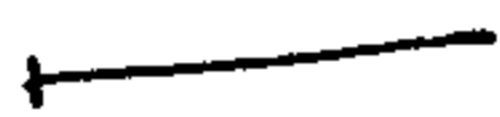


HOUSING & HOSTELS

GENERAL

1982

AUG.



DEC

R175m railway plan

S. Post 21/1/82 (127)

DURBAN — South African Transport Services is to spend R175 million over a period of five years on accommodation for its black railway workers, the SABC has reported.

The district engineer of the Railways in Durban, Mr Carlos Mendes, was quoted as saying the first part of the scheme — a 15-dormitory block with spacious four-bed rooms, capable of housing 4 000 single men — would be completed in Durban early next year at a cost of R25 million.

Another part of the scheme to be built

later would accommodate 2 600.

The complex features a large soccer stadium — complete with an athletics and cycling track — and a tribal dancing arena equipped with what is believed to be one of the largest cinema screens in Africa.

Provision had also been made for indoor sports facilities and recreation centres, Mr Mendes said.

Other hostel complexes are planned for Railways workers in Johannesburg, Bloemfontein, Port Elizabeth, Maritzburg and Ladysmith. — Sapa

Professor calls for anti-TB 'task force'

Cape Times 4/8/82

95
123

Staff Reporter

A SPECIAL task force should be appointed to review and control tuberculosis (TB) in South Africa. Professor S R Benatar, head of the department of medicine at the University of Cape Town, said this week.

Speaking at the opening of this year's UCT Medical Students' Council conference, he said such a task force would not reduce the need for socio-economic improvement in South Africa, but could be instituted in the immediate future, with rapid benefits.

The task force should develop an effective TB control programme and carry it out with the assistance of the State, provincial and local health authorities, as well as voluntary organizations.

Professor Benatar said TB accounted for 83 percent of all notifiable diseases in South Africa, with malaria the second most common (11 percent) and typhoid third (five percent).

The incidence of TB in South Africa ranged from 20 per 100 000 among whites to 300 or more per 100 000 among coloured people and blacks. During 1977 there were 2 636 TB cases in the Cape Town municipal area. Of these, 24 percent were from Langa and 22 percent from Guguletu.

Professor Benatar said the most important determinants in TB were poor housing, overcrowding and malnutrition.

The number of doctors involved in treating TB in South Africa had progressively decreased since 1960 and "the medical manpower situation has now become critical".

"There is increasing dependence on the nurse, and indeed development of the nurse should be further encouraged to allow the development of a control programme which could be used countrywide. Furthermore, such a programme should be integrated into the general health services, be readily accessible and planned on a long-term basis."

Rent control re-introduction is the big fear among property developers

THE cost of land, the cost of building and the cost of finance are combining to price housing out of the reach of the very people who need accommodation. Mr Piet Liebenberg, executive chairman of Finansbank said yesterday.

He told the Property Owners' Association conference in Durban that housing looked an insoluble problem if the present pattern of white immigration and black urbanisation continued.

Some developers believed that units built at today's costs would be relatively cheap by the end of the decade and would be within reach of many people in the money of 1990.

But developers are deterred by one fear — the re-introduction of rent control.

'Rent control has brought us to the present crisis point in flat accommodation and developers do not feel inclined to take

Government decisions,' he said.

Mr Lionel Benjamin of the association said that by the end of June 3 017 sectional title registers had been opened involving 69 895 units. He criticised Government action on the prevention of selling a block while some tenants are protected under rent control legislation.

He said restrictions were unnecessary and suggested the Government

early in the 1983 legislative session of Parliament'.

● See also Page 29

Rabies plea

A FULL diary of the rabies inoculation campaign which begins next week will be published in the Mercury on Monday morning. The State Vet, Dr D le Roux, has asked people not to telephone his offices, but rather to wait for the full schedule

Mc See

Mercury Corres

BULAWAYO. The man looking for the 12 anti-dents and their six hostages has now swelled to more than

Zimbabwe's Minister of Minister's office responsible progress report to Parliament.

'A helicopter force has been

Come in from the Cold... ...to SPAR's Warm Winter Savings




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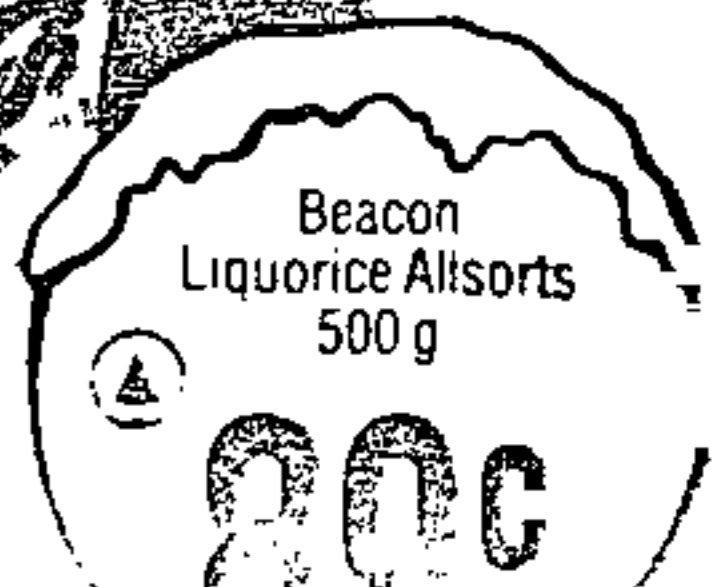
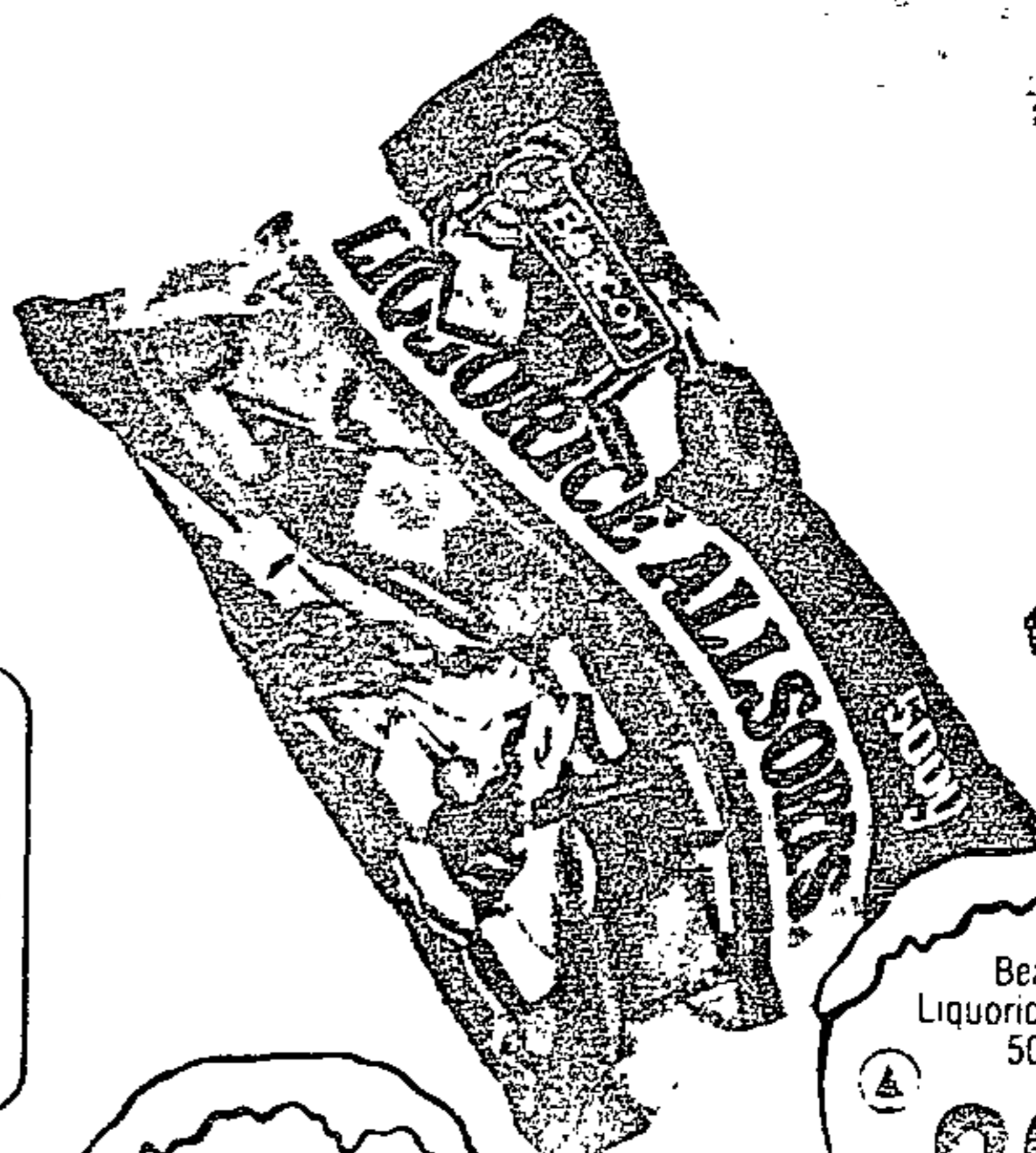


Diagram Case



The Eastern Cape branch of the South African Institute of Building recently donated a number of books dealing with construction management to the University of Port Elizabeth library. Here Mr BRIAN MAYO (left) of the institute, hands part of the donation to Mr J C CRONJE, the university librarian.

Enter in
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Mud bricks produced on the building site

A NEW technology for brickmaking, which combines the ancient craft of mud bricks with the modern science of chemical additives, has arrived in South Africa.

Mud bricks, which are not porous like clay bricks and are more dense, convey little or no ambient heat into the interior of a dwelling and make it soundproof.

They are heavier than clay bricks and more durable.

The technology built up by the Swiss company, Consolid AG, was originally designed to create roads by applying the chemicals to the natural soils that make up the road, after grading.

The two chemicals, Consolid and Conservex 444, bind the clay materials in the soil to provide a water-resistant agrément that can be applied afterwards at the surface of the road.

Alternatively, a soil-

based road can be built at low cost which is dust-free and resistant to normal effects of water.

The process was extended some years ago by the inventor, Dr G Scherr, of Geneva, Switzerland, to the making of bricks from local soil, so that bricks for dwellings could be made on the spot.

This eliminates expensive transportation costs.

The brick-making machine, the CLU 3000, is, together with the chemicals, taken to the site and soil containing clay is combined with water and the chemicals to make mud, which, under the application of immense pressure, forms bricks that are both durable and of standard size.

A sifting machine on the site removes all the undesirable stones and rocks and the soil treated with the two chemicals combines in

a drying time of as little as 24 hours.

The chief cost-cutting factor is that bricks do not have to be transported at enormous cost to the building site.

Only the machine has to be conveyed there, together with chemicals, thus reducing the cost of bricks by about 50%.

Unskilled labour can be trained to operate the self-powered plant in one hour and one machine can produce 3 000 bricks a day, enough for 100 houses a year.

The bricks cannot be made out of river sand or sea sand, unless clay or cement is added.

Considerable savings are claimed to result from the introduction of this Swiss technology which will also allow for self-help in mass housing projects.

The capital cost of the Consolid system is low and must be compared with the

cost of establishing a stationary plant producing baked or concrete bricks, using skilled labour and heavy capital and transport costs.

In support of the Government policy of involving the private sector in housing development, it is possible for large companies to buy Consolid brickmaking plants to provide bricks at cost to black owner/builders, at the same time creating more jobs for individual blacks.

The process is already approved and in use in 15 countries around the world, and will be tested for approval by the CSIR in South Africa.

The Consolid system is being marketed by Terachem (Pty) Ltd, of Box 6284, Johannesburg 2000, ☎ (021) 8368127.

The plant will be produced in South Africa, as will the chemicals.

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Home ownership

MAJOR tax incentives should be introduced by the Government to aid home ownership.

Transfer fees and stamp duties should be abolished. Interest on housing loans should be allowed as a tax deduction, says Bob Levitt, president of Sapoa (SA Property Owners Association).

Substantial depreciation and wear-and-tear allowances, and significant subsidies of interest rates paid on development, should be allowed to those who provide rental accommodation, he says.

To help improve housing in SA, he called on the Government at this week's fifteenth Sapoa annual conference to streamline township development procedures.

"The standard of services could even be reduced to an acceptable minimum to facilitate and reduce the cost of private home ownership," says Mr Levitt.

He also points a finger at the Government when he says that the private-property industry assumes that the "iniquitous statutory exploitation of those who provide rental accommodation is on the way out".

But since political considerations have stopped the phasing-out of rent control,

By Vera Beljakova

the private sector has lost faith in the State, which is exploiting the landlord to curry favour with the electorate.

A parliamentary select committee is now hearing evidence on "exploitation", but, in fact, it is the State that is exploiting the property owners.

In view of the Government's commitment to home ownership, it should give this concept a preferred place in the system as it con-

tributes to community responsibility, civic order and economic stability.

"If the whites are battling to buy a house, what hope will the blacks have?" Mr Levitt asks.

To emphasise the point further, Lionel Benjamin, SA expert on sectional-title legislation, emphasises that the Government could be much more co-operative by smoothing the way for further sectional-title developments instead of acting as a

hindrance.

"It is counter-productive to debar local authorities from considering an application for approval of a scheme where one resident is a protected tenant."

Tenants under a certain income can still be the cause of preventing a large decontrolled block of flats from being bought up by home-seekers. As a result the block cannot achieve sectional-title status.

Non-protected tenants are prevented from becoming home owners by a handful, and by even one protected tenant who may be a non-income-earning student sup-

ported by wealthy parents who pay the rent.

The protection of one tenant can be the undoing of dozens of others.

Though the block can then be sold off under block shares, this scheme of sale is seen as less advantageous than the sectional title, since under block share the owners own shares or right of occupation only of the flat rather than owning the premises outright ... hence building societies do not grant bonds on block share.

In other cases the owners of the building may decide to sell the entire block to a public or a private body which needs to house its expanding staff.

This again deprives the former tenants of decontrolled premises of the opportunity of acquiring security of tenure by sectional title, and again they must move out.

(123) S. Tuine 8/8/82

— plaintive cry for help

Paper No. I
(to be copied from the heading on the Examination Paper)

Exami- ners' Initials	
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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 point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
4. Do not write in the left hand margin.

WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

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

123 ~~113~~ ~~246~~

Sowetan 9/8/82

Union council homes in on domestic matters

THE RESOLUTIONS adopted and passed at the Council of Unions of South Africa's (Cusa) second national conference show a marked involvement, not only in labour affairs but also in the well-being of the community.

The conference was held at the St Peters Seminary in Ham-manskraal and a summary of the resolutions reveals that a broad field was covered. Issues covered included black leadership, Ingwavuma, KwaNdebele and the homelands, realistic wages, the right to strike, detentions and unfair labour practices.

A statement released by Cusa states that worker interests are best advanced through collective agreements, be-

By SELLO RABOTHATA

cause the existing Industrial Councils are authoritarian, bureaucratic, and unrepresentative structures. Affiliates are encouraged to continue to determine through worker participation the best negotiating structures within their particular plant or industry. This they are told to do at plant, regional and industry level, through mandates from workers, to derive the maximum

advantages for their members.

When it comes to the issue of overtime, the council is aware of the problem caused by minimal payment of wages. The dramatic increase in retrenchments in recent months is also noted. The statement argues that the two could be overcome by affiliated unions negotiating realistic wages while keeping the rampant infla-

tion rate in mind. Workers should be encouraged not to work overtime.

Like most black organisations, the council pledges its support to KwaZulu and KaNgwane on the land issue: "We pledge our support for the struggle and reject to the bitter end the fragmentation of our land, and any similar plans by the minority government. We pledge to work for a common citizenship in an undivided South Africa."

The council claims it will seek to ensure the protection of the workers' right to withhold la-

bour, as is the case throughout the world. Affiliated unions are advised not to negotiate agreements curtailing this right, through the various peace obligations sought as guaranteed by the bosses. Members are advised to build strong unemployment and strike funds to ensure the full protection of worker interests.

The statement states further that artificial and intellectual barriers have been created to separate workers from the communities as separate entities. The council hopes to stop this.

Subject.....
(to be copied from the heading on the Examination Paper)

Paper No.....
(to be copied from the heading on the Examination Paper)

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State aid (123)
for aged (23)
12/8/82 extended Stan

The Government has taken a step to help more elderly people in homes qualify for State-subsidised accommodation.

The income limit of residents of homes for the aged and handicapped subsidised by the State would rise from R200 to R300 a month, the Minister of Health and Welfare, Dr C V van der Merwe, said in Pretoria yesterday.

The increase is retrospective to April 1 this year.

From April 1 1983 the managements of subsidised homes will be allowed to increase the number of these residents by 20 percent a year. — Sapa

Govt gloom on black housing

(123)
S far
12/8/82

South Africa's critical housing shortage would probably not be solved for the next two decades because of the sheer inability of the economy to finance the vast number of homes needed, the Director-General of Finance, Dr Joop de Loor, said today.

He was addressing a seminar in Pretoria organised by the Unisa School of Business Leadership on what the future holds for the provision and financing of urban black housing.

It was also announced at the seminar that the Government is putting R28 million over the next five to six years into a survey of all black townships in the country.

The lack of surveys is seen as a major stumbling block for implementation of the 99-year leasehold scheme.

The announcement was made by the Minister of Co-operation and Development, Dr Piet Koornhof.

There are about 370 000 stands, excluding those in Soweto, which have to be surveyed in black areas. The cost of the survey will be about R65 a stand.

Demographers have estimated that the number of urban blacks will increase from 6 million to 18 million over the next 18 years.

To cope with the need for accommodation 2 million homes would have to be built — at a rate of 463 houses every working day.

● See Page 23.

The South African economy, battered as it will be by recession and competing priorities will have to find resources of money and ingenuity for a mighty push in the coming decade to house millions of urban black families.

And in this imperative politics will play little or no part.

This was the message from South Africa's top administrators and planners at a seminar organised by the Unisa School of Business Leadership in Pretoria today to discuss the road ahead on the Viljoen and Steyn reports.

The Viljoen Committee (chaired by Mr Boet Viljoen, former president of the Association of Building Societies) reported a year ago to the Government on ways of overcoming the Soweto housing crisis.

The Steyn Committee consists of work groups investigating the

No place for politics in mighty push to house black urban families

The living environment of urban blacks has suffered for decades while the Government tried to administer them back to the homelands. Now that their permanence is accepted efforts are being made to put urban black housing on a proper foundation — but the challenge is a daunting one. ANTHONY DUGAN reports.

money and the means to get an urban housing push into gear.

These were some of the views put to the seminar.

Mr Bert Viljoen: It would appear that the uninformed that the Viljoen report is filed and forgotten.

In fact, the Steyn Committee is exploring the financial implications of this report and monitoring its progress. It has finalised the following:

● A prices formula for selling all Soweto

houses. This will apply to all urban townships.

● An education programme to inform blacks about housing.

● Funds for the mass survey of existing townships.

● A co-ordinating committee to monitor progress and ensure speed of action.

Contact has also been made with the Estate Agents Board to get black estate agents on to the marketplace.

Contact has been made with large organisations about investing

to promote black housing. The response has been heartening.

The housing fund is now able to borrow funds on the open market.

Dr Joop de Loor, Director-General of Finance:

If the State has to find the money needed for low cost housing it would require R3 000 million a year.

What is needed is maximum provision for site-and-service and similar self-help schemes, as well as controlled self-building for all low cost housing schemes.

Even this would require double the amount invested in housing by the State in 1982.

There are several ways more funds could be channelled into housing — for instance, by

increasing the priority of housing.

But this has limited potential since it would cause increasing backlogs in other necessary areas and would result in an unbalanced development pattern.

One proposal being considered, is an offer in principle of investment, mainly from insurance companies and pension-provident funds.

They would probably have at least R3 000 million a year available for discretionary investments and thus R100 million or even more a year channelled into private housing should not unduly affect the money market.

An alternative is adjustment of housing standards in such a way that more dwellings per rand can be built.

Foreign funds could be sought, but this proposal has severe limitations.

Mr John Knoetze, chairman of the Rand Administration Board:

The Government's housing policy has changed fundamentally from regarding the urban black as temporary.

What is stopping large scale participation

by the private sector in black housing is a lack of land for development, particularly the lack of service stands.

The board has agreed with black councils to advertise stands and invite developers to build.

The board has also bought 600 ha to add to Kagiso outside Krugersdorp but it is

estimated that an additional 6 000 ha will be required by 2000, to cater for black housing needs on the West Rand.

We can no longer avoid planning and building cities, roughly the size of Soweto.

Mr F Cronje, director of local government, Department of Co-operation and Development:

The Cabinet has accepted that site-and-service schemes coupled with self building, core or shell houses, aided by technical advice centres should be promoted subject to minimum standards.

The Department of Co-operation and Development is conducting a countrywide investigation.

One of the difficulties encountered in the 99-year leasehold scheme was that 99-year leases were more costly to the resident than renting a house. Subsidised rental housing is counterproductive to home ownership and leasehold and the system cries out for review.

Cabinet approves leasehold plan 123

THE CABINET had approved new measures to overcome one of the major hurdles blocking the 99-year-leasehold scheme for blacks, the Minister of Co-operation and Development, Dr Piet Koornhof, said yesterday.

Speaking at a Unisa business-leadership seminar in Pretoria, he said: "Many towns where the leasehold scheme applies or large portions of such towns have not been surveyed. The ad hoc approach of doing the work has not been satisfactory.

"The lack of surveyed sites and the high cost of surveying have stood in

the way of the leasehold system."

He said the Steyn Committee had made recommendations to speed up the leasehold system's implementation.

These recommendations had been approved by the Cabinet and were now effective.

It was estimated, he said, that there were about 370 000 residential stands (excluding Soweto) that had to be surveyed.

The view that the cost of surveying should be borne by the purchaser had been accepted, he said.

"It is intended to seek

the co-operation of all black local authorities concerned as it has such great benefits," he said.

"Even if a person gets a leasehold right on a stand with no building on it, there are schemes to help people finance houses.

"The survey programme will take five to six years to complete and the Government has agreed to provide about R28-million for the work done," Dr Koornhof said.

He said the survey cost would average about R65 per stand.

A survey programme for Soweto has also been drawn up.

**"One of the world's great tastes —
superbly matured brandy."**

(23) Stan 13/8/82

Black housing crisis now calls for 'total strategy'

By Anthony Duigan

In 1980 South Africa had money but no plans, today it has the plans but no money — that is how building society executive Mr Boet Viljoen, one of the architects of the Government's black housing policy, has summed up the present situation.

He was speaking at a seminar in Pretoria yesterday at which 13 speakers gave the fullest account yet of the Government's new approach to the urban black housing crisis.

Mr P D McEnery, deputy director general of community development said State funds would now be applied to help as many people as possible to get homes — with the em-

phasis on ownership.

The policy direction for the 1980s is a complete reversal of the philosophy of the 60s and 70s, which was that urban blacks were temporary dwellers.

Now a six-point plan is being prepared:

- All black townships in South Africa are to be surveyed within the next five years or so, removing a major stumbling block in the way of the registration of 99-year leasehold titles. About 450 000 stands are involved.

- An intensive campaign to promote black home ownership, as the spearhead for a broader-based free enterprise system, will begin next year.

- A parallel campaign is to sell as many

houses as possible in black townships. Prices of present houses will be pushed to rock-bottom for a period.

- Rentals in black areas will rise dramatically in the future — for those earning economic salaries — to "encourage" home ownership.

- Building standards will be adjusted to suit the Third World realities of black townships.

- Black property developers, building contractors, and estate agents will be encouraged.

But the problems of black housing are a harsh reality too:

- Finance will have to come from a variety of sources — Government funds, higher economic

growth, personal investment, foreign loans, pension fund investments.

Even this "total strategy" approach would still not meet the need, said Dr Joop de Loo, director general of finance, who quoted a figure of R3 000 million a year for the next 18 years.

- A big question-mark must also hang over just how urban blacks will respond to the new housing initiatives.

Questions about why blacks should have a leasehold system, while whites enjoy freehold, are asked. The reply that 99-year leasehold is a perfectly acceptable form of the title in many overseas countries is not always accepted.

Shembes in court

WARRING members of a Zulu tribal church were urged on Wednesday by Mr Justice Leon in the Supreme Court, Durban, to end a six-year-old leadership dispute.

A member of the KwaZulu cabinet, Chief Mzonjani Ngcobo, has brought a R30 000 damages defamation claim against Mr Londa Shembe, leader of one faction, and Mr Michael Green, editor of the Daily News, after a report in the Daily News.

The chief alleges the report implied he had encouraged an ambush on a pilgrimage.

The trial was adjourned to November 8.

Cabinet approves leasehold plan

123

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superbly matured brandy."**

**VAN RYB'S
1845
VICEROY**

The advertisement features a large bottle of Viceroy Brandy in the foreground. The bottle has a label with a crown and the text "TRADE MARK", "SINCE 1845", and "VAN RYB'S". In the background, there is a group of people in formal attire, possibly at a social event. The overall style is classic and elegant.

Govt bid to overcome black leasehold snag

PRETORIA. — The cabinet had approved new measures to overcome a major snag blocking implementation of the 99-year leasehold scheme for blacks, the Minister of Co-operation and Development, Dr Piet Koornhof, said yesterday.

Speaking in Pretoria at the Unisa School of Business Leadership, Dr Koornhof said residential areas where the scheme applied had not been cadastrally surveyed.

"The ad hoc approach of doing the work piecemeal and often having to leave the individual to make his own arrangements to have a stand surveyed — sometimes at

high and even inhibitory cost — has not been satisfactory."

The lack of surveyed sites and high costs had blocked speedy implementation. Even though plans to meet the problem had been devised, "the pace was still slow and too costly", he said.

The Steyn Committee had made recommendations which would help speed up implementation. These had been approved by the cabinet.

Dr Koornhof estimated that countrywide there were about 370 000 residential stands (excluding Soweto) which still had to be surveyed.

The Steyn Committee

had concluded that the surveying work would have to be undertaken on a programme basis.

The surveying profession had responded positively to the idea, he said.

The view of the Steyn Committee that the cost of surveying should be part of the purchase price of leasehold rights — and should be borne by the purchaser — had been accepted.

As survey had to take place before sale, the National Housing Fund (NHF) would provide the necessary bridging finance for survey costs.

It was intended to seek the co-operation of black local authorities — "so that they partake in the scheme voluntarily as it has such great benefits".

But Dr Koornhof said he "reserved the right to have a survey made mandatory if there is reason to believe the co-operation is unreasonably being withheld and that it is to the disadvantage of the community not to survey.

"After all, we are trying to implement a free-market system and create a property market."

He said the government had agreed to provide R28-million for bridging finance on an annual basis. — Sapa

Handwritten signature: K. Koornhof

HOME LOAN LEVEL SOARS TO R33 000

PROPERTY ARGUS 14/8/82 (122)

By Tom Hood,
Property Editor

THE average home loan advanced by building societies has jumped by R4 533 or 16 per cent to almost R33 000 from the year-ago figure of R28 356.

This means the average loan has soared by R9 492 or 40 per cent over the R23 397 average of two years ago.

These figures reflect higher building costs and house prices, which show few signs of falling. For in June the value of the average loan was R489 above the May average — equal to an escalation of almost R6 000 a year.

A R33 000 loan will cost the home owner, R439 a month at the new bond rates of 15,75 per cent and to qualify for such a loan he must be earning more than R1 800 a month or R21 700 a year — a salary above the level of most white workers.

BACKLOG

But in spite of that, building societies have a backlog of R546-million in loans they have approved but have not been able to meet because of the shortage of funds.

Societies advanced R482-million in the June quarter, a slight drop on the R452-million advanced a year ago but only 41 per cent of the R1 173-million advanced in the June quarter of 1980.

This is disclosed in the latest monthly report by the Association of Building Societies

UNWELCOME

The rate of growth of the building society movement is showing an unwelcome decline, says the association's president, Mr Hendrik Sloet.

It is apparent that building societies have still got to attract expensive fixed deposits, and consequently they have again been forced to increase the mortgage rate from September 1 to existing borrowers. Mr Sloet says in the association's August newsletter.

"Societies continue to take all the steps necessary to keep mortgage rates as low as possible at all times, but they are unable to escape the relentless pressures of interest rates."

As examples, Mr Sloet said that in the June quarter, the net growth of the building society movement dropped from R127-million in April to R103-million in May and R79-million in June.

LOWER GROWTH

The net growth of shares in the same period dropped from minus R73-million in April to minus R2-million in May to minus R35-million in June.

Net growth of fixed deposits eased from R210-million in April to R103-million in May to R137-million in June.

Last month Mr Sloet made reference to the possibility that consumer spending might hopefully start declining but he now says they have not seen any evidence so far of any real fall off in the demand by the public.

Your rights as a tenant

CARL TIMES 17/8/82

123

24

WHAT rights does a tenant have in the light of the accommodation problems of today? This issue is close to the heart of many senior citizens who have approached WATCHDOG with queries on changes in the rent control system and the introduction of sectional title legislation. We talked to the South African National Council for the Aged who gave us the following information:

De-controlled and uncontrolled premises

The first thing to do is to establish whether the tenant is living in rent-controlled or de-controlled premises. Note that:

- Buildings first occupied after May 31, 1966 have never been rent controlled.
- Buildings first occupied between January 1, 1960 and May 31, 1966 were de-controlled on April 6, 1978.
- Buildings first occupied between January 1, 1955 and January 1, 1960 were de-controlled on April 26, 1979.
- Buildings first occupied between October 20, 1949 and December 31, 1954 were de-controlled on May 23, 1980.

Rent-controlled premises

- Buildings first occupied prior to October 20, 1949 are still subject to rent control.
- Flats in de-controlled premises, occupied by tenants at the date of de-control with incomes less than the limits to which Section 19 (1) (a) of the Housing Act applies, are still subject to rent control.
- The original limits were: R300 per month for single persons; R540 per month for married persons. These limits have since been increased to: R360 per month for single persons; R650 per month for families. The applicable income limits are those which ap-

plied to a tenant occupying a rent-controlled flat at the date of de-control. If the income of a tenant who qualified for protection under the old limits has since risen above the old limits, but is still under the new limits, then he or she still enjoys protection under the Rents Control Act.

The landlord is entitled to demand an affidavit from each tenant claiming continued protection, swearing to his or her income in each month since the premises were decontrolled. The landlord is entitled to ask for written proof in support of such affidavits.

The protection level is based on total monthly income over a period of 12 months. Any 13th cheque, bonus or ex gratia payment received during the year, as well as income received from any other source. All income must be taken into account and then averaged over a 12-month period to establish total monthly income.

Sectional title properties and rent-controlled tenants

Amendments to the Sectional Title Act now prevent the sale of sectional title units until a register has been opened. A register cannot be opened as long as one unit is occupied by a protected tenant in the building.

It also prevents the owner of a sectional title unit, purchased prior to the amendments, giving three months' notice to a protected tenant in order to take personal occupation himself.

Rent-controlled tenancies

Tenants of rent-controlled premises have security of tenure as long as they pay their rents by due date and comply with the terms and conditions of the lease. The Landlord cannot increase rentals without reference to the Rent Board. Only Rent Boards can authorize increased rentals.

● If the Landlord is a company and not an individual, notice cannot be given to vacate a flat so that a director or member of the company can take personal occupation.

● Should an individual owner reasonably require the use of premises for himself, parents or child, he or she can only do so if the fixed period of lease has expired on the property. Further, the owner must give the tenant three months' notice in writing. In such an event, the owner, parents or child must occupy the premises within one month of vacation by the tenant and continue to do so for an unbroken period of 12 months.

● In the event of the premises being required for a reconstruction or rebuilding scheme the tenants must be given at least six months notice to vacate.

● If the tenant was formerly employed by the landlord, but is no longer in such employ and the premises are required for the use of another employee, the landlord may give three months' notice to vacate.

● The sale of rent-controlled premises does not affect individual tenants as they still have the protection of the Rents Control Act.

Uncontrolled premises

● Provided the Agreements of Lease have not expired and the tenants are complying with its terms and conditions, they have security of tenure.

● After expiry of the fixed period, tenants continue on an indefinite period generally subject to either one, two or three month's notice which may be given by either party. There is no security of tenure.

Rent-controlled tenants of Share Block schemes

The protection given tenants of rent-controlled property as discussed above also apply to any scheme of selling individual flats or units by means of shares in a company governed by the Share Blocks Control Act.

P.T.O.

123 *Stew* *19/2/82*
Koornhof pledges action on homes

By Frank Jeans
The Government is determined to remove the stumbling blocks which lie in the way of a sustained mass-housing programme.
Dr Piet Koornhof, Minister of Co-operation and Development,

gave his assurance when he opened the Interbou '82 exhibition at Milner Park, Johannesburg, yesterday.
Emphasising that adequate housing not only created stability but also ensured increased productivity,

he said: "A recent survey in the United States indicated that rising productivity derived from better housing could be as much as 20,8 percent.
"Circumstances differ locally, but one could, for purposes of com-

parison, say that the total investment in building and construction in South Africa during 1981 of R4 545 million could increase by 20,8 percent to R5 490 million if adequate housing becomes available."

Referring to the "breathtaking development potential" over the next few years, Dr Koornhof urged the construction industry to play a far greater role in providing housing.

Tomlinson brought back after 26 years in the

wilderness

THE GOVERNMENT hopefully had the grace to blush when it suddenly called Frederik Tomlinson out of retirement to advise it on black affairs — 26 years after it told him his advice was not needed.

It started in 1954. Dr Tomlinson, Pretoria University Professor of Agriculture, submitted to Dr H F Verwoerd (then Minister of Native Affairs) the four years' work of his nine-man commission of inquiry into the socio-economic development of the homelands. — 3 755 pages 598 tables and 66 large maps. The most detailed study of the homelands ever tackled.

But the Cabinet decided against publishing a report of that magnitude and told Dr Tomlinson to produce a much abridged version. This he did in March 1956.

At this stage Dr Verwoerd did two things:

- He rejected outright all the key development aspects of the Tomlinson report.

- He forbade Dr Tomlinson to comment in any way on the report and its implementation.

The vital recommendations which Dr Verwoerd rejected in 1954 were:

- The homelands should be consolidated into viable and unified units.

- Carry through the massive development needed in the homelands.

- White capital and know-how would have to be poured into the homelands to stimulate development.

Only history will be able to assess properly

What is behind the Government's sudden recall of a man who knows more about homeland development than almost anyone else — but who has been ignored for 26 years? ANTHONY DUIGAN reports on the strange emergence of Dr Frederik Tomlinson, architect of the 28-year-old report that laid the pattern for homeland development.

the blunders of Dr Verwoerd and his political lieutenants in their handling of the Tomlinson report.

Dr Tomlinson for his part, submitted to the unfair discipline. He watched in silent frustration as year followed year and vital opportunities were missed — for 18 years.

Objective

Then he broke his silence, but only in the measured tones of objective assessment rather than in the outburst of emotional hurt many other men might have permitted themselves.

The occasion was the annual congress of the South African Agricultural Union in October 1974. Professor Tomlinson who had been one of South Africa's foremost agricultural economists for many years, delivered the opening speech.

"I spent five months working on this speech and carefully considered every word I said about the report," he told me at the time.

