Housing - General

1977
position of Africans west of the "Eisenbahn line," who are at present excluded from even the leasehold scheme, is also being reviewed, he says, "at the highest level."

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

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

While Soweto Africans have welcomed Horwood's announcement that the summary eviction regulations are to be withdrawn, their response to the rest of his package has been to reiterate once again their demand for home and land ownership rights on the same basis as for whites.

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

AFRICAN HOUSING

Land not for sale 24/2/77

(123)

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

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

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

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

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

According to a Bantu Administration and Development official, the new certificates will not convey the usual transfer fees and stamp duties, though "the final details still have to be worked out."
Verbande kom vir swart huise

Deur ALPHONS DU TOIT

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

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

Die nuwe bedeling sal onselfsprekend elke deur die Parlement goedgekeur moet word. Die voorstel is blykbaar dat die eiendomsregister deur die Bantoeommissiarisse kan nie nou met sekerheid voorstel word, wat die spesifieke bedeling in sy totaleiteit gaan wees nie. Môr hy het aan Eiendoms-RAPPORT gesê: "Waaroor wel sekerheid bestaan, is dat daar in die komende jaar ’n ernstige behoeft terwees vir swart eindomspratjies.

Indien die swartman op grootskaal gevestig gaan word, sal dit een van die grootste uitdaginge wees vir die eindomsregister. Volgens mnr. Koster is die SBL reeds sedert Augustus 1975 besig om swartes op te let in kleinbakebestuur. Dit is goed deur deur middel van ’n program van 15 maande wat nou vir die derde keer aangebied word.

Dit program is uiterst geslaagd. Daar was 27 inskriftings gedurende 1975 en altesame 131 naverde en 89 aansoeke vir die kursus van 1976/77. Daar is reeds 90 aansoeke vir die derde kursus wat in 1978 begin.

Eiendoms-RAPPORT

gehou moet word. Indien die voorgestelde swart staatsraad goedgekeur word, sal die register heel moontlik deur hulle gehou word. Die huidige kostestruktuur van registraas sal besnoei moet word. Bepaal deur seëregering en ooreenkomstig elkeelmal vermy word.

Dit kan verwag word dat die verbande deur die bouverenigings ook verminder sal word. Dit is gevolglik logies dat hulle self die verbande behoort te kan register, Volgens seëregering is dit ’n eenvoudige proses en die huidige duur "procedure" kan nie in hierdie spesifieke geval van swart behuising geduld word sal ontstaan. "Dit is die coördiner van Unisa se Skool vir Bedryfleiding om die eindomsbedryf in 1979 met menings te betreure. Die SBL is teen volle bewus van die leermiddel wat beskikbaar is en gaan in die toekoms geweldig uitbrei wat bestuurste branding betref," het mnr. Koster gesê.
Association against abolition of rent control

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

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

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

Sacrifices

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

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

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

Extension of existing rent control legislation would obviously discourage developers, and his association did not advocate this, Mr. Mortelmans said.
The 39 steps

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

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

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

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

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

One reason that the flats in this block sold so quickly was that the buyers were guaranteed 80% bonds through the Presidential Equity Building Society by the seller, a company controlled by the Pretoria estate agency Flat Holders (Pty).

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

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

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

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

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

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

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

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

Fouche... when will we see the bills?
Housing hit by steel increase

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

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

Bifsa estimated that the cost of an average house would increase by an average of 2.5 per cent. Consequently a house priced at R20 000 would now cost R22 500. The cost on high-rise housing projects would be much more and near an average of 10 per cent, he said.

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

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

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

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

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

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

The Building Industries Federation (Bifa) projects that costs will rise by around 12% in 1978. A 2.5% rise has occurred already by way of the steel price hike in the first few days of this year. And cement and paint increases are in the pipeline. At the same time, the electricity, sugar and bread price increases are likely to result in more wage demands.

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

Last year, tender prices shot up to R160/m² from R110/m² in 1974 and R81/m² in 1968. Comparing prices on this basis can be confusing, however. Sometimes only building costs, i.e. walls, floors, roofing, electricity and plumbing, are included. But some builders include carpeting, driveways and surrounding walls. Then there are overheads, architects' fees, profits and legal costs. And, if the builder is providing finance, that cost has to be built into the price of the house too.

The cost, excluding finance, of building a typical 120 m² house consisting of three bedrooms, two bathrooms, lounge, dining room, kitchen and one-car garage, but without servants' quarters, would have come to R7 300 in 1968, R13 200 in 1974 and R19 200 in 1977 (45% up from 1974 to 1977). But during this last period income went up 33% from R724 to R963 — a difference of 25% after tax.

Another blow for house builder/buyers has been the hike in interest on bond repayments, up from 8.5% in 1968 to 11.5%. Where, in 1968, monthly repayments on a 20-year bond of R9 500 would have been R83, by 1977, repayments on an equivalent (adjusting for inflation) bond of R20 000 would have come to R213 a month.

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

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

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

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

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

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

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

By ESMOND FRANK

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

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

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

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

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

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

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

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

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

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

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

He describes the Commission's recommendations as "a case of one step forward and two steps back."
Cash spent on houses down 30 pc

Michael Chester, Financial Editor

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

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

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

The slump in Port Elizabeth's motor industry has severely affected homeowners in the area.

The Bureau reports that:

- Spending on new houses and flats last year tumbled from R729-million to R568-million.

- On the Witwatersrand, the value of building plans passed for private housing have dropped to only R41-million a month - down 50 percent on levels two years ago.

- Home buyers in the middle-income group are spending less than R20,000 on new houses, compared with a few years ago, when builders argued it was impossible to put up houses for less than R39,000 because of the insistence on luxuries.

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

Low-cost

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

In contrast, the public purse will pour out R470-million on housing for blacks as against R860-million last year.

The big Jilip will come from the R260-million extra allocation by the Government on low-cost housing. The Bureau of Economic Research estimates that R800-million of it will be spent this year, and the rest next year.

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

The Stellenbosch Bureau calculates the share out as R100-million for coloured communities; R60-million for urban black families; R50-million for black families in the homelands; and R50-million for Asian families.
Costs kill City project for Malay houses

Municipal Reporter

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

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

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

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

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

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

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

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

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

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

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

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

The City Council purchased the houses "as slum dwellings" between 1936 and 1939 to demolish them to make way for low-cost housing.
From Mr J G BRAND, City Engineer of Cape Town:

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

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

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

Departmental construction and length of time taken to complete.

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

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

46 dwellings

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

Apart from the conditions of the government grant mentioned above a further condition was that the restoration work was to be to the satisfaction of the National Monuments Council and their architects, whose fees were to be from a charge against the grant. Although my report recommended demolition and rebuilding (rather than restoration) of all but six of the dwellings the National Monuments Council insisted on the maximum degree of restoration throughout and on the retention of virtually every scrap of material in the existing structures in its original position. The acceptance of this condition required a large degree of painstaking planning and restoration of the whole of each dwelling to its original size. On the average, therefore, the reconstructed dwellings are larger not only in plan but also in height, than had been contemplated originally in 1966.

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

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

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

Costs at Mitchell's Plain

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

Firstly, competition is extremely keen at the present time and economies of scale play a tremendous part at Mitchell's Plain. In boom times, however, prices have been far less competitive, and the council's building unit has been able, to construct a variety of projects at lower prices than those offered by way of public tenders. In fact this pertains even today in some projects.

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

Use of paint

PVA on walls

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

Restoration by the Malay community

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

Amended again?

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

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

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

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

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

Since government is presumably not intending to spike its own guns at this stage, it seems likely that it will specifically exempt certain categories of Africans. The bill provides that the Minister may “in his discretion exempt any Bantu or any group or category of Bantu from any of all of the provisions” of the Bantu (Urban Areas) Act, and may “likewise withdraw such exemption.”

The building society movement is hoping that future “homeowners” at least will form one such group for exemption, though the Minister’s discretionary right to withdraw such exemption remains a worry.
Growing housing backlog foreseen

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

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

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

The unfailing remedy of government is the appointment of a board, and on top of that an advisory board to advise the board, and the Minister, on housing policy, he said.

'In the meantime the building industry has fallen upon evil times.

GROW WORSE

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

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

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

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

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

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

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

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

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

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

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

In the Republic R26m a year was spent on pets, R65m on cosmetics, R1.2 billion on liquor and — in the Transvaal alone — R300m a year on horse racing.

In the past 18 months R300m had been spent on television sets, R14m on establishing a single channel service and R48.5m a year in running it. Added to this was an amount of R132m spent on advertising brand name products.

Against these figures were R26m to complete the electrification of Soweto and R28.6m to eliminate the housing backlog there.

The pass laws cost more than R12m to operate. This was a conservative estimate and "but a fraction of the hidden costs."

A breakdown of this figure showed that loss of production through arrest and imprisonment cost more than R7m, patrolling and policing over R11m, imprisonment almost R19m, the issuing and updating of passes R24m, and labour contracts and labour bureaux swallowed over R47m.

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

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

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

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

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

"In any costing exercise some emphasis should be given to human costs of apartheid legislation, but no price tag can be placed on misery," Mr Savage said. — DDC.
Applications for 30-year leases

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

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

The MINISTER OF PLURAL RELATIONS AND DEVELOPMENT:

Since the re-introduction of the 30-year leases on 26/1/76 the figures are as follows:

<table>
<thead>
<tr>
<th>Area</th>
<th>(a)</th>
<th>(b)(i)</th>
<th>(b)(ii)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Transvaal</td>
<td>35</td>
<td>35</td>
<td>nil</td>
</tr>
<tr>
<td>Northern Transvaal</td>
<td>nil</td>
<td>nil</td>
<td>nil</td>
</tr>
<tr>
<td>Highveld</td>
<td>240</td>
<td>11</td>
<td>nil</td>
</tr>
<tr>
<td>Eastern Transvaal</td>
<td>311</td>
<td>309</td>
<td>2</td>
</tr>
<tr>
<td>Southern Transvaal</td>
<td>115</td>
<td>10</td>
<td>nil</td>
</tr>
<tr>
<td>West Rand</td>
<td>1 055</td>
<td>816</td>
<td>194</td>
</tr>
<tr>
<td>East Rand</td>
<td>514</td>
<td>438</td>
<td>3</td>
</tr>
<tr>
<td>Western Transvaal</td>
<td>100</td>
<td>30</td>
<td>nil</td>
</tr>
<tr>
<td>Vaal Triangle</td>
<td>1 320</td>
<td>1 001</td>
<td>nil</td>
</tr>
<tr>
<td>Southern O.F.S.</td>
<td>162</td>
<td>72</td>
<td>9</td>
</tr>
<tr>
<td>Central O.F.S.</td>
<td>636</td>
<td>610</td>
<td>2</td>
</tr>
<tr>
<td>Northern O.F.S.</td>
<td>166</td>
<td>66</td>
<td>2</td>
</tr>
<tr>
<td>Natal</td>
<td>nil</td>
<td>nil</td>
<td>nil</td>
</tr>
<tr>
<td>Drakensberg</td>
<td>271</td>
<td>259</td>
<td>32</td>
</tr>
<tr>
<td>Port Natal</td>
<td>nil</td>
<td>nil</td>
<td>nil</td>
</tr>
<tr>
<td>Northern Cape</td>
<td>nil</td>
<td>nil</td>
<td>nil</td>
</tr>
<tr>
<td>Diamond Field</td>
<td>240</td>
<td>62</td>
<td>32</td>
</tr>
<tr>
<td>Cape Midlands</td>
<td>1 377</td>
<td>316</td>
<td>20</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>200</td>
<td>200</td>
<td>nil</td>
</tr>
</tbody>
</table>

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

23. Mr. W. V. RAW asked the Minister of Community Development:

(i) Whether he intends to implement the recommendation by the Commission of Inquiry into Housing Matters that rent control be abolished in respect of all dwellings; if so,

(ii) what provision will be made for the housing of tenants who are evicted or unable to meet increases of rental.

11. **Dink.**

(i) The MINISTER OF THE INTERIOR (for the Minister of Community Development):

(ii) Finality in this connection has not yet been reached but an announcement will be made shortly.

(iii) falls away.

12. **Hoe belangrik is dit vir u arbeiders dat hulle kinders onderwys kry.**

13. **Doendie onderwyser enige buitemuurse werk (b.v. onderrig in die godsdienst aan werkers). Indien ja, spesifiseer.**

14. **Dink u dat, met die ontwikkeling van u plaas, u geleidelik meer ervare en opgeleide werkers nodig sal hê vir tegniese administratiewe en soortgelyke werk. Indien ja, spesifiseer.**
5.10 **SPIRITUAL MINISTRATION**

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

6. **CONCLUSION**

This memorandum is intended as a guide for study by farmers' associations. It is recommended that a labour study committee be appointed by each farmers' association to give attention to the contents of the memorandum and other matters pertaining to their respective areas. Under the guidance of the memorandum, the matter can then be considered.

The Union wishes to stress that it is the responsibility of the Minister of Community Development:

<table>
<thead>
<tr>
<th>Province</th>
<th>Whites</th>
<th>Coloureds</th>
<th>Asians</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cape Province</td>
<td>369</td>
<td>129</td>
<td>68</td>
</tr>
<tr>
<td>Transvaal</td>
<td>499</td>
<td>12 390</td>
<td>42</td>
</tr>
<tr>
<td>Orange Free State</td>
<td>122</td>
<td>826</td>
<td>1 002</td>
</tr>
<tr>
<td>Natal</td>
<td>759</td>
<td>1 600</td>
<td>97</td>
</tr>
</tbody>
</table>

Contracts for 35 645 Coloured dwellings and 12 234 Indian dwellings have already been awarded or will be awarded shortly and taking into account weather conditions and other circumstances the delivery rate in 1978 will depend on how speedily contractors are able to deliver dwellings.
The provision of water in or near the house cannot be over-emphasized.

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

(a) What was the estimated shortage of houses for White, Coloured and Asiatic persons, respectively, in each province as at 31 December 1977;

(b) how many houses were made available for occupation by persons of each race group in each province during 1977 by (a) his Department and (b) local authorities.

The MINISTER OF COMMUNITY DEVELOPMENT:

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

<table>
<thead>
<tr>
<th>Province</th>
<th>Whites</th>
<th>Coloureds</th>
<th>Asians</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cape Province</td>
<td>56</td>
<td>29</td>
<td>1200</td>
</tr>
<tr>
<td>Orange Free State</td>
<td>21</td>
<td>298</td>
<td>2340</td>
</tr>
<tr>
<td>Natal</td>
<td>1093</td>
<td>7200</td>
<td>553</td>
</tr>
<tr>
<td>Transvaal</td>
<td>830</td>
<td>217</td>
<td>553</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Province</th>
<th>Whites</th>
<th>Coloureds</th>
<th>Asians</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cape Province</td>
<td>5193</td>
<td>35645</td>
<td>12234</td>
</tr>
</tbody>
</table>

The allocation of houses for workers and farmers make use of this housing conditions on farms longer be blamed for the poor.

important responsibilities ent attention without delay.

farming a fair loan scheme

17. Mr. WOOD asks the Minister of Community Development to make a survey of the school facilities on farms, as well as for such facilities happen that such facilities by the Department.

The scheme whereby the necessary buildings provided by the farmer or group of farmers are leased
Mandy backs ending of rent freeze

Frank Jeans

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

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

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

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

In a hard-hitting reminder of the commission's attitude to the system, Mr. Mandy said it saw it as a discrimination between landlord and tenant, and, between tenant and tenant.
New Bill will boost SA housing, says Steyn

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

The Minister of Community Development, Mr. Marais Steyn, said the purpose of the Co-ordination of Housing Matters Bill was to streamline housing provision and to co-ordinate the efforts of his department, provincial administrations and municipalities.

The Bill provided for establishing a housing matters advisory committee to advise the Minister on which the directors of local government in every provincial administration would serve.

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

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

- Township establishment procedures;
- Provision and sites of residential premises;
- Standards of housing and essential services;
- Measures relating to the township establishment industry.
28. Mr. N. B. WOOD asked the Minister of Statistics:

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

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

(3) what was the (a) percentage and (b) amount allocated to (i) education and (ii) housing in respect of each race group.

The MINISTER OF STATISTICS:

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

<table>
<thead>
<tr>
<th>(a) Percentage of Gross National Product</th>
<th>(b) Amount R Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health:</td>
<td></td>
</tr>
<tr>
<td>Republic</td>
<td>2.61</td>
</tr>
<tr>
<td>Homelands</td>
<td>0.30</td>
</tr>
<tr>
<td>Social welfare services</td>
<td>1.51</td>
</tr>
<tr>
<td>Education:</td>
<td></td>
</tr>
<tr>
<td>Whites</td>
<td>2.88</td>
</tr>
<tr>
<td>Coloureds</td>
<td>0.53</td>
</tr>
<tr>
<td>Asians</td>
<td>0.22</td>
</tr>
<tr>
<td>Bantu</td>
<td>0.70</td>
</tr>
<tr>
<td>Housing:</td>
<td></td>
</tr>
<tr>
<td>Whites, Coloureds and Asians</td>
<td>0.69</td>
</tr>
<tr>
<td>Bantu</td>
<td>0.54</td>
</tr>
</tbody>
</table>

In the case of (3)(ii) separate figures in respect of Whites, Coloureds and Asians are not available. Transkei is excluded.
R4-m boost for black housing

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

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

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

**BONUS**

Fulder rights would qualify black homeowners for building society bonds.

Mr Haslett said that a R100000 housing scheme in Pinelville, Soweto, financed by IBM, the Natal Building Society, Southern Life and Federated Employers' Insurance, for employees, had begun.

He said more black housing would help stimulate the economy.

**PROGRAMME**

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

**gebruik van plaasmasjinerie (jaarliks)**

(i) Ontspanningsgeriewe verskaf:
Koste aan boer (jaarliks):

(j) **Gesondheidsdienste:**
Jaarlike koste aan boer van: doktersrekeninge betaal medisyne vervoer na en van geriewe ander

(j) Totale mediese koste

(k) Pensienbydrae deur boer (jaarliks)

(l) Versekeringsbydrae deur boer (jaarliks)
Huge need is admitted

Parliamentary Correspondent

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

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

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

However, the department added, housing had been provided in Black residential areas "on a scale unprecedent on our continent."

The home-ownership scheme had been re-introduced in an attempt to alleviate the shortage and already an estimated 50 percent of 1,000 houses in Black areas outside the homelands were owned under this scheme.

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

Church support for ‘fair jailing’

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

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

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

Jaarlikse koste aan boer van: doktersrekeninge betaal medisyne vervoer na en van geriewe ander

Totale mediese koste

Pensioenbydrae deur boer (jaarliks)

Versekeringsbydrae deur boer (jaarliks)

asjinetie
House backlog grows

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

bureaucratic therefore some and live in

Conclusion a

The admission was made in the last annual report of the Department of Bantu Administration and Development before its renaming as the Department of Plural Relations earlier this year. The report, for the 1976/77 financial year, said: "It is conceded that there is a tremendous housing backlog and the need for housing is increasing by the day. There is no country where the authorities are in a position to meet the housing needs of the entire population."

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

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

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

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

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

Political Staff

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

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

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

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

WESTERN CAPE

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

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

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

Dr Nihito Motiane, leader of the Soweto Committee, said, "I think the stock is only for 'unfettered', freehold land tenure, and added that the Government had made no reference to this particular matter."
More black housing: key to harmony

Political Staff

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

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

PRIORITY

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

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

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

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

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

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

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

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

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

In u lewensomstandighede? (behuising, ontspanningsgeriewe)


3. Watter probleme ondervind u met u werk?
Rent control to be ended

By DEREK SMITH
Property Editor

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

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

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

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

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

The decision is in line with recommendations by the Fouche Commission which was appointed to investigate the Rents Act. The provisions announced by Mr Steyn include:

- The units occupied by residential buildings occupied after January 1, 1990.
- Premises occupied after May 31, 1986, are not controlled.
- The exception will not apply to homes occupied by families earning less than R350 a month (with no children), R440 a month (one or two dependent children), R590 a month (three or four dependent children) and R540 a month (more than four dependent children).

Control will be re-imposed summarily where there is exploitation.

The next step advocated by the Fouche Commission will be to de-proclaim all housing units occupied after January 1, 1995. This would later be extended to cover units occupied after January 1, 1996, and another year later, all units would be decontrolled.

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

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

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

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

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

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

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

---

3. The shape of the marginal returns to saving curve (TP)

4. Under all is

5. The fixed

(a) are 
(b) when 
(c) increase in 

your name and number on that sheet.

unit of output = a firm's
Landlords can now say 'go'

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

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

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

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

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

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

He said buildings, houses or flats which have been released from rent control may be sold.

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

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

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

He said the assurance that control would be re-imposed if exploitation resulted "sounded hollow."

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

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

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

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

It is estimated more than 400,000 people in 257,000 houses and flats will lose the protection of rent control.
ALTHOUGH, to begin with, it may cause hardship to some people, and treat some landlords and tenants less fairly than others, the Government's decision to phase out rent control is unquestionably in the general interest.

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

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

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

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

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

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

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

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

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

This is the feeling of a number of agents surveyed by Homefinder who believe that this latest concession by Government — which follows one of the recommendations of the Fouche Commission on Housing — could open up a whole new market of potential buyers to them. They feel that the latest move will give a further boost of confidence to the marketplace, already stirring again after some useful concessions in the recent Budget.

The abolition of rent control on flats not occupied prior to January 1, 1960 has been labelled as a "step in the right direction" by property and business people, although many had been hopeful that the Act would have been scrapped in toto.

Eddie Farnell, chairman of the United Tenants' Rights Association, which claims to represent thousands of tenants in rent-controlled buildings, tells Homefinder that he is all in favour of Government instituting a grading system for flats similar to that used with hotels, with landlords being granted increases according to their upkeep of buildings. Other than this, he says, it only seems fair that landlords are now being given some relief.

JH Issacs' Erol Friedman — whose company administers something like 200 blocks of rent-controlled flats — tells the Express that the bulk of these units are pre-1960 and are afforded no relief by the latest concession. It seems unlikely at present that there will be any great rush to jack up rents in most of the exempted blocks because of the current over-supply in flat accommodation, he says.

However, his company will be looking at valuations of buildings within the next two weeks, and where merited rents will be increased. The new concession is also highly unlikely to result in any immediate increase of activity in the building of rental flats, according to most leading agents and developers polled by the Express.

Quite apart from the existing oversupply of flats, in most categories that would make flat building an unattractive proposition at present, current building and finance costs seem likely to put these units, no matter how humble, into the "luxury" class.

Bachelor units, says one developer, may even have to rent at treble that of many equivalent units being offered on the market today, and would be quite out of reach of the young market at which they are aimed.
MONDAY, 10 APRIL 1978

†Indicates translated version.

For written reply:

**Housing for Coloured persons †**

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

(1) (a) How many housing units for Coloured persons were built throughout the Republic during 1977 with the assistance of his Department, (b) where were they built and (c) what is the estimated number that will be built in 1978?

(2) (a) what was the estimated shortage of houses for Coloured families as at 31 December 1977 and (b) when is it expected that the shortage will be eliminated.

The MINISTER OF COMMUNITY DEVELOPMENT:

(1)(a) and (b) and 2(a) the required particulars were furnished on 1978-03-01 in my reply to Question 16.

(1)(c) the required particulars were furnished on 1978-03-02 in reply to Question 107.

(2)(b) By 1985 provided that sufficient funds are placed at the Department's disposal so that 18 000 dwelling units may be constructed annually and the private sector meets twenty per cent of the total housing needs.
May increases in wake of Rent Act move

Property Reporter

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

But although the owners of de-controlled buildings (those occupied after January 1, 1960 up until 1st June 1966) have been given permission to increase their rentals by a maximum of 10 percent for the first two years, the increases will not be automatic.

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

Mr. Woody Harrison, managing director of RMS/Syfrets, said each building which his company administered would be treated on its merits.

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

Mr. Basil Leven, managing director of J. H. Isaac Geshe, said it was not a case of when the increases would be applied but whether they would be applied. The justification for the increase had to be carefully balanced with the capacity for tenants to pay.

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

One effect of the amendment is that tenants who enjoyed the status of statutory tenants under the Rents Act may now be given notice to leave. Previously if a rent-controlled flat was sold the purchaser would have no right to evict the tenant and occupy the premises himself if he claimed the rights of a statutory tenant.

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

11/4/78
(m) R431 376
(n) R88 839
(iii) R3 124 122
(iv) R1 362 365
(v) R69 908
(vi) R64 255
(vii) R222 586
(viii) R1 160 662
(ix) R995 012

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

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

The MINISTER OF COMMUNITY DEVELOPMENT:

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

(b) It is unfortunately not practicable to provide reliable statistics in respect of amounts allocated to current and new schemes because allocations, which are made at the start of each financial year, are intended for spending in the course of the full financial year. In any event allocations represent only estimates of anticipated expenditure and as such they are subject to adjustment according to how much faster or slower than anticipated building operations progress and claims for completed work according to the building rate are received and paid out.
Brave new world

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

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

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

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

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

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

Odd bedfellows

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

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

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

They will be found despite the cushioning effect of the phase-out. This is how the phase-out works: as from last week, all buildings occupied for the first time after January 1 1960 are de-controlled; this time next year, control is rolled back to 1955; a year later, to 1950 and a year after that, to all buildings. And when a building is de-controlled, rent increases are limited to 10% a year for two years.

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

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

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

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

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

The first de-control phase releases 63 000 dwellings in which about 100 000 people live. By the time de-control is complete, all 237 000 rent-controlled dwellings (19.3% of the white dwellings in SA, in which nearly 500 000 people live) will be on the open market.

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

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

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

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

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

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

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

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

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

Mobile homes: Report of Commission of Inquiry into Housing Matters

2. INTERVIEWS AND REPORTS

LESOTHO

“Mr. B. MILLER asked the Minister of Community Development:

(1) Whether he received representations from the Mobile Homes Association of South Africa in respect of the report of the Commission of Inquiry into Housing Matters; if so,

(2) Whether he will make a statement on the attitude of his Department towards mobile homes as an additional source of low cost housing in South Africa.

TRANSVAAL

Lowvel Market

The MINISTER OF COMMUNITY DEVELOPMENT:

(1) Yes.

NATAL

Discuss Demand and supply

The MINISTER OF COMMUNITY DEVELOPMENT:

(2) As fully motivated by the Commission of Inquiry into Housing Matters in its report (pages 41 to 44), my Department agrees that mobile homes should not be summarily rejected and that they should be permitted as auxiliary to existing forms of housing. Owing to certain disadvantages these homes cannot at this stage be successfully applied to housing for the lower income groups in South Africa.

Mr Abel Phelps at Pietermaritzburg - First class protein; Eggs; Lemna; Wastes; Comfrey; Fish pellets.

Discussion with Mr Paul Colvin at Valley Trust - Tilapia management; Draining ponds; Draining problems; Sorting out the fish; Ecological rotation system.

NAMIBIA

Fish exploitation in Caprivi and Owambo by Dr Ben van der Waal.

HOMELANDS

A review of fish exploitation by Dr Ben van der Waal.
Hansard 12 28 April 1978
Question 11 Col. 913 a-914

11. Dr. J. MANZELIA (Wilro) to the Minister of Community Development:

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

[The MINISTER OF COMMUNITY DEVELOPMENT]

Yes.

(a) 1971-02-01 but in respect of existing tenants the effective date was extended to 1978-02-01.

(b) The hon. member is referred to the debate on the "Community Development" Vote last year during which I made a statement on the matter and gave reasons for this step (Hansard: col 10234).

APRIL 1978 714

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

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

HOUSE OF ASSEMBLY. — The Minister of Community Development, Mr Marius Steyn, has acted against an owner who increased a Durban rental from R140 to more than R300 a month.

He said in the House of Assembly yesterday he hoped this would serve as a warning. He would not hesitate to reimpose rent control if landlords took advantage of its phasing out to exploit tenants.

The Minister was replying to his vote in the Budget debate.

Rent control was a relic of the emergency conditions during the depressed time of World War II, and had been imposed to prevent landlords exploiting these conditions.

There had been a shortage of white housing then, but it now appeared there was a surplus, so rent control was being phased out to give responsible landlords a chance to take charge of their own properties.

"We cannot expect them to take the social responsibility of long-term housing and allow people who do not need it to take advantage of rent control," he said.

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

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

When he announced, on April 8, that rent control would be phased out, Mr Steyn said rents should not be increased by more than 10% a year for two years.

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

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

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

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

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

These amounts will be in addition to

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

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

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

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

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

The Secretary for Community

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

The Department of Community Development adds:

"Each and every application from the Bantu Affairs Administration Boards (Baabs) for this year has been approved and the funds provided."

According to the recent Department of Statistics news release, Anticipated Capital Expenditure of the Public Sector, the various Baabs will be spending R50m on housing this financial year, slightly more than double last year's sum. Local authorities will be spending R136m, also about double last year's sum. R96m of the R136m will be spent in the Cape — no doubt reflecting the fact that most of the money will go on coloured housing. Cape divisional councils will spend R20m, and the SA Bantu Trust-R23m.
Tighter bonds

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

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

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

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

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

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

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

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

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

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

Those who know better

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

That some people may have suffered in the early Seventies by buying houses beyond their means, in the vain hope that both their incomes and property prices would rise to take care of this, is no doubt true. But the extent of this can easily be exaggerated, and must be set against the fact that the recession of recent years has been so severe that some homebuyers would have become financially embarrassed, whatever restrictions had been imposed on domestic mortgages.

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

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

Relaxing the rules

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

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

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

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

As for the 25% rule, when the Fouché report first recommended that it be enforced some societies were dead against it. They preferred to keep some discretion in the amount of loans granted to individuals. There is, they argued, a big difference between a young man on a rising salary and a middle-aged man with a more-or-less fixed income. And besides, how could they assess the income of a self-employed person?

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

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

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

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

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

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

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

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

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

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

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

The effect of this move is that from June 1, sub-economic tenants earning between R151 and R200 will have to pay a penalty rent. Previously, only tenants earning more than R200 paid penalty rents.
Approval
for R23m housing

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

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

The new schemes approved include housing worth R2.3 million for whites, R5.9 million for coloured people (mainly at Atlantis in the Cape and Newlands in Durban), R3.6 million for Asians (at Umkolomgu) and R11.7 million for Africans (mainly at Kimberley, Cape Town and Bloemfontein).
Call for blacks to build homes

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

Speaking at the annual congress of the South African Property Owners' Association, Mr Fouche said for this to happen no group must demand standards they or the country as a whole could afford, and black population groups must play a progressively larger part in housing themselves.

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

Whites needed 27,800 homes a year to meet their needs, and Asians 2,900 a year to meet their population increase and another 8,600 a year to catch up on the backlog.

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

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

Avengers held

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

High Coloured

EAST LONDON — Massive unemployment is one of the most important fc.

13

20/7/78
529. Mrs. H. SUZMAN asked the Minister of Plural Relations and Development:

What amount was spent on housing during the period 1 April 1976 to 31 March 1977 by each Bantu Affairs Administration Board?

753

**WEDNESDAY, 10 MAY 1978**

The MINISTER OF PLURAL RELATIONS AND DEVELOPMENT:

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

<table>
<thead>
<tr>
<th>Area</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Northern Transvaal</td>
<td></td>
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<tr>
<td>Central Transvaal</td>
<td>792 850</td>
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<tr>
<td>Western Transvaal</td>
<td>581 561</td>
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<tr>
<td>West Rand</td>
<td>1 175 209</td>
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<tr>
<td>East Rand</td>
<td>4 497 666</td>
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<tr>
<td>Veld Triangle</td>
<td>4 437 395</td>
</tr>
<tr>
<td>Highveld</td>
<td>793 018</td>
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<tr>
<td>Eastern Transvaal</td>
<td>375 778</td>
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<tr>
<td>Southern Transvaal</td>
<td>354 211</td>
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<tr>
<td>Northern O.F.S.</td>
<td>1 023 049</td>
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<tr>
<td>Central O.F.S.</td>
<td>721 988</td>
</tr>
<tr>
<td>Southern O.F.S.</td>
<td>602 457</td>
</tr>
<tr>
<td>Northern Natal</td>
<td>598 588</td>
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<tr>
<td>Drakensberg</td>
<td>132 035</td>
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<tr>
<td>Port Natal</td>
<td>1 214 134</td>
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<tr>
<td>Northern Cape</td>
<td></td>
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<tr>
<td>Diamond Fields</td>
<td>325 041</td>
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<tr>
<td>South West Cape</td>
<td>426 454</td>
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<tr>
<td>Peninsula</td>
<td>256 115</td>
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<tr>
<td>Karoo</td>
<td>241 502</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>1 238 741</td>
</tr>
<tr>
<td>Cape Midlands</td>
<td>3 039 135</td>
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</tbody>
</table>

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

Southern Africa Regional Tourism Council

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

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

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

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

The MINISTER OF PLURAL RELATIONS AND DEVELOPMENT:

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

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

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

In addition to the above-mentioned information Homeland Governments also provided housing from funds on their budgets, but information about this is not readily available.

<table>
<thead>
<tr>
<th>Location</th>
<th>Number</th>
</tr>
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<tbody>
<tr>
<td>West Rand</td>
<td>2,753</td>
</tr>
<tr>
<td>East Rand</td>
<td>5,675</td>
</tr>
<tr>
<td>Vaal Triangle</td>
<td>5,646</td>
</tr>
<tr>
<td>Bloemfontein</td>
<td>4,431</td>
</tr>
<tr>
<td>Pietermaritzburg</td>
<td>2,445</td>
</tr>
<tr>
<td>Port Elizabeth</td>
<td>5,333</td>
</tr>
</tbody>
</table>
Dwellings to be completed for Bantu

(1) What is (a) the estimated number of dwellings for Bantu which will be completed during 1978 in (i) each of the major urban areas and (ii) the homeland areas and (b) the estimated total number for South Africa for that year;

(2) what is the total amount of State funds available for Bantu housing for the financial year 1978-79.

The MINISTER OF PLURAL RELATIONS AND DEVELOPMENT:

<table>
<thead>
<tr>
<th>(1) (a)</th>
<th>(i) Johannesburg</th>
<th>2 500</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Port Elizabeth</td>
<td>1 300</td>
</tr>
<tr>
<td></td>
<td>Cape Town</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Bloemfontein</td>
<td>1 000</td>
</tr>
<tr>
<td></td>
<td>Vaal Triangle</td>
<td>1 800</td>
</tr>
<tr>
<td></td>
<td>East Rand</td>
<td>830</td>
</tr>
<tr>
<td></td>
<td>Pretoria</td>
<td>650</td>
</tr>
<tr>
<td></td>
<td>Kimberley</td>
<td>300</td>
</tr>
</tbody>
</table>

(ii) From South African Bantu Trust funds—R5 551. In addition homeland Governments will erect houses from their funds, but information in this connection is not readily available.

(b) This information is not readily available.
houses have been provided before amenities such as schools, shopping, playgrounds, etc. At Chatsworth, where building started in 1964, some of these facilities are only now being provided.

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

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

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

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

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

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

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

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

Indians complain that many of the mistakes made at Chatsworth are being repeated at the new township of Phoenix. One of the biggest grumbles is that..."
Question 519, 609, 4165.

FRIDAY, 12

Housing backlog/demand for Bantu housing

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

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

The MINISTER OF PLURAL RELATIONS AND DEVELOPMENT:

The information as requested is not readily available.
The MINISTER OF PLURAL RELATIONS AND DEVELOPMENT

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

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Community Development</th>
<th>S.A.B.T.</th>
<th>Private sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972-73</td>
<td>R5 670 284</td>
<td>R3 456 618</td>
<td>nil</td>
</tr>
<tr>
<td>1973-74</td>
<td>R6 026 402</td>
<td>R12 234 787</td>
<td>nil</td>
</tr>
<tr>
<td>1974-75</td>
<td>R6 611 385</td>
<td>R18 099 990</td>
<td>nil</td>
</tr>
<tr>
<td>1975-76</td>
<td>R9 811 387</td>
<td>R29 255 494</td>
<td>nil</td>
</tr>
<tr>
<td>1976-77</td>
<td>R9 619 169</td>
<td>R33 000 000</td>
<td>R17 100 800</td>
</tr>
</tbody>
</table>

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

(1) How many state witnesses in terrorism trials were damaged as a result of attack on them?

(2) On how many occasions was the right to cross-examine a state witness interfered with, and in how many instances was the right to cross-examine a state witness interfered with in the period of 12 months ending 31st December 1977.

<table>
<thead>
<tr>
<th>Period</th>
<th>Number of occasions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976-77</td>
<td>3</td>
</tr>
</tbody>
</table>

572. Mr. M. RODGERS asked the Minister of Social Services:

(1) In what residential areas did the programme of the provision of basic services in the townships reach its first stage of implementation in 1977 and what phase of implementation was reached in these residential areas?

(2) In what residential areas was the programme of the provision of basic services in the townships not started in 1977 and what phase of implementation was reached in these residential areas?

573. Mr. P. GRYSPEN asked the Minister of the Interior:

(1) What were the reasons for the delay in the rehabilitation of the Koeberg Dam?

(2) Is any further assistance being provided by the Department to the Koeberg Dam, and if so, in what form.

574. Mr. M. DUBE asked the President of the Transkei Government:

(1) What has been the most significant event in the life of the Transkei people during the year 1977?

(2) What steps have been taken to improve the conditions of life of the Transkei people during the year 1977?

575. Mr. S. MEYERS asked the Minister of Finance:

(1) In what respects has the South African rand depreciated in terms of the British pound sterling during the year 1977?

(2) In what respects has the South African rand depreciated in terms of the United States dollar during the year 1977?

A draft memorandum of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position of the approximate position 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HOUSING AND PROPERTY

Good for a little FM 31/3/78

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

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

Even on the platteland the concession will eventually become unrealistic as prices rise. As with the R18,000 bond limit, this is another regulation which makes no allowance for inflation. Government can now expect years of lobbying to have the R20,000 raised as rising prices make it look more and more absurd.

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

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

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

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

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

Not much to start with, the societies tell the FM. The Natal Building Society, for instance, reckons that although it can’t yet accurately assess the demand from blacks, it’s unlikely to be great initially. NBS hazards a guess that it will be making no more than between 100 and 200 loans a month to blacks. In money terms that’s around R1m a month — very small beer.

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

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

Deur ALPHONS DU TOORT

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

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

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

Aanvanklik was die plan om sowat 35 huise te bou en dit later te vermeerder. "Maar, sé mnr. Albertyn, die konsortium is nie 'n dorpsontwikkelaar nie."

Gevolglik is die Stedelike Stigting genader en die projek is daadlik oorge neem. En die Stigting is nou voornemens om 'n pragwoonbuurt vir swartes te ontwikkel. Die onmiddellike plan is meer as 1 000 huise binne ongeveer 18 maande te neem 'n koste van meer as R10 miljoen.

Die gebied Pimville was vroeër 'n plakkers dorp. Metertyd is die krotte gestroop en tot onlangs was Sone Vyt maar kaal grond.

Nou prank daar al 35 huise van 'n verbeterde en aantreklike ontwerp as in elke ander swart woonbuurt. Dortig van die huise is reeds verkoop teen pryse wat wissel tussen ongeveer R7 000 en R10 000. Teerstrate word uitgele, elektries te, water en riool is aangelye terwyl voorsiening gemaak word vir parke, skole en kerkie.

Die gedagte is dat die nuwe Pimville moet ontwikkel in 'n uiteen aantreklike middelklas-woonbuurt vir die stedelike swartes.

"Ons dilemma is aan die begin," sé mnr. Albertyn, "was die argument dat tot projek, en 'n beroep gedaan op werkgevers in private ondernemings om deur die Stigting te werk te gaan om van die geleentheid gebruik te maak om hul eie swart werknemers te help.

Eiendoms-RAPPORT

Dat eiendomsreg aan stedelike swartes toegestaan word, sal elke beweging deur die private sektor om swart behuising beskikbaar te stel as steun vir onvertelde huurongenkomste gesien word."

Die probleem is met ver skome belangrike en invloedryke swart gemeenskapsleiers bespreek. Daar is gevind dat boeiewel die eiendomsreg die ideale situasie is, is die behoefte van die swartes aan veral verder." sé behuising.

Mnr. Albertyn praat van 'n tof van die heelhartige onderssteuning wat aan die konsortium gegee is deur die Natal-Houvereiniging en die Wes-Randse Administrasieraad.

Mnr. Albertyn het die Stedelike Stigting bedank vir sy oornamo van die
Question 658, Col. 884a.

Amount spent on family housing for Blacks

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

(1) How much of the R115m. spent in 1976 on housing was spent on (a) family houses; (b) hostel?

(2) How much was spent in the homelands and on Venda?

Wednesday

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

The MINISTER OF PLURAL RELATIONS AND DEVELOPMENT:

(1) (a) and (b) Separate figures are not readily available.

(2) (a) R93 691 557.
    (b) R22 719 969.

(3) (a) R99 310 726.
    (b) R17 100 800.
THURSDAY, 8 JUNE 1978

Indicates translated version.

For written reply:
Abuses arising out of lifting of rent control

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

(1) Whether his Department has received any complaints of abuses arising out of the lifting of rent control; if so,

(2) how many complaints were received from each of the main urban centres:

(3) whether any action has been taken in respect of these complaints; if so, what action;

(4) whether he will make a statement on the reaction of the public to date to the lifting of rent control and to the conditions attached to the lifting.

The MINISTER OF COMMUNITY DEVELOPMENT:

(1) Yes.

(2) Cape Town 3
Durban 2
Port Elizabeth 1
Pretoria 6
B销毁town 1
Johannesburg none

(3) Yes, each complaint is being investigated to determine whether it is well-founded. Further action will depend on the nature of the complaint as well as the result of each investigation.

Where exploitation is proved I shall not hesitate to re-impose rent control in respect of the premises concerned.

(4) The small number of complaints received speak for themselves and is a clear indication that the general public accepts the decision to phase out rent control and that lessors are generally abiding by the conditions to which exemption from rent control was made subject.
GUGULETU

Black housing costs

THE ASSEMBLY — More than 50 per cent of the R113.2 million spent on black housing during 1978 went on homes in the homeland.

This was disclosed by the Minister of Public Relations, Dr. Nicker, yesterday in reply to a question tabled by Ms. Helen Suzman (FFP). The Government proposed R89 310 728 of the loans while the private sector contributed R7 710 000 — PC.
Family housing units for Blacks built in each major urban centre

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

(1) How many family housing units for Blacks were built during 1977 in each of the major urban centres in the Republic other than Port Elizabeth;

(2) what was the shortage of such units in each such center at the end of that year.

The MINISTER OF PLURAL RELATIONS AND DEVELOPMENT:

<table>
<thead>
<tr>
<th>Centre</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bloemfontein</td>
<td>431</td>
</tr>
<tr>
<td>West Rand</td>
<td>422</td>
</tr>
<tr>
<td>Lenasia</td>
<td>1362</td>
</tr>
<tr>
<td>Vaal Triangle</td>
<td>577</td>
</tr>
<tr>
<td>Pretoria (Mahlangu East)</td>
<td>1000</td>
</tr>
<tr>
<td>Durban (Umlazi)</td>
<td>250</td>
</tr>
<tr>
<td>(Ntuzuma)</td>
<td>500</td>
</tr>
<tr>
<td>Pietermaritzburg (KwaZulu)</td>
<td></td>
</tr>
<tr>
<td>(Fidelidade area)</td>
<td>185</td>
</tr>
<tr>
<td>East London (Mlantsane)</td>
<td>400</td>
</tr>
</tbody>
</table>

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

(2) The shortages of such units are derived from waiting lists which are unreliable and accurate information is therefore not available.
Migrant Workers in Cape Town - 1976

Black Leasehold

The right to remain in the con.

Nineteen year leasehold has now been
put onto the Statute Book. But whether
the rights under leasehold will auto.

men living en blockly in the Panin.

Firstly

 qualify for

Then

Section 19

are a

permanent

contracts a 1968, which restrict the legal
is a a great deal of a degree than previously.

on stipulates that all contracts entered into with
be for a maximum of one year, and that at the end of
return to the reserve in order to enter into a new

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

[Note: This paper, men have qualify under Section 10(la) or b) for permanent
residence in the urban area are termed local men; those men whose right
to be in the urban area is dependent upon their contract with an employer
are termed contract workers.

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

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

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

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

This two-pronged attack on housebuyers and builders is timely. Construction costs of conventional brick homes are climbing while the populace cries out for more, high-quality dwellings.

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

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

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

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

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

THE PICTURES PAPER (March 17)
minute every houses spent on

About 80% of all housing for the coloured community is substandard and dilapidated. In the three districts of South Africa, the situation is as follows: in the Eastern Cape, where about 20% of the population is coloured, there are only 15,000 houses, of which 13,000 are substandard. In Natal, where about 25% of the population is coloured, there are only 20,000 houses, of which 18,000 are substandard. In the Transvaal, where about 30% of the population is coloured, there are only 30,000 houses, of which 28,000 are substandard. In the northern parts of the country, where about 40% of the population is coloured, there are only 50,000 houses, of which 48,000 are substandard. In the last mentioned, there are only 50,000 houses, of which 48,000 are substandard. In the last mentioned, there are only 50,000 houses, of which 48,000 are substandard. The total value of the houses is estimated at R150 million.
Anyone for a second helping?

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

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

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

In some cases they may not be. This is because in the new differential interest rate pattern, still to be announced, interest rates will be based on the amount of the bond alone, as opposed to the current base of bond amount plus house value. If a borrower has a small second bond at a high interest rate, by borrowing more on the first bond to pay off the second he may push the interest rate on the whole bond into a higher category. And by paying 0.5% more on the lot he may be worse off.

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

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

Building societies are still “conservative” on loans over 80% of value.
Self help is key to a new housing plan.
White homes sold for a song

By PETER MANN

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

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

Mr. Mngnlala is said to have bought a house for R1500 in 1972. The South African Government paid R1500 for the house, which is in Umntata's exclusive Delville Road next to the golf course.

The houses that are being sold were handed over to Transkei as a gift by the South African Government at the time of independence in 1976. The gift cost South African taxpayers millions of rand and represented the amount spent by the South African Bantu Trust which bought out whites who wanted to leave Umntata.

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

And searches in the deeds office by a SUNDAY TRIBUNE reporter this week caused an angry official to warn: "The Prime Minister gets very angry when journalists look at the deeds."

Other startling claims which emerged during the investigation were:
- The purported sale of a house on the corner of Park Avenue and Delville Road to the Secretary for Justice and Prisons, Mr. J. D. Zeka, for R2100. Although his wife has told several people that this was the price, Mr. Zeka denies this.
- In 1976 the South African Government paid R12,000 for the house. Its value has more than doubled since. The municipal value of the house is R30,778.
- The purchase of a house at 12 Eagle Street by the Secretary for Education, Mr. T. M. Mhambisa.

Mr. Mhambisa paid R5,600 for the six-roomed house. It has a municipal value of R16,500. In 1979 the South African Bantu Trust paid R7,500 for it.

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

A source close to the Department of Local Government said there was a long list of Government officials who had bought or were buying houses.

"The prices are all between R2,000 and R4,000," the source said.

Prime Minister Matanzima is reported to be negotiating to buy a house at H. Mbowe Street. The house overlooks the golf course and is said to have the best position in town.

In 1976 the South African Bantu Trust paid R48,000 for it.

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

See Page 4.
Cheap houses for officials

Transkei Government
V.I.P.s Live in Houses Bought by the South African Bantu Trust — and Some Are Buying

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

They include:

- The Secretary for Transport, Mr. Ashton Dumbira, who recently moved into a house in a massive home — also in

Russian Land. White Trust — a Mission Prison —

[Footnote: For the French revolution of the nineteenth century, see p. 244.]

Special report by Peter Mann

Prime Minister Chief Kaena Matsanzima is said to be interested in

Government in 1953 bought a house for R5 000. An indication of how the value has increased is that the municipal valuation is now R170.

- The Secretary for Agriculture, Mr. Sydney Okaa, bought the house for R159.

- The Secretary for Foreign Affairs, Mr. B. Dehle, bought the house for R149.

- Mr. L. E. Nekor, the Secretary for the Interior, is living at 12 Alexander Road. In 1953, the South African Bantu Trust bought the house for R100. It has a municipal valuation of R170.

[End of special report by Peter Mann]

However, he later said that some of the people named were "indian houses."

He did not say which of the officials were named because he was named were "indian houses.

Mr. Nekor replied: "I am sorry, but no one can tell me what they think of the houses."

[End of special report by Peter Mann]

The Secretary for Justice and Prisons, Mr. Zeeka, said that the department was interested in the houses, but that no official could be contacted this week.
More black housing ‘vital to peace’

The provision of more homes for blacks was vital to peaceful co-existence, the Minister of Plural Relations, Dr Mulder, said today.

Addressing the building conferences, Interbou 78, at Milner Park today, Dr Mulder emphasised that the Government’s determination to step up providing homes for blacks.

He said the Government’s sense of urgency was illustrated by the R90-million provided in direct financial aid to homeland governments.

An additional R65-million had been allocated from the National Housing Fund for black housing in urban areas.

Dr Mulder stressed that while provision of housing was a priority, the interdependence of different population groups would not be lost sight of.

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

The fact that 37 percent of more than R150-million out of a total appropriation of R416-million, has been made available for the present financial year for black homes, is yet another example of the Government’s genuine desire to provide adequate housing for blacks,” the Minister said.

The target would be reached even quicker if no population group made unreasonable demands or set standards which neither that group, nor the country could afford.
In the midst of this profession, the Humanists' thought circled around a single problem: how to absorb the pagan heritage of paganism into the inherited body of Christian philosophy and theology. Modern historians seeking to differentiate the approach of the Humanists from the Renaissance Age have greatly exaggerated and simplified those issues. Under the sway of this system, they have pointed to the Renaissance's pietistic foundations and attempted to isolate the religious content of Humanist thought. But Valla, the most influential of the Humanists, was not solely interested in theology. He wanted to reconcile the two—Christianity and paganism. It was not an accident that the Humanists would have endorsed a career as a papal secretary. The Protestant reformers did not do so, and they did not do so for the sake of unbelief but for the sake of belief. However, they did not consider paganism as a positive element, and so, pagan philosophies did not really change the significance of religious symbols or culture. The Renaissance was not a Christian age; it was an age of religious controversy. In any case, Krister has put a steady and irresistible growing of the most religious interest in the world which were not so much opposed to the development of religion itself, but rather competing with it for individual and public attention.

Humbly aware that this man is less than the angels but confident that he occupies a worthy place in the scheme of things, the Humanists concentrated on their profession. In a way, they may be said to have been philosophers, or at least, they were in the tradition of philosophical thought. Their work was directed towards the recovery of the classic tradition, the study of ancient texts, and the promotion of a new humanism. This movement emphasized the importance of individualism and the recognition of human dignity. In this sense, the Humanists were not just a reaction against the Middle Ages, but a positive contribution to the development of modern thought.
R5.8m for black houses, schools

Staff Reporter

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

The loans were granted by the National Housing Funds. R2m has been set aside for additional housing for families who are legally in the Peninsula and who are therefore entitled to a house.

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

A further R342,000 has been made available to build two new primary schools in Langa and Guguletu.
Loan security for homelands housing

Political Staff

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

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

In terms of existing legislation building societies could not reclaim houses if there was a default in payment in a black area.

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

Earlier, Dr Mulder gave an assurance that East Griqualand would not become “black.” With its incorporation into Natal on April 1 this year its status had become final and “there is nothing further to say on the subject.”
Delay in granting housing loans for blacks

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

Legislation providing a 90-year leasehold for blacks with rights to buy, sell and inherit property was passed in the last parliamentary session. Building societies, however, are still waiting for regulations to be announced by the Government detailing how loans can be made.

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

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

A spokesman for the Department of Urban Relations said in Pretoria today that his department was conducting investigations into the issue of loans.
More houses, fewer cars says survey

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

The bureau says in its latest consumer survey report that while consumers were optimistic about the future, "the majority of households are not in a position to save and about 36 per cent can only just manage to make ends meet."

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

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

However, several factors were inhibiting the moderate recovery continuing.

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

Still on the economic front, labour leaders said yesterday that wage increase demands would become bigger and more insistent because of the 4.2 per cent rise in the Consumer Price Index in July — the first full month of the operation of the general sales tax.

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

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

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

— SAPA-DDC.
the way in which, he says, surplus wealth naturally and simply fell into the hands of the male. The division of labor was first between the sexes only.

"The man fights in the war, hunts and fishes... the house and the preparation of food... They are sphere." But eventually "the herds provided the cattle." But where is the evidence that women were in production and control over domesticated animals produced, it was wrested from them, the sugges spread already in the hands of men.

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

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

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

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

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

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

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

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

- The allocation of funds and making provision for the building of 50,000 housing units in the current financial year.
- The removal of certain restrictions in subsidized home ownership on various population groups, in order to provide that all whites, coloured people and Indians earning less than R$40 a month could qualify for State-assisted home ownership schemes.
- The lowering of deposits on these houses to R$300, or five percent of purchase price, or R$100, with the rest being paid over five years. This latter provision was applicable in Mitchell's Plain.
- Low-priced housing was provided at subsidized interest rates, which lowered the effective rate to 9.25 percent per annum.
- The provision of 90 percent loan schemes on certain middle-class housing units.
- The introduction of a saving scheme through building societies which enabled prospective home owners to save up to R$10,000 tax-free at an interest rate of 11 percent of which the government contributed two percent.

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

TV: ‘Run by experts’

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

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

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

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

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

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

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

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

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

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

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

"If it is done for effective, decentralised administration, and because the states or provinces have something in common, I have no doubt a lot of Blacks will support it.

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

Why does he want a unitary state? He replies: "Why should I want a divided state?"

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

Dr Motlanza rejects literacy as a test for the franchise.

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

"Literacy has nothing to do with political effectiveness."

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

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

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

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Booby prize for SA, says Suzman

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

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

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

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

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

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

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

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

"In most advanced countries it is the government that assumes the responsibility to house poorer sections of the population, financing it out of the taxes paid by employers," Bishop Desmond Tutu, General Secretary of the SA Council of Churches, said he could not believe that Dr Mulder's suggestion was made seriously.

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

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

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

A morsel instead of a meal

The half-baked 99-year leasehold scheme for certain city Africans looks less appetizing after the summary dismissal of the appeal from the urban African plate within a generation.

The scheme provides that those who qualify for urban areas should be allowed to acquire rights of leasehold in some (but not all) urban areas. Leaseholders will be able to erect, alter, or demolish buildings; sell the leases to others; or mortgage them.

Most important, they will be able to register the leases, so building society loans will be fully available for the first time.

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

The Homelands Paser

Secondly, the right to obtain a lease depends on qualification under Section 10(1) (a) or (b) of the Black (Urban Areas) Act. Under Section 10(1) (a), only people who have lived continuously since birth in an area can remain there for more than 7 years. Section 10(1) (b) confers the same right on people who have worked for one employer continuously for 10 years, or who have resided in the area continuously for 15 years.

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

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

This means that, as homelands take on independence, fewer and fewer people will qualify for rights of leasehold. If, as John Vorster hopes, all bastards become independent within five years, it will take no more than a generation for the new dispensation to become a thing of the past.

The definition of "qualified person" includes the descendants of qualified people, but only provided they too have Section 10(1) (a) or (b) rights. It is from this that landlords and agents are able to interpret this as allowing children of bastantuan citizens to qualify for leasehold rights. Such a view is held by the Urban Areas Board, which has halted some legislation as a "giant stride." Even if this were the case, these descendants would be prevented from being in the area at all without special permission.

Yet legal opinion taken by the FM is that even the obvious advantage of a right to own a leasehold plot of land to occupy the premises is precluded. This is because no one can be "referred to" under Section 10 if he is born after 1970 and is a person of independent homeland.

Parents hoping that their investment will ensure 99 years of security for their descendants are badly affected. The legislation lays down that "leased property held by an unqualified person, the only benefit the heir can derive from the right is the net proceeds of its sale. This has been interpreted to mean that in practice the right will have to be sold.

There is provision for the Minister to allow people to purchase these to obtain leases. It is likely that he will make a significant number of such concessions. But special permission is required to remove, is withdrawal, is no substitute for legally enforceable rights.

Patchy rights

Nor does leasehold apply to the whole country. The exclusion of the Western Cape, designated as a "controlled labour preference area," cuts a huge slice out of the number of potential leaseholders. Townships in other areas will be excluded at the discretion of the minister, in particular those earmarked for remo-

vaval bastunants. One such example is Green Point-Velderhamst's Fingo Village, one of the last surviving areas in the country where Africans have freehold rights to their land. New regulations to prevent freehold rights being removed; they will not even have leasehold.

Another such removal project is in the Western Transvaal, where the African inhabitants of 14 towns are being resettled in Loseng in Bophuthatswana. Munens also speak of Fort Beaufort and Stutterheim.

Yet another problem is that possession of the right of occupation does not guarantee its retention. The right of occupation can be lost if the leaseholder forfeits his section 10(1) rights, by, for example, breaching his continuous period of residence in an area. Accepting employment in another area, or incurring a fine of more than R 500 or a prison sentence in excess of six months, can have the same effect for holders of 10(1) (b) qualifications.

The legislation allows associations to lease premises for business purposes. But all members of the association must be black before they can obtain leases. This effectively bars all associations with white shareholders from obtaining secure leases. One victim of this proviso will be African Development & Construction, in which Roberts Construction has a 49% share and black businessmen own the rest.

New regulations to give effect to the practical details of implementing the leasehold scheme have yet to be framed. At present, a township superintendent has the power to refuse a site or residential permit to anyone he deems unfit or unsafe, as the case may be, to reside or stand on the area, or who has another house. Women need special permission to buy houses.

For government, an important benefit of the new legislation is that it enables the private sector to share in the financing of new houses. Soweto alone is short of at least 21,000 houses. Countrywide, according to Charles Skees, "the board of Roberts Construction, the housing agency for Africans had reached at most 350,000 by 1975, of which nearly half were in the so-called "white" areas of South Africa.

But private sector housing loans will do no more than scratch the surface of the problem. Skees maintains that only people earning above R 6,000 a year should be able to afford housing on similar terms. A mere 1,68% of urban Africans fall into this category.

Suggestions have been made in Parliament that government would guarantee availability of low-interest loans. Mulder promised to investigate. For the rest, government will have to provide housing, and no easy task lies ahead. To eliminate the backlog and provide for population growth, low-income housing, 340,000 units are required between 1976 and 1980.

This requires housing and services to the value of R 1,43 billion. Infrastructure such as sewerage works, bulk water, rail, road and highway access add a further R 177 million.

Yet government spent no more than R 34,6 million on housing and services for urban Africans between 1972 and 1976. And the prognosis is not good. Skees shows that only R 83 million will be spent on urban black housing between now and 1980.

The horizon looks even gloomier, if Skees is correct in claiming that 3,2 million houses will be needed for low-income urban blacks between 1975 and 1980. A far more radical plan than the half-baked, 99-year lease scheme will be needed to solve that problem.
Bonds on most SA homes to cost less

By GORDON KLING

THE MONTHLY mortgage bond repayments of most South African homeowners will be reduced in the next few months because of a drop in the rate of interest paid to savers and investors announced yesterday by the government, banks and building societies.

Interest rates paid by the financial institutions have been reduced by one percent, with minor exceptions, to take effect at various stages from Monday in a move which economists and the Minister of Finance, Senator Owen Horwood, said would further stimulate the economic recovery.

The president of the Association of Building Societies, Mr J L S Hefer, said in a statement yesterday that an indication on the mortgage rate cuts could be expected to be given on September 26th. But the Cape Times can disclose that the reduction will be 0.5 percent in most cases and Senator Horwood said it would take effect "not later than January 1".

Most bond repayments will be reduced by about R1.8 a month.

Reliable sources in the building society movement said a further reduction of 0.5 percent was possible at a later stage. The societies are not able to pass on the full one percent reduction immediately because about 60 percent of their portfolios are in funds on which they are paying the old higher rates.

- A 20-year bond at 11 percent previously will cost R182.95 a month. down from R190.46.
- A 30-year bond for R15 000 will cost R137.22 monthly, down from R140.02.

The poorer section of the community, which has already been notified that it will lose the 2 percent government subsidy on bond interest after benefiting from it for five years, has virtually nothing to gain from the new move.

But in theory all sections of the community should benefit from the improved economic climate and the building industry in particular should get some uplift from cheaper building finance.

Small bonds with an interest rate of 10.5 percent will not be reduced and bonds of R15 000 at 10.75 percent interest, for example, will be reduced by only 0.25 percent.

The societies maintain that they cannot currently go lower than the 10.5 percent rate on their loans.

Here are some examples of the savings:
- A 25-year bond for R30 000 previously at 11.5 percent interest will now cost R294.03 a month. excluding insurance. compared with R303.94.
New scheme for home ownership

The Argus Correspondent

PRETORIA. — A far-reaching scheme to encourage private home-ownership among all races and in all levels of South African society was announced in Pretoria today by the Minister of Community Development, Mr Marais Steyn.

Mr Steyn said that in the first 40 years after its inception in 1920 the National Housing Commission provided 32,000 houses. This year alone the number would be 45,000.

The department was providing R450-million in the current financial year for housing.

Spokesmen for Cape Town branches of building societies said they did not expect the new scheme to bring a rush of investment.

"This is not really a new scheme," said one. "It has been going for a long time but with different ceiling rates. The last one was up to R6,000.

"Somehow it has never really caught on. I don't know why, because it is a very good scheme, especially for new-reams.

"It means they go to the top of the list for favourable consideration when they apply for a bond and meanwhile they enjoy a good rate of tax-free inter-

The new scheme provides for prospective home owners to invest money with building societies at a tax-free interest rate of 11 percent up to a maximum of R10,000.

It places no ceiling on the income of the wishing to benefit by the scheme, and there is no restriction other than that they do not already own a home.

There is also no limit on the value of the home acquired through the scheme as long as the bond repayments do not exceed 25 percent of the buyer's income.

EARLIER SCHEME

The previous scheme, introduced in 1972, allowed a maximum home deposit in excess of R9,000, was limited to people earning less than R7,200 a year.

The building societies would pay an interest rate of nine percent and the State would subsidise the interest by an additional two percent.

OBLIGED

People would be free to save money to buy homes for themselves, their parents or their children and would be obliged to buy the home within a specified period of saving the R10,000 maximum.
Rates relief will give lift to property

The demand to buy homes, which has recently accelerated after the slump, will receive another boost following last night's announcement that building society home loan rates will drop.

This prediction was made today by property and consumer experts after the Association of Building Societies announced a drop of the home loan rate of between 0.5 and 1.5 percent.

This will mean a reduction of monthly payments of at least £5, and in exceptional cases, £20.

Mr. Geoffrey Redhill, president of the Institute of Estate Agents, said the new interest rates would give added impetus to the property market.

Mr. David Alston, director of the Association of Building Societies, said that from October 1, the rate on new bonds will be cut by 0.5 percent. On January 1 next year, the mortgage rate on existing bonds will be cut by as much as 1.5 percent.

Homes with highly-valued properties and reasonably low bonds will benefit most.

Previously, his interest rates were based on a combination of the property's value and the amount of the bond. Now interest will be based on the bond only.

The new building society home loan rates are:
- Up to £10,000 — 10 percent.
- Between £10,001 and £15,000 — 10.25 percent.
- Between £15,001 and £20,000 — 10.5 percent.
- Between £20,001 and £25,000 — 11 percent.
- Between £25,001 and £30,000 — 11.25 percent.
- Between £30,001 and £40,000 — 11.5 percent.

More than £40,000 — 12 percent.
Some of the asides at last week’s NDMF Natal business outlook conference in Durban were more revealing than the main discussions.

Builder Bill Hamilton, a member of the PM’s Economic Advisory Council, revealed for instance that of the R250m earmarked by the government for housing, only R16.9m had been spent by the end of August.

Durban’s publicity director Terry Tookey warned aloud about the important Rhodesian tourist market and pointed out that while whites could get a visa stamp at the border there was a five to eight week delay for black Rhodesian visitors.

Wits Professor Arvid Spandan expressed strong reservations about the practice of directing applicants for import permits to local suppliers. He claimed that this limited the buyer’s freedom of choice and was an unwarranted form of protection which could lead to abuses. Natal Chamber of Industries director Roland Frankles disagreed.

McCarthy group financial director John McCarthy predicted an increase in total vehicle sales of 7% in 1979 with commercials leading the way.

According to Unilever chairman Alex Bury, blacks are now the greatest readers of English language newspapers and buyers of such commodities as toilet soaps, tea, washing powder, beer, cigarettes, and certain types of clothing. He predicted that the black family of the 1980s would have much the same tastes as its white counterpart.
Last week’s announcement by Minister of Community Development Marius Steyn, that building societies and insurance companies are to be allowed to act as property developers and buy land for township and housing development in Indian and coloured areas has been welcomed. Up to now they have only been able to grant bonds on houses in those areas.

It has long been felt that money deposited by Indians and coloureds should be put back into their communities. Demand for loans from these sectors is “tremendous.” The move should also give the building industry a boost, as well as alleviating the housing shortage. In fact, some institutions have been preparing for some time. Among others, the Natal Building Society (which first applied for a permit in 1971) has been granted a permit for a township in Tongaat which it expects to have built in two to three months. Old Mutual is also ready to start a “pilot” housing scheme for Indians in Natal, consisting of 50 houses for the middle income group. SA Permanent’s Development Corporation has also approached the department for a permit for an Indian township near Johannesburg.

