Housing & Hostels —

General

18 Jan. 1981 — 30 Sept. '81
Homes Crisis Can

Mr. Thornton White Prize - For the best work in design work. Mr. J. G. Kinnon for the student who has made the best use of bricks in his design work.

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

Mrs. M. J. Sandlings, Miss M. J. Sandlings - For the first year's work in architecture.
Malan Chemical Engineering Medals
For the best student in the following years:

Second Year (Bronze)
A H Dabrowski

Third Year (Silver)
C L E Swartz

Fourth Year (Gold)
L Flach

Malan Prize for the most improved First Year Engineering Student
K W Strickland

S A Institution of Civil Engineers Silver Medal
For the best performing project, design and courses over the 4-year curriculum.
P M Salmon

CIVIL

L T A Construction Prize
For the final year Civil Engineering student with the best thesis.
G P Mitchell

S A Federation of Civil Engineering Contractors Prize
For the best final year student showing constructional ability.
K N Hvidsten

S A Institution of Civil Engineers Student Chap Prize
For the best written report submitted in C E 214,
P C Watt
Black housing lack: ‘new method needed’

By David Breier
 Pretoria Bureau

The Department of Co-operation and Development has recommended a totally new approach to solve the housing shortage for blacks — conservatively estimated at 420,000 houses, which would cost at least R3360-million to build by conventional means.

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

Mr Mills said it would cost the State at least R3360-million yearly over the next five years to wipe out the backlog, without even providing for population growth.

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

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

SQUATTERS

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

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

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

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

Mr Mills said the hous-
RAILWAYS (ости)

"SAR is the one employer in SA which considers itself to be for all the workers. It provides housing facilities for all its staff except for those who reside outside the work area. It is admitted by SAR officials that 1 in 10 employees are housed in the so-called village system, and the remaining 9 in 10 are housed in the city. However, the conditions of these employees are inadequate and provide for the largest number of employees. SAR officials have released the following statement in response to a newspaper article on the conditions of migrant workers in Breakwater jail in Cape Town (Current Affairs January 16).

"Says the Tot: "We use the Breakwater jail to accommodate our labour for a number of reasons. It is within easy reach of their responsibilities, and they are immune to the problems of travelling. We have also a readily available labour force in emergencies. "We have not been aware of any complaints about the accommodation in the jail. This has been the result of strict discipline, which is a sign of their dedication to a good employer. They are contract labourers, and the accommodation is as poor as claimed. These employees would not have returned next year if asked. We have been asked to point out that inspecting officers under the control of the chief commissioner of Community Development visit the compound regularly and they have always expressed complete satisfaction with the accommodation provided.""

"Railway officials have had a good record in providing accommodation for its workers, even though the conditions are not luxurious nor are they ideal. We must state that 1 in 10 employees are housed in housing facilities, and the remaining 9 in 10 in the city. We have released the following statement in response to a newspaper article on the conditions of migrant workers in Breakwater jail in Cape Town (Current Affairs January 16)."
City sales soar to R291-m

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

Last year’s sales totalled R291 677 112 compared to the 1979 figure of R137 788 304 and the 1978 total of R92 735 688. The number of sales jumped from 5 466 in 1978 to 7 409 in 1979 and to 9 963 last year.

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

Second most popular ward was No. 14 — Claremont, Newlands, part of Rondebosch and Bishopscourt with sales of R33-million. However the number of transactions in this ward totalled 764 compared to the 2 111 in Ward No. 13.

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

There were some large deals in Ward No. 7, the Foreshore in the central part of the city where only nine sales fetched R0 720 000. It was the only ward where sale prices were below valuations.

During the year 1 507 vacant plots were sold for R58-million and 7 065 land and buildings were sold for R267-million privately. A total of 164 vacant plots and buildings were sold by public auction for more than R37-million.

From page 248/781

P. A. Pomeroy

Helen Cordier, Travel Prize

Fine Art & Architecture Architectural Institute

P. F. Dunkley

Sixth Year

For the best student in —

For the best Architect's Prize

For a student who has satisfactorily completed sat satisfactory course.

Helen Cordier Travel Prize
Black housing is at crisis stage

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

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

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

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

The report states that it is imperative that home ownership and self-help projects are introduced, and that township residents have a far greater say in how they want to live.

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

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

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

The Government then embarked on huge production line housing programmes carving out "matchstick" dwellings with little character that, according to the FCI, did nothing to inspire a community spirit. Consequently, in times of unrest, residents showed little interest in protecting their premises.

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

"The FCI recommended that the private sector should be encouraged to invest in 'non-white' housing."

(continued)
Converters look at the share block alternative

By REG RUMNEY, Property Editor

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

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

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

It is still unclear what form the amendments will take. Of the two proposed amendments together are taken to mean that landlords may not sell units in a building until a sectional title register has been opened, and no sectional title scheme will be approved as long as there is a single "protected" tenant in a building — a stumbling block for any converter with a building on his hands which was designed for sale on sectional title.

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

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

The third proposed amendment, taken to mean that a "protected" tenant can be evicted from a building, says Sapa's Mr Don Kennedy, will probably not be affected.

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

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

The Act, according to the document put out by Sapa, provides that levy fund money must be deposited into an account separate from the company's account.

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

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

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

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

How building designs affect tax allowances

By REG RUMNEY, Property Editor

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

It is concluded by the Cape Provincial Division of the Supreme Court, SIR versus Af Stamping Works (Pty) Ltd.

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

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

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

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

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

"Improvements" are defined for the purposes of the tax allowances as "any extension, addition or improvements (other than repairs) to a building which is or are affected for the purpose of increasing or improving the industrial capacity of the building."

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

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

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

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

The aprons were not fastened to the building in any way, but even if they had been cemented to the walls, the position would no different.

However, Mr Justice Vos, in his dissenting judgment, said the aprons were "just as much part of the factory building as a stoep is part of a house" and were an "integral part of the building."

So the extensions should have been regarded as qualifying improvements.

Businessman's Law concludes:

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

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

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

Mr Dolf Muller of Sanlam Properties, Johannesburg, has been promoted to Senior Manager, Properties.
Relief for tenants in new Bill

Political Staff

CAPE TOWN — Legislation aimed at giving relief to tenants affected by Sectional Title deals was published in Cape Town today.

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

The new Bill suspends this date for one to be fixed by the State President.

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

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

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

Page 7: Cost halts rent control phase-out.

Page 10: Rent freeze will stop flat building.

(continued)
Rent control phase-out freeze will hit flat block building—Sapoa

Property Editor

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

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

"As a short-term political measure in an election year the move is totally understandable — but it is regrettable in economic terms with regard to the provision of new rental accommodation."

The postponement of decontrol had obviously come about as a result of the activities of what Sapoa termed "irresponsible elements who have conducted their sales of flats under Sectional Title without any sense of social justice."

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

Mr Kennedy said the decision to decontrol came after comprehensive investigations into all aspects of the issue, which had resulted in the Fouché Commission report.

This recognised that the effects of control were "delerious in the extreme for the housing sector." And it had also recognised the fact that it was not the responsibility of private owners of flats to subsidise rents.

5 A Read

For the best third year student.
General J B Hertzog Prize

D Hyde Lewis

For professional practice.
Surveying (in the subject)
Architecture (in quantity)
For the best student of
David Hadson Prize

Miss C Trigard

In this third year.
For the best woman student
Molly Gold Memorial Prize

P A Rapport

For the best student in:
Art and 3rd major courses.

Helen Gooder Memorial Prize

P F Dunkley

Sixth Year.

For the best student in:
Cape Provincial Institute

FINE ART & ARCHITECTURE
Helen Gardner Travel Prize
For the best student who has satisfactorily completed 1st, 2nd and 3rd major courses.
P F Dunckley

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

David Haddan Prize
For the best student of Architecture (or Quantity Surveying) in the subject of Professional Practice.
D H Pryce Lewis

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

Obourn Prize
For the best work in fourth year.
D H Pryce Lewis

John Perry Prize
For the best work in third year.
R A Van Rooyen
Parliamentary Staff

Mr. Colin Eglin (PPPP, the Father of the National Assembly) told the Assembly yesterday that two matters have been brought to his attention.

Mr. Eglin said that the introduction of a new policy on Sectional Titles was announced earlier in November. He had been in a position to assist those who wished to buy units under the Sectional Titles Act. Mr. Eglin had been in a position to assist those who wished to buy units under the Sectional Titles Act.

Mr. Eglin said that the introduction of a new policy on Sectional Titles was announced earlier in November. He had been in a position to assist those who wished to buy units under the Sectional Titles Act.

He also stated that the Minister of Community Development and State Services had been in a position to assist those who wished to buy units under the Sectional Titles Act.

A notice of motion of the introduction of the Sectional Titles Amendment Bill was referred to the Assembly yesterday. The Bill is aimed at:

- To further determine the circumstances in which applications for approval of development schemes shall not be considered by local authorities.
- To provide for the date of commercialisation of certain provisions to be fixed by the State President by proclamation.
- To prohibit the sale of units in certain buildings before the opening of a sectional title register.
- To provide for the date of commencement of certain provisions to be fixed by the State President by proclamation.

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

He said a mass had been created and much hardship caused by the Government's ham-handed handling of the phasing out of rent control and its stubborn determination early last year to amend the Sectional Titles Act of 1971.

This action by the Government had:

- Unleashed an orgy of property speculation, such as had not been seen in the South African property market for some time;
- Resulted in the tens of thousands of tenants in flats in cities — many of them elderly people — living under the constant threat of eviction.
- Caused thousands more to be faced with economic hardship.
Warning on housing

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

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

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

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

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

By NEC RUMNEY

Development has never been easier.

In this economic climate, investors are looking for opportunities to build and develop properties quickly. The demand for residential and commercial spaces is high, making this a great time for developers to capitalize on the market.

However, the process of developing a property can be challenging and costly. There are many factors to consider, including land acquisition, permits, construction, and financing. It's essential to have a clear understanding of the costs involved and how to manage them effectively.

Here are some tips for developers looking to build in this market:

1. Research the market:了解当地市场有助于确定项目的位置和类型。了解目标客户群的需求和偏好，可以更好地定位产品，提高销售和出租的成功率。
2. 预算与成本：预算和成本管理是开发项目的命脉。要确保在整个开发过程中都有清晰的成本预算和跟踪。
3. 与专业人士合作：开发项目的成功通常离不开与建筑师、工程师、承包商等专业人士的良好合作。聘请有经验的顾问可以确保项目顺利进行。
4. 考虑融资选项：融资是开发项目的重要组成部分。了解不同类型的融资选项，可以帮助找到最适合项目的资金来源。
5. 灵活的开发策略：市场条件和需求是不断变化的。灵活的开发策略可以帮助项目在市场变化时保持竞争力。

总之，开发是一项复杂而充满挑战的工作。通过有效的成本管理和市场研究，开发商可以更好地抓住机会，实现成功。
Hansard 2 Col. 599

Sectional Titles
Amendment Bill

2nd Reading

3/2/81
'Late bid to clear flat mess'

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

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

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

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

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

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

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

The Bill was aimed at:
Prohibiting the sale of units in buildings on the sectional titles register before they were built.

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

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

Government speakers rejected suggestions that the proposed legislation was aimed at catching votes in the election. They said the Minister had announced the proposed measures three years ago when it was known that there would be an election this year.
Sectional title Bill is ‘to stop exploitation’

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

He was introducing the second reading debate on the Bill.

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

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

“Information received from numerous sources confirms this to be taking place on an increasing scale”. Tenants were being pressured into buying flats at unrealistic prices on terms which were all but reasonable.

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

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

If they showed hesitation, they were threatened with eviction.

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

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

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

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

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

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

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

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

The situation had since reversed.

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

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

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

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

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

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

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

The Bill would put an end to the practice.

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

— Sapa.
Sectional title curb planned by State

By Frank Jeans

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

A key point in the amendments to the Sectional Titles Act is the prohibition of sale of units before the opening of the sectional titles register.

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

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

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

The Bill makes it plain that if there is any breach of amendments, a developer would be guilty of an offence and fined up to R300 (or six months' imprisonment).
MARION DUNCAN talks to 'n ware Afrikaner, an original, committed to the establishment of a just society. Self-effacing, pragmatic, he is completely dedicated to his role as executive director of the Urban Foundation.

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

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

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

He has just resigned from the Bench of the Cape Division of the Supreme Court after 27 years, to devote all his time to the executive directorship of the Urban Foundation.

REMARKABLE

It is a remarkable decision — to move, at the age of 52, from a lifetime in law to an uncertain new world of social concern.

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

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

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

CONVINCED

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

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

Even his idealism is self-effacing. "We are part of society and have responsibilities as members of that society which are complementary to the performance of our duties as business or professional men."

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

He is the son of a Dutch Reformed predikant and a mother who was a tireless worker for social rights. "I was brought up in surroundings where concern was a common word. My mother had a profound influence on my life." He will not concede there could be any conflict between his personal stand and the stated — if not sacred — principles of Afrikanerdom. "The only thing I find myself in conflict with is intolerance, extremism and prejudice."

"I do not believe South Africa has gone too far down the path towards confrontation. I seriously believe there is a possibility of peaceful evolutionary change in this country."

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

He served as registrar to the former Chief Justice, Justice M. D. Odjivie-Thompson; he practised at the Cape Bar during the 30s, he took silk in 1963 and was appointed to the Cape Division of the Supreme Court a year later.

CONTROL

For 18 years he has been chairman and president of the National Institute for Crime Prevention and Rehabilitation of Offenders, and is an internationally known authority on crime, its control and penal reform.

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

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

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

And just how many Afrikanders would admit that?"
Give illegal protection?

ARGUS 5/2/81

The Government's action that the Irish people's housing need has been met is the brainchild of the Housing (Amendment) Act.

The argument here is that the Government has failed to provide adequate housing for the Irish people. The Act has not solved the housing problem. The Government has not taken the necessary steps to ensure that adequate housing is provided for the Irish people. The Act is a failure and the Government should be held accountable for this.
Kotze: It would create chaos
Legislation to protect tenants needed—Eglin

Mr Eglinton asked the Minister to reconsider this provision.

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

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

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

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

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

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

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

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

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

"Flats exploitation will be stopped"

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

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

The aim of the Bill was to close loopholes in existing legislation. Until now people could do virtually anything as far as the selling of dwelling units under Sectional Titles was concerned.

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

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

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

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

A spokesman for the South African Property Owners Association had said after a meeting with the Minister he believed the Bill would be retrospective, Mr Eglinton said.

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

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

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

The second reading of the Bill was passed with the support of all parties in the Assembly.
HOUSE OF ASSEMBLY. —

The Sectional Titles Amendment Bill was described as a "reckless operation on the part of the Government" by Mr Colin Eglinton (PIF/Sea Point) yesterday.

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

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

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

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

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

"We want a categoric statement from the Minister whether or not this (the prohibition of sale of units before the opening of a sectional title register) will be retrospective." Certain rent controlled units would be decontrolled but the Minister should say under what circumstances this would be done and in which way tenants would be protected.

"The right to occupy a home should not depend on the whims of the Minister, or should people's security of tenure," Mr Eglinton said.

Replying to the Second Reading debate on the Bill, the Minister of Community Development, Mr Pen Kotze, said no tenants of rent-controlled flats or any protected tenants had lost their dwellings due to the Sectional Titles Act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Parliamentary Staff

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

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

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

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

DELAYED

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

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

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

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

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

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

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

THREATENED

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

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

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

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

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

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

The second reading of the Bill was passed with the support of all parties.
Government has duly converted its threats against the sectional title (ST) market into draft legislation. And so far it looks like a can of worms.

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

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

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

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

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

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

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

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

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

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

This decision alone is causing hardship for many who have bought in anticipation of taking occupation. Sitting tenants, on the other hand, will be delighted.

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

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

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

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

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

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

But the new Bill goes further. It specifically voids contracts made before the opening of a register and provides for compensation both ways — including a payment to buyers of 15% interest on the money outlaid.

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

By REG HUMNEY
Property Editor

THE Sectional Titles Amendment Bill will hit "wild-catter" sectional title developers, according to the South African Property Owners Association. But it will also hold up many, if not most, good sectional title schemes, according to Mr Don Kennedy, Sapo's executive director, who explained yesterday what the Bill would mean.

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

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

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

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

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

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

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

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

This clause applies only to existing buildings.

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

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

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

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

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

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

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

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

The Bill provides for a fine of up to R$500 (or six months' imprisonment) or both for contravening its provisions.

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

The deletion would have put owners of rent-controlled flats on the same basis as owners of rent-controlled houses.

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

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

However, Sapo welcomes the announcement by the Minister of Community Development, Mr P F "Pen" Roze, that he will consider any case of hardship.

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

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

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

So he will have to be financially strong enough to ride out two years of owning a building before he can start selling again.
Opposition was right on flats, Govt concedes

Political Staff

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

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

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

All the credit for opening up the Government’s disastrous error of judgment and the failure of its legislation to prevent gross malpractice, must go to the new Minister of Community Development, Mr Kotze.

THREATS

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

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

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

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

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

DEBACLE

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

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

But what the Bill will not do is to compensate victims of the sectional titles debacle for injuries and losses suffered until now, and for the misery, insecurity and tragedies into which they were plunged.

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

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

EVIDENCE

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

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

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

Said Mr Eglin: “They (the Government members) are all responsible, every one of them, not just the Ambassador to the Court of St James’s (Mr Marais Steyn, former Minister of Community Development).”
House debates Sectional Titles Amendment Bill

...and Eglin's happy with the changes.

Property Editor

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

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

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

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

Schemes

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

Provisions

(6) The provisions of this section shall not apply in respect of any building which is erected after the date of commencement of the Sectional Title Amendment Act, 1980, or in the process of being erected at that date.

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

...
Rent boards meet on flat sale changes

By SUE DENNY

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

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

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

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

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

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

Mr Simon Chichik, city councillor and MPC for Hillbrow, commented yesterday: "It is quite obvious the Minister has not been in contact with the Johannesburg local authority, because if he was, he would know that Johannesburg is going to need 5,000 housing units over the next five years to meet the present, across-the-board housing demands."

Mr Chichik said he would continue to protest until the situation was rectified.

The Minister has before him and the realities of the situation.

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

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

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

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

Another said there was a period of two years, an extension of the period of two years for the application for approval, the developer sold a unit for which the section of the Bill had been prepared.

This has been taken to mean that if the developer did not prepare a sectional title scheme, it would sell the unit before it had been approved.

Assocon says in the telefax: "The Minister did not express his intentions towards the end of March, and in view of that fact it is respectfully suggested that the two-year period mentioned in this subsection be reduced to six months."

It would be difficult, Assocon said, for local authorities to determine if any application for a sectional title scheme fell within the provisions of this subsection. title schemes if any flat in the building is still rent-controlled — in other words has a "protected" tenant.
'New flat laws won't affect earlier sales'

By REG RUMNEY
Property Editor

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

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

In its appeal, Ascocam criticised Section 4 (9)c of the Bill, which, it said, "has a retrospective effect", as it discriminates against property owners who may have sold units in good faith in anticipation of embarking on a sectional title development during the past two years".

Speaking from Cape Town yesterday, Mr Widman told the Rand Daily Mail that this section of the Bill was not retrospective in effect.

Section 4 (9)c, in effect, prohibits the local authority from granting sectional title registers for a dwelling if the developer has, two years before the application for registration, built units on sectional title "for which no sectional plan has been prepared".

The exact wording of the section is: "if the developer has, in the period of two years immediately preceding the date on which the application is submitted to the local authority, committed an act which if it were not for the provisions of subsection (2) of section 6A, would have constituted the sale of a unit or an interest in a building and land comprised in the said scheme contrary to the provisions of subsection (1) of the section".

Subsection (2) cancels any sale made in contravention of (1)a, which prohibits the developer from selling on sectional title without having prepared a plan.

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

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

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

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

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

See Page 16
Bonds set to soar

By Marion Duncan and Mike Berry

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

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

The president of the

To Page 2, Col 7

Drawing.

Best classwork in Engineering

Awarded to the student with the

Semyo Sacks Memorial Prize

J H Rums

CIVIL ENGINEERING

Student in Land Surveying or

examinations to the best male

Passing on Results of Final

Professor George Mantese Prize

P M Salamon

Fourth Year (Gold Medal)

Miss N Cotterill

Third Year (Silver Medal)

Miss G Littewolf

Second Year (Bronze Medal)

For the best student in each

Corporation Medal

Faculty of Engineering
Political Staff

THE ASSEMBLY. — Only 1% of tenants in the 22,000 flats registered under sectional title had moved out, the Deputy Minister of Community Development, Mr Pierre Coetjie, said yesterday.

Replying to Opposition criticism that sectional title legislation had led to old and poor people being victimised and evicted, he said there were mistakes with sectional title.

"We felt was wrong was that a few entrepreneurs who misused the legislation and the Government closed the loophole at the earliest possible opportunity.

He said that up to the end of last month, 1,013 sectional title schemes had been registered, involving 37,013 flats.

Of these, 57% had been bought by the tenants and a further 42% were available for relocation to the existing tenants.

"This means that 61% of the people living in these flats were not disturbed, but could stay on," Mr Coetjie said.

The 19% who had moved out had been replaced by people who had, in turn, 14% residential vacancies which could be filled.

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

Mr Coetjie praised the establishment of sectional title to enable young people to buy their own houses, as bringing stability to the area and as a damper on rising house prices.

He believed the Secession in property prices would have been still sharper if there had not been availability for purchase on sectional title.

6 L Chang

Drawing the highest average score for the first year student.

A E C I Prize

L Menga

Drawing the joint highest score in Engineering or student in land surveying or advanced to the student with the Sammy Jacobs Memorial Prize.

J H Reins

Awarded on results of final coursework. Professor George Hendra's Prize.

B F McCracken

J H Reins

D P Meares

T J Cumming

P M Salmons

Fourth Year (Gold Medal) Miss N Davison

Third Year (Silver Medal) Miss G Littetworth

Second Year (Bronze Medal) Miss G Littetworth

Facility of Engineering

of the 2nd, 3rd and 4th years for the best student in each.
leaves some of their money behind to give buyers a chance of obtaining bonds.

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

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

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

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

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

The October/December quarter of 1980 netted R66m in new money, which was 12.5% up on the corresponding three months of last year. As prices have risen some 40% across the board in that time, it is obviously not enough to meet demand.

Hence the new interest in alternative financing.

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

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

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

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

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

Alan Cooper, Property Editor

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

The Director-General of the Department of Community Development, Mr L Fouche, said: "There is immediate possibility of a Parliamentary Select Committee being appointed to examine legislation affecting sectional title development.

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

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

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

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

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

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

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

The most significant provision in the Bill specifies that no flats in a scheme may be sold if there are any 'protected' tenants, those with low incomes, in the building.

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

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

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

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

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

IN CANADA

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

Multitrust Estates have now moved into larger offices, at 387 Lansdowne Road to cope with increased business. The firm now has 12 sales staff.
Hierby word bekend gemaak dat die Staat-president sy goedkeuring gegee het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:

Economic/sub-economic housing

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

(i) What funds were available to his Department as at 31 December 1980 for the construction of (a) economic and (b) sub-economic housing;

(ii) what amount was (a) spent and (b) allocated by his Department for the building of economic and sub-economic housing, respectively, for the period 1 April 1980 to 31 December 1980 in respect of each race group in (i) Cape Town, (ii) Durban, (iii) Pietermaritzburg, (iv) Pretoria, (v) Port Elizabeth, (vi) Kimberley, (vii) East London, (viii) Bloemfontein and (ix) Johannesburg?

The MINISTER OF COMMUNITY DEVELOPMENT AND STATE AUXILIARY SERVICES:

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

(ii) (a) and (b) in thousands of Rands:

<table>
<thead>
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<th>1980</th>
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</thead>
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<tr>
<td>Whites</td>
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<td>210 600</td>
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<td>Coloureds</td>
<td>478 529</td>
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</tr>
<tr>
<td>Asians</td>
<td>11 284 454</td>
<td>12 750 296</td>
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<td>Whites</td>
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<td>Blacks</td>
<td>14 423 509</td>
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FEBRUARY 1981
MR COLIN EGLIN, FFP MP for Sea Point, who has been running rent control clinics in his constituency, have set out the points which most frequently arise during clinic sessions.

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

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

2. The following buildings have been decontrolled:

   Dates when building first occupied
   January 1 1960—May 31 1966
   January 1 1955—December 31 1959
   October 21 1949—December 31 1954
   Date of decontrol
   April 1978
   April 1979
   May 1980

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

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

   (ii) The person continues to occupy that flat;

   (iii) The person's monthly income has not risen above R590 (single) or R650 (married).

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

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

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

5. If a flat is not rent controlled there is no special protection for the tenant, even if the tenant is a pensioner or qualifies for assistance under the Housing Act because his monthly income is less than R300 (single) or R540 (married).

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

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

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

   (ii) That rent control for people in rent controlled flats who have monthly incomes of less than R360 (single) or R580 (married) will continue for as long as he can see into the future.

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

Alan Cooper, Property Editor

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

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

'There is a tremendous shortage of land and houses for the coloured people in Cape Town,' said Mr. Bill van Zyl of Steepe and Co. 'We are now resorting to subdividing plots.

'Prices of up to R15 000 for plots are not unusual, far higher than comparable plots in white areas.'

'We have found that, because of the scarcity of plots people have been keeping them for speculation which has again sent prices up,' said Mr. van Zyl.

'Houses were also soaring. One house was sold three times in a year and its price rose by R5 000.'

'The demand for "coloured" land is far exceeding the supply,' said Mr. B.F.H Koerner of Westrop Estates. 'It's selling at Athlone, Grassy Park and Heathfield, among other areas.

Vacant plots of about 300 sq. m were selling at about R500, but the instruction was 'no money paid down, no houses.' People buying land have to put down one-third and obtain two-thirds bond. If the plot is R20 000, the buyer has to put down R6 000 — a lot of money to find and then there is the risk of not obtaining a bond for the balance.'

'Despite this, the rush to buy land is phenomenal. One agent of ours received 40 calls for one plot the morning after he advertised it.'

'Houses were also going up sharply in price. In Penlyn Estate most houses were about R25 000 with the average sale R20 000 to R25 000. There were about 25 000 which was very popular.'

'Most coloured people preferred to buy a plot some at R10 000 in that and plan house but he had found they were reluctant among builders to take on a house below R20 000.'

'Salaries have increased, that is true, but not by that much to be able to afford to build at that price,' he added.

'There was little new land being opened up for coloured home buying. New developments were some distance out of the city centre.'
control and sectional titles...

promises — whether these be October 1949 block of flats or a particular flat where rent control continues because it is occupied by a tenant qualifying in 3. above — the tenant has the following protections:
The basis for calculating the rental is laid down in the Rents Act. Should a tenant dispute the rental he is being asked to pay he can make representations to the Rent Board which will determine the rental.

(iii) The tenant cannot be evicted from his flat provided he does not default 5. in the payment of his rent. The law which would have allowed tenants to be evicted after April 1981 has been repealed. This protection from eviction applies to tenants in rent-controlled flats whether or not the flats are sold by sectional title.

If a flat is not rent-controlled there is no special protection for the tenant, even if the tenant is a pensioner or qualifies for assistance under the Housing Act because his monthly income is less than £360 (single) or £560 (married).

In such a non-rent-controlled flat the right of the tenant to occupy and the right of the owner to give a tenant notice to vacate is governed by the terms of the lease between the tenant and the owner.

If there is no lease but the tenant pays his rent monthly, the owner can give him one month's notice to vacate. This notice to vacate can be given whether or not the flat has been sold under a sectional title scheme.

SECTIONAL TITLE

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

7. How long will flats remain rent controlled?

While the Minister can lift rent control on specific flats, he has given the following assurances:

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

(II) That rent control in respect of persons in rent-controlled flats who have monthly incomes of less than £360 (single) and £560 (married) will continue “for as long as he can see into the future.”

8. What happens if one bought a flat under sectional titles, genuinely believing that one could get occupation after April 1, 1981, and one now finds one cannot have occupation?

The Minister has stated he would try to assist such persons.

9. Could one or two rent-controlled flats in a block prevent a sectional title scheme from being registered, thereby blocking the whole scheme?

In terms of the law the could block the scheme.

But again the Minister has said he would try to assist in resolving such an impasse.

10. Remember, the Rent Board is there to assist people who are protected under the Rents Act, i.e., who live in rent-controlled flats, and the Department of Community Development is there to assist people with monthly incomes of less than £360 (single) or £560 (married) who qualify for assistance under the Housing Act.

The offices of the Rent Board and of the Department of Community Development in Durban are at 74, Rosemary House, Telephone Durban 37621 and in Cape Town are at the new Customs House, Tel. 21111.

11. Should you require any additional assistance or advice please contact me through the Sea Point Advice Centre, Medical Centre, Koffs Road, Sea Point, Cape Town.
THE crisis in housing was the result of a decision by the government to axe the Child Care Bureau. This decision was made in response to concerns about the rising number of children living in poverty. The Child Care Bureau was responsible for providing support and assistance to families in need, and its abolition has left thousands of families struggling to make ends meet.

The issue of housing has become a major concern for communities across the country. In many areas, particularly in inner-city neighborhoods, residents are facing a crisis of affordability and access to adequate housing. The lack of affordable housing options means that many families are forced to live in overcrowded and substandard conditions, putting the health and well-being of their children at risk.

The government has been criticized for failing to address this crisis adequately, with many arguing that the focus on economic growth and austerity measures has come at the expense of social services and housing support.

In response, there have been calls for increased investment in social housing programs and for policies that prioritize the needs of vulnerable communities. Activists and community leaders are calling for a reassessment of priorities and a commitment to ensuring that all families have access to safe and affordable housing.
Malpractices sparked curb on flat sales

MALPRACTICES by individual developers and estate agents had compelled the Government to introduce the recent amendments to the Sectional Titles Act, the Director-General of Community Development and State Auxiliary Services, Mr. Louis Fouche, said yesterday.

Speaking at the Pretoria Press Club, he said the original Act of 1973 had laid down steps to be followed before the sale or transfer of sectional title units.

Among other requirements, local authorities had to approve a sectional title scheme and a register had to be opened by the Registrar of Deeds.

In practice, however, a minority of agents and developers had assumed the right to deal in these flats before the formalities had been completed.

Mr. Fouche listed some of the malpractices. He said offenders selling flat units on a large scale had:

- Victimised tenants, including the elderly and less well off, into buying or vacating flats;
- Given notice to tenants on behalf of the buyers of these units.

Mr. Fouche said the situation that had developed over sectional title was similar to one involving unproclaimed stands several years ago.

Then, thousands of buyers lost money because developers could not meet their promises.

Many buyers of sectional title units had lost financially, or had been misled by some developers, resulting in the Government's intervention.

In terms of the new legislation, from February 25 flats could no longer be advertised for sale or sold unless a register had been opened.

Sales contracts entered into after this date which did not comply with the new restrictions would be invalid.

Mr. Fouche said rent control, which was due to be phased out completely on April 1, would be retained for the time being. But only about 4% of all flats were still subject to these controls.

The onus rested on developers and agents to prove to local authorities that there were no flats under rent control in a particular block before they could sell the units.

He said Transvaal sales accounted for about half of the 27,812 sectional title units sold since 1973. So far, 19,762 flats in 533 schemes had been sold in the province. There had been 17,224 registered transfers.
MASS HOUSING Standards barrier

The deep ideological rift in the Nationalist Party is nowhere better highlighted than in the ongoing clash between Piet Koornhof's Department of Co-operation and Development and Pen Kotze's Department of Community Development concerning their differing approaches to solving SA's critical housing problem.

These approaches reflect differing philosophical stances regarding the granting of reasonable rights to blacks in urban areas.

Whereas Koornhof's department has indicated a willingness to test innovative and experimental housing strategies in places like Inanda, Stellisloop, Khutsong and Kromstad, Kotze's department has stuck rigidly to conventional and generally inappropriate solutions.

These seemingly irreconcilable differences are particularly serious as Secretary for Community Development Louis Fouche controls the purse strings for all subsidised housing projects, including those undertaken by Co-operation and Development.

Community Development's National Housing Fund is the prime source of money for urban subsidised housing. Two statutory bodies determine the distribution of finance for new housing from this fund - the National Housing Board which controls white, coloured and Asian housing, and the Board of Housing for Blacks, which controls low-income black urban housing. Black housing in the "homenlands" is financed through grants awarded by the Treasury to the Department of Co-operation and Development or to various development agencies.

According to Paul Andrew, of UCT's Urban Problems Research Unit: "Fouche is obstructing a reasonable and affordable solution to SA's housing problem by the imposition of conventional housing solutions. He has taken a consistent public stand against incremental and core housing projects which are acceptable internationally and throughout the Third World."

"The essential difference between the two approaches to the housing problem is that one is progressive, the other retrogressive. Fouche's approach is concerned with centralised control where a centralised bureaucracy makes top-down decisions for all concerned. Koornhof's approach is positive and more progressive. It is concerned with a decentralisation of control, grassroots planning and a process of real community development. Were this not marred by apartheid bigotry, it is part of an international movement which transcends political ideology."

Members of the private sector also allege that Fouche is inhibiting a solution to the housing problem when private sector goodwill and money are available to embark on realistic strategies. With a current backlog of 300,000 dwelling units for blacks and 120,000 dwelling units required by the end of the century, the country can't afford rigid thinking on housing matters, they say.

Recently, proposals submitted by the Federated Chamber of Industries (FCI) to the Economic Advisory Council (EAC) recommending a major rethink of housing policy were accepted in principle. Once again, the implementation of these principles is being blocked by the attitude of the Department of Community Development which has set up a committee of inquiry, the Louw Committee, to investigate aspects of low-income housing.

Says FCI's Arthur Hammond-Tooke: "A re-appraisal is not occurring despite acceptance by the EAC. The fundamental question is, does Fouche's investigation go far enough to constitute a fundamental rethink?"

Fouche's annual report is often misleading. In this year's departmental annual report, Fouche attempts to give the impression that he is providing affordable housing for low-income people. He maintains people will only be paying 5% of their income for occupying or renting houses provided by his department. In fact, this only accounts for construction costs and doesn't account for the cost of municipal services which seldom amount to less than R15-20 per month. A low-income earner earning R100 per month will pay about 20% of his income.

The FCI suggests that an additional R300m be allocated to accelerate the pace of housing development in SA subject to certain stipulations: that the amount is not simply extended to large-scale contract-built housing schemes, but be spent on schemes incorporating principles of home improvement, self-build and self-help. It states: "The private sector has indicated a willingness to involve itself more fully in the housing process. To do so, however, adjustments are required in financial policy in line with principles ensuring a more private enterprise oriented approach to the satisfaction of community development needs in the country."
Black homes plan ‘being thwarted’

By STEVEN FRIEDMAN

BUSINESS proposals aimed at "revolutionising" official policy towards black housing and arguing for mass "self-help" housing schemes are being blocked by the Department of Community Development, business sources claim.

But the Director-General of Community Development, Mr Louis Fouche, yesterday denied his department "had said a final no" to the proposals which are aimed at overcoming the massive white, coloured and Asian housing backlog.

He said the department was waiting for the report of a Government committee on alternative housing for squatters, before taking a final decision.

But Mr Fouche criticised one of the central aspects of the proposals—that "core housing" and "site and service" schemes be introduced—and confirmed that his department would not finance such schemes at present.

The proposals were submitted by the Federated Chamber of Industries to the Prime Minister's Economic Advisory Council (EAC) last year.

According to business sources, they were approved in general terms by the EAC and have official support in other quarters.

"However the Department of Community Development controls the money allocated to black housing, they said, and its opposition is sufficient to thwart the proposals. They also say the department's opposition to the scheme is likely to be raised again at the next EAC meeting.

As evidence of official support for a new approach, business sources point to a statement by the Prime Minister after the EAC meeting, which said the "traditional" approach to black housing was inadequate. The director-general of Co-operation and Development, Mr J H T Mills, made a similar statement recently.

They also point to warnings by Soweto's planning chief, Mr Louis Rive, that he would resign if "meaningful progress" on black housing was not made by the end of the year, and argue that he was expressing his frustration with the slow progress in implementing self-help housing.

The EAC argued at the EAC meeting against two "failures" in official housing policy: that "site-help" housing is an essentially small-scale solution and can have no impact on the housing problem and that private financing cannot be mobilised for low-cost housing through institutions such as building societies.

It argues for a break from the "traditional" approach to black housing towards a scheme which would guarantee legal ownership and the introduction of a market mechanism in low-cost housing, rather than the present system in which this housing is provided and controlled by the State.

It also backs "core housing", in which a basic house could be improved by black families as their resources improve, and "site and service" schemes, in which the authorities lay on water, sewage, building materials and so on, and allow black, coloured and Asian householders to build their own homes.

Some experts see this approach as the only long-term solution to the housing crisis, and say that houses built along these lines are of high quality.

Key recommendations advocated by the PCI are:

- That township development be "deregulated" to allow home ownership, encourage self-build projects and house improvement schemes "on a community participation basis";
- Restrictions on self-employment and job creation by township dwellers should be lifted, particularly as they affect housing;
- A "free market" in low-cost housing should be opened;
- The tax allowance available to business for investing in housing for workers should be raised to R6 000;
- The authorities should change the "institutional structure" governing urban communities to encourage greater community participation in planning and development.

Mr Fouche said his department had no objection to self-help housing. But "core" and "site and service" housing could be "inferior housing".

He said this sort of housing would not effect the savings its supporters claimed: "When this was allowed in the 1950s, it simply created squatter shanties. It cost us millions to clean up the mess."

He added, however, that the department would reassess its attitude to this type of housing after the Law Committee report on alternative housing.

"If you are going to go into something like this, you have to be very careful it is done properly. That's why we are doing a thorough study. Once we have done this, we will make a final decision," Mr Fouche said.
New Building Laws

...
Staff Reporters

Three devastating blows to prospective home-owners may force them to postpone their plans to buy or build, or to accept more modest dwellings.

The latest building survey published today by the Bureau for Economic Research at the University of Stellenbosch outlines the anguish that many hopeful home-owners will face this year.

And in Johannesburg, the Minister of Finance, Mr Horwood, spelled out the government's private dwelling policy which could have a direct bearing on future building costs.

The Bureau for Economic Research announced:

- Annual building cost increases for consumers now running at between 28 percent and 32 percent.
- A further expected rise in the mortgage rate this year — the last rate increase of 0.75 percent took effect on January 1.
- The government's private dwelling policy which is likely to play a more decisive role for buyers than the rate rise in the mortgage rate.

"It is generally accepted that builders are using the greater amount of work available to rapidly increase their tender prices in an endeavour to recover past losses," the survey stated.

The extremely few commentaries published, on hospital expenditure in a general hospital, although the patient/day rate was for $9.95.

Despite the lack of building society funds and the rise in interest rates, building activity was expected to increase this year.

"It should be kept in mind that this demand has reached historically high levels and that no easing in the demand is expected until the end of 1981 at the earliest," the survey stated.

With lucrative interest rates available elsewhere, it was difficult to see how
black and coloured people by the year 2000.
A 1978 estimate had put the cost of erecting these homes with the accompanying infrastructure at R40 000-million — “but in the three months since I completed the most recent housing report, costs have gone up 15 percent, so by the turn of the century we can anticipate costs tripling.”

Dr Swart called for the abolition of the government’s annual R500-million worth of subsidies on low income housing. “People in black areas, in particular, have an unrealistic attitude to housing costs.

“It is for these reasons, among others, that they are reluctant to pay increased rentals or buy a 99-year leasehold. A person living in Soweto, as an example, pays R15 a month on average for rent.

“If he buys a house on a 99-year leasehold, government subsidies fall away and his rent goes up from R15 to R40 a month.”

Dr Swart said subsidies should be phased out over a period of one to three years.

He said only six percent of incomes in Soweto were spent on housing. He said the financial burden for housing could be shared equally with the State, but the private sector would have to begin playing a major role.

“Tension will have to realise that they must pay more if they want improved housing and services.

“Although housing in Soweto is generally substandard, there are no slums. These can be prevented and the housing crisis eased by encouraging home-ownership — possibly by coupling 99-year leaseholds and freehold title — renovations, and core housing.”

Dr Swart said about 10 percent of residents in Soweto and about 25 percent of residents in other areas were in favour of flats being built.

However, he said he was against this unless they were built for second or third generation Sowetans in high income brackets without children.

Dr Swart also called for more attention to be paid to the erection of revenue generating sources in black urban areas.

He pointed out that 70 percent of residents in Soweto were in the Johannesburg central business district.

However, most farmers extended very short-term credit.

To workers in the sense that workers were allowed to buy food, etc., on the book, and to pay the farmer back over their provisions (millet meal, sugar, tobacco, soap, etc.)

However, most farmers extended very short-term credit.

To workers in the sense that workers were allowed to buy food, etc., on the book, and to pay the farmer back over their provisions (millet meal, sugar, tobacco, soap, etc.)
Sectional titles: Warning to speculators

Political Staff

THE chief Opposition spokesman on community development and housing, Mr Colin Eglinton, today welcomed Mr Pen Kotze's warning against sectional titles malpractices aimed at pushing tenants out of their flats.

Mr Kotze, the Minister of Community Development, warned last night that swift action would be taken against persons responsible for such 'unlawful and unacceptable practices'.

Mr Eglinton said today he had recently made representations to the Minister when it came to his (Mr Eglinton's) notice that certain property speculators, through their agents, were flouting the provisions of the amended Sectional Titles Act.

RESPONSIBLE

Tenants had been put under pressure to purchase options at fixed prices prior to the opening of a sectional titles register.

'I have found that the vast majority of building owners have responded in a responsible and understanding way to the recent amendments to the Sectional Titles Act,' Mr Eglinton said.

'Where I can, I have helped and will help them as well as buyers of sectional titles units and tenants with problems which may arise out of the various amendments to the Act.'

'But I cannot sit back and watch tenants being harassed or the property market thrown into a new state of tension by unscrupulous speculators who flout the law.'

The law had been designed to bring order to the sectional titles property market and to protect tenants from being harassed or pressurised.

In the interest of all concerned I ask that serious attention be paid to the Minister's latest warning,' Mr Eglinton said.

(Report by T.J. Entwistle, 122 Breyer Street, Cape Town)

People pushed out of flats — Page 12.
Prices of houses may rise by 600%  

By SEAN O'CONNOR  
City Editor

A HOME costing R30 000 today, would cost more than six times as much — about R180 000 — by the turn of the century if the rise in building costs was 10% a year, the Johannesburg City Council has been told.

Recently, however, building costs had been rising by about 25% a year.

If this rate continued unchecked, a R20 000 home would cost about R1 400 000 by the year 2000, Mr Christopher Newton Thompson, the city councillor for Parktown North, Dunksfield and Rosebank, said this week.

However, he believed it was unlikely that the rise in building costs would drop to an average 10% a year from now until the end of the century.

Mr Newton Thompson disclosed these figures when he urged the city's management committee to investigate ways to alleviate Johannesburg's growing housing crisis.

He led a Progressive Federal Party motion calling on the council to resolve that its present housing programme was inadequate to meet the needs of the city. It was defeated.

He said that two years ago there were many vacant housing units in some of the council's housing estates for whites, but since then the situation has changed dramatically for the worse.

This was mainly because of the upturn in the economy and increased immigration from Zimbabwe and Europe, he said. He said that there were 749 white and 4 597 coloured families on the housing department's waiting list.

Dealing with the difficulty which lower income groups and young married couples had in acquiring homes, Mr Newton Thompson said he believed that the only practical approach to the problem was to system of housing finance where the monthly repayment on a housing loan or mortgage bond is coupled to the rate of inflation and increase as the income of the house purchaser increases.

On the standards of council housing, he said he did not believe there was scope for reducing the size of houses in coloured estates, but believed changes should be made in white housing specifications.

"It seems wrong that servants' quarters and garages should ever be included in houses in a council-administered estate," he said. "In our planning for future schemes, especially those for whites, I believe we must use higher housing densities."
rent control plans

BY REX B TuevY

The Government has been
product

in which many buildings

victimized. This is a power

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rent controlled.

For instance, Mr. Kennedy of the SA

Civic Association stressed the need for

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STATE URGED TO ACT

HOMES CRISIS

ARGUS 4/4/81 (123)

STRONG calls were made today for a Government investigation into the growing accommodation crisis in cities.

In Cape Town, the Opposition's chief spokesman on housing, Mr. Colin Eglinton, said: "The position is urgent. I call on the Government to act now."

He called for an in-depth investigation and immediate action to initiate a new housing strategy.

In Johannesburg, the Housewives' League of South Africa and Mr. Alf Widman, another Opposition spokesman on housing, demanded an investigation as well as a review of the sectional titles and rent legislation.

Mr. Eglinton said the latest warning by the Minister of Community Development, Mr. Pen Kolza, not only indicated that unscrupulous speculators and agents were continuing to harass and pressure tenants; it had shown that the housing and accommodation problem in cities was far from solved.

An investigation should be done through a commission on which all sections — tenants as well as property owners and developers — were properly represented.

Positive measures should include:

- Tax incentives and depreciation allowances to encourage the private sector to assist in providing housing for the lower and middle-income groups.
- Special assistance to senior citizens in rental subsidies, if necessary, to ensure that they could live without fear of eviction and at prices they could afford.
- Loans at lower interest rates or equity-linked loans to help those who needed to buy their own flats or build their own homes.
- Tax reductions for mortgage interest paid by flat or house owners up to a certain income level.

Mr. Eglinton said that judging from inquiries that still streamed into his Sea Point advice centre, the problem of finding suitable accommodation at prices that the average citizen could afford was becoming worse and not better.

For some, this had reached crisis proportions. Both lower and middle-income groups were being hit.

Worsening

The position would worsen unless the Government took urgent action, he said.

The Weekend Argus correspondent reports that a PFP city councillor for Hillbrow, Mr. Simon Chilick, and the MP for Hillbrow, Mr. Widman, have demanded a Government commission.

The Housewives' League spokesman on housing, Mrs. Muriel Brender, said: "This time tenants must be allowed to give evidence."

The last commission (the Fouche Commission) had hardly any consumer representation at all. She applied to give evidence, for instance, and was never called.

Mr. Harry Schwartz, PFP MP for Yeoville, also joined the call for a commission. He said he dealt constantly with hundreds of people in his constituency who were badly treated by landlords and agents.

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Help end housing shortage.
200 000 backlog in black homes

MARITZBURG. — South Africa faces a backlog of more than 200 000 housing units for blacks, Indians and coloureds, according to figures released in Maritzburg yesterday.

Mr B A van der Vyver, chairman of the Committee of Inquiry into alleged operating losses on housing, estimates that the Department of Community Development and State Auxiliary Services will have to provide about 42 000 dwelling units a year to try to eliminate the backlog in five years. This will cost the State about R420-million.

Mr Van der Vyver, who was addressing the annual meeting and seminar of the Institute of Municipal Treasurers and Accountants, said that apart from the backlog, the annual housing needs of all race groups was 54 000 units — estimated cost: R656-million.

Accordingly, to meet the annual need and decrease the backlog, about 36 000 houses will have to be built at a cost of R656-million.

He said the department had set itself a minimum goal of 40 000 houses a year, but there was concern that this would not be achieved easily.

"Building costs are increasing by 20% a year, while the department's budget does not increase by the same percentage," Mr Van der Vyver said the State was not prepared to accept inferior types of housing — such as site-and-service schemes — for the lower and middle-income groups.

Though acceptable methods would have to be found to provide cheaper housing, he said, experience had shown that inferior forms of housing were, in fact, an expensive type and not acceptable to present-day standards.

It was also becoming clearer that it was not a practical proposition for the Government sector to meet the demand for housing on its own.

It should be borne in mind, he added, that sub-economic housing, especially for the coloured community, should be regarded as an emergency measure — and for this reason costs had to be kept as low as possible.

"Much criticism has been levelled at the department for this type of accommodation. I think it would only be fair to keep in mind that it is the policy of the Government that the tenant or purchaser must be able to afford the monthly rental or instalment.

"Many of the families now housed in sub-economic dwellings are people who were taken out of the most appalling slum conditions, and furthermore, who do not earn sufficient to be able to afford much by way of rental. "If a family is provided with a house it cannot afford, it is, in fact, not provided with a service but with a disservice," said Mr Van der Vyver.
SA needs 200 000 houses — chairman

PIETERMARITZBURG — South Africa faces a backlog of more than 200 000 houses for the black, Indian and coloured communities, according to figures released at the seminar here yesterday.

Mr B.A. van der Vyfer, chairman of the Committee of Inquiry into Alleged Operating Losses on Housing, estimated that the Department of Community Development and State Auxiliary Services would have to provide roughly 42 000 dwelling units annually to try to eliminate this backlog within five years.

Mr Van der Vyfer, addressing the annual meeting and seminar of the Institute of Municipal Treasurers and Accountants, said that in addition to the backlog, the annual housing needs of all race groups were 54 600 units at an estimated expenditure of R944.9 million.

"Accordingly, in order to meet the annual need and to decrease the backlog, about 86 000 houses will have to be built at a cost of R985 million," he said.

Mr Van der Vyfer said the Department had set itself a minimum goal of 40 000 houses a year.

"Building costs are increasing by 20 per cent a year while the department's budget does not increase by the same percentage and the present trend of limiting government expenditure seriously influences the department's annual vote."

"For the 1981-1982 financial year the capital available for housing projects after deduction of all losses will barely be enough to cover current obligation," Mr Mr Van der Vyfer said.

He said the state was not prepared to accept inferior forms of housing, like site and service schemes, for lower and middle income groups.

"The private sector will definitely have to make a larger contribution," he said. — SAPA.
Public outcry over unscrupulous dealings under sectional title amendment forced the Government to act on an Amendment Act to protect tenants, but there is little doubt that the change has also had an adverse effect on the market generally.

The amendment has had the desired effect of shaking out the exploiters who hoped to make money out of sectional-title conversion without consideration for protected tenants, but, in many instances, tenants find themselves worse off.

Mr. Bill Vipond, director of National Acceptances in charge of property matters, says that the amendment has had the unfortunate consequence of perpetuating an already unfair situation where dischanted landlords are compelled to support protected tenants something the Government should do -- without creating more accommodation to alleviate the shortage of flats.

"From the landlord's point of view," says Mr. Vipond in the latest issue of National Acceptances' News and Views, "an already much-eroded asset is likely to deteriorate further because the property has a zero yield, and in any cases runs at a loss.

"Marketing of his property will be severely restricted, because of lack of buyers."

Tenants, under the circumstances, could well find their flats more rundown and where they might have been able to buy the flat before as a hedge against inflation, for security, they are now unable to do so.

"In fact," says Mr. Vipond, "the number of protected tenants is sufficiently low for them to be taken care of by the Government."

"Many people who live in rent-controlled flats are well above the protected-income bracket of R350 a month."

He also makes the point that in many cases flats have been renovated, creating employment and stabilising a neighbourhood. These flats are not marketable because of the provisions of the Sectional Title Amendment Act.

Mr. Vipond also says that because developers are compelled to open a sectional-title register with the Deeds Office before units can be sold, and that a register cannot be opened if there are any protected tenants in a particular building, this created a lot of confusion and uncertainty.

"Many past sales have had to be avoided," says Mr. Vipond, "and people who had wanted to buy flats are now unable to do so. Many renovations undertaken for conversion have left landlords and estate agents bitter."

By Frank Jeans
Self-help in building homes urged

HOUSING self-help was capable of playing a definite role in this country's economy in providing low-cost housing and in forming the nucleus of job opportunities in developing areas, Professor Wallace van Zyl of the department of urban and regional planning of Free State University, said today.

Addressing the annual congress of the Free Market Foundation in Cape Town, he said a self-help scheme could be used to develop 'upgradable' building methods, taking into consideration local building systems, materials, products and skills. It could also provide improved employment opportunities for low-income groups and enable decision-making to take place by the community based on individual and group preferences.

In South Africa we have an increasing pool of unskilled manpower, largely due to population growth which is not balanced by new jobs.

'It is a fact that wages and mechanisation have increased in the construction industry without a matching increase in productivity.'

INCENTIVES

Ironically, he said, even as the plea was made for labour-intensive building to be restored, the receiver of revenue was giving greater incentives for plant and mechanisation.

'This is a difficult situation to remedy, but some solution should be sought whereby manpower is made as important as machines.'

Professor van Zyl said the first step under self-help was for the average family to build a roof. The second would be to make or buy the earthen bricks or blocks with which to put up some sort of shelter.

INFRASTRUCTURE

He went on: 'We need to create a housing infrastructure which the community may tap in two ways, either for contractor or self-help services. Materials such as off-cut plants of wood, plastic, housing, waste pole, asbestos and roofing felt could be supplied at a central depot by the authorities or private enterprise.'

He said clients should be created where building and repair skills could be learnt: financial advice given. This could be part of part-time job training.
A Plan for Improved South African Medical and Vital Statistics.
By H. S. GUM, B.S.C., M.B., B.Ch., D.P.H.,
Department of Public Health, Pretoria.

This year has brought an unusual and yet important experience to every South African citizen, in the co-operation in the most complete Census yet undertaken in this country. Though this alone makes 1936 a landmark, it has other claims to significance in the vital and medical statistical calendar. It was exactly one hundred and fifty years ago, in 1836, that the General Registry Office was established, inaugurating the first scientific collection of English vital statistics. These were eventually to provide William Farr, the great figure of all medical statistics, with the material for his classical reports. Unfortunately our profession is all too ignorant of the genius of Farr and of the influence that through him the English vital statistics data had in arousing public opinion, firstly in England and later in other countries, to the need for sanitation and preventive medicine.

Furthermore, the death has occurred this year of Karl Pearson, one of the great intellects of our time, to whose science and medicine owe largely the great advances in the application of mathematics to biological measurement. Pearson's contributions in such fields as the measurement and interpretation of correlation and the theory of probability, are fundamental, but also from him inspiration was drawn by such succeeding medical statisticians and epidemiologists as Raymond Pearl and A.J. Yorke. In this year, then, it is appropriate that South African medicine should give some thought to the subject that in growing in importance—medical and vital statistics.

The preliminary results of the Census have been made public and are evidence, giving expression to many national and local problems which have been secretly developed. Statesmen, for instance, are seriously perturbed by the implications of the shifting distribution of our European population. The “trend to the towns” has received exact definition. The absence of knowledge of the serious consequences have been suggested, but it may be proposed that when the later results of the Census are published, the absence of this knowledge will be portrayed as a threat to the non-European.

That so much of the Census report should be in the form of a resolution is indicative of the weakness of the system of democracy in this country. That so many vital phenomena—births, deaths, ages, sex, racial and segregational distributions of the populations—are imperfectly known is serious consequence to statesmen, scientists, and administrators. In the absence of knowledge of the birth and death rates of the non-European, guidance and control of important social forces is impossible, and the functioning of and preparation for future national needs in such fields as labour, education, industry, and the general social system is haphazard.

Agricultural districts will be made of the information contained in this report. Our present knowledge of the “snapshot” of the country is incomplete and our statistical information is deficient. As a result, the planning for the future of the country is not possible.

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Concern over new rent control move
Blacks need 160,000 houses - Villien

SWETAN Tutors: - Don't miss Std 8 Biology tomorrow

Page 2

SWETAN, Monday, May 4, 1981
Big Escom order for prefabs

The growing importance of the factory-built house in the light of the industrial build-up is underlined by Escom's order for more than 500 Tulbagh homes from CI Park homes, Pinetown, with a value of R6.5-million.

The homes, approved by the South African Bureau of Standards, will be based at construction sites of four giant power stations.

The first batch has been delivered to the Durha project near Wilbank. Escom originally volunteered to give up part of their allocation of houses to assist flood victims at Laingsburg.

E. B. Jeans.
Landlords get a caning

Community Development Minister Pen Kotze has virtually put paid to any hopes that developers will be tempted back to the flat rental market. Cynically ignoring the tacit understanding between landlords and his predecessors, he has slapped rent control on a post-May 1986 block of flats and sent the market into a cold sweat.

No residential building is now safe from rent control. And early intelligence from his meeting with Sapoa representatives suggests that he is not prepared to undertake that he won’t use his draconian powers of control again.

Rent-control effectively stopped on May 31 1986. Previous ministers suggested, at least implicitly, that new buildings would be safe. Obviously, they’re not, because the Minister is using powers of control which no one expected him to make use of.

Developers are already hard put to see margins in flats-to-let in an uncontrolled market. The latest development looks like scaring them off for ever.

Small wonder that Sapoa officials spent most of Tuesday in what amounts to an emergency session. No statement was immediately available, but Rent Control committee chairman Nigel Mandy summed it all up in five words: “The consequences will be alarming.”

And what “crime” did the affected owner commit? He raised the rent of a modern, two-bedroomed flat in upmarket Lyndhurst from R200 to R300 a month — hardly profiteering.

But that’s not the real issue. The irony is that at a time when government has been phasing out rent control, it has acted against a block that was never subject to a determination.

JH Isaacs’s Errol Friedman points out that developers in today’s market would be looking for returns of around 13%-14%. Taking account of the rapidly rising cost structure, rentals of R300 a month would give him something between 7½%-9% on capital. Even that’s too much for the Minister.

But the money market, Friedman notes, is offering up to 13% on gilts. Clearly, therefore, flat development is a non-starter, even allowing for long-term growth.

With rent control, of course, there’s unlikely to be any growth. The old formula of 8½% of property value still applies. So do the arguments about how to base value.

Only weeks ago, government was being exhorted to grant tax concessions to encourage developers to build flats to rent. Instead of a carrot, it has produced the big stick.
Rent control an "immoral concept"

Chief Reporter

RENT control was "immoral in concept and, with the passage of time, increasingly evil in effect", Mr Don Kennedy, executive director of the South African Property Owners' Association (Sapoa), said in Cape Town yesterday.

He was speaking at the annual meeting of the Cape Western Region of Sapoa.

After referring to the action last month of the Minister of Community Development, Mr Pen Kotze, in placing two buildings, one in Johannesburg and the other in Pretoria, under rent control, Mr Kennedy said he wanted to make Sapoa's position on rent control quite clear.

"First, it is an economic abhorrence for the state to force the private provider of housing to subsidize anybody whatsoever, and secondly that the longer rent control is in effect, the more vicious do its sociological consequences become."

Guidelines

Mr Kennedy said he hoped to see Mr Kotze in the next few days, and would be reporting back "particularly on the hoped-for guidelines on acceptable rent increases".

He reminded members of Sapoa that the Rents Act empowered a rent inspector to investigate any complaint, whether a building was under rent control or not, but the inspector had no powers to negotiate on behalf of the minister.

"I advise those of you who own rent-controlled flats to cooperate with rent inspectors who, as I well know, have helped a great deal to defuse spurious complaints since phasing-out was introduced."

"Needless to say, when it comes to applications to your rent board for increases, the new valuations which you present will be, or are likely to be, met with resistance."

"I wish you good progress in this matter and ask members to inform me if they do not get fair treatment."

Only objective

Mr Kennedy said the only objective of rent control was to keep rentals below market levels, and that the application of rent control to some buildings "and the threat thereof potentially to all dwellings" tended to suppress all rentals.

"Clearly, the risk of low or negative yield will continue to repel investment in a product which can be placed under price control. Suppressed rental yield and the construction of new blocks of flats are totally incompatible, in the absence of measures to close the gap."

Mr Kennedy said the problem of the needy "should rest on the broad shoulders of the Minister of Health, Welfare and Pensions".
Landlord’s concern over rent control

CAPE TOWN — The executive director of the South African Property Owners’ Association (Sapa) said in Cape Town yesterday that rent control was “immoral in concept and, with the passage of time, increasingly evil in effect.”

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“It is an economic abhorrence for the State to force the private provider of housing to subsidise anybody whatsoever. The longer rent control is in effect, the more vicious do its sociological consequences become.”

Mr Kennedy hopes to see Mr Kotze in the next few days and is to report back “particularly on the hoped-for guidelines on acceptable rent increases.” — Sapa.
RENTS ROW

Out of control?

Sapoa is still trying to sort out government thinking on rent control. President Gert Hugo saw Minister Pen Kotze on the issue again this week.

But Kotze’s decision to act against a block of flats which was never subject to control begs many questions.

Ray Hardy, a joint shareholder in the company which owns the building, Reneilian, outlines the background.

During October 1980, he received a call from a Rent Board inspector, who said he had received complaints from some of the tenants in Reneilian about a recent rent increase from R200 to R300, effective from November 1980. The inspector demanded that the increase be limited to R50 and Hardy said he would consult the owner. But he pointed out to the inspector, who was unaware of the fact, that the building had never been subject to control.

The inspector returned a few days later, again insisting that the rent should be increased to only R250. On neither occasion did the inspector ask to see the company’s books, nor was Hardy requested to justify the increase. The inspector refused to give details of the complaints and made it clear that Hardy would be denied a hearing by the regional representative of Community Development.

Over six months later, Hardy received the first communication from the Minister, a copy of the Government Gazette which promulgated rent control over the building and a covering letter. The Gazette was dated April 24 1980, five days before the general election.

The exercising of such powers raises several important issues.

Firstly, if the Minister was so concerned at the excessiveness of the increase, why did he wait six months before imposing control? Why were the draconian powers under Section 52 delegated to an inspector instead of the appropriate rent board?

In his press statement on April 23 this year, Kotze said rent control would be "reimposed" on the building because negotiations with the owner had failed to bring rents down to "satisfactory" levels. How could control be reimposed on an uncontrolled block? And do the two visits by an inspector constitute negotiations? How did the inspector determine that R250 was a reasonable rent without even consulting with the owner?

Also, is the Minister aware that the flats are modern duplexes, in excellent condition, and that nine out of the 16 occupants earn more than R1 200 a month? Does he know that nine of the existing occupants signed their leases after the increased rentals became operative, and obviously found the rent acceptable?

A further question: why did the Minister impose control with effect from November 1 1980 with the rent at R300, instead of pegging it at the old figure of R200? Tenants will obviously be prejudiced at any rent board enquiry.

Does the Minister, in fact, have any personal knowledge of the case at all?
Horwood frowns on rent control

By REG RUMNEY
Property Editor

The Minister of Finance, Mr. Horwood, gave a clear indication yesterday that the Government thinks rent control counter-productive.

Expressing a personal view, Mr. Horwood said he thought rent control exacerbated the problem of the shortage of rented housing.

He was speaking at the opening of the Star Homes Festival in Sandton.

Mr. Horwood asked rhetorically whether South Africans had not perhaps become used to too luxurious a standard of housing.

On the controversial issue of aid to would-be homeowners, he intimated that the Government was seriously considering whether to make mortgage-bond interest payments tax-deductible.

The question had been referred to the Standing Commission on Tax Policy, he said.

Rising construction costs have brought about a situation in which not only the lower-income groups, but to an extent also the middle-income groups, are finding it difficult to meet the cost of housing financed at market-determined interest rates.

It is for this reason that it has been difficult to phase out rent control.

Hosting the opening, Mr. Philip Seealts, chairman of the United Building Society, which together with the Juchner group of companies developed Lonehill, said it was sobering in the light of inflation to see what housing cost today.

He used Lonehill as an example. The amount required by the local authority for endowment money, the provision of essential services and roads amounted to R3 million for the first 248 stands — nearly R12,000 a stand.

This was in line with the experience of the UBS nationally.

Another R5 million would be required for services to another 393 stands in Lonehill.

Mr. Seealts spoke of building societies’ problems in attracting money.

“Building societies all over the world face an increasing problem in an ever more competitive and sophisticated money market of raising the funds necessary for home finance.”

The results of a survey published by the Standard Bank last week indicated that in South Africa the building societies are receiving an ever-diminishing proportion of the public’s total savings.

“This is basically due to the fact that being non-profit-making institutions they are not able to offer an equity investment to a world which places a premium on an equity investment against a background of worldwide inflation.”

The Building Societies Act had been amended to provide for property development corporations, whose aim was to provide low-cost and medium-cost housing “and yet at the same time to afford the building society the opportunity to enjoy some participation in the profit to be derived by the developer from the finance provided by the building society.”

At Lonehill the UBS has taken a 51% share in the development of the first 119 sectional title units.
People A Day

Government Builds Housing For 738
Rive ill quit if I achieve nothing by the end of the year

Privyate sector billions

To solve housing crisis

Help!
Friction blamed on housing rules for blacks

Staff Reporter

The rules governing housing for blacks cause family feuds, friction and mistrust, according to legal advice organisations.

Reacting to cases relating to divorcees who have been granted custody of children but are not provided with houses, some Johannesburg lawyers and advice organisations said blacks have to go through a set of bizarre laws, rules and channels that cause nothing but frustration.

"The authorities have got so tied up in their own red tape and are now completely immobilised," said one lawyer.

Some of the lawyers said they have written to the Minister of Co-operation and Development, Dr Piet Koornhof, bringing the matter to his attention but have not heard from him yet.

The Minister's private secretary however, said he would go through the files to check on any correspondence relating to the matter.

One case involved a woman who was granted a divorce against her husband on March 25 last year and was awarded custody of the two children, aged 13 and 14.

After the action had been finalised, she asked the township manager to let her stay at their Soweto house with the children but her request was turned down — the reason was that her husband had re-married a day after the divorce had been granted.

The township manager told her that her husband had offered to provide her and the children with alternative accommodation.

Her ex-husband took her to live with his wife's family.

She made a report to her lawyer who submitted an application on her behalf for a house. The township manager replied that he could not consider her application because the registered tenant of the house where her ex-husband had placed her refused to accept her because of her behaviour.

A second application for a house has now been made. The Witwatersrand Women's Movement said in a statement that this was "a blatant denial of basic human rights. It is only black women and their families who suffer under these conditions."
Employers can help

HOUSING is a central issue to the problems of black townships, and the impressive thing about the Urban Foundation’s “do-it-yourself” home improvement scheme is the thoroughness with which the details have been worked out.

The project provides the chance for black couples to be involved intimately in improving their homes. From the earliest stage, in planning with models, they assume a new status as home owners. They will be assisted and guided throughout by experts, loans up to R5 000 have been arranged and there is even a scheme for those who cannot afford the deposit to raise one through "sweat equity" in the yard of the foundation’s materials store.

While it is up to the individual to embark on the improvement scheme through the KwaZakele Advice Centre, much can be done by employers in encouraging their staff to take advantage of it, and to assist where possible. The foundation’s project won’t solve the housing shortage, but it goes a long way towards its ambition of helping to improve the quality of life in the neglected black townships.
Prospects for home owners in E Cape getting dimmer

By SHELAGH BLACKMAN

PROSPECTS are still gloomy for prospective home owners. Rising building costs are expected to result in a shortage of houses soon and bonds will not become easier to obtain.

The director of a local estate agency, Mr G Howell, said that with rising building costs, agencies were running out of houses to sell. The prices of "lived in" houses could be expected to rise to keep pace with the prices of new houses.

A director of another agency, Mr Leon Claasen, said that while there were plenty of people who wanted to buy houses, sellers wanted unrealistically high prices.

An administration manager of a building society said prices of houses were likely to rise. With the decrease in the money supply, building societies were careful about granting new bonds.

Higher prices for houses meant many aspirant home owners wanted to apply for higher bonds and found they did not qualify in terms of their incomes.

In terms of current building society regulations, the maximum repayable amount on a bond was 25% of monthly income.

He said salaries had to be increased or prices would have to come down. He had encountered people who had abandoned plans to buy a house because they found they could not afford it.

The chairman of the Association of Building Societies in Port Elizabeth, Mr Philip Klopper, disagreed with this view. According to bond applications for the Port Elizabeth-Uitenhage area, there were still people who bought houses for a price they could afford.

Building society funds had been drying up during the past six months and applications for bonds were considered carefully. But people had to have a roof over their heads so somehow they managed to buy.

He pointed out that the 25% limit was flexible. Someone in the higher income group could more easily meet a higher commitment and each case was considered on its merits. However, no bond repayment was allowed to exceed 30% of a man's income.

It appears Port Elizabeth home seekers are better off than their Johannesburg counterparts. There, according to a Press report, the soaring cost of houses is pushing the prospect of home ownership beyond the reach of middle-income families.

The report said an average family home with no special features would cost R20 000, whereas a man in the middle income group could only afford a house costing between R25 000 and R30 000.

The managing director of a local estate agency, Mr B Oelslowski, said Port Elizabeth could not be compared with Johannesburg in this respect.

An average family home in Johannesburg would cost R40 000 here.

"It has always been a struggle to buy property. There has never been a time when people haven't had to battle but those who are prepared to take on the challenge reap the benefits of a wise investment later," he said.

Mr Claasen agreed that Johannesburg prices were much higher. He said people with average salaries could still afford something decent if they were prepared to move to outlying suburbs.

In his experience, people tended to expect too much. Everyone wanted family rooms and en-suite bathrooms. If people settled for what they needed rather than what they wanted they could get the "extras" later.
SCHEDULE

1. In this notice, unless inconsistent with the context, any word or expression to which a meaning has been assigned in the Summer Grain Scheme, published by Proclamation R. 45 of 1979, as amended shall have a corresponding meaning, and—

“grain sorghum” means the seed of any sorghum except broom sorghum, hay sorghum or cane sorghum;
“grain sorghum product” means a commodity derived from the processing of grain sorghum or into which grain sorghum or any part of grain sorghum has been converted;
“net mass” means the mass of the grain sorghum or grain sorghum product in a container after deduction of the mass of the container thereof: Provided that the mass of a bag (hessian or jute) shall be taken as 1 kg.

2. A levy of 52c per ton net mass and a special levy of R50 per ton net mass is hereby imposed on grain sorghum (excluding grain sorghum specifically sold by the Board for export) and grain sorghum products which are exported.

3. This notice shall come into operation on the date of publication thereof and repeals Government Notice R. 870 of 27 April 1979, as amended by Government Notice R. 1233 of 13 June 1980, with effect from the same date.

DEPARTMENT OF COMMUNITY DEVELOPMENT AND STATE AUXILIARY SERVICES

No. R. 1137 29 May 1981

AMENDMENT OF THE REGULATIONS UNDER THE SECTIONAL TITLES ACT, 1971

The Deputy Minister of Community Development and State Auxiliary Services, acting on behalf of the Minister of Community Development and State Auxiliary Services and in consultation with the Deeds Registries Regulations Board, has made the regulations set out in the Schedule hereto under section 40 of the Sectional Titles Act, 1971 (Act 66 of 1971).

SCHEDULE


2. Regulation 2 of the Regulations is hereby amended—

(a) by the substitution for subparagraphs (i) and (ii) of subregulation (2) (b) of the following subparagraphs:

(i) a building to be erected, the approved building plans;
(ii) an existing building, the approved building plans or, if any deviation, alteration or amendment of such plans was approved, a composite plan comprising the approved building plans and the approved deviation, alteration or amendment plans, or if such deviation, alteration or amendment plans are available, a drawing showing measurements of any variation or alteration with respect to the dimensions of that building; and

BYLAE

1. In hierdie kennisgewing, tansy uit die samehang anders blyk, het 'n woord of uitdrukking waaraan in die Somergaarnskema, afgekendig by Proklamase R. 45 van 1979, soos gewysig, 'n betekenis geheg is, 'n ooreenstemmende betekenis en beteken—

“graan sorghum” die saad van 'n sorghum, behalwe 'n besomsrog, hooisorghum of saksorog; "graan sorghumprodukt" die handelsartikel wat verkry is deur die verwerking van graan sorghum of waarin graan sorghum of 'n deel van graan sorghum omgesit is: "net massa" die massa van die graan sorghum of graan sorghumprodukt in 'n houer na aftrekking van die massa van die houer daarvan: Met dien verstande dat die massa van 'n sak (goeg of jute) as 1 kg geneem word.

2. 'n Heffing van 52c per ton netto massa en 'n speciale heffing van R50 per ton netto massa word hierby opgede el graan sorghum (uitgesonderd graan sorghum wat spesifiek deur die Raad vir uitvoer verkoop word) en graan sorghumprodukte wat uitgevoer word.


DEPARTEMENT VAN GEMEENSKAPSONTWIKKELING EN OEVERHEIDSHULPDIENTE

No. R. 1137 29 Mei 1981

WYSIGING VAN DIE REGULASIES KRAGTENS DIE WET OP DEELTITELS, 1971

Die Adjunk-minister van Gemeenskapsontwikkeling en Oeverheidsdienste, handelende namens die Minister van Gemeenskapsontwikkeling en Oeverheidsdienste, het, na raadpleging van die Registrasie-regulieraan, die regulasies in die Bylae hiervan ver-vat kragtens artikel 40 van die Wet op Deeltitels, 1971 (Wet 66 van 1971), uitgevaardig.

BYLAE


2. Regulase 2 van die Regulasies word hierby gewysig—

(a) deur die vervanging van subparagraphs (i) en (ii) van subregulatie (2) (b) deur die volgende subparagraphs:

(i) 'n gebou wat nog opgerig moet word, die goedgekeurde bouplanne;
(ii) 'n bestaande gebou, die goedgekeurde bouplanne of, indien 'n afwyking, verandering of wysiging van sodanige planne geht vier, die goedgekeurde bouplanne of, indien 'n bestaande gebou, die goedgekeurde bouplanne.

Sew nul best en 50
Govt help urged to ease home shortage

RENTERS ACT MUST BE REMOVED TO GAIN THE TRUST OF DEVELOPERS

PRIVATE enterprise, above all, could overcome the growing housing shortage, say many property developers, who agree on several points that spell salvation to home-seekers.

The primary solution lies in greater participation of the private sector, which could easily increase the supply — "but only as long as it is not limited by the Government's constraining laws such as the recently introduced Sectional Title Amendment Act".

"The Government can help," says property dealer Ian File, "by stimulating the concept that the solution to housing lies in medium and high density housing — and not in the more popular, land-wasting and expensive suburban sprawls."

As a matter of urgency, the Government should remove the Rents Act if it is to gain the trust of developers, who are now wary of vaccinations and such regressive steps as recontrolling decontrolled blocks.

Richard Ellis thinks that restricting rents does not solve the problem of the housing shortage, but rather aggravates it further.

"To solve the problem, we must go to the root. The Government is trying to curb the symptoms, not cure the illness," says RE's spokesman.

"Tenants should be encouraged to become home owners by improving the flow of stock coming on to the market," says Mr File. He feels that investors who have owned blocks for a decade should go untaxed if they convert to sell. The untaxed investors would then feel encouraged to reinvest in further developments, thus generating more stock.

Failure to do so, he feels, encourages owners to sell to middle men, "a step calculated to push up prices and encourage abuse of flat conversion título."

"The middle man, being a speculator, is more interested in a quick sell than the block-owning investor. Eliminate him and the market should ease."

Richard Ellis, on the other hand, feels that developers of buildings for flat rental should be given tax concessions or at least incentives, while Landmark is advocating tax incentives similar to those given to hotel developers, "a move that revitalised the South African hotel industry over 10 years."

Landmark also advocates giving tax deductions on bond interest and on rentals for the next five years, but "this inflation-contributing step would ease the burden when the market reached equilibrium."

The problem of housing the 5 000 lower-income whites and needy pensioners should be worked out in partnership among private enterprise, the Government, local authorities and charities, most developers feel.

"If the Government insists on placing the burden of accommodating pensioners and other sub-economic whites on the shoulders of private enterprise then it should also provide incentives to have this sector served."

"If the central government can provide loans to local authorities, why cannot private enterprise also be on the receiving end of such handouts to serve the poorer section of the community, or at least receive funds at subsidised rates."
13 YEARS OF HOPE END FOR TENANTS OF 200 EXPROPRIATED HOUSES

BY WILMAR UTING

out a community that crossed

sep

in The Pen-Stroke
The Sunday Times asked the regional director for the Department of Community Development in Johannesburg, Mr Dirk Hessman, to explain why Plettenberg Estates had been given the sole agency where the owner lived in Plettenberg Bay, and why this had been done secretly.

Mr Hessman said: "The appointment was done by the Department, and I am not at liberty to disclose the reason for the appointment and I do not think anyone in the department will be prepared to disclose the appointment of any of its agents with the Press. The information is not for the public."

He refused to discuss what profit the department had made on the sale of "certain properties in the district" which were bought by the department. "Those properties had not yet been released," he said.

He denied his department officials had ever invested anything. "Not one," he said. The powers had been atonement to sell, and it was department policy when engaged in tax clearance, to invest properties that could not be deeded. He confirmed that offices to be held in Plettenberg Bay for registration.

Plettenberg Estates is based in an office in North State Building, Johannesburg. It is also the office of another company owned by Mr Elton, Vyloz Tin Enterprises (Pty).

"Popped down"

Plettenberg Estates appears to be the latestlegate of Development Corporation (Pty) Ltd. These are told to be not in Johannesburg, nor are they in any one during regular office hours to deal with queries about property. The calls are referred to Mr Elton in Plettenberg Bay.

When the Sunday Times telephoned Mr Elton at his home overlooking Robberg Beach, he denied living in Plettenberg Bay.

\[\text{\textbf{Homes to go but tenants didn't know}}\]

Mr JERRY Bolte and his wife Rennie are tenants who were never told what was happening when the Department of Community Development expropriated their home.

Mr Bolte, a watchman with the Johannesburg Traffic Department, lives in a house in a "model" house at 121 Queens Street, Johannesburg, for 24 months. During this time he had paid $17 a month rent. First to the Department, and then to the Department, and in the Department, and when the Department expropriated the house it was repossessed.

Mr Bolte and the homes were expropriated for a development area.

"We have never seen or heard from any department official," said Mr Bolte. "We have no idea where our money went. We have not paid mark in rent. And, we have spent more than $1000 on our house."

Mr Elton has refused the couple to leave the house on the grounds that the Department of Community Development has more important matters to deal with.

\[\text{\textbf{Estate agent had plans for Plett}}\]

\[\text{\textbf{YVONNE BAGWELL}}\]

Peter Buchan

Nobody came

at first pitch. floor covering. torn the bathroom to pieces because they were on the basket.
BLACK HOUSING

SLOW GROWTH

The government has belatedly acknowledged the need for a multi-faceted approach to remedy the critical shortage of urban black housing. More significantly, it has called in the private sector to help sort out the backlog which Pretoria's post-apartheid policies have aggravated.