Some of the points he made in this speech:

- Diversified development within the homeland was essential but this required white capital and entrepreneurship. The Government rejected this in 1954 and only the sheer pressure of reality forced it through in 1970. As a result of this South Africa lost 15 years in development of the homelands.

- The Tomlinson Commission's emphasis

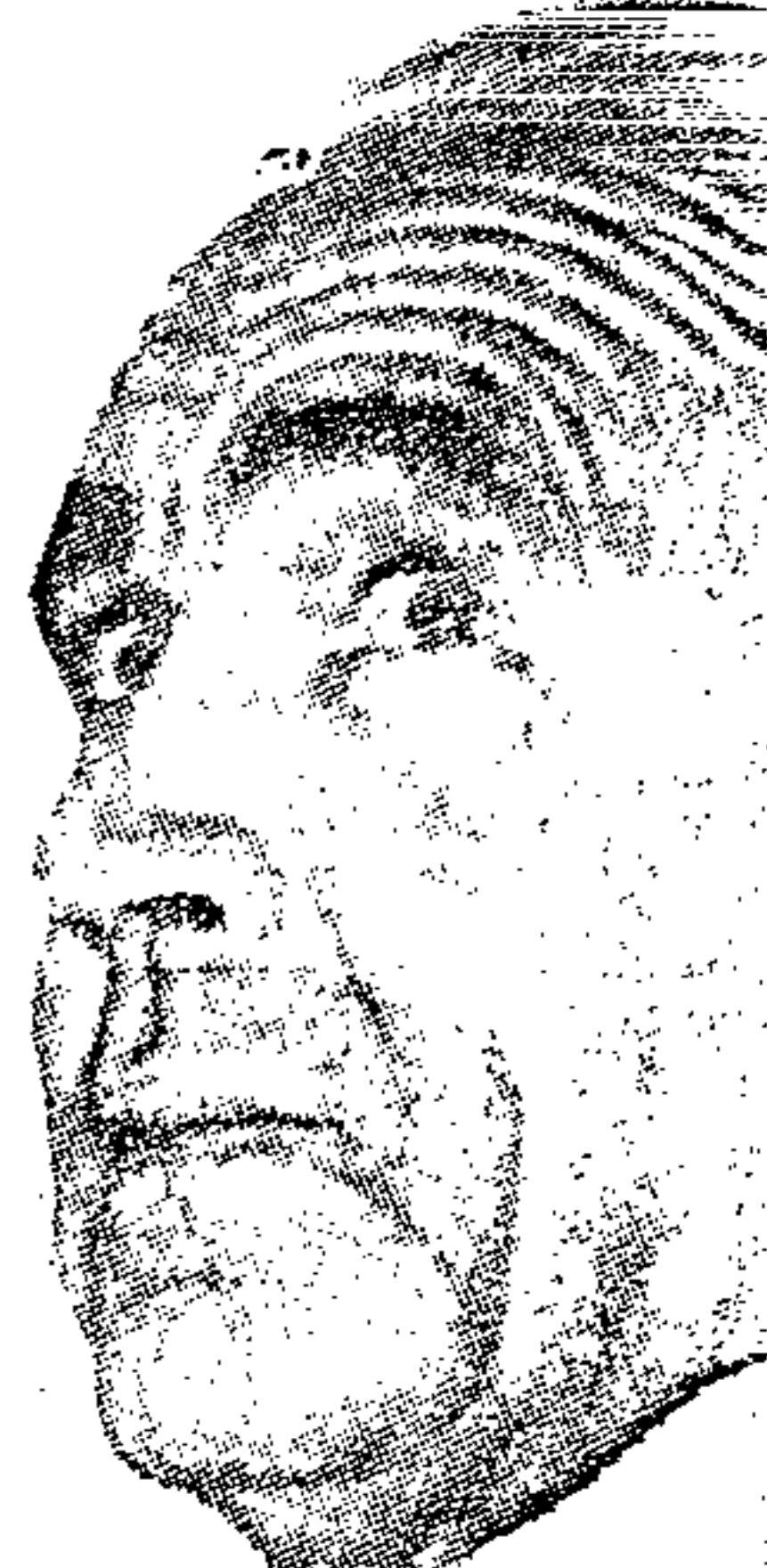
on consolidation of the homelands was rejected by the Government in 1954 as "theoretical and of no practical value" — but the whole concept of multinational development hangs on it.

- The enormous scope of the development needed and the necessity for gaining knowledge about how to go about development decided the commission that a development board for the homelands was essential.

Delayed

"This was to be a research and planning body which could advise the Minister at the highest level. I am not in the slightest doubt that the non-acceptance of this crucial proposal unquestionably delayed progress

"All the speeches and articles he had read added little over 20 years to what the Tomlinson re-



Dr Frederik T

port unravelled and foresaw.

"Large-scale development of the homelands remains the basic way out of the dilemma in which South Africa finds itself."

In a later interview with the Star, Johannesburg, Professor Tomlinson elaborated a little on his views:

As I wa saying...

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"Total segregation is impossible at this stage, totally out of the question — you can't wipe out these cities with their millions of black people," he said.

"Yet had the development programme (proposed in the report) been started earlier we could have shifted the pressure and a much larger proportion of the black people would have been able to exist economically from activities within the homelands."

Sources

The belated Government call to 73-year-old Dr Tomlinson to come in from the cold and advise on "black affairs" gives no further details but could originate from two sources — Mr Hennie van der Walt, Deputy Minister in charge of Black Land Affairs who better than most realises what was missed by rejecting the Tomlinson Commission views on consolidation and Dr Flip Smit, the geographer and expert on urbanisation who has also been pulled into help advise the Government on the housing and development of urban and rural blacks.

History will show how unfortunate it was that the commission's ideas on development and consolidation were not accepted in 1954, Dr Tomlinson said in 1979.

"But it is no use crying over spilt milk — we have got to go forward and face the problems at this late stage," he said. That is just what the Government has asked him to do now.

BUYERS STAND TO LOSE BOND RAISING FEES

Property Argus 21/8/82 (123)

By Tom Hood, Property Editor
ANYONE paying a raising fee for a housing bond stands to lose it if his mortgage application is refused by a building society.

A Goodwood reader, one of many to write to Property Argus about raising fees, says he paid R2 200 to a reputable firm of estate agents "before I could obtain a R15 000 bond."

Other readers claim to have paid raising fees of 8 percent and more of the amount being borrowed.

Later he signed a form from his building society stating he had received a bond without paying any raising fee.

"I have been informed that raising fees are il-

legal, so what can I do to retrieve part of my money?" he asks.

ILLEGAL

The answer is put crisply by Mr Kevin Dillon, an expert who has studied bond-raising fees and matching finance: "The courts will not assist a party to an illegal transaction," he writes in this month's Businessman's Law.

The big problem, he says, is that applicants who pay raising fees may find they have done so in vain since the "earmarking" of funds invested to enable a buyer to obtain a mortgage is apparently arbitrary, and an application for a mortgage may be turned down by the society's loan committee even where approval in principle has already been given.

He warns that the applicant for a mortgage would have no basis for legal action and that there is nothing to stop

the building society from lending the matching funds to someone else.

A similar situation may arise where difficulties with transfer cause delay. Building societies generally earmarked invested funds for a limited period only and did not usually permit the carry-forward of any unused portion of invested funds.

ALLOCATION FEE

Moreover, they charged an allocation fee for the period the funds were set aside and not used.

If, says Mr Dillon, raising fees paid by buyers are indeed illegal, they would be forfeited even where the mortgage application is refused.

The answer is for applicants for mortgages to get approval of their applications before arranging matching finance and to remove all possible sources of delay in the drawing of their earmarked funds.

"The buyer who pays a raising fee does so at his peril, since the payment of such a fee is apparently illegal and in conflict with the declaration required by building societies.

"What is more, the buyer may be faced with a substantial claim for damages from the seller should the building society withdraw its approval of a loan on the basis of the false declaration and the buyer be unable to meet his obligations."

INFLATING PRICES

The Registrar of Financial Institutions has declared raising fees for mortgages to be illegal in terms of the Limitation and Disclosure of Finance Charges Act (Ladofca), though it is debatable whether all raising fees are illegal.

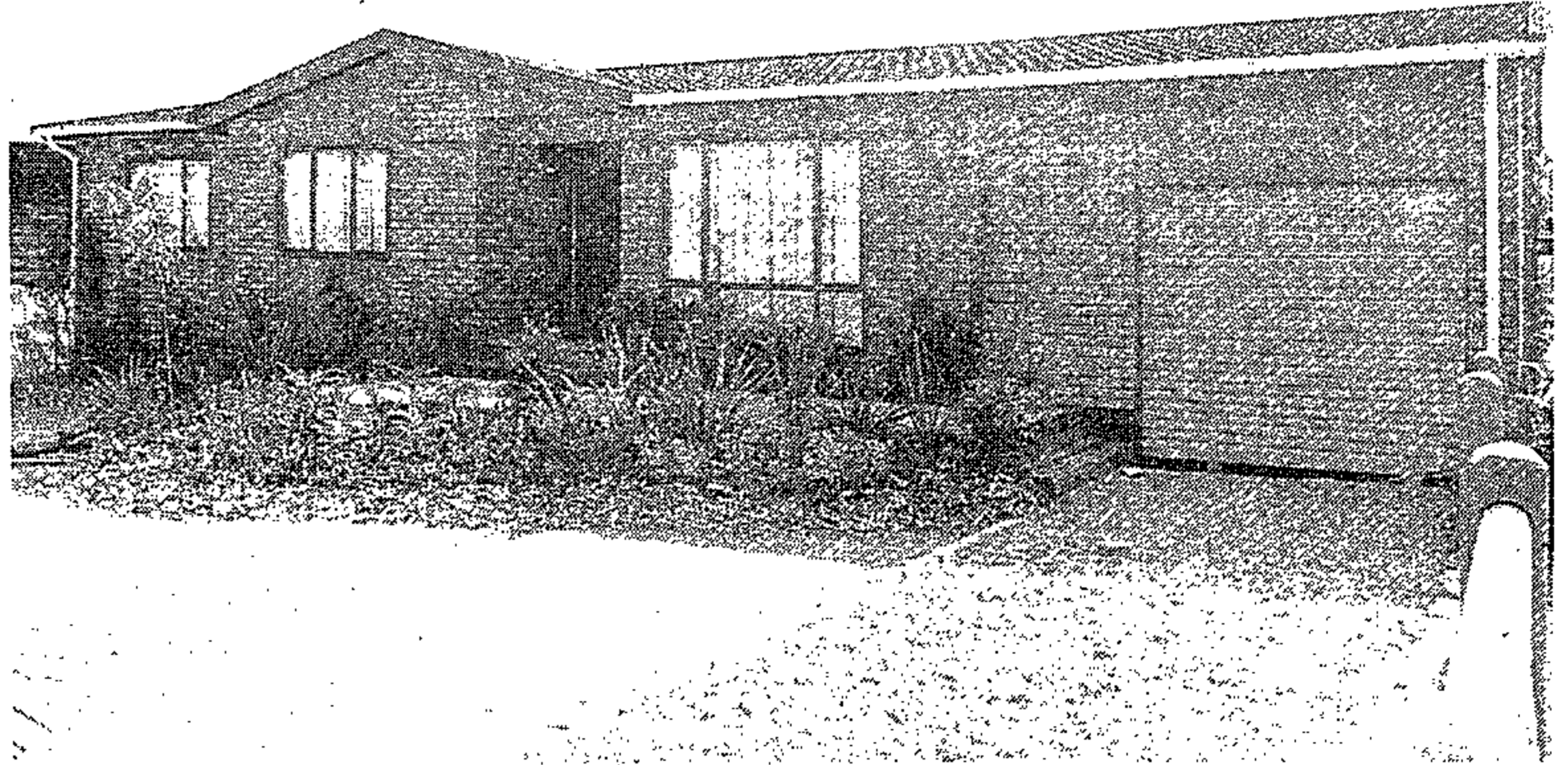
The prohibitions, says Mr Dillon, seem to apply only where the raising fee is paid by the buyer.

"It is not surprising, therefore, that sellers by agreement with buyers are said to be inflating purchase prices by the amount of the raising fee - at present usually 8 percent a year of the funds invested - and in this way presumably circumventing Ladofca."

Mr Dillon makes the point that while a relative or friend might be happy to invest funds with a building society for 25 to 36 months at a rate of interest below that offered by other financial institutions if it helps the applicant for a bond, sellers and third parties are not quite as generous and may require an additional raising fee to induce them to tie up their funds for such a period.

IMPOSSIBLE DREAM? THERE MAY STILL BE A WAY TO GET THAT HOUSE

That helping hand is needed more than ever...



● The house of the future? Timber-frame houses are said to cost 20% less than the average brick and mortar home.

IF you're still thinking about that dream home — forget it.

Unless the average young white South African has parents — or ready cash to lend a hand — chances are he will never have the necessary deposit or a bond guarantee to acquire that dream house.

According to the general secretary

of the Institute of Estate Agents, Mr Terry McCarthy, the South African tradition of buying a home on first purchase is not only passé, but impossible.

"Times have changed and people will just have to adjust to the hard facts of life. Unless one comes into money or has parents willing to help out, both with the deposit and guaranteeing a bond, buying property is just about

impossible.

"This applies both to young people or newly-marrieds, and to those wanting to buy a home which matches up to their present standard of living," he says.

The Sunday Express this week interviewed a cross-section of people owning their own homes and found it was obviously cheaper for the majority of

young people buying property for the first time to buy reasonably old houses in downmarket areas than to build — despite the difficulty in obtaining bonds.

Bank clerk Mr Darius van der Westhuizen — married for three years — recently bought a pair of semi-detached homes in Mayfair for R32 000.

"When we first married my wife Esme and I lived in a flat in Hillbrow for about two years. I watched the property market consistently and when I saw it was unlikely to take a turn in the buyer's favour, we decided to buy in an area like Mayfair where other people were already buying and renovating old houses.

"It's not a dream house, but I'm prepared to put a lot of effort into it. I can't lose because I can always sell the property at a profit."

He intends converting the semis into one house, gaining a dining-room, a much larger living-room, a study, and an extra bedroom.

He was lucky on two counts, because the semis are in structurally good condition and his bank gave him a 100% loan.

Advertising copywriter Janet Peterse and her boyfriend Paul Keating chose to buy a duplex in Robindale for R52 000.

"We were living in a flat in Riverclub until we were told our block was to be demolished to make way for a townhouse scheme.

"We decided to buy a duplex and pooled our resources to pay the R12 500

By DEBRA CLEVELAND

deposit.

"The block is owned by Saambou who were offering bonds to approved buyers, so we very luckily managed to get an 80% bond," Miss Peterse said.

However, both these examples apply to people fortunate enough to get bonds or loans. Few workers under the age of 30 can afford the initial deposit or can get a guarantee for the remaining amount to enable them to get a bond.

Most borrow from their parents or in some cases save for years to scrape together about R6 000 as a deposit for a R30 000 house.

Building a house is far more expensive and usually attracts slightly older people, according to a spokesman for A & B Construction.

"Building is an exception to the rule for people in their 20s. We usually find that it is the older and more established people — couples who have been married for a good few years and have children — who think seriously about it.

"And it is usually not their first home, since they have either rented previously or have bought small flats which they can sell to raise the deposit for building their own house," he said.

The cost of building a no-frills small three-bedroomed house with two bathrooms, lounge, dining-room and garage is now about R46 000.

This excludes the cost of the stand, for which prices range from R15 000 to R25 000 in recently-established building areas, to R45 000 in Sandton.

Mr Etienne Muller, of CI Homes, said a three-bedroomed timber-framed house would cost about

R39 500 compared with about R56 000 for the same product in conventional building materials.

"They're obviously cheaper because the price of timber is considerably less than bricks and mortar, even though both have been escalating. Our houses are completely assembled in the factory — which can produce four houses a day — and are conveyed to the site in two halves which we then assemble on site as well as connecting electricity, sewerage and water supplies," he said.

Timber-frame houses are acceptable in Sandton, Randburg and Roodepoort, but not yet in Johannesburg.

Another option is to build a house yourself.

According to Mr M D Schwark, manager of Crown Building Services, the minimum cost of building a small three-bedroomed house would be R8 400 — but that only includes a stock of 30 000 standard bricks, roof-tiles, plumbing and an electrician.

Unskilled labour, according to Mr Schwark, costs about R20 a day. There are many other costs.

"I agree this would be cheaper, but you would really have to know what you were doing, especially with building specifications and boundary measurements. I would say renovating would be much easier for the average man," he said.

But cheaper than both buying an old sometimes-de-lapidated house or getting a new home built is buying a flat under sectional title, depending on the price.

A one-bedroomed flat in Berea would cost anything from R27 000 to R32 000, but

a house in areas like Brixton, Mayfair or Newlands could be bought for the same price.

J H Isaacs sales executive Mr Ray Dimitri said even in flatland there were stumbling blocks — again the fearsome bond.

"People should be careful when considering buying flats. They may have the initial deposit but cannot guarantee the rest of the purchase price for an available bond.

"A buyer is usually given about eight months to secure the guarantee but some do find that unless they have facilities with a building society, they cannot do it.

"They will then get their deposit back but will have lost quite a bit from paying interest on the outstanding balance of the purchase price," he said.

Back to the Institute of Estate Agents' Mr McCarthy. He believes building societies should try seriously to ease the crisis.

"They have an archaic system of allowing a bondholder to pay only 25% of his income, as well as limiting the terms for repaying a bond.

"These stipulations should be changed, and a variable scheme of repayment could be started.

"Possibly one should start off with a certain amount, which would then increase in a couple of years by a certain percentage, depending on earnings."

An alternative for prospective home-owners, he agreed, would be for two people, or couples, to jointly buy a pair of semis — both acquiring their own home cheaper than the cost of an average house."

"But as things stand now, the average man has no chance of buying property unless he has help," he said.

Income-linked rent plan urged for State tenants

25/8/82
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Stan

A new "pay what you can" rent plan to ease the burden on tenants of State-owned homes is urged by two University of Cape Town researchers in a report issued today.

Professor David Dewar and Miss Vanessa Watson, of the Urban Problems Research Unit of the university, said the ability of tenants to pay rents was a "major and massive problem," worse than statistics suggested.

Unless the matter was tackled the problem would worsen, the report said.

Administrative charges, the most inflationary part of rents, had increased between 1976 and 1981 by between 46 and 66 percent.

The researchers

urged a two-level rental structure.

"Rents should be based on the income of the head of the household and not on the construction cost.

"There should also be a secondary structure dealing with relative value.

"In the event of the value of a dwelling being less than the rent paid, the tenant should, on appeal, be allowed a lower rent or the unit should be upgraded to a satisfactory level," the report said.

This would result in the improvement of many units which would be advantageous both to the tenants and the Government.

The report said it would be unreasonable to make local authorities foot the bill and

argued that central Government "is the only level of government which has access to the sources of revenue necessary."

Professor Dewar and Miss Watson found that 71.7 percent of household heads were living below the household subsistence level of R231.82.

"It is the lowest income group (those earning less than R150 a month) who are paying the highest proportion of their incomes in rent," the report said.

Of those who earned less than R150 a month, 50 percent earned less than R75 a month. In this group between five and 40 percent paid up to half their salaries in rent, the report said.

Call to ^{Abus} ^{25/8/87} scrap rent system ¹²³

THE formula for determining State housing rents should be scrapped and replaced by a system in which tenants pay rents they can afford.

This is one of the recommendations of two researchers, Professor David Dewar and Miss Vanessa Watson, of the Urban Problems Research Unit at the University of Cape Town, who have completed a six-month study of rents and related problems.

The researchers said the affordability of rents was a major problem.

Using their own figures as well as those supplied by the City Council and Divisional Council, they found that 71,7 percent of household heads were living below the Household Subsistence Level (HSL) of R231,82 a month when the present rents were calculated. The average household head's income was R189.

CAN'T AFFORD

The researchers concluded that given the present level of wages, the majority of tenants could not afford today's average rents.

They further concluded that the lowest income group (those earning under R150 a month) was paying the highest proportion of incomes in rent.

The primary reason for this was that the State subsidy was linked only to the repayment of capital cost and "not running" costs, which made up the bulk of the rent.

Of workers earning less than R150 a month, 50 percent earned less than half this amount, according to the report.

In this group between five and 40 percent paid up to half their salaries in rent.

The investigation also found that in all areas there were substantial numbers paying more than the Government stipulated maximum of 25 percent of income on rents.

In eight sample areas, 42 percent were paying more than the limit laid down by the housing code and the figures reached 75 percent in areas of Atlantis.

IMPACT

For the majority of tenants survival was possible only through constant contribution from other families.

The impact of this enforced sharing on the family was highly negative. Any calamity, such as illness, death or imprisonment, would place the family in an immediate crisis.

At the very heart of the housing problem, the researchers claimed, was the fact that only four percent of South Africa's total budget was allocated to housing.

Standards

ARGUS 25/8/82

policy

123 (124)

'should be

revoked'

LOCAL authorities should be responsible for maintaining dwellings under their control and the policy of "reducing housing standards" should be revoked immediately.

These are two proposals by Professor Dave Dewar and Miss Vanessa Watson, researchers at the University of Cape Town's Urban Problems Research Unit.

The report states that it makes no sense economically to allow assets to degenerate to a point where its life is no more than 20 or 30 years.

"It is quite apparent from analysis of affordability that the majority of tenants cannot afford the maintenance costs of dwellings which are already badly deteriorated," the report says.

"Since the capital assets of the dwelling rest with the State for the amortisation period of the loan, it would appear reasonable to argue that the State should maintain the homes.

MAKES SENSE

"It makes economic sense, therefore, for the State to provide its agents (local authorities) with sufficient finance to maintain the housing stock in reasonable condition for that period of time."

Rent stock, say the researchers, is a national asset which should last the country for 100 years or more.

In the same vein, the report argues, it would be unwise for the State to allow "reduced standards" in housing.

"It will be ill advised (both economically, in terms of life of the dwellings and socially in terms of the social objectives of the housing policy) to reduce standards, yet this is what is happening."

'Fringe benefit loans causing over-housing

123

Mercury

25/8/82

Property Editor

JOHANNESBURG—Housing loans given as fringe benefits to employees at nominal rates are inducing overhousing, says Prof Jan Sadie, director of the Bureau for Economic Research at the University of Stellenbosch.

'Families who would not be able to afford a house of more than R35 000 can, and often do, live in dwellings costing R80 000 to R100 000: the composition of demand is distorted,' he told delegates to the conference on Affordable Housing in Johannesburg.

'The individual of course acquires a very valuable asset and he would be foolish not to avail himself of the opportunity.'

'The effect is reinforced by the prevailing rampant inflation in two ways. First, building cost is forever rising so that, for example, the replacement cost of a house built in 1980 is now 50 percent higher and the market prices of the existing housing stocks can be expected to rise *pari passu*.

Inflation

'Second, the buyer or the owner to be can be almost certain that in monetary terms he can afford to spend, say, 35 to 40 percent of his income on amortisation, since in four years' time, the burden is bound to be reduced to 22 to 25 percent of his salary, what with the latter being adjusted to rise in concomitance with the rate of inflation.'

Prof Sadie warned that there is need for lowering the sights for accommodation for the higher income groups.

'In this era of rising entitlements, many children are prepared to start where their parents have left off and parents are

very often willing to offer the necessary financial assistance for the realisation of such dreams.'

He also asked if there was not some way in which some degree of stabilisation could not be introduced into the residential construction industry.

'It is true that recessions in the industry tend to have a restorative effect by inducing better performance on the part of the labour force and lower tender prices by way of taking a cut in their profits.'

'However, large numbers of workers, including skilled staff, leave the industry and do not return to it in sufficient numbers during the revival and boom to satisfy the demand.'

'During the 1975 to 1978 recession, the building industry lost 41 percent of its work force, skilled and unskilled in equal proportions, and when the upsurge in demand took place in 1980, the industry

could not cope.

'Accordingly, the very impressive record of a 2,4 percent cost rise in 1977 and 3,4 percent in 1978 was shattered by a 95 percent increase in the building cost index in the three years between 1978 and 1981.'

'The private sector cannot be expected to make a significant contribution to the stabilisation of the industry but the public sector can.'

Mr Llewellyn Lewis, marketing manager of a manufacturing concern, said it might take another period of social upheaval similar to that of 1976 to bring home to private enterprise that social responsibility is inevitably coupled with profitability and survival.

He said: 'South African companies will have to become increasingly aware of the fact that they are social instruments of tremendous power and energy. Moreover, they are public assets, which ideally should be used to promote social goals.'

Standards of housing 'must be lowered'

(123)
Star
25/8/82

Government priorities had a strong influence on the housing market, the head of building economics of the National Building Research Institute, Dr Trevor Miners, said yesterday.

Dr Miners told the Affordable Housing Conference in Johannesburg that an appropriate housing policy from the highest level was essential.

He said provision of housing for low-income groups was a centuries-old problem but to this had been added the growing crisis of affordable housing for the middle-income group since the world economic crisis in 1973.

The middle-income group had traditionally housed itself and had had an almost unlimited choice in the selection of housing as well as accompanying lifestyle.

It was the middle-income group that had been hardest hit by inflation and the problem was compounded by the growing competition for national resources.

Expectations, aspirations and the previous wide choice South African families had enjoyed were no longer in line with current house prices, Dr Miners said.

In terms of the ex-

pectations of the people and the priorities to be established at a national level, middle-income housing was not a technical but a socio-economic problem.

"A move towards more modest standards and fewer luxury items — many of which are already being regarded as necessities — must be encouraged," Dr Miners said. "A house should be a shelter rather than an avenue for investment."

A national housing policy would have to differentiate clearly between low-income mass housing and middle-income private sector housing and determine the proportion of the national resources that could be devoted to housing and related social services each year, he said.

Dr Miners drew attention to ill-conceived building regulations which introduced unnecessary costs without necessarily providing benefits.

Mr Cliff McMillan, an engineer in private practice, said: "We need to re-evaluate every concept of housing, including codes and regulations."

"Rationalisation and a relaxation of regulations are needed."

A housing 'timebomb'

Report by
Carina le Grange

Unless drastic measures are taken to beat South Africa's housing crisis, social, racial and political instability on a massive scale is on the cards.

This was the message given by Mr Colin Eglin, opposition spokesman on housing, in his summing up as chairman of the Johannesburg conference "Affordable Housing for the Eighties and Nineties" which ended yesterday.

His view that adequate housing was the basis of a stable society and that provision of this was the greatest challenge facing South

Africa, was echoed by many speakers.

"Housing is much more than bricks and mortar," Mr Eglin said. "It reflects and affects the quality of life, patterns of living and the character of the community. Housing achievement will be judged by the type of people and communities it produces."

"What is required is a single Ministry of Housing to ensure that decisions will be acted on."

He suggested a housing pressure group of planners, contractors, financiers and suppliers from the private sector, working with a housing association to represent consumers.

123 Stan 26/8/87
Crisis may

lead to

unrest

— Eglin

Mr Eglin said the community had to assume responsibility for solving the housing crisis but that the responsibility of the Government was of prime importance as agents of the community. The private sector as well

as individuals on an organised and informal basis should, and could, contribute.

Up to now the distribution of resources had often been inefficient, injudicious, extravagant and misdirected.

● Every possible source of finance — public, private and individual — should be mobilised.

● A bigger portion of the Gross Domestic Product should be allocated.

● New ways of financing housing should be investigated.

● "All-out war" should be declared on inflation since it put housing beyond the means of the low in-

come group and compounded the problem for the middle income group.

Some speakers argued that the housing situation was so critical that anything meeting minimum standards should be considered.

But there was strong opposition from other speakers, who believed that the quality of life went hand-in-hand with an adequate housing standard for the low income group.

In conclusion Mr Eglin said: "I refuse to believe that South Africa, with all its talent, energy and resources cannot solve this crisis."

500-m COULD BE AVAILABLE TO STARVED MARKET

Banks to lend homes

w/e Argus 28/8/82

123

COMMERCIAL banking is about to burst into the strangled home loans market with more than R500-million — which will mean bond finance for thousands of home-seekers.

Front-runner is Barclays, which is making bonds available from Monday.

Interest rates are likely to be on a sliding scale between 17 and 19 percent, against the average of 15.25 charged to new borrowers by building societies. Loans will be repayable over a period up to 30 years.

Loans and repayments will be calculated on joint incomes of husbands and wives, with repayments of up to 30 percent of combined gross earnings.

The bank will grant loans of up to R200 000. It is understood the bank will consider loans of up to 90 percent of the purchase price.

P. T. O.

Barclays start the move into bonds

BARCLAYS BURST INTO BONDS

INTO HOME

COMMERCIAL banks will burst into the strangled home loans market tomorrow morning.

At the start of business tomorrow all branches of Barclays National Bank will make available home loans of up to R200 000, repayable over periods of up to 30 years.

29/8/82

"Normally, Barclays Home Loan will lend approved applicants up to 80 percent of the purchase price of a home. It will, however, consider 90 percent loans if suitable collateral security is provided for the additional 10 percent."

Mr Aldworth pointed out that by spreading payments over 30 years and taking into account the couples combined gross earning his bank was making it easier

TRIBUNE REPORTERS

for young married couples to acquire the homes they really want instead of settling for an unsatisfactory compromise.

Monthly repayments, he said, would automatically be debited to the borrower's Barclays cheque account. The loan account would be simultaneously credited.

The project is aimed directly at the young end of the market, especially newlyweds.

Estate agents today welcomed the move as providing hope for thousands of home-seekers who cannot get bonds through building societies, the country's traditional source of home finance.

But building

societies thought only a small proportion of bond-seekers could afford to pay interest rates of 18 percent.

Said Hendrik Sloet, president of the Association of Building Societies: "We have no objection whatsoever. I think it is a good thing. There is a very big shortage of money at the present moment and if Barclays can do something to supplement available funds the better for everybody."

Keith Wakefield, managing director of one of Durban's top estate agencies said: "I am very pleased to see it. It will relieve the pressure on building societies when they are short of cash."

S. Tribune
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The loans will be available to people of all races and repayments will be calculated on the joint gross income of husbands and wives. Repayments cannot exceed 30 percent of the couples' combined gross income.

Nedbank and Standard are considering taking the plunge as well, making about R500 million available to thousands of homeseekers.

Barclays' move into the mortgage bond field, traditional preserve of building societies, was officially confirmed in Johannesburg last night by Mr Bob Aldworth, managing director of Barclays National Bank.

He said loans would be funded from savings deposits, but declined at this stage to reveal the size of the bank's home loan fund pool. However, he described the initial resources as "substantial".

Joint repayment

A feature of the bank's new home loan service, is the fact that loan and repayment calculations are based on the joint gross income of husbands and wives.

"Repayment of Barclays home loans," said Mr Aldworth "must not exceed 30 percent of the couples' combined gross income."

Loans provided by Barclays could be repaid over any period up to 30 years, which would make the monthly repayments lower and easier for couples to cope with.

He said interest rates would be pegged for 12-month periods and would be reviewed every September, which meant that consumers would not be faced with irregular increases in rates.

The rates

He said interest rates for the first 12-month period have been fixed at competitive levels:

- 17 percent on loans up to R20 000
- 18 percent on loans of R20 000 to R40 000, and
- 19 per cent on loans of more than R40 000.

"The loans, will be approved in principle within 24 hours of application subject, of course, to the usual credit checks and valuations of the property," said Mr Adlworth.

Call for local authorities to ease up on building standards

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E. Post



There's no true retirement in store for Mr DERRICK CLEARY. He leaves municipal employ tomorrow as the city's Director of Housing. But after a two-month break it will be back to business.

By SHELAGH BLACKMAN
Municipal Reporter

LOCAL authorities would have to allow the individual to build more modest homes by reducing the rigidity of building standards, said Port Elizabeth's Director of Housing, Mr Derrick Cleary, who retires tomorrow.

With the current shortage of houses and the high cost of money, local authorities would have to use available funds to service land and to adapt the system to permit far greater participation by the individual in self-help housing, he said.

They would need to harness various agencies rendering technical aid services and to establish "municipal co-operatives" to provide materials for genuine approved home builders.

During his 19 years as Director of Housing the population of the city has increased from 274 000 to 526 000 — an increase of 92%.

When asked about his term of office, Mr Cleary, with typical modesty, said he was "disappointed" he had not reached anywhere near the target he set himself — the provision of houses for most of the coloureds and whites.

"That would have meant building 1 000 houses a year. In 19 years 11 000 houses have been built so you see I am far short of my target," he said.

However, an achievement which has given him "quiet satisfaction" is the communication which now exists between the authorities and the coloured and Indian communities.

"When I started there was not a single avenue of communication between these huge areas and the authorities in any form," he said.

He believed the coloured and Indian Management Committees had played a "vital role" in advising on hundreds of occasions when the council could well have done something wholly contrary to the wishes of the

community. He felt their authority was comparable to that of town councils in small towns.

One goal which Mr Cleary set and achieved to the satisfaction of his executive acting standards was the improvement in the "appalling" squatter situation that existed in Korsten when he arrived to take up

his post in 1963. "There were huge dreadful slums and we eased the situation," he said, pointing out that on the plot on which the Housing Department in Korsten is situated 57 families used to live.

A man of wide interests, Mr Cleary started the Port Elizabeth East Rotary Club six years ago and he is proud of the fact that it is a fully bilingual club.

He is very keen on amateur boxing and when he lived in Rhodesia he owned several boxing rings.

A world traveller and keen student of housing in other countries, Mr Cleary says South Africa can be "very proud" of its housing efforts.

"As regards the money spent, efficiency and the standard of housing provided, South Africa is unrivalled. There is no country, except perhaps England" to touch it, he said.

Mr Cleary is allowing himself only two months' break (during which he will spend a month in the Far

East) before tackling his next challenge, the launching of a housing utility company, Urban Villages.

He believes strongly that agencies such as utility companies are needed to help overcome the housing crisis.

"They should be helped by every authority going. Local government should provide land at cost and the private sector should make long-term loans available," he said.

The non-profit company he will manage will have two areas of concern — the provision of self-help housing for blacks and for whites and coloureds with incomes from R800 to R1 400 a month.

"This group is really in trouble. They can't go to building societies and they can't amass sufficient capital to afford a deposit," he said.

Mr Cleary added that his company hoped that "somewhere along the line" the situation could be eased.

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Rush for housing loans — bank

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WESTERN CAPE
branches of Barclays Bank have been "inundated" with applications for housing loans since offices opened today, according to the regional marketing manager for Barclays, Mr Chris Shutte.

"Response has exceeded our wildest hopes," Mr Shutte said, "and already it is apparent that the rate of applications in the Western Cape is greater than in any other area of the country."

Mr Shutte said the first bank housing loan in South Africa was granted at 9.40 am to an application made through the Sea Point branch of the bank.

JOHANNESBURG

The Argus correspondent in Johannesburg reports that the bank there also received many housing loan inquiries.

Mr Tony Hayward, divisional general manager of Barclays, said the bank was had a flood of telephone queries.

He said loans were attractive because the bank had funds whereas

the building societies did not and the administrative fee charged by the bank was only R150.

However, building society officials in Cape Town described the Barclays plan to make R500-million available for house mortgages as "a drop in the ocean".

LENDING

Even in today's extremely tight money conditions the societies were lending more than R200-million a month, an official said. A year ago, when the societies were first experiencing difficulties, they were lending more than R400-million a month.