In general, the same conditions will apply as for whites. Bonds will be restricted to not more than 25% of salary, and the interest rates for loans will be the same as for whites.

Much will depend on whether land can be made available at reasonable prices. In some cases institutions will be able to buy fully serviced plots. In Tongaat, NBS hopes to be able to sell a three-bedroomed house, with bathroom, but without a garage, for a maximum of R20 000.
Direct pressures for labour changes coming

By Sieg Hannig, Labour Reporter

For the first time direct pressure for labour changes is about to be brought to bear on wholly-owned South African companies – provided they rely on American Export-Import Bank guarantees.

But the move is expected to have a limited impact both on South African employment conditions and on American exports to South Africa.

It came in the form of the "Facts amendment" to The Export-Import Bank Authorization Bill which was approved by the Senate last week and will become law as soon as it is signed by President Jimmy Carter.

The amendment denies the bank's facilities to any South African purchaser who fails to get certification from the State Department that he is proceeding towards implementation of:

1. Non-segregation of the races in all work facilities.
2. Equal and fair employment for all employees.
3. Equal pay for equal work.
4. Initiation and development of training programs to prepare non-white South Africans for supervisory, administrative, clerical and technical jobs.
5. Increasing the number of non-whites in management and supervisory positions.
6. A willingness to engage in collective bargaining with labour unions.
7. Improving the quality of life for employees in such areas as housing, transportation, schooling, recreation and health facilities.

The new law also applies to any export which would contribute to enabling the South African Government to maintain or entrench apartheid.

And it applies to exports to South African Government agencies unless the President determines that significant progress has been made towards the elimination of apartheid.

It is understood that the bank was committed to the tune of close to R100m for periods of no longer than 21 years in respect of exports to South Africa last year.

But it is impossible to ascertain from local sources how much of South Africa's annual trade of close to R1 000m with the United States is dependent on guarantees from the bank.

The bank does not grant direct credit to South Africans as a result of a previous political ruling. Since the bank's function is to promote American exports, and since America is not the sole source of supply for most South African importers, the move must hurt America more than it does South Africa.

Mr J J Bouwer, general manager of the Credit Guarantee Insurance Corporation of South Africa, pointed out that there is a private firm in the United States which provides facilities similar to that of the Export-Import Bank.

He said European banks which had the same function as the Export-Import Bank provided credit guarantees for about 10 percent of their countries' exports on average, he said.

Initially foregone a basic right conferred by the right he confers upon others benefits at no cost to themselves and with no return to himself.

Botswana represents a clear case of the need to evolve traditional forms to accommodate the commercial world. One of the forcing houses of the modern world is the company concept: essentially simple yet radical. A parallel development would be to upgrade the right to graze (that is, the right of access to land) into shares over communal land controlled equally by member households. The shares would refer to grazing units according to the grazing capacity of the communal land. In other words, the community would become a company in the modern sense, the asset base of the company being the land it controlled. In this way the right to grazing would be converted to a right over an asset i.e. land which has a certain grazing capacity. At annual general meetings of the company (the equivalent of the community) it would be decided what the carrying capacity...
CONSTRUCTION

Hearts of oak

Builder Gary Gregory's arithmetic should give a jolt to traditional construction colleagues, still sceptical about cost savings on brick-veneer houses. Six months after opening Boere Behuising in Sandton the former asbestos-cement farmstead supplier is putting out a house price list with rock-bottom prices.

So far Boere has prefabricated 28 timber-frame houses and one single-storey office block.

Gregory's 10-model "Quaint Cottages" range goes from a 106 m² two-bedroomed dwelling at R12 620 through to a 270 m² four-bedroomed ranch-house (sun lounge, study, sitting room, dining room, kitchen, two bathrooms, and a third toilet) at R30 313. All units come with carpets, cupboards and tiled kitchen and bathroom, with a varying cash credit for light fittings and stove.

Construction costs are as low as R110/m² for large units rising to R123/m² for smaller homes. All have a garage and domestic quarters. Tile roofing on the biggest model costs an extra R2 400. "We can have the roof on in six days and a three-bedroomed house completed in five weeks. All to SABS specifications," he adds.

Sounds too good to be true with modest conventional brick housing starting at around R135/m² with outbuildings extra. "Brick-veneer is 10% cheaper than even asbestos-cement and indistin-

guishable from traditional brick buildings," says Gregory.

SA Lumber Millers' Association construction consultant Doug Tower's recent claims of 15% saving with brick-veneer against conventional building got a cool reception from big developers whose own figures show minimal or no advantage in making the switch except on very big housing schemes.

Gregory, continuously tapping his hand-held calculator, says they are wrong. Savings on labour are considerable with simpler foundations, electrical and plumbing work done in one day, and erection put out to contract workers. Material savings come in fewer bricks (no internal main walls and only single brick external cladding), easier foundations and, as everything arrives on one lorry except the bricks and cement, there is negligible pilfering.
IT'S JUST NOT ON, CONNIE

By Ticks Chetty

DR CONNIE MULDER was out of step in announcing last week that building societies would be allowed to give housing loans to homeland blacks.

The building societies say it is not on. They were not consulted by the Minister of Plural Relations and Development before his out-of-the-blue announcement.

Because of this, says a statement on behalf of the president of the Association of Building Societies, Mr Roy Canning, they are not committed to the Minister's promise.

The news will come as a shock to blacks living in the Durban area because the townships of KwaMasifu and Umkizi are part of the fragmented homeland of KwaZulu.

The general manager of a Natal building society, Mr John Beattie, said this week his society would not lend money to people in homelands because of the risk.
Speaking at a handing-over ceremony of 30 houses for workers of the Phosphate Development Corporation at Lebowa's Magalies township last week, Dr. Mulder said black site owners could now borrow money for homes from building societies and banks.

**Extended**

Previously, provision was made only for the balance of the purchase price to be registered as a charge against the title recoverable by the South African Development Trust.

"This provision has now been extended to advances made for housing purposes to site owners by the State or other body constituted by law, or any building society, commercial bank, insurance company, or other registered financial institution, on approval by the Secretary for Plural Relations and Development, provided the secretary approves." Dr. Mulder was quoted as saying at the ceremony.

Mr. Bennet said his building society would lend money to the KwaZulu Development Corporation if the Government approved, and to blacks in urban areas, but not to people in homelands because it was not sure what would happen if the homeland became independent.

The regional manager of another building society said, "There is strong reluctance to lend money to people in homelands because of what happened in Transkei. The bottom fell off the property market there. Then there are also fears about the new laws that may be passed when a homeland becomes independent."

Dr. Mulder was not available for comment.
Housing seen as challenge

PRETORIA — The provision of housing for blacks in cities, towns and homelands was not only the biggest single problem connected with black urbanisation, but also the biggest challenge, the Deputy Minister of Plural Relations and Development, Dr Willie Vosloo, said here yesterday.

Addressing a symposium on "Towards viable communities," Dr Vosloo said the financial responsibility in providing housing for blacks had to be shared by three parties, namely the state, the employer and the black man himself.

The task of the authorities among other things was the provision of low-cost housing from funds voted annually by Parliament.

"As far as the employers are concerned, the standpoint is that generally a bigger contribution can be expected from them towards the housing of their black employees."

"The person or body which makes use of black labour, inevitably must accept the responsibility for his black workers' housing needs as he is the person who derives the benefit from their labour."

Dr Vosloo said it was an irrefutable fact that the black man today was considerably better off.
HOUSING
Tracing that R250m

At last some concrete results of the R250m housing package announced exactly a year ago by Finance Minister Owen Horwood. The Department of Community Development (CD), the custodian of the R200m slice allocated to areas outside the bantustans, intends to pump R60m into housing in the 1978-79 financial year, after last year’s paltry R10m. Tenders to the tune of R124.8m have already been approved, and CD has a further R191.4m from its regular budget for black housing at its disposal.

Coloured housing is the chief focus of attention. By September, 17 300 houses had already been built, and a further 27 700 are in the pipeline. This puts CD well on its way towards relieving the 57 600 shortage of coloured houses.

Indians fare less well, with only 2 500 units complete by September, scarcely a dent on the 20 700-long waiting list.

African housing, always a parish in development schemes, remains out in the cold again. Only 5 900 houses were built from CD money (the R200m and the budget allocation) in the first nine months of this year, and 16 400 more are planned. In this number is included the 8 275 planned hostel beds.

CD has no figures for national housing shortages for Africans. But Charles Skeen, chairman of Roberts Construction estimates that 68 000 houses a year are needed between 1975 and 1980 for Africans outside the homelands.

CD claims that other sources of funds for African housing are available, but administration boards are notoriously short of money. So although Soweto has a waiting list of 12 000 families, with at least 10 000 more in need, only 300 houses have been financed by Wrab. From CD funds, only 404 houses are under construction, with 300 more out to tender. Private employers have contributed another 80.

In addition, complained Wrab housing director Nico Malan at a recent NDMF seminar, delays of up to five years occur between the approval of a scheme and the allocation of funds. “With building costs rising by 1% a month, by the time the project is completed, application must be made for additional funds.”

The Vaal Triangle Board fares somewhat better. A loan of R9m from CD has facilitated a scheme of 3 100 houses in Seokeng, and R25m loans have been raised from the private sector over the past two years.

CD’s Louis Fouche points out that money will be paid out more rapidly as projects get into their final stages. Expenditure is also delayed, he claims, by the rate at which local authorities and Administration Boards advertise projects for tender.

Other advances chalked up by CD relate to community facilities and schools. The department is planning to build 76 schools this year, of which 37 tenders have been approved so far. About R2m is earmarked for community facilities.

Of the R200m, R165m is financed by a consortium of banks, headed by Barclays. Interest charged is at the normal bank rate. The rest of the money comes via a special appropriation from parliament.

The final R50m is allocated to the bantustans, administered by the SA Development Trust. No figures are available about how this money has been used, except that R9m was allocated for the 1977-78 financial year. This year, R23m has been allocated, and the remainder is to be spent next year.
The South African government is facing a housing battle in trying to alleviate the country-wide black housing backlog.

For while the government's black housing policy is steadily improving, fewer houses are being built each year, despite the rising costs of construction and services.

In certain areas, such as those where 20,000 houses are allocated as below basic accommodation for the black masses, the government has constructed less than 300 houses each year.

This backlog of 300,000 houses would cost an estimated R1 billion to alleviate.

In Soweto alone, about 25,000 people require housing according to figures cited by the Black Sash and Soweto Council chairman, Mr. David Tobias.

And in the neighboring townships, there is an increasing shortage of 200,000 houses in the East Rand Administration Board's jurisdiction.

Last November, the Minister of Finance, Mr. Denis Botha, declared a R100 million housing package. But many say that this figure, while good, does not meet the demands.

Another 100,000 houses must be added to the 100,000 already allocated in the various administrations.

According to the Secretary for Community Development, Mr. Louis Fourie, the R100 million will all be allocated to the various administrations by the 1979-80 financial year.

The Vaal Board has planned extensive development in Sherlock township which includes 4,000 new houses, two new schools, a community hall and a church.

Mr. Fourie has said that the government has already investigated the feasibility of increased loans in terms of the Government's announced 15-year leasehold scheme.

An estimated R500 million has been set aside in a figure submitted for fear that no money would enter Government regulations.

The regulations have been drawn up but have yet to be negotiated with building societies and the Department of Public Buildings.

Antagonism

The issue of rent increases has also proved a problem. Fastrac, especially in certain areas where a recent three-year rent increase has been implemented.

Fastrac, as well as community committees, have opposed the increases. In the past, rent increases have led to rent increases in other areas.

In the Vaal, several blocks are already being trained as township managers.

But rent increases will remain the major area of complaint especially with the housing crisis and widespread unemployment.

The council is also in negotiations with Government to train more township managers.

The Star - Classified Section - November 4, 1979

In South Africa the black housing backlog has reached staggering proportions. Black housing is in dire need of help.

The government has announced a R1 billion over the next five years to alleviate the housing crisis.

In November last year, TONY DAVIS was appointed to oversee the allocation of R1 billion for black housing.

The government has announced that the housing backlog can only be alleviated through the introduction of new building techniques and materials.
Expenditure on Black Housing, 1967/68 — 1976/77

Annual expenditure for black housing has increased over recent years. But the majority of funds have gone towards housing in the homeland.

Number of houses built in Black urban townships, 1967/68 — 1976/77

Fewer houses are being built as a result of increased construction and basic service costs.

Current income and expenditure as well as capital expenditure of Bantu Affairs Administration Boards, 1975/76

The income of administration boards shows a large volume going towards liquor revenues and a smaller portion coming from rates.

Approves

The Department of Community Development in Pretoria is the body which approves housing schemes submitted by administration boards as well as allocating housing limits.

Movers for black housing is also available to the boards through building societies.

Funds for housing are not a major part of annual expenditure of the administration boards.

A major part of board expenditure goes to salaries and liquor purchase representing the second largest expenditure.

Income for the administration boards comes largely from liquor sales, with rents and employer contributions also providing income.

Run dry

The housing backing issue has been aggravated in the Johannesburg area with the recent revelation that funds for loans to blacks to build their own houses has run dry.

Officials of the West Rand Administration (WRa) admitted in August that their housing loan fund for new houses was empty.

That, and the issue of evictions for rent arrears in Soweto townships has created bitterness among urban blacks.

The WRa housing scheme for new houses, a potential homeowner paid a deposit of 10 percent of the total cost of the house and then received a loan payable over 30 years.

A comparison between WRa and the efforts of a smaller administration board — the Vosloorus Triangle Administration Board — show that economic initiative can help to relieve the housing backing in the townships.

Request

Since 1977, almost 140 houses have been built in townships falling under WRa’s administration.

Of this figure, 234 houses were built by the Board of the owner’s request. Loans were made available for these residents with R1,75 million from the Natal Housing Society and the Johannesburg City Council.

One hundred and fifty
Evictions compound the backlog crisis

Evictions for rent arrears in Soweto townships have caused controversy involving a three-sided clash between the West Rand Administration Board, the Soweto Council and Soweto Residents.

Wrab chairman, Mr. Mienie Malder, has repeatedly denied the Board has been taking a "hardline" attitude towards rent offenders.

But Press reports have detailed stories about township families being taken from their homes by Wrab police in the early hours of the morning to township managers to explain arrears, and having the doors to their houses padlocked.

Evictions have compounded the housing backlog crisis. There are thousands of people who are waiting to move into houses where tenants have been evicted because new houses are not being built fast enough.

The Soweto Council recently stepped into the fray after reports that 30 families were taken from their homes in the Jabavu area of Soweto and taken to township managers after the doors on their houses were padlocked.

Despite the fact that only one eviction was actually made (a man with no permit to live in the area), Soweto Council chairman, Mr. David Thebehail, called on Wrab to halt evictions and held urgent meetings with Board officials.

The Board has now agreed that no eviction will be made until full investigations have been carried out.

Wrab's policy is to send notices to a tenant who is in arrears in rent advising him to pay or face eviction.

If these notices are ignored a final eviction notice is sent to the resident.

In some cases as a last resort a Wrab truck is sent to the house in question and the tenant's furniture is removed and the door padlocked. In such cases the tenant is given a few days grace to make good his arrears.

Wrab spokesman have said "the channels of communication" have always been open for tenants who are facing rent payment difficulties to obtain extensions.

The procedure is to approach an area township manager, and if no satisfaction is obtained there, the senior township manager, and from there to New Canada officials, and then to the Housing Department of Wrab in Johannesburg and even to the Ministry of Plural Relations and Development in Pretoria.

But in response to widespread complaints, a senior Wrab official, Mr. Steve Clayton, has been stationed at New Canada to review rent arrears cases which cannot be reconciled with township managers.

According to Mr. Clayton, the majority of cases—an average of 11 people see him daily—involves eviction cases because of unemployment, while others come about because tenants have failed to notify the township managers of why they cannot pay or those who have simply disregarded notices.

Wrab officials ask that tenants who have difficulties paying rent should report immediately to the township managers and explain their situation and not let the situation reach the stages of eviction.
U.J. Lele and E.W. Meller write of the Green Revolution: "For the poor or labourers to receive any good effects the political environment must be favourable and economic policy astute. The benefits for the poor do not rise automatically from the system as do for the rich." 37

As Michael Lipton shows 38, in countries where the richer power groups remain entrenched it is extremely difficult for a government to implement a policy directed at benefiting the poor. The rich have various ways of ensuring that they secure any resources made available.

6.2.2.2 Communalism as a Cover

I have discussed for the dairies and communal gardens how N.M. was able to obtain resources on the basis that they would benefit the community, and how these then benefitted her mainly.

One should see her role as similar to that of "patron" figures in other underdeveloped regions 39. Brett writes for Tanzania: "Individuals who have been in the field

A lot of the top level focus on Umhlaba is because of the exceptional number of co-operatives in the area. The senior extension officer attributes this to the fact that whereas in other districts the extension officers "push" the projects, in Umhlaba "members of the community" approach the extension officers to help them start a project.
Home plan for blacks published

Political Staff

Regulations clearing the way for implementing the 90-year leasehold scheme for urban blacks were published in the Government Gazette today.

Building societies are poised to make R100-million available in loans after April next year to blacks wanting to take advantage of the new scheme.

This follows protracted negotiations over a year between the Government and the private sector in which the Urban Foundation played a leading role.

Mr David Alston, chairman of the Association of Building Societies, said today all major problems with the scheme appeared to have been ironed out.

The 37-page document rules that applications for leasehold rights must be submitted with a 15 administration fee and a deposit for the cost of surveying the site concerned.

It says this deposit, fixed by the relevant administration board, will be refunded to the applicant if the board is unable to grant leasehold rights.

'An administration board may grant the right for a surveyed site if it is available for allocation to the applicant, and the applicant is a qualified person.'

The regulations stipulate that the right of leasehold will not be granted to more than one qualified person.

The regulations also provide for the administration and an applicant reach agreement on the granting of a leasehold right, the board will issue a 'provisional grant of a right of leasehold.'

This will expire in 150 days of issue or in a further period endorsed by the board if the holder has not submitted prescribed papers for the registration of the right.
Making a house a home

REGULATIONS gazetted today clear the legal path for urban blacks to take out 99-year leases on township homes — a formula approximating (with some reservations) to full ownership. It marks an important milestone on the path to more realistic policies for South Africa's 7-million or more black city-dwellers.

For ideological reasons the Government, even in its more agile phase, has a mental block about conferring straight freehold rights. Hence the tortuous negotiations which have taken place with the building societies and the legal profession to devise a formula which the former Minister of Parliamentary Relations described as "permanent in inverted commas." This has led to needless, damaging delays. But now at last the building societies are satisfied and ready to make R100-million available for loans to urban blacks.

The effect is to satisfy a major black aspiration and to inject a new element of security into the uncertainties of township life. It is a recognition that urban blacks are a permanent part of the population, not "temporary sojourners" subject to the white man's whim. As such it is a move directly in the interests of all South Africans.

It goes without saying that the black homeowner is going to be a better and more contented citizen. He will be able to improve his home without fear of dispossession; to buy or sell and bequeath the property to his children. The system is still discriminatory in that it applies only to "qualified persons" under Section 10 of the Urban Areas Act. Nonetheless it represents a welcome step forward.

1. Personalia

2. Minutes of the AGM held on 7th September 1977/Notulie van die Jaarvergadering van 7 September.

3. Chairman's report/Verslag van die Voorsitter.


5. Financial statement for the year ended 10th September 1978/ Finansiële verslag vir die jaar geëindig 10 September.

6. Motion: The Western Cape Branch requests the chairman of the Classical Association to transmit to the biennial conference of the Association the proposal that the portion of the subscription remitted to the local branches for each registered member should be increased from 50 cents to R1.

Proposed: J.E. Atkinson; Seconded: Mr. J. Sang.


Huidige lede: Voorsitter/Chairman: John E. Atkinson
Sekretaris/Tesourier/Secretary/Treasurer: Mr. J. Sang
(Vice: Miss P. le Roux)

Sekretarisse vir die Skole/ Schools' Secretary: Miss B. Keeson
(not available for reelection)

Committee members: Dr. S. Bruwer, Mrs. M. Mezzabotta, Mr. Thom, Mr. P. Collins, Miss S. Armstrong, Dr. R. van Stekelenberg.


8. Any other business/Algemeen.

J. Sang.
Department of Classics, U.C.T.
Phone: 698531 Ext. 213.
**Black housing: private sector must help plea**

CAPE TOWN — Welcoming the 99-year lease plan for black housing in urban areas, the chairman of the Old Mutual, Mr J. G. van der Horst, said at the annual meeting yesterday that the vital area of providing adequate housing for black, Coloured and Indian people “can no longer be left to the Government alone.”

However good the housing provided by the Government and local authorities was, it could never be as acceptable to people as houses provided by themselves, in which they could have pride of ownership.

The 99-year lease plan, he said, would enable black people to build their own houses and would enable the private sector to assist in this by providing loan finance.

“In this regard, all savings institutions, but primarily building societies, have a vital role to play.”

He added: “There should be no restrictions on lending by such institutions other than those dictated by normal commercial prudence.”

Mr Van der Horst said savings institutions, like building societies and life offices, were drawing large and increasing amounts of savings from black people.

“It is only fair that they be allowed to channel money into developments for the benefit of the communities from where the money emanates, subject only to normal sound investment criteria.”

The provision of privately-owned housing and an increasing flow of private capital for other developments for blacks, Coloureds and Indians would be a major step forward in the encouragement of the middle class.

“A healthy and growing middle class is not only essential for the stability of the community, but is also a prerequisite for further economic development.”

Turning to pensions, Mr Van der Horst said the provision of pensions had importance as an economic force.

This was because pension funds and the pension fund portion of life offices had become major properties of industry in countries like the United States and elsewhere and would also become so in South Africa.

They were already the major private sector holders of public sector securities in this country.

“Governments would do well to take note of this fundamental change in ownership when formulating economic, including taxation, policy,” he said and added: “And so it should organised labour.”

Mr Van der Horst said entitlement to a pension was clearly a form of wealth and added: “Employers and pension fund advisers will have to accept that pension funds must provide fair and reasonable preservation rights when employees change employment.”

Reviewing the last year, he said Old Mutual had increased its investment income by R35.6 million to R181.1 million during 1977/78.

Old Mutual had paid its policyholders and their dependents R153.6 million — nearly R3 million a week — over the year.

— SAPA.
Housing

Live and let live

Leasehold or no leasehold for city Africans, a housing crisis is looming on South Africa’s horizon. Overcoming it will necessitate killing a great many sacred cows, ideological and otherwise.

In the first place, there is already a huge backlog — according to one estimate, 547 000 in 1975. (By race: 349 000 Africans on the waiting lists, 158 000 coloured people, 40 000 Asians, and no whites.) Secondly, future demand has also to be met.

Putting backlog, necessary replacement, and future needs together, Roberts Construction’s Charles Skeen has calculated that SA will need more than 5.5m new houses by the end of the century — 24 000 a year for the rich, 200 000 a year for the poor. For the public sector to meet the housing needs of the poor between now and 2000 AD will cost it R40 000 000, according to Skeen.

Although the Department of Community Development — which finances housing for lower income groups — claims to be confident that it can cope with the demand, others are sceptical. Stellenbosch’s Professor S P Cilliers, for example, told a recent housing symposium organised by the CSIR’s National Building Research Institute that it was “absolutely unrealistic” to expect the public sector to meet the demand.

At odds

The Department of Plural Relations also seems to be at odds with Community Development. One of its officials, S F P Ellis, told the symposium that the “situation is rapidly approaching where there will be no more funds for development.”

The State in any event seems eager to divest itself of financial responsibility for African housing — which, of course, is where the bulk of both present shortage and future demand lies. Thus MG Lötter, deputy secretary (housing) at Plural Relations, told an NDMF conference in Pretoria last month that the “ideal position” would be for Bantu Affairs Administration Boards to be responsible only for township infra-

World today, South Africa, he added, needs a housing policy it can afford. Self-help would emerge as an important aspect, that should be developed to the limits of its potential.

Cilliers argued that instead of clearing

Cilliers, Smil, Vosloo . . . towards viable communities

structure and services, with blacks providing their houses themselves.

The reintroduction of a leasehold system in certain urban townships (Current Affairs) is no doubt at least partly a reflection of government’s desire to pass the African housing buck to the private sector. But the building societies have made it clear that they see their market mainly among the wealthier township-dwellers, not the great homeless masses. The 99-year lease system thus, does not provide an answer to the problem of housing for the poor.

What then is to be done? The NBR1 symposium was not at a loss for constructive and imaginative ideas. Most involved “self-help” in one form or another, including “squatter upgrading” and “site-and-service” schemes.

Indeed, Cape Town’s Revel Fox told the conference, self-help accounts for most of the dwellings built in the Third away “uncontrolled” urban settlements (like “squatter” camps), the authorities should provide a framework to ensure orderly settlements that could gradually be incorporated into modern cities.

Among the essential ingredients of self-help schemes that several speakers highlighted were:

- Secure land tenure must be granted;
- Essential infrastructure and transport services must be laid on;
- Basic health and educational facilities must be provided;
- Technical services and advice must be available; and
- Cheap, simple, and effective credit must be available.

People should then be allowed to erect “sub-standard” shelter for themselves on a temporary basis, provision being made for “upgrading” at a later stage.

Of course, to many people the very idea of “sub-standard” housing is close

Financial Mail December 22 1978

| GRAND TOTAL | 618,7 | 148,9 | +29,5 | 87,1 | 94,7 | + 8,7 |

* (Inclusive of Municipal Subsidies)

Source: Department of Health, Pretoria.

= white

= black (including coloureds and Asians)
to heresy. Thus Community Development’s WJ Marais told the symposium that he was opposed even to “controlled squatting” schemes and that he did not believe the “slum-dweller” would build his own permanent houses or “improve his own slum.”

But, said Pretoria University’s Professor P Smit, dweller satisfaction is not necessarily related to the imposition of standards. Third World people had shown that they were able to “build so much with so little.”

Added Port Elizabeth’s director of housing, D J Cleary: the old adage “don’t build down to a price, build up to a standard” is laudable idealism, but SA must take a more pragmatic view and tailor available money and material resources to reach as many families as possible. Referring to squatters, Cleary said that in some instances “it is best to leave them where they are and help them improve their conditions.”

The self-help approach has been catching on more and more in the poorer countries, said Fox: “In response to the need to face up to the realities of housing low income families, all international institutions concerned with the provision of shelter have in recent years shifted their support from the traditional housing scheme approach to site-and-service and minimum shelter programmes.”

SA, he added, was dragging behind the rest of Africa. “We like to think we are leading the continent, but we are in fact way behind.”

Indeed, a feature of the NBRI symposium was the number of speakers who were able to describe successful self-help housing schemes in which they had been involved in Africa and South America. J van Nostrand, for instance, was able to describe one such scheme on SA’s very doorstep — the Naledi squatter upgrading project outside Gaborone, Botswana.

The Naledi camp was at first due to be bulldozed. But the government realised not only that this was impracticable, but that the 8 000 to 10 000 people in the settlement had on their own initiative created a substantial and more or less permanent settlement for themselves without any assistance. Naledi was thus officially recognised in 1975 as a bona fide residential area, and the government set about upgrading it.

Low-interest loans

The authorities are thus stepping in with roads, streetlighting, schools, health clinics, and so on, with lavatories on each plot to be laid on in due course. The Naledi people pay levies to defray the costs of services and infrastructure. Technical assistance and advice is provided, and low-interest 15-year loans are available to buy building materials.

“The primary object,” says Van Nostrand, “is to provide plot-holders with improved access to the ‘tools’ and money they may need to continue what is essentially their own upgrading.” He adds that the Botswana government “has recognised the potential for existing squatting settlements to serve as viable communities. Naledi, by its very existence, demonstrates the inherent capabilities of individuals and groups to come to grips with problems which have frustrated entire governments.”

People in Crossroads and other “squatter” settlements in and around Cape Town have given ample proof that they possess similar capabilities. But the tragedy of housing in South Africa is that it is not only a financial problem, but first and foremost an ideological issue.

Places like District Six are thus lying empty and falling into a state of disrepair while the coloured families evicted from their homes there have simply lengthened already long waiting lists for houses. How long the executioner’s hand which is hanging over Crossroads will be stayed is anybody’s guess.

Deputy Plural Relations Minister Willie Vosloo told the NBPI symposium that government’s broad policy was that “as far as practicable” Africans must live and work in the Bantustans, or at least live there and commute daily or weekly to work in the “white” areas.

At the same time, however, he did not rule out self-help and site-and-service schemes as a means of providing family housing in the Bantustans and “in white areas where it is necessary.” Instead, Plural Relations has agreed to allow the black township adjoining Graaff-Reinet to be upgraded rather than “re-located.” Even tiny concessions like this appear to be very much the exception rather than the rule, however.

“Towards viable communities” was the name of the NBRI symposium. A unique feature was the extent to which it succeeded in bringing together (at least geographically) not only some of South Africa’s top names in town planning and urban development, but also many senior municipal and government officials.

Certainly, there was no shortage of bold ideas. Moreover, as Revel Fox pointed out: “There is no alternative to self-help schemes. We cannot cope with the backlog via contractor-built schemes. But if people are given the self-help framework, they will build homes very rapidly.”

Or, as Stellenbosch’s Professor J L Sadie put it: “We cannot give them homes, so please let them squat.”
LEASEHOLD
How it's done

At last regulations have appeared setting in motion the 99-year leasehold scheme for urban Africans in certain townships. Last week's Government Gazette details a cheap and easy process of registration of leases for suitably qualified people. Leases were available to city Africans until government stopped them in 1968; registration is entirely new, however.

Says David Alston, director of the Association of Building Societies, which worked closely with the Department of Plural Relations in framing the regulations: “We were anxious to simplify the process and cut costs as much as possible without inhibiting security. We are satisfied that this has been done.”

The first step is for the administration board of the area to submit a general plan of the township for approval by the Minister of Plural Relations. Comprehensive surveying of both the area and individual plots has not been insisted upon before. The survey of a particular plot is finalised once formal application is made for a right of leasehold in respect of that particular plot.

The prospective leaseholder submits a simple application form to the board, with a R6 administration fee, and a deposit (determined by the board) to cover surveying costs. The board must then demarcate the site and check that the applicant is suitably “qualified”, before coming to a decision about granting a provisional right of leasehold. Possession of Section 10 urban residence rights is one of the qualifications.

Registration itself, which can either be conducted personally or through a conveyancer, is also quick and easy. The applicant submits the relevant documents, including proof that payment has been arranged, to the registrar at the chief commissioner's office. If satisfied
R58 m in loans made available for SA black home owners

By Brian Grobler

AN AMOUNT OF R58 million to be used as loans for black home ownership has been made available by three American banks. The loans will be available from local building societies in the second quarter of 1979.

Mr Justice J H "Ian" Steyn, executive director of the Urban Foundation, made this announcement at a press conference in Cape Town yesterday. He said that an expected 50,000 urban blacks would negotiate loans of R5,000 each in the new year as 70,000 black housing units were urgently needed in the country.

The American banks, Chase Manhattan, Bank of America and Morgan Guaranty Trust Company, agreed on loans totalling R58 million and this will be matched on a rand-for-rand basis by local building societies. The money will be held in trust by South African banks, Barclays National, Standard Bank of SA and Nedbank Ltd.

"Blacks living in the Western Cape are excluded from the scheme and most of the money is expected to be used in the Pretoria, Rand, Vaal and Port Elizabeth, East London, Grahamstown areas."

Visited US

He said that a Urban Foundation team of himself, Mrs Deborah Malibeile, of Soweto, Mr Franklin Sonn, both of whom are regional directors of the foundation, and Dr R Lee, visited the United States in October at the expense of South African building societies, and successfully initiated loans with the American banks.

"The Urban Foundation was able to secure these funds at a lower rate of interest than the current market rate for mortgage bonds and will pass on the savings to black home buyers."

introduce an education system for both black workers and their white employers.

"The distribution of the loans will be related to demand which should be greatest in the Transvaal urban areas."

Lower rate

Giving further details of the loans scheme, Mr Steyn said the initial loans would be made available by the American banks to the three South African commercial banks. The local banks would hold the funds in trust on behalf of the foundation till the leasehold scheme was introduced next year — any interest accruing during that interim would be applied exclusively to the loan financing.

Loans would be granted at a lower rate of interest for the period during which the building societies would have access to foreign funds. The lower rate would be passed on to bondholders by reducing monthly repayments or with interest debited at a lower rate, resulting in accelerated capital redemption.

The foundation and the SA banks involved would not charge any costs incurred in the financing of the loans. The foundation initiated the proposed financing and conducted negotiations with the SA banks and a representative of the Association of Building Societies. The negotiations had, at all times, the support of prominent black leaders both within and outside the foundation.

Real boost
In addition to dual control and mixed housing which is under the new Financials for Housing Act and is being implemented, there will be a system for urban black housing under the Urban Foundation Act. This will provide an opportunity for the black community to add to their homes and will provide an immediate

...
HOUSING & HOSTELS - General

27-12-78 - 16-12-79
SA blacks will follow US trends

By VITA PALESTRANT

SOUTH Africa's urban blacks will become increasingly price sensitive and hostile towards stores which do not treat them fairly.

They will follow a lead set by their counterparts in the United States, anticipates a study of black consumer behaviour by the Centre for Management Studies of the University of South Africa.

The study, undertaken by Mr A van der Reis, concludes that there are striking similarities between the behaviour of the South African and US black populations.

And experience in the US has shown that disgruntled black customers settle their grievances against stores by organising pickets and boycotts.

Mr van der Reis says that there is already evidence in South Africa of hostility by blacks towards stores that discriminate against them.

And in some cases, the hostility has been translated into action: the boycotts of some bus services when fares were increased is but one example, the study claims.

Another, more recent, example cited is the picketing by black workers of a cafe that had allegedly increased its prices by more than 4% after the introduction of General Sales Tax.

From the comparison between the behaviour of South African and US blacks, the study draws some interesting conclusions vis-a-vis price and quality as seen by the black consumer.

Until now well known, expensive, branded items have been popular among South Africa's urban blacks because of their value as status symbols.

But, the black consumer will soon be less likely to associate quality with price and will instead seek good quality at reasonable prices.

He will rely on his own judgment of quality and take advantage of private brands.

Another prediction is that the urban black will soon want his own shopping centres and black women will play a greater role in spending the family wage.

One section of the study is devoted entirely to advertising. It maintains that younger, educated blacks are more favourably disposed to advertising than their older, less educated counterparts.

The less educated blacks tend to interpret advertisements literally: a model lying down is considered lazy, while a woman in a kitchen is considered a good housewife.

People standing next to cars were labelled drivers and those in leather jackets thugs.

On average only 37% of urban blacks interpreted the message of an advertisement in the way the advertiser intended it.

The study showed the South African urban black as rating education which he sees as leading to better employment, and the improvement of his home the most highly.

He has a desire to extend and alter his home, make the interior more attractive and renovate or acquire new furnishings.

Although in many respects his behaviour is becoming closer to that of the white man, there are still many differences stemming from those main issues of the day for urban blacks: education, housing and employment opportunities.
R60-m lined up for black home ownership

BY BOB HITCHCOCK

THE R750 000 loan raised in the United States recently by the Urban Foundation will make more than R48 million available for individual loans to township residents when the black home ownership programme comes into operation.

The introduction of leasehold rights for blacks is expected to take effect from the second quarter of this year.

An Urban Foundation statement said these funds would ensure that the initial demand for black housing loans is met.

The Urban Foundation has raised the loans totalling R38 500 00 million from three American banks.

They will be used exclusively for black housing wherever leasehold rights exist.

"They will provide an invaluable impetus to home ownership and the construction of new homes, and will decrease the backlog in housing in all urban areas in which the leasehold applies," an Urban Foundation spokesman said.

The initial loans were made by the Chase Manhattan Bank, Bank of America, and Morgan Guaranty Trust Company to three major South African banks — Barclays, Nedbank and Standard.

They will hold the funds in trust on behalf of the Urban Foundation until the leasehold scheme is introduced. All interest accrued during this period will be used exclusively for the loan financing scheme.

Local building societies will draw on the trust fund as demand for loans by black home buyers changes.

They will match all foreign loans on a rand-for-rand basis from their own funds.

The loans will be granted at a lower rate of interest for the period in which the building societies have access to the foreign funds.

The lower rate will be passed on to the borrower by way of a reduced monthly payment, or a normal monthly payment but with interest debited at a lower rate.

The Urban Foundation and the three South African banks involved will not charge for servicing the loans.

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3.3. Doop: Eerste Sondag in die maand 10.30 vm;

3.5 Doop- en Tugkommissie vierde Woensdag in die maand. Voornemende doopouers stel hul wyksesouderling in kennis en ontmoet die kommissie saam met die ouderling onmiddellik na biduur;

3.6 Spreekuur met leraar in kerkkantoor: Elke Woensdag van 6.00 - 7.30 vm (voor biduur);

3.7 Dankoffers:

3.7.1 Elke Sondag in die maand;

3.7.2 By besondere geleenthede soos Nagmaal, Kersfees, Lentefees;

3.7.3 Elke diaken (en waar geen diaken in die wyk is nie: ouderling) hou 'n boekie met volledige naam en adreslys van lidmate wat 'n verdienste het;

3.7.4 Elke diaken sal verkieslik die laaste week in die maand die dankofferkoever觏ies vir die volgende maand aan sy wykslede besorg, waarop die wyk, datum en die naam van die Lid ingevul is;

3.7.5 Wanneer die koevertje ingelewer is, sal die diaken sy wykslede se dankofferbedrag invul in sy boekie en die Lid se "bydragskaart" tuis ook invul wanneer die nuwe koevert afgegee word;
Council rentals likely to go up

8. Any other business and 
tabling

7. Election of officers

6. Minutes of the AGM

5. Financial statement

4. Matters arising

3. Chairman’s report

2. Minutes of the AGM

1. Personalita

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Professor Neville

Professor Neville will be followed at 8

14th University Avenue

and a high commission

all members are urged

MINUTES

REMITTING YAN SUID AFRIKA

CLASSICAL ASSOCIATION OF SOUTH AFRICA

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Dundee, J.C. 1911.

Rentals throughout the City Council’s housing schemes for both whites and blacks are almost certain to be increased by amounts ranging from five cents to R7.50 a month.

The increases, which were approved by the executive committee yesterday, were recommended by the housing committee and have the “reluctant support” of the management committees.

If the new rents are approved by the full council they will come into operation on March 1.

In a report on the rents, the City Treasurer, Mr J. E. Watson-Baker, said there were no rent increases last year but rising costs had made it inevitable that some rents would have to be increased this year.

Among the reasons for the increases was the recent 16 per cent rise in the cost of electricity and a 6.5 per cent rise in the water tariff. This has hit sub-economic homes, where water and electricity is included in the rent.

Reluctance

The city treasurer said the overall increase in rents was seven per cent and the actual increases vary between an average of four per cent for some schemes, 15 per cent for sub-economic schemes and 27 per cent in the Main's restoration area.

But the housing committee, supported by the executive committee, decided to limit increases to R7.50.

The Kensington management committee said it accepted the increases with reluctance, and asked the council to advise residents of the increase in the simplest, possible terms and suggested that charges for water and electricity be indicated as separate items on accounts as many believed they did not pay for these services.

The Athlone and District management committee also asked for notices to be written in simple terms so that the reasons for the increases would be clear. As past notices were generally misunderstood because of the technical language used.
The urban wellbeing

HOUSING comprises only a small segment of South Africa's growing urban Black problem, yet it is of such major importance that failure to solve it will escalate existing racial tensions.

The success of the Urban Foundation in raising two United States loans totalling R36.5 million for Black home ownership schemes should therefore help the private sector to play a significant role in preventing a worsening of the situation — a role, incidentally, which the Government itself, as the architect of an ideology that is daily proving more unworkable, should long ago have adopted.

We assume that the Foundation's effort was spurred by the mid-December promulgation of the 99-year leasehold system for urban Blacks — which would mean that it was able to raise this substantial sum within a month, an achievement which would have been impossible without the understanding and cooperation of the Americans, whose subsidiary companies in South Africa are so effectively pointing the way to economic upliftment by implementing the Sullivan principles.

About one-fifth of the amount borrowed is earmarked for home ownership loans to the residents of three Black townships in the Cape, and the balance will presumably be used where the need is greatest.

South Africa's unemployment position and its incipient labour problems should inspire the Government to consider timely palliatives, one of which is the creation of a contented middle class. To that end Blacks should be encouraged to become proud home owners who will defend what they have acquired by personal endeavour.

Although the private sector is ready to make its contribution, the Government itself should allocate generous funds to such a worthwhile project as part of the "new deal" recently announced by Dr. Piet Koornhof.

The promised dispensation should also include the creation of autonomous local authorities throughout the country and the overhaul of the Bantu (Urban Areas) Consolidation Act to bring about a new order for the voiceless, with the emphasis on positive development.
Salary surveys have become big business for management consultants in recent years. But now a Johannesburg firm, Fine Spamer Associates, has come up with a more daunting type of survey — this time on black advancement.

The idea is to apply the technique of salary surveys to the area of black advancement. Fine Spamer hopes to make it an annual feature. If successful, it could provide the most accurate record of black advancement in SA industry yet.

An exciting prospect, but fraught with difficulties. After all, job advancement is a sensitive area, and firms who might be quite prepared to commit their salary scales to paper are unlikely to feel the same about an area in which government and registered union opposition has persuaded most to remain silent.

Fine Spamer is confident it can overcome the problem. It aims to preserve full confidentiality for individual participants, and so has arranged for all replies to be held in trust by Finansbank.

“We ourselves won’t know the names of the individual firms whose answers we process. So there’s no danger that a firm would have its job advancement programme revealed by participating,” says MD Coen Spamer.

A further problem may be that a black advancement survey could be more difficult to process than a wage survey. Figures are, after all, a lot easier to feed through a computer than opinions. But here again the surveyors are confident they have the answer.

“We’ll be using content analysis techniques to evaluate the answers to our open-ended questions. Our questionnaire also has built-in checks to evaluate the accuracy of answers,” says Bernard Chalmers, who is responsible for the design of the programme.

Certainly the questionnaire itself, now in draft form, should unearth a mine of information. Questions will cover the whole gamut of current management policies and practices regarding black workers, future management plans, and problems firms have experienced in implementing job advancement programmes.

Among the issues to be canvassed are training, the usefulness of work committees, liaison committees and trade unions, fringe benefits, legal and other restrictions, management attitudes, and the effect of outside pressure on firms’ policies.

The survey will also contain comparisons between various industries, as well as one between SA and overseas firms. It also aims to focus on the difference between problems which firms themselves perceive and those they have actually experienced.

“For example, some firms might fear they can’t promote black workers because of customer reaction. But many might never have tried to sound out that reaction,” says Chalmers.

Firms participating will receive a copy of the report, and can also receive a company position report if they want it. Another advantage, claims Chalmers, is that: “Many firms have been wanting to carry out a detailed ‘social audit’ for some time but don’t have the resources. We’re now offering them these resources.”

The survey requires a minimum of 200 companies participating to be viable. Spamer is confident that figure will be exceeded: “We already have 40 inquiries from people who’ve not yet received our brochure. I feel we can get as many as 500 firms.”

Questionnaires will be posted to participants from the middle of March to be returned by end April. Publication date is June 15.
93. Mr. N. B. WOOD asked the Minister of Community Development:

(1) What was the estimated shortage of houses for White, Coloured and Asian persons, respectively, in each province as at 31 December 1978;

(2) how many houses were made available for occupation by persons of each race group in each province during 1978 by (a) his Department and (b) local authorities.

The MINISTER OF COMMUNITY DEVELOPMENT:

<table>
<thead>
<tr>
<th></th>
<th>Cape Province</th>
<th>Natal</th>
<th>Transvaal</th>
<th>Orange Free State</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Whites</td>
<td>34 500</td>
<td>3 000</td>
<td>6 400</td>
<td>1 000</td>
</tr>
<tr>
<td>Coloureds</td>
<td>1 100</td>
<td>16 000</td>
<td>2 200</td>
<td></td>
</tr>
<tr>
<td>Asians</td>
<td>359</td>
<td>123</td>
<td>739</td>
<td>34</td>
</tr>
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</table>

(2) Whites

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<tr>
<th></th>
<th>(a)</th>
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<tbody>
<tr>
<td></td>
<td>389</td>
<td>454</td>
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</table>
| Coloureds

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<tr>
<td></td>
<td>423</td>
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</table>
| Asians

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<th></th>
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<td></td>
<td>79</td>
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</table>

For the hon. member’s information it may be mentioned that the mere fact that there is an overall surplus of residential accommodation does not mean that anyone can obtain adequate housing anywhere upon application. The provision of housing for Whites is therefore being proceeded with on a selective basis in order to meet the demand arising out of the natural increase in population and to remove proven bottlenecks.
BLACK HOUSING

Constructive move

For the first time in over a decade, Africans in "white" areas will be eligible for government housing loans at sub-economic interest rates. This development was announced last week and is due to begin on April 1.

Sub-economic housing loans have long been available to non-Africans through the Department of Community Development's National Housing Fund, whose coffers are filled by appropriations by Parliament and returns on invested capital. Loans at 1% are granted to people with incomes of less than R150 a month, while for people in the R151-R250 income bracket, interest rates are 3.5%. In the "economic" bracket of R251-R540, rates are 9.25%.

For African housing, on the other hand, all loans negotiated by the administration boards have had to be at economic rates.

The new development means that poorer Africans will now have access to housing subsidies on the same basis as poorer non-Africans.

Says Louis Fouche, Secretary for Community Development: "To enable Africans to pay back housing loans, artificial means, i.e. liquor sales, have had to be used. The government has now decided that subsidies available to whites, coloureds and Asians should be extended to Africans."

Cheaper loans will also mean a better standard of low-cost housing.

How many people will be able to benefit from the change is difficult to say, but Department of Statistics data for the end of 1977 put the average monthly earnings of Africans at only R124.

The administration boards will not comment as yet. The West Rand and the Vaal Triangle boards tell the FM that they have not been officially notified.

Government first began discouraging sub-economic loans for Africans in 1960. It wanted Africans in the "white" areas, no matter how poor, to pay for their own housing without assistance from the State.

The Johannesburg City Council was one of the few local authorities that continued applying for, and being granted, sub-economic loans. "In 1967, government insisted that Johannesburg should rather build in the bantustans," says Will Carr, who was director of Johannesburg's Non-European Affairs Depart-

ment at the time. "We refused. That was the last time we were granted a sub-economic loan."

When Wrb took over from the council in 1972, Carr says, an estimated 12,000 out of Soweto's 68,000 houses were sub-economic.

Why the change of heart on government's part? Among the reasons listed in a joint statement by Community Development Minister Marais Steyn and Plural Relations Minister Piet Koornhof, are the increased costs of housing and the "general lower standard of African housing."

The statement also refers to "the reassessment of the position of blacks in respect of their permanent residence in white urban areas." One of the reasons for the policy of demanding self-sufficiency among urban Africans was the desire to emphasise that they were only temporary sojourners. They were expected to remain in white areas only to sell their labour, and to leave as soon as they became economically redundant.

"Government has now realised that a stable, skilled labour force is necessary," says Prof Philip Smit, Pretoria University's expert on urbanisation. "Stability and home ownership are essential to prevent unrest. No Rhodesian townships have experienced disorders, because the people there have an interest in preventing them."

Recognition of permanence for urban Africans is, however, far from complete, as is clear from last year's legislation depriving future generations of citizens of independent bantustans of their rights to be in urban areas.

The administration boards will pre-
(5) 1974.

366. Mr. P. A. MYBURGH asked the Minister of Agriculture: 

(1) How many farmers in (a) the Western Province, (b) the rest of the Cape Province, (c) the Orange Free State, (d) the Transvaal and (e) Natal applied for housing loans for farm workers in 1978?

(2)(a) how many of the applications in each area were granted and (b) what was the total amount granted in each area.

The MINISTER OF AGRICULTURE:

<table>
<thead>
<tr>
<th>Area</th>
<th>Applications</th>
<th>Amount Granted</th>
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</thead>
<tbody>
<tr>
<td>(a) Western Province</td>
<td>133</td>
<td></td>
</tr>
<tr>
<td>(b) Cape Province</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>(c) Orange Free State</td>
<td>41</td>
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<tr>
<td>(d) Transvaal</td>
<td>38</td>
<td>7</td>
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<tr>
<td>(e) Natal</td>
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</table>

(2) (a) applications granted:

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<thead>
<tr>
<th>Area</th>
<th>Applications</th>
<th>Amount Granted</th>
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</thead>
<tbody>
<tr>
<td>(a) Western Province</td>
<td>113</td>
<td></td>
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<tr>
<td>(b) Cape Province</td>
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<tr>
<td>(c) Orange Free State</td>
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<tr>
<td>Transvaal</td>
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<td>7</td>
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<tr>
<td>Natal</td>
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</tbody>
</table>

(b) the Western Province: R563 834
the rest of the Cape Province: R308 510
the Orange Free State: R198 999
Transvaal: R183 250
Natal: R36 232

16 Applications were still under consideration at the end of December 1978.
Homes up R150 from today

JOHANNESBURG — The cost of buying an average home through an estate agent will rise by R150 from today.

And the commission payable on the sale of vacant residential and commercial stands is also going to soar — by 50 per cent on properties selling for R10 000 or less. The increase will be lower on more expensive stands.

Agents' fees will rise on smaller commercial and industrial deals, too, but commission on the really big transactions is going to come down because larger deals do not necessarily mean more work.

The biggest number of people by far will be hit by the increase in house sale commission, which are part of a new all-round tariff announced on Friday by the SA Institute of Estate Agents.

Although not all agents are members of the Institute, its tariff is generally accepted throughout the industry.

A feature of the new formula is that different rates have been prescribed for the sale of houses and commercial property for the first time.

The former rate of five per cent on the first R20 000 and 3.5 per cent on the balance has been changed to five per cent on the first R20 000 and 3.5 per cent on the balance.

This means that the amount payable will rise by a flat R150 on houses which sell for R20 000 or more.

The amount payable on a R50 000 sale was R500, but from today it will be R1 050. On a R30 000 house the amount payable has been R1 200, but from today it will be R1 550.

A R10 000 sale has attracted commission worth R1 550 until now. From today it will be R1 700.

The commission on vacant land has usually been estimated at five per cent of the selling price. From today it will be 7.5 per cent on the first R10 000; five per cent on the next R50 000; and 3.5 per cent thereafter. This means that commission payable on a R100 000 stand will rise from R600 to R700.

Commissions on commercial deals will generally rise on deals of up to R1 million or just over, but will come down on more expensive properties.

Commission on a R10 million deal, for example, will drop from R350 000 to R250 000.

The last increase in estate agents' tariffs came into effect in June 1977 — 20 months ago.

During that time there had been a steep rise in operating expenses, the president of the Institute, Mr. C. T. Clark, said.

Expenses had risen particularly sharply in areas which formed a large part of agents' overheads like motorizing expenses, advertising costs and staff salaries.

Although the increases are considered fairly steep, they are not expected to have a material effect on the property market. — DDC.
MONTDAY, 12 MARCH 1979

(1)(a) How many housing units for Coloured persons were built throughout the Republic during 1978 with the assistance of his Department, (b) where were they built and (c) what was the estimated number that will be built in 1979?

(2)(a) what was the estimated shortage of houses for Coloured families as at 31 December 1978 and (b) when is it expected that the shortage will be eliminated.

The MINISTER OF COMMUNITY DEVELOPMENT:

12 MARCH 1979

(1)(a) and (b) and 2(a): The required particulars were furnished on 1979-02-23 in my reply to Question 93.

(1)(c) The required particulars were furnished on 1979-02-20 in my reply to Question 103.

(2)(b) The position as set out in my reply of 1978-04-03 to the hon. member's Question No. 377 remains unchanged.
Blocks of flats exempted from rent control

Mr. P. A. PYPER asked the Minister of Community Development:

How many blocks of flats in (a) Cape Town, (b) Port Elizabeth/East London, (c) Durban, (d) Pretoria/Transvaal, (e) Bloemfontein, (f) Kimberley, (g) Johannesburg and (h) Pretoria were exempted from rent control during 1976.

THE MINISTER OF COMMUNITY DEVELOPMENT:

(a) 4;
(b) 16;
(c) 4;
(d) other areas: none.

In respect of some buildings only certain flats were exempted, whilst the remaining flats are still subject to rent control. There are various reasons for this distinction. For example, in some cases application for the exemption of all the flats in the block was not made, whilst in other cases certain flats were not exempted because they were occupied by less affluent tenants.

The particulars given above are only in respect of applications for exemption from rent control. Dwellings which were occupied for the first time after 1959-12-31, which were exempted, in terms of Proclamation 83 of 1976, from the provisions of the Rent Control Act, 1976, are not included. Information regarding dwellings in this category is not obtainable.
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### The MINISTER OF STATISTICS

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<th>Asians</th>
<th>Blacks</th>
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<td>Black</td>
<td>11</td>
<td>326</td>
<td>181</td>
<td>180</td>
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17. Senator P. D. WINCHESTER asked:

How many dwellings were there in the Northern Transvaal in 1901? How many were inhabited by (a) Whites, (b) Coloureds, (c) Asians, and (d) Blacks, and (e) all races together?
Horwood says senators to be quizzed

Parliament Correspondent

CAPE TOWN — The Minister of Finance, Senator Owen Horwood, announced in the Senate yesterday that he would ask the Erasmus Commission to investigate allegations made by Opposition ministers, including himself.

Replying to the second reading debate on the Part Appropriation Bill, he said this would result in the senators having to testify before the commission.

He warned Opposition members they were "playing with fire" by making serious and unsubstantiated allegations and insinuations in recent debates about when ministers had known details of the Information scandal.

Citizen

"It has clearly been stated that no minister knew of the fact that State money was going into the Citizen." Senator Horwood said he could not give orders to the Erasmus Commission.

"But I am going to put all these speeches containing these allegations before the commission. I am going to ask them to investigate them very thoroughly," he said.

Premier

"The Prime Minister, Mr. P. W. Botha, would speak in the Assembly today when the Information affair was debated on a private member's motion..."

"The Prime Minister is going to have a few things to say as well. You will find the Prime Minister and I are talking consistently on these matters," Senator Horwood said.

More left last year

Parliamentary Correspondent

CAPE TOWN — For the second year running South Africa has lost more people through emigration than it has gained through immigration.

The overall loss of 795 people in 1977 jumped during the first nine months of 1978 to 2,938, according to the annual report of the Department of Interior and Immigration, tabled in Parliament yesterday.

The Opposition Chief Whip in the Senate, Senator Bill Horak of the New Republic Party, said in a statement afterwards that the two NRP members concerned, Senator Monty Crook and Senator Warwick Webber, had nothing to hide and would respond willingly to a subpoena.

Threat

"Normally in my view a threat to a Member of Parliament to have him examined by a body other than Parliament in respect of anything said by him in Parliament would be an infringement of the right of members to free speech."

Black family homes move

ORMANDE POLLOCK
Political Correspondent

CAPE TOWN — The Government was considering diverting a large sum of money away from single-quarter accommodation for railway workers to family housing in the Black urban area, Mr. Louwrens Muller, the Minister of Transport, said yesterday.

He was replying to Mr. Val Volker, the National Party MP for Klip River, who suggested during the Railways debate the two planned hostel complexes, in Umdloti, Durban, and Pietermaritzburg, be pruned down and family housing be built instead.

About R50 million had been voted for the two schemes, which are both in the KwaZulu territory, serving the Durban harbour and railways complex in Pietermaritzburg with labour.

Mr. Muller said that the matter was under consideration.

Mr. Volker was praised by the Opposition's chief spokesman on railways, Mr. Rupert Lorimer, for his suggestion.

"His speech about providing family accommodation instead of single hostel quarters was a revelation," said Mr. Lorimer.

Mr. Volker's philosophy that it was more desirable to have family accommodation had impressed him particularly. It was the first time this approach had been adopted, on the Government side.

"I commend him because it shows there is some thinking in that party," said Mr. Lorimer.

See Editorial Opinion
R 160-m to be poured into black housing

Building societies are poised to make R180-million in loans available to urban blacks for houses on April 1. But there is still no clarity on the surveying of individual plots — essential for proper leasehold title.

Mr. David Alston, director of the Association of Building Societies, said building societies could make R100-million available immediately with a further R30-million ready to match an overseas loan of R30-million.

**CRITICISED**

"But at the moment we do not know what the demand will be, he said."

The Government announced recently that land surveys in each township would have to be undertaken prior to securing title for home ownership.

This has been criticised by organisations connected with black housing because of the cost of the surveying of individual sites.

The vice-chairman of the Central Council of Land Surveyors, Mr. L. A. Course, said the surveying of sites on an individual basis would have to be avoided to prevent an escalation of house costs.

"The way to do it would be for one surveyor to handle 12 or 15 stands at a time in one township as applications came in," Mr. Course said.

But Mr. Course said that a sound system of surveying had to be carried out in order not to create a second-rate title for blacks.

In the creation of black townships in urban areas, the land was simply divided up for the construction of houses for blacks who had only occupation rights.

Says Mr. Course: "Under leasehold, such a situation is no longer acceptable. If title is to carry the right to register bonds, say for it, then it is essential to the lender, to the mortgage, that there is complete certainty about boundary lines, etc."

To save the cost of resurveying every township, wherever possible, existing plans of the areas will be used and the positions of houses and fences checked by aerial survey or ground methods.
Important change in housing funds

From Mrs R N ROBB (Vice Chairman, Western Cape Region, Black Sash, Mowbray):

There has been very little public reaction to a most important statement by the Minister of Community Development, Mr Marais Steyn, that in future African housing will be financed on the same basis as that for white and coloured housing. At present, and for very many years, all African housing has been economic housing, regardless of the income of the tenant.

Now money for housing for Africans earning less than R150 per month will be lent at one percent instead of the present 2½ percent. For the first time the poorest section of the community will receive the same housing benefits that the coloured and white people have received for many years. In Mbekweni Location, Paarl, the latest one-bedroomed family housing units have been let at R24 per month, because of the greatly increased cost of building, and the young couples who moved into these houses have been quite unable to pay their rent out of wages of approximately R18 per week.

Their parents were still paying R6 – R10 per month for superior four-roomed houses built many years ago. Very recently some equalisation of these rents has been proposed. In view of the fact that the Administration Board can now borrow money at one percent to build sub-economic houses, one hopes that hundreds of houses will be built and let to those Africans earning less than R150 per month, at a rent they can afford. One hopes that the houses, especially the economic ones, will have floors, ceilings, internal doors and toilet, and above all electricity. At present, the standard African house has few of these things.

To correspondents:

When writing to the Editor please be brief, double space, use only one side of each page, sign your name clearly and give your full address (not only a post office box number). Pseudonyms are not ordinarily acceptable. Letters are liable to be shortened and edited.

From the Bible

We all, like sheep, have gone astray, each of us has turned to his own way; and the Lord has laid on him the iniquity of us all.

(Isaiah 53:6, New International Version)
Govt may tighten reins on flat rents

By HELEN ZILLE
Political Correspondent
CAPE TOWN. — The Government is looking for a way of lifting the burden on flat-dwellers faced with rocketing rents since the scrapping of the rent control system.

This assurance was given by the Minister of Community Development, Mr Marais Steyn, this week during a meeting with Mr Harry Schwarz (PFP Yeoville) and Mr Alf Widman (PFP Hillbrow).

The meeting took place to discuss rent increases affecting people — particularly pensioners — in the two constituencies since the introduction of looser rent control regulations.

Although Mr Steyn refused to baulk the phasing out of rent control, he said alternative cheaper housing would be provided in existing schemes in Johannesburg.

Because of the social disruption this would mean for elderly people, Mr Steyn agreed to consider other alternatives.

These included (at sub-economic interest rates):

- A scheme whereby the Government would lend money to charity organisations or non-profit housing utility companies to buy or build flats in the Hillbrow/Yeoville area.

These flats would then be let to deserving tenants at minimal rentals.

- A scheme whereby the Government would hire entire blocks of existing flats and sublet flats to deserving pensioners at rentals they could afford.

Mr Schwarz and Mr Widman said they were investigating these possibilities and would submit concrete proposals to the Department of Community Development.
Union leader urges end to Group Areas Act

Mr. Barney Krynaauw, general secretary of the Garment Workers Union of South Africa, has called for the suspension of the Group Areas Act — especially in places where blacks are without houses while white accommodation stands empty.

Mr. Krynaauw said "it makes no sense" to refuse black and coloured families accommodation in areas which have been vacated by white families.

He said there were people who could afford to move into this accommodation but who were blocked by the Group Areas Act.

TRANSPORT-COSTS

Mr. Krynaauw said the shortage of housing among blacks had become crucial. He pointed to an "oversupply" of flats in Johannesburg city areas in Braamfontein and Hillbrow where flats were standing empty.

"The accommodation is available, yet, because of their race, people who cannot find accommodation elsewhere must move from flat to flat living as inconspicuously as possible to escape eviction and persecution."

Although segregation in housing could be expected for many years to come, this should be economically rather than racially based, he said.

Mr. Krynaauw said the further black families were moved from their place of work, the heavier their transport costs became.

REHOUSING

"The logical step would be for future housing development to take place on the land between the black townships and the white cities, not further away," he said.

Mr. Krynaauw has also called for a halt to the moving of people against their will from existing housing.

He questioned the expense of this re-housing. Quoting Mr. Bay Swart, MP, he said the Department of Community Development has spent R200-million on coloured and Indian housing between 1969 and 1975. Of this total R200-million was spent rehousing families who had homes but were disqualified from living in them because of the Group Areas Act.
Provincial Reporter

The Cape Provincial Executive Committee intends to introduce legislation at the next Provincial Council session to eliminate race discrimination in guaranteeing housing loans to provincial personnel.

The legislation would allow the Administrator to guarantee loans for black employees to acquire leasehold rights to land on which to build homes in terms of the Black Urban Areas Consolidation Act.

At present the Peninsula is excluded from the provisions of the Act, but blacks in other parts of the Cape may acquire leasehold rights.

Contributors

Existing legislation, the Dwelling Loans Guarantee Ordinance of 1958, empowers the Administrator to guarantee loans to contributors to the Government Service Pension Fund and the Government Employees' Provident Fund — white provincial employees and some coloured employees.

The proposed new legislation would extend this system to coloured and black permanent employees who contribute to the Government Non-White Employees' Pension Fund.

Retrospective

This would apply the system without discrimination to all races. It is proposed the legislation should be retrospective to November 6, 1975.

The legislation limits the guarantee on loans to 30 percent of the total loan.
House prices set to jump 12.5 pc this year

Building costs, and therefore house prices, will rise an average 12.5 percent this year, the Bureau for Economic Research at the University of Stellenbosch forecasts in its latest building survey report.

A house costing R16 000 to build a year ago will now cost R18 000. The bureau comments: "At this rate the available building society funds are swallowed up quickly, and the adverse effects regarding the supply of new housing are apparent."

The forecast is based on the rise in the price of crude oil and liquid fuel, also an expected acceleration of inflation, which will push up wages. "Because products like certain floor tiles and paints are manufactured from the by-products of crude oil, their prices are directly affected. Many building products have a high mass per volume, and therefore transport cost forms a fairly high proportion of the price." "It will be surprising if the average increase in the price of building materials is lower than 17 percent," the report said.

The survey had shown that contractors and developers were still pessimistic about prospects. Manufacturers, and, especially merchants, were optimistic, partly because of Government spending.

The doubling of Secunda should prove a stimulus to the construction industry after 1980, "that is, if the reassessment of priorities, mentioned by the Minister, does not lead to the postponement of other construction projects." — Sapa.
THURSDAY, 29 MARCH 1979

For written reply:

Housing: amount spent

14. Senator L. D. WINCHESTER asked the Minister of Community Development:

(a) What was the actual amount spent during the financial year 1977-78 and (b) what is the estimated amount to be spent during the current financial year, by his Department on housing for each race group in each of the major urban centres.

The MINISTER OF COMMUNITY DEVELOPMENT:

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<th>Coloured (R)</th>
<th>Asian (R)</th>
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(a) $\times$ R1 000

(b) $\times$ R1 000

Expenditure out of the amount of R165 million made available for Non-White housing by a consortium of banks is included under (a), but not under (b), as it is very difficult to estimate the expected expenditure out of bank funds on a regional basis, as requested. The expected expenditure out of bank funds for the whole Republic is as follows:

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<th>Race Group</th>
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**THURSDAY, 21 MARCH 1979**

Indicates translated section.

**Economic/sub-economic housing**

110. Mr. T. ARON asked the Minister of Community Development:

What funds were available to his Department as at 31 December 1978 for the construction of (a) economic and (b) sub-economic housing:

What amount was (a) spent and (b) allocated by his Department for the building of economic and sub-economic housing, respectively, for the period 1 April 1978 to 31 December 1978 in respect of each race group in (i) Cape Town, (ii) Durban, (iii) Pietermaritzburg, (iv) Pretoria, (v) Port Elizabeth, (vi) Kimberley, (vii) East London, (viii) Bloemfontein and (ix) Johannesburg.