The appointment of a panel of experts under Boet Viljoen, president of the Association of Building Societies, to co-ordinate the involvement of the private sector, puts form into the repeated calls for the business community to help out. But if the private sector is to have a real effect, government will need to review legislation and other measures which still impose substantial private investment in black areas.

And that calls for more than "the bending of rules," as West Rand Administration Board (Wrab) chairman Johann Knaetsch urged at a recent black housing seminar in Johannesburg.

The sheer magnitude of the shortage calls for a new or drastically altered framework. The official backlog in Soweto alone is 22,000 houses, though other estimates, including that of the Urban Foundation, put the figure at 33,000. Altogether there is an officially projected need for 4.1 million dwellings countrywide in the next 20 years at a cost of R2.9 billion.

No wonder Pretoria is trying to rope in the business community. But so far investment by building societies and employers, allowed in after 1976, has been sluggish. Only about 500 houses in Soweto were put up by the private sector in Soweto last year—and none by the State.

The shortage of proclaimed sites, indispensable for securing a bond, apparently lies behind the building of fewer privately financed houses. A building society which has built over 50% of the houses, states that there are not enough stands for bonds. The administration boards' leniency in proclaiming sites is said to be the work of a bureaucracy that is not keen to introduce changes for the urban blacks. However, Knaetsch told the black housing seminar that proclamations costs and delays, using ground level methods, have stalled the process and that his board is considering using an aerial survey to reduce these.

But the shortage of stands is only one of the constraints on the private sector to break through into the black market. The Black Urban Areas Action Group Act prohibits whites from owning property in black urban areas. So they cannot invest directly in housing for their employees or rent or sell to blacks. The boards serve as the outlets for the private sector but the red tape can discourage substantial prospective investment.

Neel Mundy, the black housing seminar organiser, suggests that there should be a distinction between ownership and occupation to enable white investors to build in black areas and that the 20-year lease arrangement should be made flexible to allow for sectional title.

There is a looming land shortage and the sprawling sub-economic housing that has been a feature of urban black areas should give way to denser, medium-rise apartment construction. Although the Prime Minister's planning committee is said to be investigating the possibility of more land being purchased for urban black areas, land pressure will continue to grow with population.

And even if the impediments to the private sector are substantially reduced, its role will still be critically limited, says the University of Witwatersrand's Prof Baderahor: "Building societies can only provide economic housing."

Wrab did not build a single house last year and some boards are committed to channelling funds to the homelands. The bolstering of infrastructure is a priority, according to Wrab and this will presumably direct resources away from housing.

The call for the business community to help provide black housing is therefore a far cry from coming to grips with the problem—much of black housing needs will continue to be sub-economic, properly the domain of the public sector.

EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered); leave columns (2) and (3) blank.

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NOTE

1. A blue pencil may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.

2. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.

3. Do not write in the left hand margin.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University.

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South Africa
Employees' role in home ownership

How the boss can help

Financial help for employees in Pimlico

The problem was.

The problems of the country are:

- The high cost of living.
- The lack of affordable housing.
- The need for better education.

The solution is:

- To provide financial assistance to employees.
- To improve housing conditions.
- To develop policies that support employees.

The consequences:

- Employees will be able to afford better housing.
- The country will become more prosperous.
- The boss will be seen as a leader.

The most important factors:

- The employee's financial situation.
- The availability of housing.
- The company's policies.

The conclusion:

Providing financial assistance to employees is a wise investment for the company and the country.
Business ‘must give more to black housing’

THE executive director of the Urban Foundation, Mr Jan Steyn, said last night there was undoubtedly a need for greater private-sector involvement and participation in community development.

Speaking on the Springbok Radio programme “Top Level”, Mr Steyn said that housing on the one hand, and education and training on the other, could be identified as the two priority areas.

He said the problem was not a lack of agencies to perform this function and he did not favour an increase in the number of these organisations.

He emphasised that what was needed was greater co-ordination of private-sector agencies to make them effective and secure real and meaningful partnership between the State and the private sector to promote community development.

Mr Steyn said that on the one hand there had to be a willingness on the part of the State to allow the private sector to play a role — and there were shortcomings in this respect — and on the other hand the private sector had to translate its expressed good intentions into reality through its existing agencies.

“What we need to do,” Mr Steyn said, “is to commit ourselves to the recognition that the private sector can play a part.” He added that if one looked to the State exclusively to build all the homes needed, the taxpayer would not be able to foot the bill.

Turning to education and training, Mr Steyn said he believed a new educational system was on the cards for South Africa, but to reach a situation of equal education would take time.

In the interim there was an urgent need for the private sector to play a role in the areas in which the State was not active. As far as adult education, pre-school facilities and technical and in-service training were concerned, there was a great need for the private sector to “put its money where its mouth is”.

Appearing on the same programme, the president of the National African Federated Chambers of Commerce, Mr Sam Motsepowane, said a significant start had been made in private-sector involvement in community development, but much more still had to be done.

He said he believed business should become concerned about the living conditions of black people.

A third speaker on the programme, the director of the South African Breweries Institute, Mr Frank Moodie, said there was an unquestionable need for greater realisation on the part of the private sector for more direct involvement in community affairs. — Sapa.
Housing relief way for State

OWN CORRESPONDENT

THE Government is to grant major concessions to enable public service staff to buy homes on more favourable terms.

The concessions, announced in Cape Town last night by the Minister of Finance, Mr Owen Horwood, are interim relief measures during an urgent inquiry into an "acute" housing problem among State officials.

Mr Horwood said the present housing loan ceiling would be raised from R20,000 to R40,000 and that the entire housing subsidy scheme for Government officials would be simplified, enabling easier administration.

The improved scheme would operate from October 1, as an interim measure during an urgent inquiry into the housing situation ordered by the Commission for Administration.

The existing subsidised interest groupings of 3%, 4% and 5% in the public service would be reduced to two – 3% and 4%.

These groupings, assigned according to income, represent the percentage Government subsidies to officials on monthly housing payments. Those in the higher income – 5% group, will now fall into the 4% subsidy category.

Mr Horwood detailed the concessions at a banquet in the Civic Centre, Cape Town, to mark the 100th anniversary of the City of Izakara Savings Bank, South Africa's oldest banking institution, which was formally established on June 8, 1931.

He said they followed strong representations to the Government from the Public Servants Association.

With prices soaring on the property market, and the strong upturn in the economy generally, Government officials had been experiencing difficulties in meeting their housing needs.

Housing subsidy confuses public servants

Own Correspondent

CAPE TOWN. — Government clarification of measures affecting the housing crisis in South Africa has been urged by the Opposition amidst mounting concern at the soaring price of accommodation.

Public servants, confused about the nature of improved subsidies on their mortgage bonds — announced by Minister of Finance Senator Owen Horwood on Monday — fear any gains will be negated by the expected introduction of a fringe benefits or "perks" tax in the next parliamentary session.

And the property market, reeling from a shift in Government monetary policy which has contributed to the 2.25% jump in home bond rates already this year, with yet another rise likely, has stepped up appeals for subsidies to be extended to all sections of the population.

The chief Opposition spokesman on finance, Mr Harry Schwartz, said yesterday the problems of the civil service were too serious for piecemeal action and they would not be solved by the mortgage bond move.

"Also, until the Minister actually tells us what he is going to do about the fringe benefits legislation, there are two issues: Are the public servants going to be taxed on these fringe benefits; and, secondly, what distinction is going to be made between fringe benefits for public servants and similar ones for the private sector?"

He believed these questions required urgent answers from the Minister, particularly in the face of indications that mortgage rates were going up again.

City property consultants welcomed the doubling of government subsidised loans for civil servants to a value of R6 000, saying the previous limit had been unrealistic at ruling price levels. Higher bond interest had boosted the cost of owning a home, and was unlikely to depress property prices.

But they said any subsidy should be extended to include South Africa's low income earners.

A spokesman for the Public Servants' Association said yesterday from Johannesburg that no information was available yet on savings that could be expected from the mortgage bond concessions.

These include a dropping of the 5% loan interest level, so that public servants, whose bond repayments are normally about half building society rates, have to pay either 3% or 4% depending on a formula based, among other things, on salary and years of service.

"We don't know where the cut will come," said the spokesman.

The spokesman believed a tax on the loan subsidy was a probability when fringe benefits legislation was introduced.

A source in Senator Horwood's office yesterday confirmed that this was also Government thinking. But he said the measure would be introduced over a period of five years, during which pay adjustments could be made.
A NEW WAY
a CARE campaign

CARE is campaigning for a better quality of life for all communities in the Witwatersrand metropolitan area. While the Government and politicians of all races argue over power and future solutions, CARE believes that if Greater Johannesburg governed itself, many of the issues could be solved in a variety of ways on a local basis. CARE is campaigning for "metro" government in which local urban communities would combine to ensure better housing, better planning, better security, easier race relationships — and more spending on facilities in city neighbourhoods.

Planners call for a new direction

By Rob Souter
CARE Reporter

MORE appeals to the Government to reconsider its policy of fragmenting society — (including the demolition of urban homes to facilitate relocations) — have been made by the country’s top civil engineers and planners. Delegates to the Johannesburg conference “The Way Ahead” which ends today are pleading for a change of direction.

Some of the points raised at the civil engineers’ conference:

• The city engineer of Maritzburg, Mr Graham Atkinson, called for the conference to “reject out of hand” proposals for breaking up Natal.

UNDEFENSIBLE

He said the dislocation which arose from a separate kwazulu state of 32 fragments made provincial and urban government untenable and the coordination of water supplies, waste water treatment, labour, job opportunities and housing almost impossible.

Call for a new direction

Call for a new direction

from page

services for the Eastern Cape Administration Board, said: “The only possible solution is to throw the existing housing policy out of the window, immediately, and replace it with a more flexible policy.”

He described the 74 black townships in his region — with a few exceptions — as disaster areas. A third of the homes were one step from collapse.

He estimated between R750-million and R1.500-million would have to be found annually in the next 20 years for black housing and for upgrading.

He called for 99-year leases in all areas and for black people to be given more opportunity to share the responsibility of providing themselves with homes.

Dr Dawie de Villiers, Minister of Commerce and Industry, in opening the conference yesterday, said: “We will have to determine priorities and allocate our scarce resources accordingly without, of course, disturbing the play of the free market forces.”

He said the Government was committed to the National Physical Development Plan and to decentralisation of industrial development. “But the plan is being revised and attention is being given to a system of regional economic development programmes.”

The city engineer of Durban, Mr Graham Atkinson, called for the conference to “reject out of hand” proposals for breaking up Natal.

Professor K Knight of the University of Natal’s civil engineering faculty said: “With the need to build 1.3-million houses a year we cannot afford to knock down houses. It is counterproductive.”

Mr L Dixon of the SA Federation of Civil Engineering Contractors appealed for far more involvement of the private sector by the Government in the planning process.

He said the private sector has already had some success in prompting the Government to replace its R3-million a year grant for uplifting Soweto’s services with R50-million a year.

Mr R O Matlock, director of technical services.
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Another scheme for 1,000 homes approved nearly four years ago, has still to get off the ground.

The housing crisis has reached such proportions that South Africa may not be able to come to terms with it, some black civic leaders believe.

The R30,000 estimated necessary for the two million black homes needed within the next 15 years is considered an impossible objective.

There is no point in making political capital out of black housing, says Soweto Council Chairman, Mr. Thebehuli.

"But the truth of the matter is that the backlog will never be wiped out. Even the experts have not succeeded in coming up with really, low-cost housing."

The man who earns R120 a month can afford to pay little for his home. How can private enterprise realistically fund his house? Mr. Thebehuli asked.

On the other hand the first real signs of optimism are emerging:

The bureaucracy and red tape which have also efficiently shot down many efforts to overcome the black urban housing crisis are beginning to crumble.

The committee set up some weeks ago by Dr. Koomhof to investigate how to cut this unnecessary red tape has had several meetings and is pushing hard to try and get its report out within the next two months according to one of its members.

At present it takes 29 complicated steps and many months to get a housing scheme off the ground. But already shortcuts have been forced through and will be given momentum by the red tape committee.

As a result of this, the logjam which has paralysed urban black townships for so many years has been broken in Soweto. This will help push the pace in other townships.

Construction of 300 houses and 400 flats was started in Soweto last week: the first real housing development in this area in six years. This is the beginning of a mass scheme to erect 20,000 housing units in the next three years in Greater Soweto, according to West Rand Administration Board chief, Mr. John Knoetza.

Next: Ideology and housing: how the crisis developed.
storm clouds loom as

Housing

prices take off

Year needed for

$3,000 - a

R3000- a

By Tom Hudson

Homes away in bite-sweet

Housing

for White

must be honey-sweet

Carrot for builders.
Radical change of thinking needed to avert disaster

South Africa must radically change its thinking about priorities for the future — or go down the drain, a senior Government administrator said in Johannesburg recently.

The change he referred to was in the direction of low-income housing, particularly for blacks. Mr. R.O. Matlock, technical services director for the East Cape Administration Board, which administers 74 black townships, was very serious in his assessment of the future when he spoke to top professionals at the "Decade Ahead" conference in Johannesburg last week.

In his speech he went on to call most of the townships in the Eastern Cape "disaster areas." Many would express the same feelings about black townships in other parts of the country because of inadequate planning, inferior services and poor housing.

Volumes have been written on black housing over the years but its impact has been minimal. Little has been done to tackle the problem.

But now administrators have begun to make their voices heard because they see a frightening situation developing which could get out of hand unless immediate and drastic action is taken.

The statistics are clear indicators of what administrators such as Mr. Matlock talk about:

- South Africa's population will double between 1973 and the year 2000, necessitating between five and six million new housing units. Or, if you like, about 25 more Johannesburgs.
- Even if the recent increase in public spending on homes is maintained only a quarter of the units needed by the lower-income group will be supplied between 1978 and 2000.
- During the past decade the State has financed only one in eight of the houses needed by blacks. As a result the black housing backlog countrywide is now in the region of 160,000 units. If orthodox methods were followed to house these families it would cost about R275m, he believes South Africa must adopt more flexible standards for housing. A most one in five residents in Soweto — and this probably higher for other townships — cannot afford the cost of present day facilities, according to the Urban Foundation.

The answer is to prepare subdividing black townships, there is still room for broad planning in these, Mr. Matlock tells.

He suggests six zones based on what the individual can afford, which differ from each other in the standard of homes and services.

- Zone one would be an upper class area with large enough for homes, swimming pools and all the amenities. This would be developed by private enterprise.
- Zone two would be similar to the first but houses would be more modest and cheaper.
- Zone three would be developed largely by State funds at economic interest rates, but the area would still be middle class.
- The fourth zone would have more basic homes (the shell house) and services and amenities would be more basic than in other zones.
- Fifth zone, people would be given subsidized serviced sites and sanitary materials to enable them to erect homes according to approved flexible building regulations. This would be similar in concept to the Khusung township development outside Carletonville.
- Khusung houses are being built by the residents themselves who buy materials in bulk, manufacture their own bricks. The sites there are not serviced but taps provided every 10 stands.
Sixth Zone would apply in "bureaucracies" in semi-rural areas. Rudimentary services to be provided with the residents building shackles with any available material under certain conditions, or mud road daves and wattle and daub houses.

Mr Matlock's ideas are broadly supported by Dr Swart, who believes a class approach to black housing is imperative and Mr Eswatini who is in favour of erecting basic infrastructure and allowing controlled squatting in certain circumstances.

The zoning proposal also has the support of many other people in the black housing business including the Department of Co-operation and Development, Mr Matlock said.

20 000 units

By 1964 the West Rand Board and the Soweto Council hope to build between 15 000 and 20 000 houses.

This will not take up the current backlog estimated at 21 000 (official) to 39 000 families (Urban Foundation) — or account for the annual growth of at least 3 000 families. But at this tempo of building, can be achieved there is hope that the backlog will be brought down to manageable proportions.

But when these units are built Greater Soweto will be full. What then?
Six black towns the size of Soweto have to be built by 2000. One will be the sprawl stretching from Soweto to Mookopeng. Another will have to be built on the East Rand — possibly an extension of Kwalathe (Germiston). A third is now being built in the Bronkhorstspruit area as part of the new growth point. Possibly two more will be built in the Free State.

Along with these developments would be much urban renewal in existing areas like the development of Alexandra Township as a middle-class area.

"But always there is the sheer size and cost of the problem. As Revel" — the Cape Town architect said: "When one thinks of the number of people that are homeless and who will never achieve a home in their lifetimes then all other problems pale into insignificance."

NEXT: Building homes, with unskilled labour: the man-and-child.
Rent increases a ‘problem’ for the aged

Staff Reporter

RENT increases in the private sector, in some cases as much as 100 percent, resulted in an increasing demand for low-cost letting units, according to the 1980 annual report of the Citizen’s Housing League.

The increases also cause problems for the aged with the league’s waiting list for pensioners containing more than 700 applications.

While the league was proud of what it had achieved, it expressed concern at its ability, as well as the ability of the entire property industry, to provide acceptable accommodation which can be afforded by ordinary wage and salary earners.

It believed that the Department of Community Development was performing an excellent task in the provision of dwellings for the lower income groups.

But it was those persons whose incomes fell just above the maximum income limit of the department who now require housing assistance, the report reads.

During 1980 and the beginning of 1981, the league completed 48 cottages in one development. Although the selling prices were lower than current market prices, only 10 of these houses could be afforded by young families purchasing their first home.

Epping

To make the advantages of home-ownership available to more persons, the league decided to offer 288 houses in Epping Garden Village for sale, and 184 had been sold.

A similar conversion of letting units to selling units in Bishop Lavis Township was undertaken, and out of the 400 available houses, 121 had been sold, while there was a waiting list for more than the remainder.

As in the past, the league would continue to concentrate on housing for the under-privileged and lower-middle income groups, the report said.
This house could be an answer.

Black housing: where to?

Homes for all income groups built to a high aesthetic and structural standard by virtually unskilled labour — this is a new approach to housing developed by a Johannesburg architect, reports ANTHONY DUIGAN in the last of a four-part series on black housing.

His house "could be called a design for the 80s — less than two-thirds of the material used in conventional dwellings, erection by mainly unskilled labour and yet a building that is well-insulated and aesthetically pleasing."

Finlay Heunis, Johannesburg architect and low cost housing designer, is today seeing the fruits of eight years development work going up in Soweto. And the result appears hugely successful.

In the early 1970s Heunis was one of several architects deeply concerned about three things — the alarming increase in the black housing shortage, the standard of current black housing and the ability of the average black householder to pay for conventional housing in the future.

Concept

Between his architectural work on large projects throughout South Africa Heunis began developing a new concept of industrialised home building. In his mind he set certain basic conditions to his system as it slowly developed:

• Whatever the concept it had to be cost competitive with the current low-income housing.
• As far as possible it had to be labour-intensive, particularly utilising the huge pool of unskilled workers.

• It had to be of a high aesthetic standard. It was obvious that the dull, matchbox house in row upon row was the housing solution of a previous generation but modern standards demanded a superior and more individualised appearance.

In other words, the system would have to be industrialised but simple and labour intensive: flexible so as to allow individual design and of a finish superior to conventional low-cost housing.

To combine all these elements was a formidable challenge. To design and produce the system and see it into production was an achievement to be proud of.

In 1976 Heunis received an agreement certificate from the Council for Scientific and Industrial Research — a prerequisite of any new industrialised system. This certificate officially sanctioned the use of the Fian system (as Heunis named it) for use in all climatic regions of South Africa.

In 1977 the first houses went up in Sebenza township and at Clayville near Orifantsfontein.

Precast

Today six Fian houses are going up in Soweto. A seventh one has been completed and the new owner moved in at the weekend.

The system, Heunis explained, uses small, easily manufactured precast concrete panels which can be handled by two men.

The walls of the house...
Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the

4. Do not write in the left-hand margin.
examination. (Examination books) are sealed.

3. Write your name also in the right upper
morion of to an illegible name before leaving the
4. No part of answer book is to be torn out.
-4.グループ

2. Candidates are not to communicate with other
candidates or with any person except the invigilator

1. No books, notes, pieces of paper or other material

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**WARNING**

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**BLACK HOUSING**

**VW jets ahead.**

Volkswagen SA has taken up government's challenge to the private sector to involve itself in the provision of black housing. VW has launched a R10m project for its employees — the first move in what is intended to be a continuous involvement with housing assistance.

Uitenhage's Kwanobuhle township — where most of VW's 3 500 black employees live — has a housing shortage of between 4 000 and 5 000 units. So, at the instigation of deputy minister of Co-operation and Development, George Morrison, VW has undertaken to promote home-ownership through a leasehold scheme and to assist employees to acquire homes. Negotiations with the Eastern Cape Administration Board (ECA) are already under way.

Ironically, those least able to afford housing are those who have the greatest difficulty in raising loans: and in the past their employers have neglected them. VW intends concentrating efforts on its low-income employees, whose need is greatest. Previously, loans were granted for home-improvements only — not for new houses.

Says Les Swift, executive assistant to VW MD Peter Searle: "We want to encourage self-help and participation and have been looking at schemes such as the Urban Foundation's low-income housing project at Khotso. The housing envisaged will cost between R6 000-R10 000 and will be of a higher standard than existing 5½ health houses which do not quality for building society loans."

VW intends providing upgraded 5½'s which will qualify for loans. Financial assistance will be in the form of collateral security for deposits so that employees can obtain 10½ 'bonds through conventional channels.

Although the scheme is envisaged as a self-help arrangement it will be planned in a co-ordinated fashion and integrated into the existing township. Says Swift: "All building will be supervised by inspectors of the board and housing will conform to specified standards."

A limited number of sites are now available on leasehold but more will have to be forthcoming if the scheme takes off. VW's initial outlay of R1m will probably cover the development of between 100-150 houses, but the intention is to create a revolving fund and to provide continuing housing assistance.

There are tax benefits involved in this type of scheme. According to Swift, "An employer can obtain a tax concession of R4 000 on a dwelling unit costing R8 000. We will be using this money to create a revolving housing fund."
The departmental Louw committee has extended its deadline for written submissions to the end of the month. It is investigating alternative methods of housing procurement for low-income groups.

According to Professor Tobie Louw, chairman of both the committee and the National Housing Commission, “response has been tremendous” to date.

The committee, established by the Minister of Community Development in December 1980, comprises 14 state officials, local authorities, private sector, and National Building Research Institute representatives. However, there is no representation of those who will be most affected by the committee’s decisions — no blacks, Indians or coloureds were invited to serve. But, says Frank Gerber, secretary of the committee, “they have been invited to submit comments and to give verbal evidence.

Part of the background to the inquiry is the years-long rivalry between the Departments of Co-operation and Development and Community Development over methods of solving SA’s housing crisis. Dr Piet Koornhof’s department has shown a willingness to test experimental housing strategies at places like Kraaaslant, Imanda and Stellenbosch, while Community Development has adopted an intransigent attitude towards other than traditional methods.

Secretary for Community Development, Louis Fonche, is regarded as the liv in the ointment. Housing experts have labelled his attitude obstructionist and accused him of exacerbating the crisis with his insistence on unrealistic and unattainable standards. For years, however, this was simply in line with government’s regulation of influx control through stalling on black housing. That this was a mistake was recognised by Pretoria’s response to certain recommendations of the Rickert report.

Hopefully, CAD’s representation on the Louw committee could set a precedent for productive, inter-departmental cooperation.

Submissions have been received from administration boards, municipalities, research organisations, universities and employer organisations. They cover the full gamut of opinions on housing — from those advocating site-and-service and self-help strategies to those violently opposed to them. Says Gerber: “The question of housing finance has also received considerable attention.

With a current backlog of 300,000 dwelling units for blacks and 4.7m dwelling units for low-income earners required by the turn of the century, a radical and fundamental rethink on housing policy is long overdue. For example, in its submission, the Cape Town Chamber of Commerce pointed out that although great strides had been made over the last decade in the provision of Cape Town housing, the council’s waiting list rose sharply from 15,200 in 1971 to 24,413 in 1981.

The site-and-service, self-help option has stirred considerable emotion in past years — particularly among those who fear a massive influx into the cities if conditions of residence are made easier for workseekers. The urgency of the situation demands that it be given due consideration. But it should not be seen as simply replacing conventional housing, rather as a realistic and appropriate strategy in terms of available resources.

According to Gerber: “The investigations should be finalised by the end of the year. Meantime, the committee will be visiting experimental projects nationwide and hearing verbal evidence in most of the larger centres.”
By Frank Jeans, Property Editor

Since the introduction of black home ownership under 99-year leasehold in 1976, progress in creating a black home-owning middle class has been pitiful.

Mr Philip Sceales, chairman of the country's biggest building society - the United - expressed this view at the annual general meeting of the society in Johannesburg.

While the UBS has moved in strongly to provide homes for blacks and had registered bonds covering 700 homes, Mr Sceales contrasted this with the housing demand of a population of about 20 million.

"Our performance may seem to be cause for congratulations. In a way it is but the figure of only 700 homes indicates how pitiful progress is towards creating a black home-owning middle class," he said.

The UBS chairman highlighted aspects of the problem:

- Blacks who were paying subsidised rents in existing accommodation were disinclined to incur the cost of acquiring their own homes.
- The 30-year lease scheme appeared to be cheaper and more attractive to the unfortunate purchaser who was unaware that he was not securing transferable title.

Mr Sceales also referred to the shortage of serviced stands available for building of black homes.

"There are constant appeals to employers to get involved," said Mr Sceales. "Although they are offered land, this is owned by the Administration Board, as is the house which is built on it. Assurances and agreements permit the employer to use this property to accommodate employees at his will."

Mr Sceales stressed that this was not home ownership. "The occupant has no stake in the property."
Perm ‘gravely concerned’ over black housing

THE chairman of the South African Permanent Building Society, Dr F J C Cronje, says he is gravely concerned at the lack of urgency at certain levels in achieving the government’s stated aim of housing black South Africans in their own homes.

“We are told that thousands of black people own their own homes but most of this is on the 30-year lease scheme which the authorities know, we know and black people know is not true home ownership, he told the annual meeting yesterday.

“The closest that a black man can get to true home ownership at present is the 99-year lease scheme and this should be accelerated. When I tell you that your society, through no fault of its own, has only been able to grant 75 loans to black people during the full period of one year you will accept my reason for concern.”

“In Soweto alone there are approximately 100,000 houses and I would urge the authorities to make greater use of assistance offered by private enterprise to ensure that many thousands of blacks who can afford it may enjoy true home ownership.”

Dr Cronje says the lack of progress is to a large degree due to a grave shortage of serviced building stands but the societies are continually consulting with the authorities to find solutions to the many problems.

“I wish to be on record as saying that the authorities should sell the housing stock in Soweto at original cost to the people of Soweto. This would enable Sowetans to obtain building Society loans to improve, or extend, the basic structure of these homes.

“In this manner tens of thousands of families could become homeowners faster than through the supply of new homes for private ownerships through conventional ways. Naturally, private enterprise must continue to provide new housing stock for this market.”

Referring to the government’s free market policies, he said that the SA Perm fully subscribed to this philosophy but building societies had to be more sensitive to, and react swiftly to, rate changes as demanded by the market.

“It follows, then, that more frequent fluctuations, both up and down, can be expected in the interest and bond rates on offer coinciding to a greater extent with the dictates of supply and demand.

“Rapid escalation of market rates, especially over the last four months of the year under review, did put the profitability of societies — and the Perm was no exception — under heavy pressure.

“The reason for this is that a building society, unlike certain other financial institutions, cannot adjust as quickly to a change in the interest rate pattern.”
MORTGAGE RATES

Time to cut housing subsidies

When you drive on the motorway through the northern suburbs of Johannes-
burg towards Pretoria, the dichotomy of SA's housing policy is clearly visible in its stark racial reality.

On the left side of the road the white wealth of the city is cultivated into row upon row of luxury living. On the other side is Alexandra, a black dormitory township that makes even Soweto look like a garden suburb.

The country's large and sophisticated building society movement has, with the help of tax subsidies, financed the prosperous side. Government is directly responsible for Alexandra, and other black townships like it, whose share of tax revenues have clearly not been adequate. But that drastic imbalance could be in the very early stages of redress, if the FM is correctly interpreting the present mortgage rate squabble between the building societies and Pretoria.

However justified a further increase in the mortgage rate may be, it is going to make the monthly budgeting of a householder in the northern suburbs with a bond of (say) R40 000, rather uncomfortable. Another 2% rise would mean that within a period of months his monthly bond repayments will have risen by more than R110 or 27%.

Even the sharp rise of 18% in salaries last year won't have provided adequate compensation. John Smith of Atholl -- or Johannesburg -- is going to have to spend less on other living requirements and more on housing -- unless he digs into savings or persuades his employer to take account of it in his remuneration.

In these circumstances, it is understandable that homeowers will press for tax relief of some sort from Pretoria. This will be wanted in one of two forms. Either through increased yields on existing building societies tax-free investments, which will enable them to modify the pending mortgage rate rise, or by allowing borrowers to offset the interest portion of mortgage repayments against tax.

Pretoria very wisely appears to have set its face against both. Tax free investments tend to benefit most the high income groups seeking tax relief. Mortgage interest deductibility, while an equally obvious subsidy, is also most attractive to high income earners, encouraging them to move home often or keep topping up bonds for non-housing purposes. This is because the interest element in the early years of a bond is relatively high. (See FM May 22.)

But it is not the respective merits of housing subsidies that are the real issue: it is whether subsidies to encourage white housing are, in fact, necessary any longer. In addition, if tax concessions for home owners are adjusted to cushion the effect of inflation, which is what, in essence, is being asked for, why would white house buyers enjoy an unusual benefit of indexation? Yet those who really need it, blacks or white pensioners who have saved up, and through thrift and sacrifice, paid for their houses, will receive no compensatory advantage. Neither, of course, will those who choose to rent.

Moreover, particularly to exclude white house buyers, especially the more prosperous ones, from the unpleasant process of squeezing inflation out of the economy would not only be inequitable, but would prolong the process. Similarly, if rapidly rising housing costs are preventing the provision of an adequate aggregate housing stock, then the root cause of the inflation must be tackled. In this country that means tackling the shortage of skilled construction workers and evils of the administered system of building material prices.

The question, however, of housing subsidies is a complex one that requires careful consideration. By and large, in most western industrial economies, there is no significant shortage of housing for the economically active, although inflation often makes it difficult for young families to buy their first houses. Hidden housing subsidies applied generally are therefore being questioned by the monetary and fiscal authorities in many of these countries, especially in Britain.

In SA, the position among whites is similar. In November 1970 the Franzens Commission into Fiscal and Monetary Policy came to the conclusion that, on evidence submitted to it, "in general South Africans maintain too luxurious a standard of housing, even among those groups of the population who cannot afford it."

There is, however, undoubtedly a shortage of housing in the country. For blacks it is chronic and aggravated by the ban on ownership. It exists geographically and among certain white population groups, such as immigrants and pensioners.

This shortage has been made worse by the fact that rent control and the rising costs of construction have resulted in the provision of very little new accommodation for rent over the past six years and a reduction in the existing stock.

At one stage it was hoped that sectional title would take some of this pressure. But again rising construction costs, of which skilled labour is the fastest rising category, frustrated those hopes. So today ironically cluster housing has become a feature of the prosperous suburb. It is too expensive to serve those who need it or for whom it was originally intended.

It can be argued that there are those towards whom direct State subsidies should justifiably be aimed. But such subsidies should be direct disbursements from the Exchequer, granted in terms of the national budget for specific needy groups. They should no longer simply enter the general pool of the building society movement, where their proper application is not possible.

But clearly a coherent national housing policy, which is what is badly needed now, would have to embrace much more than direct subsidies to the needy. The phasing out of rent control, which is slowly getting under way, and a new look at building which skilled labour is the light of needs and resources, and the reason for the extraordinary rise in building costs -- for years they have been rising at nearly 2% a month -- are all areas that beg cool assessment.

In fact, an investigation into rising construction costs would be as appropriate, if not even more so, than one into the rise in the building societies' mortgage rate. For

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HOME LOANS: ROUGH ROAD AHEAD*

<table>
<thead>
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<th>Bond Rate</th>
<th>9%</th>
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<th>13%</th>
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* 20-year redemption
it would draw public attention to the inadequacies of labour policies.

In addition, the inadequacies of the administration of the prices of basic building materials, (bricks alone rose 15% last year and are shortly to rise again), would become plain.

The rise in the mortgage bond rate partly reflects the increase in construction costs which, in turn, have their roots deep in the fabric of our racial and social practices. The building societies are victims of that system.

The societies have also been victims of the country’s extraordinary exchange rate, exchange control and monetary policies last year. The authorities’ obduracy in not allowing the rand’s value to rise in accordance with the massive trade surplus, and in preventing the consequent excess domestic liquidity from leaving the country in sufficient quantity, resulted in interest rates far below the rate of inflation.

This made it easy for building societies to borrow large amounts of surplus corporate liquidity, which at one stage they were having difficulty lending. No sooner had they managed to market their mortgages, and commit themselves substantially in advance, than their corporate funding base became unstable. A swing in the trade surplus to a deficit and a realisation of the need for monetary discipline in Pretoria has sent short-term interest rates rising rapidly.

Against this background, it is not easy to understand the attitude of Finance Minister Owen Horwood. On the one hand he is reluctant to increase hidden housing subsidies to whites. And if mortgage rates, like other interest rates, are in future to reflect supply and demand as the money supply is brought under control, they are likely to fluctuate more widely then in the past. To adjudge tax concessions accordingly would not only be administratively difficult, but at times when rates are rising they could become too great a burden on the Exchequer.

### BUILDING COSTS RISE

<table>
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<th>Material</th>
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<tr>
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</tr>
<tr>
<td>Cement</td>
<td>9</td>
</tr>
<tr>
<td>Concrete</td>
<td>23</td>
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<tr>
<td>Sand</td>
<td>19</td>
</tr>
<tr>
<td>Labour</td>
<td>28</td>
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</tbody>
</table>

June 1980 to June 1981.
Source: South African Chamber of Commerce.
Further increases are expected shortly.

On the other hand, Horwood does not want to see a significant rise in the mortgage rate either. He is using moral suasion and a Commission of Inquiry to keep its down. The reason may be partly political, but there are other factors.

There are indications that inflationary expectations are being modified. One indication is that short-term interest rates are higher than long-term rates.

Another indication is that the authorities have this year had much more success in marketing long-term official securities. According to the Reserve Bank, there is growing demand at current yields for medium- to long-term securities from non-bank institutions.

Horwood has reason to query the willingness of the building societies to push their long-term mortgage rate above the 14.1% companies are paying for debentures. Normally, assisted by their tax-free investments, the societies are able to keep the mortgage rate about 2% below the debenture rate.

Part of the reason is a time lag. Societies are not yet geared to respond quickly to sharp movements in interest rates. This is a skill they have not needed in the past when, for political reasons, the mortgage rate was kept stable, even if in the process the application of monetary policy was distorted and frustrated.

If they were banks, competition would force them to use accumulated reserves to tide them over this period of relatively expensive deposits, rather than increase their lending rates. After all, they showed huge surpluses in past years, especially if the market value of their fixed-interest investments is taken into account.

But much depends, of course, on the forward commitments societies entered into during the period of plenty. If they misjudged and committed themselves too generously, the squeeze on the funding costs could be chronic. But to enable them simply to raise the mortgage rate now, is to protect them from their own folly.

Unless the societies are experiencing a net deposit outflow, there should never be a time when they cannot make new loans. For every month a small part of each mortgage loan is repaid and enters a pool of funds available to re-lend. After their massive lending over the past year and the return flow of repayment from it, the societies’ ability to finance a reasonable amount of new loans should not be drastically reduced. If it has, the chances are that they have committed themselves excessively in relation to their ability to attract appropriate deposits.

In a non-competitive market, the authorities should rightly be wary of giving the official nod to an increase in mortgage rate merely to allow societies to recover from their own slipshod management.

Having said that, the FM believes, however, mortgage rates should be allowed to rise, but for different reasons. First, it would reduce the component of hidden subsidy. But it would also encourage banks to enter the home mortgage market, as they have done elsewhere.

There could be no better method of busting the building society cartel and introducing sufficient competition to ensure that there is a balance between demand for home loans and the availability of appropriate finance.

Only in that way can there be an equitable allocation of resources to housing. It would be a start in the process of redressing the imbalance in the flow of funds to black and white housing requirements.
BLACK HOUSING

Leasehold fails

Government wants employers to help provide housing for black workers. Many employers are willing, but run straight into red tape — provided by Pretoria.

Take the Catch-22 situation encountered by Colgate Palmolive. Three years ago CP undertook the development of a R500 000 housing project. The company was allocated a parcel of land by the East Rand Administration Board (Erab) in Vosloosrus township, where most of CP's employees live. The company intended to build 64 improved 51/9 and 51/6 units at a cost of about R8 000 each and believed the scheme would soon get off the ground. However, three years later, the company is at square one and Vosloosrus has still not been surveyed.

According to group personnel director, Derek Magid. "We have had the full co-operation of the Erab, so presumably logjams lie elsewhere." In other words, someone higher up in government is stalling.

Bureaucratic delays have been compounded by escalating building costs. Housing originally planned is now beyond the means of the intended recipients, and CP has been forced to revise its plans to offer employees assistance in purchasing existing township houses for R1 500 each, rather than building the improved versions.

This is in line with a suggestion made this week by Dr Frans Cronje, chairman of the SA Permanent Building Society, that government sell off existing township houses.

With only 1 000 leasehold titles registered in the country to date, and most of them in Soweto and the Vaal triangle, there is no doubt that government's 99-year leasehold scheme is a flop. One administration board official tells the FM that "the housing crisis is reaching such crisis proportions that it could be the cause of major riots and serious urban unrest."

This is not surprising. Two million houses are required for blacks in the next 18 years — an impossible task unless government eases the private sector's path by finding and eradicating bottlenecks or, better still, considers the restoration of freehold rights for blacks.
R15 500 m
needed for
black homes
in S Africa

About R15 500-million will have to be channelled into black housing in South Africa in the next two decades to satisfy the demand created by the combined forces of a high birth rate, continuing urbanisation and low income levels.

According to the executive director of the Urban Foundation, the Hon Mr J H Steyn, there are clear indications that the black housing backlog is still increasing and that the demand is reaching crisis proportions.

'It is not feasible to expect the State to provide the required capital and thus carry the burden of our housing requirements alone,' said Mr Steyn.

FREE MARKET

He called for the private sector to be given equal opportunity to participate in the provision of housing including 'low cost housing.'

He said a reassessment was required of the structures that haved dealt with the problem.

Free market principles, Mr Steyn said, should be applied to allow private sector participation, and legislative and other regulatory obstacles which inhibited such participation should be removed.

The system of subsidisation also needed redesigning in such a way that private sector participation is rendered competitive.
More jobs created

OUT OF

housing

DURBAN. - Providing homes for the mass migration of the urban population, Mr. J.H. Steyn, ex-minister of the National Building Corporation, said at the 21st Annual Conference of the Urban Planning Council, that the cost of building a house in the black urban community was between R2,000 and R3,000. The cost of building a house in the white community was between R4,000 and R5,000. The cost of building a house in the coloured community was between R1,500 and R2,000. The cost of building a house in the Indian community was between R1,000 and R1,500. The cost of building a house in the Malay community was between R750 and R1,000.
Housing for all employers must help

By KINGSLLEY LONEY

BLACK HOME ownership is a new dawn in South Africa and one that provides a tremendous challenge to private enterprise. If a start is to be made on the elimination of the tremendous demand for black housing, and here I include African, coloured people and Indians, then employers of blacks will have to become involved in designing and building housing. The size of the problem is huge, and it is estimated that 30 percent of the present black backlog is running away ahead of the provision of white housing shortage which is reportedly about 8,000 units. While the Cape Peninsula area does not yet cater for African home ownership under the 99-year leasehold scheme, the recent establishment of Umtata is of considerable interest because it appears to be the first step towards 99-year leasehold ownership. Unfortunately, however, building societies cannot become involved in this venture as it does provide a pointer for the future and enables us to give thought to the steps that will have to be taken if we are going to succeed in solving the problem.

The task ahead

By PAUL BOLD

A huge task awaits both government and the building societies in paving the way for large scale black home ownership. Recent building society annual reports have shown that much remains to be done. The UBS has only granted 700 loans since the 99-year leasehold system was introduced in 1978.

"Only 700 owners indicates how pitiful the progress is towards the creation of a black home owning middle class in a black population of the order of some 8m," says UBS chairman Mr Philip Sceales. And Allied's Mr H Weiser has said that the leasehold scheme is still falling far short of both expectations and needs. Clearly, red tape needs to be untangled and a new approach is required to the provision of housing. The vast challenge ahead cannot be left to the ad hocities and the societies. In this guest column the latest in our series by top businessmen, NBS Cape regional manager Mr. Kingsley Loney, argues that employers have a vital role to play if objectives are to be met.

When building societies have concentrated on middle to upper-income housing base-living, we feel correctly that the low-cost housing should be provided by the Department of Community Development. In so doing, the NBS has preferred to link with development agents who are prepared to build such houses at a fixed cost as well as an appropriate advisory service.

We have found our experience in black housing in the Transvaal that there is an enormous lack of understanding, particularly among the Africans with regard to the essentials of home ownership which is understandable when one considers that this is still a new field for them.

Educational

Our advisory services, therefore, takes the form of an educational programme explaining basic home ownership concepts such as mortgage bond actually is, how repayments work and on, and also deals with such misconceptions as "Why can’t I own my home for 99 years?"

I hope that it will not be too long before all members of the NBS have become involved through its development company, in the provision of houses for the Indian community in Natal and the Transvaal and the coloured community in the Peninsula in areas such as Retreat.

We have also acquired stands in Mandola where further houses will soon be provided. As a step forward, the society’s role in the provision of housing will be determined by a large test on the willingness of employers to become actively concerned and involved by assisting their staff to secure their own homes.

Strains

Building societies are facing ever-increasing demand by the various population groups and this is placing greater and greater strain on the societies' lending sources. It is, therefore, that the recently announced increased interest rates will lead to a greater influx of funds into societies so that they may be able to continue with their right course of providing mortgage facilities to the deserving.

It is still too early to say what the new interest rates have attracted many more investors and that the public should not be misled into thinking that the availability of bonds has eased sufficiently. The situation is much the same as it has been for the past three or four months and it will probably be many months before cash flows return to what they were last year when bonds were freely available.
Experts warn on housing crisis

Own Correspondent

PORT ELIZABETH. — South Africa will only solve its housing crisis if the government abandons its rigid adherence to relatively high housing standards, which at the moment force many black people to live as illegal squatters.

This was the warning issued this week by housing experts amid signs of a simmering disagreement between the Department of Community Development, which administers funds for housing, and the Department of Co-Operation and Development, which is saddled with the problem of controlling illegal squatting.

The experts were commenting on this week's statement by the Director-General of Community Development, Mr Louis Fouche, that his department would not fund housing of standard any lower than the present minimum, as this would be giving money for the creation of slums.

He said he was also opposed to site and service schemes, as it had been shown that these were in the long run much more expensive and totally unsatisfactory.

 Asked about the Louw Committee, which is investigating low-cost housing alternatives, he said his department had a “wait-and-see attitude”.

The East Cape Administration Board's director of technical services, Mr Roger Matlock, said the board was instructed to adhere to the department's standards, yet in the same breath he was told there was not enough money to build.

In addition, the situation had been reached where private developers were keen to erect homes for their employees, but were not prepared to install services.

Community Development insisted that it would not provide services without funding the houses as well. “At the moment we either do nothing in a town, or everything to full standards — which is generally beyond the means of the population to pay back.”

Funding

Mr Matlock suggested that Community Development do away completely with its funding of houses in the short term, and just provide funds for site and service.

As funding improved, it could approve money for self-help homes.

“The black housing situation has got to such a state that it's absolutely inconceivable that this policy can continue,” he said.

A Cape Town town planner, Mr Ken Sargeant, said the present policy was forcing a majority of people to live in unsanitary conditions.

During the last 10 years the state had financed less than 12,000 houses for blacks a year. In order for black housing to reach a satisfactory position by the year 2000, over 100,000 houses would have to be built every year.

“At no time since World War II has government spending on housing ever met the demand, and there's no reason to suppose it will in the future.”

“The only conclusion you can come to is that there's something wrong with the policy,” he said.

Shelter

The Department of Co-Operation and Development's Chief Commissioner for the Eastern Cape, Mr George Reynolds, said he appreciated Mr Fouche's desire not to create slum conditions.

But on the other hand, to give everybody some kind of acceptable shelter, standards would have to be lowered.

From Pretoria, the department itself gave a terse “no comment” when asked for its views on housing policy.

Several officials, however, who asked not to be named, said that there were strong differences of opinion between Co-Operation and Development and Community Development over housing policy.

One even spoke of “a total conflict of interest” and “meetings at Cabinet level” to thrash out disagreements between senior officials of the two departments.
Black housing crisis ‘too big for State alone’

Own Correspondent

JOHANNESBURG. — The days when the provision of black housing was the task of the State alone are over, according to the current edition of the mouthpiece of the Corporation for Economic Development, Growth.

The magazine added that the task was far too big an undertaking for the State.

“On any event, economists point out, it is an unhealthy approach: Inherently socialist and dependence-oriented at a time when the country’s biggest challenge is to foster through individual initiative and self-reliance an economic system capable of sustaining the growing needs of its people,” the magazine continues.

Security

Housing headed the list of requirements for promoting the social security and spirit of self-reliance essential for a viable future in the country.

Beating the housing crisis in the black community will require a partnership comprising the three elements of the State, the private sector and the individual aspiring home-owner, argues the magazine.

Figures released by the Department of Co-operation and Development put the present housing shortage in urban black areas at 160,000. This figure excludes the shortage in the homelands.

The State had accepted that it would continue to provide the lion’s share in attempt to wipe out the housing backlog. And its responsibility was to house people who were unable to provide for themselves financially.

According to projections by the Department of Community Development, the state was to contribute 90 percent of all urban black housing. The department’s housing needs in the coming decade were estimated at R544-million a year. The amount excluded R84-million needed for infrastructural services.

The magazine said a dramatic upswing in the tempo of the building programme had started in Soweto.

Plans had been approved for the building of between 15,000 and 20,000 new houses in Soweto and the surrounding areas by 1984.

Expenditure on these schemes, which were now in progress, would amount to more than R400-million — excluding the cost of the actual houses. At an estimated cost of R10,000 a house about R250-million would be spent on housing alone in Soweto during the next four years.

In addition, a secondary programme of upgrading the Greater Soweto’s 105,000 council houses was underway.
Housing crisis action

By SUSAN DALLAS

A GROUP of 400 private and public-sector housing experts are poised to wield more power in solving South Africa's housing shortage crisis.

The South African Institute of Housing, formerly the Institute of Housing Management, has changed its range of operation to housing projects.

It aims to take a higher profile in encouraging the private sector to work with Government and municipal bodies in an attempt to reduce the increasing backlog in providing the estimated 600,000 houses needed every year.

The president of the institute, Mr Daan Roelvert, says public funds cannot keep pace with the demand, and only the increased involvement of the private sector will alleviate the problem.

In addition to the housing

Mr DAAN ROELVERT, frightening housing backlog.

backlog, a projected 6-million homes have to be provided by the year 2000. He says home-owners should have a diversity of choice and less uniformity in homes.

C W von Duing

subject of building construction.

3 A Brick Association Prizes

III: NO AWARD

II: A R Law Keen

I: N D C Sessions

Fifth year: picturesque.

II and III in the second, fourth and the course of building economics, I

for the best student in each of

LTA Prizes

P R Swift

professional practice.

the highest marks in

Supervisors' Prize

Cape Chapter of Quantity

The Committee of the Western

P C Key

In any year of study.

For the best all-round student

Bell-John Prize

(continued)
Investments for billions needed: Institutions may move into housing

Financial Reporter

THE big private financial institutions — insurance companies and pension funds — may move into the residential housing field in a massive way in the 80s.

This forecast was made yesterday by Mr Johan Nel, the managing director of Union Acceptances.

He was speaking at the quarterly meeting of the Association of Unit Trusts in Johannesburg.

Mr Nel said the crucial problem facing the institutions would be finding enough investment opportunities over the next decade for the tens of billions of rand that would come pouring into them.

The Government would be able eventually, if it wanted, to scrap the prescribed investment requirements for institutions.

Both the Treasury and the public corporations would still be able to attract all the funds they needed — provided they offered fair rates of interest.

Mr Nel said: "As a result of a steadily increasing growth rate which has been around 25% (in money terms) for the past two years the total combined assets of the private pension funds and insurers stood at just below R23 000 000 million at the end of 1980.

"This was more than five times their combined total assets of some R4 350 million in 1970 and it is worth noting that the increase in assets for these institutions at approximately R4 600 million in 1980 actually exceeded their total assets 10 years ago.

"If one assumes on a conservative basis that the future growth rate of their combined assets will be at, say, 25% annually compounded then one is looking at an annual cash flow for these institutions which will increase from the present R4 600 million/R5 000 million to some R10 000 million a year by the mid-1980s and nearly R20 000 million by the end of the decade.

"Put differently, this means that for the period 1981/85 inclusive the institutions will have to find new investments totalling some R24 000 million and for the decade as a whole they will have new investment requirements of nearly R100 000 million.

"In other words, I am projecting total assets of some R57 000 million for 1985 and something like R120 000 million at the end of 1986."

Mr Nel there were six main areas in which this total cash flow was likely to be invested.

The role of the institutions would be:

- To continue to be a major source of funding for public sector fixed investment and in-
The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(1) No specific steps are being taken by my Department in this connection because the general policy is that old age homes are being subsidized in accordance with a fixed formula. The actual situation of such homes and the control thereof is undertaken by local authorities or welfare bodies and institutions. Various such old age homes are registered with my Department and would thus be subsidised. My Department is further assisting aged persons who voluntarily return to their places of origin in the national states. They are supplied with travelling tickets free of charge and in the event of their being of frail health they are also provided with an escort. My Department fur-

Mr. H. H. SCHWARZ: Mr. Speaker, arising out of the hon. Minister’s reply and in view of his often expressed views that similar facilities of similar quality and standard as are provided for the White people should also be provided for the Black people, does he not think that a review of this policy is now called for?

The MINISTER: Mr. Speaker, I will naturally look into the matter, but there are nevertheless different circumstances which should also be taken into consideration, as I tried to indicate in the reply. If the need is such, however, we will definitely take it into consideration and look into it.

Additional costs:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government contract</td>
<td>$3,500</td>
</tr>
<tr>
<td>Sales</td>
<td>$17,500 + $3,350 x 2500 = $21,000</td>
</tr>
<tr>
<td>Sales with increase of 25%</td>
<td>$3,350 x 2500 = $8,375</td>
</tr>
<tr>
<td>Sales with increase of 25% and increase by $7,500</td>
<td>$7,500 + $21,000 = $28,500</td>
</tr>
<tr>
<td>Sales with increase by $5,000</td>
<td>$21,000 x 2500 = $52,500</td>
</tr>
<tr>
<td>Increase in profit</td>
<td>$4,500</td>
</tr>
<tr>
<td>Total overhead</td>
<td>$2,500</td>
</tr>
<tr>
<td>Total overhead plus cost increase</td>
<td>$7,500</td>
</tr>
</tbody>
</table>

Another way to present the same idea follows:

If this order were not landed, fixed overhead would be under ap-

(continued)
Mr. H. H. SCHWARZ: Mr. Speaker, arising out of the hon. the Deputy Minister's reply, is he aware of the fact that there is present this very acute problem arising in regard to the elderly? It is essentially that a certain section of the population is facing a very acute problem in respect of aged persons who are being evicted from their flats?

The DEPUTY MINISTER: Mr. Speaker, yes, we are aware of the fact and we are looking into the problem.

The cost to the Government is really a critical issue of the whole situation cost over weekly life.

Note that book value of old machinery and/or depreciation on old ma-

Seven years taken together, $1,470 x 7. is $9,700.

II-23 (continued)
(1) Whether the Government is reconsid-
ering its policy in regard to full
home-ownership rights being granted
to Blacks in urban Black townships;
if so,

(2) whether he will make a state-
ment on
the matter?

The MINISTER OF CO-OPERATION
AND DEVELOPMENT:

(1) In the light of the fact that the
Government is doing everything in its
endeavour to get the 99-year lease-
hold off the ground, the answer is no.

(2) Falls away.
end of year

Solution to Requirement 1 of Problem 12-18

EXHIBIT A (Cont.)
10m homes needed in 20 years

ESCALATION in building costs was exceeding the increase in the rate of inflation, Mr D W Wattersoton (NRH, Umhlo) said in his maiden speech yesterday.

Taking part in the debate on the Labour Relations Amendment bill, he said that in the next 20 years, about 10 million homes would have to be built and the necessary infrastructure provided to keep pace with the exploding population.

"The building industry simply cannot cope and the position of supply and demand will eventually increase prices to such an extent that very few will be able to cope," he said.

"If this happens there will be widespread dissatisfaction and it is clear that something must be done to meet this situation."

An urgent recruiting campaign was needed for the building industry. — Sapa.
Housing fund 'hopelessly inadequate'

Political Correspondent

THE Government was accused today of making 'hopelessly inadequate' provision for housing in the Budget.

Yesterday the Minister of Finance, Mr Owen Horwood, announced that R56.7-million would be spent on housing in the current financial year — an increase of R25-million on last year.

Today Mr Colin Eglin, MP, the Opposition's chief spokesman on housing, said that, as far as housing was concerned, the Budget was in fact 'a shocker'.

The amount set aside for housing was hopelessly inadequate, he said. Mr Horwood's Budget speech, with an explanatory memorandum on housing issued by the Department of Community Development, makes depressing reading for the South African home owner and the tenant as well as for the homeless around the country.

At the level of expenditure provided for in the Budget, there was no hope whatsoever of catching up with the back-log of housing which existed, let alone keeping up with the demand due to the natural increase in the population.

COSTS ROSE 25 PER CENT

The total amount for housing was up by only 10.8 percent in a year when building costs rose from between 25 percent to 30 percent.

This meant, in real terms, the amount of money being provided this year was less than in the past.

The amount for black housing in the urban areas had been increased by only 7.2 percent.

This was only 20 percent of the amount of R411-million which had to be provided if the shortage in black housing in the urban areas was to be eliminated in the next 10 years, said Mr Eglin.
CASE

A major competitor, firmly established in the business, has now moved closer to Coloured business. An additional 10% of the staff turn-over has been caused by moving Coloured business. This has resulted in the staff's closer approach to housing being available for Coloured business. The situation has also led to a dramatic reduction in Coloured business, with the Coloured business now being offered to Industrial Development Corporation (IDC) from Cape Town (Exhibit 4).

Mr. A. B. WIDMAN asked the Minister of Community Development:

Whether he intends amending the Sectional Titles Act in order to afford tenants added protection, if so, when?

The DEPUTY MINISTER OF DEVELOPMENT AND OF LAND AFFAIRS:

No, the Sectional Titles Act has already been amended this year to good effect and added protection for tenants under the particular Act would not appear appropriate.


The Minister of Industry, Commerce and Tourism stated that Mr. Mendel suggested moving his factory from Cape Town to Durban, which was 56 km away (see Exhibit 4).

The Minister also suggested that the IDC could offer tenders to Coloured business as the IDC was unhappy about the uncertainty.

He also could not stay in the factory. If he decided to move where was he to go? The particular decision was further complicated by the fact that he had held a discussion with the Development Corporation at a meeting, indicating that he could offer tenders for the least in respect of the tender pre-arrangement and the tender pre-arrangement for some time away but this was not the case.

Finally, the IDC's chief executive, Mr. A. W. WIDMAN, said that 'Made in South Africa' was important, especially in the USA, where the cost of living was high.

Mr. A. B. WIDMAN: Mr. Speaker, I shall convey to the hon. the Minister of Community Development.

The Deputy Minister of Industry, Commerce and Tourism, Mr. A. B. WIDMAN, asked the Minister of Community Development:

Whether he intends amending the Sectional Titles Act in order to afford tenants added protection, if so, when?
The 99-year limit

The revamped "Koornhof Bills," re-written by Judge Grosskopf, are to be tabled in draft form during the present parliamentary session. Co-operation and Development Minister Piet Koornhof said this at question time last week. Asked what sources of revenue would be available to black urban townships which accept municipal status, Koornhof told the PFP's Dave Dalling: "Site-and-service charges, profits from liquor and sorghum beer, and assessment rates on property."

The last-mentioned source immediately raised hopes that government was reconsidering granting full home ownership rights to blacks in the common area.

But, "In the light of the fact that government is doing absolutely nothing in its efforts to get the 99-year leasehold scheme off the ground, the answer is no," said Koornhof.

Earlier this year, during the pre-election session of Parliament, Koornhof said that "to date (January 30, 1981) general plans comprising 100,568 stands were approved for participation in the 99-year scheme, 642 rights of leasehold have been registered and a further 1,661 applications are on hand."

The 99-year system was introduced in 1978 (Act 97), so 642 registrations in three years is hardly significant.

Despite amendments to the Urban Areas Act and the Building Societies Act to remove red-tape obstacles, and a steep reduction (from R2,790 to R1,710) in the cost of 99-year leasehold houses, the system has not met with the success predicted for it by its sponsors. If Koornhof insists, against the best advice from sources including the Browne committee, that freehold property ownership rights will not be granted to city blacks, doubts must remain about the long-term viability of autonomous black municipalities.

The Browne committee, whose report is being dealt with by a "working party," firmly believes that if places like Soweto are to be viable in any sense they will have to develop along the lines of white "local authority models," the financial cornerstone of which is the system of assessment rates on freehold property.

The report said local authority revenue from property tax would need to make up at least 50% of black local authorities' projected current income of R504m by the Nineties. This is about eight times more than the projected R37m the committee expected black municipalities to derive from plot rentals plus property tax if there were no change in government policy.

The committee said: "As long as this situation exists it will be difficult to achieve the aims of sound public finance, particularly because a sound and vigorous system of local authority... can essentially only be developed on the basis of sufficient housing and a healthy system of home ownership."

Yet in the face of the rightwing backlash there seems to be little chance that the new bills will provide even for the transfer of land to the ownership of black municipalities, let alone provide for individual ownership.
Lack of funds leads to cutback in housing

Chief Reporter

The Department of Community Development has cut back on new housing projects due to a lack of funds.

In this week's Budget the Minister of Finance, Mr. Horwood, said provision for the National Housing Fund would increase from R231.7-million to R266.7-million. This increase of little more than 15 percent fails to match rapidly rising building costs.

The latest Department of Community Development circular allows the completion of projects already approved, but says that due to the shortage of funds, "drastic curtailment" is necessary.

Mr. Carel Verster, chairman of Johannesburg's municipal housing and utilities committee, said today the council was planning a way to bridge the financial problem.

E. Sandile (Sandile), to grey, and November, 1980, GCJ.


34. E. Sandile (Sandile) to grey, and November, 1980, GCJ.

33. Ibid., pp. 46-7.


31. Ibid., p. 68.


29. N. Canm, Kaffer College at Steenberg, ibid., pp. 96-9.


Housing budget ‘will fall short’

Political Staff

THE GOVERNMENT has budgeted R256.7 million for housing in the coming year — less than a third of the amount its own experts say is needed to tackle the critical housing shortage.

The extent of the housing crisis is disclosed in a document released last week by the Department of Community Development. It shows a stark comparison between what the government has allocated for housing and the amount needed if the shortage is to be overcome.

The Minister of Finance, Mr Owen Horwood, gave R256.7 million for housing, but the Department of Community Development says R882 million is needed every year to overcome the housing shortage in a “reasonable period”.

This means a shortfall this year of R625 million.

The Department of Community Development describes a “reasonable period” as five years for whites, coloured people and Indians and ten years for blacks.

Essential

Mr Horwood acknowledged the extent of the housing shortage in his Budget speech, saying the problem could not be solved by the government alone.

The involvement of the private sector was essential if the government was to succeed in “achieving our goal of providing adequate and realistic housing accommodation”, Mr Horwood said.

However, Mr Colin Eglinton, opposition spokesman on housing, said the amount the government had set aside for housing was “hopelessly inadequate”.

“At the level of expenditure provided for in the Budget, there is no hope whatsoever for catching up with the backlog of housing that exists, let alone keeping up with the demand due to the natural increase in the population,” Mr Eglinton said.

The total amount for housing had increased by only 10.8 percent while the amount for black urban housing had increased by a mere 7.2 percent.

At the same time building costs had risen by between 25 and 30 percent.

“This means that in real terms the amount of money being provided this year is less than it was in the past,” Mr Eglinton said.

Referring to Mr Horwood’s statement that the private sector would have to be involved in the provision of housing, Mr Eglinton said: “There are no incentives in the Budget to encourage the private sector to assist in the provision of housing for the middle- and lower-income groups.”

In its document, the Department of Community Development revealed that a total of 119,070 housing units were needed annually to meet the natural increase and wipe out the housing backlog within a “reasonable period”.

Investment

Out of these, 52,000 would have to be provided annually for blacks. “To finance a housing programme of this magnitude will take an average annual investment by the public sector of approximately R471 million in respect of whites, coloureds and Asians and approximately R411 million in respect of blacks,” the memorandum said.

The total amount needed annually was therefore R882 million.

Mr Horwood announced during his Budget speech that the government was considering recommendations for the further provision of housing in black urban areas, particularly Soweto.

The government had received the report of the “Vijoen panel” appointed to investigate a strategy for black urban housing. The matter would receive attention before the end of the financial year, “but any reasonable provision that needs to be made could be budgeted for at a later stage”, Mr Horwood said.

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### Table: Homeowner's Perspective

<table>
<thead>
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<th>Interest Rate</th>
<th>Monthly Payment</th>
<th>Principal Payment</th>
<th>Interest Payment</th>
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</thead>
<tbody>
<tr>
<td>3.7%</td>
<td>$670</td>
<td>$550</td>
<td>$120</td>
</tr>
<tr>
<td>4.25%</td>
<td>$790</td>
<td>$560</td>
<td>$230</td>
</tr>
<tr>
<td>5.25%</td>
<td>$890</td>
<td>$560</td>
<td>$330</td>
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<td>6.5%</td>
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<td>$560</td>
<td>$440</td>
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<td>7.75%</td>
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<td>8.25%</td>
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<td>9.5%</td>
<td>$1,380</td>
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<tr>
<td>10.5%</td>
<td>$1,520</td>
<td>$560</td>
<td>$960</td>
</tr>
</tbody>
</table>

### Diagram: A Guide to Can You Budget for Your New Home?

- **Key**:
  - Homeowners
  - Prospect
  - Prospective
  - A Guide to
  - Can You Budget for Your New Home?
In the 1920s, the socialist element within the Communist Party of South Africa (CPSA) was gaining ground. This led to a split within the party, with the so-called "Left Wing" advocating for a more militant approach to socialist revolution.

Black housing - a job of great magnitude

- Government's policy: the government's housing policy was to provide housing for black South Africans in designated "homelands".
- Criticism: critics argue that this policy perpetuated segregation and denied blacks basic human rights.

Reconstruction and Development

- Reconstruction and Development Programme (RDP)
- Objective: to address the housing crisis and provide decent homes for all.
- Challenges: funding, infrastructure, and resistance from some political groups.

Democratic South Africa

- The end of apartheid: the apartheid system was dismantled through a series of reforms.
- Impact: significant changes in the social, economic, and political landscape.

Journal of South African Studies

- Special issue: "Reconstruction and Development in South Africa: Challenges and Opportunities".
- Contributors: academics, policymakers, and activists from South Africa and internationally.
Housing: Security risk warning

HOUSE OF ASSEMBLY. — The inadequate allocation of funds for housing was threatening the peace and security of South Africa, Mr. Harry Schwarz said here yesterday.

He was moving an amendment declining the second reading of the Budget and said the meagre 10.7% per cent increase in the expenditure on housing was not only less than the current inflation rate, but probably less than half the expected increase in building costs.

He also challenged any minister to explain why the houses which should have been built in Soweto had not been built. The failure over the years to tackle Soweto's housing problems remained unexplained, he said.

Urbanization

There could be no dispute with the fact that housing demands, particularly for blacks and coloured people, would escalate with population increases. Urbanization was an accepted fact and the Department of Community Development itself estimated annual public sector expenditure of R882 million to deal with the backlog and natural increase.

How could this problem be solved with the present allocation of R286.7 million?

"By not providing the funds, the peace and security of the republic is jeopardized," Mr. Schwarz said.

Solutions

There appeared to be five ways of dealing with the problem:

- The government should grant more funds for housing loans in the supplementary estimates.
- The private sector and particularly employers should be made to play a greater role in providing housing.
- The administration boards, which had funds, should be prodded into action if they were allowed to continue to exist.
- Procedure in respect of housing schemes should be streamlined to remove administrative delays.
- A separate loan issue should be made to raise money for this purpose.

SAPA

Example 2.1 — Continued

situation, so we did with equation (8.1).

Not only that we do not have an upper bound in this
to do, particularly. So for example

value of no, and in (use equation (8.1)). If k is close

Note that as P is a fraction, this implies a much larger

\[ u = \frac{k}{(a+b)z} \]

The reader accustomed to
108. See Bolshevik, 1, 2, p. 3, pamphlet: 'The Bankruptcy of Trade Unionism',
and E. Mantzaris, 'Syndicalism on the shop floor...'; p. 8.

109. Pamphlet of the organisation entitled 'Socialism versus violence',
reproduced in Bolshevik, January 1920, pp. 2-3.

110. For a complete history of the American IWW, see P. Remsaw, The Wobblies:
The Story of Syndicalism in the USA, London 1967.

111. On the importance of these two principles (undermining the capitalist
economy and educating the workers) in anarcho-syndicalism and its theory and
practice, see Emma Goldman, Socialism: Its theory and practise, photocopied pamphlet,
Mother Earth Publications, 1913.

112. See Bolshevik, 1, 2, April 1920, p. 3, editorial.

113. Ibid., 1, 2, p. 4.

114. See the Secretary's report of activities as reproduced in Bolshevik,
1, 8, May 1920.

115. Industrial Socialist League of South Africa: Report of the period ended 31st July, 1919,
signed by C. F. Glass and M. Waitz, Justice 267, 3, 1064, 18, Letter from Commissioner of SAP to
Secretary of Justice, 30th October 1920.

116. Ibid.

117. Secretary's report, in Bolshevik, May 1920.

118. Ibid.

119. See Bolshevik, 1, 2, p. 4.

120. Justice 267, p. 383.

121. See Bolshevik, 1, 11, September 1920.

122. Ibid. See the articles 'What can we do?', pp. 414-415.


124. See 'Who is afraid of what?'

125. See 'Preparing the conditions for victory of the October Revolution'.

126. See 'Steward Movement and

127. Ibid.

128. The term is by

129. The term is b
Eglin warns on housing

Parliamentary Staff

IF THE Government can pump all the money it wants into military hardware, it can arm the police and riot squads to the teeth and it can give itself more and more statutory powers — but South Africa will not survive as an orderly society if there is not adequate housing at prices people can afford, he said.

South Africa had a housing crisis. Estimates put out by the Department of Community Development relating to shortages were alarming, but they told only half the story. He told the Government to visit the independent states to see the vast rural slums developing to visit the black townships near the cities to see the overcrowding: to go to the squatter camps to see how people had to fend for themselves; and to visit white suburbs to talk to the elderly about their plight.

Talk to the people still suffering as the result of the insensitve way the Government dealt with rent control and sectional titles. Talk to the people who are reeling under the impact of staggering rises in rentals, building costs and mortgage bond interest rates," he said.

He asked what the Government, particularly the Minister of Finance, intended doing about these problems.

So far its record has been one of vacillation and indecision, administrative inefficiency and inter-departmental conflict and confusion.

Not only money was needed, but also a bold approach — a revolutionary new approach by the Government to the provision of low cost housing.

Mr P Cronje, Deputy Minister of Community Development, said the housing budget had increased by 100 percent over the past five years, yet the opposition still complained this was insufficient.

These notes are based on a preliminary interview with the late Mrs Anne (Bailen) Zurne on 15th April 1980, two taped interviews (30th April and 20th May 1980) and a short report which she wrote during this period. The tapes have been indexed, and all material deposited with the Department of History, University of Cape Town. The tapes give insights into the history of District Six, its shops, streets and celebrations, and tell of what happened to Russian Jewish immigrants to Cape Town.

Anne Zurne was born in 1907 — second of the ten children of Hyman and Esther Bailen. What is told here is, primarily, her parents' story. Hyman Bailen - born in Omsk in 1868, one-time corporal in the Tsar's army, who left Russia for the Middle East where he became a seller of carpets - arrived in the Cape Colony during the 1890s. Anastasia (known as Esther when she settled in this country) was also a Bailen, a cousin of her future husband. She was born in Tomsk in 1881, became sewing mistress in a gymnasium in Siberia, and was sent by her parents to marry Hyman around 1900, when their community was threatened by a pogrom.

Had the way been paved by other family members? Possibly so, for the Bailens were connected to the Polliacks, of music store renown, and others. In time to come, Esther Bailen's mother and sister followed, but lived in Lourenco Marques where the sister's husband was established. It is not clear if Hyman went at once to District Six, or what employment he took up on his arrival.
Housing gloom as shortfall reaches 1½ m mark

By Frank Jean
Property Editor

South Africa is facing a massive housing crisis with an estimated backlog of 500,000 homes — 300,000 for blacks, 30,000 for Asians and the remainder for coloured people.

This runaway shortage is being aggravated too by the fact that, excluding the half-million shortfall, present demand for homes means that an estimated 210,000 homes a year will have to be built to meet population growth by the end of the century.

Estimates a year ago indicated that the building industry was providing about 35,000 homes a year — 25,000 in the private sector and 30,000 in the public sector — but shortages of finance and materials might well cut back these building rates even further.

WORKERS

Looking at the housing crisis, "SA Builder," the official journal of the Building Industries Federation, points out that a gloomy picture of the labour front of the construction industry.

The industry is short of 30,000 people, with an annual projected shortfall of about 10,000 workers.

"Add to this the critical shortages of primary materials such as cement and bricks."

Emphasising that the country's circumstances can ill-afford recurring recession in one of its primary industries, building, "SA Builder" believes that the current restraint on finance will not last indefinitely.

"Therefore, as a socio-political necessity, houses will have to be built for the needs of the nation," says "SA Builder."

"Institutions and corporations will be forced more and more to divert increasing proportions of earnings into workers' housing as an ever-growing peril towards stabilising their workforces."

Continued.

...
Eglin warning on housing

Staff Reporter

Mr Colin Eglin, the Progressive Federal Party spokesman on housing, has warned that unless the Government takes bold and positive measures the building of houses and flats in cities will stop.

His warning comes in the wake of a Cape Town City Council decision to freeze further housing schemes for whites till more practical rent-subsidy schemes by the Government were forthcoming.

In a statement issued yesterday, Mr Eglin said the rise in mortgage bond interest rates - an average increase of 33 percent between January 1 and October 1, 1981 had placed a "worrying" financial burden on many house and flat owners who were already struggling to maintain reasonable living standards.

"This rise, together with the sharp increase of just on 30 percent in building costs during the past year, has virtually forced young couples with families out of the home-ownership market."

Mr Eglin said the annual interest on the mortgage bond on a house now compared to the same house built a year ago was up by 80 percent.

Request

A request by the Department of Community Development that the council consider new housing schemes for whites on council-owned land was, said Mr Eglin, an attempt to "pass the buck".

Measures the Government should take, he said, included:

- Incentives by way of depreciation or tax allowances to encourage the private sector to build more flats and houses for middle and lower income groups.
- Direct rental allowances for older people so they would not have to fear the threat of eviction because they could not afford to pay housing rentals.
- Low interest loans to enable people in the middle and lower income groups to own their own houses or flats.
- Tax rebates in respect of payments of mortgage bond interest up to a certain level.

The Minister of Community Development, Mr Pen Kote, was reported as saying at the weekend that measures were being considered to encourage the private sector to contribute more to the provision of houses.
the traditional Easter Weekend, condemning the Treasury Council, among them the popular Cape Town Muslim, and United Press reporter, Salie Dollie and a lesser known Muslims, over the a thousand people, affairs Department. nominated eight members to serve on the Coloured table. Salie Chairman resigned the Council in the process. The MINISTER OF COMMUNITY DEVELOPMENT: the process. The MINISTER OF COMMUNITY DEVELOPMENT: The nomination of the Coloured Council in religious community's dissatisfaction with the C.A.C. A reporter that the Secretary of the Moslem Progressive Society, a welfare organisation, wasted no time at a function, arranged as a farewell for pilgrims to Mecca, to express the community's condemnation of the C.A.C.

This onslaught by the ruling power accelerated the 'Malay-Indian' reconciliation which developed with the fear of segregation. In 1942, the Cape Muslim Teachers' Association was established with membership open to all Muslims irrespective of racial origin. The Hospital Welfare Committee, in their press reports, made it clear that their membership consists "of Malays, Indian and Swahili Moslems" and they were rendering services to all "non-Europeans", not only to Muslims.

The binding factor of the 'Cape Malay - Indian Muslim' accord was the religion of Islam. The same force at times alienated them from the other black formations in Cape Town, particularly in the case of the Non-European Unity Movement. The N.E.U.M. was mainly the debating ground of the coloured intelligentsia. Very few Cape Muslims at the time had an education beyond Standard Six. They felt incapable of participating in this body. The other negating factor was what they believed to be discrimination against them because they were Muslim. This feeling developed sharply after the Anglican Bishop of Cape Town, Bishop Lavis, refused to admit Muslim girls for training in midwifery at the St Monica's Maternity Home, situated in the
Hostel buildings

156. Mr. G. H. D. McIntosh asked the Minister of Transport Affairs:

(a) How many hostel buildings are (i) under construction or (ii) being planned at present for the period ending December 1935 and (b) how many men of each race group will be accommodated in such hostels?

---

The Minister of Transport Affairs:

<table>
<thead>
<tr>
<th></th>
<th>Whites</th>
<th>Coloureds</th>
<th>Indians</th>
<th>Blacks</th>
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</thead>
<tbody>
<tr>
<td>(a) (i)</td>
<td>Nil</td>
<td>5</td>
<td>Nil</td>
<td>8</td>
</tr>
<tr>
<td>(a) (ii)</td>
<td>5</td>
<td>1</td>
<td>Nil</td>
<td>8</td>
</tr>
<tr>
<td>(b) (ii)</td>
<td>500</td>
<td>2000</td>
<td>Nil</td>
<td>30 800</td>
</tr>
</tbody>
</table>

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You are required to suggest a suitable scheme of reconstruction, and to show the

ignore taxation and expenses of the reconstruction.

value is R40 000. the plant is considered to be 3 years, and the current realizable

the machinery is depreciated at 12½% p.a. on cost. The remaining value of

the current value of the land and buildings is R110 000. Plant and

NL 4
Mr. A. B. Wideman asked the Minister of Community Development:

1. How many requests for the release of rent control were made to the Department during the latest specified period of six months for which figures are available, and how many such requests were granted and refused?

2. Whether he intends phasing out rent control any further; if so, (a) when and (b) to what extent?

The Minister of Community Development:

1. (a) 10.

2. (a) The situation is no longer exploitable.

The balance sheet of the company as at 31st March 1981 is as follows:

The company, wishing to allow its existing resources to enter into a sale and leaseback agreement on the land and buildings, has been unable to find any long-term finance, and do not wish...
A ‘substantial fall’ in house prices predicted

BY SUSAN DALLAS

HOUSE prices were bound for a substantial fall during the rest of this year and next year, says Standard Bank economist Mr Nico Czyplonska.

Speaking at a South African Property Owners Association (Sapoa) conference at the Carlton Centre in Johannesburg yesterday, Mr Czyplonska said property prices — both residential and commercial — would decline during 1981 and 1982. He said building costs had already come down.

“Building costs cannot continue to rise. When contractors are running out of work they cut costs,” he said. A substantial part of high prices charged by contractors had been profit.

Accommodation

Available accommodation should suit the pocket a little better, he said.

A view from property financiers, Mr John Woods was that prices had already come down — by 20% in top-priced houses and by 10% to 15% in medium quality range housing — for example a three-bedroomed, one-bathroomed home in a reasonable suburb like Parkhurst or Melville.

The executive director of Sapoa, Mr Don Kennedy, said: “I am sure house prices have already come down.

“We are in the opposite situation to last year — then people had plenty money to spend. Now they have very little to spend, so sales have to drop and with them, prices have to drop.”

Mr Czyplonska said: “We can expect prices to show a very low rate of increase during 1981 and 1982 — particularly residential property prices, which will decline but not as much as happened during the property slump of 1976 and 1977.”

He ventured a prediction about the percentage decline in house prices but said that this not be quoted.

No ‘escape’

The property downturn would not be as bad as the previous slumps during 1976 and 1977 thanks to sufficient demand by tenants.

Explaining the ‘downturn’ he expected in the building industry and the property market, Mr Czyplonska said those sectors lagged behind the rest of the economy but could not escape the effects of a lower economic growth rate.

The South African economy could not escape the recession that had affected the rest of the world, where countries with traditionally stable economies like Switzerland and Germany had already experienced a downturn.
The Honorary Minister of Community Development has, in terms of section 6 of the Housing Act, 1966 (Act 6 of 1966), re-appointed Prof. T. H. Louw as Chairman of the National Housing Commission for the period 17 September 1981 to 16 September 1982.

The political problems facing these two Cape Town Muslim groups were different in appearance though similar in essence. Both were relatively discriminated against but the utilization class had divided them so as to make their political problems appear different. Thus, the Indian community in Cape Town formed the Cape Muslim, whose sons were not good enough to marry their daughters. The Cape Muslims responded by calling them ‘Babylonian class’, whose sons were not good enough to marry another‘class and respectfully superior to the local Cape Muslim.