Building society officials saw little reason for concern over the Barclays move.

A number doubted whether many people would be able to afford Barclays' proposed rates of interest, which ranged from 17 percent to 19 percent.

SA Housing Shortage 'Serious'

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3/8/82

JOHANNESBURG. — South Africa had a housing shortage, especially in urban areas, the Minister of Finance, Mr Owen Horwood, said yesterday.

The housing shortage affected people particularly in the lower-income brackets. It remained serious, although progress had been made, with large sums of money channelled into housing in recent years, Mr Horwood said.

He was guest speaker in Johannesburg yesterday at the school of the International Union of Building Societies and Savings Associations.

He said the backlog in housing in South Africa was caused by a rapid increase in the population and the economic development of many years.

"These developments greatly stimulated the demand for labour and encouraged the influx of workers to the urban areas, with the result that South Africa is experiencing at present the highest degree of urbanization of any major country in Africa," he added.

"With the techniques now available, it seems to me that minimum housing standards can and should be reduced.

"In this way, it will not only be possible to effect very substantial economies in the cost of housing, both individually and in the aggregate, but more houses will be able to be built in a given time."

Every encouragement was given by the government to private employers to assist their staff to obtain proper housing.

"This is done primarily in the interest of good staff relationships, but it is likely also to make the 'ugly face of capitalism', if it exists, more benign in the eyes of the masses.

"Private ownership ensures stability and the average man with a stake in the biggest investment he is likely to make in his lifetime, his private dwelling, will work all the harder in order to protect his investment.

"Instead of subsidizing home ownership, it is my view that encouragement should rather be given to investors to provide funds through private enterprise at a reasonable rate of interest to be on-lent to prospective home-owners at equally reasonable rates of interest," he said.

Mr Horwood said he was not in favour of making interest payments on mortgage bonds tax-deductible.

"Apart from the fact that such a concession would discriminate in favour of one form of personal expenditure as against others, it would also discriminate against the taxpayer who for one reason or another lives in rented accommodation, or who has already saved sufficient money to pay off his bond." — Sapa

Financial Reporter

BARCLAYS National Bank granted the first mortgage under its new home loan scheme just 100 minutes after its Sea Point branch in Cape Town opened yesterday.

The house, in Epping Road, Rugby, has been bought by a former Cape Town City soccer player, Mr Richard Allen, for his mother-in-law.

Nationwide, the bank was inundated with inquiries by would-be house buyers following the weekend announcement that Barclays was entering the market.

And last night financial experts advised people wanting home loans to ask for the shortest possible repayment time — a R50 000 bond over 30 years would cost about R93 000 more in total payments than the same loan over 20 years, they said, and the difference in monthly repayments would be minimal. Branches in Johannesburg and its suburbs received a steady stream of people all

A house in only 100 minutes

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day. A city centre branch reported 20 applications within half an hour of opening.

In Auckland Park, the Barclays branch had 20 applications by late afternoon. Three Rosebank branches had more than 50 inquiries.

A branch official said people were desperate to find bonds. He said most applications had come from young professional people. It was difficult to give a precise average figure for the amount the potential home buyers wanted, but he believed it was about R45 000. In Cape Town, Barclays officials said they had received

more than 1 000 inquiries yesterday. The bank's marketing manager for the Western Cape, Mr Chris Shuttis, said the response indicated a "very real problem".

In Durban, Barclays branches were also kept busy throughout the day.

When one Port Elizabeth branch manager arrived yesterday morning he found seven waiting anxiously for the doors to open.

The bank's Johannesburg divisional general manager, Mr Tony Hayward, said: "We have been inundated... that is the only word I have not

had the telephone receiver out of my hand all day.

The Barclays package offers loans repayable up to 30 years, with advances of up to 80% — in certain cases 90% — and monthly repayment installments of up to 30% of the combined gross salaries of husband and wife. The loans are available to all races. Building societies limit monthly repayments to 25% of the husband's income alone.

The bank loans will be made only on existing and new properties. And the bank promises to reply to applications within 24 hours.

Mr Hayward said the bank was most interested in helping young couples. "Based on payments not exceeding 30% of their joint income, they can choose for themselves whether they prefer to pay over 20, 25 or 30 years."

The bank has fixed interest rates for the first year at 17% on loans up to R20 000, 18% on loans between R20 000 and R40 000 and 19% on loans above R40 000.

At 19%, repayment of a R50 000 Barclays loan would now cost R810 a month over 20 years, R799 a month over 25 years and R795 a month over 30 years.

A bank official said higher deposits would help cut instalments.

Building societies initially responded to the scheme, by saying they would have to attract more money to meet the challenge by increasing interest rates on deposits and mortgage rates. Mortgage rates are already going up 1% tomorrow — but may go up further.

● See Page 3

Long bonds push up the price

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Home loans: 20 years will save time and cash

By HOWARD PREECE

IF YOU want a home loan from Barclays National Bank, ask for a maximum repayment time of 20 years — not the 25 or 30 years which the bank might permit.

Taking a bond over a longer period will generally not reduce your monthly payments much, but it will add thousands of rand to the ultimate cost.

For example: a R50 000 bond over 30 years would cost you about R93 000 more in total payments than the same loan over 20 years. The total cost over 30 years would be about R288 000, and only R195 000 over 20 years.

The problem is that building societies have hardly any money to lend at present, outside previous commitments. So, the only way most people can get one of their loans today is to arrange for a matching investment — a deposit at least equal to the amount of the bond — in the building society. And, in the long run, that investment may cost you more than a Barclays' loan.

Building societies normally offer 25 years on loans up to R25 000 — over that the limit is 20 years. Building society mortgage rates are significantly cheaper than those being charged by Barclays.

Rates from both the societies and from Barclays (and any other banks which follow suit) are bound to change repeatedly over the life of the loans. But here are some comparative bond figures as things now stand (all monthly repayment figures relate only to the present position):

BOND	SOURCE	INTEREST	25 YEARS	30 YEARS
R20 000	BARCLAYS	17%	R288	R285
	SOCIETIES	14.75%	R252	

BOND	SOURCE	INTEREST	20 YEARS	25 YEARS
R25 000	BARCLAYS	18%	R379	R377
	SOCIETIES	15%	R320	
R30 000	BARCLAYS	18%	R463	R455
	SOCIETIES	15.75%	R411	
R50 000	BARCLAYS	19%	R810	
	SOCIETIES	16.25%	R705	

NOTE: If the Barclays loan is taken over 25 years, monthly repayments only dip to R799. Over 30 years, they fall minimally to R794.

The point, of course, is that with Barclays loans interest payments account for most of the charges. Actual capital repayment accounts for little.

Incidentally, a building society calculated yesterday that a R40 000 society bond at 16.25% over 25 years would cost R551.42c a month or a total of R165 426. But the same bond with Barclays at 19% would cost R639.07c a month or a total of R191 721.

That is an extra R26 000-plus.

Still, the way inflation is going in South Africa, most people in 25 years' time will earn that amount over a couple of months.

Meanwhile, GERALD REILLY reports from Pretoria that the Minister of Finance, Mr Owen Horwood, yesterday rejected any possibility of a system of tax-deductible interest rates on mortgage bonds.

He told the seventh International School of the International Union of Building Societies in Johannesburg that he had been approached because such a system would encourage home ownership.

But he felt such a concession would favour one form of personal expenditure against another — it would also discriminate against the taxpayer who lived in rented accommodation or who had already paid off his bond.

Another bond rate rise likely

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2/9/32 C. T. ...

By GORDON KLING

HOMEOWNERS requiring building society mortgage bonds have gained at least a one-month respite from higher interest rates, but another rise appears inevitable in spite of some indications that rates throughout the economy have peaked.

The president of the Association of Building Societies, Mr Hendrik Sloet, yesterday said in an interview from Pretoria that a narrowing of the 2.75 percent gap was essential between the societies' maximum rate and that charged by Barclays National Bank which entered the home bond market this week.

"I don't think we'll go up to 19 percent, but the difference between that figure and our 16.25 percent is too large."

No action on bond interest rates could be taken for at least one month, however, because many senior executives in the movement, himself included, would be in Europe for most of September attending meetings of the International Union of Building Societies and the annual congress of the European Federation of Building Societies.

Rate structure

And no decision had yet been reached on a new rate structure following the entry of Barclays into the market.

Mr Sloet maintained that financial concessions available to the building societies, which were not enjoyed by the banks, were inadequate to cushion the rates gap.

These tax and other concessions had been calculated some time ago as being worth an interest rate advantage of about 1.5 percent, he said, but even this was inadequate to cover the difference and the advantage had subsequently narrowed

substantially.

Homeowners with loans from other financial institutions such as trust companies already face a jump in interest to 20 percent from December 1, in the case of existing bonds and with immediate effect for new loans.

'Peak neared'

Confirming this yesterday the manager of the mortgage department at the Board of Executors in the City, Mr J B Plimsoll, said he believed interest rates were now near their peak.

"There may be a marginal increase but I think rates are pretty close to the top."

Mr Plimsoll's optimism was the result of a noticeable decline in the demand for funds from the commercial and industrial property sector which should mean an end to the rise if not an early softening in mortgage rates.

The Board had funds available although it was not particularly keen on lending for private homes since the main thrust of its business was in the commercial and industrial property field.

Easier trend

Economists expect this decline from the business sector to herald an easier trend in rates throughout the economy, which would lessen the likelihood of the authorities permitting another rise in the ceilings imposing maximum rates on everything from HP deals to bank overdrafts.

Mr Sloet said there had been no decline in the demand for building society loan funds which far outstripped supply and none was foreseen in the near future.

"I personally believe that housing money will remain quite expensive for a long time to come," he said.

URBAN FOUNDATION

Gaining ground

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"Structural reform is already taking place in SA. There are powerful forces within and outside the political arena that will ensure that this process will continue to develop."

That is the view expressed by Jan Steyn, executive director of the Urban Foundation (UF), in his address at the foundation's agm this week. Steyn said the UF had an important role to play in bringing about such reform through its concentration on housing, promoting economic opportunities, as well as education and training.

In the five years since its inauguration the private sector pledged more than R40m

for projects, while a further R40m was obtained through overseas loans.

Steyn said one of the UF's big achieve-

ments had been government's acceptance of the 99-year leasehold scheme — which emphasised the permanence of blacks in

urban areas. In addition, UF self-help housing projects had reformed housing policy in SA, and black technical training facilities

were functioning all over the country.

Steyn said that the UF's primary function remained to act as a catalyst for

reform. However, he issued a warning that "unless a viable alternative is offered by society itself, with acceptable participation

in the free market processes and their accompanying benefits, legal measures will not accomplish much in the long term."

Building gets

less and less ^{star} expensive...

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Homes Scene
by
Stephen
McQuillan

Costs of building a home in South Africa have rocketed over the past few years, but there are ways of paying less for a place of your own.

You may consider buying an old house and restoring it — a move becoming more popular in the suburbs of Johannesburg. This is seen by many as an ideal way of having a new home — at reduced cost, though Mr Hennie Schoeman, chairman of the town planning committee in Johannesburg, is quick to point out that it could prove to be ex-

pensive.

In formerly drab areas near the city many small houses have been extensively renovated and altered without high costs by people looking for an ideal home.

Mr Schoeman says sometimes the work can be carried out without the help of skilled contractors, though if a larger-scale operation is required finance can sometimes be arranged through building societies. "But most people do the work themselves," said Mr Schoeman.

Another way of improving your living standards, without buying a new house, is to extend the home you

are living in — again, popular at the moment because of the housing shortage.

"This is done extensively in the Johannesburg area," said Mr Schoeman. "It is not necessarily cheap but it sometimes does save the cost of buying additional land."

Building a flat at the side or on top of the original building is seen by some as the ideal way of accommodating children or live-in relations. But planning permission is required first.

For anyone wanting true low-cost accommodation a caravan may be the answer, but this is a subject that has given local authorities a headache nationwide.

The question they are asking is: what do we do with them all?

Mr Schoeman said by-laws prohibit permanent occupation of mobile homes, but there were sites in and around Johannesburg where a caravan could be parked.

Because of the housing problem some of the regulations have had to be ignored because there is nowhere else for people to go.

Durban City Council's engineer's department recently recommended that mobile homes should not be allowed in the city.

One reason was that mobile homes did not comply with local by-laws. The council also said there was a lack of suitable sites.

In addition, the cost of a mobile home has

increased dramatically. At the moment though, it is still the cheapest form of alternative accommodation. In 1970, when mobile homes were first introduced, a two-bedroomed unit cost R4500. Today the same home costs about R22000

Perhaps the most promising ideas to solve the problem of housing and lack of accommodation are the quick-build home units.

An avalanche of new ideas in housing technology has been unveiled over the past few years by manufacturers who have seen a large new market just begging to be filled.

Below we highlight just two of the many quick-build techniques.

Civil engineer Gerardo Andreucci believes he has the answer to South Africa's housing problems.

Mr Andreucci, a former builder who now runs his own building-block production plant, said people should build their own homes — using his ideas.

And he was so confident he threw down the gauntlet to other quick-build manufacturers.

He challenged anyone to come up with a DIY quick-build home system cheaper than his.

Mr Andreucci built a three-bedroomed house in 1978 using his system. He said it cost less than R6000. The system could slash the cost of building a home by half, he claimed.

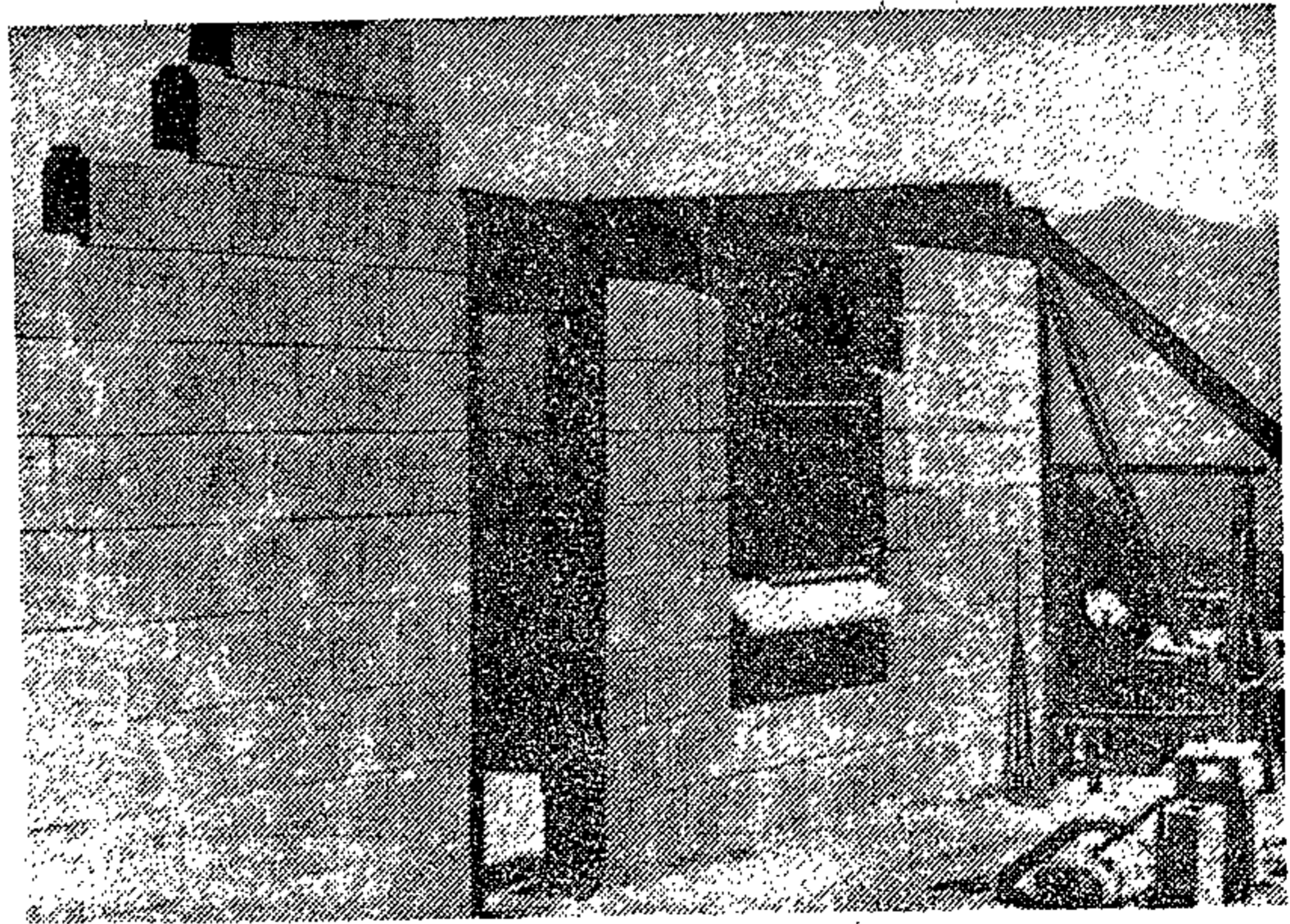
The idea is to construct a home using a simplified building block which eliminates the expense of skilled labour.

The blocks — a patented invention — have tongues and grooves to make them interlock easily without cement.

The idea is so simple, said Mr Andreucci, that children, brother, sister, father or grandad, could build their own home in two or three weeks with the minimum of skilled help.

Although his design needs specialist help for mounting the corner columns, the roof and the first layer of bricks, most of the work can be done by anyone.

"I changed the shape of the traditional cement block and instead of having vertical holes, the holes in my



One of the DIY quick-build homes under construction, showing the horizontal holes and the interlocking brick-work pattern. It is claimed to be easy to construct and half the price of a conventional home.

...with fitting bricks

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bricks run horizontally," he said. "And with the tongue and groove this makes it easy to lay the brick correctly."

The bricks are dry-stacked and require pointing with only the minimum of cement afterwards.

This saves 80 percent of the amount of mortar usually required and the joints on the completed wall are so tight it needs no plastering.

"You can put wallpaper on the inside walls without further preparation," said Mr Andreucci.

"You can have any design of home you want and can work on it in your spare time. You can even bring

your mates down from the bar to give you a hand," he said.

"And in two or three weeks, with a little effort, you can have your own solid home."

Mr Andreucci said with a conventional home the cost of labour was now around 50 percent of the total cost. The savings were obvious. A large three-bedroomed home built with the new bricks could cost R30 000 instead of R60 000.

"Say if you are saving only 30 percent of labour costs a large construction company could save R100 million on a R300 million contract to build 7 000 houses. So it can then spend that R100 million on building a further 3 000 to 4 000 homes, and so it goes

on," he said.

He has approached local authorities and Government departments in South Africa with his plans and is disappointed that nothing has so far come of his approaches.

He now needs contacts and capital to set up a manufacturing plant. "I'm confident my idea would ease the housing crisis, but I can't go into production with kits without machinery and money.

"I've studied all the quick-build schemes you can think of and I believe this is the best for South Africa. Sand, cement and stone are freely available in this country and I believe using these is the cheapest, best, most efficient way of building

a solid home."

Chairman of the town planning committee in Johannesburg Mr Hennie Schoeman said Mr Andreucci's idea needed investigation as the council was keen to contain building costs.

"I've heard of this idea and I wonder if it is not similar to one I've already seen," he said.

"We are always interested in low-cost methods to ease the housing problem in Johannesburg."

But he said new ideas had to be tried and tested to meet the council's strict housing regulations.

Mr Andreucci, who has been in the construction industry for 30 years, slammed the idea of timber homes

— one of the ideas put forward to meet the housing demand rapidly.

He said South Africa did not have the correct timber to build homes and would have to import it, making the home expensive.

"We, in this country, are not used to timber houses; we are used to more permanent constructions," he said.

"Timber homes are widely used in South America, Canada and Australia because they have easy access to the right sort of timber."

There was also the risk of termites destroying the home after a short period. Timber houses needed skilled labour to erect, he claimed.

A Johannesburg company has joined the rush to provide low-cost accommodation to ease the housing crisis.

Craft Building Systems has unveiled a prefabricated steel home in an effort to compete in the construction industry's present revolution in housing technology.

The company says its ideas have already aroused interest in South Africa and neighbouring countries like Lesotho and Swaziland.

Made 95 percent of steel the houses are relatively inexpensive, easy to erect, can be dismantled, and are both good to look at and versatile.

And they are sure to be a success in any developing country with acute housing problems.

The company sees its market in black urban populations like Soweto, and in the urgent need to upgrade existing accommodation in other urban areas.

Craft Building Systems hopes large employers, like construction companies, supermarket chains and manufacturing companies, will be interested in the design for the upgrading of em-

... OR SIX steel walls

ployees' "villages."

The homes need no welding or mechanical fixing as the inner and outer panels are held in position by injected foam, which expands and sticks to the panels, holding the whole structure rigid.

Although the wall panels are only 50 mm thick the company claims the building is better insulated than one with double-course brickwork.

The roof panels are 75 mm thick — because of their greater exposure to the sun — and are painted white for maximum heat reflection.

Once the base of the house — which is hexagonal — has been assembled the panels can

be hoisted into position using unskilled labour.

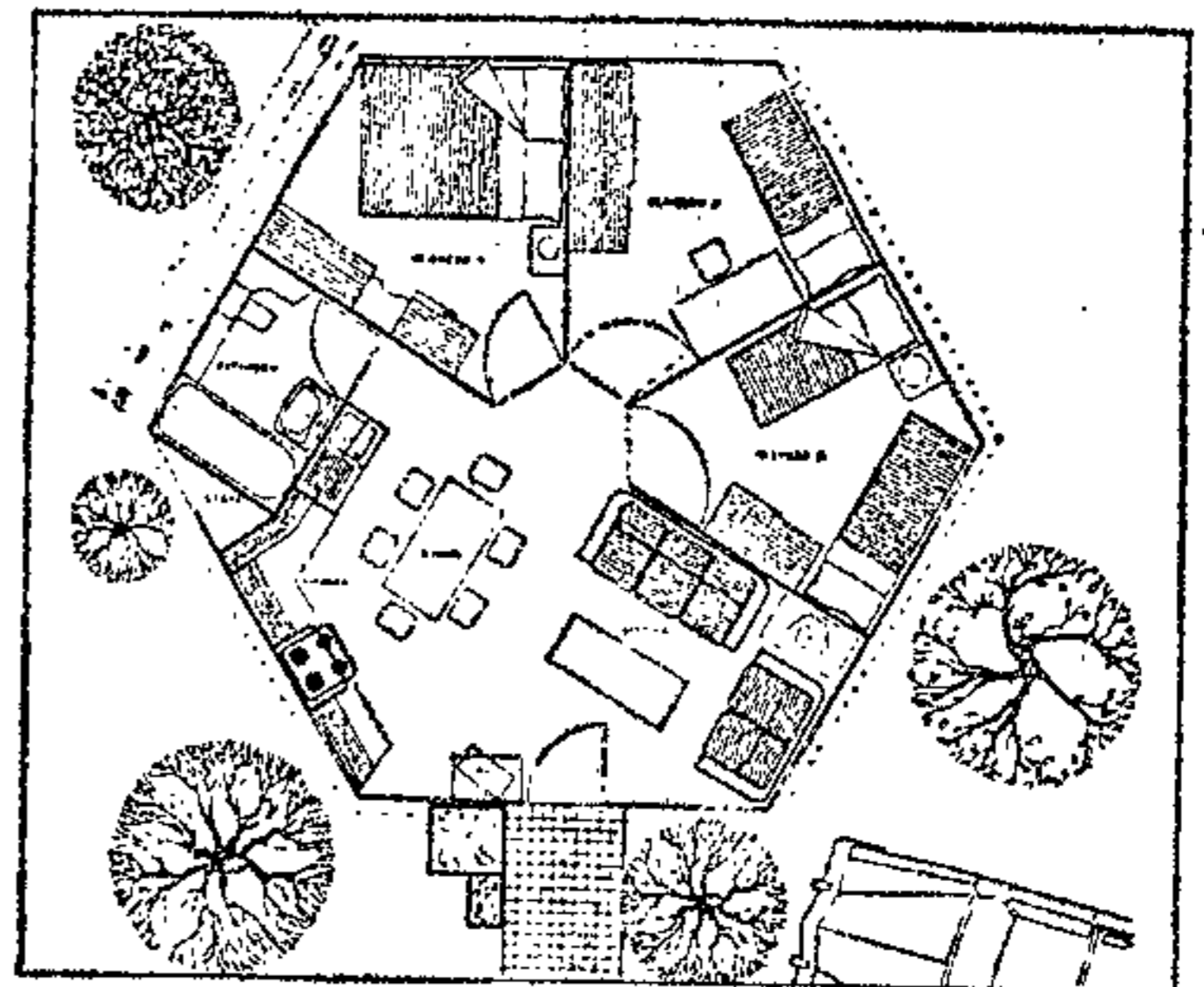
For semi-permanent occupation a concrete floor is laid, but a suspended floor is available for military or construction-site accommodation where camp is moved every few months.

The development of Craft's hexagonal house started about four years ago and was aimed at those people most seriously affected by the housing shortage.

Apart from the obvious market existing among urban blacks the company feels its design will also be attractive to young married couples who are unable to afford the cost of a conventional home; elderly people on fixed incomes, and families forced by employment to live in temporary accommodation in remote areas.

The Craft design has already been patented in nine countries and Mr David Coulter, marketing director, says the company is planning an export drive later this year. South America has been identified as the most likely target area.

Mr Coulter says his company is in the ac-



A diagram of the three-bedroomed layout of the standard steel unit.

commodation business, rather than the house business, and therefore the panels can be built into any design the customer may require.

The design makes it easy to construct a three-bedroomed house, an open-plan dormitory or a lecture room, a display room, shop or office.

The hexagonal structure can be linked to another or extended on any of its six sides by adding squares.

Internally, partitions can be made and rooms separated without wasteful corridors.

But the company is quick to point out that the major advantage is that the structures can be dismantled. If, for example, a number of units are ordered for a new mine with a life expectancy of 15 years the same homes can be relocated afterwards — at 1982 prices.

The company is at present renting a large modern factory in Wynberg, Johannesburg, but the premises will soon be too small because of the company's growth.

A larger, highly automated factory may be opened in the future.

Housing policy change 'disastrous'

Municipal Reporter
THE Government has virtually washed its hands of providing mass housing and will in future help only the very poor, the elderly and the disabled.

The new housing policy outlined in recent speeches by the Minister of

Community Development, Mr Pen Kotze, and the Deputy Minister, Mr Pierre Cronje, was described as "disastrous" today by the chairman of the Cape Town City Council's Housing Committee, Mrs Eulalie Stott.

It shifts responsibility for housing to individuals, their employers and "financial institutions".

It could mean the end of planned rental projects in Cape Town. In terms of the new policy the chances of the thousands on the waiting list in Cape Town of obtaining homes are minimal.

Commenting on the policy on homes for the

ARGUS 10/9/82
coloured people in a recent speech in Benoni, Mr Kotze said: "The department has in the past accepted greater responsibility with regard to the provision of housing for those who had to be resettled (in terms of the Group Areas Act).

"This task has now been almost completed and in future fewer houses will be built for

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Asians and coloured than in the past."

As far as existing projects were concerned, he explained that all applications already submitted and for which funds had not yet been allocated would have to be re-considered and "adjusted" in view of the new policy.

"In order to utilise the available funds to the best advantage, we shall in future have to place greater emphasis on the availability of serviced building plots.

"Our first priority will be to ensure that land and infrastructure are made available to all persons who can build

with their own financial resources or those of their employers or financial institutions."

House design at low cost

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By CLIFF FOSTER

A NEW design of house, just approved for certain white suburbs of Port Elizabeth and costing around R23 000, brings the higher-interest home loans offered by Barclays within reach of young married couples.

The house, built with precast panels, is fast being approved by municipalities in the Eastern Cape, as well as divisional councils, provincial and Government departments, and it cuts building costs by at least 20%.

What is more, it takes only three weeks to construct. All components are light enough to be handled by two men.

For people in the Port Elizabeth area it has the added advantage of being made in Uitenhage.

The Cavcon modular house is designed to high speci-

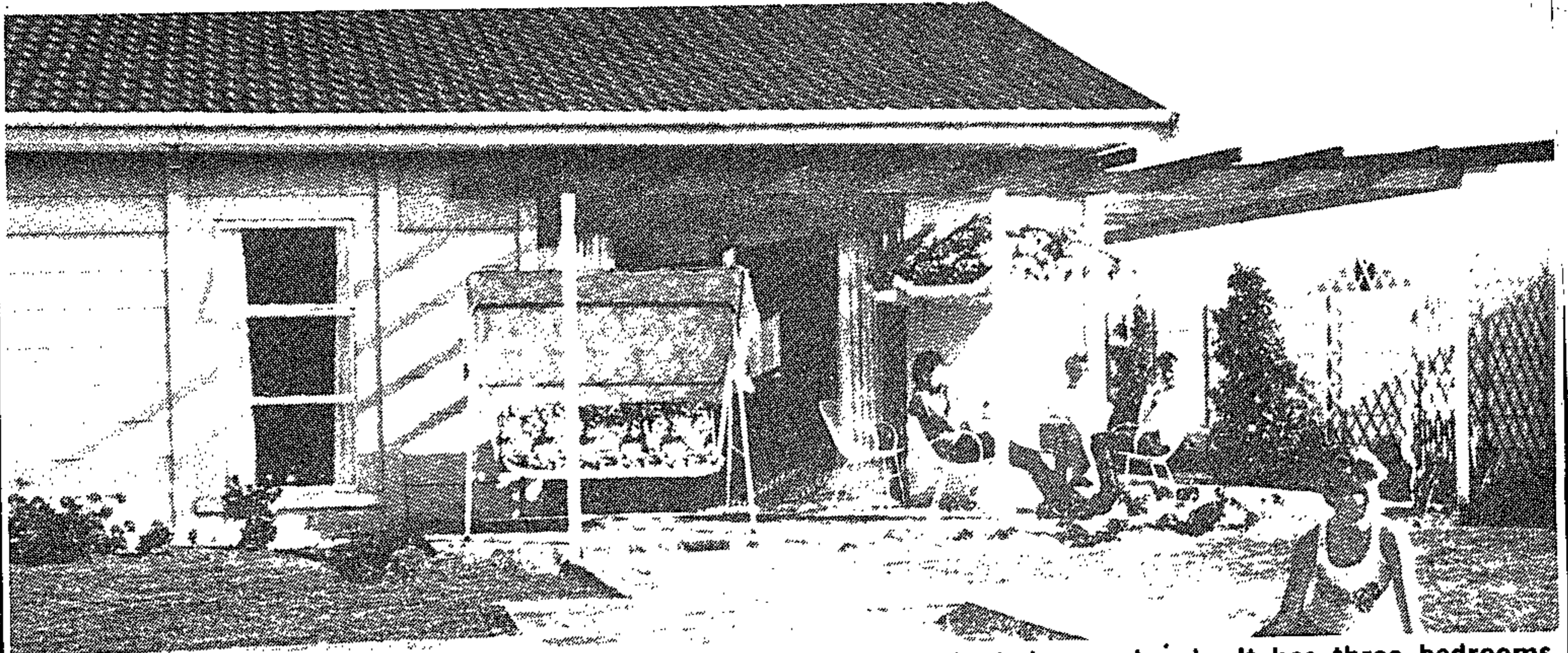
fications and provides cavity exterior walls built with pre-stressed concrete posts and precast reinforced panels. It is a multi-purpose system which can — and has — been used for a creche, hospital premises, farm houses and offices.

One of the many attractions is that the initial unit can be extended with ease at any time.

The type of construction is suitable for unstable ground conditions, such as heaving clay, and the whole structure can be moved from site to site if necessary.

When the system was devised certain aspects of the building industry were kept firmly in mind, says Mr Neil Jurgens, marketing director of Cavcon.

These included the shortage and cost of skilled labour, the shortage and cost of building components and the use of specialised equipment.



This is the house that newlyweds can build — almost literally with their own hands. It has three bedrooms, costs around R23 000 and can be assembled in three weeks. No component is too heavy for two men to lift. The house is manufactured in Uitenhage and has already been approved by many national and local authorities.

NOTE CAREFULLY

1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book (s) are used.

WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
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3. No part of an answer book is to be torn out.
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Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

More rights for buyers with next month's Act

123 Star 11/9/82

By Melanie Sergeant
Property buyers will have more protection than ever from October 19, when the Alienation of Land Act of 1981 comes into force.

Although it is being enforced 11 months later than expected, the Act will be welcomed by property purchasers. It has major beneficial alterations in its second chapter, which deals with the sale of property on instalment.

The Act is a complex one. The man-in-the-street is unlikely to be able to understand it fully or to benefit from all the rights and protections it offers unless he studies it closely or better still, sees an attorney.

A leading Johannes-

burg attorney said it had always been important to discuss the contract with an attorney, but it was more essential now than before.

He stressed that buying a house was the average person's single most important investment. "He signs away his life-savings, and if he signs the document without full knowledge of his rights and obligations, it could spell trouble."

He gave an example of one section of the Act which, if ignored, could do away with certain of the buyers' rights: The purchaser must give the trustee his change of address. If he fails to do so, the trustee would not inform him of his right to claim transfer if the seller in the instalment-sale goes insolvent.

Chapter one of the Act deals with the sale of land generally, and no major changes have been made in this.

Chapter two involves any property sale where the purchase price is paid in more than two instalments over a period of more than one year. This is most common when buying sectional title units where the register has not yet been opened.

Some major changes are:

● A "cooling-off" period of 30 days where the buyer may change his mind.

"If he is buying in a pre-proclaimed area which usually has five years to be proclaimed but is not, the buyer may get his money back, or continue with the deal without paying any more

interest. After paying 50 percent of the purchase price, he may take transfer.

● The seller is obliged to give more information about the property than he was before, so the buyer may make a better assessment of his potential risks.

● The buyer is entitled to call for details of what is owing under the bond. He may check to see that the seller is reducing the bond, and if he is not, he may pay his instalments directly to the bond holder.

● If the contract is cancelled, the buyer has better rights for recompense for any improvements he may have made to the property. He could be repaid some money if, for example, the property is sold for

more money than he arranged to buy it for originally.

● The buyer is entitled to annual account statements, and is allowed to receive notice from the mortgagee of any action which is being taken against the seller subject to his giving his address and any change of address.

● The buyer is entitled to have his contract recorded in the deeds office.

● Payments may be accelerated and transfer may thus be taken sooner than arranged.

● There is a prohibition of the buyer waiving the rights he has been given under the Act.

● The rate of interest is fixed.

Section 26 of the Act has still to be amended.

PUBLIC SERVANTS SAY HOME LOAN SCHEME

Barclays' new plan angers Pretoria

By TERRY MEYER Property Editor

PUBLIC servants and others entitled to State home subsidies feel they are being discriminated against by Barclays Bank's new home-loan programme.

Unlike building societies, the bank does not at present take housing subsidies fully into account on certain 100% home loans to public servants.

In Pretoria where more than 70% of home loans go to people who get State subsidies, people are furious with the bank, local estate agents said.

This week angry Pretoria estate agents complained to the Sunday Express about the policy of the bank in its approach to loans to public servants.

They said that while building societies have always leaned over backwards to help State employees with home loans, the bank appears to have taken a totally different stance.

But, Barclays Bank assistant general manager Michael Smythe defended the bank policy by saying that the building societies have had an agreement with Government for many years in regard to

the "100% loan scheme", but Barclays had not yet been invited to join the scheme.