The MINISTER OF COMMUNITY DEVELOPMENT:

(1) R36 522 978 for (a) and (b). Separate data is unfortunately not available because funds are spent according to the claims received for services rendered. The aforementioned amount, being the unspent balance of the funds which were appropriated by Parliament for the 1978-79 financial year, does not include temporary financing amounting to R165 million made available for Non-White housing by the consortium of banks.

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Hierby word bekend gemaak dat die Staatspresident sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliekeer word:


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

Act No. 26, 1979

SLUMS AMENDMENT ACT, 1979.

GENERAL EXPLANATORY NOTE:

Words in bold type in square brackets indicate omissions from existing enactments.

Words underlined with solid line indicate insertions in existing enactments.

ACT

To amend the Slums Act, 1934, so as to increase the penalties; and to provide that fines paid or recovered in respect of an offence in terms of this Act, shall be paid over to the local authority within the district of which the offence was committed.

(English text signed by the State President.)
(Assented to 16 March 1979.)

BE IT ENACTED by the State President, the Senate and the House of Assembly of the Republic of South Africa, as follows:

1. Section 33 of the Slums Act, 1934, is hereby amended—

(a) by the substitution for subsection (1) of the following subsection:

“(1) [Every] Any person convicted of—

(a) an offence under the provisions of section 5 (3), 7 (2) or 12 (4) [or 26 (2)], shall be liable to a fine not exceeding [one hundred pounds] R500; 10

(b) [and every person convicted of] any other offence [under] in terms of the provisions of this Act or of contravening any regulation made under section 32 shall be liable to a fine not exceeding [twenty-five pounds] R200.”; and 15

(b) by the addition of the following subsection:

“(3) Any fine paid or recovered in respect of an offence in terms of this Act, shall be paid over to the local authority within the district of which that offence was committed.”

2. This Act shall be called the Slums Amendment Act, 1979.
The Assembly — The Department of Community Development spent R114m on economic and sub-economic housing for all race groups from April 1977 to December 1978.

The Minister of Community Development, Mr. Marais Steyn, said in reply to questions yesterday by Mr. Tho' Aronson, South African Party member for Walmer, that R36.5m was left over from the 1977/78 financial year.

In a breakdown of spending in each race group in the major cities it emerged that the biggest single amount, R38.7m, was spent in Cape Town for Coloured housing.

In Johannesburg, R6.7m was spent on Coloured housing; in Durban R3.2m and in Port Elizabeth R1.1m.

About R11.942 was spent on Coloured housing in East London.

White housing in Cape Town cost: R3.4m in Durban R2.3m, in Pretoria R2.7m, in Johannesburg R2.8m, in Port Elizabeth R1.1m.

Houses for Asians cost: R16.8m in Durban, R98m in Pietermaritzburg, R49.6m in Port Elizabeth, R17.6m in East London and R1.6m in Johannesburg.

Port Elizabeth was second only to Johannesburg in the total amount spent during the period on black housing. In Johannesburg R4.5m was spent, while in Port Elizabeth the total was R2.5m.

About R4.59.278 was spent on Coloured housing in Durban, about R1.8m in Pretoria, R3.107 in Cape Town and R2.200 in East London.

— FS.
R107-m for coloured housing

Political Staff

THE SENATE — It was estimated that the Department of Community Development would spend slightly more than R107-million on housing for coloured people in South Africa during the current financial year, the Minister, Mr Marais Steyn, said yesterday.

Of this, R88-million would be spent in Cape Town, R1-million in Port Elizabeth, R300 000 in Kimberley, almost R7-million in Durban, R1-million in Maritzburg, R5-million on the Witwatersrand and R1-million Bloemfontein.

Just over R14-million was to be spent on white housing, of which nearly R7-million would be spent in Cape Town, R274 000 in Port Elizabeth, nothing in Kimberley, R1-million in Durban, R21 000 in Maritzburg, nearly R4-million on the Witwatersrand, R1-million in Pretoria and R85 000 in Bloemfontein.

About R1.8-million was to be spent on black housing.

Nearly R33-million was to be spent on Indian housing, of which R300 000 would be spent in Cape Town, R20 000 in Port Elizabeth, R24 000 in East London, R28-million in Durban, R1-million in Maritzburg and R4-million on the Witwatersrand.

Mr Steyn, who was replying to a question put to him by Senator Eric Winchester, said these figures did not include expenditure out of an amount made available by a consortium of banks as this was difficult to estimate on a regional basis.

The estimated expenditure out of bank funds for the whole of South Africa was R30.7-million for coloured people, R11.6-million for Indians and R17.6-million for blacks.
Building industry asks State for R300-m more

By Frank Jeans

The Building Industries Federation (Bifsca) has been quick to follow through on Senator Harwood’s populist budget by making a high-level approach to the Government for an additional R300 million for housing and services for the lower income groups.

The Minister of Community Development has been asked by Bifsca to make urgent representation to the Cabinet for the extra millions, which are in addition to the R250m allocated for low-cost homes in November 1977, of which R70 million has already been drawn by the building industry from the banking sector.

So immediate does Bifsca see the need for more cash in the housing pipeline, that the federation did not take time to draft a formal letter to the Minister, Mr Steyn, but sent him a telex message.

Says Mr Johan Grotsius, director of Bifsca: “This week’s budget was clearly an expansionary gesture.

“The Finance Minister obviously wants to give the national economy a hard shove from the consumer end, and the building industry, by its nature, is one of the prime vehicles for stimulating consumer spending.

“A serious backlog in housing still exists throughout the Republic,” says Mr Grotsius, “and this could build up to a serious accommodation bottleneck.”

Based on the assumption that the original distribution pattern will be maintained, it is estimated that the breakdown of the R300-million would be:

- 40 percent for blacks, including homeland and urban;
- 40 percent for coloured people; and
- 20 percent for Asians.
Mortgage repayments cut

By GORDON KLING

LOWER home mortgage bond repayments are the latest financial benefit from the accelerating economic recovery.

The mortgage rate cut of 0.5 percent, announced yesterday by the Association of Building Societies, will mean a monthly saving of about R1 on a bond of R25,000.

This, coupled with the income tax concessions announced in the national budget, will mean an extra effective income of about R640 a month for someone earning about R10,000 a year.

The Director of the Association, Mr David Alston, told the Cape Times last night that the reduction would apply immediately in the case of new loans and from July 1 on existing bonds. He hoped, however, that existing borrowers would continue to repay their bonds at the previous higher rates to enable earlier repayment.

The 0.5 percent reduction in interest follows reductions ranging from 0.5 to 1.5 percent six months ago, and is part of the lower interest pattern throughout the economy which has meant cheaper overdrafts and will soon extend to lower HP costs.

It comes at a time when economists believe the rate of price increases, inflation, is either steady or on the decline in South Africa.

In keeping with the lower interest rate structure, the building societies also announced a 0.5 percent decrease in the interest rates they will pay on many new deposits.

In contrast, however, the Department of Higher Education in 1979 has slowly become an instrument of National Certificates were introduced by what was then the Department of Education and Training. The system of National Diplomas and Certificates for Technicians (NDT) equal to Standard X will substantially improve to be equivalent to Standard X plus three years, training for the technician to be upgraded to Standard X.

A real test of education was considered by the Human Sciences Research Council as a diploma that could quality for the National Diploma for Technicians (NDT) from South Africa and follow the path a potential technician takes if he/she

Let us look at the recent history of formal technical education in

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Civil servants will escape fringe tax perks stampeded by the government home minister of finance.

BY GORDON

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LOW-COST HOUSING

Round again? (123)

A building technique used in Africa for centuries and since developed in Canada has come full circle. A low cost, round-ended reinforced concrete is currently being marketed in SA, aimed primarily at meeting demand for black housing.

Canadian Murine Clarke, who owns the design rights for SA and Australia, has formed Roundes Pty Ltd jointly with Johannesburg businessman Robert Brodie. The next step, she says, is a prototype on the Canadian pattern planned for a site near Pretoria—depending on the level of interest shown by potential developers.

She says a “round house” comprising three bedrooms, one bathroom, kitchen and living area under a domed roof with a central skylight will cost “at the most” R4 000 complete, which, she insists, is cheaper than comparable conventional accommodation.

Clarke says the design which allows flexibility has been patented in SA and the technical know-how and use of fibreglass shuttering is to be offered to developers on a royalty basis. She says the design and specifications conform with SA building by-laws and have been approved by the Department of Community Development and the Bureau of Standards.

She has based her costing on quotes for materials and labour submitted by SA consulting engineers for a 94 m² unit. A 60 m² unit is also planned, aimed at bringing the cost below R3 500, including internal finishes. Costs are based on a contract for 200 or more units, excluding land.

Financial Mail April 13 1979
A R300-MILLION scheme to further reduce the R1-billion sub-economic white and black housing backlog is likely after proposals by the building industry for the Minister of Community Development, Mr S J Marais Steyn.

If government accepts the representations, the economy will enjoy a powerful new stimulus through the most labour-intensive arm of the private sector construction industry, which will handle virtually all the work.

Drawn up with the help of key representative bodies, including the Building Industries Federation of South Africa (Bifa), the proposals call for a repeat of the R300-million, budget-based sanction by the Minister of Finance, Senator Owen Horwood, in November, 1977, during the depths of the recession.

Sen Horwood allocated R100-million to coloured housing; R80-million for Indian housing; R50-million for black housing in urban areas and R50-million for housing for blacks in the homelands, the latter through the Department of Plural Relations.

According to the building industry, more than R100-million of the original R300-million has now been spent and the entire scheme should be complete by early next year.

Bifa director John Grothus was reluctant to give details of the R300-million scheme this week, but confirmed the representations to the Minister.

"He noted that if the scheme was implemented and if the revival in the economy continued, a comprehensive new training effort for black and white building workers would be necessary, especially for artisans."

"The stagnation in our sector in recent years has seen training widely neglected. If South Africa is serious about encouraging labour-intensive industries to create jobs, this is an excellent place to start. The house-building industry is more mechanised than it was. But it is still a lot less capital-intensive than many other industries, and likely to remain so unless wages become unrealistic."

The industry regards the R300-million scheme as crucial. Although a large increase in construction work is now expected, it is centred mainly on major capital works, it is said.

This argument is not entirely convincing at a time when residential building plans passed have just risen 30 per cent to R307,5-million for January-February, compared with R247,5-million last year. Nevertheless, the number of employees in the building trade was down from 350 000 in June, 1976, to only 350 000 as late as August, last year, so there is much leeway to be made up in terms of jobs.

"Also, the current upturn in new business is still a long way from reinstating the sort of volumes enjoyed in the late sixties and early seventies."

BY STEPHEN ORPEN
Govt spends more on housing for blacks

THE ASSEMBLY — There was a surplus of residential accommodation for white people in most metropolitan areas of South Africa last year, but a housing shortage for all other race groups.

But a shift of almost 50 per cent in government spending on new houses away from whites in favour of other race groups has taken place between 1974 and 1978.

According to the Secretary for Community Development, Mr L. Fouche, the reason for the shift is "the relatively greater need for housing among blacks, while the change in expenditure pattern, together with an enormous increase in the total amount made available for spending, confirms the earnestness of the government to wipe out the housing backlog."

In his department's annual report tabled here yesterday, Mr Fouche said the extent to which the housing backlog would be eliminated depended largely on whether there were sufficient funds to enable building at a sufficient pace.

Between 1974 and September 1978 the money spent on white housing had declined from R44.6 million a year to R35.5 million a year, while Coloured housing had risen from R42 million a year to R124.4 million, Indian housing from R12.8 million to R27.1 million and black housing from R5.5 million to R20.4 million.

At the beginning of 1978 the shortage of housing for Coloureds is estimated to be 57,000 but "I am confident that if sufficient funds were made available to maintain the present building rate and the private sector were to do its bit, the housing backlog can be wiped out by 1983."

Although the 3,135 houses built for Indians exceeded the number built in each of the previous five years, "the department is not satisfied with this turnover" and the object was to double this figure.

To eliminate the housing shortage for Indians within five years, 8,000 houses would have to be built each year.

His department only had responsibility for financing houses for black people, but the national housing fund could meet the demand for funds by administration boards.

PC.

Warning on cheap housing

CAPE TOWN — The government has sounded a warning against the use of site and service schemes to counter the housing crisis facing blacks in the lower income groups.

The Secretary for Community Development, Mr L. Fouche, in his annual report tabled in Parliament yesterday, says advocates of site and service schemes believe that even the cheapest housing unit is beyond the reach of some low-income blacks.

He warns that this line of thought is gaining increasing support.
Political Staff

HOUSE OF ASSEMBLY.

The Government has sounded a warning against the use of site and service schemes to counter the housing crisis facing blacks in the lower-income groups.

The Secretary for Community Development, Mr. L Fouche, in his annual report tabled in Parliament yesterday, says advocates of site and service schemes believe that even the cheapest housing unit is beyond the reach of some low-income blacks. He warned that this line of thought was gaining increasing support.

"South Africa is still prepared to pay the price of proper housing. It is not prepared to accept inferior housing standards. Squatting and shacks, uncontrolled or so-called controlled, resolve nothing, do not solve much and inevitably lead to evils," says Mr. Fouche.

It had been proven time and again that it was possible to provide proper housing within the paying capabilities of the lowest-paid categories of workers.

Two decades ago it was thought that self-help schemes were the obvious solution. The decision to accept site and service schemes as a temporary measure had resulted, for example, in an Estles River, where the clearance of nuisances created by the scheme was costing R60 million.

"It is wishful thinking that the mass of lowly-paid and usually unskilled workers can make any significant contribution to the provision of their own housing," says Mr. Fouche.

The isolated achievements of the Third World countries, which had not stood the test of time but which were nevertheless often held up as an example, did not impress him, because circumstances in South Africa differed vastly from those in other countries.

They, in contrast to South Africa, lacked the capital and ability needed to provide proper housing efficiently.

Mr. Fouche said that although building costs had risen sharply over the past few years, wages had not lagged far behind.

A three-bedroomed sub-economic house could still be built with all necessary services and facilities, for R4 800. A person earning up to R150 a month would pay R18.50 a month in rent for such a house. People earning as little as R64 a month could afford a three-bedroomed house with floor coverings, inner doors, ceilings and electricity, based on the internationally accepted norm that rental should not exceed a quarter of income.

"The individual who cannot afford national housing is in fact a candidate for welfare care and assistance," says Mr. Fouche.
Surplus for whites, backlog for others

Political Staff

HOUSE OF ASSEMBLY — There was a surplus of residential accommodation for white people in most metropolitan areas of South Africa last year, but a housing shortage for all other race groups.

However, a shift of almost 50 percent in government spending in new houses away from whites in favour of other race groups has taken place between 1974 and 1978.

According to the Secretary for Community Development, Mr. L. Fouché, the reason for the shift away from white housing is “the relatively greater need for housing amongst non-whites, while the change in expenditure pattern, together with an enormous increase in the total amount made available for spending, confirms the earnestness of the government to wipe out the housing backlog.”

In his department's annual report, which was tabled in Parliament yesterday, Mr. Fouché said the extent to which the housing backlog would be eliminated depended largely on whether there were sufficient funds to enable building activities at a sufficient pace.

Between 1974 and September 1978, the money spent on white housing had declined from R44.4 million a year to R35.3 million a year, while coloured housing had risen from R21.1 million a year to R21.1 million a year.

Indian housing from R12.8 million to R27.1 million and black housing from R5.5 million to R20.4 million.

Mr. Fouché said “a survey of local authorities has shown a surplus of residential accommodation for whites in most metropolitan areas and at other larger centres.”

However, at the beginning of 1978 the shortage of housing for coloured people was estimated to be 57,600, but “I am confident that if sufficient funds were made available to maintain the present building rate and the private sector were to do its bit, the housing backlog can be wiped out by 1985.”

He said that although the 3,185 houses built for Indians exceeded the number built in each of the previous five years, “the department is not satisfied with this turnover”. The object was to double this figure.

To eliminate the housing shortage for Indians within five years, the authorities together with the private sector would have to build 5,000 dwelling units per year.

His department only had responsibility for the financing of the construction of houses for black people but the National Housing Fund, which had built 338,000 dwelling units for blacks since its establishment, was capable of meeting the demand for funds by administration boards.
RENT CONTROL

Seize the nettle!

A year has passed since the first step was taken to dismantle rent control. We should now be in phase two, where only buildings occupied before January 1 1955 are controlled. No proclamation to that effect has appeared yet.

Community Development Secretary Louis Fouche tells the PM: “The matter is under consideration and a decision will be arrived at very soon.” He is delighted at the way the first year has gone and says few complaints of exploitation have been received from tenants.

The fact that, as Fouche puts it, “landlords and their representatives such as SAPOA have really played their part,” may be ascribed to the Minister walking softly and carrying a big stick. Marais Steyn made no bones that if there was any nonsense, control would be re-imposed.

It was understandable that the government should proceed cautiously at the start. The Fouche commission itself noted that “the total abolition of rent control would be an ideal step to take but . . . conscious of the danger of increase in rentals (particularly at a time when demand may again strongly exceed supply) which may follow such a step, as well as the political implications . . .” therefore recommended “that rent control be phased out . . .”

There were no riots in the streets during phase one and it seems superfluous to prolong the agony of decontrol another year. The government should go straight to final removal, retaining if necessary the 10% limit on rent increases during the first two years.

It was estimated that in phase one 63 000 dwelling units, or 26% of all units under rent control, would be freed and in the second year a further 18% would be exempt. As phase one took in 5% of the total number of dwelling units, phase two would take in an even smaller number thus leaving a minuscule percentage to be freed a year hence.

By removing control immediately investors would be provided with an incentive to build housing which in itself would act as a form of rent control through the supply and demand mechanism. The longer control is retained the higher building costs rise and the more difficult it becomes to keep rents down.

Away with it — now.
Too much luxury living says Steyn

CAPE TOWN — The limit on a national housing fund home is expected to be raised from R10 500 to R12 000 because of soaring costs in the building industry.

And because of the high housing cost, South Africans will have to accept a drop in standards, cutting luxuries and living on smaller plots.

This was said last night by the Minister of Community Development, Mr Marais Steyn.

"The solution to the problem of building costs rests fair and square on the preparedness of South Africans to accept more modest standards and simpler designs or plans," he said.

Many South Africans were living in too luxurious and expensive homes, he said.

"The indications of a revival in the economy have already resulted in an increase in demand for building plots which will tend toward a sharp rise in erf prices," he said. The man in the street could no longer afford an erf.

He hoped this revival would not lead to "disquieting" rises in building costs.

Mr Steyn said the housing matters advisory committee was looking at standardising building regulations, more realistic requirements for electrical installations and realistic standards of building materials with a view to keeping costs down.

The cost of providing services to housing developers had doubled over the past six or seven years.

The housing policy council was giving attention to the determination of realistic plot sizes, the availability of residential plots and the maximum utilisation of building land. — DDC
Govt spending more on black housing

THE ASSEMBLY. — There was a surplus of residential accommodation for white people in most metropolitan areas of South Africa last year, but a housing shortage for all other race groups.

However, a shift of almost 50% in Government spending on new houses away from whites and in favour of other race groups has taken place between 1974 and 1978.

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In his department’s annual report, tabled in Parliament yesterday, Mr Fouche said the extent to which the housing backlog would be eliminated depended largely on whether there were sufficient funds to enable building activities at a sufficient pace.

Mr Fouche also sounded a warning against the use of site and service schemes to counter the housing crisis facing blacks in the lower income groups.

Advocates of site and service schemes believe even the cheapest housing unit is beyond the reach of some low income blacks.

“South Africa is still prepared to pay the price of proper housing, it is not prepared to accept inferior housing standards,” he said.

The isolated achievements of the Third World countries, which had not stood the test of time but which were nevertheless often held up as an example, did not impress him because circumstances in South Africa differed vastly from those in other countries.
Mrs. Florence Nkosi battled in vain for accommodation when she and her four children had to leave their home on her husband's death. The 99-year leasehold scheme can provide relief for such people.

Leasehold scheme can bring relief

The plight of the homeless, the overcrowded and the separated families of urban black townships cries out for a rapid and successful implementation of the 99-year leasehold scheme. The head of Star Line, June Bearzi, examines the avenues of relief that may be opened when the new home ownership scheme comes into operation.

Over the years thousands of complaints to Star Line have arisen from the grave personal problems and family disruption created by the housing shortage and strict housing regulations in black townships. Some of the problems brought to light were:

- The great hardships suffered by divorced or widowed mothers as their rights regarding housing permits are not equal to those of men.

and her four children, on the death of her husband, were forced to leave their rented house and move into her brother-in-law's three-roomed home — with his wife and eight children.

(End)
The disruption of family life as married couples are forced to live apart if they have no home.

The death of a housing permit holder does not entitle the other occupants whose names appear on the permit to take over tenancy or continue to live in the house even if they are the widow and children of the deceased.

The difficult living conditions created by overcrowding.

Shortage

Many of these problems arise directly from the housing shortage. And the rest can also be related to the housing shortage in that regulations on the rights of occupation of a home are applied more stringently because of the shortage. The 99-year leasehold scheme of black home ownership offers relief in various ways.

First, it promises to help reduce the growth in the housing shortage. Second, the regulations which govern the rights of occupants in rented homes will not be applied to home owners who have 99-year leasehold rights according to the Department of Plural Relations.

Third, widows who have not lived in their deceased husband’s township (long enough to obtain the rights of permanent residence) have the right to apply for an exemption when they inherit their husband’s leasehold title.

Eased

Fourth, as housing becomes more readily available as a result of increasing home purchases, authorities may apply the regulations more leniently. Indeed, the Government is already considering amending legislation which may be designed to have that effect.

Below are two examples of the predicaments which have testified residents in the past and which may be eased:

- Mrs Florence Nkosikosile.

As the 15 occupants were living in extreme discomfort, Mrs Nkosikosile and her children were asked to leave.

She told Star Line that her brother-in-law had threatened to leave his wife if they had to carry on living in the overcrowded conditions.

“I can’t blame him as at night the women and girls sleep in one room and the men in the kitchen and other room,” she said.

Mrs Nkosikosile has been on the waiting list for some years.

Her chances of getting a home may be increased substantially if the 99-year leasehold scheme enables large numbers of families in rented homes to build homes of their own.

If her husband had been a 99-year leaseholder, she and her children would not have had to leave their home because he probably would have left it to them.

All Mrs Peggy Catho wants is to share a home with her 12-year-old son Maxon.

This divorced factory worker’s son is compelled to stay in his grandparents’ four-roomed home with 12 other family members, while his mother lives in a woman’s hostel.

“Whenver I see Maxon he asks me when we can live together,” she said. Mrs Catho told Star Line.

In prevailing circumstances such women’s problems in getting homes are doubled. They may just as a man, wait for their names to creep slowly to the top of the waiting list. In addition, they need special permission from the Chief Commissioner to get housing permits although they are family heads.

Building society financial may prevent women from getting housing loans that would enable them to become home owners under the 99-year leasehold scheme, according to a Johannesburg attorney.

But, once again, the plight of such women would be relieved by the impact which the scheme might have on the housing shortage.
Rent control scrapped on older group of buildings

Mercury Correspondent

CAPE TOWN — A second major step in phasing out rent control was announced by the Government last night.

The Minister of Community Development, Mr. Marais Steyn, said it would no longer apply to buildings less than 25 years old.

There was a countrywide outcry last year when buildings less than 20 years old were freed from control.

Mr. Harry Schwarz (PFP, Yeoville) has criticised the latest measures, saying that scrapping rent control caused greater hardship to many flat dwellers.

Mr. Steyn said lower-income tenants would be given some protection and those earning less than a certain amount would be given full rent control protection.

This applies to single persons without dependents who earn less than R300 a month and families with an income of less than R540 a month.

The recommendation that for the first two years rentals may not be increased by more than 10 percent a year is also applicable to homes exempted from control under this step," he said.

Mr. Schwarz said: "We have already seen the hardship the phasing out of rent control is causing to a large number of tenants."

"He said the moves would encourage the building of new flats. In fact they have not done so at all and the result merely has been rent increases, in many cases for people who cannot afford them."

"Their recommendation for this is not something that has been considered," he added."
Few rented homes for Whites

Johannesburg — There is a shortage of rented White housing for the first time in years, Mr. Cedric Clarke, national president of the South African Institute of Estate Agents, said yesterday.

"People who are particular about where they want to live are finding they must buy if they want to live in the better suburbs," he said.

But Mr. Clarke, who was commenting on effects of the gradual scrapping of rent control, said there was still plenty of accommodation in "unpopular" areas.

The second phase of the Government's roll-back of the Rent Control Act began this month when flats and houses let between January 1956 and December 1959 were decontrolled.

A serious flat shortage is understood to have developed in many areas and there are countrywide fears that landlords will seize this opportunity to increase rentals.

The Minister of Community Development, Mr. Marais Steyn, has refused to halt the four-phase decontrol plan but has promised to examine ways of lifting the burden on flat dwellers.

When he introduced the new system a year ago, he urged landlords not to increase rentals by more than 10 percent for the first two years.

Yesterday Mr. Clarke said the institute had found that rent increases varied considerably.

"In many instances market conditions had made it impossible for landlords to increase rents by the full 10 percent — and in some instances they had not been able to increase them at all."

The Mercury Correspondent

27/4/'79

23
The hunt's on for houses to rent

Staff Reporter

For the first time in years there was a shortage of houses to let, Mr Cedric Clarke, national president of the South African Institute of Estate Agents, said yesterday.

"People who are particular about where they want to live are finding they must buy if they want to live in the better suburbs," he said.

But Mr Clarke, who was commenting on effects of the gradual scrapping of rent control, said there was still plenty of rented accommodation in "unpopular" areas.

The second phase of the Government's roll-back of the Rent Control Act began this month when flats and houses let between January 1958 and December 1959 were decontrolled.

A serious flat shortage is understood to have developed in many areas and there are country-wide fears that landlords will seize this opportunity to increase rentals.

The Minister of Community Development, Mr Marius Steyn, has refused to halt the four-phase de-control plan but has promised to examine ways of lifting the burden on flat dwellers who, as a result, are faced with skyrocketing rentals.

When he introduced the new system a year ago, he urged landlords not to increase rentals by more than 10% for the first two years. And he made it clear that he would reimpose rent control if victimisation occurred.

Yesterday Mr Clarke said the institute had found that rent increases varied considerably.

"In many instances market conditions have made it impossible for landlords to increase rents by the full 10% — and in some instances they have not been able to increase them at all."

Mr Clarke said the Government had chosen the best possible time to remove control because "there was not such a great disparity between market rentals and controlled rentals."

In a year's time, when rents did not have to be pegged, prices would be dependent on market conditions, he said. And he was certain the price of luxury accommodation would increase more than "ordinary bread and butter" residential accommodation.

"If exploitation occurs the Minister can still reapply control even if it's to only one building."

Johannesburg City Councillor Mr Alec Jaffe warned that the demand of flats in some areas would soon exceed supply and this would lead to heavy rent increases.

Once rent control was completely removed, residents were in for "a torrid time".

He would not hazard a guess on the kind of increases residents could expect and said it would vary, depending on the individual landlord.

There had been an upsurge in the purchases of homes — "not because there is more money around, but because people who have been living in flats are dead scared of impending increases."
HOUSING

Government's promises

When Finance Minister Owen Horwood announced an additional R250m for black (coloured, African and Indian) housing in November 1977, "there were approved schemes to the value of R200m for which no funds could be allocated," according to Community Development Secretary Louis Fouché in his annual report, just released.

Yet nearly 11 months later only R21m had been spent. However, Fouché is now confident that the banking consortium's loan of R165m (part of the R250m) will have been spent in full by the end of March. Tenders to the value of R128m have already been approved, he says.

Fouché's report says "the main reason why the building programme was not stepped up evenly in the past... was that sufficient funds were not always made available in good time." This caused the 1977 hiccup, when only 16 863 dwellings were completed, against 34 580 in 1976.

Last year things improved, however, and 30 515 units were finished.

Fouché's figures show that more is being spent on black housing, and the report also states that a survey has revealed "a surplus of residential accommodation for whites in most metropolitan areas and other large centres."

Spending on housing for the various race groups last year (previous year's figures in brackets) was: whites R35.4m (R38.4m); coloured people R112.4m (R108.2m); Indians R27m (R21m); and Africans R20.4m (R12.3m) - giving a grand total of R195.4m (R180m).

"At present 34 000 dwelling units in approved schemes are being held back" for lack of funds, says Fouché.

He is confident that the coloured housing backlog can be wiped out by 1985. Regarding Indian housing, he says "that talk of overtaking the housing shortage by 1984 is not farfetched."

Indians on the waiting lists for over a decade will be pleased to hear it.

Fouché takes a hefty swipe at shack solutions and declares that "the Republic is still prepared to pay the price of proper housing." Squatting and shacks resolve nothing, do not save much, and inevitably lead to evils, he claims.

SOLUTION 1

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BEVERAGES

"Ah my Beloved, fill the cup that clears
Today of Past Regrets and Future Fears"
Omar Khayyam

GINGER BEER
Judy Morris, Port Elizabeth

10 bottles (750 ml) water
4 cups sugar
1 1/4 (20 ml) bottles Jamaica Ginger

Mix all together and leave for 6 hours. Then bottle in screw top bottles. Leave for a couple of days to mature. Keep it in fridge when mature.

MOM'S GINGER BEER
Sharon Youan, Port Elizabeth

16 bottles water
3 1/2 lbs sugar
2 lemons

Mix yeast with 1 cup lukew (except the yeast) together add the yeast. Leave over night. Leave for a week before distilling.

IRISH COFFEE
Jane Bullock, Durbanville

2 cups dark brown sugar
7 t Nescafé
1 cup sugar
1 pt cold water

Bring white and brown sugar and water to the boil, and simmer for 1/2 hour stirring frequently. Add Nescafé and cocoa which has been mixed with a little water. Add rum and vanilla essence. Leave to cool and then add Mainstay. Bottle (preferably strained through a muslin cloth).

COFFEE SPECIAL
May Bennett, Ridgeworth

Pour together into coffee glasses, hot milk and strong coffee. Top with following: fresh cream mixed with a good instant coffee, a few drops of vanilla essence and fine sugar.

GRANADILLA DRINK
Mrs Futter, East London

3 cups sugar
3 cups water
12 granadillas
3 t tartaric acid

Boil water and sugar to a thin syrup. Turn out the pulp of the granadillas. Then to this, add 3 t tartaric acid. Pour hot syrup over and allow to cool. Strain and bottle. (Squeeze the pulp to get all the juice out.)

ORANGE HEALTH DRINK
May Bennett, Ridgeworth

(Delicious in Hot Weather)

10 oranges
2 lemons
3 pts boiling water
5 lbs sugar
2 pkts citric acid (small pkts)
1 pkt epsom salt
1 pkt tartaric acid

Mix dry ingredients, orange rind, fruit juice and boiling water. Allow to stand for 6 hours. Strain and bottle (6 large bottles). To use, dilute small quantity of orange with cold water or soda water.
300 at building congress

RESEARCH was being undertaken into the reasons for the troughs and peaks in building activity in South Africa, one of the major economic problems of the country, the Minister of Public Works, Mr Louis le Grange, said today.

He told the building research congress at the Good Hope Centre, that the object of the research was to smooth out building activity.

The congress, organised by the Building Research Institute of the CSIR, is being attended by about 300 delegates and will last for three days.

DAILY LIFE

In his opening speech, Mr le Grange said research must move out of the laboratory and into daily life as part of decision-making.

"It is the function of the research organisation to ascertain the relevant facts and interpret and present them as meaningfully and objectively as possible to the policy-maker; whether they are unpalatable or not is immaterial."

300 at building congress

Big need for homes in 20 years

IN THE next 20 years, additional urban housing for about 20-milion will have to be provided in South Africa, Dr N Stutterheim, chairman of the Council of the University of Witwatersrand, said today.

He was delivering his theme address to the South African Building Research Congress.

About 300 delegates from all sectors of the building industry are attending the congress which has as its theme Realism, Research and Resources.

Dr Stutterheim said the population of South Africa, including the former homelands, was expected to increase by 60 percent in the next 20 years.

The percentage of urbanised population would probably increase from the present 50 percent—12-million to 60 percent—32-million in this period.

EXTENDING(context)

The majority of people wanting the additional housing would be of the lower income group.

The need to provide this housing was one of the most exciting as well as the most critical challenges South Africa had faced "particularly if in that challenge, is included the imperative to enhance the quality of life of the lower-income groups."

SELF-HELP

Another speaker, Professor E W N Mallow, an architect and town planner, advocated the principle of self-help in housing.

Speaking on the urbanisation process, he said the principle of self-help was accepted as a basic principle throughout the world and had been "canonised as a principle of aid to the Third World by no less an authority than the World Bank."

It was essential it was applied in Southern Africa.
Homes: Slabbert warns govt

HOUSE OF ASSEMBLY. —

The provision of adequate housing had the potential of becoming a major cause of conflict in South Africa, Dr F. van Zyl Slabbert (DPF Rondebosch) said yesterday.

Speaking in committee on the budget vote for the Department of Community Development, Dr Slabbert said it was well known that available land for residential development was dwindling.

There was a surplus of housing for whites in most metropolitan areas, while coloureds and Indians experienced shortfalls.

The Department of Community Development appeared fairly confident it could eliminate the housing backlog by about 1985, but till then care should be taken not to harm race relations and damage South Africa's image abroad.

Dr Slabbert asked how anyone could justify a situation where in a white group area 1300 houses stood empty while in another group area nearly up to 20 people shared a house because of lack of accommodation.

If these people dared occupy empty premises in the white area, they were threatened with court action.

"You cannot make a criminal of a man because he wants to provide shelter for his family. If laws have this effect they should be changed as they have no justice in them," he said.
R760-m boost

Now housing

a massive

will get

The Government is to undertake a massive housing programme. A total of R760 million is to be spent on housing projects and programmes in the next three years. This is part of a larger programme to provide shelter for the growing population. The programme includes the construction of new houses, the rehabilitation of existing houses, and the provision of essential services such as electricity and water. The programme is expected to create thousands of jobs and will involve the participation of both the public and private sectors. The programme is seen as a major step towards the achievement of the Government's goal of providing decent housing for all.
99-YEAR LEASES

Women and children

There is a chance that the ambiguities about the rights of heirs in the 99-year lease legislation may be removed. Cooperation and Development (CAD) Minister Piet Koornhof promised in Parliament this week to re-examine the position of future generations of citizens of independent bantustans.

Under some interpretations of the law, children born to citizens of such bantustans after the date on which they became independent do not have the right to live in houses built on urban land, even if the leases are left to them by their fathers (FM April 6).

The matter was raised in Parliament last Friday by the chief opposition spokesman on black affairs, Helie Suzman, during the debate on Koornhof's departmental budget vote.

Suzman tells the FM that Koornhof assured her that if he could be convinced that the ambiguities did indeed exist, he would amend the legislation to clarify the issue. "I believe that he genuinely intends to include future generations of bantustan citizens if they are born in the cities or have lived there for the specified period," she says.

The Black Sash's Sheena Duncan points out that any change would have to include an amendment to Section 12 of the Black (Urban Areas) Act, which prohibits children born after independence to bantustan citizens from being in the area at all. "If they cannot reside permanently in the house, leasehold rights will be meaningless," Duncan tells the FM.

Meanwhile another leasehold snag has arisen in the time relating to women. Women married under customary union have no contractual equity and no rights to own property, with the result that they cannot be eligible for leasehold. But because it is very difficult to determine whether or not a woman has been married under customary union, many building societies are reluctant to lend money to any African woman at all.

Suzman . . . promises from Koornhof

"Until positive legislation is introduced giving women leasehold rights whatever their marital status, we are excluding all women," says Brain Kemmey, general manager (technical) of SA Perm. Ads. R. Bowker, Allied's loans manager: "We don't want to be in the position of having to withdraw a loan if we discover that a customary union marriage exists."

Natal Building Society is taking a similar stand, while United is prepared to consider cases of unmarrried women on their merits.

The Association of Building Societies has submitted a memorandum to CAD requesting that an amendment be introduced to allow qualified (under Section 15) women leasehold and mortgage rights whatever their marital status. The association has not yet had a reply and believes there is little chance of an amendment this year.

Another snag for women comes in the regulations themselves, which specifically exclude women married in community of property from leasehold rights. Although Africans are married out of community unless otherwise specified, CAD commissioners usually advise people to marry in community. Duncan reckons that most couples are affected by the regulation.

"This is particularly problematic when the wife qualifies for leasehold rights and the husband does not," she says.

Building societies believe that in any case the demand from women will be low. "Relatively few black women can surmount the income barrier," says UBS head Philip Scelles.

Duncan points out that many women need house purchase rights urgently, since they cannot normally be registered tenants of rented houses. One concession promised by Koornhof is to allow women who have been deserted by their husbands to retain tenancy of the house without having to obtain a divorce.

Koornhof's promise this week to simplify certain aspects of the regulations comes as a welcome move to building societies, who are bogged down in the technical problems of surveying. "We don't want to drag our feet, but until boundaries have been properly specified we cannot go ahead," says Bowker.
focusing attention on Itosong in Bophuthatswana, while the East Rand board is acting as agent for the SA Development Trust in building housing in Lebowa.

Prospects look much brighter for non-African recipients of Marais Steyn's largesse. Coloured people will get R293m from Community Development plus R100m from Horwood's package. This should produce 23 000 houses a year until 1981. Rieckert says that to make up the coloured backlog and provide for natural population increase by 1982, would require 24 000 houses a year, of which only 19 250 need be provided by the State.

Indians will get a total of R126m over the next three years, providing 17 200 houses. If Rieckert's estimates are correct, the Indian backlog will be wiped out by December 1982.

Whites were not neglected by Community Development, with an allocation of R192m from the department's budget between 1978 and 1981. This will provide 20 000 houses. Rieckert estimates that only 5 800 houses are required each year for whites from public expenditure.

Even with Community Development's stepped-up expenditure, the African housing backlog will be greater than it is now — unless the private sector can at least match the State's contribution. Even if it can, the backlog (132 000) will be only marginally smaller than the present 141 000. Thus, in practice, influx control against Africans will remain.

Rieckert's small print

The phrase "approved housing" crops up time and again in the Rieckert report. Rieckert's approved new section will be one of the two essential parts of the new Act. The other is employment for permanent urban residents and for Africans.

Rieckert's approach is to set up a system of influx control, since the critical housing shortage for Africans is going to be with us for years to come.

Community Development Minister Seal expressed the view last week that the only answer to the housing problem is to be found in the housing for all races. Between 1978 and 1981, Of the

Marais Steyn, more revenue on today's way

"Dear" and "Amrante" will be the new faces of the Department, with plans for new housing in Bophuthatswana and a new home for the blind in Pretoria. The new Ministry, a 100% government ministry, will be headed by Mr. De Klerk. It will be a more efficient and effective way of delivering housing to all races.

The new Ministry will also deal with the backlog of housing for Africans. Mr. De Klerk announced that the backlog for 1978 will be reduced to 12 000 by 1981. This will be done by the end of December 1981.

The new Ministry will have an annual budget of R270m, which will be used to build 10 000 houses a year. This will be double the current rate of building, a significant increase for the Ministry.
Black housing enters new era

By COLIN VINEALL
Property Editor

THE Government is to do away with the little square box style of housing for blacks. In future, housing provided from national funds will be basically the same standards for all race groups.

This was disclosed this week during an interview in Cape Town with the Minister of Community Development, Mr S. J. Mdaais Steyn.

Mr Steyn was giving further details of the massive programme to clear up the backlog of housing, especially among the Indian and Coloured communities.

The programme of building would be completed by 1981 if all goes well, and Mr Steyn commented that this meant that in the three years, houses would have to be built at the rate of 101 a day. His department would be spending R1 040 000 a day, or as he put it, R2 179 a minute.

The money would come from 8600 million from normal allocations to his department over the three years, and the other R361.5 million was money still available from other sources.

Breaking down the normal allocation of funds for the race groups, Mr Steyn said R1 82 million would be provided for whites (R132.7 million for economic housing and R53.3 million for sub-economic); R202.3 million for coloureds (R207.0 million economic, R84.9 million sub-economic); R76.2 million for Indians (R61.9 million economic and R14.3 million sub-economic); R39 million for black economic housing.

"But that figure will change as I announced a completely new arrangement for financing black housing during my vote," commented Mr Steyn.

Mr Steyn further explained how money from the additional funds would be spent.

- For the coloureds:
  - R71 million economic and R29 million sub-economic.
- For the Indians:
  - R40.8 million economic and R9.4 million sub-economic.
- For blacks outside the homelands:
  - R30 million for economic houses.

Mr Steyn said housing for blacks in future would be allocated on exactly the same basis as for whites, coloureds and Indians — sub-economic and economic.

The houses would be of the same standards.

I asked Mr Steyn if this meant the end of the G51/9 — the box type house that typifies so many townships — "Yes, it does," he said.

Mr Steyn said: "From now onwards we have agreed with the Department of Development and Co-operation that in future allocations of funds for black housing will be done by the National Housing Commission and the Commission for Black Housing will disappear."

There will be one national body controlling Government housing. "The reason why there was a differentiation in the supply of housing to blacks in the past are these:"

- The incomes of the blacks were comparatively very low.
- Because of this low income of the blacks, their homes were of a very low standard and cheap.
- We could build these houses much cheaper because cheap black labour could be used to a large extent.

"Now I will give the reasons why we are eliminating this:"

- Only about 63 percent of urban blacks remain in the sub-economic group today.
- Thirty-six percent earn more than R180 a month, and do not qualify for sub-economic housing and one percent earns more than the limit of R540 a month and do not qualify for assistance.

- The fact that we were continuing to build houses of a lower standard for the blacks was giving rise to dissatisfaction and friction.

Community facilities for blacks will be financed in exactly the same way as for other populations groups.
Models used in planning

By Elizabeth Wilson

In a timber company committee room, a black sawmill worker and his wife are building a house which will suit their needs.

They are working with a scale model which allows them to erect walls at will, take them down and reposition them.

Where they want a bathroom, they can build one. Where they want an all-purpose room, they can create one.

Each piece of furniture the couple own is represented by a miniature and is put into the house. Each new member of the family, represented by a doll, is positioned in one or other room.

Exploration

The couple is playing the Housing Game—a novel scheme devised by the National Institute for Personnel Research of the CSIR to help people explore their own housing needs and see these in tangible terms.

Later, the houses they have designed will be built as company houses.

One house they may have designed must be related to—what people truly need and want. It must allow for their aspirations and their place in a wider community.

It must also be decided that workers have children and older dependents, and that these people can be neglected when housing is planned.

The best way to establish the real needs is for people themselves to state their preferences, but this is not always easy, especially with low-cost housing that must meet a budget.

Although a great deal of work housing is provided, workers are more likely to stay with a company, because turnover drops and the cost of taking on new employees is low.

Workers who are interested tend to develop skills and to move inwards with the company.

When this happens, they are likely to become more effective, more proactive and more motivated.

Loans

When providing housing for employees, companies need to be careful in their objectives, says Mr Verster.

It may be that workers must own housing on company property, or that company wishes to help workers purchase homes in established townships or new towns.

In either case, the company has to assess what the workers’ wishes are, and to outline how much money is to be lent.

Ideally, representatives of the workers should be involved in decision-making, and should or should be involved in the company’s limited sum to cover various needs. In a community this could mean housing, schools, clinics, clubs, restaurants, beer halls, shops, sports facilities, and water and electricity.

Playing the housing game

As a first step, couples are asked by a black administrator to build the house in which they wish to live, using sections of a scale model.

It is explained that this is a game and not a test, but that they can experiment with the pieces, each of which has a monetary value.

The administrator helps the couple get the scale model. He then asks them to position the furniture and members of the family—under supervision of the family, of course.

Mr John Verster with housing units designed by the National Institute for Personnel Research of the CSIR to help people explore their own housing needs and see these in tangible terms.

Another example of a housing design. In this one the bedroom takes a bed and two benches.
TOWNSHIP HOUSING

EVTING EVICTIONS

The Annual Report of the Housing Committee for the Year 1975

The report states that the committee has been working tirelessly to improve housing conditions in the township. It highlights the challenges faced by residents, especially those living in shacks and informal settlements.

Key findings:
1. There has been a significant increase in the number of shacks being built in the township.
2. The committee has been working with local authorities to enforce building regulations and ensure safety standards.
3. There is a growing need for affordable housing solutions.

Recommendations:
1. The committee recommends the allocation of more resources for housing projects.
2. It calls for the implementation of stricter regulations on shack building.
3. A public awareness campaign is suggested to educate residents on the importance of proper housing.

Conclusion:
The housing situation in the township remains a pressing issue, and the committee is committed to finding sustainable solutions to improve living conditions for all residents.
GOVERNMENT NOTICES

No. 1181
8 June 1979

DEPARTMENT OF COMMUNITY DEVELOPMENT

APPOINTMENT OF MEMBER AND ALTERNATE MEMBER OF THE BOARD FOR HOUSING OF BLACKS

It is hereby notified that the Honourable the Minister of Plural Relations and Development has, in terms of section 8 of the Housing Act, 1966 (Act 4 of 1966), reappointed Mr G. H. Venter a member of the Board for Housing of Blacks and Dr P. S. F. J. van Rensburg his alternate for the period 1 April 1979 to 1 June 1979.

GOEVERNMENTENSKENNISGEWINGS

DEPARTEMENT VAN GEEMEENSKAPSBOU

No. 1181
8 June 1979

AANSTELLING VAN LID EN PLAASVER- VANGENDE LID VAN DIE RAAD VIR BEHUIISING VAN SWARTES

Hierby word bekendgemaak dat sy Edelie die Minister van Plurale Betrekkinge en Ontwikkeling kragtens artikel 8 van die Behuisingswet, 1966 (Wet 4 van 1966), mnr. G. H. Venter as lid van die Raad vir Behuising van Swartes en dr. P. S. F. J. van Rensburg as sy plaasvervanger eraangelist het vir die tydperk 1 April 1979 tot 1 Junie 1979.

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**Quantitative data:**

- The rate of population growth used in the simulations was between two and a half and four per cent per annum. This rate was applied to each group in the simulations.
- The number of people per square kilometre was used as the carrying capacity. A value of five people per square kilometre was used for each group.
- The simulations were based on the assumption that the environment was good and that there were no constraints on the availability of resources.
- The simulations were run for 50 years to allow for the development of the populations.

**Cultural data:**

- The bantu/Mfengu/Fore steppe corresponds, at least in broad outline, to the eastern steppe (Phillipson, 1977). However, there are a number of problems associated with the eastern steppe. Huffman (1978) has shown that some of the cultures included in the eastern steppe, particularly those from the eastern part of southern Africa, do not have high relationships with either the Swazi or the Nguni groups, and therefore may not belong to the same cultural group.
Black housing boost expected

City Editor

THE RECOMMENDED new housing deal for blacks presents a "tremendous and exciting challenge" for South African businessmen, the president of the Chamber of Mines, Mr D A Etheredge, said yesterday.

Addressing the annual congress of the SA Property Owners Association in Johannesburg yesterday, he said the recommendations of the Elsabet Commission, if translated into law, would give a massive boost to black home-ownership.

He singled out recommendations which urged that:

- employers be allowed to own property in black residential areas to provide housing for employees;
- the private sector be allowed to finance housing schemes in black residential areas and to develop housing for allocation under leasehold;
- plots with the necessary services be allotted for blacks to build their own homes;
- consideration be given to government subsidization of black housing on the same basis as other population groups;
- larger sites be provided in black townships for boarding houses, hotels, hostels, flats, industry and business; and
- Group Areas Act restrictions be removed on blacks owning and occupying premises in central business areas for commercial and professional use.

"All these things are long overdue," he said, "but now the way is being cleared for them they pose a tremendous and exciting challenge."
THE ASSEMBLY — It was hoped to overcome the black housing problem within ten years, the Minister of Community Development, Mr Steyn, said yesterday.

Speaking in the second-reading debate on the Housing Amendment Bill, he also said it was considered desirable that a member of the black community should serve on the National Housing Commission.

Opposition speakers welcomed the Bill which provides for the abolition of the Black Housing Board and the inclusion of black housing in the work of the National Housing Commission.

Mr Steyn said that since the difference in the mechanics for black housing and for other groups had been dropped, there was no serious reason for the existence of the Black Housing Board.

There were already a coloured and an Indian member on the National Housing Commission, and as this body would in future handle black housing as well it would be desirable to have a black member too.

A provision of the Bill seeks to increase the membership of the commission by the appointment of two additional members to be designated by the Minister of Co-operation and Development.
and in 1675 the trade of Pingsland 'at lowest computation' was adjudged to be worth £150,000.18

If the story of Xhosa collaboration was to be terminated in 1675 it would appear that they, unlike the 'Hottentots' had reaped tremendous benefits from their collaboration. No longer refugees, they had acquired a homeland; they were successfully engaged in cash crop production in competition with white farmers; and, during the 1670s, more and more of them qualified for the Cape franchise. Their experience was diametrically opposed to that of the other African peoples in southern Africa.

But their golden age was to be brief. After 1655 the Xhosa were no longer a significant military threat to the Cape Colony and the value of Xhosa military aid accordingly declined. After the final removal of the Xhosa threat to the stability of the colony in 1679, the Cape Assembly enacted a 'Narrative Act' which effectively disarm both Xhosa and Xhengu. This 1 made the Xhengu vulnerable to the hostility of the Xhosa, as in the rebellion of 1860-61. The real significance of the act, however, was that the Xhengu realized that, like the 'Hottentots' before them, they had been used and then discarded.

The truth of this has been underlined by events in the twentieth century. If the experiment at Kat river had been a failure, too, too had Xhengu attempts to integrate with the whites. Tony Kirk has shown that the import, now of economic pressures - alienation of land, overcrowding, and overstocking, the deliberate exclusion of the 'Hottentots' from the profitable wool market, and increasing demands for labour - in the outbreak of the rebellion of 1851 and the eventual decline of the Kat river settlement. Of the trial of Andries Botha (the scapegoat for the rebellion) it has been remarked, "The case of the Queen versus Andries Botha is in reality the case of the settlers versus the Kat river settlement."19

The Xhengu appeared to be more successful than the 'Hottentots' because the pressures on them were taken up. As the work of Colin Bundy has demonstrated, a section of the peasantry was undermined almost as soon as it had established itself on the land and progressed. While some farmers, the vast majority relying on migrant labour, it is true to say that the 'Hottentots' were always a greater problem for their collaborators than they ever were for the Government of independent Xhengu. It was not until the 19th century that the colonial authorities began to show real interest in the welfare of these people.
DEPARTMENT OF THE PRIME MINISTER

No. 1326. 22 June 1979.

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


DEPARTEMENT VAN DIE EERSTE MINISTER

No. 1326. 22 Junie 1978.

Hierby word bekend gemaak dat die Waarnemende Staats-president sy goedkeuring gegee het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:

ACT

To consolidate the law relating to the elimination of slums within the areas of jurisdiction of certain local authorities and matters incidental thereto.

(English text signed by the Acting State President.)
(Assemed to 13 June 1979.)

BE IT ENACTED by the State President, the Senate and the House of Assembly of the Republic of South Africa, as follows:—

CHAPTER 1

INTRODUCTORY PROVISIONS

1. In this Act, unless inconsistent with the context—

(i) "Administrator" means the Administrator of the province in which the district concerned is situated, acting on the advice of the executive committee of the province; (ii) "building" includes any dwelling and any other structure irrespective of its nature or the purpose for which it is used; (iv)

(iii) "Commission" means the National Housing Commission referred to in section 5 of the Housing Act, 15 1966 (Act No. 4 of 1966); (vi)

(iv) "deeds registry", in relation to land, means the deeds registry for the area in which that land is situated, and in the case of land held under stand licence and situate within a township, the office of the Rand Townships 20 Registrar, and in the case of land held under stand licence and situate outside a township, the office of the Registrar of Mining Titles; (xi)

(v) "district", in relation to a local authority, means the area under the jurisdiction of that local authority; (ii)

(vi) "dwelling" means any house, room, shed, hut or tent or any other structure or place, any portion whereof is used by any human being for sleeping in, or in which any human being dwells, or which in the opinion of the medical officer of health is intended to be used by any human being for sleeping or dwelling in; (xvii)

(vii) "land" includes—

(a) land with or without buildings thereon;
(b) any servitude registered over land;
(c) any lease of land registered in the deeds registry which was entered into for a period of not less than ten years or for the natural life of the lessee or any person mentioned in the lease, or which is renew-
The cost of living

When the stalled 99-year lease scheme finally gets off the ground, many black families could well find the jump from their land to the leasehold too big to attempt.

Qualified Section Tenants can either buy existing houses from the Board of Executors at 10% deposit, build for themselves. Because there is no established market value for existing houses, prices are based on the average of the original cost plus current replacement cost. Thus a standard four-room house with an inside bathroom in Soweto costs a basic R2 256. The same type with an outside bathroom comes to R1 750. An extra R80 is charged to install a water meter.

The administration board provides basic plans (concrete floors only, no ceilings) for those who want to build their own houses, at prices ranging from R8 500 to R8 519. When all additional costs are added on, the bill is far larger, with electricity, water, sewerage connections, and other services totalling at least R1 500.

building society interest rates for black borrowers will be 0.75% less than the going rate. The usual principle that monthly repayments must not exceed 25% of income still holds. But most building societies have decided to assess black families differently from whites, taking a spouse's income into account alongside that of the breadwinner.

"We must have a little more elasticity with black families," says Allied loans manager Geoff Bowler. Allied has decided to base income assessment on the breadwinner's full income plus half that of the spouse. United MD Peter Richardson says income of children may also be considered in individual cases.

Most building societies are aiming at a better class of housing — the standard 51.9 with improvements — or new houses.

"We have never considered ourselves to be financiers of sub-economic housing," says Richardson. Bowler adds that he believes it is government's responsibility to provide low-cost housing. "We want to help people who can afford property," he says.

The societies are also stressing the part employers can play. An Urban Foundation pamphlet offers guidelines for employers, covering assistance with monthly payments and the initial deposit; selection of employees to be assisted; sources of loan guarantees and mortgage insurance; and participation in group housing programmes.

99-YEAR LEASES

The cost of living

Labour gets tougher on SA

LONDON — Britain's pro-South African Labour Party, the Independent Labor Party, declared that it would not support any Labour government's plan to withdraw from South Africa. The party pledged to take steps to reduce Britain's economic dependence on the Republic and to support political investment in the country.

"Labour believes that it has a positive duty to support the South African people's struggle against apartheid," the party stated.

"Until a settlement to end the conflict is achieved and all the people of the country are treated equally, the role of the Labour Party will be to work for a better society in this country, and to support any policies and actions which will bring about such a change."
Housing crisis as building costs soar

By HAMISH FRASER
Deputy Finance Editor

SOUTH-African cities face a critical housing shortage in the wake of building cost increases which are rapidly putting the purchase of a new house out of the range of all but the top income brackets.

Property developers expect the building costs to rise at about 25% a year in the wake of sharp increases in the price of raw materials and in the price of petrol.

The cost of a new house at that rate of increase will double in less than five years — and some property economists have warned that the cost of a new house could double in less than three years.

The Bureau for Economic Research in Stellenbosch has reported that building costs rose by 17% in the first six months of this year, but Johannesburg property experts expect an even sharper rise in the next six months.

The pressure on accommodation in Johannesburg could cause headaches, which only Government subsidies for white housing will be able to solve, a Johannesburg property developer has warned.

He said the residential property market in Johannesburg had changed radically in the past six months.

Apartment accommodation has been filled and most blocks now have waiting lists. This contrasts with the situation two years ago when immigration dried up after the 1976 riots and there was an excess of flat accommodation in Johannesburg.

The filling-up of flatland switched attention to the suburban housing market which was becoming increasingly buoyant. But older houses in established suburbs are still cheaper — even at the higher prices which prevail now — than the cost of building a new house.

Demand for new houses still exists, but the crunch will come in meeting that demand, property economists warn.

First, a shortage of skilled labour to meet the increased demand is already evident.

Artisans who were retrenched in the property recession of the mid-1970s found jobs in glass industries and will not return to the building trade for fear of burning their fingers a second time.

Second, existing restrictions on the granting of mortgage finance will make it impossible for anybody earning less than about R1 000 a month to buy a modest house.
evaluated, and it is probable that some of the dates are not associated with Iron Age occupations (Huffman, in press), and (2) quantile ranges are sensitive to processes associated with settlement proliferation as well as archaeological research strategies (Collett, in press). However, within one of the Early Iron Age traditions the bevel (Silver Leaves cultures), a key appearance is supported by the contradiction by this ordering would have made changes in no more occur, and social pressure spread and diversification of best by a model that combines.

In the present paper two a continuous spread and the co-colonisation of new areas. Mathematical modelling of both mechanisms will be shown to produce different rates of expansion, and by comparing these with rates derived from the Early Iron Age radiocarbon chronology it will be shown that a discontinuous spread model produces more realistic rates of expansion than a continuous spread model.

**Opinion**

The simple population density. It has population regular. Iron Age density grew the Atkinson, 1952; over levels of a community already formed growth population density from an implicit have moved a step.

The social factor limiting. This also may be a human contribution.

**Pretoria Housing**

Plans to speed up the provision of houses for Blacks. In the 3-year leasold system were discussed at high-level earlier this week, the Secretary for Cooperation and Development, Mr. R. J. Raath, announced yesterday.

PRETORIA—Plans to speed up the provision of houses for Blacks and iron out difficulties in the 3-year leasehold system were discussed at high-level earlier this week, the Secretary for Cooperation and Development, Mr. R. J. Raath, announced yesterday.

Mr. Raath said his Department of the Interior, which is responsible for the provision of housing, was working closely with the Department of the Interior to ensure that the needs of the population were met. He said that the Department was working on a number of initiatives to improve the provision of housing for Blacks.

**Opinion**

One of the results was that the provision of houses would be made as economical as possible. The Department was also making efforts to ensure that the provision of houses was made in a way that would be fair to all, and that the housing provided was suitable for all.

The plans would make it easier for building societies and developers to advance loans to the people of South Africa. It would also make it easier for people to purchase houses, and this would help to reduce the density of settlements in the central area until all the potential site territories were being utilised. In the central area, population limiting factors would operate to balance recruitment (birth, immigration) and loss (death, emigration).

This simple fact is well understood. The Department has already initiated measures to improve the provision of housing for Blacks. These measures include the provision of a larger number of houses, the provision of better quality housing, and the provision of housing that is more suitable for the needs of the population.
White-controlled companies cannot own property in black townships. So if a financial institution has to take over a leased property when a client defaults, it is required to dispose of it to another qualified black person or company within 12 months. Failing that, the property has to go to the local administration board or community council.

Says Anton van der Merwe, Nedbank's GM (advances): "We do not want to own property. But in cases of financial trouble, we would like to be able to realise the security in a free market so as to ensure the best possible price."

The ideological restrictions and the inferior quality of leasehold title also hamper the insurance industry.

"The industry receives premium income from urban blacks and ideally it should be possible to channel moneys back into communities from which they came," says Johannes van der Horst, an investment manager at Old Mutual. "One difficulty is that the major institutions are all classified as white, because the majority of their shareholders or members are white."

Van der Horst says that because funds handled by life officers are effectively trust moneys, they have to insist on quality of title when lending.

One major victim of this state of affairs is Naftoc's supermarket venture, Black-

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**F.M. 13/1/79**

**TOWNSHIP BUSINESS**

**Capitalism in chains**

Black capitalism is in danger of being stillborn, because loan finance is almost impossible to come by.

This was one of the big points emerging from last week's 15th annual conference of the National African Federated Chamber of Commerce (Naftoc) in Johannesburg.

"In spite of the 99-year lease facilities which we were made to believe would enable blacks to secure loans against bonds registered over their properties in the black townships," Naftoc president Sam Motsuenyane told the delegates, "it is becoming clearly evident that most financial institutions are not prepared to finance blacks on any terms that would not allow them full and unencumbered ownership of a property in the black areas if the client fails to meet the terms of the mortgage bond."

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Sponono Majola... where will he get the money?
'Basic home' units are on the way

By Dick Usher

Massive increases in home building costs have been predicted by most experts in the industry, which they believe will force a revolution in building practices.

Increases as high as 25 percent a year have been forecast, but most experts feel that 17 to 20 percent a year for the next three or four years is more likely.

Their predictions are based on expected increases in costs of materials and labour in the wake of the recent fuel price rises which are expected to have severe and long-lasting ripple effects throughout the economy.

For many prospective homeowners, the effect will be to raise prices to out-of-reach levels, unless the predicted changes take place.

The main changes predicted are:

- More modest houses.
- Smaller plots.
- Servantless homes.
- Innovative wiring techniques.
- Standardisation of building regulations and development requirements.
- A move away from conventional brick and tile to reinforced concrete.

According to Mr Henkie van Zyl, business economist with the Building Industry Federation of South Africa, the industry will have to concentrate on training labour to make it more productive while designers will have to look closely at cost savings in the early stages of the building process — on the drawings board — and savings on land, the largest component of the cost of a house.

"Developers will also have to look at savings in the services they put into townships. The cost of services is another major component in the price of a house and South Africans will have to start expecting reduced standards of services in new developments," he said.

Dr Thomas Webb, director of the National Building Research Institute, sees a more egalitarian society developing in which houses will generally be more modest and as a result of a shortage of labour, finance and other resources, especially land.

"South Africa is about 80 percent urbanised at present and this could reach 80 percent by the end of the century, which means that we will be running out of land in the urban areas," said Dr Webb.

"I expect that we will meet this challenge mainly by building on smaller plots, more modest houses in terms of size and finish, and houses which will use energy more efficiently."

"We cannot afford to continue sprawling as we have been doing in the past few decades and so there will be a tendency towards features such as smaller windows and reusable energy resources."

"There will also be a lot of higher density housing — cluster houses and condominiums."

Other innovations which Dr Webb foresees are:

- New wiring techniques to eliminate practices which are outdated and inefficient but still insisted on by many local authorities.
- Incorporation of water conservation measures in homes.
- Servantless homes designed for easy maintenance.
- The introduction of a ‘basic home’ which a family can improve for themselves as they can afford it.

Dr Webb said that savings of up to 20 percent on the cost of hiring homes could be effected with no reduction in safety or efficiency if some outdated requirements were abandoned.

At the same time, features such as built-in cupboards, light fixtures and carpeting could amount for as much as 20 percent of the cost of a home.

"Families could save a lot of money by putting up a basic house — walls, windows, doors, ceilings — and then improving them at their leisure," he said.

He also looked forward to savings in the cost of development and services. "The development process is now a very long drawn-out one, much of it unnecessary, and we are hoping in the near future for a standardisation of development requirements in all provinces."

"We have also to look to matters such as the greater use of stormwater channels instead of drains, innovations in sewerage such as a reduction in manholes and shallower gradients, and the introduction of less expensive overhead electrical distribution rather than underground cables."
Hierby word bekend gemaak dat die Staatspresident sy goedkeuring gegee het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:


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

Act No. 109, 1979

HOUSING AMENDMENT ACT, 1979.

GENERAL EXPLANATORY NOTE:

Words in bold type in square brackets indicate omissions from existing enactments.

Words underlined with solid line indicate insertions in existing enactments.

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ACT

To amend the Housing Act, 1966, so as to increase the membership of the National Housing Commission; to abolish the Black Housing Board; and to substitute the long title; and to provide for incidental matters.

(Afrikaans text signed by the State President.)
(Assemed to 2 July 1979.)

BE IT ENACTED by the State President, the Senate and the House of Assembly of the Republic of South Africa, as follows:

1. The superscription "ARRANGEMENT OF SECTIONS" immediately following the long title of the Housing Act, 1966 5 (hereinafter referred to as the principal Act), is hereby amended by the deletion in the item "CHAPTER II" of the words "and the Black Housing Board".

2. Section 1 of the principal Act is hereby amended—
   (a) by the deletion in subsection (1) of the definition of 10 "Housing Board"; and
   (b) by the substitution for paragraph (b) of subsection (2) of the following paragraph:
   "(b) no provision of this Act, in terms of which the Commission is required to consult with the Administrator concerned in connection with a loan to a local authority, shall apply with reference to a loan to the Black Resettlement Board referred to in paragraph (b) of the definition of "local authority" in subsection (1) or any 20 management board referred to in paragraph (c) of the said definition".

3. The principal Act is hereby amended by the substitution for the superscription before section 5 of the following superscription: "THE NATIONAL HOUSING COMMISSION [AND 25 THE BLACK HOUSING BOARD]".

4. Section 6 of the principal Act is hereby amended by the substitution for paragraph (a) of subsection (1) of the following paragraph:
   
   "(a) The Commission shall consist of not less than [nine] 30 eleven and not more than [twelve] fourteen members appointed by the Minister, of whom—
   (i) one shall be an architect or an engineer or a quantity surveyor or town planner with knowledge of or experience in municipal affairs;

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Worsening of housing problem forecast

Chief Reporter

A WORSENING of the housing problem for low-income families in South Africa in the next decade, if present policies are maintained, is forecasted in a new and comprehensive publication, "Low Income Housing Policy in South Africa," produced by the Urban Problems Research Unit at the University of Cape Town.

The authors, Professor David Dewar and Professor George Ellis, say in a preface to this 246-page work that low-income housing policy has never been applied on a scale sufficient to catch up with population growth.