Indians were essential to a trading community, who developed partly by European traders, and who had new grown. Cape Town Muslims had a further socio-economic component, because of being regarded as alien. This political cleavage had a further socio-economic component, because of being regarded as alien. This political cleavage

The relations between the two Muslim population groups, the expatriation of Indians, and the Indian Muslim.

In Cape Town, the central government attitude had a bearing on
The Minister of Transport Affairs:

(a) (i) 21,720.
(ii) 4,426.
(iii) 14,214.

<table>
<thead>
<tr>
<th>House Ownership Scheme</th>
<th>Assisted Building Society Housing Scheme</th>
<th>House Ownership Scheme with Pensions Fund Assistance</th>
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</thead>
<tbody>
<tr>
<td>(b) (i) 20,759</td>
<td>4,316</td>
<td>14,214</td>
</tr>
<tr>
<td>(ii) 751</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Rebekka Festival of Hate - Cape Town

The cause of the Cape Province Division of the Supreme Court but...
he had in the 1853 constitution, began
in and racial discrimination, which
force in Cape politics and its
history of the Cape, the Afrikaner
them.

The Minister of Transport Affairs.

White   Coloured   Indian   Black
(a) 38
(b) (i) 5426
(ii) 3079
As at 15 July 1931
White  Coloured  Indian  Black
22 720  Nil  14
As at 15 July 1931

Figures as at 31 July 1931 are not readily available.

So severe and final, with two months hard labour.

By far the most important was the participation of the British Crown in the Gallant effort. But the British Crown could not interfere. Abdul Durns ultimate

injustice inflicted on his community. He was politely told

for direct British intervention to correct what he conceived as an

for Her Majesty's forces in South Africa, General D'Agayr Torre's

constitutional solution. He approached the commanding officer

protest. He, and all the others, was still at this stage seeking a
His arrest and pending trial did not hamper his spirit of

charged with causing a riot and contravening the Public Health

tried for three days thereafter. Abdul Durns was arrested and con-

break out immediately after the funeral was performed and con-

Tana Barry cemetery at the top of Longmarket Street. Raging

January 1886, with the first Muslim funeral at the

town. The town, Abdul Durns now had no option and on Sunday, 17th

within walking distance of their residences in central Cape

in and many Muslims were without a burial ground

through negotiation, without having to concede any of his

his constitutional approach and his effort to seek a solution
The duties of the Rallway, which was part of the Burehgerwag, extended to dead arms, the London, and the carriage of goods. The White staff who were subjected to the worst treatment were the Indian staff, which was not surprising, as the total injustice of the railway was indicative of the brigade, despite its hard.

<table>
<thead>
<tr>
<th></th>
<th>15 July 1981</th>
<th>31 July 1983</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whites</td>
<td>5426</td>
<td>720</td>
</tr>
<tr>
<td>Coloureds</td>
<td>370</td>
<td>Nil</td>
</tr>
<tr>
<td>Indians</td>
<td>Nil</td>
<td>22753</td>
</tr>
<tr>
<td>Blacks</td>
<td>3979</td>
<td>19778</td>
</tr>
</tbody>
</table>

*Figures as at 31 July 1981 are not readily available.*

Ev. out of 350 they were not paid, but neither were other staff on inspection. Non-attendance or absence from duties in Cape Town, but also present themselves with fire engines, to draw the fire engines to and further, not only did they have to draw the fire engines to and
10. Mr. A. SAVAGE asked the Minister of Co-operation and Development:

(a) How many new family housing units for Blacks in White urban areas were built in each year from 1972 to 1980 and (b) what was the expenditure in each of those years on (i) such housing and (ii) infrastructural services for such housing?

The DEPUTY MINISTER OF CO-OPERATION:

The information is not readily available as the houses are built by the Administration Boards from their own funds and with loans from the Department of Community Development and the Building Societies.
Mr. G. B. D. McIntosh asked the Minister of Co-operation and Development:

1. Whether his Department is conducting or has recently conducted an inter-departmental inquiry into the financing of Black housing; if so, (a) what is the purpose of the inquiry, (b) who are the members serving on the inquiry committee, (c) when are the investigations expected to be completed and (d) which other Government departments are involved in the inquiry;

2. Whether a report will be submitted; if so,

3. Whether such report will be laid upon the Table; if not, why not?

The Minister of Co-operation and Development:

1. Although the departments concerned are giving continuous attention to matters relating to, inter alia, the financing of housing for Black people, no specific inter-departmental inquiry into this matter is being conducted by my Department. If the hon. member is referring to the Vljoen Committee he must phrase the question in that manner.

FRIDAY, 28

I propose the balance sheet of the company, please.

You are required to suggest a suitable scheme of reorganization and expenditure to put into effect (assuming it is in the best interest of the company) the proposal submitted by the directors.

The directors are of the opinion that the company, in its present condition, is not capable of financing new projects. The company is at present working on a loss and it is expected that this position will continue for some time to come. The company is therefore unable to pay dividends to its shareholders.

The company is currently owed a large amount of money by its customers, and it is believed that these debts can be recovered. The company has also a large amount of stock on hand, valued at £200,000, which is considered to be unsaleable. The company is also facing difficulties in obtaining credit from its suppliers, who are refusing to extend credit on account of the current economic situation.

The current value of the land and buildings is £100,000. The plant and equipment is depreciated at 12 1/2% per annum. The remaining lease of the property is 3 years, and the current payable rent is £400.00. The plant and equipment is estimated to be worth £50,000. The company is currently owed £75,000 by its customers, and it is believed that these debts can be recovered.

The company is currently owed £25,000 by its suppliers, and it is believed that these debts will be paid in full. The company is also facing difficulties in obtaining credit from its suppliers, who are refusing to extend credit on account of the current economic situation.

The directors believe that the company can be made profitable if it is reorganized and a suitable scheme of expenditure is put into effect. They believe that the company can be made profitable within a year, and they recommend that the scheme be approved by the shareholders.

The directors propose the following scheme of expenditure:

1. The directors propose to sell the land and buildings for £100,000. This amount will be used to pay off the company's debts and to provide working capital.

2. The directors propose to invest £20,000 in new machinery. This machinery is estimated to be worth £25,000, and it is believed that the company can be made profitable within a year.

3. The directors propose to invest £10,000 in new raw materials. This raw material is estimated to be worth £15,000, and it is believed that the company can be made profitable within a year.

4. The directors propose to invest £5,000 in new labor. This labor is estimated to be worth £7,500, and it is believed that the company can be made profitable within a year.

The directors believe that the company can be made profitable within a year if the scheme of expenditure is put into effect. They believe that the scheme will provide working capital for the company, and that the company can be made profitable within a year.

The directors propose that the shareholders approve the scheme of expenditure, and that the company be reorganized as proposed.

The directors believe that the company can be made profitable within a year, and they recommend that the shareholders approve the scheme of expenditure and reorganization.
R19 000 can buy a prefab home

By BEV MORTIMER

A SOUTH African company plans to export prefabricated homes to Argentina.

The three-bedroomed, furnished houses manufactured by Terrapin cost R19 000 each.

Terrapin's director, Mr David Strainek, said yesterday that the Department of Community Development had bought 53 of the houses for Mainland in the Cape.

Cheaper

Asked if the department did not think it advisable to purchase more of these houses to alleviate the housing shortage, the director-general of Community Development, Mr L. Pouch, said:

"For self-help housing schemes R19 000 is cheap, but it is rather expensive for low-income groups."

A property economist, Mr Neville Berkowitz, agreed.

Three-bedroomed houses made with concrete bricks could be provided on a mass-production scale for low-income groups at about R14 000 a unit, he explained.

"But for lower-income groups among whites, R19 000 is far cheaper than R12 000 for a house — excluding land."

"People are adapting to prefab and they switch over to using it on a large scale," he said.
Mr. A. B. WIDMAN asked the Minister of Community Development:

How many (a) Asians, (b) Coloureds and (c) Whites are at present waiting for (i) economic and (ii) assisted housing to be allocated to them?

The MINISTER OF COMMUNITY DEVELOPMENT:

(a), (b) and (c) Because an interest loss is presently sustained by the National Housing Fund, on all types of housing, "economic housing" no longer exists in practice. Although both the Department and local authorities keep waiting lists to serve as a register of home-seekers that qualify for National Housing, it is not possible to draw any meaningful conclusions from the sum total of applications on such waiting lists as to the extent of demand for housing owing to the duplication and obsolescence of applications, personal preferences, incompleteness of particulars and a host of other reasons. Careful analysis of available information indicates there to be a shortage of 40 000 dwelling units for Coloureds, 14 000 dwelling units for Asians and 20 000 dwelling units for Whites in the Republic.
Shortage of houses.

33. Mr. H. H. SCHWARZ asked the Minister of Community Development:

1) What is the estimated shortage of houses in respect of (a) White, (b) Coloured and (c) Indian persons?

2) whether any steps are being taken in order to remedy such shortage; if so, what steps?

The MINISTER OF COMMUNITY DEVELOPMENT:

1. (a) 20 000 dwelling units.

(b) 40 000 dwelling units.

(c) 14 000 dwelling units.

2. Yes, taking the limited funds at its disposal into consideration, the Department in co-operation with local authorities, undertakes housing projects for persons earning up to R650 per month. On 31 March 1981 there were 8 353 dwelling units for Whites, 44 896 dwelling units for Coloureds and 18 815 dwelling units for Indians in housing projects of the Department and local authorities, under construction or at the tender stage. In addition, everything possible is being done to encourage the private sector to make an even larger contribution to the provision of housing.
New deal gets the verighete nod

The Black Housing Problem

New adviser's plans

May outdated laws

The government's policies to address the housing crisis have been met with mixed reactions. Critics argue that the current approach is insufficient, while supporters believe it is a step in the right direction. The recent introduction of new legislation aims to tackle the problem head-on, but its effectiveness remains to be seen. The challenge lies in balancing the need for immediate action with long-term planning to ensure sustainable solutions. As the debate continues, it is crucial to consider the impact on communities and work towards a comprehensive approach that addresses the root causes of housing issues.
62. Mr. A. SAVAGOn asked the Minister of Co-operation and Development:

(1) What were the amounts provided by the Government for each of the last five financial years in respect of Black housing in urban areas outside the national states by way of (a) loan funds and (b) grants;

(2) whether any interest was charged in respect of such loans; if so, what was the average interest so charged;

(3) whether any of the Administration Boards failed to meet their commitments regarding the (a) repayment of capital and (b) payment of interest charges in respect of such loans; if so, (i) which Administration Boards and (ii) what were the amounts involved;

(4) whether Administration Boards are compelled to meet from their general revenue accounts any shortfalls in respect of interest and redemption on housing loans which are caused by occupants defaulting in regard to their rent payments?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

The financing of housing from government funds in the urban Black residential areas is the responsibility of the Department of Community Development. The information obtained is as follows:

(1) (a) 1976-77 R5 661 578.00
   1977-78 R12 432 622.00
   1978-79 R41 049 589.00
   1979-80 R59 069 499.00
   1980-81 R47 256 202.00

   (b) No grants were made.

(2) Yes. The interest charged ranges between 1 and 9 percent and is determined according to the income of the occupiers.

(3) No.

(4) Yes.
Housing

Mr. D. W. WATTERTON asked the Minister of Community Development:

(1) What is the estimated number of housing units required at present in respect of (a) Whites, (b) Coloureds and (c) Asians?

(2) (a) (i) 1979-80 ........................................
1980-81 ........................................

(b)(i) and (ii) Because on all housing projects presently financed from National Housing Funds an interest loss is sustained the expressions "eco-}

The MINISTER OF COMMUNITY DEVELOPMENT:

(1) (a) 20 000.
(b) 40 000.
(c) 14 000.

<table>
<thead>
<tr>
<th></th>
<th>White</th>
<th>Coloured</th>
<th>Asian</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979-80</td>
<td>5 649</td>
<td>14 514</td>
<td>3 441</td>
</tr>
<tr>
<td>1980-81</td>
<td>2 862</td>
<td>9 823</td>
<td>6 271</td>
</tr>
</tbody>
</table>
'Shock' at lack of housing

By Staff Reporter

A PROGRESSIVE Federal Party spokesman on community development, Mr Alf Widman (Hillbrow), said yesterday that he was "shocked" at the extent of the housing backlog in South Africa which was disclosed by the Minister of Community Development in Parliament last week.

In reply to a question by Mr Widman, Mr Pen Kotze had said waiting lists showed a shortage of 40,000 dwelling units for coloured people, 20,000 for whites and 14,000 for Asians.

Mr Widman said in a statement that these figures showed that the government had allowed the position to get out of control, that there was a lack of adequate planning on its part and that it had failed to get its financial priorities right.

"The total backlog is about 120,000 units. At an average cost of R9,000 per unit the R256,7-million provided in this year's budget for national housing will permit only 26,665 units to be built.

Annual report

"The minister has just tabled the annual report of the Director-General of Community Development for the year ended September 30, 1980. This shows that as far as coloured housing is concerned, 4,523 units were built during that period and, at that rate, it would take nearly four years to catch up with the backlog of 40,000 outstanding.

"As far as Asian housing is concerned, 4,523 units were completed and it would take 3½ years to wipe out this backlog. A total of 5,831 houses were built for whites and therefore it would take 3½ years to wipe out this backlog.

Crash programme

"Unless the government comes forward with a crash programme entailing pre-construction methods where on-site casting takes place and employs methods used in Europe after the war, they will never catch up.

"There is too much red tape attached to the provision of housing by local authorities and it is taking up to five years from the commencement to the completion of a building scheme. The crash programme must cut through this red tape.

"In black housing only 5,767 units were built, according to the report, and in this area alone it will take 10 years to catch up with the backlog of 40,800," he said.
Blacks ‘being moved round like chessmen’

Post Reporter

PEOPLE were being moved around South Africa like chessmen on a chequered board, Dr B R Maku, Minister of Health and Welfare in Ciskei, said in Port Elizabeth today.

Dr Maku, who was a last-minute replacement for the Chief Minister of the Ciskei, Mr Lennox Sebe, at a conference of the South African Institute for Housing, said he would not object if those moved were, in fact, materially better off after they had been moved. But this was not the case.

He said the battle to provide housing was being lost rather than won. Certain Government policies were aggravating the situation.

Referring to the recent removal of hundreds of people from Alexandria to Glenmore on the border of Ciskei, he said: "There they still sit, housed in appalling shacks, erected at a cost of hundreds of thousands of rand, and I cannot believe that their housing position is any better than it was before."

The South African Government had been particularly generous in the assistance it had given in trying to solve the problems, and in the help it was promising for future solutions.

The fact remained, however, that what was being fought was "a rear guard action rather than a frontal attack". The attack had to be started with accurate statistics.

"I reject the statistics on this subject which have been produced up to now," he said.

"Many people do not see the worth of being put on a waiting list when there is no hope of the existing list being satisfied within possibly 20 years at the present tempo."

There was an urgent need for the Government to make a complete assessment of housing needs.

Bodies such as the Institute, in conjunction with the Government, should seek attainable solutions within the next 10 years.

This, together with the provision of employment, was one of South Africa's primary objectives.

He said a fresh approach to the provision of housing was needed.

"The South African Government is at present planning to remove thousands of people from so-called black spots to areas adjoining the Ciskei. The cost will presumably run into millions."

"This removal is in terms of the application of their policy to consolidate national states. These people are all satisfactorily, if not adequately, accommodated where they are."

"Co-ordinated action between independent and non-independent states under the direction of the Department of Community Development was needed."

"We need a clear direction for the whole of Southern Africa and a definite financial and political commitment. We need, above all, to give housing its rightful place on the priority list."

Rising costs will make financing of housing ‘unbearable’

By SANDI SMITH

THE South African Institute for Housing regretted not having been officially recognised by the Government so that it could make a more “meaningful” contribution on the national housing bodies, the president of the Institute, Mr D M Roelvert, said today.

He told a conference of the Institute in Port Elizabeth, which is being attended by the Deputy Minister of Community Development and State Auxiliary Services, Mr Pierre Cronje, that he hoped recognition would "not be outstanding for long."

Mr Roelvert said he sympathised with the building societies, which performed an important function in financing houses under difficult conditions. While urbanisation and increasing immigration would exacerbate the problems, present rising building costs would make the situation “unbearable”.

Government spending on public buildings should be planned so as not to compete with the building of residential dwellings.

While the defence of South Africa enjoyed the highest priority, the consistent supply of capital for housing for all South Africans was as important, he said.

Mr Roelvert agreed with Mr Raymond Ackerman, chairman of a large supermarket group, that tax concessions for employers providing housing for their workers should be improved.

He urged that another serious look should be taken at site-and-service schemes, “despite the stigma attached to them”.

uif
Urban renewal schemes: home-ownership schemes

10. Dr. M. S. BARNARD asked the Minister of Community Development:

Whether his Department is considering (a) home-ownership schemes for, and/or (b) any other methods for making loans available to, people affected by urban renewal projects; if not, why not; if so, (a) how do such schemes operate and (b) what other methods for making loans available are being considered?

The DEPUTY MINISTER OF COMMUNITY DEVELOPMENT:

There are a variety of measures introduced by the Department to promote home-ownership both inside and outside urban renewal areas, including the sale of building sites, the execution of housing projects and the sale, on easy terms, of dwellings in such projects, the granting of loans to build or to buy and the State-assisted Home-Ownership Savings Scheme. Further particulars in this connection are contained in departmental annual reports. In so far as the restoration of dwellings in urban renewal areas is concerned, certain proposals concerning the granting of loans in deserving cases to homeowners to enable them to repair their dwellings are still under consideration.
Housing crisis fought from rear

PORT ELIZABETH — The South African Government was fighting a rearguard action instead of launching a frontal attack on the housing crisis, the Minister of Health and Welfare of the Ciskei, Dr B. R. Maku, said here yesterday.

The battle to provide housing was being lost and some aspects of government policy were hampering the solution, he told the congress of the SA Institute of Housing.

Dr Maku called for a fresh approach, a definite housing policy and the financial and political commitment to implement it.

Co-ordinated action, in which all states were included was needed.

Hundreds of people had been moved recently from Alexandria to Glenmore, on the Ciskei border. "There they still sit housed in appalling shacks erected at a cost of thousands of rands. I cannot believe that they are better off than before."

Serious conflict between the Departments of Co-operation and Development and Community De-

velopment emerged on the issue of low-cost housing.

The Secretary-General of Community Development, Mr Louis Fouche, spoke out strongly against site-and-service schemes, while the Deputy Minister of the department, Mr Pierre Cronje, rejected the scrapping of the present housing strategy and replacing it with a new system of lower standards.

The Minister of Co-operation and Development, Dr Piet Koornhof, recently announced a plan to develop site-and-service schemes in certain parts of the country.

Mr Fouche said if South Africa wanted to survive, it would have to pay the financial price for proper housing. The so-called "new" housing strategy — site-and-service schemes — had first been approved in 1954 and had led to some of the worst slums in the country.

Mr Cronje warned against a new system of lower standards.

"No country can develop to its full economic potential when its workers are living in sub-standard conditions," he said. — DDC.
Call to cut delay in mass housing

Argus Bureau
PORT ELIZABETH. - Laws affecting mass housing should be examined to remove delays and stumbling blocks, Cape Town's Deputy Town Clerk, Dr Stanley Evans, said today.

He was presenting a paper on housing and the law at the South African Institute for Housing conference.

Dr Evans said of mass housing: "Generally, the whole process is still too slow for the urgency of the moment, but developments like Mitchell's Plain in Cape Town show how swiftly things can be done with an energetic project team and the full and creative partnership of the State, the local authority, and the building industry."

All laws affecting housing should be examined to remove delays or to allow a flexibility that could cope with innovation.

"More particularly, in the mass housing field, must the legal prescriptions and requirements be amended or new blanket provision made to adapt to public/private partnership or the state/local authority/private enterprise partnership in housing schemes."

Legislation should also permit the establishment of "orthodox" housing necessary in the short or long term.

"Dr Evans said consideration should be given to establishing provincial or regional housing authorities constituting the public/private partnership concept to co-ordinate all planning and implementation."

Port Elizabeth's Director of Housing, Mr D Cleary, said that R214 million was needed to relieve the immediate squatter problem.

Experienced housing administrators knew that many, if not most, informal squatter settlements did not have any capacity for upgrading and retention.

"But there are many other houses filled within formal settlements which do have the capacity for improvement within the affordability of the occupants, and a financial support system for improvement should be devised instead of lumping them all together in the demolition basket," Mr Cleary said.
Koch: give black housing priority

PORT ELIZABETH — After defence, black housing should be the first priority on the national budget, the Chief Administrator of the East Cape Administration Board, Mr Louis Koch, said here yesterday.

Speaking at the housing institute conference, Mr Koch, who represented the Institute of Administrators of Non-European Affairs — the administration board's umbrella body — said administrators of black townships wanted housing funds to go directly to the Department of Co-operation and Development and not to Community Development.

Because of the magnitude of the housing problem, every available source of financing should be utilised to provide the maximum number of homes.

He said that after defence, black housing should be accepted as the first priority in the national budget because providing houses was one of the best ways to retain the goodwill of the blacks.

Administration boards felt that the Treasury vote for housing should be increased radically regardless of inflation.

Mr Koch emphasised the difference of opinion on low-income housing between the departments of Co-operation and Development and Community Development and State Auxiliary Services, which strongly opposes the lowering of housing standards.

Slums could not be attributed to the site-and-service scheme, but should be attributed to a shortage of land and a lack of development and services, he said.

Some possible solutions were site-and-service schemes, unconventional traditional housing, and controlled squating.

Mr Koch described the administrative control measures which applied to the boards as frustrating and counter-productive.

There was an overlap between the functions of his department and Community Development. It would be simpler if housing funds were channelled directly to Co-operation and Development, which could then allocate them to administration boards.

National housing funds were provided for all races on the same basis, which resulted in too high a standard being set for some communities.

At present the expertise of certain communities in providing traditional or unconventional housing was completely ignored, while the Housing Act prohibited the use of National Housing funds for the provision or upgrading of services if the housing was not financed by the fund.

Mr Koch said he could not understand why land zoned for black housing should be bought and developed only by the government.

The private sector should also be able to buy and develop land, making more money available to the government for sub-economic housing.

The private sector could look after the more affluent, he said.

Only 28 per cent of National Housing funds were spent on black housing, compared with 38 per cent on coloured housing.

"The policy should be re-examined". — DDC.
Expert outlines ways to ease housing crisis

By SANDRA SMITH

It was possible to overcome the problem of finance for housing and to improve the quality of life, the Director of Housing of the Port Elizabeth City Council, Mr D Cleary, told the conference of the South African Institute for Housing, in Port Elizabeth today.

Mr Cleary said: "We can offer, not consultative roles, but direct participation with the different communities of our country in amending policies to meet the changing needs of society.

"We can do all these things by bringing about a high degree of coordination between people, private sector endeavour and public sector policies, thus ensuring that all sides are conscious and informed about the real feelings of the urban communities amongst whom we work."

Quoting figures taken from a survey of the household subsistence level of colourised households, Mr Cleary said they indicated the relationship between income and housing costs between 1975 and 1980.

"Housing costs had risen more steeply than income in the past few years."

"We have possibly reached the stage in South Africa where we should take a careful look at the future financing programme for the provision of housing," he said.

"In my experience, forecasts of housing demands invarietably fail. This occurs mainly because it is incorrectly presumed that all people have the income capacity to spend a given proportion of income on housing.

"Frequently, the published calculations of what people can spend are simply based upon what the financial houses or Government assume people can invest in housing." Mr Cleary said that studies conducted in many developing countries had found that in most cases the relationship between what people would spend and what they could spend was not automatic.

Mr Cleary asked how often do people will to improve even reasonably built and sited shacks been negated by an assumption that all squatter areas were dangerous breeding grounds for crime, ill-health and disease.

Experienced housing administrators knew that many informal squatter settlements did not have any capital for upgrading and retenion.

But there were also many other houses sited within formal settlements which did have the capacity for improvement within what the occupants could afford.

Mr Cleary said these should be identified and a financial support system for improvements devised instead of lumping them all together in "the demolition basket".

The proposed options for alternative methods to ease the serious housing shortage included the lowering of standards, directing most available loan capital to servicing of land only, involvement of private sector capital and small loans for self-building.

"I believe that our concern and pressure should be directed towards ensuring that Government responds to the vital necessity of providing the tools - the capital loans - to do the job."

"It is invalid to assume that lending standards and self-help are the only answers to the shortage," Mr Cleary said.

Spending were superficial because if a household had to spend nearly all its disposable cash income on food in order to keep alive, the proportion it could spend on housing was negligible.

The inevitable result of this was that this category of household resorted to squatting or doubling up as sub-tenants, to make the assumption that any family could spend up to one tenth, quarter, or even a third of its income on housing, was "dangerously wrong."

The Department of Health estimated that excluding the national states, 1,420,000 blacks, coloureds and Indians apparently lived in unacceptable conditions.

This meant that 252,142 new houses were required for this category of the population alone.

"To relieve the immediate squatter problem alone, therefore requires capital development funds amounting to R2 143 million. And many of the squatter breadwinners do not earn incomes adequate to meet the rents and other costs associated with a conventional R1 500 home."

They could meet the 5% of income payments debited from the loan repayment elements, but they were generally unable to meet the other charges of administration, services and rates which were affected for inflation.

In low-income households the priority of breadwinners families were often poorly understood by planners unfamiliar with the essential priorities perceived within the underprivileged syndrome but who, nevertheless, established policies governed what people would or would not have to do in order to obtain family housing within their needs.

Mr Cleary said: "I believe that the viability of any housing system depends, in the long run, on the efforts of the users, and therefore on their willingness to spend."

"Housing has to come from the community itself."

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Economic, social factors in political stability

By SANDRA SMITH

SOUTH AFRICANS had to understand that political stability depended on the reconciliation of the country's social and economic problems, a top official indicated today.

He is the Chief Director of the West Rand Administration Board, Mr J C Knoetze, who was addressing the conference of the South African Institute for Housing in Port Elizabeth.

"If we cannot develop and maintain political stability we shall not have satisfactory economic growth to meet the growing need for job opportunities and higher living standards," he said.

Housing managers and the private sector had a vital role to play in this "very important national challenge."

It had been widely reported that 41,000 houses for blacks would have to be built before the end of the century and that the cost of providing houses on this scale was estimated at R20 000 million.

He was predicting that the black population would double during the next 20 years and that 30 million blacks would have to be housed, mostly in suburban areas.

The urban black was not only able but "anxious and willing" to provide and improve homes.

"We do him a singular disexisted to tackle the backlog in housing."

The problem could best be tackled by all involved - the State, the private sector, all employers and the individual who needed a home.

The existing housing losses was the cheapest way to provide more accommodation. Home improvement centres should be established throughout the country to play a role in the upgrading process.

Private developers could be involved by the allocation of land to a developer. Houses could be built on a "spec" in agreement with the board.

They could be given lists of people waiting for housing.

In the case of sites allocated to individuals, they were at liberty to hire their own architects and builders.

"Because of the rapidly ris-
Housing emphasis

needed on living
and not the law

Post Reporter

THE law was a stabilising force which could hinder or help man achieve his goals in mass housing programmes, according to Cape Town's Deputy Town Clerk, Dr S Evans.

Addressing the conference of the South African Institute for Housing, he said it needed "no wisdom to know that having a roof over one's head is one of the basic needs for man in society once he has filled his stomach".

Developments such as Mitchells Plain in Cape Town had shown how swiftly things could be done with "an energetic project team and the full and creative partnership of the State, the local authority and the building industry".

"It behoves us in the '70s to ensure that all laws affecting housing have been reviewed and integrated adequately into the total housing picture to see that human aspirations and endeavours are not thwarted or delayed to the point of irrecoverable backing because of the staidness of Man's legal machinery and thought processes," Dr Evans said.

The law was not there for its own sake although Man was prone to over-legislate. It was enacted to order the life of a community. The emphasis should rather be on the "living" than on the "law".

Homelessness was a continuing worldwide problem which the law alone was powerless to avoid. It was associated with poverty and helped create new slums and urban decay.

The nature of mass housing was a major concern. All laws affecting housing should be examined to remove stumbling blocks and create flexibility.

See Page 2
have met with a positive response — in principle. But large hurdles have to be overcome and an urgent rethink of policy, particularly regarding subsidies, seems essential.

For example, potential housing purchasers can obtain subsidies for State housing only. Subsidies are not available if private sector finances are borrowed to purchase a house constructed by the private sector. Given the scale of the national housing shortage, let alone anticipated future requirements, this seems inequitable.

However, the FM understands that the Viljoen Committee, which is investigating the contribution of the private sector in solving Soweto’s housing backlog, is now considering the introduction of a parity system for subsidy grants. The system would involve maintaining parity between State subvention of housing, rented or purchased from the State and State subsidy of the individual for housing constructed by the private sector — including housing developed or extended on a core housing or self-help basis.

or self-help basis.

Housing experts believe that subsidies, and the criteria for determining eligibility, should be the same for individuals hiring or buying State housing and for those who use private sector finance.

Subsidies are calculated in accordance with income levels. A household head earning up to R150 a month would pay rental of 5% of his income. Above R150 and below R650, rentals or bond repayments are calculated in terms of loan repayments to the National Housing Fund at subsidised rates of interest. The rental of a household head earning between R151-R250 would be calculated at 3.5% interest a year on the capital cost of the house plus the interest payable to the Fund. Those earning above R251 and below R650 pay interest rates of 5%, 7% or 9.25% depending on income.

The way the government subsidy system works at present is that people earning up to R250 a month are only subsidised on rentals. If they wish to acquire their own houses, interest on their debt will be at rates applicable to higher income earners.

It is believed that recommendations have been made to the Viljoen Committee that subsidies should be applicable to both rental and ownership schemes at sub-economic levels of income as well as at economic levels. It has also been recommended that site-and-service quality.

According to one housing expert: “The National Housing Commission must approve every subsidised project. Only approved standards and methods obtain subvention. Site-and-service projects in prescribed urban areas have been regarded as unacceptable to date and do not obtain subsidies.”

Says Professor Dave Dewar of UCT’s Urban Problems Research Unit: “The subvention system, in conjunction with the housing delivery system, is resulting in a situation where the supply of housing is too expensive for the majority of its recipients.”
Call to press
Govt for increased housing funds

By SANDRA SMITH
THE South African Institute for Housing should press for increased funds for housing from the Government and the private sector, the new chairman of the Port Elizabeth Coloured Management Committee, Mr C E Green, said.

Giving his impressions of the Housing Institute’s conference which ended in Port Elizabeth this week, he said the institute had the necessary expertise and was not short of constructive ideas.

But financing was all-important and the institute should press for increased funds from the Government and the private sector.

“The R256 million allocated in the Budget for housing for the whole country is inadequate and does not build many homes,” Mr Green said.

“The private sector is not doing its fair share in dealing with the housing shortage, particularly in respect of blacks.”

Mr Green was particularly impressed with the papers delivered by the Port Elizabeth Director of Housing, Mr Derrick Cleary, the Cape Town Deputy Town Clerk, Dr Stanley Evans, and the Professor of Developmental Studies at Rhodes University, Professor S Bekker.

The conference had highlighted the urgent need for low-cost housing and delegates would be encouraged to “do something constructive” in their own areas.

Mr Green said the Association of Management Committees would monitor progress made in housing and report back at the next conference.

Referring to the difference of opinion which emerged at the conference between the Departments of Co-operatives and Development, Department of Community Development and State Auxiliary Services, with the latter strongly opposed to the lowering of housing standards, Mr Green said there should be one State department to deal with housing.

He said the National Housing Commission should be in charge of all housing and that blacks should be represented by more commissioners.
Housing—a question of self-help?

Mr Kotez said the opposition advocated the establishment of sites and service schemes as a temporary solution. However, this would not solve the housing backlog in white, coloured and Asian urban areas. One could not expect whites to live in squatter camps, and ‘what is not good enough for whites is not good enough for coloureds and Indians either, as far as I am concerned.’

In future the Government would only build houses for these groups if they could not help themselves — it was preferable to provide an infrastructure which would encourage people to build their own homes.

Mr Eglinton said the Minister’s department was trying to do its best with inadequate housing funds provided by the Treasury.

In spite of this there were a number of shortcomings in the Government housing policy. These were:

- The failure of the Government to come to terms with the scope and the implications of the process of urbanisation.
- Totally inadequate sums of money being made available for low cost housing.
- Domination of ‘racial dogma’ over common sense — thousands of houses had been unnecessarily demolished for the sake of the Group Areas Act.
- The Government’s stubborn adherence to orthodox building methods.
- The obstacles constantly placed in the way of home-ownership.
- The need to devise a system which would make it possible for the private sector to play a meaningful role in providing low cost housing.
- Constant feuding between the Department of Community Development and the Department of Cooperation and Development on the country’s overall housing policy.

Mr Derrick Watterson (NRP Umtata) said Mr Kotze’s department faced a tough problem but idealism would not provide housing for those who needed it. He said squatter camps should be left as they were until alternative accommodation was available — they could serve as transit camps.

Mr Watterson also criticised the R2 million being spent on building 12 houses for members of the President’s Council and other officials. This seemed ‘excessive’ and a little more modesty should have been applied. A policy of struggling to make ends meet would find this hard to justify.
Eglin: Crisis in housing

Political Correspondent
HOUSE OF ASSEMBLY. — South Africa's housing shortage was not a problem but a crisis, which would get worse unless the government changed its inadequate approach, Mr Colin Eglin (PPP, Cape Point) said yesterday.

Mr Eglin, chief opposition spokesman on community development, said during the debate on that portfolio that the government's blinkered approach complicated the already difficult task of providing housing for an expanding population.

He accused the government of failing to come to terms with the scope and implications of urbanization, of allocating totally inadequate sums to housing and of adhering stubbornly to orthodox building methods and unnecessarily high building standards.

In addition, policy was dictated more by racial dogma than common sense. The ideology of the Group Areas Act had meant homes being bulldozed during a housing shortage.

Mr Eglin said the department was doing its best with inadequate funds and considerable progress had been made in some areas, such as the provision of coloured housing in the Peninsula.

But the policy, over the years, now presented South Africa with a crisis.

Many lower and middle income group white people, especially older people and young couples starting families, faced serious problems and uncertainties.

Urban townships, especially black townships, were overcrowded because of the failure to see housing was available at prices the people could afford.

Mr Eglin said the department had provided 610,000 houses over the past 20 years. But urbanization meant between seven and ten times this number would have to be built over the next 20 years.

He called on the government to remove obstacles to home-ownership and to enable the private sector to play a meaningful role in providing low-cost housing.
An extra
CITATION
R44m

Political Staff

HOUSE OF ASSEMBLY.
- The amount allocated in the budget for housing had been increased by R44-million, the Minister of Community Development, Mr Pen Kotze, announced yesterday.

He said the additional finance would largely be used to establish more infrastructure and sites to enable more people of all population groups to provide their own housing.

Mr Kotze also said the government was "deeply aware" of the problems facing young married couples attempting to acquire their own homes because of "high building costs, and interest rates".
State no longer sole provider, warns Kotze

HOUSE OF ASSEMBLY. — The time for people to regard the State as the sole provider of housing and to sit back with no contribution from their side was past, the Minister of Community Development, Mr Pen Kotze, said yesterday.

Speaking during the debate on his budget vote he said no government in South Africa could ever be in the position to provide housing for all from State funds.

"It is not the responsibility of the government, either in a free market system, "It is the duty of the individual in the first instance to provide a roof over his head. After this it is the responsibility of his employer, local authorities and the private sector in that order.

"There are too many people in South Africa who do not have their priorities right in this regard, and are simply looking to the government and doing absolutely nothing for themselves.

"That time is now past for ever. South Africa has limited capital resources and there are many priorities which are as important as housing.

Mr Kotze said there were tens of thousands of whites in the country who qualified for State-assisted housing, yet only 14 percent were receiving such assistance and 86 percent made provision for themselves.

State funds were being used to provide housing for 92 percent of the black population, 81 percent of the coloured and 60 percent of the Asian populations.

"In future these population groups will have to make a far greater contribution to their own housing.

"The State does, however, accept the responsibility for the provision of housing for those who cannot provide for themselves."

In the past five years the public sector and State corporations had invested nearly R2 000 million in housing, a considerable achievement for a country such as South Africa which had limited finances. This could no longer be done.

The State's contribution in the form of loans from the National Housing Commission, chiefly for the construction of low-cost houses, was about 26 percent, while the private sector made a contribution of 47 percent, mainly on the provision of more-expensive dwellings for whites.

"A further factor to be considered is the private sector's reluctance to invest in low-cost housing for coloureds and blacks for example, primarily, I believe, because it does not find it profitable enough."

Mr Kotze said there was absolutely no obstacle hindering the private sector from making a far greater contribution in this field.

There was a current total housing shortage of 85 000 units for whites, coloureds and Indians, and a shortage of 160 000 units for blacks.

A total of 78 000 units for whites, coloureds and Indians, was being financed from State funds, with another 31 000 in the pipeline for blacks. — Sapa
Rent control policy change

HOUSE OF ASSEMBLY — The phasing out of rent control was to be abandoned for the time being, the Minister of Community Development, Mr. Den. Kotze, said last night.

Speaking in committee on his budget vote, Mr. Kotze said that while the government was committed to the abolition of rent control, it had been decided not to continue with the policy for the time being.

"The realities of the day and the special circumstances prevailing made it impossible to go ahead with the phasing out of rent control at this stage."

"We must take the realities of the situation, such as rising building costs and other factors, into account. "The situation has become exploitable and we cannot allow this to happen." — Sape.
CAPE TOWN — The South African state is basically an organ of labour control according to a study by the Southern African Labour and Development Research Unit at the University of Cape Town.

The researcher of the 58-page report, Mr. Gerald Kraak, said the migrant labour system has developed as the predominant form of labour supply in South Africa, embodying a specific form of labour exploitation — the artificial reduction of the costs of reproducing labour.

Wages paid to a migrant worker were equivalent only to his personal needs, excluding those of his family resident elsewhere, and at the same time the system undermined the ability of the working class to organize as an opposition.

As an illustration of the reliability section:

QUALITY — The allocation of the labour supply hinged on the homelands which acted as sources of labour supply during shortages and dumping grounds in times of economic crisis.

The state had created a higher grade of product leads to a rise of sales income when in cost.

QUALITY OF CONFORMANCE. Too deep, expensive carpets made in the same material may still differ. One may have an expressive colour while another is off-colour or blotchy or have conditions involve lack of conformance to specification.

In general, conformance can be sought either by sorting the after manufacture or by taking preventative measures at any obvious. ‘sorting after manufacture’ is costly. Preventive hand not only reduces the need for sorting but also reduces seconds, and reworks reduces customer complaints and in much trouble of fitting spare parts in the field. Thus an can be profitable even without an increase in price. In a conformance may add to product reliability, maintainability, all marketable characteristics.

The nature and historical development of labour exploitation under these conditions has defined the South African state as capable of an organ of labour control. The presence of a permanent working population in the urban areas had, however, caused a number of contradictions, mainly of which was that labour had to be reproduced under urban conditions including the housing, feeding and care of the whole family.

The supply of migrant labour, which formed the largest proportion of the workforce in the Peninsula, was regulated according to fluctuation of demand, and confined to the lowest categories of work. In contrast to Section 10 workers (those born in the area or who had legally resided there for 15 years) or worked there for 10 years with one employer accommodation for migrants exceeded demand. The migrants were housed en masse in hostels, barracks, huts or dormitories, each worker occupying a bunk for the period of his contract.

Accommodation rights of “Section Teners” in the Peninsula were particularly limited. Only married couples were eligible for family housing, and both husband and wife had to have Section 10 rights.

“Men who qualify in terms of Section 10 but are single or whose wives are not Section Teners, are forced to live in hostels or as lodgers of married tenants. Single women do not have the choice of hostel accommodation. They can either become lodgers or live in domestic servitude. The latter conditions have, to some degree, the effect of forcing single women into domestic service as widows.”

“The limited availability of houses excludes single residents from the most expensive form of accommodation so that their labour is reproduced on the same terms as migrants, that is the cheapest.”

Leased on the homes of married couples with Section 10 rights were renewed on a monthly basis and no tenant of a family house was allowed to remain unemployed for more than 30 days without notifying the authorities.

The study found that the physical planning of black townships was overly designed to facilitate political repression in crisis situations.

Forms of control over the townships by government authorities had caused the growth of large bureaucracies run by highly-paid officials. Since the township residents were responsible for most of the cost of likely accommodation they effectively were “subsidising the inflated wages of some officials at the cost of services.” — DDC.
Freehold rights for blacks seen as solution

Post Reporter

THE chairman of the Port Elizabeth Committee of 21, Mr Alfred Lamani, said today that the only solution to South Africa's black housing problem was the granting of freehold titles to blacks in urban areas.

Mr Lamani was commenting on the major recommendation of the Grosskopf Committee, namely that full property ownership for blacks in urban areas be allowed.

The recommendations of the 16-man committee under Mr Justice Grosskopf were leaked to a Johannesburg morning newspaper. They concern three Bills tabled last session by Dr Piet Koornhof which were withdrawn for revision after protests were received.

"The only solution is the granting of freehold title to blacks in urban areas. The 99-year lease does not meet the desires of the black man," said Mr Lamani.

Many of the difficulties relating to the 99-year lease could be alleviated by granting blacks home ownership.

"In New Brighton, I can count on the fingers of my hands the number of people eligible for property ownership under the 99-year-lease plan."

There was no other way, he said.

"We all hope the policy of our rulers will bring about peace and understanding" but at the same time the Government seemed to be "married to apartheid," he said.

"We must hope that they see the light, before it is too dark."
'Housing projects must be given assistance'

By GRANT AUBIN

SIGNIFICANT assistance had to be given to low-income housing projects. Mr J L Arrigone of the architectural division of the National Building Research Institute (NBRI) said in Port Elizabeth last night.

Mr Arrigone, who was speaking on the institute's experimental project in core housing, said if people were left to erect their own homes, there was always the risk of slums.

He said core-housing projects undertaken in Siyabuswa, Kwandebele, had demonstrated that a combination of low-cost building technology and unskilled labour-intensive operations could cut building costs and create local job opportunities.

The Siyabuswa project encompassed 80 housing units and was sponsored by the Department of Co-operation and Development.

Construction work was being done by Mypha Administration Board and the general planning and research had been carried out by the NBRI.

Mr Arrigone said the experiment was a demonstration project and the NBRI was not interested in quantity.

He stressed that the housing project was not a formula to solve the housing problem, but a modest alternative in which community involvement was essential.

The average purchase price of the houses was about R3 500, which included at least R1 500 for the core.

All the extension work on the houses was done by local contractors with the NBRI providing technical assistance.

Other costs were for the extension of the core, labour, purchase of the site and fencing.

"Meaningful assistance must be given, as if you let people build low-income housing without technical assistance, slums could arise," said Mr Arrigone.

To back his argument, he showed slides of unassisted projects in South America and the Argentine.

Houses in the Siyabuswa project could be bought on a 40-year repayment scheme at an annual interest rate of 3½%.

Mr Arrigone has been involved in low-income housing for many years. He has also worked for the UN Development Programme and the Organisation of American States, in South America and Africa.
another FORCES will be needed

20 YEARS
Within

BLACK HOUSING CRISIS

BY KEVIN DAVE
An acute lack of cash

Mr. Nhato Molana, chairman of the Soweto Commission of Ten, said: "The 99-year lease is not a success because it does not give people the security they need, the security they freedom would give them. The leaseholder never really owns the house."

A snip from Arabia can buy a house in Sandton without ever coming to South Africa, but a black person born here is denied freehold tenure.

The Minister of Cooperation and Development, Dr. Piet Koornhof, recently announced in Parliament that 1,007 leases had been registered under the scheme.

Large employers are becoming involved in helping solve the shortage, chiefly in the area of assisting employees with loans and negotiating favourable bond repayments with building societies.

But while the number of contributors has increased, the drastic shortage will not be solved in this way.

For instance, the giant Barlow Rand group has assisted about 1,000 employees with housing, but this is insufficient to make life better for some of their employees, but not all.

But other government departments are highly critical of the idea.

Mr. Fouché says schemes such as these had led to terrible slums conditions, associated with crime and severe malnutrition.

Mr. Steyn said what was important was for the individual to be allowed to own his own site.

Perhaps the only light at the end of this tunnel is impasse, and such proposals, shortfalls and lack of finance, is that the Government has created the Viljoen Commission, appointed to study restrictions faced by private enterprise in building houses for blacks, and has agreed in principle to accept its findings.

More 'risk' needed to end homes backlog

By GHERHARD PIETERSE

PRIVATE enterprise, not the Government, will have to solve the rapidly worsening housing crisis brought about by rent control and the shortage of finance, a prominent property developer said this week.

Mr. Ian Fife, residential property director of Landmark, one of the largest privately-owned developers in the country, said that the Government had seen fit not to phase out rent control.

**Risk**

He did, however, not see rent control as the biggest single problem impeding new residential development.

"Although rent control is the most obvious danger to new development, the problem does not end there. Developers themselves must also carry a fair amount of the blame for the present shortage of rental housing.

"Many of them were and still are unimaginative and too concerned with short-term and medium-term planning is concerned.

"The institutions in particular will have to go more on risk if we hope to solve the present backlog.*

Some 6,000 households countrywide were affected by the Rents Act in that the breadwinner was earning a fixed income of below R500 a month, Mr. Fife said.

"These people are largely the result of the Rents Act in the first instance and we cannot wish them away - they are here to stay and we as property developers are going to have to find a way to house them.

"If we don't, the Government will almost certainly re-introduce blanket rent control which will be disastrous for the property market as a whole."

Over and above the 6,000 needy around the country, a further 7,000 rental units a year would be required by a steadily growing population, Mr. Fife said.

"We are now reaping the fruits of the post-war baby boom and this, coupled with large numbers of immigrants coming into the country, will require us to supply this number until at least 1980."

An "unfortunate" aspect of the whole rent control saga was the chicken and egg situation in which property developers found themselves, he said.

"The Government want us to develop new housing before they are prepared to scrap the Rents Act, while many developers are not prepared to risk their capital on new construction until the Act has been phased out."

Mr. Boet van Straten, chairman of the South African Board of Estate Agents and a property developer in his own right, said the situation would worsen unless the Government stepped in.

"The only hope at the end of the tunnel is for the Government to provide incentives to make it worth while for property developers to develop new projects."

Way out

"Spiralling building costs have now reached the point where we would have to charge a minimum of R1,000 a month for an average three-bedroom flat if it was to be constructed now.

"This is clearly an absurd figure because only a very small percentage of people would be able to afford it.

"In fact, the only people who would be able to look at this kind of rental would be those executives who earn around R3,000 a month and there are obviously not enough of those around to make it worth our while."

A way out would be for the Government to allow property developers to charge along the line of hoteliers who are permitted to write off their building against tax over a certain period of time.

Mr. S. F. (Pep) Kotze, Minister of Community Development and State Auxiliary Services, made a brief reference to the problem in his budget speech and further developments were expected in the main budget later this year, Mr. van Straten said.
The housing crisis is looming in the 80s.

Says growth in rent control could help.

VARA EVA AGAUX TRIX TO MEWH EXPRES YRAS CONCERN ABOUT THE PRESENT AND FUTURE TRENDS AFFECTING HOUSING IN SOUTH AFRICA, AND SUGGEST HOW THE GOVERNMENT COULD HELP.

A RENTAL-CONTROL MEASURE COULD HELP

By_FREYR VEN

The war between the rich and the poor is fast approaching. West Safrica is one of the most expensive places in the world. But the rents are not only high. The landlords are also taking advantage of the situation. They are asking for higher rents every year. The government must do something to stop this.

The government has already taken some steps. They have introduced a rent control law. But it is not enough. The landlords are still able to ask for higher rents.

The government must do more. They must introduce a rent control law that is effective. They must also provide affordable housing for the poor.

The government must also work with the landlords. They must try to find a compromise. The landlords must understand that they cannot ask for higher rents every year.

The government must also work with the tenants. They must explain to them the importance of the rent control law.

The government must also work with the banks. They must explain to them the importance of the rent control law.

The government must also work with the NGOs. They must explain to them the importance of the rent control law.

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constantly receiving attention at the highest level to find ways and means to alleviate the situation. In this regard mention can be made of the 90-year household system, the homeownership scheme, loans by development corporations in the national states, the allocation of funds by the South African Development Trust for the establishment and administration of townships, and funds provided in the budgets of the national states.

In order to give the individual a greater share and responsibility in providing his own housing, self-built housing schemes are being encouraged and promoted, also by loans in respect of building material, whenever this is practicable, subject to control and specified minimum standards.

Furthermore the report of the Viljoen Committee titled "Committee to Investigate Private Sector Involvement in Resolving the Housing Backlog in Soweto", has been considered and on the whole, the report has met with agreement. It is the desire that it would be possible for the private sector to participate fully in the Black housing field and to further enhance provision of employee's accommodation by employers. Appeals in this regard are continuously made to the private sector including employers.

Apart from the extension of the Commission for Cooperation and Development for the purpose of giving special attention to the question of urbanization, the Cabinet has also granted approval in principle for the Department to obtain the services of one of the top experts in the country to co-operate with the Department in respect of urbanization and housing matters.

London: consignment flowers/plant material

Mr. D. J. N. MALCOMESS asked the Minister of Foreign Affairs and Information:

(1) Whether a consignment of flowers
JOB DUTIES AND RESPONSIBILITIES

The manager of quality control has the managerial responsibility of the quality control department. He is responsible for ensuring that requirements have been properly defined to plan and develop the quality control programme policies, quality plans, the quality organisation, and to promote the quality control personnel.

As an organiser he must develop a sound organisational structure of the quality control activities and the department. He must integrate the resources and achieve the stated objectives and he must answer to the directors of sub-units. He should analyse the quality organisation and take any action necessary to improve its performance.

In addition, the manager must promote the development of the individual to relate personal objectives to job objectives. This must also establish standards to evaluate the quality of work done.

(a) Formulate basic policies, programmes necessary in carrying out the objectives.

(b) Provide adequate facilities for inspection and testing.

(c) Design and distribute programmes to promote organisation.

THE estimated shortage of houses for blacks was 420,000 with 160,000 required in urban areas, the Minister of Cooperation and Development, Dr. Piet Koornhof, said yesterday.

Replying to questions put by Mr. H.H. Schwarz (PPF-Yellow), Dr. Koornhof said his department was allocating funds to the various administrative bodies of the company for the disposal for black housing to the various administrative bodies of the company.

The situation was constantly receiving attention at the highest level to find ways of alleviating the shortage.

He mentioned the 99-year leasehold system, the performance contract, the home ownership scheme, and the establishment of the Housing Development Trust for the establishment of townships and the provision of funds to the national states.

SELF-HELP

To give the individual a greater share and responsibility in providing his own housing, self-help schemes were being encouraged and promoted. Loans for building will be granted wherever this was practicable, subject to control and minimum standards.

The report of the Vlakfontein committee on private sector involvement in resolving the housing backlog had been considered. On the whole, the report had met with agreement.

Dr. Koornhof said the private sector should participate fully in black housing and in providing accommodation for employees.
houses are occupied by Blacks employed in Pietermaritzburg.

Durban: It is served by the urban Black residential areas of Lomondville and Chesterville both of which have been fully developed and by kwamashu, Umhlanga, Nuzuma and Inanda townships in kwazulu. 399 houses were erected in these townships during the period in question. All these houses are occupied by Blacks employed in Durban. The Xhosaoplea, Mthetomondo and Kwamadala townships in kwazulu bordering Piastown also house Blacks working in the Durban Metropolitan area. 442 houses were built in these two townships during the period in question.

(b)(i) and (ii) The particulars in respect of East London. Durban and Pietermaritzburg are included in the figures given below for the number of houses built in towns in the national and independent states from S.A. Development Trust funds, namely:

Transkei and Ciskei: 758 (also in respect of East London).

KwaZulu: 1,349 (also in respect of Durban and Pietermaritzburg).

Bophuthatungana: 480.

Kongwa: 33.

Labowwa: 290.

Iwatiibene: 49.

Qwaqwa: 382.

Apart from S.A. Development Trust funds expended on housing in the national and independent states, houses were also built by these states from their own funds in their urban and non-urban areas but figures are not readily available.
has traditionally provided housing for white employees in Middleburg, but single-employee black employees living in town are charged a single-family rate.

At present, there is a critical need for housing in Middleburg, particularly for married couples. The current housing situation is a serious problem for the community. Residents are faced with high housing costs and a severe shortage of affordable housing options.

MS & A, a company located in Middleburg, has been traditionally renting single-family housing to employees. However, due to the recent increase in housing demand, the company has decided to provide a new rental option.

MS & A will now offer a quantum leap in standards for single-family housing. Employees will be provided with a one-bedroom apartment, complete with basic amenities such as a kitchen, bathroom, and living room. The units will be equipped with modern appliances and basic utilities, ensuring a comfortable living experience for the employees.

Although all employees are eligible for housing, a few criteria will be applied:

- Employees must be single or married without children.
- Employees must have a demonstrated need for housing.
- Employees must sign a lease agreement with the company.
- Employees must maintain good conduct and financial responsibility.

This new housing option is part of a larger project aimed at improving living conditions for employees in Middleburg. The company hopes that this initiative will address the housing crisis and provide a safer, more comfortable environment for its employees.

In conclusion, MS & A's decision to provide new housing options is a significant step towards improving the living conditions of its employees. By providing a secure and comfortable living environment, the company aims to attract and retain the best talent, ultimately contributing to the success and growth of the community.
Black housing figures detailed

Political Staff

HOUSE OF ASSEMBLY. —

The government constructed a total of 5,914 houses for black urban areas — 3.6 percent of its own estimated shortage — during the 1980-81 financial year.

This was disclosed here yesterday by the Minister of Co-operation and Development, Dr Piet Koornhof, in reply to a question tabled by Mrs Helen Suzman (PPP Houghton).

Dr Koornhof also disclosed that the South African Development Trust, a government-controlled agency, had constructed 3,932 houses in the homelands.

Earlier this week, Dr Koornhof estimated in reply to another question in Parliament that there was a shortage of 450,000 houses for black people, about 160,000 of them in the urban areas.

Yesterday, the minister said that 458 houses had been built on the West Rand, 1,072 on the East Rand, 1,081 in Port Elizabeth, 266 in Cape Town and 267 in Bloemfontein.

In the Pretoria area 336 houses had been erected at the new area of Soshanguve and 1,400 sites had been provided with infrastructure at the same site. Atteridgeville and Mamelodi residential areas were being replanned so all available land could be utilized for low and high density schemes.

In the East London area, the development trust had built 530 houses in Mdantsane and a further 417 homes, financed by blacks, had been erected by the development corporation.

In the Maritzburg area, the Drakensberg Administration Board as the agent of the trust had built 539 houses at Imbali, while the Sobantu area had been fully developed.

In Durban area, 399 houses had been built at Kwamashu, Umlazi, Ntuzuma and Isandla in Kwazulu, while Lamontville and Chesterville were fully developed.

At Kwazubeka and Kwamdwenzini near Pinetown, 422 houses had been constructed.

The trust had built 768 houses in Transkei and Ciskei, 1,849 in KwaZulu, 400 in Bophuthatswana, 33 in Kangwane, 360 in Lebowa, 49 in KwaZulu and 362 in QwaQwa.
How many plots have been surveyed in each province with a view to the 99-year household scheme?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

Transvaal .................. 95,374
Orange Free State .......... 10,039
Cape ....................... 17,734
Natal ....................... N/A

As few Black residential areas in Natal are situated outside the national state and those so situated are near to the borders of the national state, the application of household in respect of every separate residential area must be considered on merit. In this fashion a decision in respect of, inter alia, Hambanathi, Soba and Greytown has now been taken. As decisions are taken, household will also be promoted in Natal.
(1) What is the estimated number of houses required at present in respect of Blacks?

(2) (a) how many housing units have been or were (i) built, (ii) planned and/or (iii) budgeted for in respect of Blacks for the financial years 1979-80, 1980-81 and 1981-82, respectively, and (b) what percentage of such units are (i) sub-economic and (ii) economic?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(1) 420 000 of which approximately 160 000 houses are required in the urban areas.

(2) (a) Figures in respect of houses built by administration boards from their own funds and loans from the building societies are not readily available. However, figures of the number of houses built with funds from the Department of Community Development are as follows:

1979-80: 9 945
1980-81: 9 465
1981-82: 3 465

1981-82: No figures for the number of houses are available yet but an amount of R31.5 million has been allocated for housing and services.

(b) This information is not readily available and can only be obtained at unreasonable expense.
Housing + Hostels -

General.

4/10/81 - 31/12/81
Flexible answer to black housing crisis

By KEVIN DAVIE

As the black housing crisis worsens — R500-million more than this year's total defence budget would have to be spent to clear the enormous backlog — housing experts blame the inflexibility of the Government's housing policy.

Government estimates — which some authorities say are conservative — show a deficit of 400,000 houses.

At an average of six people per unit, it means that more than 2-million blacks are without proper homes.

The cost of clearing the shortage would be R3.2-billion — many millions more than the largest single item of government spending — defence, which is currently R2.7-billion.

Experts around the country say that the Government has to begin introducing more flexibility into its housing strategy, including encouraging lower standards of housing to ease the situation.

Prof Gavin Maasdorp of the Economics Research Unit at the University of Natal says: "Up to now the Government has been loath to drop standards, but studies throughout the Third World show that this is the only solution in the area of low-income housing."

"A policy of upgrading existing informal settlements should be adopted.

Reluctant

"The Department of Community Development is reluctant to support the move to organised site-and-service schemes.

"They argue that, in the past in South Africa, these schemes have led to numerous social problems.

"But, in at least one case — Cato Manor in Durban in the '50s — such a scheme was remarkably successful," he says.

Prof Maasdorp adds that, to be effective, upgrading existing informal settlements and the introduction of site-and-service schemes must be coupled with the provision of more township housing.

"The studies we have done show that a significant majority of blacks do not want a township house as their top priority.

"Much more important are services such as water and sanitation, security of tenure, jobs and education.

"The majority are happy to provide their own dwelling."
How many houses or housing units were demolished by or on behalf of his Department in each province in respect of each race group during each of the latest five years for which figures are available?

The MINISTER OF COMMUNITY DEVELOPMENT:

Demolitions by or on behalf of the Department are done almost exclusively in designated urban renewal areas after thorough investigation and on advice of a State Committee comprising representatives of the Department, provincial and local authorities and all other interested bodies.

By far the majority of the improvements demolished in these areas were in such a dilapidated condition that they did not comply with the definition of a house or housing unit. In addition, the application of sound planning principles also necessitates the demolition of buildings in specific circumstances.

Figures regarding demolitions are not kept and to obtain them would be an extensive task which cannot be justified in the light of the manpower shortage, heavy work loads, the time it would consume as well as the fact that data collected could hardly be of any use.
Battle renewed on rents

WITH rent control again seemingly entrenched, landlords and tenants of rent-controlled buildings are locked in battle at rent-board meetings throughout the country.

Property leaders canvassed by Business Times warn that the private sector will continue to refuse to provide or build new residential accommodation until a "more equitable" system is devised.

Rent boards, they say, are generally trying to be helpful. But they are struggling to strike reasonable rental values for land and buildings, when these values must be capitalised by 8.5% in terms of the Rent Control Act and the lessor's expenditure claims added.

No fixed formula, it is pointed out, has been devised to fix a basic factor for rental values to be able to determine the final percentage of increased rental.

Cape property expert Mr M. L. Shapiro suggests the following formula for rent-control boards:

It is simple to ascertain the average rental per sq m in the vicinity of the buildings concerned.

Thus, assume that a block of flats, A, applies for a review and increase of rents.

Close by are blocks B and C, D and E.

Block B's bachelor flats measure 47 sq m and are let at R100 a month.

Block C's two-roomed flats measure 60 sq m and are let at R150 a month.

Block D's three-bedroomed flats measure 80 sq m and are let at R190 a month.

Block E's four-bedroomed flats measure 110 sq m and are let at, say, R225 a month.

The total of these rentals is R665 a month for 297 sq m, or an average rent for the locality of R2.23 a sq m for land and buildings.

The total area for an applicant's lettable floor area on block A measures, say, 4,000 sq m.

Thus 4,000 sq m at R2.23 a month average rent provides a rental value of R97,040 a year.

This annual average rent should now be deducted by the acceptable expenditure it requires - say R65,000.

The difference on net rental of R32,040 a year capitalised by 8.5% provides the fair and reasonable rental value for the land and building — that is, R729,882.

In terms of the Rent Control Act the rental value for the land must now be determined. This can be done as follows:

Total replacement value, based on present building costs per sq m, less 1% depreciation for each year of the age of the building deducted by the already ascertained rental value of land and buildings, provides the rental value of the land.

Example: 4,000 sq m x replacement value at R350 a sq m equals R1.4 million; building being 40 years old, deduct depreciation, equals R600,000.

This now appears to give the intrinsic value as R840,000.

If 1% a year is calculated for depreciation in building values then 1% a year must be allowed for depreciation as an expense to the lessor of the building.

Deduct the rental value of land and building (R729,882) from the intrinsic value; less depreciation, and the rental value for the land will now be R110,117 and the rental value for the building R619,765.

The formula is simple:

Floor area of building multiplied by average annual rental for land and building in the locality per sq m in deducted by expenses and capitalised by 8.5% (which is the percentage the rent board must allow) equals a reasonable rental value for land and building.

If this formula became a directive for all rent boards, much time could be saved and only evidence on average rentals per sq m and present-day intrinsic value need be produced by both landlord and tenant.

The rent boards would merely act as adjudicators as to what the fair and reasonable rental per sq m should be.
Laws prevent the theft of goods.

13/09/91 (13)

From the beginning, the laws prevent people from harming others.
Busing of markets in a planner's brain.
Govt opens the door on black housing

The Government concession which will allow property developers to buy land in black areas for housing development is a major step in the battle to overcome the black homes shortage, the President of the Association of Building Societies, Mr. Boet Viljoen, said today.

"Private developers will now be able to buy land and get it into their own names under the 99-year leasehold scheme and pledge it to building societies for finance to build and sell," he told The Star.

Property developers cautiously welcomed the move.

The new deal was announced yesterday by Mr. Viljoen at the annual meeting of the Association of Building Societies in Johannesburg, and by Dr. Koornhof, Minister of Cooperation and Development.

"Our aim is that Government funds should be employed only to develop the required infrastructures," Dr. Koornhof said. "The goal is then to draw the private sector and the individual into providing the actual housing needs."

In the past year, only R81 million had been given to administration boards for urban black housing.

"How many homes can you build for that?" Dr. Koornhof asked.

Mr. T.L. Richards, president of the Witwatersrand Master Builders Association, said the new deal could mean a minor housing boom for contractors on the Reef.

RED TAPE

A spokesperson for Gallie Construction said entrepreneurs would go for black housing development if it was practical and profitable and the Government cut the red tape.

D A Murray and Roberts spokesman said the new deal would cut red tape and give greater security to developers, but wondered whether the double registering of leaseholds to the developer then to the house occupants would delay matters.
Mercury Correspondent

JOHANNESBURG—White builders and property developers had been permitted to develop townships for blacks under the 98-year lease scheme, Mr Boet Viljoen, chairman of the Association of Building Societies, announced yesterday.

Speaking at the association's AGM in Johannesburg, Mr Viljoen said: "This is an important breakthrough in speeding up the provision of housing in black townships.'

Progress to date, he said, had not been satisfactory.

Mr Viljoen said Dr Piet Koornhof, Minister of Co-operation and Development, had told him yesterday that a recommendation of the Viljoen Commission that white developers be permitted to provide housing for blacks under the 98-year lease scheme had been accepted.

Legislation permitting this, he said, had been enacted unnoticed by Parliament last week.

Mr Viljoen said the new rule allowed white developers and home builders to obtain title to land in black areas, develop it and sell it off at a profit, just as happens today in white areas.

Mr P J Badenhorst, managing director of the United Building Society, said the new rule was 'highly significant' and would speed up black township development.

He believed building societies would be keen to develop townships in black areas along the lines they were doing in white areas.

'But first we have to persuade blacks that home ownership is preferable to renting, although it is apparently more expensive, he said.

Dr J G van der Horst, chairman of Old Mutual, told the meeting that the dream of home ownership could be brought nearer to realisation for more than 160,000 families in towns like Soweto if the rented homes there were to be sold at cost-related prices.

'We have a precedent in Britain where, by next year, some 160,000 so-called council houses will have been sold to their occupants at original cost,' Dr van der Horst said. 'Accommodating the urban black citizen holds the greatest challenge yet faced by building societies.'

Our parliamentary correspondent reports that the Government intended to limit its contribution for urban black housing mainly to the provision of infrastructure, says Dr Piet Koornhof, Minister of Co-operation and Development.

The private sector and individuals would have to play a major role in erecting individual dwellings, he told yesterday's National Party Cape congress.

This represented a major shift in Government approach. Previously it had regarded housing as a vital part of influx control.

The acceptance of private sector involvement indicated greater acceptance of black urbanisation.
Govt bid to beat black homes crisis

During his speech at the Cape congress, Dr Koornhof described South Africa's housing problem as colossal and said State funds could not cope with it.

**Amount**

The amount budgeted for all administration boards serving 512 urban black areas was R81.9 million.

"Now you can work out for yourselves how many houses can be built on that amount," Dr Koornhof said.

State funds would be primarily used for the provision of roads, sewerage and water facilities while a "concerted effort" would have to be made to draw the private sector into contributing towards the building of dwellings.

"If we do not succeed in doing this we cannot meet the housing needs or blacks in the next 50 or even 100 years," Dr Koornhof said.

Commenting on Dr Koornhof's speech, Mr Colin Eglin, Opposition spokesman on community development, said he welcomed the Government's realisation that State funds could not solve the housing problem.

"The Government must put in substantially more money," he said.

Mr Eglin has repeatedly called for the type of innovations in the provision of housing for which Dr Koornhof now appears to be paving the way.

**Breakthrough**

Speaking at the annual meeting of the association in Johannesburg, Mr Viljoen said: "This is an important breakthrough in speeding up the provision of housing in black townships."

He said Dr Koornhof told him that a recommendation of the Viljoen Committee of Inquiry that white developers be permitted to provide housing for blacks under the 99-year lease scheme had been accepted.

Legislation permitting this was enacted unnoticed last week.

**Strict**

Previously it has kept strict control over the provision of housing, regarding this as a vital part of its influx policy. By limiting the number of houses for urban blacks, the Government has attempted to apply strict control over the migration from rural to urban areas.

The acceptance of the private sector's involvement in housing indicates an increased acceptance of urban migration and the permanence of an urban black community.

Dr Koornhof referred to the recently completed report of the Viljoen Committee that investigated urban black housing as a "good report" and said the Government agreed with many of its recommendations.

By HELEN ZILLE

THE Government has decided to let private builders build houses in Soweto and black townships in a new attempt to overcome the severe housing shortage.

And an elated Mr Boet Viljoen, chairman of the Association of Building Societies, said yesterday that the way was now clear for private developers to solve the black housing problem.

The Government decision emerged at the National Party's Cape Congress yesterday when Dr Pet Koornhof, Minister of Co-operation and Development, said the Government would have to limit its contribution to the provision of an infrastructure.

The private sector and individuals would have to play a major role in erecting dwellings. This represents a major shift in the Government's approach to black housing.
LEASEHOLD, other than for those who can generate some reasonable financial return from the property to offset the disadvantage of maintaining and developing something that is not theirs, holds little attraction whatever and certainly not for a person of limited means seeking a home. That is probably why blacks have not been particularly interested in offers over the years of, at first, 30-year leases and currently 99-year leases on property in those few urban areas where it is available to them in this way.

No doubt because it has recognised the futility of persisting with a restriction which has made it much more difficult for officialdom to make any significant dent at all in the backlog of black housing — conservatively estimated at 420,000 overall and about 160,000 in urban areas — the Government has amended the Blacks (Urban Areas) Consolidation Act allowing people other than blacks to acquire leasehold rights in administration board areas, which will open the way for private enterprise — mainly employers — to play a role in overcoming what is a R320 million problem.

This latest concession is an improvement, but as well-intentioned as it may be, the change is not likely to have a major impact on the problem in the short term for the reason that, in the case of Natal for example, land intended for 99-year leases is not yet available for development on a significant scale, and employers in any event are going to have to be persuaded that it is in their interests to invest the considerable sums that will be necessary to make it worthwhile.

Dr Piet Koornhof, Minister of Cooperation and Development, told Parliament at the beginning of the month that some of the land had not been transferred to the administration boards, and in one area there were planning problems. No leases had so far been granted in the province.

Allowing the employers of black staff to build homes for their workers will help, and that is to be welcomed, but far more dramatic action is needed than this or the pathetic 5814 houses this Government was able to erect in the 1980/81 financial year.

The problem is, of course, primarily sociological but it is being aggravated by ideology and the general inflexibility of the Government’s housing policy.

The task is simply too big for conventional methods, and if social problems as potentially disruptive and dangerous as large-scale unemployment are to be avoided there will have to be a controlled relaxation of standards so that more can be built for less, and far more quickly.

Prof Gaven Maasdorp of the Economic Research Unit at the University of Natal has pointed out that a significant majority of blacks do not want a township house as their top priority. Much more important, according to research, are services such as water and sanitation, security of tenure (a home of their own), jobs and education.

The deputy director of Futures Research at Stellenbosch University, Prof P H Spies, says a revolutionary approach to black housing is essential. Why not a search for answers in a purely scientific examination of the subject by the Human Sciences Research Council, or is the Government afraid that this would expose more of its ideological nonsense?
Call for low-cost housing to solve backlog

ALTERNATIVE acceptable methods of housing for the lower income groups would have to be used if the country was to keep up with the demand. The Deputy Minister of Community Development, Dr P Cronje, said in Cape Town yesterday.

He told the Historical Society of Wynberg Boys' High School that a committee of inquiry was investigating the possibility of providing houses for lower income groups on a large scale by way of unconventional methods such as site-and-service and self-help schemes.

BIG BACKLOG

Apart from the backlog in housing, the natural increase in the population in South Africa meant the building of 30 000 homes a year for whites, 13 000 for coloured people, 4 500 for Asians and 30 000 for blacks.

The existing backlog for housing was 45 000 for coloured, 10 000 for Asians and 160 000 for blacks outside the national states.

In the past five years the Department of Community Development had built and financed 138 683 housing units — one house every 3.5 minutes of each working day.
Rive to stay on — optimistic at homes plan

15-10-8/By MARTIN FEINSTEIN

SOWETO'S super-planner, Mr Louis Rive — the man who threatened to quit unless red tape in the townships was slashed — has promised to stay on.

The Government's go-ahead for private enterprise to build houses in black areas has "put my mind at rest": that this was happening, the former Postmaster-General and now chairman of the Greater Soweto Planning Council said yesterday.

And the chairman of the West Rand Administration Board, Mr J Knoetze, revealed that the backlog of 98-year leasehold site surveys — the scheme's biggest hold-up — would almost certainly be wiped out by early next year.

Mr Rive and Mr Knoetze were speaking at a Press conference yesterday on Tuesday's announce-ment by the Minister of Co-operation and Development, Dr Piet Koornhof, that employers and lending houses could build, sell, rent or finance homes in the townships.

Mr Rive said: "The heartening aspect is that the private sector will now be able to make a much bigger contribution to alleviating the housing problem."

Mr Knoetze warned, however, that the Viljoen report on black housing had not yet been released "and many details still have to be worked out — although the important thing is that the principle has been accepted."

Calling on black estate agents to set up shop in Soweto "so that there can be a process of buying and selling houses", Mr Knoetze said the existing Housing Bureau might be expanded as part of a "plan to co-ordinate action between the private sector, Government and potential buyers."

He revealed that by aerial surveying of township sites the major stumbling block in the way of 98-year leasehold could be eliminated "very early in the New Year."

Mr LOUIS RIVE
his mind has been put at rest.
black housing bonds

Dramatic move for

Property Editor
Get rid of rent control

Finance Reporter

IT WILL take a century to catch up with the backlog of housing if the country sticks to its conventional approach, the Assocom congress was told in Durban yesterday.

It was also told that the failure of the Government to carry out its promise of eliminating rent control meant that no flats were being built and there was an acute shortage of rented accommodation.

An urgent plea was made for the Government to abolish rent control completely and immediately so that property investors could be encouraged to build for rental.

Assocom called on the Government to publish the full findings of the Vljoen panel on low-cost housing as soon as possible.

Speakers emphasised that the black housing backlog should be tackled urgently.

Mr R Drew, of the Durban Chamber of Commerce, said a survey in Durban last year showed 92,000 houses were needed and this figure was increasing by 7,000 units a year.

In Soweto the shortage was 34,000, which was increasing by 4,000 units a year.

Urgent

Delegates unanimously endorsed a motion by the Cape Town and Springs chambers calling for the urgent provision of housing for all sections of the community.

They recommended that the public and private sectors should give continuing and urgent attention to the formulation of a range of policies and practical procedures to increase the provision of housing throughout South Africa.

The speakers emphasised that the time for debate was over and it was time for action.

Sensible

Good housing was a major contribution to a good and contented work force. The provision of satisfactory housing should not be regarded as a social obligation but rather as a sensible business investment.

Seconding the proposal, the Springs chamber said much could be done to improve the standard of housing being provided.

The country had become ‘over-specified’ with each municipality having its own rules and regulations.

It was agreed that people should be given a choice in the type of housing they wished to occupy, and an appeal was made for a revision of building standards so that satisfactory housing, without the present plethora of restrictions, could be erected rapidly.
Black homes bond plan is suggested by Rive

THE man in charge of the development of Soweto, former Postmaster-General Mr Louis Rive, has suggested the introduction of housing bonds on the lines of the defence bonds — but for blacks only.

At the Association of Chambers of Commerce congress in Durban yesterday, Mr Rive said it was time the red tape was cut in the formalities for providing housing for blacks.

The black man, he said, is a good saver but not a big investor in defence bonds.

"Can we not involve ourselves in selling him housing bonds?" he asked.

He later said the bonds he had in mind would be for blacks only and could carry prizes — maybe even a house.

Mr Rive described housing as "our second front".

"I hope the Viljoen Report (on housing) will be the beginning of a new era in housing because unless we overcome our problems, we are in for a lot more problems in the future," he said.

Mr Rive said he believed the priority is to upgrade homes. He said there were 185,000 houses in Soweto of which 98.5% had two bedrooms. If one extra room was added it would increase the sleeping capacity by 50%.

He said 80% of blacks were trained to upgrade their homes if they were given assistance. When a black applied to buy a home, there were 23 steps he had to go through, all of which could cause delay or rejection.

He believed local authorities, black and white, should dictate what should be done in local conditions.

"It cannot be done from Pretoria," he said.

Mr Rive said housing problems could not be solved unless blacks were motivated and they could be motivated if they were involved.

He believed it was not necessary for a man to have a R20,000 house straight away, but to have a R5,000 house and help him to upgrade it over the years.

On private sector involvement he said financial institutions and employers should co-operate and all types of housing should be explored, including shell and core and mini housing on serviced land.

Efficiency

Speaking of Soweto's housing, Mr Rive said a housing bureau should be staffed by those whose watchword is efficiency and who could cut red tape. There should also be a centre where blacks could be guided into methods of upgrading and a place to buy materials for building — owned by black entrepreneurs.

Durban Chamber delegate said there was a backlog of 92,000 homes in metropolitan Durban. The chamber had calculated that if 500 units were built a year it would take 18 years to work off the waiting list. And in order to overcome the whole problem it would take 108 years.

The congress recommended that the Viljoen Panel report be published as soon as possible, studied and implemented nationally, including non-independent black states.
The government opens the way for the private sector and individuals to build homes in black townships. Government's strict control over the provision of black housing has been a central feature of its influx control policy.
CLEARING THE WAY

In speech after speech, Nationalist politicians have placed much of the onus for providing urban black housing on the private sector. It was therefore appropriate that Co-operation and Development Minister Piet Koornhof announced this week that government has accepted many of the recommendations of the Viljoen Committee investigating private sector involvement in housing in Soweto. A key recommendation, which government adopted through an amendment to the Black (Urban Areas) Consolidation Act last week, will allow private builders to put up houses in black townships. This is a radical departure from previous policy and paves the way for large-scale private sector involvement in providing housing for urban blacks.

However, government still has to take bold steps to eliminate problems hampering private sector efforts. When three major employers called the Urban Foundation in Johannesburg last Friday for advice about how they could help their black employees, they were told by a senior official: "Forget it, there's no land available."

The Foundation's Transvaal region MD, P. D. Dempster, tells FM that when it was recently announced that 250 stands were available at Katlehong on the East Rand, 5,000 applications were received in six weeks. Meanwhile, the prices of houses have to be built in Johannesburg as an extension or addition to Soweto.

A revised subsidy system. The committee believes that subsidies and the criteria for determining eligibility for subsidies should be the same whether the individual hires or buys state-produced housing or whether he borrows private sector finance, or state finance through a building society. The long-term objective should be that subsidisation is limited to genuine welfare cases.

At present, subsidies are available only if housing is built through the Department of Community Development. If housing is erected privately, with an employer loan, for example, subsidies are not available. Many employers are reluctant to lend money which they have had to borrow at high interest rates when other loans are available at subsidised interest rates.

The establishment of a committee on which the private sector is strongly represented, reporting to the Minister of Finance to examine the financial implications of subsidising housing.

Changes to Section 11(1) of the Income Tax Act. At present, 50% of the amount spent on advances or funds for the erection of employees' housing, up to a maximum cost of R3,000, may be deducted from taxable income in the year for which the money is spent. The committee recommends that the current limit of R4,000 (50% of R3,000) be increased to R6,000.

The amendment to the Black (Urban Areas) Consolidation Act, permitting 50-year leases to be registered by non-blacks, has far-reaching implications for employers-assisted housing provision. The major import of the amendment is that employers or developers will be able to buy property on the subsidies and development from administration boards. It could also mean that if government gives broad support to the Richter recommendation that influx control be tied to the availability of housing and jobs, an employer could guarantee the right of his employees to be in an urban area if he provides accommodation.