He said that the bank had not yet been approached by the Department of Community Development to take part in the scheme, but then neither had the bank approached the department.

In the past, building societies have taken the public service subsidies into account and allowed them to get larger bonds than others would have been entitled to.

The system used by building societies, for example, allowed a public servant earning R840 a month to get a R40 000 bond for his house.

But with the new Barclays' scheme, the public servant now has to earn at least R1 569 a month to get the same bond.

On a R40 000 bond, the monthly repayments for a building society at current interest rates would be R549 a month.

But most civil servants in this category would then be entitled to a State subsidy of R338,50 a month which, when subtracted from the individual's repayment would mean a payment of R210,50 to the building society. The State's portion of the loan is paid in monthly

by computer to the building society.

Applying the rule of thumb that repayments should not exceed 25% of a person's income, this means that the State employee would have to earn only R840 a month to qualify for a R40 000 bond.

But Barclays does not apply this formula.

It prefers to add the monthly subsidy to the employees income so that in their opinion that same employee earning R840 a month (plus the subsidy of R338,50) gives him total monthly earnings of R1 178,50 a month.

With Barclays' rule of thumb of 30% of salary against repayments, that would mean that he would not be allowed to get a bond from Barclays where repayments were more than R393 a month.

To get a R40 000 loan the Barclays way, a public servant would have to earn R1 568 a month.

Smythe said there was no discrimination when it came to 80% loans to public servants.

If certain bank managers in Pretoria were misinterpreting the system this was not the fault of head office, he said.

12/9/82

S. Express

123

123
Concern
Times
on housing
funds rule

Municipal Reporter

IN a bid to get more funds for housing and community facilities, the National Housing Commission has ordered that land needed for government, provincial and education purposes, excluding school sites, be sold at market value irrespective of zoning.

It has also withdrawn cost price concessions on land needed for municipal purposes and the "wellbeing and recreation of residents".

On the municipal aspect, this means that the City Council will have to pay substantially higher market value prices for land it buys from the Department of Community Development for depots or other municipal activities.

The Housing Committee has taken particular note of the withdrawal of land concessions for the "wellbeing and recreation of residents", interpreting this to cover creches, community centres, churches, and welfare organizations.

The committee's vice-chairman, Mr Norman Osburn, said yesterday that if this was the case, the committee would be deeply concerned and would appeal for the reinstatement of the concession.

Many organizations could not afford to buy the land at market value, he said. The committee was mainly concerned with the effect on creches, of which there was a shortage.



UNIVERSITY EXAMINATION

PENSIONERS (123) ~~123~~

The rents trap ~~123~~

FM 17/1/82
The resources of SA's white State pensioners are being stretched to the limit. A survey in Durban has revealed that many are paying as much as 70% of their incomes on rent alone

The situation, says Michael Clave, director of The Association For the Aged (Tafta) in Natal, is alarming. According to him, of 517 people seeking accommodation in a Tafta building, 76.4% had incomes of less than R300/month. Only 5.2% received more than R600/month. Of those with less than R150/month — the category which in-

QUESTION A
QUESTIONS 1, 3

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

All answer books must be numbered

Number of books handed in
Number of this book

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cludes all State pensioners — 38% were paying more than 70% of their income on rent and in some cases rent bills were as high as 80% of income.

Says Clave: "Situations where people are paying more than 50% of their income on rent give cause for concern. In cases where people are paying as much as 80% of their income on rent, malnutrition is inevitable."

The rapidly rising cost of rented accommodation is said to be the main reason for pensioners' financial discomfort. Clave says he knows of one rent controlled building in Durban where rents of R84.70/month will rise to R120/month next month. In another building rents of R106/month will soon jump to R191/month.

State pensions are currently R122/month, although they are being increased to R138/month in October. Although Tafta will help find alternative accommodation for hard-pressed pensioners, Clave notes that the housing position is becoming increasingly critical. Tafta has 500 people on its waiting list and Clave says he knows of another 450 living in sub-standard accommodation who need re-housing. If Tafta cannot re-house victims of spiralling rent increases, Clave says it will probably subsidise their rent payments. The money will come from community fundraising schemes and not the State.

He sees subsidisation as a short-term solution only. Long-term solutions, he be-



Pensioners ... rents burden becoming intolerable

lieves, could be a lot harder to find. But one remedy could lie in providing Tafta with more funds to purchase more of its own buildings. Tafta currently owns five blocks of flats in Durban where rentals are pegged at affordable levels. The buildings were bought with government loans, redeemable over 40 years, at 1% interest.

According to Clave, Tafta would still be looking for additional properties had government not frozen all Department of Community Development loans. "They turned off the tap at the crucial time," he laments.

A fundamental solution to the erosion of pensioners' incomes, he believes, lies in solving the housing problem. If you peg the

NOTE CAREFULLY

WARNING

amount pensioners pay on rent, he argues, all they have to contend with is the escalations on food and other essentials.

"The way things stand at the moment."

Clave says, "you could easily double pensions in order to meet rent increases. From the taxpayers' point of view the best solution would be to streamline the Housing

Act and provide welfare organisations with the funds to purchase their own buildings. Once people have a roof over their heads, you can start providing additional care."

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GENERAL NEWS

Bank has lent R50-m for homes

By Andrew Davidson

Barclays Bank has lent R50 million to help people buy their own homes — within three weeks of introducing its house purchase scheme.

Mr Michael Smythe, assistant general manager at the bank's head office in Johannesburg, said today: "The scheme is going better than we expected. To date we granted loans to 1 470 people and have not run into any problems."

Interest on the loans is charged at 17 percent up to R20 000, 18 percent for loans between R20 000 and R40 000, and 19 percent for sums over R40 000.

"There will be no increase in the interest rates before September next year," Mr Smythe said. "And then they might be decreased, depending on the economic climate."

It is cheaper to get a bond from a building society, but Mr Smythe said this was often difficult and the borrower might have to pay high interest rates on raising fees.

"I believe we are less rigid than the building societies," he said. "We base repayments on 30 percent of a couple's joint income, but the building societies do so on 25 percent of the breadwinner's income."

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Star 22/9/82

Plan to share housing load more fairly

123

By Lucille McNamara,
Municipal Reporter

The Government should abolish rent control within three years but introduce a national pension scheme for housing, Johannesburg city councillor Mrs Molly Kopel told the Central Business District Association yesterday.

As an added safeguard for the aged, a State-subsidised rent voucher scheme should be introduced for the needy.

Mrs Kopel said the Rent Act had succeeded partially in relieving the plight of the poor and those with small fixed incomes.

But landlords were forced to subsidise rentals — even for people who could afford to pay the going rate but who had obtained accommodation in rent controlled buildings.

"If we regard housing the poor and disadvantaged as the responsibility of society and therefore of the State, then we are obviously not sharing the burden fairly or realistically."

Mrs Kopel believed rent control might have retarded construc-

tion of residential apartments.

"There is no doubt that rent control is a crowd pleaser. The average 'Mr Public', still smarting from 'Wainerism,' sees it as a struggle between 'the good guys' — tenants — and he 'exploiters' — landlords," Mrs Kopel said.

"Politicians, pressed by vocal constituents, are almost forced into one-sided responsiveness and the State, desperate to hold down sky-rocketing rents, find rent control a cheap and easy method".

Mrs Kopel said options Government could consider included:

- A three-year deadline on rent control.
- A national pension scheme for housing.
- An enforced 15 to 20 percent residential content in high-rise buildings, particularly in central areas.
- A State-subsidised rent voucher scheme ensuring that the needy pay only 25 percent of their income on rentals.

Housing crisis at root of poverty

ARGUS 23/9/82

Unionist

Labour Reporter



Mrs Lucy Mvubelo... "housing affects the total lives of people".

THE housing crisis, which forced people to live in poor, overcrowded conditions, was one of the major causes of black poverty and lack of skills, said Mrs Lucy Mvubelo, general secretary of the National Union of Clothing Workers, at the Tucsa conference yesterday.

Mrs Mvubelo was speaking to a motion which was carried unanimously, calling on the Government to appoint a commission of inquiry to investigate the housing crisis.

High rents forced young people to abandon their schooling so that they could go out to work, and overcrowded conditions affected the learning ability of children, said Mrs Mvubelo.

"Housing is not merely a matter of bricks and mortar. It affects the total lives of people," she added.

PENSION FUNDS

In another resolution the conference expressed concern that the Government committee investigating pension fund matters had not yet begun the second phase of its investigations into the possible introduction of pension schemes for all workers.

Mr A Malherbe of the SA Society of Bank Officials said he was concerned at the withdrawal last year of legislation providing for the preservation of pension funds.

The proposed legislation had been used by the "ungodly" to whip up fear and resentment among unsophisticated workers who went on strike to get their pension money paid out, said Mr Malherbe.

HOUSING

123

Second loan

FM 24/9/82

The National Housing Commission is negotiating to raise a R172m loan from a consortium of banks, led by Senbank. It has already borrowed R150m from another

consortium in the current financial year, the first time it has been allowed to borrow in its own name. It has, in the past, been funded by central government.

The R150m was raised for three years. The rate was linked to that of the three months bankers' acceptances and is renegotiated every 90 days. The main banks involved were Senbank, Volkskas and UAL.

According to an amendment to the Housing Act this year, the commission is permitted to borrow in its own name. In the current financial year, it has decided to avoid the capital market because interest rates are too high. Bank finance has filled the gap.

Low-cost housing

Three or four years ago, local authorities raised R165m from a consortium led by Barclays National Bank for low-cost housing. The loan was in essence guaranteed by the commission.

Now the commission believes it might be advantageous to push for its repayment. It is currently costing around 17% a year to finance.

Last week, the Land Bank had little trouble in raising R200m from the capital market for three years at 15,35%. It decided not to accept more than R200m because it believed interest rates would be lower in six months' time.

The Housing Commission is aiming to

improve on the Land Bank's rate. Next year, it expects to be in a position to come to the capital market for funds if the conditions are propitious.

New construction panel could be the answer to housing shortage

THE answer to South Africa's critical housing backlog. That's how a new multi-purpose construction panel offering a fast construction method for mass housing projects has been described.

Presenting a totally "different" approach to the industrialised building, the new panel and building method have been described as "way ahead of other proposals" received to date by a senior official in the Department of Co-operation and Development.

According to Mr B B Keet, chief architect, the Department is receiving a steady flow of presentations from the private sector — even from Europe — and this new concept, South African-designed, is the most interesting of all at this stage.

The construction panel, made from single sheets of metal and folded into two spaced-out cladding surfaces (the space can be filled with all sorts of substances) has easy and sturdy interlocking capabilities, while the over-

all building method is claimed to be ideal for even self-help programmes as it needs only one skilled supervisor to direct construction.

Prof T L Webb, programme manager, Building Projects, of UNISA's School of Business Leadership, said: "I've only had a cursory look at the finer details of the concept and it is most interesting. The building method is worthy of further study, indeed."

The new construction panel, called Tri-Clad, and its building application, have been designed by a Johannesburg businessman, Mr Jan Eggebeen, who has applied for several patent rights.

"We have approached one big industrialised building company and have been approached by another to help us mass produce the panel and are very pleased with the interest and enthusiasm for our project.

"Our priority at this stage is to complete the various building tests on the panel. So far, it has passed initial SABS

tests with flying colours. We are also waiting for further extensive tests by the National Building Research Institute and approval by the Agreement Board, said Mr Eggebeen.

"Another major consideration concerning the feasibility of the concept obviously is cost. The Department of Co-operation and Development is looking at a basic cost of around R100 m² for the erection of a standard dwelling excluding the cost of fittings, services, etc, but including that of concrete foundations. We've done our costing on an ex-factory basis and can say we'll meet that requirement and include an interior plasterboard."

Mr Eggebeen said that apart from mass housing application, the panel could also be used for subdividing buildings, constructing industrial buildings, for factory flooring, vehicle and container panelling any many other applications.

"The structural strength is

excellent because one square meter of the product can withstand a weight of three tons before it collapses," said Mr Eggebeen.

He added that the panel could be manufactured at a central factory or on-site, whatever the demand, with a specially designed one-man operated machine at the rate of a meter per minute. The machine design was also the subject of a patent application.

Mr C J Schlotfeldt, manager of the Agreement Board at the CSIR's headquarters in Pretoria confirmed that Mr Eggebeen's design company, Tri-Clad Development (Pty) Ltd., had applied for an Agreement certificate.

The application is one of 50 currently before the board and will take some time in testing and processing, he said.

"As far as the concept is concerned, it certainly is unusual and different — and most interesting," commented Mr Schlotfeldt.

123
20m24/9/82

Building
CAPE TOWN 25/9/02
industry
'cartels'
warning

Industrial Reporter

MONOPOLIES appeared to be gaining control of material suppliers in the construction industry, Cape Town's City Engineer, Mr Jan Brand, warned yesterday in Johannesburg.

Addressing a joint conference of the Building Industries Federation of South Africa and the Association of South African Quantity Surveyors, Mr Brand said this development by "giant monopolistic cartels" was not in the national interest.

"It can only be hoped that their domination will be broken through greater competition and more entrepreneurial initiative at more economical levels within the free enterprise system."

Referring to industrialized building methods, Mr Brand said these were likely to be inhibited by the need to provide job opportunities for a burgeoning, principally unskilled population.

With regard to prefabrication, he said tenders had shown conclusively that concrete block and brick were still the cheapest forms of walling.

Sh
pla

CSIR's housing scheme ¹²³ may save blacks thousands

26/9/82 S. Express

By DEBBA CLEVELAND

THE CSIR has developed a low cost housing scheme — in which a home can be built for less than R3 000 — to alleviate the country's critical black housing shortage.

Nine experimental houses have been built at Kabokweni, near White River, and handed over to the Department of Co-operation and Development, which intends selling them to local blacks.

Deputy director-general Mr Giles van der Waal said the department was considering the scheme for black township development in the future.

He said the existing nine houses would not be sold at a profit.

The revolutionary scheme, using local building materials and unskilled labour, makes it possible for homes to be built for as little as R2 400.

The scheme, researched by the National Building Research Institute of the CSIR,



● The completed basic dwelling. Local materials and unskilled labour are used.

was designed to combat the housing backlog among low income groups.

One of its main cost-cutters is the use of the cheapest local materials available — such as sand — mixed with cement.

The standard house (56m²) costs R2 750, which includes

painting, plumbing, drainage and sanitary fittings and all the unskilled labour necessary to construct the unit.

Material costs total R1 859. Compared with a conventional home, this represents a saving of at least 30%.

Head of the architectural

division, Mr Kevin Napier, said: "The houses are aimed at the lower income groups, in this case mostly blacks, and at finding a way of making houses affordable.

"Depending on his finances the owner can upgrade or add on to them as he wishes."

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Ward 3 Cape division
councillor, Mr Neil
— national director
the PFP — said
party's federal executi
had resolved that
matter of party i
volvement in local
ernment be left open
the regional formations.

ISSUES

Mr Ross said he
not been recruited
stand for Divco — it
been his personal choi
as he was interested
issues such as housi
and employment
practices.

"In my view party po
tics should not play a
in local government
this is the tradition in
Cape," he said.

Secretary of the Ca
National Party, Mr F
van Deyenter, MPC f
Maitland, said: "We
not get involved in su
things except to
extent that is allowed

Ward 8 divisional
councillor, Mr Powell, also
party politics should
kept out.

MR ANTHONY POWELL

According to com
plaints to The Argus by
some "disgusted" rate
payers, the recent Cape
Divisional Council elec
tion was fought on party
political lines in at least
two wards.

The Cape Nationalist
mouthpiece, Die Burger,
announcing the results in
Ward 8, hailed Mr
Anthony Powell's victory,
noting that he was deputy
chairman of the NPs
Maitland district council.

Die Burger designated
his opponent, Miss Mary
Olsen, as "a prominent
PFP member."

The newspaper also re
ferred to the election in
Ward 2, noting that Mr
Stuart Collins, "a member

Advantages
A strong proponent,
however, is head of UCT's
department of public
administration, Professor
J. F. Beekman, who saw
the system being run on
party political lines in his
native Holland, where he
was a local government
representative before
coming to South Africa
11 years ago.

"I never saw anything
strange about it there but
in parts of South Africa
you find a situation
where it is neither one
nor the other. Sometimes
people say it's not done
when in fact it is," Pro
fessor Beekman said.

LECTUREK

"I wouldn't see any
valid reason why local
issues should not be the
concern of political par
ties."

Millions will be spent on 'super hostels'



Part of the architect's model of the Umlazi hostel shows two of the seven soccer fields that are planned.

Tens of thousands of black migrant workers live in compounds and dormitories built decades ago without much deference to human comforts.

The plight of these men and women, who may spend a working lifetime in a dismal dormitory, excited little response from the authorities and employers in the past.

But now a new approach to worker accommodation is slowly gaining ground.

New generation hostels that will give workers greater privacy, comfort and a full range of recreational facilities are either being built or planned in several of South Africa's largest centres to accommodate thousands of workers.

MILLIONS

Heading the drive for better single-worker housing is SA Transport Services, one of the country's largest employers of black labour, which is to spend R1 000 million in the next decade on new hostel and flat complexes.

A block of flats to house 1 000 coloured workers and six hostels for blacks — to cost about R141 million — are already under construction for Sats.

In addition to these complexes work has started on a single accommodation complex at New Canada near Soweto and another at Vryheid. The cost of these two projects will come to well over R100 million.

BUDGETS

The almost R300 million needed for another four hostels to accommodate 10 500 black workers is expected to be allocated in budgets between 1985 and 1987, according to a Sats spokesman.

One of these "super hostels" to house 6 048 workers, is planned for Palmietfontein on the East Rand.

Taking work in progress and accommodation on the drawing board close on 25 000

black and coloured workers will be housed in these new complexes by the early 1990s.

But most significant of all is the thinking on which the planning for all this worker accommodation is based: all these hostels are so designed that they can be transformed into blocks of flats for families with the minimum of alterations.

WIVES

The reason for this, according to Mr Koos Harding, who retired recently as deputy director personnel of Sats, is that "we realise that it won't be long before we will not get any contract workers unless we allow them to bring their wives and families with them."

This is the firmest indication of the way big employers are nudging the Government to think how migrant workers may be given a better deal.

Under present legislation, strictly applied, no migrant worker may bring his or her spouse and family to live in an urban area where he or she may spend a whole working life.

To alleviate this situation a little, Sats is building special blocks in its hostels consisting of furnished room and kitchen facilities where a migrant worker's spouse may stay for a few days — a practice that will be encouraged, says Mr Harding.

COMFORTABLE

And in the sphere of making workers as comfortable as possible the new hostels appear to be generations ahead of many present-day complexes.

Libraries, beer gardens, well-furnished bars, sports facilities and gymnasiums, smaller rooms, well-appointed kitchens and canteens — these features are an integral part of the new hostels.

Take the R60-million Umlazi hostel which is going up in kwaZulu to house 6 660 people. Fifteen of the 24 residential blocks will be ready for occupancy by the end of the year, according to Sats.

In three of these

blocks — intended for more senior workers — there will be both single rooms and rooms for a maximum of four people each. A far cry from the old dormitories.

Each floor in these four-storey blocks will have ablution facilities and each sleeping area, storage space and sitting room in these blocks is designed to become, if necessary, a family flat with one or two bedrooms.

Underground parking and a fully-equipped workshop is also being built into the Umlazi hostel.

One of its most striking features is the huge amphitheatre and athletics soccer stadium sited alongside the complex. Dominating the amphitheatre will be a 43 m by 19 m cinema screen for open-air shows.

Seven soccer fields and a rugby pitch make up the outdoor facilities. Inside, a canteen will supply food 24 hours a day and provide seating for 4 000 at any one time.

SHOPPING

A community centre will be laid out for the senior workers staying at Umlazi hostel and will consist of a shopping terrace, library, meeting room, and recreation hall.

Once completed the entire hostel area will be landscaped and all roads will be tarred — giving it the impression of a self-contained village complex.

Much of the brick-laying, plumbing and wiring of the new hostel is being done by black workers trained on site by the contractor.

"The new generation of hostels will make it possible for us to provide proper and decent accommodation and to help those who have never had the chance to live in a more sophisticated way," said Mr Harding.

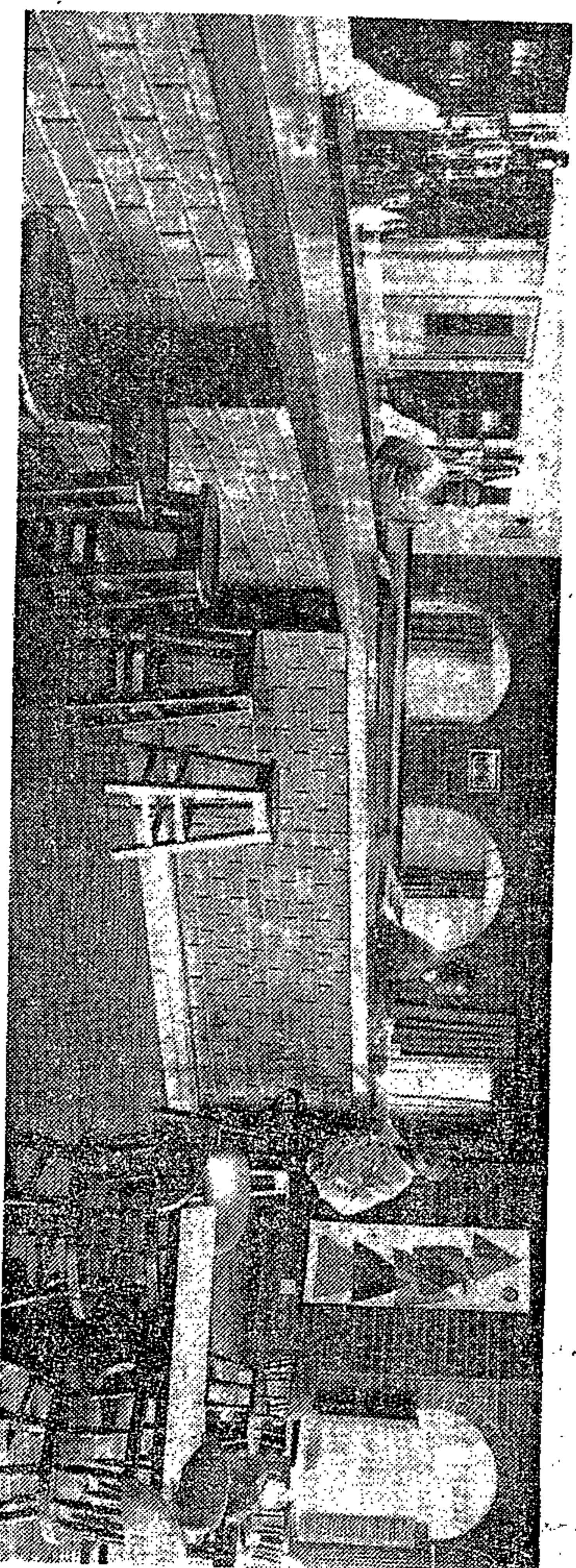
"Many migrant workers, when they come to us, do not know what to do with their leisure time and have to be shown. All their lives they have worked seven days a week."

Soon, a new lifestyle for migrant workers



An aerial picture of the fast-rising Umhlati hostel complex shows the residential blocks which can be turned into flats, and the amphitheatre with

its huge concrete screen (to the left). The long building in front of the residential blocks is the main indoor recreation centre for the R60 million development.



A taste of the new-style hostels. This is the bar at a new hostel for blacks working on the Rietspuit colliery in the Eastern Transvaal.

By Tony Duigan and David Pincus
Employers of large numbers of migrant workers will spend hundreds of millions of rands in the coming decade to build better-class worker accommodation — and are even antici-

patating the end of the single-sex hostel system.
In a series of interviews with some of South Africa's large employers the following has emerged: ● the age of the old dormitory compound housing workers in row upon row of ugly con-

crete bunks is gradually passing: ● new-era single accommodation is being built in such a way that it can be turned into family units with a minimum of renovation — a firm indication of the growing view among major employers that migrant

workers will in future bring their wives and families with them. ● In contrast to the soulless character of the old hostels the new single accommodation complexes are being planned as self-sufficient community centres with full rec-

reational facilities laid on.
The biggest push in new worker accommodation is from the South African Transport Services, which is building or planning complexes for more than 23 400 black and 1 000 coloured workers in the coming decade at a

cost of close to R1 000 million.
And it is from this huge employer that the firmest indication of the rethink about migrant labour comes.
“We realise that it won't take long before we will not get contract workers unless we allow them to bring

their wives and families with them and unless we provide them with really good family accommodation,” said Mr K o o s Harding, deputy personnel director of SA Transport Services, shortly before he retired recently.
Even before this happens wives will be en-

couraged to visit their families regularly in the new hostels and stay with them for a few days at a time. In blocks specially built for them and containing furnished double rooms and full cooking and ablution facilities, Mining houses are

also spending millions to upgrade old compounds and put them on a par with the new generation hostels as well as building new complexes at costs of R20-million and more.
“The people aspect is all important,” says Mr David Morgan, group labour consultant for

Rand Mines. “They work for us and we have a social responsibility towards them and must provide the best accommodation and treatment we can afford.”
Mr Aubrey Pitt, group deputy managing director of LTA Construction, said his group

was taking over hostels from administration boards and upgrading them. It was also building its own modern hostels which also compare with the new era accommodation being put up by the railways, he added.

Room 11/10/82
Govt housing

seminar (123)

A TWO-DAY seminar to promote the establishment of new housing utility companies will be held in Cape Town on November 18 and 19, the Minister of Community Development, Mr Pen Kotze, announced in Pretoria last night.

Those interested should contact the Regional Representative of the Department of Community Development in Cape Town. — Sapa.

Assocom fights rent control

123 Mercury 2/10/82

Mercury Reporter

THE Rent Control Act should be abolished, no minister should be allowed to bring it back by proclamation and any reimposition should have to go through Parliament, Mr D G Paxton of Assocom told a Government select committee on rent control.

It was regrettable that the phasing out had not been completed.

Mr Paxton's evidence, given in August, has been released by Assocom which represents 20 000 businesses throughout the country.

Assocom wants the Government to give some incentive to investors to provide more letting accommodation.

It also asked that poor and needy tenants affected by the removal of rent control should be given 'direct State assistance through the Department of Welfare and Community Development'.

Mr Paxton said statutory control over rents 'has a highly undesirable long-term impact on the provision of rented accommodation throughout the country'.

The effect on tenants was spread on rich and

poor alike, landlords tended to convert their property to sectional title or share block schemes and did not re-invest in accommodation units for renting.

This resulted in a limited, and dwindling, supply of accommodation for those who wished to rent.

Tenants in controlled premises were 'in a sheltered position economically' and there were areas of stress and conflict with their landlords who were less likely to condone breaches of statutory requirements by the tenants.

Economic

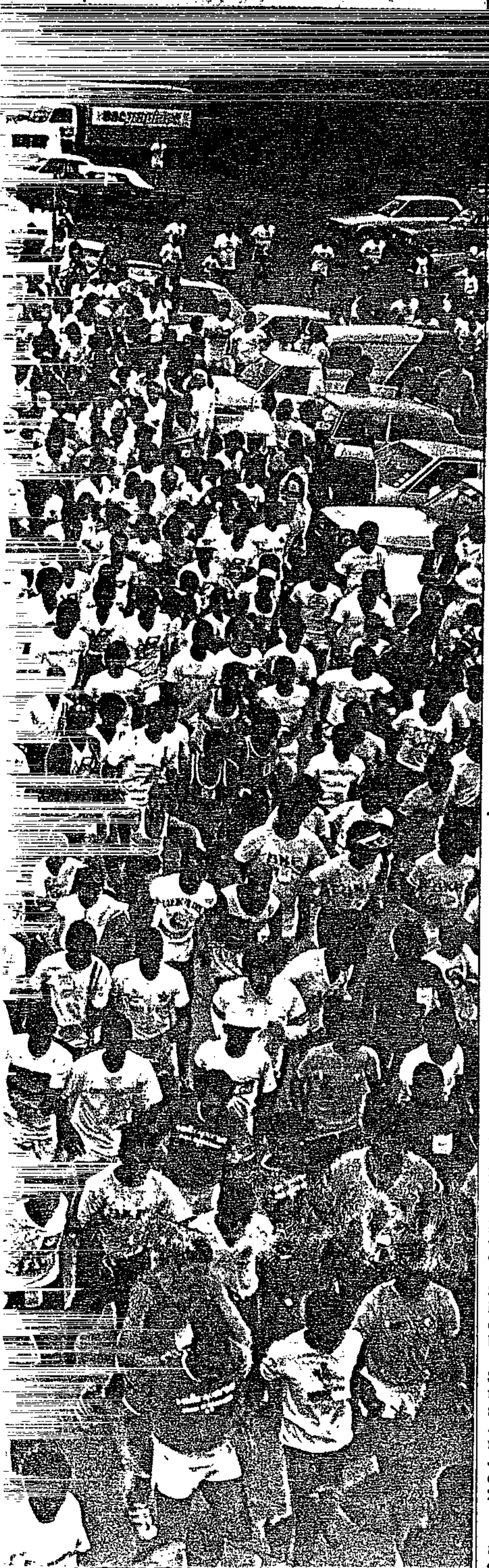
The effects on landlords were that they were forced to subsidise their tenants without regard to their income groups; there was no adequate return on capital; and the market value fell as a buyer would only offer what would provide him with a sound return based on market values.

Assocom said there was a strong disincentive on potential investors in rented property. They feared that control would be extended to their properties.

In good economic times investment was discouraged because rent control tended to drive down all rents and more people could afford to buy rather than rent.

Other general effects of rent control were neglect of buildings which led to a reduction in their lives; space was not effectively used (one person might live in a large rent-controlled flat and refuse to move to a non-controlled, but smaller flat).

When accommodation became scarce rents were inflated and the 'perceived' gap seemed to justify control and gave rise to 'allegations of exploitation'.



Raising fee for bonds is not legal official

By CLIFF FOSTER

ANYONE who paid a raising fee to finance a house purchase in the last 18 months can demand his money back.

This statement was made to Weekend Post this week by the Registrar of Financial Institutions, Mr Naas van Staden.

At the same time he strongly criticised a new practice of some building societies granting bonds only if investments of up to twice the size of the bond could be obtained by the borrower.

It is known that many people have paid raising fees in the Eastern Cape. The fees were demanded by financiers prepared to deposit the "matching investments" required by building societies before advancing bonds.

They amounted to as much as 5% of the bond — R2 000 on a R40 000 bond.

And usually they were paid in cash — the financiers would not accept cheques.

This week, Mr Van Staden said that people who had paid the raising fee could sue for their money back.

He quoted an extract of Section 210 of the Limitation and Disclosure of Finance Charges Amendment Act of 1980. This amendment was assented to on July 1, 1980, and its date of commencement was March 2, last year.

The extract states:

"The intermediary (financier) shall not in respect of a money lending transac-

any person to borrow an amount of money in terms of a money lending transaction or to obtain credit in terms of a credit transaction or to lease moveable property in terms of a leasing transaction, demand, receive or recover directly or indirectly on his own account or on behalf of any person other than a money lender or credit granter or lessor concerned any valuable consideration from the borrower or credit receiver or lessor concerned or any person so applicable.

Mr Van Staden gave his opinion when Weekend Post asked him for the latest "queuing" of buyers — namely applicants having to wait for a building society investment up to twice the size of the bond before the society would grant a bond.

Mr Van Staden viewed this in much the same light as the raising fees — although the double investment was legal and the raising fee was not.

Judging from Weekend Post inquiries, nearly all building societies are now involved in the practice of asking for more than the "matching investment".

Sometimes they want twice the amount of the bond, sometimes 1.5 times the bond, 1.25 or 1.1 times the figure. The amount varies from one application

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S. Post

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2/10/82

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Mr Van Staden said: "If a

Raising fee is not legal — official

● From Page 1

building society cannot provide the money and tells an applicant that it can grant the loan if a larger equivalent investment is provided. borrowers in certain instances find that they can arrange this.

"Personally, I don't like it at all. I don't think I can support this practice.

"It's difficult, perhaps, to blame a building society for trying to bring in investments by asking borrowers to arrange an equivalent matching amount.

"But I don't even like that. It's encouraging raising fees and "round tripping" — withdrawing from one building society to pay another."

The chairman of the Eastern Province branch of the Building Societies Association, Mr Bernie Muirhead, said: "The matching finance varies from society to society. I have heard of 150% — I think it really depends on the society's situation at the time.

"In my society we will ask for the employer, member of the family or the seller to provide matching finance in varying proportions.

"If you are able to get more investment in you are able to help more people."

Asked if this was not denying bonds to people without rich uncles, he said: "If a man comes to me and I don't qualify my answer, but just turn him down, I'm not being as helpful as it might be possible for me to be.

"If I talk to him about matching investment I may be able to help him.

"I'm very ticklish subject and I don't want to go into it."

Usually the investment was required to be held for between three and five years.



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S. Post

2/10/82

● Turn to Page 2

OCTOBER 3, 1982

New way to beat homes crisis

Property Reporter

NEW construction procedure developed by the CSIR's National Building Research Institute will help eliminate the backlog of about 420 000 homes for low-income groups.

The director of the institute says the shortage of dwellings means that to house these families by conventional building methods and in accordance with present standards would cost up to R40 000 million.

Since the financial means to meet such a need are not available, the Department of Co-operation and Development is pursuing a new strategy and taking a fresh look at the way in which the housing shortage may be solved.

The department is sponsoring a number of experimental projects throughout the country.

As one of the research projects, the Eastern Transvaal Administration Board has asked the NBRI to build nine houses on a development basis at Kabokweni, near White River, using a shuttering technique.

The emphasis is on the practical application of appropriate and low-cost technology and an on-site shuttering system was developed that is filled with a sand-cement mix to form the walls.

The estimated cost of these houses varies between R2 400 and R3 600, depending on the area under the roof which ranges from 56 to 77 square metres.

The standard house costs R2 750.

The cost of materials for the standard house totals R1 850 and in comparison with the cost of a conventional dwelling represents a saving of at least 30 percent.

123

S. Thelme
3/10/82

By GORDON KLING

SOUTH AFRICA'S financial institutions are not rushing to follow Sanlam's lead in the provision of R15-million in finance for low cost housing, but more loans appear to be in the pipeline and the Urban Foundation remains convinced that the move is a major breakthrough.

Sanlam's chairman, Dr Fred du Plessis, yesterday declined to confirm or deny speculation in the Cape that the insurance giant was about to follow up its funding for coloured housing with a further R15-million for black housing.

Dr Du Plessis said Sanlam would wait to see what others did before making any further announcements.

Neither Sanlam nor the Urban Foundation, which set up the deal, were certain of the exact yield on the Sanlam-financed 25-year bond issued by the National Housing Commission which would make the new housing possible. But the coupon rate (the rate at which the interest would be taxed) was 10 percent, and Dr Du Plessis said the effective rate was "completely in line with long-dated government securities" which the banks were required to hold as prescribed assets in any event.



Dr Fred du Plessis

I understand that another major Cape-based financial institution was about to embark on a venture similar to Sanlam's, but pulled out over dissatisfaction with interest rates available from the National Housing Commission.

Banking sources in the Cape yesterday also mentioned uncertainty on the interest rate as a reason for delaying funding, but sources at both the institutions and the banks believed it was inevitable that they would eventually participate in the same way as Sanlam.

