the Trust Bank considered reducing transfer costs.

The managing director of Standard Bank's financial services, Mr Dennis Matfield, said the bank was keeping a close watch on developments in the market.

"If we lose any of the market share we think we should have, we will take immediate action. In this volatile situation, nothing can be ruled out." But, Mr Matfield said, at this stage the Standard did not think it necessary to

cut the costs of transferring a bond.

Banking sources said long-standing building society bond holders were becoming increasingly disgruntled because new customers were charged lower interest rates than bond holders who had been paying their instalments for years. This was one of the reasons why certain building society customers wanted to switch to banks.

Meanwhile, the managing director of the Perm, Mr Bob Tucker, newly elected president of the Building Societies Association, has called a press conference for today to discuss developments in the turbulent financial services industry.

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MONEY ROW HOOTS UP

By DEREK TOMMEY, Finance Editor

BUILDING societies, in a bid to reduce their bond rates in the face of fierce competition from banks, have asked the Government to let them increase their borrowing of cheap short-term money.

The Building Societies Association has asked the Reserve Bank to change the law to allow them to increase the amount of short-term funds they can raise from 5 percent to 10 percent of their assets

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Mr Bob Tucker, president of association, said today that this would enable the societies to borrow another R1-billion, probably at about 8 percent. This would help to reduce building society bond rates, though, with more than R23-billion in loans outstanding, the overall effect would be small.

He said the present average cost of money to the building societies was more than 10 percent. In contrast the banks were able to borrow at less than 8 percent. When they lent money to house buyers at 12,5 percent there was still a margin of 4,5 percent margin.

Blame

Mr Tucker warned that home buyers, tempted by the low rates offered by banks, could face "real prejudice" when short-term rates rise.

He said: "Bondholders will have only themselves to blame when the economic cycle changes and they are exposed to a sharp increase in their bond rate because of the short-term nature of the funds which are used by the banks to finance the bonds they grant."

The Registrar of Banks, Mr Chris de Swardt, confirmed that legislation would be introduced in the next session of Parliament and said the Government was "thinking in terms of 10 percent" although they had not decided on a figure.

The banks have hit back at Mr Tucker's claim that they would not be able to maintain their lower rates under economic pressure.

Competitive

Mr Terry Power, deputy general manager of Standard Bank's home loans division, said: "Standard has guaranteed a 12,5 percent rate until June next year and although the situation would be revised once market forces drive upwards our rate will not be higher than the average mortgage rate."

Mr Chris Vietri, First National Bank's assistant general manager (home loans), said the bank would remain competitive, "which does not suggest that we would not raise our rate should economic conditions force us to do so".

Nedbank's senior general manager, Mr Chris Liebenberg, said: "We were forced into the home loan market by the building societies who were encroaching on our traditional financial areas."

"Of course we want to maintain our client base and once we reached the decision we decided to enter the market aggressively."

F t a f i

Not a gravy train

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Pent-up demand for black, or in the latest euphemism, affordable housing, has only needed the rain of finance to make a virtually new industry bloom. Now that government and employers are making finance available, many companies, listed and unlisted, are leaping forward to reap the harvest, with talk of turnover and profits doubling.

Though demand is enormous and provides an excellent opportunity for entrepreneurs, most companies in the market agree that it is not as easy as it would seem. Margins are tight, concern is being voiced that funds will dry up, and the main demand is for housing at prices lower than the private sector can supply. But the more optimistic talk (at least for investors) suggests that the builders will be unable to meet even a fraction of the real demand, and that the only limit on the market will be land availability.

The potential market is big — even before taking account of the disturbing population growth projections. The estimated housing backlog at January 1986 was 49 000 for coloureds, 36 000 for Asians and 865 000 for blacks, according to the Building Industries Federation of SA's latest annual report. The graph shows, though, that enormous financial assistance is required. The great majority, particularly of the black (African) population, cannot afford to buy high-cost housing.

Of necessity, these buyers are also generally accustomed to spending a lower percentage of their income on housing than their white counterparts. The norm has been about 10%-15%, whereas whites will go much higher to pay a bond. Of course, with less disposable income, the leeway that non-whites have to increase the amount spent on any one item is very limited. Developers have overcome this to some extent by comparing monthly bond payments to rental payments — a concept which works well in the lower-income white market. But most bond payments are well above Soweto-level rentals.

Even within these constraints, a number of companies listed stand to benefit from the housing surge. For the investor, points to consider are the importance of this sector to the company's overall business, and how efficient the company is. Margins are thin and competition is fierce. "They are thinner than in the white market," says Stuart Gordon of Quantum Group. "The black is getting a better deal than a white with the same amount of money."

The main beneficiaries tend to fall into three categories: builders and developers, building materials suppliers, and manufacturers of building materials (though the last find it difficult to quantify how much demand has emanated specifically from the black sector).

Suppliers have the advantage that they do not depend entirely on new housing demand.

A number of listed companies are making a killing by supplying the demand for black housing, but there are warning signs that this is not an endless gravy train — companies will have to adapt to survive.

Most of their customers are improving or expanding their homes, and this should be an ongoing market, even if funds for new homes dry up.

Two suppliers concentrating on the non-white market are **Cashbuild** and **Pennypinchers**. Pennypinchers operates mainly in the Cape: chairman and MD Fasie Malherbe says his customers are individuals who want to upgrade their houses; the divisional council, which operates self-help schemes; and the big developers which are marginal customers. Malherbe is very optimistic and expects turnover to double this year. "We have 34 stores between Cape Town and East London and, if we have a downturn, we will be able to open other shops, which at present we don't have the manpower to do," he says.

Moving into other areas will change the customer profile, though. At present many are coloured artisans, but in other parts of the country skilled labour can be in short supply, despite high unemployment.

Another company to benefit from home improvement demand as well as new housing demand is **Everite**. It makes piping (first to respond to an upturn in demand), fibre-cement sheeting and cement tiles — an acceptable compromise between sheet roofing and the more upmarket tiles. Everite also scores by making ceilings and fascia boards, which are among the first items to be bought when upgrading a home. According to financial director, Neil Carter, sales of roofing have risen 10% in volume in the past year, but he cannot pinpoint the amount due to non-white demand.

Also difficult to quantify is the impact on manufacturers, though **Interboard**, **Masonite**, **Plate Glass**, **Boumat**, cement makers

and, of course, brickmaker **Corobrik**, part of **Tongaat-Hulett**, are benefiting. An indication of the size of the improvement in demand is complaints from suppliers and builders of shortages of building materials. At least one company, **Solid Doors**, specialises in the black market, producing only doors and skirting.

Among the builders, there are some very big players like **LTA**, **Group Five** and **Murray & Roberts**, but the impact of affordable housing sales on their profits is very much smaller than for companies with lower turnovers.

Mass housing is not confined to the big construction companies. A specialist in the field is **Ilco Homes**, which built 6 000 houses at Mitchells Plain. Ilco insists on building a minimum of 1 000 houses, since, according to CE Jos Demers, town planning is only possible with this number or more. Prices range from R35 000 and Demers says Ilco sells only ready-built houses. Before starting to sell, the company has 50 to 60 houses in stock from which potential owners can choose.

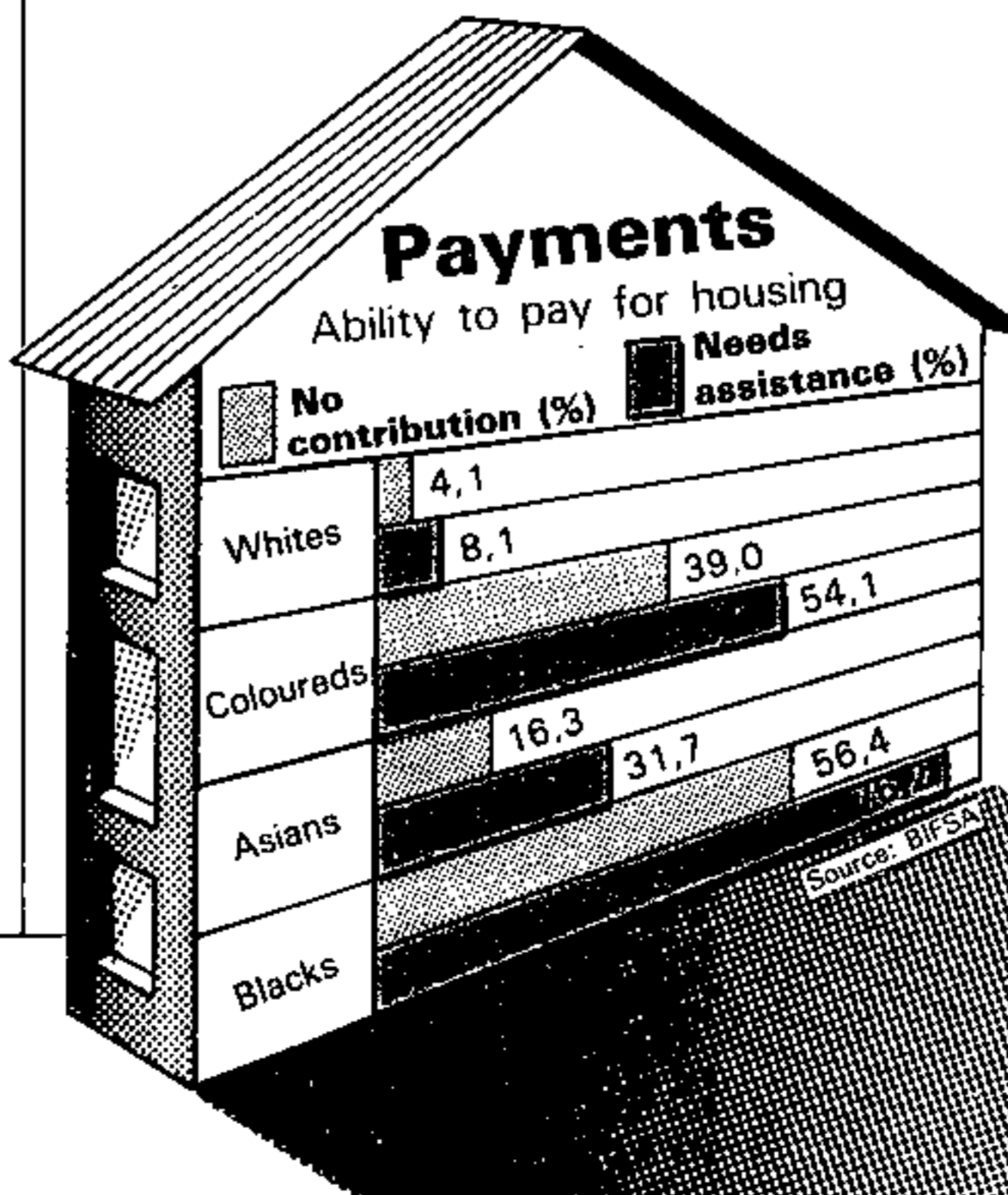
Demers believes that builders cannot meet even a fraction of the demand: "We are building a large scheme in Cape Town and are selling 80 houses a month, but we could sell three to four times as much."