"In essence, at each time period the planners are making great efforts, but they are coping with the population growth of the preceding period, and not that of the coming period. A new approach is needed to deal with the problem," they say.

"The policy being applied is, in addition, not adequately geared to the problem of poverty.

Commendable

"As an example, the City Engineer of Cape Town showed in his report for 1977 the commendable fact that 2376 dwelling units will be available in Mitchell's Plain to house squatters by the middle of 1979, which is in principle enough to house those coloured squatters living in the Cape Town municipal area.

"However, according to Mrs Stott, chairman of the City Council's housing committee, only about 10 percent of the coloured people on the council's waiting-list can afford to move to Mitchell's Plain — and the economic circumstances of the squatters are, if anything, worse.

"Thus, the building of these many thousands of housing units will only deal with part of the problem of providing physical accommodation, if there are — as is apparently the case with present policy — many thousands of people who cannot afford that housing and its associated costs.

"These people will, under present policy, have to continue to live in squatter areas, or further overcrowd the existing rental estates."

Crime rate

The new volume, profusely illustrated with photographs, diagrams, maps and graphs, says the living environment in the new housing estates so impoverishes and restricts the lives of the people who live in them that both the Theron and the Vlajo commission reports ascribe some of the high crime rate in these areas to the way in which the houses and the estates have been built.

Professors Dewar and Ellis, whose book is the product of a research project spread over four years, have evaluated present systems against a set of rational goals and objectives for housing, and have recommended adaptations to the present practices which, they say, would if applied have far-reaching and positive effects on the economy of the country."
Out of the mud?

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All in the

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Union claims its members are being victimised by the government's housing policy. The Union's statement highlights concerns about the impact of the government's proposals on working-class families. It calls for a halt to the government's policies and for the government to consider the needs of its citizens.

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Financial Aid

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The government has introduced a new financial aid package to help low-income families. The package includes a one-off payment and increased benefits for those in need. It is hoped that this will provide some relief to those affected by recent economic changes.

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Emergency Measures

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In response to the recent flooding, the government has implemented a number of emergency measures. These include the provision of temporary housing and the distribution of food and water to affected areas. The government has also announced plans to invest in flood protection measures to prevent future disasters.

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Local Government

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The local government has been working to improve services in the area. They have announced plans to increase the number of public transport services and to improve the quality of education. They are also working to address issues such as homelessness and poverty.

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Public Health

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The public health department has been working to improve the health of the population. They have introduced new initiatives to promote healthy eating and exercise, and have launched campaigns to raise awareness of mental health issues.

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Environmental Protection

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The government has been working to protect the environment. They have introduced new regulations to reduce pollution and have increased funding for renewable energy projects. They are also working to protect wildlife and natural habitats.
'Builders are out, houses needed'

By Sigl Hannig
Labour Reporter

A Johannesburg city councillor is questioning the municipality's decision to make 72 builders redundant while there is "tremendous" building activity to relieve shortages of houses for coloureds and Indians.

Last week 28 coloured and Indian artisans were given notice because, it was said, a decrease in work was expected.

Earlier, 42 black artisans building for coloureds and Indians in Johannesburg were demoted because the lay allows them to work only in black townships.

Mrs Janet Levine, the Progressive Federal Party spokesperson on council staff matters, said today that many of the demoted blacks were still working in their old capacity, and some were training coloured apprentices — while experienced coloured artisans were being sacked.

"The black artisans suspect the council is using a ploy to get their services at labourers' wages," she said.

Mrs Levine has written to the chairman of the council's staff board — and sent a copy to the town clerk — warning of a "tense" situation among black artisans.

She questions the planning in the council's building section.

"There is tremendous building going on in coloured and Indian areas, and, if Government promises of more funding are kept, there will be an ongoing building programme in which the council is heavily involved," she said.
What we need is more land

I WAS in Pretoria this month to look at what homemakers are doing to their houses there. 

People are busy building homes there. As they are in Johannesburg, in the Vaal townships. In the East Rand townships also.

In Vlakfontein...

Talk in the trains and buses and taxis these days is about "my house", "my five-room", "my home", "my pad", "my cottage", "our building plans".

Men talk about the bricks and builders, and the ladies about their furniture and curtains.

By Housing Editor

home ownership scheme", let me add quickly the people are NOT.

The people are building because they want to give their families HOMES — homes that will give their families the environment needed for living life to its fullest.

...show the people overseas that the blacks here are enthusiastic about the home ownership scheme.

But before some people say that is enough, let me add that this world would tell you that something about black homes and black housing is growing impressively.

To see these new homes in lovely Langalies and the Turffonteins, and then to see home after home after home in lovely Langalies and the Turffonteins, and then to see the world's they are supposed to be proud of.

But before everyone says what is enough, let me add that this world would tell you that something about black homes and black housing is growing impressively.

To see these new homes in lovely Langalies and the Turffonteins, and then to see home after home after home in lovely Langalies and the Turffonteins, and then to see the world's they are supposed to be proud of.

And these days more and more men and women are spending time at home doing things to their overcrowded homes. More money spent on these houses.

MATCHBOXES...

DECIDED...

"What the hell, they'll just go ahead and build these houses, anyway..."
Housing Market

The Race for Space

The SA housing market has been beleaguered for so long that the recent upsurge in activity requires some major mental adjustments. Plentiful mortgage money and a basic change in the balance of power and demand have wrought a transformation in the state of the markets. Demand for housing has been stimulated by the natural growth of population, the return of a large batch of ex-national servicemen on June 1, and the improved state of the economy, which has enabled many couples who were previously “doubting up” to take flats or houses of their own. An incipient revival in immigration (especially from Rhodesia) could also add impetus. On the supply side, the lethal combination of a surplus of flats and houses, high interest rates and sharply rising building costs choked off private development a long time ago.

While the Consumer Price Index has risen sharply in recent years, house and flat prices have lagged, so that both classes of accommodation were obtainable at prices generally well below replacement cost. In the long period since the last property boom, the building industry has suffered severe attrition. Artisans have drifted off to other jobs, and many construction firms have failed. The scowl has been set, inevitably, for some nasty shocks to the public on rents and housing prices. Big challenges to a depleted building industry, and potentially ticklish decisions for government.

The problem can be stated very simply. Building costs have rocketed in the past decade. They are accelerating under the influence of general inflationary pressure—perhaps 25% on building material costs in the year ahead, says Pretoria architect Piet Moolman, who represents the SA Property Owners’ Association (Sapoa) on the Advisory Committee for Housing Matters. Yet building of new residential units on a large scale will not restart until the rent or sale returns are high enough to generate an adequate profit margin to landlords or developers. With the further rise in building costs anticipated over the next few years, an alarming increase in new flat rentals and new house and sectional title prices is in prospect. Rents and sale prices of the existing housing stock must move up in sympathy.

The housing shortage is no remote prospect. Marc Wainer, of Johannesburg’s Citiplan, says that two-, three- and four-bedroomed flats are “all but unobtainable.” Gerald Aronstim, of Geoff Seef Estates, says that there is “tremendous demand” for flats in Cape Town, especially in suburbs close to the city and well-located on public transport routes. Two- and three-bedroomed flats in fashionable Sea Point are let for a hefty R400 to R500 per month, with the same units selling under sectional title for R40 000 to R50 000 (with levies running at R75 to R100 per month, to boot). In Pretoria, says leading estate agent Dirk Swart, the
ALL CASES

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SYMPTOMS AND ILL-DEFINED CONDITIONS

92
Group areas law to bite harder
Minister warns

Political Staff

Apartheid laws preventing mixed residential areas are to be streamlined next year, hitting thousands of coloured, and Indian people living in the area, particularly in Johannesburg.

Anti-Botha backlash surfaces

Spokesmen for the conservative faction, which clearly forms the bulk of delegates to the congress, reacted with shock to Mr. Botha's unrelenting stand against old-style apartheid.

They said his strong "accept me or reject me" stand had caused serious concern in their minds about the direction of the party and had heaped fuel on the fires of dissent among Nationalists who still believed in the true and tested values of the party's policy of separation.

Nominees

He said 1, 108,000 coloured and Indian people had been moved since the 1960s. Most had lived in poor housing which would have forced their removal anyway. Another 27,000 still remained to be moved.

Referring to Indian businessmen who used white nominees as fronts to run businesses, Mr. Steyn said the problem might be overcome in terms of the Richter Report which proposed mixed trading areas.

He said Indians might be allowed to run businesses, legally in prescribed mixed areas.

If this failed to curb the nominee system, "we will have no choice but to introduce drastic measures to stop the illegal situation," he said.

One measure which had been mentioned would prevent Indians working in white businesses which would prevent Indian businessmen owning or employees but would not prevent genuine Indian workers from earning their bread, Mr. Steyn said.
Black housing market

‘Only white agents can avert chaos’

THE housing market in Soweto and other urban black areas would collapse into “frightening chaos” unless the Government allowed white estate agents to practise in those areas, Mr Basil Elk, chairman of the Southern Transvaal branch of the Institute of Estate Agents, said yesterday.

Mr Elk was opening a two-day exhibition at the Specialist Residential Property Marketing Programme sponsored by the South African Property Owners Association (SAPOA) and the Institute.

He told a gathering of more than 200 leading estate agents in the Carlton Hotel: “In the coloured areas such as Bosmont and Claremont, which have average 100 property transactions per annum each, the law of the jungle prevails in the property market. There is no free market mechanism. Individuals are exploiting each other in a market where there are insufficient houses and total ignorance of property values.”

IGNORANCE

Mr Elk said there were no property agents operating in these areas. Transactions are concluded privately in an atmosphere of ignorance. This ignorance often leads to corruption and exploitation. The people in those areas do not know the value of property, he said.

“Without the guidance of estate agents, there is no way they will ever get to know what property is really worth. The role of the estate agent in such a society is an important one. Apart from the usual role, he and his colleagues and competitors must perform the function of educating the buyers and sellers. This is the only way the price of property will ever find its free market level.”

Mr Elk said if such chaotic conditions already existed in Claremont and Bosmont, “the prospect for Soweto, once houses can be bought and sold, is frightening.”

“If we are to avoid complete chaos in the housing market with people exploiting each other, the Government must amend the regulations of the Urban Areas Consolidation Act and allow estate agents to train blacks to operate on their behalf in black areas. I would like to see it amended to the extent where we would be allowed to have joint ventures between white and black estate agents.”

He said black aspirations had been raised by the announcement of the 90-year leasehold scheme.

“It is important that the speed of the implementation be increased. If there are bureaucratic reasons delaying it then they must be swept away. This is a matter of great emotional impact in the townships and the people there are judging us by the speed with which it is implemented.” — Sapa.
Millions needed to house poorer groups

Own Correspondent

About R2 000-million a year will soon have to be spent to house the poorer population groups, according to bulletins from the Department of Community Development. Not only must a huge backlog of 237,000 low-cost units be eliminated but at least 103,000 new homes a year will be needed to overcome the effects of population growth and urbanisation.

If the problem is tackled in earnest from next year onwards, it could mean a construction of 120,000 of these homes a year, costing as much as R350-million. Excluding building costs of 20 percent a year, this figure for 1985 and to R2 000-million five years later.

It is an enormous task, but Department of Community Development officials are adamant it can be done provided the funds are forthcoming and the job is tackled with the same dedication displayed during the last years of the 1970s.

DILEMMA

They say it is one sure way of overcoming the country’s unemployment dilemma because every R150-million spent on low-cost housing would ensure jobs for 25,000 breadwinners.

The Department of Community Development, which is responsible for most of these housing schemes, may soon be landed with an additional task — caring for the needs of 80 percent of the blacks in urban areas.

So far, its main concern has been housing for whites and coloured people and Indians. It may have to double or treble its present output to meet this new challenge. But the Department is already geared up to do so.

Last year it set a record by completing 48,500 homes at a cost of R263-million. This year, however, it is already way behind schedule because of a lack of funds.

FINANCING

The Department, through The National Housing Fund (NHF), provides financing for 14 percent of the low-cost requirements of the country’s whites; 80 percent of the needs of coloured people and 65 percent of that of Indians. Blacks will shortly be added to the list, and it will have to look after 90 percent of their housing needs.

Professor J L Sadie, of the Bureau of Economic Research at Stellenbosch University, estimates that at least 103,000 additional units a year will be needed until the turn of the century to cope with the population growth.

COMBINED

This is 8,600 units a month for the public and private sector combined, but Community Development will have to bear the lion’s share of this burden, as private developers cannot hope to build at the extremely low interest rate of the department. It charges one percent for sub-economic loans (income R250 a month) and 9.25 percent for economic units, where incomes are between R350 and R450.

The department will have to build about 8,300 units monthly to reach the annual figure of 26,000 for coloureds, 3,000 for Indians and 56,700 for blacks.

Estimated backlogs for the different racial groups come to 168,000 for blacks, 52,000 for coloureds and 22,000 for Indians.

RECORD

During last year’s record run, Community Development managed 2,770 units for whites, 24,190 for coloureds, 12,530 for Indians but only 12,929 for blacks in the urban areas.

Funds available in the NHF this year amount to only R258-million, which is R13-million less than the money spent on low-cost housing a year ago. It will enable the department to finance and build about 30,000 units which is a long way from the target set for the early 1980s.
'Low-cost housing helped recession'

CAPE TOWN. — Investment in low-cost housing in South Africa was competing for scarce capital and in this sense could be said to have a negative on the economy, the chief economist of the Bureau for Economic Research at Stellenbosch University, Mr W F Kilian, said in Cape Town yesterday.

Addressing a housing congress at the Good Hope Centre, Mr Kilian said, however, that the positive effects of such investment far outweighed the negative effects.

The congress was organized by the South African Institute of Housing Management and is being attended by about 200 delegates including Cabinet Ministers.

Mr Kilian said investment in low-cost housing had played a significant role in the economy during the recent recession.

"Its greatest virtue was that public expenditure could be increased with little negative effect on the country's sensitive balance of payments," — Sapa.

"Dr Koornhof said this could be an important factor in the creation of a middle class in the black residential areas, and could be both a stabilising influence and an encouragement to further development.

"However, in both these fields there has been a tendency to fall behind the rate of urban growth, with the result that the volume of unemployment and inadequate housing has increased in our cities.

"We have, in recent years, seen the culmination of this process in a number of informal settlements on the edges of our metropolitan areas."

Given the dimensions of the problem, it was no wonder the State had not been able to provide the necessary housing.

CAPE TOWN. — The Government intended introducing legislation enabling the private sector to undertake township development for black people outside the national states, the Minister of Co-operation and Development, Dr Piet Koornhof, said in Cape Town yesterday.

Dr Koornhof was speaking at the International Housing Conference of the SA Institute of Housing Management in the Good Hope Centre.

Dr Koornhof said it would be necessary to build another 4.1 million housing units for black people in the cities before the end of the century.

South Africa had tried to contain the forces of urbanisation by preventing the uncontrolled influx of unemployed people into metropolitan areas.

"The Government has recently accepted the recommendations of the Bekkers Commission that influx control measures should largely rely on the availability of housing and employment.

"However, in both these fields there has been a tendency to fall behind the rate of urban growth, with the result that the volume of unemployment and inadequate housing has increased in our cities.

"We have, in recent years, seen the culmination of this process in a number of informal settlements on the edges of our metropolitan areas."

Given the dimensions of the problem, it was no wonder the State had not been able to provide the necessary housing.

It would be impossible for the Government to continue to undertake more in the field of housing without increasing taxes to the extent where it could harm the enterprising spirit of the individual.

"It is therefore to this enterprise that we wish to turn to provide the necessary housing for the people."

Another factor which had a considerable effect on the State's ability to provide housing at the required rate was the exceptionally high standards laid down for housing.

"These standards are not so high, given the environments of a developed Western economy, but when we take into consideration that South Africa is, for a large part, still experiencing Third World conditions, it becomes obvious that it is folly to impose the unattainable standards of the developed world on our situation."

"Furthermore, cultural factors such as our black people's dislike of high-rise developments cannot be ignored.

"What we want to develop in South Africa is differential housing — housing which is attuned to the needs and the resources of every community and every individual."

"To a large degree, this has been achieved as far as the White community is concerned."

"Unfortunately the generally lower levels of income of our black people have not yet allowed such a development in the black cities.

"Until recently, there were also restrictions on the acquisition of housing in the urban residential areas of the black peoples."

"I believe the recent introduction of the 50-year leasehold system, which has followed a decade of rapid economic advancement by black people, may lead to the erection of many houses by the private sector and that this may contribute to greater differentiation in housing on social and economic lines."

"Dr Koornhof said this could be an important factor in the creation of a middle class in the black residential areas, and could be both a stabilising influence and an encouragement to further development.

Sapa.
Backlog in housing will be ‘wiped out’

CAPE TOWN. — The coloured housing backlog in Cape Town should be wiped out in the next five years, Mr Louis Fouche, Secretary for the Department of Community Development, said at an international housing conference yesterday.

The Department of Community Development and the local authorities had the knowledge, experience, machinery and the will to eliminate chronic housing problems and provide sufficient housing for all those who qualified for State assistance.

"This can happen because the close contact between the Department of Community Development and the local authorities has resulted in integrated action. In this way it is possible to achieve the most effective planning and best utilisation of existing and new services and to procure new sources and materials."

Mr Fouche said housing agencies had to ensure that the planning and provision of housing was carried out under control of local authorities.

"With the exception of rented accommodation the private sector is providing sufficient housing to meet the demand from the higher income groups as far as the white group is concerned in certain centres."

"The position in respect of the other-population groups is that the private sector has still not come into its own and the Minister of Community Development has already invited depot-receiving institutions to participate in providing housing, particularly in coloured and Indian areas."

"The growing success of the past few years and an unshakable confidence in the future offers the assurance that the important task of providing housing, affecting as it does everyone from cradle to grave, is an ideal which is not unattainable."

He added: "One of the things that the partnership between the Department and local authorities cannot countenance, however, is the various instant solutions offered or proposed for housing the growing population of South Africa."

Mr Fouche said loans for the purchase of building materials in these schemes had inherent problems relating to the standard of dwellings and the use to which the loan funds were put. These dwellings were not very durable and slum conditions occurred within a short time.

"Similarly, the upgrading of squatter camps around cities is unacceptable because of the costs involved, the temporary nature of such action and, above all, because no improvement really results." — Sapa.
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2.3. Looking at Expenditure

In the above graph, the expenditure on housing shows a steady increase over the years. The increase is particularly noticeable in the 1980s and 1990s. The costs have doubled in the past decade, reflecting the rising costs of materials and labor. The government needs to find ways to contain these costs and ensure that housing remains affordable for all.

The diagram illustrates the relationship between expenditure and housing quality. As expenditure increases, there is a noticeable improvement in the quality of housing. However, the correlation is not perfect, indicating that other factors may also be at play.

The table shows the total expenditure on housing, with the highest amount spent in the year 2026. The trend is clear: expenditure on housing has been rising steadily over the years.

The government must take steps to address this issue, perhaps by increasing subsidies or imposing stricter regulations on the housing industry.
Housing loans for black women soon — P W Botha

CAPE TOWN — Legislation has been prepared to enable black women to qualify for housing loans, the Prime Minister, Mr P W Botha told the International Congress of the South African Institute of Housing Management, yesterday.

He said the Government would do everything possible to ensure that the 98-year household system for blacks was made as economical as possible.

The provision of adequate housing and proper community development remains an incomplete task, he said.

What still had to be done in those fields could place an even heavier burden on the State than in the past.

"I believe this is an investment in the future of South Africa," he said.

It would have to be realised that not only was housing of paramount importance in determining the standard of living, it was also a prerequisite to improving the way of life.

The state is fully aware of this and consequently is not prepared to condone shacks of squatter conditions.

"A few shacks of tin nailed to pieces of wood may be a shelter for some people, but it can never be considered as proper housing."

Controlled squatting simply could not be combated by the Government.

The Prime Minister said that through the efforts of the Department of Housing and Community Development, the situation was being improved all the time.

He said that expenditure on housing, as a proportion of provision, was an increase in the share of the budget allocated to it.

Institute of Housing Management, yesterday.

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He said that expenditure on housing, as a proportion of provision, was an increase in the share of the budget allocated to it.
PW HINT: HOUSING WILL BE PLANNED TOGETHER

IN spite of what had already been achieved, the provision of adequate housing and property community development remained an uncompleted task, the Prime Minister, Mr P W Botha, said in Cape Town yesterday.

Mr Botha, who was addressing the international congress of the SA Institute of Housing Management, said that what still had to be done in these fields would conceivably place an even heavier burden on the State than in the past.

He did not, however, see this as a liability but rather as a challenge.

"I believe this is an investment in the future of South Africa.

The Prime Minister said that through force of circumstance, black communities outside the black states had not reaped the same benefits as had coloured and Indian communities. This was now, however, being put right at an increased tempo and, where necessary, legislation and regulations would be amended in order to further increase the tempo.

The Government would do everything possible to see that the 99-year leasehold system for blacks was made as economical as possible.

Legislation had been prepared to enable black women to qualify for housing loans.

Amending legislation would also make it possible for building societies and private developers to undertake township development outside the black states.

Housing would have to be provided in accordance with the needs and the means of the community concerned.

This had nothing to do with colour.

It would have to be realised that not only was housing of paramount importance in determining the standard of living, it was also a prerequisite to improving the way of life.

"The State is fully aware of this and consequently is not prepared to condone shacks of squatter conditions.

"A few scraps of tin nailed to pieces of wood may be a shelter for some people, but it can never be considered as proper housing.

Controlled squatting simply could not be condoned by the Government.

Another guideline would have to be the provision of proper services and amenities such as schools, community halls, clinics, post offices, sports complexes and planned landscaping.

It was also absolutely imperative that development proceeded in consultation with and on the advice of leaders of the communities concerned.

In order to attain this ideal it was essential that there was effective local government for every city and for every community.

a) deferral method

b) liability method

(assume there are no other items causing timing differences)

3. How will the answer to 2. be affected by the existence of an extraordinary gain on disposal of a division of the company, amounting to R70 000, all of which was taxable, in the 19.7 financial year?

4. How does the answer to 3. change if the R70 000 is now a deductible loss, which can be set off against the taxable income from other sources of R50 000? Draw up the income statement assuming the deferral method is used.

5. Further to Note 4, assume now that the company has a set profit before depreciation of R60 000 in 19.8.

Draw up the income statement for the 19.8 financial year under a) liability method

b) deferral method

Assume the tax rate remains 42%
BLACK HOUSING
Opening more doors

Co-operation and Development Minister Piet Koornhof's announcement that Pretoria has considered introducing legislation to lift restrictive measures on the private sector's role in black housing development has received an enthusiastic response from business.

Koornhof spoke on Monday in Cape Town at the International housing conference of the SA Institute of Housing Management, and further details and other policy statements are expected when he addresses the Free Market Foundation's conference in Johannesburg on Friday.

His speech marks another step in government's involvement of the private sector in urban black affairs. The reasons are not hard to find. "It would be impossible for the government to continue to undertake more in the field of housing without increasing taxes to the extent (of harming) the enterprising spirit of the individual," he told the delegates.

There is also the vast scale of the task. About 4.1m units are required by the year 2000. And the changed emphasis on the quality of housing to be provided. Koornhof said that the standards laid down "were exceptionally high." Small wonder business is being asked to lend its capital and expertise.

There have been problems, however, with the 99-year leasehold scheme. David Alston, director of the Association of Building Societies, tells the FM that the major drawbacks have been the surveying and land proclamation. This is now being overcome largely due to a R500 000 interest-free loan made available to the Department of Co-operation and Development by the Urban Foundation.

The building societies are currently gearing up to embark on black housing schemes in conjunction with property development and construction companies. But there is some concern that the amount of available space might soon be exhausted. One building society says that it has had 500 interviews in the past two months and, it adds, "that is good by any standard." Pat Dempster, managing director of the Urban Foundation's Transvaal region, tells the FM that there have been more people interested in buying houses under the 99-year scheme in Pimville — the Urban Foundation's housing project in Soweto — than available sites.

The economic aspects of the proposed legislation are expected to have wider implications. Raymond Parsons, executive director of Assocom, says that the announcement came at an ideal time for maximising the long-term benefit for business and blacks — presumably, referring to the social and political situations.

Now that the government appears to have realised the need to accelerate develop-
Cut that costly housing red tape

THREE years ago the announcement of household housing terms for urban blacks was hailed as a breakthrough for compassion. Dr Connie Mulder, who was then the Minister concerned, called it "permanence in inverted commas." Urban blacks were at last given a sense of belonging: great numbers of them were expected to buy their own homes. Rosy images came to mind of contented communities enjoying pride of ownership.

But, as so often happens when the Government makes a gesture, the scheme has been frustrated by the enormous gulf between theory and practice. Delegates to the Assocom congress in Bloemfontein yesterday ascribed the failure of the scheme to red tape. There are other reasons such as doubts about whether a house could be legally bequeathed to heirs—and the major obstacle of money. Congress delegates also heard that only 14 families have registered titles so far. Fourteen out of the tens of thousands of potential buyers; something is obviously very wrong. The Government should need no prompting to look for ways of smoothing the path to home ownership.

For instance, the red tape complained of at the Assocom conference not only slows procedures but adds greatly to the cost of houses. It has been argued that there is no need to survey the sites except in the rare cases where disputes arise. And is it necessary to recover the book value on houses? It is all very well to balance the rands and cents, but surely more profit is to be gained by being able to chalk up "contentment" on the credit side.

A formula must be devised now if homes are to be placed within reach of the average black family. Assocom and other concerned representatives of business and industry should give the Government the push urged by the Krugersdorp chamber.

Houses not homes

Government appears to have recognised its inability to cope with the acute shortage, and is showing signs of slightly loosening its stranglehold on black housing. Officials are now talking about more private sector involvement. The reason is clear. Claimed Minister of Co-operation and Development Dr Piet Koornhof at the International Congress of the SA Institute of Housing two weeks ago. "It would be impossible for government to continue undertaking more in the field of housing without increasing taxes to the extent of harming the enterprising spirit of the individual."

But Pretoria seems set on keeping private sector involvement within the framework of the 1930 leasehold scheme. Leasehold rights have been extended to 99 years in so-called white areas rather than to those in border towns and the Western Cape. Legislation is being prepared to enable black women to qualify for housing. And FAD is looking at ways of cutting the costs of housing.

Government has accepted the principle of building societies moving into townships to build their own homes. These will be sold to blacks under leasehold. Lotor, deputy secretary of FAD, says that the necessary amendment to the Black Urban Areas' Consolidation Act will be put before Parliament next session.

"A lot more must be done to solve the whole problem," building societies are already free to build houses for blacks. All this amendment will do is provide the opportunity for "private enterprise to develop housing on their own."

Nonetheless, government still holds a strong grip on black housing. Those trying to get leasehold rights have to go through a maze of red tape. The extent to which building societies will be able to construct houses will depend on the authorities' willingness to provide land. The University of the Witwatersrand argues that the way out of the housing shortage is to adopt a more "master-plan" approach, which would give blacks far more control over decisions on their housing. There are two alternatives - a formal market system or self-help schemes. There is no justification for the State of South Africa, David Dewar and George Eids, in their book "Low Income Housing Policy in South Africa", give more startling figures.

For instance, it is estimated that in Durban there are 350,000 black squatters; in Pietermaritzburg 285,000 blacks live in substandard conditions; and, in the Winterveldt area near Pretoria, there are at least 250,000 squatters.

"The public sector's attitude towards tenure, although changing, is still far from adequate in stimulating investment in new housing among non-whites."

Niels Jorgensen, an international authority on low-cost housing
McEvedy & Jones: Atlas of World Population History

Section III

* L.C.A. Knowles: Industrial and Commercial Revolutions
* " " C.M. Cipolla (ed.): The Fontana Economic History of Europe, Vols. III and IV
W.O. Henderson: The Industrial Revolution on the Continent
J.H. Clapham: Economic Development of France and Germany
* S.B. Saul: The Myth of the Great Depression, 1873-1896

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housing scheme
Snags hit blackcaps

23
4/119

By Collin Vinal

Property Editor
Black Housing

BIFSA's Brainwave

Prime Minister PW Botha is certainly aware of the magnitude of SA's black housing problem. At an international conference on housing, in Cape Town last month, he announced that 4,1m houses would be required by the end of the century. This was such a mammoth task that private enterprise had to become involved.

The Building Industries Federation of SA (BIFSA) announced last week that it had written to Minister of Co-operation and Development, Piet Koornhof, asking for clarification. Putting its cards on the table, BIFSA has also announced that it will call a national conference next year to plan the launching of a grandiose scheme to build the equivalent of 40 new cities the size of Johannesburg.

According to BIFSA director Johan Groen, "BIFSA is willing to act as a catalyst to get the scheme off the ground on a co-ordinated basis." However, the key issues are not the mammoth number of houses to be produced or the cost to government or the private sector. They are rather whether blacks can afford the type of housing envisaged, and whether government can impose high and unrealistic housing standards for the masses.

Take the type of housing envisaged for the residents of the new Crossroads. Reliable sources say that the housing planned will mean more than a 100% increase in monthly rentals. The cheapest one-bedroomed house will rent for nearly R25, compared with a previous rental of R7 a month.

Government's 59-year leasehold scheme will not help alleviate the situation. As David Albion, director of the Association of Building Societies, points out: "59-year leasehold is not the alpha and omega. Many people cannot afford building sociedad loans - nor would they want them. Unless government can rationalise the cost structure, it will appeal to only a limited number of people."

In fact 60% of prospective black homeowners will find the scheme far too expensive. Over 80% of SA's urban blacks earn less than R200 a month and will have difficulty securing building sociedad loans. A recent survey in Alexandra, by BIFSA's sociology department, showed that nearly 22% of households had average incomes of less than R100 a month, and 50% earned below R150.

According to a senior HBS official, "even those who can afford loans through conventional channels often cannot afford the required 20% deposit." It is in this area that employers could usefully step in by providing collateral for loans. Rick Granelli, transvaal regional manager of the Urban Foundation, adds: "Under present circumstances the criteria imposed by financial institutions are not appropriate to low-income groups, and it will be necessary to develop revised criteria to make it possible for small loans to be provided for self-help builders."

Piet Gienois, WAB's chief housing officer, estimates that 367 applications for leasehold have been lodged to date. However, only 35 leasehold rights have actually been issued.

Is government trying to market the unmarketable? The cost to a tenant of converting a conventional 5/9 dwelling into leasehold status is nearly double that of continuing to rent or taking a 59-year lease. The jump from a possible R15/month in rental to R35/month in ownership repayments is obviously too much for many.

And just where is the money going to come from? Over the past 25 years R1341m has been spent on housing using Treasury funds - and this is for all races.

Financial Mail November 23 1979
New homes are 'out of reach'

Own Correspondent.

Rising building costs are rapidly taking new houses out of the reach of the average man.

"Costs have risen by 30 to 55 per cent this year and the man who has R20,000 just cannot afford a standard home," Mr Chris Pieterse, a Pretoria builder, said yesterday.

But this has not deterred homeowners.

"We can get as much work as we want. Our problem is to find the material we need to build new houses. I ordered bricks last week and was given a delivery date at the beginning of March," Mr Pieterse said.

There was every indication that building costs would continue to rise. Black workers' wages had risen and would continue to do so. Labour accounted for about half of the cost of a home.

Many buyers relied on subsidies from their employers, Mr Pieterse said.
Teachers to get housing loans

By MALOSE MATSEMELA

BLACK teachers and employees of the Department of Education and Training will take part in the housing loan scheme announced by the Department of Community Development earlier this year.

This was said this week by the Secretary for Education and Training, Mr G J Rousseau, who further said there are conditions to be met before applications can be sent in.

He said the scheme will enable employees to obtain from financial institutions participating in the scheme, a loan for the purchase of a building stand and the erection of a dwelling in the country.

As security for the loan, applicants will be required to enter into an agreement with the Government.

Application forms are obtained from the regional offices of the Department of Community Development or the Department of Education and Training.

Mr Rousseau said: "A person may apply provided he or she is married or is an unmarried person with dependants who are permanently resident with him or her, or a married female who is the breadwinner and who has dependants permanently resident with her, provided she or he is not over the age of 50."
DISCUSSION

The crude death rates and the standardised mortality rates for whites, Asians and 'coloureds' and urban Africans are presented in Fig. 1. The interpretation of these figures is confounded by the differences in the underlying structure of the population. The population pyramids of the various groups were pictured in Part I with the exception of the urban Africans, which appears in Fig. 2. This population shows an excess of healthy working males and lack of elderly persons as a result of the migratory labour situation.

The standardised mortality rate provides a single figure for the mortality experience of a population which can only be fully expressed in terms of a series of age specific death rates. The SMR is calculated by multiplying all the age specific mortality rates in the observed population by the corresponding numbers in the standard population, adding the number of deaths so obtained and dividing the total standard population. While this figure is independent of the age structure of the observed population, the choice of the standard population will affect the weighting given to the deaths in the various age groups. The choice of an urban population as a standard will give great weight to infant weight to deaths among the elderly, while a developed standard will reverse the position. The choice of standard population influences the ranking of the mortality between the observed groups. The answer. As the Duke of Wellington said: 'There are lies, and statistics!'

Infant mortality rates are summarised in Fig. 3. Once age is experienced in obtaining data for Africans. Birth stat. Africans are not published by the central government. The local officers of health have estimated the infant mortality rates for their urban areas. These show considerable variation. (See also ref. 15). A mean figure and the range are given in Fig. 2. These de facto figures should be interpreted with caution as sick infants are often brought to the cities from rural areas. An indication of the situation in the rural areas is given by a sample survey carried out in Cape Town and Transkei among Xhosa-speaking Africans. An increase in infant mortality was observed with decreasing urbanisation, the figure for the completely rural areas being of the same magnitude as those parts of the world devoid of medical services. Fig. 4 summarises the age specific mortality rates of rural areas or cause of deaths according to the Bantu Reference Bureau (Personal Communication). At least 50 000 deaths among Africans were not registered. These occur mainly in the rural areas. It is estimated that about 10% of the deaths in the main urban districts are not registered for Africans.

METHODS

The following indices were calculated:

1. Crude Mortality Rates.
2. Standardised Mortality Rates. Two standard populations were used: England and Wales representing a developed population and Mexico 1960 for a developing one.
3. Age and Cause Specific Death Rates. Calculated mainly in five year age groups for the seventeen major divisions of the eighth revision of the International Classification of Diseases (ICD).

For Africans, a different procedure was adopted as a population figure for only part of the country was required. The 1970 age distribution by magisterial district was used, the numbers being adjusted by the 1974 gross population estimates by economic region.
Flat tenants face big rent increases

By BRUCE STEPHENSON

Tenants in thousands of rent-controlled flats face the threat of a minimum 10% rent increase in April when the two-year "breather period" for many tenants expires.

The two-year period during which the Minister of Community Development, Mr Marius Steyn, asked landlords of buildings decontrolled in April 1978 to keep increases to a ceiling of 10%, ends then.

With the chronic shortage of flats in the better areas - particularly northern Johannesburg, Cape Town's Sea Point and Durban's Berea - there seems little doubt that landlords will again be asking for more rent.

Mr Alf Widman, PFP MP for Hillbrow, has called for a "complete investigation" into flat accommodation in relation to the proposed abolition of rent control.

"The cost of building today is so high that a man thinks twice before building a new block of flats. What is happening today is that when a new block is built, the owner sells flats under sectional title," said Mr John Croeser, deputy chairman of the agency.

The directors believe that the Government should have decontrolled the older blocks first. Buildings less than 20 years old were freed of rent control in April 1978, and this April buildings less than 25 years old had restrictions lifted on them.

"If the old blocks had been decontrolled first, the owner would have been able to afford to improve those buildings. There are some nice old buildings which, with a small face-lift, would be reasonable places to live," they said this week.

Mr Widman, PFP Member of Parliament for Hillbrow, disagrees strongly.

"Landlords are by law entitled to a return of 8% on the original investment, not 8 1/4%," Mr Widman said.

"I call on the Minister to have a complete investigation into flat accommodation in relation to the proposed abolition of rent control.

The Government should favour people in need, he said.

Low-income families are protected from unscrupulous landlords by the Housing Act, which stipulates that the flat occupied by that family may remain rent-controlled when the building itself is de-controlled.

The ones is on the family to prove to their landlord that they fall into these categories. Should the rent be increased, they may appeal to the Rent Board for a reversal.

Families with no children and an income of R360 a month or less, families with one or two children earning R460 a month or less, and families with three or more children earning R540 a month or less qualify for protection.
Big deal

Some curious things are happening on the black housing front. For one, reports of a “guaranteed” R300m loan for black housing from an alleged consortium of the big banks appear to be premature, to say the least.

The story, which created front-page headlines last week, originated from a Building Industries Federation of SA press release headed “Building industry already assured of first R300m for Koornhof’s R20 billion black housing project from private sector.”

The first paragraph read: “The building industry is sure of obtaining an initial R300m right away from a consortium of banks, as the first installment towards the R20 billion required to build Dr Koornhof’s grand design of 4.1m homes for blacks by 2000 AD.”

Bifsa president Bob Stevenson was quoted as follows: “All we need is a government guarantee and this we feel certain of getting following the positive attitude to long-term socio-economic development shown by the Prime Minister at his summit meeting with leaders of the private sector in Johannesburg.”

Stevenson tells the FM that the reference to the fact that Bifsa was “sure of obtaining” the loan was made on the basis of a previous precedent set by a consortium of banks in providing a loan which government then guaranteed. He was convinced that, because the banks were “flush with money”, the action would be repeated.

Bill Hamilton, Bifsa’s delegate to the PM’s summit explained further. He said: “Two years ago, the Minister of Finance granted an additional R250m for housing above the usual vote. This was private sector money which the government had guaranteed. As this money will be exhausted by April 1980, Bifsa wants the government to again guarantee a further R300m.” He is certain the banks will provide this.

At present, the situation appears to be that Bifsa is merely talking to some banks about loan facilities on the strength of their understanding that government is sincere in its wish to solve the black housing backlog. Bifsa has also written to Minister of Co-operation and Development Piet Koornhof asking for details of how he proposes to solve the backlog. Bifsa has not drawn up any plans, but, taking Koornhof at his word, has passed a resolution to call a national housing conference next
ECONOMIES have been made locally, locks cope and door

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An important requirement of low-cost housing is that the designs should make use of materials that are standard and available locally. Also, the designs should be simple and effective. The houses must be expandable and economical. The building material should be locally available. The designs are based on the provision of corrugated metal sheets as they are lightweight and economical. The roofs are made of corrugated metal sheets. The walls are made of locally available material such as adobe brick, sun-dried clay blocks, or locally available brick. The houses must be self-help; the houses must be constructed by the people themselves. The materials must be locally available and should be simple and effective.
in "white" Johannesburg), says its chair-
man, Cassim Saloojee.

He reckons there are many more who
haven't yet fallen foul of the Group Areas
Act. The housing waiting lists in townships
like Lenasia and Actonville, which run
into thousands, have been further swollen
by out-of-towners.

Says Saloojee: "Government has lifted
the restriction on travel but doesn't recog-
nise the need for housing mobility."

"Blacks' (coloured and Indian) mobility
in SA is therefore being hampered by
Group Areas restrictions and the serious
lack of housing.

Africans without Section 10 rights are,
of course, the most stringently controlled
race group, and are being increasingly at-
edorsed out.
Self-build project could mean houses for thousands

BLACK HOUSING REVOLUTION

By John Battenby

A quiet revolution is taking place in the government's approach to the housing question, which could completely change the face of housing and usher in a new era of stability in South Africa.

The new trend to give people a variety of options to build their own homes is spreading rapidly, and is seen as the answer to the housing crisis.

Meanwhile, the government is stepping up its efforts to provide housing for those who are in need.

In Johannesburg, a scheme in the Khayelitsha township has been successful in providing housing for thousands of people.

The scheme, which is based on self-build, has been highly praised for its success.

In the meantime, the government is working on a new scheme to provide housing for the poorest of the poor.

The Urban Foundation is also involved in the housing project, which is expected to benefit thousands of people.

The first official site for the self-build scheme was opened in Johannesburg, after it was closed down twice by the police.

The site was well advanced when it was opened again, and the government is expected to benefit from the success of the scheme.

In conclusion, the self-build project could mean houses for thousands of people, and is seen as a turning point in the housing crisis.
EXPRESSCOPE

THE ACCOMMODATION CRISIS

Flat rents could be doubled next year

NEXT YEAR could bring the shock of a lifetime for at least 250,000 people who live in rent-controlled flats in South Africa.

Their monthly rent bills could double — and this will leave thousands who already barely survive on penury old age pension below and desk jobs.

This applies to Johannesburg in particular, where agents say an accommodation shortage is reaching crisis proportions.

One agent told the Sunday Express rent for three-bedroom rent-controlled flats in Hillbrow could go from R150 to R250 a month.

In Killarney, in the Northern suburbs, flat-dwellers could pay as much as R500 a month for three-bedroom apartments.

Rents are expected to rise as steeply as in Pretoria, in the Welwitschiland, Cape Town and Grahamstown.

Expresscope set out this week to establish the reasons behind the sudden move to increase rents — a move that will give millions of South Africa's free blacks new financial responsibilities.

Experience established that:

- Developers are looking for a return of at least 10% on investment on houses and rents of previously controlled flats will rise accordingly because of the shortage of accommodation.

- Protection given to low-income tenants under the Housing Act has been cancelled out by rent boards.

- Property experts agree that most existing blocks will be converted to sectional title within the next five years. Even now, many entrepreneurs are buying up blocks of previously rent-controlled flats for sale by sectional title — which means tenants cannot get out of their current situation.

- Sapsa (South Africa Property Owners' Association) considers people who can no longer afford to keep their flats should go to TRANSVAL or somewhere else — they can't expect to be subsidized in Killarney.

- Sapsa also recommends that landlords ask Sapsa for a declaration giving income details — a move that is being used by a willingness of Sapsa to maintain freedom of privacy.

- Many landlords of rent-controlled blocks built in the early 60's are making a gross profit of 30% on their original investment.

- The Progressive Federal Party is getting pressure under Government to offer incentives for new housing and to allow tax breaks to tenants who have a fixed income.

The property expert, a quack who asked not to be named, said the pressure for new housing could be met by converting buildings into doubled-up residential units. Of course, buildings like Hillbrow and Pretoria were used to make good living expenses but the residents were living in 200% of their original structural.

Finally, the new flat tenants are paying 3% of their rent for building maintenance for the first lease-five of which the landlord will pay.

The property expert, however, said they were going to be hit hard.
A ROW of houses in the African township of Graaff-Reinet... doomed to die — now it will be restored.

A HOUSE under construction at the Kroonstad self-build scheme — first of its kind to be carried out in South Africa.

SQUATTER

A major breakthrough is on the cards for the Makasi quarter area outside Durban. While top Government officials in the departments of Co-operation and Development and Community Development were reluctant to discuss the matter, this week housing experts who are closely involved with Government planners confirmed that the new direction was well under way and that a breakthrough was imminent.

ENGINEERED

The new approach to housing has been engineered by Dr Piet Koornhof, Minister of Co-operation and Development, working in close cooperation with the GDE's National Housing Research Institute in Pretoria. Housing experts have been urging the Government for years to adopt a more realistic approach to low-income housing by lowering the standards of sub-economic from the present front of building such expensive houses in townships which are already overcrowded and congested.

It seems that the message has finally penetrated and that the size of the problem has forced the Government to reconsider its housing policy.

The Department of Community Development, which controls the financing of all housing projects through the National Housing Institute, has in the past dominated the sector and caused a serious gap between the financial systems and the community. The Government is now considering alternatives to the traditional pattern of providing low-income housing.

Recently, however, the department has been following in line with the progressive thinking on the subject.

Dr Piet Koornhof, director of the GDE, revealed this week that the institute was working in close cooperation with the Department of Co-operation and Development in investigating alternative approaches to the housing problem.

He said that aspects being investigated included:

- Community participation.
- And the whole concept of social equity, based on the principle that labour contributed half of the cost of building a house and that participation in the house-building and the buying of its contents and means of subsistence is based on the principle that the institute was also working very closely at ways of reducing the costs of services.

Breakthroughs had been made in reducing the costs of electrical wiring systems by 30 to 50 percent and the use of other water heating was being encouraged.
sufficient growth in the economy to support a 14% discounted cash flow return on the life span of his property — this is the minimum return investors expect today.

"If more flats are not built we will fall in an unhelpable situation — there will be a serious shortage of housing. But rentals must be equated with what it costs to build."

The Poace Commission found in 1976 that the rental control had a harmful effect on the country's housing position and on the long-term interests of tenants themselves, and recommended that it should be gradually abolished.

This is being done in three phases: Buildings first occupied since 1980 have never been subject to rent control.

The first phase, which took effect in April 1978, removed control from buildings first occupied between May 31, 1966 and January 1, 1969.

This year it was extended to buildings first occupied between that date and the last day of 1954. Next April it will be applied to buildings first occupied before October, 1949.

Removing control from buildings first occupied before 1949 will need a special Act of Parliament, which Sapo hopes will be passed in 1989.

But to protect tenants, the Minister of Community Development, Mr Marais Steyn, asked landlords not to increase rents on decontrolled buildings by more than 10% a year for the first two years.

This breathing space will expire in April and property men consulted by the Sunday Express agree that with the flat shortage rapidly building up in Johannesburg, Pretoria, Cape Town and Durban, landlords will put up their rents to give them the returns on investment they want — at least 14% but, in some cases, even higher.

This could mean flat rents could increase by 40% immediately and double by the end of the year. Mr. Marc Wainer of Citiplan told the Sunday Express this week.

Wainer also warned that he would not hesitate to repudiate rent control in buildings where he found any evidence of exploitation. However, Mr Simon Chalcik, FPF MP, and city councillor for Hillbrow, told the Sunday Express he knew of cases where tenants have appealed for protection under the Housing Act and landlords have successfully applied to the Rent Board for increases.

The Sunday Express spoke to a Hillbrow woman, recently widowed, who said she earned R208 a month. Her flat rental had recently been increased to R187.

It had doubled — with the approval of the Rent Board — in the last five years, in spite of her having opposed the applications.

She was trying to find another flat, as she was forced to leave the home she had shared with her husband for 26 years. Mr Wainer told the Sunday Express that of the 8,000 flats administered by his company only two tenants had asked for protection under the Act.

Sapo, in a memorandum is-

Mr. David Price, managing director of Mampop, which handles many sectional-title projects, confirmed the bleak prospect for flat renters.

Most existing flat blocks would be sold under sectional title in the next few years, he told the Sunday Express, and this could cause enormous problems.

He gave the example of a flat block in the Northern suburbs recently converted to sectional title; controlled flats previously renting at R269 were sold for R27 000.

Minimum deposit was 15% of R27 000, and monthly bond repayments about R660. Adding on the monthly levy of R75, former tenants now pay R75 — for the same flats they rented at R269.

This is an extremely dangerous time for sectional title developers, as there are no new blocks of flats, writes Meyer. We shall go through a very critical period in the next few years after flats are de-controlled and before there are enough new flats to rent.

Most developers today are now even thinking of putting up flats to rent. Instead, they are covering or putting up town-houses for sale under sectional title.

Some insurance companies, which today are the major property investors, are reluctant to put up flats because their sales staff have encountered resistance from tenants in blocks owned by their companies.

This is because gripes against landlords are carried over into insurance-buying — if these blocks were paid for years ago and, in many cases, are used as "piggy banks" by their owners, who "take out mortgages on them to finance further investment.

The Sunday Express has detailed the sale of one such block in Hillbrow which was built in 1952. The initial valuation was R6 000, and rental income was R96 000.

Today the valuation is R1.1 million — told the gross rental income last year was close on R185 000, giving a gross return of 50% on the original investment and a net return of about 20%.

Maintenance in the block had been minimal, according to tenants, who speak of peeling paint, leaking ceilings and faulty wiring.

But several estate agents say many landlords had not applied for the rent increases to which they were entitled.

"I feel sure most landlords will take a compassionate view of the plight of the less well-off tenants," said Mr Maurice Goudre, president of the SA Institute of Estate Agents:

"There is a feeling that if flat rents will rise astronomically next year."

Mr Harry Schwarz, FPF MP for Yeoville and spokesman on finance, told the Sunday Express the FPF's view was that housing should be subsidised by the State, not by landlords.

The FPF had approached the Deputy Minister of Community Development, Mr S F Kotze, with the suggestion that this could be done by:

• Allowing tax benefits to people who have provided for their own retirement, but whose fixed incomes have been devalued by inflation.

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"Let them live in Triomf if they can't afford Killarney"
HOUSING - General

1-2-80 - 31-12-80
Hansards 1933
Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

(1) What was the total amount spent on housing for Blacks in the 1979-80 financial year?

(2) What amount of this total was spent on the provision of housing for persons removed to resettlement areas?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(1) R100 481 200 from State funds.

(2) The information requested is not readily available and can only be obtained at unwarranted expense.
Sectional Titles Amendment Bill.
Chief leading.

See S. Hansard 6 cols. 1263-1265.
23/4/80

Sectional Titles Amendment Bill

See S. Hansard 5 Col 1131-1150
Rent boards

Mr. S. S. van der Merwe asked the Minister of Community Development:

(a) How many rent boards were operating as at 1 January 1980 and (b) in what areas?

The Minister of Community Development:

(a) 35 (11 full-time and 24 part-time rent boards)

(b) Full-time Rent Boards

Bellville
Cape Town
Durban
Port Elizabeth
Pretoria
Johannesburg—Eastern
Johannesburg—Western
Johannesburg—Southern
Johannesburg—Central
East Rand
West Rand

Part-time Rent Boards

Beaufort West
Bloemfontein
Brits
Caledon
George
Kimberley
King William’s Town
Kroonstad
Lichtenburg
Mafeking

Mossel Bay
East London
Oudtshoorn
Piet Retief
Piet Retief
Riversdale
Robertson
Springbok
Standerton
Upington
Witbank
Worcester
Wellington
Virginia
Mr. S. S. Van der Merwe asked the Minister of Community Development:

(1) How many dwellings in the area of each rent board were subject to rent control as at 1 April 1978;

(2) how many of these dwellings in each area were freed from control during (a) 1978 and (b) 1979?

The Minister of Community Development:

(1) and (2) The information asked is not readily available and to obtain it literally thousands of files will have to be perused. In view of the manpower shortage, heavy work burden and the time it would take, the compilation of the information cannot be justified. The honourable Member's attention is nevertheless directed to the estimates made by the Commission of Inquiry into Housing Matters as given in paragraph 142 of its report (RP 74/1977).
MONDAY, 14 APRIL 1980

†Indicates translated version.

For written reply:

Economic/sub-economic housing

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

(1) What funds were available to his Department as at 31 December 1979 for the construction of (a) economic and (b) sub-economic housing;

(2) what amount was (a) spent and (b) allocated by his Department for the building of economic and sub-

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<td>4 495 417</td>
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(b) The Honourable Member is referred to paragraph 2(b) of my reply dated 1978-04-11 to his Question 376.
5. The fixed costs of a firm
(a) are fixed only in the short period
(b) when expressed as an average, do
(c) increase with the level of output

Housing units for Coloured persons
197, Mr. T. ARONSON asked the Minister
of Community Development:
(1) (a) How many housing units for
Coloured persons were built throughout
the Republic during 1979 with the
assistance of his Department, (b) when
were they built and (c) what
was the estimated number that will be
built in 1980;

(2) (a) what was the estimated shortage of
houses for Coloured families as at 31
December 1979 and (b) when is it
expected that the shortage will be
eliminated?

6. The MINISTER OF COMMUNITY DE-
VELOPMENT:
(1) (a) 14 568
(b) Cape Province .... 11 819
Transvaal ............. 2 382
Orange Free State ... 290
Natal ............. 66
(c) 10 000
(2) (a) 41 300
(b) As indicated in my reply dated
1978-04-05 to the hon. member's
Question 377, by 1985 sufficient funds are placed at the
disposal of the Department to
maintain an average annual rate of
provision of 18 200 completed
dwelling units. During 1978 and
1979 a total of 37 989 dwelling
units were completed giving an
average of 18 989 dwelling units
for the two years.

South End, Port Elizabeth
235. Mr. T. ARONSON asked the Minister
of Community Development:

7. Assuming a two-commodity household
seeks to maximise utility so that

(1) marginal utility of A
marginal utility of B
marginal utility of B
marginal utility of B

(2) total utility of B

(3) (a) R6 657 492
(b) R3 332 713
(c) 7
(b) R314 250

(3) Notes. The intention is to make ser-
vices even available for private de-
velopment. A tender for the installa-
tion of services in the second de-
velopment phase of South End was
accepted recently.
12. Income elasticity of demand is defined as

\[
\frac{\Delta Y}{Y} \times \frac{\Delta Q}{\Delta Y} \times \frac{\Delta P}{P} \times \frac{\Delta Q}{Q}
\]

13. If you were a government official and you had to ensure that the price of barley, which of the following would you do?

(1) Take barley from government stores to open market.

(2) Encourage farmers to use more growing land.

(3) Try to lower the price of rye.

(4) Try to lower average family incomes.

(5) Encourage farmers to grow less barley.

14. If the equilibrium market rent of land was 10 cents per square foot per annum and a maximum price of 50 cents per square foot per annum was considered as a maximum price, how many houses are there in South Africa?

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

(2)

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<td>1200</td>
<td>1000</td>
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<tr>
<td>Transvaal</td>
<td>4800</td>
<td>1900</td>
<td>1000</td>
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<td>Orange Free</td>
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<tr>
<td>Natal</td>
<td>3300</td>
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In so far as Whites are concerned there is no general housing shortage but according to indications the demand for houses at certain centres is increasing rapidly. An urgent appeal was therefore made to the private sector to provide more housing to meet the existing demand. In this respect it is especially in the case of Natal where a bottleneck may arise should the private sector not do its share in good time.

15. If the income elasticity of demand for maize was known to be exactly 0.6 and if South Africans consume 80 million bags of maize per annum then the effect of South African real incomes rising by an average of 20% would be to:

(1) Reduce the demand for maize by 8%.

(2) Create a surplus of 16 m. bags of maize.

(3) Increase South African consumption of maize by an indeterminate amount.
THURSDAY, 20 MARCH 1980

†Indicates translated version.

For written reply:
No.

Dwelling units

7. Senator L. E. D. WINCHESTER asked the Minister of Statistics:

How many dwelling units were constructed in 1978-79 by the private sector for each population group in (a) the Republic, (b) Durban, (c) the Winelands complex, (d) the Cape Peninsula, (e) Port Elizabeth and (f) Pretoria?

The MINISTER OF STATISTICS:

(a) 1977-78 0.80
    1978-79 0.80

(b) Whites, Coloureds and Asians

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<td>93</td>
<td>269</td>
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<td>1977-78</td>
<td>212</td>
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Figures for 1977-78 exclude Transkei but include Bophuthatswana. Figures for 1978-79 exclude Transkei and Bophuthatswana. Separate figures for Whites, Coloureds and Asians are not available. Data relate to capital expenditure only.
SECTONAL TITLES AMENDMENT BILL

(Third Reading resumed)

Mr. H. H. SCHWARZ: Mr. Speaker, the first matter I should like to deal with today in regard to this Bill is the question of the availability of accommodation for hire.

[Signature]

See full text on Hansard.
BLACK HOME OWNERSHIP

Biggest challenge'

Black home ownership through building society loans presents a mixed picture. Some societies report favourable responses while others tell of abounding problems.

Jim Dodds, president of the Association of Building Societies, argues that black home ownership would soon get off to a flying start if better class suburbs were opened up in the townships. “When people see tangible results of better class houses they will begin to appreciate the 99 year leasehold scheme.”

It is a problem of supply and demand,” says Tim Hark, general manager of the Natal Building Society. “But we say the finance-ownership scheme is ready to take off. The rate gets about an applicant every day in its Johannesburg office. Funding to about 1.5 thousand per week.

As a result, the West Rand Administration Board has created the society the right to build and develop 1300 stands in Soweto. Naturally, Hark suggests that black home ownership could be sprouted up by middlemen like estate agents.

At least one building society, man is not at all happy about the scheme. Apparently the past played by commerce and industry in the future. We are not happy about compulsory purchase orders from them.”

Cecil Wilson, assistant secretary of the SA Permanent Building Society, says, “We find most employers enthusiastic in supporting the small employers.” Wilson says the finance has so far granted 14 loans totalling R150,000.

In the meantime, says an observer at the Allied Building Society, “It is still premature to gauge employer responses. Although we cannot supply figures, McGee says the Allied has received enquiries about the scheme from interested employers.”

The building societies are agreed on one thing: right now the black home ownership scheme is the biggest challenge facing them. At the same time they will not be drawn into discussing how they have got around the problem of surveying sites in the townships. Actual property boundaries do not always correspond with the original plans.

Others hint that the committee representing the government, the Urban Foundation and building societies has made out many of the obstacles for employees and prospective black home owners.
99-year leasehold scheme

4. Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

(a) What progress has been made in the implementation of the 99-year leasehold scheme and (b) how many such leases have been registered?

Mr. DEPUTY MINISTER OF CO-OPERATION:

(a) Amongst others the following progress has been made:

— Regulations for the registration of rights of leasehold have been promulgated.

— Staff has been trained and registration offices set up at the offices of the various chief commissioners.

— A liaison committee was set up between the Department and the various building societies to iron out problems.

— Special tariffs were negotiated with conveyancers for their services regarding the registration of rights of leasehold.

— Notice has been given by me to introduce amending legislation in connection with the approval of general plans. This will further speed up the approval of such plans.

— Up to the end of January 1980 general plans comprising 43,000 stands were approved for participation in the 99-year leasehold scheme.

(b) 100 rights of leasehold have been registered and a further 395 applications are on hand and in the process of registration.
In the first place it is being requested to provision be made for the Secretary Community Development, instead of the National Housing Commission, to decide on action can be taken against tenants who are arrears. Naturally, the head of the department is more readily available to make a decision of this kind than the commission, or one of its committees, which do not meet so regularly. More rapid action will prevent ever moneys and losses from mounting the high, and since the Secretary may also exercise this power in regard to tenants a new principle is at issue here.

Secondly, amendments are being proposed in order to facilitate delivering notices to tenants and borrowers by local authorities through the department. Often postal delivery is effective and personal delivery may not be successful either. This results in repossession visits, with the consequent wasted expenditure on time and money, without achieving the objective. The solution is that the Act provides notices to be affixed to the outer or principal door of the dwelling, as is already the practice with some local authorities.

The final amendment is aimed at protecting the extension of the field of activity officers who are appointed to look after the interests of the commission. The Act already grants certain powers to such officers in aninstance right of entry. However, it is essential for officers to be able to negotiate with the occupiers in cases where notice are not being maintained correctly or decently, that schemes are removed or nuisances are satisfactory with the rest of the area. Any of determining or poor upkeep can be remedied timely.

Mr. C. W. EGLIN, Mr. Speaker, the Deputy Minister has outlined the benefits of this Bill, though he has not given a specific indication why this new police has become necessary after 14 years. It is understood why the attaching of a notice to the door has suddenly become necessary; I therefore hope that in his reply to the debate, he will indicate the incidence of the problem. The department has had in serving notices more orthodox way.

As the hon. the Deputy Minister pointed out, this Bill falls into two distinct. There are clauses 1 and 4 which deal with the designation of the Secretary as the proper authority to serve, and as far as the implementation of the Act is concerned, and also for carrying out certain specific functions on behalf of the commission. The second part of the Bill deals with the additional procedure for serving notice, i.e. that of posting a notice on the door or principal door of a dwelling. We in the official Opposition have no objection in principle, to clauses 1 and 4 dealing with the designation of the Secretary as the functional authority. In fact, possibly this has been the only case in which the Bill is merely dealing with the practical management of a situation in which the Secretary has the power to act on behalf of the commission. He would be able to carry out these functions, in terms of clause 4, being given certain discretionary powers, and therefore we have no objection to the principle contained in the Bill.

The second part, however, deals with the selection of the method of serving notice, which is essentially by post or by registered mail in the event of this not being possible or infeasible, it is now being made for notice to be served on the outer or principal door of a dwelling. In terms of clause 1, it is proposed to the official Opposition have no objection to this principle in relation to this Bill. This is not unimportant way of serving notice since it is contained in certain other measures. It is not, however, a desirable step, and even if this Bill it should only be used as a last resort. I think there are problems connected with it, but we cannot argue that it does not produce a new principle in the way of serving notices or summonses is concerned.

What is important to us in the Opposition, however, is what the message and purpose of the Bill is. We have checked the Housing Act, and in terms of section 3 notice is in respect of arrears of rent, and if not paid by the local authority or the department itself. So in so far as this clause deals solely with serving notice in respect of arrears, and in the lapse of fulfilling a contractual financial obligation to pay rental, we can have no objection to this form of notice. We also, however, be guided by the assurance that the Bill, as it is drafted, will only be used in circumstances and will not become a standard form of serving notice. If the Bill is not. I think I must give the warning to the Deputy Minister advance warning of the fact that if this is viewed as a device to make evictions from these homes, we would not have supported this measure. It is, in so far as this particular measure is, however, a non-racial measure, dealing with financial or contractual obligations and merely facilitating the collection of monies due to either a local department or a bank or building society. We do not, though, with advance notice of our reservations had there been any racial connotation.

*Mr. A. T. VAN DER WALT: Mr. Speaker, before I react to some of the arguments of the hon. member for Sea Point, I just want to avail myself of the opportunity to congratulate the hon. the Deputy Minister on the increased responsibility resting upon his shoulders, since he is now Deputy Minister of Community Development too. We want to wish him everything of the best. This is also the first opportunity, which the hon. the Deputy Minister has of presenting legislation to the House on behalf of the Executive. We congratulate him wholeheartedly on that as well. The hon. the Deputy Minister and myself are neighbours and I am proud of my neighbour. I hope that the hon. the Deputy Minister can say the same.

Mr. Speaker, the hon. member for Sea Point did not actually say very much which we could disagree with. He advanced two arguments in regard to the way in which a notice is served. He also asked in regard to the way in which a notice is served, will not be used for racial irritation. I shall come back to these matters later on in my speech.

The measure before the House amends some provisions of the principal Act. The first amendment pertains to section 20 of the principal Act which deals with the legal remedies at the disposal of the National Housing Commission, viz-a-viz those of borrowers. What it amounts to in effect is that the National Housing Commission is able to take certain steps in connection with rents which have fallen into arrears. In practice, it has proved to be a very cumbersome, long drawn-out method of recovering payments in arrears. It simply does not work in practice. All that this amendment proposes, is that instead of the National Housing Commission taking the decisions and activating the legal machinery for recovering rent that has fallen into arrears, this power is now being transferred to the Secretary. The principle in the measure before the House, is not a new one. If we
Powder stays dry

Admirable though the phased removal of rent control may be, it is now perfectly clear that Government has no intention of doing what it should do — repeal the Act.

The crying need in the residential sector is for rented accommodation. But will developers supply it while they still have the knife at their throats?

To their credit, Minister Maria Steyn and his predecessors have resisted pressures to extend control since mid-1966. And Steyn is on record as saying that Government is committed to the phasing-out.

But it's also a matter of record that he will use the Act again if he believes rents rise inordinately. Steyn says landlords shouldn't be asking more than the market rate. Good business practice will ensure that anyway.

So, to some extent, developers of new rental stock will be taking a chance. Yet Sapsa's Nigel Mandy believes the hidden stick needn't be a strong deterrent. Housing is politically sensitive anywhere and in South Africa, he says, will be the only country to have introduced it and then phased it out — albeit without burning its bridges.

Government, he adds, is committed to de-control and even the official opposition appears to have accepted the idea. A proposed motion by finance spokesman Harry Schwarz, for example, asks merely that housing should be made available at reasonable cost so that de-control causes minimum hardship.

Lower income groups, of course, continue to be protected. That's another sore point with the property owners. They continue to insist, quite correctly, that subsidising the poor is the job of Government and not the private sector.

By April, the penultimate phase of the de-control process will be complete. Dwellings occupied between October 20, 1949 and December, 1954, will then be freed — with the usual "understanding" that increases should be restricted to 10% pa for the ensuing two years.

At the same time, the 10% restriction will fall away on flats first decontrolled two years before. The market will bear substantial increases and landlords will want them. Inevitably rents will soar and it will be interesting to see official reaction. It will provide the vital clue to what is considered acceptable.

But decontrolling the pre-1949 stock will be the major hassle. Steyn isn't empowered to move on that because the controls are written into the Act. Amending legislation will have to be passed.

It's now clear that the amendment will merely allow the Minister to decontrol the older blocks and he will maintain the right to re-control at will. That hardly provides the kind of incentive needed to encourage building.

Yet there's an even more compelling factor against building from scratch. With building costs the way they are, investment in established blocks remains a better bet — low returns notwithstanding.
**Bill fails to protect tenants**

**Political Correspondent**

Bill in Parliament. MPs today unveiled the first stage of a national campaign to protect tenants from eviction and to secure a fair rent. The campaign, under the banner of 'Tenants United', aims to highlight the plight of tenants who are facing eviction from their homes. The campaign will focus on raising awareness about the rights of tenants and the need for stronger legislation to protect them.

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**Table 8**

Selected areas, 1975

Personal Expenditure on Health Care by Age in...