The manager of communications at the Urban Foundation, Mr Chris Du Plessis, said yesterday that negotiations were under way with several financial groups, but it was "still early days".

Problems included the interest rate, specifically how the money would be spent, and practical difficulties — considering that the process involved not just the lenders and the Foundation but also the National Housing Commission, the Department of Community Development, the Department of Finance, and various local authorities.

'Drop in the ocean'

Mr Du Plessis conceded that Sanlam's R15-million was only "a drop in the ocean" given the immensity of the country's housing needs. (According to the Prime Minister's economic planning section, a total of 280 000 units annually at a cost of R3 963-million would be required every year for the next nine years to meet the demand for housing).

Of key significance, however, was the entry of the private sector into the funding of mass housing for non-whites. In the past the government had shouldered about 90 percent of the finance for black housing, 80 percent for coloured and 65 percent for Asian housing. Only about 10 percent of white housing was government-financed.

The Urban Foundation accordingly saw Sanlam's move as an initiative to correct a big and dangerous imbalance.

More big housing loans possible

Cape Times
5/10/82

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R30m for white housing

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D. Mispantel
6/10/82

EAST LONDON — The government has voted R30 million over the next two years for the provision of housing for the white lower income group, the Minister of Community Development, Mr Pen Kotze, said in a statement last night.

Mr Kotze, who is at the National Party Cape congress here, said young and elderly whites found it difficult to obtain housing within their income limits.

"I am happy to announce that the De-

partment of Community Development has launched a programme to ease the housing need of the elderly, disabled and the lower income group.

"It has just been decided to erect about 1 100 housing units for whites in the lower income group throughout the country through the local authorities in about 15 areas which are regarded as crucial.

"The cost will be at least R20 million and it is also envisaged to spend R10 million more in the 1983/84 financial year," Mr Kotze said.

In order to help young married couples and people in the lower income group who could not obtain loans through traditional building society channels, a significant amount would be made available for individual loans.

The National Housing Commission had recently raised the income level for personal housing loans of 90 per cent to R800 per month and had also raised the loan amount to R33 000 while the income limit for subsidised joint National Housing Commission-building society loans had been raised to R900 a month.

"Furthermore, the supply of land and infrastructure will receive priority and local authorities will be assisted to make a greater contribution.

"This year, living areas were made available to people at the intermediate income level in Pretoria, the Reef and the Cape Peninsula.

The judge said the circumstances, he said the death sentence would not be imposed, but Mr Solomon would have to spend a long period in prison for his crime. In these circumstances, where Mr Solomon's behaviour may be modified, the period of time, the situation may be reached, treatment over a long period of time, the situation may be reached, where Mr Solomon's behaviour may be modified.

BUILDING CODE 123

End in sight

FM 8/10/82

The long-awaited National Building Regulations are now before a SABS-appointed committee which is evaluating comments and amending the draft. The 20-man committee, comprising 17 members from affected sectors of the construction industry and local authorities and three SABS representatives, will submit recommendations to the Minister of Commerce Industries and Tourism, probably in the second half of

next year.

The committee was appointed after architects, engineers, property owners and local authorities requested that they be consulted, albeit at a late stage, on the drafting of the regulations.

The task of the committee, which has been sitting for two months, is to evaluate some 1 000 pages of comments and to recommend amendments acceptable to all parties. A major task will be to ensure that the regulations are not inflationary in terms of cost or time.

Every effort has been made to ensure that the regulations will provide for a minimum standard of safety and health, says Dick Watkins, head of the SABS Building Regulations and Codes Division, which spent seven years drafting the regulations. Setting minimum standards for local authorities, he says, will leave plenty of scope for the application of standards above the bottom line while allowing for cost savings where necessary.

Watkins says possible cost-savers include the lowering of the permissible ceiling height and smaller bedrooms. Ceiling restrictions have come down from an average 2,7 m in existing by-laws to a minimum 2,4 m. And room sizes have been reduced from the present 7 m² to a minimum 5 m², the lowest SABS could have gone without contravening the Slums Act.

This would encourage more economic

use of space and could bring down the costs of housing at the lower end of the market where it is most urgently needed. Houses will accommodate more people and, in the wider context, developers could build the equivalent of an additional floor onto multi-storey blocks without exceeding height restrictions.

The draft regulations also make special provision for the simplest type of building. Thus developments which fall within a certain height zone, for example, would qualify for concessions on structural requirements.

The majority of housing falls within this category as well as small blocks of shops and flats. For this class of building, the SABS has prescribed that only approved timber and brick and mortar materials may be used. In all other cases any material may be used so long as it is proved suitable for the purpose. Thus concrete blocks, factory made panels, timber and many previously taboo materials which have passed the tests would be brought under the definition of conventional building materials for these uses.

Buildings falling outside the concessionary limits would need to comply with the SA codes of practise for structural design applicable to the building materials used. Use of other codes will be permissible, but will have to be justified.

After the date of promulgation all plans

HIGH HOPES

With only the upper end of the market in mind, Sanlam has announced plans for a super-luxury 11-storey sectional title development on the Strand.

The 35 units will comprise six 132 m² two-bedroom duplexes in the lower two storeys and, above them, nine 126 m² two-bedroom simplexes, 18 159 m² three-bedroom simplexes and two 230 m² three-bedroom penthouses.

According to Danie van den Berg, Sanlam's Cape Provincial property manager, asking prices "at this stage" range from R100 000 to R200 000 for the penthouses. Van den Berg says he sees no problem in finding buyers. "I have already had 18 serious inquiries and options have already been granted on one of the penthouses and a three-bedroom apartment."

Not bad, seeing Sanlam has still to launch its marketing campaign.

submitted will have to comply with the new regulations. But an "overlap" period is expected to be permitted to accommodate plans drafted in terms of old by-laws. The task of local authorities will be to ensure that their own by-laws comply with the national standards.



Deaf boy, 9, killed by train

By ANDREW DONALDSON

A NINE-year-old partially deaf Philippi boy was knocked down and killed by a train yesterday afternoon when he stopped to pick up some spilled tomatoes while crossing the railway line between Nyanga and Philippi

Randall John Karoulas, who sustained multiple injuries, probably had not heard the train coming, his distraught mother, Mrs Frances Karoulas, of the farm Hazeldean, said last night.

He was bringing home boxes of fruit and vegetables for his mother when the one with tomatoes in it broke.

"He knew he had to bring all the food home because his mother would have been annoyed with him otherwise," said Randall's sister, 18-year-

Rights of urban blacks in jeopardy

CAPE TIMES
7/10/82
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Political Staff

EAST LONDON. — The government is considering overriding recent landmark court decisions allowing urban blacks to live permanently in the cities with their wives and children.

This shock announcement, which could dash the chances of millions of blacks leading a family life in the cities, was made by the Minister of Co-operation and Development, Dr Piet Koornhof, at the National Party's Cape congress in East London yesterday.

Addressing the congress, Dr Koornhof referred specifically to the Appeal Court ruling in the Komani case, which granted wives and children of urban black workers the right to join them. He said provision to "deal with the case" had been made in his controversial Orderly Movement and Settlement of Black Persons Bill.

But the Bill was being postponed and "we will therefore have to come with amending legislation to deal with the Komani case because it is causing problems", Dr Koornhof said.

His statement immediately caused an angry reaction from civil rights workers, lawyers and the opposition spokesman on black affairs, Mrs Helen Suzman.

'Scant respect'

Mrs Suzman said it showed "scant respect for the courts".

Dr Koornhof said in an interview after his speech that no decision had been

Rikhoto and Boo judgments which established the right of contract workers to permanent city rights, in terms of Section 10 of the Black Urban Areas Act.

"These rulings defeat the purpose of government policy. Contract workers were not meant to get Section 10 rights," the government source said.

'Housing'

Unless the law were amended, millions of "illegal" blacks would gain the right to live in cities. "This would double the backlog in black housing to more than 500 000 units," he said.

The Komani ruling nullified a regulation that blacks could live in cities only if they obtained lodgers' permits from the authorities. This prevented many wives and children of qualified blacks from staying in the cities.

A clause in the Orderly Movement and Settlement of Black Persons Bill would give the minister the power to remove rights granted by influx control laws and thus override court rulings.

Mrs Suzman and a leading lawyer said that because Parliament was supreme, it would be "easy" for the government to override the court judgments.

"In this system, an

The Cape Times **FUNFINDER**

Looking for weekend entertainment? You will find it in FUNFINDER the new Cape Times supplement that tells you all you need to know about the entertainment scene in one colourful package. Look out for it tomorrow morning.

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Urban blacks in jeopardy

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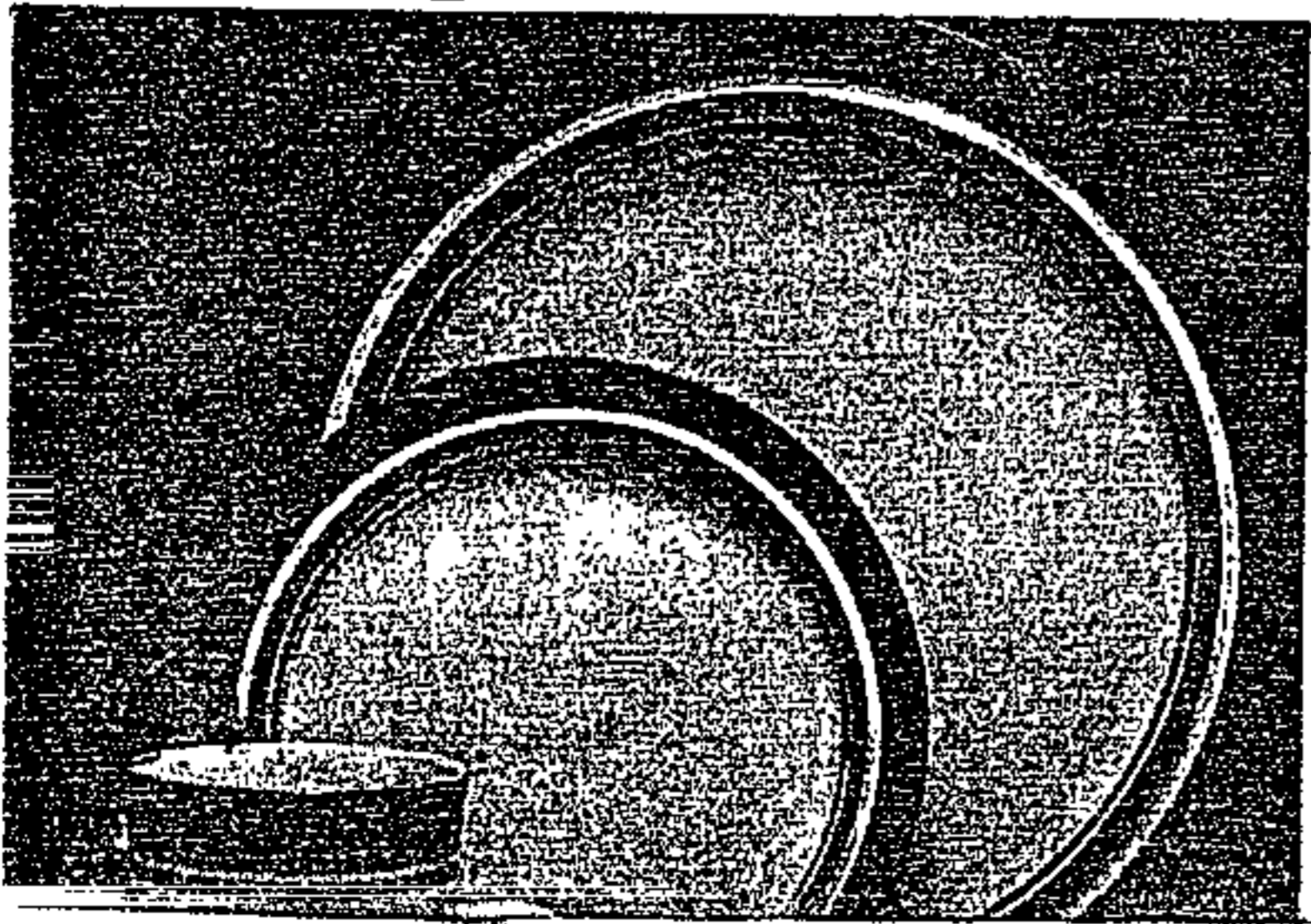
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To page 2



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'Scant respect'

Mrs Suzman said it showed "scant respect for the courts".

Dr Koornhof said in an interview after his speech that no decision had been taken by the government and the matter was merely "under consideration".

But another senior government source said the clear intention of amending legislation would be to restore the status quo before the Komani ruling and the

Rikhoto and Booi judgments which established the right of contract workers to permanent city rights, in terms of Section 10 of the Black Urban Areas Act.

"These rulings defeat the purpose of government policy. Contract workers were not meant to get Section 10 rights," the government source said.

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Mrs Suzman and a leading lawyer said that because Parliament was supreme, it would be "easy" for the government to override the court judgments.

"In this system, an unscrupulous government can always override the courts. In other systems they would have to resign if they tried," Mrs Suzman said.

Report by J. Battersby and S. Friedman, 75 Main Street, Johannesburg.

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16/10/82 PROP. S. Tshabalala

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'Housing needs would fill another Witwatersrand'

By Frank Jeans
SOUTH AFRICA will need serviced, proclaimed land almost the size of the entire Witwatersrand by the end of the century to accommodate the massive housing programme needed to meet the demands of the country's growing population.

With housing requirements rising from 20 000 units a year to 200 000 annually by 1990, and at 20 houses for every hectare, 225 000 hectares of land will be needed. The area of the Witwatersrand extends over 300 000 hectares.

These facts were given by architect Piet Moolman at a topic lunch held by the South African Association of Consulting Engineers. The talking point was mass housing in South Africa.

"To provide mass housing all that is needed is de-control," says Moolman.

"The average time taken to establish a township in the Transvaal is at present seven years. This cannot be justified."

Moolman believes township control should be decentralised to local authority level and the planning function should be separated from the physical servicing of townships.

He also sees great merit in value analysis—a creative systematic approach aimed at reducing the total cost of ownership.

The VA system looks at all aspects of a project, including the original concept and design—and it is in that area that there is the best opportunity to save cost.

"Value analysis is now a legal requirement on some Government projects in the U.S.," says Mr Moolman, and he believes it should be more widely adopted here.

Don Goodey of ITA Housing saw the inertia in the provision of housing as being caused mainly by lack of State direction.

"We have the money, the men and the resources. What is really holding us back is the fact that the

State is not directing the effort correctly and is trying to move this responsibility onto the private sector," he said.

"Engineers and architects can solve the problem if told where to build and to what standards."

One of the country's strongest champions in the mass housing field, John Knoetze of the West Rand Administration Board, said it was a fallacy to think that the real bottleneck in housing was speed of construction.

"The main problems," he says, "are finance, availability of suitable land, the provision of engineering infrastructure and the surveying of sites to promote home ownership."

Knoetze said the willingness of the average black to help himself was often "hopelessly underestimated" and that a solution to the housing problem lay not in subsidised housing but in encouragement of people to house themselves by means of the right advice, guidance and sound framework in which to operate.

"It is clear," he says, "that a dynamic programme making use of all the resources of both the public and private sectors is vital and the right environment for private sector participation will have to be created."

The Economic Advisory Council, said Knoetze, envisaged a contribution from the private sector of at least R300 million.

Consulting engineer Stanley Cohen suggested that GST on all but essential food should be increased by 2 percent which would create an additional R650 million a year which could go towards housing.

He urged the upgrading of homes from 40 square metres costing about R5 200 to ones of 100 square metres at R25 000.

"At an average of R12 000 a house, it is expected that 50 000 homes could be built next year and thus create work for more than 100 000 people."

can are bursaries again next year

In its annual report, the fund stated that only 180 new applications had been received from pu-

a good beginning — but there will be a serious shortfall unless the public meets the balance," the report states.

Mr E Elsworth, trustee

made to the African Scholar's Fund, PO Box 294, Rondebosch, 7700. A copy of the pupil's latest examination results should be attached.

SA friends overseas 'desperate for reform'

Political Staff

THE chairman of the Progressive Federal Party federal executive, Dr Alex Boraine, said today he had found considerable goodwill towards South Africa among many readers in the United States and Britain.

"But they are desperate for more direct and positive signs of significant reform," he said.

Dr Boraine, MP for Pinelands, said these were his overall impressions. He returned to Cape Town at the weekend.

FEARS

He said there was wide concern in both the US and Britain concerning a settlement in SWA, Namibia. Fears were growing that the plans were coming unstuck.

"This largely centres on the linkage between a settlement and the withdrawal of Cuban troops from Angola.

There is no doubt it would be in South Africa's interests for a settlement to take place that would bring about free and fair elections."

Dr Boraine spent three weeks in the US as one of a group of South African parliamentarians who met business and community leaders.

SPEECHES

He was invited to address business groups in New York and Boston about the political situation and the relationship between trade unions and politics in South Africa.

He went to Britain as a guest of the British Government.

The major part of his trip was spent in Lon-

don. He spent a day in Brighton at the Conservative Party's conference and met other groups, including academics, businessmen and politicians.

He also spent a day in Bristol, which recently experienced a breakdown in community and race relations.

Dr Boraine said he had hoped to learn from the situation there, but many appointments had been cancelled at the last moment because the city's Council for Racial Equality called for a boycott of his visit.

"Ironically, because of their decision, I had far greater opportunity to convey the message of the PFP through television, radio and Press interviews in Bristol," he said.

Report by F S Esterhuysen, 122 St George's Street, Cape Town

Newstyle printer's devil . . .

Argus Africa News Service

GABORONE — A sophisticated photocopying machine apparently lured a Motswana youth into crime.

The machine reproduces both sides of a piece of paper simultaneously.

A 17-year-old Gaborone boy seems to have immediately seen the potential of the photocopier. He allegedly inserted a one pula note in a pulia equals R1 and made 20 copies.

NOT SPOTTED

He then reportedly used the copies to

Polstu warns

on Black Movement Bill

Boland Bureau

STELLENBOSCH. — South Africa's legal system would be jeopardised if the Orderly Movement and Resettlement of Black Persons Bill was passed by Parliament, the Political Students' Association warns.

Polstu's newsletter says when the law — which should be an instrument for the promotion of public interest — is used to drastically curtail values which form the basis of society, its credibility is affected.

Under the headline "State creates order" the article spells out the implications of the Bill.

"The Bill violates numerous fundamental human rights: the right of free movement, the right to choose a place to live and the right to choose a job and a career," it says.

Polstu comments: "The stiff fines will undoubtedly result in our overcrowded prisons being even more overcrowded and in an increasing number of people suffering the humiliation of prison life for the contravention of political ordinances."

STIFF FINES

Apart from the stiff fines for giving shelter to family members, the proposed Bill contains a clause which will have a drastic influence on the right to have a healthy family life.

The future children who wish to qualify for permanent urban residence rights will have to prove that their parents had these rights.

Several hundred to several thousand black students will be one of the victims of the Bill, which will have a direct effect on the lives of blacks in general.

News of the 2nd

Stellenbosch

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Crisis in rental market grows

Star 12/10/82 (123)

Demand for rental accommodation far outstrips supply with about 120 000 people a year needing new accommodation, according to research by the Property Economist.

Demand for lower-priced accommodation is buoyed by 50 000 marriages and 20 000 divorces a year, youngsters wanting to leave home and a net immigration figure of 30 000 people a year, says the journal.

Home-buying through sectional title and block-share schemes becomes even more attractive as the supply of rental units diminishes because of the low level of flat-building over the last 10 years.

The research shows that conversion to sectional title and block-share is continuing with high demand for units under R40 000.

However, an earlier edition of the Property Economist which covered the affordability of homes revealed that even this price is too high for some.

The survey found that the average white South African earned R1 008 a month. This means that, according to present building society regulations, he can repay a maximum of R273 on his bond. He is therefore limited to paying R31 000, and as modest houses are priced at about

R50 000, he has little chance of ever owning his own house.

"Therefore he has Hobson's choice — there is little rental accommodation available at a price he can afford and building society regulations of a 25 percent bond repayment formula, prevent him buying his own house."

The journal blames rent control and the misallocation of building society funds from 1979 to 1981 for the lack of rental accommodation, as well as building costs rising at about 16 percent a year.

While the conversion of rental accommodation to sectional title and block-share reduces accommodation even further, it also offers some hope to

prospective home-owners.

"But even here, because market prices are 30—40 percent below replacement costs, there is excess demand over supply. The sale price of these units from the conversion developer to the public is generally calculated at 60 percent to 70 percent of the replacement cost while market prices in the housing market are within 90 percent of replacement costs."

"Therefore, because market prices are below replacement costs at the same time as demand outstrips supply, the buyer of sectional title and block-share units will experience increases in prices of their units within the next three years." — Sapa.

Pledge of R90-m for white housing

By Gavin Engelbrecht
East Rand Bureau

A sum of R90 million is to be made available by the Department of Community Development during the coming financial year in a record attempt to help alleviate the serious white housing shortage in South Africa.

This was disclosed yesterday by the Minister of Community Development, Mr. Pen Kotze, when he opened the Florida Ten housing project in Roodepoort.

The sum will be used to provide housing for middle and lower-income groups, welfare housing, accommodation for the aged and disabled, and for individual loans.

The largest project will use about R10 million for the construction of the Kruger Park Flats in Pretoria which will provide accommodation for 320 middle-income families.

The department will, in co-operation with local authorities, also build 1 000 lower-income housing units.

The units will be built at a cost of R20 million in 15 centres where accommodation is most urgently required.

Eight areas have been identified on the Witwatersrand alone and 400 houses, 50 of which will be in Roodepoort, will be built at a cost of R8 million.

Mr. Kotze said that the city of Roodepoort was leading the field in the provision of white housing and he cited the Florida Ten project as an example of the benefits of close co-operation between his department and local authorities.

The R1,3 million project, consisting of 61 economic houses was financed by the department. Construction was completed in April.

The units are available for R23 000 and consist of a lounge, kitchen-dining room, a bathroom and three bedrooms. They are within reasonable distance of the station and main roads.

"Economic housing has come under attack as being inferior," said Mr. Kotze. "The opposite has been proved and the fact is that we generally live in too much luxury in South Africa."

123

S. van
24/10/52

Cape Times 15/10/82 123

Evicted at 62 and he can't afford to move

Staff Reporter

A 62-YEAR-OLD pensioner who is being evicted from his rented room in Eversdal has had to turn down a R25-a-month two-bedroomed house in Nababeep because he cannot afford the cost — between R800 and R1 500 — of transporting his belongings there.

Mr Raymond Thomas, who battles to make ends meet on his monthly pension of R39,90, applied for one of 30 houses made available to struggling pensioners by the O'Okiep Copper Company earlier this year, as its contribution to the Year of the Aged.

'Still vacant site'

"I would have moved into the house offered to me, but cartage companies charge a minimum of R800 for the 597km from here to Nababeep," said Mr Thomas, a war veteran, who was compelled to move out of his City flat in 1977 "when a government garage was planned on the still vacant site".

Mr Thomas said he knew of another pensioner who was unable to accept a house in Nababeep because he could not afford to transport his furniture there. "I wonder how many other pensioners are in the same boat."

Mr Thomas has been asked to move out of his Eversdal room because the owners need it for an ailing relative.

"I have applied for accommodation in old age homes and for a City Council flat, but bachelors under 65 are not eli-

gible, although 60-year-old married females can apply for the flats."

This was confirmed by a Cape Town City Council spokesman who said flats were also available to 60-year-old spinsters provided they received a pension or a disability grant.

Mrs H S S Schreuder, housing manager of O'Okiep Copper Company said that only five of the 30 houses allocated to pensioners were still unoccupied.

"We have just given the houses away to have people living there. We are working on borrowed money and it is far-fetched to ask us to pay their removal costs as well."

Mrs Schreuder said most of the pensioners who had moved in to the houses were Namaqualanders.

"They know the harsh climate — hot semi-desert conditions. It is not Cape Town and not everyone realizes this. The pensioners must be healthy and self-sufficient as we do not have the facilities to care for them."

● Age In Action, a photographic competition, with big prizes to be won, is being run jointly by the Cape Times and the Community Chest of the Western Cape to mark the Year of the Aged. Black and white photographs (20 x 25cm) or colour slides, depicting AGE IN ACTION, should be sent to the Community Chest, P O Box 3836 Cape Town 8 000 or delivered by hand to City Centre, 2nd Floor, 71 Loop Street, Cape Town.

Own Correspondent

JOHANNESBURG. — It is predicted that mortgage bond rates will probably go up early next year, but the increase should be less than one percent.

Mr Hendrik Sloet, retiring president of the Association of Building Societies, said yesterday that mortgage rates would almost certainly go up again before they came down.

While he could not say when the increase would be announced, and while he was not making an official statement, he felt it could be within the next three months. But it would be less than the 1 to 1,5 percent forecast in some reports.

Mr Sloet's good news yesterday was that the impending increase would probably be the last before the bond rates turned down.

He said the turning

Further rise in bond rates predicted

point in interest rates had come too late to prevent a further increase. "Had they softened about nine months ago, it would have been possible to avoid it."

Now a "significant" upward adjustment was needed.

"The building society movement has many tens of millions of rands on fixed deposits on terms of 18-24 months at rates of eight to 12 percent, some of which are maturing each month, and to retain them as investments we must offer market-related

rates.

"In effect, in spite of the fall in interest rates, the cost of money to the societies is still increasing. And any new money coming in commands a rate higher than the average yield from mortgages."

● The house mortgage bond squeeze is beginning to ease, but only just.

This is the feeling of Cape Town building society officials and estate agents who caution, however, that money for housing is still ex-

tremely tight.

"We're finding bonds are becoming more readily available," said the chairman of the Cape Town and Western branch of the Institute of Estate Agents, Mr Geoffrey Seef. He attributed much of the improvement to the entry of Barclays National Bank into the home loan market.

The regional manager of the Allied Building Society in the City, Mr E C Baker, said his society was still lending and "the position is not getting any worse". Prices of houses were not dropping and demand was still high.

The Cape Town branch manager of the EP Building Society, Mr Roy van Litsenborgh, believed the outlook remained pretty bleak. He said he had heard there had been an improvement, but believed it was "not very pronounced".

Plan to solve shortage

Mercury 21/10/82 (23)

Municipal Reporter

PRIVATE developers could provide three-bedroomed, one bathroom houses for less than R18 000, and still make a fair profit — while solving South Africa's critical housing shortage in urban areas.

This is revealed in a memorandum which a director of one of the country's largest economic housing developers says he has submitted at ministerial

'The answer lies with the private sector'

level, to prove that the solution to the shortage lies with the private sector, and not with the

Government.

But Mr A C Demmers of Ilco Homes has emphasised that the

price would be subject to several provisions.

The memorandum says there should be no

delays between township approval and the municipality's approval of plans, as is often the case now.

Building bylaws would have to be similar to those prepared by the South African Bureau of Standards, and be uniform throughout the country. This would reduce building costs by at least 10 percent.

The State, municipality, or semi-government institutions should not build or own houses at all.

Subsidy

The developing, building and financing should be done by private enterprise, with the State subsidising the interest on long term loans on an ever-decreasing basis — as opposed to the present system, where many families whose incomes have increased greatly in recent years continue to enjoy a housing subsidy to which they are no longer entitled.

The house would have three bedrooms, a living room, kitchen, bathroom with combined toilet, electricity, hot and cold water and normal sanitation provisions.

The memorandum says the State should make land available for houses for all races in the lower income groups.

This should be sold to private enterprise on condition it is developed within a stipulated period. This would include services.

Financing would be done in the normal way, by building societies, banks, insurance companies, pension schemes and any other financial institutions.

The loan conditions would be monthly repayments of 25 percent of one-twelfth of the family's total income. The loan would be 95 percent of the value of property purchased, repayable over 30 years with a market-based interest rate.

In urban areas very few families earn less than R200 a month.

A family in this bracket would pay R50 a month and be subsidised by the State out of monies made available for housing.

The State subsidy for a R17 100 loan would be R162,81 a month for the first year. This would be reduced drastically if incomes continued to rise at their present rate.

Shortfall

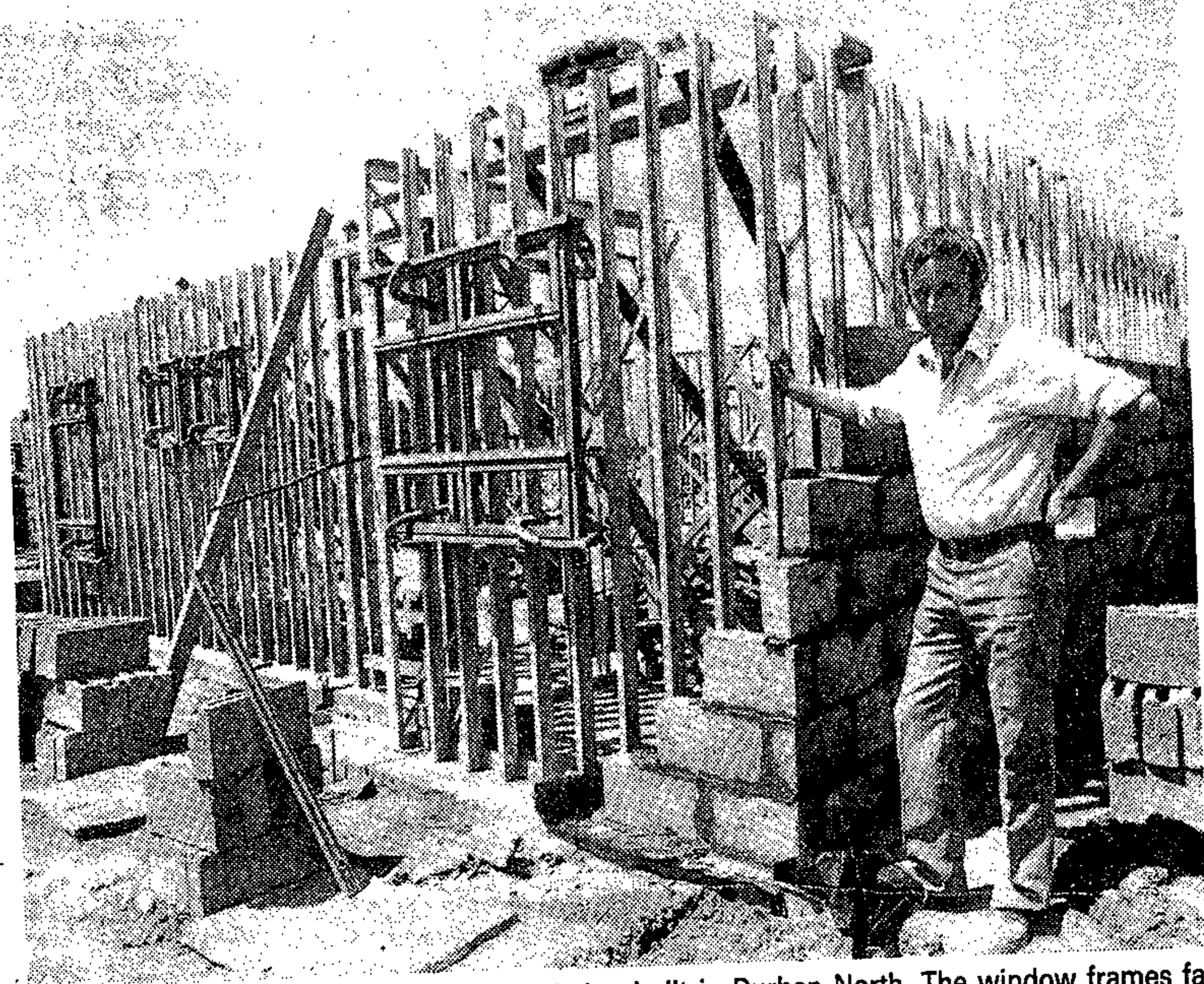
'There will be a shortfall in these State funds in the beginning, as so many homes will be in demand, but in the long run this will decrease when housing shortages are reduced.'

The subsidy could be assessed annually by requiring employers to issue IRP5 tax forms, even if no tax is deducted.

If all existing State housing schemes were sold at cost, the Government would have a capital fund of more than R2-billion.

Sold at market value, the Government would make 'a fantastic profit', which would be justified if ploughed back as a subsidy on loan interest.

The financial institutions would gear themselves quickly to handle the concept and the building industry, which is labour intensive, would get a boost.



MR Robin Schroenn with one of the units being built in Durban North. The window frames fastened to the aluminium jigs and concrete blocks laid on the composite raft foundation are illustrated clearly.

Revolutionary new construction method

Mercury Reporter

A DURBAN man has pioneered a new construction method which dramatically reduces the time taken to construct a house, as well as reducing the costs.

By using concrete blocks and aluminium jigs, the need for levels and plumb lines — used constantly in normal construction methods — is avoided, as the horizontal and vertical lines are preset and marked on the jigs.

Mr Geoff Reardon, chairman of Edment Building Company and designer of the method,

says a house can be built in a third of the time needed to erect a similar house, using traditional methods.

'It is also cheaper at half the cost of materials and a third of the cost of labour,' he said.

This week Mr Robin Schroenn, marketing director of Ashcombe Estates, showed the Mercury around the Grovewalk Holdings Broadlands development scheme in Durban North, where the innovation is being used.

The site was reminiscent of a factory, with labourers moving from unit to unit in place of a

conveyor belt delivering units to workers.

The concrete blocks used in the operation are made on site by two machines producing 3 000 a day. Each block is equivalent in size to six bricks.

Boom

'I started developing this system nine months ago, when skilled labour was hard to find because of the building boom,' Mr Reardon said.

'I developed it so that almost any person, as long as he could use a trowel and mortar, could lay blocks accurately.

'Concrete blocklayers can lay 150 blocks a day, which is equivalent to 900 bricks. It is difficult to find a bricklayer who can lay 900 bricks a day.'

Blocklayers demand half the wages of a bricklayer, Mr Reardon said.

'Using my aluminium jig method, I am completing the block work on the townhouses at Broadlands in a day and a half. Using traditional methods, it would take between four and five days, using the same amount of labour.'

Each townhouse consists of two bedrooms, a lounge, diningroom, kitchen, a bathroom and toilet, a guest toilet and a garage and will be sold at R65 000.

Mr Reardon estimated the saving on material and labour would be R2 000 on a two-bedroomed and R3 000 on a three-bedroomed house.

Similar townhouse units built with brick and traditional methods would not cost much more than R65 000, because the figure includes land and plumbing, sewerage and electrical reticulation, as well as the finish and profits.

Foundations

'If a similar house were built on its own in a street, the provisions for sewerage, plumbing and electricals are paid by the municipality. But being a townhouse development scheme, we have to provide these, and the cost is passed on to the buyer,' he said.

Instead of traditional trench foundations, Mr Reardon uses a composite raft foundation which consists of a block of concrete, 450 mm thick and highly reinforced.

He said he was laying two rafts a day at Broadlands, which is more than double the number of traditional foundations which could have been dug in that time.

'Concrete blocks have been used in low cost housing for years. Three years ago I looked at the feasibility of using them for housing for the middle and upper income group, and found them to be entirely safe and cheaper than traditional bricks,' Mr Reardon said.