Says Barlow's Oscar Graupner: "One of the major problems facing employers in the past has been the availability of finance. The proposed amendment will allow employers to acquire leasehold rights in their own name and so borrow building society money."

The formation of a utility housing corporation or cooperatives to help co-ordinate and mobilise private sector resources. Says one housing expert: "If employers are going to participate it will be beneficial for them to organise themselves into groups where there is a shared, co-ordinated scheme such as the Belhar scheme organized by the Cape Town Chamber of Commerce. (The scheme provides housing for colour under near Bellville.)

Meanwhile, the private sector is gaining experience in overcoming the problems it
Developers wary of black housing

DEVELOPERS are unlikely to rush into the "treacherous" venture of building houses in black areas until it is profitable to do so.

But employers prepared to lay out money for their employees — moved more by charity than possible profit — will be glad of the opportunity to own land in black townships and rent it out.

This was the prediction of several building industry spokesmen interviewed yesterday on the Government's announcement that white developers would be allowed to own but not occupy land in black townships.

White developers and building societies have built houses in black areas before, but have never legally owned the land or the house although they sold it.

A spokesman for a large development company said: "Selling houses to blacks is not big volume business for any developer because most blacks still find buying a home an unattractive proposition.

"Why should they pay R100 a month on a bond when they can pay R24 a month in subsidised rent?"

He said if a developer had money and the facilities to build, it would certainly be more profitable to build a white house which was still in high demand.

A private developer or employer who rented out property in a black area faced competition from subsidised rentals charged for administration board housing.

"To rent at these sub-economic levels might not even keep pace with the interest rate he paid for money invested in the development."

Before there was any rush by developers to build houses for blacks "on spec" — not on order but to sell at random — it would have to be more profitable and developers would have to see the form of the security of land tenure offered, the spokesman said.

Until now, building societies or developers building in townships obtained a temporary allocation of land from the administration board concerned, and held it until they sold the house.

Mr Alan Rosier, of Murray & Roberts Construction, said his company would continue to follow this practice.

He thought it unlikely M&R would want to register land in its own name under the 49-year leasehold scheme.

"But he hailed it as a step in the right direction and said employers would benefit from increased security of tenure and would probably be more eager to house their employees."

Mr Alan Schlesinger, managing director of Schacht-Cullum group, said the company would discuss the implications of the Government's new ruling with administration boards.

"Now may be the time for us to move more actively into black housing."

"If building societies say they will definitely provide bonds for black housing projects, even though funds are short, I think it would be a big boost," he said.
Massive task ahead in providing homes and jobs for blacks

By PAUL DOLD
Financial Editor

The vast task facing both the government and the private sector in providing housing and jobs for blacks was sharply underscored this week in two key speeches.

Old Mutual's Dr J G Van der Horst, one of the country's leading financiers, tackled the housing issue:

"We are now starting to recognize that the blacks are in the cities to stay and that unless we want restlessness and revolution there must be housing, schooling and community facilities," he told the Association of Building Societies' annual meeting.

"It was government belief that in 1978 the tide was going to turn and that there would be an egress of black citizens from the cities and because their black citizens were considered as temporary sojourners in the cities and were going to return increasing to the homelands it was not necessary to spending substantially on black housing.

"In fact, during the years 1972-1976 only 5.7 percent of the Department of Community Development outlays were allocated to black housing in white areas. These beliefs, however, disregarded the great demographic movement to the cities in the whole world.

"The current housing backlog in all black urban areas is estimated to be 120 000 houses a year. On the same basis it will cost R1.2 billion to wipe out the current backlog in black urban houses.

"South Africa could immediately bring home ownership nearer to realization for more than 100 000 families who live in towns like Soweto by offering to sell houses to the existing tenants at a cost-related price.

"This will not be a sacrifice by the Department of Community Development or by administration boards because the rentals the tenants are currently paying are being subsidized in any event. Instead of present tenants, therefore, paying rentals related to cost they will be able to buy at a price related to cost. The whole matter would simply involve a book entry.

"Probing why only about 13000 of the 90-year leases thus far have been registered he said there were several reasons, including the absence of estate agents and the fact that all the houses for sale belong to the government. But most important was the question of price.

"I am not referring to the price in absolute terms, to the price when the cost of raising the capital to buy is compared to the subsidization of rents being paid makes it uneconomical to the person to buy.

"In short, it is better for him to rent at a subsidized rental than to buy at market value with capital raised at current interests. Uneconomical from the tenants point of view it certainly is. But it is really uneconomical from the national viewpoint considering the benefits that home ownership bring to a community, if we pay at its cost?"

"Such a scheme had a precedent in Britain where about one third of the housing stock consisted of so-called council houses. In 1979 the Conservative government had passed the 'right to buy' legislation and actively encouraged the sale of these council or local authority houses.

"All council house tenants of over three years standing have the right to buy their houses at cost and are guaranteed a mortgage from either a building society or the local authority.

"Up to the end of March this year some 118 000 houses had been sold under the scheme and by March next year the figure should be around 240 000.

"This staggering number of houses will make a substantial contribution to the privatization of home ownership and this will contribute to political and social stability. The details of this scheme and its success clearly hold lessons for the South African situation.

"The success of such a scheme in South Africa would remove one of the major stumbling blocks to the development of a black housing market - the relatively small number of currently privately owned houses by blacks and the vicious circle it sets up."

"In Durban, Professor Jan Lombard former special advisor to the Reserve Bank tackled the job creation issue, warning of increased urban drift.

"He told the Associate conference that South Africa was entering a second industrial revolution which would be based on the skills of trained black people and not on the skills of white immigrants as had been the case in the sixties, reports our Durban correspondent.

"There will be a massive migration of Africans from the rural areas of Southern Africa to the industrial growth poles of the region."

"The government could be expected to 'seriously embark on a major programme of sub-regional decentralization of economic activity."

"Unless the government of Mr Botha undertakes such a major decentralization programme the entire tradition of political pluralism in South Africa must be mortally endangered."

"And with the disappearance of the present geographic distribution of ethnic pluralism will also disappear, the chances of a peaceful transition to normal participation by blacks in the political processes of the Southern African region with a federal or a federational-constitutional dispensation."

"Professor Lombard said that it was assumed that such a programme would have a considerable adjustment in the geographic distribution of physical capital formation must be expected."

"He said that at least R100 000 would be spent in the rest of this decade in areas outside the present homelands, also the industrial growth area. That would be about R2 000 a year, of which half might come from the public sector.

"He said that the economic output of those conditions in the 1980s was bright from the international economy exciting injections of business activity in South Africa."

"The mining industry would not have its last breath in South Africa in the 1980s but would see a relatively more stable period of expansion."

"South Africa had the economic means to spread material welfare to all its people through a programme of rapid economic growth - the success hinges on 'our ability to form a powerful partnership programmes - including the general educational basis of our society."

"The training programmes had to take the place of immaterial welfare."

"Some of the implications were that the building industry would have to provide more modest houses for black middle-class urbanites."

"The De Lange report had indicated that 250 000 teachers would have to be trained in the next 20 years."

"The social and political implications of this second industrial revolution will be immensely different from the implications of the earlier period of European immigration."

"While these immigrants were imperceptibly absorbed into the existing political institutions of the domestic urban society this is obviously not what is going to happen to the African migrants."

"If the convergence of people from rural areas to the Pretoria, Witwatersrand-Vereeniging area is to continue so that over the next two decades, say 40 percent of the population concentrated in that area instead of the present 20 percent, the political arrangements and reforms which will be required will undoubtedly be completely unacceptable in terms of the political philosophy of the supporters of this programme by the South African government, and these adjustments may be equally unacceptable to many leaders of the black states in Southern Africa as well."
More immigrants — more housing

By Vora Beljakova

CONSIDERABLY more housing units are needed if South Africa continues combating local skills shortages through immigration.

During the first quarter of 1981 the official net immigration figure rose to 7,391, which is a 259% increase on the same period last year. Should this increase continue throughout the rest of the year, net immigration will reach 20,000 at least by December — and this figure does not include the illegals who arrive on tourist visas and then apply for permanent residence and work permits.

If an average family numbers three, an additional 10,000 housing units will be needed by December to accommodate the immigrants. This means that more than 860 homes must be created each month to satisfy newly imported and highly essential manpower.

This is over and above the natural population growth in housing demand in South Africa.
Preventing Chagas

Dear Homeowner,

The Vilaflor Condominium Board of Directors has been instructed by the Developer, Vilaflor Corporation, to inform all Homeowners of the current condition of the Fumigation Project for the prevention of Chagas Disease.

Chagas Disease is a serious illness that affects millions of people worldwide. It is caused by a parasite called Trypanosoma cruzi, which is transmitted by the bite of an infected insect. In the United States, Chagas Disease is primarily a concern for individuals who have traveled to regions where the disease is endemic.

This fumigation project is being carried out to ensure the safety and well-being of all Homeowners. The fumigation process involves the application of insecticides to the exterior of the building to kill any insects that may be carrying the parasite.

The Vilaflor Condominium Board of Directors is committed to providing a safe and healthy environment for all Homeowners. We appreciate your cooperation in this effort to prevent the spread of Chagas Disease.

If you have any questions or concerns about the fumigation project, please do not hesitate to contact the Vilaflor Condominium Board of Directors.

Sincerely,
The Vilaflor Condominium Board of Directors
Cash, but no land — for black housing

THE LAND ACQUIRED by the city for housing black people is only 13% of the land in South Africa for blacks, is barely aside only $10 million to build houses for blacks.

Developers are finding it harder to find land. The government has allowed a few plots to black people, but there is a shortage of houses.

Money

The money is not enough for the developers to build houses. The city is trying to relocate people to other areas, but there are not enough plots available.

The government has offered some loans, but the interest rates are high. The developers are struggling to find the money to build houses.

For black housing

Developers are finding it hard to find land. The government has only offered a few plots to black people. The money is not enough for the developers to build houses. The interest rates are high, and the developers are struggling to find the money to build houses.
Freehold for blacks new objective

The door to Soweto and other black townships has been opened to the white homes developer and it could be that an even wider avenue is ahead, leading to freehold for the black property owner.

Since the implementation of 99-year lease for urban blacks, probably one of the main hurdles for its advance has been that the concession still falls short of the white man's rights — freehold property.

GREAT LEAP

It does not naturally follow that because commerce can move in strength to the townships to provide the houses and help to ease the chronic shortage, that freehold rights will pass on to the black.

A white homebuilder can buy land in Soweto for homes and a building society can secure the bond under 99-year lease.

However, the Government has taken a great leap forward in the drive to provide homes for blacks and not only will the unrestricted entry of white builders create a competitiveness in home style and price, but there will be the advantageous spin-off of jobs at source.

NEW ERA

In the new era of house development, however, it would be pointless for white entrepreneurs to put up houses beyond the means of the people who are to live in them.

This point emerged from behind-the-scenes discussions at the recent Assocom congress. Background motions on the national housing policy, while insisting that the housing situation could not be allowed to deteriorate further, pointed out that if low-income groups were to be satisfactorily housed, it would be necessary to employ the full range of housing options.

"All houses should be designed to allow for further extensions and homeowners should be given encouragement to extend their houses and thus increase the total accommodation," says a motion.

GUIDELINES

With an estimated shortage of 170,000 dwelling units in the black urban areas and a further 288,000 units in the non-independent homelands, there can be no instant solutions to the housing problems of the townships.

Now, however, the way is clear for commercial involvement with its guidelines and housing options. It is believed that four-fifths of the people in Soweto are prepared to upgrade their homes if given the proper assistance.

Mr Louis Rive, chairman of the Greater Soweto Planning Council, said that of the 105,000 homes in Soweto, 98.5 percent are two-bedroom units. If one room was added, accommodation would automatically rise 50 percent.

On the question of guidelines, Mr Rive urged the establishment of advisory bureaux throughout the country under the auspices of Assocom, the Federated Chamber of Industries, the Building Industries Federation and the Afrikanske Handelsinstitut.

Allied to these would be retail centres concentrating on the supply of building materials for self-help schemes and "do-it-yourselfers."

SUSTAINED

It is estimated that within four years it would take R320-million a year to clear the housing backlog and that during the next 20 years five or six cities the size of Soweto will have to be created.

It is in the light of these figures that there can be no delay to ensure stability as the opportunities now open up for sustained housing programmes at all levels.

Koornhof praised for initiative

Praising the Minister of Development, Mr Piet Koornhof, for his initiative in allowing white entrepreneurs to move into black townships, Mr Lou Davis, executive director of the Building Industries Federation, said:

"We are at least moving in the right direction."

CONFIDENCE

"How long will we now have to wait for black people to enjoy the right and title of the ownership of their own piece of South Africa — thereby giving them something to cherish and defend?"

It is a true measure of renewed confidence that the African opens its 70th congress in East London next Monday with a timely theme — Small Business Enterprise in the Building Industry.

It is significant, too, that the congress is being held in East London, an acknowledged growth point and a city "remote from the present housing needs," says Mr Davis, as an ever-growing perk towards stabilising work forces.

"These forces are awakening to the fact that labour relations will have a significant effect on boardroom decisions."

30/02/81
1000 homes a month needed for immigrants

A THOUSAND homes a month would be needed to accommodate the expected inflow of immigrants to South Africa this year, the new president of the Institute of Estate Agents, Mr. Basil Elk, said yesterday in a statement.

These are in addition to an estimated 6,000 housing backlog of units.

Two of the problems were the lack of rental accommodation because no new flats were being built and thousands of flats were being converted and sold off because of sectional titles — Sapa.
New ways to boost housing funds proposed

Industrial Reporter

NEW measures to increase funds for housing in South Africa were yesterday mooted by the Director-General of Finance, Dr Joep de Loor.

Addressing the Federated Chamber of Industries in East London, he said these could include new financial instruments to entice more funds for housing by way of the building society movement or via a “special public body offering long-term investment opportunities at market related rates.”

But the more attractive these new investments were and the more funds they accordingly attracted to housing, the less would be available for other investments including those in public sector infrastructure.

A fine balance was needed. “If it is to be a government-controlled financial instrument the chances are perhaps better for the rate of inflow of funds to be rationed according to the needs of the housing market vis-a-vis all other opportunity cost investments.”

Dr De Loor believed it would be productive to examine closely the American Federal Home Loan Mortgage Corporation, a United States Government body offering a controlled and guaranteed investment medium for long-term funds directed towards the housing market.

Miscellaneous financing sources, particularly pension funds and insurance companies, offered the largest relatively untapped reservoir of funds which could be used to assist the country’s housing needs.

These institutions and funds realized an increase in assets of more than R4,000 million last year alone. It should be evident, Dr De Loor believed, that traditional investment opportunities open to insurers and pension funds would become relatively scarce, allowing them to play a greater role in the provision of new housing.

New sources of funds were essential because the trend of the ratio of investment in residential buildings to the Gross Domestic Product had shown a gradual but persistent decline since 1965.

“Fortunately, on the other hand, birth rates have also dropped not only for whites, coloureds, and Asians, but particularly for urban blacks.”

* ‘Housing bonds’ proposed by Rive, page 9*
'Housing bonds' proposed by Rive

OWN CORRESPONDENT

EAST LONDON.—Special new “housing bonds” for blacks were proposed yesterday by Mr Louis Rive, chairman of the Greater Soweto Planning Council.

He was speaking at the Regional Economic Development Conference in East London organized by the Federated Chamber of Industries.

Mr Rive said: “We know that blacks are traditionally good savers, that they are not large-scale investors in defence bonds and that their earning and therefore saving capacity grows by the day.

“I believe that if the principle of investing in housing bonds on more or less the same lines as defence bonds is acceptable to blacks, and to the government, such a scheme should be worked out for, and in consultation with them.

“If properly engineered it could prove to be the most effective way of satisfying the housing needs of the blacks in a fashion where they are helped to help themselves.

“It can provide the built-in dynamo that can keep pace with growth and demands which can otherwise submerge us”, he said.

Mr Rive said: “As far as black housing is concerned it is not generally realised that a vast amount of goodwill we squander and to what extent we place stability in jeopardy by not helping the black man to have a home instead of a ‘place’ in which to live.

“It is quite unacceptable for a black man’s application for a house to be processed through 29 points before approval — each one being a potential point of rejection or delay”.

Pension, insurance millions urged for housing

HOWARD PREECE at the FCI in East London

PENSION funds and insurance companies are bound to play a growing role in providing new houses, according to Dr Joop de Loor, Director-General of Finance.

Dr de Loor said an average real economic growth rate of 4.5% a year was possible for the 1980s and 1990s "provided we allow revolutionary advances in opportunities and capabilities of our not-white peoples to take place".

Dr de Loor said the annual cash flow of pension and insurance funds would at least R10,000-million by 1995 and R20,000-million by 1996-97.

"It must be quite evident that the traditional investment opportunities open to insurers and pension funds will become relatively scarce and that in addition to providing substantial funding for public-sector fixed investments, they are bound to play a far greater role in the provision of new housing."

"Such involvement could be effected, for example, either by entering available investment funds via the building society movement into the housing field or via a special public body offering long-term investment opportunities at market-related rates."

Attractive

"In the former case a mechanism will have to be worked out to allow the institutions and funds to earn such rates on their investments and, in return, the institutions would have to commit more long-term funds for this purpose."

"But here I must be very specific. The more attractive these new investment instruments are made, the more funds will be channelled into housing and the less will be available for other investments - that is, public-sector infrastructure as well as private-sector investments."

"What we need, therefore, is a mechanism to strike a fine balance, to do the one thing and not to neglect the other.

"If it is to be a Government-controlled financial instrument the chances are perhaps better for the rate of inflow of funds to be rationed according to the needs of the housing market compared with other opportunities for investments."

"The United States has a very complicated public-sector mechanism to provide the necessary housing finance. It may be worth our while to take a closer look at the American Federal Home Loan Mortgage Corporation, a Government corporation which offers a controlled and guaranteed investment medium for long-term funds directed towards the housing market."

"The guaranteed mortgage certificate issued by this corporation has a final maturity date of 30 years after issue, but is structured to provide not only for regular interest payments but for minimum specified annual principal redemption which makes it, of course, attractive to large investors."

"It also allows the investor the option of recalling his certificate to the Mortgage Corporation, or to deal with it at any time in the secondary market prior to final redemption."
Camps Bay plan backed

Municipal Reporter

THE Camps Bay and District Civic Association has welcomed a city council plan to expropriate the well-known Rotunda Hotel site and turn it into sport-fields and recreational facilities.

The owner of the hotel, Mr H de Kwaadsteniet, and the city councillor and MPC for the area, Mr Herbert Hirsch, confirmed yesterday that the council was planning to use the land for recreational facilities.

A preliminary notice of expropriation had been served on Mr de Kwaadsteniet, who had planned major renovations and extensions to convert the Rotunda into a luxury four-star hotel.

PRESSURE

The chairman of the association, Mr M Richter, said it had been applying pressure for two years for the council to take over the land.

"If this land had gone for a new hotel it would have been lost forever. Now it has been saved as an open space for the use of the people of Camps Bay," he said.

Open spaces in Cape Town were disappearing one by one and the association felt that the site should be retained at all costs.

It is understood that the historic round building of the present hotel will be retained on the site.
Houses — perks of the future

By SUSAN DALLAS

EMPLOYERS will have to provide housing to secure skilled labour.

Mr John Baikie, deputy managing director of Sage Holdings and a director of Schachat-Calum development company, said this at the NDMF's Business Outlook conference in Johannesburg.

"Just as the company car was the perk of the 1950s and 70s, so I believe the company house or company mortgage bond will be the perk of the 1980s," he said.

Housing black employees would require an even greater effort from employers.

"With high subsidies on rented accommodation the black employee will happily switch to home ownership and pay a market-related monthly mortgage repayment without getting a massive increase from his employer to meet the difference in the two costs as well as the finance for a deposit."

A shortage of finance, and a shortage of bond money — restricted probably until about 1983 — would limit the supply of housing.

High demand for housing had to be translated into a more sober "effective demand" related to the amount of money held by the people who required the accommodation.

Statistics showed a shortage of about 48 000 units for whites and 94 000 units for blacks, about 20 000 units for coloureds and 20 000 for Asians.

Above this, annual demand (which would grow), for more housing was 20 000 units for whites, 70 000 for blacks, 14 000 for coloureds and about 7 000 for Asians.

The average annual production of houses for the various population groups as a percentage of the total shortage was 23.6% for whites, 0.0% for blacks, 26.5% for coloureds and 25.9% for Asians.

Mr Baikie believed solutions could be found for some of the shortage, but the black housing shortage was rapidly reaching the stage where it would be beyond solving.
Institutions happy to aid housing

Continued from Page 1

The Old Mutual, and responsible for investing about R250-million a year, welcomed the idea as a good one.

He said: 'We would support any bond issue by a housing corporation just as we supported other issues in the capital market.'

The Old Mutual was already supplying finance to a similar organisation in Malawi.

As long as the rate of interest was right, the Old Mutual would certainly be interested in investing in a national housing body.

The fact that the funds were being used for housing would be an added attraction, he said.

Mr. Marinus Daling, general manager of Saniplan, said the institutions and pension funds had the cash flow to finance housing.

Provided they were not expected to invest in sub-normal investments or at less than market rates he thought they would be willing to put money in private housing.

However, he warned that this money would not be cheap.

"Contrary to some views, there was no lack of investment opportunities. However, the specific need for housing could give this type of investment an edge.

In current market conditions, borrowers would probably have to pay about 16 to 17 percent for institutional mortgage money.

The pension funds and life offices could get 13.25 percent on money invested in government stock without having to incur any administration costs. These would probably add 2 percent to the cost of the money. On top of this, a provision must be made for the risk factor."
More houses for blacks urged by Slabbert

Argus Correspondent

JOHANNESBURG.—The Leader of the Opposition, Dr Frederik van Zyl Slabbert, said the Progressive Federal Party had to place itself within the context of the reality and consequences of urbanisation in South Africa.

Addressing candidates who will be fighting municipal elections in Johannesburg, Randburg and Sandton, Dr Slabbert said he believed the PFP was better able to cope with the problems and developments which would confront South Africa in the future.

He said a survey conducted by the Human Sciences Research Council had shown that only 30 percent of the country's black population was urbanised, but it was not unrealistic to predict that this would increase to 75 percent by the end of the century.

This means that an additional 15 to 20-million blacks will have to be settled in urban areas in the next 20 years and if that does happen, more houses will have to be built on that time than the total number built since the arrival of Van Riebeeck in 1652.

"A PFP party in control of Johannesburg, Sandton or Randburg will not be allowed to sit there quietly hoping that somehow the whole situation will administratively tick over and that problems will solve themselves. We are going to have to use all our ingenuity and resources to tackle these problems effectively."

I hope we are going to be able to achieve is to build up the image of the party as one of not only talkers, but also of doers.

Dr Slabbert told the candidates not to 'fudge or prevaricate' on matters of principle.

The clearest image the PFP had was that it was a party that stood for no discrimination — a party that believed in full citizenship and the civil rights of the individual. At all times the party had to reaffirm that commitment.
Professor Salter: The economic implications of the Black Homes Crisis are profound. The crisis is not just a problem of housing, it is a crisis of the economy itself. The government must take urgent action to address this issue. The Black Homes Crisis is a wake-up call for policymakers. We must act now to prevent a full-blown economic crisis.

Black Homes Crisis

Professor's way out of

Do-it-yourself housing
A PLAN for sweeping measures to overcome the critical housing shortage in the country's urban black areas is contained in the report of the Viljoen Committee that was handed to the Government recently.

The committee, under the chairmanship of Mr. Boet Viljoen, chairman of the Association of Building Societies, was appointed by the Government in May to investigate how the private sector could help to solve the housing backlog in Soweto — officially estimated to be 35,000 units.

Since then it has produced the most comprehensive official report ever on the housing crisis in black urban areas — estimated at a countrywide shortfall of 168,000 units — and suggests methods of overcoming it.

The Government has not yet released the report or responded to it, but copies have been widely circulated and are the subject of intense discussion in official quarters.

The recommendations call on the Government to abandon its present housing policy and adopt a "dynamic" approach in which the resources of both the public, the private, the formal and informal sectors can be fully utilized to raise the estimated R1.2-billion to meet the countrywide backlog.

The amount needed in Soweto alone is an estimated R500-million over a five-year period, for land, infrastructure and housing units.

The committee's approach is aimed at "creating and stabilizing urban community with a vested interest in maintaining peace and good order."

It calls on the Government to:
- Abandon the apartheid belief that blacks are "temporary sojourners" in urban areas and provide for increasing urbanisation;
- Implement a five-year plan in Soweto to build 55,000 housing units. This would involve adding 1,000 additional hectares to the township immediately and an additional 200 hectares every year for five years;
- Scrap all laws and regulations that stand in the way of private sector involvement in the building, renting and leasing of urban black housing;
- Apply strict measures to prevent the exploitation of black urban dwellers arising from the existing housing crisis;
- Allow the private sector to do the initial drafting of some of the revised legislation;
- Permit controlled site-and-service, core housing and self-build schemes.

Lowest prices
- Offer the houses in Soweto for sale (at present under the 99-year leasehold system) at the lowest price necessary to recoup costs and provide a "reasonable incentive" to the local authority to undertake the selling and necessary administrative steps;
- Rechannel a "reasonable portion" of the profits of such housing sales to the Sowetan local authority;
- Urgently review technical standards applied to black housing, to make them less rigid and specific and do stimulate the use of innovative building methods, designs and materials;
- Set up technical advice and home improve-
The five-year plan...
Black housing is on PW's summit agenda

Political Staff

CAPE TOWN — The pressing need to speed black housing will be a point of discussion at the meeting between the Prime Minister, Mr P W Botha, and business leaders in Cape Town on November 12.

The Government has started to implement the recommendations of a committee which has investigated the critical housing shortage in urban black areas.

One would enable white employers to invest in housing for their black employees under the 99-year leasehold system. Legislation providing for this was passed recently.

The report of a committee under the chairmanship of Mr Boet Viljoen, president of the Association of Building Societies, was handed to the Government recently but has not yet been officially released.

RED TAPE

It is expected Mr Botha will deal with this at the conference with businessmen.

The report stresses the need for the State, business world and individual to be involved in providing black housing.

It also deals with the need to eliminate a lot of red tape which now hogs down housing for blacks.

A top town planning and housing expert who has seen the report said today Mr Botha is expected to reaffirm that the Government does not regard urban blacks as temporary sojourners in the city areas.

PROPOSALS

So he is likely to agree with many recommendations of the report.

Among these is a call for strict measures to prevent exploitation of black urban residents as a result of the housing crisis; permit control of site-and-service, core-housing and self-build schemes; the lowest prices necessary to recoup the cost of 99-year leasehold houses, and the provision of technical advice and home improvement centres and building material outlets, especially throughout Soweto.

The committee was initially appointed to find out how the private sector could help alleviate the housing backlog in Soweto, but its recommendations could affect all areas under the leasehold system.

The Government has so far refused to approve this system for the Western Cape because it is regarded as a coloured labour preference area.

Page 7: Black homes: new report welcomed.
measures on housing crisis

Report Proposes Swiping

Radar

CT 1979 1/10/13
Black homes: new report welcomed

Building societies in Johannesburg yesterday welcomed proposals to the Government which would extend home ownership to blacks.

The proposals are contained in the report of the Viljoen Committee which has been handed to the Government but not yet been officially released.

However, contents of the report, headed by Mr Boet Viljoen, managing director of the SA Permanent Building Society, have filtered out.

The recommendations are said to include scrapping laws which obstruct private involvement in urban black housing, and a five-year plan to build 55,000 houses in Soweto to overcome the housing crisis.

They also suggest that the Government subsidise the gap between building society interest rates and State housing interest rates.

Mr Piet Badenhorst, joint managing director of the United Building Society, said he supported the recommendations of the report as they would enable blacks to enter the housing market and accumulate capital through housing.

However, he was not a great subscriber to the principle of subsidisation which was not in the free enterprise system.

Subsidies could be helpful in the transitional stage, he said.

Mr Steyn Britz, marketing manager for the Natal Building Society in Johannesburg, welcomed the recommendations.

They would make more housing available to blacks and speed up housing sales to them.

Mr Britz added it was also a priority for employers to help workers towards a home purchase. The NBS was fully committed to entering the black housing market.
The plan that could turn black private sector手中的 need

No regulations.
Extends existing houses self help.
Acceptance standards for block housing.
Sell houses at as low a cost as possible.

In with a chance –

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Radies speak for themselves

Radies speak for themselves

Informing

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Buyers Face Run as Developer Vanshishes

Scores of young home-buyers are facing a disappearance of their money and deposits, over Rs 1 million.

After the mystery disappearance of a social entrepreneur, Jesse Hairpin, the situation has become critical.

In a recent development, Jesse Hairpin, the director of the housing development project, has failed to respond to the inquiries of the affected home-buyers. The project, which was expected to provide affordable housing, has now become a source of concern.

"What is happening?" asked one of the home-buyers. "We have invested our life savings in this project. What is happening with our money?"

The situation has escalated, leading to protests outside the project site. The home-buyers have tried to reach Hairpin, but his phone has been turned off.

"We need answers," said one of the protesters. "We have invested our future in this project. What are we supposed to do now?"

The housing authority has been informed of the situation and has promised to look into the matter. However, the home-buyers are not satisfied with the response.

"We need real solutions," said another protester. "We need our money back."

The housing authority has assured the home-buyers that they will take the matter seriously and will ensure that their interests are protected.

"We are here to support you," said one official. "We understand your concerns and will do everything in our power to resolve this issue."

Meanwhile, Jesse Hairpin remains elusive, and the home-buyers continue to suffer.

By Chris Okere
Industry must help own workers, not wait for Govt—Bifsa

By Frank Jeans

BUILDERS have been left in no doubt about their future role in new deals for their 300,000-strong workforce and in providing homes and supporting infrastructure, the new president of the Building Industries Federation (Bifsa), Leon Glaser, told delegates at the annual congress in East London.

"The time is long passed when we can afford to sit back and wait for Government to do something about the appalling conditions in which some of our workers are expected to live and still turn out a decent day's work."

And the speakers at the congress who touched on the thorny question of labour relations thumped home the message to delegates — in close harmony with the black majority and learn from others about trade union development, otherwise "it will be at our peril".

Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers, who opened the congress, handed out the challenge: "In view of our expected population growth and rapidly increasing living standards, the uninterrupted provision of housing on a large scale in urban areas is one of the great challenges of our time."

"It requires careful thought, bold planning and the most effective marshalling of financial, physical and human resources imaginably."

South Africa is living in a period of change in which new methods and techniques are frequently being introduced.

"The need for change is also apparent to many in the building and construction industry, but there is also some doubt as to precisely what is required and the steps that should be taken to promote greater efficiency and increased productivity in such an important sector of the economy."

"On the question of homes for blacks, serious consideration should be given by the Government in providing individual employees with greater financial assistance in the form of a tax rebate or additional depreciation allowance."

"Furthermore, tenure of land will be an added incentive to employers and employees alike and the apparent official inertia in this regard is to be regretted."

Black communities in many instances were at the mercy of small businessmen who are more opportunists and who rate low both in skills and integrity," said Mr Sam Motsuenyane, president of the National African Federated Chambers of Commerce, told delegates.

"These individuals who have had no appreciable amount of formal academic or technical education, who have never had the practical experience of serving as managers, foremen or supervisors in the building industry, are in a great extent self-made men."

"They are capitalists at heart but with little or no capital in hand. Some of them are skilful, conscientious men with a high degree of integrity and dependability. But others are mere opportunists who rate low both in skills and integrity," said Mr Motsuenyane.

The Nafco president said the denial of property rights deprived blacks of an opportunity to invest and to participate in the development of a capitalist and free-enterprise society in South Africa.

"Capitalism will never survive where a vast majority of the population is compelled to live without basic rights and under intolerable conditions of poverty and dependency."
Rents double in housing crisis

By David Braun

Soaring rentals — and sometimes eviction — face flat dwellers as the accommodation crisis deepens. Many rentals have doubled in the past year.

As the pool of flat-seekers grows — aggravated by the influx of more than 2,000 immigrants to South Africa each month — families are being evicted from flats sold under sectional title, the so-called "rent to own," an illegal practice.

To make the crisis worse, property experts say few flats will be built to alleviate the situation, so long as developers face the spectre of rent control.

They say that although new buildings are not normally subject to rent control, there is still the danger that the Act could be applied.

Miss Jutta Slaney, property consultant for a company which is the letting agency for more than 50 blocks of flats, said that rents had more than doubled in the past year.

Averages

"The effect of the huge demand for rental accommodation has been to push rents from last year's average R180 a month for a bachelor or one-bedroom flat, to between R230 and R250," she said.

Two-bedroom flat rents had risen from between R250 and R250 a month a year ago, to between R300 and R400.

Rents for semi-detached houses had gone up from between R150 and R200, to between R350 and R450.

The average three-bedroom house rent had risen from between R250 and R350, to between R450 and R500.

Slightly more luxurious houses are now going for between R350 and R500, "while executive homes" fetch as much as R750.

Mr Basil Elk, president of the Institute of Estate Agents, said rent controls were the "evil in this crisis."

"There is no way it is acceptable in any form. It is bringing the country to its knees," Mr Elk said.

To Page 3, Col 7

Christine and Michael Healey and their children, Helga (11) and Bjorn (7), were trying to live a normal family life — but they knew that an eviction notice could be served on them any day.

Exhausted, Mrs Healey prepares what she fears will be one of the last meals for baby Nordika in their flat in Long Street, Kempton Park.

"We received our eviction notice last week, my husband works all day, and since then I have been on my feet with my one-year-old child, Nordika, searching for a place to live," said Mrs Healey.

"We are taking over the lease of the three flats in Long Street and the current residents are gradually being given notice. This is to ensure the company's total occupation of the flats by April next year. My doctor has instructed me to rest, but it is an impossible situation. I have to find somewhere for us to live — and quickly."

She said the family had spent three happy years in Aria Court.

"I have come across many landlords who do not wish to have children on the premises," she said.

"Families now staying in the two-bedroom flats are paying R250 rent a month. "Many of the families in these flats cannot afford to pay more. One-bedroom flats in Sandton cost an exorbitant R850 a month. Who can possibly be expected to pay that amount?" said Mrs Healey.

"I am a doctor in Kempton Park and I honestly do not know what I have to do to soften the blow for my family," she said.

"It's a chronic situation and something must be done to stop the exodus with which people are flooded into the streets.

"Flats are scarce in Kempton Park and I honestly do not know what I will do to soften the blow for my family," said Mr Healey.
Queues for flats grow longer

Control Act should be repealed immediately so that new units for renting could be built to replace those sold off to sectional title owners and employers.

Mr Jack Bassowitz, director of a large property administering agency in southern Johannesburg, said the accommodation situation in his area was worse than critical.

His company was receiving hundreds of calls a day from people desperate for a place to stay.

"There are no new flats coming on to the market. People are not investing in flats because rent control legislation makes it an extremely risky venture," he said.

Mr Louis Pouche, Director-General of Community Development, said he could not comment other than to say that the Government's position on rent control was "well known.

Rent laws had been amended in recent years in the landlords' favour, he said, so that rentals which could be charged were fair "in terms of the Act.

"But whether anyone else considers that to be fair is something I cannot comment on."
have nowhere to go.

Why The Hat-Hunters
Rent control explains

Hundreds evicted as
Cheekings in to Heartbreak Hotel
The first ideal homes exhibition to be held in an African township was held in Fordville, Port Elizabeth, house and three luxury maisons went on show. The exhibition was arranged by the South African Society. In this picture are (from the left) Mr FRED FERREIRA, director of industrial relations at KWITSHANA, owner of the new house, Mr A J V (BOET) VILJOEN, managing director of the Perma chairman of the Port Elizabeth Community Council, and Mr DENIS CREIGHTON, Port Elizabeth mana

**Call for new approach to building loans**

The building society industry in South Africa may have to introduce some innovations such as devising a system which gives the lender a share of the capital growth in the value of a house. Dr J G van der Horst, chairman of the Old Mutual, told the annual meeting of the Association of Building Societies of South Africa in Johannesburg.

He said another answer may lie in making bond interest payments tax-deductible on an equitable basis and that a further possibility was to consider levying lower instalments in the earlier years and higher ones in the later years of a bond when the borrower could better afford them. On analysis, however, this latter course did not seem to be viable.

Dr Van der Horst said that between 1971 and 1975 South African building societies had advanced R4 473 million towards the cost of 116 000 homes and that, between 1976 and 1980, the amount advanced for the same number of homes was R2 568 million — R1 000 million more.

Pushing up of salaries or an extension of the repayment periods of loans did not provide satisfactory non-inflationary solutions to help fund this higher cost of homes, he said.

"The dream of home ownership could be brought nearer to realisation for more than 100 000 families in towns like Soweto if the rented homes there were to be sold at cost-related prices. "We have a precedent for this in the UK, where, by next year, some 140 000 so-called council houses will have been sold to their occupants at original cost," he said.

Dr Frans Cronje had, he said, raised this topic in public, but regretfully there had been no response, not even from the building society industry.

Dr Van der Horst said the task of accommodating the urban black citizen was indeed a formidable one and held the greatest challenge yet faced by the building society movement.

He said that, contrary to previous beliefs, there would be an egress of black citizens from the cities and that it would not be necessary to spend substantially on black housing.

With the introduction of the 90-year leasehold system the prohibition on participation by private enterprise in the black housing process had in some measure been lifted but there were still many barriers to creating a real market in this area.

Dr Van der Horst said several new problems had emerged for the building society movement in South Africa in the past year.

Firstly, as a result of high inflation, there was the negative real rate of return earned by building society depositors.

About 50% of the investments with the industry were in the category with tax concessions.

Without this incentive, the movement would have been smaller. Alternatively, much higher rates would have to be paid to attract deposits and this would have made housing loans that much more expensive.

Then there was the heavy money withdrawal from the building societies.

Given the commitments under loans that had been granted and the need to maintain a required equilibrium between funds and commitments, the movement had, for a while, to pay rates of up to 15% in order to buy extra funds on the open market.

The third problem was the critical shortage of housing, especially among the urban blacks. Coupled with this was the high cost of accommodation.

Few could afford loans and the widely applied "25% rule of thumb" might have to be reviewed.
Years of Rent Control is Abolished

Tenants evicted for bigger tourist profits
Govt can step in, landlords warned

By David Braun

Landlords who increase rents by more than 20 percent a year open themselves to an investigation by the Department of Community Development.

A spokesman for the SA Property Owners Association (Sapos) said this today in reaction to a property consultant's survey of opinion makers which forecast rent increases of up to 20 percent over the next six months.

'Sapos recommended a self-imposed limit of 20 percent on annual rent increases to all its members after discussions with the Minister of Community Development in May this year.

At the time, Sapos warned its members that any landlord who did not consider himself bound by the guideline would risk an investigation by the Department of Community Development.

The figure of 20 percent was designed to cover inflation and to partly compensate for the burdens carried by owners as a result of previous rental ceilings.

The Sapos spokesman has warned landlords that this guideline is still in effect. Members have been strongly advised not to exceed the 20 percent mark when raising rents.
PW tackles housing shortage

Political Correspondent
CAPE TOWN — The Prime Minister, Mr P W Botha, today gave details of the Government's approach to housing problems at the business leaders' conference in Cape Town.

He said the Government had appointed the Viljoen Commission to work out ways of involving the private sector in solving black housing problems.

The commission has submitted its report to the Government and the essential principles contained in this had been accepted.

These include the fact that the State lacks the financial means to carry the full burden of housing and the private sector and the individual will have to play a more active part in the planning, building and financing of low-cost housing.

A committee under the chairmanship of the Deputy Minister of Finance, Mr D W Steyn, is studying this.

The Government has already taken steps to remove restrictions to the private sector's participation in black township development. These steps include:

- Involvement of private and other township developers in planning, lay-out and provision of residential areas.
- Legislation already passed to enable employers and developers to obtain leasehold in black urban areas.
- Encouragement of self-building schemes in these areas to involve individuals directly in the provision of homes of their own, the State providing sites and services on a subsidised basis.
- Increased tax concessions to employers providing housing for their workers.

The Department of Community Development will take the initiative in establishing housing utility companies in the larger urban centres to make housing more readily available to the lower and middle income groups.
Confusion over Gov't's intentions on black housing

By Anthony Duigan

Confusion today clouds the Government's urban black housing policy, regarded as a priority for stability. Following the vague references to it by the Prime Minister, Mr P W Botha, at yesterday's summit, hopes that Mr Botha would spell out decisively and in detail what the Government accepted of the report by the Viljoen Committee which recommended ways of streamlining the financing and provision of black housing, were dashed.

Today Mr Alex Rabie, the West Rand Administration Board official who controls the planning and implementation of housing in Soweto and other West Rand townships, could give no details of where the Government's housing policy was headed.

"The crucial issues are involved in the details of the Viljoen recommendations," he said. "I do not know which of these have been accepted or rejected by the Government."

The four crucial issues that need clear directives are:

- How Government subsidies will operate.
- Simplification of lengthy procedures to register leaseholds:
- A removal of the dualism between the Department of Co-operation and Development and Community development over the funding of housing:
- Whether aerial surveys will be allowed in order to speed up the surveying of townships. No details of any of these issues have been spelt out.

"It must be pointed out that the Government has shown a positive trend and taken notice of the main problem areas of black housing," Mr Rabie said.

"What is also crucial is the appointment of a finance committee under the chairmanship of the Deputy Minister of Finance (announced by Mr Botha) to tackle the issue of subsidies and how the private sector will be involved in the financing of black housing."

The dualism between the Department of Co-operation and Development and Community Development has been the biggest bone of contention for many administrators.

While Co-operation and Development controls the planning and administration of black housing schemes, Community Development, through the National Housing Fund, controls the purse strings for the building.

Long delays have resulted between the approval of black housing schemes and the availability of finance to build because of this dualism.

The Viljoen Committee, which was appointed in May to find ways of streamlining the bureaucratic procedures connected with black housing provision, strongly recommended that Co-operation and Development control its own housing funds.

STREAMLINE

It is understood that the Government has already decided on a formula which will allow money from the National Housing Fund to be allocated directly to Co-operation and Development, but the final detail of housing finance will still rest with Community Development.

Other recommendations of the Viljoen report on which the Government is not yet known include:

- Launching a plan to build 60,000 homes in Soweto in five years to overcome the housing backlog. This will involve an addition of about 2,000 ha to Soweto over the next five years.
- Urgently revising the standards applicable to black housing and allowing more unconventional building methods to be used.
- Scrapping the many laws that restrict private sector involvement in the provision of black housing, and make township development equal for all race groups.
- Offering for sale under 90-year leasehold all older homes in the black townships at the lowest prices necessary to recoup costs and provide an incentive to local authorities to undertake the transactions.
- Providing a subsidy to individuals to bridge the gap between the interest rate they can afford to pay on a housing loan, and the rate at which private institutions would be prepared to lend money.

See Pages 23 and 25.
is that subsidisation should be limited to genuine welfare cases.

Paul Andrew, of UCT's Urban Problems Research Unit, comments: "Publication of the report would reassure the public that government is genuinely committed to problem-solving. Hopefully, the report will not suffer the same fate as the De Lange report — where, although the majority of recommendations were accepted, the most significant were rejected."

However, PM PW Botha's recognition of the importance of the self-help approach to housing did indicate a significant shift in policy direction. Government has now committed itself to encouraging self-built housing schemes in urban areas which involve individual members of the private sector directly in the provision of their own homes.

**Housing fund**

A sum will be made available annually for such schemes, while an increase in the amount that can be made available to an individual from the housing fund for an approved self-build scheme is also being considered. This is significant as the purse strings of the housing fund are controlled by Secretary for Community Development Louis Fonseca, whose opposition to the self-help housing approach is well known.

The PM also said that the "state would in future concentrate on making sites and services available to individuals at differentiated tariffs on a subsidised basis." He indicated that a revision of housing standards might be on the cards and warned against the upholding of inappropriate housing standards.

Wallace van Zyl, Professor of Urban and Regional Planning at the University of the OFS, says: "These are all steps in the right direction, and shows greater flexibility in problem solution. If a revision of standards implies a lowering of standards, this must also be applauded."

Government has also committed itself to the immediate establishment of a finance committee chaired by the Deputy Minister of Finance to formulate guidelines for private sector and state involvement in housing.

To date, the private sector has faced numerous restrictions obstructing involvement in black housing. Now government has committed itself to simplifying and streamlining these procedures, although the PM did not elaborate.

The Viljoen report has already resulted in legislative change removing restrictions which prevented employers and developers from registering leaseholds in their own names in black urban areas.

In addition, housing utility companies will be established by the Department of Community Development in all the larger urban centres. A precedent for the establishment of these companies has already been set by the Urban Foundation's Ubuntu Housing Utility Company for blacks in the western Cape, and established utility companies such as Garden Cities and the Housing League.

All of these changes should speed up the provision of mass housing, and pave the way for additional private sector involvement in the problem.

Or so it is to be hoped.
More housing needed

Political Star

23/11/81

Prof

MORE housing, more jobs, and more services would have to be created in South Africa in the next 18 years than had been provided in the past 300 years, Professor David Dewar told the Progressive Federal Party's national congress at the weekend.

The total urban population in white areas would more than double from 11.5 million to 25.5 million, he said. Professor Dewar, of the Department of Urban and Regional Planning at the University of Cape Town, said that in physical terms, four more cities the size of the Pretoria-Witwatersrand-Vereeniging region or 11 cities the size of Cape Town or Durban will have to be built in 18 years.

"If the increase is viewed only in terms of African population, eight to 10 more cities the size of Soweto will have to be built by the turn of the century," he said.

At present, some 70 per cent of black income-earners were earning less than R200 a month and absolute levels of poverty were high.

A vicious cycle of population growth and poverty was being set up and was becoming increasingly difficult to break.

"The implication of all this is that the majority of the massive population increase which will occur will be among the poorest people."

"Effectively, South African cities will become increasingly Third World in character," Professor Dewar said.

At present, South African cities were growing through a process of uncontrolled, sprawling accretion. "Massive low-density, low-income housing developments seek large tracts of land beyond the urban fringe and even farther away from the major work, social, cultural and commercial opportunities of the city, which tend to correspond with areas of white higher-income population." This process was contributing towards, rather than alleviating, the problems.
Housing backlog growing for all groups

Political Correspondent

The housing shortage for white, coloured and Indian people has increased sharply over the past few months, while the government is still battling to overcome the results of its previous policy on black housing.

This emerged from a speech by the Minister of Community Development, Mr. Pen Kotze, to Western Cape chambers of commerce in Cape Town yesterday.

Mr Kotze outlined the massive efforts his department is making to provide housing for people of all races, with the government sector as a whole spending nearly R2.5 billion on providing 160,000 houses over the past five years.

He said, however, that the backlog for the white, coloured and Indian groups is now 130,000 housing units. This is 45,000 units higher than the 85,000 backlog estimated during the parliamentary debate on his portfolio in September.

Mr Kotze said the present backlog was 70,000 units for whites, 75,000 units for coloureds and 25,000 units for Indians. These represent increased shortages of 10,000 houses for whites, 30,000 houses for coloureds and 5,000 houses for Indians in two months.

The number of houses in the pipeline for these groups remains unchanged at 72,000.

Also unchanged is the 160,000 unit backlog for black people, with only 81,000 units in the pipeline.

Mr Kotze told businessmen the Department of Community Development had inherited a "tremendous backlog" in family housing for black people in white areas because no such housing had been built for nearly ten years. From the mid-1970s to the end of 1978, government policy was not to provide state housing on a "family basis" for black people outside the homelands.

Since his department took over responsibility for black housing in these areas in 1979, a total of R2.5 billion had been allocated in amounts rising to R1.5 billion for the current financial year.

Incentives

Mr Kotze said the government was formulating incentives to encourage employers and the private sector to become involved in the provision of housing for the black, coloured and Indian people.

Eliminating the large backlog in black housing would mean some use of unconventional building methods and controlled self-build schemes.

The backlog of coloured housing in the Western Cape was 67,000 units, with considerable overcrowding in coloured areas affecting social conditions and race relations.
Why not mud, thatch and stone houses?

JEFF WALTON, Murray and Roberts' divisional director for the construction companies of the central area in the Orange Free State and Northern Cape, has raised once again, and with some force, the argument favouring the use of natural building materials.

Five years ago, Mr Walton initiated a housing experiment at Murray and Roberts Construction (OFS), in which approximately 12 houses were built using local materials for walls. They varied from sandstone to 'all concrete' slabs from the rock to the savings level.

The cost of various houses built there was interesting and of some use to Anglo-American in helping them decide how to build for their mine labourers.

"The trouble is, however," says Mr Walton, "that even on these experiments we never really got back to the basics and used the obviously available materials. Nor, I believe, did we really find out what the black man wants. One problem that we all face is that so many people associate bricks with a higher standard of housing, although this new building material will be the case."

Mr Walton points out that in his area, for nearly 100 years, mud for African housing or sandstone for European building were the traditional materials.

Many of the major buildings in Bloemfontein were built with OFS materials, and are today regarded as the prestige buildings of the city," he says.

Mr Walton believes not only that today the average semi-skilled blocklayer can be trained to cut and shape stone of this kind with modern compressed or hand tools, but also that stone construction could prove cheaper in the long run than that done with conventional imported materials. This is particularly so as little mortar is required in this type of construction.

Moreover, being labour intensive, the work would provide useful on-going employment. Bricks are now so scarce and so costly in the Free State that we are going to have to find an alternative, he says.

Looking at the more basic materials, mud, he sees no reason why it should not again be used extensively throughout country projects. This is particularly so if the occupants of the house can help in the building and thereby derive some pride from their efforts. Mr Walton points out that virtually all the African houses throughout the Free State are built with mud blocks.

It is also keen to see another traditional OFS building material come back, thatch -- and preferably thatch supported on ordinary rough poles of the kind used for roof trusses throughout the Free State.

"There is no rule which says that timber must be straight, rectangular or even planed," he says.

Again, Mr Walton feels that cost saving would result: 'Have you ever priced what it costs to bring one sheet of asbestos from the Reef and lay it on the roof using a skilled man?' he asked.

'Concrete floors, too,' says Mr Walton, 'are hardly essential. It has already been proved time and again that grass mats on a polished concrete floor are five times as warm as a concrete floor which in some areas in the Free State can be regarded as positively unhygienic especially where occupants are not sleeping on beds."

The swing back to indigenous material is in fact taking place worldwide, says Mr Walton, partly as a result of the rejection of the '50s ideas that the home is a 'machine for living in' and should incorporate as many factory made components as possible.

Roberts, under Dr J D Robert's guidance, said Mr Walton, were always traditionally innovators, particularly in the Free State. The time has now come, Mr Walton feels, to innovate by going back, especially in the housing field."

Finally, he says, even if made materials and their high cost do not win over people, surely the aesthetics of the schemes will.

Along with many others he believes that when locally available stone, mud and thatch are used the building will fit into its surroundings, whereas nothing could be more hridious than rows of small rectangular concrete block units of the kind we currently erect. Compare these with the totally natural appearance of a group of, say, Lesotho or Zulu houses on a hillside.

A HOUSE built in natural stone.

NEAT mud cottages of the kind traditionally built by blacks in the Free State.
Housing slowdown

The homes shortage looks like it will get worse before it gets better. Just one reason is that builders are shying away from private sector housing because they have difficulty finding bonds for buyers.

Builders still have satisfactory order books and are expecting slight growth next year. But many say they have run down their private building divisions and moved into the mass housing market, community development schemes and work for the mines and other large organisations.

The mass housing market is active and funding is available. But the ever-present threat is that government will cut current spending levels.

The Stellenbosch Bureau for Economic Research reported in September that loans granted by building societies had dropped from a record R78.5m in November 1980 to R26.5m in March this year. The figure then rose before dropping again to R28m in July.

However, as the BER report points out, the mood in the industry is not pessimistic. Some builders see the present fall in growth rate as a period of consolidation.

Financial Mail December 11 1981
Boost for the Reef

Black, Indian and coloured housing on the Reef is due to receive a significant boost with the creation of the first housing utility company in the region. This is in line with FM P W Botha’s recent announcement that such companies would be established by the Department of Community Development in all the larger centres to tackle the problem of mass housing.

The formation of the company has still to be announced, and no information has yet been given about its intended structure and functioning. However, there are precedents for the running of such bodies.

At present there are five housing utility companies in SA. All are in the western Cape — Citizens Housing League (CHL) and Garden Cities (GC), which provide housing for whites; Peninsula Community Association (PCA) and New Garden Cities (NGC), for coloured people; and the recently registered Ubuntu Utility Company, providing black housing.

Traditionally, housing provided by utility companies has been for those who do not qualify for government subsidies and are unable to buy a house on the open market. (The present cut-off point for a government subsidy is R659/month income for household heads.) However, should utility companies direct their energies to the provision of low-income housing, where the need is greatest, they could play a significant role in helping to alleviate SA’s housing crisis.

Basically, a registered housing utility company is a non-profit organisation with a specialist function which does not pay dividends to shareholders and is exempt from income tax. Its directors are unpaid and have no direct financial interest in the company, and surplus profits are expected to be ploughed back into the community.

Says Ubuntu’s GM Ivan van der Merwe: “They operate as private companies and are free of the obstacles and red-tape of local government. In addition, as their activities are not confined to administration, they can also be innovative.”

Adds Selwyn Myers, GM of GC: “These companies can operate on an entrepreneurial basis with the minimum of inhibiting controls to which a local authority or other statutory body is constantly subjected. Government cannot be expected to play an entrepreneurial role in housing provision; utility companies can. The boards of utility companies should be comprised of socially aware businessmen so that companies will be operated in an efficient and business-like manner.”

Efficiency is essential. According to Myers: “Housing is no longer a socio-economic process — it’s socio-political, so there’s more of an urgency than ever before. The crux of the problem is affordability. Utility companies can develop housing more cheaply than other agencies because of their non-profit orientation.”

Although approved housing associations, like local authorities, are able to obtain funds from the National Housing Fund, it is essential that these funds are supplemented. Says CHL’s Eric Pohl: “It is impossible for government to provide enough money to solve the problem, so private sector financial involvement is essential.”

But first there are a number of problems for government to iron out. For example, where will the capital come from? According to Van der Merwe, “Utility companies need a ‘big brother’ to put up the capital with little security and at a low interest rate. Ubuntu was established with a soft loan, as were NGC and PCA.”

Reliable sources believe that most of the money for the proposed utility companies will come from a fund to be established by Community Development, but there are a number of other avenues. Van der Merwe suggests that government should combine forces with the private sector to form companies based on a similar model to the Small Business Development Corporation, and that debentures be sold to the private sector. “Investment in utility companies could also be a prescribed investment for pension funds,” he adds.

Myers has further ideas. “If an association is given a donation of land by the state or local authority, less initial capital would be required. GC was established with a state grant of land and a founder’s donation. This capital has since become self-renewing.”

However, even if the major source of funding is government, it is essential that intervention is minimal and that functioning is not hide-bound by ideology and party-political differences. Some, such as the Urban Foundation’s executive director Jan Steyn, are adamant that utility companies function best as private sector organisations.

Comments Steyn: “We hope that if Community Development is to take the initiative in the establishment of utility companies this does not mean that such companies are to be established as part of the public sector. If the private sector is to assume some of the responsibilities it must also be seen to participate in the decisions which underlie the new dispensation.”

But, as Pohl points out, “The solution does not lie in one strategy alone, rather in a combination of efforts by various housing agencies — voluntary housing associations, the private sector, government, local authorities and quasi-state bodies.”

Bearing in mind that in Soweto alone, there is an estimated shortage of about 35 000 houses, there is an urgent need for the new utility company.
RAISING FEES

Unwanted protection

The recent hullabaloo in the press about the "illegal racket" involving raising fees could well jeopardise a vital source of finance for the homes market.

But the industry can relax. Legal opinion holds that, unless the agent himself is taking a rake-off, such transactions are perfectly kosher.

And building societies who righteously refuse to grant bonds even where licit raising fees have been paid are doing no-one a service. After all, the agreement reached between consenting adults should be no concern of theirs.

Indeed, if they grant only half the investment as a tied bond, there is still 50% to pass on to another prospective homeowner. If they are serious about helping people to obtain their own homes, the objection is hard to follow.

The problem, of course, arises when the agent himself takes all or part of the fee which should go to the investor — and usually does. It would appear that such action by the agent is illegal.

Just as the FM believes that borrowers should be free to pay raising fees within Ladofoa limitations if they so wish, so it deplores any move by estate agents to profligate. Raising finance is part of the agent's job; his just reward is the commission that comes with a completed deal.

But do agent's share the spoils? Institute of Estate Agents president Basil Elk gives no firm answer. He says he doesn't know personally of any cases "but there might be isolated cases."

Then, of course, building societies have further worried that bond applicants who falsely claim not to have paid raising fees are committing a criminal offence.

Ladofoa (Limitation and Disclosure of Finance Charges Act) was amended last year to prohibit an intermediary in a money lending transaction (which includes the reciprocal investment at issue) from receiving money from the borrower.

An intermediary is defined as a person who acts on behalf of a money lender (which includes a reciprocal investor), or who receives an application for credit from a borrower, or who acts in any manner on behalf of either the borrower or the money lender.

From this it is clear that:

□ If the buyer or his agent needs a bond of R40 000 and he approaches a reciprocal investor (a money lender) to invest, say R80 000, with a building society to facilitate the granting of a bond, then the investor is legally entitled to accept a raising fee at the going rate of, say, 5%. The money lender is not an intermediary because he is not acting on behalf of the borrower.

□ If an estate agent completes the bond application form, he becomes an intermediary in terms of Ladofoa. If he then approaches a money lender and arranges the investment with the building society, and further sees that the raising fee is paid to the lender, he commits no offence as long as he takes no part of the raising fee directly or indirectly.

□ If an agent takes any portion of the raising fee which is payable to the money lender by the borrower then he falls foul of Ladofoa, and commits a criminal offence with a maximum fine of R1 000 or two years imprisonment.

□ If an agent completes the bond application form and delivers it to a building society and takes a cut of the raising fee he commits an offence.

□ But if an agent accepts a raising fee in advance and holds that money in trust pending the finalisation of the transaction then he commits no offence because he merely holds the money on behalf of the buyer.

□ Should a buyer sign a bond application form stating that no raising fee is payable when one was, in fact, paid (and paid legally) it is doubtful whether he commits any offence because it is not done under oath. And no act of fraud is committed because the building society does not suffer actual or potential monetary loss. Also, it is not connected with an illegal transaction. The position would be different, of course, where the raising fee was illegal.

Jim Dodds, Allied's MD says that his society frowns on the practice of raising fees because it has been abused in the past by builders and developers who have circulated short-term investments among the societies to secure bonds. And, of course, the Registrar of Financial Institutions has declared it to be an undesirable practice.

So the societies are compelled to officially disapprove. And although a perfectly legal contract, the Allied would "wash its hands of the whole transaction."

IEA's Elk ... 'there could be isolated cases'
Steep rise in home mortgage bond rate ‘certain’

By GORDON KLING

Another steep increase in home mortgage bond rates is considered certain by building societies following yesterday’s rise in the bank rates and the almost immediate increase in rates offered on savings by the commercial banks.

The major banks and building societies were yesterday watching each other for a lead on rates, with Barclays National Bank being the first to announce a rise, a 0.3 percent boost to its “super save”, taking it to 9.75 percent.

It simultaneously announced a one percent rise in its prime overdraft rate to 17 percent, in a move expected to be followed by the other banks, but there was no indication from the authorities of changes under the Limitation and Disclosure of Finance Charges Act (Ladofca) which would permit an increase in maximum HP rates.

Building society and banking sources were adamant yesterday that the societies would have to follow the banks in increasing savings rates, which in turn would necessitate another mortgage bond rate increase within a few months.

Before the Barclays announcement, the executive director of the Association of Building Societies, Mr Tim Hurst, noted that the societies would have no choice but to raise investment and bond rates if the banks’ higher rates had an adverse affect on the societies.

Speculation yesterday centered only on the size of the likely bond rate rise. One top banker predicted it would be either 1 or 1.5 percent.

Following three increases during the course of 1981 totaling 3.25 percent, even the lower figure would leave the house owner who has a R20 000 bond paying about R66 a month more than at the beginning of the year. In the case of a R20 000 bond the rise would be R91 and for a R40 000 bond, R136.
50 000 pamphlets
oppose rent rises

ABOUT 50,000 pamphlets urging people to resist rent increases were distributed in the Peninsula at the weekend.

The pamphlets were accompanied by a petition urging that:

1. All rent increases be stopped;
2. People be charged rents which they could afford; and
3. The Government take full responsibility for housing.

The pamphlets were distributed by the Cape Areas Housing Action Committee (CAHAC), which has formed a Rents Action Committee consisting of representatives of civic organisations, churches and trade unions.

The pamphlet says that housing is a basic need.

CONTROL

"As workers, we cannot afford to build our own houses. Housing is therefore the responsibility of the Government."

"This Government has a Minister of Sport but no Minister of Housing. In the absence of central control, councils do as they please."

"If the housing situation is to improve, the central Government must take responsibility for all housing."

Residents were urged by CAHAC to support the rents campaign by displaying strikers and signing the petition.

Residents of Cape Divisional Council areas are facing a double blow in the New Year.

Rent increases have been announced in all council housing areas. The increases are especially sharp in areas such as Atlantis and Mitchell’s Plain.

TRANSPORT

These are also the areas most severely affected by any increases in transport costs.

Mitchell’s Plain Bus Service Ltd and Atlantis Bus Service Ltd and their holding company, Associated Bus Holdings, have applied for fare increases of up to 60 percent.

About 50 percent of Atlantis workers and most of Mitchell’s Plain workers commute to Cape Town daily.

Figures supplied recently by the Divisional Council indicate that residents are already struggling to make ends meet.

NOTICES

Last year 109,903 eviction notices were served on Divisional Council tenants. This means in effect that an average of almost six eviction notices were issued for each housing unit during the year.

The proposed rent increases for next year in the Divisional Council areas are up to R6 a house but in areas such as Atlantis, some categories of tenants are facing increases of more than 20 percent.
Housing & Hostels - General

3 January 1982 — 31 July 1982
Transfer of telephones

77. Mr. A. B. WIDMAN asked the Minister of Posts and Telecommunications:

How many (a) applications for transfer of telephones were received and (b) actual transfers were effected by his Department during the latest specified period of 12 months for which figures are available?

The MINISTER OF POSTS AND TELECOMMUNICATIONS:

(a) and (b) Separate statistics in respect of transfers are unfortunately not available.

86. Mr. A. E. WIDMAN asked the Minister of Community Development:

(a) How many dwelling units are still subject to rent control, and

(b) how many individuals are affected by such rent control, in each province?

The MINISTER OF COMMUNITY DEVELOPMENT:

(a) An estimated 63,000 dwellings or approximately 4.5% of the total number of dwellings in the Republic;

(b) the required information is not kept and to obtain it will entail a comprehensive and time-consuming investigation, which in view of the shortage of manpower cannot be justified.

Civil Aviation Directorate

89. Mr. R. A. F. SWART asked the Minister of Transport Affairs:

How many (a) posts and (b) vacancies are there for typists in the head office of the Civil Aviation Directorate of the Department of Transport in Pretoria at present?

The MINISTER OF TRANSPORT AFFAIRS:

(a) Nil. Typing for the various Directorates in the Department is done by a central pool of typists which is controlled by the Transport Administration Directorate.

(b) Falls away.

Firemen

80. Mr. R. A. F. SWART asked the Minister of Transport Affairs:

(1) (a) How many posts are there for firemen, and (b) how many vacancies for firemen are present, at (i) Jan Smuts, (ii) Louis Botha, (iii) D. F. Malan, (iv) H. F. Verwoerd, (v) Ben Schoeman, (vi) J. B. M. Herzog, (vii) B. J. Vorster, (viii) J. G. Strijdom and (ix) Upington Airport;

(2) how many firemen were in employment at Upington Airport in (a) October 1981, (b) November 1981 and (c) December 1981?

The MINISTER OF TRANSPORT AFFAIRS:

(1) (a) and (b) I refer the honourable member to my reply to question 18 on 10 February 1982.

FRIDAY, 12 FEBRUARY 1982

Indicates translated version.

For oral reply:

Prime Minister:

Port Elizabeth regional advisory committee

2. Mr. D. J. N. MALCOMESS asked asked the Prime Minister:

While the Department will try wherever possible to facilitate reading by placing texts in the short loan section of Leslie Library and distributing selected prescribed articles, you are strongly advised to make the fullest possible use of the Library. It would stand you in good stead to attend an orientation course conducted during the first
Homes: How do you shape up now? 

By Vera Bejakova

more prevalent in rented apartments.

- There is a reception room (lounge with or without a combined dining-room area) in 94% of owned houses or flats (the remaining 6% are bachelor establishments).

- A reception room exists in 96% of rented houses (6% are one-roomed cottages) and 94% of rented flats (6% are bachelor apartments).

- A separate dining room exists in 68% of owned houses or flats, in 43% of rented houses and in 17% of rented flats.

- A study is included in 31% of owned properties, 15% in rented houses and in 5% of rented flats.

- There is a playroom in 18% of owned properties, 2% in rented houses and 1% in rented flats.

- Four or more bedrooms (plus bathrooms) feature in 26% of owned properties, in 16% of rented houses and 2% of rented flats.

- Two or more bedrooms (plus bathrooms) occur in 46% of owned property, in 28% of rented houses and in 7% of rented flats.

- The ambivalent "other" room exists in 28% of owned properties, in 28% of rented houses, while 36% are attributed to rented flats.

While the average owned house has 3.1 bedrooms, 2.4 other rooms, 1.5 bathrooms, rented houses have nearly as much sleeping accommodation but only 75% as much other space.

Market researchers from Markiner have produced a study of the average with "South African's home.

It concludes that SA households are split into 64% owner-occupied, followed by 21% with rented houses.

The third-largest segment — 15% — lives in rented apartments, while a minuscule 2% enjoys flat ownership.

About 60% of white homes are owned while 34% are rented, giving a surprisingly high ratio of three owned to one rented. About 13% of the 15% of flats occupied are rented.

Households are financed as follows:

- A surprising 40% of house owners have either paid off their homes or paid cash.
- Of the 95% paying off their bond, the average monthly amount is R360, while the national, average monthly house or flat rental is R160 a month.
- An amazing 50% of rented houses and 25% of rented flats cost less, that R160 a month.
- At the top end are 9% of houses and only 3% of flats which command rents of more than R300 a month.

Considering that bond repayments still stand 50% higher than rentals, what are the additional facilities the house owner enjoys versus those of a flat renter?

All owned property features more accommodation.

Owned property has more special-purpose rooms than flats, with the exception of "the other room", which is
Versus economic reality

Political ideology

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grading streets and parks, providing community facilities and involving the community in their establishment or improvement.

- The promotion of an appropriate building process to create employment opportunities and develop local enterprise.
The ideology of housing

By Josua Macoroko

Published by South Africa Foundation

Books

1997 (Commission of Inquiry into urban areas, 1997)
In 70 years South Africa has managed only to move from crisis to crisis in the housing of its millions of black citizens. A new book on the history of black housing tells why — and offers some guidelines to change the sterile circle. Anthony Duigan reports.

A problem by any other name is still a problem
The facts and tears of the housing shortage

By JEAN LE MAY

FACTS and figures mean very little when you don't have a roof over your head. Take, for instance, the accountant who burst into tears at a crowded court room because he was charged for living in the wrong Group Area.

He had been told there was a bursary waiting list for coloured housing, and had slept in his car for three weeks before he found a flat in a white area.

The fact is that there is an official backlog of 41 000 houses for coloureds.

So take the Indian families living in 15 to a flat where there are ten to the bed in the bathroom because there is no room for sleeping on the floor.

The fact is that as many as 30 000 houses are needed now for Indians.

Then consider the white pensioners doubling up in flats and even going shame:

if food because rents have soared.

far, far out of their reach, or young married whites who cannot get jobs because the white

innominate month, become "lost" if a 9% loss on a 

R3 000 000 house is R5 46.

The fact is that the shortage of housing for whites has gone on for years. The fundamental change in attitude came in 1976 when an earlier policy in respect of the temporary status of the black urban community.

The Government retracts a cardinal recommendation of the Viljoen Commission report that the right to housing for the black community be given to the black urban community.

"The Government reconsiders a cardinal recommendation of the Viljoen Commission report that the right to housing for the black community be given to the black urban community.

"Finally, the Government still cling to the idea that the black area concept must be kept in the black urban community. This was the case in the Viljoen Commission report that the right to housing for the black community be given to the black urban community.

"By refusing to accept the Viljoen Commission report that the right to housing for the black community be given to the black urban community, the Government is making it impossible for the private sector and organizations to move into the black urban community.

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Blacks cannot be viewed as temporary residents' 

Housing crisis demands bold policy changes

By Peter Sullivan

The Viljoen Report on black housing has finally been made public. The Government has responded simultaneously to its major proposals. But vital subsidy questions remain.

13 points in a strategy to end chaos

By Peter Sullivan

The Viljoen Report on black housing has finally been made public. The Government has responded simultaneously to its major proposals. But vital subsidy questions remain.

The Viljoen Report on black housing has been universally welcomed by the black community. The Government has responded simultaneously to its major proposals. But vital subsidy questions remain.

The Government says important recommendations concerning land for housing are already a priority as are suggestions on streamlining procedures for obtaining housing.

The Government has drawn up a new "strategy for black housing" which accords "reasonable" with the Viljoen Committee's recommendations. Central features of the new strategy include the following:

- The creation of an effective and responsible housing process requires effort to improve education, the black community, the private sector and the public sector.
- Instead of adopting the stance that the State is obliged to provide temporary homes for temporary people, everyone must be motivated to develop labour, expertise, entrepreneurial skills and "sweat equity" to create a stable urban environment.
- Subsidies should support individuals, not agencies.
- Leasing titles should be granted to developers, employers and black householders.
- A national contract should be enforced to promote home ownership.

An intensive education programme should be launched to promote home ownership.

GOVERNMENT

The 55-page report says its object was to create a stable and vibrant urban community which has a vested interest in the maintenance of peace and good order.

Among its many recommendations, one proposal that the Government should initiate a five-year programme to build 50,000 housing units. This means an extra 1,000 jobs to be found immediately and an additional 200 in each subsequent year.
Self-help housing 'must fit pockets'

As South Africa confronts its worst housing crisis in more than 20 years, alternatives to conventional housing are being investigated in academic and political as well as business circles.

This follows the Prime Minister's Good Hope conference in November last year at which two significant shifts in housing policy — which could bring back home-ownership within reach of the man in the streets — were announced.

These were the acceptance of the principle of self-help housing and a promise of greater private sector participation in low-income housing.

CONFUSION

But in a study by Professor David Dewar of the University of Cape Town's urban problems research unit it is said that the Prime Minister is confused about "self-help" and "self-build."

Describing the policy shifts as "positive" and reflecting "greater realism," Professor Dewar says a danger is that the State may implement the self-help approach through the same channels as those used to provide conventional housing.

"Self-help implies individuals and communities controlling the major decisions. "Self-build is therefore a special aspect of a much broader concept."

THE DANGER

"When the two are confused, however, there is a real danger of self-help approach being seen as simply another form of physical delivery to be implemented through the same centralised framework as conventional systems."

The entire approach hinges on genuine decentralisation of decision making, down to the level of local community, Professor Dewar said.

This would require the creation of financial networks enabling communities to implement decisions.

FIT NEEDS

Self-help communities found ways of achieving a product which more closely fitted their needs and pockets.

"The needs of these, people cannot be met by private developers driven by profit motive. Even increased subsidies will have the effect of subsidising profit — especially since nearly all black areas are ripe for speculation."

"There is a real danger that the provision of housing by employers will become a mechanism for tying labour and reducing wages."

"The poorer the worker, the more susceptible he will be."

Professor David Dewar
One of the country's most powerful property organisations is the Property Owners' Association (Sapoa) which represents landlords and developers throughout the country.

Executive director is Don Kennedy who for years has guided Sapoa in its biggest battles, especially that against rent control...

'Concept of rent control is highly immoral'

DOES Sapoa welcome the announcement of yet another inquiry into housing, this time into aspects of rent control?

'Our initial reaction to the appointment of a select committee to investigate rent control was the work done by the Johannes Commission in the early 1970s and by the Fouche Commission in the mid-seventies would surely have covered all the advantages and disadvantages and the deleterious effects of rent control,' said Mr Kennedy.

'However, there are new aspects to it since that evidence was taken. They can be summed up as the very high current cost of money; the extremely high building costs and the impact which conversion of existing blocks of flats to sectional title have had on the rental market in combination with the embargo on such conversion resulting from the manedment to the Sectional Titles Act last year.

'A further aspect would be the erosion of value of people on fixed income such as pensions as a result of inflation. Most of the problems obviously with regard to rentals come from people who are disadvantaged by the erosion of their incomes.

'Let me make these points strongly. I believe and so does my board, that the concept of rent control is highly immoral.

'Retirement

'You have the case where provident people have provided rental accommodation as a source of income and most frequently as a source of their future income on their retirement.

'They pay personal tax, the company which owns the block of flats pays tax, and the local rates and taxes have to be paid. It is an immoral concept that on top of those taxes the owner has to subsidise the rentals of the people living in these flats.

'The distinction which I wish to make is that it is healthy for prices to be at an economic level. Although the consumer complains at rising costs of say foodstuffs or motor cars, these are of a very different nature to rentals which is paid in one lump sum each month, and which is normally raised every 12 months.

'The impact of a rental increase of 15 or 20 percent is one that is objected to, whereas people will tolerate with fair good humour rises in the prices of foodstuffs which amount to a few cents which come every few weeks or every few months.

'Rents are an emotive issue. But rising rentals are a perfectly healthy pace-keeping with the economy. The fault lies not with the rising rentals; it lies with the static income of the tenant. This matter is not the concern of the Minister of Community Development; it is the concern of the Minister responsible for pensions.'

'Mr Kennedy said it is not the owner of flats who should be subsidising his tenant but the Government which should be subsidising only those individuals qualified by a means test for rents subsidy by the State.'

'Discouragement

'Quite frequently it is claimed that rent control is the only factor which prevents the private developer from considering the erection of a new block of flats. The element of discouragement presented by the existence of rent control is merely one of several and should always be seen in the framework of other elements such as building costs, interest rates and the level of rentals which the market expects to pay.

'Rent control is an extremely obnoxious deterrent in principle. No investor would willingly go into the production of anything which is subject to price control and this is a strongly inhibiting factor.

'I would say the existence of rent control is probably the most obnoxious of all the factors and its importance in relation to the other factors varies from time to time depending on the state of the economy.'

'Mr Kennedy said one reads quite often that conversion of rental accommodation into flats for sale has been harmful to the housing situation.

'But I really cannot agree. It is true there is a lessening of the rental stock, but the advantages far outweigh the disadvantages. Home ownership means that the owner will improve that property, the body corporate will improve it as a whole and its valuation will increase and as a result it will produce more revenue for the local authority.'
'Shortage of housing is critical'

IS it fair to talk of a homes crisis among whites in South Africa?

Yes, says Mr Elk. The housing shortage is critical.

'We have a backlog of some 20 000 to 30 000 units throughout the country, probably the greatest point of shortage being on the Rand.

'And while the building societies have not got the funds, there is no new development going on.

'The crisis has been caused by a build-up over the past four to five years. The property market, and particularly the building industry, was in the doldrums from 1972 to 1980; there were economic problems and there were no developments.

'But these funds should be restricted for the purchase of new developments — housing, rental units and even sectional title. I see this as the answer to levelling off prices, creating a bigger supply and housing the whole community.'

'What can be done to help young people get a home?'

Mr Elk said: 'I do not think the young seeking their first homes are in any different position than those going back over the past 50 years. There has always been a situation where prices have increased.

'The difference today is that the young couple is seeking to continue living in a place where their parents have left off.

'They must become more modest. They are fortunate today to have the possibility of buying one- or two-bedroom flats at low prices which were not on the market place years ago.

'The young must buy more modestly. It is a struggle against inflation for them and a stepping stone to their future, attractive home.'

What about house prices?

'They are not likely to drop to any large extent. The demand is too strong for that to happen,' said Mr Elk.

Even with the shortage of funds and threatened increases in mortgage interest rates, you cannot stop the need. Housing is a commodity people have got to have.

'The demand far exceeds the supply and I see prices continuing to rise — but at a slower rate than they have over the past 10 months.

'That period was a sharp-increase period, rectifying the market and bringing it into its proper perspective from an abnormaly low situation.

'Prices will rise more steeply when building societies and the economy come back to a more normal situation, which will probably not happen before mid-1983 or early 1984... but I cannot see prices dropping.'

The housing problem extends to all the country's peoples. This report, by the Mercury's African Affairs Reporter, is just one example of the difficulties being encountered and how people are trying to overcome them.
Black home ownership means stability — Steyn

By Lynn Carlisle

WITH THE private sector having satisfied the need for White housing, its involvement in Black housing is being hampered by a myriad of legislative, regulatory and bureaucratic interventions," says Judge Jan Steyn, executive director of the Urban Foundation.

He warns that the elementary requirements for a stable society — pride of ownership, self-esteem, self-reliance, security and human dignity — have had insignificant opportunity to flourish in an environment where Black home ownership has not been achieved.

Judge Steyn sees three major possible avenues for financing the participation of the private sector:

- From life assurance and pension funds.
- Through assistance by employers, either in the form of housing or finance.
- From the individual home-owner.

"Independence and loyalty — like charity — begin at home, and there is little in standardised rented accommodation to engender either of these qualities," says Judge Steyn.
Council fears drop in housing standards

Municipal Reporter

THE Housing Committee of the Cape Town City Council is deeply concerned that the National Housing Commission has lowered the standards of homes to be built for the very poor because of the present shortage of funds.