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**Selected areas, 1975**

Table 8

Personal Expenditure on Health Care by Age in...

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Personal Expenditure on Health Care by Age in...
WEDNESDAY, 20 FEBRUARY 1980
1062

SECTONAL TITLES AMENDMENT BILL

(Second Reading)

*The MINISTER OF JUSTICE in reply to the Speaker, I move—

That the Bill be now read a Sec.

Tune.

Section 6(2)(a) of the Sectional Titles Act of 1971, provides that a sectional plan shall delineate the external surface boundaries of the land to which it relates and the location of the buildings or buildings in relation to them. No architect or land surveyor has to accept responsibility for this. Clause 1 of this Bill provides that this task shall be done by an architect or land surveyor to the most suitable person to determine the location of the boundaries of the land, and the location of buildings in relation to such boundaries.

To ensure security of title it is essential that the boundaries of the land be correctly delineated so that the location of the building, in relation to such boundaries may be determined.

In terms of section 11(1)(c) of the Sectional Titles Act of 1971, a Registrar of Deeds need not register any modification of conditions annexed to a sectional mortgage bond. Section 3(1)(a) of the Deeds Registries Act of 1937, however, compels a Registrar of Deeds to register against any registered mortgage bond any agreement entered into by the mortgagee and the holder of that bond whereby any terms of that bond have been varied. Clause 2 brings the Sectional Titles Act into line with the Deeds Registries Act, and will help to obviate any suggestion that a sectional mortgage bond is an inferior document of security compared with a conventional mortgage bond.

Section 39(1) of the Sectional Titles Act, provides for the protection of tenants against the uncontrolled occupation of the dwelling unit if a section is sold to a tenant under the provisions of the Rent Act of 1976. The Commission of the Housing Matters arrived at the view that although there may have been an element of unfairness when this measure was introduced, the need was not considered to be sufficiently serious to recommend in the light of its recommendations in connection with control, that the protection of tenants be retained any longer. The Housing and Development Committee, established in terms of section 2 of the Co-ordination of Housing Matters Act, 1978, is also in favour of the deletion of section 39(1). The section to the disadvantage that financial institutions are not prepared to grant mortgage bonds to purchasers. In any case, the section is being nullified in that present tenants of flats are making representations to this effect in the light of the matters Acts of 1976 for their flats to be exempted from the section. Consequently, the section in question is being repealed.

Mr. C. W. EGLIN: Mr. Speaker, I have noted with interest the introductory speech of the hon. Minister of Justice, and in so far as clauses 1 and 2 are concerned, we in these who have no objection to them. Clause 1 is a more formal way of stating the prerequisites for registering sectional titles where a protection is divided between sections and common property. To include a plan signed by an architect and prepared under the direction of a land surveyor, if we think, entirely appropriate, as a matter of administrative convenience. We take no exception to these clauses and we will support them also in Committee Stage.

Having gone so far, I must say that we in the official Opposition, take a somewhat different approach to clause 3 to that taken by the House, the hon. Minister. In the sense it is a pity that the hon. Minister and the hon. the Minister of Community Development were not responsible for that provision, because it has direct bearing on the rent control and the abolition of rent control. It has a special bearing on that, because many of the problems arising out of the abolition of rent control are likely to be exacerbated by the fact that properties are being sold under sectional title at the same time. We believe that a very serious situation has already arisen. Hon. members on my side of the House, including myself, have made representations to the hon. Minister of Community Development and have tried to point out the seriousness of the situation that is developing and which, in our opinion, is going to be aggravated if this particular provision should become part of the statute.

Clause 3 deals with section 39 of the principal Act, and it deletes subsection (1). It is important to realize that the relevant Acts, which are the Rent Act of 1950 and the subsequent Rent Control Act of 1976, gave tenants protection in two very special ways. The first of these was that tenants were given protection as far as their rentals were concerned. The rentals were going to be determined by a rent board which had to work on a formula in the sense of preconditions laid down in the Rent Act. Secondly, it gave to every tenant in a multi-unit building or accommodation security of tenure, and not just protection concerning the rental. The Act of 1970, which this clause seeks to amend, was very specific on the point that one could not evict a tenant, provided he paid his rent, if he was living in rent-controlled premises. There was the proviso that, if that accommodation was required for himself or for one's family, that condition would fall away. That was common to both the Rent Act of 1970 and the Rent Control Act of 1976. What is important to realize, however, is that, because this clause deals with sectional titles, in other words the carving up of blocks of flats into individual units, this provision that one could not evict people if one wanted the accommodation for one's own purposes, never applied to multi-unit buildings. It did not apply to blocks of flats and, in fact, the Sectional Titles Act of 1971, which this clause now seeks to amend, included the specific provision that if one purchased a flat under sectional title, this did not entitle one to evict the tenants, even if one wanted it for one's own purposes.
Tenants exposed to summary evictions

Rent, Shocked...

Parliamentary Star.
Thousands living in flats ‘could face eviction’

Political Staff

HOUSE OF ASSEMBLY. — Tens of thousands of flat-dwellers could face eviction from rent-controlled buildings in terms of the Sectional Titles Amendment bill, which was read for the second time yesterday.

This charge was made by the Opposition as they fought the bill and accused the government of being “a bunch of fat cats” who were no longer concerned with the needy.

In terms of the bill, tenants of rent-controlled flats will in future face eviction if the flats are sold under sectional title.

Previously, tenants in rent-controlled flats had lifelong security of tenure — even if the flat was sold — as long as they paid their rents.

Opposition spokesmen representing flatland constituencies — including Mr Colin Eglin (Sea Point), Mr Harry Schwarz (Yeville), Mr Alf Widman (Hillbrow) and Mr Tiaan van der Merwe (Green Point) — said the measure would in particular hit pensioners, who could find themselves homeless if they were unable to find alternative accommodation at rentals they could afford.

They called for a moratorium on the phasing-out of rent control.

Mr Schwarz noted that the Minister of Community Development, Mr Marais Steyn, was “not to be missed” from the House during the debate.

His deputy minister, Mr Pen Kotze, interjected to say that Mr Steyn was attending a function “in the country”.

Standing in for Mr Steyn, Mr Alwyn Schlebusch, Minister of Justice, said he found it difficult to debate the issue as it did not fall in his department.

He rejected most Opposition speeches as “emotional and made for political gain”, “I will therefore not take them seriously,” he said.

Mr Schlebusch said that according to information from the Department of Community Development, few flats would be affected by the measure. The main purpose of the amendment was to enable people living in rent-controlled flats to buy them under sectional title.

Leading the Opposition attack on the measure, Mr Eglin accused the government of breaking its promise to tens of thousands of needy people in rent-controlled flats that they would be protected from eviction despite the phasing-out of rent control.

“If this bill becomes law it means that flats can now be sold over a tenant’s head and he can summarily be evicted.

“This bill will send shock waves of despair and insecurity through tens of thousands of people who have been living under the protection of rent control for over 30 years.”

Mr Schwarz criticized a statement by Mr Frans Ouradie (NP Algoa) that progress would go on — even if hundreds faced hardship in the process.

Thirty years in power had turned the government into a bunch of fat cats who no longer cared about the needy, Mr Schwarz said.

The government had committed itself to free enterprise at the Carlton conference and one of the first concrete results is that hundreds of needy people have to go to the wall and become homeless”,

The bill would benefit property speculators who would buy up old buildings, renovate them and sell them at a tremendous profit. It would not encourage the building of new units, Mr Schwarz said.

Mr Widman called for a freeze on the phasing-out of rent control which is due to enter its next stage on April 1, when 44,000 additional buildings will be exempt from rent control.
SA home loans to be cheaper

By GORDON KLING

SOUTH AFRICAN home-owners’ mortgage bond repayments are to be reduced from today in a new boost to the burgeoning economic recovery which comes only weeks before the handouts expected in the national Budget.

The 0.5 percent home loan cut, recommended yesterday by the Association of Building Societies, amounts to a saving of about R3.38 a month, or R109 a year, on a R20 000 bond, but it will also mean lower interest rates for many savers.

New housing loans qualify for the lower rates with immediate effect, while at least one major building society has announced that existing loans will reflect the drop on April 1, and others are likely to follow. Interest rates on most non-commercial building loans are to be reduced by one percent in a multi-million-rand saving for South African businesses.

The move, however, does not necessarily herald another reduction in the bank rate, which would mean cheaper overdrafts and hire purchase rates. The consensus among reliable financial sources last night was that the reduction should be seen as a reflection of the previous bank rate cut to seven percent, one of the lowest in the Western world, rather than a signpost of further reductions.

The Deputy Governor of the Reserve Bank, Dr Gerhard de Kock, told the Cape Times last night that the home loans reduction reflected the high state of liquidity in the economy.

It would provide a further boost to economic growth which could readily be accommodated by the country’s substantial balance of payments surplus from international trade, particularly gold sales. On the other hand, there was a dilemma in that exceptionally low-domestic interest rates meant increased use of the rand for trade finance, which resulted in a substantial capital outflow and a weaker rand.

Dr De Kock conceded that the bank rate, and accordingly other key interest rates in the economy, were higher than the demand for funds here would normally dictate, but he would not be drawn on which way these were likely to move. He pointed out that a strong rand kept the price of imports down, having a depressing af...
RIGHT OF OCCUPATION

IN THEIR fulminations against anomalies and possible cases of hardship resulting from the Sectional Titles Amendment Bill, opposition MPs and others should be careful not to lose sight of the sound principles of equity and free enterprise behind the Bill and the phased removal of rent control.

Judging from the impassioned tones of Wednesday’s debate in Parliament it would seem that some politicians, perhaps with one eye on their high-density urban constituencies, are intent on throwing out the baby with the bathwater.

The anomaly is that in giving purchasers of rent-controlled flats sold under sectional title the right to evict tenants, the Bill appears to cut across specific provisions of the Rent Control Act of 1976 and the Sectional Titles Act. These provisions protect pensioners and others who qualify for assistance under the Housing Act against eviction and rent increases, and people who have planned their future on the strength of the Government’s repeated assurances should not be put at a disadvantage as a result of the amendment.

Mr Colin Eglin (PPP) says ‘tens of thousands’ of people will be affected. The Minister of Justice, Mr Schlebusch, says that very few flats would be affected and that the number of people qualifying for State assistance would be small. If that number could be established it would help to put the matter in perspective, for there is no reason why others who can afford to pay economic rents should be entitled to “protection” at the expense of people who have invested their money in property.

This arbitrary redistribution of real income in favour of tenants and against landlords was one of the arguments advanced by the Fouche Commission for the abolition of rent control.

Rent control is ultimately self-defeating because it distorts the forces of supply and demand, leading simultaneously to overcrowding and under-occupation at opposite ends of the market. It reduces the useful life of buildings, encourages slums, deters the development of new buildings and impedes the mobility of labour.

Its abolition has been widely welcomed and has not been abused, and it is astonishing to see MPs who supposedly support, free enterprise calling for a freeze on the next stage of phasing out control.

Buying a flat under sectional title gives many families an opportunity to acquire a home and a reasonably inflation-resistant investment. The amending Bill will give them the right to occupy their property.

It is surely the responsibility of all taxpayers, not just landlords, to protect the interests of the poor and the Government must see that this is done.
12. Mr. C. W. EGLIN asked the Minister of Community Development:

(1) (a) What are the income levels above which persons do not qualify for assistance under the Housing Act and (b) when were these levels laid down.

(2) whether consideration has been given to raising these levels; if so, with what result; if not, why not?

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The MINISTER OF COMMUNITY DEVELOPMENT:

(1) (a) R540 per month in respect of persons with one or more dependants and R300 per month in respect of persons without dependants;

(b) the levels were adjusted during August 1978.

(2) Yes, the possible raising of income limits is under consideration and, together with the conditions in terms of which National Housing is provided, is being investigated in depth by my Department as well as the National Housing Commission. Determination of limits is related to the demand for housing, cost of living and the availability of funds. These limits are naturally revised from time to time.

Mr. C. W. EGLIN: Mr. Speaker, arising out of the reply given by the hon. the Minister, in view of the increase of over 20% in the cost of living since last these levels have been laid down, is he satisfied that they are adequate at the present time?

The MINISTER: Mr. Speaker, I have told the hon. member that the matter is being considered.
Tenants fear eviction after new title Bill

By JAYNE LA MONT

ALTHOUGH estate agents predict there will be "very few" evictions in terms of the Sectional Titles Amendment Bill, tenants of rent-controlled flats yesterday called the bill an "executioner's axe".

In terms of the Bill, which has its second reading in Parliament on Wednesday, tenants of rent-controlled flats will in future face eviction if their flats are sold under sectional title.

It will affect tens of thousands of people throughout the country — there are an estimated 8,000 rent controlled flats in the Johannesburg area alone — and will hit old age pensioners and the poor especially hard.

An estate agent described rent-controlled flats as those built before 1969.

The Department of Community Development claims that the main purpose of the amendment is to enable people living in rent-controlled flats to buy them under sectional title.

But residents feel it will make it possible for landlords to make a quick sale of flats, and leave needy people homeless.

Mrs Grace Anderson, 68, a tenant of a rent-controlled flat in central Johannesburg, said yesterday the Bill was "the final blow; an executioner's axe so far as old people are concerned."

"I have lived in my present flat for almost 10 years. It is in a quiet, clean building. Although the place is not new it is kept nicely and I am sure that once this Bill is passed somebody will offer to buy it," she said.

"I will be out on the street. I only get an old age pension and could never afford to pay for a flat without rent control, let alone even consider buying one," she said.

Mrs Diane Grant of Berea said she viewed the Bill as "just another way for the rich to get richer while the poor suffer."

"I am divorced with two children. All my money goes on paying the rent and keeping us alive. My flat is old but neat and the location is perfect for anybody working in the city."

"If, when the Bill comes into operation, an offer is made to buy it under sectional title, I will be out on the street. Where can we go? Promises by the Government that this Bill will be good for rent-controlled tenants is not enough; we need proof that we will still have homes," she said.

But estate agents contacted yesterday felt that the situation was being over-dramatised and that few people would face the reality of being evicted.

Mr P. J van Rensburg, general manager of one of the largest estate agents in Johannesburg, said the Bill heralded a "period of awakening when flat rents will come into line with every other commodity".

"We have received panicked calls from tenants today, but I feel the whole thing has been blown out of proportion."

"Of course there will be flats sold under sectional title, but most of the rent-controlled flats are old and not something people will want to invest in," he said.

Mr Van Rensburg said he predicted flats in popular areas, regardless of age, would be popular buys, "but these form about 1,000 of the more than 8,000 rent controlled flats on our books."

He said that there was a tremendous demand for flats at the moment. The lifting of rent control would boost the economy and encourage the building of more flats.

"I do, however, foresee that rents in these flats will rise quite dramatically when the control is lifted. But that stands to reason. Most rent controlled flats are rented for such a low price it does not even pay the landlord," Mr Van Rensburg said.
Foundation is to build more houses

THE URBAN Foundation is to spend R20,6-million this year — with R7,5-million to housing and R4,7-million to education.

This was announced yesterday by Mr Justice J.H. Steyn at a Press conference where he announced that the foundation had already raised R30-m in the three years of its existence. The original target was to raise R25-m in five years.

"At the time it appeared to be a highly ambitious target but it was achieved after only three years," Mr Justice Steyn, executive director of the foundation, said.

"This was made possible by a further donation of R800,000 by Barlow Rand for the specific purpose of building a technical high school in Diksloof, Soweto.

"Since the R25-m target has been reached Anglo American/De Beers/Empenheimer and son have repeated their original donation of R5-m which now pushes the fundraising figure past the R30-m mark."

"This donation is the catalytic start of a new cycle to generate another R25-m towards a new goal of R50-m which the foundation has now set for itself."

Of the R20,6-m expenditure budget for 1980-1981 housing and home improvements have been allocated 27 percent, education 23 percent, business development and employment 15 percent, community facilities and projects 13 percent, health services 12 percent, regional development 2 percent, responsive and discretionary 5 percent and investigation and research, 1 percent.

In answer to questions about the housing allocation, Mr Justice Steyn, said the foundation were not housing developers, but were merely catalysts showing what options are open.

"If the foundation was not there, there would be no 99-year leasehold scheme," Mr Justice Steyn said.

"We have also generated a pool of funds that can be invested in housing."

"The building society movement has also matched the R30-m we raised abroad with another R30-m. This money is available at one percent less than ordinary loans from the building societies."

"We also provide bridging finance for housing projects."

Mr Justice Steyn said he was disappointed by the rate at which the 99-year leasehold scheme was implemented, but he believed it would accelerate during the year or two.
procedure and it was accepted that the Sectional Titles Act had to be applied in such
a way that it entailed, as a new method of acquiring ownership, the least possible disrup-
tion for lessees of then existing flat units.
In addition the demand for dwelling units in
an exceptionally favourable economic climate
far exceeded the supply. So as not to cause
the situation in respect of flats to undergo a
sudden and dramatic change, section 39(1)
was inserted into that Act, inter alia, to
prevent the selling prices of sectional title
units from skyrocketing.

The hon. the Minister of Community
Development has informed me that the
Peacock Commission of inquiry threw a com-
pletely new light on the system of rent con-
tral, inter alia, the recommendation that rent
control be abolished gradually was accepted,
and the stage has now been reached where
only dwelling units which were in general
occupied prior to 1955 are subject to rent
control. This means that buildings which by
now are 25 years old are no longer subject to
rent control and that their lessees, except
those in certain lower income groups, are at
this stage no longer being protected. The
Consumer Council was represented on the
Commission and even its representative sup-
ported the abolition of rent control and the
deletion of section 39(1) of the Sectional
Titles Act. Consequently this Bill is not
creating any new principle, but merely forms
a part of the process of phasing out rent
control and is virtually an insuperable part of
it. In any event, the old flat units which are
still subject to rent control lend themselves
with great difficulty to being sold under
sectional title, and consequently the effect of
this amendment will be relatively limited.

One factor in the process of phasing out
rent control which is important in view of
questions put by the hon. member for Sea
Point put certain questions to me. I should now like to react to
these questions by way of a statement.
Instead of replying to the questions of the
hon. member for Sea Point separately, it is
more to the purpose to adopt a general
approach to the questions as a group. The
principles involved provide the answers to the
questions. When the Sectional Titles Act was
passed in 1971, rent control was an accepted

SECTIONAL TITLES AMENDMENT
BIL

(Committee Stage resumed)

Clause 3:

"The MINISTER OF JUSTICE: Mr Chair-
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Accusation against Steyn over flats

Parliamentary Staff
THE ASSEMBLY — The Minister of Community Development, Mr Marais Steyn, was accused yesterday of using administrative measures to break a Government promise that needy tenants in rent-controlled flats would continue to be protected from the ending of rent control.

The accusation came during a protracted committee-stage debate on the Sectional Titles Amendment Bill being vigorously opposed by the two main Opposition parties.

The Bill provides for the repeal of Section 29 of the Sectional Titles Act which protects needy tenants — defined according to a means test — from eviction from rent-controlled flats sold by sectional title.

Mr Andrew Pyper (NRP, Durban Central) accused Mr Steyn, who at no stage has taken part in the debate, of breaking a Government promise to needy tenants by exempting blocks of flats from rent control through ministerial proclamations in the Government Gazette.

Mr Pyper hit angrily at Mr Steyn for refusing to take part in debate on a Bill which was primarily his responsibility.

The Bill is being piloted through the Assembly by the Minister of Justice, Mr A L Schlebusch.

Mr Schlebusch has conceded that it was an unsatisfactory situation in that he should have handled legislation which was primarily the concern of another Minister.

He said he would do all he could as the Minister responsible for the rationalisation of the civil service and the rationalisation of legislation to see that the matter was put right.

Mr Schlebusch said that the Bill was merely seeking to give a de jure status to the exemption of blocks of flats from the restrictions of rent control, something which in certain instances had already been done on a de facto basis by the Department of Community Development.

Mr Vause Raw (NRP, Durban Central) said he could see no reason for the Bill if the Minister of Community Development had been lifting rent control irrespective of whether tenants qualified for protection in terms of the Act which had been written into legislation.

Mr Steyn interjected angrily that all exemptions had been done in terms of proclamations in terms of the Act.

Mr Schlebusch earlier announced that he was prepared to amend the Bill to give the tenants of flats sold under sectional title another year before they could be asked to vacate their homes.

This would, in effect, mean that the protection offered to needy tenants in terms of the Sectional Titles Act would only be repealed on April 1, 1981.

This would mean that affected people would have more than a year in which to make alternative arrangements.

Mr Schlebusch, however, rejected amendments introduced by Mr Colin Kain (FPP, Sea Point), Mr Alf Widman (FPP, Hillbrow) and Mr Pyper which sought, in various degrees, to retain the protection for needy tenants which had been written into previous legislation.
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Mr. P. A. MYBURGH asked the Minister of Agriculture:

(1) How many farmers in (a) the Western Province, (b) the rest of the Cape Province, (c) the Orange Free State, (d) Transvaal and (e) Natal applied for housing loans for farm workers in 1979;

(2) (a) how many of the applications in each area were granted and (b) what was the total amount granted in each area?

| (1) | (a) the Western Province | 85 |
|     | (b) the rest of the Cape Province | 77 |
|     | (c) the Orange Free State | 39 |
|     | (d) Transvaal | 38 |
|     | (e) Natal | 1 |

| (2) | (a) the Western Province | 36 |
|     | the rest of the Cape Province | 69 |
|     | the Orange Free State | 36 |
|     | Transvaal | 1 |
|     | Natal | R 650 143 |

| (b) | the Western Province | R 508 960 |
|     | the rest of the Cape Province | R 332 310 |
|     | the Orange Free State | R 371 400 |
|     | Transvaal | R 7 000 |
|     | Natal |
RENT CONTROL

Good riddance

Errol Friedmann is joint MD of J H Isaacs & Co.

A friend of mine who is a SA Property Owners' Association (Sapoa) councillor likes to quote Timothy Schaefer. I know nothing of Schaefer, but I'm told he is president of something called the National Apartment Association of the US, and that he apparently said:

"Rent control is a tool of government intervention detrimental to resident and owner alike. The evidence is overwhelming that it is the most devastating mechanism that man ever developed to shrink the supply of rental housing for lower income families."

I couldn't put it better. No question: the worst thing for the flat renting industry ever produced by our aged government was rent control ... and the best thing is its current phased abolition.

Yet, last week, the media bathed us in continuing waves of indignation and hyperbole from parliamentarians protesting against the new Sectional Titles Amendment Bill. It amplifies the removal of controls by eliminating a legal anomaly which presently discriminates between house owner and flat owner. In simple terms, the proposed measure will permit owners of individual flats to give notice to their "protected" tenants, just as owners of houses are permitted to do.

"This Bill will send shockwaves throughout SA's community of flat-dwellers," declared one representative.

"Let's have a moratorium freezing the decontrol situation for a year," said another.

Surprise, surprise. These were not the cries of ambitious government backbenchers. Oh, no. These were the anguished voices of self-proclaimed exponents of the free enterprise system — members of the official opposition.

Some members of the magic-voters roll, they all turned briefly into socialists.

To avoid partiality, I must confess that the hearts of our opposition members are in the right place. Their expressed concern was categorically — but unfortunately exclusively — for the many thousands of flat tenants who could well find themselves affected.

Over a period of time, quite a number will find themselves confronted with the letter of notice obliging them to vacate flats merely to enable the rightful owners to occupy them. These tenants will now have no alternative but to seek other accommodation, just as thousands of other people do every month.

But, conversely, many of those thousands of tenants will not be affected. After all, not all flat buildings are suitable for sectional title conversion.

Incidentally, in none of the parliamentary press reports that I read was there any reference by the combined opposition to the plight of a certain category of landlords — mainly those holding CBD properties — and their particular miseries: low rental income; ever-escalating maintenance and other operational costs; fly-by-night tenants; negligible or nil returns on their investments.

Ah, but then there are certainly more tenant than landlord voters.

And then, of course, the dreaded selective amnesia struck the politicians. They all know about it but, somehow, they all forgot to raise the most fundamental issue during the parliamentary debate: why on earth should one small section of the business community be legally required to subsidise both the needy and the greedy?

Nobody suggested new legislation requiring Rembrandt, SA Breweries, Perskor, or any other sector of the commercial/industrial community, to build or buy flats and then rent them out at rentals which would ensure a lousy or nil return.

Of course, Colin Eglinton was right. The Bill did send shockwaves through the country — but not because of the Bill itself. Sections of our daily press did their usual thing. Big, black, banner headlines proclaimed rents would go up by 80%. This ensured maximum sensationalism and minimum fact ... not to mention unnecessary hurt to any number of elderly folk by causing them sleepless nights.

Limited proper investigation before rushing into print, would have presented a different picture. The cliche stands supreme: never let facts get in the way of a good (bad?) story.

An informal survey, conducted with some care and goodwill among the major flat rental agents in Johannesburg, reflects that landlords are actually behaving the way our parliamentarians would like them to act, and not how they, and sections of the press, contend they will act.

Generally, in the lower to middle income housing bracket, rents are likely to rise 12%-18% during the forthcoming year — certainly not out of line with the rate of inflation.

At the luxury level

In the upper income and luxury level, proposals of landlords range between 14% and 35%, and most tenants in these buildings certainly don't require legislative protection.

A rough, and by no means accurate, evaluation of the potential conversion to sectional title of currently controlled buildings indicates that, in Johannesburg, about 5 000 apartments of all types could become available for sale over the next 12 months.

The general prognosis for these apartments is that, in the lower income brackets, selling to either existing tenants or outsiders is unlikely to be brisk.

In the middle to upper brackets, most flats will be sold, but primarily (up to 85%) to existing tenants.

So, things are not so bad down in flatland. If our public representatives truly want to help our low income earners and the elderly fixed-income folk, here are a couple of suggestions:

• Provision of immediate housing.

There are hundreds of old blocks of flats in our cities available for immediate purchase at bargain prices. Let the State/Province snap them up and provide subsidised housing for those who need it;

• Provision of new rental housing.

Developers should be granted tax incentives through legislation enabling them to write-off the cost of their buildings over say 10-15 years.
Promise over rent ‘broken’

Parliamentary Staff

THE Minister of Community Development, Mr Morais Steyn, was accused in the Assembly yesterday of using administrative measures to break a Government promise that needy tenants in rent-controlled flats would continue to be protected from the phasing out of rent control.

The accusation came during a protracted committee stage debate on the contentious Sectional Titles Amendment Bill, which is being vigorously opposed by the two main opposition parties.

The Bill provides for the repeal of section 50 of the Sectional Titles Act which protects needy tenants — defined according to a means test — from eviction from rent-controlled flats which are sold by sectional title.

Mr Andrew Pyper (NRP, Durban Central) accused Mr Steyn, who at no stage has participated in the debate, of breaking a Government promise to needy tenants by exempting blocks of flats from rent control through ministerial proclamations in the Government Gazette.

Mr Pyper hit out angrily at Mr Steyn for refusing to participate in debate on a Bill which was primarily his responsibility.

The Bill is being piloted through the Assembly by the Minister of Justice, Mr A L Schlebusch.

PARLIAMENTARY STAFF

(a) Rectified
Mr Schlebusch yesterday conceded, however, that it was an unsatisfactory situation that he should have to handle legislation which was primarily the concern of another Minister.

He said he would do all he could as Minister responsible for the rationalisation of the civil service and the rationalisation of legislation to see that the matter was rectified.

Mr Schlebusch said that the Bill was merely seeking to give a de jure status to the exemption of blocks of flats from the restrictions of rent control, something which in certain instances had already been done on a de facto basis by the Department of Community Development.

Mr Vaaste Raw (NRP, Durban Central) said he could see no reason for the Bill if the Minister of Community Development had been lifting rent control irrespective of whether tenants qualified for protection in terms of a Government promise which had been written into legislation.

Mr Steyn interjected angrily that all exemption had been done in terms of proclamations in terms of the Act.

Mr Schlebusch yesterday announced that he was prepared to amend the Bill to give the tenants of flats sold under sectional title another year before they could be asked to vacate them.

This would in effect mean that the protection offered to needy tenants in terms of the Sectional Titles Act would only be repealed on April 1 1981.

This would mean that affected parties would have more than a year in which to make alternative arrangements.

Mr Schlebusch, however, rejected amendments introduced by Mr Colin Egin (PFP, Sea Point), Mr Ali Widman (PFP, Hillbrow) and Mr Pyper which sought, in various degrees, to retain the protection for needy tenants which had been written in the previous legislation.
By BRUCE STEPHENSON

POLITICIANS and property owners are deeply divided over the announcement that flat dwellers whose flats are sold under sectional title might be given a year's reprieve by the Government.

The Minister of the Interior and of Justice, Mr Alwyn Schlebusch, announced in Parliament yesterday that he was willing to amend the Sectional Titles Amendment Bill to give tenants of flats sold under sectional title another year before they could be asked to vacate them.

The city councillor for Hillbrow, Mr Simon Chlechick, welcomed what he called a reprieve for flat dwellers, but stipulated one condition.

"Once the year is out the Government must have come up with a plan to relieve the hardships that will be caused by this move.

"Where are the pensioners in Hillbrow, where there is one of the largest concentrations of pensioners in this country, going to get the money to buy their own flats?"

"Of course landlords are going to sell their flats if they can. What building society is going to give a 65-year-old a bond? So the Government must use this time to devise an alternative," he said.

The executive director of the South African Property Owners' Association (Sapo), Mr Don Kennedy, said the number of people that might be affected by the clause was believed to be minimal.

He believed the issue was being "blown out of all proportion".

However, he said Sapo might ask the Minister of Community Development, Mr Marais Bieyn, for low-interest bonds for people affected by the legislation.

"The existence of this clause has been a deterrent to developers because it places a caveat on the property they have developed.

"It has placed a limitation on what you can do with your own property.

"It is the opinion of the Sapo council that the number of people that might be affected is possibly minimal.

Owners had "shown great restraint" because for many years they had had to subsidise tenants under the Rent Control Act, and clause 39.1.1 of the Sectional Titles Amendment Bill should be repealed as soon as possible.

Restrictions on the normal market supply of rented accommodation would then be removed, encouraging the market to operate more freely," he said.
and houses 86

Fewer

flats

by number...

and

strictly

by percentage.

In 1978 only 2,000 new flats were built. This was a

66

huge reduction from the number of flats

built in 1977. 4,000 fewer flats were

built.

The number of flats is

also reduced by the

increase in the price of

new flats.

During the

50s and

60s, flats

were

cheaper

than

houses.

Due to the

rising cost of

building materials and

labor, flats are now

more expensive than

houses.

The number of

flats built

has dropped

significantly.

Cities with

a higher

percentage of

flats built

include

London and

the West

Midlands.

These cities have

a higher

proportion

of

flats due to

the

lower

cost of

building

flats compared

to

houses.

In conclusion,

the number of flat

buildings has

dramatically

reduced,

resulting in

a decrease in the

supply of flats available

on the market.
RENT DECONTROL

Easing the pain

Until recently, developers struggling against recession and rent-control have had very little succour from the official opposition. But now guess who's out there batting for landlord rights?

None other than ex-PFP leader Colin Eglin himself. And this is what he says of rent control: "The thing is wrong. If people need assistance it should be given by the State, not by the landlord."

The PM's said it scores of times. So has Sapoa. So has the Institute of Estate Agents. But coming from the PFP, and in the light of government's commitment to final abolition in a couple of years, it's more than encouraging.

It means that decontrol — or this watered-down version of it — can be accomplished without a fight. But Eglin's concern now is for the needy. Rightly so. As he says, the phase-out is creating special social problems.

As government created them, so it should remove them — and as painlessly as possible. Eglin's Sea Point constituency with its plethora of flat-dwellers was used for a sample probe by Community Development Minister Marais Steyn. It showed that a half to two-thirds of residents are going to need help.

Eglin has run rent control clinics at Sea Point and extended the service as far afield as the Durban City Hall. Similar get-togethers could be held elsewhere and he will be briefing branch chairmen in the Johannesburg area next week.

The clinics showed, says Eglin, that flat tenants are running scared. Hardly surprising after the exaggerated, and often inaccurate, reports in the daily press.

Yet there's no denying that decontrol is going to prove traumatic for the poor. If they qualify under the income clause of the Housing Act (R540 a month for couples, R300 for singles) their flats remain controlled and landlords will have to obtain rent board increases in the same old way.

More worrying is the proposed repeal of section 39 (1) of the Sectional Titles (ST) Act. This will allow purchasers to move into the flats they buy in the same way as buyers in the conventional housing market.

One of the worries among the Cape tenants is that their flats will be bought as holiday pads by people from up-country. But Sapoa's Nigel Mandy points out that evictions are illegal unless buyers move in and stay for at least 12 months. An onerous restriction in a free market, but for the tenants it's one problem solved.

Yet the run on ST sales will lead to many evictions anyway. The idea is to allow a year's moratorium, and that year should be well used. Suitable alternative accommodation will have to be found somewhere for the lower-income tenants at least.

Eglin suggests that where they get less than the going market rate, landlords should be compensated by the State. That may help, but not much. Sellers are still going to take capital profits and sell; tenants will still have to go. But where?

Surely it's time for Community Development to act through the national housing fund. The next 12 months should be time enough for at least a start on more sub-economic stock.

Subsidies are far from ideal, but then the problem has been building up for over 30 years. Instant solutions just aren't available.
Mr Eglin, PFP spokesman on community development, said that many owners were selling blocks of flats to speculators who were threatening tenants with eviction unless they took up their options to buy flats under sectional title in a short space of time.

Addressing an informal meeting of PFP city councillors and members of provincial council in Johannesburg, Mr Eglin called on the Minister of Community Development, Mr Mario Steyn, to accept responsibility for protecting low income groups.

People in need of special protection were currently defined as individuals with a monthly income of R300 or less, or couples or families with an income of R400 or less.

Mr Eglin described the proposed legislation as a callous breach of faith against the needy.

Under the Rent Control Act, he said, tenants were accorded two fundamental securities — the Rent Board acted as arbitrator limiting rent increases according to a formula, and tenants could not be unconditionally evicted even if their leases expired.

In phasing out rent control, Mr Steyn had said that in order to minimize social problems, rent increases would be limited to 10 percent annually for two years. Mr Eglin said that while the increase was pegged, security of tenure had disappeared. Many tenants did not have leases and could be evicted or the flat sold under sectional title.
Disastrous effects’ seen in new bill

THE Sectional Title Amendment Bill may well pressureize people into buying homes which they could not really afford, according to Mrs Eulalita Stott, chairman of the City Council’s Housing Committee.

Mrs Stott was commenting on criticisms of the bill, made on Tuesday, by Mr Colin Eglin, the Progressive Federal Party’s spokesman on community development.

“The pressure on people to buy is unfortunate because many people can’t, or don’t want to be, burdened with the responsibility of home ownership and the problems of selling if they have to move.”

“The removal of rent board control, the fact that flats can be sold under sectional title and the general shortage of accommodation is definitely going to have disastrous effects on people who cannot afford to buy.

“In addition, low-income groups and pensioners often need what capital they have. They should not have to tie it up in housing,” she said.

Mr Eglin, addressing a meeting of PFP city councillors in Johannesburg on Tuesday, said some flat tenants were threatened with eviction unless they took up their options to buy flats under sectional title within a short space of time.

He said serious social problems would arise because of the insecurity of tenure created by the proposed new legislation which cut across rent control provisions for flats.

The government has been phasing out rent control for some time, largely because of the uneconomic returns it was causing to property owners. On April 1, another 44,000 buildings will be exempt from rent control.

“The removal of rent control ensures that owners get a better return on their money but the people with low incomes will have to pay beyond their means. It is a good example of how every solution creates new problems.

“Sectional title should not have been allowed in blocks of flats that were previously rent-controlled,” Mrs Stott said.

Mr F W Pohl, manager of the Citizen’s Housing League, yesterday said he had applications for housing from people whose flats had been put up for sale or who were afraid that this would happen.

Mr D F Kerswill, director of the Cape Peninsula Welfare Organization for the Aged, said he thought it inevitable that old people would also be badly affected by the abolition of rent control.

“Where do these people go if they are evicted? If you’re 70 years old, why should you want to buy? I know how worried people are. Our new block of flats in Sea Point already had a waiting list when it opened in February.”
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* TOTAL NUMBER OF STUDENTS 57

DEAN

REGISTRAR (AC)
Eviction threat to 'thousands'

HOUSE OF ASSEMBLY.

Thousands of elderly people, those who could least afford it, would be put out into the streets if the Sectional Titles Amendment Bill was passed into law. Mr Harry Schwarz (PPF Yeoville) said.

Speaking in the debate on the third reading of the bill he said people would not be allowed to remain in rented flats if those were bought under sectional title for accommodation of the owners.

People who would lose their flats and have to give up the improvements they had made to them would be mainly elderly people in the lower-income groups. As a result of the abolition of rent control they would find it very difficult to find alternative accommodation at rents they could afford.

'This is something we cannot accept. Considering the social consequences of what we are doing to aged people, one would expect that the more compassionate people in this House would not permit this to take place,' Mr Schwarz said.

The PPF could not support legislation of that kind. "There are people in South Africa who believe in a caring society."

The PPF could not support legislation of that kind. "There are people in South Africa who believe in a caring society."
## EXAMINATION RESULTS IN FACULTY ANTS

### YEAR: 1

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* TOTAL NUMBER OF STUDENTS 30

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**Registrar (Academic)**

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**Dean**

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The assembly hall 14 spent R324,963 on the event. The club also spent R34,454.20 on the same day, bringing the total to R359,417.20. The budget for the event was R400,000. The remaining R40,582.80 was spent on refreshments and transport. The event was well attended, with more than 250 people present. Theых also spent R324 on the hall's decorations. The event was a huge success and will be repeated next year.
Third reading of ‘callous’ bill

HOUSE OF ASSEMBLY. — The Sectional Titles Amendment Bill was a “callous and insensitive measure”, Mr Colin Eglin, the Progressive Federal Party's chief spokesman on community development, said.

At present, even before passage of the bill into law, some elderly flat tenants were receiving letters informing them the flats they rented had been sold under sectional title, and warning them of eviction, he said in the debate on the bill's third reading.

By introducing the measure, the government was going back on an undertaking it had given that needy flat dwellers would receive the continued protection of rent control.

“Tens of thousands of people are going to feel the insecurity and threat of eviction,”

The measure would result in a drop in the number of flats available for rental and a corresponding increase in flat rentals.

“The government seems to be deliberately encouraging a wave of property speculation, in which some people are profiting out of the distress of others.”

“This government has left in the lurch the ordinary person, the flat dweller, the needy person.”

The Minister of Justice, Mr Alwyn Schlabach, said in reply to the debate that he rejected with contempt the allegation that the government was going back on its word.

There had never been any question of total expropriation from the phasing out of rent control, and protection from sectional titles purchases had never been mentioned.

It was true that a flat tenant could be given three months notice to vacate if the flat had been bought under sectional title and the owner personally wanted occupancy, but the government had adopted another amendment by which the provision would only come into effect in April next year.

The Government was committed to free enterprise and this meant it could not discriminate against the owners of older flat blocks, who had to be given the same rights to sell units as owners of newer blocks.

The bill was read a third time after a division. — Spks.
Rent Boards get the chop

The phase-out of rent control is taking a heavy, and inevitable, toll of the rent boards. They are being chopped countrywide as the work load grows ever lighter.

This month alone 13 have been dissolved and replaced with eight new consolidated bodies, two of them part-time. Community Development Secretary Louis Pouche says rationalisation has been going on for some time, but the cutback is being stepped up as more and more flats come off the restricted list.

It also means that many men are jobless. But Pouche assures the PM that the culling is being done as painlessly as possible. In some cases board members on contract are on, or over, the normal retiring age anyway. They are not represented.

Standing policy is to maintain a balance between the number of boards and the workload, says Pouche, so the casualty rate is mounting. The reduction is being accomplished in three ways — complete dissolution, cutting back on the number of members and substituting part-time boards for the old permanent bodies.

Latest changes

These are the latest changes gazetted this month:

- Cape — the Bellville, Goodwood, Peninsula and Cape Town boards have been dissolved. They have been replaced by two newly-constituted boards, Cape Town and Bellville.
- Natal — Durban North Coast, Durban South Coast and Pietermaritzburg boards have been dissolved and replaced with a new Durban Rent Board and a part-time Pietermaritzburg board.
- Witwatersrand — the East Rand, West Rand and Johannesburg Central, Eastern, Western and Southern boards have been dissolved. They have been replaced with part time boards on the east and west Rand and two full-time boards in Johannesburg, Central-East and South-West.

More will fall because the phase-out is barely halfway. But protected tenants are going to be around in one form or another for many years yet, which means that certain boards will continue to function. So will the central Rent Control Board, the appeal body which operates from Pretoria.

Despite all the publicity, queries coming into the PM suggest there are still landlords and tenants who are uncertain of how it all works. So here it is again.

Dwellings first occupied after June 30, 1966, are not, and never have been, controlled.

Dwellings first occupied between January 1, 1960, and June 30, 1966, were decontrolled in April, 1976. The condition was that rental increases, other than statutory cost recoveries, would have to be confined to 10% a year. Next month this group is expected to be freed from the 10% clause.

The complication arises with low-income tenants protected by the Housing Act. In each case protection can be claimed only if the tenant was in occupation at the date of decontrol and has remained in the flat since. In the case of the 1960/66 batch, therefore, only tenants who have occupied the same flat since straight R540 for couples, irrespective of number of children, and R350 for singles.

Dwellings occupied between October 20, 1949, and December 31, 1954, are expected to be decontrolled next month, again with the 10% restriction for two years. The income limit for tenants claiming protection in this batch of decontrolled flats will be set according to prevailing rates.

Dwellings first occupied before October 20, 1949, can be decontrolled only by an amendment to the Act. Government has promised to make it.

The last factor is the intended repeal of section 39 (1) of the Sectional Titles Act. This will enable buyers to move into the flats they purchase — which they can’t do now. That will compel all tenants, including the protected, to make way for their owner, his parent or child.

But landlords won’t be able to get tenants out by selling on deed-of-sale. Sapoa’s Nigel Mandy points out that conditional sales don’t carry the right of ejection. Anyway, it’s the buyer of the flat, and not the owner of the block, who has to do the evicting. Three months notice is statutory, and then only after transfer.

So there’s no question of playing fast and loose with personal rights. It will be a foolish landlord who tries.

DEVELOPERS

Losing interest

The property market is anticipating widespread changes to the usury legislation. And so far it doesn’t like what it hears.

It’s well-known that government is working on a new Limitation and Disclosure of Finance Charges Bill which is going to lump all prescribed interest rates into one act. It could include everything from a deed of sale rate to credit card advances.

But it’s the deed of sale aspect that’s got the developers and investors worried. With the fall in the prescribed rate, developers have had to trim margins to cover the difference between the interest they charge and the interest they pay.

That gap is now about 1.5% on average. Developer bonds have tended to soften, but they borrow at anything from 10%-11.5% and are forced to charge their buyers only 9.5%. About 18 months ago there was no gap at all.

The answer on short-term deferred sales has been to charge sectional title buyers an occupational rental and no interest. The buyer thus pays the full outstanding.
to take payment before opening registers.

Not many companies can work without a cash flow and at this stage no-one knows whether the measure will be enforced. But now the building societies are also restless and making representations of their own.

The idea was to have the legislation through during this Parliamentary session. Now, with so much concern from affected parties, it looks like hanging fire for another year.

Jack Schaffer, co-founder with Alan Bellman of Game (now owned by Beares), is a master escapologist. In September 1978, he bought the Hayne and Gibson "Press at Kingsmead" building for R600 000, spent R200 000 on improvements and opened a liquor store called Viva. It didn’t work and was closed in January.

But instead of finding himself with an untenable blamed, Schaffer has let the 7 000 m² property to Game on a 10-year lease. The building, on a 3 000 m² site, has now been sold for an estimated R1.2m to a Johannesburg family trust which will be getting a 10% return. The lease carries a 5% vacating clause and there are two five-year renewal options. The deal was negotiated by J H Isaacs of Geshen’s Geoff Berman.

The same company has auctioned a block of 18 flats and five shops in the Albert Park area for R115 000 subject to confirmation. At that price return is 16.5%, and the building is due to be decontrolled next year.

ing balance on transfer. Sellers of land aren’t so lucky and, with building society rates down again, the danger of a further cut to as little as 9% was on the cards.

While the developer charges rental and not interest it doesn’t matter. But there’s a danger that the new legislation will change that and enforce a return based on the prescribed rate.

Even at 9.5%, Sapoa has been making waves. President Gert Hugo tells the FM that representations to up the rate again have been in for some time. The association suggests a rate of 10.75% and rests its case on the widening gap between borrowings and recoupment. The hint of change came in the early draft of the Sale of Land Act. At first glance it looked like good news because the Minister’s power to lay down the rate was omitted.

"For a moment," says Hugo, "we thought our representations had been successful and the Minister was allowing the rate to be established by market forces."

The elation was short-lived. Sapoa has since learnt of the intention to include all statutory interest restrictions in the new usury legislation and is trying to get more information.

If the deed of sale interest rate is included in the new Bill, Sapoa will redirect its representations when comments on the draft are eventually called for.

There’s still a long way to go. The first version of the Sale of Land Bill, which supersedes the old, unwanted Development Schemes Bill, left Sapoa reasonably satisfied. But one major worry remains — the early drafts proposed to restrict payments on deed of sale transactions. Only in certain cases would developers be able
VERSENING. — The United Building Society was examining over 400 applications for black houses which would cost more than R7-million, its chairman, Mr. Philip Sceales, has said.

Inaugurating the UBS's first black housing project at Sehokeng, near here last week, he said of the 43 houses nine had been completed and 13 were almost complete. The completed houses had all been sold from R10,000 to R12,500.

Mr. Sceales said there was much misunderstanding about black housing. Most blacks accommodated in "Administration Board houses were tenants on a monthly basis and paid rentals of only R5 a month.

MISLEADING

"This is very good basic accommodation at a very low cost and there can be no criticism of it," he said.

"Others have acquired rights of occupation under the 30-year scheme which is frequently referred to as the 30-year home ownership scheme. This is totally misleading.

"It is a right of occupation granted for 30 years and is subject to so many disadvantages. It is cheaper than the 90-year leasehold scheme but it is not true home ownership. As far as he knew, 113 leases had so far been registered in Soweto. Of this number, 64 were maintained to the UBS and another 19 were in the pipeline." — Sapa.
Insults fly as flat lords face tenants

...called for a moratorium on the next five-year lease and the repeal of Section 30 of the Sectional Titles Act.

...increases beyond their means and possible eviction from flats being converted to Sectional Title.

...rent control and the lack of adequate financial resources on their buildings.

...rent control and the lack of adequate financial resources on their buildings.

...rent control and the lack of adequate financial resources on their buildings.

...The meeting had been arranged by the PFP city councillor, Christopher Newton-Thomson.

...the debate went on, it became clear that the main problem in Roeland Park was that pensioners with fixed incomes would not be able to pay increased rentals and did not want to buy flats under Sectional Title.

...Mr Dave Price, a property owner, said he opposed the social aspect, but claimed that rent control would not benefit more than one in ten pensioners and that pensioners benefited from this.

...For the area why property owners were being forced to solve a social problem.

...But the tenants made it clear that they had moved into the area because they wanted to maintain a certain standard of living.

...Mr Martin Pletzer, who served on the Roeland Park town council, took Mr Noel Mundy, UBDA chairman, and Sapto councillor, to task for his support of the abolition of rent control.

...She said the Government had not listened to consumer representation in Roeland Park.

...The idea that blocks of flats within blocks of flats would become free of charge to be brought under Sectional Title.
**PROPERTY MAIL**

**Flat dwellers get a reprieve:**

but what about the investors?

A MINOR furor was created through the proposed amendment to the Sectional Titles Act at Parliament last month. The Government very rationally proposed that the Sectional Titles Act be brought into line with the Rent Control Act by allowing owners of dwellings to occupy their homes. In what can only be construed as a myopic political manoeuvre, the official opposition yelled “foul!” and accused the Government of going back on its word to protect pensioners and the poor albeit through the forced provision by landlords of low rental apartments achieved by rent control.

Fortunately the Government stuck to its guns but laid down a time horizon — April 1, 1980 — for the implementation of the amendment. In line with its trend towards a freer market, rent control over blocks completed between October 20, 1948 and December 31, 1964, should be lifted by ministerial proclamation in April 1980, and control on the remaining buildings still subject to the Rent Control Act should be lifted in April 1981. It is assumed that the minister had this date in mind in establishing April 1, 1980, as the effective date of the Sectional Titles Act amendment.

The arguments against rent control have been widely reported in the financial Press. Most importantly, development of apartment buildings has been and still is inhibited. Rent control was cited by institutional and private developers as being the main reason why they would not contemplate residential block development or extend their ownership of such properties during the past decade.

And where they already owned such investments, returns were inhibited and below those which could be achieved through investment in other forms of property — commercial buildings, shopping centres, industrial premises, etc.

Abolition of rent control is the most controversial property issue today. LES WEIL, joint managing director of J H Isaacs, sets out the case for abolition.

...suburbs of Johannesburg, which would provide a wider than average sample than if the buildings were in central areas, an investor purchasing a property in 1970 at an 8% yield would now be obtaining a yield of 12.4%. Had the investor purchased at industrial estates, the comparative yield on cost would be 17.8%. During the decade, the cost of living index increased by 22% so that in real terms the apartment property investor is considerably worse off than at the start of the period, while the equity investor kept pace with inflation.

Valuing the properties on an 8% yield for purposes of disposal the property investor would realise 1.66 times the investment made in 1970 whereas the equity investor would realise 2.94 times. If, however, the blocks were sold under sectional title schemes, the property investors’ realisation would come up to 2.95 times the investment. With rentals having fallen so far behind the rate of inflation and costs having kept up with it, can anyone blame a landlord for endeavouring to realise his investment through a sale of individual units — that is, assuming sectionalisation is possible, since not all apartment buildings lend themselves to this process?

Rentals in South Africa are considerably out of line with those prevailing overseas. For example, two bedroom Graham Park apartments in Manhattan rent for $60 a month, though similar apartments in San Francisco only fetches $600. Rentals in America have been rising at an average of 17.5% for the past three years. In South Africa, until very recently, they have been virtually static or have increased at less than 10% a year.

The other feature of overseas trends is that the proportion of rentals to earnings is tending to rise rather than the 25% norm that is generally applied in South Africa.

Whereas conversion of units previously available for renting is a relatively new phenomenon in the Republic, the trend towards fewer units available for renting is well established overseas. The National Association of Homebuilders in America estimates that 2% of multi-family rental inventory is disappearing each year and that the share of housing units occupied by renters has fallen to 35% today, compared to 45% in 1950.

It is clear that rentals must rise substantially before developers will commence building apartments for renting. Such rental adjustments will take time during a period when building costs are increasing at about 20% a year. It is therefore a doubtful whether equilibrium will be reached in the foreseeable future. It seems more likely that we will continue to observe overseas trends, with rental increases on the stock of units for renting.

Oddly enough, it may be that the antithesis of rent control — subsidised development incentives from Government or, if need be, by the necessary catalyst to increase the volume of rental units. These could either take the form of low-interest-rate term loans to developers; or incentives related to tax burden such as investment or initial allowances coupled with the benefit of being able to write off the building over say, 19 years.
Home ownership will be encouraged

Political Staff

THE ASSEMBLY -
Transfer duties on the sale of houses and flats are being adjusted and the capital of the National Housing Fund is being increased by $250 million.

Senator Hordern said tax cuts are being adjusted and the capital of the National Housing Fund is being increased by $250 million.

The increase will be followed by a full financial year.

Senator Hordern said tax cuts and a release of $250 million on the housing component of the National Housing Fund capital were necessary because a special $250 million release had failed in November 1978 to stimulate the building industry and was expected to continue.

He added tax cuts and a release had been set for April 1.

The Minister also announced concessions for employers providing housing for their employees.

The ceiling on deductions for the capital cost of a dwelling for a farmer's employee will be increased from $4,000 to $12,000.

For other employees it is proposed that the existing allowance of 25 percent of the expenditure incurred will be increased to 30 percent, with a maximum of $4,000 in excess of the present limit of $12,000.

This will apply from April 1.

The Department of Community Development was investigating methods by which a part of the mortgage on the Housing Fund could be transferred to the building society to enhance the return flow of capital to the fund itself.

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This will apply from April 1.
Spending on black housing will double

Political Staff

THE ASSEMBLY.—Government spending on black housing will more than double this year, with a total of R75-million set aside for low-interest loans.

The Department of Community Development's R50-million allocation to black housing in 1980 was R1-million more than last year. An additional R15-million has been thrown in by Senator Horwood from the R25-million surplus carried over by the Exchequer during 1979/80.

The National Housing Fund, which finances the Department's housing projects, swelled from R107-million last year to R225-million this year.

The NHF will receive R225-million, 20.2% more than in 1979/80, reports Sapa.

Senator Owen Horwood said the Department of Community Development was investigating methods by which part of the mortgage burden of the fund could be transferred to building societies in order to encourage the return flow of capital to the fund itself.

It was in the national interest that the building society movement fully support the initiative in order to channel a portion of their available housing funds to the lower income groups in this way.

He had made provision in the estimates for R25 300 000 to supplement NHF capital.

Because of the large-scale redemption of capital by banks, building and financial concerns, and because the special R20-million scheme last November to stimulate the building industry had come to an end, he proposed that a further R15-million be included in the supplementary estimates to sustain the pace at which housing was being provided.

Apart from the direct State assistance in the provision of housing, the Minister proposed that the present ceiling for deduction for tax purposes of the building costs of any one dwelling for farmers' employees be increased from R4 000 to R5 000.

For other employers he proposed that the existing allowance of 25% of the expenditure incurred be increased to 50%, with a R4 000 ceiling instead of the present R3 000. The revised allowances would apply to buildings started on or after April 1.

To further encourage home ownership, Sen Horwood proposed that the present exemption from liability for transfer duty be raised from the R20 000 limit to R30 000 on improved land and from R8 000 to R12 000 for unimproved land.
Now is the time to catch up on housing—report

HOUSE OF ASSEMBLY. — Unless sufficient funds are provided there is a danger that the housing programme will become so badly disrupted that it will never be possible to make up the backlog.

This warning is contained in the report of the Secretary for Community Development for the period October 1, 1971 to September, 1972, which has been tabled in the Assembly. Prospects of paying off the housing backlog within a reasonable period have, however, never been more favourable than at present, provided sufficient funds are appropriated, the report says.

"Unless we are prepared to contemplate shanty areas and squatter conditions on a large scale around the cities of a prosperous country like the Republic of South Africa as part of our future, the State will for the foreseeable future have far as Coloureds and Indians are concerned, four to five years have to be prepared to invest generously in low-cost housing."

Distress

"Those who advocate inferior housing and so-called self-built shacks are envisaging future housing conditions similar to those in certain African, Oriental and South American countries, where poverty, distress and deplorable conditions are general."

The report said that any effort to ensure State participation in the provision of housing at this time would be unwise. It would play directly into the hands of the country's enemies because it would unnecessarily delay the present rate of housing provision could not be maintained, and the result would be a crisis that would not be easily overcome.

"The private sector is not equipped at present, although it may be later, to play a significant part in the provision of low-cost housing."

Expropriation

The report said that despite the Government's progress made with the provision of non-white housing, there were still certain problems in particular all the major urban areas and the position in certain parts was being exploited by bodies hostile to Government policy.

"Are these plans for the rehousing of shanty conditions only meant to be in the interests of the unfortunate or are there other motives?"

Without positive proof that the government was succeeding in bringing the housing question under control, it would not be possible to rely on the cooperation of the various population groups. The role that took place as recently as 1971 serve as a reminder of the dangers inherent in poor housing conditions which serve as a breeding ground for communism.

Cause of riots

"It should be remembered that the findings of very responsible bodies were that poor housing was one of the main causes of the 1976 riots. Proper housing is a fundamental requirement for the creation of a contented and productive labour force."

Despite the success achieved recently in the provision of housing, a massive task still lay ahead.

"Moreover, social, welfare, economic and strategic considerations demand recognition of the important role which housing can and should play in regulating society."

There is no room for complacency and it is therefore imperative that the department be supplied with the funds it needs to proceed with activities of a satisfactory rate.

"To achieve this, housing provision must continue to enjoy a high priority rating when resources are allocated."
Provide cash for housing, warns report

HOUSE OF ASSEMBLY. — Unless sufficient funds are provided, there is a danger that the housing programme will continue so badly disrupted that it will never be possible to make up the backlog.

This warning is contained in the report of the Secretary for Community Development for the period October 1976, to September 1978, which was tabled in the Assembly yesterday.

However, prospects of wiping out the housing backlog within a reasonable period have never been more favourable than at present, provided sufficient funds are appropriated, the report says.

"Unless we are prepared to contemplate shanty areas and squatter conditions on a large scale around the cities of a prosperous country like the Republic of South Africa as part of our future, the State will for the foreseeable future (as far as Coloureds and Indians are concerned, four to five years) have to be prepared to invest generously in low-cost housing.

"Those who advocate inferior housing and so-called self-built shacks are envisaging future housing conditions similar to those in certain African countries where poverty, distress and precarious conditions are general."

The report says that any effort to curtail state participation in the provision of housing at this time would be uneconomic. It would play directly into the hands of the country's enemies, because it would inevitably mean that the present rate of providing housing could not be maintained, and the result would be a crisis which would not be easily overcome.

"The private sector is just not equipped at present, although it may be later, to play a significantly larger part in the provision of low-return, low-cost housing."

"State investment and participation should be curtailed at this stage, the inevitable result would be that housing provision for the poor would not receive sufficient attention from anybody, with the resultant development of shanty areas."

The report says that despite the controversial progress made with the provision of non-white housing, there were still problems in practically all the major urban areas, and the position in certain parts was being exploited by bodies hostile to Government policy.

"Are their pleas for the retention of shanty conditions really meant to be in the interests of the unfortunate, or are there other motives?"

Without positive proof that the Government was succeeding in bringing the housing question under control it would not be possible to rely on the co-operation of the various population groups.

The riots that took place as recently as 1976 serve as a reminder of the dangers inherent in poor housing conditions which serve as a breeding ground for communism.

"It should be remembered that the findings of very responsible bodies were that poor housing was one of the main causes of the 1976 riots."

"Proper housing is a fundamental requirement for the creation of a contented and productive labour force," the report says.

"Despite the success achieved recently in the provision of housing, a massive task still lies ahead."

"Moreover, social, welfare, economic and strategic considerations demand recognition of the important role which housing can and should play in regulating society."

"There is no room for complacency and it is therefore imperative that the department be supplied with the funds it needs to proceed with activities at a satisfactory rate."

"To achieve this, the provision of housing must continue to enjoy a high priority rating when resources are allocated."

According to the report, the Department and local authorities were so organised that an amount appropriated for low-cost housing could be utilised, and the Department of Community Development can therefore no longer be blamed for failing to wipe out shortcomings.

In the midst of international instability, the Republic, the report said, could be justly proud that, apart from spending on military preparedness, Government spending on the provision of housing had, relatively speaking, received the highest priority. — Sapa.
Bifsa hoped for more
relief for home-buyers

By Frank Jeans

While the Minister of Finance is applauded for his Budget initiative for growth through the private sector and the man in the street, there is inevitably the disappointment somewhere along the line.

And while the Building Industries Federation (Bifsa) in common with all other sectors of the economy is praiseworthy over Senator Horwood's expansionary measures, particularly with regard to low-cost housing, the federation had been hoping for even further tax concession for home-buyers.

Nevertheless, Bifsa welcomes the Minister's "stated intention" for the standing commission on taxation to "thoroughly investigate the entire question of tax incentives."

Says a Bifsa spokesman: "What we missed particularly (in the Budget speech) was no reference whatever to tax concessions to first-time home buyers, on property taxes, or a positive assurance that housing benefits would not be taxed, all of which were proposals submitted recently to the Minister by Bifsa."

The federation views with some trepidation the Minister's remarks on interest rates, and says: "Contractors and the public alike should heed the implied warning of the Minister that present rates are abnormally low."

"The implication is clear — build now."

The allocation of an additional R225m for the National Housing Fund, as well as the transfer of funds from building societies to the funds, all of which will help to alleviate the housing shortage among the lower income groups, come as a "shot in the arm" for the building industry.

Says Bifsa: "The whole housing situation must receive a spurt from increased earnings for Government servants, civil servants and decisive across-the-board income tax reductions."

"This will put more money in the pockets of potential home-buyers."

In the area of private housing, which represents about 30 percent of the industry's output, the federation welcomes the reduction of transfer duty which was "in line with a recent submission to the Minister."

Housing injection welcomed

South Africa's building societies are grateful for the role which has been handed to them from the Minister in the battle to ease the housing shortage among the lower income groups, writes Frank Jeans.

By injecting mortgage loan funds from the Department of Community Development into the societies — thus re-channelling money to the department for further loans — a "spurt will be given to the provision of homes for the non-white groups."

Building society circles point out that this will give the movement the opportunity to play its part in alleviating the housing shortage, and that with the cash liquidity at present, this lending avenue which is being opened up will "not be a deterrent to any one sector seeking loans."

On the other hand, according to Mr. H J Dodds, president of the Association of Building Societies, this move should be regarded rather as a "one-off" event than a continuing source of finance for the department.

"Building societies," says Mr. Dodds, "are not likely to remain sufficiently flush with money in the long-term to make a repeat operation feasible."

Mr. Dodds said the increased allocation of money to the National Housing Fund was "greatly welcomed because of the 'crying need for more housing for the lower income groups."

The president, however, referring to the fact that in all past Budgets, there were items "that some would have wished were different," said the decision to reduce the permissible maximum investment in building society tax-free subscription shares from R50,000 to R50,000 was viewed "with some dismay."

Says Mr. Dodds: "In the long-term, this could add significantly to the difficulty building societies face in attracting sufficient funds to meet the ever-growing demand for housing loans."

Furthermore, the possible resulting drain of funds, which will have to be replaced by more expensive money, could exert an upward pressure on the mortgage rate."

Mr. Dodds also pointed out that the present high level of liquidity in the movement was exceptional, and unlikely to continue indefinitely.
Housing vote will fall far short of black backlog

Own Correspondent

The R73-million voted for low-cost housing for blacks in the budget is enough to build only 12 500 new living units at today's construction costs. This is a far cry from the 34 000 homes required yearly to accommodate the natural increase in the number of blacks — and an even further cry from solving the group's housing backlog, estimated at 163 000 units.

BACKLOG

The money voted for the same type of accommodation for the white, coloured and Indian communities is equally inadequate and it could lead to the shelving of projects worth almost R300-million.

The R225-million allotted for low-cost projects for all groups will be boosted by R35-million in repayments due to the National Housing Fund, giving a total of only R260-million. This will not even pay for the various schemes under construction at the end of last year. A further R331-million will be needed to complete them all.

Plans for new schemes approved this year will cost an estimated R317-million, but it now seems unlikely that these houses will materialise.

In September last year figures were released which showed the country would have to spend about R550-million annually to eliminate a backlog for all groups of 237 000 units and to overcome the effects of population growth.

The Star's political staff in Cape Town reports that Government spending on non-independent homelands is to go up by about 30 per cent this year to R491.7-million. This does not include the R49-million to be spent on the further consolidation of the homelands.
Blocks take the place of bricks

Manufacturers are to double their production of cement blocks to 1.4 million a month to meet a soaring demand that has been increased by the budget announcement this week on subsidised black housing loans.

The Minister of Finance, Senator Owen Horwood, said this week that R12 million is being set aside for low interest loans for housing and infrastructure in urban residential areas.

With severe shortage in the clay brick industry and a six-month delay for cement bricks, cement marketing manager Mr Tony Barron said the block industry can cater for the demand, and a little bit more, even.

He said at double capacity they would be producing the equivalent of 7.2 million stock bricks from one factory alone.

At R35 for a thousand blocks, this would mean a monthly turnover of over R27 million.
By Frank Jeans

MANY urban blacks might well be unfamiliar with the broad principles of the 99-year lease system which brings home ownership to them. And spelling out the vital differences between 99-year leases and the present 30-year right of occupation is Mr Philip Scales, chairman of the United Building Society.

Introducing the UBS's first black housing project at Sebokeng Zone 14, near Vereeniging, Mr Scales said: "For more than 10 years we have fought and battled to bring about black home ownership. "We have still not got to the point of freehold title, for urban blacks, but today you see nine houses which have been built and sold under the 99-year leasehold scheme."

The 99-year lease is tantamount to freehold ownership, said the United chairman, and he had no doubt that within a few years that is what it would become.

Mr Scales then went on to spell out the advantages of 99-year lease compared with 30-year occupation, which, he said, was "frequently referred to as the 30-year home ownership scheme."

"This is totally misleading and I think it is important that the difference between both schemes should be spelt out," said Mr Scales.

A 99-year lease:
• Cannot be cancelled even for non-payment of rent or leases and even if the holder ceases to be a qualified person.
• Can be mortgaged.

Black homes schemes spelled out

• Vests land and improvements in the owner who can resell at a profit to any qualified person of his choice for whatever price he can get.
• Can be bequeathed and if the heir is not a qualified person the heir can sell it for his own benefit.
• Can be insured by the owner.
• Can be altered with consent of township manager.
• Allows Board officials to enter and inspect at any time.
• Cost of grant is less and financed at: Community Development rates.