Plea for more low-income housing

ARGUS 25/10/82

123

ANY country which could afford R3 000-million a year on defence had to be able to afford to build low-income housing, Professor W F Kilian, head of the department of building management at the University of Cape Town, said at Sea Point today.

Speaking at the opening session of the Building Industries Federation, he said it was clear that the provision of low-income housing was of equal strategic importance.

handsome margin (17 percent compared to 11 percent)."

The authorities had also failed to sterilise some of their funds during the hectic days of 1980 and 1981, and when one considered that the exchequer had the additional windfall revenue from the gold boom during these years, it became remarkable that they were so unsuccessful in controlling the flow of funds to buildings.

WARNINGS

Referring to the warnings that South Africa was threatened by a total offensive, and that enemies of the country were "fanning grievances into a revolutionary flame", Professor Kilian said: "Upwards of 70 percent of construction workers come from black communities and one is forced to realise that the provision of jobs through stimulating construction is of strategic importance."

Professor Kilian also told the Federation that much of the blame for the current cost spiral in building lies with the Government.

Referring to the 114 percent surge in costs between 1978 and 1981, he said: "Government has to accept full responsibility for having failed to curb inflation generally during the long recession of 1974 to 1977 when inflation was at an average of 11 percent a year.

"Virtually all building materials were price controlled yet their prices rose by 22 percent, 17,2 percent and 12,3 percent respectively during 1975-77 beating the relatively uncontrolled prices of consumer items by a

At an annual growth rate of five percent the economy can be expected to double over the next 15 years. Unless the authorities can succeed in reducing the inflation rate to single figures, the cost of housing will continue to escalate.

These facts, coupled with the increased demand for housing resulting from the population explosion and bearing in mind the considerable backlogs which have to be made up, make it certain that the demand for home loan finance will be enormous.

Building societies will certainly not be able to satisfy this demand even if they are free to compete in the open market for funds and have absolute flexibility in the setting of the bond rate. Such freedom would not satisfy the demand for housing — it would merely reduce the demand for loans.

In other words, if building societies were to increase rates to attract funds and if they increased their bond rates still further to enable them to do this, the demand for building society finance would diminish and perhaps equate with the increased inflow.

It would not solve the problem of an increasing group of people who would not be able to afford the high rate which building societies would have to charge but who nevertheless require housing.

Other sources of mortgage finance could be:

- Commercial banks, one of which has already entered the home loan market.

Housing: combined effort vital

123
SMW
23/10/82

There should be wider acceptance of alternative building systems which do not sacrifice quality, says Boet Viljoen.

However, they would only be interested in this type of lending if the rates were attractive enough. This was proved in Britain where the commercial banks concentrated on the upper end of the market and in fact secured, at the peak, some 40 percent of the total home loan market.

However, once rates dropped they were conspicuous by their absence in the market and building societies found themselves having to satisfy an increasing percentage of the total demand.

I do not see that commercial banks will be an ongoing force as suppliers of home loan finance as they are bound to be less active in this market once returns on funds so employed do not meet required levels.

- The employer. Naturally companies do not wish to tie up large amounts of their capital in loans to employees but to retain staff they may be forced to, in which case it could well be that the authorities will have to look at some form of tax inducement to encourage them to play their part.

The mobilisation of funds for housing either through building



Viljoen . . . "Educate the public."

societies or through the Government's Housing Fund should be thoroughly motivated. It would seem that pension funds and life assurance companies could contribute to a considerable degree through funds invested at market-related rates.

Personal savings should be stimulated through tax incentives. Largely as a result of the high inflation rate, South Africa has become a nation of spenders rather than savers and it is precisely this which fuels inflation. People are not only saving less but they are also withdrawing the

money which they have accumulated in the past.

An adequate supply of serviced erven for all race groups and the speed at which township development can be achieved are vital if prices are to be contained.

Building societies and local authorities are continually reviewing building regulations and their minimum requirements, but it is my view that new developments and products take a long time to gain acceptance. As an example I quote the use of plastic conduiting for electric wiring which has been on the market for many years and only recently gained acceptance by local authorities.

Alternative building systems abound in the market place, yet many of these do not achieve what they claim — for example, substantial reduction in cost. Where this is in fact achieved without loss of quality standards, the suppliers of these systems find a lack of acceptance owing to conservatism on the part of the public, local authorities and the suppliers of home loan finance.

The process of educating the public

should be accelerated to achieve cost savings as well as wider acceptance of more modern building methods.

Finally, it is of prime importance that the Government continues its policy of discussion with and involvement of private enterprise. The authorities, local authorities and private enterprise must work together in solving the housing problems of our country.

• Boet Viljoen is managing director of the SA Permanent Building Society and chairman of the Viljoen Committee which examined the Soweto housing backlog. This extract is from an article in the publication Leadership SA

Krem

With its new approach to China firmly established, Russia is turning its attention to other foreign policy areas, with Africa in the forefront.

Africa has not usually been a high priority for Moscow, which has tended to concentrate on relations with the West, the Middle East and Asia. This month, however, President Brezhnev used the occasion of a dinner in the Kremlin for Colonel Haile Mariam Mengistu, the Ethiopian leader, to launch a wide-ranging attack on Western exploitation and "encirclement" of Africa.

Now Krasnaya Zvezda (Red Star), the

Science

Penguins in the depths

Whether surrounded by scrap metal dealers, military men or scientists, king penguin chicks on South Georgia Island in the Antarctic need to be fed.

The strenuous life of

metres. Each penguin made many dives of more than 100 metres, and two of them once reached about 250 metres, a depth equalled among birds by only the emperor penguin.

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If you're looking for a really secure investment that guarantees a high-interest monthly income and your money back at the end of the investment period, look no further than Neabank Fixed Deposits. Get security in your investment and security of mind.

Accus 28/10/82
123 263

City says new housing plan risks disaster

Municipal Reporter

THE Cape Town City Council today warned that the Government's new policy on housing would lead to disastrous results, and decided to send a delegation to the Minister of Community Development

The Department of Community Development, which makes State funds available through the National Housing Commission, has decided it will now supply funds only for housing "the very poor (earning less than R150 a month), the elderly and the infirm".

A 10-page memorandum was adopted by the council, which decided to send a copy to the Minister, Mr S P Kotze.

DESPAIR

The memorandum calls for a re-assessment of the housing policy and warns of a "major increase in slum conditions, despair and severe public reaction" if the policy is implemented.

There are more than 19 300 families on the council's waiting list for rented accommodation, and 9 000 families who would like to buy houses.

In June a survey showed that 30 percent of the applicants earned less than R150 a month, 27,6 percent earned between R150 and R200 a month and 18,5 percent between R200 and R250 a month.

The memorandum says the demand for houses is likely to increase at a rate of 600 a month and that the supply of new houses will soon decline, then dry up in about a year's time.

During the debate, Mr Clive Keegan said there was a long-standing tradition of State involvement in providing housing for citizens, and it was "transparent nonsense" for Mr Kotze to justify his policy by saying this was not so

"Were the majority of the poorly housed or unhoused in this country white, this so-called new policy would never have been contemplated.

"The denial of effective municipal political rights to people of colour has illustrated the general tendency for unenfranchised groups to suffer discriminatory treatment," he said.

CRIME

In his maiden speech, Mr Sam Gross said poor housing conditions were one of the main causes of crime and, by providing housing, the root cause of the problem could be eliminated.

The memorandum also says a reduction in funds for public housing in Cape Town will "inevitably lead to major unemployment and a major financial downturn.

"Besides this, it will of course lead to a great deal of hardship and frustration for those on the waiting list. Serious repercussions must be expected."

With regard to self-help schemes, the memorandum calls for a different approach for urban areas "where the community is more sophisticated and has a tradition of reliance on the public sector for the provision of various essential services and facilities."

Controls on black housing

By Eugene Saldanha
 Self-help housing schemes will be of more benefit to the black community than subsidised rents, says Mr Jan Steyn, executive director of the Urban Foundation.

Addressing the Pretoria Press Club yesterday, Mr Steyn said subsidised rents had created dependence and denied blacks self-reliance. This had led to the myth that blacks were "temporary sojourners."

speaking on the role of the Urban Foundation in a changing socio-economic environment. "The private sector was excluded from black housing because housing delivery was almost exclusively in the hands of the State

or its agencies. This situation has been enormous. "It creates dependency and inhibits the exercise of individual initiative. "There is

LANDS	8750	6.9	13.1	9250	5050	
MIN. FIN.	4900	100	5.3	12.9	6550	3500 1050
AMGOLD	11100	100--	7.7	8.2	11750	5800 405
ASSORE	3300		3.6	9.5	4000	3000
COR SYND	130		1.5	86.7	255	50
DUIKER	375		10.7	23.6	535	310 3184
E R CONS	53		4.1	8.9	55	37
FREDDEV	670		7.1	7.6	720	310
METAMIN	600		3.8	5.7	620	380
MID WITS	1550		4.8	7.3	1675	695
MINORCO	1145B	20	2.2	6.4	1200	590
NEW CENT	990B	30	6.6	6.7	1035	695
NEW WITS	670		6.9	9.6	730	305 5036
RAND LON	80	3--			385	80 900
SEL MIN	600		7.7	8.5	630	400
SNTRUST	1300		7.2	9.9	1400	720 3600
WEEFNT	750		10.1	13.8	1225	610
WIT CONS	1800		8.3	9.1	1930	860 500
VOGELS	260		6.2	8.3	325	200
WIT DEEP	610		11.8	11.8	950	500
FINANCIAL RAND	1850		3.7	6.8	2000	950 555
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State control in housing criticized

CAPT Tink
9/11/82

Staff Reporter ¹²³
APPEALS to the government to provide more funds for black housing would perpetuate a system which denied freedom and independence, according to the executive director of the Urban Foundation, Mr Jan Steyn.

In a recent address to the Pretoria Press Club, Mr Steyn said that while one had to recognize the legitimate role of authority, a free dynamic housing system was the only escape from "bondage".

Subsidized housing had denied self-reliance to blacks and it was through this process that private-sector participation had effectively been excluded.

"Thus housing delivery was almost exclusively in the hands of the state or its agents, and thus the belief that urbanization could be controlled by

limiting housing provision was sustained."

Mr Steyn said it was imperative that the housing process should be based on freedom of choice, community participation, and economy, with an emphasis on home ownership.

"We believe that anyone who wittingly or unwittingly seeks to control this process for political or other purposes denies the people the freedom to which they are entitled and subjugates them once again to control and caprice."

Dynamism in the housing process was dependent on a viable private-sector participation.

Housing was a vitally important component in the total development of the black community and employers and developers should accept their share of the responsibility, he said.

Private sector slams State control

A FREE, dynamic housing system is an escape from bondage, Mr Jan Steyn, the executive director of the Urban Foundation said.

Addressing the Pretoria Press Club, Mr Steyn said subsidised housing had created dependence and denied self-reliance to blacks.

He said Government subsidised rental accommodation gave content to the myth of the 'temporary sojourner' while also excluding the private sector from black housing.

Mr Steyn added: "Thus housing delivery was almost exclusively in the hands of the State or its agents, and the belief that urbanisation could be controlled by limiting housing provision was sustained."

The foundation wanted the housing process to be based on freedom of choice, community participation and affordability with an emphasis on home ownership.

"We believe that anyone who wittingly or unwittingly seeks to control this process for political or other purposes denies the people the freedom to which they are entitled and subjugates them once again to control and caprice," Mr Steyn said, adding that with the current lack of resources the State remained the only source of revenue.

He concluded: "Dynamism in the housing process is therefore dependent upon a viable private sector participation."

Mr Steyn stressed that the private sector should not accede to pressure to provide resources that would lead to the "perpetuation of a system which denies real freedom and independence, and promotes dependence and administrative control over the individual in this vitally important field."

"Housing is a vitally important component in the total development process of our black community," he said. "A free, dynamic housing system is an escape from bondage."

State spending lags

By Stuart Flitton
Government spending on housing has not kept up with increasing building costs, Mr Pen Kotze, the Minister of Community Development said yesterday.

Addressing the South African Institute of Housing, Mr Kotze said that over the past four years Government spending on housing had risen 15 percent a year compared with the 30 percent a year rise in building costs.

Housing aid is not in step with rising costs

Mr Kotze referred to core housing projects where a few rooms are built and the occupants add on rooms. He said only a few of these houses had been finished. The incomplete homes had led to serious overcrowding,

but the scheme had worked in some areas.

The Louw Committee on Housing believed core houses were up to 25 percent cheaper.

"When embarking on such core housing projects, local authorities must take steps to

establish the necessary technical assistance centres and create incentives and institute control measures to ensure the houses are successfully completed," he said.

Mr Kotze said that in future the Government would emphasise the need for acquiring land and creating the necessary infrastructure so anyone wanting to participate in alternative housing schemes could do so.

Single department urged on housing

There should be a single Government department for housing for all races in South Africa, Mr Colin Eglin, the Progressive Federal Party spokesman on housing, said yesterday.

Mr Eglin, who is also the Opposition spokesman on foreign affairs, was addressing the South African Institute of Housing seminar at a hotel near Jan Smuts Airport.

"I don't want housing for the people to suffer because Piet Koornhof (Minister of Co-operation and Development) or Pen Kotzé (Minister of Community Development) have divided responsibility, or because neither has overall responsibility, or because their departments have different approaches on housing issues," he said.

"To put it in down-to-earth American — I want a situation where no one can pass the buck, because there is one person carrying the can." He said if the Orderly Settlement and Movement of Black Persons Bill became law, it would prevent the private sector from making substantial contributions to solving the housing crisis.

"The private sector will never be able to make a real contribution while the Government sees housing not as a piece of social engineering geared to provide shelter and improve the quality of life, but as an administrative instrument with which it attempts to apply racial policies."

Goose shot crossbow ing fine

Mail Reporter

Egyptian goose found an arrow through its neck is one goose that is going to be cooked — it is a "good chance it will live".

According to public relations officer for the Society for Prevention of Cruelty to Animals (SPCA), Mrs Sara Nash, the goose "is being pretty well".

It was found at the weekend Zoo Lake swimming pool with a crossbow arrow through its stomach.

Inspectors Mr Stan and Mr Hennie finally caught the goose and it was taken to SPCA for treatment.

"The goose is in a cage under observation and if it survives we will return it to its own area," Mrs Nash said yesterday.

ms my sieges

... of the people's militia and seven Angolan soldiers.

Major Unita official in said the guerrillas had besieging Gago Coutinho for months and estimated that the government had lost thousands of men defending the town.

Major Unita had pulled his forces into the surrounding area after overrunning the garrison as it was pinned in hanging on to its position in a guerrilla position.

The communique said Unita freed 3 700 local people held by the government forces in Gago Coutinho and captured 45 military weapons, most of them made in the Soviet Bloc, as well as heavy rifles, RPG-7 rockets, mortars and aircraft guns.

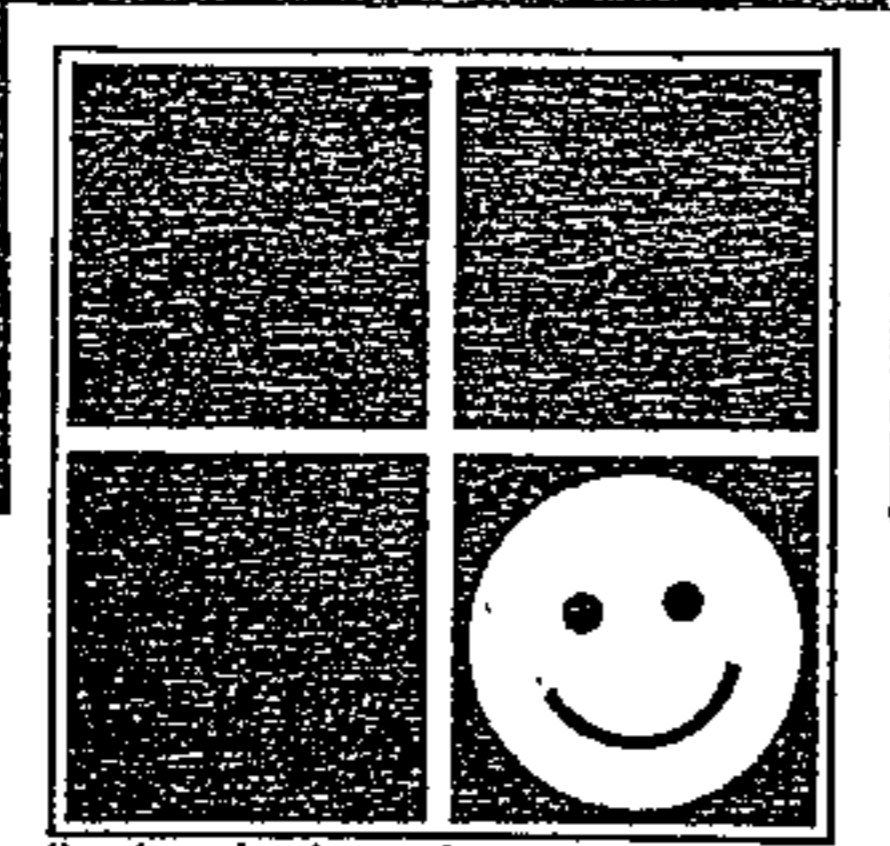
The Calulo attack in Angola, Unita also said "several government troops dead and wounded." Sapa-Reuter. UPI.

ation petrol eaters

Correspondent AN. — Police are cracking down on petrol stations break the law by selling petrol on Sundays charging the compulsory levy, which has replaced the permit system. Durban men from petrol filling stations are...



Frans van der Walt, national personnel manager of Pick 'n Pay, points out the R18 500 "basic" house (on the right) and the more elaborate R26 500 house at the company's Pimville project.



Happiness is a home of your own, so join the **HOMEFRONT!!**

Pick 'n Pay show the way

By LIN MENGE



FRANS VAN DER WALT... "not just a gift from the company"

SO HOW does a self-packer earning less than R400 a month get to buy a R18 500 home with a building society loan ... when mortgage rates are so high even the rich are gasping?

Ask Pick 'n Pay.

It all has to do with "affordability" ... or how much a family can afford to pay in housing loan repayments every month.

The company's first step, says Mr Frans van der Walt, national personnel manager, was to invest R1-million with a building society.

The interest on that million is already being used to subsidise housing assistance for all their weekly-paid black, Indian and coloured employees — countrywide — who have had at least three years' service.

Loans of up to R5 000 are made to workers who want to buy their existing homes, or improve them.

Repayment is by stop order ... the worker paying back R3 a week for every R1 000 he owes, plus 2 percent interest.

Now — because there simply are no houses available for black employees — the company has gone further.

Its own housing project in Soweto is nearing completion at Pimville Zone 7.

This 34-house scheme, Mr Van der Walt hopes, will set a pattern for use elsewhere by the company.

Anyone who wanted one of these houses first had to find 10 percent of the total cost himself ... "so he would feel it was his effort as well, and not just a gift from the company".

The average cost of 33 of the houses was R18 500 (construction R14 500, infrastructure R4 000).

The 10 percent — plus legal fees for 99-year-leasehold, etc — amounted to R2 300.

Normally, the deposit needed would be 20 percent ... but the company, with that R1-million collateral as security, arranged with the building society to grant 90

percent bonds instead of the usual 80 percent by guaranteeing 10 percent themselves.

Then came the tricky part. The worker could now get a 90 percent bond for between R16 000 and R16 500, repayable over 30 years.

That would mean paying R205 every month in terms of the building society scale of payments.

But the usual building society rule is that you don't spend more than 25 percent of your income on housing ... so to pay R205 a month an employee would need to be earning R800.

But this is your shop worker, remember, who may be earning less than R400 a month.

So what to do?

To make the bond repayments affordable for these workers, the company subsidised the interest rate (It is the interest — or "mortgage rate" — that is the killer, because most of a bondholder's repayments in the early years are made up of interest).

Instead of the worker paying the current 14,25 percent mortgage rate, he will pay only 2 percent in the first year, while Pick 'n Pay pays the rest of the interest.

This means that, instead of paying R205 a month, he will pay only R70 a month in the first year.

The following year, when his wages go up, he will pay 4 percent interest and the company 2 percent less. And so on, for six or seven years until the employee is paying the normal interest rate.

At that point, his bond repayment will reach the normal R205 a month.

Mr Van der Walt stressed that the employee's contract was with the building society, not with the company.

The Pimville scheme consists of 33 basic houses, to which the owners may add tiled roofs, built-in cupboards and so on.

They are all three-bedroomed, with inside toilets, bathrooms, sizable kitchens, lounge/diningroom, laid on water, sewerage and full electrification.

Even the electric stove and the fence around the property

is included in the total price.

There are five designs ... all aiming at low cost while getting away from the old township matchbox concept.

The 34th — a more elaborate and tiled house — is for a personnel officer.

"Because he is classed as 'management,' he doesn't qualify for a subsidy," Mr Van der Walt explained.

"However, he gets the benefit of a cheaper house because it is part of this scheme.

"His contract price is R26 500 for a house that would have cost him R39 000 if he had had it built on its own elsewhere.

"It did not worry him that he would be surrounded here by the same people whose problems he sorts out all day at work ... it was his choice."

Sadly, it took 18 months to complete this scheme.

Although actual building has been completed in three months, there were endless problems involving the urban qualifications of the workers, in getting plans passed and simply finding a way through the bureaucratic requirements.

"Next time round, we should be able to do the whole thing in six months," says Mr Van der Walt.

Building costs have risen during the delays.

"The same contract today would cost us R3 000 more per house," he said.

A large construction firm built the houses for R195 a square metre, well below the normal rate of R320 a square metre.

On the other hand, those R18 500 houses will be worth R30 000 one year from now.

There is a lot more to learn from Pick 'n Pay's housing approach.

Watch HOMEFRONT for more details.

HOMEFRONT tells you what IS being done about the housing crisis, what CAN be done ... and HOW. So why not tell us what YOU are doing about housing your employees? That way you share useful tips, problems ... and hope. TEL: 710-2505/messages 710-2501.

Mass stand survey is under way

723

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28/11/82

By LIN MENGE

IN A major push to make land available to black home-seekers and white developers for 99-year-leasehold, the Government is undertaking a mass, countrywide survey of residential stands.

The land-surveying profession has dropped its charges considerably ... thus helping bring down the cost from almost R400 a site to an average cost of R65 a stand.

Some 370 000 stands are involved ... excluding Soweto, where Wrab's mass survey is already underway, and the Western Cape, where 99-year-leasehold does not apply.

Dr Piet Koornhof, Minister of Co-operation and Development, gave details of the survey at a recent seminar of the School of Business Leadership of the University of South Africa.

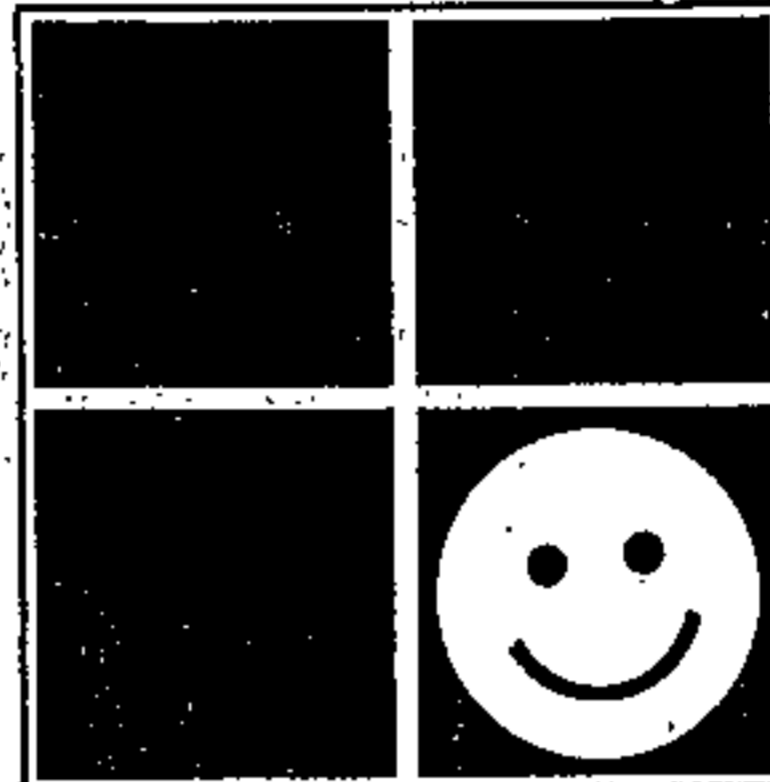
He said doing surveys piecemeal, or leaving the individual to arrange the surveying himself, was expensive.

The mass survey programme — for which the National Housing Fund had allocated a total of R28-million — would be completed in five to six years, he said.

A Central Implementation Committee — chaired by Mr Frans Cronje, Director of Local Government in the Department of Co-operation and Development — is meeting in various centres to get the survey going.

The effect of the survey will be to upgrade all residential stands to Class A, which is the level acceptable to building societies.

People who want to borrow money for home-building from building societies need leasehold title, not merely home-ownership. Before title is granted the site must have



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been properly surveyed by a registered surveyor.

The mass methods of surveying — whether aerial or on the ground — have to be approved by the Surveyor-General. Inaccuracies can lead to costly court disputes between neighbours.

Because the stands will all be Class A, they will be ready for conversion to freehold title.

The survey will be paid for by the people who occupy the stands in two ways:

- If the person buys his stand under leasehold right, the cost of the survey (about R65) will be included in the price he pays for the leasehold title.

- If he does not want to take up leasehold title on the stand, he will pay perhaps 30c to 40c a month extra in service charges over a 30-year period (The final figure is still to be decided).

This is because even people who can only afford very modest housing on a self-help basis will, in future, be able to get 99-year leasehold and qualify for building society loans.

If they then had to get their sites individually surveyed, after all the others had been done by mass survey, it would cost them an extra R400.

● MONDAY: Home improvement

HOMEFRONT tells you what IS being done about the housing crisis, what CAN be done ... and HOW. So why not tell us what YOU are doing about housing your employees? That way you share useful tips, problems ... and hope.
TELEPHONE: 710-2505/messages 710-2501.

Three million are looking for homes

BY BRIAN POTTINGER
Political Correspondent

RECENT shifts in Government housing policy — widely welcomed at the time — should not be regarded over-optimistically, say Professor Lawrence Schlemmer and Dr Valerie Moller in a special report for Mobil Oil's magazine, *Energos*.

The warning will refuel the protracted debate over strategies to overcome the country's staggering housing shortage.

The social scientists say even the most optimistic expectations of current Government policy are hardly comforting at this point.

"The housing position is so grave that an entire range of new approaches have to be considered to meet the immediate challenge", they say. Even with private sector involvement in building homes, the African housing crisis will steadily deepen unless dramatic new initiatives emerge.

The report sketches the background to the existing housing shortage and points directly at past Government policy as the major reason for the crisis now facing the country.

At last count the shortfall was 530 000 units, which meant that three million people were looking for homes — a staggering tally more appropriate to a country recovering from the ravages of war than one which has enjoyed unprece-

dent industrial development.

The core problem has been the ideological perspective adopted by the Government through the years; that blacks were temporary sojourners in urban areas and not deserving of accommodation that would encourage a sense of permanency.

The philosophy was summed up by Mr J C K Erasmus, then chairman of the Midlands Administration Board, when he said in 1975: "We must curb the flow to the white areas and attempt to create a counterflow to the homelands... In our prescribed areas we have room for productive elements but not for superfluous people who are parasitic on us."

A subsidiary problem was the long-held official resistance to any ideas of self-help or site-and-service schemes; a left-over of the bureaucracy's experiences with the slum phenomena of the early post-war years.

In the 1950s and 60s the Government embarked on massive State housing schemes that ate up the backlog, but from 1968 until 1978 it was decided that no more houses would be built in the urban areas.

The shortfall grew by leaps and bounds until it now stands at 530 000 and will cost an estimated R6 billion at current prices to eradicate by conventional means.

"One conclusion is immediately apparent. This order of money is not likely to

be available. There is a very real prospect that the housing shortage for Africans will increase from now on," says the report.

The Government's response to the crisis which its own policies brought upon its head has been to encourage home-ownership, shift to self-help schemes and seek to attract private sector involvement.

All three initiatives have had their setbacks.

Professor Schlemmer points out that despite a deep desire for home-ownership among urban-based blacks, a proper freehold system has not yet emerged for Africans in the common area.

"We have to conclude that an adequately functioning system of African home ownership has yet to emerge for the country as a whole."

The report notes "encouraging signs" of increased flexibility in the approach to housing by the authorities and says it appears the old insistence on rigid housing standards has come full circle and is back to the more flexible approach adopted in the late forties and early fifties.

Problems likely to be encountered, however, were overlapping and conflicting bureaucracies slowing down the rate of implementation and the fact that many existing informal (squatter) settlements will not be accepted as part of the authorised urban fabric.

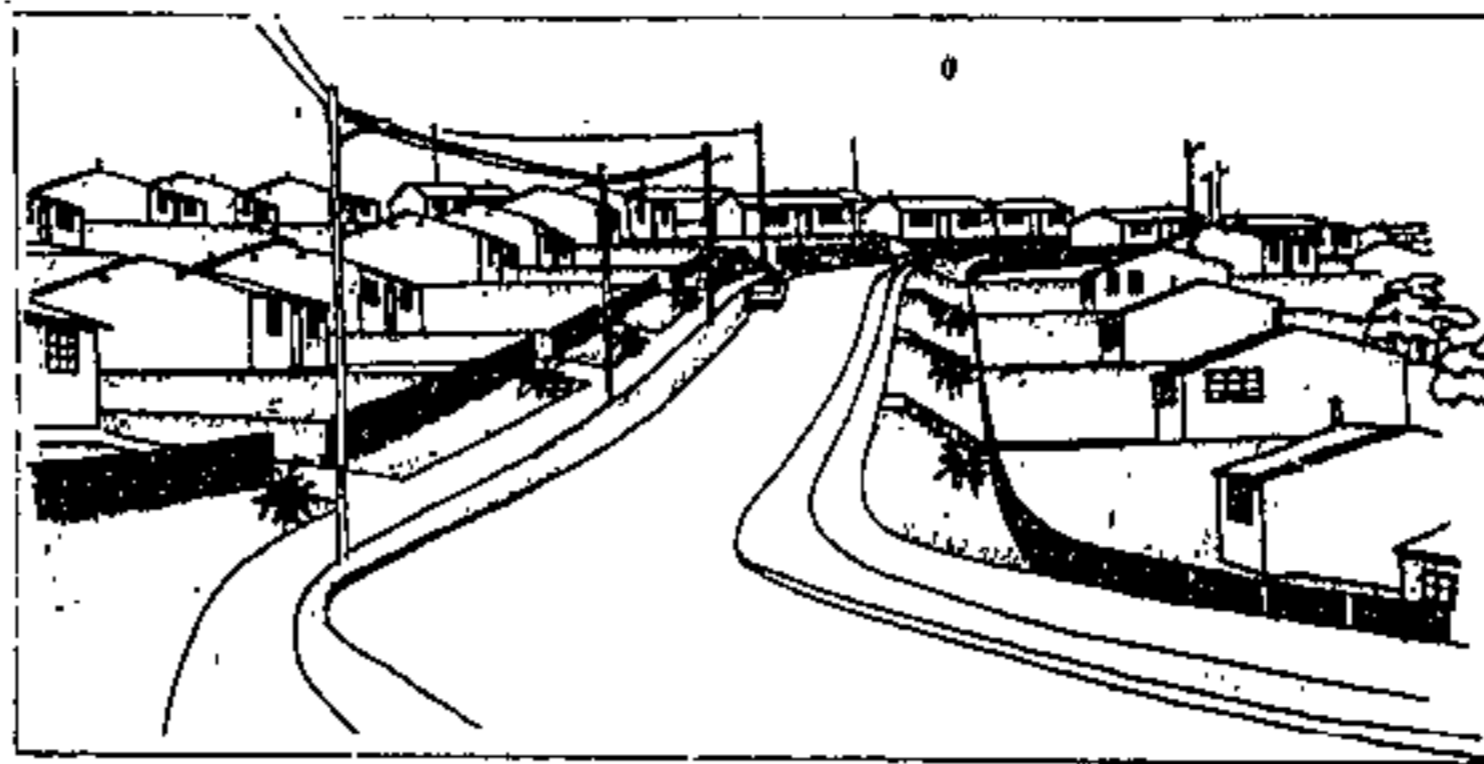
Professor Schlemmer and Dr Moller come out strongly in support of appeals made recently by Mr Louis Koch, Chief Director of the East Cape Administration Board, for more money to be channelled directly to upgrading services in informal or owner-built areas, the establishment of black building teams and the creation of zones of differing housing standards.

Although private sector involvement in building is vital, Professor Schlemmer claims the houses constructed are tied to employment and as such do little to meet the strong and intensely experienced need for security of tenure.

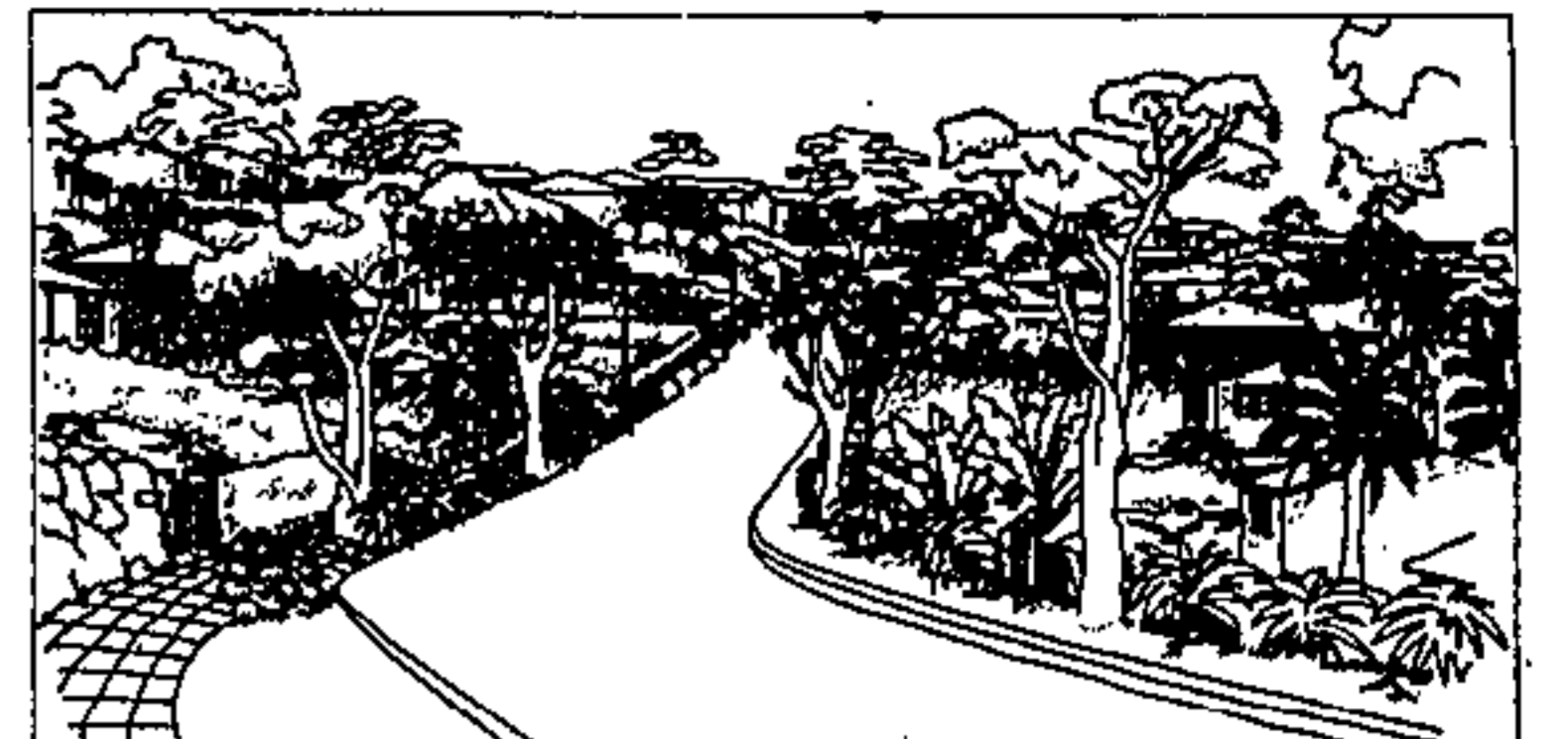
It was imperative for the authorities to realise that the era of the "location" and the "compound" and its modern equivalent, "the township" were passed forever.