A number of other builders prefer selling on plan, including **Quantum** and **Faircape**. Quantum supplies individual houses in the R30 000 to R70 000 price range and is building 150 houses a month, at present sticking to the PWV area and the eastern Cape. Gordon expects to enter the western Cape next year and thinks turnover will double in the affordable housing division, the major contributor to Quantum's profits.

Faircape, which also builds developments for whites and office blocks, is starting to be cautious. Selling on plan, the company is building 25 units a month for coloureds and is negotiating for additional coloured land, but joint MD Hans Moser feels overtrading is developing and points out that land for coloureds is now more expensive than that for the middle income white market. Faircape therefore intends moving into the black market next year and has enough land for about three years' work (2 000 houses).

S M Goldstein has two companies supplying affordable homes. Listed **Gough Cooper** builds individually styled houses priced between R45 000 and R60 000, while Goldstein Homes concentrates on higher volumes, generally not less than 300 stands. Chairman Stan Goldstein expects dramatic growth in the short term, but thinks the market could top very rapidly, especially as he believes there are too many developers.

Time Holdings operates differently. It acts as project manager, selling on plan, with prices ranging from



sider crime to be a problem in their community, 48% of whites, 65% of Indians, 69% of coloureds and 77% of blacks indicated that they consider crime to be a *serious* or *very serious* problem. All this changes peoples' attitudes and behaviour.

Criminologists and other experts are unanimous that the incidence of crime acts as a negative influence on any society.

The HSRC survey (involving about 6 000 people) also showed that:

- In the case of the theft of money or goods exceeding R20, 40% of whites, 18% of Indians, 19% of coloureds and 22% of blacks indicated that they — or a close relative in their household — had been a victim;
- For robbery involving violence, the figures were 2% of whites, 5% of Indians, 7% of coloureds and 8% of blacks;
- For aggravated assault, the figures were 2% of whites, 5% of Indians, 10% of coloureds and 20% of blacks.

The findings regarding rape were starkly alarming: 0,3% of whites, 0,3% of Indians, 2% of coloureds and 4% of blacks indicated that they or a close relative had been a victim.

This means that, for example, approximately one in every 25 black households had a member who had been the victim of rape.

And then there is the cost of crime, which can be seen as two-sided. There is the cost to society of losing tangible things — like life, skills, productivity and possessions — and the psychological cost in traumatic crimes like rape.

Then there is the cost of finding criminals and bringing them to justice, giving them a fair trial, and holding convicted prisoners in custody.

For 1987-1988, the budgets for custody (prisons), justice and police totalled R2,8 billion (5,8% of the total Budget) and R760m more than a year before. According to the Department of Justice, the cost of housing a prisoner for a day — R2,04 in 1977 — rose to R8,82 in 1986. Using 1985-

1986's prisoner population of 111 000, the cost for this year, allowing for a bit of inflation, but no extra prisoners, is well above R1 billion.

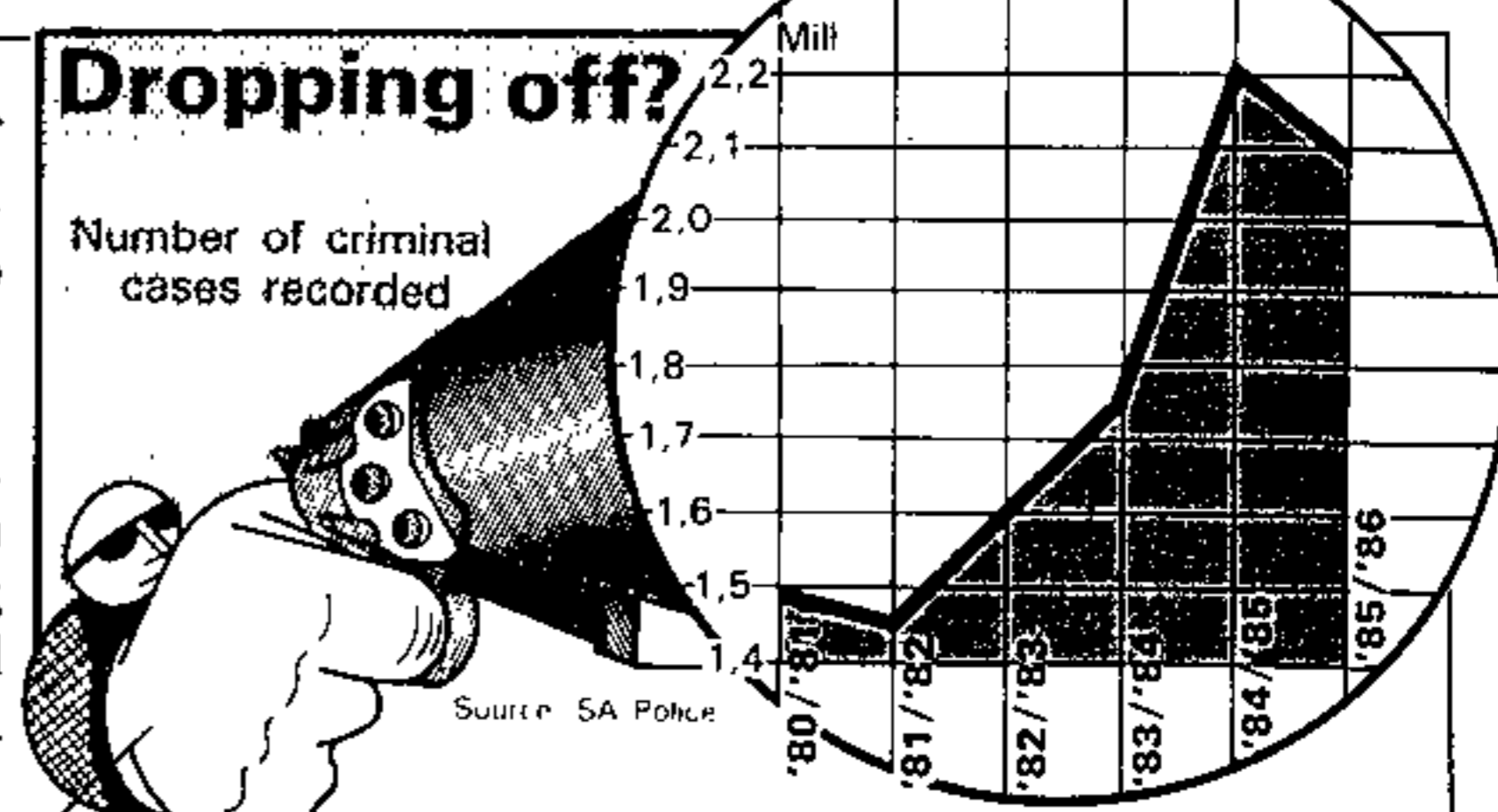
So crime is not only imposing a massive personal cost on South African society; it is also imposing a massive cost on the State. And that, if one needs reminding, is a cost for the taxpayer to bear.

The other kind of cost — damage to the body and property — can be insured against. In 1987, the estimated premium income of the short-term insurance industry stands at R2,5 billion. Crudely, that implies that if everything insured against was lost or destroyed, the losses would total R2,5 billion. Not all losses follow crimes; the Natal floods and the Mauritius Boeing disaster are included.

According to Rodney Schneeberger, of

Dropping off?

Number of criminal cases recorded



Source: SA Police

industry agreed that crime had reached intolerable proportions. The situation could not longer be accepted." A plan of action was launched earlier this year.

Measures taken by joint Saia-SAP committees included:

- A computer committee for the exchange of important information;
- A legal committee to investigate miscellaneous items, such as identification of stolen vehicles;

- "Teledossier" screening of information on SABC's Tele-data; and
- A reward fund.

The latter has proven highly successful, often paying out R5 000 or more. Stolen vehicles have been traced to Maun in Botswana, New Zealand, Malawi, the UK, Mozambique, and Antwerp, among other destinations.

Commercial crime also involves loss, though of a non-violent nature. In 1985-1986, 34 074 commercial-type crimes were reported. Pim Goldby's Bruce Vermeulen and Wilf Robinson feel that commercial crime is a growth area — particularly in computers and foreign exchange.

By all accounts, tax evasion has reached epidemic proportions.

There is little, if any, moral repugnance associated with this statutory crime. The reasons are very complicated, but often echo perceptions in other areas of non-violent crime.

Says one thoughtful taxpayer:

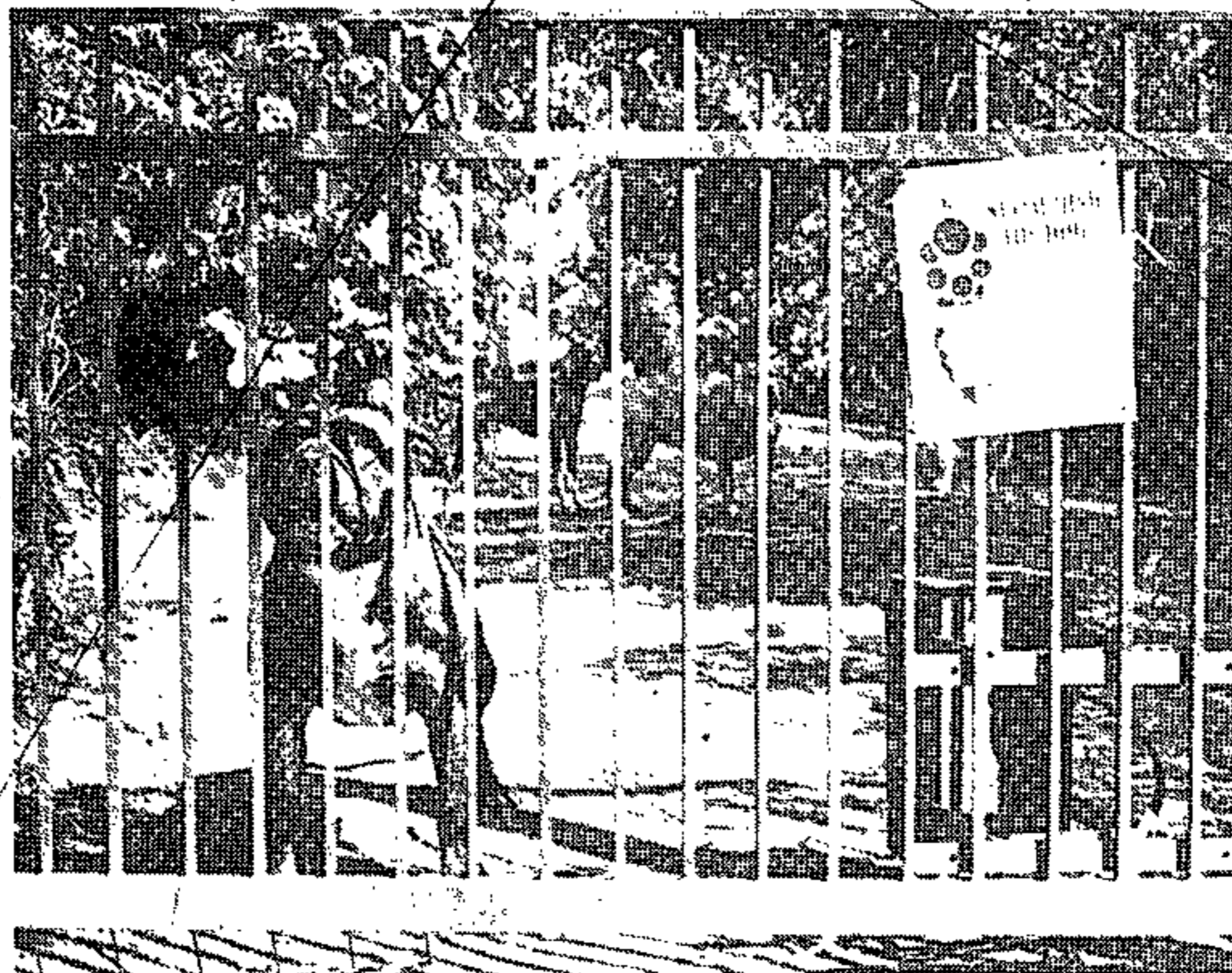
"My retailer may offer the lowest-priced groceries in town. But, going behind the scenes, I discover that the retailer is paying very little, if any, tax.