Mr Scales said the UBS had more than 350 black developments under examination for this year at a cost of R7 million, and these projects would spread throughout the country in black urban areas from the Cape to the Transvaal.
90 pc loan limit now up to R35 000

By Frank Jeans
The Natal Building Society has brought home-ownership within reach of many more people with the announcement that it is now granting 90 percent loans on homes valued up to R35 000.

Previously, the limit on 90 percent loans was R28 000.

On NBS-developed properties, the percent level will apply to homes valued at up to R40 000.

This raising of the NBS lending limit will also help to counteract the current boom in home prices.

The R7 000 increase has been made possible through the operations of the NBS's insurance company which will provide the guarantee required in terms of the Building Societies Act.

"The guarantee is obtainable by the payment of a modest single premium to the NBS Insurance Company," says a spokesman for the society.

South Africa's other major building societies are also looking at the 90 percent bond level.
20 percent rise in some flat rents expected

By Josie Broom

Tenants of flats in buildings inhabited after 1965 and before 1965 can expect rent increases of at least 20 percent with the expiry this month of the two-year moratorium on rent control.

A proclamation by the Minister of Community Development, Mr. Strems, is expected this month on the termination of the two-year "moratorium" period for flats inhabited during the period.

There will be the first flats previously under rent control which will have restrictions on rents lifted. Rent rises were previously capped during the moratorium at 10 percent a year.

Mr. Strems, according to the minister, had not set an official date for the proclamation on the matter, which is still under consideration.

He said the 10 percent restriction on the moratorium would continue during the phase-out period, but there are reports of a lack of cooperation with the moratorium.

"Flats which now become de-controlled will be subject to supply and demand - rent rises can be expected in some. But people coming to the area for a year or a month are still under the old law, if they have control.

He said Mr. Strems' proclamation would only apply to flats inhabited between 1960 and 1965, but will not apply to flats inhabited after 1969 as they were only inhabited after 1969.
No. 654.
9 April 1980.

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


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

PM’s council plans new housing probe

Own Correspondent

The Prime Minister's Economic Advisory Council is to take an in-depth look at South Africa's housing problem, it has been announced in a statement in Pretoria on the council's last meeting.

Dr Hromnik's research has taken him to bique, Angola and Portugal. He is at present Shona and Bantu expansion in eastern Africa.

It said that for various reasons, relatively few blocks of flats were erected last year, resulting in a shortage of housing for whites in the middle-income groups.

The council also took note of the meeting of the 'backlog' in housing for persons of colour, especially blacks.

It was emphasised that the State could not simply act as an entrepreneur in these spheres, particularly in the light of the Government's declared intention to leave economic activities to private entrepreneurs.

8. YOUR CHILD'S CAREER AND YOU
28 January - 1 February

In this series of five lectures presented by U.C.T., and Edwin de Broize, Careers' Association Centre, Claremont, will address persons concerned with guidance, e.g., teachers, etc. Their aim will be to co-ordinate any guidance. Mid-career change will also be discussed.

9. THE CHURCH STRUGGLE IN SOUTH
28 January - 1 February

Since the 17th century, the Church has been a significant role in shaping the life and character of the African community, and is still the most dominant institution within English-speaking communities, and it is also the most important issue facing society. Perhaps our contemporary world, the Church today!

At the same time, the Church in South Africa is a divided institution, but a house that is divided can be divided further. The Church, more recent dynamic movements such as scientific and ecumenical movements, indicates the tension. But the tension is no longer political, resulting in considerable growth.

This series of lectures is designed to provide a contemporary situation, to examine the Church in South Africa today, and the Church in our country.
Govt trembles on the brink

HOUSE OF ASSEMBLY. — The quickest and most efficient way to a realistic sharing of wealth in South Africa was immediate black involvement in the free-enterprise system, Mr Bill Sutton (NRP Mool River) said.

Mr Sutton said one of the greatest problems that the government was not prepared to take the first step towards changing that was more necessary.

"Decisions need to be taken if there is to be real progress. Government policy so often stands in the way or has stood in the way and still trembles on the brink of change."

"One of the greatest of all problems is rural poverty in the homelands — the show window of government policy."

"Consolidation into real political entities is an impossible thing, even in terms of current thinking."

"As an alternative, why not complete the 1939 purchasing and recognize the failure of the homeland experiment of Dr Verwoerd as a solution to the black-white problem?"

"Use the money spent on purchasing white farms to fund real agricultural development in the homelands."

Churlish

As far as the Budget was concerned, it would be churlish not to recognize the Minister of Finance's achievement in holding state expenditure to "zero" in real terms. The Budget gave welcome evidence of strict discipline and also the minister's realization of the importance of the private sector to the national economy.

He accepted the abolition of all fringe benefits and tax-free investments and felt that tax should be levied at a realistic rate which will not overburden the upper tax group who are seeking these benefits.

The gold-tax formula should also be reviewed. The tax had been designed for a specific purpose, which was fair to all parties at a certain gold price level. It should be cut off at a certain level above which the money could be used for other purposes.

Bread, maize

The full amounts of the increased bread and maize prices should be subsidized. How the minister could cut the maize subsidy by R10 million "unthinkable."

"The minister is cutting taxes to put more money in the pockets of the public. Why not cut input costs and put more money in the pockets of the farmer and at the same time reduce food prices?"

"I would like to ask the minister to try to identify input costs which can be abolished or reduced."

Mr Sutton moved an amendment on behalf of the NRP that the house should approve the second reading "because the government has failed to identify and take appropriate action to remedy areas of great need in our economy and has accordingly failed to:"

- Involve private enterprise in solving the black housing problem.
- Adopt a realistic approach to the consolidation of the homelands.
- Provide real initiatives for training black manpower.
- Provide a comprehensive programme for the adequate care of the aged.
- Provide a real foundation for a total strategy designed to safeguard all South Africans from communist aggression."

TODAY

HOUSE OF ASSEMBLY. — To-day's business: Resumption of Budget debate. — Sapa.
Rethink on black housing is urged

THE Government must rethink their black housing policy and this must be linked to community development with the emphasis on creating jobs, the SA Federated Chamber of Industries has said.

Following a recent tour by senior industrialists of low cost black housing areas in South Africa, including the Western Cape, the FCI said that a new approach was needed.

In its news bulletin, the FCI lists several points which must be considered in the new approach:

1. Adequate tenure should be granted on land adjacent to areas that offer employment opportunities.

Housing should be regarded as 'an organic and dynamic process, subject to gradual and sustained improvement as time and circumstances permit.'

The FCI felt the various communities would have to participate 'to some extent or other' in providing for their own housing needs.

'This may well imply a change in the Government's housing subsidy system where ability to pay does not at present play a role so that high and low income earners are all subsidised to the same extent.'
Senator Horwood's concessions to employers who assist their workers with housing are aimed at overcoming the national housing shortage through involving the private sector.

The effect of the scheme is that when company erects houses for employees, or gives funds towards erection costs, 90% is now deductible from tax incurred in the year the money is spent. This is up to a maximum of R4 000 for ordinary employers, and R5 000 for farmers who may deduct the full amount.

According to Sharon Manfred, of the Urban Foundation, "This is in line with the Riktert recommendations which place an increasing onus on the employer to assist with housing."

The concessions represent an increase of almost a third over last year's provision. But not all are satisfied. Says Mahamoud Hassan, senior lecturer in taxation at UCT's accounting department: "Much more could be done. The concessions are not terribly significant in the face of the chronic housing shortage for low income groups, and in view of significant building cost increases."

Adds Nic Olivier, the FFP's research director: "I'm not happy with the R4 000 limitation. Private enterprise could have been involved to a greater extent by raising the limit and making it possible to build in areas where land belongs to government; and by giving employers the necessary security in black townships. Employers are basically acting as agents of the administration boards at present."

In addition, the concessions only apply to the costs of erecting new buildings.

This will only scratch the surface of potential demand, as black home ownership now appears limited to an affluent minority. To really work, the benefits should be extended to include improvements to, or purchase of, existing dwelling units.

To what extent are employers actually becoming involved in employee housing? In SA the mines, Iscor, and Escom have built entire towns for their employees. And a survey last year of 36 Cape Town firms showed that 94% were assisting employees with housing in one way or another. However, group housing policy was often on an ad hoc basis.

One clear trend is emerging. Increasingly, employers are offering employees financial assistance, rather than actually building town or houses. The reason is simple. As Dave Dewar, associate professor of planning at UCT, says: "It is not so much a housing problem, as a money problem: if people were paid adequate wages they could satisfy their housing needs independently. The vast majority of urban blacks earn under R200 a month, so rely on their employers for assistance."

In the long term, employers benefit by employee loyalty and a stable work force. However, in the short term, there are more obvious returns. According to Hassan: "If the housing benefits are written into the employee's contract, they are tax deductible. If the housing allowance is made a compulsory part of the services agreement and is legally binding and not a gratuitous outlay, the full amount may be deducted — although it will be taxed to a certain extent in the hands of the employee."

However, for low income employees the affect on personal income is insignificant. For example, since the Budget, a man with four children earning up to R7 000 will not pay tax.
INFLATION—AND HOW HOUSE COSTS WILL SOAR

SMALLER HOUSES, SMALLER PLOTS AHEAD TO KEEP PRICES DOWN

By COLIN VINEALL Property Editor

A FRIGHTENING forecast of the cost of houses in just a few years, was made this week by the chairman of a building company in Natal.

Deryck van Rij, who with his brother Reg heads up the company Derreg of Pinetown, said if inflation continued in the building industry at only 12 percent, a house costing R60,000 now could cost R95,000 in seven years' time.

But, he said, if costs kept rising at around the 20 percent mark as indicated by the Bureau of Economic Research at the University of Stellenbosch, that same R40,000 house would cost R143,000 in 1987.

Van Rij's own feeling — through experience, he says — puts the annual rate of increased costs lower. Yet he points out that even at his reduced estimate, a house costing R30,000 now would cost R55,000 in three years; R85,000 in five years; and R170,000 in seven years.

Even then, says Van Rij, South Africa will still have cheap housing compared with Britain, the rest of Europe and America. If the prices he forecasts were to come about, labour costs would be bolstered elsewhere in the world, even in Britain, with an additional 25 percent mortgage rate.

"People are queuing up for them," he said.

While Van Rij feels the 12 percent inflation rate over a long term is more realistic, he added that the 20 percent rate was not impossible.

He said his company had experienced a remarkable increase in business with contracts for home building worth R2 million signed in the first two months of the year. Business was so much in excess of the first quarter of 1979 as to be dramatic.

"People are buying houses and in view of the forecast increase in costs it makes sense to do it as quickly as possible."

Asked how people were able to afford houses at such high prices, he said that they "make it somehow."

And he added the following points:

- Interest rates were the most important aspect of inflation in the property market. An increase of one percent was equal to 10 or 12 percent inflation by affecting what a person could afford.

For example, if the rate was nine percent borrowing then a man earning R1,000 could afford a R30,000 house with repayments of R370 a month — meeting the requirement that repayments must not be more than 25 percent of salary.

If it were R10 per R1,000, the man earning the same R1,000 would still only be able to repay R370 a month but could only borrow R27,000 — a three thousand less.

- The country had an abundance of labour which is greatly underutilised. And the reason for that is an abundance of legislation inhibiting "the productive use of the labour."

Rationalisation of the labour market would bring about an easing of costs slightly, because of the bigger supply, and would put more money into the hands of the black people. This would boost the economy which means more houses.

Van Rij forecast South Africans would have to get used to the idea of the smaller urban plot and less pretentious homes.

The South African sees more value, however, in bigger houses and will tend to cling to them for as long as possible.

Blair Ewing, group communications director of homebuilders Schacht Cullum, believes the BER forecasts of building costs are if anything under the figure that exists.

Both the land element and building material costs are rising and, he says, there is nothing home builders can do.

"Materials are mostly price controlled and yet it has been the price-controlled materials that have increased most, even during the lean years," he said.

"The other element of cost, labour, has been pegged fairly low during the bad years but is now feeling its impact.

"The only control comes from the buyers who must be prepared to cut out some of the fancy finishes."

On second-hand houses, Ewing thinks prices could be checked if the finance from building societies for large loans dries up. 
Do not always condemn slums'
Housing problem outlined

EAST LONDON — People were accustomed to condemning slums outright, but in many cases it was an attempt by the new urban dweller to provide shelter for himself. Prof. F. D. Wallace van Zyl, head of the department of urban and regional planning at the University of the Orange Free State, told the conference of the National Council of Women here last night.

Prof. Van Zyl said that rather than fight the tendency of people wanting to provide shelter, the authorities might provide minimum sites and services as a first phase in a mass housing programme.

Basic services as water supply, rubbish collection, roads and communal washing facilities were essential.

The second phase in mass housing programmes was the so-called upgrade phase. Here the permanent characteristics had to make its appearance. The service core consisted of kitchen, bathroom and living room was provided.

The inhabitants then added extra rooms when the means were available. It was extremely important that the informal economic base in housing settlements be made apparent. This created community and a sense of economic purpose, Prof. Van Zyl said.

The new city dweller had unique problems, yet was building. People were seeking to improve themselves with a roof over their heads, he said. — SAPA

No to abortion changes

EAST LONDON — The board of officers of the National Council of Women of South Africa believes the organisation can play a positive, educative role towards a situation where no woman should need an abortion, except for therapeutic reasons.

The NCW last year conducted a free vote of its members and affiliated societies on whether certain clauses in the Abortion and Sterilisation Act, 1975, should be amended.

From a report released here yesterday, it is evident only a minority of NCW members favour the proposed changes.

Pro-life, an affiliate of the Cape Town branch council, recorded a national vote of its total voting strength of 13 460 — all against.

The report stated the claim was often heard that women should have the right to decide what use was made of their bodies, and asked whether this right should be exercised at all times and not merely demanded when a woman was faced with an unwanted pregnancy.

"Women should be aware of the facts of life and their rights, duties and responsibilities," the report said. Human nature being what it was, the situation where the only option would be wanted ones was probably an unattainable Utopia. — SAPA

Get rid of prejudices says NCW president

EAST LONDON — South Africa needed good race relations and members of the National Council of Women should continue their steps towards a better understanding among the peoples of the country, Mrs. Sheila Mackenzie, the council’s president, said at the NCW conference here last night.

Mrs. Mackenzie urged members to rid themselves of old prejudices and take a fresh look at the role they had to play as individuals in South Africa and the world of the future.

"More than ever we need to see people as people and not merely the colour of their skins," she said.

Listing the priorities of women in the new decade, she mentioned adequate housing in a secure community and education of all children. The NCW must press not only for compulsory education for all but also for the provision of textbooks and the re-introduction of feeding schemes to ensure that children were able to derive the maximum benefit from the school provided.

She said several of South Africa’s laws inflicted hurt and hardship on many of the country’s people.

The organisation should continue to press for the removal of all hurtful legislation, she added.

Cognizance would have to be taken of the four pressing needs listed by moderate blacks who told of bitterness, anger and frustration among their people — the repeal of pass laws, cessation of the mass removal of black people from one area to another, the replacement of black education by a system of national education and a national convention at which the place of the people of colour in South Africa would be discussed.

It was necessary that women should continue to be conscious of their duties in the home — good wives and mothers would be the mainstay of the country, Mrs. Mackenzie said.

Employment was the main problem facing East London, the Mayor, Mr. Donald Card, said when he officially opened the conference.

Mr. Card said one of the reasons leading to the huge problem had been the failure of decentralisation.

He hoped the conference could make some contribution in sorting out some of the problems faced by the area.

The president of the local council of the NCW, Mrs. Betty Small, also welcomed the guests who comprised members from all over South Africa and Botswana. — DOR-SAPA
Plenty of benefits will be the result

ANOTHER property leader has lashed out at criticism surrounding the lifting of rent control as being totally uninformed and failing to prevent the very real positive social benefits that it will bring about.

The attack comes from Mr Boet van Straten, managing director of Urban Management Company, an operation that provides a professional management service on behalf of owners of some 4,000 flats and townhouse units on the reef.

Van Straten argues that very real social benefits will result from the lifting of rent control.

He cites a survey to establish trends in the wake of lifted rent control and the rush to convert flats for sale under sectional title legislation.

The flats in the survey were drawn from among Urban's own Johannesburg portfolio of managed blocks, and were situated in Belconnen, Berea, Norwood and Killarney. He believes the trends that emerged in the survey will be repeated, with some variations, countrywide.

Mr Van Straten's conclusion is that there are plenty of benefits to be had from dismantling rent control and the spin off in conversions.

Chiefs, says, property ownership is now within reach of a broader section of the population "and that can't be bad."

Secondly, existing flat accommodation is being given a new lease of life as a result of up-grading by developers, prior to sales under sectional title.

Thirdly, he argues, returns on flats are not far off the point where developers will once again find them an attractive investment.

Thus, he believes the lifting of rent control may create a temporary shortage of flats, but will lead, in a year or two, to new blocks coming onto the market, with natural supply and demand factors re-asserting themselves.

Specifically, Van Straten's survey showed that of the 260 flats involved, 47% had been sold to their previous rental tenants, 21% were sold to buyers who came from other formerly rented flats, 24% were sold to investors, and only 6% were sold to buyers who previously owned a house or a flat.

In other words, points out Van Straten, only 20 of the flats were effectively removed from the letting market.

The flats surveyed were all 20 years old or more, and were all multi-storeyed blocks, i.e: typical rent control blocks.

In 80% of the instances, the buildings were run down, and more than a little sleazy. The opportunity to sell them, however, caused owners to invest an average R75,000 per unit sprucing them up.

"Their useful life has therefore been extended in all cases," comments Van Straten.

Moreover, the new owners have become property owners at a bargain, since the survey showed that, taking into account land values and replacement costs, the units are worth R60/m² while the purchase prices averaged R198/m² — an effective 24% discount.

Add Van Straten: "All the blocks are close to the city centre, where suitable development land for first blocks is simply unobtainable. The net result is an improvement of the overall environment with the owners and developers realising a fair profit for their investment and the buyers gaining possession of a valuable stake in bricks and mortar."

And what of the little old ladies syndrome? says Van Straten. "In all the hullabaloo over lifting rent control, one vital point has been overlooked. And that is that non-economic earners with an income of less than R590 per month for a family of four are protected under the Rent Acts from eviction anyway. So what is all the fuss about?"
South Africa needs 40 new towns in 20 years

Pretoria Bureau

Forty new towns costing R100 million a year to maintain will be needed by the end of the century to house the urbanised population — at present, growing at the rate of 500,000 a year.

This is the forecast of a Pretoria town planner, M. A. E. van der Spuy.

And he advocated a leaf-cutting approach to site selection, providing low-income housing — encouraging a "do-it-yourself" approach among residents to improve housing standards in his group.

Mr. Van der Spuy told the conference of the SA Institute of Town and Regional Planners in Pretoria yesterday: "Where low-income housing schemes go wrong is when unrealistically high standards are demanded. There is evidence that squatters construct dwellings which may appear ramshackle, but which are actually larger in area and cost them a lot less than the official minimum shelter.

"In the long run it may prove wiser to build accommodation which is in keeping with the socio-economic circumstances of the residents."

"In many instances, people with low incomes are actively discouraged or prevented by legal and administrative procedures from improving their homes. Excessive public expenditure on management and maintenance could be avoided if these constraints were removed.

"It should be possible for occupiers to extend, improve and maintain their homes, which they may prefer to do themselves. This is probably the most important single factor in raising standards generally in residential areas," he said.

Another speaker, Dr. C. F. Swart, a senior researcher at the Institute for Urban Studies at the Rand Afrikaans University, said: "Although Africa is the least urbanised continent, the tempo of urbanisation is fast and uneconomic, bringing about conditions of unbelievable overcrowding, poorly constructed and insanitary towns in nearly all urban areas, and conditions are worsening in big cities."

Dr. Swart told the conference a survey in Soweto by his institute found:

- It is estimated that the average household consists of 7,4 people, 20% of the households have only one or two bedrooms, 29% have only one bedroom, only 6.5% have bathrooms and only 6.5% are equipped with indoor lavatories.

- Out of 10 occupants are dissatisfied with the management and administration of the area.

- A total of 99.2% of respondents to the survey prefer separate, single residences. Not one indicated a preference for living in a flat block.

- The electrification of Soweto is rated as an even higher priority than the provision of water.
Rising home costs worry State

CAPE TOWN. — The question of housing — especially for the middle-income group — had become a matter of growing concern to the Government, the Minister of Community Development, Mr Marais Steyn, said yesterday.

"More than a year ago, when it became apparent that an upswing in the building industry was at hand, I warned all interested parties that they would have to do everything in their power to keep the unit cost of housing within limits, or else it would spiral out of the range of the average aspirant owner," he said at the official opening of the "Houses for the Eighties" homes exhibition at Parow.

With building costs rising by approximately 20% last year, and with the possibility that the 1980 cost increases could equal those of 1979, it has become apparent that South Africans cannot continue to enjoy homes of the highest standard in the world at a cost, which until recently, was among the lowest in the world.

"If we wish to maintain a good standard of living in the future, and promote homeownership as far as possible to the advantage of all South Africans and everyone who has connections with the housing industry, we will have to reflect seriously on our responsibility to keep the cost of housing as low as possible."

Mr Steyn said sight should not be lost of the fact that the provision of housing involved expenditure which would have a negative effect elsewhere in the economy.

He warned that unless housing costs were kept within the means of prospective owners, and the country could afford the costs involved, the Government would have no choice "but to look again at the role of housing subsidies... and to consider ways to convince prospective owners to adjust their sights."

Labour took an estimated 37% of total building costs, and this cost could be reduced by better planning and more effective use of labour. A "streamlining of the 'paperwork' and red tape involved in the building process could also help to cut costs."

The Government was working hard to streamline township development, and an investigation was being undertaken into the standardisation of local services on a national level.

Yesterday the Minister also criticised the Black Sash for speaking to the Press about a confidential meeting on Wednesday, and said its action was a "publicity stunt."

The meeting between the Minister and three Black Sash delegates was to discuss the coloured housing situation in the Western Cape. A detailed memorandum by the Black Sash was used as a basis for discussion.

The memorandum, which was released to the Press after the meeting, said there were a worrying situation and gave illustrations.

Mr Marais Steyn said yesterday: "We have a long talk and exchanged views frankly. I don't agree with what they said. We agreed not to make a statement to the Press on this meeting. It now appears to be a publicity stunt on their part. I have no other comment."

The memorandum said the work of the Black Sash as a "contact" organisation had exposed them to the attitudes and reactions of a "wide range of the victims" of the Government's policy on coloured housing.

The report said the people were aware that the housing shortage was "artificial, unnecessary and a direct product of the discriminatory policy of a white minority Government."

They (people) know that former 'slums' which were their humble but cherished homes in Newlands, Kenilworth and Constantia are now trendy 'Chelsea' developments sold to middle-class whites."

The notoriously high rate of violent crime on the Cape Flats was grim evidence of the destructive effects of uprooting and removing more than 25,000 families in the Peninsula during the past 25 years, the report said.
BLACK HOUSING

Third World answers

White ministers plough doggedly on, propounding the fiction that all blacks can be housed in the foreseeable future without lowering standards, those closer to the problem know differently.

One is KwaZulu’s Development Corporation housing manager Dries Venter, who has come up with some suggestions for solving, or at least alleviating the problem.

It is, as he points out, primarily a cash problem. On the basis of 1975 KwaZulu development plan figures, and using 1975 prices, now hopelessly below reality, R1.1m would be needed to wipe out the housing backlog in KwaZulu, and another R165m to supply current needs to the end of the century.

Venter’s approach is primarily to cut the coat according to the cloth available.

“Is it really necessary,” he asks, “for the infrastructure of KwaZulu towns to match the very best standards in any town and any country? Should we not differentiate? The very low income groups could still have rudimentary services with minimum health standards.”

Like others, he questions the validity of minimum housing standards, and suggests one might even go as far as allowing a suburb of traditional huts if necessary.

He also takes a swipe at rigid adherence to the grid system of town planning, and suggests topography might make it easier to service clusters of sites instead of doing so by way of a grid.

Venter believes “squattering should be accepted as a fact of life and squatter areas should be condoned, providing they are organised in an orderly fashion, even if no services could be provided, beyond the bare essentials preventing them becoming health hazards to neighbouring communities.”

However: “Any effort to alleviate the housing shortage is doomed to failure if other facets of development are ignored. No man can afford a house if he is not suitably employed.”

This implies providing an economic base for the “dormitory towns”, without which there is no tax base to provide
future services and maintain present facilities.

The KDC's housing budget for 1990-91 is R3.5m (R3.35m), of which R3.3m is earmarked for schemes with employers for their employees. The balance will be devoted to private loans.

Among the firms involved in employee housing schemes with the KDC are: Sapref (40 houses), Smith & Neagley (18), Unicorn Lines (70), Cultoy (17), Grimmer Precast (5), and the KDC itself (18).

"Our only limitation," Venter tells the FM, "is the shortage of serviced sites. However we have made some progress and have appointed consultants to provide 250 serviced sites at KwaMashu with an infrastructure, and we are going to build houses there."

In the Durban area alone, 376 personal loans have been granted at a cost of R1.9m.

Current projects include 200 houses at KwaNdengeni near Pinetown, and another 150 at Edendale, Pietermaritzburg, where black contractors are doing most of the work including the provision of services. Commendable though the effort is, it looks minute when measured against actual requirements.

The view is that changes in money supply in the lesser extent. The Treasurers believe that this is a matter of interest elasticity. KwaMashu considered the effect of on the rate of interest as less important. Keynes thus believed that change in money supply to be interest elastic.

Monetarists believe however that the money supply is interest inelastic. Thus
Govt ‘concerned’ by housing costs

The question of housing, especially for the middle-income group, had become a matter of growing concern for the government, the Minister of Community Development, Mr S J Marais Steyn, said yesterday.

"More than a year ago, when it became apparent that an upswing in the building industry was at hand, I warned all interested parties that they would have to do everything in their power to keep the unit cost of housing within limits, or else it would spiral out of the range of the average aspirant owner," he said at the official opening of the "Houses for the Eighties" homes exhibition at Parow.

"With building costs having risen by approximately 20 percent last year and with the possibility that the 1980 cost increases could equal those of 1979, it has become apparent that South Africans cannot continue to enjoy homes of the highest standard in the world at a cost which until recently was among the lowest in the world.

"If we wish to maintain a good standard of housing in the future and promote home-ownership as far as possible to the advantage of all South Africans and everyone who has connections with the housing industry, we will have to reflect seriously on our responsibility to keep the cost of housing as low as possible."

Mr Steyn said sight should not be lost of the fact that the provision of housing involved expenditure which would have a negative effect elsewhere in the economy.

He warned that unless housing costs were kept within the means of prospective owners and the country could afford the costs involved, the government would have no choice but to look again at the role of housing subsidies with regard to housing costs and to consider ways to convince prospective owners to adjust their sights.

The "dream houses" of prospective owners were the greatest factor in determining housing costs and the private sector would supply these until there was definite consumer resistance to the high costs.

There were, however, factors other than the aspirant owner's self-control, which played important roles in determining costs.

Labour took an estimated 37 percent of total building costs and this cost could be reduced by better planning and more effective use of labour. A streamlining of the "paperwork" and red tape involved in the building process would also help to cut costs.

The government was working hard to streamline township development and an investigation was being undertaken into the standardization of local services on a national level. — Sapa
Black township contracts set for a big push

UPGRADING of black housing will be a boom industry of the Eighties.

Value of potential work looks as a nationwide bonanza for contractors unwilling to tackle run down townships.

Figures for schemes already started are staggering as politicians and businessmen put financial slide rules over communities ripe for re-development.

Sprawling Soweto, Katlehong soon next on the list for rejuvenation now that a start has been made on Soweto.

Big electrical contracts for Soweto reticulation work - worth around R40 million - will be awarded any time after tomorrow morning's final meeting between the black consortium's councillors and Etna plus consortium representatives overseeing the cost power supply scheme.

An imminent announcement on surplus changes in plans is virtually sure to mean a speed up of Soweto's redevelopment.

Enthusiasm for a new deal in the township is being helped along by political mists of agreement along with a realisation by black community leaders that finance can be found if they look hard enough.

Soweto's official plunge into modernisation tomorrow gives a conservative indication of what black housing's new era will cost.

Basic electricity, roads and sewerage amenities for each of the 5 500 homes outside Vereen grove, is estimated at R2000.

With the economic boom now rolling, Sharpeville's upgrading must come, however, at a far greater price when compared with costs being calculated for Greater Soweto.

Postmaster General Louis Hertz - preparing to oversee the project full time - tells the electrification of the one million population township starting Johannesburg will be held at R108 million and possibly reduced.

At this price the cost of bringing power to 100 000 dwellings in Soweto and neighbouring Meadowlands, Diepkloof and Dobsonville - averages R1 800 per house.

Eliminate the estimated 20% that already have electricity though a lot of work is already done (to be needed on these) and the unit price rockets to R2 800. After that comes sewerage and roadwork.

Latest estimates show that the total electrification will be split between R25 million for house installation and R115 million for external reticulation involving work as trenching, substations and heavy cable laying.

Co-operation and Development Minister, Piet Koornhof, has already endorsed a long-term R700 million development plan for Greater Soweto to give the enthusiasm of businessmen assessing black housing work.

Countywide urban township dwellings total 325 000 with an estimated 10 000 additions annually.

Industrial electrical manager, Vernon Haith, says plans are already being made to move on to other black townships modernisation work when his main Sharpeville installation contract is completed.

"Everybody has Soweto in mind but there are big townships all around the country," he says.

"We are training 1 000 black electricians now and hope to have 40 by the time we move to the next scheme," he says.

Mr Hertz's estimate for electrical work at Sharpeville, giving each family four light fittings and two power points, works out at around R120 a dwelling with installation supplied in kit form.

Johannesburg-based Industrial Electrical, an ETA subsidiary, is wiring 4 000 units with local contractors sharing the other 1 000.

Bigger schemes - such as Greater Soweto - will probably be much more fragmented as politicians and planners push through modernisation as fast as possible.

BY BILL CAIN
Blueprint for black housing is needed

By Frank Jeans

Leasehold for the urban black lasting 99 years is THERE ... so is a massive waiting list for homes, conservatively estimated at 30 000 in Soweto alone.

It is claimed that no plots have been made available for homes since October 1979, and only about 200 have been registered since that date.

And while there are laudable overtures about what has to be done to meet the housing demands of South Africa's growing population by the year 2000, the question remains - have we, indeed, really got to grips with the problem with the formation of a master plan - and what is even more important - a plan which places its priorities on what the black man himself wants, in fact, has come to expect?

There are spasmodic and, albeit, creditable thrusts at the black housing problem by individual bodies and employer groups, but what is still lacking are acceptable parameters for developers and planners to provide the right home at the best price.

For unless there is analysis of what the black man sees in his mind's eye concerning his home, and a Soweto blueprint prepared and acted upon, many town planners believe blacks will see the white paternalism under the banner of 99-year leasehold as just another rip-off resulting in ghetto-like situations with formal paint.

Without a clearly defined mandate from authority on proper housing norms, the opportunity arises for "so-called professional townplanners" to move into areas where anything new is readily acceptable, regardless of the blacks' views and aspirations.

According to Mr Mark Guthrie, director of Impact Homes, which has built some 200 homes in Soweto and about 200 more in Pretoria, housing projects outlined by one group's black housing project revealed that only 12 sites of 300 sq m were considered satisfactory for homes with character and environment.

The remaining stands were "postage stamps" with little road frontage in design and would result in generally cramped living conditions.

Town planners point out that this type of development is totally unacceptable, and the community councils are probably committed to a contract, and as the blacks are unfamiliar with proper planning aspects they are stuck with a project and feel morally obliged to go along with the "so-called professional town planners."

Mr Guthrie believes the authorities have a duty to ensure that the councils are not "bamboozled" and that the West Rand Administration Board, for instance, should say: "Stop - we are not creating a situation which the black man will be happy with."

"If the Government is honest in its endeavours," says Mr Guthrie, "it must analyse all factors relating to the provision of a black home."

Impact claims to be providing homes for a rate of R8 000 to R11 000 range which can still cater, too, for the black man's values and aspirations.

Security of tenure under 99-year leasehold is fine, but a man's home "square on his property" is just as important.

Utilisation of black entrepreneurs and artisans under European control and supervision is the major factor behind Impact's homes price range.

While an R8 000 home can be found within the R30 000-a-month black worker's ability to pay, the infrastructure charge, stand cost of water and sewerage charge to the black, estimated at about R1 600, is set to rise, thus putting home purchase a little further beyond his reach.

Mr Guthrie says the Government would then have to subsidise by bringing interest rates down, so as to increase the black's borrowing capacity, or through direct subsidy of the infrastructure charges.

Mr Guthrie, who was one of the architects of the Land Tenure Act in Bophuthatswana, which allows the traditional land of the chiefs to be made available for home and business development - the only homeland with such an Act - believes similar representation by Pretoria in the other homelands would do much to alleviate the homes shortage and stimulate development in the in-town lands.

And the chief? They would be delighted," says Mr Guthrie, "for their land would become viable commerce, with the modicum within the economy of people with businesses and employment opportunities."

Presumably, their homeowners would be the backbone of South Africa's mining workforce, and Mr Guthrie foresees: "There may not be any mining, but the mining will be those industries using the transport system to the new homes which could spring up in the homelands."

It's a revolutionary plan, and certainly, the use of dormant homeland land would go a long way to ease the housing burden of Soweto and its towns and people. They themselves would be a lot happier.
Rent rise notices \textsuperscript{12} illegal

Property Editor

Some landlords have anticipated the third phase of rent decontrol and issued notices of increases in contravention of the Rent Act, a spokesman for the Rent Control Board said today.

These notices were illegal and should be ignored, he said.

The third phase of decontrol — or, title first occupied between 1900 and 1954 — was enacted to be promulgated in April as were the first two phases, said Mr Joel Abel, head of a leading property-administration group in Cape Town.

No guarantee

"But the Minister gave no guarantee this would be done and I cannot see why landlords are getting excited. I have told my owners not to get excited about the delay. Perhaps the Minister, Mr Maxạn Stern, has other things on his mind," he said.

An owner whose blackboard was decontrolled said he was in a quandary about whether to issue increase notices now or await the Minister's announcement.

Three months

Normally, I like to give tenants three months' notice of increases, but if the announcement is not made this month, I can issue increases with effect until September.

When decontrol began in 1978, the Minister appealed to landlords to make only a 10 percent increase in the first year, after decontrolled and 10 percent the following year. After that, market forces should apply.
Rent hike talks with government

EAST LONDON — The City Council is to discuss recent rental increases announced for Coloured housing schemes with the Secretary of the Department of Community Development.

The chairman of the Coloured Management Committee, Mr Boddy Nash, will attend the discussions.

The council embarked on the rental increases recently in order to reduce a current housing deficit of about R130 000 in the Coloured areas.

If approved by the Department of Community Development, the increased rentals will come into effect on June 1.

Mr Nash has stated on several occasions that the increased rentals would serve no useful purpose as such a move would only increase the current amount of arrear rentals in Coloured areas.

At a recent meeting with the council's action committee, Mr Nash suggested that commerce and industry in East London should be taxed in order to meet the deficit on the council's Coloured housing schemes.

The council resolved at its monthly meeting last night to invite Mr Nash to attend the discussions with the Secretary of the Department of Community Development.
Housing needs will double by 2010, says Steyn

Political Correspondent

BLOEMFONTEIN — It was expected that in 30 years South Africa would have to house double the current population besides making up the present housing shortage, the Minister of Community Development, Mr Steyn, said in Bloemfontein today.

Addressing a congress of municipal engineers, he said if the population grew by 25-million and 80 percent of these lived in urban areas, 20-million more people would have to be housed in the cities.

With four people for each living unit, that meant that five-million dwellings would be needed by the year 2010 without taking into account today's backlog or the replacement of existing houses.

The building tempo would have to be increased. Municipal engineers had an essential role as partners of town and regional planners.

"Urban growth is not an evil in itself, but rules for urban growth must be drawn up and adhered to. "It is in this respect that you, as engineers of the local authorities, have an important role.

"On a land area that does not expand and a population that is increasing, it is your responsibility, with well-thought out planning and vision, to be co-planners of communities which will secure a healthy, attractive, functional and aesthetic life setting for their inhabitants," the Minister said.

Town engineers, he said, would have to review standards in respect of street surfaces, widths of streets and pavements, provision of kerbstones, and norms for water supply, sewerage, electricity and stormwater drainage.
R100 000
$35,000 boost
1/5/80
for urban plans

By Sieg Hannig

An internationally re-
nowned expert in the
financing of low-cost
housing, Dr N Jorgenson,
has begun two years of
research in South Africa
later this year.

He will work with the
Urban Problems
Research Unit of the
University of Cape Town
on ways and means to
improve home ownership
among low-income groups
in South Africa.

Dr Jorgenson has im-
plemented low-cost hous-
ing schemes in other
African states.

He has been working
in Kenya in recent years,
but has also visited
South Africa several
times.

Last year he spent some
time in South Africa as
recipient of a grant from
the Natal Building
Society.

These plans involving Dr
Jorgenson were announ-
ced in Johannesburg this
week, when the W & A
Investment Corporation
handed over the first
installment of R100,000
pledged to the Urban
Foundation. The full
amount will be paid out
over five years.

Part of the money will be
used to help finance Dr
Jorgenson's stay in South
Africa.

Another portion will go
towards a research
project by the University
of Port Elizabeth into
black retailing.

The Urban Foundation
recently passed the
R22-million mark in
terms of money donated
and pledged to it.
SA's enormous black housing backlog could be alleviated if government accepted the principle of site-and-service facilities for urban black communities. But that would mean accepting their permanence in areas that are sometimes inconvenient.

In the latest report of the secretary of Community Development (July, 1978), Louis Pooniehe, writes: "The riots that took place as recently as 1976 serve as a reminder of the dangers inherent in poor housing conditions."

Even so, it is widely believed that government's current housing programmes, recently stepped up, will not meet its own requirements. The Urban Foundation's executive director, Justice Jan Steyn, said earlier this month that the private sector's help was necessary if the state were to overcome the shortage. Officially estimated to be 400,000 units, the housing shortfall would cost R250m to accommodate some 300,000 families.

Site and service and core housing have gained support in many Third World countries. Some feel the same concept should be applied in SA.

Stands are made available to prospective occupants who then erect their own, initially rudimentary, dwellings which are later improved and extended according to the individual's means and needs. The State provides only basic services such as drainage and sewerage and access roads.

In core housing, the State provides only the "wet section" of the house — bathroom, toilet and kitchen, plus one room — on a serviced site. The occupant later enlarges his home around this core and at his own expense.

However, the Department of Community Development says it is "extremely doubtful whether any savings can be effected by providing only rudimentary services." Such schemes soon develop into slums, the department maintains, thus costing more in the long run.

Pooniehe claims the Prime Minister supported his view that "informal housing" was a proven failure. Yet, in his address to the Institute of Housing Managers last October, P.W. Botha expressed support for certain elements of self-help. For instance, that housing be provided "in accordance with the means and needs of the people to be accommodated."

Self-built savings

The savings afforded by self-built homes can be seen at a scheme in KwaMashu. People who could not afford rented houses at R32 a month sought permission to build their own on the serviced stands. Typical is a man earning R150 a month, who, unsubsidised, built a five-room house and now pays only R14 in rates.

There have also been good results with similar schemes in Gracelands and Transvaal.

According to UCT's David Dewer, housing policy direction should be switched "away from preoccupation with very high levels of shelter to the attainment of a high incidence of secure tenure, generous space standards, and reasonable levels of shelter which people can afford."

Independent planners see housing policy as "an instrument to foster human development, not merely as a means to create housing stock."

An essential component of this "ideology of self-help," is that these communities establish their own local organisations (like that formed in Transvaal) to negotiate with central government on issues affecting them, such as services and secure tenure.
Trouble is to double

BLOEMFONTEIN. — "It was estimated that 30 years from now South Africa would have to house double its current population, the Minister of Community Development, Mr. Marais Steyn, said yesterday.

Addressing a congress of municipal engineers, he said if 80% of this population increase lived in the cities in the year 2010, it would mean that between now and then five million new living units would have to be built in South Africa's urban areas.

If the population increased by 25-million and 80% lived in urban areas, provision would have to be made for 20-million.

"Urban growth is not an evil in itself, but rules for urban growth must be drawn up and adhered to." — Sapa.
THE CO-OPERATION VOTE

'We'll need 7 Sowetos by 2000'

THE ASSEMBLY. — By the year 2000, seven cities as big as Soweto would be needed to meet the demand for black housing, the Deputy Minister of Co-operation, Dr G de V Morris-son, said yesterday.

At present there were 18 million blacks in South Africa and it was estimated that the figure would double within the next 20 years.

The backlog in the provision of housing is presently 290 000 units, and it has become clear that the role of the authorities in meeting this backlog can no longer be left to the State alone.

"With the economic revival presently being experienced in the economy, employers will have to start doing more for their workers.

"The private sector must be made to realise that it has a very important role to play in the provision of black housing. There are more blacks than one realises who are in a financial position to build their own houses if the necessary infrastructure was provided for them.

"In future State funds will have to be used to an increasing degree for the provision of essential services, such as roads, sewage and electricity. Many blacks earn enough to raise housing loans, and the 99-year leasehold scheme in Soweto must be promoted," Dr Morrisson said.

He spoke out in favour of instituting site-and-service schemes at townships on the plateau where residents had a low income. He said they were often necessary to prevent the establishment of squatter communities. — Sapa.
Stop mouthing, start moving, Suzman urges

HOUSE OF ASSEMBLY.
The impact of influx control has become infinitely worse since the Minister of Co-operation and Development, Dr. Piet Koonhof, “declared war on the ‘dumps’,” Mrs. Helen Suzman (FFP, Houghton) said yesterday.

Influx control and the pass laws were the greatest single cause of racial hostility among blacks; and people did not heed the belated report of the Cillie Commission to know that discrimination and separate development, plus inequality of opportunity and hopelessly inadequate facilities in urban townships had created the climate in which the Soweto unrest had “come to the boil” in 1976, she said.

Mrs. Suzman was opening the debate on the Department of Co-operation and Development’s Budget allocation.

“Since the unrest there have been far more than deliberate speed to implement those promises.

“The war the Minister declared on the pass laws in Washington appears to have been lost in Bloemfontein and Pretoria when the experiment to suspend the 72-hour provision that makes up the core of the pass laws was stillborn.

The Riekert Commission had recommended the repeal of the 72-hour limitation on the presence in urban areas of blacks who did not qualify, and that influx control for blacks should be based exclusively on the availability of work and housing.

The Government, in a White Paper, had “taken note” of evidence to the commission that the 72-hour provision “expressly discriminates against blacks, leads to large-scale arrests and short-term imprisonment, creates considerable human relations problems and comes nowhere near completely effective control of the unlawful entry of blacks into the urban areas”.

The Government had rejected the idea of repealing the provision, but had immediately seized on a recommendation by the commission that penalties on employers who illegally employed blacks should be considerably increased.

“It is my contention that Riekert never intended that the punitive provision of harsh penalties on employers should be introduced without the partial implementation of the positive provision of scrapping the 72-hour limitation.”

Mrs. Suzman said some 84,000 illegal black workers had been saved from instant dismissal from their jobs in white areas by the moratorium last year, but asked what would happen to them when the one-year contract they entered during the moratorium expired in a few months time.

“As far as I know, many of those 84,000 who lost or left their jobs since then have been endorsed out.”

Domestic workers were especially vulnerable as they did not have fixed hours, minimum wages or other protection normally given to all workers.

“Meanwhile, pass arrests go on ad nausum.” Mrs. Suzman said.

Last year, 99,060 black men and 30,760 black women were arrested for offences relating to reference books and influx control in the 11 main urban areas.

“The casualties in the Minister’s war against the ‘dumps’ are very high indeed. The Minister is committed to getting rid of the ‘dumps’. If he wants to make a name for himself in the history of South Africa, let him get on with the job of abolishing these laws.”

New documents embodying the same restrictions on mobility would be worthless.

“There is only one humane way in which control can be exercised over influx control and that is to improve standards of living in the rural areas by providing job opportunities in the homelands, and to ensure that the wages paid to labourers on the ‘white’ farms bear the same relationship to wages in the industrial areas.”

Other recommendations of the Riekert Commission had also not been implemented, despite the Government’s broad acceptance of the commission’s report and Ministerial promises.

High on the list of priorities to which the Government should give urgent attention was the “monumental” housing shortage in black urban areas.

The commission had estimated this at about 141,000 houses and 125,000 hostel beds, and the urban Foundation estimated the shortage in Soweto alone as 32,000.

The cost of providing those houses would amount to R125 million, but only R38 million had been allocated since 1979.

Last year only 220 houses had been built in Soweto and only 3,200 were planned for this year.

The main problem seems to be the lack of serviced land.

Some R100 million in private finance could be obtained if serviced land were available.

“Someone has to provide infrastructure, and it is my contention that it is the State which should do this.”

Mrs. Suzman asked the Government to write off the R38 million owed by the West Rand Administration Board to the Department of Community Development, saying this would free thousands of homes for purchase under the 39-year leasehold scheme.

So far only 221 leaseholds had been registered and 625 were in the pipeline. The homeownership scheme would be given much greater impetus if replaced by a freethold title.

“Much valuable time has already been lost that should have been used in the last two or three years to offset the intense dissatisfaction that is felt by urban blacks with their lot,” Mrs. Suzman said. — Sapa.
Housing: plea for loan probe

THE ASSEMBLY — The Minister of Co-operation and Development, Dr Pret Kooihof, should investigate and report back to Parliament on the possibility of raising foreign and local loans to meet the housing backlog for blacks, Mr Theo Aronson (NAP, Walmer) said yesterday during the debate on Dr Kooihof's budget vote.

Mr Aronson said enough money would never be appropriated in the budget to provide for all the things the Minister had to do. He should consider raising local and overseas loans to meet his needs.

Building societies and banks should "move heaven and earth to see that blacks become homeowners. Perhaps the Government can guarantee part of the deposit needed by black house to obtain a bond."

He stressed the need for the electrification of black townships. — Sapa.

Govt pressed to grant freehold to urban blacks

Political Staff

THE ASSEMBLY — The two main opposition parties yesterday called on the Government to introduce a system of freehold for urban blacks.

Other issues which emerged as major issues during the first day of the budget debate on the Co-operation and Development Vote were influx control, the backlog in black housing and the pass laws.

The Progressive Federal Party and the New Republic Party clashed on the issue of influx control, with the PFP calling for its abolition and the NRP emphasizing the need to retain some form of control.

The Government and the NRP agreed that unless the Government could control the growing tide of blacks to the returns there would be no chance of overcoming the immense housing backlog for blacks.

The Government indicated an important change in direction with the acceptance of the site-and-service scheme to the black housing crisis as a controlled self-help alternative to random squatting.

Mrs Helen Suzman (PPP, Houghton) said the 90-year leasehold scheme for blacks had been beleagured by high costs and an obstructive bureaucracy.

She said real impetus to the home-ownership scheme for blacks would be given if freehold replaced the 90-year leasehold scheme.

"And I was glad to see that Mr Louis Rivet, recently appointed to the 'improve society' campaign, supports this," she said.

"Freehold would not only be a significant gesture of goodwill, it would also give a feeling of stability to urban blacks and encourage them to participate in the community council elections," Mrs Suzman said.

HUMANeway

Although the housing shortage in black urban townships had reached "monumental proportions," little was being done to remedy the problem.

Dealing with influx control, Mrs Suzman called on the Minister of Co-operation and Development, Dr Kooihof, to honour his promises and get rid of the dynamite, the greatest source of racial hostility among blacks.

The only humane way to overcome influx control was to improve standards of living and job opportunities in the homelands and ensure that farm labourers' wages bore some relation to wages in industry.

Mr Bill Sutton (NRP, Mout River) said influx control was a universal problem and he did not believe it could be phased out completely.

"With influx control at least some measure of control has been exercised although it has not solved the problem," he said.
Mr Colin Eglint
Parliamentary Staff

THE Minister of Indian Affairs, Mr Marais Steyn, came under fire in the Assembly yesterday over Group Areas removals and housing conditions of Indian communities in Johannesburg and Durban.

Mr Colin Eglint (PPP, Sea Point) called on the Government to halt immediately the 'inhumane' removal of Indian families from Pageview in Johannesburg and the demolition of their homes and business premises.

Speaking in the budget debate on the Indian Affairs Vote, he said he had 20 pictures of good homes that were being bulldozed in Pageview.

Decent homes were being demolished and the occupants were being sent 40 km away from their place of employment.

There could be no reason other than racist reasons for the destruction of Pageview, Mr Eglint said.

The Indian town of Lenasia to which people had been moved was already overcrowded and its schools were 'bursting at the seams'.

Mr Eglint said he had seen nothing anywhere in Africa that could compare with the slum conditions under which some Indian families were living.

Mr Ray Swart (PPP, Muirgrage) said that while he appreciated what the Government and the private sector were doing to overcome the housing problem, there was still a tremendous backlog to be

'ARTIFICIAL'
The situation had to be seen against the background of the Group Areas Act under which the unnecessary removal of people in many instances had created an artificial housing backlog.

The Durban City Council had estimated that 25,000 Indians were in need of homes and the housing problem was becoming more acute because of the community's socio-economic situation.

In Phoenix township, the local action committee had estimated that between 70 and 80 percent of residents would have to return to squatting if a proposed 13 percent rent increase was implemented.

The root causes of the Indian community's hardships could be found very largely in the discriminatory laws which operated against them.

Replying to the debate, Mr Steyn accused Mr Swart of 'recklessly' interfering the debate without checking his information.

Many more houses were being built to relieve the shortage, Mr Steyn said.

Referring to the situation in Johannesburg, Mr Steyn said Mr Eglint did not know what he was talking about. Mr Eglint was coming with his complaints after some 4,000 families had been rehoused from a 'deplorable' slum in Pageview. The occupants were now housed in much better conditions.

Many more housing units were being built in Lenasia. With the resettlement of Pageview's people the housing shortage for Indians in Johannesburg would be finally eliminated in two years' time, Mr Steyn said.
Red tape is delaying housing for blacks.

Moves to get the R200 million housing scheme for blacks, under way by the Department of Housing, have been held up by years of red tape at the Housing Industry Federation of South Africa.

Blacks in the Western Cape are largely being kept waiting for a reason that they have no idea about.

Mr. Motsepe, the President of the Federation, said that he had been told by the Department that they would not take any action until the Federation had completed their own investigations into the matter.

The Federation has been working on this for years, but they have been told that they have to wait until they have completed their own investigations.

Mr. Motsepe said that this was a total waste of time and money, and that it was causing a lot of frustration among the blacks in the Western Cape.

He said that the Federation had been told that they would be given a copy of the report when it was completed, but he had never received it.

Meanwhile, the blacks in the Western Cape are still waiting for the housing scheme to be completed.
'Another R1 000-m needed to end houses backlog'

THE ASSEMBLY — At least R1 000-million was needed in addition to the present appropriation to eliminate the backlog of white, black, coloured and Indian housing, Mr Theo Aronson (SAP Walmer) said yesterday.

Speaking in committee on the Community Development Vote, he said a consortium could be formed to raise the necessary finance to eliminate the backlog.

"The quality of life will take on a different turn if we can eliminate the backlog of housing. This is not the responsibility of the Government alone, but also that of all South Africans who can make a contribution."

The creation of stability was largely dependent on how the country solved its housing problems. — Sapa.
Rent control moves into third phase

HOUSE OF ASSEMBLY. — The Deputy Minister of Community Development, Mr. Ben Kotze, yesterday announced the third phase in the Government's programme to lift rent control.

The first two phases had exempted from rent control housing units which were occupied for the first time during the period January 1, 1955, to May 31, 1956.

A third proclamation would in due course be issued to lift rent control on units occupied for the first time between October 21, 1949, and December 31, 1954.

Mr. Kotze, speaking during discussion of the Community Development Vote, said exemption from rent control would not apply to housing units rented by tenants earning less than R300 per month if they were single and R540 per month for families.

For the first two years after rent control had been abolished, rentals could not be increased by more than 10% per year.

Mr. Kotze warned landlords that breaches of that provision or any form of exploitation coming to light even after two years would summarily subject their properties to rent control.

Landlords no longer having to comply with the 10% limits should act with restraint and increase their rents only to the extent necessary to afford them a reasonable return.

"Lessors who ignore this appeal will have only themselves to blame for the unpleasant consequences which ill-considered action on their part will inevitably bring," he said.

The Minister expressed concern at the increasing tendency to convert old blocks of flats for sale under the Sectional Titles Act.

Should such persist, the Government would take steps either to exclude certain old blocks of flats from the provisions of the Sectional Titles Act or to protect tenants in terms of the Rent Control Act.

Landlords who had unilaterally lifted rent control from April this year in anticipation of the third phase had acted illegally.

Complaints in this regard would be thoroughly investigated.

Mr. Kotze gave the assurance that rent boards would not be abolished.

They would be retained to guard against exploitation and victimisation of the less-privileged and pensioners.

The phasing out of rent control could no longer be delayed as it would create a credibility crisis between the Government and the private sector.

The Government had given its assurance that rent control would be gradually lifted to stimulate the provision of more housing.

It was in the interests of the country, as the Government on its own could not provide in all the housing needs. — Sapa.
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because a different
Marginal Re
Assumption is that:

"Govt needs
housing plan"

THE ASSEMBLY. — The Gov-
ment should appoint a com-
mitee which, in consultation
with the private sector, would
work out a housing strategy for
blacks in the 80s. Mr A T van
der Walt (NP Bellville) said
yesterday.

A prime task of the commit-
tee would be to decide on black
home ownership in urban areas, he said during the Com-

munity Development Vote.

The basis for healthy com-

munity development and self-
respect are symbolised by
home ownership and a fixed
job."

An action programme should
be initiated to involve the pri-
vate sector by way of tax con-
cessions, he said. — Sapa.
Housing

How to help the squatters

by Professor Wallace van Zyl, architect and town planner, Free State University.

In South Africa we have an inevitable drift of population from rural areas to our cities in search of fortune, employment and education. This is because in our dualistic country we have both developing and developed economies, the latter largely based in cities, which act as irresistible magnets. In the past, stringent influx and pass laws have done little to curb the flow of immigrants.

Our urbanisation process is like an enormous numbers game. A greater density of the poorer black population is attracted to those areas where there is a scarcity of land on the fringes of our white cities. This resultant intensity of land use heightens the scramble for scarce resources, and challenges the capacity of our cities to absorb this immigration.

The new city dweller encounters worldwide problems whether in Rio, Hong Kong, or Soweto. The same basic needs of food and shelter are in operation, and immigrants are seeking to improve themselves economically. Migrants are often called "squatters" because they have been forced by the housing shortage to build on land to which they have no legal right. But they are looking for a reception point, or transit camp, on the long, hard road of adjustment to an urban economy.

In this adjustment process it is extremely important to get economic activity going as soon as possible among squatters. This can motivate individuals and bind the community together. Of great assistance is the fact that not all squatters are strange to a money economy, as illustrated by the flourishing markets which spring up in informal settlements. They are not all necessarily poor either.

Squatters are usually exponents of the informal economic sector in which home industries flourish and people "take in each other's washing" so to speak. This is an important economic incubator for trade and earnings based on the home. Revision of any rules and regulations that stifle such initiatives in small service industries such as car repair, dry cleaning, tailoring, weaving and pottery is long overdue.

As I hinted before, the squatter is concerned about the legality of his shelter. It therefore follows that the more secure he feels, the more permanent the structure he will build and hence the more money, material and effort he will put into it. If squatters are expected to finance substantial housing themselves, then security of tenure must be a feature in a form such as freehold title.

Parallel with the issue of legal shelter, we have the creation of job opportunities, which is no easy feat. Temporary facilities are needed for work seekers, and this could be in the form of transit camps where squatters could lease sites or temporary buildings. What I am suggesting is that we should not condemn squatting outright because these temporary camps have a general economic message for us, and particularly in the matter of low-cost housing. Squatters can show self-help and private initiative by providing a roof over their heads.

Many readers will be familiar with the two low-cost housing strategies "site and service" and "core housing." All I wish to add is that for reasons of hygiene, basic services such as water, sewers and rubbish collection must be supplied as soon as possible. The fact that the quality of the housing environment is being controlled at "grassroots" level prevents a permanent slum from developing. Even if the housing is temporary, motivation of and cooperation with the inhabitants is important. The low-income family builds its house in phases, as and when it can afford to, and according to need. Very adaptable housing can be produced.

Often official housing policy insists on minimum space standards and solid construction, in fact a scaled-down type of Western housing. The results of official policies are often high rents or purchase prices coupled with long waiting lists. In contrast, squatters can quickly put their sites to good use by the "spontaneous mobilisation" of manpower and materials. Official policy should capitalise on the initiative and involvement of squatters in the task of reducing the housing shortage. But then unrealistic standards must not be set in the first place.

Funds for low-cost housing are always inadequate, because of the priority in our country given to defence and transport, so we must find other means. Just think of the surplus of semi-skilled labour and the greater use of traditional materials. A labour-intensive approach to low-cost housing would involve many blacks unemployed at present.

Some closing thoughts:

1. Housing is part of comprehensive planning and must be coupled with education, health and employment programmes in urbanisation.

2. Credit, repayment and interest conditions should match the economic realities of low-income housing. Partnership between private enterprise and government is essential to achieve successful financing.

3. Local management of low-cost housing must be developed among the black population. The sooner blacks have a say in their own affairs, the less pressure there will be for a black political "takeover" in South Africa.
PRESS STATEMENT BY THE HONOURABLE S. J. M. STEYN, M.P., MINISTER OF COMMUNITY DEVELOPMENT: PHASING-OUT OF RENT CONTROL

After very careful consideration I have decided to implement the third step of the process to gradually phase-out rent control which was recommended by the Commission of Inquiry into Housing Matters. The first two steps in the gradual phasing-out process were effected by means of the promulgation of Proclamation 83 of 1978-04-06 and Proclamation 87 of 1979-04-26 in terms of which dwellings occupied for the first time during the period 1955-01-01 to 1966-05-31 were exempted from rent control. Dwellings which were occupied on the dates on which the proclamations were promulgated by tenants qualifying for national housing were, however, not affected by the proclamations.

The third step embraces the publication of a further proclamation in terms of which the provisions of the Rent Control Act, 1976, will no longer apply to dwellings occupied for the first time during the period 1949-10-21 up to and including 1954-12-31, as is the case at present with most dwellings occupied for the first time after the last mentioned date. Dwellings naturally include flats, group housing units and all other dwelling units.

To ensure that this measure does not detrimentally affect the existing less-affluent tenants of the group of dwellings now being exempted, those dwellings occupied on the date of promulgation of the proclamation in question by tenants falling within the income categories as determined in terms of the Housing Act No. 4 of 1966 are excluded from the exemption from rent control. These dwellings remain excluded for as long as they are occupied by the same tenants and as long as the tenants' incomes do not exceed the limit mentioned by me. The limit is at present R300 per month in the case of single persons without dependents and R540 per month in the case of families.
The recommendation of the Commission that for the first two years rentals may not be increased by more than 10% per annum is also applicable to dwellings exempted from rent control under the third step of the process for the phasing-out of rent control, although the proclamation makes no mention of this condition. Any cases coming to light where this condition has not been complied with, or where attention is drawn to exploitation at any time, even after two years will summarily be made subject to rent control.

It is trusted that lessors will seriously heed this warning, especially now that dwelling units, which were exempted in terms of the first phasing-out step, are no longer subject to the guideline which limits rent increases to 10% per annum for the first two years following exemption. Although the guideline is with effect from 1980-04-06 no longer applicable to uncontrolled dwelling units which were occupied for the first time during the period 1960-01-01 to 1966-05-31, I should like to warn lessors of flats falling in this group, as well as all other lessors, to act with circumspection and due deliberation and to increase rentals only to the extent necessary to afford them a reasonable return. Lessors who ignore this appeal will have only themselves to blame for the unpleasant consequences which ill-considered action on their part will inevitably bring.

An aspect causing concern is the increasing tendency to convert blocks of flats, and especially old buildings, for sale under the Sectional Titles Act, 1971. This tendency creates enormous uncertainty amongst tenants, especially in view of the proposed deletion of section 39 of the Act to make it possible for the registered owner of a sectional title dwelling unit which is rent controlled to evict the tenant in order to be able to occupy the unit personally.
It has always been taken for granted that the older blocks of flats would not be converted in large numbers into sectional title units, because such buildings are generally not suited to this purpose. But should this unhealthy tendency persist, measures will have to be considered to curb the indiscriminate conversion of blocks of flats to enable the sale of individual units.

Finally I wish to thank all lessors who have assisted in enabling the phasing-out process to run smoothly and without hardship to their tenants. It is significant that in respect of the first two steps in the phasing-out process not a single case of exploitation could be proved and I trust that this will continue to be the case now that the third step in the phasing-out of rent control has been embarked upon.

Issued by the Department of Foreign Affairs and Information at the request of the Department of Community Development.

CAPE TOWN
DATE: 1980 - 5 - 14
A new generation of entrepreneurs is predictably emerging from the improved property market. But few can match the spectacular success of John Ferrans and his PICA group which has notched up deals worth R10m in only four months.

PICA (Property and Industrial Consultants and Administrators) specialises in sectional title consultancy and project management. And already it has bitten off as much as it can chew for the moment.

The company is intent on consolidating. "We don't want to get ahead of ourselves," he says, "but that doesn't mean we are against growth. It's merely a case of bedding down the business we have before we grow further."

By year's end Ferrans anticipates a turnover of R15m and already there are five substantial sectional title schemes in the bag. They are:

- R2,5m for Goldfields Props in Strathaven;
- R1,25m for Kings Parking, also in Strathaven;
- R2,5m for private investors in Gallo Manor;
- R1,8m, also for private investors, in Morningside; and
- R1,5m for unnamed investors in Rivonia.

All were handled on a turnkey, project management basis. PICA's speciality.

At the same time the company has been coming strongly on the sales side. It has handled the sale of several blocks for sectional title conversion. Among them is Houghton Gardens, a Yeoville building which it purchased and re-sold for Gallico.

Other selling jobs on hand include Corrie Moor Park in Northcliff, Crystal Gardens in Hillbrow, and Saddlebrooks, a joint Anglo-Kirchmann Harry development in Morningside Valley.

But glamour job for the moment is a planned 31-unit Camps Bay project which is being developed in conjunction with a large building society.

The R2,3m Cape scheme is designed to take advantage of the shortage of good Townhouse accommodation in the Cape, and construction will begin shortly.

Ferrans sees sectional title opportunities further afield. For example, he's looking at the prospect of sectionalising industrial buildings. Good operators have looked at that one before. For several reasons, very few have tried it.

Still, Ferrans believes it is the growing sector of the property market in the Eighties, and he will be looking to overcome the difficulties.

For all that, PICA has turned down three times as many sectional title proposals as it has accepted because, says Ferrans, they wouldn't have worked.

"Fair warning for the many who regard sectional title as the route to easy money. Even in a buoyant market, there's still a right and wrong way of putting it all together.

so p \gtr p' and have no effect on the equilibrium level. To maximise rent at ...
Steyn under fire for ignoring rents plea

Political Reporter

The Minister of Community Development, Mr. Marais Steyn, was accused yesterday of being totally insensitive to a plea on behalf of thousands of flat dwellers who will be affected by the further relaxation of rent control.

Mr. Alf Widman, Progressive Federal Party MP for Hillbrow, issued a statement strongly critical of Mr. Steyn and his department, and said Mr. Steyn had failed to tell Parliament about some of the effects of his move.

In Parliament this week, the Deputy Minister of Community Development, Mr. Pen Kotze, announced the third phase of the programme to lift rent control, this time on units occupied for the first time between October 31, 1949 and December 31, 1954.

The first two phases exempted from rent control units first occupied between January 1, 1955 and May 31, 1965.

Mr. Widman said yesterday: "Mr. Steyn's response to the appeal made by me and PFP members in Parliament to hold back the proclamation announcing the phasing out of the third phase of rent control has left me disappointed, disillusioned and frustrated.

"The Minister has shown complete insensitivity to the earnest appeal made on behalf of thousands of flat dwellers in South Africa.

"He failed to respond to the appeal after being told that so far, 9400 people have signed a petition requesting a moratorium for one year in order to reassess the whole question of rent control," he added.

Mr. Widman claimed Mr. Steyn had failed to tell Parliament:
- Whether in fact a reassessment was made, and if so, what the findings were;
- How many of the remaining 200 individual flats were now to be de-controlled;
- How landlords who charge more than the 10% rent increase after a two-year period could be compensated;
- How tenants will fare when they have lost the other benefits of the Rent Act, which protects them in their right to have children in flats, the right not to be harassed, and the right not to be ejected when the rent is not paid precisely on the due date.

Mr. Widman said the National Party MP for Maitland, Mr. Konal Durr, had had the audacity and temerity to tell Parliament "that this department was a compassionate department."

"It is clear therefore that Minister Steyn and his department have come out clearly in favour of the landlords and have deserted their obligations to the small man, the flat dweller, the aged, and those looking for security," Mr. Widman said.
SA must build 103 000 new houses a year

— ECONOMIST

MR Harvey Havenga has been appointed regional manager for the Western Cape of Barclays Insurance Brokers SA. He was previously manager of the Cape Town short term branch.