"If we in South Africa insist on trying to 'give' every black person a house along the conventional lines we shall not only fail in a quantitative sense but, moreover, the public housing which is 'given' will not be appreciated.

"Housing, like work and community participation, must as far as possible be the result of personal endeavour," says the report.



Blacks preferred this environment because they identified it as urban.



Lush vegetation suggested a rural environment — dark and possibly unhealthy.

Matchbox houses rejected by township blacks

By Jean le May

MORE than 80% of township blacks are dissatisfied with their houses — and 85% say they would never buy them.

Given the choice, most blacks would live in the type of house popular in any middle-class white suburb — single-storey, with reception rooms on either side of the entrance hall, three bedrooms, kitchen, combined bathroom-toilet, a recessed front porch and a tiled roof.

This is the conclusion of Professor Lawrence Schlemmer and Dr Valerie Moller, of the University of Natal, in an article for Mobil Oil's journal, *Energos*. It is based on two surveys — one in Natal, the other in Soweto — on the quality of life in black townships.

The surveys also found that security was a major factor in determining choices made by blacks on housing and environment: certain types of houses were preferred because they were "safe" while others were rejected because they were seen as "unsafe" or because large windows made them "vulnerable".

Moreover, a landscaped suburb with heavy vegetation was seen as being "dangerous" and the top priority in neighbourhood amenities desired by people who took part in the survey was a police station.

The surveys, made in Kwamashu by the Centre for Applied Social Sciences at the university and in Soweto by the Centre for Sociological Research at the University of South Africa, found that size was the most common complaint about the standard "matchbox" house.

More than half the people interviewed for the Natal survey, said the first improvement they would make would be to build on another room.

People interviewed deplored the lack of corridors in "matchbox" houses, saying interleading rooms meant little privacy. Overall, the survey found "the need for space and privacy dominated perceptions".

Parents, in particular, complained about the lack of privacy.

"Some children have to sleep with their parents, or otherwise under the table in the lounge," said one woman, and a man put the problem vividly: "In that house children will see me making them."

Two-thirds of township housing was found by the survey to be overcrowded according to criteria of

minimum floor-space and separation of sexes.

A teenage boy who usually slept in the diningroom said: "When I come home late I have to sleep in the car."

The stress on space was so great that many people who asked to submit plans of preferred houses for the survey included a "typical rural homestead pattern, with internal circulation space taking the place of a courtyard of yard area between huts".

Shared toilets were another problem. One woman politicised it: "This being made to share toilets is a deliberate act by the authorities so that we fight among ourselves."

Most people preferred indoor toilets — as long as they were a long way from the kitchen and not visible from the living area. Several people reported assaults and even deaths en route to the outside toilet: "That's where the tsotsis sleep" and "Most of the widows lost their husbands through this outside toilet".

A series of 12 drawings of traditional housing was shown to those who took part in the survey.

First preference was given to versions of the standard suburban house described above: reasons were "gracious family living, strong and secure, spacious and modern", while the only disadvantage was that it was "expensive".

The third choice was a split-level house, which attracted the same positive comments as those above but which was also described negatively as "asymmetric design and expensive".

The fourth choice was, surprisingly, a modified township house which had the positive aspects of "affordable, acceptable, solid construction" with the drawbacks of "relatively small" and "irregular windows".

Fifth place was taken by a modified township house with a Cape Dutch gable added to the front, and sixth to a traditional double ronder-davel-type with a thatched roof, which was, however, criticised as being "unsuitable for urban living".

Two houses shown in the sample got the thumbs-down: they were both double-storeyed, one with a hipped roof (reminiscent of British council houses) and the other with a flat roof.

They were slammed by participants for being "tenement houses, expensive Indian style" with "oppressive or dangerous height" or — in the case of the flat-roofed house — looking like "an Indian shop or boarding house".

security risks" — although a few people complained the gardens were "empty".

They rejected the landscape with heavy plant growth because this was associated with a rural rather than an urban setting, or perhaps with "an underprovided peri-urban shanty environment".

The study found that in Kwamashu the following neighbourhood services and facilities were the "most desired", in the order shown: police station, supermarkets, schools, churches, railway stations, creches, bus stops, clinics, post offices and community halls.

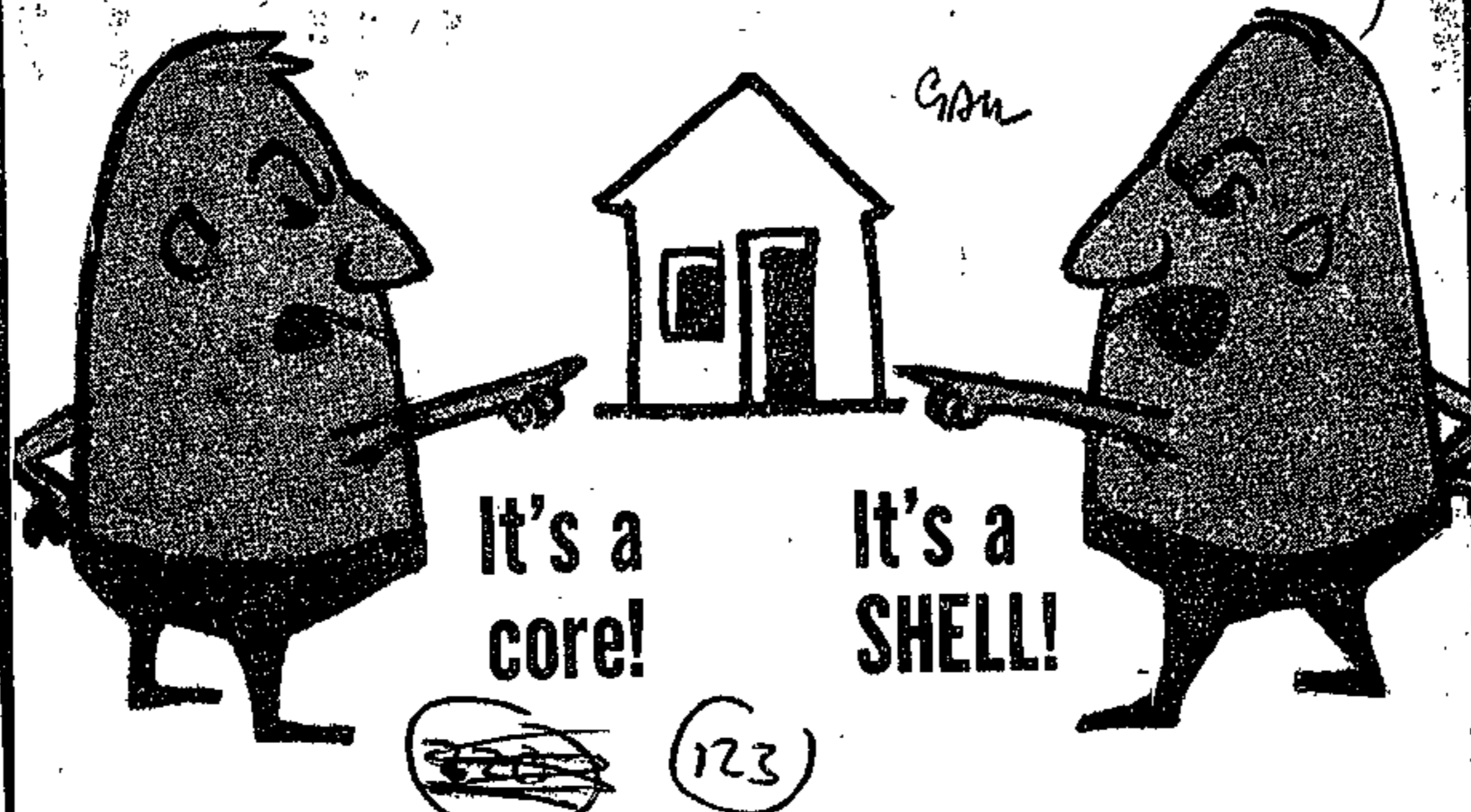


Many thought this house had "oppressive height" and was expensive.

ive or dangerous height" or — in the case of the flat-roofed house — looking like "an Indian shop or boarding house".

There was another surprise when those taking part in the Natal survey were shown two drawings of landscaped housing schemes, the first showing a row of houses with gardens bare of vegetation and the second with tropical planting of the type much admired in Natal's white suburbs.

Most people chose the first landscape, without any trees or plants in the gardens, because they saw it as "affluent, better-provided with services and with substantial houses on large plots, and a minimum of



Tax rebate for building cheaper

By LIN MENGE

THERE'S a tax benefit coming for employers who build less expensive housing for their employees.

Mr S F Kotze, Minister of Community Development, wants the present rebate which employers are allowed, to be adjusted to encourage the building of cheaper housing.

He says he has already referred the matter to Mr Owen Horwood, Minister of Finance.

At present, the Income Tax Law allows for a maximum of R4 000 to be deducted from the taxable income of employers for each housing unit they build for their workers in urban areas.

The Government itself is also going for cheaper housing. A core house, Mr Kotze says, could be 15 to 25 percent cheaper than the cheapest completed house built to National Housing Commission standards.

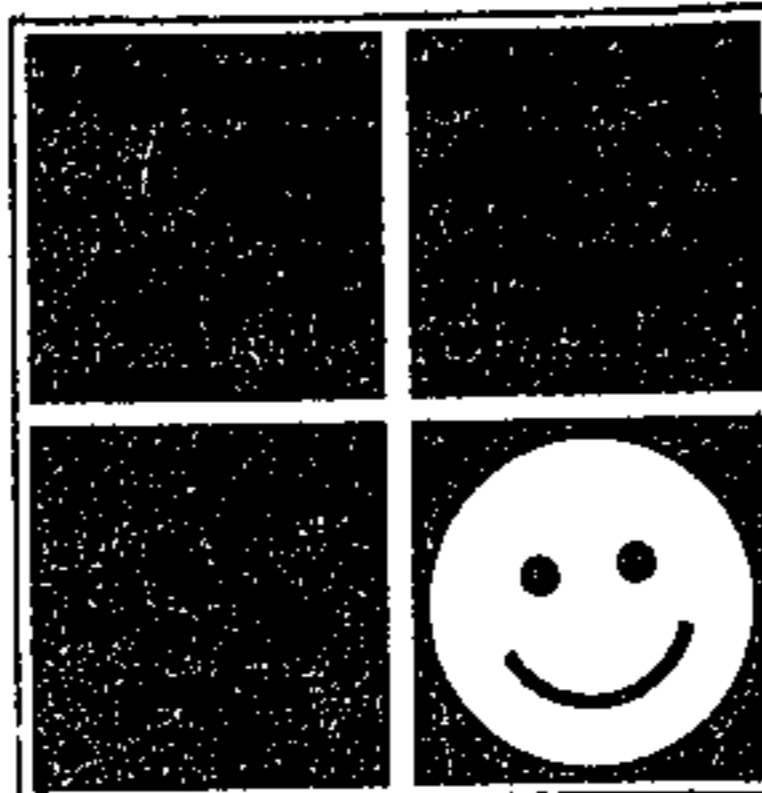
By using core housing, the Government hopes to provide more houses for the same amount of money.

The Government has already cut the cost of the houses it will build for the very poor by 30 percent, by no longer including: fencing on the street boundary; clothes lines; floor coverings; ceiling; painting of the inside walls; and, in some areas, electricity.

By leaving out these items, as much as R2 690 can be saved on the cost of a tiny one-bedroomed house.

Along with the change in standards is a whole new housing language. Quoting The State home ownership loan scheme has been revised to help such people, Mr Kotze said.

● **SELF-HELP** — assis-



HOMEFRONT!!

ted: Where the local authority, or some other organisation, such as a utility company (watch HOMEFRONT for what that means!), helps with finance, materials and technical aid.

● **SITE AND SERVICE:** A township with at least rudimentary services and temporary structures for people to live in (whether or not they put them up themselves), which must be replaced with permanent structures in a set period.

Again, there must be help with finance, technical aid and materials.

from the Louw Committee report, which has not yet been released, Mr Kotze gave these official definitions to a recent seminar of the SA Institute of Housing at Kempton Park:

● **COREHOUSING:** A bathroom and/or kitchen and, maybe, one other room. The owner must complete the house within a set period.

Local authorities will have to establish technical advice centres and introduce controls to ensure the houses are completed.

The core house owner must also have security of

tenure and a financial advantage over the person who rents a completed house.

● **SHELL HOUSING:** The outside walls and roof are provided, but not ceilings or inside walls.

The Government is not sure whether it wants to drop standards even further to allow for shell housing. It is also worried about the "social implications" of not providing inside dividing walls!

● **SELF-HELP** — unassisted: Where the person erects the house by his own means.

Natal plan

ANON-PROFIT Durban-based utility company, Commhousing — launched by a group of Natal businessmen and politicians to ease the housing shortage for whites, Indians and coloureds — will build two and three bedroomed homes, ranging in price from R17 000 to R28 000.

The company is also looking for land in Indian areas and plans to do its own building to keep costs down. Initially, couples will need ordinary bond financing.

Be patient

LOOKING for a home in Alexandra Township? Be patient, warns a Wrab spokesman. It could be three years, he said, before stands could be made available for private home ownership.

That is because a substantial part of the township must be developed first. In the meantime, start saving. HOMEFRONT will keep you informed of progress in Alexandra.

HOMEFRONT tells you what IS being done about the housing crisis, what CAN be done . . . and HOW. So why not tell us what YOU are doing about housing your employees? That way you share useful tips, problems . . . and hope. TELEPHONE: 710-2505/messages 710-2501.

United bonds for township houses

By LIN MENGE

IN A move which will bring home ownership nearer for hundreds of thousands of South Africans who could otherwise not afford it, the country's biggest building society is to drop its insistence on traditional white housing standards before granting mortgage bonds.

United Building Society (UBS) valuers have been examining a wide range of houses built by the Administration boards in black townships, and by the Department of Community Development in Indian and coloured townships, to see whether they offer adequate security for building society loans.

"We have decided that, where the construction is sound, we will be happy to lend on a township house ... even if it lacks a ceiling or cupboards or has a concrete floor," Mr Peter Richardson, joint managing director of the UBS — and president of the Association of Building Societies — told HOMEFRONT yesterday.

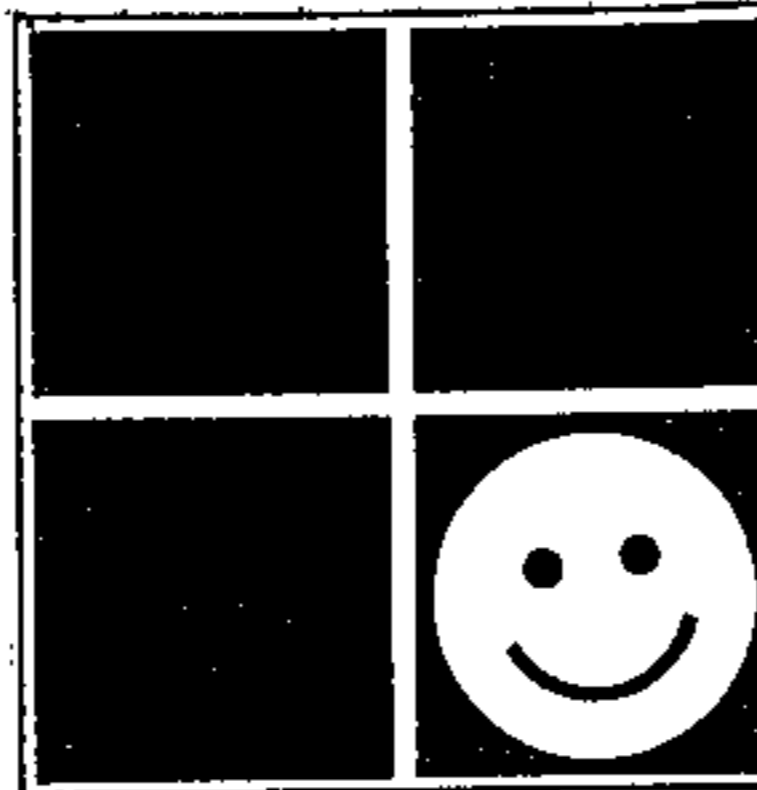
"We must not think the standards of the white group necessarily apply directly to the other groups, particularly where finishes are concerned," Mr Richardson said.

"It is not the absence of a ceiling that will decide whether a township house is sold or not.

"Our main consideration is that there must be a demand for such houses and a market for sale



PETER RICHARDSON
"Happy to lend"



HOMEFRONT!!

and re-sale of these houses.

"In the event of repossession by the building society of such a house, the existence of a market would be all-important."

Mr Richardson said he

was sure other building societies would follow suit.

Up to now, blacks who have wanted to buy their houses have been at a disadvantage.

Although they may have saved with a building society, they have not been able to apply for loans:

● Firstly, because — until recently — they had no leasehold title in urban areas;

● Secondly, because they could not afford to meet the white housing standards applied by the building societies.

Large numbers of State-built, rented houses will be offered for sale to their occupants when the Government starts pulling out of rental accommodation.

This will apply to all race groups, except for welfare cases.

Instead of providing houses, the Government will then concentrate on providing land and services.

"I'm not saying we will lend on all these houses when they come on sale," Mr Richardson said.

"But if the construction is sound, the cost of improvements — such as putting in a ceiling, adding another room or providing electricity — could be included in the loan."

HOMEFRONT tells you what IS being done about the housing crisis, what CAN be done. Tell us what YOU are doing about it. That way you share your hope. TELEPHONE: 710-2505

Home loans 'freely available'

Property Editor

LOANS for buying property can now be granted immediately, says one of the country's largest building societies, the SA Permanent.

An announcement is to be made in Johannesburg tonight, but a spokesman

in Cape Town said mortgages will now be "freely available."

"A lot more funds are coming in and there has been a dramatic change in the situation, especially with the banks cutting their prime lending rate," he said.

"This should put an end to the ugly business of raising fees."

The need for back-to-back finance should also be over.

For almost two years, building societies have had long waiting lists of home-buyers seeking

mortgages but the Perm claimed today it no longer had a backlog.

The biggest society, United, reported it still had more applications for mortgages than it could finance, but the position was improving.

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People are living there

SOUTH Africa's housing problem stems from poverty.

Only when poverty has been reduced through the education of the poorer classes will the housing problem begin to resolve itself.

This was one of the more pertinent comments to emerge at a symposium held by the Town and Regional Planning Commission in Durban this week on Indian housing in Durban.

The symposium, attended by housing experts and academics from throughout the country, was held to discuss a research report on Indian housing by Dr J Butler-Adam and Mrs W Venter, of the Institute for Social and Economic Research of the University of Durban-Westville.

The study was sponsored by the Town and Regional Planning Commission, Durban City Council and the University of Durban-Westville.

Dr J Evenwel, managing director of a Cape Town-based construction company, said: "The problem is clearly poverty. We are not tackling the disease,



There's no place like home — standards of Indian housing vary, but average living conditions are poor

but merely treating its symptoms."

Discussing the role and the contribution of the private sector in the provision of housing, Dr Evenwel made it clear that the private sector, which "kept the wheels of the country going" was out to make profits.

It would only really get involved in the provision of housing on a large scale if it did not have to work in competition with the Government.

The private sector could not compete with government housing which was provided at subsidised interest rates.

The report observed that the people with the lowest standards of education and the lowest status jobs earned the lowest salaries. Despite paying low rents, these people still experienced the worst levels of poverty.

"On the basis of the socio-economic data alone then, it is clear that the people who most needed housing or improved housing could least afford to pay for it."

The researchers also exploded the myth that Indians are generally rich and well educated.

In their survey, which took five years to complete and involved interviews with thou-

sands of families and individuals from almost every socio-economic level, they found that 12 percent of the adult population had no formal education.

"This means that one adult in every eight had not been to school. A further eight percent of the population had passed standard 10, but only three percent had post-school training. The majority of the population had a standard six or lower qualification."

Referring to earning levels, the researchers said: "About 40 percent of breadwinners in pri-

vate development flats were earning more than R400 a month, while in housing schemes and informal areas, at least 60 percent were earning less than R200 a month.

"As a result of these income patterns and 1978 cost-of-living, 23 percent of the households lived on or below their minimum living levels."

Mr Patrick L Dempster, General Manager, Operations, of the Urban Foundation, said the total housing demand in urban areas in South Africa for the period 1982-1990 was estimated at 2 525 800 units.

BY TICKETS
GHETTY

This meant there was an annual demand of 280 000 units at an estimated cost (1982 prices) of almost R4 000-million. He said the public sector provided 90 percent of all black housing, 80 percent of coloured housing, 65 percent of Indian housing and 15 percent of all white housing. He said in South Africa there had been a tendency to apply western housing standards to what was essentially a developing environment.

"It has been said that if these high standards, which I am sure all of us would like to see applied throughout the country if people could afford them, were applied in Japan, China and Taiwan, 90 percent of all the residential areas would be declared unfit, and if applied in the United States, probably 50 percent would be declared unfit." Mr Dempster said the reduction in minimum prescribed standards would result in the reduction of the amount of funds required by investors and people for building homes.

WANTED: 2,6m houses in 8 years

123

NEARLY 2,6-million houses would have to be built in the urban areas before 1990, the Urban Foundation's general manager (Operations), Mr Pat Dempster, said in Durban at the weekend.

Addressing a symposium on Indian housing, he said this worked out at 280 000 houses a year at a cost of R4 000-million calculated at 1982 prices.

But investment in housing was decreasing and last year was down to 2,8 percent of South Africa's gross domestic product. This compared with the five percent of the GDP invested in housing in the United States, 5,7 percent in Canada, 4,9 percent in Australia and 3,2 percent in the United Kingdom.

ALARMING

Mr Dempster said that although these were fully industrialised countries, South Africa's downward trend in housing investment had alarming implications for the country as a whole.

sector could help to develop houses.

This, he said, was a significant and necessary change to draw more private sector money into providing low-income housing.

The Government had also recognised that present building standards based on Western values were not suitable for the low-income sector and

was reviewing these to provide more varied and lower standards of housing on a regional basis.

It had conceded, too, that regulations and procedures in proclaiming residential schemes and building houses were cumbersome and created delays.

Finally, the acceptance of the Viljoen recommendations and

the appointment of the Steyn Committee pointed very definitely to a new attitude to housing in South Africa.

"I am anxiously awaiting announcements flowing from the work of the Steyn Committee which could give further strong impetus to the development of a dynamic housing process," Mr Dempster said.

The public sector today provided about 90 percent of all housing for blacks, 80 percent of all housing for coloureds, 65 percent of all housing for Asians, and 15 percent of all housing for whites.

If this pattern continued, he said, the public sector would be required to invest R2 600-million a year in housing, which was now five to six times the average investment of the private sector.

INVEST

It was against these trends and patterns that the Government's new housing policy, which he described as giving rise to optimism on the housing front, should be seen.

The bulk of low-cost housing in the past had been provided by central and local Government efforts and any moves to combine public and private sector spending in the same housing project had generally been resisted, Mr Dempster said.

But the Government had now committed itself to encouraging the private sector to play a more active role in housing.

It was concentrating its resources on providing serviced stands on which the private

Question 9.

Factor X

Drop in standards helps home seekers

CAPK TINKS
24/11/82

123

Staff Reporter

HOME HUNTERS now finding a slight improvement in mortgage bond availability also stand to gain from a relaxation in construction standards imposed by the country's largest building society.

The lower standards should greatly improve the possibility of home ownership for blacks in particular.

United Building Society (UBS) valuers have been examining a wide range of houses built by the administration boards in black townships, and by the Department of Community Development in Indian and coloured townships, to see whether they offer adequate security for building society loans.

"We have decided that where the construction is sound, we will be happy to lend on a township house even if it lacks a ceiling or cupboards or has a concrete floor," Mr Peter Richardson, joint managing director of the UBS and president of the Association of Building Societies, said.

"We must not think the standards of the white group necessarily apply directly to the other groups, particularly where finishes are concerned," Mr Richardson said.

"It is not the absence of a ceiling that will decide whether a township house is sold or not. Our main consideration is that there must be a demand for such houses, and a market for sale and re-sale of these houses. In the event of repossession by the building society of such a house, the existence of a market would be all-important."

At a disadvantage

Up to now blacks who have wanted to buy their houses have been at a disadvantage because although they may have saved with a building society, they have not been able to apply for loans — firstly, because until recently they had no leasehold title in urban areas, and secondly because they could not afford to meet the white housing standards applied by the building societies.

Large numbers of State-built, rented houses will be offered for sale to their occupants when the government starts pulling out of rental accommodation. This will apply to all race groups, except for welfare cases. Instead of providing houses, the government will then concentrate on providing land and services.

"I'm not saying we will lend on all these houses when they come on sale," Mr Richardson said, "but if the construction is sound the cost of improvements such as putting in a ceiling, adding another room or providing electricity could be included in the loan."

Meanwhile the director of the Association of Building Societies, Mr Tim Hart, agreed that there were real signs of an improvement in the societies' ability to lend, but it was too early to predict how meaningful this would be.

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SA set for huge sale of State land

123

SW 29/1/82

Own Correspondent

South Africa's biggest landlord, the Department of Community Development, is to sell vast amounts of State-owned land to private enterprise in the near future.

This is a dramatic reversal of Government housing policy and could profoundly influence the property market.

The major spinoff will be the construction of low-cost housing which will be supplied by private enterprise largely through housing utility companies rather than the Government.

The decision to sell this State-owned land was promised by the Carlton and Good Hope conferences the Government held with businessmen.

The huge sale could start as early as next year.

Deputy Director-General of the Depart-

ment of Community Development, Mr Patrick McEnery, was unsure how much land would be sold because his department was still busy with a countrywide survey. Results were not expected before January.

Besides State-owned property, land owned by the National Housing Commission and the Community Development Board, will be included in the land sold.

At a seminar in Cape Town on the establishment of housing utility companies this month, the Minister of Community Development, Mr Pen Kotze, said the Housing Act would be amended during the next parliamentary session to bring approved housing utility companies under its wing.

● The National Housing Commission has borrowed R50 million on the capital market to supply low-cost housing for all population groups.

When Anglo helps it's all the way

rom 30/11/82

123

By LIN MENGE

FROM the lowest level of employee to director — male or female — all Anglo American Corporation head office employees are eligible for the company's housing loan scheme, providing they are at least 23 years of age and have completed two years' service.

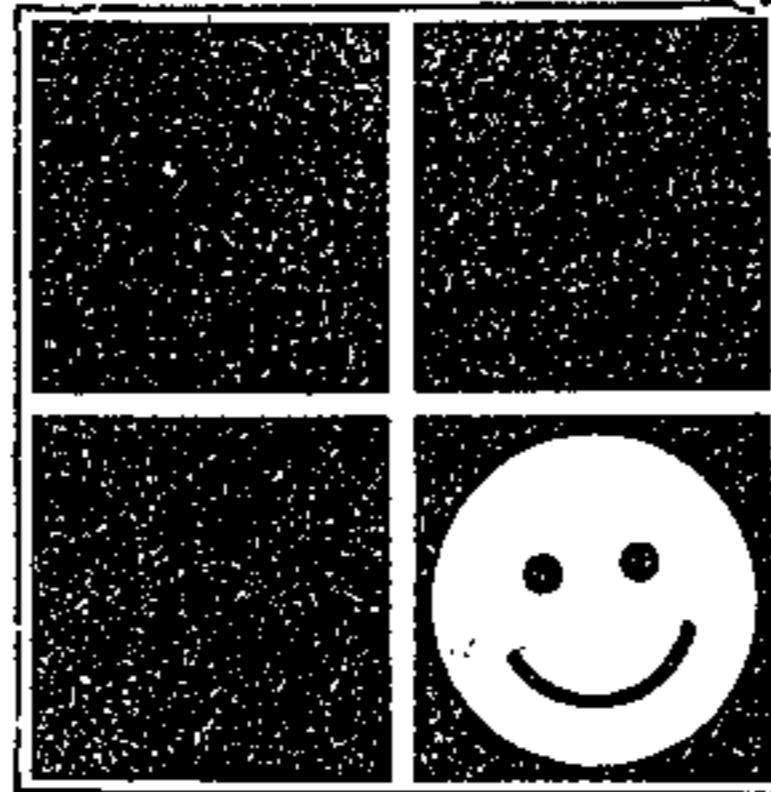
Anglo's scheme differs from others described in HOMEFRONT in that the corporation is able to provide many other services in addition to 90 percent loans.

The housing loan department will complete all the documentation and provide administrative expertise — particularly where 99-year-leasehold is concerned — Mr Norman Curtis, personnel manager for the Anglo American Corporation head office in Johannesburg, said in a statement.

"The architectural department will help an employee with the design of the house and give advice to enable him to build according to the means available," he said.

"They will find a reasonable builder, and advise him where to go for materials and what to look for in relation to costs."

While the small black building contractor in Soweto



HOMEFRONT!!

may be used, the corporation will go to some lengths to ensure the finished product is up to standard and design.

The architectural department will inspect the building of the house at various stages, recommending progress payments as each stage is completed to their satisfaction. This protects the employee and it safeguards the corporation's investment.

The amount of loan which an employee may ask for is based on salary and a set formula.

Repayments on a loan (including interest), may not exceed 25 percent of income. Interest rates on Anglo loans are tied to building society rates... but are subsidised by

HOMEFRONT tells you how to go about housing yourself or your employees... through reports in the Mail. If you have a question, tell us... we will try to deal with it in HOMEFRONT. TEL: 710-2505/messages 710-2501.

9,25 percent.

So where the present maximum building society rate is 16,25 percent, the corporation charges 7 percent. Loans may be taken over a 30-year period.

Blacks, because of the restrictions on their way of life and the fact that they generally cannot buy and sell houses in the same way as whites can, must repay their loan by the date of retirement — at 60 years.

This means their loan entitlement is calculated in terms of both salary and age. All other employees have to liquidate their loan within six months of leaving the corporation, during which period full building society interest rates are charged.

The bond is registered by the corporation's attorneys, and life insurance as well as house cover is required at the employee's cost.

The corporation holds the bond and the title deed (leasehold agreement) until the loan has been liquidated.

There is also a rural housing loan scheme for smaller, unsecured loans for those black employees who wish to build homes in the homelands. Only one loan at a time is permitted.



Leutenant McGlory Talala Vikilahle who manages the Old Mutual's branch in the Eskel, has become the first black branch manager to win the company's Chairman's Award for managers/sales managers. His branch also became the first branch under his management to win the Chairman's Branch Quality Award this year, the 51 Club Managers Award for 1982 and the most coveted of them all — in competition with 84 other managers throughout the society — the Chairman's Prize for Managers and Sales Managers.

Housing — Govt cuts spending

123
Surrey
2/12/82

THE GOVERNMENT would not be able to build any new houses in the black townships in the next few years.

In an interview yesterday the chief director of Erab, Mr F E Marx said the Government was experiencing severe shortage of funds for the building of houses in black areas. It was feared that within the next few years there would not be the funds to build even one house in the townships.

"It is upon the private sector to dig into their pockets to pay for their employees' accommodation," he said. "Unless the private sector goes out of its way to provide housing for its employees, the Government will not help at all and families without accommodation will increase by thousands."

Mr Marx said the scheme by Lenning Holdings to build houses for its employees was a commendable idea. He called on businesses to come forward and help the Government to alleviate the acute shortage of houses in black townships.

Mr W G Bertram, managing director of Lenning Holdings, told reporters that his company was going to spend about R2-million to build hundreds of new houses for its employees.

The houses will be sold from between R15 000 and R27 000.

Originally the houses were planned for the company's employees but now that they have satisfied the needs of the employees, some of the houses will be sold to outside individuals.

a dwindling force

in 1925, projected an aura of power and invincibility. The Washington Post stated the crowd of thousands totalled between 30 000 and 35 000. It reported that the men were cheered and Washingtonians lined the streets to see the parade. Saturday's 30-man parade was far cry from 1925's tens of thousands. — And yet it projected a level of anger which shocked even

Washington's veteran police chief, Maurice Turner.

Not terribly much is known about the Klan and its ramifications.

However, the Southern Poverty Law Centre in Montgomery, Alabama, operates what it calls its Klanwatch Project.

A spokesman for the Klanwatch said this week that he estimated the Klan's present strength at between 10 000 and 12 000

mostly members of the three main Klan organisations — the Knights of the Ku Klux Klan, of Tuscumbia, Alabama, (which organised Saturday's march in Washington), Knights of the Ku Klux Klan, from Denham Springs, Louisiana, and the United Klans of America, based in Tuscaloosa, Alabama.

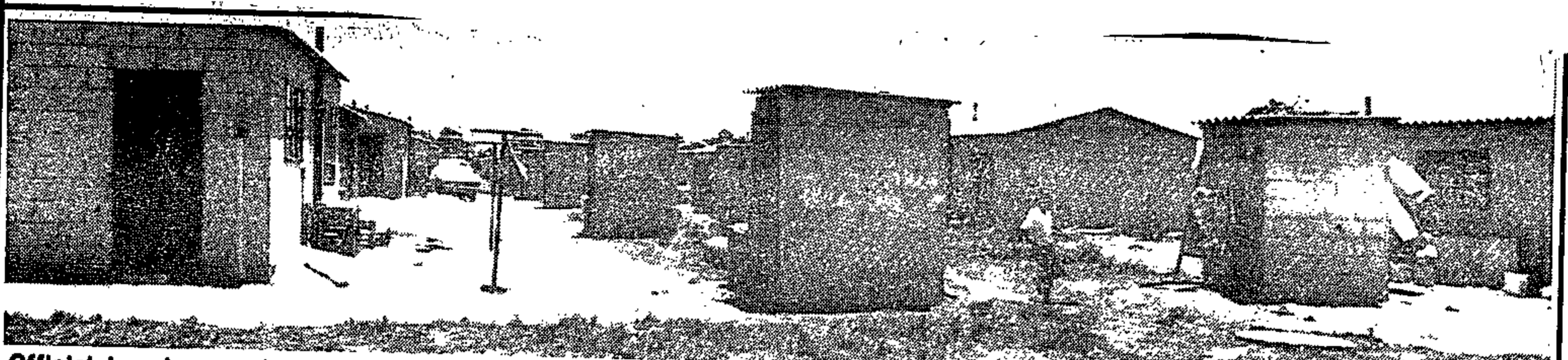
The rest belong to dozens of much smaller local and regional organisations, most of them in the southern part of

America.