"Without question, if all taxes were paid honestly, I'd be paying less tax. That way, the R500 I save on groceries would total thousands in tax."

Perhaps the criminal involved in crimes of a violent nature follows a similar thought pattern.

But while the criminal mind will always be fascinating, we would prefer them to be confined to books, television and movie theatres. Too often they feature in everyday life.

So lock up carefully, set a watch, make sure your insurance is up to date — and have a nice day.



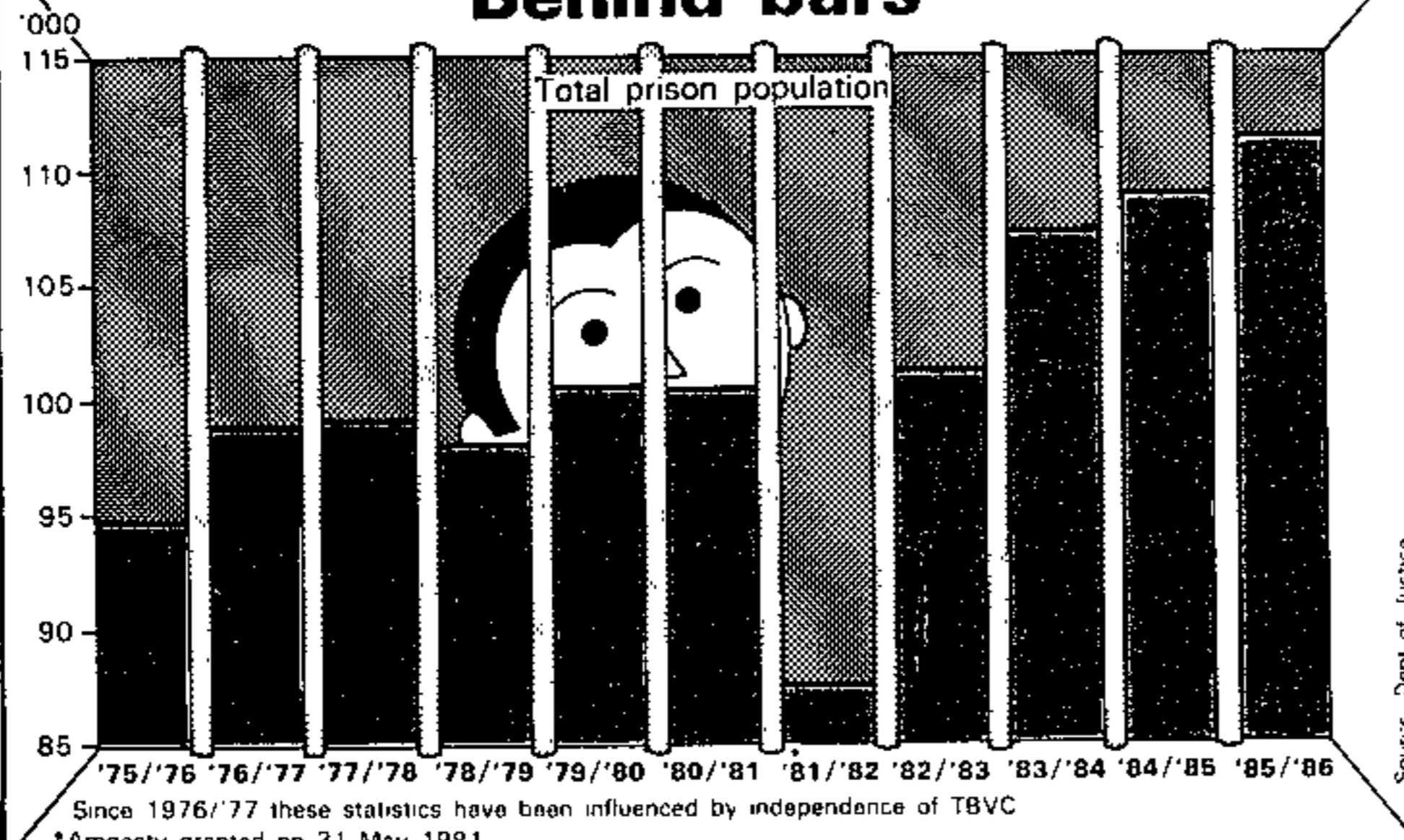
Paranoia in the suburbs ... but the enemies are real

the SA Special Risks-Insurance Association (Sasria) and the SA Insurance Association (Saia), the best barometer of crime in SA is car thefts. And to him, recent figures suggest that SA has reached a turning point in crime — for the better.

Cars stolen increased by 57% from 1984's 39 553 to 61 981 in 1986. Figures for 1987, to August, crudely annualised, seem to confirm that 1987's total will be less than 60 000. And recoveries of vehicles by police have increased from last year's 51% to almost 57% for the reported months this year.

"During 1986 and the early part of 1987," says Schneeberger, "the public, police and insurance

Behind bars



Since 1976/'77 these statistics have been influenced by independence of TBVC
*Amnesty granted on 31 May 1981

R30 000 and claims to complete a house in six weeks rather than the normal 10. MD Mike Graham is optimistic. He points to the growth in the number of civil servants and the fact that natural annual growth in the non-white market is four to five times that in the white market. In addition, he says, there are the trends to privatisation and for mining houses to provide housing rather than hostels. Time also expects earnings from affordable housing to double.

The demand will not continue unabated forever, though. Most developers supply a market which is not more than 10% of the total. They generally build houses costing R30 000 and upwards, and most builders' customers have bonds guaranteed by government or employers.

Louis Shill, chairman of Sage Holdings (whose subsidiary, Sage/Schachat builds affordable housing) believes the number of



Stan Goldstein

potential buyers with ready access to finance is limited. Stan Goldstein concurs, and says developers will have to reposition themselves in future to satisfy buyers in the R20 000 to R30 000 range. "The demand is there," he says, "but not in the price range of most of the developers."

Prejudices complicate the situation. Higher density housing is a logical solution for a large housing shortage. Especially in the PWV area, builders and housing officials all complain of land scarcity and prices of undeveloped land, which have risen to 30 times the farm value. Despite the non-white movement into Hillbrow, though, there is apparently still great resistance among many to high-density living — even in townhouses — and especially when it comes to ownership.

Another complication, though one greatly to the benefit of Corobrick, is preference for brick houses. Timber frame houses (not real-

ly cheaper, but considerably quicker to build) are not meeting with acceptance by a population which sees the white buyer insisting on brick.

The SA Housing Trust could be pointing the way. GM Peter Mountford says it builds homes costing from R5 000, with 70% in the R12 000 to R20 000 bracket, and has approved housing worth R370m so far. Though the emphasis is on giving work to black builders with margins of about 3%, construction firms are appointed as fee-earning consultants and, where enough black builders cannot be found, these firms can do some of the work themselves. Lately, and with great success, partnerships have been established between black and white builders. Several of the white builders interviewed said they would be happy to form partnerships with blacks. Graham is right when he says that the companies are in the forefront of a whole new industry. It is obvious that SA's housing problems will only be solved by a high level of flexibility and to benefit, the companies will have to display the same quality. New techniques, in housing and finance, are being developed, and companies which help to develop them will be able to continue to tap this enormous and expanding market. *Pat Kenney*

Sats' R500m housing plan

SA TRANSPORT SERVICES is to spend at least R500m in the next five years on housing for its black, coloured and Indian employees.

Sats GM E L Grové announced this at the 50th anniversary celebration of Sats' house ownership scheme at Johannesburg station's Blue Room Restaurant yesterday.

He said Sats had spent R160m on employee housing for the three population groups over the past 14 years.

He added that since the provision of hous-

ing had been severely restricted by the shortage of land, Sats had decided to spend R500m on buying land and developing residential areas in the next five years.

Grové said Sats was geared towards ensuring the prosperity and happiness of its employees and would strive for every employee to own a house at retirement.

11/2/87 SOPHIE TEMA PLODAN

Building societies lose out to banks

Chk Tindall

17/12/87

123

Own Correspondent

JOHANNESBURG. — Three major building societies, after slashing rates for new loans while keeping old bond rates at higher levels, are in a Catch-22 situation as they try to build up market share while losing established customers.

Banking sources say the societies have miscalculated the sentiments of established customers, who are now increasingly switching to banks for lower rates. Nedbank is actively courting building society customers by cutting transfer costs by 50%, and the Trust Bank is reducing transfer costs on an ad-hoc basis.

The three big societies which charge lower rates to new borrowers than their existing customers are the UBS, the Allied and Saambou.

The managing director of Allied, Mr Alan Tindall, said that in the present economic environment it made "fundamental business sense" to charge differing rates to old and new customers.

"The older bonds were financed with more expensive funds which are still drawing interest while new bonds are financed with cheaper funds."

He said Allied did its utmost to keep

rates on a par, but could not act against its better business judgment. "We have got to remain competitive; we have got to stay in the race."