Cape Town, one of the country's major home builders, has been fighting State pressure to drop the present housing standards to make homes cheaper.

The Housing Committee believes that lowering the standard of homes will lead to the creation of new slums and perpetuate the problems of trying to improve housing for all.

It believes that increasing State funds is the only way to overcome the present housing crisis.

CIRCULAR

The Department of Community Development has sent the council a circular saying that because of the serious shortage of housing funds, the National Housing Commission will no longer allow fences, on streets fronts, washing lines, floor coverings, ceilings, paint on internal walls or electricity to be included in homes built for those earning R350 a month or less.

The Housing Committee has decided to appeal to Community Development not to lower standards, but to find some other method of making up the shortfall in housing funds.

The committee yesterday also expressed concern at Community Development's failure to come up with a workable policy for the maintenance of homes, a growing and serious problem in Cape Town, where funds for maintenance are inadequate and homes are falling into disrepair.

The committee wants Community Development to agree to increase the percentage of rental money that can be utilised for maintenance in its latest circular. Community Development says it is concerned about the neglected conditions of houses in some of the older housing estates.

BORROWING

It suggests that local authorities use an alternative financing method, or borrowing money when housing maintenance funds become depleted.

But the council has pointed out that interest and redemption payments have become so high that maintenance funds will be worse than they were before.

Another matter worrying the council's Housing Committee is that Cape Town has not been invited to become a member of the departmental committee of Community Development investigating a new rental formula for economic houses.

LANDLORD

The Housing Committee has pointed out that Cape Town, being one of the biggest landlords in the country, should be represented.

But Community Development has said in a reply to the City Council that the departmental committee has already been chosen and has started work. The Cape is represented by the Port Elizabeth Director of Housing, Mr Derek Cleary.
Bond subsidy scheme proposed

By Caroline Braun

The Government should introduce a bond rate subsidy scheme to benefit home-owners in lower income groups, a building society spokesman has suggested.

Mr Jim Dodds, managing director of the Allied Building Society, said the Treasury should subsidise mortgage interest directly, rather than indirectly through tax-free shares.

"If interest rates were subsidised, financial relief could be directed towards lower income home-owners," he said.

"The scheme could be similar to one introduced in 1970 — and now phased out — in which the bond rate was subsidised by a maximum of 2 percent when the rate went above 8.5 percent."

Mr Dodds said the present system of granting tax concessions on building society shares to keep down mortgage bond rates tended to favour investors in the higher income groups.

"We should subsidise only the most needy and, to achieve this, the bond rate subsidy system should be introduced with carefully thought-out rules," he said.

"There should be a limit to the amount that could be borrowed, a ceiling on the cost of the property, and a limit on the home-owner's salary."

The Director-General of Finance, Dr Joop de Loor, said no government decision could yet be taken on a possible return to the 1970 subsidy scheme.

The Government would study the recommendations submitted recently by the Du Plessis and De Kok commissions during the next few weeks before considering any subsidy.

When the Government's point of view had been formulated a blue-print for co-operation with building societies and bond owners would be drawn up.
The committee made a request to the Premier to have the community engaged in forums to discuss the proposals made. The government's plans and the Premier's visit have sparked much discussion and debate within the community.

The Premier, in response, emphasized the importance of community involvement and the need for clear communication. He assured that the implementation of the proposals would be transparent and would involve the community at every stage.

The announcement of the new housing policy was met with mixed reactions. While some welcomed the initiative, others were concerned about its impact on the community. The responsible minister, Mr. Pen Kote, spoke about the proposals and their expected benefits for the community.

Eugene Saladin spoke to Indian and Pakistani community leaders about the proposals. He emphasized the need for community engagement in the decision-making process to ensure the proposals meet the needs and aspirations of the community.

The Brihants by over 123

Stonewall announced that the government's proposals are unpopular among the community.
Leaders of the communities say the need for funds and land for housing is greater than ever.

Mr. Mohammed Dangor, vice-chairman of the Southern Transvaal region of the Institute of Race Relations and vice-chairman of the Co-operative Group, said the Government was "opting out of its responsibility of providing homes for the people it had forcibly uprooted."

Mr. Dangor said it was also clear from the Minister's statement that the Government was interested all along in making money in the form of interest. The Government has never made...
Whites now worse off than before — survey

FIGURES in a special Sunday Express year-end survey reveal fewer houses were built for South African Whites last year than seven years ago — despite the 1981 boom.

After accounting for 4% annual population growth, including immigration, Whites are worse off than ever before as far as new houses are concerned.

Soaring interest rates, lack of bond finance, and the ever increasing battle that young couples have of raising a deposit have made the dream of home ownership even more elusive.

By TERRY MEYER

The figures have dropped steadily since, reaching a low of 16,759 in 1978 — in the middle of the country’s post-Soweto 1976 recession. The turnaround came in 1979 when the number of homes completed rose marginally to 17,253. The following year it took a leap to 20,355 and this year the figure is expected to reach 24,800 again — probably slightly below the 1974 peak.

- These figures include townhouses. Today there is a far higher proportion of new townhouses being built than in 1974 when sectional title housing was relatively unknown.

Subtracting these townhouses — and today they must amount to a good proportion — means a greater many less free-standing homes have been built this year than in past peaks.

- Virtually no new flats for rental have been built during the last five years meaning this has aggravated the accommodation problem even further.

- Figures of families “doubling up” are also unavailable, but the number is thought to be increasing rapidly as people battle to find “affordable” homes.

The Sunday Express figures must present a serious challenge to Government which claims Whites are “overhoused”.

Despite repeated pleas from top property organisations, Government has continued to drag its feet in helping to promote home ownership among its electorate.

This is where firm action is needed this year if the present accommodation shortage is to be solved before it reaches true crisis proportions.

Some suggestions are:

- Immediate tax incentives for developers to build rental flats for those who will never be able to afford a home of their own.

- Assistance — possibly in the form of tax incentives as happens in most Western countries — for people buying their first homes.

- Scrapping the Rent Acts, which has only succeeded in frightening off developers from putting up rental flats.

- Taking a lead in standardising costly, non-uniform and outdated building regulations.
Problems

After Dr Koornhof's response, Nafhoc announced its intention to call a special conference on land policies to discuss the practical problems facing agricultural and economic development in black areas.

Dr Koornhof has pledged his department's co-operation and support for the proposed conference.

On the question of the implementation of the Richtert Commission recommendations, Dr Koornhof told Nafhoc the bulk of the recommendations would be implemented through legislation to be tabled this year.

Dr Koornhof said the Department of Community Development was investigating where open trade areas could be established in terms of the Group Areas Act.

The Minister also said present labour regulations did not bar black businessmen from employing labour from anywhere, but the necessary permission had to be obtained before recruiting labour from "outside".

Nafhoc also told Dr Koornhof that black traders were placed in an unfair position by existing legal restrictions.
Private sector cash for black housing

By Anthony Dulcam

Money from the private sector may be used to help ease the critical black housing shortage.

With an expected squeeze on Government housing funds, money from the private sector is likely to be challenged through the Treasury direct to administration boards.

This was indicated by Mr John Knoetze, Chairman of the West Rand Administration Board, which controls Soweto and four other black areas, when he spelled out new directions black administration is likely to take in the next few years.

"Negotiations are in progress for private sector money to be made available through the Treasury so that it can be used for critically needed black housing," Mr Knoetze said.

Mr Knoetze gave no further details of how this new financing arrangement would work but it is clear the Government regards this as a way of helping to meet the enormous financial burdens of black housing.

Mr Knoetze said blacks were likely to get the lion's share of the total funds available for housing in the coming year because of previous neglect.

"Private developers would be able to play a major role in future housing schemes in black areas," he said.

It was also likely that the boards of the future would take over the role of metropolitan authorities and increasingly leave all local administration to black community councils.

"We are also hoping that in the future the Government will allocate annually lump sums to local authorities such as administration boards, for infrastructural development," he said.

Aerial surveying of the unsurveyed 80,000 houses in Soweto would save enormous time and more than R20-million compared with conventional surveying methods, he said. But the long battle to get this method adopted had not yet been won, Mr Knoetze said.

Soweto had vacant stands for only about 12,000 more houses against a conservative official waiting list of 22,000 families.

With proper urban renewal and planning Soweto could take at least 250,000 more people.
White housing needs to be probed

The private sector has a major role in helping to overcome the white housing crisis but finds it difficult to get detailed analyses on how to tackle the problem. Filling this gap is a Cape Town company, Property Marketing Services, which has launched a comprehensive white house survey, the first results of which are expected in April.

Mr. Robin Ellis, PMS's research director, says: "This is clear from the excessively cyclical nature of the residential property industry in South Africa and the lack of effective planning by major suppliers and financiers." Mr. Ellis says that the information available on white housing is based on the 1970 census and there have been major demographic changes since then. It is likely that additional information will only be available in 1985.

"Obtaining the correct information will assist the private sector in identifying many opportunities, so far hidden in the provision of homes," says Mr. Ellis. The aims of the survey are to assemble quantitative and factual information about the white residential market in urban areas.

- To isolate and utilize the major factors which influence the supply and demand for residential property and accommodation.
- To make predictions as to the rise of demand for homes at future growth points up to the year 2000.
- To be specific as to volumes and types of land and dwelling units to be supplied to meet the future demands of the white population at five-year intervals to the end of the century.

The survey is to be underwritten by property group Landmark, whose chairman, Mr. Marks Markowitz, expects to recover much of the costs by syndicating the results of the research to major companies and institutions in the residential property market. The Government has clearly put the issue of solving the..."
The presence of the doctor and the medical team in the village made a significant difference in the residents' health care. The medical team provided necessary medications and medical supplies. The doctor's expertise in different fields like surgery, pediatrics, and internal medicine was crucial in improving the health outcomes of the villagers.

The use of natural medicines and traditional healing methods was also integrated into the medical practices. This approach aimed to address the villagers' specific needs and circumstances, ensuring that the care provided was culturally relevant and effective.

"The presence of the doctor and the medical team in the village made a significant difference in the residents' health care. The medical team provided necessary medications and medical supplies. The doctor's expertise in different fields like surgery, pediatrics, and internal medicine was crucial in improving the health outcomes of the villagers.

The use of natural medicines and traditional healing methods was also integrated into the medical practices. This approach aimed to address the villagers' specific needs and circumstances, ensuring that the care provided was culturally relevant and effective."
The toast is mud in your eye

Forty French families will move into mud houses this year. Their new homes—conventional in appearance—are intended to restore the waiting role of packed-earth buildings, which have a 10,000-year tradition dating back to Jericho.

The experiment in the new town of L’Isle d’Abeau, between Grenoble and Lyon, is the practical side of an exhibition of earth architecture in Paris whose impact will be worldwide. It is already booked for a five-year tour of the industrialised and Third Worlds.

Recently the organisers, Jean Debue, judged the entries of nearly 50 architects for the new town project, whose aim is to prove that mud is a cheap and practical alternative to concrete and brick.

"Raw earth is an excellent anti-capitalist material," Debue said. The best-known mud-building concepts are pisé and adobe. Pisé is earth compressed between frames while adobe is mud brick.

Both dry naturally, can be dug for nothing on site and because of the thickness of the walls cut down the need for heating and air conditioning.

The exhibition not only demonstrates new techniques of stabilising mud through the addition of tiny quantities of cement or lime, but offers proof that mud can be as permanent as brick or cement.

The most colourful and daring exhibits come from Third World countries, mainly Arab but Europe too has a long tradition of earth architecture. Fifteen percent of French rural buildings are mud, as well as large areas of cities such as Lyons and Toulouse.

Butch Eaton, historical researcher for the exhibition, said there had been previous attempts to revive the use of mud architecture in Europe, often during periods of austerity.

The most successful was after the French Revolution, when Francois Cointeraux produced a world bestseller on how to build mud-walled houses.

The book influenced the whole of Europe and started a boom in mud-building in Australia.

The most important aspect of the exhibition is to sell mud architecture back to the Third World, where there has been a swing to Western materials.

An exhibition catalogue was given to every delegate at the recent French-African summit in Paris by the French Government, which is helping to sponsor the show.

Imported building materials absorb 3.6 percent of the gross domestic product of African countries—a third more than seven years ago—as the demand increases for concrete and brick buildings, even from poor people.

Indira Gandhi is said to be among the first "return to the earth" converts.

The renewed interest in earth architecture was started by an Egyptian architect, Hassan Fathy, whose post-war mud housing projects were despised by the Egyptians but wholeheartedly welcomed in the United States.

As the exhibition organisers press their case for mud as a "democratic, bureaucratic and decentralised material" like the sun, they are also revealing in a certain irony.

While pointing to mud constructions ranging from the Great Wall of China to Scandinavian houses that thrive in all weathers, they cast a wary eye on the steel-structured Pompidou Centre.

After five years, Europe’s greatest experiment in contemporary architecture is suffering from a very bad case of rust. — London Observer.
The Mosque of Djenne in Mali was reconstructed in 1905, using earth.
THE private sector faces a major role in helping to overcome the white housing crisis, yet it remains in the wilderness as far as a detailed analysis on possible solutions is concerned.

To fill this gap, a comprehensive white housing survey — the first results of which are expected in April — has been launched by a Cape Town company, Property Marketing Services.

The PMS research director, Robin Ellis, says Port Elizabeth is being used for the pilot study but the survey will carry on to cover main centres of population density in all the provinces.

Cost of the survey will amount to more than R100 000 and it is being underwritten by the Landmark property group whose chairman, Mark Markowitz, expects to recover much of the cost by syndicating the results to major companies and institutions involved in the residential property market.

"The government has clearly put the onus of solving the white housing crisis on private industry. Yet private industry does not have the essential information on which to provide the solutions," says Ellis.

"This is clear from the excessively cyclical nature of the residential property industry in South Africa and the lack of effective planning by major suppliers and financiers."

He claims that whatever information on white housing is available is based on the 1970 Census and there have been major demographic changes since then.

"It is likely that any additional information to emerge from the 1980 Census will be available only in 1985, meaning delays in dealing with the problem."

Obtaining the correct information will assist the private sector in identifying many, so far hidden, opportunities which are available to it in the provision of homes," says Ellis.

The aims of the survey are:

- To assemble quantitative and factual information about the white residential property market in urban areas;

- To isolate and analyse the major factors which influence the supply and demand for residential property and accommodation;

- To make predictions as to the increase in demand for homes at future growth points up to the year 2000;

- To be specific as to volumes and types of land and dwelling units to be supplied to meet the future demands of the white population at five-year intervals to the year 2000.
Big cuts free housing projects

By GERALD REILLY

THE Treasury is to cut back drastically on funds available for housing, seriously aggravating an already critical shortage of white and black housing.

The deputy director-general of the Department of Community Development, Mr Barry van der Vyver, said yesterday approved housing projects worth R500 million would be delayed because of the shortage of funds.

And the PFP's Finance and Defence spokesman, Mr Harry Schwartz, warned that housing was as important in the country's defence strategy as guns.

All obstacles should be swept aside in an intensive drive to relieve the housing shortage, he said.

It was not possible for the private sector to accept the major responsibility for providing housing because so large a proportion of those without housing were unable to pay economic rents.

"The Government cannot offload its responsibility on to the private sector," he said.

The way the State had handled the 90-year leasehold scheme for black housing had caused a loss of confidence in the private sector in the Government's ability to cope with the problem.

According to estimates of expenditure for 1981-82, R290 650 000 will be spent on housing projects in various parts of the country.

Reasons

The director-general for the Department of Community Development, Mr Louis Fouché, said from Cape Town yesterday the cutback on Treasury allocations for housing, and the fact that the private sector was unwilling to get involved on a large scale in the provision of housing, particularly for black workers, were the main reasons for the escalating housing crisis.

Mr Fouché said he accepted that the lack of involvement of the private sector was due to reasons "beyond their control".

The lack of funds meant that the department's planned housing projects had virtually come to a standstill in various parts of the country.

"I am sorry to have to say this, but it is a fact," he said.

Projects which had been started, or for which tenders had been "called", would go ahead, but projects like Schubart Park in Pretoria and other schemes in the city would have to be postponed.

Some programmes had been far advanced, but without Treasury funds they would have to be frozen.

The Schubart Park project was planned to provide accommodation for 1 000 families. Among other postponed schemes was a plan for 100 economic houses in Garston Park, east of Pretoria.

Regrettable

Mr Fouché said it was particularly regrettable that the Schubart Park scheme in Pretoria had had to be postponed. The Cabinet had given the scheme a high priority, and had wanted it completed as soon as possible.

The white housing shortage was more serious in Pretoria than in any other part of the country.

Mr Fouché said in the past five years much had been said and written about the private sector's contribution to easing the housing crisis - "but that's where it has remained - at the talking stage".

The private sector had provided virtually no housing for blacks - but it "could not be expected to invest its funds at between 1 and 9 percent in housing when it could get up to 18 percent interest elsewhere".

Mr Fouché pointed out that his department had nothing to do with the planning of black housing.

"All we do is provide the finance from the National Housing Fund."

He pointed out that the country's population was growing fast and the need for housing becoming more acute, where his mechanics could come to grips with the problem.

Despite the speed disadvantage of driving a Cosworth-powered car, Niki Lauda, twice world champion and out of retirement after two years, set times only slightly slower than some of the turbocharged cars.

The Austrian said his McLaren was performing well, but he was still not entirely happy with its speed down the straights, and he hoped to improve his times today.

Replacement

The Arrows team is still not yet sure who will replace Marc Surer, who crashed in the closing minutes of Friday's practice.

A spokesman for Kyalami management, Miss Tippy Wasermark, said spectators need not try the wrath of police by attempting to smuggle alcohol into the track on the race day as liquor would be sold.

The Rand Daily Mail will carry a full-colour supplement on the Grand Prix on Friday.
Huge cut in homes plans

Argus Correspondent

PRETORIA — Huge housing projects throughout the country have been axed in a State cutback of public sector spending.

Projects worth around R500-million for black and white housing had been delayed or shelved because of the shortage of funds, said the Director-General of Community Development, Mr Louis Fouché today.

Included among these were four major housing schemes in Pretoria which local experts hoped would break the back of the capital city’s critical housing shortage.

Crisis

The shelving of the schemes countrywide will aggravate the housing crisis for both black and white.

The Deputy Director-General of Community Development, Mr Barry van der Veyver, said today that even ‘high priority’ schemes had been axed.

Only projects for which contracts had not yet been concluded were affected by the cut-back, said Mr Fouché. Running projects not would be affected at all.

Mr Fouché was unhappy at the private sector’s failure to tackle the country’s housing crisis — particularly in black townships.

Interest

But he said he was aware that the private sector could not be expected to invest its money at between one and nine percent in housing when it could get up to 18 percent interest elsewhere.

The State would re-examine the shelved projects once finance became available, said Mr Fouché.

The housing crisis for whites was at its worst in Pretoria and Mr Fouché was particularly unhappy that one major project — the R31-million second phase of the Schubart Park flat complex, which was to have comprised 938 flats — had been axed. This was a high priority scheme.

This complex was also to have included a community hall, swimming bath, tennis courts and shops.

Peninsula

Mr Fouché said the Cape Peninsula was in a better position than some other areas in that large housing schemes started in recent years had been completed, and others not yet completed had already begun.

Large schemes included those in Mitchell’s Plain, Belhar, Strandfontein, Elsies River, Maccasar and others.

In Mitchell’s Plain, for example, more than 20,000 home ownership houses had been built in the past five years. Another 10,000 houses for coloured people were in various stages of construction.

Eglin

The chief Opposition spokesman on housing, Mr Colin Eglin, said today the proposed cutback on State funds for housing could have far-reaching consequences, including an increase in social and racial tensions and a rise in the crime rate.

Mr Eglin said he was shocked and alarmed at the news of the Treasury’s cutback on housing finance.

Consequences

Serious consequences of the cut-back could include:

- An increase in social and racial tension;
- An increase in the crime rate;
- A further weakening of family life;
- A reduction in economic productivity; and
- The undermining of stability of urban areas.

The Minister of Housing said the cut-back was in no way an acceptance of the crisis and that government was determined to get as many houses built as possible.

Mr Eglin continued: ‘It is clear the Government is failing in one of its prime responsibilities.'
The LTA group is spearheading a national housing drive with the establishment of a new company, LTA Housing.

LTA Housing's activities will be broadened to embrace all forms of housing in the public and private sectors and will include mass housing, staff and worker accommodation and home-ownership schemes.

The company will concentrate on traditional building methods and will be looking at the introduction of new techniques. It will not be involved in industrialised building, leaving this operation to the existing building systems division.

LTA Housing will provide a total package services to suit clients' wants for mass housing and home-ownership schemes.

LTA Constru's corporate housing section, which builds homes for corporation workers under 99-year leasehold, will be included in the new setup and will be expanded.

Chairman of LTA Housing is Mr. Don Goodey who will be responsible to Mr. Peter Jacobson, executive chairman of the construction division of LTA. Mr. Brian Melhuish, managing director of LTA Constru is operations director.

"LTA companies have developed a high degree of housing expertise and have been successful in the field for many years," says Mr. Goodey.

"Capitalising on this, the new company will coordinate and control future housing operations."

As in the past, clients will include local and community development authorities, administration boards and large employers such as Exxon, Iscor, the SAR and mines.

CONSTRUCTION

This feature is produced by the business section of The Star and deals with all aspects of construction, civil engineering and allied fields such as industrial and commercial property.

This will be published twice a month as an integral part of the Business Pages.

The next feature will be published on 2nd February 1982.

Topics to be covered will include:

- Capital Projects: Contracts awarded.
- Construction and Civil Engineering methods and materials.
- Site Accommodation.
- Labour Relations: Training.
- Exhibitions and Conferences.
- Finance.
- Property Administration and Management.
- Industrial and Commercial Property.

For further information phone: Maggi Taylor 838-4132 or 836-1331 ext 414
**Drastic cutbacks by Treasury on housing**

Own Correspondent

PRETORIA. — The Treasury is to cut back drastically on funds available for housing — seriously aggravating an already critical shortage of white and black housing.

The Deputy Director-General of the Department of Community Development, Mr Barry van der Vyver, said approved housing projects worth R500-million would be delayed because of the shortage of funds.

Reacting to the announcement, the PF-Finance and Defence spokesman, Mr Harry Schwarz, warned that housing was as important to the country’s defence strategy as guns. All red tape and bureaucratic obstacles should be swept aside in an intensive drive to relieve the acute housing shortage.

According to the estimates of expenditure for the 1981-82 financial year, R230,850,000 was earmarked for housing projects in various parts of the country. Mr Van Der Vyver said this amount would be spent.

The Director-General for the department, Mr Louis Pouche, said in Cape Town yesterday that the cut-back on Treasury allocations for housing and the fact that the private sector was unwilling to become involved on a large scale in the provision of housing, particularly for black workers, were the main reasons for the escalating housing crisis.

The lack of funds meant the department’s planned housing projects had virtually come to a standstill.

**Private sector**

Projects already started, or for which tenders had been called, would go ahead. But other schemes would have to be postponed. Some programmes had been far advanced, but without Treasury funds they be frozen.

Mr Pouche said much had been said about the private sector’s contribution to easing the housing crisis. “But that’s where it has remained — at the talking stage.”

The private sector had provided virtually no housing for blacks. However, he could not blame it for this.

“The private sector could not be expected to invest their funds at between one and nine percent in housing when it could get up to 18 percent interest elsewhere.”

It was obvious the solution lay in a kind of partnership between the government and the private sector to finance the building of housing units at a rate which would have an impact on the problem.

Mr Schwarz said: “The government must find money for housing at all costs. It should be among its major spending priorities. It cannot palm its responsibility on to the private sector.”

It was not possible for the private sector to accept the major responsibility for providing housing, because so large a proportion of those without housing were unable to pay economic rentals.
Funds for Housing

Call for Private

Proposals were made yesterday by the Department of Community Relations in the Executive Department of the City to provide housing for the homeless.

The proposal to lease the land on which the former Armory is located was rejected by the City Council.

The building, which was once used as a military hospital, is now vacant and available for use as a homeless shelter.

The proposal was met with mixed reactions from the community, with some expressing concern about the safety and security of the site.

The City Council is expected to vote on the proposal next month.
R600m from Treasury

Housing plans wait for

[Image of a newspaper page with text about housing plans waiting for R600m from Treasury.]

THE Director-General of

[Partial text in the image is not clear.]
Group Areas blamed for shortage of housing

Political Staff

The national chairman of the Labour Party, Mr David Curry, said today the cutback in State funds for housing would increase South Africa's housing backlog and could lead to a revival of squatter problems.

He expressed dismay at this week's announcement by the Department of Community Development that approved housing projects worth R300-million would be delayed because of a lack of funds.

Mr Curry said one of the prime causes of the present housing crisis in South Africa was the Group Areas Act and the Government's adherence to its policy of enforced racial separation.

Squeezed out

'We repeat our call to the Government to scrap the Group Areas Act,' Mr Curry said.

Because of the Act, coloured people had limited scope to buy properties, and a great demand for plots had developed in coloured areas.

This had increased the price of property and poorer people were being squeezed out of the property market in those areas.

In some coloured areas in the Peninsula, plots were being sold for between R15,000 and R20,000, he said. In some parts of Athlone, for example, plots were more expensive than in the white area because of the demand.

Because of the already big backlog in housing, a further cutback in funds could only lead to an increase in social problems.

'We will have a resurrection of the squatter situation,' Mr Curry said. 'People are being forced into such a situation because they have nowhere to go.'

Still rising

The cutback in funds could bring housing to a standstill at a time when the cost of building materials was continuing to rise, making future housing more and more expensive.

'The State will have to reverse completely its policy on housing and repeal the Group Areas Act,' Mr Curry said.

'No political leader worth his salt will be able to intervene himself effectively in political change unless the Government takes these steps.'

Cost-efficient

In Johannesburg yesterday the director-general of community development, Mr Louis Fouche said that Treasury finance of between R600-million and R700-million was still being awaited for Government housing schemes which had been approved.

Mr Fouche told SABC radio news that an additional R290-million allocated to the national housing fund for 1981/82, had been completely absorbed by schemes already underway.

The Steyn Committee on the financial aspects of private sector involvement in the housing problems of South Africa was also making good progress, Mr Boet Viljoen, chairman of an earlier committee which recommended certain steps to ease the housing backlog said. The committee met in Cape Town for a second time this week.

Mr Viljoen said the Government and private enterprise were working closely to delineate the financial implications of private initiative in the field.

The executive director of the Federated Chamber of Industries, Mr Johan van Zyl, said informal development of the site-and-service and self-help variety, was the most cost-efficient way of overcoming the housing backlog.
BLACK housing and township development are likely to suffer severely as millions of rands will be slashed off the annual allocations of nearly every State department this year.

The Director-General of Community Development, Mr Louis Fouche, has already announced a cut-back of R500 million for black and white housing because of the shortage of funds.

The development of black townships has already been hampered over the past few years by the lack of funds, and the situation is expected to worsen.

It has been reported that some State departments can expect their allocations to be slashed by up to 20 percent.

The cut-backs are a result of the tight money situation in the country, and South Africa will have precious little to spend in the coming financial year on development in all fields. The exceptions in the belt-tightening operation are defence and education, which are regarded as priorities in line for funds.

Minister of Finance, Senator Owen Horwood, has briefed the Cabinet on the money prospects, and it is generally believed a tight budget is in store.

Asked about the implications of this, the senior manager of communications and resources at the Urban Foundation, Mr C. M. du Plessis, said yesterday: "The Urban Foundation is not prepared to be involved in a public polemic on housing as this matter is now in the hands of a very competent committee on which the private sector is also represented."

Mr du Plessis said that in view of "the very clear realisation of the urgency of the matter (housing) and the steps which have already been taken to ensure the best possible solution, the Urban Foundation cannot accept that there is an unwillingness from either the private sector or the Government to allocate funds for low cost housing. At this stage, everybody is waiting for the recommendations and implementation thereof of the Steyn Committee".

He said that it was a fact that the severe drop in the price of gold and the excessive high import bill has placed the country in a tight financial spot. But, he added, there was hope that the country's housing situation will be effectively tackled.

Meanwhile, black civil servants may be getting a pay boost of between 17.5 and 22 percent in April, against the 10 to 15 percent for white officials.

Following a Cabinet meeting, spokesmen said that black civil servants would get their biggest salary hike towards parity with whites.

However, this jump will not do much to narrow the pay gap because of the present disparity in salary levels.
Bifasa attacks proposed cutback in housing funds

Industrial Reporter

THE Building Industries Federation of South Africa (Bifasa) has slammed the drastic cutback in housing funds proposed this week by the Treasury as a "classic example of the stop-go policy that has plagued the building industry for years".

In a statement yesterday the president of Bifasa, Mr. Leon Glaser, said it had been common knowledge for many months that a shortage of funds would be experienced this year, and the authorities should have taken this into account in their forward planning rather than resort to a sudden cutoff.

"Bifasa has consistently offered to assist and cooperate in planning the building programme for the country but our offer has never been accepted," he said.

Priority

"The adequate provision of housing is surely a national priority and should not be subject to the detrimental effects of short-term planning."

Apart from the fact that the shelving of R500m worth of housing is substantial in terms of the well-publicised housing shortage, it represents about 10 percent of the expected turnover of R5 000m for the industry for the year 1982. As there are still shortages in various areas this cutback will cause a welcome cooling-off period among some firms but will cause considerable harm to those who specialize in this type of work.

"It would have been far more preferable to have spread the work load over a longer period to avoid the costly peaks and valleys which are characterized by shortages and waste resulting in additional cost to the end user."

"A serious effect of an announcement of this sort is the impact on prospective employees about to enter the industry. Much of the good work done by Bifasa by way of publicity of training schemes is nullified and a detrimental effect on recruitment could easily result."

It was also possible that statements indicating a serious downturn in the work load of the industry would panic manufacturers into restricting capital investment in those sectors which provide the primary materials for building, such as cement and bricks, creating future shortages and rising cost pressures.

"It is strange that private industry should be castigated for the housing crisis particularly in the Black townships. Industry has for years been desperate to develop these areas, if only for their own employees, but has been thwarted at virtually every turn by one regulation on another."

Onorous

"It is completely unreasonable to expect industry to invest in housing or buildings over which, in terms of present law, they can never hold title. For the same reason it is unreasonable to expect industry to move southwards when the regulations governing the employment of labour are so onerous."

Regulations pertaining to the coloured labour preference policy in the Cape entailed numerous restrictions and it was all but impossible to obtain sites for the housing of black labour.

"With the best will in the world administration board officials are hamstrung and restricted and thus development in these areas is made too onerous for industrialists," Mr. Glaser said.
Housing cutback due to stop-go policy—Brisa

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HOUSING CUTS

The critical shortage of white and black housing is aggravated after the Treasury cuts back R500m in housing funds due to the general shortage of Treasury funds.

FM 22.11.82
Morrison on makeshift homes plans

By BRIAN POTTINGER
Political Correspondent
CAPE TOWN — Dr George de Villiers Morrison, Deputy Minister of Co-operation and Development, has again urged the private sector to help in overcoming the country’s housing problems.

In a wide-ranging interview yesterday, Dr Morrison conceded the enormous task facing the country in dealing with the housing problem, confirmed a major shift in emphasis from conventional housing strategies to others such as site and service schemes, and admitted that new methods of financing black local authorities would have to be found.

He also revealed recent cutbacks in Government funding meant delays in a number of important schemes including Fingo Village, Duncan Village and Queenstown.

Earlier yesterday, Dr Morrison saw an East Cape Administration Board delegation over the future of thousands of squatters living in the Port Elizabeth area.

Dr Morrison declined to discuss the Port Elizabeth squatter situation in any detail at this stage, other than to say the families would be temporarily moved elsewhere to allow a start to be made on a site and service scheme in the present “Soweto” area.

He confirmed that a much greater emphasis would need to be placed on self-help and site and service schemes if the country’s housing problems were to be solved.

In the past, he said, there had been differences with the Department of Community Development — the department responsible for financing — over such strategies, but agreement had now been reached and a start made on site and service schemes.

Surveys had shown there was as much as R360 million of black-owned capital available in the Greater Soweto area alone that could be invested in self-build schemes.

“Tis a tremendous amount of money, that could be used for alleviating the housing problem, just sitting idle,” Dr Morrison said.

He again called on the private sector to help with the housing crisis although he expressed his appreciation of what a number of companies had already done.

The State’s function, he said, was to provide the services and infrastructure and, where necessary, to subsidize the rent of people in the very low income groups.

“We accept that, through its actions, the private sector is already contributing to the development of the country. But I still feel it can accept more responsibility in connection with providing housing for its employees.”

Dr Morrison emphasised, however, that one of the demands of the private sector, the extension of freehold rights to blacks living in urban areas, was contrary to National Party policy and, therefore, not acceptable.

The community council system — the local authorities intended to representing the urban black communities — had been a “political” success but its true potential was being hampered by the financial position of the councils.

The Government had several departmental subcommittees looking at the financial position of the black local authorities. He said it was essential that they be placed on a sounder footing so they could deliver the goods and increase their credibility.

At the same time, Dr Morrison warned that the community councils would have to accept the responsibility for increasing service charges and rent to more economic levels even if it proved unpopular with the communities concerned.

The situation had been reached where there were vast gaps between what the authorities were being called upon to pay for the services and what they were getting back from the community.
Illegal tenants must go to back of queue

By Michael Tissong

Applicants living in their own group areas are given preference to people who apply for housing while living illegally in white group areas, a Department of Community Development spokesman told a Johannesburg district court yesterday.

"The department is still allocating housing to people who applied in 1973," the administrative control officer, Mr. Jacobus Harris, said under cross-examination by Mr. Paul Benjamin.

"The land is available for building more houses, but development depends on the availability of funds from the Government," Mr. Harris said concerning the eight-year backlog. The Government recently made a R100 million cutback in funds for building development.

Appearing before Mr. R. D. Curle, Shantilal Tribhovran (34) pleaded not guilty to contravening the Group Areas Act.

Mr. Curle found him guilty and fined him R100 (or 28 days jail conditionally suspended for three years). Tribhovran was ordered to vacate his flat before July 31.

The State alleged Tribhovran lived at Peacock Court, Nach Street, Joubert Park, since October 1979. Joubert Park is allocated to the white population group.

The Group Areas Act makes provision for permits to allow disqualified people to live in white group areas.

"One permit was granted in 1981. I cannot think of any that were granted in 1980," Mr. Harris said.
Interest on bonds may rise again

Own Correspondent
JOHANNESBURG.—An increase in mortgage rates is widely expected to be announced — possibly next month — five months after home-owners faced the last mortgage rise.

It is understood that the Association of Building Societies is likely to meet the Minister of Finance, Mr. Owen Horwood, next month.

The association is expected to present arguments to back a decision to increase further the interest on home-owners' mortgage bonds.

At a time when consumers are already feeling the effects of a downturn in the economy, increased mortgage rates will be extremely sensitive politically, and informed sources believe the government will attempt to persuade the building societies to keep the increase below one percent.

The government cannot prevent the Association of Building Societies from increasing the mortgage rate, but it can exert strong influence for the increase to be kept at a minimum.

Squeeze

Building societies are feeling the squeeze as key bank rates in short-term and long-term money rise to record peaks, and are expected to soar even higher.

If the building societies wish to attract investment in competition with the banks, they will have to adjust the interest rates they pay out — necessitating a corresponding increase in the interest they get in from bondholders.

However, if the bank rates drop, or show a tendency to fall, there is a chance that building societies may decide to hold out at present rates.

But informed sources believe it is more probable that the societies will go for an increase. The last increase came into effect in October last year.

The president of the Association of Building Societies, Mr. Hendrik Sloet, confirmed that the possibility of increasing interest rates would be discussed during the association's meeting in Johannesburg next month.

Standing item

"A discussion on interest rates is a standing item on our agenda," he said.

But Mr. Sloet said he was not in a position to predict what the association's decision would be.

He conceded that "money is a scarce commodity in building societies" at present.

He said building societies' maximum lending rate of 14.25 percent was not a great drawback compared with rates offered by other investment institutions.

"We have to compete for clients against the banks and the authorities, with our shares paying 11.5 percent and tax-free shares paying 8.75 percent.

House prices

"We cannot draw investments with these rates." Mortgage bond interest rates increased by one percent in August last year.

Apart from increased rates, house prices have rocketed by almost 50 percent in 12 months.

Mr. Sloet said the issues surrounding the raising of the mortgage rate were not clear and the Du Plessis and the De Kock commissions' reports were still awaited.
Call for scheme to ease housing shortage

Post Correspondent
Johannesburg — Builders are calling for a revolutionary new scheme to help alleviate the housing shortage in South Africa — capital-gain sharing.

The annual report of the Master Builders and Allied Trades Association in the Witwatersrand said the steady flow of immigrants entering the country would worsen the already tremendous housing shortage "and the Government and building societies should seriously consider the successful scheme as practised in America, namely capital-gain sharing."

It said that in this system, building societies would make available bond finance at a relatively low rate of interest, but would have a share in the capital gain when the property was sold by the homeowner.

The average lifespan of a bond in South Africa was relatively short and such a scheme could benefit the public and the building societies.

The report said the demand from the public would still be at a high level in 1982, but the level of demand would be dampened by the shortage of finance.

The Government, it appeared, was now considering some form of tax concession on bond payments.

The non-residential building sector would experience better conditions than the residential sector during 1982, the MBA expected. There was still a shortage of offices, shops and factory space.

The trend of accelerating building costs was unlikely to be reversed in the foreseeable future, notwithstanding the shortage of mortgage bond finance, labour and materials.

With an expected lower growth rate of 2% during 1982, the position regarding labour and material shortages might improve.
owners are not secure’

City Editor.
THOUSANDS of flat dwellers were at the mercy of their landlords and this lack of "security of tenure" was the most serious problem facing tenants, a Johannesburg city councillor, Mr Alec Jaffe, said this week.

Landlords were now in a position to give a month's notice to tenants — which was not possible, except in certain circumstances, under the old Rent Control Act, Mr Jaffe, councillor for Bellevue, said.

Mr Jaffe, who played a leading role in the mid-1970s in exposing dozens of never-ever flat ownership deals in Johannesburg, told the city council: "Today, if you complain to a landlord about legitimate matters, you’re out."

Problem

The country's housing problem not only affected pensioners and aged citizens but also the family man and newly married couples.

"And apart from the chronic shortage of accommodation, the costs of setting up a home today are exorbitant," he said.

Many tenants would accept a reasonable increase once a year, he said.

Security

"But to be faced with two or three increases in one year is difficult, if not impossible, to cope with particularly when each increase varies between 20 and 30 percent," he said.

Mr Jaffe said it was imperative to give back to flat tenants their security of tenure.

Mr Simon Chichele, city councillor for Hillbrow, told the council the Rent Board was "totally ineffectual" and was not geared to meet the demands of flat dwellers.
Political Staff

A NEW 'total strategy' for black housing has been drawn up by the Government in an effort to prevent conditions in urban black areas worsening.

This follows warnings by a committee of inquiry, the Viljoen Committee, that the Government has to change its housing policies drastically if it wants to cut into the critical housing backlog in Soweto.

The report of the committee, which inquired into the housing problems in Soweto, was published in Cape Town last night. It calls for urgent and immediate changes to a whole host of procedures.

Shortage

Pinpointing the shortage as 35,000 units in the middle of last year, the report says this is growing by 4,000 a year and must be halted.

This will need 'a fundamental change in approach and a reversal of the former policy' which saw blacks as temporary citizens in towns.

In a statement issued with the report, the Government appears to accept most of the recommendations except for a crucial one dealing with subsidies.

This has been referred to yet another committee, this time under the chairmanship of Deputy Minister of Finance, Mr Danie Steyn.

Test area

The Government statement, made jointly by Mr Steyn and Dr Piet Kroonhof, the Minister of Cooperation and Development, says Soweto was chosen as a test area to determine a formula to be used elsewhere.

Important recommendations of the committee concerning ground for Soweto are already enjoying priority, the statement says, as are the suggestions on how to streamline procedures for getting a house.

Highlights

Highlights of the Viljoen report, which says the Government should scrap present housing policies and adopt a dynamic new approach, include:

- Creating an effective and responsive housing process must be founded on inter-related black household, the black

(Contd on Page 3, col 7)

P.T.O.
Black housing

State policy blamed

Political Staff

THE VILJOEN committee of inquiry has blamed the Government's urban black policy for the black housing backlog.

And it says the basic condition for private sector involvement in housing is that this backlog be changed.

Its report, released yesterday by the Minister of Cooperations and Development, Dr Piet Koornhof, says housing must be regarded as an ongoing process, providing permanent homes, creating job opportunities and generally forming the cornerstone of a stable urban population.

It is essential that the policy, which was based on the provision of accommodation for temporary squatters, be replaced by a totally new one, stimulating a dynamic housing process on the foundations of a stable urban black population.

Other conditions needed for private sector involvement include:

- That market forces are allowed to play their role and unnecessary controls, red tape and discretionary interference be eliminated.
- All involvement be based on normal business principles.
- Government unded housing and private sector housing be allowed to compete on the same terms, particularly in regard to subsidies.
- Full security of title be given to the entrepreneur or employer during the period of housing development and thereafter to the house owner.

Ownership

The 88-page report says its object was to create a stable and vibrant urban community which has a vested interest in the maintenance of peace and good order.

Among its many specific recommendations regarding Soweto, it says the Government should start a five-year programme to build 55,000 housing units.

This means an extra 1,000 hectares of land must be found immediately, and an extra 200 each following year.

The cost of buying, servicing and developing this land is estimated at R800 million of which R300 million would hopefully come from the private sector.

The Government plan does not however include the granting of freehold title in South Africa, meaning they can only lease their homes, never own them.
The Government has drawn up a new 13-point “total strategy” for black housing in an effort to prevent conditions worsening in urban black areas.

Mr Colin Eglin, Opposition spokesman on community development, said the plan showed the Government was “moving tentatively” in a more enlightened direction on urban black housing.

However, the strategy avoided certain crucial issues and therefore became a “platitudeous” statement of well-meant intentions, he said.

The strategy makes the following points:

- Housing is a cornerstone of stable communities and labour peace, and consequently is given high priority.
- It is the responsibility of the individual, if it is at all within his ability, to provide his own housing.

**Standards**

- A minimum standard will apply for qualification for low-cost housing and employers have an equally important responsibility in this connection.
- The State accepts its share of responsibility on provision of housing. This implies several possibilities, but the Government’s direct contribution will largely be confined to low-cost housing.
- The standards of housing will be determined by the socio-economic capacity of the individual, with certain minimum standards.
- In order to give the individual a greater share and responsibility in the provision of his own housing, site and service schemes, together with self-build core housing schemes, aided by technical advice centres, should all be encouraged and advanced and subject to control and certain minimum standards.
- Squatting is not part of the housing policy, but at the same time, high priority is given to the control, clearance and upgrading of squat areas.
- In cases where squatting is a reality, it must be controlled, and where practically possible, provided with certain basic services (water and sanitation) as well as community services and infrastructure.

The National Housing Fund must not be splintered and remains the responsibility of the Department of Community Development.

- Annually, on a priority basis, a fixed amount or percentage must be allocated for black housing in consultation with the interested parties, in accordance with standards described above.
- All forms of restriction in the way of individuals obtaining funds for housing must be removed as far as possible.

- The Department of Co-operation and Development, in consultation with the treasury and building societies, must urgently devise methods to obtain funds so that blacks can obtain funds for housing.

- This department must launch a large-scale programme to inform the private sector and activate it to become involved in housing for blacks.

**Promote**

- The possibility of giving employers leasehold or property rights in black living areas, for the purposes of houses they are financing, must be investigated.
- In addition, the possibility...
Housing kits cut building costs, time

By CHRIS VICK

A log cabin-type home in Parkside which was built for R1 600 three years ago as a test project. According to the tenants, the house has required very little maintenance and is "very comfortable". It comes in kit form, complete with windows and roof.

EAST LONDON — Alternative houses — made from materials other than brick and cement — can provide the man in the street with a roof over his head for about half the price of a conventional home.

Everything from glass-reinforced concrete to a resin-type plastic is being used in the building industry today, and all can be adapted for use in the construction of homes, a Daily Dispatch survey has shown.

Built in a fraction of the time it takes to build a "wet" house with bricks and cement, these homes are available at up to a tenth of the cost of a conventional house.

a house built of bricks and cement could cost from R25 000 to R30 000 depending on the finish, according to estate agents in the city.

The second type of alternative home on the market is the type previously known as the "prefab". Made of fibreglass reinforced concrete (GRC), these homes are also sold in kit form and take about seven days to erect.

They cost around R6 000 for a basic three-bedroom house but can be modified and extended in all shapes and sizes — adding on another bedroom for another R1 000, or another bathroom for R800, according to the manufacturers.

build this type of home in East London, so no firm decision on alternative homes have been made.

The city housing department, however, is presently studying three types of "alternate" housing already erected in the city's coloured group areas.

Of these — a timber home, a GRC home and a brick veneer home — the brick veneer is the most viable, according to Mr. Ken Martens, the city housing director. It is the only one with a Agreement Board certificate, and therefore is the only one the housing department could get government funding for if they wished to build between R25 000 and R30 000 for an orthodox dwelling.

"Assuming you pay around R6 000 for this, if you want to buy, you will still have a saving of around R7 000 when your house is built."

He calculated that the extra costs after purchasing the kit could be up to R19 000 plus the price of a plot. These costs could include transport, plumbing and electrical fittings, carpets and tiles but would still provide a house considerably less than a much shorter time-way.

"I think it's an obvious solution to the housing crisis," Mr. Woods said. "These houses are cheap.
After transport costs, erection, provision of services and the fitting of extras such as cupboards, these homes can still work out much cheaper than it takes to build a house today.

The most basic form is the wooden house. Available in kit form from R2 00 for a three-bedroomed abode, these homes are made of treated pine and have a life span of about 20 years.

They are sold in panels, complete with windows and doors, and take about five days to build. The kit concept: taken further by some developers who can offer a more advanced three-bedroomed house for less than R6 000 — complete with carpets, ceilings, larger windows and a fully-fitted kitchen.

By conventional prices, the kits come with everything down to the kitchen mirror, and require little maintenance.

The more advanced prefabs, although manufacturers shudder at the sound of the word — is built around a timber frame using a thin veneer as an outer shell.

The veneer is either made of brick, gypsum board or a space-age plastic-type resin, and is built around the timber frame and then packed with "cladding."

These outer shells offer better insulation than brick or concrete block houses, according to the manufacturers, and have a life span as long as an orthodox home.

The cost saving is not as high on the surface as the GCR or timber homes. However, because of the time factor — they take a bond for a home made from these products, and nor should municipalities object to their erection.

"The Association of Building Societies has ruled that bonds should be approved for people wishing to build homes with the Agreement Board certificate," a spokesman for the association said yesterday.

"The ABC values committee is satisfied that these building methods are acceptable."

And Mr Fraser Martin, a member of the city engineer's department here added: "If an Agreement Board certificate has been issued for the type of home you want to build, you will probably also satisfy the municipal building regulations."

So far, however, there have been no approaches from people wanting to

"But we are not in a position to specify what type of home must be built — we must accept the best tender," Mr Martinson said.

"If a builder submits a tender for homes with the Agreement Board certificate, and it is a better tender than for concrete block houses, we would probably accept it."

But what about the man in the street? The man who might have to pay up to R2 000 to have his "kit" transported from the nearest factories? "Even if transport costs are high, it still works out to be a great saving," said Mr John Woods, an executive member of the East London committee of the Institute of Estate Agents.

"To build a three-bedroomed house of around 100 square metres with bricks could cost between R5 000 and R2 000... quicker to build, just as good as a brick house."

He said, however, that South Africans would have to overcome one hurdle: their belief that these houses were inferior to brick houses.

"There is a belief in America and Canada that prefab houses are just as good as orthodox houses. In some cities they have built five-storey blocks of flats around timber frames using a gypcrete, as they do last forever."

"The same applies to Los Angeles, where timber-frame houses last as long as ordinary homes."

If there was a 30 per cent saving in cost, plus a considerable saving in the time of construction, "it was only one thing stopping people buying them," he said — foolishness.

A glass-reinforced concrete home in Buffalo Flats which is being used as a mini-library. The home costs approximately R5 000 to build three years ago and took seven working days to erect. It comes complete with guttering, windows — everything down to the bathroom mirror.

A brick veneer home built in the new Buffalo Flats Extension recently. The house is the same design as other concrete block houses, the scheme for approximately the same price, but is better insulated for warmer aesthetically.
IT WOULD cost R1.7-billion to eliminate the black housing backlog in the urban areas of South Africa alone, according to the Viljoen Committee of Inquiry into private sector involvement in Soweto housing.

The committee estimated the annual increase in demand for houses in the next five years at 4000 units. Added to the present backlog of 35,000 units, a minimum of 65,000 units would have to be provided by 1987.

"If the Republic as a whole is considered, statistics reveal that the housing backlog in all black urban areas is 168,000 units (excluding approximately 250,000 houses immediately needed in the trust areas)."

"At an estimated present cost of R10,000 per unit (including services) it would cost approximately R1.7-billion to provide that number of houses."

"The State is therefore faced with the alternative of: Failing to relieve the backlog; raising enormous capital sums in order to provide 'accommodation' along the lines of its past housing policy; or allowing the development of a dynamic housing process in which all the resources of both the public sector and the various sections of the private sector are fully utilized."

"The political consequences of the first two alternatives are obvious."

"We have identified the steps to render such participation not only practical, but effective. These steps need to be taken as a matter of highest priority," the report says. — Sapa
Swift action urged on housing

JOHANNESBURG. — The government's reaction to the Viljoen Committee report on black housing in Soweto was generally welcomed yesterday by leaders of commerce and industry — even though some of the recommendations were accepted with reservation, and others were rejected.

The report recommended a R770-million five-year plan to provide 55,000 houses in Soweto.

The chairman of the Viljoen Committee, Mr Boet Viljoen, a past president of the Association of Building Societies, said he was pleased with the official reaction.

The government had obviously considered the report carefully and referred to those aspects it did not agree with, or which needed further investigation, a committee under the chairmanship of Mr Fritz Stockenstrom, said there was "no doubt" that the private sector was "ready and willing" to help clear the black housing backlog — provided ways could be found to ensure that its capital was used profitably.

Mr Boet Viljoen

the deputy minister of Finance, Mr Danie Steyn, the committee would look at various aspects of the overall plan for the provision of housing, including the financing of the scheme by both the public and private sectors.

Mrs Deborah Mabieita, a Soweto community leader and an executive member of the Urban Foundation, recommended that existing houses be sold to residents. She added: "As long as the government is doing things for us and not with us, it will not come to grips with the problem."

The Political Staff reports that Mr Colin Egin, Opposition spokesman on community development said the plan showed the government was "moving tentatively" in a more enlightened direction on urban black housing.

The executive director of the Afrikaanse Handel. (and all the implications that flow from it) must be seen in the long term to form the cornerstone of the housing process."

The executive director of Asssecn, Mr Raymond Parsons, called for a speedy implementation of the proposals harnessed in a "total strategy" which embraced a broad concept of private initiative.

The director of the Cape Chamber of Industries, Mr Jack Roos, said the enormity of the housing problem had once again emerged from the statistics produced by the committee, and called for a swift implementation of the proposals.

The general secretary of the South African Council of Churches, Bishop Desmond Tutu, said anything done to remove or reduce the housing backlog was welcome — but the fundamental problem remained political.

A number of the problems in the black community were political, for example, the Group Areas Act and a lack of freehold rights.

Mrs Deborah Mabieita, a Soweto community leader and an executive member of the Urban Foundation, recommended that existing houses be sold to residents. She added: "As long as the government is doing things for us and not with us, it will not come to grips with the problem."

The Political Staff reports that Mr Colin Egin, Opposition spokesman on community development said the plan showed the government was "moving tentatively" in a more enlightened direction on urban black housing.

The executive director of the Afrikaanse Handel.
The mortgage rate must rise

Henri de Villiers is MD of the Standard Bank Group which incorporates the Standard Building Society.

FM: What major changes to building societies do you envisage over the next five years?

De Villiers: Because of the political nature of housing, and the societies' ability to play on this when negotiating with Pretoria, I don't foresee any fundamental changes to building societies in the next five years. I believe we will see some tinkering at the fringes but lobbying will effectively stall any major changes. I believe the prevailing situation of an overhoused white population will be maintained.

What changes to the building societies would you like to see?

The underlying problem with our system is that housing loans are subsidised on the gathering side rather than on the loan itself. I think this situation should be reversed so that the loan is directly subsidised. However, a loan subsidy, as has been found in other countries, is no simple matter. Once again the size of the subsidy and to whom it should be given becomes an arbitrary and bureaucratic decision.

Do you see any immediate changes coming out of the Du Plessis commission?

I don't know. But as the building societies are being in a sort of limbo in anticipation of the commission's report, one must assume that it will report fairly even if its recommendations are not accepted by the Minister.

The societies' lending is down to about 10% of what it was a year ago. If short-term rates continue at their current high levels, how will the societies fund home loans?

Ideally the building societies should fund themselves from the retail market because this is steady and relatively cheap money. At present they are borrowing short and lending long. As a protection against sudden adverse interest rate movements they should have a wide spread of deposits with varying maturity dates or alternatively match length of funding to that of loans which may involve turning to the capital market.

How do you see competition with the banks, especially for retail funds, affecting the societies over the next few years?

There seems to me to be little doubt that the banks' shareholders serve as a whip to streamlining their efficiency. Without the prospect of facing shareholders, the societies may have difficulty competing with the banks. However, without this "whip," and partly because the societies have used the socio-political nature of the mortgage rate to their advantage, they have established a disproportionately large stake in the financial framework.

What is the outlook for the mortgage bond rate?

The mortgage rate must go up. With long term Escons at about 14%, the minimum mortgage rate should be around 15% instead of the current 12.25%. Those homeowners who can afford the bigger loans should, under present conditions, be paying at least 16% instead of 14.25.

One way around the problem of a higher mortgage rate excluding the lower income brackets from the housing market is to introduce a steeper differential between the upper and lower rates.

But as the bigger borrowers tend also to be influential people, I think a change in this direction is unlikely. Although the mortgage rate may yet go up there will be bureaucratic resistance to a bigger-than-usual increase.

How important do you think black housing will become to the societies over the next few years?

Since the 99-year leasehold came in, blacks have been slow to take up the chance of buying their own homes. The feeling is that the reason for this is a reluctance to invest in the black areas.

So I believe that as long as there are laws which tell people where they must live, home loans to blacks will not be a substantial part of building society business.
Homeless

Expresscope Exposes The Real Housing Crisis

SUNDAY EXPRESS January 31, 1983
Booklet tells blacks about owning homes

Post Reporter
A CAMPAIGN to educate blacks in the benefits of home ownership has been launched in black townships throughout South Africa.

The campaign has been spearheaded by the publication of a special information booklet — first of its kind by a private sector company — designed to tell blacks everything there is to know about buying a home, or improving the one they already have.

The injection of white business, financial and building knowhow is expected to stimulate the growth of a property-owning black middle class, says Dr Llewellyn Lewis, marketing man of Everite Ltd, which is distributing 40,000 copies of the home ownership booklet through black communities nationwide.

The company has already contributed to several modern house-building projects in black urban areas, involving limited private participation.

In one of Soweto’s showpiece developments, recently completed at Meadowlands, the company acted as project manager and supplied an extensive range of building materials.

The booklet includes instructions on obtaining finance for building, the various forms of home ownership, investment information, and a useful guide to home improvements and extensions.

Readers are told: “Buying or building a home is almost certainly the biggest investment you will make in your life. The purchase of your own house is a very wise investment — you won’t find a better investment for your money.”

The booklet also quotes official statistics to show that a typical black township house which cost R4,209 to build in 1977 will cost R14,418 in 1985.
Housing Commission will be able to raise own loans

Political Correspondent
CAPE TOWN — The Minister of Community Development, Mr Peo Kotze, yesterday announced that the National Housing Commission was to become a statutory body able to raise its own loans.

Until now the commission has been able to administer only those funds which have been allocated to it by the Treasury for the purpose of State-assisted housing.

Mr Kotze, announcing the move during the no-confidence debate, emphasised that the commission would be able to raise the loans only with Treasury approval.

Reacting to the statement, Mr Colin Eglin, the FP's chief spokesman on housing, said the effect of the change would be to enable the public sector to gain access to private funds, but it could not be seen as a full involvement by the private sector.

Private sector involvement should not be limited simply to the provision of funds, but should also deal with assistance in expertise and planning, he said.

Mr Kotze's announcement follows hard on the heels of the Viljoen Commission of Inquiry into private sector involvement in black housing, which recommended a major private-public sector offensive to wipe out the housing backlog.

The main recommendation of the committee — that the Government should subsidise the individual rather than the housing scheme — was referred by the Government to a committee, amid strong objections from Opposition spokesmen.

In his speech yesterday Mr Kotze said he hoped the National Housing Commission would be able to get funds from the private sector for the housing initiative.

However, he rejected claims that there had been a cutback in State financing for housing development, but said that because of external factors it was inevitable that less money could be spent on the actual building of houses.

The general housing situation was vastly improved over seven or eight years ago, Mr Kotze said.
A turning point in SA history...

A turning point in SA history...
The amount of money available for sports sponsorship in SA has risen sharply in the last five years. Trevor Dreyer of Datsun agrees that sponsorship played an increasingly important role as SA participation in international sport declined, and TV coverage has also been important.

Datsun's current sports sponsorship budget is R1m. "Winning is leading a move to found a Sports Sponsors Association of SA. Its first meeting will take place in March to be attended by as many sponsors as possible. "Its objectives are to enable sponsors to act as a unit in promotion and to speak with one voice to the media, to government and provincial sports groups," he says. It aims to give advice to sports bodies on how to deal with sponsors, to advise sponsors on what to look for, and to protect sponsors from overzealous sports organisations."

**BOET VILJOEN**

**Advising on Soweto housing**

Boet Viljoen is MD of the SA Permanent Building Society and chairman of the Viljoen Committee, whose report into private sector participation in the provision of housing in Soweto was released by government last week.

**What is the most significant aspect of the report?**

The acceptance of the fact that the black man will live next door to us in the bigger centres, and that not only does he need a home and shelter but that there must be a housing process. Also, the recognition that the private sector, which includes the black household and black entrepreneur must combine its efforts with government to initiate a housing process. It is no good just handing out houses when there is a shortage.

**What do you think of government’s reaction to the report?**

I'm excited that government has accepted our recommendations in the main and am not concerned that they have decided to re-examine certain aspects. At present a committee under the Deputy Minister of Finance Danie Steyn is investigating the financial implications and some issues are already finalised.

**What about the coordinating committee the report recommended to monitor progress?**

At present the Steyn committee will carry on that function — the other committee hasn't yet been appointed but soon will be. We don't want too many committees evaluating the same issues.

**Why is government stalling on the subsidisation recommendations?**

They aren't stalling. The subsidisation issue is extremely complex, and requires further investigation. Presently, subsidies for black apply only to rental housing and we recommended subsidising home-ownership and home-building. Government accepts the need for subsidisation but now some people are receiving subsidies who shouldn't be. So it is essential that the Steyn committee evolve a subsidisation formula which is just and fair. This is a lengthy process.

If one subsidises prospective homeowners rather than the house, does one run the risk of subsidising inefficiency or the profit of individual developers?

No. The developer will never be subsidised — only the low-income earner, until his income outgrows the need. The report has been drafted to exclude profiteering and the possibility of subsidies passing into the wrong hands. According to the report, R600m is required to solve Soweto's housing crisis. A large portion of this is expected to come from government. How will the recent Treasury cut-backs in the allocation of money for housing affect this? It could be said that now we have the report, we have no money. However, it is more important that the report has been written and that government has accepted most of the recommendations. We must now get moving as fast as we can, given the circumstances. As the economy improves, building will speed up.

There has long been a willingness by employers to get involved in housing but the availability of land in Soweto has been a major stumbling block. Yes, this is true. However, there is land immediately available for 10,000 houses — the problem is that the infrastructure has not been developed. Additional land will also be allocated to cater for future growth.

Some people argue that Soweto's housing crisis has resulted from government's policy of regarding urban blacks as temporary sojourners. This has not been resolved by the report. Why did you avoid dealing with the freehold issue?

The report did not skirt around this because we didn't know how to handle it. Rather, we were looking for immediate solutions. We didn't want to get involved in a lengthy political debate surrounding the granting of full title. There is a growing feeling that Soweto is being developed as a political symbol whilst other equally needy areas are being neglected. Is there any possibility of your committee's proposals being implemented nationally?

Soweto is unique because of its size, proximity to Johannesburg and the scale of its problems, so I think government was correct in focusing attention here. If the proposals are found to be workable in Soweto, they can then be extended to other areas with the appropriate modifications. Soweto was never regarded in isolation, but rather as a starting point.

Utility housing companies have been mooted as a vehicle for channeling private sector effort. What will government's role in these companies be?

The report merely proposed ways of injecting finance into the housing process. The formation of a utility company was simply one of these measures and is now being investigated by the Steyn committee.

What role can the private sector play now?

Employers can build homes for their employees or existing homes can be improved or extended. Private sector entrepreneurs can undertake development themselves. The amended legislation granting whites leasehold rights makes this possible. The private sector can grant loans to government agencies such as administration boards if they don't want to get involved in actual building. Building societies can also make finance available.

The report recommends a range of serviced-site options. If the subsidy recommendations are accepted, will building societies be prepared to grant loans for self-help housing?

A building society dealing with trust funds and savings must invest these moneys very carefully — even in white areas not all self-build projects are granted loans unless the project's viability is certain. However, there is a possibility that building societies could grant loans for self-help if the criteria for granting loans are revised and projects carefully monitored.
Bond repayments in 'double rise', says society chairman

A DOUBLE INCREASE IN MONTHLY REPAYMENTS FACE THOSE WITH HOME LOANS. THEY WILL HAVE TO PAY HIGHER INTEREST RATES SOON

Few will escape increase, says society chairman

The Weekend Argus, February 6, 1982
New concept in public housing

A new building method which could save 50 percent on labour costs may be used for large housing developments for Transvaal Public Works Department personnel.

The Space Frame building concept has been claimed as a suitable method to ease the drastic housing shortage in South Africa.

The materials consist of reinforced steel frames encasing central panels of rigid polyurethane foam insulation sealed in a sand-and-cement mix.

A TPA delegation inspected three pilot homes at Witfield, Boksburg, at the weekend.

Mr P W du Plessis, director of the Transvaal Public Works, said: "The houses are being put up as an experiment. We have been very impressed with the speed and cost savings, and the method has a lot of potential."

Since the granting of an Agreement Certificate to Space Frame last year, most building societies in South Africa confirmed that they would grant bonds for houses being built by this method.

Mr Hendrik Sioet, president of the Association of Building Societies, said any building method which could help ease the shortage of housing was a "boon to the country," and the fact that an Agreement Certificate had been granted showed the product had quality and durability.

"We believe that building trends are destined to change, and that at last we have found a viable alternative to bricks," said Mr Bill Noworthy, managing director of Space Frame.

Mr J M Griffiths (left) and Mr P W du Plessis inspect one of the houses being built in Berton Park, Witfield for officials of the Transvaal Public Works Department.
Mortgage rate rise likely tomorrow

Property Editor

BUILDING society officials will meet the Minister of Finance, Mr Owen Horwood, in Cape Town tomorrow to ask for an increase in the building mortgage rate. It is expected that a statement on the agreed increases will be made in the afternoon.

Speaking from Worcester, the chairman of the Association of Building Societies, Mr H A Sloet, confirmed that a deputation from his association would meet the Minister tomorrow. He would not disclose what requests would be made to the Minister who must give approval to any rise in mortgage interest rates and in tax-free investment rates.

It is expected that the societies will ask for a 1½ percent rise in the mortgage rate but will be content to accept three-quarters or one percent rise. However, any increase will be matched by increases in deposit rates in an effort by the societies to compete with banks in attracting money.

Warning

Mr Sloet said last Friday that he expected a rise in home loan interest rates, 'in the very near future,' and a matching rise in deposit rates.

He warned that few would escape larger monthly repayments on their mortgages due not only to the increase in interest rates but by the decision a larger payment of the by the societies to call for capital debt.

In other words, bondholders will face a double increase from higher interest rates and larger capital repayments.
Inconsistent policies have led to black insecurity

...
Homes: Private sector 'wants freehold title'

Property Editor

The Government could not ask the private sector to invest in black housing if freehold title could not be obtained by the investor, the president of the Building Industries Federation of South Africa, Mr Leon Glaser said yesterday.

He was commenting on the Viljoen Commission report which considered the involvement of the private sector in the black housing backlog.

'Firstly it must be clear that the Viljoen report refers specifically to the Soweto housing backlog.

R379m _A YEAR_

'Secondly the report suggests that the private sector contributes some R379m a year for a five-year period to help wipe out that backlog. This represents only half of one percent of the total national building programme. These sums are not frightening but the private sector must be allowed to operate in building these houses with some safeguards.'

Ways and means should be discussed to allow for this amount of money to be forthcoming from the national building programme. But the private sector would only cooperate if it were allowed to do so in the normal private sector manner.

REAL ASSET

One of the most important conditions would be the need for freehold title so that the houses built would represent a real asset either to the occupier or to the employer.'

Mr Glaser said there should be some safeguards. The field should not be opened freely to white entrepreneurs but the way should be made easier for black builders and employers to build on a freehold basis. They must be able to construct assets they can sell later.

You cannot ask the private sector investor to buy, servicing and developing the land needed; would be about R696m, of which some R300m would hopefully come from the private sector. But only leasehold rights would be granted to these homes.
Call to repeal laws

The usually non-controversial SA Foundation has recommended that the Group Areas Act be repealed, influx control laws be phased out, and freehold property rights be given to blacks.

The recommendations are contained in "A history of black housing in SA," written by former Urban Foundation housing consultant Pauline Morris. The publication is part of the SA Foundation's research programme evaluating SA's socio-economic business environment.

Morris traces the development of SA's housing shortages and calls for drastic and far-reaching changes in housing policy. The granting of freehold rights is seen as an important priority. Morris says: "Freehold rights should be granted as an option within the range of present rental and leasehold opportunities" with the eventual aim of converting all leaseholds to freehold.

"The granting of freehold rights," she says, "would overcome the present psychological resistance of many blacks to existing leasehold rights and could simplify the highly complicated registration procedures." Morris told a group of businessmen at the SA Foundation in Johannesburg this week that "the most fundamental problem was government's insistence on blacks being regarded as temporary sojourners. This has affected housing policy, tenure and the attitude of officials and has retarded the provision of housing, particularly the participation of blacks in the provision of their own homes."

Influx-control policy is another major cause of housing problems, particularly in the peripheral urban settlements and rural areas. As Morris points out: "The policy only serves to shift the housing problem away from the white urban areas and places greater pressure on peripheral settlements."

Although Morris has not undertaken a major investigation of influx control policy, the documented evidence has led the foundation to call for it to be phased out. Morris suggests that attention should be directed towards urbanisation programmes which should include the allocation of land, the provision of infra-structure and the development of a range of appropriate low-income housing options.

The adoption of more appropriate standards and the provision of greater housing choice is also essential. For example, housing policies should be adjusted from being supply-oriented (with an emphasis on minimum standards) to being demand-oriented with realistic recognition of available resources and ability to pay. A range of housing options, including the upgrading of existing informal settlements, the establishment of site-and-service schemes, and allowing core units as well as conventional township housing, are essential if realistic solutions are to be found.

Morris ... calling for drastic policy changes
### FRIDAY, 12 FEBRUARY 1982

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The amounts shown under (a) are not final as yet and are subject to later adjustments as may prove necessary.

85. Mr. C. W. EGCHE asked the Minister of Statistics:

The MINISTER OF STATISTICS:

The amounts shown under (b) are not final as yet and are subject to later adjustments as may prove necessary.

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Figures for 1981 are provisional.
SA needs 119 670 houses a year

Political Staff

THE government has estimated that 119 670 houses a year — at a cost of R382-million to the public sector — will have to be built every year for 10 years to overcome the housing shortage.

In a statement yesterday, the Department of Community Development said that if houses were constructed at this rate the backlog would be overcome in five years for whites, coloured people and Asians and in 10 years for blacks.

The department said its estimates were based on the private sector building 46 000 houses, mostly for whites, every year.

It calculated that 38 600 houses a year would have to be built for whites, 21 700 a year for coloureds, 7 900 a year for Asians and 28 000 a year for blacks.

Investment

Most of the houses for white people — 33 300 — would be built by the private sector, while the public sector would have to be responsible for most of the housing for the other groups.

"To finance a housing programme of this magnitude, the government must increase its housing investment," the department said.

The department said the department was actively pursuing ways and means of augmenting the capital of the National Housing Fund and of encouraging greater participation by the private sector.

Dr Andries Treurnicht said the Department of Community Development and the private sector had contributed 29 461 houses in South Africa in 1981, 16 530 fewer than the estimated annual target of 45 500.

Opposition speakers accused the government of not doing enough to help the housing crisis.

Opposition proposals included government purchases of existing flats and incentives to the private sector to build more flats for the lower and middle-income groups, and protection for harassed tenants.

The Deputy Minister of Community Development, Mr Pierre Cronje, said many of these suggestions were already under consideration, but promised to refer them all to the advisory committee for housing affairs.

Urging measures to correct the shortfall of low-rental flats, Mr Eglinton said thousands of people in cities and towns were either old, lonely or ill, lived in a state of insecurity and personal concern.

"The problems of today are going to mushroom into a housing crisis of dramatic proportions within the next couple of years unless the government takes positive and constructive correction measures," he said.

The New Republic Party leader, Mr Vause Raw, said many State officials showed no compassion for the needy and aged, who are the "heartless disconcern" of some of his colleagues.

Dr Treurnicht said the private sector had constructed 918 houses for blacks in 1981, whereas the department estimated that the private sector would have to erect 2 000 houses annually.

In its statement, the department said that between 1976/7 and 1981/8 the department, assisted by local authorities, had built 108 663 new dwelling units at a cost of R3 946-million, while the private sector had provided 146 711 new dwelling units at a cost of R3 946-million.
Use levy to secure more flats for State — Durr

Political Correspondent

HOUSE OF ASSEMBLY. — The government is to look at a proposal which would enable it, through an enhancement levy on developers, to be given flats in blocks converted to sectional title.

The suggestion was made yesterday by the Nationalist MP for Maitland, Mr Kent Durr, during debate on the Housing Amendment Bill. The measure, enabling the National Housing Commission to borrow money, was passed with opposition support.

There was consensus that the additional sources of funds for the National Housing Commission, now able to borrow money or issue debentures, bills or stock, should not mean a decrease in the state allocation of funds for housing.

The Minister of Community Development, Mr Pem Kotze, expressed interest in Mr Durr’s proposal but rejected a call from Mr Colin Eglin (PFP Sea Point) for increases in the income levels qualifying for state financial assistance and the amounts of money that could be lent to these people.

Mr Durr noted that in the Cape an enhancement levy was payable on the windfall profit when land values increased by the executive action of rezoning, such as from agricultural to industrial. The levy was up to 80 percent of the enhanced value and could be paid in endowment plots from the land concerned.

Mr Eglin also cited the value of a block of flats which was increased because it changed from letting to sectional title.

The enhancement levy could be paid in the form of endowment flats in the building. This would increase the number of housing units available to the state and prevent people displaced by sectional title sales from having to be moved to a strange or distant neighbourhood.

It would also benefit developers, because conversion of a block to sectional title was often delayed when there were protected tenants in the block. These tenants could then say on in the endowment flats.

Mr Eglin said that, because of the effects of inflation on the middle and lower income groups, the income level qualifying for state assistance should be raised from R360 to R600 a month for single people and from R650 to R1 100 a month for married people.

The present loan maximum of R18 900 for a house costing up to R23 000 should be raised to R30 000 for a house costing up to R50 000. These moves, he said, would enable more people to qualify for state housing assistance.

This, said Mr Kotze, was exactly what the government did not want.

“The more you increase the limits, the more people qualify. We are moving in the other direction: We want people to look less to the state for assistance and more to the private sector.”
lower income groups.

The move is seen as a direct response to the Vljoen Committee's investigation on how to mobilise private sector finance for the funding of black housing, and the recent call by the Prime Minister at the Good Hope conference in Cape Town for the business community to play a larger role in housing provision employees.

Natal's first housing utility company, Com Housing, was launched in Durban last week by Minister of Community Development Pen Kotze. Others are being planned for Johannesburg and Port Elizabeth.

The housing utility company concept is not new. The Garden City Utility Company in Cape Town was formed in 1919 and since then has provided roughly 30,000 homes to people of all races. Four other housing utility companies are currently operating successfully in the western Cape.

Com Housing, the first such company formed outside the Cape, will initially be responsible for providing accommodation for whites, Indians and coloureds earning up to R550/month, and between R650 and R1,000/month. Later the company's operations will be expanded to include the provision of housing for blacks.

Like all other housing utility companies it will work on the non-profit principle. All profits generated will be ploughed back into the company for the provision of additional housing units. According to the chairman, former National Party senator Hendrik Klopper, the intention is to get the Department of Community Development to assist by providing cheap land and low interest loans. Major employer groups, building societies and financial institutions will also be asked to assist by providing finance.

Although Com Housing has a strong political bias — most of its directors have at least some political connection — Klopper denies that there are any political undertones. He says it is merely a question of assembling people with the right skills and sufficient motivation to get the company in motion. He adds that later, representatives of the Department of Community Development, the Durban City Council and Indian and coloured communities will be invited onto the board.

Although the expansion of the housing utility company concept as a means of assisting government to come to grips with the growing housing backlog is to be welcomed, it couldn't have been introduced at a worse time. Government reserves are low and liquidity in the private sector is extremely tight.

However, according to Kotze: "Legislation has been introduced in Parliament to give the National Housing Fund statutory power to borrow funds from the private sector both locally and abroad. The market is tight but I'm sure some money will be forthcoming."
Kotze denies whites face homes crisis

THE ASSEMBLY — The Minister of Community Development, Mr Kotze, yesterday rejected Opposition arguments that whites were facing a housing crisis.

Replying to a debate in the Assembly on a private member's motion about national housing policy, Mr Kotze said there was an increasing shortage of white housing in centres such as Pretoria, Johannesburg and Durban.

"But we cannot refer to this as an emergency or crisis," Mr Kotze said.

The situation was not even approaching a crisis and could not be compared to the housing situation of other population groups.

Mr Kotze said it was true that many young people were finding it difficult to buy or rent houses because of high costs.

He appealed to young people to make provision for having a roof over their heads instead of saving their money for items such as television sets and cars.

Young people should also make use of the State-supported housing scheme created for people in their position.

Under that scheme they could save at building societies and obtain certain benefits that would help them get their own homes, Mr Kotze said.

Earlier in the debate the chief Opposition spokesman on housing, Mr Colin Eglin (PPP, Sea Point) said that, unless the Government stepped in, South Africa would be facing a major crisis in white housing far sooner than people might realise.

Mr Eglin called on the Government to take urgent and positive steps to provide adequate housing.

Some of the steps the Government could take were:

- To adjust, in money terms, the income limits for assisted housing, and to ensure that people who were in need of assistance were not denied it.
- To pay direct rental subsidies to senior citizens who qualified for housing assistance.
- To introduce new forms of housing finance to assist young couples who wished to buy or build their first home.
6.1 Discuss the following:

6.1.1 It was a born-again presidency for Jimmy Carter. After months of discouraging setbacks, a steady decline in the polls and increasingly open disdain from members of his own party, the President was exuberantly on the move, roving from New Jersey to the Carolinas to the Middle West. Everywhere he went, crowds turned out and cheered him for historic success at the Middle East summit talks at Camp David, and those ringing cheers were backed up by new polls that showed him making dramatic gains in the past week. According to a CBS survey, popular approval of his Administration climbed from 38% in June to 51% last week, while a Gallup poll rose from 39% in August to 56%. This shift testifies to the mercurial nature of public opinion, at least as measured by the surveys. One triumph can cause a President's rating to soar, one setback can start it plummeting again.
All may help to build in black areas.

CAPE TOWN — Anyone interested in obtaining leasehold rights to property in black residential areas was free to apply to the relevant administration board, the Deputy Minister of Co-operation, Dr G de V Morrison, said in a statement issued here today.

Dr Morrison pointed out that legislation was passed last year which provided for the acquisition of leasehold rights by persons and organisations other than blacks.

This was done with a view to stimulating housing development for blacks and in particular made provision for leasehold rights to be acquired by building societies and their affiliates; small businesses; development corporations; private developers and employers.

"Conditions applicable to acquiring such leaseholds have been communicated to the administration boards from which further details are obtainable," Dr Morrison said.

"The conditions were expressly designed to protect the interests of the leaseholder and to promote the provision of housing.

"Should anyone other than the parties already covered by the above decision wish to acquire a leasehold for black housing, such person is free to apply to the relevant administration board.

"The administration board will process the application and forward it to the Department of Co-operation and Development."
THREE IMPORTANT developments in as many months have helped to bring about radical changes in the housing policies of the black people as permanent city dwellers. But experts believe the backlog of housing crises cannot be made up and that the harm resulting from 30 years of neglect is immeasurable.

The latest moves on this front are the publication of the report of the Vlajoen Committee on housing in Soneto, the government's 13-point plan for black housing in urban areas, and the publication of a significant book, A History of Black Housing in South Africa, written by researcher Miss Morris and published by the South Africa Foundation.

1948-1979

Miss Morris traces the history of official attitudes toward black housing for back as early as 1948 and concentrates on the local government period between 1948 and 1979 when the National Party was in power. She devotes itself to the policies of the different policies of the housing authorities in the cities. While conceding that policy has changed, Miss Morris is critical of the housing problems and the lack of confidence felt by blacks regarding the intentions of the government. - From past policies and practices - call for drastic and far-reaching changes and commitments.

The author says ideology has backed down in the face of reality. And if and when the government gave up giving the housing backlog caused through the ideological 1970's the tide would turn and blacks would start streaming back to the 'home-lands'...