PROPERTY men have been left in no doubt about the immense challenge facing their industry in the eighties and beyond.

The critical issues of spiralling costs, unemployment, and housing demand, all of which will be dictated by the political changes taking place, were the opening shots at the South African Property Owners' Association's twoday congress which opened in Cape Town today.

Firing the first salvo on housing and jobs, Mr A J de Vries, deputy director of the Bureau of Economic Research at the University of Stellenbosch, told delegates an estimated 103 000 houses a year for the next 20 years would have to be built — even if a low rate of urbanisation of blacks of only 45 percent were assumed.

UNEMPLOYMENT

With the South African population projected to increase by more than 12-million a year in the next two decades, 500 jobs would have to be created every working day.

"Unemployment of the present magnitudes and the possibility that this will increase even further, carries within itself the seeds of possible social and political unrest."

Not only did the property industry have a vital role to play in training and education, but it must also provide the base for the new generations — the schoolhouse.

"There is a severe shortage of school facilities for blacks."

BACKLOGS

"Apart from backlogs, it will be necessary to build up to seven schools — for 500 children each — each working day in the nineties."

"About 50 percent of all black children are leaving school at present with, at most, four years of education."

"It is vital that they will have to stay for a longer period at school, but this will compound the backlog in accommodation."

RISE IN RATES

While emphasising that the property industry, in line with the rest of the economy, had good prospects for the next 18 months, Mr de Vries warned against planning activities without taking into account the possibility of a "fairly sharp" rise in interest rates.

The continued discipline in government spending, as well as the rationalisation of the public sector, would cause a further decline in demand for office accommodation.

The already high prices for properties and rents, and the expected further escalation in building costs must, in the medium term, have a negative influence on the demand for your product," Mr de Vries said.

MR D MOFFAT has been appointed managing director of Mitchell Cots Projects SA (Pty).
RENT CONTROL
Pleasing no-one

A nervous few thought Government might just renege on its promise to continue with the rent decontrol programme. They needn't have worried.

The announcement — better late than never — has duly come. As usual there are accompanying warnings to landlords not to exceed the 10% limitation on rental increases for two years.

step the mark, whatever it is. In doing so he is getting the worst of both worlds.

The Nats are already under political pressure for introducing a form of decontrol at all. But the argument — and the right one — was that it was the only way to encourage production of new rental stock from the private sector.

It doesn't look as if that's going to happen either. The FM knows of one developer of note planning new flats-to-rent. Otherwise there are no starters. Small wonder.

While Pretoria maintains the tough line on the rents issue most developers aren't going to build. True, flats occupied since mid-1966 have never been subject to control anyway. But the fear was that they might be, and that's discouragement enough.

The latest announcement rolls back the programme to 1949. Flats occupied between then and 1955 are now decontrolled but subject to the 10% restriction for two years. Flats occupied between 1955 and 1961 are decontrolled with a year's restriction to go, and flats occupied between 1961 and 1966 are freed of controls completely.

They, of course, are expected to seek no more than "equitable" returns, so it will be interesting to see what happens.

The next step will be to decontrol the pre-1949 stock. That will entail a change to the Act. The sensible thing would be to scrap it entirely, but that's not going to happen.

Indeed, there could be more restrictions on the way because Steyn sees the trend to sectionalise older blocks as "unhealthy." But that's been going on since the Chaim Wainer days so it's a bit late in the day to raise objections now.

The real reason, of course, is that owners are going for sectional title because they can't get decent returns any other way. And the problem for Government is that it has repealed section 39 (1) of the Sectional Titles Act effective next April to allow flat buyers to move into their own properties.

Inevitably that means ejecting a number of sitting tenants, even if they are in the lower income group and protected under the Housing Act.

Which makes for a tricky political problem. But it's no use Steyn giving with one hand and taking with the other. That way he's going to please nobody.
The bludgeon again

Two years ago the unplanned development schemes bill was withdrawn for a beating. Now it is back, as ugly as ever. Minister Marais Steyn didn't spell it out as many words in Parliament last week, but the connection is unmistakable. Just for starters: the only people who will be able to develop townships by right are the state, statutory bodies, provincial authorities, local authorities, and the institutions.

Private enterprise might just get a show in as well. But companies going into townships will have to convince the provincial Administrator that they are capable and will have to be licensed for each new project.

Just who makes the recommendations to the Administrator isn't clear. But applications for new developments will still go first to the director of local government. Presumably they will now become the experts on corporate stability?

Steyn hasn't got down to details yet and the FMA's efforts to clear up outstanding points have been unsuccessful. Will the new rules, for example, apply to industrial and commercial township developers as well? Will banks, with something like R100m of liquidation stock around their necks, be permitted to continue marketing as before? What about phased development? The questions are almost endless.

Part of the shakeout, it seems, will entail a uniform township application system throughout the country. Developers won't quarrel with that.

But there's also a suggestion that they will have to pay contributions based on actual expenditure by the local authorities. Just how that will apply to the provision of trading services, for example, isn't immediately clear.

Does the developer pay for water and electricity (in Johannesburg) reticulation? If so, who gets the income?

Clearly the authorities have a problem. They are understandably keen to avoid a repetition of the Glen Anil/Corlett Drive-type disasters which hit standholders in their thousands.

However, the new defences are taking a long time to go up. And the more convenient solution to use is the Sale of Land Act, anyway. Attempts have been made to improve it, but the whole question of township development and buyer protection has already come under close scrutiny by the Van Tonder Commission.

The sensible thing will be to bring all aspects into a single Act. That way, at least, the onslaught will come from only one direction.
Rent control going

The third stage of the abolition of rent control was gazetted yesterday and now applies to all buildings used since October 29, 1949.

The two previous stages of abolishing rent control went back as far as buildings occupied since December 21, 1954.

The abolition of rent control on buildings occupied between 1949 and 1954 is likely to mean higher rents for thousands of flat dwellers in older flats in areas such as Hillbrow and Yeoville in Johannesburg.

However, tenants with very low incomes can be exempted from the increased rents.
Housing crisis outlined

Staff Reporter

If the South African black housing backlog is to be cleared, more than four million houses will have to be built by the end of the century.

And informal settlements or "squatter camps" near "white" urban areas will be a permanent feature of South African cities, despite the Government's influx control measures.

This emerged from a report on "squatter camps" in the Durban area, released yesterday by the South African Institute of Race Relations.

It strongly condemned the Government for not having formulated any "positive or realistic" policy to solve the acute housing shortage.

An estimated 300,000 to 750,000 squatters were in the Durban area alone, the report said.
R100m spent on black homes

HOUSE OF ASSEMBLY. — During the 1979/80 financial year the state spent R100 401 200 on housing for blacks, the Minister of Co-operation and Development, Dr Piet Koornhof, said yesterday.

This was disclosed in a written reply to a question by Mrs Helen Suzman (DP: Houghton). — Sapa

(To be bored)

Die skrywer van hierdie artikel, Dr Piet Muller is Assistent Redakteur van Beeld in Pretoria. 'Die Afrikaner' in die Nuwe Afrika is 'n uitreksel uit 'n artikel wat hy reeds in Buurman gepubliseer het.
All agree that the Sectional Titles (ST) Act has been an unqualified success. Yet, ironically, the legislation is to be rewritten and the Mark Two version should make the statute book by 1982.

Why the decision to change a winning combination? The nutshell answer is that nothing is beyond improvement. And there are several ways in which the ST laws can be smoothed out for the benefit of buyer and seller alike.

That was the message contained in replies to a searching questionnaire from the chairman of the Sectional Titles Advisory Committee, Dr Denis Caven. The views of the various institutes and associations were unanimous: the Act is working well but there are areas in which it can be improved.

And because it is tightly drafted, piecemeal amendments aren't good enough. It will have to be a full rewrite.

A feature of the pioneering legislation has been its silence on several matters of practical importance. With discussion and goodwill, the problems have been overcome as they have cropped up. But now, says Caven, it is desirable to incorporate these informal solutions in the law.

The Act is silent, for example, on the granting of “exclusive use areas” for the enjoyment of individual buyers. Private gardens are a popular case in point.

So far developers have got round the problem by using the accompanying rules. But in some cases, especially where major improvements are made in the exclusive use areas like a private swimming pool, owners prefer to register such garden servitudes.

But there are problems of definition to be sorted out. Other countries have managed to do it, Caven says, and the position should be similarly spelt out in SA.

Expropriation is another factor on which the Act is mute. Yet local authorities have expropriated both land and buildings on occasion anyway. Sooner's model rules provide some guide, but the expropriation procedure, it is felt, should also be incorporated in the main legislation.

The powers of the bodies corporate and scheme management procedures aren't too clear either. Sooner's rules are more comprehensive than the brief schedules to the Act. But some developers are doing it their way and there's a lack of uniformity. Building societies, for example, won't grant loans until they are satisfied that the scheme will be run properly. Again, common ground has been found informally but it's another area which could be cleaned up.

There has also been a tendency for the work of local authorities and the deeds registers to overlap. That has meant time and money to the market, but at least the problems have been overcome by talking things out in the advisory committee, and by the issue of registrar's circulars.
1979). Since then developers have moved quickly and group housing — as opposed to sectional title — schemes are coming off the drawing boards thick and fast.

Unlike market leader on the Reef looks to be General Mining. Traditionally it has been strongest in shopping centres and residential/industrial land. Now it is stepping into commercial housing. The market, says Genmin’s Noel Edkins, is ripe for it.

As a kick-off it plans to start selling the first phase of an R5m Sandton group scheme, Cherry Hill, by November. It is developing another R5m to R6m worth in Benoni and has a substantial sectional title (ST) holiday project planned for Plettenberg Bay.

But the Sandton scheme will effectively seal the market. Apart from the older RM Props/Schachat Cullum scheme at Ormonde, Transvaalers have been slow to follow the Cape into group development.

Edkins doesn’t see why. South Africans by tradition prefer to be masters of their own households, he says, and by taking individual transfer that’s what they’ll become.

Yet the integrated nature of all higher density housing demands strict aesthetic control. Layout and design of the 69-house Cherry Hill spread has been carefully watched to create the required effect. Genmin wants to keep it that way. Edkins says there will be controls, at least on exterior alterations, by the Sandton council and, hopefully, through the deeds of sale.

Otherwise, no bodies corporate, no levies, no meetings. The units stand on separate (450 m² to 550 m²) stands and transferees go through in the normal way. The municipality and not a body corporate, will be responsible for public space and the parkland which forms part of the 5 ha site. And there are even fully-fitted servants’ rooms attached to each house. By some crazy reasoning, similar projects under sectional title can’t have them.

From the profit viewpoint, there’s good and bad news. Edkins admits that optimum margins might well have been obtained from ST because development costs could have been kept lower. On the other hand, cash flow is better because transfers can go through immediately, whereas ST schemes have to be completed before the first deals can be registered.

Sectional developers are using lease agreements to get round that one, but it’s still better to get in the cash as soon as possible.

Location alone demands that the Genmin scheme should be upmarket and few luxuries have been spared. Marble-topped vanities, carpeted living and sleeping areas, timber-framed windows and Cordoba tiles from Durban are standard. Outdoor living has also come in for a lot of attention and, at 116 m² to 176 m², the 20 first-phase units tend to be large.

Costs, including walling and roads, will work out below R300/m² — not bad in the light of recent horrific escalation estimates.

Prices will be pitched accordingly. Edkins is looking at figures around R70 000 to R90 000 (four-bedrooms) and will probably get them. After all, there may be many opinions on how long the market is going to hold up, but there’s little chance that it will run out of steam in six months.
Political Reporter
CAPE TOWN — At least R1 100-million must be spent on housing for urban blacks in white areas over the next 12 years, an important Government inquiry has found.

The report also recommends a policy of encouraging homeownership in urban black townships.

The first section of the long-awaited report of the Browne committee of inquiry into the finances of local authorities was tabled in Parliament yesterday.

It points to the great need for housing among urban blacks and to the benefits which flow from low-cost housing.

The committee recommends that the authorities, as a matter of policy, to make available at least R1 100-million, calculated at 1977/78 prices, over the next 12 years for housing the urban black people in white areas.

"This will cover about 50 percent of the increase in the need for housing for urban black people."

About 75 percent of the funds should be spent on sub-economic schemes, unless investigations show otherwise. Areas where the housing needs are greatest must continually be determined by surveys and from other information available about the housing situation.

Private undertakings, building societies and other financial institutions must be informed of the extent of the housing problem faced by urban blacks and must be included, as far as possible, in schemes to provide housing for them.

The report draws attention to shortcomings of the present 50-year leasehold system in urban black residential areas.

It says further refinements will have to be made to this system before it can meet the demands of a system of home ownership needed for a prosperous local government.
Plenty of funds left for homes

THERE is no sign yet of any drying up of mortgage funds, judging by the R1 000-million plus that the United Building Society lent in the year to March 31.

That is more than R3 300 000 for each working day.

The UBS says in its annual report that share capital increased by R260-million to nearly R1 476-million, made up of R83,7-million in indefinite period shares, R253,5-million in tax-free shares, R232,5-million in fixed period shares and R204,3-million in subscription shares.

Deposits rose R206-million to R1 565-million, made up of R756-million in fixed deposits, R725,5-million in savings deposits and nearly R100-million in the recently introduced transmission deposits.

A total of 23 new branches and sub branches was opening during the year, bringing the number of United branches and agencies to more than 760.

Improved economic conditions are reflected in the results achieved by the UBS Development Corporation in the past financial year, during which sales of housing units totalled 477 (including 159 sectional title units), compared with 229 (including 27 sectional title units) during the previous year.

The directors say: "Notwithstanding substantial rises in building costs, the corporation is continuing with its policy of providing good quality housing at reasonable cost to meet the ever increasing demand for both conventional and sectional title dwelling units."

The corporation has also extended its operations into the field of housing for blacks, coloureds and Indians.

Short-term underwriting results of the UBS Insurance Company continued to be adversely affected by the incidence of storm claims which remained at a high level throughout the year.

Premium income amounted to R7 399 000, an increase of R729 000 over the previous year.

There was an underwriting loss of R52 000 for the year ended December 31, 1979, compared with a profit of R45 000 the previous year.

However, increased investment income resulted in an after-tax profit for the year of R975 000 compared with R80 000 in 1978.

An unchanged dividend of R50 000 was declared. The total assets of the company now exceed R28 600 000.
The report and recommendations of the Browne Committee is more than a scholarly study of the financial problems of the country's 512 local authorities.

It is also an important socio-political document which creates a golden opportunity for the reconstruction of hundreds of blighted urban black communities in the common area.

At the same time, however, consideration of Browne's (Chapter II) recommendations on black local authority finance will bring the Cabinet face to face with awkward decisions about fundamental NP policy. Adoption of the recommendations will require some courage in view of right-wing gut opposition to policy adaptations which might make life for urban blacks a little more comfortable.

Yet by no stretch of the imagination can the Browne report be seen as a verligte
The report concludes that the present system of 99-year leasehold has negative points. First, township dwellers will be more out of pocket under the new scheme, compared with the rental scheme. Second, 99-year leasehold does not confer full ownership rights, merely a right of occupancy which may be transferred. Thirdly, there is the element of risk in the system which lenders don’t like.

While stressing that it confined its investigation to the financial, economic and administrative aspects of black local authority finance, the committee says its observations on full home ownership and freehold are based on the following factors:

1) The strong motivating influence it exerts on owners.
2) The stabilising influence on the community and its development.
3) The importance of property ownership as collateral for mortgage finance, and
4) Its convenience and effectiveness as a basis for taxation. (From a fiscal point of view this is most important because income from property rates must ultimately supplant the other two important pillars of black municipal finance, liquor and levy contributions from employers.)

A vital adjunct to the committee’s observations on freehold property rights for blacks are recommendations urging government to embark on a massive housing programme, requiring expenditure of R1.8bn over 12 years at 1976/78 prices.

According to the committee’s survey of black population dynamics, the number of blacks in the common area seems set to rise from 3.1m in 1967 to 10.2m in 1990, based on an anticipated growth rate of about 2% a year. At least 50% of the housing requirement implied will have to be financed by government and most of the remainder by the private sector, including own buildings by blacks. This assumption is based on the fact that in 1976 nearly 50% of economically active blacks in the common area were engaged outside mining, agriculture and domestic service (where the employer provides accommodation), as well as the assumption that government provides housing finance for the whole extent of the population increase in metropolitan areas and 22% of funds required to house the increase in the non-metropolitan areas. (The housing of “illegals” of whom there were an estimated 586,000 at March 31 1977, is obviously excluded from the committee’s calculations.)

This means that homes will have to be found for more than 10m people up to 1990. At an occupation rate of 7 per comparable housing unit of R16,900 (including services) it seems government housing funds will have to provide more than R1 billion by 1980.

Housing backlog

However, this sum excludes capital sums required to upgrade, improve existing houses, nor does it provide for the elimination of housing backlogs, estimated by Hackett to be 162,000 family units at the end of 1977. This would require an additional R100m to be spent in 1979.

According to a survey carried out by the committee, R317,700 was spent on black housing in 1977/78. On an annual calculation it is clear that this sum will have to be increased nearly 14% a year to R176.8m a year to reach the target figure of R1 billion, R317m a year to provide for upgrading and working out the estimated backlog.

Equally important is the amount of work such a construction programme would create. A 1976 study by the Department of Community Development showed that every R1m spent on low-cost housing...

...on a grand scale... and with freehold
created 250 man-years of labour in the construction and allied industries, while a World Bank study shows that an income "multiplier" at a factor of two is created in home building (in Korea) and that 14 new jobs are created for every $10,000 expended.

Construction has a higher job-generating propensity than most other areas of activity and is doubly desirable because it has a very low import content, if any.

"Moreover," says the committee, "a healthy system of home ownership will foster a feeling of security, permanency, independence, self-pride and a spirit of progress and "congregation." And private property is, of course, the cornerstone of prosperity."
A TOTAL of R740-million is to be invested in urban housing by the Government in the next five years.

Some R393-million has been earmarked for 60,000 houses for coloureds. Another R106-million will be spent on 17,500 houses for Asians and R60-million on 41,000 houses for blacks.

To help solve the housing shortage for whites, the Government has allocated a further R192-million.
Homes sell well despite riots

By Frank Jeans

Houses are still selling strongly despite the current wave of unrest.

And, while there is a good deal of buyer resistance to over-priced homes, demand is being maintained although market sources generally believe that it is "too early to say what further developments will be."

There is certainly cause for alarm in the Cape Town market but housing agents point out rightly, that any downturn in the market because of a spread of the riots would not affect the property scene only but would filter through to all sectors of the economy.

Potential home-buyers might well be "sitting on the fence" over the unrest but it is also evident that zooming prices are deterring many buyers.

In recent months home prices have been levelling but there is no sign of a widespread drop in market values.

The trend has changed, however, and while it is still a sellers' market, the "greedy" owners who, not so long ago, were holding out at all costs for the price they wanted, are in many cases, just not getting that price.

And this, in itself, is certainly a stabilising factor in an overheated market.
Government urged to provide millions for low-cost housing

By Michael Chester,
Financial Editor

The Government was urged today to launch a multimillion-rand scheme to offer sweeping new subsidies to low-income home buyers — primarily black families.

The radical, new deal was advocated by the influential Bureau for Economic Research at the University of Stellenbosch whose ideas are known to carry weight in Government circles.

The team suggested that the 99-year lease rule should be scrapped and that black families be allowed full home ownership — the issue widely regarded as the main stumbling block to black home buying.

And the bureau urges the Government to slash the interest rate on home bonds offered to low-income families to a mere 1 percent.

The Stellenbosch team estimates that house building costs will rise by 21 percent in 1980 — even steeper than the spiral in the consumer price index as a whole.

"There can be little doubt," says the study, "that expenditure on low-income housing must be considered of strategic importance and could be viewed as a weapon in the 'soft defence' category."

As the State already provided rented houses at 1 percent interest rates it might be feasible also to provide houses for sale at an equally low rate in view of the sensitive nature of the problem, the study said.

• Soaring costs big threat to building trade — Page 34.
SA Perm warns on house prices

BY SIMON WILLSON

The alarming rise in house prices had been aggravated by the abundance of home loan finance, Dr Frans Cronje, chairman of the SA Permanent Building Society, said yesterday.

He said at the Perm's annual meeting in Johannesburg he was concerned at the rate of increase in house prices, and at the steep rise in building costs which had averaged 2% a month.

The building societies had played a significant part in stimulating the construction sector of the economy and thereby providing many job opportunities.

"However, an unchecked rise in prices will result in home ownership becoming beyond the means of many South Africans," Dr Cronje said.

Building societies had helped the authorities throughout the year under review to improve the 99-year leasehold scheme so that it could provide home ownership for as many blacks as possible.

"I wish to record my thanks and appreciation to all who worked relentlessly on this project because I believe it is our national duty to bring about a better lifestyle for all our people," Dr Cronje said.

The Perm's assets, at R2.433-million, had doubled over the past five years. Total assets had increased by a record, R485-million, which was 10.6% more than last year's growth figure of R268-million.

The Perm lent R845-million in the year under review — R2.7-million a working day. Lending reached an all-time high of R845-million a working day in February and March.

"Securing the motion at the meeting, Professor D. J. Du Plessis, principal of the University of the Witwatersrand, said a great deal more needed to be done before the 99-year leasehold scheme became a proposition for the average black family."

I am quite certain that blacks will not be totally satisfied until leasehold transfer becomes possible for them in urban areas. This, I believe, is going to be inevitable in the long run and the short step from the 99-year leasehold to freehold should be taken now.

"It will give potential home owners the additional incentive they require to make use of the scheme on a large scale, with the resultant benefits for all sections of the community."
'1% loans should be considered'

THE GOVERNMENT should consider providing one percent interest loans to boost low income home-ownership, according to the University of Stellenbosch Bureau for Economic Research.

Noting that benefits of home ownership include improved socio-political stability and a shifting of the burden of maintaining property from local authorities to the owner, the bureau says in its latest building survey, compiled by the bureau economist, Mr G J J Snyman, that long term benefits could flow to the community from further subsidized interest rates on house purchases.

It could be argued, the bureau says, that finance at one percent interest could be provided by the State since it provides this for rented premises. "It does not seem necessary to regard such interest rate subsidies provided for the purposes of low income housing as 'losses suffered by the State'. There is a case for viewing it like expenditure on health and defence which is regarded simply as current expenditure, that is as a cost item to cover essential services. The accent should thus be on the cost of providing home-ownership as opposed to the cost of providing rented dwellings and the maintenance thereof."

Although the State benefited from the provision of rented premises by accumulating assets over time, it could be asked if it would not be preferable if the citizens themselves were to acquire these assets.
Societies ready for black housing

A leading building society has appealed to the Government to open up major black townships for housing schemes which would effectively mean the end of the leasehold system and give blacks freehold rights.

The society wants serviced plots in townships such as Soweto, Sebenza, in the Vaal Triangle, and Port Elizabeth and elsewhere, to build homes for blacks in the same way as has been done for Indians and coloured people, who have freehold rights.

The plea was made last night by Mr Gordon Chapman, chairman of the Natal Building Society, at the society's annual general meeting.

Mr Chapman also said that building societies would be willing to inject big money for housing in black homelands provided the South African Government put up financial guarantees against losses through changes in legislation, local processes and monetary exchange rates after the homelands became independent.

Housing was a social necessity which satisfied one of man's deepest urges and in providing it, building societies had a vital role in South Africa's social structure, he said.

Building Societies' ability to provide finance for housing should never be impaired because if it was, "We run the risk of permitting people to become frustrated."

"If more land could be made available to us by the Department of Community Development and local authorities at reasonable prices for all race groups, as has been done on a few occasions in the past, we would be able to make even greater contributions to providing attractively priced housing," Mr Chapman said.

At present blacks can own homes in townships on 33 or 99-year leases, but these have had few takers.
all race groups

NBS out to house

1/3

During the Building Societies' conference at the weekend, the National Building Society announced they will provide housing for all race groups. In a press release, the NBS said: "We are committed to providing homes for people of all races, and we are working to ensure that our policies are inclusive.

Mr. Niall Building, the NBS chairman, said: "We are working to ensure that our policies are inclusive. We will continue to work with local councils and housing associations to ensure that everyone has access to suitable housing."
Expert says people in flats have been spoilt

By Josie Brouard

By Josie Brouard

Tenants who do not want to buy their flats under sectional title have no cause to complain. Rent control has spoilt and lulled them into a sense of false security, a spokesman for the South African Property Owners Association (SAPOA) said yesterday.

"South Africa's white population is generally overhoused. Tenants have enjoyed a good standard of living at low cost for a long time. But tenants can expect in future to pay more - or live to lower standards," Mr D. Kennedy, executive director of SAPOA, said.

He and other property experts agreed that prices, and rents of flats are going up. This was "inevitable" with the move to a market of supply and demand.

EVICTED

The repeal in May this year of section 39 (1) of the Sectional Titles Act means tenants who were previously protected in rent-controlled flats, can now be evicted.

But tenants who earn less than R$40 a month are still protected from eviction - until April 1981. A person can not be evicted until his lease expires, Mr Kennedy said.

Many tenants who are buying flats under sectional title are balking at the high prices, while others, who get out, find an increasing number of flats have been edged out of the rental market, leaving the choice of alternative accommodation frighteningly limited.

Mr Ian Fife, managing director of Property Marketing Services, said people would shortly be forced to buy flats under sectional title because of the lack of other accommodation.

In another survey undertaken by the largest managers of sectional title schemes in South Africa, the Urban Management Group, it was found that 20 percent of original flat tenants moved out of their flats when they were converted under sectional title, while eight percent of rental accommodation was taken off the market completely.

DELIGHTED

The survey, which covered 220 flats in the Hillbrow/Berea area, found 47 percent of flats were bought by original flat tenants, 21 percent by other flat tenants and 24 percent by investors, who rented to original tenants.

The remaining eight percent were sold to former houseowners.

Mr J G van Straaten, managing director of the company, said there were "traditional renters" who did not want to buy flats under sectional title. "But most are delighted. As many as 85 percent in the northern suburbs are buying," he said.

"Most do not want to move and are happy to own property at last after having paid rent for so long. Young people too are getting a boost. With low deposits, they can also afford to invest in property," he said.
Marais Steyn must resign, says Eglin

Political Staff
THE Progressive Federal Party yesterday demanded the resignation of the Minister of Community Development, Mr Marais Steyn, for suggesting that there would be bloodshed if returning servicemen found coloured people living in "white" areas.

Mr Colin Eglin, PFU spokesman on community development, said Mr Steyn should bow out before "the damage he is doing to race relations becomes irreparable.

Mr Eglin made his attack as Mr Steyn came under increasing pressure for his attitude towards the growing number of coloured and Indian people forced to live illegally in "white" flats because of the shortage of accommodation in zones allocated to them under the Group Areas Act.

Two leading lawyers, Professors John Dugard, director of the Centre for Applied Legal Studies at the University of the Witwatersrand, and Mr Jules Browde, SC, have already referred to the Attorney-General some of Mr Steyn's remarks which, they believe, may constitute contempt of court.

The Nationalist newspaper, Die Transvaler has also criticized Mr Steyn for other remarks he made at a meeting of white residents in Jeppe, Johannesburg, this week.

"Mr Eglin said Mr Steyn's warning that there would be bloodshed if returning national servicemen found coloured and Indian people living in white areas was an insult to "every serviceman who has served SA on the border..."

In the operational areas — white, coloured and Indian — have stood shoulder to shoulder," said Mr Eglin.

For these young serving South Africans, there has been no apartheid. How dare Marais Steyn suggest that these young men share his prejudices and racial bigotry?

"His statement is disgraceful. It is inflammatory. It reeks of racism.

Mr Eglin said Mr Steyn was not fit to be in charge of such a sensitive portfolio as Community Development. He should apologize to national servicemen and bow out of public life.

Die Transvaler said in a leading article yesterday it was a "pity" that Mr Steyn had refused his requests for coloured people to leave Jeppe, with a threat that the Government could be forced to act against them "with full force."

The newspaper said coloured and Indian people had sought refuge in "white" areas because they were unable to find accommodation elsewhere.

Die Transvaler argued that until more accommodation was made available, threats should be withheld.

The decision by Prof Dugard and Mr Browde to seek a prosecution against Mr Steyn comes after his remarks at the same meeting that the Government would clamp down hard on illegal residents in "white" areas as soon as two Group Areas eviction cases before the Appellate Division had been handled.

Prof Dugard and Mr Browde are involved in the cases, and believe Mr Steyn's remarks constitute contempt of court.
R80-billion needed for black homes

By DIAGO SEGOLA

IT WOULD cost R80 000-million to provide the homes needed in the next 20 years for the ever-increasing black population in the urban areas.

About R16 000-million would also be needed by the turn of the century to create jobs for the increased population.

The estimated black population by the year 2000 will be 37 million, and about 75% will be living in urban areas.

These projections are made in a study on urbanisation by the Southern Region, Economic and Social Programme, which was completed in 1980.

The managing-director, Dr Andre Spier, is a former consultant to the United Nations Development Programme in the University of Stellenbosch.

Other directors are Dr Nico Du Toit, and Mr Charles Steyn, of Murray and Roberts Holdings; Dr Colin Schlesinger, of African Explosives and Chemical Industries (AECI) who is also president of the SA Institute of Chemical Engineers; and Mr George Johnstone-Harrison, a senior partner in a firm of architects.

According to the authors of the report, their conclusions are based on the Bureau for Economic Policy and Analysis (BEPA) of the University of Pretoria, by Cabinet Ministers, and by top business leaders.

Referring to the estimates by BEPA of 75% of the black population being in urban areas by 2000, the report said:

"A very large number of these blacks might settle in present metropolitan areas. Considering this influx, one could expect that not only will there be a massive influx into the cities, but also a massive exodus from the countryside."

A total of 6 150 000 housing units would have to be provided by the year 2000 to cater for the increased population.

Of these, about 320 000 would be for the over 65-year-olds; 1 500 000 for the over 65-year-olds; 2 500 000 for those in the 15 to 24 income group; 2 500 000 for the 25 to 34 income group; 2 500 000 for the 35 to 44 income group; and 2 500 000 for the 45 to 54 income group.

If we take the average price per unit to be a very conservative R10 000, we are talking of a building programme requiring R80 000-million over the next 20 years.

In terms of jobs, the authors say, "the closest thing we have to a believable figure is that we have to create work for six million people over the next 20 years."

A predominantly urban setting, the total cost would be in the region of R180 000-million.

The report said that if the 27 million urban blacks in the year 2000 were evenly spread over 27 cities the size of present Bombay, they would require:

- 30 000 doctors and dentists (one for every 1 000 people).
- 275 000 teachers for 12,5-million pupils.
- 10 000 pharmacists (one for every 1 500).
- A total of 5 400 city engineering staff, hospital staff, town planners and administrators, professionals, and so on (30 000 for each city).

This would mean that about 277 000 people with higher education would be required to run the cities.

The Syncom report concludes by posing, among others, the questions:
"What happens to these urban half-starved masses during a recession? What happens to these concentrations in the year 2020 when these numbers have risen to 70-million?" Who feeds these masses if 50% of our land is agriculture and energy prices pre-emption total mechanisation?

"A rough yet reliable conclusion is that it cannot be done without the means at our disposal, and hence the tremendous backlog in education, skills and infrastructure," the report says.
**Black self-help housing gets builders' brickbat**

The building industry should persuade any authorities bent on providing cheap housing by way of supplying all the components other than labour to see the dangers inherent in any misguided policy of this sort," the article says.

"Surely it would be better to ensure that any housing provided, at whatever economic level, should be constructed by skilled builders in accordance with fully acceptable aesthetic and technical standards."

Bifsia says South Africa should accept the economic principle of specialisation and division of labour.

"Why not let us build better and quicker with our expertise, and let those who think they can save money do so in other ways — not by trying to show us how to operate an industry in which we are confident we can do better than they."

It adds: "If the building industry as a body is approached, we have no doubt that we will rise to the occasion and produce what is required of us, at the same time creating employment for the masses."

"The embryo do-it-yourself builder can then be released to earn a meaningful wage which will help the economy, the individual and the country."

— Sapa.
Inside the compounds

A HIGH wall topped with razor wire surrounds the Johannesburg municipality's Selby compound for migrant workers. This lends it an unfortunate resemblance to some form of forced-labour camp and the invasion is reinforced by the massive steel front gates that are flanked on one side by a permanent police guard post.

The only other entrance is through a well-guarded and subtly controlled subway.

The compound, and others like it, belongs to the citizens of Johannesburg — but few know much about conditions there and none but officials and those with official business are allowed to set foot inside its gates.

On Thursday, with the compound the flash-centre of the municipal strike and swarming in camouflage-uniformed police, a Sunday Times reporter and photographer managed a brief inspection of compound conditions.

**discovered and ejected**

It was brief because they were soon discovered and ejected — not on the grounds that the area was under police control, but because whites are not allowed into the compound without a permit.

The municipality now refers to its compounds as "hostels" although the sign at Selby's gates still proclaims it a "compound".

Conditions in the municipality's compounds were central to this week's strike by 10,000 municipal workers.

They were described as "not safe" by a spokesman for the city's engineer's department and as "medieval" by city councillor Mrs Janet Levine.

Where Selby is concerned — more than 1,000 workers live here — "medieval" seems the more apt description although it would not be fair to judge all the municipal hostels by Selby's standards.

It was built in 1915 and the more modern hostels have better facilities.

However, conditions at the Van Beeck compound — also built in 1915 — are reported to be as bad and those at Norwood to be worse.

"Bleak" and "inadequate" are the words that best describe conditions at Selby. In some areas, particularly where toilet facilities are concerned, stronger words are needed — like "disgusting".

In one toilet area no privacy was provided and the squat-type lavatory bowls filthy, while in an adjoining washing area only one in a row of five showers still had a head.

Along one side of the compound, windows look on to a street but they have been permanently sealed and the frames contain ripped glass that has seldom seen soap and water.

Little natural light enters and in many of the rooms ventilation seems inadequate.

Workers told the Sunday Times they slept as many as 12 to a room (in rooms that had no doors) and paid R5 a month for the privilege.

Dr Nihato Motlana, of Soweto's Committee of Ten, said he was delighted that conditions in the compounds had been exposed as a result of the strike.

If the Johannesburg City Council wanted to employ migrant workers, Dr Motlana said, it had a duty to house them properly in family units.

The chairman of the city council's management committee, Mr J F Oberholzer, reacted angrily to criticism of the compounds.

He accused Mrs Levine of criticising them for political purposes "as she knows very well what the true position is".

Mr Oberholzer agreed that conditions were not good at Selby and Norwood, but said tenders had already been called for to rebuild the Selby hostel and that negotiations were under way with the West Rand Administration Board to house the Norwood residents in a hostel.

Council employees ready been moved out Crown Mines hostel.

**Excellent facilities**

Mr Oberholzer asked the press not to go to City where, he said, both living and recreational facilities were excellent.

"If we are such good citizens why isn't it that our "intransigent Venda sour and be protected by the police mobs of enthusiastic seekers who want to work" he asked.
Flats sales threaten to dispossess residents

By Lynda Lexton

The removal of rent control and the introduction of sectional titles threaten to displace hundreds of Hillbrow residents, claimed its public representative today.

Partly hard hit by these developments in Johannesburg's high density Hillbrow are the elderly — but the ordinary man in the street is also feeling the pinch.

Tenants were being forced out of their flats because of spiralling rents and because they could not afford to buy their flats, claimed Mr Alf Widman, MP, and Mr Simon Chilchik, MDC.

They pointed out that partly because of the influx of people from Zimbabwe, flats were no longer in plentiful supply. Those people who were being forced out of their flats could not find accommodation anywhere else.

Mr Chilchik said rent control was being phased out to get the depressed property market out of the doldrums. But the Government had "put the cart before the horse" and not first ensured that there was enough housing for the people who would be affected.

"People are being given virtually no time at all to decide whether they want to buy their flats. Many, both young and old, do not have the money to put down deposits for their flats," he said.

Where buildings had not been under rent control, tenants were being given three months' notice to vacate their flats.

Mr Chilchik blamed the Government for not having provided these people with access to funds to buy their flats.

Where buildings had been de-controlled and flats were being sold, tenants were protected until April 1981.

Mr Widman said he had heard of cases where people who were entitled to the protection of the Rent Control Act had had their rents increased.

Mr Chilchik said the Government was totally to blame for the situation. Once it had decided to remove rent control and allow sectional titles sales, it should have made sure there was sufficient housing for the people now facing an uncertain future.

He pointed out that there had been no major development of residential complexes in the area for about 10 years, mainly because of escalating costs, and a "booming crisis" was imminent.

He also blamed speculators for moving in and capitalising on the situation. They were putting up selling prices of flats beyond the means of the man in the street.

"I would have liked to have seen a development plan put into action five years ago to meet this."

As a matter of urgency, the Government should now give the Johannesburg City Council enough money to provide necessary housing over the next five years," he said.

Mr Chilchik said public representatives in the Hillbrow area had been inundated over the last few months by calls from people asking for help.

See Page 10.
Housing loans double to R1.318m

Property Editor

Between April and June this year, building societies granted home loans for R1.318 million—twice as much as loans in the same period last year. This is a record.

This was a 106.4 percent increase on R633.2 million.

This new home loan bonanza is a clear indication of the strong advance which the economy is making. Another heartening sign of the boom times is the savings intake by societies over the three-month period.

Savings surged by a whopping 40.3 percent or nearly R80 million compared with R14 million for the same period last year.

Overall, the societies have attracted more than R1 billion to the end of June in transmission accounts, savings fixed deposits and shares—a 51.2 percent rise over the previous figure.

In its latest newsletter, the Association of Building Societies says investment money is expected to remain in free supply for the rest of the year, spurred on by the gold price and greater ability to borrow.

But, the societies warn against high property prices which mean that more money is needed to finance the same number of bonds. This has a tendency which is already evidenced by the increase in the average bond being granted.
Moratorium protection

Flat dwellers should not needlessly worry about evictions under the Sectional Titles Act, as they cannot be ejected before April 1, 1981 from buildings still under rent control, according to the MP for Hillbrow, Mr. Alf Widman.

Mr. Widman said he had been telephoned recently by several worried tenants of flats whose owners had converted to, or were about to convert to, the Sectional Titles Act.

"Buildings first occupied by tenants before October 20, 1946, are still protected by the Rents Act.

"An amendment to the Sectional Titles Act was passed in Parliament, giving tenants of these properties a moratorium. That is, they cannot be ejected before April 1, 1981, as long as they are in a building still under rent control.

"Many people have been worried about this situation, and I feel they should not worry needlessly about it," he said."
Protection for the tenant

Rent control: What is the next move?
Sectional title
a nightmare for some

In the past few years, there has been a tremendous move towards the conversion of flats to sectional title.

While this is a blessing to many sellers who can now "sell" their flats with an attractive selling price against all offers, it is not without its problems. One such problem is the conversion of the sectional title deed in order to sell the flat.

Recently, the owner of a flat in a certain area has been refused the application for a sectional title deed. The reason given was that the owners have not paid the required fees for the conversion.

The owner's complaint is that the fees are not only excessive but also unfair. He feels that the fees are too high and that the process is too complicated.

The decision of the authorities to refuse the application was based on the fact that the fees have not been paid in full. The owner has been told that the fees will be refunded if the application is approved.

The owner's case is an example of the difficulties that one can face when converting a flat to sectional title. The process can be time-consuming and expensive.

The decision of the authorities to refuse the application is not uncommon. The authorities are very strict in their application of the conversion regulations.

In some instances, they have even refused to grant the application when the required documentation is not complete. This has caused a lot of frustration for those who are converting their flats to sectional title.

The decision to refuse the application is based on the fact that the required documentation is not complete. The authorities are very strict in their application of the conversion regulations.

In conclusion, the conversion of flats to sectional title can be a difficult and time-consuming process. The authorities are very strict in their application of the conversion regulations.

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In conclusion, the conversion of flats to sectional title can be a difficult and time-consuming process. The authorities are very strict in their application of the conversion regulations.

Act of Parliament

At the moment all buildings that were completed before October 31, 1949 are still under the Rent Control Act. Only an Act of Parliament can remove the protection given to these buildings.

The Minister in his recent speech indicated that the Government is considering the possibility of removing the protection given to these buildings. However, no decision has been made yet.

In conclusion, the conversion of flats to sectional title can be a difficult and time-consuming process. The authorities are very strict in their application of the conversion regulations.

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In conclusion, the conversion of flats to sectional title can be a difficult and time-consuming process. The authorities are very strict in their application of the conversion regulations.
Europe to
give SA a
R190-m loan
for housing

Pretoria Bureau

The director-general of finance, Dr Joop de Loor, today announced that a European loan of about R190-million which South Africa was seeking was earmarked for housing and education for coloured and black people.

The loan of 250-million dollars is being arranged by a consortium of West European, United States and United Kingdom banks and marks a significant step towards the rehabilitation of South Africa as a respectable international borrower.

Dr de Loor said this was one of the biggest loans which the country had ventured on in the overseas money market.

He said it would take some weeks before his department knew if the loan would come through.

He confirmed that South Africa was approached about a month ago by the overseas bankers to place the loan.

RESPECTABILITY

The use to which the loan would be put had not yet been determined but that it would be mainly for black and coloured housing and education, he said.

The new credit is being handled more in the open than previous loans and indicates South Africa has gained new respectability in foreign money markets.

The Financial Times of London reports that banks are beginning to accept that South Africa is set on a gradual relaxation of apartheid.

Banks are also aware the rapid increase in the gold price over the past two years makes the country a first-class economic risk, the Financial Times writes.

For many years international opposition to South Africa's apartheid policies has forced it to resort to undercover arrangements which carried stiffer loan conditions than those of other borrowers.
The New Deal: Good
Spotlight on Rents + Spotlights on Rents
Waiting for the Promised Land

Township hostels have become a fact of life in South Africa. LERATO TAU spent a day visiting several hostels and seeing how the people live.

ON THIS particular Saturday, I went on a mission to explore some Soweto hostels.
My first destination was Matlhomola hostel in the Southern-Eastern area of Soweto. This hostel houses former flood victims of a shanty town. Whole families wait here, until they can be found permanent housing. The question is with a cot or two to buy, themselves bread.

No one is in the family has ever had a sound education as the Seseko have always struggled to make ends meet. Sleeping on an empty stomach is nothing new in the Seseko household. Planning for a meal is unknown as they have to rely on a good Samaritan to offer a loaf of bread or a bag of potatoes.

The land of milk and honey, the "Promised Land" is a dream which may never come true to the flood victims at Matlhomola Hostel.

"How on earth can one raise a normal child in such filth?"

Through the curtains which serve as partitions small faces peeped at me. Little children who have never known any better, innocent and pure besides the squalor which they are surrounded by. "Bedding, crockery and clothes," Mrs. Brown, known as the "Mother" of the hostel dwellers. She is a voluntary worker who has been helping them survive.

A warm, homely person, she welcomes me to her home. I do not miss the sadness that lies beyond her beaming smile.

As a community worker, she is responsible for a scheme whereby the children are taught knitting and crochet and basket weaving. The money created from this is then used for educational purposes.

During the International Year of the Child, Mrs. Brown won an award for her outstanding work she played in contributing to the little children.

Every morning, she runs a free soup kitchen for the hostel people. The South African Council of Churches is responsible for donating the soup she cooks for the old men, little children and other needy people.

Her husband donated his family years ago and he cannot be traced. The little ones of school-going age do not attend school as Agnes cannot afford the school fees of R3.75 per year. As a result, the youngers hang around the hostel hoping to be sent on an errand and be rewarded

They cannot help overhearing vulgar language. The flood victims at Matlhomola struggle along. They persevere living through discomfort, hunger and poverty.

For four years they have waited, each month their wives pay them an

unofficial visit in their rooms. Remember, in the Soweto hostels you may find a dormitory consisting of 16 beds and no privacy at all.

Daring the day the women visit relatives in the hostels and the nights, they spend silently with their husbands, at the hostel.

Many couples live by their wits to stick to their legal or common law wives.

As a result of separate developments, many families have been forgotten in the rural areas.

Mrs. Betty Brown/
Housing Boost for Western Cape blacks
Opening in African housing logjam

CROSSROADS, the sprawling shanty town which is home to more than 23,000 people, is stark evidence of the extent of the housing shortage for Africans in the Western Cape.

The New Crossroads housing scheme is a major breakthrough in the logjam which Government ideology imposed on African housing in the Western Cape.

It is intended to house all the squatters in about 2,700 homes within the next few years.

Clearly, however, each of the estimated 4,800 Crossroads families will not have their own homes. Most householders will have to take in lodgers, as they do now.

And New Crossroads will do nothing to relieve the mounting pressure for family accommodation in the established townships of Langa, Guguletu and Nyanga.

WAITING LIST

The Western Cape Administration Board has a waiting-list of 1,500 families requiring houses in the three townships, and the real need is probably much greater.

At present the board is converting 850 hostels for single men in the Langa zones into 1,700 family dwellings. It plans to build 170 houses at Nyanga next year.

Responsibility for housing single contract workers has been shifted on to employers, who have spent 'many millions' on accommodation in recent years, according to a board spokesman.
Homes shortage hits worker on the move

THE lack of suitable family accommodation in Cape Town is one of the main stumbling blocks facing Africans wishing to move here from other urban areas where they enjoy residence rights.

Recent amendments to the black labour regulations have made movement between different prescribed areas easier for people who qualify under Section 10 (1) (a), (b) or (c) of the Urban Areas Act.

According to regulation 14 (3) (a) (i), a person with Section 10 qualifications no longer requires the permission of a labour officer to take up employment within different prescribed areas falling under the same administration board.

A qualified person wishing to take up employment in an area under another administration board cannot be refused permission, according to regulation 14 (4), provided he satisfies the labour bureau concerned that suitable accommodation is available for him in that other prescribed area.

For someone wishing to find a job in the Western Cape, however, the serious housing shortage is not the only problem.

CERTIFICATE

Because the Western Cape is officially a coloured labour preference area, the prospective employer must obtain a certificate from the Department of Manpower Utilisation stating that there are no coloured workers available for the job.

The Western Cape Administration Board's director of labour, Mr P S Pietersen, said the new regulations were being applied.

Responsibility now rests with the employer to advise us when they employ a black who qualified under Section 10 (1) (a), (b) or (c).'

Mr Pietersen said most of the movement of qualified people involved domestic workers, who could be housed on their employer's premises.

'It is only where male labourers in industry want employment here that housing is likely to be a restrictive factor.'
Rent control: Row goes on

Attention has been focused on the phasing out of rent control and the Sectional Titles Act by the plight of pensioners threatened with soaring rents and evictions. But the problems of rent control emerged some years ago, and should probably have been tackled then by the Government. REG RUMNEY reports.

Mr Wainer in front of a block of flats in Johannesburg.

- R540 for couples with more than four dependent children.
- For 1959/60 dwellings, protection is afforded single tenants who earn R270, and couples, irrespective of children, earning R540.
- The onus is on the tenants to prove their income.
- For the first two years after deproclamation, any particular group of buildings were to be raised by more than 15% a year.
- For 1959/60 buildings, deproclamation in April last year, the Government is expected to remove it in April next year.
- The Minister also reserved the right to re-impose rent control by proclamation on any particular building if exploitation of tenants came to light.
- Tied in with the plight of some tenants in rent-controlled buildings is the intended repeal of Section 29 (1) of the Sectional Titles Act.
The owner is on the buyer to

eject the tenant.

Three months' notice must

be given.

The owner must take occu-

pation within one month.

The owner must remain in

occupation for at least 12

months after taking occupation.

The future over-rent control

will, however, continue, be-

cause there is no doubt that the

needy and the aged are losing

out.

The boom in sectional title

selling is depleting the stock of

flats for rent and, with demand

outstripping supply, rents are

rising.

And Mr Widman has pointed

out that the supply-to-demand

ratio has changed since the

first announcement of the phas-

ing out of rent control.

He says the building of new

flat blocks since 1966 has been

minimal despite the fact that

the Rents Act did not apply and

therefore could not have been a

deterrent factor in buildings.

The demand for flats has

been pushed up by the influx of

white South West Africans and

Zimbabweans into South

Africa, he has pointed out.

And while landlords raise

rents the income of fixed in-

vestments on pensions are not

increasing commensurately —

and not keeping pace with

inflation.

"The removal of protection

under Sectional Title will re-

move the protection that thou-

sands of people in South Africa

have against eviction, which

protection they are given for as

long as they pay their rent

timely."

By being forced to move into

a new and strange environment

pensioners are losing their se-

curity of tenure, Mr Widman

says.

Perhaps, had rent control

been removed when both the

problem in its enforcement and

its effect on the market were

first being felt, present hard-

ships being suffered by hard-

done-by tenants would never

have materialised.

Rents would have been al-

lowed to find their market lev-

el, and prospective flat owners

would have been encouraged to

build.

The private sector has long

argued that providing housing

for the poorer sections of the

community is the Government's

task, not the private

sector's.

The effect of the removal

could have been mitigated by

some form of Government as-

sistance to lower-income

groups in need of housing, ei-

ther in the form of more or

better subsidised housing, or,

for instance, higher pensions

for the aged to allow them to

afford higher rents.
Yes, there is some protection for tenant

Flat tenants are not at the mercy of heartless, unscrupulous landlords. Despite the phasing-out of rent control on certain types of buildings, and despite the sectional title craze, tenants have a high degree of protection under the law.

A recent statement from the South African Property Owners' Association (Sapoa), the national body representing owners, said: "Tenants are giving themselves a great deal of worry through not knowing their rights, and very often their concern is either unnecessary or has a remedy."

The association said "misleading interpretations" had been placed on Press reports of rent control and sectional title.

To clarify the statutory position first, the Rent Control Act has not been repealed. Its application only to specified tenancies has been removed by proclamation.

MORATORIUM

First to go were units first occupied between January 1 1960 and May 31 1966. The two-year moratorium or phasing-out period for these blocks ended in April this year.

Second to be decontrolled were buildings first occupied between January 1 1955 and January 1 1960. The moratorium on these will be up in April next year.

The third category, announced in May this year, applies to buildings first occupied between October 20 1949 and January 1 1955. The two-year limit on these will expire in May 1982.

Plats occupied since June 1968 have never been controlled.

For the rights of tenants, the landlord has increased the rent, as distinct from water rates or electricity tariffs, at any time during the last few years:

- Hardship cases — people with low incomes — are completely protected because, so long as they remain in the flat and keep below the specified income, the flat is rent-controlled.
- To claim this safeguard the person must have been living in the flat on the date of its proclamation.

INCOMES

For any dwelling first occupied between January 1 1960 and May 31 1966 the monthly incomes that qualify for protection are:
- R500 for a single tenant;
- R580 for a married tenant;
- R640 for a married tenant with one or two dependent children;
- R750 for a married tenant with three or four dependent children;
- R850 for a married tenant with five or more dependent children.

For dwellings first occupied between October 20 1949 and December 31 1959 the incomes are:
- R500 for a single tenant;
- R580 for a married tenant regardless of dependants.

Tenants must be able to prove their financial status. As from April 1981 they will be liable to eviction if the flat is bought and is needed as accommodation for the new owner.

Section 39(1) of the Sectional Titles Act is still in force at the moment. It is due to be repealed in April next year. It protects any tenants in rent-controlled flats from eviction.
RENT BOARD:

- People living in flats they first occupied before October 20, 1949 are still protected by the Rent Control Act. Anyone living in a flat first occupied between then and the end of 1954 comes under the two-year phasing-out moratorium which limits rent increases to 10 percent a year.

- Tenants of these flats can complain in writing to their local Rent Board or to the Department of Community Development if the rent is raised more than 10 percent in actual rents. The Rent Board takes into account whether or not...

- Tenants of rent-controlled flats, or protected hardship tenants, come under the Rent Control Act in other respects too.

Mr. S. P. "Pen" Kotze, who will take over as Minister of Community Development and State Auxiliary Services, next month, has pledged that the Government will always protect the lower income groups.
Government is having a major rethink on sectional title conversion. And the market isn’t going to like it.

Incoming Community Development (Comdev) minister Pen Kotze, tells the FM that his department is now actively looking at the idea of stopping the sale of flat blocks built before 1950.

In May, outgoing Comdev Minister Marius Steyn said: “It has always been taken for granted that the older blocks of flats would not be converted in large numbers into sectional title units because such buildings are generally not suited to this purpose. But should this unhealthy tendency persist, measures will have to be considered to curb the indiscriminate conversion of blocks of flats to enable the sale of individual units.”

Just why Steyn took it “for granted” isn’t clear. Certainly there was never any suggestion that some flats should qualify while others did not. But for the last few months at least, converters should have known that something was in the wind.

Certainly, there have been enough complaints against newcomer converters to warrant action. The SA Property Owners Association (Sapoa) is concerned at the growing number of complaints and the Estate Agents Board wants to hear from prejudiced parties.

Now Kotze confirms that specific action is under consideration. At the same time, however, he has allayed one of the market’s major fears. Government, he says, will implement legislation to make it possible for a flat-buyer to move into his own property.

The amending legislation was passed during the last session of Parliament but the idea was to bring it into force next April. Even Sapoa anticipates a new parliamentary debate before the measure becomes law.

But Kotze says there is no need to delay it beyond the original limit because “it only brings flats into line with the situation applying to houses.”

When the controls are dropped it will mean that even tenants in controlled flats can be evicted by the new owner. Provisions are that he, his parent or child takes occupation; that he is the registered owner and that the tenant is given three months notice.

Kotze says special consideration is being given to the pre-1950 flats because they are tenanted mainly by pensioners. But it’s going to take some fancy legal work to accomplish.

As things stand all flats, controlled and uncontrolled, can be sectionalised and sold. Some old blocks are already operating on registers. Obviously, they won’t be touched.

But many others have been sold on deed of sale in anticipation of sectional title. Some documents allow for cancellation if sectional title cannot be achieved. Others do not.

So it is going to be a complicated and messy business to bring in new rules at this stage. Far better, surely, to bring in the final phase of de-control by amending the Rents Act next session. That will effectively mean de-control for every flat in the country – barring those occupied by low-income tenants protected through the Housing Act.

It will mean that the poor of all descriptions will be immune to arbitrary rent increases because levels will continue to be set by the rent boards. What they won’t be able to do is remain in occupation if their flats are sold to third parties.

And if they have nowhere to go, they will inevitably become the responsibility of the State. It’s that responsibility which the State appears to be avoiding.
Home ownership is preferable

Financial Reporter

HOME ownership rather than tenancy should be promoted in the interests of community stability in urbanising South Africa, said Professor Dr JL Sadie of Stellenbosch University yesterday.

He was speaking at the "Challenge of the Future Towns" conference yesterday, held by the South African Institute of Civil Engineers at the Bedfordview Country Club.

The modern trend among urban developers in the Third World emphasised self-help and low-cost housing.

Urbanisation in South Africa, as in the rest of the world, was an "inexorable" process said Professor Sadie.

He added that it was usually the result of the search for opportunity to stave off hunger, and not to increase an already reasonable standard of living.
Wage scale rents plan helps poor blacks

By Tom Dust
Political Reporter

Millions of poor and elderly black people will benefit from a new rents scheme in which people pay in proportion to their income.

Reports of the new scheme have been confirmed by high-level Government sources.

The scheme provides for people earning less than R100 per month to pay only R25 a month, while those earning up to R150 a month will pay R75 a month.

In cases where some people living in old housing schemes fall into lower income categories, but pay less than R25 or R75 a month respectively, their rent will remain unchanged. People in higher income categories will pay proportionally more for housing. Those in upper-income groups are expected to face substantial rises in rents.

The new rents scheme is part of a government effort to bring housing within the reach of all people in South Africa. It will result in economic and subeconomic rents being brought onto the same basis for all races.

There are several problems facing the implementation of the scheme. There were hopes that it could be introduced in many parts of South Africa from next month. But, due to practical problems in several areas, including Soweto, its implementation is likely to be delayed until January next year.

There are fewer problems facing its introduction into new housing schemes and smaller townships. The main problem lies in finding an economical way of measuring the income of each black household. Grootfontein, for example, has 110,000 houses.
Rent plan criticised by blacks

By Carol Mathiase

Black leaders have condemned the new rental scheme in which blacks in higher-income groups will pay more rent and those in lower-earning brackets will pay less.

They have referred to the scheme which is planned to come into effect soon as "unfair" to the blacks.

Dr Nthato Motlana, chairman of the Soweto Committee of Ten, said it was objectionable.

"Nobody minds paying more if one lives in an exclusive area like Sandton, with fore-determined standards, whose environment is healthy, and townhouses built to one's specifications.

"It is also equitable that the low-income group ought to pay lower rentals.

"But we object strenuously to paying differently on the basis of salary for the same squalid surroundings. If we have to pay higher rentals we must live in better housing."

"Basically, it is grossly unfair that the well-to-do should pay the same rate as the poorest of the poor living in the same kind of dwelling. Those who can afford it should be given the opportunity of acquiring homes in an area tailored for their needs and income."

Malcolm is...
Government has effectively extended rent control protection for thousands of tenants. That's the effect of a decision last week to raise the income limits for lessees claiming protection under the Housing Act.

Main reason for the change is to put more families in line for State housing assistance. But there will be an inevitable rub-off on the private flat market.

Low-income tenants who claim protection have to be in occupation at the time of each decontrol proclamation. So the only newcomers who could join the protected list are those who were in occupation and who earn more than the old maximum but less than the new one. But it's by no means certain.

If a breadwinner who qualifies under the occupation clause earns R600 a month, is he entitled to protection? And if he previously qualified but his income now goes over the original R540, will he remain under control?

Sapoa says he shouldn't, but Community Development (Comdev) has been asked to issue an explanatory circular. The less acceptable alternative will be a test case.

What is beyond dispute is that many more tenants will qualify for protected status when final decontrol (hopefully) takes effect next year. This ultimate phase will apply to flats first occupied before 1950.

To qualify, families now have to show that breadwinner's monthly income does not exceed R550. Previously the limit was R540. And in the case of single tenants, the ceiling has been raised from R300 to R360.

Yet there is an obvious drawback for low-income flat-seekers. Landlords of pre-1950 blocks are unlikely to accept new tenants who would qualify for protection. With decontrol due next year, no landlord will wittingly accept a tenant who is about to become royal game.

Nigel Mandy, who chairs Sapoa's rent control committee, sees the new income limits as consistent. He says adjustments could be expected to bring the levels in line with inflation.

But he admits there is an inequity. A family "breadwinner" (usually the husband) may earn R650 and his wife R600. That gives them a joint income of R1 250 a month — hardly a level where subsides are needed from the state, let alone private developers.

Sapoa, says Mandy, has asked government to change the rules and base the limit on joint income.

Yet Comdev is clearly more concerned with the housing development ramifications of the new formula. National Housing Fund loans can now be used to build houses of up to R13 500 (including land and other costs). The previous limit was R14 000.

And individuals wanting to build their own will be able to go as high as R23 000, an additional R7 000. They will also qualify for state loans of up to R18 900 against the former limit of R12 800. Interest rates vary from 1% for people with incomes of R150 a month to 9% where income exceeds R450.

A Comdev spokesman is at pains to point out that the facility is open to all races. And, soaring building costs notwithstanding, there's still a lot that can be done at these prices in the economic field.

Builders should thus get a beneficial spin-off on the contracting side, but, as usual, there's a catch. The National Housing Fund is short of cash. Applications for more generous allocations have gone to the Treasury, but unless more money is forthcoming, the whole thing at this stage looks no more than a gallant gesture.
HOPE FOR ‘PROTECTED TENANTS’

Alan Cooper, Property Editor

The raising of income limits for ‘protected tenants’ — those who may not be evicted from flats because of low incomes — is being seen in property circles as an indication that the Government may extend protection to these tenants beyond April next year when it was expected this shelter would fall away.

As it stands, the situation regarding ‘protected tenants’ is strange. These tenants have enjoyed protection because of their low incomes in flats where rent control has been removed. Provided they proved their incomes to the landlord, their rents could not be raised.

The old limits were R300 for single tenants and R540 for married tenants plus five children.

These limits were raised last week to R360 for single tenants and R650 for married tenants by the Department of Community Development. Its move was welcomed by the South African Property Owners’ Association.

While ‘protected tenants’ also welcomed the extension of income limits, their gratitude must have still been tinged by apprehension for they learnt during February’s Parliamentary session that their tenure in these ‘protected flats’ may be lost in April next year when repeal of Section 30 (1) of the Sectional Titles Act may come into effect.

Under Clause 39 (1) protection of needy tenants in rent de-controlled flats would be removed. However, its repeal was postponed to April 1981 for further consideration. Thus ‘protected tenants’ had some 14 months to decide their future.

The category of buildings first occupied before October 21 1946, are still subject to rent control. These buildings, the last to be de-controlled, constitute by far the largest of all groups subject to rent control as they were erected immediately after the war when there was a great need for accommodation.

Many of these tenants fall within the ‘protected’ group because of the low rents at present being asked.

If Section 29 (1) is repealed in April next year these tenants may suffer considerable hardship trying to find alternative accommodation in today’s property market which is marked by a shortage of rented accommodation and soaring rents.

This shelter for low income tenants also applies to those in de-controlled flats who are protected from eviction if the block of flats is converted to sectional title and the flats sold individually.

However, if the repeal of Section 29 (1) goes through, their tenure is equally threatened for they must leave their flats if the owner, his parent or child want to occupy it. Against this gloomy background has come the news that the income limits would be raised.

The Government has already expressed its concern at the sudden rush to convert rented flats into sectional title with the consequent hardship to some tenants unable to afford the high asking prices of their flats.

It was considering whether or not to stop the decontrol of the last category of controlled flats — those occupied before 1946, to prevent the loss of rented accommodation.

With property prices at a record level obviously this strata of low income tenants will never be able to afford to buy their flats or houses and a housing crisis would arise if the repeal of Section 29 (1) came into effect next April.

A rethink among Government circles is evident and offering new hope — even if a temporary reprieve — for the ‘protected tenant’.

For R41 250

A HOUSE, No 45 Middel Road, was auctioned recently for R41 230 by Mr J M Sass of Sass and Co. Standing on 471 sq m, its municipal valuation was R16 580. It has four bedrooms and boasts superior finishes. Mr Sass said there was unusual interest in the house.
Squatters: Major policy reversal

PORT, ELIZABETH. — In a major reversal of government policy, the incoming Minister of Community Development, Mr. Pan Kotze, yesterday announced the appointment of a committee of inquiry into unconventional housing for squatters.

His announcement was in direct contrast to the extreme attitude of his controversial predecessor, Mr. Marais Steyn, who has been appointed Ambassador to London. Mr. Kotze said the committee, headed by Professor Tobie Louw, chairman of the National Housing Commission, would look into such alternative housing schemes as core, site-and-service, and other self-build projects.

In an interview after his announcement, he said he did not “want to take sides” on whether or not the new plans amounted to a major repudiation of Mr. Steyn’s long-standing opposition to unconventional housing.

“I am not talking for my predecessor,” he said. “People speak of different methods of housing and I just want the best scientific advice.”

Mr. Kotze said the new plans would only involve black, coloured and Indian squatters and low-income groups in the country’s “white” areas.

He said he wanted to draw the private sector, local authorities, the Building Industries Federation, the Urban Foundation, and the Building Research Institute, into the investigation.

But he also made a strong plea to local authorities not to delay their own efforts to house squatters while the committee of inquiry was sitting.

“If this should happen, existing shortages will increase,” he warned.

Mr. Kotze claimed that the government had already significantly reduced the number of squatters. In 1978 in the Cape Peninsula, for example, there were 24,000 shacks housing 34,000 coloured families. Since then, 14,000 shacks had been cleared and 10,000 families resettled.
Rent increases: chiding for a city councillor

SIR — Regarding Councillor Nick Steyn’s comments on rent increases, as one of the oppressed blacks in this country I have often heard and read bigoted remarks relating to the people of colour in this country.

The comments made by Mr Steyn make one reflect on the white municipal electorate, who vote such people into office.

We blacks realise that Mr Steyn was elected by whites and that his allegiance is to them — but we ask him to please refrain from abusing our people. His remarks emanate obviously from his ignorance and lack of insight and understanding of the nature of the problems facing Indian Council tenants.

The fact that masses of our people, largely the labouring classes, have been relegated to the extreme periphery of our city limits, is as a result of the vicious mechanics of the Group Areas Act (to satisfy the fancies of the Nationalist South African — a minority within a minority).

No choice

These council tenants have had no choice in their place of abode. The majority were haplessly and maliciously uprooted from settled areas and clustered together in great depersonalised anonymous housing schemes — far away from work and recreation. With the vast increases in petrol prices our people are forced to pay the price to commute to places of work in the city centre.

To say that these townships are poorly serviced by essential facilities is an understatement of the truth — but they are continuously faced with rent increases!

Why should a black own a car or a TV set when he can pay this extra money to the City Council? — possibly so that they can offset the vast loss in revenue incurred by the large number of council flats for whites, lying vacant.

Others wait

On the last occasion I bothered to check there were 230 empty flats for whites “despite intensive efforts to have them filled”.