Mr Tindall said the present economic environment, with cheap funds easily available, was to blame for the situation.

"But different rates for old and new borrowers are not a new occurrence. Three years ago, when funds were expensive, new customers were charged more than existing borrowers."

But retiring NBS MD Mr John Bennet, who accused the three building societies of being "immoral" in charging different rates, rejects this argument.

"It is sometimes said that old borrowers ought to pay a higher rate because the investors who initially backed those loans were — and some still are — getting a higher return on their money.

"This argument holds only where interest rates are falling and then at best the view is valid for a few months only," Mr Bennet said.

The focus in the bond war is shifting to the existing borrower, with the banks picking up millions in bond transfers from building societies. Exact figures are not available as the issue is regarded as "very sensitive".

HOME LOANS

Societies under siege

123

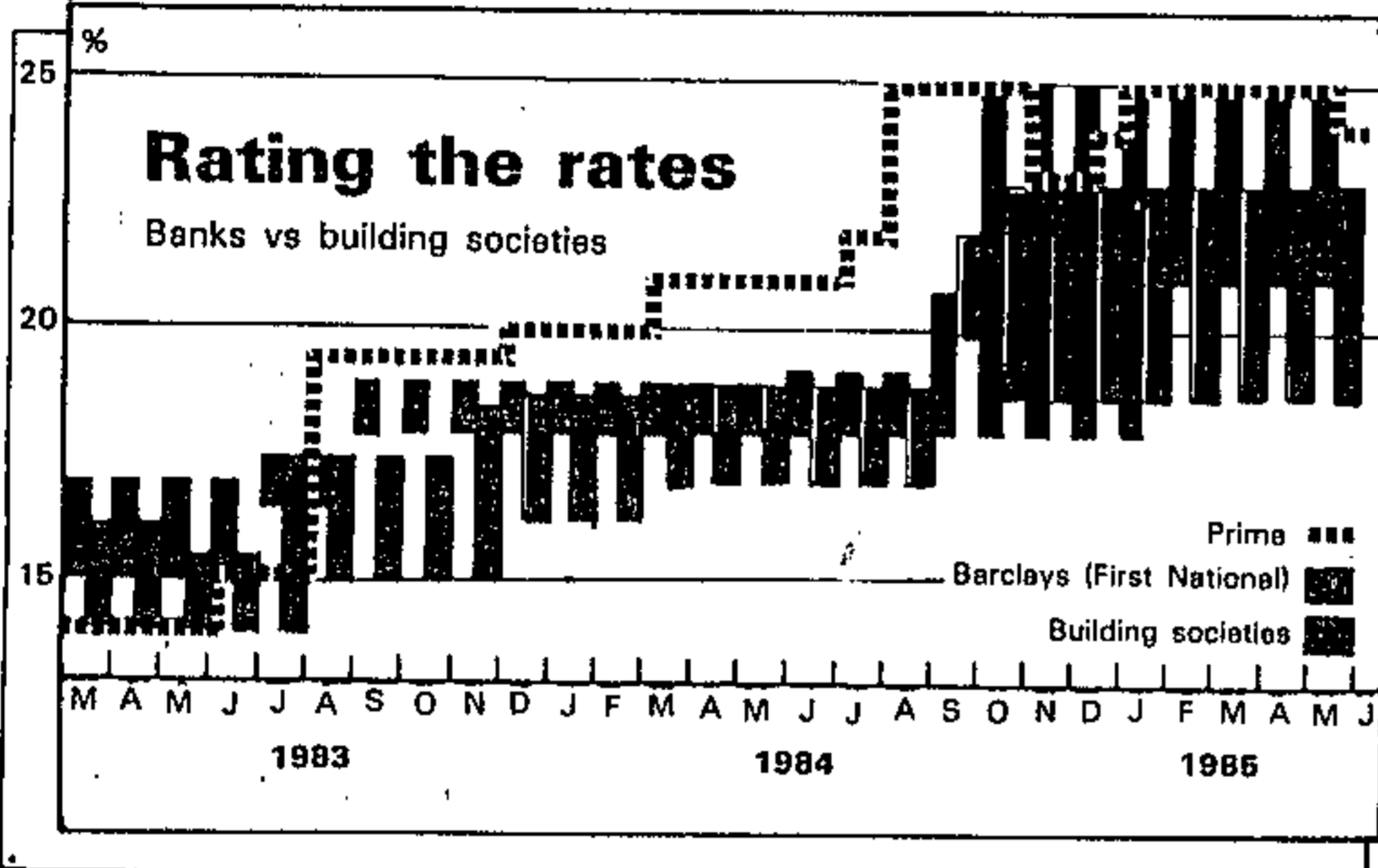
For some time, the home loan market has been a virtual war zone. Fending off bankers' raids on their traditional territory, the oncesedate building societies have been manning the barricades and hurling brickbats.

before dropping to 24%, the lowest rates charged by societies increased 5,75 percentage points to 20% before declining to 18,25%, while the highest rate increased 6,75 percentage points to 23%.

In that period, the lowest rate charged by Barclays (now First National) increased six percentage points to 21% and the highest increased eight percentage points to 25%, dropping to 24%. So the only major previous incursion by banks into this market ended precisely as the societies would wish. It is worth noting that, while several other banks have guaranteed rate levels for a period, First National

conclusion to the process of deregulation which started in August last year, with the passage of an Act to allow building societies to change from mutuals to companies and list on the JSE.

The authorities are not opposed to this idea — in relation at least to banks and building societies. And as Bank and Building Society Registrar Chris de Swardt confirms, they prefer home loans to be funded with longer-term money. But they are determined to move carefully, being wary of making too many changes in too brief a period. However, the abnormal economic climate may have highlighted defects in the present arrangement. As Senior Deputy Reserve Bank Governor Japie Jacobs intimated at a recent seminar, change may come sooner than anyone expects.



With little effect. A year after entering the home loan market, banks have more than 10% of the total portfolio of about R28 billion, and their share of leading over the past three months is estimated at 20%. Next year, the lending ratio could increase to 30% as banks aim for an additional R3 billion while building societies expect to lend R10 billion. This is hardly surprising. Banks offer bonds of up to 100% and rates as low as 11,5% (to some customers) while societies will lend not more than 90% of purchase price and charge from 12,95%-14,5%.

Until expensive long-term funds work their way through the system, they are powerless to compete. Precisely what portion of banks' home loans have been funded with short-term money is not known. However, Association of Clearing Banks' president Anton van der Merwe Vance points out that banks have always raised money in the medium term — a year and longer. He stresses that the policy of commercial banks is to allow for future rises in interest rates.

But building societies have a natural advantage when rising demand for money pushes up the cost of short-term money. Then they benefit from their longer-term funding structure.

The question consumers are asking is: do they pass the benefit on?

An examination of bond rates in the last period of rising rates shows societies' record as somewhat better than that of the only bank then in the market.

Between March 1983 and May 1985, when prime rose 11 percentage points to 25%

has made no such promise.

Anxious to shed an image of unreliability in this area, banks insist, they are in the market to stay and promise to stay competitive. Their chance to prove this will surely come. Association of Building Societies' president Bob Tucker points out that, as surely as a bear market follows a bull run in the equity markets, interest rates will rise.

The economic cycle has been on hold for some time, creating what Tucker describes as a "unique set of circumstances." High liquidity has generated negative real interest rates and a steep yield curve, with rates at the short end hovering around 9% while three- to five-year money costs around 13%.

Nor are those societies with banking connections able to siphon off cheap bank money — the need to hold double the amount of liquid assets precludes this. Meanwhile societies are fighting a war on another front — with life assurance companies who, they claim, are acting as deposit-taking institutions. While societies can offer tax-free shares, there is a R20 000 ceiling on this type of investment. Moreover, societies are bound by law to pay no more than 7,5%.

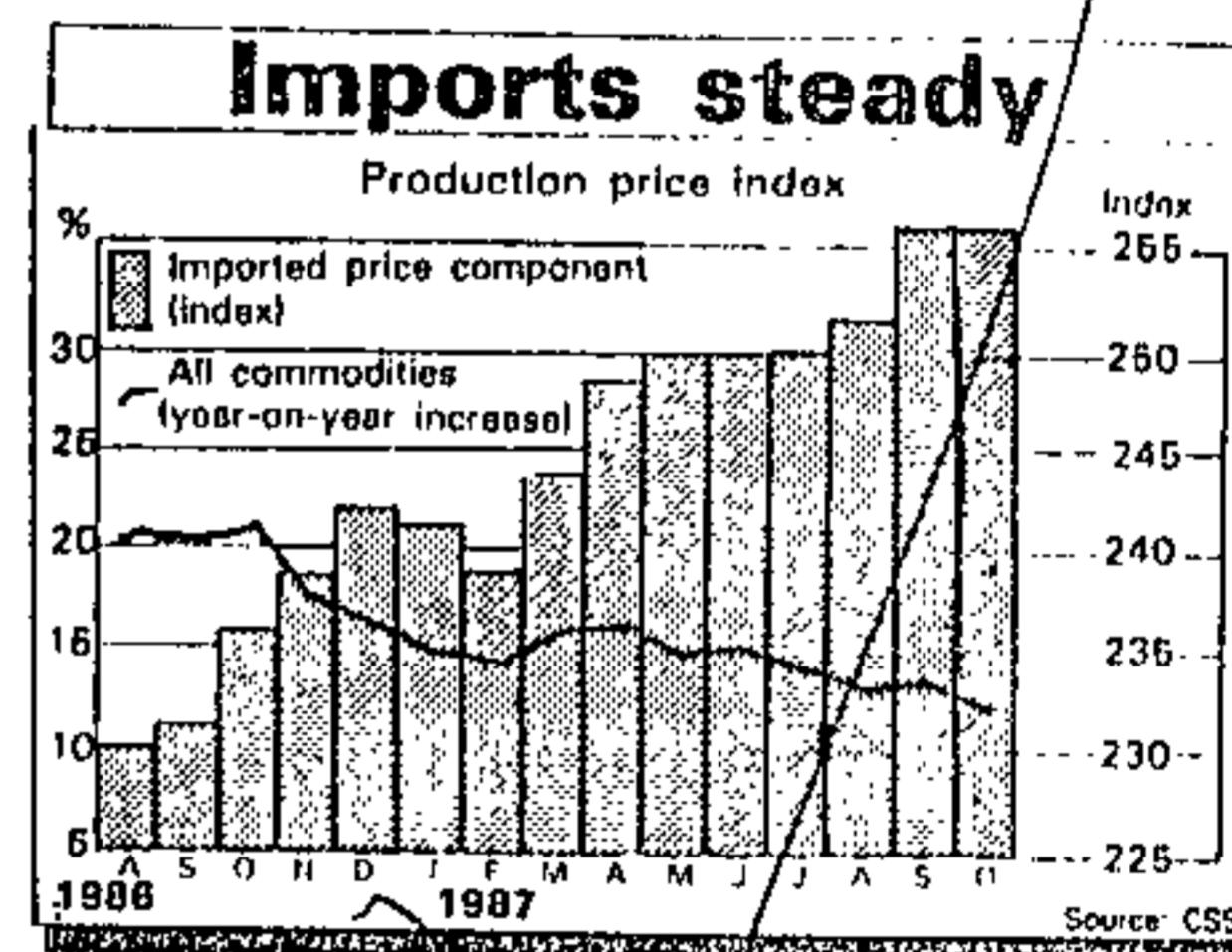
Life assurers counter that their tax-free investments are also restricted — there is a minimum 10-year term to maturity.