The commission decided that blacks must see a natural economic phenomenon which could not be reversed and rejected total racial segregation as utterly impractical. The Nationalist Government of South Africa has never, however, as soon as they came to power, really desired urban blacks in white areas to be economically secure with political or social rights in these areas.

In the 1900s leasehold tenure was withdrawn and so too was the right of black women to acquire housing.

Shanty-towns

Township managers were granted powers of execution and 400 of them were restricted. Family housing was discouraged.

Stricter enforcement of influx control led to an increase in settlement, Group Areas. Area restrictions were advanced by blacks farther and farther away from their places of work.

Miss Morris quotes a major policy speech delivered in a campaign on May 20, 1969, by a former Prime Minister. Dr. Verwoerd, the acknowledged architect of separate development.

Dr Verwoerd said provision would be made through the 'compensation between urban blacks and broader Bantu authorities and for consultation with Commissioners-General for representation of the various ethnic groups.

Miss Morris defends the right of the reader at this point to the intention to bring together their respective 'home-lands'.

The former Prime Minister emphasized that the 'Bantu homelands would be allowed for both their own population and the re-formation of Bantu homelands."

Miss Morris says the policy of the Union Gov- ernment up to 1948 of regarding urban black homelands as temporary inhabitants was rejected by the Fagan Commission in that same year.

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Another Loss to Jazz

TO SAY'S "NO" TO DE LANGE

DEATH ROAD SETS 2

Non-black owners in townships

WHERE ARE THE MINISTER EGA'S (ete) OF RIOT POLICE AND ADMINISTRATION BOARD?
Help for housing development urged

JOHANNESBURG – The slowing-down of high-density housing development will result in inflation and skyrocketing property prices, unless institutional developers like mining houses and insurance companies embark on housing development on a larger scale, says Mr. John Ferrans, managing director of HICA (Property and Industrial Consultants and Administrators).

"Institutions are the only people with money to build at the moment. If they don’t build, the accommodation shortage in months to come will reach dreadful proportions."

He points out that while lack of finance means small developers cannot initiate new projects, consumer demand is as high as it has ever been.

If this building cut-back continues, he says, in a year from now prices will be completely out of proportion.

Institutional developers and the Government are the only people in a position to prevent that sort of thing from happening.

"To do this it will mean they may have to carry purchasers for an extended Deed of Sale period until the bond situation eases."

And he contends, the Government should offer incentives to property developers. "Developers," he maintains, "are not charities interested in providing subsidised housing. Like businessmen, they invest in schemes that will generate a fair profit."

"However," Mr. Ferrans suggests, "the Government should increase the profitability of such ventures by offering tax rebates or similar incentives to offset high interest rates. This will encourage developers.

"These incentives can take the form of low-interest loans, reasonable costs for suitable ground, or tax rebates fixed on a sliding scale where the rebate is inversely proportional to the cost of the residential unit."

Mr. Ferrans contends that "doom mongers" have interfered with the natural process and aggravated the current situation.

"It’s ironic that a while ago these prophets of doom were predicting an accommodation glut. Many of us denied these gloomy predictions but the damage was done and many developers in the fields of high-density living projects were scared off."

"The backlash of this is with us now in the form of a desperate shortage of accommodation."

It is a shortage, he predicts, which can only get worse unless institutional developers take aggressive steps to correct the situation.

He believes this would be worthwhile financially, and good for the economy of the country as a whole, for it would stabilise the future property market.
LOW-INCOME HOUSING

Self-help solution

In recent years, government has increasingly turned to the private sector for solutions to the country's critical housing crisis. This week, in an unprecedented step, the United Building Society (UBS) announced it will grant loans for a low-income self-help housing project initiated by the Urban Foundation (UF) at Katlehong, near Germiston on the East Rand.

Not only is this the first time a building society has granted loans for a self-help housing project, it also represents a major breakthrough in low-income housing.

An agreement has been drawn up between the UBS and the UF, whereby the UF will run the project and provide bridging finance and management services to the Katlehong housing team which manages the project. The UBS will provide financial backing. It will be run as a joint venture by a UF housing team, the East Rand Administration Board, the Katlehong Community Council and community bodies.

According to Matthew Nel, the UBS manager of residential development: "The aim is to demonstrate self-help housing on a large scale, with full participation of low-income households, to enable shack dwellers to obtain homes.

At present, 30,000 people live in shacks at Katlehong – one of SA's largest black townships – and the need is urgent. The project was initiated a year ago. In the first three months, 2,694 families registered. Applications are now closed."

The ability of low-income earners to purchase their own home has been a pressing issue in recent years. Nel comments: "The average income of the recipients is about R400 p.m., but if a prospective house owner is only earning R120 p.m., he is not excluded. He can still build a small house as long as his monthly payments are not more than 25% of his income. The bond required for the total house is about R1,690 p.m. excluding labour costs, including bond registration, land and services, finance charges and material.

Our intention is to set up an intermediary housing agency which links individual households and the informal construction industry to the formal private sector and all its benefits. It will do this by using the benefits of bulk purchase prices, trade discounts and credits which will be passed on as benefits to the participants. We will also be creating jobs in the community."

In addition to the granting of loans, a number of other financial innovations are involved in the scheme. For example, the owner-builder will receive a 100% loan, with no bond deposit required, because his labour is seen as constituting a deposit of at least 40% of the cost of the house – particularly important for those who have not been able to accumulate savings.

Loans will also take into account the spouse's income plus a percentage of income from informal sector jobs done by a household, in addition to the head of household's income.

According to Nel, the UBS is "only concerned about the structural stability of the house and whether the job reaches completion. The finish is the owner's concern. He can upgrade it over time as his income increases. This does not represent a reduction in standards but rather a tempering which will make the standards more suitable to the incomes and priorities of the recipients."

As the housing backlog has grown more serious, housing experts have repeatedly cautioned that SA's mass housing approach is inappropriate to existing financial resources. This innovation by the UBS and the UF is, therefore, very welcome.
SUPPORT FOR LEVY FLATS

Alan Cooper, Property Editor

DEVELOPERS, builders and agents have welcomed the suggestion by Mr Kent Durr, MP, that 'endowment' flats should be set aside in blocks converted to sectional title to accommodate protected tenants.

Speaking in Parliament during the debate on the Housing Amendment Bill, Mr Kent Durr proposed that an enhancement levy should be paid by developers converting a rented block of flats to sectional title. This would be the difference between the value of the flats when rented and when converted. This levy should take the form of endowment flats in that block which would become the possession of the Government.

These could be set aside for tenants who, by virtue of their low incomes, need protection. The proposal would prevent tenants displaced by sectional title being moved to a strange neighbourhood or to a more expensive flat.

He added that developers would benefit as the conversion of a block of flats to sectional title was delayed as there were protected tenants in the block. These tenants could therefore stay on in that block and continue as tenants of State-owned flats.

The Government has, however, through proclamation in the Government Gazette, permitted some developers to convert and sell flats apart from those of the protected tenants.

Mr Durr's suggestion would add to the idea to encourage developers to put up blocks of flats for renting. The Government could provide low interest finance to developers anxious to erect flats and in return could be given so many units in that block for low income families who need protected status.

"This would have a twofold benefit — giving flat builders a boost and adding to the rented stock" was his suggestion.

Mr Durr's suggestion has merit," said Mr Geoffrey Seeff, chairman of the Institute of Estate Agents. "This endowment levy should be calculated on a percentage. For instance, the property under sectional title would be worth 50% more than when rented. That would allow the State to acquire possession of so many units for protected tenants in that block.

Developers should have the option either to pay the endowment levy in the form of cash or hand over units in the block. The endowment levy should be paid out through units already occupied by protected tenants so they would not be disturbed," Mr Seeff said that Mr Durr's proposal would obviously not be modified to encourage developers to build new blocks through low interest state loans. "It is not the Government's concern to lend money to the private sector for this type of development. Only when the building of flats becomes a viable proposition in terms of return from rents will the developer start building," he added.
More home funds to be sought by mayors

been cut from R100-million to R49-million after the council had already committed itself to expenditure of R69-million.

The council was forced to borrow the difference on the open market at high rates of interest.

Following a meeting yesterday between the Cape Housing Action Committee (Cahac), the City Council, the Divisional Council and management committees and the Minister of Community Development, Mr Pen Kotze, the State has agreed to look into the problems of the hardships caused by the present rent formula.

Mr Kotze agreed to appoint a top-level committee to investigate a new experimental rent formula to be tabled within three months.

Commenting on the rent formula problem the chairman of the City Council’s Housing Committee, Mrs Eulalie Stott, who attended yesterday’s meeting, said local authorities had been trying for a more equitable system since well before 1980.

The Government’s July 1980 formula had done wonders for the poor earning less than R150 a month, but had given little if any relief to others.

Especially hard hit were those in the R150 to R250 a month income bracket.

R49-million cut

If Cape Town’s request for R49-million for 1982/83 is cut substantially, the city’s housing programme could come to a standstill.

Mr van Zyl, at the request of the City Council’s executive, will ask all the mayors of the major cities affected by a housing finance shortfall to join him and the chairman of the Divisional Council of the Cape, Mr Louwville Rothman, in seeking an urgent meeting with the Deputy Minister of Finance, Mr Darie Steyn.

In an interview last night, Mr van Zyl confirmed that he would be seeking the backing of the other mayors but added that he did not want to say anything more about the plan at this stage.

Cape Town’s housing allocation for 1981/82 has
iii. Planning is a sustained process. Several schemes are being planned while self-building schemes, extension of houses, upgrading of townships, surveying of townships with the aim of selling under the 99-year leasehold scheme and the provision of infrastructure services are well under way. In the meantime planned projects in respect of 13,279 housing units have been approved by the National Housing Commission pending the allocation of funds.

The Private Sector in collaboration with Administration Boards are undertaking several schemes.

c(i) and (ii) No new projects or housing units in respect of which funds were allocated during the 1981-82 financial year will thus be affected. In respect of the 1982-83 financial year it is not possible to furnish information as funds for this financial year have not yet been allocated.

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(1) (a) Administration Boards were not instructed to cut back on existing funds for Black housing. The Boards were, however, requested to ensure that allocated funds not be exceeded as the amount available for housing during the 1981-82 financial year is only sufficient to cover existing contracts.

(b) The Boards were also requested not to invite or accept tenders for new projects for the 1981-82 financial year unless the Department of Community Development has authorized the additional expenditure.

(2) (a) The Department of Community Development:

(b) (i) It is not possible to quantify the number of houses under construction at any given moment but funds have already been allocated for housing schemes involving the erection of 38,359 housing units in various Administration Board areas. These schemes are in the course of execution.

114. Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

(1) Whether Administration Boards were recently instructed (a) to cut back on existing funds for Black housing and (b) not to accept tenders for new projects; if so,

(2) (a) from which Government department did the instructions emanate,

(b) how many houses are currently (i) under construction and (ii) planned in each Administration Board area and

(c) how many (i) new projects and (ii) housing units will be affected by these cut-backs?
Mr. A. B. WIDMAN asked the Minister of Posts and Telecommunications:

1. (a) How many blocks of flats were acquired for occupation by the personnel of his Department as at the latest specified date for which figures are available and (b)(i) what was the (aa) address and (bb) purchase price of, and (b)(ii) how many flats are there in, each such block;

2. whether notice was given to the tenants of such flats; if so, what was the period of notice in each case;

3. whether all the units are occupied at present; if not, how many units are vacant;

4. (a) what rental is being paid by the personnel of his Department, and (b) what was the previous rental for such flats?

The MINISTER OF POSTS AND TELECOMMUNICATIONS:

1. (a) 20 as at 31 January 1982, and (b) and (4)(b):

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<th>Purchase Price (Rand)</th>
<th>Number of Flats</th>
<th>Average Rent per Month (Rand)</th>
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<td>Newcastle</td>
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Aussie systems could cut the housing backlog

By Dave McDermott
Property Editor

MUCH has been said about the critical housing shortage but solutions to the problem remain conjecture.

Some advocate timber frame housing and a visit to Australia by 10 South Africans under the auspices of the South African Lumber Millers’ Association has provided a fairly comprehensive study of the method.

The findings of the group’s three-week study tour of Australia have been reported in Futurebuild, a journal put out by the University of Witwatersrand Department of Building. Four of the team were from the university.

One of the members summed up the tour by writing that South Africa could learn a lot from Australia in its “functional simplicity of construction and management which could go a long way to alleviating our crushing housing shortage.”

It is suggested there are some local areas which warrant more investigation. These include:

- Kit homes which can be erected by the individual for low income housing. For example, a wall panel system could be developed which has a timber framework and is clad externally with timber or some alternative material. The internal face would also be clad with a suitable boarding and the electrical and plumbing services incorporated in the frame. This could be produced in a controlled factory environment and transported to the site for easy erection;
- Transportable housing is another system which has reached perfection in Australia. Although similar systems exist locally, they do not compare with the simplicity and cost of the Australian transportable. It is a wholely produced home that resembles a conventional brick house, built in a factory and transported to the site in one, two or three loads. External cladding material simulates face brick finish;
- The “insert” is an Australian development by which an extra floor can be added simply by raising the roof and inserting light dry wall panels above the existing substructure. Normally, because it is lightweight, the operation does not need any extra foundation for wall reinforcement. This method is particularly suited to areas where horizontal expansion is difficult due to size of ground — as in Soweto and black townships.

Australia is able to produce timber frame brick veneer dwellings at a cost of about R250 a square metre — this in an infrastructure considerably more costly than the local one — through efficient management systems.

Standardisation has been honed. Important as a labour saver in any construction field, it is even more notably so in a system of an industrialised nature like timber frame.

Here Australia has excelled. Workers have familiarised themselves to such an extent with the manufacture of frames that four operators with no qualified skills can produce up to five or six complete house frames in a day.

The report says standardisation is carried through to many other activities and materials and a standard range of specifications in finish is offered.

Much of the labour, even though employed continuously by one
Some examples of brickwork finishes on cladding used in Australian timber frame housing projects.

Company operates on a sub-contract basis so that income is directly linked to production with sound results.

The construction process itself is simple as the frames are accurately pre-manufactured and the angle-brace technique enables them to be quickly and accurately plumbed on site.

In conclusion the report says these homes can be built a lot faster than conventional South African dwellings — about six weeks is the norm — and coupled with this is the lower component of qualified labour, about 25 percent of total cost.

The author of the report, D. G. Trower, believes it is in this area that South Africa could benefit because a large proportion of local labour is ideally suited for the functions associated with frame assembly.

In Australia, increasing emphasis is being placed on the use of computers in planning and production and these are now being introduced to South Africa.
Housing — why blacks are suspicious

Property Reporter

THE root cause of the prolonged housing problem for blacks in South Africa has been the "temporary citizen" attitude, says town planning expert Pauline Morris.

Not until there is a clearly defined policy on home-ownership, providing freehold, will South Africa overcome the chronic housing shortage, says Miss Morris, author of Black Housing in South Africa.

The inconsistent policies of the past in which blacks played no part in decision-making were disastrous, she says.

Speaking at a lunch held by the Blue Circle Products Property Editors Club, Miss Morris said: "What Soweto needs is not only houses but a normal property market such as that in white areas and that can be generated only on a freehold basis."

Legislation surrounding black home-ownership had caused confusion in that there had been freehold up to 1953 and then legislation had been introduced which abolished it.

Then had come leasehold over 50 years up to 1968 and "the madness of this being withdrawn," she says.

"In 1975 leasehold was again brought in and finally in 1979 25-year leasehold was introduced."

"Is it any wonder that the black man is suspicious of moves to give him adequate housing, not withstanding the strides which the private sector is making in this regard?"

"Is it any wonder the blacks adopt a passive attitude and expect houses to be handed to them?" she says.
Outdated legislation hampers new housing concept

By Hugh Poulter

RED TAPE is standing in the way of an ambitious housing concept that could ease the chronic housing shortage experienced in this country.

A new concept for South Africa, the timber framed house that can be planned and designed in a matter of minutes through a computerised system developed in the US, and can be constructed five to six times faster than the conventional brick and mortar house, is being handicapped by outdated legislation.

Roy Barrell, executive chairman of Federation Timbers says existing legislation regarding fire prevention and post control is hampering the multi-million rand project.

"Even though 80% of American houses and 100% of Australian houses are timber framed South Africa is extremely conservative and we are having difficulties with prejudiced people.

"As far as fire prevention is concerned the wood used for the frames is specially treated and as safe as any other building method.

"In America one can take a sketch and the dimensions of a house, feed it into a computer and in a matter of minutes a plan is drawn. The timber is cut."

Faster

"We have sunk millions of rand into this project which could ease the housing shortage in this country especially for the low cost Black housing," says Barrell.

Safe

"As far as fire prevention is concerned the wood used for the frames is specially treated and as safe as any other building method."

Plans

"But it takes a great deal of planning and the purchase and setting up of imported machinery and in this way we are concentrating on a massive project, " he says. The project is a scheme consisting of seminars and advertising to inform South Africans of the tremendous advantages of timber framed housing," says Barrell.

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R26m slump in cash loans

CAPE TOWN — The building society movement in South Africa has experienced another net outflow of funds and prospects for improved availability of mortgage bonds remain bleak.

Releasing the latest monthly statistics of the Association of Building Societies here yesterday, the president, Mr Hendrik Sloet, said the movement had paid out R26.2 million more than it had taken in during January, the second outflow in eight months, and an even larger loss could be expected for February.

The previous net outflow had occurred 15 years ago when a deficit of R4.8 million was recorded.

A breakdown of the figures showed that investors were still turning away from the societies' shares, their most stable source of funds and the one on which lending was based, in favour of their fixed deposits which were more expensive to administer and which paid higher interest, necessitating higher rates to borrowers. Administration costs had also been hit by the fact that it now took an average eight lenders to provide funds for one loan, compared to a ratio of four to one in the past.

Mr Sloet did not expect home loan interest rates to rise in the near future, but one per cent increase could be accommodated at a later stage if necessary.

A gross amount of R2 044 million was advanced in loans April to last January, compared with R2 552 million in the similar period of 1980, but this was sufficient to allow only 78 063 bonds to be granted compared with 155 849 in the earlier period.

The average bond in January this year stood at R28 899 compared with R20 339 two years previously.

Mr Sloet said he did not foresee a return to lower interest rates for a long time to come.

Building society officials doubted that recent adverse economic factors, such as the slide in the gold price and the bond drought, would significantly depress property prices because of continuing high demand for accommodation and rising costs. — DDC
13. Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

(a) How many persons in Soweto applied for 99-year leases from the inception of the leasehold scheme to 31 December 1981 and (b) how many such applications have been granted:

The DEPUTY MINISTER OF DEVELOPMENT AND OF LAND AFFAIRS:

(a) 2,484
(b) 1,225
Mr. P. R. C. ROGERS asked the Minister of Co-operation and Development:

(a) What was the total number of houses built in Black townships administered by Administration Boards in each of the latest specified five years for which figures are available, (b) what number of houses are planned for the next five years and (c) what is the housing backlog in respect of such Black townships?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(a) Figures in respect of houses built by administration boards from their own funds and loans from the building societies are not readily available. However, figures of the number of houses built with funds from the Department of Community Development are as follows:

- 1977-78: 5,284
- 1978-79: 9,154
- 1979-80: 9,945
- 1980-81: 3,465
- 1.4.1981-31.01.82: 3,932

(b) Planned projects in respect of 14,279 housing units have been approved by the National Housing Commission pending the allocation of funds.

(c) Approximately 160,000.
Blacks short of 160 000 homes

Parliamentary Correspondent

The Government has estimated that there is a backlog of about 160,000 houses for black people in South Africa.

But projects have been planned for only 14,279 housing units and approved by the National Housing Commission pending the allocation of funds.

This was disclosed yesterday by the Minister of Co-operation and Development, Dr Piet Koornhof, when he replied to a question which had been tabled in Parliament by Mr Pat Rogers (NRP, King William's Town).

Between March 1, 1977, and January 31 this year, almost five financial years, the administration boards built 31,780 housing units with funds from the Department of Community Development.

Dr Koornhof said, however, that figures in respect of houses built by administration boards from their own funds and loans from the building societies are not readily available.

The lowest figure over the five-year period was in 1980/81 when 3,465 houses were built from Department of Community Development funds.

Mr Rogers had asked him for the total number of houses built in black townships by administration boards over the past five years.

 Asked what the number of houses that were planned for the next five years, Dr Koornhof replied: 'Planned projects in respect of 14,279 housing units have been approved by the National Housing Commission pending the allocation of funds.'

Dr Koornhof said the housing backlog in respect of townships administered by administration boards was 'approximately 160,000.'
Backlog of 160,000 houses — Koornhof

Political Staff

HOUSE OF ASSEMBLY.

The government has estimated that there is a backlog of about 160,000 houses for black people in South Africa.

But projects have been planned for only 14,279 housing units and approved by the national housing commission “pending the allocation of funds”.

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Dr. Koornhof said, however, that “figures in respect of houses built by administration boards from their own funds and loans from the building societies are not readily available”.

The lowest figure over the five-year period, was in 1980/81 when 3,465 houses were built from his department’s funds.

Mr. Rogers had asked him for the total number of houses built in black townships administered by administration boards over the last five years.
INTERNATIONAL housing statistics show that South Africa is faring a lot better than most countries and certainly a great deal better than its internal and external critics like to believe.

Although South African figures cannot be run parallel to international figures - since the country splits its statistics on racial lines - comparisons, nevertheless, can be drawn.

Housing construction, for example, expressed as a rate per 1,000 of the population, varies from a high of 23.8 in Greece to 0 in Malawi.

Hence the South African rate of 6.7 for whites is about average for industrialised countries, says Market Research Africa, which provides the local figures.

In the African area, only Mauritius comes near the white South African standard with 5.9, while in Asia both Israel (6) and Singapore (14.9) beat South African whites.

Australians build at the rate of 8.4 and Canadians top 9.8. But the US falls behind with 4.4.

South African whites beat several South American countries, which are led by Argentina (4.5), with Venezuela and Chile almost tying (3.2 and 3.1).

Only Belgium lies with white South Africa, but Greece (22.8), Norway (9.1) and France (7.5) beat this country. Britain limps behind with 4.2 and Germany with 3.4.

The fact that Greece is so construction-happy at the moment reflects both its necessity for increased housing and its new-found confidence in the EEC economy.

Coloured and Asian figures stand at 1.4 and 0.9 respectively.

By Vera Beljakova

- a high 5.3 per 1,000 of population - demonstrate the group's desire and ability to provide better housing for their members.

The rate of 3 per 1,000 for urban blacks compares favourably with the poorer nations in Africa, Asia and Latin America. This group's construction rate compares with Venezuela (3.2), Chile (3.1), Turkey (2.9), South Korea (3.3) and Tunisia (3.1).

Of the 29 countries canvassed nine countries score less than black South Africans.

White South Africans enjoy 4.5 rooms per dwelling unit, which again compares favourably with international standards, even though South Africa is beaten by Canada (5.7), New Zealand (6.3), US (5.1), Belgium (5.6) and Australia (6).

In this respect all South Africa's blacks fare poorly insofar as they have almost, though not quite, three rooms in each dwelling unit, which brings them into line with poorer African and Asian countries.

White South Africans live at about 0.7 people per room, which is slightly more than the wealthiest countries. Those who enjoy most rooms per person live in Canada, UK and Belgium - countries whose rate is 0.5 persons per room.

Trying with white South Africa are Denmark, France and Greece.
Rent deposit cash: Big ripoff

By KEVIN DAVIE

TENANTS in rented accommodation—flats, houses and offices—are losing millions of rands in interest on their deposits.

Gaping holes in the Estates Agent Act—the law which covers most rented accommodation in South Africa—cost the rented property market and the tenant untold millions a year.

The missing money—so much confusion reigns in the rented property market that no one can say for sure how much is involved—just seems to vanish, say experts.

The confusion in the R1 000-million-a-year industry is over the payment of interest on deposits for rented accommodation...relatively small amounts individually...but many millions industry-wide.

For flats alone, one prominent property agent estimates the sum involved is potentially R6-million.

That's just for flats...the Act also covers the tenants of houses, shops, hotels and other businesses.

Discretion

The authorities themselves do not know what sums are involved.

Mr. S. van Soelen, manager of the Estate Agents Board, which administers the Estate Agents' Act, admitted: 'We are working in the dark.'

'We are not getting the shares—we consider we should be getting, but we don't know for sure.'

He said at best the board could make a 'guestimate'.

In terms of the Act, tenants are entitled to be paid interest on their deposit when they vacate premises, but only if they have previously made instructions in writing to this effect.

But, say sources in the industry, few tenants know they have this right, and seldom issue written instructions.

Mr. van Soelen says the Estate Agents Board does not know what percentage of tenants recover interest on deposits.

When tenants do not instruct the letting agent that they want the interest on their money returned to them—and all indications are that few do this—the Act leaves matters to the discretion of the agent.

He has the choice of retaining the money in a trust account, which accrues no interest, or investing it. Should the agent choose the latter option and invest the deposit, then half of the interest must be given to the Statutory Fidelity Fund, which is administered by the Estate Agents Board.

But, since the Estate Agents Act of 1976 was promulgated, the fund has not been getting what the board considers is due to it.

'The amount has been about R500 000 per year,' says Mr. van Soelen.

'Ve do not know how much there should be in the fund, because we have no statistics on what rent deposits add up to.'

He says there are two reasons why the interest does not come into the fund, which is designed to protect the public should an estate agent default.

In the first case, the agent is not required to invest the deposit, unless instructed to do so by the tenant.

Gaping

In the second, a gaping loophole allows him to simply give the money to the landlord, who, falls within the scope of the Act.

The Estate Agents Act of 1976 stipulates that tenants are entitled to be paid interest at the going bank or building society rate.

There is a simple ploy: to ensure you get interest paid on your deposit when the premises are vacated, 'Put the instructions in writing, and make sure you get acknowledgment of your letter,' says Mr. van Soelen.

In terms of the Act, tenants can instruct the agent at any time that they want to be paid interest on their deposit.

The tenant is paid interest from the date of notification, not from the date of occupancy.
Mr. H. H. SCHWARZ asked the Minister of Industries, Commerce and Tourism:

Whether consideration has been given to the introduction of legislation to protect purchasers of interests in flats on a time-sharing basis; if not, why not; if so, what is the nature of the protection envisaged?

The MINISTER OF INDUSTRIES, COMMERCE AND TOURISM:

Yes. The department of Industries, Commerce and Tourism in collaboration with interested parties is at present formulating a Property Time-sharing Control Bill for consideration during the 1983 Parliamentary Session. The most important protective measures which are envisaged with the relevant legislation are:

(a) full disclosure of all relevant particulars in respect of a certain scheme;

(b) the safeguarding of monies which are being paid to a scheme by participants; and

(c) the registration of each participant's specific interest in a scheme.
Mr. C. W. EGLIN asked the Minister of Community Development:

1. What was the estimated shortage of housing for each population group in each province at the end of 1981?

2. How many houses were provided for each population group in each province by (a) the State and (b) local authorities in 1978, 1979, 1980 and 1981, respectively?

3. When is it expected that the shortage will be eliminated in each province?

The MINISTER OF COMMUNITY DEVELOPMENT:

1) Transvaal
   Whites: 11 700
   Coloureds: 6 500
   Indians: 5 500
   Cape Province
   Whites: 5 000
   Coloureds: 3 500
   Indians: 2 000
   Natal
   Whites: 1 750
   Coloureds: 2 000
   Indians: 10 500
   Orange Free State
   Whites: 1 600
   Coloureds: 1 000
   Indians: ---
   Total
   Whites: 20 000
   Coloureds: 43 000
   Indians: 18 000

The shortage figures given above are estimates based on available data and projections and are not based on waiting lists which, as the Honourable Member is aware, are not reliable for purposes of determining housing shortages and can at best only reflect the existence of a housing need in a specific area which cannot be satisfied immediately.

2) Turkvaal

<table>
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<th>Whites (a)</th>
<th>Whites (b)</th>
<th>Coloureds (a)</th>
<th>Coloureds (b)</th>
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Cape Province

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<td>109</td>
<td>10 607</td>
<td>—</td>
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<td>519</td>
<td>112</td>
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<td>851</td>
<td>7 549</td>
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URBAN BLACK FREEHOLD

Scope for real reform

There are indications that freehold property rights for blacks are being seriously considered by government. At the weekend, Premie P W Botha said on television that black urbanisation must be accepted as a reality. It's been said before. But with the Trounicht faction out of the party, expectations now will surely be that the NP is ready and willing to move fast towards affirming that urban blacks have to live and work in prescribed areas.

However, the new legislation is expected to go far further— as their titles suggest— black local autonomy, community development, orderly urbanisation and settlement.

At this stage, they do not contain provisions for urban black freehold, according to Dr. George Morrison, Deputy Minister of Co-operation and Development. However, Morrison, through his secretary, told the FM that the Bills are to be examined by a select committee of Parliament. He did not exclude the possibility of freehold rights being introduced at this stage.

In fact, in a surprise move on Monday, it was decided to refer the Bills to the Parliament's Select Committee on the Constitution (SCC) instead of an ad hoc select committee, as initially proposed.

The move is unprecedented. No Bills concerning blacks have ever been considered by the SCC.

The PFPP opposition quickly interpreted this as a possible move to consider blacks in a constitutional power-sharing dispensation. This seems unrealistic. With the battle for the Transvaal still on, it is highly unlikely that P W Botha could move that fast.

The possibility of freehold rights being considered by the SCC is less distant. It could also be significant that a private member's motion, introduced last week by Albert Nothnagel of Innesdale— considered an NP cliche— supported government's commitment to free enterprise in these terms: "99-year leasehold is in my opinion a step on the road to full property ownership rights for blacks."

In the context of this week's developments over Koornhof's Bills, this could have been far more than an individual opinion. However, Nothnagel would not elaborate to the FM.

Mpiyakhe Ramalo, a member of the Groenkop committee which considered the retracted Koornhof Bills, is positive that government accepts 99-year leasehold as only "a step on the road" to freehold.

He adds: "It's a politically charged issue. But I believe that though the government wants to keep a low profile, they want to move toward black freehold rights— if it can be done in a way that doesn't seem white.

Black freehold does not demand the abolition of the Group Areas Act, one step that might be done so have had employers' assistance. Again, because of the expense and complexity of the process of registering leases, there are 20 steps— many of which involve coordination with section 10 rights have chosen the 'right of occupancy' system.

As it stands, this means that the right to rent a house can be bequeathed or sold by participants in the scheme. This arose out of the 99-year leasehold system suspended in 1966, but later restored.

Hart argues that the small number of 99-year leasehold owners can be put down to the days in getting accurately surveyed and serviced and the limited availability of land for building. But he feels that the rate of registration is escalating: "In the next 12 months we'll probably see as many lessees taken up as there were in the last four years."

For financing purposes, 99-year leasehold is as good as freehold, according to Hart.

Not all see it that way. Pauline Morris recently brought out an authoritative study of black housing under the auspices of the SA Foundation. She noted that while 99-year leasehold has provided greater security and the opportunity for blacks to acquire housing society loan finance, "the absence of freehold tenure, an active property market and the limited provision of commercial sites means that black urban areas have a very restricted economic or tax base. Land has no relative value in these areas, which means that land zoned for any one use has a uniform and relatively low value."

Soweto runs at a deficit of over R500/month currently in municipal services is apparent. Services are visibly deteriorating. If townships are to become viable, freehold land will be an important contributor to healthy financing. Not only would rateable property help solve the deficit problem, but freehold would open up sources of foreign finance for township development.

In fact, foreign lenders would almost certainly be more willing than at present to lend to these areas if they were perceived as viable.

Opening up freehold will not solve the enormous black housing backlog that is growing by the day. In the area of low-cost housing, government will have to shoulder much of the burden for the foreseeable future. But the private sector and to urban blacks freehold would be a signal that reform is happening.
Life insurance needs commitment in 'critical' black housing problem

By TONY HUDSON

AN independent insurance expert has called on life insurance companies to play an active part in the provision of housing for blacks.

Cape Town-based Isaac Hickman said: "The problem of black housing is much more critical than it was in 1966 and the life insurance industry ignores it at its peril."

He said if the industry was to fulfil its promises to make large payments in terms of policies sold in the future, it must take an interest today.

"There can be no doubt that a major issue leading to the lack of social stability is this very problem of non-white urban housing and industry must accept some degree of responsibility to commitments in urban planning."

Hickman said the profit motive given by these institutions as a reason for non-involvement was not as important as they made out. Short-term loss could be turned into a long-term profit.

He said each life assurer identified itself with the provision of black housing and made a small percentage of total annual income to a group formed for this purpose.

This would provide a large annual sum enabling the planners to plan in advance.

To do this the interest charged on this money should be well below the market rate and in return for this, the Government should reduce or abolish compulsory low-yielding Government and quasi-Government stock.

This, said Hickman, has been done in several other countries.
Four students complete
Security Act sentences

By Mr.

Four students of the University of the Witwatersrand were sentenced on 10 June 1939 to 14 days' imprisonment for obstructing police during the interviewing of students under the Internal Security Act. The students were charged with refusing to answer questions put by police officers during an interview under the Act. The court found them guilty of obstructing police and sentenced them to 14 days' imprisonment each.

The students were members of the university's Students' Federation and were arrested during a demonstration against the Internal Security Act. The demonstration was held in response to the government's enforcement of the Act, which was introduced in 1938 to combat the activities of political opponents and dissidents.

The Internal Security Act was widely criticized for its provisions on banning and restricting political activities, and for its vague and broad definition of "security". It was seen as a tool for the government to suppress political opposition and dissent.

The government maintained that the Act was necessary to maintain national security and to prevent subversion. However, many critics argued that the Act was being used to suppress political opposition and dissent, and that it violated fundamental freedoms and protections for individuals.
The 99-Year Lease Scheme Cracks to a Halft

BY GEOFFREY ATTEN

Focus on Black Housing

Ninety-nine

The document includes a specialized or technical context, possibly related to legal or financial aspects, indicated by terminology and formatting suggesting a formal or professional context. The title and subheadings suggest a focus on housing policies, possibly related to lease agreements or legal frameworks for housing schemes.
New Soweto to be built, old one sold

THE Government is working on a far-reaching scheme to sell every house now standing in Soweto at "give away" prices.

At the same time, the building of an entirely new black city in the Johannesburg area— to be financed jointly by the Government and private sector—is under urgent consideration.

The moves are the result of the Viljoen Report, commissioned by the government and drawn up by Mr Boet Viljoen, managing director of the Permanent Building Society, and a committee of experts.

Mr Viljoen told the Johannesburg Chamber of Commerce this week that Mr Danie Steyn, Deputy Minister of Co-operation and Development, was "at this moment" calculating acceptable prices for the existing houses in Soweto.

"They must have cost very little to build 30 years ago and they should go at give away prices now," Mr Viljoen said.

"All the houses in Soweto should be sold to blacks.

Mr Boet Viljoen Sell all homes

He said that he was meeting Dr Piet Koornhof, the Minister of Co-operation and Development, on April 1 to discuss ways of establishing estate agencies in Soweto.

"As far as we are concerned, black estate agents have to be here and we are working through the Estate Agents Board to achieve that," Mr Viljoen said.

He said that a scheme to finance black housing through the construction of infrastructure in any new townships and apply for finance for housing development if granted the contract," Mr Viljoen said.

"This idea of this approach to infrastructure planning is to keep the costs of homes affordable within the reach of average black families.

Plan to finance black housing

AN alternative method of financing black homeownership under the 99-year lease scheme has been circulated to the Johannesburg Chamber of Commerce by home developer Mr Mark Guthrie.

He has proposed that a revolving fund of R160-million, made up from money from the South African Trust Fund and the whole sector, should be established to lay down the infrastructure for large-scale developments.

In his memorandum to Chamber members, he said under this scheme the black house owner would pay back the cost of installing the infrastructure in the form of a monthly payment over 30 years—rather than the present rate of about R20 a month.

Only way

The State's contribution would be to subsidise the interest payable on private sector investment.

"Once this fund is set up, developers could tender for the construction of infrastructure in any new townships and apply for finance from the Housing Fund if granted the contract," Mr Guthrie wrote.

"The only way to achieve dwellings at this price and keep costs down is to find out from large building contractors the optimum number of houses they need to build in any one area to give the most efficient cost per unit."

Proper city

"If we can sell Soweto, it will help blacks become homeowners and relieve the State of the upkeep of houses in Soweto."

To facilitate the rapid transfer of houses to private ownership, the government should sweep away strict surveys, regulations, and accept aerial surveys of Soweto instead of costly and lengthy ground surveys.

Mr Viljoen said his committee had been considering nothing less than building a new city from scratch.

"A city with a character must be built. It must not be seen to be a temporary thing, but a proper city," he said.

As indication of the urgency with which the government was treating the black housing issue, he said the report compiled by a working committee of experts had been completed in two months and that the government had already implemented some of the recommendations.

Model

For example, it was now possible by law for whites to buy homes in Soweto under the 99 and 99-year leaseholds.

"Thus banks could now pay a manager's house, which could be transferred to his successor if he was transferred.

"The Housing Fund had also been given permission, for the first time, to borrow from the private sector, he said.

Mr Viljoen said that his committee had considered the housing crisis in Soweto as a model which could be applied anywhere in the country.

He said there were 1-million people living in 10,000 houses in Soweto...and that..."
The executive director of the association of building professionals has been appointed to the position of CEO. The association of building professionals is a non-profit organization that aims to promote the development of sustainable building practices. The executive director will work closely with the association's board of directors to implement the strategic plan and ensure the association's mission is achieved.

In other news, the government has announced a new initiative to encourage the development of affordable housing. The initiative includes funding for the construction of new housing units and incentives for developers to build affordable housing. The government hopes that this initiative will help to address the housing affordability crisis and provide more opportunities for affordable housing.

The initiative is part of the government's broader strategy to improve the living standards of Canadians. The government has committed to investing in social infrastructure, including affordable housing and public transit, to create more opportunities for Canadians to improve their quality of life.
Budget boost for education, housing hailed

'Consumer Register' NEWS that the Government spending on housing and education will be increased has been warmly received in local government and trade union circles. But industrialists warned that although the measures taken in the Budget are necessary, they will hamper growth.

Their effects on the provision of more jobs would have to be carefully watched.

The industrialists expect consumer spending to fall as people feel the effects of higher income tax and general sales tax, and think this could trigger off demands for more pay.

The general feeling about the Budget was, however, it seemed to be out of relief that it was not as bad as many people feared. Mr Jack Roos, director of the Cape Chamber of Industries, said: 'The general feeling in industry is that the Minister had very little option.'

Problems

There are things in the Budget we don't like but when you think of the tremendous problems the Minister has, he has done as well as he could.' Mr John Barry, director of operations for Pick n Pay in the Eastern and Western Cape, said that in spite of the rise in company tax, which would not affect the man in the street, it thought it was a very fair budget.

Mr H H Heunz, Town Clerk of Cape Town, thought it was 'tremendous' news that the money allocated to the National Housing Fund would be increased by 28 percent, from R358-million to R330-million.

But he and the City Treasurer, Mr J B Watkins-Baker, said they could not specify in more detail until they knew how much of this would be available to the city council to provide more housing.

'Thrilled'

Mr D V L Moore, treasurer of the District Council of the Cape, said he was 'naturally very thrilled' to hear that more money would be available for housing.

He said the council, which had been forced to cut back on some schemes for lack of funds, was still waiting to hear its final allocation.

Mr Norman Daniels, deputy chairman of the Trade Union Council of South Africa (Tusca) in the Western Cape, said: 'I welcome the news that more money will be spent on housing and education, for they are both very important items.'

Backlog

'There is certainly a backlog in the provision of housing throughout the country and we can do with all the help we can.' But Mr Daniels said he hoped the policy of providing housing a long way in advance of work would be continued.

A statement by the economic affairs committee of the Cape Chamber of Industries said the Minister's efforts to restrain State expenditure were to be commended as well as the priority he had given to education and the country's manpower needs.

However, taking into account the additional company tax, rail and freight tariff increases, the rise in fuel costs and high interest rates, industrialists were bound to feel a cost squeeze and cash flow problems.
Bait for builders 'not enough' 

Property Editor

THE bait of tax concessions announced in the Budget is not likely to encourage developers to build flats for letting.

The two percent a year depreciation allowance is an important psychological breakthrough, but it is not much of an incentive, says Mr Don Kennedy, executive director of the South African Property Owners' Association.

The entire concession was negated by the developer having to pay back all his tax concessions when he sold the building, said Mr Geoffrey Seeff, chairman of the Cape branch of the Institute of Estate Agents.

He calculated the concession could mean that small, two-bedroom flats in a new block could be let at R300 a month each and give the developer an after-tax return of 9.8 percent in the first year, 7.2 percent in the second year and 4.7 percent in the third year.

NEGATIVE

'He could get a better return for his money by making a risk-free investment in a building society.'

Some developers, however, might be prepared to accept a negative return on their property for the sake of appreciation.

The concession was not enough, said Professor W Killian, head of the department of building science at the University of Cape Town.

'It is a step in the right direction but developers don't trust the Government and fear rent control might come back if flat rents remained high because of high building costs.'
Property men mildly pleased

JOHANNESBURG — Property experts have cautiously welcomed Mr Horwood's concessions to developers but they feel he has not gone far enough.

The minister — in an attempt to encourage the building of rental accommodation — has proposed an annual depreciation of two percent for all new housing projects of not less than five family housing units.

An initial 10 percent of the cost of a project is also allowed as a deduction from income in the year in which the project is completed and the accommodation is first let to tenants.

Mr Don Kennedy, executive director of the Property Owners' Association (Sapoa), described the moves as stimulants but noted they had limitations.

"The two percent depreciation is an important psychological breakthrough but is not enough to be a real stimulant at this stage. My organisation feels four percent would have had the necessary effect.

"The 10 percent allowance will be a help in solving some cash flow problems and is welcomed."

He described the restraint under which the developer would have to pay back the allowance if the housing project is sold as "fair."

Mr Pieter Rautenbach, director of the Master Builders' Association in Natal, said the concession to rental developers was long overdue. But he wondered why the Minister had decided to exclude developments of less than five units which would prove disappointing to small developers.

Mr Bruce Forsman, financial director of estate agents R M S Syfrets, said of the concessions: "It's a start. The important fact is the acceptance of the need for tax concessions which can become better in the future. It is important, too, that the principle has been agreed as it has been turned aside in the past."
High rents 'are likely to stay'

Municipal Reporter

Tax concessions to 'stimulate' the construction of rented accommodation meant virtually nothing in the light of current high interest, building costs and expected rentals, property developers and architects said yesterday.

At first glance, however, the concessions were given as a boost for the development of much-needed flats and, as such, were described as 'a step in the right direction' and 'a positive factor'.

But the verdict in view of the present economic situation was: 'Not nearly far-reaching enough'.

And the one thing which developers did not expect to happen was a rush to build flats and houses for rent.

In initial reaction to the Budget announcement of tax concessions to property developers in a bid to alleviate the rented housing shortage, local property experts were downcast.

The concessions to investors planning to erect housing accommodation for rent included a 16 percent tax deduction on the total cost of a project in the year of its completion and an annual depreciation allowance of two percent of present only payable to new industrial buildings was extended to all new housing projects offering not less than five family units from April 1.

These allowances fall away if the project is sold outright or through sectional title sale of units.

Mr Owen Horwood, the Finance Minister, said he was confident that the concessions would stimulate the provision of rental accommodation and would assist investors materially with their cash-flow problems and return on investment.

He estimated that the loss of revenue which the concessions would entail in 1982-83 would be less than R1 million, but that it could amount to about R500 000 for each R10 million invested in such projects in a year.

Spokesman, who included the City Engineer Mr Jan Brand, agreed yesterday that there would be no marked swing to the building of flats.

Rental accommodation is at a premium in South Africa, with nothing new being built. The present accommodation is being whittled away by the more financially attractive sectional title sale of units.

An architect, city councillor and former mayor of Cape Town, Mr Louis Kreiner, said the price of money was too high for any effect. "If the interest rates were around 12 percent — instead of 16 percent upwards if you can get the money — then it would have been tremendous.''

Beyond reach

He said the tax concessions "seemed like nothing".

Even if more rented accommodation were built, rentals would still not be within reach of the man-in-the-street. A minimum rental of R500 a month for a small flat would have to be levied.

"Even if the land was given free to a developer, he still could not make it pay.

Another architect, Mr Douglas Roberts, said that coupled with the high interest rates was the fact that the building cost index had been running above inflation in recent years.

'Inducement'

At present, developers simply could not build to rent. This would only happen if the price of money became more favourable.

Mr Reev Fox said only "a massive inducement" would result in new rental accommodation. While acknowledging the shortage, especially in the central City area, he said the main problem was low-income housing with which the private sector could not easily cope.

"However, the stated policy of home-ownership should not be lost sight of.
Timber-frame housing can solve the problem

Property Editor
TIMBER-FRAME housing could be part of the solution to the country’s housing problems, says Mr Mark House, an industrial building consultant.

Writing in the new issue of Wood Southern Africa, Mr House says it is estimated that 8.5 million housing units will have to be built during the period 1960 to 2000.

"If we add to this the fact that South Africa is already facing shortages in machinery, manpower and materials then the future looks bleak indeed.

He says that timber-frame housing offers the following advantages:
- A 25 to 50 percent reduction in construction time;
- It makes use of a renewable resource – timber;
- It lends itself to a greater degree of prefabrication;
- It requires fewer manhours per square metre, especially skilled manhours;
- It can reduce costs by approximately 15 percent depending on the degree of prefabrication, choice of materials and the expertise of the builder;
- Naturally the potential homeowner is interested in the reduced cost, but the real advantage of the timber-frame housing for the builder is in the reduction in labour content and shortened construction time.

Briefly, an increase in annual production equivalent to the time-saving is achieved (25 to 50 percent) with no change in office staff.

"An improved cash flow follows – poor cash flow puts more builders out of business than any other single factor.

"There is also a reduction in the skilled labour content per house and there is a reduction in the overhead content per house," says the article.

"Other advantages are found on site. Roof erection and covering is much faster which allows the various trades to move on site quickly and more work can be started earlier and under cover. Almost all trades can work simultaneously, reducing the planner’s nightmare of delay.

"Lock-up and hand-over stages occur much earlier which means less theft and earlier occupation."

Advantages to the homeowner include:
- Timber-frame houses, built by experienced contractors, cost less yet there is no trade-off of quality;
- Internal walls may be repositioned quickly and easily with little experience;
- It lends itself to additions and alterations;
- It performs better on unstable soil conditions;
- The building is better suited to the owner-builder.

Timber-frame housing is, in fact, a conventional form of housing, says the article.

"After all, most of the world could not possibly have been wrong all the time. Approximately 90 percent of the housing in the United States, Australia, New Zealand and Canada is timber-framed and it is an accepted and time-honoured method of construction in most other countries.

"It is interesting to note that these countries are among the highly developed and wealthiest nations in the world.

"One would be reckless to ignore timber-frame housing. To a builder it means more efficient use of men, materials, money and machinery, to the merchant it means greater sales and service; to the potential homeowner it means more value for money and ownership within easier reach and to a public body it offers a good part of the solution to the present and future housing crisis."
18. Mr. P. R. C. ROGERS asked the Minister of Co-operation and Development:

(a) How many plots have been made available in the Republic with a view to the 99-year leasehold scheme since its inception and (b) how many applications for leasehold registration are pending to date?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(a) 182,372.

(b) In addition to the 1,770 final registrations, 710 provisional registrations have been approved up to 28 February 1982.

Information in regard to the number of applications pending is not readily available but in Soweto, for instance, 2,484 persons applied for 99-year leasehold to 31 December 1981 while 1,225 applications have been approved.
EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered); leave columns (2) and (3) blank.

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NOTE CAREFULLY

1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for written answers. The use of a ball pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book (s) are used.

WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University.
Unmarried also to get public service subsidy

Arms Correspondent
JOHANNESBURG.—Public servants hope the extension of their main perk — a hefty housing subsidy — to unmarried officials is the first step in a complete overhaul of the subsidy system.

The chairman of the Commission for Administration, Dr Piet Rautenbach, announced yesterday that unmarried officials would also benefit from the scheme.

Previously, only married officials who owned houses or flats received the State subsidy.

Neither the old scheme nor the new extension discriminates on the grounds of race and all permanent officials of the central Government, statutory boards and the provincial administrations will benefit equally from the scheme.

The subsidy applies only to bonds of up to R40,000 and this had not been revised.

In terms of the subsidy, public servants in lower pay brackets pay only three percent interest on their bonds, whatever the ruling interest rate. Those on higher scales pay four percent.

Mr R H Landman, general manager of the Public Servants' Association, said the PSA saw the extension of the benefit to unmarried people as the first step in improving the subsidy.

This subsidy was at present available only to people who bought houses or flats, he said. The PSA was negotiating with the commission to extend this to public servants who rented accommodation.

He said there were also negotiations to raise the R40,000 subsidy ceiling in view of higher property prices and rising interest rates.

Mr Landman welcomed the latest concession as a step in the right direction.

However, comparatively few unmarried people bought property, he said.
Housing loan shortage continues

EAST LONDON — The decentralisation incentives announced yesterday include subsidies on building society loans for housing of employees. But building societies continue to be short of money to lend.

The chairman of the local branch of the Association of Building Societies, Mr Martin Milburn-Pyle, says the societies simply do not have the flow of money. At present they are normally able to lend money only if there is a reciprocal investment.

He said people buying houses are resorting to deed of sale transactions, allowing for transfer to be taken 12 months ahead to give time for funds to accumulate and to build up a bigger deposit so as to take a smaller loan.

Mr Milburn-Pyle points out that a man seeking a loan of R25 000 needs an income of some R1 300 a month to qualify in terms of building society rules.

He does not see any short-term answer to the shortage of loan funds, or any prospect of relief inside of six months from the present extremely tight position. — DDR
2. Mr. P. R. C. ROGERS asked the Minister of Co-operation and Development:

(1) Whether any delay has been experienced in regard to (a) transfer of land to Administration Boards, and (b) survey of plots, with a view to the 99-year leasehold scheme; if so,

(2) whether such delay is being caused by administrative procedures; if so, what administrative procedures?

The DEPUTY MINISTER OF CO-OPERATION:

(1) (a) Yes, in certain instances, but the delay is not connected with the 99-year leasehold scheme.

(b) No delay other than that caused by a lack of sufficient funds.

(2) No.

99-year leasehold scheme

4. Mr. P. R. C. ROGERS asked the Minister of Co-operation and Development:

Whether any land has been made available by local authorities for transfer to Administration Boards since the 99-year leasehold scheme commenced; if so, what area of land?

The DEPUTY MINISTER OF CO-OPERATION:

No land has been made available by local authorities for transfer to Administration Boards specifically for the 99-year leasehold scheme.
A BLACK housewife stands in the garden of her house in a black township. It is estimated that in the next 20 years 350,000 houses will have to be built for blacks in South Africa.

Housing finance:
Govt ‘walking a fine line’!

DURING the period 1981 to 2000 it is estimated that South Africa will require 4,069,000 housing units with the racial breakdown of 806,000 for whites, 2,106,000 for coloured people, 1,000,000 for Asians and 3,569,000 for blacks, according to the Journal of the Property Economist. It is estimated that the number of housing units required during the next 20 years will be 2,000,000, made up of 540,000 housing units for whites, 625,000 for coloureds, 195,000 for Asians and 3,679,000 for blacks, according to the Property Economist.

The financing of the construction of 5.39 million housing units has to come initially from the private sector directly and indirectly channelled to the public sector via taxation and other forms of Government revenue.

The financing implications are formidable and after taking the following estimated unit costs (at 1981 prices) into consideration, it will be seen that an average of R3,56 billion will have to be provided annually over the next twenty years for construction.

The estimated housing cost per unit at 1981 prices for white housing is R306,000 for Asians R13,000, for coloured R11,000 and for blacks R3,000.

During the period 1981—1990 annual requirements in money will be: white housing R1,700m, black housing R2,650m, coloured housing R2,530m and Asian housing R80m.

The total funds required will be in the order of R3,523,000 billion during this decade with an average of R233m a year.

Due to the natural population growth, housing requirements during the ten years 1981—1990 should lead to increased construction activities. During this decade, at current 1981 prices, the white housing units will require R1,300-million a year. The black housing will increase its financial requirements to R1,053-million a year, coloured housing to R368-million and Asian housing to R130-million.

Total funds required during the nineties will be R2,530,000,000 a year at current 1981 prices.

By using historical participation ratios and after making allowance for larger private sector increases in the coloured, Asian and black market, the private sector will be contributing R1,318m a year during the present decade and the public sector will be required to finance housing at an average rate of R1,202m a year during the present decade at current 1981 prices.

In the white housing market the private sector will be contributing R956m a year during the present decade while the black private sector will be contributing R956m to their housing needs during the same period.

The coloured and Asian private sectors will be required to provide R76m and R42m a year respectively towards their housing needs during the present decade.

The major emphasis is to create sufficient money to finance the housing, educational and medical needs of the black population which contriute the most to the Government's income through taxation.

These authorities will be walking a fine line in attempting to provide the necessary finance for their capital building projects while ensuring that the private sector continues its growth momentum.

It appears to be unlikely if it has to shoulder additional tax burdens, thereby reducing the profit ratios of the private sector.

The viable options to financing the two and a half fold Government increase in residential expenditure required, include inducing financial institutions to contribute a ratio of their assets towards coloured, Asian and black housing, the creation of a fund, similar to that of bonus funds, for attracting savings into coloured, Asian and black housing, and the attracting of foreign investment capital into the housing market by generous tax concessions.

'Should the necessary funds become available,' then the construction industry will be hard pressed to cope with satisfying demand for approximately 3.6 million housing units during 1981—2000.'

It adds.

The other urgent need of the public sector is in the fields of education and hospitals mainly for the coloured, Asian and black sectors and appears that the only way the Government will attract sufficient money to finance the housing, educational and medical needs is to increase the taxation on the small proportion of the country which contribute the most to the Government's income through taxation.

The authors will be walking a fine line in attempting to provide the necessary finance for their capital building projects while ensuring that the private sector continues its growth momentum.

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'Should the necessary funds become available,' then the construction industry will be hard pressed to cope with satisfying demand for approximately 3.6 million housing units during 1981—2000. It adds.
Raising fees are illegal, but still charged

PROSPECTIVE homeowners are being told they can still obtain building society bonds — if they are prepared to enter into a deal involving the controversial raising fee.

Following a Sunday Times enquiry this week, the Directorate of Financial Institutions is investigating two estate agents who have asked for, or charged, a raising fee.

One estate agent appeared unaware that the practice of charging a raising fee on housing bonds was contrary to the Limitation and Disclosure of Finances Act.

Another took the attitude that he was “just an employee.”

Both instances involved senior members of the South African Broadcasting Corporation who asked not to be named because they felt their bond positions could be jeopardised.

Posing as a homeseeker, I telephoned Mrs Alette Botha, a registered estate agent with Hennings Property Estates in Roodepoort.

Mrs Botha was asked about bond availability.

“If you pay a raising fee and if there is an existing bond, there are no problems,” she replied.

Charge

On being told she was speaking to a reporter, Mrs Botha denied that the raising fee was illegal.

“It is not illegal as far as I am concerned. You have got to have somebody to invest a certain amount of money, and for that you pay,” she said.

In February and March, Mrs Botha twice discussed a raising fee with an SABC employee.

She took the man to view a house in Wilpoortjie and said: “If you decide to buy this house, we will have to find a bond.”

To acquire that bond, a raising fee (heffingsfool) of R1 500 will have to be paid.

“To make it easier on everyone concerned, the fee will be split, with the buyer, the seller and the estate agent each paying one-third,” Mrs Botha explained.

In March, when a house in Roodepoort West was being viewed, no actual amount was discussed, but Mrs Botha told the prospective buyer that the raising fee was now higher due to the increased bond rates.

Unaware

The other SABC employee bought a house in Westdene last year through Miss Vicky Benjamin and Mr Denis Butler, both of Executive Homes in Johannesburg. (Both have since left that agency and have formed their own company, New Image).

The purchaser was asked to pay a R600 raising fee on a R37 000 bond with Sambou National Building Society (which was unaware of the fee).

He elected to pay in installments. When he had paid R300, he learnt that the fee was illegal and he was not, in fact, obliged to pay.

He took legal advice and was told: “Get your house registered and then we can take action.”

The registration was effected in January and the attorney is now taking steps to recover the fee.

“We were merely employees,” was the reaction of the estate agent, Mr Butler. “I am aware of the position with regard to raising fees, but I am not prepared to discuss it with you.”

“Totally illegal” was how Mr E W van Staden, Registrar of Financial Institutions, described the transactions related to him.

His directorate, he said, would be conducting an investigation of those concerned and the matter would possibly be referred to the Attorney-General.
HOW TOWNHOUSES HAVE GONE UP IN PRICE

TROUBLE IS LOOMING LARGE
Housing Subsidy to Single PO Staff

PRETORIA -- From this month unmarried Post Office staff will be eligible for the Post Office's housing subsidy scheme, the Minister of Posts and Telecommunications, Mr H H Smit, announced in Pretoria last night when he officially opened the 47th congress of the Post and Telegraph Association of South Africa.

The Minister said that in less than two years since the Post Office instituted its own housing scheme for staff, more than 700 housing loans amounting to R26.5 million had been approved.

He said the scheme had been extended from Pretoria and the Witwatersrand area to Durban, Transvaal country areas, Port Elizabeth and Cape Town.

Exceptionally good progress had also been made with the provision of official housing for Post Office staff, the Minister added. During the 1981-82 financial year, about R15 million was spent on housing. — Sapa
Folweni takes off

Government is gradually realising that it does not have the means to solve the country's housing crisis by following the formal township approach. The answer to the problem must lie in the direction of self-help housing.

Perhaps the rising cost of conventionally built township houses, coupled with the declining gold price and the deteriorating balance of payments situation, helped to make this clear.

Now the self-help option is increasingly receiving official blessing. Natal, through the Urban Foundation's (UF) Inanda "Newtown" self-help housing scheme, has been a pioneer in the field. This is not surprising. Demand for housing units in Durban alone is estimated at 93,000 units — more than the State-built housing stock in the whole of KwaZulu.

KwaZulu's planning, co-ordinating and advisory committee estimates that it will cost R700m to remove the current housing shortfall in Natal to 170,000 units. Statistics like these, and the UF's success at Inanda, have led the KwaZulu Development Corporation (KDC) to embark on a self-help housing project of its own at Folweni in the

Umbumbulu district. The scheme was initiated by the KwaZulu government to rehouse the 60,000 people living in appalling conditions in Malukazi — a squalid, packing-case shanty town on the outskirts of Durban's Umhlatuzi township.

Basic facilities, which consist of gravelled roads, water, black water drains, piped water supplied to communal taps and a bucket latrine system, were provided at Folweni with funds made available by the Department of Co-operation and Development. So far 1,600 sites, measuring 12 m by 16 m, have been provided. And an extension of 5,000 sites is planned.

As in the Inanda self-help project (Current Affairs April 9), people are encouraged to build their own homes. But KDC officials boast that Folweni is a more down-to-earth project for one important reason. At Folweni, most of the houses are of wattle and daub, while at Inanda most are concrete. "It's not that we discourage people from building with concrete block," says Arthur Koningkramer, KDC's liaison officer for Natal. "It's just that at Folweni we are dealing with people who are less able to afford more substantial houses."

In spite of the fact that most of the houses are built of wattle and daub, they appear quite acceptable. With tin roofs gleaming in the sun, Folweni is already assuming the ordered look of a conventional township. The KDC has built a demonstra-

cion house and an office from wattle and daub to show the standard that can be achieved. Officials are available to provide home builders with technical assistance.

If the Folweni experiment is impressive, even more impressive is the budget on which it has been achieved. The cost of providing the infrastructure was R330,000.

This means the cost of services/site was a mere R500, compared with R3,500/site in the standard black township. It is possible to build a reasonable house for as little as R500 along Folweni lines. But the average cost of most dwellings is around R1,000, which includes materials and labour.

Compared with the cost of the average conventionally built township house of R10,500, the Folweni advantages are clear. Most of the houses are privately funded, but loans of up to R1,200 are available from the KDC. On the maximum amount, loan repayments are R50/month which includes nominal interest charges.

So far the KDC has advanced R50,000 in the form of loan finance, with 22 loans granted and 46 in various stages of approval.

In the Umbumbulu district is tribally owned and "it's not that easy to set up a township anywhere you want one. Folweni was established only after delicate negotiations between the tribal chiefs and the KwaZulu government."

Koningkramer admits that Folweni might not have the solid appeal of a conventional township. But he notes that the buildings are far superior to those at Malukazi, from where most of the residents come. In addition, he says, it testifies to a change in official thinking on housing policy.

Folweni ... down-to-earth in major respects

The one possible drawback of Folweni is that it is a long way from employment centres. The township is 14 km from Umlazi, with Durban another 15 km away.

But as Koningkramer points out, the land
No to full black property rights

Political Staff

HOUSE OF ASSEMBLY — The Prime Minister, Mr P W Botha, has squashed two major aspects of black aspirations — full property rights and South African citizenship.

However, he has not entirely ruled out some reciprocal citizenship terms of passports and other benefits once a confederation had been established.

These two issues, which have been at the forefront of black demands, were raised during the Prime Minister's vote in which Mr Botha spelt out in greater detail than ever before his general views on a future confederation.

He said the Leader of the Opposition, Dr Van Zyl Slabbert, that the government had gone “a long way” with the 99-year leasehold rights for blacks in the white urban areas and could not go further.

It would create “chaos”, he said, and pointed out that even in the homelands not everyone was entitled to full property rights.

Sovereign states

Dealing with the concept of a Southern African confederation, Mr Botha said that the homelands became full sovereign states once they accepted independence from South Africa. Legal experts nevertheless distinguished between citizenship nationality.

He said he wanted to deal with the matter in some detail because Mr Vause Raw, leader of the New Republic Party had raised the issue of a common citizenship in the envisaged confederation.

“The first fundamental fact that he has to understand is that a confederation, unlike a federation, is not a state and therefore it cannot have citizens or nationals,” he said.

“A confederation is a formal association or society of independent states which derives its existence from a multi-lateral treaty which also serves as the charter of the confederation.

“The confederation is normally formed for a well-defined purpose such as a mutual desire to co-operate in certain specific fields, for example, foreign affairs, defence, trade and finance.”

Independence

A confederation had no central government with authority over the member states which retain their independence and sovereignty.

However, it did have to have a “confederal structure” in the form of an assembly or council which could not usurp the functions of government. The cooperation of the member governments was needed before the recommendations of the confederal assembly could be carried.

The functions of the assembly were limited in scope and had to be extensively defined. Representation was on the basis of “semi-diplomatic representation such as that in public international organizations”.

Representatives were appointed by their governments and were not elected. Various secretariats would have to be established to carry out the confederal assembly’s recommendations or those of its specialized agencies.

“It is also not uncommon to establish an arbitral or judicial body to interpret the multi-lateral treaty and to decide questions of law,” he said.

There would be no formal “head of state” and recommendations were formulated on a basis of unanimity.

“However, having said this, I wish to point out that there would be no reason barring a confederation from discussing and seeking solutions regarding matters which concern the citizenship and nationality of citizens and nationals of participating states,” said Mr Botha.

“For instance, the fact that the international community consistently refuses to recognize the legal right of the independent states that were formerly part of the Republic, certain problems regarding the passports issued by those states are being experienced.

“I would think that it would be appropriate for a confederation which involves those states to devise a method to solve this problem.

“It would also be possible for a confederation to consider reciprocal rights for the nationals of participating states in one another.”

Mr Botha said this was already being done on a bilateral basis and there was no reason why it should not be done on a multi-lateral one.

“In character some such rights may in substance resemble citizenship rights such as preferential job opportunities and residence rights.”
killing the roof

their rents have just been raised to about R900 or R30 a day. They will join the landlords are asking in accommodation-starved Johannesburg.

them," he said.

In another case a Johannesburg businessman, Mr T A Bernhardt, was evicted from his flat at Maliba Court in Belgravia because the landlord, Mr M Zar, wished to move members of his family into it.

"In the nine months I have lived in the flat I've spent at least R500 redecorating it and the landlord refuses to refund a cent of it.

"Instead he has offered me a pokey little flat upstairs in exchange for my flat — which gives me no choice about moving out.

"So his family is going to have the benefit of hours of hard work — and I am on the street.

"What makes it worse is that there is nothing I can do," he said.

Miss Louise Lazarus, an airways hostess, has been trying for three months to find a flat for herself and two friends to live in.

"The landlords just don't seem to want to give their flats to single people.

"Every time we see a flat we like the landlord tells us he doesn't like single people because they are rowdy and noisy.

"It's just not fair to us," she said.

But while rents are soaring higher and higher, the quality of accommodation seems to drop lower and lower.

"Often a "desirable executive flatlet with private garden and kitchenette," is a converted servant's quarters with a pocket handkerchief of lawn outside and the kitchenette is a tiny formica top with a sink next to it.

Back to Mr Levy: "When a flat comes on to the books we have no idea what sort it is.

"But there are a great many converted garages and servants' rooms being let as executive apartments which is basically illegal because you are only allowed to have one dwelling on a property."

Another estate agent, who did not want to be named, said: "The tenant isn't getting the deal he used to.

"A few years ago when you moved into a flat it was a forgone conclusion that the landlord would decorate it before you moved in.

"These days any painting that is done has to be done by the tenant or not at all."

"It has even got to the stage where fixtures and fittings to the interior of the house have to be cared for by the tenant because the landlord feels, why should he?"

"The landlord knows he will have a tenant whatever the condition of the flat — so why should he bother?"
As rents go through a desperate turmoil that soon

BY CHRISTINA PRESCOTT

Sunday Express April 18, 1982
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Behind in building accommodation for the future. Today, although there are many flat-sites available, the cost of building is too high.

"Developers cannot build flats for which the tenant will be able to pay a reasonable rental," said Mr Levy.

Mrs Basil Elk, president of the Institute of Estate Agents, said this week that landlords were not "bogeysmen".

"South Africans have been living at a false level for too long."

"All the increase in rentals means that we are at long last drawing into line with America and Europe."

"But even now landlords are not getting a true return comparable with the cost of the building the tenants are living in."

"Landlords have been playing the Government's role for too long."

"It is not for private enterprise to run sheltered accommodation and old age homes and to help pensioners."

"If the Government had made more of an effort to encourage the building of flats maybe the tenants and the landlord would not be in the situation they are today," he said.

When I visited Seekers' Accommodation Agency this week they had 272 homes for rent — but, other than a few bachelor flats, there were no other flats available for under R200 a month.

The average price for a two-bedroom flat is R425 a month.

In April 1981 the average rent was R200 a month.

Even in the traditionally "lower-class" parts of Johannesburg — Mayfair, Newlands, Brixton, Turffontein, Rosettenville, South Hills, Sandown and Stonelaw — the rents are comparable with the rest of Johannesburg.

The stranglehold landlords have over their tenants is most evident in Johannesburg's residential hotels.

This month some of the tenants of the St Tropez Hotel, Hillbrow, had their rents for single-roomed apartments upped to R725 (or R28 a day) a month from R195, when the building was sold and the new owners decided to turn it into a 'foodless' hotel.

The tenants — the rents of those in two-roomed apartments have skyrocketed to R900 a month (or R30 a day) — received a letter warning them of the rent increase and allowing them two weeks notice if they wished to leave the block. Mr Levy said there had been a "flood of St Tropez residents joining his agency."

Mrs Edel Spall, a widow who lives in the block, had to receive medical treatment after being advised of the increase.

"I nearly had a heart attack when I heard what the rents were going up to."

"I just don't know what I'm going to do — I have nowhere to go and I just don't have R300 a month to spend," she said.

"There are dozens of people in the block who are in the same position as I am."

"How can someone earning R100 afford to live these days. I don't know. I won't be able to live," she said.

The manager of the hotel, known only as Billy, said there was nothing he could do.

"I've been manager of this hotel for nine years and I've never seen anything like it."

"I do sympathise with the tenants but I can't help..."
| Changes needed to save home owning, building sector |

### Potential Home Buyer

<table>
<thead>
<tr>
<th>House Type</th>
<th>Purchase Price (in thousands)</th>
<th>Down Payment</th>
<th>Monthly Payment</th>
<th>Interest Rate</th>
<th>Loan Term (in years)</th>
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<td>70</td>
<td>1800</td>
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### Home Builder

- **Home Type:** Single Family
- **Location:** [City, State]
- **Size:** [Square Feet]
- **Price:** [Price]
- **Financing Options:** 
  - **Mortgage:** [Type]
  - **Interest Rate:** [Rate]
- **Down Payment:** [Amount]
- **Monthly Payment:** [Amount]

### Additional Notes
- **Construction Time:** [Time]
- **Completion Date:** [Date]
- **Contact Information:** [Name] [Phone] [Email]
The towering walls of South Africa's little-known building and home-maintenance centres are in critical condition.
Many factors making bond backlog worsen

Chief Reporter
The backlog of home-seekers waiting for building society bonds continues to grow as South Africa enters an economic slump.

Any hope would-be homeowners may have had that the downturn would reduce demand for homes and ease the predicament of building societies, has been dashed.

Mr Tim Hart, executive director of the Association of Building Societies, said there were no signs of any let-up in demand for building society finance.

On the contrary, the backlog of bond applications was continuing to grow, he said.

Mr Hart pointed to the scarcity of money due to Government fiscal policy and the gold price drop as reasons why fewer bonds may be granted.

Dr Chris van Wyk, joint managing director of Trust Bank, said that there would have to be a savage rise in interest rates charged to borrowers to restore the flow of money to building societies. The alternative was for the Government to subsidise bonds, he said.

To each a fair place, says PW

OUTSHOORN — The Prime Minister, Mr P W Botha, says he has no further political ambitions in South Africa and wants only to see each population group situated a fair place in
formation to appreciate the pride of a man who has actually built his own family's home nor of the admiration he receives from his family.

If a home builder gets stuck there's a foundation man around — a black building expert — to advise, but usually the builder asks a neighbour. A man with an aptitude for hanging doors might hang those of his neighbour's in exchange for his neighbour fixing his windows.

As Chris put it: "We just show them how."

Today the plans for 524 homes have been passed at Khusong and 148 have been built or are being built.

IKAYA LETHU

Absenceism has dropped by half.

The ambition of the homebuilders of Khusong is to extend their homes and embellish them. Some have already replaced the standard front doors with ornately carved doors. Some have begun laying out gardens.

The people have formed their own residents' association to keep an eye on standards and collect ideas.

The little bits of extra money that might, in the past, have gone on drink—what else was there?—today goes on new furniture, curtains, rugs or on the garden.

The word Khusong means "place of rest." That is appropriate enough. But it might change in time because the people have nicknamed the scheme "ikaya lethu"—our own home. Put a capital letter in there and it has the ring of a town that has proven something of immense importance.

The self-help housing scheme at Khusong will continue indefinitely.

Now a similar and larger scheme has been started at Katlehong near Germiston. There again nobody will have subsidised anybody.

LITTER AT THE ZOO

I had a call from a reader on Tuesday last week — the day after the Easter Holidays — complaining of the awful litter outside the zoo. I had seen it myself on the way in that morning and it was a sorry sight. But I also noticed that all the litter bins outside the zoo were filled to overflowing. The fault then lies with the municipality.

FIGHTING THE NOISE MENACE

The Keep Johannes-

burg Quiet campaigners meet again tomorrow evening this time to define what sort of action they want the authorities to take against the rising crescendo of urban and suburban noise.

The situation at the moment is that the local councils have not the foggiest idea of what to do. The Traffic Department is impotent when it comes to booking noisy motorcyclists. The sellers of certain motorcycle exhaust systems — especially made to produce noise — are laughing all the way to the bank.

Owners of noisy trucks, motorists who use their horns unnecessarily, demolition firms with their jackhammers and compressors, owners of constantly barking dogs — they are all able to get away with it simply because there are no effective laws, or, where the laws exist they are not implemented.

The only way to check noise pollution and curb the stress it causes is to bring pressure to bear on our deaf councils.

The meeting is at 8 pm at the Union Club (69 Joubert Street) tomorrow.
A model of hope for Africa
The MINISTER OF COMMUNITY DEVELOPMENT:

(1) Yes, I have appointed a committee of knowledgeable persons from the private sector as well as the public sector. The composition of the committee is as follows:

Chairman: Mr. R. A. van der Vyver
Deputy Director General: Community Development

Members:
- Mr. W. J. Matara: Deputy Director General: Building Services (Community Development)
- Mr. P. D. McEnery: Chief Director: Community Development
- Prof. T. Louw: Chairman, National Housing Commission
- Mr. D. Cleary: Member of the National Housing Commission and Housing Manager, City Council of Port Elizabeth
- Mr. C. H. Kotze: Chief Director, Central Transvaal Administration Board
- Mr. W. J. van den Berg: Town Treasurer, Brakpan.

(1) Yes, by September 1982.

Area of Operation: National

Founded: + 1920

Registration: No

1977 - Opens ranks to blacks.
Housing Act: assistance

21/4/82

541. Mr. C. W. EGOLIN asked the Minister of Community Development:

(a) What were the last two dates on which the income levels for qualification for assistance under the Housing Act were adjusted and (b) what were the income levels that were set on each of these dates?

The MINISTER OF COMMUNITY DEVELOPMENT:

(a) March 1975 and September 1980 in the case of Whites and June 1977 and September 1980 in the case of other population groups.

(b) March 1975 .......... R540 per month
June 1977 ............... R540 per month
September 1980 ......... R650 per month

WALTIS PRO MINISTRIE PERSOONENVERWENING

18/4/75

Registered for registration 18/4/75

Registered:

Found:

Area of operation:

Officials:

Telephone:

WALTIS PRO MINISTRIE PERSOONENVERWENING

Address: Private Bag 5017

WALTIS PRO MINISTRIE PERSOONENVERWENING

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Whether his Department has instituted an investigation into the alleged payment of fees by Blacks to a certain housing development company, the name of which has been furnished to the Minister's Department for the purposes of his reply, in respect of the allocation of stands for residential purposes (a) in Soweto and (b) elsewhere?

A.G. Foobiah

R. Fortuin

No, but I have requested that all the facts be accumulated by the Department of Co-operation and Development and put before me as soon as possible.

Questions standing over from Wednesday, 21 April 1982:

R. Goeß

M. Govender

A. Grobler

P. Grobler

C.J. Groenewald

A. Hamman

M.F. Hansa

D. Bartog

J.M. Harper

D. Hartwell

J. Heeger

I. Heineberg

J. Hendricks

P. Henry

M. Herbert

J. Hlongwane

F. Jordaan

G.J.B. Janse van Rensburg

E. Jacobs

M. Kagan

B. Khumalo

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

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F. Jordaan

G.J.B. Janse van Rensburg

E. Jacobs

M. Kagan

B. Khumalo
Building Society
flat-buying slammed

By Penny Cummins
Property Editor

People may be forced onto the streets if building societies continue to buy blocks of flats, according to a Johannesburg estate agent.

"The function of a building society is not to buy existing blocks of flats and throw people on to the streets if they can't afford to buy their homes," he said yesterday.

Mr Errol Friedmann, joint managing director of JH Isaacs, was commenting on the purchase of La Fayette, a block of flats in Illovo, by the Southern Trident Building Society's development company. The deal was completed on April 1, when the Trident had already been incorporated into the United Building Society.

"A building society's responsibility is to provide money for housing," said Mr Friedmann. "That doesn't mean venturing into high class areas and selling exorbitantly."

Mr Allan Wentzel, erstwhile managing director of Southern Trident, said the deal was an exception.

"We converted and sold several blocks of flats under sectional title. The others, which were concentrated in Natal, Florida and Roodepoort, were for lower and middle income buyers. But I thought that La Fayette would provide a good return on investment."

In a newsletter published last month, JH Isaacs catered societies which paid above market prices for buildings, and were preparing to sell the flats at a profit. Since 1976 Building Societies have been empowered to operate development companies. The companies cannot hold more than R12 million of property investment at one time. As a matter of policy, they tend to concentrate on developing and proclaiming townships, and developing groups of new houses or sectional title units.

"We converted and sold several blocks of flats under sectional title. The others, which were concentrated in Natal, Florida and Roodepoort, were for lower and middle income buyers. But I thought that La Fayette would provide a good return on investment."

In a newsletter published last month, JH Isaacs catered societies which paid above market prices for buildings, and were preparing to sell the flats at a profit. Since 1976 Building Societies have been empowered to operate development companies. The companies cannot hold more than R12 million of property investment at one time. As a matter of policy, they tend to concentrate on developing and proclaiming townships, and developing groups of new houses or sectional title units.

The housing they create is usually for middle or low income families, both black and white. But most societies have engaged in the occasional high income project.

"The development arms are there to make a profit," said Mr Wentzel.

Mr Friedmann said yesterday that the practice of buying and reselling blocks of flats by building societies had now ceased.

"The building societies agree with us that it is wrong, and they are in sympathy with our attitude."

The Director of the Association of Building Societies, Mr Tim Hart, said yesterday that he was not aware of societies buying and reselling flats.

"They must be exceptional. I am only aware of the development corporations creating new housing. But I don't think it's a very good idea if they are to do it and improve an existing building and then resell it. It certainly isn't illegal or undesirable."
Leases: Suzman, Morrison clash

Political Correspondent

HOUSE OF ASSEMBLY — The Deputy Minister of Co-operation, Dr George Morrison, clashed with Mrs Suzman on the availability of land for the 99-year leasehold scheme.

He said that by the end of February this year 18,162 plots had been made available for the scheme. In addition, more than 34,000 applications had been received for the scheme and by the end of 1981, 12,000 applications had been approved.

Earlier, Mrs Helen Suzman, MP for Houghton, slammed the government for "allowing every possible bureaucratic obstacle" to stand in the way of the private sector acquiring leasehold land in the black townships.