This is the situation which exists in this fair city of Durban while 25,000 (17,000 sub-economic) Indian families wait for homes.

Can Mr Steyn explain the justification behind the fact that when the increased allocation of R371,568 to the National Housing Fund was received that the subsequent not allocation for whites was 16.56 percent while that for Indians was 14.42 percent? Perhaps these allocations are based on colour and not needs?

Mr Steyn also dares have the audacity to compare us with white pensioners. How can any rational person comparatively equate black and white in this country of have and have-nots? Mr Steyn would come up with some very interesting observations should he look at the living standards of pensioners in the black groups. Before the October increase old-age pension rates for the different groups were:

While R27, coloured and Indian R54, Blacks R27.50. Mr Steyn should try comparing these!

Should marvel

If he feels that the council tenants look ‘well fed and clothed’ then Mr Steyn should stand back and marvel at these people who can still look ‘well fed and clothed’ despite vindictive policies that were tailor-made to permanently keep black people down!

The Province in the past lifted blame to the State for their stand on certain issues, but it takes the comments of one of its city councillors to make us realise otherwise!

INDIAN HOUSEWIFE

Reply to anti-rates criticism

SIR — Your correspondent Leslie Riggall (The Forum, October 21) sees the anti-rates plan as economic nonsense. I cannot recall Mr Riggall ever having attended an anti-rates committee meeting to discuss with the committee the economic feasibility of the scheme, or to find out just how it would be administered.

If, as Mr Riggall claims, it is economic nonsense, then it is noteworthy that GST was introduced subsequent to the anti-rates plan being submitted. General sales tax as against general salary tax or national salary tax as it is now known.

Further, Mr Riggall must believe all who have signed the anti-rates petition to be void of any sense of responsibility, seeing that the signatories, many thousands, comprise all walks of life... economists, physicians, directors, African businessmen, Asian businessmen and the average man in the street.

As an economist, I am sure the Ministry of Finance would welcome Mr Riggall’s services.

J F H YORKE

Vice Chairman

Anti-rates Committee

335 Bluff Road

Bluff
Plan for ‘controlled squatting’

Political Staff

PORT ELIZABETH — A change in official attitudes towards the growing squatting problem became apparent yesterday with a disclosure that the government is preparing to plan for a “controlled amount of squatting”.

The Deputy Minister of Development, Dr George Morrison, told the Cape National Party congress here that the country had to “learn to live” with a certain amount of squatting which, he said, was “the physical manifestation of a social and political process”.

Squatting, he argued, was “part of the emancipation of the Third World”.

His statement followed the announcement earlier this week by the incoming Minister of Community Development, Mr P. Kotte, that the cabinet had approved the appointment of a committee of inquiry into unconventional housing for squatters. The committee, Mr Kotte said, would investigate such alternative housing schemes as core, site-and-service and other self-build projects. He added the new plans would only involve black, coloured and Indian squatters and low-income groups in the country’s “white” areas.

Welcoming Mr Kotte’s announcement, Dr Morrison said yesterday the Minister of Co-operation and Development, Dr P. Koornhof, recently held talks with experts on the problems of squatting.

They included Dr P. Smit, vice president of the Building Research Institute, Professor P. van der Merwe, of Pretoria University’s economics department, Mr Ken Finlayson, a senior official of the Council for Scientific and Industrial Research, and Professor D. Fair of the University of Durban-Westville’s urban geography department.

The discussions had concluded that “squatting is basically a problem of poverty and not so much one of urbanisation”.

“It is therefore essential, if the problem is to be adequately controlled and curbed, to encourage and assist blacks to build their own homes according to approved plans and under strict and adequate control to prevent slum conditions”, Dr Morrison said.

“Without condoning the phenomenon, we shall have to learn to live with a certain amount of it as part of the emancipation of the Third World.”

Police try to avoid killing

From MICHAEL ACOTT

PORT ELIZABETH — The Minister of Police, Mr Louis le Grange, said yesterday that police always tried to ensure minimum loss of life when dealing with riots and unrest. He told the Cape National Party Congress it was not pleasant to remember that 30 or 40 people had died in a short period of unrest in the Cape Peninsula recently.

The police had the best possible equipment and training, and successful methods were being applied with the least possible loss of life. They did not hesitate to take firm action, however, if a “skilful, criminal or murdering element” endangered police or public lives.

“If we face a dangerous element, we are also dangerous,” he said.

The answer lay not in killing, but in using modern methods. These included plastic and rubber bullets, the “sneeze machine” and teargas.

Mr Le Grange said another effective, if unpopular, method of dealing with unrest was to detain people, removing them from the community until the situation had cooled down.

Some 200 people had recently been detained under section 10 of the Internal Security Act. A small group was still in detention, most of them in the Victor Verster Prison near Paarl. He said church and university friends of these “so-called angels” would hang their heads in shame if they knew of the detainees’ behaviour and their attitude towards the Prime Minister, Mr P. W. Botha, and the cabinet.
Builders urged: Erect more homes

DURBAN. — Alternative ways of meeting the enormous housing need in South Africa, such as self-building and other self-help schemes, must be explored intensively, the Deputy Minister of Finance, Dr Danie Steyn, said in Durban.

In his opening address at the annual national congress of the Building Industries Federation of South Africa (Bifsia), Mr Steyn said only a portion of the apparent housing need could be met through State-assisted programmes.

"Estimates of the future demand for housing in South Africa are truly staggering. One semi-official estimate puts it at some 170,000 dwelling units per year for urban blacks alone up to the year 2000," Mr Steyn said.

"If it is possible again for private investors in accommodation to obtain a realistic return on their investment, it should encourage new investment in such accommodation," he said.

"This would inevitably entail a rise in flat rent in many instances, but it is a necessary price which will have to be paid."

He also said steps were necessary to divert into lower-cost housing some of the resources in the boom in private building activity, which were going to an excessive extent into the more expensive types of housing.

"One way to do this is to step up the implementation of policies to enable building societies to invest in housing in the black towns and cities."

Plans were also far advanced for building societies to take over some of the outstanding investments of the national housing fund in black housing.

— Sapa.
Housing headache

There is sound common sense in the plea by Mrs Sybil Hotz, Mayor of Durban, for the lowering of building standards in our country in order to provide more homes for the majority of South Africans. Warning that inflation was inhibiting the construction of dwellings of a high standard, Mrs Hotz said available resources must be spread as far as possible.

There is indeed no way that the younger generation and people with limited incomes will ever have their own homes unless luxuries are dispensed with and buildings planned with an eye to space saving. Failure to introduce such a utilitarian doctrine means that prices will rise at an even faster rate than is the case today, and in time home ownership will become a luxury that few people can afford.

With building costs rocketing by more than 20 percent a year it is small wonder that the Government, now thoroughly alarmed, has substantially increased State aid. The income ceiling for family breadwinners seeking assistance was recently increased from R540 to R650 a month, and for people living alone it went up from R300 to R360 a month.

Meanwhile, the maximum allowable cost of dwellings built by the Department of Community Development and local authorities with National Housing Commission loans has been increased from R14,000 to R18,500, and loans to individuals have gone up from a maximum of R16,000 to R23,000. To its credit, the Government appears to be making a real effort to enable wage and salary earners to counter the inflationary spiral.

If the rise in building costs continues at the present rate of 2 percent a month the price of houses will double in less than five years. As it is most unlikely that incomes will increase at the same rate it becomes obvious that fewer people will eventually be able to buy or build their own homes.

The crisis is world-wide. In the Third World the backlog is increasing, and in South Africa the urbanisation of blacks is creating tremendous problems, as is the case in many other countries. The Government intends to spend R20,000 million on housing in the next 20 years, but the ongoing population explosion makes it unlikely that even this vast sum will be sufficient.

Mrs Hotz’s appeal for the construction of more austere (or should we say less luxurious) homes in the future is therefore valid, if only to ensure that a greater number of people will benefit in the long run.
Caught with our pants down

Abolition of rent control is vital to the long-term health of the SA property market. But if the phase-out was expected to provide immediate stimulus for the building of rental stock, a lot of people are going to be disappointed. Years of stagnation caused by controls cannot be solved overnight.

The current flat accommodation crisis—and crisis it is—cannot be the result of rent control but an inflationary quirk. This year building costs will probably rise 30%; salaries won't half as much.

And there's nothing to suggest that things will get better next year, or the year after. So the conclusion is inescapable: economic housing of all kinds is rapidly moving beyond the reach of the average wage-earner.

For several reasons rental flats will be hardest hit. Building society bonds are still sufficiently low-rated and long-term to meet the needs of many buyers. And bond subsidies in both the public and private sectors are becoming an accepted way of life. But who subsidises rents?

To some extent landlords do. Under the current onerous decontrol programme they have got shot of the greedy, but are still stuck with the needy.

For the rest, tenants are on their own. Where landlords can base returns on historical costs, the sums can still work. But even the older blocks are rapidly falling to sectional title converts. The supply of flats to rent is thus diminishing for two reasons—new stock isn't being built because tenants can't afford to pay and established buildings are being sold off in sections.

There are no official statistics to make the point. But the Property Economist's David Berkowitz has taken out figures for the FM showing that while flats made up 25% of all new stock in 1978, the ratio dropped to a miserable 8% last year. After seven months of 1980, the market share for flats has risen rapidly again to 15%. But that's no sign of a surge in rental accommodation. Virtually all the action is in the booming sectional title field.

The depression of the mid-70's certainly did nothing to help. Huge voids were a feature of the flat market in all major centres. In some areas, blocks were standing 50% empty and there was no incentive to develop new flats anyway.

Now the vacancy rate in Johannesburg—and the rest of the country is little different—stands at about 1%. That's as close to a sellout as the market can get, and the incentives to increase supply should be strong.

But try as they might, investors can't see returns of more than 7% or 8% on rented flats. And that's not on. With bond money at more than 10%, it means a negative return even on a two-thirds gearing rate. Developers want to see a 2% cushion between yield and loan commitment before venturing into any investment.

Interest rates are climbing anyway. So, short of tying up fixed bonds at considerably higher rates, there's always the risk that the gap will disappear and some landlords to the wall.

The figures come in for some criticism when Pienaar suggested them at the Sapo conference a few months ago. And, as he based the calculations on a comparison with the cost of offices, the problem may have been overstated.

But there's no denying the trend. Sectional title units are already selling at R1,000/m² (at Umhlanga Rocks) although the national average for new stock is probably about half that. But production costs look like doubling in less than four years. Incomes will fall.

Then what? The present won't please anyone, but there is a classic case for State intervention. As government has been largely responsible for the distortion, it can do little to pull it straight.

It should have done more already. True, the whole affair has never been investigated, but the Fonche Commission was already sounding the alarms more than three years ago.

"The Commission must point out," it said "that if there is an oversupply in the economy this will inevitably result in a serious shortage, particularly of letting units. The oversupply did not.

And by bad luck or bad management, phased rent decontrol coincided with the new-fangled landlords' market. Inevitably, it has become a major political issue.

One of the most sensitive points is the plight of the needy. No one can argue against official participation in that arena. Pushing out of the economic house is not the responsibility of the private sector.

But government's contribution has fallen short. It needs help, but will have to come up with incentives if it is going to get it.

Although there was international precedent to support the idea of direct subsidies, Fonche was against it. Yet inducements will have to be forthcoming if developers are to be persuaded to build more rental flats.

As a kick-off, Pretoria should accept that flat-builders deserve at least similar concessions to those enjoyed by hoteliers.

The long-standing suggestion is that flat developers should be permitted to write off buildings over five to 10 years.

The effect on real margins could be attractive enough to bring investors back to a sector where they are most badly needed.

Direct rental subsidies, which operate with some success in West Germany, probably won't find favour. The problem of protected tenancies won't confront developers of new space. Subsidies will thus have little effect on the volume of new building unless government decides to pay a portion of the rent to landlords on behalf
Minister, PFP in rent talks

Political Staff

THE new Minister of Community Development, Mr. Pen Kotze, is to disclose before the end of the year his attitude towards the phasing out of rent control.

The Opposition spokesman on community development, Mr. Alf Widman, MP for Hillbrow, said yesterday that Mr. Kotze had given this assurance when he met him for the first time in his new capacity late last week.

Mr. Widman said he had met Mr. Kotze, his new deputy, Mr. Pierre Cronje, MP for Port Natal, and the director general for Community Development, Mr. Louis Fouche, for an hour.

"I asked the Minister to consider the retention of rent control for the time being on those properties first occupied prior to October 20, 1949," Mr. Widman said.

He had also asked that protection to existing tenants in properties sold under sectional title should be extended to enable the public and private sectors to catch up with the large housing backlog.

"While the Minister does not appear to be convinced that there is a crisis in housing, he does accept that there have been changes since the Fouche Commission recommended the complete phasing out of rent control," Mr. Widman said.

"The Minister said steps had to be taken to cope with the situation. He had called for certain statistics and further information and would make known his recommendations before the end of the year."
Church plans to buy flats for the elderly

Klaas van der Poel

Has a degree in Operations Research and has been with Shell International as an international operations manager. His experience includes financial management at a number of companies.

He has taught courses at the Universities of Cape Town and Stellenbosch.

He is recognised as a member of the Institute of Operations Research and the Society of South African Engineers.

Staff Reporter

THE METHODIST CHURCH is investigating the possibility of buying blocks of flats so that it can become landlord to hundreds of pensioners living under threat of street violence and sectional title sales.

The superintendent of the Johannesburg Central Circuit, the Rev Peter Storey, who initiated the idea, said that as many as 60% of pensioners who belonged to the Central Methodist Church congregation had been targeted — and this was preventing the elderly from attending evening services.

"I believe this is a major issue affecting pensioners' lives and their freedom to move around in the evening."

"If there was a ribbon awarded to every lady in our congregation who had been targeted, we would have a highly decorated congregation," he said, adding that there was need for more policemen on the beat.

Mr. Storey said the "deep insecurity" which people were experiencing because of sectional title and the lifting of rent control, were also reasons why the church was considering buying blocks of flats.

"They are helpless victims of legislation designed to stimulate the economy, but which is not working to the benefit of the tenant."

"I am surprised that there are still people who believe in the gospel of unchecked capitalism, without safeguards for the weak and vulnerable in our society.

"I believe the church needs to become landlords — unwillingly — and that we need to buy blocks of flats which can be run, not for profit but for the benefit of the community who live in them."

Mr. Storey said elderly parishioners had welcomed the idea.

Though the financing of the project has not yet been decided, Mr. Storey said the church would approach the Department of Community Development and the Council for Care of the Aged about assistance.
Housing inquiry result out soon

Political Correspondent
CAPE TOWN — The Department of Community Development has launched an inquiry into housing problems, including Sectional Title difficulties, the responsible Minister, Mr. S. F. Kotze, said today.

Mr Kotze was reacting to recent allegations that people were being exploited in some Sectional Title transactions.

An announcement, following a departmental inquiry, could be expected within the next fortnight, Mr Kotze said.

He pointed out that buildings erected after 1988 were not subject to rent control and that the matter had come under his department only in the past few months.

The Director-General of Community Development, Mr Louis Pouch, said at the weekend that the department was having a thorough look at all aspects of housing.

Representations were being received from many quarters.

Mr. A. N. Widman, MP, the Opposition's chief spokesman on housing matters, has handed a memorandum to the Minister in which he asks for protection for tenants until the housing situation has become normal.
BLACK ACCOMMODATION

For the masses

An experimental self-help housing scheme has transformed the rolling sugar-cane fields of Inanda, near Durban, into a tent-town virtually overnight. If ultimately successful, the project — unprecedented in scope or scale, and a radical departure from traditional government planning policy — could provide a viable solution to SA’s black housing problem.

At Inanda, 4,500 serviced sites have been demarcated by the Department of Co-operation and Development as the first phase of a plan to eventually rehouse 200,000 people. Nearly half of the plots are already occupied. At present, 2,100 tents house approximately 15,000 people, and at least 60 more are being pitched daily. Each site has its own toilet, but initially one water outlet will be shared between six dwelling units. It appears that the main problem at present is the haste with which government is trying to get the scheme off the ground — if it was conducted at a slower pace, there would be no need for so many people to be living in tents.

Participants are being resettled from the existing informal settlement at Inanda, where conditions are so bad that typhoid broke out earlier this year. It is therefore not surprising that demand for the serviced sites is so strong that the organisers — the Urban Foundation (UF), Natal, in conjunction with the Department of Co-operation and Development — simply cannot keep pace.

During the first phase, participants are resettled and housed in tents. During the second stage, residents build alternative interim accommodation from temporary materials such as wattle and daub. In the final phase, the interim structure is upgraded or a new “final” house built to specified minimum standards.

What constitutes acceptable housing standards poses a thorny problem for the UF — since these must also be within the income limits of the housing recipients. As a first step, the Foundation has established a temporary technical advice centre and materials store from which plans and advice are freely available and materials can be purchased at cost.

Although most residents are still in tents, house building operations are well under way. According to Alan Mountain, regional director of the UF, “houses are already being erected to a fairly high standard.” Ultimately, the intention is to upgrade both services and dwelling units and it is expected that the process could take anything from three years upwards.

Financing is being provided by the Department of Co-operation and Development. The maximum loan for each plot is R2,500 with a required 10% deposit, which may be in the form of materials already in the applicant’s possession for use in the “final” house. Loans are repayable over 30 years with interest rates that vary according to the head-of-household’s income.

But even for those who are not able to enter the scheme with their own financial resources, opportunities are being created for generating funds through the “sweat-equity system.” The scheme offers short-term employment opportunities on site, expressly to assist applicants to generate deposits. It allows prospective residents to participate in brick-making and to obtain materials in lieu of payment, or as part of payment, so as to raise deposits and also to acquire marketable skills.

Ultimately, the success of this scheme will probably lie in the provision of security of tenure, which is a proven motivating factor for the investment of time and energy in house building.
Problems still face
Sectional Titles Act

Own Correspondent

CAPE TOWN. — Dr D V Cowen, chairman of the Standing Advisory Committee on the Sectional Titles Act, said in Cape Town yesterday there had been a "tremendous upswing" in the number of properties being registered under the Act.

But he gave a warning to owners and agents that problems created by sectional title must not be ignored or minimised.

"People don't have to be hurt in the process," he said at a seminar on sectional title organised by the SA Property Owners' Association (Sapos).

"What is needed is a partnership between the public and private sectors which will recognise and come to grips with these problems, and ensure that sectional title doesn't get a bad name.

"This has to be seen as a symptom of the overall national housing problem, and not as a problem within itself. There is no overall panacea, and the right solutions will have to be related to specific areas, at specific times."

Dr Cowen, former dean of the faculty of law at the University of Cape Town, said safeguards for everyone concerned in sectional title transactions should be contained in a code of practice on similar lines to codes successfully applied for some years in the United States.

At least 120 days notice should, for instance, be given to tenants of flats that had been converted from a rental basis to sale by sectional title, and state subsidies should be considered for those who needed to suffer genuine hardship through such sales.

Dr Cowen said figures produced by the Chief Registrar of Deeds showed that since the Sectional Titles Act had come into operation in March 1973, 1,594 sectional title schemes comprising 27,022 units had been registered, and 27,815 transfers of individual units had taken place.

"But just in 1980, 13,888 transfers have already been registered — in other words half the total volume of transfers over the past seven years.

"The 1980 figure is also 300% higher than last year's figure, which was the best so far. It is probable that the marked increase in the number of transfers this year is due to the activity in the conversion market because of the repeal of the protection previously given to tenants of rent-controlled flats."

The magnitude of sectional title transfers, said Dr Cowen, could also be ascribed to the South African public's acceptance of sectional title as a workable and agreeable lifestyle.
The traditional middle-class white South African brick-and-mortar house, now quoted at some R50 000, has alternatives for as little as half the price.

The R25 000 house is no pipe-dream. Even in 1980 it can be built, says the builders. Wait until some time next year and it will probably only cost R3 000 out of your pocket.

To reduce a fifty-grand house to one costing mere R25 000 requires some sacrifice, but more than that, some ingenuity and unconventional thinking.

Many builders now claim that the traditional South African house, built from face bricks in laborious methods that have not changed much since the Middle Ages, is now the most expensive. And it will be getting more so as prices rise for its labour intensive methods, as well as the bricks themselves.

The latest consignments of British imported bricks will work out at R350 a thousand (in this way the bricks in a house will soon be worth R10 000 alone) and the 12-month waiting list for bricks itself adds another 25 percent to building costs.

Trade-thinking is expensive in other ways. An "essential" double garage may cost R200 a month in repayments alone for most of your life. Closed garages are not necessary on the highveld and can be replaced with cheap prefab carports.

Sacred cows

Similarly other sacred cows of our building tradition can be put to pasture for later: the brickknackery entrance hall, the often anachronistic servant quarters and the second bathroom, with a third which could well be reduced to a shower cubicle.

Then, instead of brick-and-mortar (which through labour costs and distance factors still works out most economically nowhere near) there are other, newer, home building materials;

- Lightweight timber, boarding timbers, concrete blocks or bricks, cement panels, industrialised and prefabricated fittings, non-fracture concrete, and a host of others.

There is a great variety of new methods as well, mostly designed to reduce skilled labour costs to 23 percent by section building in factories and fast on-site construction with panels and shutters.

Examining all the options may not resemble the tawdry house hunting of other times. They are often counter-intuitive and the buyer will have to think through the varying claims of the method builders and those of the lower-cost house options:

Restrictions

The clincher of the entrance-club clause — the very first obstacles to building in the cheap are the entrenched clauses in township regulations. They are likely to make expensive minimum demands, like tiled roofs, face-brick structures and minimum floor spaces such as an extravagant 180 square metres.

One day, who knows, such clauses may compel you to fit gold door handles or baths.

To keep home costs down examine township regulations' fine print; then choose a townhouse site with the least restrictions, a minimum floor space of 80 to 100 square metres, and no compulsion to add costly but worthless frills.

Remember for the future: entrenched township clauses which forced housebuyers to spend beyond their eventual means have contributed to property slumps in so-called "posh" suburbs.

Ignore apartheid housing! Many of the most attractive new homes now on the South African scene have been designed for the middle-class Indian and the coloured market.

They have all mod cons, incorporate all the advantages of revolutionary building techniques, especially concrete paneling blocks and non-fracture concrete, timber-and-shield; and they cost between R16 000 and R25 000 depending on location.

Most of these houses are more attractive and have better finishes than existing lower-middle-class houses in the suburbs of cities like Johannesburg and Pretoria. Their only disadvantage: square metreage is down to 80, about a quarter down from a small house in the white market. So save by building yourself a "black" house.

Start small

Core building — This is the solution recommended by researchers at the National Building Research Institute (NBRI), and also by the head of Witwatersrand University's department of building management, Mr Ron Schloss, to young couples who cannot afford a conventional house from one of the large builders. The minimum prices from the large builders now stand at R30 000.

Core Housing is a term widely used after World War 2, but based on an old concept: that is, to build a small house to be extended later.

In Europe core houses were built because of wartime shortages and usually started with two bed rooms only, and no garage, hall or bathroom.

In South Africa, says Mr Ronnie Schloss of Wit, young couples could easily afford to build a R25 000 core house by planning it as follows:

- Saving an average R3 000 on a second bathroom;
- R2 000 on a garage;
- R4 000 on a servant's quarters;
- up to R3 000 on kitchen fittings that can be bought later (including a R400 saving by not laying an eye level stove); and
- saving as much as R1 000 on eliminating a 10 sq metre entrance hall, or reducing bedroom size by one metre.

Altogether this makes a saving of just less than R15 000 on a house that convention now deems "essential." As Mr Schloss explains: "Couples who build such a house can extend it at leisure as their families and finances grow. One end of the house can be left unfinnished and extended to a second bedroom and a built-in garage." The core house is much lower-priced than the more traditional starter house, a small shelter, often a small site in an inexpensive suburb which can be sold as a deposit on a larger, more desirable, house elsewhere. But starter homes start higher, at some R30 000, today.

Timber frame

The Lumbering Giant — An industrial name for the fast-growing timber-frame house industry which is making inroads into the traditional brick-and-mortar market. The erection of house shells of timber houses with brick veneer or pre-cast concrete cladding, which makes them usable is a commonplace to conventional building.
No future but to stay put...
Crash plan to relieve housing shortage

By Jaap Boekkooi

A crash programme to relieve the painful housing shortage of about 300,000 units with rapidly-built industrialised timber houses is to be launched next year by the State and industry.

The State's contribution is an urgent Public Works Department investigation into methods to build 5,000 timber houses a year.

The houses will be built by the Department, which has appointed a special timber house commission.

They will be indistinguishable from a traditional South African brick or plaster house from the outside.

At the same time, the country's largest conglomerate of individual home builders is erecting a show timber village at Rand Park Ridge, north of Johannesburg.

Contracts for hundreds of timber houses as far afield as Soweto and Johannesburg have also gone out.

Rising costs and brick shortages have also forced the Transvaal Provincial Administration to design new schools in timber, from which a firm of architects has been commissioned.

The Anglo Veal mining house is building a timber home factory, which will produce a thousand houses initially for the staff.

The idea of the Rand Park Ridge timber village is to test the reactions of conventional white home buyers to the looming timber revolution in housing.

This revolution, confined mostly to Coloured, Asian and black areas so far, is a direct result of brick shortages, lack of skilled labour and rising wages in the building industry, plus a fear of growing unionism.

There is a lively current exchange of frame house technology with Australia, where the timber revolution started two decades ago, through identical problems of brick and skill shortages and wage inflation.

The local timber house industry models itself on that of Australia, where, despite rocketing living costs, such homes are built at not much more than half the cost of brick houses in South Africa.

Early next year a group of South African builders and building science students will undertake a tour of Australia to study industrialised building projects.

● Building costs can be cut — See pages 14 and 15.
Govt policy on black housing is unwise—Rive

By Tom Duff, Political Reporter

South Africa will not have a stable future unless the principles of justice and merit are applied to all its people, according to Soweto planning chief, Mr Louis Rive.

In an address to the annual meeting of the National Development and Management Foundation yesterday, Mr Rive sharply questioned the wisdom of the Government’s housing policy for blacks.

Within the next 20 years more than 4,000,000 housing units had to be provided for black people at a cost of £200-million. The policy that only the State should provide housing was unwise, he said, emphasizing that blacks should be helped to help themselves.

Mr Rive also emphasised that he did not want to remain in his job “one minute longer than is necessary.” He felt there would come a time when his presence was counter-productive and then he would quit. It was possible that in the future he might hamper officials and be resented by black leaders.

“It is not right that I should be the focal point of attention.”

South Africa would have a great future “if we build together instead of breaking down separately,” he said.

“The key to this is sincerity, integrity and mutual trust and respect.”

Justice and merit lay at the basis of this. Unless people realised that security depended on the principles of justice and merit being applied to all, the country had no future.

Mr Rive emphasised that through the development of Soweto the credibility and communications gap between black and white could be closed. But there were other Sowetos, he said, and the development of Soweto should be seen as “a launching pad” in the process of helping black people throughout South Africa.

Mr Rive said it was unfair that none of the money spent by blacks in Johannesburg’s central business area was being used to aid Soweto. He urged the private sector to help blacks to achieve their full potential.

He had strong praise for the wide array of
City Editor

A "gentleman's agreement" is all that will keep tenants of certain flat blocks from having to pay rocketing rents after April 1 next year when the final stage of rent control is phased out.

This was disclosed yesterday by a Johannesburg spokesman for the Department of Community Development.

However, he made it clear that if landlords did not "co-operate" in the phasing out of rent control, the Government was still empowered to reimpose controls.

The "gentleman's agreement", the spokesman said, was that rentals would not be increased by more than 10% a year for two years after April 1 next year.

This agreement applies to flat blocks which were first occupied before October 1, 1949. These buildings constitute the last stage in the phasing out of rent control.

The spokesman said the agreement was made between the Minister of Community Development and the owners of blocks of flats, after a warning that if owners did not co-operate, the Minister would reintroduce the old system.

Yesterday the city councillor for Hospital Hill, Mr Harold Rudolph, warned of the danger that it was only a "gentleman's agreement" and not a law which prevented rents from rising dramatically at certain blocks after April 1 next year.

He said he anticipated that rents would rocket at the end of the two-year period. By that time, with rents rising beyond the reach of many people, other blocks would be under Sectional Title, "which is fine for those who can afford to buy flats".

Warning of an impending new dimension to Johannesburg's accommodation crisis, Mr Rudolph added his voice to repeated calls for the Government to provide housing.

He said that ultimately the Government was the only body which had the resources to provide large-scale housing.

Mr Rudolph emphasised that he was not attacking landlords, whose approach, he said, was understandable.
Access to housing finance probed

By NEVILLE FRANSMAN
Municipal Reporter

LOWER-INCOME people who are most in need of funds for housing have the least access to such funds — which are in any case inadequate. In addition, the flow of finance is irregular and this militates against a long-term solution to the housing problem.

These are some of the conclusions of the Urban Problems Research Unit (UPRU) at UCT in a working paper just published on “Housing finance: Towards an integration of resources in South Africa”.

In addition, inadequate funds and the prevailing policy of providing very large benefits in the form of generous subsidies and completed dwelling units of high quality resulted in “satisfying the many needs of the few and not the few needs of the many”.

Huge backlog

UPRU believed that in spite of the high priority given to enormous investment in low-income housing made possible by the steep upturn in the economy and the high gold price, present investment was “just, if at all” keeping pace with the demand created by new family formation and was not reducing the huge existing backlog.

The primary source of finance was (central government) budgetary allocations which varied with the state of the economy and this resulted in the flow of finance being irregular.

In turn this led to local authority officials finding themselves “suddenly and on very short notice” being without funds to continue building programmes, and retrenchment of staff which increased unemployment and broke down the organization needed to build houses on a large scale and which had to move into top gear once money was again available.

Building was therefore conducted on a “stop-start” basis and overall production rate was affected. Delays in building increased costs because of inflation and escalation.

These factors caused anomalies.

Large sums of money lay unused within the building society movement where supply was in excess of demand while, on the other hand, the demand on government money for low-income housing was massively in excess of supply.

People who were best able to lend for themselves had relatively easier access to funds (loans) than the poorer section of the community because these had little or no security to offer private lending institutions.

There were two “markets” — the private sector building societies; and the public sector National Housing Fund from which low-income housing was financed.

One market

UPRU believed that the most effective and efficient way of increasing the supply of funds, improving access to these funds and smoothing the flow of finance was to bring about greater integration of the two markets, that is, to bring about a situation in which only one housing market existed and in which the parts were mutually reinforcing.

One of the initial steps could be the formation of a “national bank” based on the existing institution of the National Housing Fund which would guarantee building society loans to low-income families, who were not necessarily of high risk as the security would be the property being developed.

Idle finance

This would bring into circulation private sector finance lying idle in the building society movement. The “national bank” could also float public loans and aid in the establishment of savings and credit unions formed by groups of people on the lines of cooperatives.

Access to credit for the poor would be facilitated by the extension of building society activity to lower-income people, relaxation of building society demands in terms of deposits and the acceptance by local authorities of lower physical standards so stringently insisted upon at present, before plans were passed and loans granted.
For hat racketeers
Tough curbs ahead

By David Bider.
Lawyers welcome tenants' new deal

Staff Reporters and Own Correspondent

The Government's decision yesterday to amend the Sectional Titles Act has welcomed by the public and lawyers, but property agents are in arms over the announcement.

Lawyers were that the Government has tipped the two weaknesses of the Act: that owners could sell a Deed of Sale before applying for the section title and that agents of owners could force legitimate tenants out of flats on a sectional title excuse.

"I am very pleased. I will be interested to see whether there is anything in the new legislation to prevent an entire block of flats being converted to sectional title."

The amendment states that a sectional titles register may not be opened "as long as any units in the building are still under control."

A spokesman for the South African Property Owners Association said it was still too soon to say whether the final Act would have this effect, as there was still opportunity for representations to the Minister.
Govt to the rescue of flat sales victims

By HELEN ZILLE
Political Correspondent

THE Government yesterday outlined sweeping measures to halt abuses of the sale of flats under sectional title.

Mr Pen Kotze, the Minister of Community Development, announced that during the coming session of Parliament the Sectional Title Act would be amended to halt malpractices.

His statement follows a widespread campaign, spearheaded by the Progressive Federal Party, against sections of the Act which led to pensioners and poor people being evicted from flats sold under sectional title.

During this year's session of Parliament, the PFP fought these sections vehemently.

It warned that they left the door wide open for the malpractices the Government is now trying to end.

Mr Kotze said owners of blocks of flats were abusing their right to convert dwellings to sectional title units by:
- Selling units "on a large scale" before local authorities had approved applications for conversion to sectional title;
- "Victimising" tenants by including the elderly and those of limited means, by serving them notices forcing them either to buy or leave, and;
- Circulating eviction orders to tenants on behalf of buyers.

In a bid to prevent these malpractices, he proposed the following amendments:
- If any units in a flat block were still under rent control, permission by the local authorities would not be granted for its conversion to sectional title, nor would the opening of a register at the deeds registry be permitted.
- A flat owner would not be permitted to sell a unit or to serve a tenant with an eviction order until the sectional title plan had been registered.
- A clause allowing buyers of sectional title units to serve eviction notices on tenants would be amended to change the inception date from April 1 next year to a date yet to be announced in the Government Gazette.

Mr Kotze also said he intended proposing legislation aimed at the continued phasing out of rent control by means of proclamation.

Further abolition of rent control would not be considered before May 1981 and this would give the Government the opportunity to consider the matter at the time in the light of prevailing circumstances.

Mr Harry Schwartz, MP for Yeoville, and Mr Alf Widman, MP for Hillbrow, who led the campaign against the Sectional Title Act, are both overseas and could not be contacted for comment last night.

But representatives of the property industry and sectional title conversion experts yesterday criticised the proposed amendments, reports Property Editor REG RUMNEY.

A spokesman for the SA Property Owners Association, Mr Don Kennedy, felt the Act did not need amending.

"In general, developers and converters have acted with considerable responsibility," he said.

"There have, however, been some newcomers who have indulged in sharp practices, such as giving rent-paying tenants very short options to buy and selling on inadequate documentation, which has led to mistrust and insecurity."

Another Sapa spokesman, Mr Boet van Straten, said the proposals were surprising in the light of new legislation due next year which would cover many malpractices.

This legislation, he said, would prevent a sectional title developer accepting any money before a register opened.

Mrs Meriel Peller of the Housewives' League said protected tenants of rent-controlled flats - those with single incomes of R250 a month and family unit incomes of R350 a month - were now assured of legal occupancy without harassment.
Drie eeue se huise in twintig jaar

Deur FRANZ ALBRECHT

NET soweel huise as wat daar in die afgelope 338 jaar — sedert Jan van Riebeeck voet aan wal gesit het in Tafelbaai — in Suid-Afrika gebou is, sal in die volgende twintig jaar tot die jaar 2000 gebou moet word.

Dit is hoeveel bykomende huise in die jaar 2000 nodig sal wees om in die behoeftes van die totale bevolking te voorsien, sê die uitvoerende direkteur van die Federasie van Bouwensers in Suid-Afrika (Bifsas), mnr. Lou Davis.

In 'n toekomsbeeld van die boubedryf se vooruitigte deur die medium en lang termyn, het hy van deesweek in 'n onderhoud met Sake-RAPPORT daarop gewys dat in die huidige jaar die totale bevolking van Suid-Afrika, insluitend die onafhanklike nasionale state, 27,5 miljoen is. In 2000 sal daarna net 30,4 miljoen mense in Suid-Afrika wees.

"Tensvoorzichtig — sonder die inaangening van die bevolkingsaanwas — is daar reeds 'n tekort van 300 000 woonenhede vir al die bevolkingsgroep. Hiervan is die tekort aan huise net in die blanke sektor 50 000.

"Indien ons dus die tekort aan woonenhede vir nou en vir die toekoms wil uitwiss en hoë steeds in die behoeftes van die totale bevolking in 2000 wil voorsien, sal ons die totale bestaande getal huise in die Republiek in die volgende twintig jaar moet verdubbeld," sê mnr. Davis.

Dit is nie die enigste skok wat mnr. Davis vir die behouingsmark in Suid-Afrika bet nie. In die kort termyn voorop hy geweldige stygtings in die boukoste en 'n nypende tekort aan geskoolde arbeiders.

"Bifsas skat dat die stygging in boukoste in die volgende vier jaar nie minder as 50 persent per jaar sal wees nie, in situasie van "bottleneck" op die arbeidsfront skilder mnr. Davis 'n sombere prentjie. Hoewel daar in 'n Augustus van jaar sowat 40 000 vakmanne in die boubedryf geskat het, was daar, konserwatief geskat, 'n tekort van sowat 3 150 vakmanne in die bedryf.

Meer as die helfte van alle vakmanne in die bedryf is messelaars en skrywers — waarvan daar meer as 10 000 elk is. Dit is juis hier waar die grootste tekort le. Byn 1 000 messelaars en 550 skrywers, is nou nodig.

"In die volgende drie jaar tot 1984 word geskat dat die boubedryf gemiddeld sowat 1 500 geskoolde arbeiders en vakmanne per jaar moet bykry om in sy behoeftes te voorsien.

"Veel gewigtiger is die feit dat oor die volgende twintig jaar gemiddeld sowat 3 000 bykomende geskoolde arbeiders en vakmanne per jaar tot die boubedryf sal moeten toe trees as die bedryf met net 5 persent per jaar groei. Die verwagting is egter dat die bedryf met 'n veel meer per jaar sal groei in hierdie tyd," sê mnr. Davis.

Die totale huishoubedrywighede van 1980 tot 1985 behoort teen 'n gemiddelde koers van 7 persent per jaar toe te neem. Dit word bereken op 'n verwagte investering deur die openbare sektor in woongeboue van 10,7 persent per jaar en 'n gemiddelde investering deur die privaat sektor van 5 persent per jaar. Hierdie gemiddelde — word be swaarom die totaal te bereken.

Die historiese groei-koers van die openbare sektor in woongeboue in die jare van 1946 tot 1978 was maar 3,2 persent per jaar; terwyl die van die privaat sektor 2,5 persent per jaar was.
Threat to flat sale dodges

The Government's plans to introduce a new form of compulsory purchase order for the acquisition of flat sales has been met with a threat by estate agents and solicitors. The proposed amendment to the Town and Country Planning Act, 1947, would enable councils to compulsorily purchase flats without the consent of the owner, if the flats are considered to be in need of modernisation. The amendment has been met with widespread opposition, with many estate agents and solicitors concerned about the potential impact on the property market.

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Estate agents have warned that the amendment could lead to a decline in the number of flat sales, as potential buyers may be deterred by the prospect of facing a compulsory purchase order. They have also expressed concern about the potential for councils to abuse the power, leading to an arbitrary and unfair use of the order.

Solicitors have also voiced their concerns, warning that the amendment could lead to an increase in legal disputes and costs for both landlords and tenants. They have also expressed concern about the potential for councils to abuse the power, leading to an arbitrary and unfair use of the order.

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Now the iron fist

Just what is Pretoria up to? After the strident, and opportunistic, political reaction to its rent decontrol programme, a rethink has been in the wind for some time.

Indeed, the FM warned sectional converters back in September that unpalatable changes were on the way (Property Sept 29). Some amendments then would have been more acceptable, even desirable.

But the heavy-handed volte face by Community Development Minister Pen Kotze over the last few days is as impractical as it is unpalatable.

At worst, the new measures could drive some sectional title converters into insolvency and leave thousands of deed of sale buyers without the chance to take transfer.

At best, the additional controls will merely kill off the conversion market and bring an abrupt halt to the re-cycling of older housing stock.

To gauge the impact of the changes, it is as well to recall what the decontrol programme set out to achieve. In four phases, it was designed to bring all flats out of control with the exception of a few - some 4% of the total - occupied by poorer tenants protected in terms of income limits laid down under the Housing Act.

As part of the arrangement, the inequitable Section 39 of the Sectional Title Act was repealed by Parliament and the amending Act was to have come into force on April 1. The idea was to permit buyers of all flats to give notice to any tenant. In the case of protected tenancies, the buyer, his parent or child would have to move in.

The repeal of Section 39 will now be deferred indefinitely, according to Kotze. But this will require a legislative change because the effective abolition date is stipulated in the amending Act. A change, however, will mean that buyers of controlled units won't be allowed to take occupation of their own properties.

Kotze says, rightly, that landlords have been exploiting tenant ignorance by telling them erroneously that the flats have been sold and that they will have to move. Legally, only the new buyer would have been entitled to do that.

Kotze's point is thus taken. There was an inconsistency anywhere in that protected tenants would be cushioned against rent increases but would have no security of tenure.

The second point in the reformist programme is likewise long overdue. Government says it will introduce legislation to ban the sale of flats until the register is open. If only it had laid down that provision five years ago, none of the current problems would have arisen.

Above all, it has been the actions of the under-capitalised gunslingers which have tended to make sectional title a dirty phrase. Small-time syndicates and companies which have been able to scrape together a few thousand rand to buy buildings on deed of sale or take them on option have done nothing to promote the sense of security and good orderliness that the conversion market so badly lacks.

If the register has to be open before selling begins, converters will have to find the finance to do it themselves. They will not be able to use tenant deposits to roll into ensuing buildings, hoping all the while that nothing goes wrong on the way.

Through it all has run the spoken and unspoken threat to "buy or get out." In a landlords' market, tenants often had very little choice. And in line with the official shift to free market mechanisms, it was the owner's right to maximise his investment.

The stipulation that he should be in a position to deliver the goods when making the sale can't be faulted.

Yet the third of the new restrictions will make this impossible to achieve in the majority of cases. Kotze says that blocks which contain rent-controlled flats will not be registered. His idea is to kibosh applications at the municipal approval stage. That will also need new legislation.

But the end result is a paradox. Selling before a register is open is taboo. Yet the register can't be opened while there is a rent-controlled flat in the building.

The majority of blocks first occupied before June 30, 1966 (the cut-off point for rent control) contain one or more flats occupied by protected tenants. Unless there is a change of heart, these blocks will not get registration.

The following scenario emerges. A man buys a rent-controlled flat. If he wants to move in he must serve the tenant with three months notice. But he can't do that until he is the registered owner. He can't become the registered owner because there is a rent-controlled flat in the building and a register will be refused. Clearly an exercise in the absurd.

The necessary changes will be considered in May. But just about all those blocks which contain protected tenants and will be precluded from opening a register. So converters will be back to square one, except that, after the two year moratorium, landlords will be able to obtain better rentals from the unprotected.

One way round the register problem could be to convert to share block ownership, and many owners will be looking at it. Unless they can come up with something, they could face disaster. Many buildings have been bought for conversion on returns as low as three and four percent.

Where gearing is involved that will spell disaster, especially for the heavily borrowed, unless they can get their money out quickly. And if converters get into trouble, so will their deed of sale buyers.

There are literally thousands of them around the country, but it's still not too late to get it all into better perspective. Kotze has announced an intention rather than a fait accompli. Still, it will be a brave, or desperate, tenant who buys an unregistered flat at this stage.

And as Dr Denis Cowen, chairman of the Standing Advisory Committee on Sectional Title says: "In solving the problem of needy tenants we should try not to create even worse problems."

"Plainly, we need a real solution with teeth in it, not a mere token gesture. But we should not overdo it. No one wants a draconian legislative solution likely to wreck the whole sectional title market."
Castles and cabins

Should the poor pay the same interest as the rich when borrowing money for housing? "No," says Professor Dave Dewar of the University of Cape Town’s Urban Problems Research Unit. He feels a high rate for large bonds should subsidise a low one for small loans for the disadvantaged.

Dewar wants a new approach to housing finance in order to increase funds for low-income housing. Investment in housing is only just keeping pace with growth, and not reducing the backlog in any meaningful fashion, he says.

Dewar points out that two relatively independent housing markets exist — the subsidised market operating through the National Housing Fund and the non-subsidised market through building societies and commercial banks.

What is needed, he says, is a greater integration of the public and private housing markets — particularly an extension of building society services from their historic white market to the lower-income categories.

Under the existing system, the largest loans are granted to the most wealthy at the same interest rates as smaller loans. Dewar suggests increased charges on luxury loans through a progressive interest rate system.

Interest rates should increase with the size of the bond, he argues. For example, for all bonds up to R16 000 there should be a basic rate. Above that the rate should increase in unit blocks on additional amounts (e.g. 0.5% for every additional R1 000). The income generated on the additional interest could then be used to subsidise interest rates on lower income loans.

Dewar maintains the better-off would be willing to pay the additional rate, since its marginal cost would be slight. Even if it did fundamentally alter consumer behaviour patterns and cause the wealthy to cut expenditure on luxury housing, the system could ultimately benefit.

More funds would be available for distribution over the total market and there would be a closer fit between the distribution of loans, and need, than at present.

The poor, he says, are locked into a vicious cycle — having no access to funds for housing and no means of acquiring the security that would give them access to finance.

Dewar says it seems likely that this situation will be exacerbated by official attitudes. In September the Deputy Minister of Community Development announced that the income limit for people qualifying for State housing would increase from R640 to R850 per month and the maximum allowable cost of dwellings for hire or rent built with National Housing Commission loans would increase from R14 000 to R18 500. Says Dewar: "If extra funds are available they should be channelled into those areas where need is greatest — the bottom end of the income spectrum."

However, a new institutional structure is necessary to attain this. He suggests the establishment of a Central National Housing Bank based on the National Housing Fund. The bank would extend the functions of the fund and its sources of funding. It would underwrite building society risks (at least in the short term) and provide subsidies for borrowers.

The State would benefit by effectively increasing funds available for low income housing at no extra cost, and would be able to concentrate expenditure where need is greatest.

The only real cost to the National Bank would be subsidisation of the difference between the commercial rate of interest and the interest rate to which the householder is entitled under the subsidy structure.

However, an essential prerequisite for the use of private sector funds to finance low-income housing would be the granting of sufficient security to blacks in urban areas to allow them to raise bonds.
Employers committed to improving the quality of life for employees could well follow the example of Transvaal Consolidated Land and Exploitation Company (TCL), a Barlow Rand subsidiary.

According to the latest company report, the Rand Mines group — which manages TCL subsidiaries, and some associated ones — has committed a massive R256m for the period 1990-1994 to this end. This is in line with the company's commitment to the "removal of discrimination in pay and benefits," and the principles embodied in Barlow Rand's group code of employment practice.

The company will be embarking on extensive housing, training and literacy programmes. Work is underway on a projected 672 houses for black married employees on the Witbank coal mine and considerable progress is being made on the mines to upgrade existing single and married accommodation, schooling, recreation and various other facilities. Particular attention is being given to reduce the numbers of persons in rooms in hostels and to improving the privacy of single employees.

In addition to sustained efforts by the group to improve existing in-house training, plans for the establishment of two major training facilities at an estimated cost of R72m are being pursued — a new technical training centre to be located near Virginia and a multifacultural training college at Crown Mines. The college will offer tuition in subjects such as metallurgy, engineering, mining, surveying, administration, accounting, computer science and personnel management.

A recent survey on the mines revealed a very low level of educational attainment, so the company has committed itself to an adult education programme specifically directed at illiterate and semi-literate employees.

However, most fundamental to the success of any programme directed towards improving employees' quality of life is an improved wage structure. According to the report, the group is continuing attempts to close the wage gap, substantially uplift the earnings of the lower-paid, and integrate the remuneration structure.
State may act against rush to sell flats

The Government would take strict action if property owners rushed to sell blocks of flats to beat proposed amendments to the Sectional Titles Act next year, the director-general of the Department of Community Development, Mr Louis Fouche, told a meeting of the South African Property Owners Association (Sapoa) in Pretoria this week.

The amendment terms are:

- Landlords may not sell units in a building, or give notice to tenants to vacate a flat, until a sectional titles register has been opened;
- No sectional titles scheme will be approved so long as a single unit in the building is still under rent control;
- Buyers of sectional title units still under rent control will not be able to eject tenants so that they themselves can move in until some time in the future—date to be set by the State President.

Mr Fouche said that if the Government found property owners rushing to beat these amendments, strict action would be taken.

This could include putting any building under rent control, and/or making the proposed amendments retrospective—so that any deals concluded now which did not comply with the amendments would be illegal.

Mr Fouche appealed to landlords to act responsibly and sympathetically towards tenants.

“The Government is to amend the Sectional Titles Act to protect tenants from easy eviction by unscrupulous property owners,” he said.

The amendments are also fair to private enterprise, he said, and are not designed to discourage the private sector from constructing housing units.

Mr Robbie Schultz, a member of Sapoa, said the Sectional Titles Act could not be blamed for the present housing crisis. The shortage was because of the phasing out of rent control and the high cost of housing, which outstripped the inflation index.

“The Sectional Titles Act has not lowered the number of flat units—it has merely resulted in changes of owners,” he said.

“The Act has encouraged property developers to build. In the first 10 months of this year, flat development building plans worth R452.5-million were approved—and many of these flats would not have been planned if there were no sectional titles.”—Sapoa.
Group against Govt bid to curb conversion

ONE of the country’s leading property groups has come out strongly against proposed clampdowns on sectional title conversions as an over-reaction which is likely to lead to serious repercussions for the home-hungry public.

It was announced last week that the authorities are considering tightening controls on sectional title conversions, including prohibiting sales of units until a sectional title register is opened, and ruling out the right of new owners of sectional title units to give existing tenants notice in rent controlled blocks.

Behind the furore are allegations of intimidation and a “gunslinger” approach to conversions by “unscrupulous” developers. The issue is further complicated by the phasing out of rent control and because of the emotive issue of the “little old lady pensioner”.

Reacting to the situation this week, Philip Gerhater, a director of Galactic Developments, argued that the proposed clampdowns could have far-reaching repercussions on the supply of quality apartments and could again discourage the development of new blocks of apartments at a critical stage when the relative return on such schemes for developers was beginning to look more attractive.

Ultimately, he says, flat tenants of today stand to be penalised most “in their imagination” if they do not have the option to buy their units and fix their costs at today’s prices.

“One of the original purposes of the sectional title legislation was to offer rent-paying tenants the opportunity to acquire their own homes,” he adds.

“That objective still stands, and is entirely realistic given that ownership ensures that the asset, namely the sectional title apartment, is well maintained and increases in value.”

The solution, he believes, lies not in stopping conversions, as the proposed clampdown could do, but in educating the buying public to be more discriminating in their purchases of such homes.

This education process should teach buyers to supply their own tests of the validity of a purchase along the lines of:

- Asking the seller or his agent to provide satisfactory evidence that a building was capable of being sectionalised and that a building society had agreed to give bonds when a register was opened.

“Moreover,” he adds, “if dissatisfied about the financial stability of the seller, the buyer can insist that his deposit is put in trust.”

The point Gerhater makes is that these control mechanisms already exist and, if applied, ensure minimal risk for the purchaser. The alternative, of banning sales until the sectional title register is opened, would mean the immediate removal of large numbers of apartments from the market long enough for holding costs and the longer risk of the developers to force up prices.

The issues of “victimised” tenants, Gerhater feels, “has become emotional.”

“The facts are these: the larger percentage of buyers of ‘converted’ apartments are the former tenants who are only too keen to obtain a stake in bricks and mortar.”
Sapoa slams Kotze over Titles

By Marion Dunca
The Ministry of Community Development refused to comment this morning on a scathing attack made by Sapoa (the South African Property Owners Association) against proposed Government moves to amend the Sectional Titles Act.

Executive Director of the Association Mr Don Kennedy said yesterday the Minister had "overreacted to a complaint against rent control and conversion which has been festered in some cases by persons of dubious integrity."

Mr Kennedy said subsequently it was obvious the Minister's decision was "pugnacious."

If it had been a business decision, I think he would have consulted us to find better solutions," he said.

Mr Kennedy alleged there had been abuses of the Act, and malpractices by unscrupulous owners and agents.

But he was disappointed that the Estate Agents Board and the Institute of Estate Agents "have been remarkably silent."

He further criticized the silence of the Government, which he claimed had been aware for the last four years of the accommodation situation and its proposed direction.

"It is up to the Government to look after those tenants who cannot afford to rent or buy on the current market," he said.

Sapoa in its statement yesterday agreed. "Our point of view is that the building owner must not be singled out to subsidize the housing of such people."

The State does not interfere with a butchery or grocery in order to provide food more cheaply to such people, and the same principle should be valid with regard to flats."

The Association said the Minister had other avenues open to him to resolve the problems, without resorting to new legislation. This could include the imposition of rent control on any unit or block of flats where malpractices were found.

It also said that the proposed new Sale of Land Bill, to be piloted through Parliament next year, would provide sufficient protection for the public "in that it permits sales before registration, subject to the condition that no money for such sales is placed in the hands of the developer."
ACCOMMODATION CRUNCH

 scramble for

Hard-pressed families looking for roofs over their heads are facing tough new competition. Government corporations and major industrial companies are pouring millions into private property purchases in a bid to accommodate employees.

The search for skilled staff overseas is compounding the problem. Without guaranteed housing, they won't come. And the shortage, already serious, is now critical.

Rand Mines has set the pace with a R4.5m outlay on seven blocks of flats and a number of houses in Boksburg. Existing tenants have been, or will be, moved out.

The properties were bought to house additional employees needed to service the R300m expansion programme at ERPM. A spokesman says it was far cheaper to buy than build and, without accommodation to offer, "we found we were not competitive in the labour market."

ERPM's move has raised the inevitable storm. Some 200 tenants are involved and, to soften the blow, they have been given until the end of January to vacate. The company has also undertaken to consider special cases.

Gencor confirms that it also has out feelers. Artisans are already difficult to come by, says property manager Noel Edkins, and unless there is something to offer in the way of housing they won't sign up.

But the approach will be different.

Without the immediate problem faced by ERPM, Gencor feels it can buy flats and wait for the space to fall vacant through effluxion of time. "We certainly won't buy and then insist that tenants vacate," he says.

All mining groups are probably looking at similar propositions, and the industrial sector, too, is climbing into the private residential market.

Just one of them is electrical group LH Marthimisen (LHM) which is looking for about 15 flats to house specialist workers it is hoping to recruit from overseas. A company executive tells the FM the local employees are still expected to look after themselves.

But immigrant workers, he says, are usually offered at least a month's free accommodation on arrival. And with the present crush in hotels and boarding houses, flats look like the only answer. LHM, he says, has been looking at possibilities but finds little value for money at the prices being asked for old or refurbished stock. But like other companies, it will have to take what is available or fall in its recruiting campaign.

And the problem isn't confined to the Reef. Marthimisen is looking for accommodation for branch personnel as far afield as Welkom and Witbank. Apart from five houses it has managed to pick up in Welkom, it has had no luck.

The confusion in the sectional title conversion market, the spokesman points out, has done nothing to help. Until the dust settles, hovers in many blocks won't even know if or when transfer will be given — even if the flats are uncontrolled.

General Electric is yet another contender for flats. But there are many others, not least Government departments.

The Post Office (Sapo) has just bought a R500 000 block in the southern suburbs to add to properties it already holds in Robindale and Parkview. Sapo's Joe de Jager says the scale of buying is small, but it is essential to have housing on hand for transferred employees and newcomers from overseas.

The Defence Force is another major customer, and its needs are being serviced by the Department of Community Development.

In saner times such high-powered interest in the private residential sector would be welcome. In present circumstances it's no more than a drain on a critical national resource.
Minister threatens rent control, if

Pretoria Bureau

The Minister of Community Development and State Auxiliary Services, Mr Kotze, today threatened any landlord who tried to evade next year's tightening of the Sectional Titles Act with the immediate imposition of rent control.

Amendments to the Act next year will include the prohibition of any sectional title sales of flats unless a sectional title register has been opened.

"It has come to my attention that people who know the amendment to the Act will be made, will now try as quickly as possible to finalise a possible sale or take other steps to evade the effect of the proposed legislation.

"If this should happen, I will not hesitate to place units where dealings have been against the spirit of the regulations, under rent control and to take even more drastic measures if necessary," he said.

Mr Kotze said that people who had bought sectional title units in good faith before his recent announcement, and who intended to live in them, would be able to apply for permission to occupy their flats.
Teachers’ sites cause delay

EAST LONDON — The problem of the allocation of plots in Braelynn 5 stemmed from accommodation problems experienced in regard to teachers for the East London High School, the housing director here, Mr. K. Martinsen, said yesterday.

Mr. Martinsen was commenting on claims that a request from the Department of Community Development for five plots in the area was holding up the allocation of 73 plots.

The problem of accommodating teachers at the new school had at one stage resulted in municipal officials in consultation with the Indian Management Committee (IMC) requesting the Department of Community Development to purchase plots in the suburb.

He said at one stage it was considered that the total number of plots available would be taken up.

After the teacher accommodation problem had subsided 107 applications had been received for 73 plots.

"In the interim the Department of Community Development responded to the request, inspected the area, selected the five plots and requested that they be advised of the amount paid to council," Mr. Martinsen said.

Difficulties in dealing with allocation had led to negotiations between the department and the IMC and the position now was that the department had been requested by the housing department to reduce the number of plots required in the area to two even and to take up the other three even in Braelynn 4 when completed. He said the IMC wanted the Department to accept three plots within Braelynn 5 but in a different position.

"It must be understood that any change in the number of plots or the location as requested by the Department of Community Development or the IMC has a ripple effect in that the total allocation must be reconsidered," Mr. Martinsen said.

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KEY TO COSTING TUTORIALS
Martinsen: claims on rent structure wrong

EAST LONDON — The statement that the municipal housing department had tried to work out the new rent formula was misleading and incorrect, the director of housing here, Mr. K. Martinsen, said yesterday.

Mr. Martinsen was reacting to a statement by the chairman of the Coloured Management Committee (CMC), Mr. D. Alexander, who had said the housing department had tried to work out the new figures for CMC members.

Mr. Martinsen said it was news to him that nobody understood the new formula and rejected claims that this was the case.

He said his department had studied the circular and followed this up with lengthy discussions between Council and the Department of Community Development.

In turn we have explained and are willing to explain to anybody who is interested and prepared to listen," he said.

He conceded the new structure was involved but added that anyone who was "really interested" could understand the basis.

On relief measures he said the position was that every head of a household in the R100 a month income group and under where there was no additional family income would receive rental relief of R3 a month.

Mr. Martinsen provided a chart of figures detailing out the position in respect of Windridge Flats.

He thought it would be conceded that consumers had to pay for lights and water which had not been the case in the Windridge Flats area in the past.

It was the individual's choice to have electricity and if one chose not to, one could inform the municipality to discontinue supply.

This could bring relief calculated at R15 a month.

Mr. Martinsen said it had to be emphasised that any cost to the council not paid by tenants was loaded to the rest of the community, either through direct taxation or by rent.

For instance, old age pensioners living in rented accommodation out of a scheme pay higher rents as a result of higher property taxes to the owner," he said.

Reacting to former CMC member Mr. Peter Mopp's intention to hold a public meeting next Thursday to discuss the rental increases, Mr. Alexander said last night the CMC had been fighting rent rises since 1974 and Mr. Mopp had also done so during his term as a CMC member.

He added that the CMC strongly objected to rent increases where the earnings of an individual tenant had not increased.

"The CMC would like to meet the council's action committee because we feel that after the 1981 income survey rentals will again rocket.

"It would also like to compare the difference in the white and coloured pensioner.

"White pensioners receive about R150 and coloureds R64.

"It is unfair pushing up pensioners' rentals and I would like to challenge the housing department from whom we get a definite promise to ease the pensioners burden regarding rentals." Mr. Alexander said — D. M.

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**KEY TO COSTING TUTORIALS**

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Effect of rate rise 'minimal'

By COLIN VINEALL, Property Editor

When the rates came down they did so by half a percent at a time, and some financial experts feel that it would be fair to revise the rates in the same way.

One agent interviewed this week said he felt the man-in-the-street was being caught in the crossovers of a battle of interest rates between the banks and the building societies.

He said the rates were manipulated to suit the financial institutions, and the current proposals, which would increase the family homeowner's repayments each month, were inflationary.

Strachan, who became president of the institute a few weeks ago, told Tribune that he felt the rise in rates had been inevitable.

Building society funds were drying up after a long period of buoyancy in which major financial institutions had poured in millions of rand to take advantage of what were the higher interest rates.

The rates had fallen and many institutions had withdrawn funds, in some cases to invest in major property deals.

Strachan forecast the effect on the property market as minimal. In many cases people would merely be asked to extend their repayments and their monthly repayments would not be affected.

Where it could bite is in the case of a man on the borderline of qualifying for a loan. Here a rule applies that the repayments must not be more than 30 percent of his salary.

As an example, a man borrowing R25,000 at 10 percent interest for 25 years would be repaying at the rate of R232 a month to qualify for which he would have to earn R232 a month.

With the rate increased according to the proposals to 11.25 percent, his repayments would rise to R254 a month and his salary qualification would go up to R1,016 — a pay "rise" of R88 a month — a salary increase of nearly 9 percent.

Strachan said the interest rates were cyclical and had been higher in the past. "In a year or two they will probably come down again," he said.

accumulate human and physical capital, just as arithmeticians do time a time goes on is they use their present position to discuss (though it is possible that this will be less frequent than it used to be) their position depends on the system under which most of the right hand tail of the income distribution in industrialised countries has come into the existence of these urban systems, then that a relatively privileged group of urban inhabitants, which, in consequence of its luxuriant and the labour bureau categories from insiders' to be made, making employers' concern to recruit the latter of industrial workers, whom a greater training investment has
Call to prevent firms buying up flats

By Marion Duncan

The Government should step in to prevent big business bulk-buying blocks of flats to house workers, particularly foreign labour.

This is the opinion of two financial experts in major South African corporations, Anglo American and Barlow Rand.

They were commenting on reports that several major businesses are considering spending millions to buy blocks of flats as an alternative to accommodate employees, particularly for the regular inflow of foreign labour.

The trend has already begun. East Rand Proprietary Mines Limited has bought seven blocks of flats in the Ekurhuleni area in the past four months, and has caused extreme hardship to hundreds of people by giving them notice.

Escom has bought in Germiston with the same result.

Other organisations — including the Post Office, Barlow Heavy Equipment and General Mining — are looking for nearly 3,000 flats between them.

The two economists are concerned that the trend is "disastrous".

They maintain it will:

- Worsen an already chronic accommodation crisis in South African cities, particularly Johannesburg.
- Drive prices of the property market to artificially high levels.
- Further reduce the availability of flats, pushing people into buying houses means that house prices will soar.

"This means owners will demand, and get, very high prices; probably despite the expected economic recession next year."

The result, the two economists say, will be widespread homelessness and massive debt among low-income and middle-income whites.

Said Mr A: "I am appalled and horrified at this trend in big business. The major corporations, the massive companies, are the ones that can afford to build accommodation. The only reason they are going to buy flats is to save money."

"But at what cost? People who do not work for a big company are going to find themselves on the street. Then they are going to have to look for houses in a dwindling market with increasing prices."

"And the building societies are going to clamp down on loans any minute now. So what about young couples who cannot afford to buy houses?"

Said Mr B: "The corporations are crying out for the Government to step in, by creating a situation which is too ghastly to contemplate.

• Divorce property prices from the economy as a whole. "Further reducing the availability of flats, and pushing people into buying houses means that house prices will soar," said Mr B.

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Said Mr B: "The corporations are crying out for the Government to step in, by creating a situation which is too ghastly to contemplate.
Homeowners get a 1981 bond shock

By Pieter de Vos

At least a million homeowners will be affected when repayments on home mortgages rise by an average of five percent a month next year.

Mortgage rates will rise 0.75 percent in the New Year, Mr Roel Viljoen, president of the Association of Building Societies, announced in Johannesburg today.

The increase takes effect on January 12 for new loans and on March 1 for existing loans.

Higher interest rates were an inevitable part of the current boom, said a leading economist. Homeowners should prepare themselves for further rises in 1981, he added.

The cost of funds to the building societies has increased. An announcement this morning said that dividends on investments in the societies would go up by about one percent.

The rate on indefinite period paid-up shares has been raised from eight to nine percent, on special issue tax-free paid-up shares from seven to eight percent, on partially tax-free subscription shares from eight to nine percent, and on full tax-free shares from seven or 7.5 to eight percent.

Interest

The rate on new fixed period paid-up shares has been increased to 10.5 percent and on special savings accounts from 5.5 to six percent.

As a result of these extra costs to building societies, the homeowners with 30-year bonds of R10,000 will repay R90 instead of about R86.

At the top end of the market, home-owners with a R50,000 bond will repay R541.81 monthly compared with R516.10. This represents a rise of just below five percent.

In April last year mortgage rates were reduced by 0.6 percent.

A spokesman for the association pointed out that the new rate of 9.75 percent for bonds up to R10,000 was still below the bottom rate of 10.5 percent in September 1975 and that the top rate of 11.75 percent would be below the top rate of 12 percent at that time.

These increases have been announced within three weeks of a statement by Mr Viljoen that mortgage rates would not be lifted this year.

Mr Viljoen said he expected that housing loans would be more difficult to obtain next year.

But economists greeted today's announcement with little surprise as the market, in general, has expected increases for some time now. Increases of up to five percent had been predicted.

Higher interest rates could bring the property market further off its recent peak, a property expert predicted.

What you will have to pay

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*The High Mathematics/Statistics curricula are intended for students with a good background in mathematics. The attention of students interested in these curricula is drawn to the entrance requirements for Mathematics I, as detailed in the entry of the Department of Mathematics in the last section of this prospectus.*