The long-term solution to these differences may be a different approach to regulation. By basing statutory reserve requirements on function rather than type of institution, the authorities could wipe out anomalies. A single body of legislation for all deposit-taking institutions seems a logical

PRODUCTION PRICE INDEX

PPI's 3-year best

Steady import prices have helped the production price index (PPI) to its best performance in three years. PPI rose by 12,7% in the year to October — the least since the 11,4% of December 1984.



The year-on-year PPI increase was 13,7% in September, 13,4% in August, 14,1% in July and 14,8% in June.

The index rose by 1,2% from September, bringing it to 255,5 (1980=100). In the first 10 months of the year, PPI was up 10,1%. If it continues at that pace, the increase in 1987 will be 12,1%. There are several points of interest.

Imported commodities, which jumped 1,9% in September, were static in October. The import index — which makes up one-quarter of PPI — stayed put at 256,9. With the rand firming from 1986, the import index has increased just 5,2% so far this year — an annual rate of 6,3%.

The PPI statistics also show that, from

Levelling the playing field

(125)

The home loans market is, by common consent, growing strongly, though that definitive statistics are lacking and substituted by a good deal of speculation and hyperbole. However, we may guesstimate current outstandings of anything up to R30 billion, escalating to around R40 billion by the end of next year. Market demand will continue to need both the building societies and the banks: there is no question of it being satisfied through the regulatory victory of one side over the other; nor has either side the moral right to require that the other quit the field.

The best point of reference for an understanding of our structural anomalies is the De Kock Commission Report of May 1985. For historical reasons, the activities of the building society movement had been severely circumscribed, and also reciprocally privileged and subsidised. In recent years, however, the building societies had begun increasingly to compete on their funding side with the banking systems as to sourcing, interest pricing, and withdrawal/spending availability ("moneyness"). This in turn caused problems for monetary policy, as the commission noted. For reasons which the commission found by no means blameworthy, the building society movement had commenced a process of convergence with the banking system which continues to this day.

The banks had done their bit in closing the structural gap by seeking a position in the home loans market. As an advocate of free markets and fair competition, and critic of structural misallocation of resources, the De Kock Commission saw no point in trying to turn the clock back; but neither could it bring itself collectively to endorse the other extreme of early induction of the building societies under the Banks Act. Instead, the commission adopted the pragmatic compromise of "continued special treatment of building societies but recognition of evolu-

tionary changes in their functions and operations."



First National's Eddie Cade replies to criticism of the banks levelled by the building society movement — in particular the Perm's Bob Tucker — that they enjoy certain statutory advantages in the fiercely competitive home loans market.

tionary changes in their functions and operations."

This, then, is the philosophical framework within which we operate today; it is mirrored, to a greater or lesser degree, in other developed, free enterprise countries. Since the commission reported, we have seen the implementation of the Building Societies Act, 1986, with its higher capital requirement of 4% of liabilities (in March 1982, by comparison, the movement's reserve funds — its sole permanent capital base — amounted to only 1.9% of public liabilities net of liquid assets). We have also witnessed the start of a lengthy phasing-out of the tax beneficial so-called "share" funding (term deposits by another name). Some major societies have gone public, and are looking a little more like banks every day.

Unsolved problems and structural anomalies persist, by virtue of the evolutionary state of competition and regulation. Through a quirk of recent legislation, we find the gratuitous outcome that a building society that has gone public may (via its controlling company) own a bank; but a bank may not (by any means) own more than 10% of a building society. This happenstance offers, at the stroke of a pen, virtually the entire

solution to what the building societies see as the injustices of their competitive situation. The only constraint is that of systems and resources, but one cardinal resource is exempt: *no extra capital* is needed, because building society capital adequacy regulation does not address asset risks (including investments in banking subsidiaries). If extra liabilities are raised to fund such an investment, they attract a capital requirement of only 4% (as against 100% for a bank in a similar situation).

Thus we see the phenomenon (which the authorities have been careful to avoid on the *parent banking* side) of two related financial institutions being allowed to gear up their respective asset risks on *the same quantum of capital*. This is a neat trick, but does one hear the building societies vocally offsetting such a marvellous competitive advantage against their present complaints? Is this manoeuvre prudently in the public interest, and what does it have to do with the objective of achieving a "level playing field"?

Let us come to the current grievances against the banks, which may be summarised as "unfair competition, unsound practices, and socially undesirable conduct." The first charge may stick to some extent, but the others are little more than fancifully misconceived afterthoughts.

Public accusations of "borrowing short and lending long" are not assisted by their lack of analysis. The risks are twofold: *liquidity problems* and *interest rate mismatches* (the two tend to be muddled up together in the indictment). *Liquidity risk* (incidentally, not measured or addressed by statutory liquid asset requirements) is a function of cash flow. Given disciplined management, neither the banks nor the building societies should be troubled since there is a regular monthly cash income from home loan repayments — failing which the underlying home, the most solid of security,

RR645 18/12/87

It's a bond bonus! 200 000 families will reap benefit

By TOM HOOD
Business Editor

123

ABOUT 200 000 families have been given a Christmas present — news of a cut in their bond repayments — by the country's largest building society, the United.

The UBS said today it would chop half a percent off the home-loan rate paid by existing borrowers, lowering it to 13,5 percent from March 1.

However, this is still above the rate of 12,5 percent which new home-buyers will pay from December 22.

The cut means a home-owner with a R50 000 bond will have his monthly payments reduced to R603 from R631. Two years ago repayments were about R850 a month on bonds this size, when rates were at their peak.

FURTHER REDUCTIONS

Announcing the new cut — the latest salvo in the bonds war between building societies and banks — United's chief executive, Mr Piet Badenhorst, gave a hint of further reductions to come.

"If the cost of new money in relation to the United's existing funding reduces further, the benefits will again be passed on to bondholders," he said.

UBS recently cut some savings and deposit rates it pays to investors, which lowered the cost of its borrowings.

Other societies have cut their rates recently — egged on by the banks charging only 12,5 percent and offering to pay transfer costs if home-owners switch their bonds from building societies (costs are more than R3 000 on a R100 000 house).

A bank bond is still about R35 a month cheaper than the latest UBS rate for a R50 000 home loan.

With inflation running at 16 percent, well above bond rates, home loans offer one of the best bargains going — or as a banker said: "It's like being paid to borrow money."

However, the bonds war could end in less than six months and mortgages could cost more again as cash-flush lending institutions find their funds drying up.

"I believe bond rates are at the bottom," said Mr Brian Button, managing director of Syfrets Bank.

"There is a pick up in demand for credit and a shortage of money could develop.

BOND RATES DOWN

The Eastern Province Building Society's new home-loan bond rate has come down from an existing blanket rate of 14,5 to 13 percent for present borrowers and 12,5 percent for first-time buyers.

Saambou's bond rate is down from 14 to 13 percent, while the Cape of Good Hope Bank's has dropped from 14 percent to 13,5 percent.

Trust Bank is 12,5 percent on 80 percent bonds and 13,5 percent on 100 percent bonds for new homes. The rate on existing bonds is the same.

Syfrets Trust's bond rate is 14,5 percent for new and current bonds.

The Perm charges a flat 14,5 percent for new and existing bonds.

Allied charges 13 percent for new loans and 14,5 percent on current bonds. NBS charges 13,5 percent for new loans.

Offensive from UBS in home loans war

UBS 22/12/87
By TOM HOOD
Business Editor

THE home-loans war intensified today as South Africa's largest building society, the United, joined two small societies, Saambou National and Eastern Province, in offering bonds at 12,5 percent to new borrowers.

This matches rates offered by the commercial banks, except that the UBS and some societies charge more to existing borrowers.

And Mr Basil Hersov, chairman of First National Bank, disclosed that the bank intends doubling its home-loans portfolio to R3-billion by next September from R1,5-billion at present.

UBS's new rates for new borrowers — from 12,95 to 12,5 percent — will take effect immediately. Existing borrowers will receive a cut of 0,5 percent to 13,5 percent from March 1.

Chief executive Mr Piet Badenhorst said the reduction became possible through a gradual reduction in the cost of financing home loans.

The Natal Building Society sees the latest UBS cut as "discriminating against existing borrowers," according to its Transvaal regional manager, Mr Terry Bradshaw. He said the NBS would adjust its rates "at the first opportunity".

The Perm, with an across-the-board bond rate of 14,5 percent, had no comment on the UBS move.

● Property Argus will be published with tomorrow's newspaper.

HOME LOANS

Plus plus

Potential homeowners have an exciting range of enticing financial packages to unwrap this Christmas. Wide-eyed consumers, accustomed to thinking of money as a scarce resource, can hardly believe the opportunities being pressed upon them by competing banks and building societies.

Latest is the United Building Society's Help-U-Home package, which provides 110% financing for investment in a home.

It consists of a 90% bond and a 20% personal loan. To qualify, borrowers have to provide an extra 5% financing to ensure a total of 115% to cover the cost of buying, transferring and furnishing their new homes.

The rate on the bond is, for the present,

12,5%, while the personal loan is at negotiable interest rates — probably 15%-16% — for up to five years.

Hire purchase facilities are also available at 15%-16% interest rates, for periods of up to 60 months.

This level of financing may cap all previous offers, but as deals are highly negotiable and almost all institutions are offering additional financing with home loans it is difficult to compare offers.

First National is advancing 90% of purchase price up to R150 000 and 80% thereafter, plus 10% for structural improvements and a further sum to cover legal costs, which amounts to about 105% of the loan. Interest rate on the entire deal is 12,5% — for the moment.

Similar deals on negotiable terms are available from other institutions.

Such generous terms add a new dimension to home ownership as the benefits of deficit budgeting trickle down to household level.

The situation, the product of unprecedented liquidity and intense competition between financial institutions, is to consumers' immediate advantage. But is the opportunity to commit themselves to high debt ultimately in their best interests?

There are two schools of thought on this.