She said that housing developers and employers were by no means reassured that an amendment to the Black Urban Areas Act passed last year in fact gave them the same security of title and tenure as black lessees under the 99-year leasehold system.

The amendment, which was introduced at the end of the last session of Parliament, was interpreted as a move to open the black townships to the private sector by extending to them the same security for title and tenure enjoyed by blacks under the 21-year leasehold scheme.

The legislation arose from a key recommendation of the Viljoen committee report on black housing.

Mrs Suzman said the shortage of land remained a "major stumbling block" to the provision of housing units in every black township in South Africa.

"As for the obstacles provided by the absolutely idiotic regulations about survey, they continue to make the acquisition of 99-year leasehold land either by individual blacks or by the private sector where whites are concerned practically impossible," Mrs Suzman said.

She also condemned the government for failing to implement the urgent recommendations of the Viljoen committee report concerning the payment of subsidies for housing.

"This vital issue was referred to in a committee under the Deputy Minister of Finance, Mr Danie Steyn, for 'urgent investigation' as suggested by the Viljoen committee.

"What has emanated from this committee? For without a proper formula for subsidization the recommendations of the Viljoen committee are stillborn," Mrs Suzman said.

The report had stated: "The subsidies should be determined, the criteria set and the revised subsidy scheme introduced as a matter of the utmost urgency."

Mrs Suzman said: "A further three months have passed since the deputy minister's committee was set up. That makes it nine months since Viljoen reported."

"This, meanwhile, the shortfall in housing in Soweto has gone up by a further 2,600 units, using the Viljoen estimate of 4,000 additional units required per annum."

The Viljoen committee had estimated that the shortfall in black housing in the urban areas was 268,000 which would cost £1.7 billion to meet.

In Soweto alone the shortfall was about 33,000 units, growing at the rate of 4,000 units a year. 55,000 units were required in Soweto over the next five years.
Govt ‘winning’ housing battle

HOUSE OF ASSEMBLY
— The battle against the shortage of housing for blacks was being won, the Minister of Co-operation and Development, Dr Piet Koornhof, said yesterday.

Replying to debate on his budget vote, he said there had recently been considerable changes in the government’s attitude towards the housing problem.

The state was now providing low-cost housing for only the lowest income groups but was providing infrastructure to make it possible for higher-paid individuals and their employers to erect dwellings more easily.

Dr Koornhof said the 96-year leasehold scheme had made a relatively slow start, but more people were expected to make use of it during the next year than had done so in the past four years.

It had been decided that aerial surveys for land apportionment in Soweto would reduce costs considerably and would reduce the time of surveying the entire area from eight years to one year.

Dr Koornhof said he had hoped to be able to make an announcement in this regard yesterday, but the scheme still required the Surveyor General’s seal of approval. An announcement could be expected in the near future.

Good progress had been made last year in the erection of dwelling units in Soweto and elsewhere. The provision of infrastructure in Soweto was developing into a success story, the minister said, adding:

“Watch Soweto in the next two to three years.”

Steps were being taken to make Soweto economically self-sufficient and this situation should be achieved within about five years.

Dr Koornhof said the next regions to enjoy such concentrated attention would be urban areas of the Eastern Cape.

He stressed that it was the duty of employers to help their employees secure proper housing.

“The colossal housing problem can be solved if we all work together,” he said.

Development and housing in the urban areas enjoyed the highest priority next to the development of the national states and the urbanization problem was receiving high-level attention.

The Planning Department in the Prime Minister’s office was working on a national urbanization strategy aimed at a more even population spread. — Sapa

EVEN CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered); leave columns (2) and (3) blank.

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<td>5(a)</td>
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NOTE
1. Answers to questions in columns (1) and (2) are to be entered in the space provided. Answers to questions in column (3) are to be entered below the table on the reverse side of this page.

2. Candidates are not to communicate with other candidates or with any person except the invigilator.

3. No part of an answer book is to be torn out.

4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination hall.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University.
Bid to cut price of low cost housing

Municipal Reporter
EAST LONDON — Lower housing standards which would enable more people to afford houses built by local authorities are to be investigated by the Cape Province Municipal Association.

The congress agreed yesterday to a motion by Grahamstown that councils be given greater freedom in developing housing schemes at reduced standards.

The motion was seconded by Cape Town.

DEPARTMENT

At present, rigid standards are laid down by the Department of Community Development for houses built with National Housing Fund money.

Local authorities, including Cape Town, have reached the stage where houses cost more than can be afforded by the people they are trying to house.

The CPMA obtained assurance yesterday that the province was investigating problems involved with property valuations in the Cape.

Valuations are carried out by the province every 10 years, and take a further two years to come into effect.

Delegates said this meant valuations were never up to date, and remained far below market value.

The CPMA also decided yesterday to increase the rate of interest on overdue municipal rates and other accounts.

They want the interest set at two percent above the prime overdraft rate.
Dept urged to lower housing standards

EAST LONDON — The Department of Community Development has been urged to lower the standard of its subsidised houses because they are becoming too expensive to live in.

Delegates at the annual congress of the Cape Province Municipal Association made the appeal here yesterday because of increasing problems in their subsidised housing schemes.

The Grahamstown municipality proposed a motion calling for greater freedom for councils "to develop housing schemes at reduced standards with funds from the Department of Community Development". The motion was passed after discussion.

Delegates from Grahamstown said it was becoming difficult to keep rents down for subsidised houses because of skyrocketing costs.

They were backed by a Cape Town city councillor, Mr J. A. K. Muir, who urged the CPMA executive to call in expert help on the matter.

DPR
contractual rights of women married in terms of traditional or customary union is at the heart of the matter. A woman who is married in terms of customary law is legally a minor and has no contractual capacity. Moreover, even if her parents have been married in terms of customary law and she is married in terms of civil law, if she is later divorced or widowed, she reverts back to minor status and her father or nearest male relative becomes her guardian.

Says one legal spokesman: “The majority of urban women are detribalised, married in civil law, and won’t enter into tribal marriages. However, a situation can arise where a mortgage is advanced and a man later appears and says he is the customary law husband and that she is a minor and not in a position to create binding obligations. In the case of single, divorced or widowed women, the risk is even greater.”

Women married under ante-nuptial contract are not regarded in a more favourable light. The reasoning is that even if the woman is married in civil law under an ante-nuptial contract, she could lose her husband, get divorced, and marry a second time in customary law — in which case she once again becomes a minor.

"Considerable difficulties are then created in enforcing the mortgage bond,” says a society official.

Says ABS executive director Tim Hart: “Although societies are keen to grant loans to black women, we have advised all our members that they’re on thin ice legally. Opinion is that, in terms of the law, we might be entering into an unenforceable contract with a woman who could be a legal minor.”

The problem is complex. In terms of Section 64(1)(a) of the Blacks (Urban Areas) Consolidation Act, administration boards can grant 99-year leaseholds to “qualified” persons. The Act is sexually non-discriminatory and there is nothing in it specifying that it applies only to males.

Law is grey

According to one building society spokesman: “Building societies are being forced to practice what appears to be discrimination when, in fact, we do not wish to discriminate on grounds of sex. The law is grey and indefinite and needs amending.”

Babette Kabak, co-convenor of the Women’s Legal Status Group, agrees. “The situation is reprehensible and should be clarified immediately. A woman married with an ante-nuptial contract, regardless of colour, should be treated like any other individual and only her credit-worthiness examined,” she says.

There are also a number of unclarified, related problems. For example, a woman may inherit property with a bond attached. The question then arises whether she will be forced to sell the property despite her ability to fulfill financial obligations.

The FM understands that representa-

Tribal Law

23.4.82

The women lose out

An anomaly between tribal and civil law is placing building societies in an invidious position, and black women are bearing the brunt of it.

The Association of Building Societies (ABS) has advised members that granting loans to black women wishing to register leasehold is simply not worth the risk. An unresolved conflict surrounding the
Questions on Wavecrest are still unanswered

BY JANE ARBOUS

TODAY the dream Wavecrest township near Jeffrey's Bay consists of several thousand empty plots serviced by roads, electricity and water. But the questions being asked by the public on how it all went wrong, remain unanswered.

The property development scandal which broke 10 years ago, surfaced again during last week's civil action in which the Trust Bank claimed R4 million and interest for transactions that took place 10 years ago.

The bank, a co-developer of the scheme, was confident enough to sue 10 defendants, some of whom were prominent businessmen linked to the bank at the time.

But after hints in the Supreme Court of unjust enrichment and a conspiracy to steal, the action was settled out of court and in secret. The unusual circumstances surrounding the speed and manner in which the multi-million rand township was established, have never been fully explained.

Developments so far include:

*Repeated calls for a judicial commission of inquiry but this has never materialized.*

*The Report of a Provincial Council select committee which the then Administrator, Mr A H Vosloo, refused to table.*

*The Trust Bank report, as well as the minority report, which were handed to the police in the mid-1970s.*

*A police investigation which was completed late in 1979 and handed to the Attorney-General who is now considering whether further action, if any, is to be taken.*

*And now the aborted civil case which had been pending since 1979.*

One of the most extraordinary aspects of the development was the decision by the Provincial Administration to give it blanket approval. Usual policy in the case of a property scheme as large as this (3 800 erven) is to phase in development, with authorization only being given for the initial stages.

Pushing ahead, the Provincial Administration went against the wishes of the Townships Board, which consisted of town planners, architects and provincial officials.

The first seeds of doubt over the development were sown by the United Party opposition in the Provincial Council in 1972. A series of probing questions of covering four printed pages were put to the NEC in charge of Local Government, Mr Frans Conradie.

*‘Jobs for pals’*

Fiery clashes over allegations of “Nationalists feathering their own nests” and “jobs for pals” followed.

The Administrator, Mr Vosloo, who said he was “sick of mud-slinging”, finally agreed to the appointment of a select committee to conduct an inquiry.

In 1974, after months of demands for the committee’s report to be tabled, Mr Vosloo decided not to disclose the full text. In fact, only four pages containing recommendations of the 144-page report were tabled.

*Cover-up allegation*

Accusing him of a “cover-up”, one of the two UP MPCs allowed on the committee, Mr Theo Aronson, alleged that:

*The Jeffrey’s Bay municipality approved the township application before it received it.*

*In return for an R60 000 donation from the development company, the municipality waived a requirement that they pay a “permanent ‘incorporation endowment’ on the plots.*

A permanent ‘black mark’

THE Trust Bank would always have a “black mark” against its name for its involvement in the Wavecrest property scam.

Thousands of ordinary people who normally would never have bought there, were attracted by:

*Mr Theo Aronson*  
*Mr A H Vosloo*  
*Dr Fred du Plessis*  
*Mr Frans Conradie*  
*Mr H Vosloo*  
*Mr A H Vosloo*
Conradie was one of the land surveyors employed by the developers.

A law firm in which Mr Conradie was a former partner was involved in the scheme.

The chairman of the inquiry into Wavecrest, Nationalist MFC Mr J H Heyns was a partner in a law firm involved in the scheme.

The developers used "gangster-type" tactics on Mr Aronson in an attempt to prevent him from probing their financial affairs.

Full-page newspaper advertisements were placed by both the developers, Jeffrey's Bay Property Holdings (Pty) Limited, and the town's mayor, Mr B Beest, explaining their positions and replying to some of the allegations.

The then Prime Minister, Mr B J Vorster, was urged to act.

**Police**

The row raged on and in 1979 the findings of an internal inquiry instituted by the newly-appointed head of Trust Bank, Dr Fred du Plessis, were given to the police.

Dr Du Plessis handed his report over after the results had been sent to the Registrar of Financial Institutions.

Both the minority report and the administrations report were also given to the police whose investigation involved allegations of "unreasonable advantage".

Ten years later the seaside township stands desolate.

And in spite of the accusations and counter-accusations the questions people hoped would be disclosed in the civil court action remain unanswered.

---

**Trust Bank won 'substantial damages'**

The Trust Bank won "substantial damages, running to millions" in the settlement it reached with the 10 defendants it was suing over the controversial Wavecrest development, according to a legal source quoted in the Financial Mail this week.

Secrecy surrounds the deal and Trust Bank officials refuse to comment on the terms.

The bank's claim for R4-million plus 11 percent interest for nearly 10 years was brought last week against 10 defendants, one of them a City property developer, Mr Bill Mitchell.

The bank alleged in the Supreme Court that Mr Mitchell and former principal officers of the bank conspired in 1972 to steal money in a series of transactions involving the development of Wavecrest township near Jeffrey's Bay.

The Financial Mail said it was clear that the sheer magnitude of the case influenced the settlement decision, details of which may never be known.

Involved were five firms of attorneys, 11 counsel, dozens of potential witnesses and a court record that would run to thousands of pages.

Hundreds of documents in tin trunks were held in readiness.

The Financial Mail said costs would have been "staggering".

---

The chairman of the Wavecrest Plotholders Protection Society, Mr Dave Biem, said yesterday:

Calling for a judicial commission of inquiry into the 10-year-old scandal, Mr Biem said from his Durban home that the secret settlement between Trust Bank and the man it was suing was "unsatisfactory" in the light of all the unanswered questions.

Mr Biem, who is one of several thousand people throughout South Africa-owning land in the township, has been involved for years in attempts to find out what went wrong.

During one of several meetings with the Trust Bank chief, Dr Fred du Plessis, he was told that the bank deeply regretted ever having got involved in the massive advertising campaign by the Trust Bank. It was their first move into property and their good name and the picture of this golden development prompted people to buy.

'Dreams shattered'

"Instead their dreams were shattered. "Over the past eight years we have paid and paid, never seeming to dent what we owe on the land. And although very few houses were ever built, land owners still have to pay service charges every month." The area would never be "a status one" as promised, Mr Biem said. Because no building restrictions were still anything from ponds could be erected on the land.
Curb on rent rises

(Continued from Page 1)

day's price levels, says Mr Neville Berkowitz.

The average white South African's earnings will be just over R1 000 a month this year, which means he can afford to live in a house or flat valued at only R31 000.

"And where," asks Mr Berkowitz can you get a house or flat for that price in a good area?

Ultimately, the snobbish white housing market would have to adjust to more realistic price levels, but the key lay with the building societies which control home-building finance.

APPRECIATION

"More and more people are reaching the point where they say they cannot afford a house any more."

The trouble with white housing, says Mr Berkowitz, is that 'a lot of people can afford to eat bread and some can afford to eat chocolate cake. At the moment a lot of bread eaters are eating chocolate cake. "People will live in a small house if everyone else lives in a small house - snobishness will disappear."

Mr Berkowitz calculates the purchase of a R37 000 home this year with a R30 000 bond would realise a capital appreciation profit of about R80 000 within 10 years. The sale price should rise to R103 000 by 1991, the bond reducing to about R20 000.

But the R80 000 profit will be needed to buy a better type of home in 1991 when average home prices could be around R103 000.
Curb on rent rises ahead - economist

Tom Hood
Property Editor

LANDLORDS will have to curb rent increases in the next 12 months, in spite of a shortage of flats.

This is the view of property economist Neville Berkowitz.

With the economy in a downturn, workers are likely to earn less after inflation and the imposition of a 5 percent loan levy, he says.

Tax changes in the Budget meant companies would have to earn an extra 7.5 percent this year just to hold their present earnings position.

If inflation, as forecast, reached 15 percent, companies would therefore have to find an extra 22.5 percent more money just to stay level.

In other words, a flat being rented at R450 a month would have to rise to R560 in 12 months. A R300 flat would jump to R367.50.

RESISTANCE

But with the economic downturn, average pay rises are not likely to keep up with inflation. The market would not be able to bear these increases — people would reach the point where they would say they could not afford any more.

Mr Neville Berkowitz.

Mr Berkowitz told Property Argus.

Property companies should be prepared to accept less because of simple market forces. They may have to absorb many costs themselves and perhaps cut dividends.

SPIRALLING

'This year will be rough but in the longer term it will be possible to increase rents as spiralling building costs make rent rises justifiable.'

More homes could be built at prices people could afford if building societies limited bonds to only R30 000 a household, he said.

At present R30 000 is the average mortgage paid by societies.

The bonds limit would force builders to go for less luxurious standards and provide homes below R40 000 in terms of to

(Cont on Page 2 Col 1)
Homes and flats: What's right and wrong

By Stephen Oppen

The crisis in the market for accommodation (last week's Business Times, front page) is undeniable.

However, the president of the Association of Building Societies, Hendrik Sloet, has reacted to BT's lead story with the following comments.

"The housing shortage will continue and prices will remain high. But it would be wrong to suggest the building societies could influence the value of housing." (BT does not agree.)

Mr Sloet: "Factors contributing to the home shortage and high prices include:
- The shortage of money.
- Increased building costs (a staggering 93,5% in only three years).
- More than 35 000 white couples under the age of 35 are married annually. All or most need housing of some sort.
- South Africa has a net increase in immigrants each year — 30 000 in 1989.

"If the price of housing was too high just because of the shortage of mortgage finance in 1970-80, why has it not decreased now that the granting of loans is severely restricted?" (Because the grey market and new sources of finance are being tapped.)

Mr Sloet says that the value of any commodity in the price a willing purchaser is prepared to pay to a willing seller without undue pressure on either party (BT's italics).

BT comment: This proves the BT comment about the grey market and new sources of finance. BT also disagrees that buyers and sellers are experiencing "undue pressure" in many cases.

Mr Sloet: "The market determines the price of housing. Building societies can only ensure that their security for loans is a realistic one in the marketplace should the mortgage have to be recalled.

BT comment: It depends on what one calls "realistic". A much less conservative policy by the societies is not advocated. Only a moderately less cautious approach.

"It is not within the powers of building societies to set the price of properties, just as banking institutions could not influence the prices of the cars or furniture they finance."

BT comment: Partly true. The marketers of houses, and others, also play a part.

Mr Sloet: "It is unrealistic to expect societies to have full coffers when there is a general shortage of money.

"In the same way, one cannot expect the societies to have cheap money when it is expensive elsewhere."

BT comment: No and yet! The coffers need not be virtually empty. More funds could be carried forward from the boom times.

But one does not expect the money to be cheap. Indeed, bonds should carry higher interest rates under a proper free-market system. The borrower should be relieved via tax relief.

Mr Sloet: "We want to be able to attract the savings of the man-in-the-street by offering him a return comparable to what he can get from other financial institutions."

Fair enough!

"The building-society movement was based on the concept: To every thrifty family its own home."

"But South Africans are not saving as they used to. Personal savings in the past 10 years had been stable at 16%, but last year dropped below that for the first time."

"We do not think that mortgage payments should be tax-deductible."

"Housing in all the leading countries is subsidised. The subsidy should rather be in the form of an incentive on the rate of dividend payable to investors in building societies' shares."

"This encourages people to save. Also a high interest rate encourages borrowers to repay their loans quickly."

"In general, it is not a good idea to extend the period of bond repayment."

"If we increase the period from 20 to 30 years, the man with a bond above R35 000 will save plus or minus R14 000 a month in actual cash payments. But he will pay R1 600 more in interest over the extra 10 years."

Regardless of the current tight economic situation, the societies have increased their investment funds in the past 11 months by R1 035 million and in the same period lent out R1 086 million in mortgages.

"Building societies are still growing, not declining. We are still the second largest group of deposit-taking institutions in the country."
Housing breakthrough

A NEW system of low-cost building is being introduced to SA by Peter Bayly Construction aimed at the mass housing market.

Main advantages of the system are its speed, an average house of 60 m² can be completed in a week, utilising local site materials and unskilled labour. No prefabrication is required thus eliminating transport costs.

(see page 80)

Moror Industry Workers Union of S.A.
the Durban area. Although the same rules don’t apply, Chapple explains that there are special financing arrangements which make life a good deal easier in the Indian and coloured market.

Most builders are similarly involved. But says Gough Cooper chairman Tony Action, the biggest problem is the availability of stands in certain areas.

Admittedly, he adds, it is not all that easy to release land because of the lack of infrastructure. However, he believes private enterprise could help out with the servicing. As an example, he suggests developers could handle the job by way of an advance and recoup on the cost of stand.

Eric Field, deputy chairman of Murray and Roberts associate African Development and Construction Company (ADCC), believes the stand problem should be no turn-off. “If one is serious about getting contracts, the field is open. The administration boards, especially Wраб, have been extremely co-operative.” And some building societies are bending over backwards to help the potential buyers get bonds.”

ADCC’s current programme entails 470 houses in Soweto, Dobsonville and Tembisa, where 55 m²-70 m² units sell for R13 000-R15 000. Its 70 m² homes in Soweto sell for about R25 000-R28 000.

problems of finance, corporate integrity and costs.

Basically, there are four possibilities once the problem areas have been cleared:

- One-off houses for individuals.
- Schemes for companies funded with employer funds;
- Mass housing contracts for the boards and other government agencies; and
- Schemes for companies funded with employer funds;

As costs are a vital part of the exercise, most construction companies see scheme development as the most viable.

The re-introduction of the lease system—initially 30 years, now 50 years—will hopefully become a stepping stone to full freehold ownership. In any event, it has widened the options.

The old back-to-back system pioneered by the NBS has done much to get the ball rolling. This entailed a five-year covering investment by companies in society shares, against which a loan would be made to a nominated employee.

But since the Urban Foundation raised a $44m loan in the US to boost the process, builders have wasted no time in making use of it. At last count, nearly half these funds had been drawn down from the participating banks (Barclays, Standard and Nedbank) for allocation through the building societies.

A bull point for blacks is that the interest rate is pitched at 1.25 percentage points below going building society levels, which helps in a small way to ease the repayment load.

Thus, for builders looking for a slice of the action, the procedure is far from straightforward. But site shortages notwithstanding, opportunities continue to exist.

George Wimpney (SA), for example, is currently into the full gamut of possibilities. Among current contracts are 400 houses in Soweto’s Chiavelo township for Wраб, 300 in Bophuthatswana for the government and hundreds more in various centres for the mines.

Next week, it will hold a get-together at which qualified blacks with allocated sites will be told of the advantages of getting together and building in bulk.

“The black housing market,” explains Wimpney chief executive Trevor Chapple, “holds tremendous potential. Although we have temporarily stopped building white housing, we remain heavily committed to the black sector.”

Indeed, Wimpney is also profitably into Indian and coloured, housing, particularly in
591. Mr. F. R. C. ROGERS asked the Minister of Co-operation and Development:

How many houses (a) built and (b) sold in terms of the 99-year leasehold scheme were financed (i) by building societies and (ii) by means of private capital from the inception of this scheme to the latest specified date for which figures are available?

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To What Extent has the Coloured Union Grown?

Registration: Yes

Founded: 1939

Area of Operation: Western Cape

Official: Secretary: A.R. Fraser

Cape Town Corporation Street

Address: 2014 City Centre

Telephone: (021) 433658

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NEW BOND RATES

BLOW COMING

Home-seekers' hopes dashed

ANOTHER rise in mortgage rates is expected in the next two weeks but this will not help the thousands in the queue for housing bonds.

By TOM HOOD, Property Editor

Another rise in mortgage rates is expected in the next two weeks but this will not help the thousands in the queue for housing bonds.

The EP Building Society, one of the country's smallest, is taking the lead with a one percent rise in bond rates from next month. The bigger societies are likely to follow.

But cash raised will not go far to ease the mortgage famine.

It will be needed to protect the societies from raids on their coffers by banks and other institutions which are enticing savers to switch their money.

INVESTORS

Cash raised by the bonds increase will help to pay higher interest rates to investors bringing them up to rates paid elsewhere.

The latest rise will bring bond rates to between 14.25 percent on loans under R10,000 and 18.25 percent on loans of R50,000.

The higher monthly payments could end the hopes of hundreds of young couples of owning their own homes. Many people in the queue for home loans will also drop out.

Others who bought houses when bonds were cheaper will not be able to afford them with the new increase and may be forced to sell their homes.

DOWNTURN

If this happened, it could bring a downturn in the property market, say estate agents.

So far, house prices generally have not dropped below 1981 levels in the Cape in spite of the bonds shortage. Houses and flats are still scarce.

But asking prices are coming closer to selling prices.

"Sellers are being forced to scale their expectations down," said a building society official.
PORT ELIZABETH—Mortgage bond rates are going up for a fifth time in 15 months by a maximum of 1 percent, but each building society will determine its own increase following a decision to do away with the cartel agreement in the movement.

This was confirmed yesterday by Mr Ronnie Munford, general manager of the Eastern Province Building Society, who said his society had already increased the rate by 1 percent on new bonds and this would apply from June 1 on existing bonds.

He did not expect all building societies to increase bond rates by 1 percent because the increase would be determined by each society's investment mix.

Those with big portfolios of savings accounts paying 4 percent interest a year would probably increase their bond rates by 0.5 percent to 0.75 percent, while there would also be different rates for different types of properties.

Investment rate

Notices had already gone out to his clients and he expected other building societies to follow suit. Mr Munford said building societies already determined investment rates individually.

The latest increase means that since February last year the bond rate has risen by up to 5.25 percent—an increase of up to 58.3 percent on bonds under R10 000 and up to 47.7 percent on bonds of more than R40 000, depending on the increases decided on by individual building societies.

Mercury Correspondent branch manager of the EP Building Society, Mr Bernie Muirhead, said that in anticipation of the bond rate rise the investment rate on new paid-up indefinite period shares had been increased from 12.5 percent to 14 percent from Wednesday.

This would also apply to existing shares from today when the rate on new fixed period shares would be increased from 13.5 percent to 14.5 percent. Both were partially tax free.

He said on a bond of R10 000 with the EP Building Society the new rate would be 14.25 percent pushing up the monthly repayment over 25 years from R118 to R123.

Other examples showing the new interest rates and outstanding bond amounts were:

- R15 000 at 14.5 percent from R178 to R188.
- R20 000 at 14.75 percent from R238 to R254.
- R25 000 at 15 percent from R303 to R323.

Repayment over 20 years:

- R30 000 at 15.25 percent from R381 to R402.

Building societies do not need Government approval to push up bond rates.
Another 320 agencies quit

Property Editor

THE drop in property sales has forced more than 320 firms of estate agents to close shop this year.

This leaves 4,930 firms registered with the Estate Agents Board.

There was also a drop of almost 320 to 6,000 in the number of partners, directors or sole traders registered as estate agents.

The number of employees plunged by 910 or over 10 percent to 7,000 since January.

The board reported this week some 3,000 estate agents and more than 900 firms went out of the business since the peak of last year.

"Many small-time and part-time agents have given up and left the game to the professionals," said a spokes-man for the board.

Those to go were chiefly small firms that expanded overnight in times of cheap and plentiful finance and easy selling of homes.
Diplomats' home cost R800,000

HOUSE OF ASSEMBLY.

The residence for the South African ambassador to Ciskei and his personnel in King William's Town cost R800,000.

The purchase of a property in the town for the chief justice of Ciskei cost R180,000.

These details were contained in the memorandum by the Minister of Community Development, Mr. Pen Kotze, on the government's building programme for the 1982-83 financial year tabled yesterday.

An amount of R780,000 had already been spent on the "purchase of improvements to properties to serve as residential accommodation for ambassador and personnel" in King William's Town while a further R10,000 would be spent during the current financial year.

An amount of R120,000 had already been spent on the Chief Justice's accommodation and a further R10,000 would be spent during the 1982-83 financial year.

...
Group Areas Act removals

The Group Areas Act has granted the white population group greater privilege and caused them less disruption than any other group. This emerges from statistics given by the outgoing Director-General of Community Development, Mr. Louis Fouche, in his department's annual report tabled yesterday.

Up to September 30 last year, 774 600 ha had been proclaimed white group areas, 94 729 ha proclaimed coloured group areas and 48 550 ha proclaimed Indian group areas.

"An inevitable result of the establishment of separate residential areas is the resettlement of disqualified persons in their own residential areas," Mr. Fouche said.

Up to September 30 last year, 2,023 white, 34,135 Indian and 73,392 coloured families had been resettled.

The vast majority of families resettled had lived in slum and overcrowded conditions and had been resettled in communities where they had proper housing at reasonable prices and with community facilities.

Dealing with District Six in particular, Mr. Fouche said the coloured families moved since it was declared a white group area had all been provided with alternative accommodation which was "almost without exception" better than that they had vacated.

"Of the 10,405 coloured families who previously lived in District Six, all but 20 have been rehoused inter alia in the newly developed residential areas of Belhar and Mitchell's Plain."

The report, dated September last year, said the remaining 20 families should have been rehoused by the end of October 1981.

Mr. Fouche said the building programme in Mitchell's Plain was progressing satisfactorily.

"Contracts for the erection of a further 10,400 dwelling units have already been awarded whilst the erection of a further 5,000 units is being planned."

The report also said "substantial success" had been achieved in rehousing squatter families, particularly in the Western Cape.

"The problem has almost been overcome in the municipal area of Cape Town. The remaining families in this area will probably be rehoused during 1982."

The report showed that of the 20,102 squatter huts registered in Cape Town, 19,936 had been demolished since 1973 and a further 11,167 remained to be demolished.

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Textiles, Clothing, Leather and Footwear

National Union of Garments & Tobacco Workers

African Tobacco Workers Union

Textile Workers National Union of South Africa

Western Provincial Sweet Workers Union

S.A. Tobacco Workers Association

S.A. Tobacco Workers, Sweet-Cutters, Stirrupers and Helpers

South African Tobacco Workers Union (S.A.T.W.U.)

Super Industry Processing Union

Sweet Workers Union (National)
Bonus scheme suggested to aid black housing — backlog now 160 000

The authorities should consider the introduction of bonus obligations to raise funds for black housing. It was proposed at the Junior Congress of the Afrikaanse Handelsinstituut yesterday.

There were many South Africans who for ideological reasons refused to invest money in Defence bonds, it was said. State funds were limited and had to be supplemented from other sources to build homes.

In the past three years, the average income of economically active black urban households had risen by about 40 percent. The blacks' position had been materially improved but it was still impossible for them to find proper housing.

Current estimates were that the shortage in urban housing was 160 000 units.

An independent research group, Davida Management Services, estimated that 6,11 million units would be needed to house the black urban population up to the year 2020.

In terms of 1980 money value, this housing need would require an outlay of R48.800 million.

UNREALISTIC

From 1965 to 1979, 114 000 units had been built at a cost of R174 million in urban areas. From 1975 to 1978 housing projects in rural areas had cost R143 million.

It would therefore be unrealistic to finance future housing needs only from taxes.

Only by involving the whole population to contribute could the burden be eased.

Money from Defence obligations was poured into the Treasury and a separate trust fund could be created for housing funds. This could be the beginning of a black building society from where money could be obtained to finance housebuilding.

Only individuals were allowed to invest in Defence bonds but, as the social development of urban blacks was in the interest of large corporations and local authorities it could be more advantageous to allow these organisations to invest in housing bonds.

These new sources of finance could help alleviate unemployment.
Higher bond rates 'forcing owners to sell'

By GORDON KLEIN

BRUTIC increases in mortgage bond interest rates, coupled with a slide in the residential property market since the beginning of the year, are being reflected in an increase in forced sales of homes.

A spokesman for the United Building Society yesterday confirmed that there had been a slight increase in foreclosures by building societies on borrowers unable to meet their repayments in the past two months. The position was expected to worsen with the latest round of increases.

He did not believe there was cause for alarm, since most borrowers would pull in their belts or other expenditure before sacrificing their homes. If the worst came to the worst, they would sell on their own before facing the additional expense of forcing a building society to take action.

The Cape Town manager of the EP Building Society, Mr. Roy Van Limpenny, said however that in general borrowers appeared to be paying more attention to their arrears position in the realization that if they got a month behind it would be difficult to make up.

One of the biggest problems caused by the upward spiral in bond interest rates was a communications gap, causing delays in borrowers adjusting their instalments. It could take a few months to get payments on to the correct level.

"We haven't had any significant indication of a rise in houses being pushed on to the market because owners can't afford their bonds," said the chairman of the Institute of Estate Agents in the Cape, Mr. Geoffrey Seafe. "Of course it can and does happen, but even in good times there will be buyers who find they have bitten off more than they can chew."

Slump

Worse hit than homeowners by the bond interest rate rises have been estate agents.

Sales figures in the Cape Town municipal area for the first quarter of the year show a 20 percent slump in the number of transactions over the same quarter last year. The average value is also down by R600 000 to R57 million, in spite of higher average selling prices, the average home sold for R34 300 in the first quarter of last year.
and financial modelling as jobs that'll leave you time to what you're best at;  
lowing money.

Now that the B20 is as easy to if you can push in a plug you (we'll even supply the plug).

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decision of a lifetime take a look at the B20.

omes to "richer or poorer", her is better.

Please send me everything 20.

CHINES LIMITED
burg 2000
Cost rise spurs housing crisis

**Political Staff**

**HOUSE OF ASSEMBLY.**—The sharp rise in building costs was causing serious problems in housing in South Africa, the Department of Community Development said yesterday.

In its annual report for October 1980 to September 1981, which was tabled in Parliament yesterday, the department said there were "substantial shortages" in certain urban areas for flats.

It said the fulfilment of housing needs had been impeded by the sharp rise in interest rates together with the rapid escalation of building costs.

"The relatively faster rise in building costs as opposed to the rise in other commodities has the adverse effect that members of the public are looking to the department for housing because they are no longer able to be assisted in the private sector.

"The department is however not in a position to increase its direct contribution to housing provision because the means at its disposal are very limited.

"Housing is not only becoming increasingly expensive but the occupation of settled tenants has been jeopardized as a result of the sale of flats under sectional title," the department said.

It also said "the continual sharp rise in building costs and the limitedness of building society loans is making it increasingly difficult for families to acquire homes of their own.

"As a result an increase is expected in the demand for flats coupled with inflationary pressure on rentals.

"Whilst it will be necessary to guard against the exploitation of tenants, serious consideration will have to be given to enhancing the attractiveness of the letting market as a field of investment by removing any restrictions and, if possible, by creating incentives.

"The department is aware that the existing problems, bottle-necks and tendencies in the housing field could be summarized as follows: The sharp increases in the price of land for building, services and building costs, and housing costs rose more rapidly than personal income; there were inadequate funds to assist families who qualified for state assistance; the shortage of funds experienced by building societies; the inability of the private sector, whose existence depended on profit-making, to provide housing for lower income groups; a decrease in enthusiasm by local authorities who were hesitant to undertake forward planning; the apparent negative effect of rent control on the provision of new dwelling units; the inability of the middle-income group to meet their housing needs independently; and the disappointing contribution on the part of employers in providing housing facilities for their employees.

The department also said: "The shortage of housing for whites is increasing and, in particular, the position of the aged and others in need of care for whom welfare housing is provided, is causing concern."

State effort 'hampered'

**HOUSE OF ASSEMBLY.**—Efforts by the state to solve the housing problem have been seriously hampered by proposals of unilateral declarations, the retiring Director General of Community Development, Mr Louis Pouche says in his last annual report.

The report, tabled yesterday, says problems in the field of housing had recently received attention at all levels.

"All sorts of solutions, some ill-conceived and others superficial, have been proposed. "These wise and appealing ideas have, realistically speaking, contributed very little to resolving the housing question.

Mr Pouche says the department and its statutory bodies, as a result of full-time involvement in housing for several decades, are the only ones with a thorough knowledge of the problem and able to deal with it.

"The quickest and most effective method of relieving..."
Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

(a) What progress has been made in the implementation of the 99-year leasehold scheme and (b) how many such leases have been registered in each of the nine main urban areas?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(a) General plans in respect of the various urban Black residential areas consisting of a total of 162,592 stands have been approved for leasehold purposes up to 31 March 1982.

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No rights of leasehold have been registered in the following urban areas:

Pietermaritzburg—(The land is not yet registered in the name of the Administration Board).

Durban—(Leasehold for Lamontville was only recently approved);
Pretoria—(Survey of residential area has not yet been finalized);
Kimberley—(Survey of residential area has not yet been finalized);
Cape Town—(Leasehold scheme is not applicable).
HOME LOANS: BANKS GET GREEN LIGHT

TOM HOOD
Property Editor

BANKS were given the green light this week to enter the home loans market.

This is the interpretation in building society and banking circles of a statement by the registrar of Financial Institutions, Mr Naas van Staden, that building societies are free to raise their interest rates as long as they do not exceed the 22 percent limit of the Limitations and Disclosures of Finance Charges Act (Lafine).

And that could lead to hundreds of millions of rand becoming available to the thousands of families who cannot buy a home or flat because building society bonds have almost dried up.

In the past the Government indirectly controlled mortgage rates but Mr van Staden's statement is clearly in line with the Government's new free market policy in relation to the money market, foreign exchange and the Reserve Bank's tender rate.

Some of the major banks are now doing a lot in-depth thinking about home loans.

Already the major bank credit cards offer loans for swimming pools, garages and home improvements.

WARFARE

One of the barriers has been that the Government could prevent building societies entering the market on their own and increasing bond rates.

"Inevitably we must expect the banks and building societies to get into a more open warfare as in the United States," said a bank executive.

"Building societies are already trespassing into the business with their cash cards and free cheques. They have also gone into insurance, township developments and home development schemes."

Banks are already well entrenched in the home loans business in Britain and Canada.

South Africa's banks could enter the market but consider they would need to compete on equal terms with building societies, says Dr Johan Cloete, chief economist of Barclays Bank.

This means building societies would have to meet the banks' stringent conditions in terms of assets and cash resources.

"While short-term interest rates remain high, banks would not be keen to take on long-term housing loans.

Banks would have to develop long-term deposits on the other side of their balance sheet, if they went into the housing market in a big way."

One bank going for housing business is Trust Bank, currently offering loans of up to R15,000 for five years for home improvements. This is done on a personal loan basis, so that interest is charged at around 20 percent.

There is no shortage of funds. Once an application is approved a cheque is issued the same day, says the bank.

The bank's 20 percent might seem high compared with the 15.25 percent charged by most building societies and the 12.5 percent which two small ones, EP and Standard, are to charge in future.

But many families are already paying above building society rates where they fall back on the grey market and pay as much as 7.5 percent raising fees when they raise housing finance.

DISAPPOINTED

The president of the National Institute of Estate Agents, Mr Basil Eliz, says home seekers applied for bonds totalling R110 million in February but building societies could supply only a third.

"Thousands of disappointed families are baying to find finance to own their own homes."

Speaking at the Institute's congress at Sun City this week, he said the immediate future of housing rests squarely with the Government which "should be actively doing things to popularise building societies and capture enough finance from the market, place to fulfil their traditional function."

...
Freeze rents to sort out chaos, says MPC

Chief Reporter

The Government should declare a cooling off period during which residential rents would be frozen while the "absolute chaos" in South Africa's housing was sorted out, the MPC for Hillbrow, Mr Simon Chilchik, said today.

Mr Chilchik said that in terms of a State formula people should not pay more than a quarter of their income on housing.

But many people were paying as much as half or three-quarters of their income on rent. Pensioners paid almost all of their pension on rent.

Mr Chilchik, who is also the Johannesburg city councillor for Hillbrow, proposed rents be frozen for certain period during which the Government should appoint a commission of inquiry to hear landlords and tenants.

The Government and the private sector had to create a partnership during this period to overcome the housing shortage.

The issue of rocketing rents is expected to be debated in Parliament later today and tomorrow when the Department of Community Development budget vote comes up.

In his budget speech earlier this year the Minister of Finance, Mr Horwood, announced tax concessions for developers building flats for rental.

But this concession was not expected to cost the Government more than R1 million during this financial year.
Kotze to act on rent control

Parliamentary Staff

THE Minister of Community Development, Mr F B Kotze, announced in the Assembly yesterday that he would propose the appointment of a parliamentary select committee to investigate and report on the desirability of removing statutory control over rents.

Speaking in the debate on his budget vote, Mr Kotze said he would also ask that the committee investigate and report on:

- Measures to afford tenants continued protection against exploitation, victimisation and arbitrary eviction.

The Minister said he intended giving notice of a motion for the appointment of such a committee, which would have power to take evidence and call for papers. He said he trusted members of the Assembly would support the proposed motion because "the facts of the matter indicate indisputably that urgent action is needed."

The Minister said it was in the public interest that the present "checkmate position" be ended.

This position has arisen, so far as the continued existence of rent control was restricting the provision of new dwelling units for renting. This had resulted in exorbitant rent increases.

Rents would continue to rise until equilibrium in the renting market had been restored.

Mr Kotze said tenants in the private sector were burdened with rising rents and the scarcity of accommodation for letting was causing serious concern.

"It is unfortunately a fact that the price for accommodation has risen considerably of late. Investigation of literally hundreds of cases, as a result of representations received, proved however that landlords in general are not exploiting the situation," Mr Kotze said.

Landlords had to cope with rising expenditure on, for example, rates and taxes, municipal services, mortgage interest, maintenance and insurance.

These costs made rent increases unavoidable if landlords were to survive.

Because of the high costs of building and finance it was also not a viable proposition to provide new letting accommodation.

On the whole, tenants were not affluent enough to be able to afford the rents which had to be charged to give the landlord a reasonable return on his capital investment.

Mr Kotze said private enterprise was adamant that it would not take part in the provision of new letting units as long as rent control continued to be applied and there was a danger of the scope of this measure being extended.
559. Prof. N. J. J. Olivier asked the Minister of Co-operation and Development:

(1) Whether any Administration Boards have residential stands available for development by private companies; if so, (a) which Boards, (b) (i) how many such stands are available and (ii) in which townships they are situated, in respect of each such Board; (c) when did the stands become available and (d) what is the purchase price of the stands.

Yes.

(a) Highveld
   Central Transvaal
   Western Transvaal
   Drakensberg
   Southern O.F.S.
   Orange Vaal
   East Rand
   Western Cape

(b) (i) 82 079

(ii) Highveld
   Balfour
   Standerton
   Volksrust
   Belfast
   Central Transvaal
   Mamelodi
   Western Transvaal
   Biesiesvlei
   Bloemhof
   Carletonville
   Christiana
   Fochville
   Bethof
   Dullstroom
   Secunda
   Hendrina
   Atteridgeville
   Leeudorrnstad
   Lichtenburg
   Mokwase
   Orkney
   Otjiwarongo
   Lydenburg
   Middelburg
   Witbank
   Stilfontein
   Swartruggens
   Venterdorp
   Wapenveld
   Wilmarienstad

(2) whether any Administration Boards have made any residential stands available to private companies for development; if so, (a) which Boards, (b) (i) how many such stands have been made available and (ii) in which townships are they situated, in respect of each such Board, (c) on what terms were the stands made available and (d) what are the names of the companies involved.
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<th>United Development Company</th>
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<td>Standard Building Society</td>
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12. Mr. J. W. E. WILEY asked the Minister of Community Development:

Whether single men employed by the Public Service on a permanent basis are eligible for the 100 per cent housing loan guarantee; if so, what procedure is to be followed in applying for such guarantee?

The MINISTER OF COMMUNITY DEVELOPMENT:

No. A committee under the guidance of the Commission for Administration is however investigating housing benefits for Civil Servants.

For written reply.
Proposals to alleviate the housing crisis

Municipal Reporter

The encouragement of self-help schemes, lower standards, policy decisions made at a local level instead of in Pretoria and the availability of more funds were put forward yesterday as factors which could alleviate the Western Cape's housing crisis.

They were some of the suggestions made at a panel discussion of the Western Cape branch of the SA Institute for Housing at the Civic Centre.

The panel included Mr. Kent Durr, MP, Cape Province Municipal Association executive member, Mr. Allyne Yeld of Fish Hoek, Mr. N.M. Khoson of the Department of Community Development, Mr. Chris April of the President's Council, Mr. Siwynn Myers of the South African Property Owners Association, Mr. Dan Roeltvert, president of the institute, and Dr. Julian Everwiel representing a major housing contracting company.

COLOURED

During discussions, Mr. April said the problem was more than just making houses available. It was part of improving the quality of life for the coloured people.

He added that 60 percent of the coloured people were chronically poor and could not afford to buy homes.

"These 60 percent are the people we must concentrate on. We cannot allow them to continue living in squatter camps."

He also criticised churches for not playing a leading role in housing and other matters which would improve the quality of life of people.

"The most beautiful churches are always in the poorest areas. The money that went into those grandiose churches could have been used to help build houses. The problem is the church becomes so heavenly it is no longer of any earthly use."

PROBLEM

Mr. Yeld said lack of funds was still the biggest problem local authorities had in making more homes available.

Local authorities were just as aware of the need for acceptable standards and should be allowed to make their own decisions on standards.

The case for self-help schemes was put by Mr. Myers, who said it was vital that the community became more involved in housing and self-help schemes were one way of reducing costs.
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(b) Funds are not allocated for each individual project whilst in practice, at the beginning of each financial year, especially in respect of the larger local authorities only a total amount is allocated to a specific local authority which it allots to current and new projects which it is authorized to execute. The required information is therefore not readily available.

Confiscated drugs

577. Mr. P. R. C. ROGERS asked the Minister of Law and Order:
(1) What funds were available to his Department as at 31 December 1981 for the construction of (a) economic and (b) sub-economic housing?

(2) What amount was (a) spent and (b) allocated by his Department for the building of economic and sub-economic housing, respectively, in the last five years in respect of each race group in (i) Cape Town, (ii) Durban, (iii) Pietermaritzburg, (iv) Pretoria, (v) Port Elizabeth, (vi) Kimberley, (vii) East London, (viii) Bloemfontein, and (ix) Johannesburg?

The Minister of Community Development:

(1) (a) and (b) As at 31 December 1981, the full amount of R285.2 million made available for the 1981-82 financial year had already been taken up. The hon. members attention is invited to the fact that the concept of economic and sub-economic housing no longer exists.

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97705356
The National Housing Commission (NHC) will make its first entry to the markets next month as a borrower in its own right. Its debut will be attended by Senbank, DAU and Volkskas Merchant Bank, who in consortium have arranged to meet its financing needs "with a cheap and flexible package."

The NHC, administered by the Department of Community Development, was empowered by the Housing Amendment Act of 1982 to borrow in its own right, at ministerial discretion, to finance capital works. An amount of R150m to roll off the current year's allocation to the National Housing Fund was put forward in the 1982/83 budget as part of Finance Minister Owen Horwood's attempt to reduce the government's funding burden. According to the Minister of Community Development, Pen Kotze, the money will be used to finance building projects currently under construction. However, he adds, Horwood has approved another R20m to be used for infrastructural development.

The agreement with the banks is limited to the original R150m. About R60m of this will be provided by Senbank, the consortium leader, with the other two banks contributing about R45m each.

The funds required are for long-term purposes, which means that borrowing costs are being viewed long term. Following the suggestion of Senbank, the NHC will fund itself on a short-term basis for at least a year, and possibly as long as three years. The chosen vehicle at this stage is negotiable bills, the rate for which is based on the 90-day bankers' acceptance, implying a three-monthly rate review. However, the package is flexible enough to enable recourse to other forms of finance, local and offshore.

The rationale behind this approach is to avoid a long-term lock-in while capital market rates are at peak levels. Senbank estimates that tapping the short-term mar-
RENT CONTROL:

THOUSANDS of families living in flats received a jolt this week when the Government announced a parliamentary select committee will investigate the desirability of removing rent control.

Flats and terraced houses built before 1949 are still rent controlled. They contain the largest group of tenants in the country, according to property men.

Being older buildings, they often house many pensioners and low-income families who cannot afford to take on better flats with higher rents.

Tenants fear rent control will ultimately be abolished and if it happens without anything being done to build more flats for renting, rents could rocket to market levels because of the housing shortage.

"Rents will continue to rise until equilibrium in the renting market has been restored," said the Minister of Community Development, Mr Pen Kotte, in the Assembly.

Leading property men agree privately that rent control is not likely to be phased out completely while there is a scarcity of rented accommodation.

The SA Property Owners' Association, director Mr Don Kennedy, says price control on rents is the most important deterrent to investment in building blocks of flats.

DETERRENT

The high cost of building is a greater deterrent, claims Mr Joe Abel, managing director of Permanent Trust Syrett, one of the country's biggest administrators of flats.

To build three-room flats at Plumstead will need rents of R600 but the market level is around R350. The only way to provide flats for low-income families needs bold action by the Government such as allowing developers to write off the cost of a block of flats after four or five years, he said.

"In spite of the increase in the cost of living, lack of liquidity and the high cost of bank overdrafts, rent levels are still rising and will continue to rise in the foreseeable future because of the supply of flats not catching up with demand."

It was significant that although rent escalations were general, the rate of increase was related to geographical location. Increases on the Atlantic coast were greater than those in other parts of the Peninsula.

Mr Abel pointed out that the end of rent control would leave hundreds of protected tenants whose rents could not be increased without permission from the Rent Board.

If the Government thought rent control was inhibiting new building, it could provide for security of tenure of the low-income group and raise the income limits laid down in the Housing Act of 1966, said Mr Abel.

The provision for a married couple could be

Continued on Back Page.
Mud bricks could solve housing headache

A NEW technology for brick making, which combines the ancient craft of mud bricks with the modern science of chemical additives, has recently arrived in SA.

Developed in Switzerland by Consolid AG, it is claimed that this technology will incur considerable savings and be of great benefit to self-help housing projects.

It requires low capital expenditure and eliminates the need for skilled labour and expensive transport infrastructures.

The technology was originally designed to create roads by applying chemicals to natural soils.

Additives bind the clay materials in the soil to provide a water resistant agrement that may be applied to the surface of the road.

The process was extended some years ago by the inventor, Dr G Scherr, to the making of bricks from local soil, so chemicals can be taken on site to form mud bricks that are both durable and of standard size.

A sitting machine removes all the undesirable stones and rocks, and the soil treated with the two chemicals has a drying time of as little as 24 hours.

The company says that mud bricks, which are not porous like those of clay, are more dense, convey little ambient heat into the interior of a dwelling and also make it soundproof.

Unskilled labour can be trained to operate the self powered brick maker within one hour and one machine can produce 3 000 bricks per day, enough for 100 houses a year.

Dr G Scherr.
Black Right to Home Ownership

Problem: State
IG to have 14,000 rent collections in its control

Property Editor

MORE details of the take-over of real estate agents Regional Properties by J H Isaacs, Geshen of Durban were disclosed yesterday.

And one of the facts that has emerged is IG will now have more than 14,000 rent collections under its control, which says managing director Mr Basil Levene, consolidates its position as one of the country's biggest estate agents and property administrators.

Regional Properties was the administrative, selling and servicing arm of Grovewalk Holdings Ltd., which controlled about 2,400 flats throughout Durban.

Among them are Nordbury in Maritime Road, Park Lodge Gardens, Berea Road, and city centre blocks Nordel Court and Broadway.

Most recent acquisition was the 217-apartment Gables block on Victoria Embankment — a R5 million deal.

These will now come into the IG portfolio, bringing the total assets under the control of the enlarged company to more than R50 million.

In turn, Grovewalk will acquire a substantial shareholding in Isaacs Geshen.

IG's board will be restructured to include Grovewalk directors.

Mr Levene will continue as chief executive and Grovewalk directors joining the board will be Mr Gerard de Rauville, Mr Thomy de Ravel, Mr Bernard Bouille, Mr Paul Saad, Mr Sandford Meyer and Mr Alastair Dark.

The board

Mr Dark will operate from IG's headquarters in an executive capacity. IG's Mr Phil Lazarus, Mr Trevor Warman, Mr Alan Benn and Mr Gerald Hackner will complete the board.

Mr Levene said yesterday Regional's staff of 44 would be absorbed as far as possible but there will be no change in the operating policy of the company.

The two organisations are highly complementary as Regional has a similar philosophy to our own — thoroughness, professionalism and a tendency to be conservative rather than flamboyant, he said.

Mr de Rauville added: 'This is really the culmination of an association dating back to the mid-50s and formalises the close links that have always existed between the directors of the two companies.'

One of the group's current projects is the R6 million development, The Breakers, in Umhlanga's Lagoon Drive. This is a block of 139 holiday flats due for completion in October.

Among the options being considered for marketing the flats is time-share.
Mr. P. A. MYBURGH asked the Minister of Co-operation and Development:

Whether any sites under the 99-year leasehold scheme are available to churches; if so, in which areas in the Republic are they available?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

Sites are available to churches in terms of the 99-year leasehold scheme in all Black residential areas where the leasehold scheme is applicable provided that such churches have been recognized as qualified persons as defined in section 1 of the Blacks (Urban Areas) Consolidation Act, 1945 (Act 25 of 1945), as amended by section 1 of the Laws on Co-operation and Development Amendment Act, 1981 (Act 111 of 1981).
(1) How many persons in each specified Administration Board area applied for leases in terms of the 99-year leasehold scheme in 1981?

(2) whether the figures in respect of each such Administration Board represent an increase or decrease in comparison with the relevant figures for 1980?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

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<td>Southern O.F.S.</td>
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<td>Highveld</td>
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Mobile homes to the rescue?

WHITE South Africans are living through the worst drought in mortgage bonds in history. Approximately 12 000 prospective home owners are applying for bonds worth R300 million a month — and most of them go away empty handed. Thirty four percent of houses and apartments are rented properties and with the escalation in building costs to almost 32 percent in 1981, this kind of property is becoming difficult to find and very expensive.

Are there alternatives? One estate agent has suggested tent towns. More likely, though, will be mobile home estates.

JENNIFER CRWYS-WILLIAMS looks at life in a movable home without wheels.

THERE is an annual demand for 120 000 houses for people of all races in this country. At present rates, it will take 19 years and an investment of R1 700 million to make up the backlog — and we aren’t even talking about the up and coming generation. An Association of Building Societies spokesman has described the situation as catastrophic.

It is exceedingly difficult to rent a property, let alone to buy one. Not only is there a desperate shortage of houses and flats from which to lease, but the prices of these properties are frequently prohibitive. It is difficult to find a house to rent in a ‘good’ area, for instance, for less than R900 and frequently R900 is the asking price.

In the main, three groups of people are struggling in the property crisis: the retired, the young without substantial means and immigrants.

‘Parking’ is not allowed

Could mobile homes be a temporary answer? They were launched in South Africa over 12 years ago and have been used mainly to provide housing for families of men involved in one capacity or another in the bush.

Most of the mobile homes in this category — there are approximately 8 000 of them — are sited near projects such as new power stations, mining developments and paper mills.

Under current legislation, mobile homes cannot be parked (and it should be made clear that a mobile home has to be connected to all facilities such as sewerage, water and electricity) on properties in residential areas. The only solution, should someone want to live in a mobile home, is to go to an estate catering for them.

There are only two of these in the country: one in Honeypot, Transvaal, one at Inchanga, Natal, with a two more planned (one for Scottburgh with 80 percent of the units being reserved for retired people and a smaller one in Pinetown).

Seventy two mobile homes are currently sited at the Parkhorne Estate, Inchanga, with another two moving in shortly. Land is being prepared for 36 more.

ABOVE: Sheila and Des Hosking, immigrants from Zimbabwe, in the spacious sitting cum dining room of their double width mobile home.

BELOW: Wendy Cavanagh, with her new baby and friends. She and her husband rent their mobile home for R130 a month. ‘You could live here and save for a deposit on a proper house.’

Transportation costs

A prospective buyer would either have to pay hard cash, or put down a large deposit against a bank or hire-purchase loan. The only other layout to be considered is the transportation from the factory to the site and, depending on where the owner decides to live, this can be substantial.

The cost of moving a single width home from the Pinetown factory to Inchanga, for instance, is in the region of R1 800.

Facilities on the estate, available without charge, include a swimming pool, tennis court, recreational hall (old-time dancing), a workshop for hobbies and individual repair work (the estate has a repair man), a laundry and drying facilities. Most home owners, though, have their own washing machines.

The retired

Maud and Ron Edgar are a retired couple living in one of the older mobile homes. They don’t have a bad word to say either of their home or of the estate on which they live.

On Ron’s retirement, they decided to sell their Bluff home (expensive, too many robberies, too much upkeep) and buy their present one.

Both emphasise as the main advantages of mobile home living the strong community spirit, the economy (overheads kept to well below R200 per month) and the security they now feel. The estate has a guard and dog and is fenced — all good for peace of mind.
more homes: there is space for 300 homes, although for the moment only 94 sites will be available.

The estate is situated in rolling countryside, with attractive views and, according to residents, 91 different species of birds.

**Keen gardeners**

Each mobile home has its own plot, which it rents from the holding company for between R90—R100 per month (from July). Residents are free to landscape their gardens and they do this, with very few exceptions, with gusto.

Roads on the estate are tarred and curving, to take advantage of the terrain. They are all named after birds.

Each site is fully connected to water, electricity and sewerage. Because the estate is not connected to the national grid, electricity is supplied from a privately owned generator and although this can supply enough electricity for street lighting, interior lighting and electrical appliances (including washing machines and tumble-driers), standard size cookers are not permitted. Residents use gas, which is delivered to order once a week.

The only other financial outlay a resident has to budget for is for the rental of the land. The fee is based on average at between R10—R11 per month, and a small charge on water (14 kilolitres per month are provided free).

**Homes must have SABS approval**

Only homes manufactured to South African Bureau of Standards' (SABS) specifications are permitted on the estate in terms of provincial legislation and the only company to manufacture SABS approved homes is CT Parkhomes. SABS models have fully insulated walls, floors and ceiling and carry a 30 minute fire rating.

The homes themselves come in two widths — the single-width Cedarburg which comes in two and three bedroom configurations and the double-width model with three or four bedrooms. The four bedroom model has two bathrooms (the main one is en-suite), as well as a walk-in wardrobe. The two bedroom model costs approximately R22 000 and covers either 62 or 60 square

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**Without substantial means**

Falling into another category are Wendy and Gavin Cavanagh. They are both New Zealanders and couldn’t afford the rentals being asked in Durban. A mobile home seemed the answer. Theirs is rented — for R130 a month — and is a basic, albeit fairly comfortable model. Wendy has a new born babe and, although she is reasonably content with the home itself, finds life on the estate boring.

With 90 percent of the residents retired, and with shops and other facilities some distance away, this is understandable.

'But this place is the answer for people like us,' she says. 'If we were staying we'd probably stay here and save enough money for a deposit on a house.'

**And the immigrants**

Finally, the immigrants. Sheila and Des Hosking live in a double-width Tulbagh home, three bedroomed and spacious enough for most conventional homes. They are former Rhodesians and had to cope not only with retirement but with stringent currency restrictions when they left the country.

'I looked at all the houses in our price range. For R30 000 you can get a hovel in Pinetown and we just weren't prepared to do that. Then I saw one of these and it seemed the answer.'

Drawbacks are few but Des feels cramped on his little bit of land and cannot see why they can't buy it. They both like their home and they love the community.

'If we'd bought an ordinary house we'd have found it so difficult to meet people. Here there's a tight community — we even have our own emergency nursing service — and we like everyone. If we go away, someone looks after our house and our garden and we do the same for them.' Neither would move, they say.

Are mobile homes a thing of the future? A staggering eighty percent of American homes are built in factories or with factory-built components.

With the expected life of a locally built SABS approved mobile home put around the 25-year mark, they may be a temporary and valuable solution to our housing crisis.
Mercury Reporter

A RULING against mobile homes by the CSIR-affiliated Agreement Board could mean that thousands of young families will have to do without comfortable housing.

The board, which issues certificates approving building systems after carrying out tests, has issued a ruling that homes which can be moved do not qualify for a certificate of approval.

This is in conflict with a decision by another CSIR-affiliated body, the S.A. Bureau of Standards, which has already issued certificates of approval to a range of mobile homes.

In a statement, the board gives no reasons for its decision to outlaw mobile homes.

Many local authorities will only allow structures which carry the so-called 'Agreement certificate'.

This means that mobile homes will not be allowed in areas where these certificates are applicable, even though mobile homes comply with, and in some cases exceed, the board's standards and carry SABS approval.

In Natal, the province's building regulations stipulate that a structure should have either an Agreement certificate or SABS approval. However, certain local authorities in the province have passed their own building regulations, and many have decided that an Agreement certificate is a necessity.

Confusion has arisen in the mobile home industry, as a result of the conflicting regulations taken by the board and the SABS.

The chief executive of CI Homes (a large Pine Town producer of caravans, mobile homes and pre-constructed housing which is put together 'on site'), Mr Martin Done, said yesterday that the conflicting standards by the board and the SABS should be reconciled.
Use containers for housing, experts suggest

Mail Correspondent
DURBAN. — A growing supply of redundant containers, now becoming a problem for shipping lines in Europe, could be turned to advantage in the form of emergency accommodation for people, say South African housing authorities.

They do not think the damaged or obsolete containers will make particularly inviting homes, but if the price is right they could provide a ready substitute for shacks like those at Crossroads — or as temporary accommodation for owner-builders.

"Anything that effectively boosts the amount of affordable accommodation has got to be a good idea," said low-cost housing authority Mr Paul Andrew who believes the containers will be useful because they are easily transportable and should be relatively inexpensive.

Dr Julian Evenwell, managing director of Besterecta Construction, saw the containers as providing temporary protection against the elements, but not much more.

The cost of building a house was only about 40% of the total cost of providing housing after making provision for roads and services, he noted, and this could probably be brought down to 25 or 30% using conventional methods if items such as carpentry were eliminated.

Another housing authority, Mr Chris April, a member of the President's Council, agreed that containers were not an ideal solution to the housing shortage, but thought they would look better than the shacks at Crossroads.

Sources in the container industry yesterday said there was no significant surplus of containers available in the city yet, although more could be expected to become available. The present price was about R1 300.
Other

Diamond Cutters Union of South Africa
Jewellers and Goldsmiths Union
Optical Workers Union
S.A. Association of Dental Mechanicians
S.A. Diamond Workers Union

ELECTRICITY, GAS AND WATER

Cape Town Gas Workers Union
Escom (Cape Western Undertaking) Salaried Staff Association
Escom Salaried Staff Association
Escom Workers Association
General Workers Union
Johannesburg Municipal Water Work Mechanics Union

CONSTRUCTION

Amalgamated Society of Woodworkers
Amalgamated Engineering Union of South Africa
Amalgamated Union of Building Trade Workers
Black Allied Workers Union
Blankespoorwerkersvakbond
Building, Construction and Allied Workers Union
Building Workers Union
Electrical and Allied Trades Union of South Africa
Electrical and Allied Workers Union of South Africa
Engineering and Allied Workers Union
Engineering Industrial Workers Union of South Africa
General Workers Union
Metal and Allied Workers Union
National Union of Engineering, Industrial and Allied Worker
Port Elizabeth Operative, Plumbers Employees Association
S.A. Operative Masons' Society
S.A. Woodworkers
Steel, Engineering and Allied Workers Union
S.A. Electrical Workers Association

WHOLESALE & RETAIL TRADE AND CATERING AND ACCOMMODATION SERS.

Wholesale & Retail Trade

Black Allied Workers Union
Commercial, Catering and Allied Workers Union
Concession Stores and Allied Trades Assistants Union
Domestic Workers and Salesladies Association
Kimberley Shop Assistants, Warehousemen and Clerks Association
National Union of Commercial, Catering and Allied Workers
National Union of Distributive Workers
Pretoriaanse Vakbond vir die Kleinhandel Vleisbedryf
Transvaal Retail Meat Trade Employees Union

Catering and Accommodation

Commercial, Catering and Allied Workers Union
East London Liquor & Catering Trades Employees Union
How to ease the housing problem

Local authorities should permit home owners to convert outbuildings into garden cottages. The beneficial social and economic consequences would be substantial, says Antony Trowbridge.

Given such suitable constraints, current accommodation shortage would be substantially eased; a substantial small-building market would be created, and property developers would be encouraged to build because more future property owners would enter the affordability market level by virtue of the income factor offered.

Such a development would be attained in the existing areas without any extra load upon municipal services, while the increase in rateable values of the properties would correspondingly be an extra source of revenue.

All that is needed is sufficient vision and intention among local authorities to realize that hereon lies a vast untapped potential for improving the overall standards and quality of living of many thousands of presently dissatisfied residents.

Antony V. Trowbridge is future researcher for a large mining house.
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<td>DEPARTMENT OF COMMUNITY DEVELOPMENT</td>
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Parliamentère Gekose Komitee oor Huurbeheer en Verwante Aangeleenthede

Hierby word vir algemene inligting bekend gemaak dat die Volksraad op 21 Mei 1982, op voorstel van Sy Edelle die Minister van Gemeenskapsontwikkeling, 'n Gekose Komitee aangestel het met die volgende opdrag:

1. Om ondersoek in te stel na en verslag te doen oor—
   1. die wenslikheid al dan nie van statutêre beheer oor huurgeldes;
   2. maatreëls om aan huurders voortgesette beskerming teen uitbuiting, victimisering en willekeurige uitsetting te verleen;
   3. maatreëls om verbandhoudende wanpraktike met betrekking tot die Wet op Deelreiters, 1971, die Wet op die Beheer van Aandeleblokke, 1980, en die Wet op die Vervreemding van Grond, 1981, te bekamp; en
   4. aangeleenthede wat daarmee in verband staan,

en dat bevoegdheid aan die Komitee verleen word om getuienis af te neem en stukke te vorder.

Die Gekose Komitee verlang dat alle persone en instanies wat graag vertoe oor die onderwerp van die Komitee se ondersoek wil voorle, aansoek ome om die voorleg-

It is hereby notified for general information that on 21 May 1982 the House of Assembly, on the motion of the Honourable the Minister of Community Development, appointed a Select Committee with the following terms of reference:

To enquire into and report upon—

1. the desirability, or otherwise, of statutory control over rents;
2. measures to afford tenants continued protection against exploitation, victimization and arbitrary ejectment;
3. measures to curb related malpractices with reference to the Sectional Titles Act, 1971, the Share Blocks Control Act, 1980, and the Alienation of Land Act, 1981; and
4. related matters,

the Committee to have power to take evidence and call for papers.

The Select Committee desires all persons and institutions who wish to submit representations on the subject of the Committee’s enquiry to submit applications for the
THE property market must be governed by the men in the middle of the financial world — the building societies which handle the cash for most of the house deals in the land.

In recent months, the societies have come under fire from some sectors of the Press and public because, after an incredible period where loans were freely available, the sudden clampdown was little understood. Now loans are difficult to obtain and applications are screened carefully.

Mr. Peter Richardson, joint managing director of the United Building Society, pointed out that although the Association of Building Societies may make certain recommendations about mortgage rates, it was still up to the individual societies to make their own decisions.

"Certainly, as far as the United is concerned, there is no consideration about raising the rates at the present time," he said.

Mr. Richardson said the country was facing a downward phase of the business cycle. And in all downward phases we have a lower level of activity in all spheres.

"The country has a deficit which, it has been said, is building up to R3 000 million on a current account; the price of gold is down and there is not much opportunity for exports. We have got to look after the affairs of the country. We have been over-spending and we have got to bring the whole thing back again. And the only way to do that is to slow down the demand for commodities.

"And if you are going to slow down activities, then I am afraid it is very difficult to exclude any portion of the economy. That’s what the authorities are doing — they are trying to encourage a slow-down."

How much competition with the banks exists in the battle for people’s savings?

"The competition has always been there," he said. "It is not something new. The rates of interest paid on savings are always competitive with the rates paid by the banks."

The only area where we have not thus far competed is on mortgage advances. The reason the banks have not competed is that the average rate paid by the banks on mortgage advances is much lower than the rate paid by the building societies. Even today, with the high rates of inflation, the average rate is about 14.25 per cent. And the banks would lend you money at that rate."

"Yes, there is competition but the extent of that competition is limited. The so-called war that is a figment of the imagination, is somewhat over-exaggerated."

How about interest rates? Have they levelled off?

"I don’t know. I have no crystal ball. Experts seem to think that all interest rates are reaching their peak but there will be increases in the short-term rates and certainly the short-term rates at the moment are still pretty high."

"I cannot see a downturn and the rates could even harden between now and the end of the year and not start peaking out until next year."

Nevertheless, home loans are still big business. In their last financial year, ended March 1982, the members of the Association of Building Societies advanced R1 660 million for existing homes and R457 million for new construction. These amounts, though, are less than the figures for the previous year of R4 651 million and R1 012 million, still represent an enormous amount of money.

What do the top executives of the building societies think of the situation now?

To page 7.
Rates are terribly difficult. I doubt very much that they will come off, but I doubt whether they will go up an awful lot either. I think we are in for a spell of high interest rates where they will stay there.

They won't move another four percent up and they won't move four percent down.

What can people do to help themselves in the housing situation?

Mr. Richardson said: You save yourself an awful lot of money if you pay your bond off more quickly. If anyone ever calculates how much interest he pays over the years, well, it is colossal.

There are groups who cannot pay off quickly and of necessity they have to extend the period of repayment. But they should still increase their repayments as soon as they can.

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**Mr. Jimmy Dodds**

Managing Director of the Allied Building Society

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JUNE 12, 1982

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**Mr. Geoff Powley**, Assistant General Manager, Advances, agreed.

There are a lot of contingencies which can affect the situation - money supply, Government interference, but as it stands now I don't think we have reached a peak.

Does that apply to mortgage rates as well?

Well, the two are interdependent. The present margins in building societies at the moment are so narrow that if competition forces the investment rates up, then surely the mortgage rates must follow.

I would think that certainly the short-term rates are likely to go harder in the last quarter. Everyone says we are in for a tough time.

What is the general state of the market? Is more money coming in?

Mr. Dodds said: I think we are jogging along much the same as we did last year. We have only had two months of this year.
in the next 90 days, he said.

Then, blacks will have to pay the same rates of interest as whites, although the figure would be less because of the lower prices of houses and the differential interest rates.

Mr Bowker said there had been a couple of re-sales among black homeowners and the sellers had made a profit. They became capitalists overnight, he commented.

MR BOET Viljoen is managing director of the South African Permanent Building Society and was head of the Viljoen Commission into black housing. In general terms, how does he see the movement going?

For many years there was the thought that whatever is happening to other financial institutions, building societies were something apart.

They were doing a particular job of work — providing houses which was looked upon as an almost emotionless affair. In 1980, there was lots of money around. Banks had lots of money and they were taking on commitments as fast as they could. We granted loans — we couldn’t store the money in a corner at call-rates.

Happened in the last two years.

We will continue to attract business. We will have to look at the margins and they will have to be sufficiently wide to enable societies to build up their reserves strongly.

We have always taken the conservative view to lending. When one is conservative during the peaks one can afford to be during the valley.

We feel now that there are early indications that the position may be improving, but slowly, he said.

Mr Bennett said the rates remained high and many people could not afford the repayments. But he added the arrears position was very satisfactory and there had been no repossession.

On the question of property prices, especially in Natal, Mr Bennett said over a wide range of values there was no indication of drops, except possibly at the top. The middle-price range was not being affected although he understands the building industry seems to be expecting a reduced demand.
Now we have moved into an era of free market rates. We are quite happy to be part of it provided that not only the rates on investors' money is market-related, but also the bond rate.

Building societies will negotiate with authorities in order to get a formula whereby they will be able to continue in business. The industry is R30 000 million strong and has done a great job of housing people in South Africa and will continue to do so.

Building societies are in good shape. They have put their house in order. They have acted prudently and looked after their businesses carefully.

'We have not mismanaged money from the public and put that into home loan finance. We have also been wrongly blamed for inflating house and building prices. Today there is no money and still building prices go up, so the argument is not valid.

'Now where do we go? Over the next 10 to 15 years building societies will be of a different description to what they were 20 to 25 years ago. The competitive nature of the market is changing.'

Building societies are giving thought to how they see themselves structured for whatever the future may hold. Very positive discussions have been held with the authorities and rather than waiting for the authorities to come to us we went to them. We fully understand that the mix of investments will change as has themselves to a different formula of building society operation to provide the home loan finance required over the next decade.

Mr JOHN BENNETT is managing director of the Natal Building Society, which is 100 years old this year. It is the only society which has its head office in Durban — how does he see the strength of the movement in Natal?

'My impression is that the position on the availability of funds has eased a little. It is still not satisfactory, and would be borrowers still have to face a long wait. But from my own society's point of view, the outlook does appear a little better than it did two months ago,' he said yesterday.

The NBS, he reiterated, is not relying on institutional money and is not in the market for it.

'There are some fairly small sums still invested although there appeared to be quite a bit of house-building going on, this could be a continuation of previous orders — it is like a spinning wheel taking time to slow down.

The NBS's own development company is 'going pretty well,' said Mr Bennett.

'We have been building 20 houses a month in the Vredeling area and at a pretty high rate at New Dawn Park in the Newlands East area. Another big development is planned for Lenasia and there are numerous smaller, white developments including one in Pietermaritzburg.'

Mr Bennett believes plastic money such as his own society's cash card is here to stay. It is, he says, something of the future with so many advantages over the pass-book.

'Finance believes this is how transmissions and withdrawals will be conducted in the future.'

**Those missing estate agents**

THE Estate Agents Board has announced that at the height of the boom in the property market, there were almost 5 000 estate agency firms and nearly 17 000 individuals in the field.

'Today there are 4 200 firms, and 13 900 individuals with fidelity fund certificates. What happened to the others?'

'We would also like to know,' says the latest newsletter.

It warns that the agents' position is:

- If they are acting as estate agents, they are doing so illegally and could not claim commission for their services. They will be prosecuted in court for contravention of clause 26(a) of the Estate Agents Act.
- If they are employee estate agents and are practising without a fidelity fund certificate, their employer will also be charged in court because he should not employ an estate agent any person not in possession of a fidelity fund certificate.
Board and Teeth

Has Estate Agents
disused for
move
White expertise can boost black housing

A LEADING South African building products manufacturer has predicted that the injection of white business knowhow, finance and building expertise could stimulate the growth of a property-owning black middle class as well as new private business enterprises in black urban areas.

"White business can play a significant role in helping to solve the critical housing shortage," says Mr Martin Mealin, executive director of Everite Ltd.

"The responsibility of Government is to provide sub-economic housing, infrastructure and community facilities.

"There is no doubt that Government cannot satisfy the demand for housing by all population groups unaided.

"Private enterprise will have to be induced and mobilised to contribute to solving the problem."

Building societies, large employers, private developers and building supply companies like Everite are currently studying the implications of the Government's decisions allowing the development of housing in black areas by private enterprise.

Mr Mealin predicts these likely developments to result from these Government initiatives:

- The establishment of a healthy black building industry.
- The building of houses for speculation purposes.
- The development of a free market mechanism in the buying and selling of houses and the birth of a real estate business in black urban areas.
- The growth of service and retail industries like hardware stores and builders' merchants, which in turn will create more job opportunities in the area.

"It is bound to have a considerable effect on Soweto in the longer term," Mr Mealin says.

"The implication will be a real improvement in the quality of life for urban blacks, following the development of middle-class and elite suburbs, and a general upgrading and renewal of the surrounding neighbourhoods."

In one of Soweto's showpiece developments recently completed at Diepkloof Extension, Everite acted as project manager in partnership with Schachat Houses as contractors and suppliers of an extensive range of building materials.

"In this project we have brought together the administration board, which allots the land, the building contractor, the building society and client," Mr Mealin says.

"We've co-ordinated the development on a non-profit basis as a service to the community in helping to produce a cost-effective and creatively designed community group."

Timeshare expert to speak

ONE of South Africa's foremost authorities on timesharing, Mr Brian Stocks, will be the guest speaker at the annual meeting of the Port Elizabeth branch of the South African Property Owners' Association ( Sapoa) to be held in the Sidebar Room at the Edward Hotel at 5pm on June 21.

Mr Stocks will speak on Property Timesharing in South Africa.
question of apprenticeship of estate agents or some form of induction into the profession.

Did the Estate Agents Board not provide for yet another bureaucratic body which restricted free enterprise, the board members were asked.

Mr Van Soelen replied that he did not think it was yet another board which introduced yet more bureaucracy.

He chastised estate agents for not filling in their Fidelity Fund certificate applications correctly. About 35% to 40% of the applications were incorrectly filled in, were not accompanied by cheques for the right amount, or had any changes to the Act took between two to three years to implement.

The board had been loath to wield a "big stick" but it was aiming towards improved educational qualifications for estate agents. Audited reports now also had to be submitted annually.

"It's not fair to close the shop, but we must ensure that people who come in have the education," said Mr Van Soelen.

Each application for a Fidelity Fund certificate was treated on its merits. If an agent with a criminal record applied for a certificate, the case would be treated individually on merit.

Claims amount to R3 million.

Property Reporter

The total amount of claims lodged with the Estate Agents Board from August, 1977 to December last year is close on R3 million. The number of firms involved was 123 and the individual number of claims lodged comes to 1 338.

These statistics were released by the manager of the Estate Agents Board, Mr S van Soelen, at a seminar of the Estate Agents Board held by the Port Elizabeth and Midlands branch of the Institute of Estate Agents in Port Elizabeth last week.

The total amount of claims paid comes to R700 797 and the total amount of claims pending amounts to R978 361.
Black homes the new priority

Housing crisis hits all racial groups

A fullscale investigation is to be carried out into the country's housing crisis which, for the first time, has begun to affect all races.

SHERYL RAINIE of The Star's Pretoria Bureau reports that the housing problem is one of the most difficult facing South Africa today and one which will not be easily solved.

PROSPECTS

Just eliminating the housing backlog for blacks living in so-called "white" areas would cost in the region of R1 700 million (estimated by the commission at R1 000 million).

"The prospects for obtaining funds are not very good," the commission reported.

This was due to a shortage of government funds and changed economic conditions in the private sector.

HOUSING

The commission concluded, remained one of the most difficult problems the country had ever had to solve.

CAUSES

Until the current housing shortage is solved, it is generally believed that rented accommodation for whites will be in short supply and rents can be expected to continue to spiral.

A glance at an impressive batch of statistics released by the former Department of Statistics last week concerning housing and flat rentals for 1980 revealed the root causes of the white housing crisis.

REVEALED

Looking at the number of houses and flats completed during the past 10 years it was revealed that:

* White 7945 flats were completed nationally in 1974; this figure had dwindled to a mere 1783 by 1979.

* Areas such as Pretoria and the Witwatersrand were especially hard hit by a slump in the building sector and economic pressures. These areas were particularly popular settlement areas for immigrants.

* In Pretoria only 211 flats were completed in 1979 as compared with 1 653 four years earlier.