Nedbank's Merton Dagut does not believe consumers are likely to be tempted in over their heads by these packages. "The desire to borrow is driven by expectations of future income. People who are eligible for these loans have already selected themselves as able to make the repayments."

He points out also that contractual loan agreements which provide for scheduled repayments and known interest rates are sounder forms of finance than emergency loans, shop accounts or overdrafts to which many householders would otherwise resort.

Rand Merchant Bank's Rudolf Gouws also sees the development as positive. Further, he does not expect rates to rise soon. "They should remain at present levels for the first six months of next year and will probably only start to move up towards the end of the year when demand picks up and the balance of payments deteriorates."

Econometrix's Azar Jammine, however, points out: "Whether rates rise next year or in three years' time, they will inevitably, at some stage, catch consumers on the wrong foot — as in 1981 and 1984. Consumers' average debt levels are still historically high — at least twice as high as 10 years ago."

And unlike governments, individuals can't resort to printing money when income and borrowing, combined, fail to keep creditors at bay. Jammine advises consumers to mix a measure of caution with a dash of optimism when making long-term financial plans.

Just over a year ago, Standard Bank took the home loans market by surprise, undercutting building societies by dropping bond rates from 15% to 12,5%. Building societies, at that point charging 15%, were essentially out-manoeuvred because of their longer-term funding structure. Though they edged

ty down, it took them a year to close p. This week United Building Society announced a reduction in rates for new bondholders from 12,95% to 12,5%, a few days after the decision to charge existing bondholders 13,5% (down from 14%) from March next year.

2011/2/18/

Housing costs set to ST rise (123)

HABITECH paints a dark picture for the house-building industry.

By Udo Rypstra

It forecasts a sharp rise in building costs, a shortage of houses for sale, material shortages and an increase in land prices.

which is causing price increases and inflation. Demand-supply inflation is playing a role.

Theo du Toit, manager of Habitech Transvaal, expects the cost of labour and materials to rise.

"Few people appreciate it, but South Africa's loss of people has ended, and the so-called housing surplus will soon be a thing of the past.

Mr du Toit says: "There has been an unheard of demand for materials in the black housing market. The big suppliers' capacity is not easily adaptable and demand will outstrip supply."

"Empty houses and flats will be taken up."

Mr du Toit says flat and house rents will increase.

"Good land is becoming scarce and some properties have risen in price by up to R3 000."

Johannes de Clerk, design director at Habitech, believes the effect of the subsidy for first-time house-buyers, which kept the industry going for the past 2,5 years, will no longer be meaningful.

"The reason is that it has become virtually impossible to build an acceptable house in the white market for under R40 000."

Mr du Toit says it is not only the cost-push effect

30/11/81

123

SATS to share housings spoils?

Own Correspondent

JOHANNESBURG. — Banks and building societies are poised to "officially" ask South African Transport Services (SATS) to share the spoils of its multi-million rand housing scheme.

The move follows intensive behind-the-scenes planning by the financial institutions which has culminated in covert approaches to the transport giant to privatize its R3 bn "houses for employees" scheme.

Sources within several of the major banks and building societies said privatization would put millions of rands in cash into SATS coffers.

Escom spokesman Mr Ben Rheeder said the value of the Escom housing scheme when

privatization was considered was about R280m.

"Since privatization Escom has saved itself about R100m. The present value of the portfolio is in the order of R350m."

A spokesman from an institution already involved in the Escom housing scheme said: "The institution would very much want to be involved in a scheme which makes good business sense."

Another banking source said the bank would welcome the chance to extend its customer service if the opportunity arose to tender for SATS.

But SATS is digging in its heels, claiming the scheme is so vast it would "hardly" be possible to award the scheme to any single institution.

SATS deputy director of housing Mr Dirk Botha said about R3 000m had been invested in the scheme to date. Although the value of outstanding loans was not available, Mr Botha said about R400m was allocated to the housing scheme annually, depending on funds.

"SATS carries out about 800 or 1 000 property transactions each month."

He said a major difference between the SATS housing scheme and those of other bodies — including Escom and Armscor — related to a subsidization of the whole loan by SATS rather than merely subsidizing the interest on monthly instalments.

"It is cheaper for a SATS employee to be subsidized on this basis rather than on instal-

ment payments."

Properties are registered in SATS's name, unlike other schemes where a bond is registered against a property in the employee's name.

The capital redemption on the property is paid out to an employee on termination of his service if he does not take title in the property.

"There is a legal agreement between SATS and each participant in the scheme — SATS cannot decide one-sidedly to privatize," he said.

"Staff associations have been participating in the decision-making process and it is also on their recommendation that SATS does not wish to privatize its housing scheme."

11/12/87 3/12/87

FINANCE

Bond battle: Banks ahead of loan targets

From MICHAEL CHESTER

JOHANNESBURG. — All three banks engaged in bond war battles with the building societies have claimed to be ahead of the home loan targets they set when they broke into the market.

The 12,5 percent interest level set by the trio is still below even the lowest rate fixed for new borrowers by the building societies, in spite of the recent round of reductions announced by most of them.

But Mr Mike de Blanche, managing director of the giant UBS, hit back with forecasts that total loans issued by the building societies would climb from a current R8-billion to as high as R10-billion by March 31.

"One must assume the banks have enjoyed successes from their aggressive marketing campaigns," he said.

"R800-MILLION A MONTH"

"However, one can put the situation into better perspective by comparing bank business with the fact that the building societies are pushing out new loans at the rate of no less than R800-million a month."

At First National Bank — which as Barclays was the first bank to challenge the building societies on its launch in 1983 — general manager Mr Norman Axted said the total of approved loans was now above R1,6-

billion. Another R500-million in applications are being processed.

"We have readjusted our targets upwards time and time again — and we're still running ahead of them," he said. "By the end of our financial year next September we expect the total to be at least R3-billion."

Loans issued by Standard Bank since it followed First National Bank into the house mortgage business have swollen to R1,35-billion, well above the 1987 target.

Moreover, new loans are being granted at the rate of around R150-million a month, according to deputy general manager Mr Terry Power.

"We decided at the outset not to make deliberate efforts to persuade existing bond-holders to switch their business to us from building societies, but many switches have been made recently nevertheless — and the trend has gathered momentum.

"We have already passed the target we set ourselves for this year and it looks likely that our 1988 target will be higher still."

Trust Bank, said Mr Barry Swartz, senior product manager, was also well ahead of targets set when it entered the bond wars battle in earnest two months ago with 100 percent mortgages.

"Our monthly rate of new bond issues is already not far behind the Standard figure," he said.

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PROSPECTIVE home owners are sitting pretty. Bond-rate bargains are set to continue well into the new year.

Bargain bonds all the way

6/12/87

By Udo Rypstra

The battle between banks and building societies has hotted up after the entry of Nedbank, the last of the big commercial banks to enter the loans for homes field.

General manager Terry Bradshaw. "If the economy picks up, our more stable funds will leave us in a stronger position than the banks."

Building societies, which have been lagging behind the banks in cutting bond rates because many of their long-term deposits are still earning high interest, will be able to compete on more equal terms when the deposits mature in the second half of next year.

Nedbank, which was not directly involved in the cut-throat competition until two weeks ago, has introduced a package which could send rivals back to their war-rooms.

"We will be able to compete more effectively with the banks," says NBS region-

It is providing loans of up to 100% at 12.5% guaranteed until the end of September next year. Any subsequent in-

creases will be subject to three months' notice.

But Nedbank has stolen a march on rivals by offering a subsidy of up to 50% on the cost of transferring a bond from a building society or another bank to a Nedbank account.

On a bond of R100 000 this would save the borrower about R600 in re-registration fees. If other banks follow suit, the flow of business from building societies to banks would quicken.

Nedbank has introduced its scheme for existing and new customers without any fan-

fare. It plans to market it more forcefully early next year when people return from holiday. The target market is the upper-income group and "customers with potential". Small loans for, say, R20 000 will be considered.

"We were forced into the field and decided to come out with the best package available," says senior general manager Chris Liebenberg.

The first loan granted under the new scheme two weeks ago was to a customer who wants to design and

be paid in tranches as building progresses.

Nedbank's foray into the home-loan market comes as thousands of borrowers are transferring their bonds from building societies to banks.

Mr Liebenberg says: "We have not shouted about the scheme, but it is pleasing to see the amount of business that is coming over."

Deputy general manager, advances, Michael Leeming says bond applications were previously passed on to Syfrets, "but this month we started processing them ourselves".

"We've gone a long way to making virtually any bond movable."

by placing orders.

The billion rand backlog

SOUTH Africa's acute housing dilemma is far from resolved, but billions of rands are now finally being allocated to try and catch up with some of the huge backlog.

Apart from some degree of political stability it is expected to bring to the country, the offspin for the general SA economy is likely to be substantial.

The provision of thousands of homes will not only benefit the country's enaciated building industry and thousand of jobless blacks, but suppliers of furniture, appliances and other secondary industries as well.

But it has literally taken blood, sweat and tears to get the ball rolling.

The year 1987 will probably go down as a watershed year in black housing. The black rent boycott went into its third year and fuelled one of the most unified stands by politicians and businessmen against stubborn and highly sensitive government policies.

But, finally, it petered out with new government concessions on property rights, as well as long awaited action by the South African Housing Trust to distribute its R400-million government grant.

In addition, work started on several major housing schemes, including the R700-million black township near

Catching up on black housing will boost many sectors of economy

By Udo Rypstra

Welkom and the R400-million development for blacks and coloureds at Blue Downs in the Cape, to bring some relief to critically affected areas.

While the impact of the international share price crashes (if any) still has to filter through, forecasts of better economic prospects, a higher gold price, better employment figures and low bond rates provided the basic ingredients for a more confident approach to the housing question.

This augurs especially well for South Africa's building industry, which has come through the worst recession since World War II after having retrenched 75 000 labourers, while helplessly looking at a growing housing backlog.

stands in various townships around the country.

Last month, after much criticism about moving too slowly, it announced it had allocated more than half the R400-million and that it would have to raise several hundred million more by mid-1988 in the private market if further projects (rumoured to involve no less than 50 000 stands) were approved on November 25.

Dr Gerrit Viljoen, Minister of Education and Development Aid, said in February the Government expected to contribute not less than R1-billion in the "foreseeable future" and another official later raised this figure to R1.2-billion.

Most of this will be earmarked for the purchase and servicing of land, but some will also be spent on low-cost self-help housing. But what about the rest?

FINANCING

Government has allocated only R400-million to help solve the housing backlog so far but more is on the way.

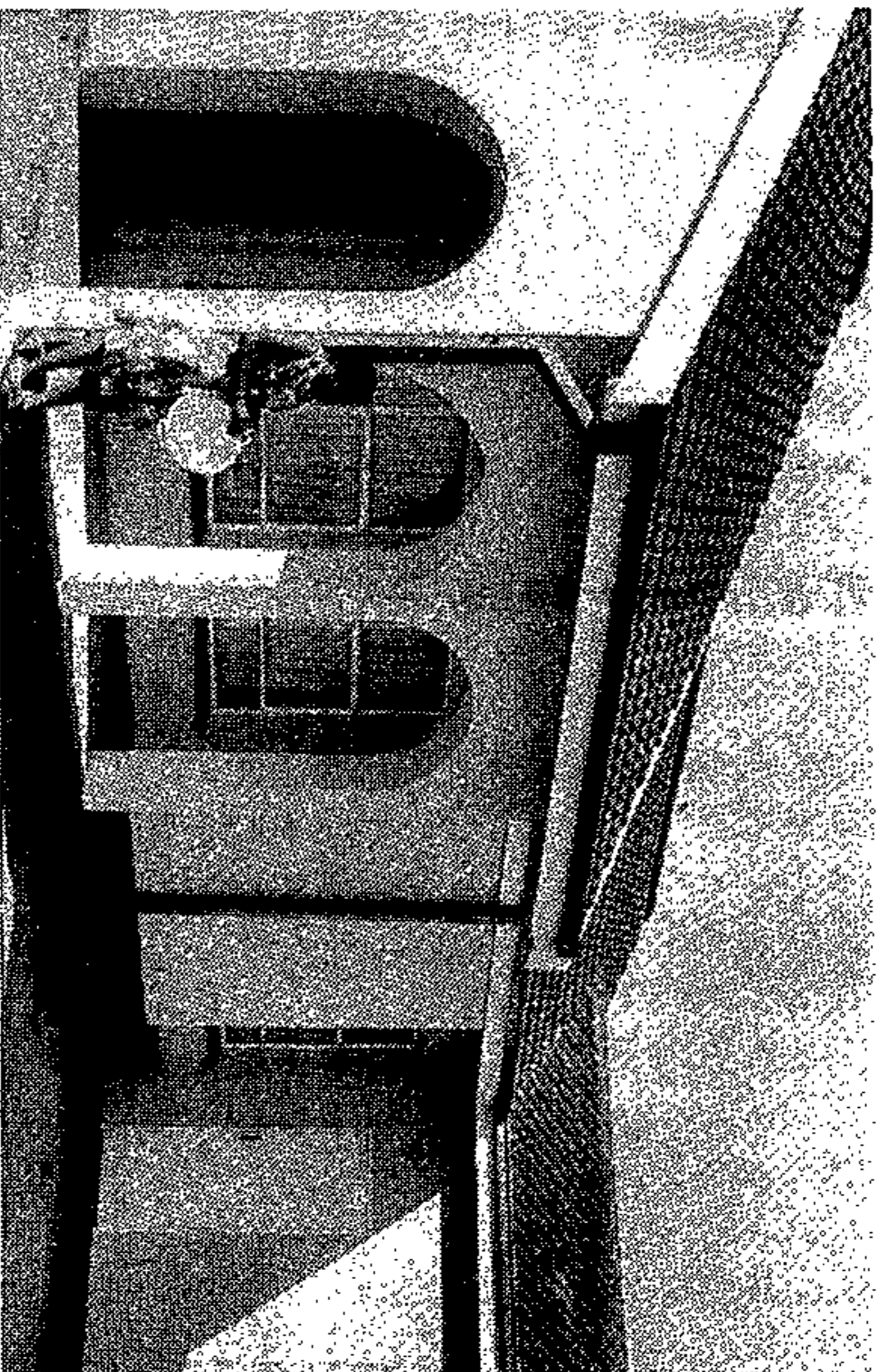
The SAHT only received its R400-million in March and by 1 May it had approved only R80-million for 9 000 houses and 6 000 serviced

for involvement, the shortages can be alleviated in 20 to 30 years time," he said.

But later government admitted that the total backlog was around 538 000 units — assuming that close to one in six of blacks living in compounds and similar establishments or as tenants in private homes required a separate home in the urban areas.

However, a shock report released by the National Building Research Institute (NBRI) of the CSIR says the backlog could be as high as 832 000.

It bases this figure on the premise that a third of the estimated



Black housing: the shape of things to come?

Building Societies like the UBS say they are already allocating 50% of their loans to blacks. In addition, a joint study by the Permanent Building Society and the Urban Foundation has found that low-income families can afford to own their own homes if qualifications for getting loans are broadened. It includes granting loans to

women, using the combined household income to determine whether a loan is to be granted.

It also wants to view the house as an income-generating asset rather than merely income-consuming, and provide loans to the non-independent homelands. Loans can be granted to families with an income as

low as R380 a month, it says. A house obtainable for this amount would cost about R7 000 to R8 000.

The Perm says it has also introduced 14 alternative building strategies for granting loans, including the upgrading of wattle and daub systems and using bags filled with sand and cement for building.

Banks are now also lending money for homes that have yet to be built on a "draw" system.

Regional Service Councils are also providing money for essential township services. An example is the East Rand RSC, which has approved R35-million for townships in its region. Soweto is also benefiting from an R18-million RSC allocation.

PROJECTS

As far back as February last year, Colin Hibbert, managing director of Time Holdings, said black housing was becoming a boom area. His prediction seems to have come true.

UP TO 13 PEOPLE HAVE TO SHARE A HOME

South Africa's black housing backlog figures vary from source to source, but everybody admits they are staggering. Just as shocking has been the lack of national effort to eliminate it.

Mr Chris Heunis, Minister of Constitutional Planning and Development, announced earlier this year that there was a shortage of 342 478 homes outside the homelands at the end of 1986.

The State, he said, had not provided any homes that year, but local authorities built about 9 000 and the private sector 14 000 — a total of only 23 000.

“Possibly with more private sec-

1 780 000 people living in non-family housing units require family housing for their relatives living outside the urban areas as result of the Influx Control Act — now abolished.

It says nearly 6-million blacks live in 466 000 homes, suggesting an average of nearly 13 per home.

A study of regional conditions produced even bigger shocks. In Kaitshong near Germiston up to 24 people were found sharing a home and in Kimberley up to 30 people.

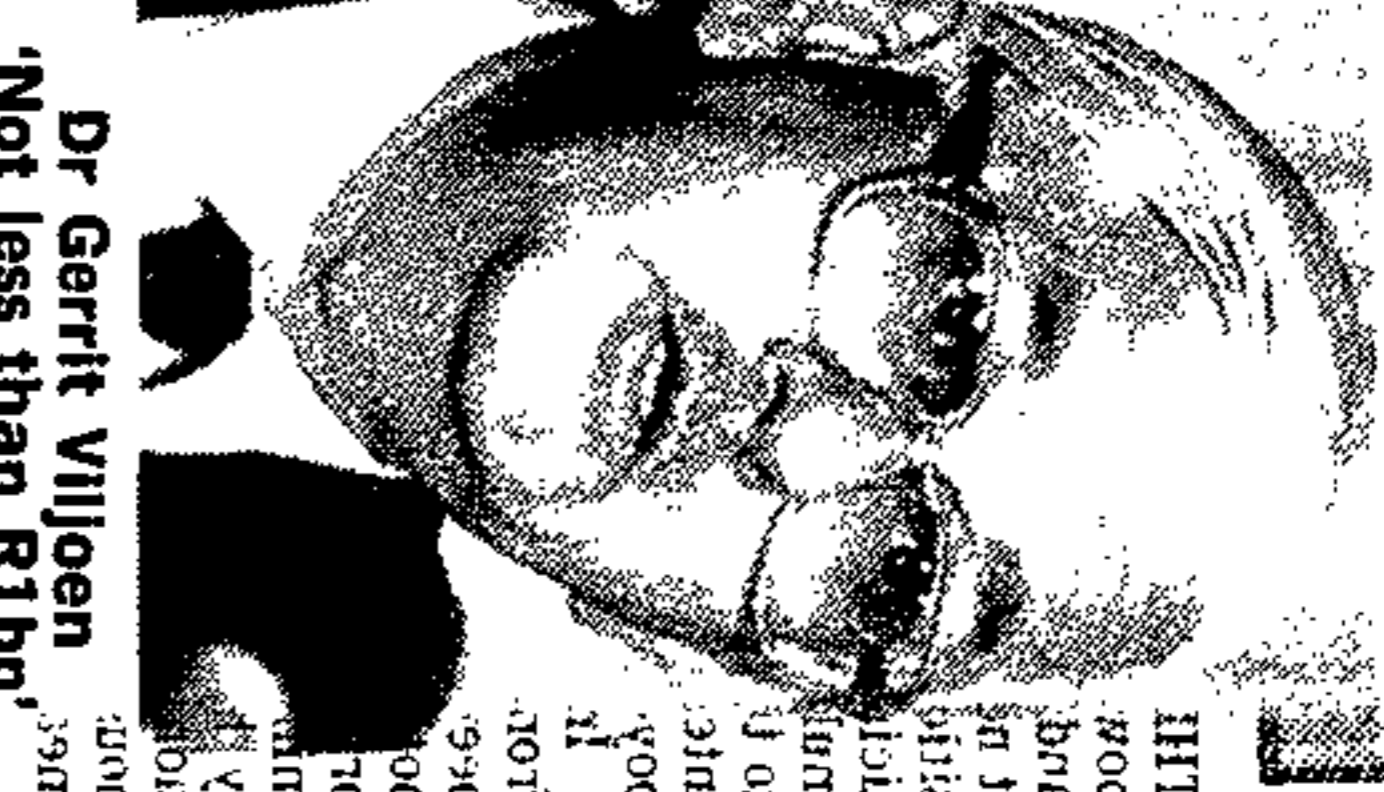
The most appalling cases of overcrowding, the NBRI reported, are in Uitenhage, where up to 42 people were found living in a two-bedroomed house and up to four fam-

ilies in a one-bedroomed dwelling.

The Urban Foundation, a major force behind the provision of new homes, “conservatively” estimates that 540 000 homes are needed for blacks nationwide, 44 000 for coloureds and 52 000 for Asians.

Furthermore, at least 150 000 homes are required every year to keep up with population growth and urbanisation, while massive areas of land (between 120 000 and 150 000ha) are needed for plots, mainly in the urban and PWV areas.

As for whites — various organisations have claimed there is an oversupply of 37 000 homes, but this figure has been challenged by the Government.



Dr Gerrit Viljoen

‘Not less than R1bn’

Multi-million rand housing projects have been announced in all four provincial homelands as well as in independent states, and have provided work for major as well as small companies. Time Housing LTA Company of Homes, S M Goldstein Housing and Fairtrape Homes are only a few of the well-established companies, while black builders in Soweto and Cape Town have formed consortiums to handle major construction contracts.