* On the Witwatersrand only 571 flats were added to the "for rent" lists in 1979 while 1 471 were completed in 1978.

* The national figures for houses completed revealed a significant fall-off towards the end of the 1970s.

* About 22 283 houses were built for whites in 1974 and that figure dropped to 15 631 by 1980.

BLACK NEEDS

As the government puts together its commission of inquiry into the country's housing crisis, several factors must be kept in mind.

It should be remembered that this provision has been made for the existing shortage as well as the ongoing demand for housing, according to the report of the Commission for Manpower.

At present whites need 58 000 additional houses a year, coloured people 12 500, Indians 4 100 and blacks (in "white areas" only) 36 000.

If blacks in homelands are taken into account, then the annual housing need for blacks would be closer to 60 000, according to research estimates.

The need for housing is determined by population growth, immigration and the influx of people to urban areas, all of which are significant factors in the country's current housing crisis.

In addition there are several problems connected with the provision of housing which have been identified by the Director General of Community Development, which were included in the report of the Commission for Manpower.

RENT CONTROL

* A sharp increase in the cost of building services and construction has occurred.

* Building societies are short of funds.

* The private sector, because it is profit-oriented, is unable to provide housing for lower income groups.

* Employers have made disappointing contributions in the housing field.

Rent control has had a negative effect on investment in housing.

* Housing costs have increased faster than personal income.

The responsibility for providing housing has become "too big for the State to bear," says the Director General of Community Development.

SUBSIDIES

Individuals, employers and the private sector in general will have to be involved to a higher degree than at present if the country's housing problems are to be solved. Government funds should be used for the provision of lower income group housing and infrastructure alone.

He has suggested that problems in connection with housing be taken into account in adjusting wages and salaries.

There appear to be no ready or simple solutions, but the official has made some suggestions.

The private sector will have to be assisted by the State in a variety of ways, especially in respect of low-cost housing by, for instance, the granting of loans at subsidised rates for the provision of infrastructures and, in certain cases, tax concessions.

Available finance must be used more economically by erecting houses for more than one family and making use of alternative building methods.

PREDICTIONS

White housing will, according to predictions made in the annual report of the Commission for Manpower, have to take somewhat of a back seat, relying on self-building schemes rather than the Government to alleviate shortages.

In the future the emphasis will have to be mainly on the needs of blacks in white urban areas whereas in the past 20 years, when shortages were not as acute as they are now, white and coloured housing enjoyed first place on the priority list.
Statistics highlight dramatic rent rises

By Sheryl Raine
Pretoria Bureau

The country's skyrocketing rents — as many as three increases in the past two years — have been dramatically highlighted by figures for 1980 released by the Department of Statistics.

Just two years ago the average rental for a flat with three living rooms (excluding kitchen, bathroom, pantry or balcony) was R136 a month in Pretoria, R135 on the Witwatersrand and R105 in the Vaal Triangle.

According to the annual report of the Department of Statistics for white housing in 1980, houses with three to six living rooms were fetching an average of R177 a month in Pretoria, R166 on the Witwatersrand and R145 in the Vaal Triangle.

Today rental agents estimate that houses in Johannesburg's less fashionable suburbs are going for R750 a month and those in fashionable areas for as much as R2,000 a month.

In Pretoria, accommodation seekers are lucky to find a house to rent under R500 a month.

R150 A MONTH

During the "good old days" of 1980 the average annual rent increase for houses with three to six living rooms was a mere 18.5 percent. The average house was being rented for about R150 a month.

Flat rentals increased by an average of only 10.8 percent during 1980 with centres like Durban, Pretoria and the Witwatersrand showing increases around 15 percent.

Today Johannesburg's bachelor flats are fetching rents of R180 to R260 a month. The same flats were rented for R80 two years ago.

FEAR

Tenants live in daily fear of rent increases. Recommendations of percentage increases given by the South African Property Owners Association have fallen by the wayside as the simple rules of supply and demand allow landlords to command ever-increasing rents.

In Pretoria these days, even rent-controlled buildings have had rent increases approved which have doubled rents in the past year while other premises have increased 35 percent, according to recent Press reports.

From 1975 to 1980, house rentals for premises of four or five living rooms rose by an average annual rate of 11.2 percent while the increase for flat rentals during the same period was 9.6 percent.

SAMPLE

The Department of Statistics, which has since been incorporated into the Office of the Prime Minister, arrived at the figures for housing rentals by conducting surveys by post on a sample basis in 147 urban areas.

During 1980 only 83 percent of the nation's flats were occupied. Nowadays Johannesburg families are reported to be prepared to cram themselves into one-bedroomed flats for the sake of a roof over their heads.

Pensioners are homeless, penniless, or both.

See Page 15.
Builders assured: red tape is out

By Frank Jeans

The present building regulations setup is not only pushing up the costs of property development but is delaying and even discouraging projects.

It is in the light of this that the Government is determined to cut through the "red tape" in the present regulations.

This was said by the Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers when he addressed the Brick Development Association at the Wanderers.

"Building contractors will have to play their part by moving away from old ideas in regard to new methods and the use of new materials," he said.

Dr De Villiers said the day may come when manufactured housing held a market share similar to that in the United States, where this type of housing provided no less than 40 percent of the total housing market.

Mr A R Kemp, chairman of the BDA, gave a strong hint that brick prices rises are inevitable in the light of the continual fuel and wage cost spiral.

"Labour costs can represent between 30 percent and 40 percent of total costs," said Mr Kemp.

"In fact, three main cost centres contribute to the problem over which management has little control — salaries, fuel, rallegg and maintenance materials.

"While we must try to be as efficient as possible and deliver the lowest possible price consistent with earning a proper return on capital employed, it is inevitable that the selling price of our product will have to increase from time to time unless somebody somewhere can really get on top of the inflation bogey," he said.

The brick industry had done its part in keeping down selling prices so far. In the PWD area, for example, a price per thousand for stock bricks in March 1977 and R30.10 and in March 1982 the figure was R45.75.

This was an increase of 65 percent as against a rise in the national consumer price index of 87.5 percent.

An international survey had revealed that South African face bricks were among the cheapest in the free world.

Mr Kemp said that a number of brickmakers were now stockpiling, which was evidence of the speed with which the brick industry could move from famine to feast — or vice versa.

"Certainly, the change in the brick supply position," he said, "is a valid answer to those critics who blamed the brick shortage on the industry's inability to plan forward. The ups and downs in building contracting are so sudden and so violent, as to make forward planning a difficult, if not impossible task."
PEOPLE earning up to R800 a month will now have the income limit for joint qualification for the 90 per cent mortgage bonds rise from R720 to R900 a month.

The maximum bond, granted jointly by the National Housing Commission, can be obtained under the scheme. The scheme has been raised to R25,000 to R33,000 while the limit for joint loans has been increased from R27,000 to R35,000.

The previous limit was R27,000 to R35,000.
Limits for housing loans raised

PRETORIA — Loans are now available to individuals in terms of the Housing Act enabling them to buy flats under the Sectional Title Act.

This has been announced by the government along with changes to the maximum building and income limit for 90 per cent building and buying loans and loans granted jointly by the National Housing Commission and building societies.

The limit for 90 per cent building and buying loans would go up from R23 000 to R33 000, according to the government statement.

The limit for joint loans would go up from R27 000 to R35 000.

The maximum income limit for 90 per cent building and buying loans would go up from R650 to R800 a month and the maximum income limit for joint loans would go up from R720 to R900 a month.

The statement said since the building cost limits were determined last year, building costs had increased by about 45 per cent with the result that the present building cost limits were totally insufficient.

"Because of the limited funds at the department's disposal for the provision of housing, the department wants to encourage people in the economic income group as much as possible to provide for their own housing by means of individual loans." — DDC.
HOUSING SHORTAGE

Self-help to what?

P.W. Botha's announcement last year's Good Hope Conference that the "self-help" approach would be adopted to solve SA's critical black housing problem, was welcomed by all concerned. However, even some proponents of the approach believe that implementation is no guarantee of success.

For example, Professor Dave Dewar, director of UCT's Urban Problems Research Unit (UPRU), contends that "large-scale implementation of the self-help approach is dependent on innovative institutional design enabling general decentralisation of control to community level.

"If the policy is implemented under existing (centralised) financial decision-making and control mechanisms and institutions, the results are likely to be chaotic and many of the predictions of opponents of the approach will be validated."

According to Dewar, in a paper published recently entitled Seven potential dangers in the new approach to low-income housing, genuine decentralisation of control to the local community is required. An organisational structure, incorporating generally representative bodies, must be established to facilitate this. In addition, it must be supplemented by financial networks to supply credit to community bodies and enable them to implement decisions.

He argued that far-reaching changes to the existing system are required if low-income housing problems are to be tackled effectively. Most fundamental is the recognition that the self-help approach should not be implemented as a substitute for conventional solutions, but rather as an option.

Nor should the self-help approach be confused with self-build. "Self-help, used in the context of housing, is a management term," he said. "It implies that individuals and communities control the major decisions about dwellings and environments regardless of who does the building. Self-build is a special limited case of a much broader concept."

So a related danger is that imposition of self-help might force individuals to build for themselves, whereas the rationale for self-help, according to Dewar, "is that by allowing individuals and local communities to control decisions about housing, they can find ways of achieving a product which more closely fits their needs and pockets than centralised systems can achieve."

Private-sector participation in housing provision also has its pitfalls. For example, "there is a real danger that if government increasingly abrogates responsibility for the provision of housing in favour of employers in the private sector, housing will increasingly become a mechanism for tying labour and reducing wages. By definition, the poorer the worker, the more susceptible he will be to this syndrome," said Dewar.

The recent Viljoen Committee Report on private-sector participation in low-income housing provision recommended a revision of the housing subsidy system. However, government has kept tight-lipped while it awaits the findings of the Steyn Committee, appointed to examine the financial implications of Viljoen.

Dewar argues that the subsidy system should be maintained, but adjusted so that subsidies take the form of grants to needy families and are not attached to housing units. Subsidies should apply regardless of the source from which finance is borrowed. (At present subsidies only apply when finance is borrowed from the National Housing Fund and not from private lending institutions.) He says that it would be neither beneficial nor politically possible to phase out the subsidy system at present.

Unless these problems are ironed out, the new approach could create as many problems as it is designed to solve.
Govt loans for home buyers

Pretoria Bureau

PEOPLE in the economic income group are to receive Government assistance in the form of loans to help them buy flats under sectional title, the Minister of Community Development, Mr Pen Koiz, announced yesterday.

Loan limits and limits on income will be raised for loans made jointly by the National Housing Commission and building societies.

- The limit for 90% building and buying loans would be raised from R20,000 to R30,000 and the maximum income limit would be raised from R60 to R80 a month.
- The limit for joint loans would go up from R27,000 to R35,000 and income limits from R720 to R900.
A Way to Build More Houses
... "Not only is this an anachronism, but it also has very real disadvantages in this era of industrialisation and innovation. New materials and methods of construction as well as our modern managerial and technical skills make it possible to erect at least as good a house in a shorter time and at a comparable or even lower cost," said Professor Webb.

Industrialised building is a process whereby panels, complete walls or complete rooms are manufactured in a factory and subsequently assembled on the building site to form a complete house, school or factory.

Building has undergone little real change during the last 70 years or so. Traditional methods of building involve handling and placing, largely by hand, large quantities of heavy material by slow, tedious and arduous processes requiring varying degrees of skill. All these activities cannot proceed at once and therefore this method is time consuming.

Consequently, the philosophy and techniques of other industrial processes have had an important effect on the building industry worldwide and are being increasingly adopted in it.

Industrialised building is a process in which panels, complete walls or complete rooms are manufactured in a factory and subsequently assembled on site.

There are two categories of industrialised building methods. The "open" methods involve combining standardised components such as wall panels, doors, windows and roof sections. This gives designers a good deal of flexibility. "Closed" and use of industrialised building methods, particularly during the past few years of abnormal building demand, have, however, only been used to a limited extent and their development is proving to be evolutionary rather than revolutionary, largely because of prejudice and the conservative attitude of both home owners and the building industry. According to Professor Webb, this picture is rapidly changing and will inevitably continue to favour industrialised building.

Professor Webb feels that it is unlikely that there will be any immediate cost advantage of using industrialised building. "All indications to date suggest that for a house of comparable quality, the initial cost will be much the same as for traditional methods. Its major cost advantages lie in the fact that it reduces..."
National Housing
Terms

Because of the limited funds at the department's disposal for the provision of assisted housing, the proposed National Housing Act requires that the government will bring to the aid of assisted home-owners. This is the significant new regulations that the present building costs were totally in

In addition, the scheme will now also apply to securing the "right" or building a new home. The amount which can be charged by the original part of the scheme will effectively bring back the rates about one-third lower than those charged.

Future

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- The limit for 90% building and buying loans would be raised from R25,000 to R33,000 and the maximum income limit would be raised from R350 to R500 a month.
- The limit for joint loans would go up from R25,000 to R33,000 and income limits from R350 to R500.

Phone trouble

The Rand Daily Mail would like to apologise to readers who had problems telephoning the newspaper on Wednesday and yesterday morning. The Mail’s new telephone system, which was installed at the end of last month, had a few teething problems, which have hopefully been fixed.

INSIDE

Title fight on the box

An edited version of last Friday’s WBA world heavyweight title fight between Larry Holmes and Gerry Cooney in Las Vegas will be screened at 6.30 in Sportland and SABC-TV this evening.

- See Page 6

Gold’s three year lowest

The dollar continued to soar yesterday and the gold price fell to $308 at the second fixing in London, its lowest price August 23, 1979.

- See Page 11

Junta rejects ceasefire, prisoners

LONDON. - Prime Minister Mrs Margaret Thatcher said yesterday the Argentine junta had refused to accept a ceasefire for the South Atlantic and will not allow prisoners of war to be shipped directly to Argentina.

In the island capital of Port Stanley yesterday, Argentine prisoners broke free and ran across the streets after a rumour that the British liner Canberra, now taking Argentines on board, would leave without them.

The rampaging prisoners were among thousands being marched in groups of 200 from the airfield to the jetty where boats were waiting.
Lack of homes burdens clinics

THE lack of housing in black and coloured areas burdened the family planning clinics, and made it unfair to "bring a child into the world when there would not be a roof over its head".

This was said by the chairman of the Family Planning Association, Mrs. D. Gulson, at the association's annual meeting this week.

By upgrading the temporary structures and by teaching general hygiene and proper family planning to the community, the association could help to rectify this problem, she said.

"Awareness" was the operative word in family planning and the association had certainly achieved it this year, she said.

Education programmes were receiving support and there was increased interest in counselling and pregnancy testing.

Attendance also increased at the clinic which helps couples overcome sexual problems through teaching and advice by trained doctors.
TIMBER! Homes of the future

FASTENING PROBLEMS?
NOW you can insist on ease and speed with ALL YOUR FIXING TO CONCRETE, BRICK, ROCK & STEEL, coupled with the assurance of quality products, and built-in SAFETY.

Ramset offers you one-stop buying for the complete fastening system

TRUBOLT — Masonry anchors are designed for fixing to structural concrete and rock. Tyndolls are used on hard and medium dense concrete. Anchor holes are bored to suit hole size (8.2 mm diameter).

DYNABOLT — Masonry sleeve anchors are used for fixing to concrete, brick, hollow block and solid stone. Dynabowls have high pull-out and shear values. Alignment problems are eliminated (8-20 mm diameter).

TERRIER — Self-drilling masonry anchors are used for fixing to structural concrete. The anchors are flush-fitting and have high pull-out values. Terriers are available in thread sizes from 6.0 mm.

DYNASET — Drop-in masonry anchors are used for fixing to structural concrete. The anchors are flush-fitting and have high pull-out values. Dynasets are available in thread sizes from 6.0 mm.

RAMLOK — Masonry anchors are used for fixing to all types of masonry (brick, porous materials etc.) and standard machine bolts are used to fit the anchor (12-20 mm thread size).

SPRING TOGGLE — Are used mainly for fixing to ceilings, partitions and hollow walls. The toggles are available in two thread sizes, 3 and 5 mm respectively.

NYLON ANCHORS — Are used to fix lightweight materials to brick, concrete, steel, hollow block and partitioning. Nylon anchors are available in various lengths and two diameter sizes, 6 and 8.5 mm respectively.

POWER-ACTUATED TOOLS — Are used to shank-fix materials to brick, structural concrete and steel (5.5 mm to solid steel), by means of steel drive pins and threaded stud (8-12 mm diameter).

DYNADRILL — Rotary hammers are used to drill holes (8-24 mm) into concrete, brick, rock, steel and timber. The Dynadrill can be used generally for general purpose drilling and core drilling (0-60 mm diameter).

ACCESSORIES — Drill bits, Self-drilling anchor adaptors and Chisels for Rotary hammers. Carbin anchors, hollow wall anchors, Nylon and Rustproof plugs, Conduit clips, Barrel nuts, full range of Power tools, Generators etc.

DYNA BOLT MASONRY ANCHORS
Pre-assembled as a complete unit ready to install, suitable for fastening to any kind of masonry material. Alignment problems and the need for hole layouts are minimised as the DYNABOLT is inserted through the future. Available in 9 head styles, 57 sizes.

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ings that have the test of time

From the outside it is impossible to tell whether a house is a timber-frame or conventionally built. This attractive house is timber-frame.

From the outside it is impossible to tell the difference between a timber-frame house and a conventional brick house. Those who build them can choose between a brick exterior and a plaster exterior, just as those who build brick houses can choose between those two finishes. And there is no difference between the way the roofs of conventional and timber-frame houses are built, or the materials used to build them. There is a difference made in the interiors of the houses, however. The interiors of timber-frame houses are more durable, longer lasting, and more attractive than those of conventional houses. And those who have bought or built timber-frame houses are more living in them than those who are being offered substantially more than they paid for them.

And they are easier and cheaper to alter. They are no more fire-hazard than are conventional houses... and there are many who claim that they are less of a fire risk than conventional houses.

Timber-frame houses do not necessarily cost substantially more than do conventional houses. But, once a competent builder comes on the job and starts building one, needless to say, this is after all the legal formalities have been completed, and they take as long for both types of house - he can build it in as many weeks as he would to build a conventional house of similar design. What saves time is that timber-frame housing is a new concept and a new one.

The same thing happened when the Transvaal was settled.

Many of those houses are still standing and in the coldest condition today... and people are still happily living in them. Those houses are different in the unromantic names - one could almost say misnomers - of corrugated iron houses, wood and iron houses.

They vary, in fact, timber-frame houses and - depending on the architect's skill and woman's taste - could be made not just as attractive inside as any other similarly designed house of the period.
Timber Frame
Housing

The timber-frame construction method is certainly nowhere near rivalling the traditional brick and mortar way of building houses yet. But there is no doubt that it is rapidly becoming a force in the building industry.

In acceptability, and its popularity have been growing steadily and, it is now due to the remarkable statistics on the number of timber-frame houses built. Indications are that some builders are expanding operations, and some new houses every month and others are now getting into this type of house building.

However, a random sample of the replies to the South African Lumber Manufacturers Association (S.A.L.M.A.) questionnaire reveals a query regarding the number of timber-frame houses. The majority of builders feel that it is already building the new houses are worth getting into building these types of houses.

Only one builder, however, has tried building timber-frame houses and that was before the war. But Major, for example, the Schacht Cables Ltd., built eight houses in 1941, but really only built at least 400 houses last year.

Frame Aggregates of Lumber, which takes no indication in the city that it is already building these houses, is hoping to get a contract for 100 houses and is building a factory amalgamation.

Compiled by David Pinsco

Fastening Problems?

NOW you can insist on ease and speed with ALL YOUR Fixing to Concrete, Brick, Rock & Steel, coupled with the assurance of quality products, and built-in SAFETY.

Ramset offers you one-stop buying for the complete fastening system

Trio-Bolt — Masonry anchors are designed for fixing to structural concrete and rock. These have hardened bolts with brass No.6 stud, and the securing nut is high tensile and stainless-steel. Anchor thread diameter equals nail size (9.0 mm diameter).

Dynabolt — Masonry close anchors are used for fixing to structural concrete, and the anchor bodies are flush-fitting and have high pull-out values. Tiers are available in thread sizes from 5.5 mm.

Dynaset — Drop-in masonry anchors are used for fixing to structural concrete. The anchor bodies are flush-fitting and have high pull-out values. Dynasets are available in thread sizes from 6.3 mm.

Ramlok — Masonry anchors are used for fixing to all types of masonry (brick, porous materials), standard machine bolts are used to set the anchor (6-12 mm thread size).

Spring Toggles — Are used mainly for fixing to ceilings, partitions and overhead walls. The toggles are available in two thread sizes, 5 and 5.5 mm respectively.

Nylon Anchors — Are used to fix lightweight materials to brick, structural concrete, and steel. Nylon anchors are available in various lengths and two diameter sizes, 5 and 6.3 mm respectively.

Powder-Actuated Tools — Are used to shoot fix materials to brick, structural concrete, and steel (5.0 mm) by means of steel drive pins and threaded studs (6.3 mm diameter).

Dynadrill — Rotary hammers are used to drill holes (8.4 mm) into concrete, brick, rock, and steel. The Dynadrill ‘871’ can be used for general purpose civil engineering and core drilling (30 mm diameter).

Accessories — Drill bits, Self-drilling anchor adaptors and Chisels for Rotary hammers, Centring anchors, Plugs, Conduit clips, Barrier nuts, full range of Power Tools, Generators etc.

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Distributors: Bloemfontein — Tel: 8-7672, Windhoek — Tel: 6-2161.
Buildings that have stood the test of time

TIMBER-FRAME houses being built in South Africa now are the result of more than two decades of costly development and research. It can rightfully be claimed that they are the result of the scientific age in which we live.

Unlike conventional houses - which simply developed down the years without anything remotely similar to the scientific control that marked the development of the modern timber-frame house - every step in the development of the timber-frame house in this country since the early Sixties has been carefully scrutinised, criticised and literally torn apart by highly-skilled men paid to be ultra-demanding.

Indeed, some may say - and they may be correct - ultra-cynical.

There can be little doubt that this was the right approach.

What was being aimed at by those who were developing these houses, and those who were vetting their development, were houses that would last as long, be as comfortable, as resistant to fire, as easy to heat, as livable and as acceptable as conventional brick houses.

These criteria have been met to such good effect that the timber-frame house has developed, indeed, have been awarded Agrément certificates - the ultimate stamp of approval in South Africa - by the Agrément Board.

Fore from the outside it is impossible to tell whether a house is a timber-frame or conventionally built dwelling. This attractive house is timber-frame.

From the outside it is impossible to tell whether a house is a timber-frame or conventionally built dwelling. This attractive house is timber-frame. For a while, a large question mark hung over how long they would last and what sort of inside value they would command. But these questions have now been answered in the affirmative. They will last as long as conventional houses do.

There is, for example, nothing wrong with a timber-frame house built 70 years ago in Bank's Reef in the Cape - elements not built to today's demanding standards, and not all similar.

And it is not difficult to believe that the timber-frame house is a better building than the conventional house. It's easier and cheaper to alter.

For faster, footing and in freezing conditions, timber frames are stronger and lighter, and so are easier to handle and work on site. It is virtually impossible to build a house of conventional timber that is not of a totally assembled nature.

The house that Bostitch builds.

The advantages of timber for building are well-known. It is a strong, durable material that can be used in a variety of ways. It is also easy to work with, and can be shaped and formed to create a wide range of designs.

Timber-frame houses are not only structurally sound, but also environmentally friendly. They are made from natural materials, and have a low environmental impact. They also offer greater energy efficiency, which can help to reduce energy costs over time.

Bostitch is a leading manufacturer of timber-frame houses in South Africa. We have years of experience in the industry, and are committed to delivering high-quality, sustainable homes.

We use only the finest materials and work to the highest standards to ensure that our houses are built to last. Our experienced team of skilled craftsmen work closely with our clients to ensure that they get the house of their dreams.

If you are interested in finding out more about our timber-frame houses or would like to discuss your requirements, please do not hesitate to get in touch.
RYVER CHECK

CLASS "O" RATING

Early against fire testing approved for all combustible surfaces.

1 2

The photographs show two tongue and groove wooden hut A and B. The roofs were covered in the roof A was covered with recycled polystyrene tiles. Hut A was treated inside and cut with Decofix Firecheck and Hut B with ordinary asphalt felt. Both were tested in all other respects. Both huts remaining after tested with paraffin were ignited. Photograph 1 was taken 15 minutes after ignition and clearly indicates the level of protection. Photograph 2 was taken after 45 minutes when Hut B was totally destroyed by fire. Hut A with treated interior heat and flame from the adjacent Hut B resulting in severe burning but no transmission of flame. Internally all the surfaces were blackened but were otherwise unaffected. All the expanded polystyrene tiles had been contained against combustion by the Decofix Firecheck membrane. The test was filmed by the Central Office of Information Film Unit in England and is available for inspection. F.P. 600.314.
Lumbermen to hold seminars

THE South African Lumber Manufacturers’ Association (Salama), which has been actively involved in promoting timber-frame building since 1972, is to hold a series of seminars on this method of construction right round the country, starting in September this year.

“We are still negotiating with people of international standing to speak at these seminars, but do not want to say who they will be at present,” said William Butting, deputy director of Salama.

“But I can say that we will bring these seminars to the people and not the people to go too far to get to them.”

“We will, for example, not hold just one seminar in Johannesburg and expect it to attract everyone in Johannesburg and on the Reef who is interested.

“We will hold seminars on the East Rand, the West Rand, in Johannesburg itself and in Randburg.

“We will also structure these seminars to cater for specific groups. We will hold separate seminars for architects, draughtsmen and quantity surveyors, for builders and members of allied trades, for local authorities, for housing estates and finance houses and, of course, separate seminars for members of the public who want to learn more about this method of construction and to have their questions answered by experts.”

THERE’S only a thin line that divides Johannesburg and Randburg ... but as far as their councils’ attitudes towards timber-frame houses are concerned, that line may just as well be as wide as the South Atlantic Ocean.

Timber-frame houses are allowed and welcomed in Randburg.

They are not allowed — in other words, it is illegal to build them — in Johannesburg.

This was made clear to me when I telephoned John Rowe, public relations officer of the Johannesburg City Engineer’s Department.

“By law, they are not acceptable, even though the Architectural Board have said they are acceptable ... we are bound by the by-laws,” Mr Rowe said.

Asked why the Johannesburg City Council has adopted this view, he said, “About five or six years ago.”

Beverley Abraham, national coordinator of the relations officer, canvassed the opinion of Christo Geyer, Randburg town clerk, on timber-frame housing.

In sharp contrast, he explained that Randburg’s attitude to new building methods is that they must conform to a code of standards, have passed pre-arrived tests and been approved by the SABS and the Architectural Board.

All builders that use these methods must be licenced and be under the control of the manufacturers (personally, housebuilders).

The new form of building must result in aesthetically and structurally acceptable buildings which do not detract from the appearance of the neighbourhoods in which they are built.

Randburg has found, said Mr Geyer, that timber-frame houses comply with all these conditions. Consequently, the Council has no objection to them and has found that “the appearance of a house erected by a member of such a system is that of a typical house in Randburg.”

Mr Geyer stressed that Randburg insists on good craftsmanship and strict supervision by the manufacturer, which is why he was able to say in reply to another, “That the first timber-frame houses were built in Randburg in 1972 ... and after 10 years those houses appear to have lasted as well as any orthodox houses”.

“Randburg is not a normal town in terms of age or progress,” he explained. “It has grown to become the sixth largest urban centre in the Transvaal in the short span of 25 years. “Progressive decisions have marked many stages of the town’s short history. "Progress, especially in the building front, is likely to always be looked on favorably by Randburg.”

DOUBLE DAMP TESTED

EN ALL houses, the foundations, pilasters, windows, doors, gutters and roof are common. The main difference is in the superstructure, which is made of the lightweight timber-frame house — a normal sound and cement plaster finish.

Beneath this plaster is the waterproof Biaisfield board, which has undergone a 200-hour test in the weatherometer of the SABS.

By comparison, the requirements for a certain popular tile is only 188 hours.

In the case of a brick veneer house, the external cladding is a brick skin and there is a cavity between this brick and internal wall.

If the brick skin gets damp, it can lead to dampness or moisture across the cavity.

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That saving is ongoing and becomes bigger as the cost of fuel goes up.

Over the years, it becomes a bigger cost saving than any major initial saving in the building of a house.

In Britain, extensive tests have been carried out, it has been found that the cost of heating a timber-frame house can be as much as 65 percent less than the cost of heating a home of identical design but built of conventional materials.

As far as we know, no meaningful, similar experiments have been carried out in South Africa... but there is little reason to doubt that the savings here would also be considerable.

Our reason for pressuring trials, apart from the sales talk and claims of those who build them, is that one Sunday we left our conventionally-built home, where an active or inactive heater had been burning in the lounge for more than a month, to observe some people who live in Fairway Village, the timber-frame housing development in Randburg.

No one in the village had, up to that point, even thought of switching on a heater in one house, where the builders had thoughtfully provided an open-hearth fireplace in the lounge — yes, they can be safely used in timber-frame houses — if the fireplace was still in its pristine condition, covered by a large, old frame photograph.

The reason for this is the superior insulation of modern timber-frame houses. They are developed in highly-effective insulating material, which is placed on all the outside walls and over the entire ceiling.

This means that, when houses do have to be turned on, there is less space to heat... and the insulation ensures that most of the heat stays in the house.

In summer, timber-frame houses are cooler. The warm insulation that kept the heat inside the house in winter keeps the rest of the sun outside in summer.

The exterior load-bearing walls of a Rhenoshield house are clad internally with Fireproof Rhenoshield, which gives even better resistance against fire to the external timber framework.

Even though the roof and the roofing materials of Rhenoshield, brick-veneer and conventional brick houses are common, the 53mm Rhenoshield ceilings in timber-frame houses will obviously perform better in a fire situation than will the 58mm Rhenoshield normally used in conventional brick houses.

The Agreement Board, which has given its seal of approval to both brick-veneer and Rhenoshield timber-frame housing, and which is always most demanding in its requirements and searching in its inspections... is satisfied that all the fire protection measures have been adequately complied with and that timber-frame houses are perfectly safe.

This is, in fact, nothing to stop anyone who wishes to have an open-hearth fireplace built into his timber-frame house... and use it.

Timber-frame
A fire hazard?
You can put it to the test

One of the biggest misconceptions about timber-frame houses is that they are fire hazards. Nothing can be further from the truth.

Fact is that they comply fully with the fire regulations on single-storey buildings... that they should be fire-resistant for at least a half an hour.

This fire rating was introduced not as a means of controlling fire, but to afford the minimum time deemed necessary to evacuate a building and prevent loss of life.

What, then, makes a timber-frame house so fire resistant?

The Rhenoshield internal finish is the answer to fires that start inside houses.

It is classified as a non-combustible material and acts as a fire-resistant cladding which protects the timber.
A GOOD ‘PLUG’ FOR TIMBER HOUSES

WHEN the only really big complaint about a house is that some of the electric plug points have worked loose from the wall, it’s more of a tribute than a complaint.

And that is the only complaint Don and Heather Gray have about their stylish timber-frame home in Rookwood No. 5, outside Hamburgh. . . . some of the plug points are loose.

For the rest they and their four boys are happy—very happy—with the house they bought at the end of 1961.

Don, who is in computer sales, is very happy with his house as an investment, having already made a profit on his original investment. That was a form offer. He is now being bothered by another property agent who is "certain" that the house will sell for more than 80 percent premium.

But even though he is getting a great profit, he says he has not been careless with his investment. He has saved a lot of money by having the house built himself and has made sure that it is completed to his satisfaction.

Don and Heather Gray in the spacious lounge of their timber-frame home with two of their four sons, twins Mark and Paul.

The house, as you gathered, is for sale—eventhough a lot of money could be shown.

Don: "We are very, very happy living here. We have been very fortunate to live in this part of the world for a few years. It is the perfect place for us."

As Heather explains: "We are very, very happy living here. We have been very fortunate to live in this part of the world for a few years. It is the perfect place for us."

The house is in the same manner. We have been in this house for about six months and it's still in good condition. We reckon we'll make a profit of 80,000 on the 100,000 we paid for it when we decided to sell.

"It was cool in summer and it's now that it's winter. . . . much better than the brick house."

The problem he faced were that some windows stack and there were light, which didn't work and they hung the garage doors on the ceiling, but not on the joiner's list . . . everyone should have made sure that they didn't happen.

However, “everything was fixed easily. Everything works now. There's no room why timber-frame houses shouldn't catch on if they're properly built.”

It was only when I heard her and saw her that I wanted to be an architect. It was then that I thought I could design a house that would be built of timber. "I'm going to build a house of timber," she said.

The finish in the house is superb. It is very much better than any other house that we own. The ground floor has the lounge, dining room, kitchen, . . . .

A passage leading off the first landing leads to the bedroom area, where all the bedrooms except one are situated, as well as the playroom and the study, and the library at the rear of the study.

By attaching shelves to the wall or using playroom, on which they have placed a number of heavy objects, including a television set, the Grays have also a study. They have placed the central-closing of a timber-frame house cannot support much more than a load of furniture and a light picture or two.

The Grays' new home is joy living in their house for the architectural beauty and features, which include a large entrance, a wide hall, a study, and thereby L-shaped stairway. The solarium is the part that is most interesting in this home. It's its very much better than any other house that we own. The ground floor has the lounge, dining room, kitchen, . . . .

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Good enough

ONLY a very brave, possibly a foolish man would be prepared to state categorically how old the timber-frame method of building really is. It can probably be traced back to Biblical times and maybe even before that.

The tribes of Israel, according to the Bible, were always having cedar wood from Lebanon and it cannot all have been used purely for decoration.

There is historical evidence that timber-frame construction was already being used in Britain in AD 62.

- The kitchen of a timber-frame house built in 1973 and lived in since then by the Hallermans family of Randburg.

There can be little doubt that the famous Globe Theatre, where Shakespeare made his plays famous in London, was not only built largely of timber but was probably also a timber-frame structure.

There is a strong suggestion that this is the case in drawings of the Globe that still exist.

And if one reads anything about early British architecture, it soon becomes apparent that timber was one of the favoured building materials.

Kent and Cheshire were counties well-known for great houses built of timber and "half-timber" (wood and plaster) were common in Derbyshire.

There are many fine examples of half-timbered buildings in European towns these days, among them being Tudor Hall, Rutland Castle, Hardwick Hall, Holland House and Hatfield House, to name a few. They are all old.

In South Africa itself, timber-frame houses became a whole generation of pioneers. Most of the original houses put up in Kimberley, Barberton, Johannesburg and in towns throughout the Transvaal, the Free State and in Natal were corrugated iron.

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Years is the target
The case for abolishing rent control

By JOS GERSON
Lecturer, UCT School of Economics

A Parliam entary select committee has been appointed to investigate the lifting of rent control. The committee would do well to consider the lessons that emerge from the accomplishments and failures of recent policies.

In 1978 the Government announced that it would phase out rent control in a gradual and systematic way, starting with the new buildings. Disputes over older rent-controlled buildings would be settled by theBetterment Levy. The Rent Act should be amended to provide for a new process that would allow for the phased out of rent control.

The rights to protection would be non-transferable other than to widowed spouses. Tenants would lose their right to protection upon the sale or demolition of the premises. Landlords would be entitled to "buy out" their protected tenants at mutually acceptable prices.

Wherever agreement cannot be reached, the protection would simply continue as before. At the same time — and this is most important — the Government should have to do its utmost to convince developers that no new buildings would be rent-controlled unless they were newly constructed.

Some will say that I am being unfair to landlords. It must, however, be pointed out that rent control has been enforced for a long time — several decades in the case of many pre-war buildings.

Landlords who bought those buildings in the interim did so fully expecting rent control to continue and therefore at prices low enough to have yielded a competitive expected return.

In any case notwithstanding our deliberations about "fairness", politicians will be guided by political expediency, which is usually on the side of the more militant tenants. Economists have no business taking sides with landlords or tenants.

Yet it is possible to point out to the politicians that without having to alienate important interests, they can implement efficient economic policies. Such policies demand that scarce resources, like accommodation, be properly priced.

My proposal would achieve this and thereby make more efficient use of space. Tenants who refuse to "sell out" would be sacrificing the gains they could make by realising their rights and moving to less expensive accommodation.

Persistently rent-controlled buildings redistributed wealth from tenants to landlords. Indeed several apartment blocks were recently recently controlled.

The Government continues to threaten landlords who demand excessive rents for their properties. Thus the developers remain unconvinced and almost all new construction is geared towards sectional titles.

The Government could have accomplished more for itself, for the established tenants and for prospective tenants (in our tenants). Economists have no business taking sides with landlords or tenants.

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TOWN ER BOOK

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abortion of rent control on most post-war buildings redistributed wealth from tenants to landlords. Indeed several apartment blocks were recently recently controlled.
Rise in Housing Commission loans

Property Reporter

LAST week it was announced by Mr. Pet Kotze, the Minister of Community Development, that 90% loans granted jointly by the National Housing Commission and building societies would be increased in relation to salary, subject to a higher overall limit and available for the purchase of sectional title units.

The Minister said building costs had escalated by 45% since the loan limits were fixed in 1980 and 1981. "Because of the limited funds at the department's disposal for the provision of housing, the department wants to encourage people in the economic income group as much as possible to provide for their own housing by means of individual loans," Mr. Kotze said.

- The limit for 90% building and buying loans would be raised from R23,000 to R33,000.
- The limit for joint loans would go up from R37,000 to R50,000.
- The maximum income limit for 90% building and buying loans would go up from R850 to R890 a month.

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M.
Railway workers face housing clamp

BY CAS ST LEGER

HOUSING loans for new South African Railways' employees are likely soon to be drastically curbed.

Top management met this week to discuss changes to the Railways' housing schemes, regarded by employees as the biggest and the best in the country.

Dr E.J. Grove, deputy general manager of SAR, said because of the economic recession management was looking at the entire capital budget.

The Railways' home-ownership scheme was just one of the aspects of the budget being examined.

Railways PRO Mike Adendorff said loans already allocated or in the pipeline would definitely not be cancelled or withdrawn.

However, he said, there were sure to be curbs on allocations of new loans for prospective Railways' homeowners.

Earlier on Friday, a Rondepoort estate agent was telephoned by a Railways' housing inspector and told that three deals she was negotiating for employees had been cancelled.

The estate agent said she was told the deals had been withdrawn due to lack of funds.

Union leader speaks out

Mr J.R. Benade, secretary of the Federated Consultative Council of the SA Transport Services Staff Association and general secretary of the Running and Operating Staff Union, said the Railways' housing scheme had come under the magnifying glass.

No curtailment on benefits would be made by management without consultation with the unions and Mr Benade had been assured that no cutbacks would be made except in the case of luxuries.

There had been a growing commitment in regard to housing for coloured, Asian and black Railway worker housing over the last few years.

The railwaymen had to be realistic, said Mr Benade.

The 10 local housing officers throughout the country had been asked to provide housing statistics with a view to reviewing the situation.

Instead, clerks had misinterpreted the instruction and some applicants had been told that funds had been cut off.

Two years for loan

This had occurred particularly in the Western Transvaal and Western Cape areas, said Mr Benade.

At present, railwaymen on permanent staff (after two years' employment) are entitled to a 100 percent housing loan or they may apply for assistance under the pension-fund scheme.

The sum available under the Railways Home Owners'hip Scheme is fixed by Government White Paper.

For the year 1982-83, R269-million had been allocated.

This sum may not be used for other purposes.

Under the 100 percent scheme, funds totalled R146.25-million.

Of the R1260-million in the pension-fund scheme, SA Transport Services could borrow R173.75-million for housing for all races.

Requirements under the second scheme were allocated monthly.

If employee benefits were to be changed, said Mr Benade, he would be the first to know. Nothing had yet been finalised.
WHY SOCIETIES CAN'T HELP IN THE HOMELANDS

By Dave McDermott
Tax relief needed on home bonds

By PAUL DOLD
Financial Editor

THE chairman of the EP Building Society, Mr C J Krige, has called for tax relief on home bonds as well as capital grants to young couples who are building their first homes.

Speaking at the annual meeting on Friday he said the adjustments now being forced on the public in lowering housing standards are necessary even though they are painful.

"Compared to world standards the white population in South Africa is living in luxury housing. The luxury standard has created unrealistic expectations in the minds of all population groups."

"The main cause of the housing situation are the cheap mortgage finance of the past and subsidies paid by employers. I would like to advocate that the whole system of subsidized housing be reviewed and that the authorities, on the one hand, tax housing subsidies and, on the other, supply incentives by way of tax relief on bond interest."

Housing prices in some areas had risen over the last three years by 200 percent with borrowers making handsome capital profits. While, on the other hand, many investors have lost buying power.

With the inflation in housing prices young married couples were finding it extremely difficult, or nigh impossible, to accumulate the necessary deposit for a home.

While the De Kock Commission is to make recommendations regarding building societies and other financial institutions it was expected that the approach would be on the basis of competition in the market for money and effective control of the money supply.

"This is unlikely to solve the housing problem or the anomalies that exist in the system."

Building costs would not fall this year but the rate of increase should slow down to about 15 percent.

"The demand for accommodation is still strong due partly to the large increase in immigrants and rents are likely to escalate further this year.

"House prices in the middle and lower-income brackets are not expected to decrease but high price properties will be affected by the cost of mortgage finance."

Turning to the problems of the building society movement he said that societies in general have had to struggle to maintain liquidity due to share rates not being competitive. Large amounts of fixed deposits were attracted at high market rates.

Bond rates were not raised soon enough due to protracted talks with the authorities which caused a loss of income.

Societies' profit margins had been too small to build up sufficient reserves so that income from this source could even the fluctuation in interest rates.

"Reviewing the money management of the economy over the last two years, it would appear that liquidity in the system should be reduced much sooner so that rates could have moved gradually with an earlier benefit on the inflation rate."

Interest rates appeared to have peaked and only minor fluctuations were expected for the rest of the year. Rates should start declining within the next nine months. But the fall would be slow and with the prospect of double digit inflation for years to come rates were unlikely to drop back to those at the end of the seventies.
Ampros R55m vote of confidence

By Vera Beljakova

In the face of recession, Anglo American Property Services (Ampros) is pushing ahead with 12 new township developments countrywide covering a total of 900ha which will gross at least R55million.

Ampros's director, Peter Gardiner, has been out shopping for prime land throughout South Africa for the past year and will have spent almost R33-million on developing 10 residential and two industrial townships.

"Prime locations will always be the last hit by any recession, if at all," comments Mr. Gardiner, who is responsible for estate development and marketing.

"At today's high cost of servicing any township stand, we must buy the best locations. Land costs plus servicing now average R4,000 a stand in the unmarked areas."

The two industrial townships are Amaquip (Anglo American Properties) Jet Park Extension 1 by Boesburg (21 stands on 24ha) and Powerville Ext 4 at Vereeniging (21 stands on 24ha). Sales from both townships will gross over R25-million.

Ampros's residential townships developments are scattered throughout the Rand, Natal and the Cape. Prime townships are planned for Transvaal's Sandton and Springs, the Cape's Bellville and Natal's Gillitts.

In Sandton, Ampros's townships are Fourways Ext 12 (10 stands on 26ha), Sunninghill Ext 2 (100 stands on 40ha) and Lyne Park Ext 4 (80 stands on 14ha). Natal's Dowes

...
Curbs ahead on railway housing loans

Argus Correspondent

PRETORIA.—Housing loans for South African Railways employees will, in all probability, be drastically curbed, but a general cutback in housing loans, in the civil service seems unlikely.

Top railway management met last week to discuss capital budgeting in face of the economic recession.

Railways PRO Mr. Mike Adendorf said management was still looking at all aspects of the capital budget to see where it could curb spending. Housing loans were just one aspect they were considering.

RECRUITMENT

"In all probability it will curb the number of housing loans granted, but to what extent it can't say. But there's no indication when management will come to a decision on this," Mr. Adendorf said.

However, informed sources in the civil service doubt whether there will be cutbacks placed on housing loans for central public service employees.

They point out that last October the ceiling on housing loans was raised from R20,000 to R40,000 and from April 1 housing benefits were extended to include unmarried employees as well.

One of the reasons for these changes was to help with the recruitment of staff. The feeling is that it is still difficult to recruit staff and it would become a near impossible task if the housing benefits were limited or curbed.

NO SIGN

The Department of Community Development also has a housing benefit scheme for Government employees in which the department guarantees the deposit for a house. But a spokesman for the department said he was not aware of any curbs being placed on the scheme in the near future.
Home ownership by blacks seen as the best solution

The black man in South Africa can hardly be expected to be a supporter of a capitalist system based on ownership of private property if he is not allowed to participate in it.

This statement was made by Mr. Philip Scales, chairman of the United Building Society, when he addressed the society's annual meeting.

He said that since the 99-year leasehold system was introduced, the UBS Development Corporation had built 485 houses for blacks and was now engaged in the construction of a further 181. Another 245 were in the planning stage.

The Urban Foundation had devised an excellent self-help scheme at Katlehong, he said, where 209 stands had been made available by the East Rand Administration Board for the first phase.

The UBS had granted loans of about R6 000 to be used for the purchase of materials.

"The applicants have to build the houses themselves and what we term their "sweat equity" makes the completed property worth not less than R12 000.

"Building is closely supervised by the Foundation and by us and the loan is paid out only on completion when the applicant gets title to his 99-year lease," he said.

Mr. Scales said the scheme was a really excellent one and provided housing to blacks at a figure they could afford.

Monthly instalments were about R100, "which is within the capacity of a considerable number of blacks."

Mr. Scales said that 638 mortgages had been registered by blacks over 99-year leaseholds in favour of the society, representing 49% of the total of these mortgages.

"These numbers are trivial in relation to a population of 20 million and show that as yet the progress towards the creation of a black home-owning class is pitiful."

"Last year the chairman of the SA Permanent Building Society made the excellent suggestion that the State-owned houses leased to blacks should be sold to them, releasing more funds for building, but the proposal seems to have fallen on deaf ears," said Mr. Scales.

Meanwhile in Durban the chairman of Toyota South Africa, Dr. Albert Wessels, has announced that the board of Toyota has made available R200 000 a year for five years to assist with staff housing.

This announcement was made against a background of decisions made by the Government that companies would now be permitted to help with the financing of black housing in the black urban areas and could, in fact, own houses in these areas and rent them to their staff.

The second announcement embraced concessions made by the Minister of Finance in the main budget and which are meant to encourage companies to generally assist with the building of houses for employees.

Toyota is now conducting surveys to establish, among other things, length of service of employees. Staff members with the longest service will be helped first.
New bid for freedom

Here we go again. The Parliamentary Select Committee investigating rent control is asking for evidence.

And interested parties in the private sector who submitted suggestions to the Johannesburg Commission, the Fouche Commission and others have not made their submissions known. But the issue has been discussed in the media and the public is aware of the concern.

Better luck this time. The Fouche Commission recommendations did not lead to a form of decontrol, it's true. But the end result did nothing to entice developers back into building flats-for-rent, which is what the present inquiry is all about.

Private sector reluctance is understandable. For one thing, government finally hauled at the idea of abolishing the Rents Act completely and thus left all units first occupied before October 20 1949 under control. For another, it maintained control of individual units in some decontrolled buildings, effectively banning their conversion for sectional title.

Even worse, Community Development Minister Ben Kotze slapped control on a modern block in Johannesburg, just to underscore the fact that he still has power to control what he likes and when he likes.

And now a new body is having to look at the reasons why private developers will not build rental flats. Surely, the answer was self-evident. No developer in his right mind will build a block of flats which could be subjected to rent control at the whim of the疙瘩.

High building costs are another problem. Small tax concessions for flat developers were announced in the last budget, but they have made no impression. Hence the appointment of the select committee which, according to chairperson Pierre Cronje, deputy Minister of Community Development, may well be turned into yet another fully-appointed commission.

There are no new options. If the committee or commission really wants to get anywhere, it will need, first and foremost, to recommend the total abolition of rent control.

Thereafter, it will have to find ways of making it attractive for developers to build for rental. That will entail a good deal more than the 10% initial write-off and a 5% a year depreciation allowance which are currently available.

The toughy problem, of course, has always been the plight of pensioners and the other needy. But they, as government has been told scores of times, are the responsibility of the State, not the private sector.

Possible solutions on this score would thus include:

□ Massive-scale development of white sub-economic housing by government itself, an unacceptable option at a time when state spending is to be kept in check; and

□ The introduction of a means test (possibly based on income levels laid down by the Housing Act) which would entail making up the difference between an affordable and a market rent. This subsidy option, it is interesting to note, was rejected out of hand by the Pouche Commission.

What is certain is that some kind of help will have to be extended to lower-income tenants whose lifestyles are geared to the system. Decades of misguided protectionism will make such aid imperative.
A R350-m boost for home loans, if...

If the Government cut by half the 'high level of prescribed investments required from building societies, about R350 million could be made available for housing.

This is the view of Mr C J Saunders, chairman of the Tongaat group, who believes the effect of the high rate of prescribed investment 'seriously prejudices' the amount of money which could be freed for home loans.

Seconding the report of the United Building Society at its recent annual general meeting, Mr Saunders said: 'While it may not be correct to halve the level of prescribed investments, the authorities should carefully and continually examine their requirements in this regard.'

'Not to reduce the prescribed level is to deny the people of this country the basic facilities needed to provide and own their homes.

'This denial and the effect that it can have are so serious, that they may not be ignored.'

The Tongaat chairman also added his voice to the chorus for action in relieving the building society home borrower by way of tax concession in bond payments.

'There are many families who are unable to finance the basic loan required to start on the road to home ownership and family stability,' said Mr Saunders.

'It is in this area that the Government can assist materially in stabilising life in South Africa by reducing the combined cost of taxation and mortgage interest in the lower-income group.'

Mr Saunders also argued action to increase the value of tax-free investments in building societies which must do some way to increasing the flow of funds to the societies.
**Examining Committee**

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**Compliance**

The Quick Way to a Cheap Home Loan

SUNDAY EXPRESS

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1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for written answers. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be typed or written in block letters in the space provided for your name.
4. Do not write on the left hand margin.
Further increase in bond rate is on the cards

The bond rate is expected to rise in the next three months, putting home ownership even further beyond the reach of the average first-time buyer.

Mr Hendrik Stoet, president of the Association of Building Societies, said a decision on an increase in lending rates would be taken later this month.

The bond rate has risen 4.25 percent in a year. Last March the minimum was 9.75 percent and the maximum 11.75 percent. Since April this year the rates have been 13.25 percent minimum and 15.25 percent maximum.

Building society spokesmen believe mortgage rates have not yet peaked and that home-owners and potential property buyers could be in for even harder times.

Mr E F Allen, chairman of the Allied Building Society, said diminishing cash resources of the banking system and the inability of the man in the street to save in the face of inflation pointed to a continued shortage of money and increasingly high interest rates.

An estate agent, Mr Eskel Jawitz, said he did not believe a higher bond rate would have any effect on the supply or price of houses.

"Houses are still very undersupplied and people will continue stretching themselves to buy, whatever the cost.

"Renting has become prohibitive so the only alternative is to buy," he said.

Mr Jawitz said first-time home-owners could still get reasonably priced properties in the R40 000 to R50 000 range if they were prepared to buy in the south of Johannesburg or on the outskirts of the East and West Rand.

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<th>House cost</th>
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The table shows the minimum salary needed by the family breadwinner to qualify for a building society bond if mortgage rates go up one percent.
Rent control probe: All views invited

By Tom Hood
Property Editor

MANY thousands of people are affected by rent control — tenants, including pensioners, owners of rent-controlled flats and landlords hoping for sectional title.

They now have a chance to make constructive proposals about it to a cross section of 12 parliamentarians who could decide its future.

They are invited to give their views to a parliamentary select committee.

Anyone wishing to submit representations should write to the Select Committee on Rent Control, House of Assembly, Cape Town 8000, by July 30 and make sure the actual representations reach him by not later than August 20.

A committee member, Mr. Colin Elin, the Opposition's housing spokesman, said today that there were four key matters which would have to be decided:

- Should there be any law to protect a tenant from harassment or eviction?
- Should rents be determined solely by free market forces or should there be State machinery for regulating rents, either generally or in particular cases?
- Should the respective rights of tenants and landlords be determined solely by common law and the terms of their lease agreements or should there be some law giving all tenants, or certain categories of tenants, greater security of tenure?
- Given today's circumstances what is the best method of ensuring that there are an adequate number of letting units available at prices which the city dwellers in the middle and lower income bracket can afford — and what should be the respective roles of the State and the private sector.

"It is easy to point to problems and to defects in the present system. However, what is required are suggestions for alternatives that will eliminate the present problems without creating new ones," added Mr. Elin.

The select committee's job is to inquire into and report on:

- The desirability or otherwise of statutory control over rents;
- Measures to afford tenants continued protection again exploitation, victimization and arbitrariness of eviction;
- Measures to curb related malpractices with reference to the Sectional Titles Act, Shares Blocks Control Act and Alienation of Land Act; and
- Related matters.

The select committee's chairman is Mr. P Cronje, deputy Minister of Community Development, and the other members are: J. P. J. Blanche (Boesburg), W. H. Nelport (Newton Park), C. W. Eglint (Sea Point), A. F. Fouche (Witbank), P. J. S. Olivier (Fairview), A. T. van der Walt (Bellville), A. A. Venter (Klerksdorp), A. B. Wilmot (Hillbrow), A. G. Thompson (South Coast), J. H. van der Merwe (Jeffreys Bay) and T. Aronson (Waldum).
Corporate earnings for housing?

The executive director of the Building Industry Federation of South Africa (Bifsa), Mr Lou Davis, has suggested that the results of corporate earnings be diverted into capital for worker housing in an attempt to take care of a peaceful labour future.

Mr Davis makes this suggestion in the latest issue of South African Builder, official journal of Bifsa.

Mr Davis, who attended the recent first annual dinner of the Master Builders and Allied Trades Association (East Cape) in Port Elizabeth, said that in a country which currently boasts a shortage of more than 500,000 housing units with an additional, increasing demand of 180,000 a year, it was very difficult to give credit to those who foresaw an imminent slump in the building industry.

"Undoubtedly money is required to produce homes, but the choice is patently clear — either we are going to house every sector of our population adequately, or we are going to perpetrate an unstable labour situation which does not produce industrial profits.

"Would it not, therefore, be better to divert portions of corporate earnings into capital for worker housing rather than grab everything now and lose all earnings in future years because of work stoppages, under-productivity and the general bloody-mindedness of discontented, disloyal and militant workers?"

"In the case of the public sector, there can be no greater incentive to providing housing for the nation than that of internal defence and security."

Mr Davis said that, perhaps, the moment had passed when housing appropriations should enjoy the same intense analysis as the defence budget, which seemed to be infinite in the enormity of its demand.

Commenting on what the "gloom loops" were doing to the industry, the country and themselves, Mr Davis said:

"The reason labour is today commanding such high premium wages stems from the fact that during the last recession in the building industry some 60% of our artisan force left for more stable work opportunities — never to return.

"That means, then, that we not only have to train many more people to fill those gaps, but we have to project a positive image for any prospective recruit into the industry.

"With the threat of imminent recession being pushed down your throat would you contemplate a career in the industry is 6% on turnover.

"Compare that with the manufacturer of women's underwear and see which business you would prefer to be in!"

"If the gloom loops will please tell us whether or not, to stop Bifsa training efforts, which could cost up to R400 million during the next 18 years, to advise industrialists to plan for permanent zero growth, to persuade the peoples of our country to live in tents erected on miredumps, and, generally, to put our heads in the sand until prosperity passes by — believe us, we will be most grateful!"

What of materials, you may ask?

"We would be most interested to meet the materials manufacturer who is prepared to invest millions of rand in capital development with the prospect of stockpiling all his products in the wake of a recession."

"Undoubtedly he will believe the prediction of woe and gloom and will cut back on production and — when the so-called boom comes back — you will enjoy shortages of material, black market pricing and increasing building costs.

"And who pays? Why, you and your mate, Gloom Loom.

"Just in case anyone believes that the building industry has made or is making unjustifiable profits, may we respectfully spell out the difference between a margin and a profit.

"The higher margins which builders have been forced to charge — and we must emphasise that the extent of those margins is controlled by a very effective tendering system — include, among other things, overheads because of premium salary demands, replacement of capital equipment which became obsolete during the depression and can no longer be repaired with blowtorch and 150mm nails, interest on borrowed monies because the clients and some professionals do not pay promptly.

"For those interested pundits who may like to know, the official published profit margin for the build-
Slum fears over lower housing standards

THE new, reduced standards for coloured housing schemes will cause such schemes to degenerate into "slums," according to Mr J D Johnson, chairman of the Boland Association of Management Committees.

Housing dominated the association's annual meeting at Worcester this weekend. It was attended by the director-general of community development, Mr P C van Blommestein, his deputy, Mr P D McHenry, and the assistant regional representative of the Department, Mr S P Fourie.

NEW PRIORITY

The officials faced a barrage of questions from delegates representing 25 towns from Hermanus and Bredasdorp to Touws River and Tulbagh.

In his address Mr van Blommestein said the State could no longer help all those income groups who had been helped in the past, and the highest priority would now be given to housing for the poorest people — those earning about R150 a month.

PREFERRED

Mr McHenry said that in view of the minimum standards prescribed in the Slums Act, the department's architects had found decent, basic housing could still be supplied if electricity, floor cover, ceilings, paint, plaster and fences were left out.

During discussion Mr Johnson said coloured people believed that this kind of housing affected their human dignity.

The Worcester Management Committee, he said, would prefer 50 proper houses to 100 of these basic units. There were teachers, policemen and other salaried people in Worcester who had to live in substandard houses. With the emphasis on basic housing, no provision was made for such people.

A delegate from Houton said the coloured community had not been consulted before these new lower standards were laid down. Some contractors who were building houses approved by the Department of Community Development used sub-standard materials and further undercut prescribed standards.

In reply, Mr McHenry said that the department, with its limited staff, relied on local authorities to act as its agents in controlling standards.
MOST BONDS COME FROM FORCED LOANS

By TOM HOOD, Property Editor

AN INDICATION of the battle by building societies to attract funds is the fact that 80 percent of the R389-million paid out in new loans in April and May came from matching finance from investors.

Only about R79-million came from voluntary funds and was not locked in for two or three years as an investment for a back-to-back loan.

This means the vast majority of bond applications to building societies is being matched in hard cash for the home loan required either through company assistance, participation by the seller or help from the buyer's relatives.

Mr Hendrik Sloet, president of the Association of Building Societies, made the calculation that 80 percent of all new loans granted were made against matching investments.

INVESTMENTS

Another pointer to the pressure facing societies — the country's main providers of housing funds — is shown in the latest report by the association which discloses that share investments dropped by R75.9-million in April and May compared with a gain of R8.7-million for the same period last year and a R188-million gain for the same months in 1980.

The erosion of lending capability is evident from the two-month figures. The amount of R389-million advanced was R3-million up on a year ago but less than half of the R840-million of new loans granted in April and May two years ago.

The snag about "matching investments" is that the investor is sacrificing the higher interest rates offered by banks and financial institutions. In turn he wants to be compensated and frequently asks for a raising fee of anything between 5 and 15 percent which is paid once only and usually in cash advances.

And this fee, on top of the deposit and legal fees for buying a home, can be the final cost that puts a house or flat beyond reach of most young people.

Mr Sloet says in the association's latest newsletter: "The backlog of housing must be growing steadily while building societies are unable to meet the demand for home purchase finance.

"Society rates have been lagging behind the market for at least 18 months now and unless the general level of rates available in the market place starts to decline soon, action to assist home purchasers will have to follow."

And that means, he says, a further increase in building society rates is "inevitable."

SAVINGS

Some building societies increased their special savings rates this week in an effort to stem the outflow of cash that was attracted by higher rates offered by the banks.

In April and May building societies had a R13.7-million outflow from their savings accounts, much of which was believed to have been diverted to more profitable investments with banks and other institutions. A year ago savings for those two months grew by R67.5-million and by R45-million two years ago.

If the latest move to attract more funds succeeds, the higher cost will have to be met by borrowers — bringing the inevitable rise in mortgage rates all that much nearer.

In the two months the 13,413 loans were granted against 17,403 a year ago and 45,740 two years ago.

The average loan was R32,400, up 15 percent on the year-ago R28,194 and 40 percent higher than the R23,149 average of two years ago.
Housing cheaper each year

By Vera Beljakova

CONTRARY to popular consumer belief, housing in South Africa becomes cheaper every year.

Today an "average" home-builder needs to work only 2.5 years to afford a R9 500 three-bedroom house of 100m².

This is an improvement on the 3.9 years he would have had to work in 1970 to afford a similar home, which then cost R9 000.

The improvement in home-building capacity is much more dramatic for the coloured and black sector, according to a survey from the Department of Statistics based on average income figures which are then married to Murray's record of building costs.

In all cases the costs quoted are for an "acceptable" house — that is, by today's standards, a 100m² home with built-in cupboards, tiling and other such additions.

During the same 11 years (1970-81), coloureds have improved their capacity from 10.1 years in 1970 (for the R9 500 home) to 7.8 years for the currently acceptable R9 500 home.

Blacks, however, have seen their capacity escalate at the most rapid pace. Their capacity almost doubled, says Ray Jensen (Capo's Business News), "from 19.8 years down to 10.3 years for the same 100m² three-bedroom home."

The main hindrance to home building, though, remains lack of skilled artisans, a situation now worsening due to lack of bond finance.

On the other hand, building costs are already slowing down from a monthly escalation of 2% last year to 1% in 1982. More competitive tendering in times of recession will soon trim margins even further, thanks BDR (Bureau of Economic Research).

Building costs may tumble as the recession bites more deeply into everyone's pocket and bond finance continues its decline.

Meanwhile, Murray & Roberts is currently quoting building prices per m² as R550-R650 for residential, R350-R500 for commercial high-rise and R225-R375 for industrial constructions.
Schwarz blames Govt control

Argus Correspondent

DURBAN.—Government mismanagement of the economy was the primary factor in yesterday's controversial 1 percent increase in the mortgage bond rate, Mr Harry Schwarz, Progressive Federal Party finance spokesman, said today.

Mr Schwarz said the soaring bond rates were putting "housing out of the reach of the ordinary man."

"He is being hit by not only the high bond rates but also increasing building costs. The effects of the bond rate are going to leave scars, not only on the economy but also on the social structure of South Africa."

WARNED

Mr Schwarz said Government mismanagement of the economy was clearly a primary factor in the soaring interest rates.

"We warned during last year's general election that it was a 'vote now, pay later' election. This was one of the best economic forecasts ever made."

Mr Schwarz demanded to know what had happened to the commission of inquiry appointed during the general election by the Finance Minister, Mr Owen Horwood, to investigate mortgage bond rates.

"Since then the bond rate has increased on a number of occasions and the ambit of the commission has been increased. It is now time the public is told whether the commission has reported and, if it has, what is in its report," he said.

Commenting from Pretoria, Mr Horwood said: "The factual position is that determination of mortgage bond interest rates is in the hands of the building societies."

Bonds rise: New strain on the CoL

THE cost of living for many South Africans will rise again in September when building societies increase mortgage rates by a further 1 percent.

This will be the fifth increase in the past 21 months. Homebuyers will now be paying between 14.25 percent and 18.23 percent for their bonds.

Since the end of 1989 the rate of interest on mortgage bonds has risen by 5.25 percent.

The new increase means repayments of between R7.50 and R9 a month more — depending on whether they are repaying bonds over 20 or 25 years — for every R10 000 they have borrowed from a building society.

The monthly repayment on a R20 000 bond repayable over 25 years will increase by around R16 to R252 while the monthly repayment on a R32 000 bond repayable over 20 years will increase by about R22 to R350 a month.

A R45 000 bond will now require monthly repayments of R634 while a R75 000 bond will mean about R1 050 a month.

TIGHT

Since the end of 1989 the cost of a mortgage bond has risen by R40 a month for every R10 000 borrowed.

The building societies say the increase in rates is necessary because of tight money conditions and increased competition from the commercial banks for funds.

Building society officials point out that most of the funds they are receiving these days are coming from "back-to-back" or forced loans. This is money put up by third parties to assist the building societies to grant mortgage bonds.
Bond rate hits record 16.25 pc after 5th rise in 18 months

By Frank Jeans

The bond rate goes up by 1% percent, from the maximum 15.25 percent to a record 16.25 percent, on September 1.

This means that a homeowner with a R45 000 bond on his property will face an extra outlay of R40 a month, while a man with a R50 000 bond will pay R51 more.

The latest bond rate increase — the fifth since March 1981 — underlines the mounting pressure by building societies to allow them to operate freely in the money market.

A leading building society executive says: "The only way to get adequate bond finance is to pay competitive rates on the money market."

"We are competing with banks which have 7% percent more on their lending rates than societies have on theirs."

Mr Tim Hart, director of the Association of Building Societies, says: "We are up against the problem of the increasing cost of retaining the funds we already hold."

An economist expressed the view that there would be no dramatic action taken to cater to the specific needs of building societies.

MOVEMENT

Leading estate agent Mr Basil Elk comments: "There may be some dampening on the market but prices won't come down."

This is how the bond rate has moved in the past 16 months:

- March 1981 — up by 0.75 percent to 9.75 percent maximum and 11.75 percent maximum.
- June 1981 — up by 1.25 percent to 11.25 percent minimum and 13.25 percent maximum.
- October 1981 — up by 1 percent to 12.25 percent minimum and 14.25 percent maximum.
- April 1982 — up by 1 percent to 13.25 percent minimum and 15.25 maximum.
- September, 1982 — up by 1 percent to 14.25 percent minimum and 16.25 percent maximum.
Bonds up again — by 1 pc

By GORDON KLING

HOME mortgage bond interest rates are to rise again, for the fifth time in 18 months, by 0,25 percent from September 1.

The latest increase, announced yesterday by the president of the Association of Building Societies, Mr Hendrik Sloet, on behalf of the mortgage bond-repaying members, means an increase of about R45 for every R100,000 worth of bond.

The increase, the third to be announced in the 18-month period, comes on the heels of the increases announced by the National Treasury in the Budget and the South African Reserve Bank in May.

Reactions varied, with some commentators expressing concern that the increases could hinder the recovery of the economy.

The increase in rates affects both new and existing borrowers, with the new rate taking effect immediately.

Managers' fees:

The director of the Association of Building Societies, Mr Tim Haas, said the increase in rates was necessary to cover the cost of servicing the bond debt.

Minimum rate:

This VFR above the minimum rate will be charged on new mortgages.

Minimum bond rate:

The minimum bond rate is now 14,25 percent, while the maximum rate is 17,5 percent.

Avoidance of dishonesty:

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University.

Answers must be correct and legible. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.

3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.

4. Do not write in the left hand margin.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University.
Staggering cost of bond perks

Mortgage bond perks for hundreds of thousands of South Africans coupled with the staggering rise in interest rates throughout the economy, have grown to the point where they are costing the country about R80-million a year. GORDON KLING reports.

stead of the usual 80 percent through a scheme whereby pensions are taken as security for the 80 percent of the loan that would normally have to be contributed by the would-be homeowner, and they are eligible for further benefits if they make early repayments on their subsidized bonds.

The Chief of Liaison at the Commission for State Administration in Pretoria, Mr J J Verreyne, yesterday said all details regarding salaries and service benefits in the public service were confidential.

"You can’t let everyone know what you’re doing in an open market. It would be like playing poker with an open hand," he said.

"It is not company policy to discuss staff benefits publicly," said a spokesman for the British Petroleum Company.

A spokesman for the National Bank said it was not prepared to divulge its housing benefits.

Senior building society sources, however, said the oil companies and banks all offered attractive tax-free housing benefits to their employees.

Tax expert, Dr Aubrey Silke, pointed out that regulations pertaining to housing benefits were due to be amended by fringe benefits legislation next year, but they were currently in a very disordered state and rather arbitrary as well.

In a case where an employee arranges a bond at a building society and his firm agrees to meet half the repayments, the benefit would clearly be taxable in the hands of the employee, he said, except in the case of state employees where legislation has specifically exempted them from liability for tax on housing perks.

But where an employer makes a housing loan to an employee at a very low or even nil rate of interest, the employee is not liable for tax and the firm can in fact save on tax as well by effectively earning reduced profits through the loss in interest that could otherwise be earned in the open market on its housing money.

Even draft legislation on the proposed fringe benefits tax that he has pointed out, made provision for a very favourable rate of interest on housing loans to public sector employees through a government fixed “official” rate of interest.

PFP spokesman

Dr Silke agreed that since the Minister of Finance had only limited sources to gather revenue from, it could be said that the taxes of those who did not benefit from housing perks were effectively subsidizing those who did.

The chief of liaison spokesman on finance, Mr Harry Schwarz, emphasized that as a member of the Treasury's commission of inquiry into the fringe benefits legislation he could not comment on its probable findings.

But he believed that many people were seeking jobs with building societies and banks specifically to gain from their housing loans.

"For the ordinary person who doesn't get a subsidized loan, housing is becoming a luxury and because of high interest rates these people will have to downgrade their level of accommodation. The interest rate pattern together with the other things happening in the economy is putting a tremendous squeeze on the standards of the community and it is benefiting only a privileged few,"

The director of the Association of Building Societies, Mr Tim Hart, however, said: "My feeling is that it (perks) has become such an integrated part of our whole home ownership philosophy in this country that it would be very hard to move out of it. Either the employee gets a subsidy or he'll have to be compensated if he is going to maintain his life style."

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

Made in South Africa TRG-BANDER, P.C.T. PSL/UPD 100 000 1978 PD UCT AM7s Vervaardig in Suid-Afrika
Good times for civil servants

By GORDON KLING

HOME owners in the public service have been spared the heavy financial burden of soaring bond interest rates which are crippling borrowers in the private sector and many are now paying less than before the rates took off 18 months ago.

This is revealed by tables on the public service housing subsidy scheme which show that on top of the massive improvements in the scheme announced by the Minister of Finance, Mr Owen Horwood, in June last year, a revision of the subsidy tables from April has given public servants even greater benefits.

R280 gain

A public servant with a R360 bond in October last year would have gained a subsidy of R280 on the monthly building society repayment of R447.

In the tables published for the scheme effective from last April when the


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Early repayment

In addition, an aspect of the scheme which encourages early repayment of bonds with another massive subsidy has also been improved further in the April tables.

The public servant with a R480 bond, for example, now gains a state subsidy of R70 on every full R10 he pays back above the normal building society amount, compared with R6.40 previously.

In terms of the scheme formula, if this benefit is taken to the maximum, the public servant can now get the state to pay an extra R156 off his bond if he puts in a maximum extra R233 — that is the state will be meeting 69 percent of the total additional repayment.

Previously it was possible to pay a maximum extra R218 on the bond to get an extra benefit of R140, that is the state would meet 64 percent of the total additional repayment.

Confirming that the new tables had left him with lower bond repayments, the chief of liaison at the Commission for Administration, Mr J J Verreyne, said yesterday he assumed it was the aim of the scheme to compensate for rising bond costs and provide a better deal.

‘Extraordinary’

The rise in interest rates since January last year has forced homeowners who do not benefit from housing subsidy schemes to boost their bond repayments by about 46 percent.

The secretary of the PFP finance group, Mr Ken Andrew, said: “It is extraordinary that at a time when most people are struggling to meet rising mortgage costs as interest rates soar, there are homeowners who are actually benefiting by rising mortgage interest rates.

“Civil servants are certainly entitled to be renumerated properly for the work that they do but it makes no sense for their mortgage repayment commitments to be reducing while interest rates are increasing.”

He said it was hard to believe that this could have been the intention of the new housing subsidy policy announced by the government last year.

“These subsidies undoubtedly cause undesirable distortions in the economy. They often result in excessive demands for housing and also the employers down to working for certain organizations for the wrong reasons.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University.

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BY VIVEN HOLBER

LOWER PRICED HOUSES SET TO ROCKET
FOREIGN INVESTORS ARE USING THE FINANCIAL RAND TO BUY PROPERTY IN CAPE TOWN, WHERE PRICES ARE STILL WELL BELOW OVERSEAS LEVELS AND YIELDS ON LETTABLE BUILDINGS ARE MUCH HIGHER.

More than R15-million has come in this year, Mr. Gerald Divaris, head of a city real estate and development company, estimates.

He says: "There is a vast number of investors in Britain and the United States who could be encouraged to get involved in South Africa and particularly Cape Town.

"The R15-million inflow was apparently achieved without any special marketing effort."

He leaves this weekend to open an office in the United States, where he hopes to encourage more investment. He intends to stay two years to establish the business and has already been licensed to practise in the states of Virginia and California.

One target for overseas money has been the Milton Manor block of flats now being built on the Elizabeth Hotel site in Sea Point, where the cheapest costs R280 000.

**Fall in Rand**

Although building work began only a few months ago, a third of the flats have been sold for more than R6-million — all in cash deals.

The fall in the rand and rise of the dollar could be another incentive for overseas investors if they knew more of what property was available in Cape Town.

Mr. Divaris believes the next two years could see a big improvement in the American economy and it will be a good time to start promoting South African property.

The next 12 months could be tough for the South African economy and that would prevent commercial rents escalating further. Supply of new commercial and industrial buildings is beginning to catch up with demand and by next July there could be an equilibrium.

Prices of buildings and rents have rocketed in the past two years and they should stabilise, although they are not likely to drop.

**Flat Rents**

Rents of flats are also unlikely to fall because of the severe shortage of all kinds of accommodation. Apart from a few luxury blocks, no flats development can be expected because of the possibility of rental control coming back.

Cape Town could derive great benefits if the council made a move, he says, and included the council in the move.

"The council is sensitive to the opinions of the vociferous few people who dislike the idea."

Continued on Page 2.
FOREIGN MONEY POURS IN

From Page 1.

who have resisted new developments.

"But the development of the city produces more rates and taxes for the public and investors should be encouraged to bring their money here."

Parking

The city centre faces a parking crisis. The new Southern Sun hotel has been allowed to go ahead without making provision for parking under the building and it will displace scores of motorists by taking over most of the parking garage nearby.

Monthly parking has increased to R169 a month in Johannesburg and Cape Town, and reserved parking can be expected to reach that level as well.

At current prices it costs R15 000 to build a parking bay in the city centre and that would mean a charge of R530 a month for the permanent parker.

Parking is now a major factor in determining letting and rents. If the owner of an office block had no guaranteed parking, he will lose tenants to other blocks that have parking.

A sign of the times is that many professional firms are now looking to buying their own building rather than leasing it to safeguard themselves from future rent rises, M Duvrais says.
FOREIGN MONEY POURS IN

From Page 1:

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Parking

The city centre faces a parking crisis. The new Southern Sun hotel has been allowed to be built without making provision for parking under the building and it will displace scores of motorists by taking over most of the parking garage nearby.

Monthly parking has increased to R160 a month in Johannesburg and Cape Town. Reserved parking can be expected to reach that level as well.

At current prices it costs R18 000 to build a parking bay in the city centre and that would mean a charge of R220 a month for the permanent parker.

Parking is now a major factor in determining letting and rents. If the owner of an office block had no guaranteed parking, he will lose tenants to other blocks that have parking.

A sign of the times is that many professional firms are now looking to buying their own building rather than leasing it to safeguard themselves from future rent rises, M Divaris says.
Rent control is THE issue

SOME 350 delegates, representing the cream of the country's property owners, converge on Durban next week for a three-day conference in which lobbying on rent control seems bound to be the main behind-the-scenes activity.

For while the keynote address on the state of the country's economics will be given by the Minister of Finance, Mr. Owen Horwood, an early warning shot on the mood of the developers was sounded this week by the President of the Property Owners' Association, Mr. Bob Levitt.

Forecasting that the public will not countenance forever a shortage of a vital commodity such as rental accommodation, he said: 'The private sector will win its case ultimately.'

Sapoa was formed in 1966, following the passage through Parliament of the Rents Act that year. Sapoa's aim was to protect the interests of its companies and shareholders.

Since then, the Government announced it would phase out rent control, began the process and then halted it for what many suspected were politically inspired motives, shortly before a general election.

The phasing out had followed recommendations of the 1977 Fouche Commission on Housing.

But now, the present Minister of Community Development, Mr. Pen Kotze, has set up a parliamentary select committee on what Mr. Levitt described as the 'increasingly deleterious effects of this legislation'.

Deputy president, Mr. Piet Moolman, said the coming conference would play an important part in the development of an efficient and stable property industry.

'The conference will look towards a better understanding of the economic cycle and the generally long-term, and therefore high-risk, nature of the environment of property development,' he said, adding that Sapoa was now forming into an articulate and authoritative pacemaker for the healthy development of the country.

Mr. Robin Vorster, chairman of the education committee, said Mr. Horwood's paper would examine in depth the country's economic situation and prospects. His speech will be supported by an evaluation of the economic cycles on the property industry by Mr. Attie de Vries, of the Bureau for Economic Research of the University of Stellenbosch.

Mr. Don Kennedy, executive director of Sapoa, said of the expected 350 delegates at the conference: 'They will be the survivors of one well-defined economic cycle, the decision-makers who know the only constant characteristic of the property industry is change. Sapoa's council believes that this big-issue conference programme will help the delegates to recognise the changes in the new cycle and to interpret them creatively.'

Mr. Vorster said that in another series of papers challenges and opportunities in industrial development resulting from the Good Hope plan and White Paper would be studied.

The conference will also take a hard look at urban development trends.

Mr. Nigel Mandy, chairman of the Johannesburg Central Business District Association, will give the Andries van Riet honour lecture, covering metropolitan and regional development in Southern Africa from 1950 to the year 2000.

Visiting American guest Mr. Gordon Blackley will show the latest Californian home-bUILDER DESIGNS in a competition supervised by him only last month.

Above all the conference will be a debriefing weekend — including the day at Greyville for the Gold Cup.

But Mr. Kennedy promises that although the participating members are promised lots of fun, there will be plenty of shop talk and at top level.