A R700-million five-year township development for 33 000 homes near Welkom has seen contractors Hkgs & Roberts, Bester Brothers and S M Goldstein join forces. The Cape Blue Downs project is being built in a similar way. In some areas, Hkgs & Roberts, Dobsomville, blacks and white building companies are to work together to create new township extensions.

Capital raised on the Johannesburg Stock Exchange has enabled Fairtrape Homes to become one of the biggest private owners of land for Blacks in the Cape. Financial institutions like the IGI Group and the Permanent Building Society now also have their own black housing construction companies.

Gough Cooper, builders of middle and upmarket homes, are active in black townships, predicting their turnover will increase from R50-million to R75-million in their next financial year.

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Now they combined to defuse the black housing powder keg

THE housing crisis reached powder keg level this year — and could have exploded had it not been for the stiff opposition demonstrated by politicians, SA businessmen and multi-national corporations to the Government's original intention of handling the rent boycott.

In retrospect, this confrontation appears to have been a turning point — with both the Government and the private sector, especially the mining industry, subsequently having taken drastic action to address the black housing issue in a more meaningful way than before.

Hangover

The year 1987 started with a hangover in the form of the rent boycott left over from 1985 and 1986 when Blacks (in Atteridgeville and Soweto respectively) started objecting to the quality of their homes, their high rentals and further rent increases introduced by black township authorities.

In August last year evictions of homeowners in Soweto led to so much violence that at least 25 black people died in two days of shooting in White City, Jabuwa. Similar unrest led to more deaths in Orlando West in November.

The Government's Big Sale of 590 000 "matchbox" homes since 1985, with homes selling between R800 and R1 800 a unit, had failed to generate buying interest and has been extended several times (now until June 1988).

A reason for this resistance given by some blacks

ing by borrowing R120-million to pay for electricity, sewerage, and so on.

State President P W Botha confirmed that it had been Government thinking to create Black city states. Mr F W de Klerk, chairman of the Minister's Council, added that, once the quandary of urban blacks was settled, political problems would be solved.

Mr Botha suggested that if Luxembourg and Monaco could exist as independent states, why not Soweto?

But this did not defuse the rent boycott crisis. A former top constitutional advisor to Government, Professor Willie Breytenbach, slated Mr Botha's proposal, describing the concept as an apartheid phoenix that had risen from the ashes of earlier Government dilemmas.

The independent European states referred to, he argued, were self-generating, viable units, whereas the townships were nothing more than dormitories to accommodate black city workers.

When the national arrears in rent and other services rose to a total of R271-million, Government reacted by reintroducing in Parliament earlier controversial legislation to claim outstanding rents from employers by means of salary deductions.

This led to an outcry from white politicians and businessmen. Among foreign trade associations, the American Chamber of Commerce in South Africa immediately slated the move, fore-

were seen to be investing further through purchasing houses.

Stalemated, Government finally backed down and agreed to shelve its rent collection legislation. But it warned at the same time that it had been using income from rentals to fund new black housing projects and that it would have to study alternative plans.

By this time, new wage negotiations had been started with labour organisations, which were now also putting housing on the bargaining table. Among the major mining groups, Anglo American announced it would be building 24 000 homes for between R20 000 and R40 000 for black workers and their families.

The National Union of Mineworkers, which had been calling for the dismantling of migrant labour and hostel systems, asked for the inclusion of foreign labourers, but this has been turned down by the Government.

However, these moves still did not solve the rent boycott. In October, the National Housing Commission reported that only 58 007 of the 334 072 "matchbox" homes (17%) allocated to it had been sold, and this after granting two substantial discounts.

Some national newspapers, including Business Times, suggested that the "matchbox" homes be given away instead.

RED TAPE AMONG MANY OBSTACLES

SOME obstacles remain. The Family Housing Association says the shortage of land needs to be addressed fast if South Africa is to provide accommodation for the annual growth in population as well as reducing the housing backlog.

Another 3-million homes need to be built in the next 20 years if all are to be housed.

Architects, township planners and businessmen are expected to make further de-

mands for the immediate inclusion of business, educational and recreational centres in new townships.

Some 16 requirements blacks have to comply with to obtain freehold property rights regarded as unnecessary red tape — have also been attacked recently.

Calls to scrap the Group Areas Act are gaining momentum.

The Institute of Race Relations has argued that 1-mil-

Bureaucracy is a stumbling block

BUREAUCRATIC delays involved in the identification and approval of land for black housing are blamed for causing big stumbling blocks.

Angry about them are the South African Housing Trust (SAHT), the Urban Foundation and other suppliers in the creation of new low-cost and other types of housing.

Although the community development act also cleared the way for greater private sector involvement, allowing the acquisition of land for township development directly without the approval of the Minister of Constitutional Affairs and Development, some obstacles remained.

Apart from retaining the 99-year lease system (it has certain financial advantages to home own-

ers) and the creation of freehold land ownership rights for blacks, this act is now to be extended by new (tabled) legislation to enable the minister to subdivide farm portions faster, to suspend or modify conditions of title, and take the initiative in opening new township registrars.

Mineral land, on which townships have already been built, can now also be deemed open to further township developments. In addition, the minister will have expropriation rights.

So far, he has identified 16 000ha of land for housing, he says.

With that much red tape removed, the SAHT and the rest of the building industry are expected to move faster than they have to date.

lion blacks could be housed in the suggested (and denied) oversupply of 37 000 homes for whites estimated last year.

Estate agents as well as the NBRI are now suggesting the establishment of "grey areas".

They argue that some of the whites who will want to sell will likely receive higher prices for their homes because of the demand for better living standards

among black purchasers.

This would enable those whites to upgrade their standards as well.

The Anglo American Corporation looks at it from another point of view.

"The continued racial zoning of land as enforced through the Group Areas Act is not only discriminatory in its application, but a misuse of resources the economy can no longer sustain," it says in its recent annual report.

was that they had already paid for their homes in rentals. Some also distrusted the 99-year leasehold purchasing system, believing they would never fully own the home. Others argued the authorities were trying to sell homes to create a Black middle class that would serve as a buffer between the have's and have-nots.

Refused

This year, black township folk again refused to pay, or only paid a fraction of rent and other services. By February, the arrears in the Transvaal escalated to R160 million and, by the following month, 54 townships in all provinces were not paying rent.

The Greater Soweto Town Council, claiming it was going broke, resumed evictions, some of which were contested in the Supreme Court. But it managed to keep itself go-

casting a tidal wave of industrial unrest and further disinvestment pressure from overseas if the proposals were enacted.

Replying to the multi-nationals, the Deputy Minister of Finance, Mr Org Marais, challenged international companies to use the financial rand to buy homes for their employees, saying SA was prepared to negotiate a deal. If it was necessary for employees to repay the houses, these funds could go into a trust fund for other housing developments, as long as the money was not shipped out via the commercial rand.

But companies like Unilever, Caltex, Shell, BP and Siemens said they had already been providing housing for up to ten years. The American Chamber of Commerce added it saw problems in terms of US anti-apartheid legislation if multi-nationals

The... people living in South Africa who could claim residential rights in Britain. More than 300 000 hold British passports, and a further 500 000 to 800 000 are believed to have some claim to British citizenship through close family ties. "That's close on a million people - and a lot of aircraft seats," said the Foreign Office spokesman. Details of the plan were thrashed out late last year during in-camera hearings before Britain's Civil Aviation Authority (CAA). At the time, British Airways was objecting to a successful application by rival airline, British Caledonian (BCal), to operate a London...

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Home loans: Big bank inroads jolt societies

12/18/82
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The Argus Correspondent

JOHANNESBURG. — There is intense board-room activity among building societies today following the entry into the home-loans business of another major bank — Nedbank.

Adding further grief to the societies has been the bank's target area — existing bondholders and an opening offer to them to cut by half the costs of transferring a bond from a building society.

The cost of changing over is the main stumbling block for building society borrowers who want to enjoy the advantage of the banks' interest rate of 12,5 percent.

Nedbank's drive into home loans follows that of other leading banks, First National and Standard.

Mr Noel Brownlee, deputy-regional manager of the Natal Building Society in Johannesburg, said: "Nedbank's move is another jolt to the societies and all we can do is to wait to see if another chunk of our business is going to go."

Fixed deposits

The NBS, with other societies, cut its bond rate to 13,5 percent and might well make further cuts in the months ahead.

"We still have a lot of high-interest fixed deposits on our books and until that money goes out of the system we can make no further change in the mortgage rate," said Mr Brownlee.

"Months from now, however, we might well reassess the bond position."

While the banks were making big inroads Mr Brownlee emphasised the traditional building society expertise in the homes business.

"Even although the banks are taking business away from the societies, we have experienced a trickle of customers coming back as they have not got their bond applications through."

The Allied Building Society has already moved to meet the Nedbank threat.

One client who wanted to transfer his bond was told the interest rate on the bond would be cut from 14,5 to 13,5 percent if he stayed with the Allied.

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Short-term loans 'must be limited'

JOHANNESBURG. — The homeowner should not be exposed to the volatility of short-term funding, Mr Bob Tucker, managing director of the Perm and president of the Association of Building Societies, said yesterday.

Therefore the law should only allow limited short-term funding, he said.

He said that while amendment of the Building Societies Act to increase the level of short-term funds which building societies may use for home loans would give them more scope to compete with the banks, it would not put them on an equal footing with banks.

"How can building societies compete with 10% short-term borrowing against the banks who are 100% borrowed in the short-term?"

At the Reserve Bank in Pretoria, the Registrar for Banks and Building Societies, Dr Chris de Swart, confirmed yesterday that the association petitioned several months ago for an increase to the amount of short-term funding allowed to building societies for home loans from 5% to 10%.

Banks hit back at Mr Tucker's claim that they would not be able to maintain their lower rates.

Mr Terry Power, deputy general manager of Standard Bank's home loans division, said: "Standard has guaranteed a 12.5% rate until June next year and, though the situation will be revised once market forces drive upwards, our rate will not be higher than the average mortgage rate."

Mr Chris Vietri, First National Bank's assistant general manager, home loans, said the bank would remain competitive, "which does not suggest that we would not raise our rate should economic conditions force us to do so".

Retiring NBS managing director Mr John Bennet hit out at building societies whose interest rates for new borrowers are higher than those for old customers.

"I am dismayed at this blatant lack of morality and the temerity of these societies in not even attempting to justify their action," he said.

Mr Bennet, speaking shortly before handing over NBS reins to Mr John Gafney, said three of the big five building societies were openly prejudicing their existing borrowers by offering indefinitely a lower mortgage rate to new clients. — Sapa and Own Correspondent