Klanwatch believes the KKK reached a peak in 1924/25 when its membership stood at between 4-million and 5-million — its popularity largely a product of reaction to the waves of immigrants flooding into America.

The Klan collapsed a few years later in a blaze of adverse publicity generated by a series of scandals.

This certainly proved true in Washington on Saturday. — Own Correspondent.



Official housing, such as this scheme in Daveyton, comes in dreary rows, with even the toilets lined up like sentinels. Utility companies are able to redesign housing areas in a humanising way.

Picture: ROBERT TSHABALALA

WANTED: woolly-headed idealists with a hard nose for business. Do-gooders who are also go-getters. People who want to do things big because that way they can cut costs, but in a way that scales them to human needs.

These are the kind of people who could help fight the housing crisis by creating utility companies, or housing associations as they are also called.

Utility companies could be a useful vehicle for:

- small employers who cannot afford housing schemes for their own few employees, but who could get together, build their houses and then terminate the company.

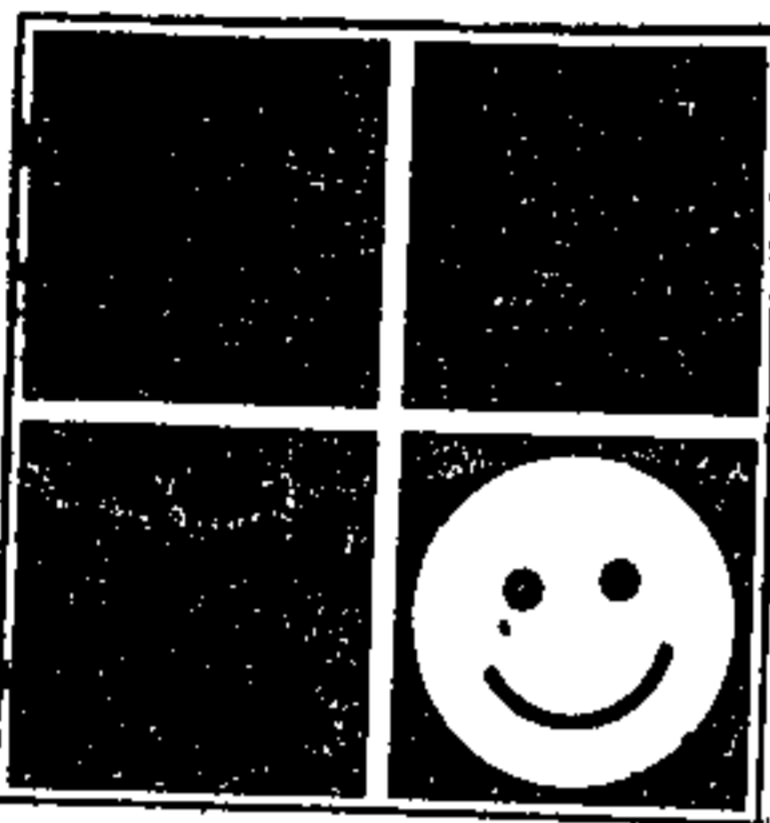
- church groups or philanthropically-minded individuals.

- prominent white, black, coloured or Indian personalities who wanted to do something for their own or each other's communities. (Alexandra Township would offer an ideal opportunity, combining as it does a progressive, mainly white community and a needy black one).

But the only reward will be members' own satisfaction in improving the quality of life of a particular community, because these are "non-profit" companies.

Do good the utility way

123
RDM
2/12/72



HOMEFRONT!!

HOMEFRONT consulted the Urban Foundation's national housing manager, Mr Johan Kruger, on how they work.

Utility companies are created in terms of Section 21 of the Companies Act. They are non-profit, which means no profits may be distributed to shareholders or members, and even the directors are unpaid. The members who get together to form such a company have to guarantee any losses sustained by the company to a maximum of R1 — so financial involvement is nominal: the company's only starting assets are good intentions.

First problem is the com-

By LIN MENGE

pany must have at least R100 000 to R130 000 with which to do a viability study (test the market and see if there will be a demand for their product), draw up articles of association and other agreements with the aid of a lawyer, and apply for registration to the Registrar of Companies.

This money could be contributed by businessmen who came together to form the company, or a Rich Uncle figure such as Richard Stuttaford who in 1919 put his own money into the founding of Garden Cities in Cape Town. Or it may come from the Government. In a recent speech, the Minister of Community Development, Mr S F Kotze, indicated that the Government would be prepared to give launching aid to utility companies through the National Housing Fund, and let them have ground for residential development at "reasonable prices".

The Government's main contribution is a tax benefit. The utility company does not pay tax, even though it may

build up considerable reserves. However an appointee of the Minister of Community Development must sit on the board of directors.

Next problem is development capital — big amounts for infrastructure as well as housing because the utility company should develop its own stands, not take serviced stands from the local authority — the idea being that utility companies should create new housing, not schemes that would have been developed by the authorities in any event. Also the community-sensitive utility company should not want to take over someone's plan for rigidly square plots — it should be producing its own community-orientated designs.

Mr Selwyn Myers, managing director of Garden Cities, takes advantage of the fact that utility companies are not as affected by economic ups and downs as ordinary companies, and so buys up land portions in advance, develops them and sells off the business rights. This takes care of the funding problem in a way not open to local authorities.

Another method, suggested by Mr Kruger, is to roll over working capital twice a year. This means the company uses its own funds to build a house, as soon as the house is complete it is sold to someone who obtains a building society bond, the company is refunded its capital and is able to fund more housing, instead of tying up capital for long periods.

It should also be possible for a utility company to operate on bank guarantees from the private sector given on normal bank overdraft rates, or on soft loans, which means loans offered for say, 20 years, but at interest rates well below the market rate for the first three years.

But all this means, Mr Kruger stressed, that a utility company should as far as possible be run on normal business lines, and even though directors could not be paid, the introduction of a bonus system for staff might help prevent the company from becoming a place of sheltered employment.

Besides being uniquely able to draw funds from both the public and private sectors, the utility company also has far more flexibility than the local authority. It can afford to deviate from rigid housing codes, provided it satisfies the local authority that the scheme is workable, attractive and will not involve the local authority in extra cost.

It can use zero building lines, which means building on the very edge of the property, thus saving space and building a larger house on a small plot, it can control facades in such a way that unsightly washing lines and rubbish bins do not show, it can pedestrianise the area, allowing access only to people who actually live there, and it can redesign roads as extra play areas for children. Because there is no profit motive, houses are sold below the market price and surplus funds are ploughed back into facilities for old people and children.

There are seven utility companies in existence — Garden Cities and Housing League which operate in the white market, their respective offshoots in the coloured areas, New Garden Cities and the Peninsula Community Association (all in Cape Town), Uluntu which the Urban Foundation created for blacks in the Western Cape, Urban Villages in Port Elizabeth, and Commhousing for Indians and coloureds in Durban.

For the person sniping at other people's solutions to the housing crisis from the sidelines, this is a great opportunity, suggests Johan Kruger, to "get into the middle of the scrum and make one hell of a contribution".

Think about it. The Urban Foundation in Johannesburg will be happy to advise you.

Lessors to provide tenants' details for authorities

123

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E. Post

Dec 1982

By SANDRA SMITH

EMPLOYERS and individuals or bodies who provide accommodation or let housing will, in future, have to give the authorities details of the employee's or lessee's change of address, full name and identity number.

This was disclosed in a statement released today by the Regional Representative of the Department of Internal Affairs, Mr B R Buys.

Mr Buys also said legislation was expected to be introduced whereby the existing system of voters' registration would be replaced so that voters' rolls would be compiled from information contained in the population register.

The statement said the Population Registration Act placed "certain obligations" on employers and persons of bodies who provided accommodation or let housing.

The specific provisions in the Act were not yet in operation, but would be "in the near future", Mr Buys said.

An examination of the section of the Act shows that an employer or person letting premises or providing "permanent residence" for another person will have to take steps within 14 days of the person being given accommodation has an identity document.

• If the person's address has changed, whether he or she has notified the authorities.

If the authorities have not been notified of a change of address, the employer or person letting accommodation must notify them within 28 days.

If the employer or person providing the accommodation ascertains that the employee or lessee has not applied for an identity document, he or she must notify the authorities in writing of this within 28 days.

Legislation is also expected to be introduced whereby the existing system of voters' registration would be replaced so that voters' rolls would be compiled from the population register.

Present legislation requires a prospective voter to fill in a signed application form, countersigned by a witness who is a registered voter.

The proposed system will mean that any person with an identity document and who also qualifies for registration will be registered automatically.

Mr Buys said these measures would apply to white, coloured and Indian voters for purposes of compiling voters' rolls for the 1984 elections. He is a member of the House of Assembly and Provincial Councils, the Coloured Persons Representative Assembly and the South African Indian Council.



Peter Searle, Managing Director of Volkswagen SA, hands over a key and a sapling to motor mechanic Mr M M Nealu. Another new home owner, utility operator Mr P S Mngala, looks on.

123 Rbn 3/12/82

VW hand over 28 keys

OWN CORRESPONDENT

TWENTY-EIGHT new houses were officially handed over yesterday in Kwa-Nobuhle to employees of Volkswagen SA in Uitenhage.

The company put up the collateral to enable employees to buy the houses.

The managing director, Mr Peter Searle, said his company also had a home improvement scheme to help those who could not

afford new houses. The company also hoped to establish, together with the Urban Foundation, a self-help home building scheme.

Mr Reuben Els, public affairs officer for the company, said R1-million was invested in the building society which granted bonds to the employees. As the bonds were paid off, the money became available for bonds for others. Another 60 houses should be bought through the scheme next year, Mr Els said.

By LIN MENGE

THERE'S a problem for black woman employees who want to take part in company housing schemes.

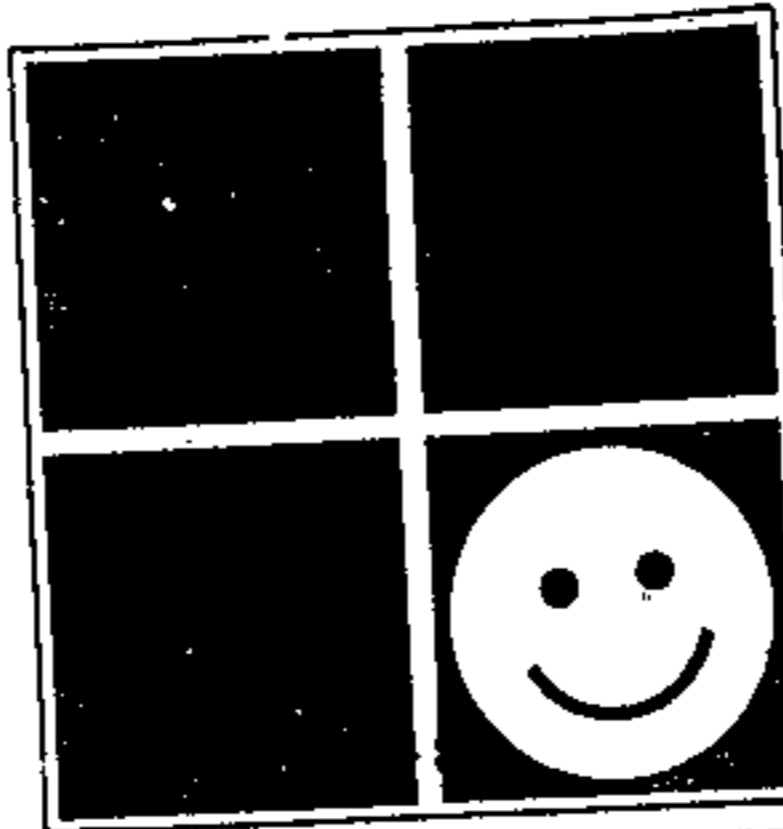
Because of their legal position — even if they are married under civil rights — they cannot get building society bonds unless their husbands stand surety.

What if the husband works for another company, one which does not have a housing scheme?

Pick 'n Pay faced this problem when they wanted to register 99-year leasehold bonds for women employees for the housing scheme the company opened in Pimville in Soweto this week.

It meant that, if a woman employee wanted a company house, the leasehold title would have to be registered in her husband's name ... even though he was working for another firm.

Mr Frans van der Walt, national personnel manager for the company, said such an arrangement would have



HOMEFRONT!!

been unfair because the husband might be earning a high salary in another firm, yet he would enjoy the benefit of a Pick 'n Pay subsidy which the company's own management level blacks were not allowed because they received the same pay as their white counterparts.

The problem was put to the staff, who came up with a compromise.

In terms of Pick 'n Pay's subsidy scheme, employees who have acquired company homes pay only 2 percent in mortgage interest in the first year, instead of the current building society rate, and 4 percent the next and so on, until they reach the normal interest rate.

This is done to make the houses affordable for employees who cannot manage the normal building society loan repayments on their salaries.

In terms of the compromise proposed by the super-market chain staff, the employee wife and her "outsider" husband pay, not 2 percent, but 8 percent interest in the first year.

That way the woman employee who qualifies for company housing is neither penalised nor given an unfair advantage over others.

HOMEFRONT tells you how to go about housing yourself or your employees ... through reports in the Mail. If you have a question, tell us ... we will try to deal with it in **HOMEFRONT**, TEL: 710-2505/messages 710-2501.

375 FM 3/12/82

levels were determined at a time when the cost of unskilled labour was much lower. Many employers looking for ways to cut costs are discovering that they can reduce labour and still maintain the same volume of production.

Given the low rate of growth and job creation predicted for the coming year, this more permanent reduction in employment levels will obviously contribute to serious levels of long-term structural unemployment. This holds political dangers.

Hardly surprisingly, employers are discovering that the downturn is not yet causing a marked decline in union activity. On the contrary, there are signs that the threat of retrenchments is encouraging union growth — precisely what has happened in the UK.

Tough decisions

One immediate consequence is that many managements are finding that where in the past it was possible to shed surplus labour with comparative ease, their authority to arbitrarily declare certain workers redundant is now being forcefully challenged.

It is natural that some should resent this. But while declaring employees redundant is a difficult, painful task, survival often depends on tough decisions. It is a tribute to those who pressed for the restructuring of SA's labour relations that, in some cases, retrenchments are not proving as fraught with bitterness as they might have been.

Companies which have established a sound relationship with unions are finding that the workers themselves can play a constructive role in the retrenchment process. These are employers who acknowledge that collective bargaining is a process of joint decision-making which seeks equity at the workplace.

Significantly, even the leaders of some of the most tough-minded emerging unions have accepted the necessity of retrenchments in certain circumstances. What they appear to be demanding from managements is an honest attempt to ease the pain to workers and a willingness to help union leaders to sell the retrenchment package to workers. "This message has been coming through loud and clear," says industrial relations consultant Gavin Brown.

Such an attitude generates hope that the

collective bargaining system will be preserved. Industrial relations consultant Stuart Pennington believes that there are emerging unions which want to preserve the system, but says there are others who are not in the mood to make the necessary compromises. Those who behave recklessly, and do not realise that the balance of power is in favour of employers, will suffer severe setbacks, he adds.

It is not just unions that have to come to terms with economic realities. Employers also have to make sacrifices to promote the credibility of the collective bargaining structures they favour, whether these are industrial councils or arrangements created by recognition agreements. Some of the more obvious measures they can adopt to avoid retrenchments include shorter working weeks, early retirement, controlling overtime and not replacing workers who leave. Once it becomes impossible to avoid retrenching workers, they should be willing to negotiate matters such as redundancy procedures and pay with employee representatives.

Employers' prime responsibility is to ensure the survival and profitability of their enterprises. But many recognise that they do have some responsibility to society — and that means minimising the traumatic effects of retrenchments. They cannot afford to ignore high unemployment which can affect the stability of the society in which they operate.

Family system

SA's black people have a proud history of coping well in times of economic hardship by relying on an extended family system. This has helped the unemployed to survive for long periods. However, increasingly overcrowded conditions in the homelands and an already high rate of unemployment are placing severe strains on this traditional informal welfare system. Labour economist Charles Simkins and social anthropologist David Webster have independently reached the conclusion that there are more than 2m unemployed people in SA, constituting more than 20% of the total labour force.

Employers will have to pressure government to devise alternative strategies, such as promoting the informal sector, to deal with this problem. And more attention

must be given to long-term manpower planning needs at all levels. Now is also the time for employers to take advantage of government's generous tax incentives for training.

Manpower planning

Some industries, by the nature of their business, have only limited means of mitigating the direct consequences of a recession. They, in particular, will have to pay renewed attention to their own manpower planning policies. The Sigma Motor Corporation recently showed that it had been providing for the lean years when it announced that about R500 000 was being paid to 485 workers who are being retrenched. A substantial portion of the money paid to these workers is being drawn from a special fund to which employers and employees have contributed in the past. In addition, the company has promised to help ensure workers get money due to them from the Unemployment Insurance Fund (UIF), which is coming in for increasing criticism because of delayed payouts.

While the slowdown will place great stresses on the country's newly created industrial relations system, it may provide benefits as well. One might be a shakedown in the union movement which has grown so rapidly during the past few years. It may also enable many emerging unions, which have gone through a period of strong growth, to consolidate their position and provide more effective administrative structures.

Leaders of some emerging unions are quietly expressing opinions which are not dissimilar to those expressed by those managements wanting greater rationalisation. They believe that strong, democratic unions will survive, while splinter unions, and some which cannot adequately service the needs of their members, may disappear.

Unions that have relied on charismatic leadership or political imperative rather than on solid support at the workplace, and developing the leadership skills of their shop stewards, are also likely to struggle to survive. Those that weather the storm best are likely to be those responsive to management's strategies for survival — which means empathy from both unions and managers is a key ingredient.

BUILDING INDUSTRY

Advantages in adversity

123 FM 3/12/82

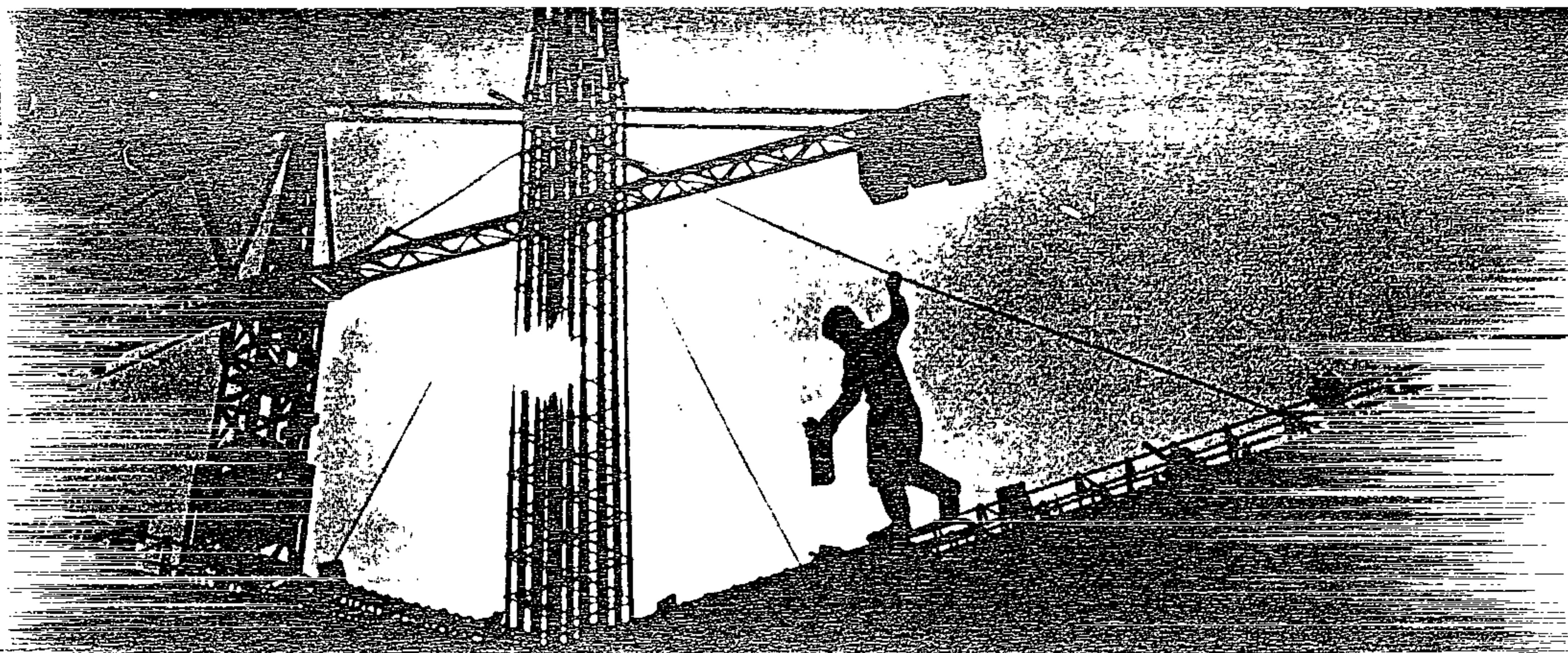
The flaccid economy has finally caught up with the building industry. After enjoying a long Indian summer, this sector — usually six to nine months behind the rest of the business cycle — is fully on the slide. The signs are everywhere, with mood, new building plans, tender prices, margins and

employment levels all on the way down.

The cautious are already battenning down, but, for developers, there is no time like the present to take courage in hand. Costs are down in real terms and the next upturn is believed to be no more than two years away, which should suit the investment

market nicely.

Even more important, it could be the best opportunity government will have for many years to crack the housing crisis in the lower-income group. With materials available and labour keen to do the job, now is the time to go big on mass housing



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Construction industry ... walking a tightrope

FM 3/12/82

— utilising loan funds rather than inflationary bank credit.

Of course, nobody expects the present decline in activity to sink to the levels of the recession in the mid-Seventies. However, this time there are other factors that have contractors running scared. Inflation is higher. Interest rates are more than double those of 1976.

"The climate in the industry is certainly bleaker than it was earlier this year," says Pat Morris, president of the Building Industries Federation of SA (Bifsa). "In 1983, we should feel the full effects of the downturn in 1982 and it will probably continue until well into 1984."

Central Statistical Services figures show that the seasonally adjusted value of building plans passed in August totalled R324m against R337m in July and R375m in June. The value of plans passed for the first eight months of the year totals R2,8-billion, up by 14% on the R2,5-billion in the corresponding period last year. Given the rate of inflation, builders have already been through a no-growth year in 1982.

The average value of building plans for commercial business developments dropped from R886 000 in June 1981 to R415 000 in August the same year, finally hitting a low of R289 000 in August this year. Cut-throat tendering was no doubt a factor, but the volume of work gained from each contract in that sector is clearly decreasing.

Noel Edkins, group senior manager of Gencor's property division — probably the country's biggest residential township developer, with stock worth some R250m on the books — believes there has been a "very considerable" downward movement in tender prices. He cites a Gencor township in Pretoria which went to tender in the second quarter of this year. Tenders were unacceptably high and the work was put on ice. When the work was again tendered five months later, tenders were 20% lower.

Ettienne le Roux, Sanlam's assistant GM, property, quotes a R20m contract that

Sanlam has just put out to tender. "There were nine tenders instead of the usual two or three and some prices were lower than the quantity surveyors' estimates," he says.

Charles Martin, economist at the University of Stellenbosch's Bureau for Economic Research (BER), which publishes a quarterly survey on the building industry, says: "Work is becoming more scarce and competition in tendering is increasing rapidly. Margins are cut to the bone."

Many builders are surviving on existing contracts. But all are affected by the public sector's budget cuts and reduced capital investment in the private sector. New tenders are tailing off in many areas. The economic downturn usually ripples through the building trade over a 6-9 month period: demand for foundation work declines first, followed by civil engineering, structural work and mechanical/electrical contracts.

One civil engineering contractor, who declines to be named, has already retrenched to the stage where the company will be too lean to cope with an upturn if it prunes any further. Typical of many small to medium-sized contractors, it hopes to keep its team intact, operating on a cost-only basis to get enough work.

With margins under severe pressure, the rate of escalation in material and labour costs will be critical to contractors. The BER forecasts an all-in rise of about 12% this year from 33% a year ago. And it predicts that the increase will be even slower in 1983, slipping to well below 10%.

The BER bases its optimism mainly on the improved outlook for availability of materials and labour productivity. With few exceptions, shortages of building materials have disappeared, with an ensuing drop-off in cost-push inflation in that area. Likewise, the threat of retrenchment and bankruptcies may mute demands for wage increases and also help improve efficiencies.

However, it could prove over-optimistic to assume that costs will stabilise to that extent. One reason is that prices of major

cost-components, bricks and cement, have been de-controlled. In view of the major capital investment requirements in both these sectors, price hikes could well remain above the 15% a year level for some time. The price of bricks in the Transvaal rose by an average 9,5% on November 1, bringing the average increase for the year to 26,5%. Another increase is expected in February.

Housing has been a bright spot in some areas. Alan Schlesinger, MD of Schachat Cullum notes: "Demand is still very high and there is plenty of activity. But while bond money is more freely available, affordability has been a restraining factor in recent months."

But with houses becoming cheaper to build than to buy, homebuilding activity could be maintained, particularly in white middle class areas.

Builders tied to developers will be in the most favourable position. Says John Campbell, financial director of Gallic Construction, the construction arm of Gallic Developments: "This year about half our work has been contracted on the open market. Next year, most will be in-house. We are fortunate to be able to do this."

Some builders have assumed that action to reduce the country's housing shortage would provide a cushion during a recession. However, the amount of new work actually coming on stream so far will probably have relatively little effect. Morris notes that government is getting increasingly involved in mass housing. "But that is still at an early stage," he says. "It's going to take a long time to gain momentum."

Wimpey Homes is among those builders who have decided to pull out of the white homebuilding market altogether. It is now concentrating on mass housing, mainly for blacks. Peter Riggall, Wimpey's technical director, says new work from both government and the private sector (mainly the mining industry), is being delayed for two reasons: the withholding or slow release of funds earmarked for mass housing and a general shortage of suitable serviced land.

There will be relatively little stimulation of low cost housing development from other directions. Self-help or "sweat-equity" schemes have been launched by the government, by local authorities and by the Urban Foundation, at this stage mainly on a pilot scheme basis.

The Foundation has helped produce about 1 000 houses so far. It has self-help schemes in Katlehong on the East Rand, Carletonville, Durban and the Cape. The largest is at Katlehong where about 40 houses/month are now being built in the R20 000 range. According to the Foundation's Johan Kruger, it is left to the owner of the house to decide whether to build entirely on his own or to contract some or all of the work.

For the industry, "vasbyt" will be the watchword in the coming 12 to 18 months. Some welcome the downswing, seeing an opportunity to consolidate and train. Fred Law, executive chairman of Group Five, says: "We see this as a slowdown rather than a recession. We will have a chance to rethink and regroup which is good for the industry."

Continued retrenchments are inevitable. Morris, who is also chairman of Trescon, notes that his company's labour complement of about 1 000 has been pared by 10% to 15% in the past three to four months. "This will probably be typical of the industry," he says. Although highly skilled tradesmen remain in short supply, many semi-skilled people have been employed for jobs they were not qualified to fill. These workers and unskilled labourers are the ones in the retrenchment firing line.



Workers ... a 20% cut

The BER's Martin anticipates that the industry could lose 20% of its labour force by retrenchment and non-replacement before the next upturn. But that's still better than the 1976/77 slump, when the industry's manpower was cut by about 40%.

However, for property developers, the honeymoon is just beginning. They gleefully observe that while tender prices and delivery periods for new building were still at unacceptable heights until only a year ago, the advantage is rapidly swinging to the developers' side. Indeed, some note that the next six to 12 months will be an unusually attractive period for investment in property development.

"We are heading into a magnificent market for development," says Gencor's Edkins. "We are very active and would like to have most of our new contracts placed in the next six months."

Sanlam's Le Roux agrees. Since October, Sanlam has committed about R130m to property development or acquisitions in 1983. By contrast, the 1982 figure is expected to total R200m. Most is in industry, offices or shopping centres.

Developers have to take a view on the cost of building development and on probable market conditions when the building comes on stream. Both are looking good. Fierce competition for tenders and a falling trend in building cost escalations may cause development costs to show a real-terms decline in 1983.

The trap developers must avoid at all costs is over-enthusiasm. Already there are signs of an oversupply of office space. Overbuilding in the next year could again result in a glut of space with expensive voids and stagnant rentals.

However, chances are that yields on new buildings will remain firm. Barring political upheavals, house prices should continue to be boosted by demand for accommodation from all race groups. Commercial property usually takes about two years to come on stream, which means that buildings started next year will be on the market in 1985, when most forecasts indicate the economy should again be growing.

Developing through a recession to catch the market on the upgrade is clearly the ideal. But how many will have the guts to do it?

BANKING SHARES

Big five performers

Over the past year, buying shares in leading banks has been an outstandingly profitable activity. As table 1 shows, it has been notably difficult to avoid making money on the JSE actuaries index of banks. And, at the dates on the table, banks have very thoroughly outperformed industrials. Since the year's market low at end-June, industrials have shown persistent strength; but you would have done twice as well with the banks.

Even if you had bought the banking index at the beginning of the year and sold it at the end of June, your loss would have been 19% compared with 32% in industrials. But perhaps most impressive of all has been the 20% improvement in the bank index over the past month, starting from an apparently hefty level.

There are some good reasons for the popularity of shares in the big five banks, which is where the spectacular improvements have taken place in share prices. Generally, the outlook for profitability has

been improving through 1982. The policy of monetary restraint was replaced by a more market-orientated system, which has been leading to wider margins between bank lending and borrowing rates.

In March, and again in September, the Reserve Bank relaxed the level of bank cash reserve requirements. Based on end-August figures, September's new ratios would, according to the Governor of the Reserve Bank, have freed R328m for the big five. In theory at least, that amount could be deployed anywhere to take advantage of high interest rates.

The final impetus for investors has derived from the perception that short-term

interest rates are on the way down, and could fall very substantially through 1983. Recent estimates suggest a drop to 12%-14% by the end of 1983, compared to the current 18%. Borrowing short and lending long should produce substantially improved profits for banks through 1983.

This factor is, no doubt, the principal source of recent investor enthusiasm. Equity markets have been generally and inexplicably strong in the face of some expectations that industrial earnings will decline by 20% or so, and that dividends will be no better than maintained in 1983. So it is understandable that a sector which may be expected to produce decent improvements in earnings and dividends should be exerting a particularly powerful attraction for investors.

On the information provided to shareholders by SA banks, forecasting earnings with much hope of accuracy is impossible. There are simply too many variables and unknowns. Such figures as market shares of

BANKS v INDUSTRIALS			
JSE Actuaries Indices			
% changes since	Jan 5	June 28	Oct 26
Industrials	-3	+43	+4
Banks	+49	+84	+20

Change in home loan operations recommended

D. Dispatch
8/12/82

123

JOHANNESBURG — Home loan subsidies should be kept to a minimum and provided only to the lower income groups.

This is the broad conclusion of the second interim report of the De Kock Commission on monetary policy which was released in Pretoria yesterday.

A simultaneous report, issued by the Du Plessis Commission of inquiry into building societies, urged a dual system of mortgage financing.

The De Kock Commission's report, The Building Societies, the Financial Markets and Monetary Policy, recommends sweeping changes in the controls and operations of building societies.

It also urges changing the controls over bank lending to give the authorities a tighter grip on money supply.

The report urges:

Building societies should be subject to the same cash reserve and liquid asset requirements as the banks.

This, however, should be conditional on the government's accepting new cash reserve and liquid asset requirements for the banks.

Those suggested include:

The minimum basic liquid asset ratios should be reduced gradually from the present 30 per cent, 20 per cent and five per cent of short, medium and long-term liabilities to the public respectively to 20 per cent, 15 per cent and five per cent.

All supplementary liquid asset requirements should be phased out.

The minimum basic cash reserve balance with the Reserve Bank should be set at eight per cent of short-term and four per cent of medium-term liabilities.

The Reserve Bank should be given the right to call for supplement-

ary cash reserves against both short and medium term liabilities.

Building societies should be allowed to accept large deposits from companies and other public bodies without needing special permission from the Registrar.

They should also be allowed to issue negotiable certificates of deposit for one year or longer, subject to similar conditions as banks.

Societies should be allowed to continue with insurance and property development activities.

Urgent attention should be given to "the possible relaxation and simplification of the present strict and comprehensive legal requirements regarding the nature and size of building society mortgage loans, the collateral margin on such loans, mandatory monthly repayments and other related matters."

Mortgage rates should be moved freely in line with market forces without any reference to the government.

The commission rejects tax relief for home loan mortgages because "it would be of greater benefit to the affluent than the lower income groups".

It suggests the best way to provide housing subsidies for the lower income groups would be by a direct payment of, say, two per cent by the government to building societies (and banks) in respect of mortgages below a certain amount and for property valued below a certain level.

These amounts would be determined and reviewed by the Treasury from time to time in line with general economic conditions.

The commission accepts that "the government might at times consider it necessary for social and other reasons to intervene in order to increase the amount and to reduce the cost of

housing finance."

The societies should also act independently and not in a cartel.

The commission says that in the end it is more important that savers get real rates of interest (that is, more than the level of inflation) than that home-owners should be subsidised.

The Du Plessis Commission recommends a dual system of mortgage financing so that cheaper bonds are available for the lower and middle income groups.

The commission's report says higher priced properties should be mortgaged at open market rates.

The commission was appointed in April 1981 primarily to inquire into the raising of the mortgage rate by 0,75 per cent on March 1, 1981, and by a further 1,5 per cent on June 1, 1981.

It also looked into possible alternative courses of actions which the societies could have followed to avoid rapid increases in bond rates then and in the future.

It said that the 0,75 per cent increase was justified, but the further increase of 1,5 per cent could have been postponed if the building societies had kept their management expenses under control.

The commission recommends that "sheltered" funds — those which are raised by means of tax-free investments — be made available as far as possible to the middle and lower income groups at rates lower than the open market level.

The maximum mortgage that a building society may advance to an individual in these income groups should be provisionally fixed at, say, R54 000 which would be the basic limit.

That would imply a house valued at R67 000.

That basic limit would have to be adjusted annually. — DDC.



Not many families are lucky enough to be able to stay together.

Unite families is the cry from rural areas

Women fight for legal recognition

By SINNAH KUNENE

FINANCE institutions have been challenged as to whether they require a certificate of sterilisation before granting home loans on the basis of both the husband and wife's salary, and also about their attitude to granting black women loans.

In their latest newsletter the Women's Legal Status Committee states that it is awaiting replies from some institutions. The committee has also replied to a questionnaire from the National Manpower Commission asking about its activities in the labour field.

Included in the questionnaire are:

- that the WLSC is compiling a memorandum to the Minister of Manpower in connection with equal pay for comparable work, easier access to the Industrial Court, rights for pregnant women to have their jobs kept open before and after confinement, an increase in Unemployment Insurance Fund benefits and action on discriminatory pension and medical benefits;
- that the WLSC appreciates the removal of "sex clauses" from the labour legislation but it contends that this is only the beginning of justice for women;

- that the co-convenors Ms Roberta Johnston and Ms Babette Kabak continue to sit on the Womanpower 2 000 committee which concerns itself with the training and retraining of women.

The WSLC has written to the Minister of Co-operation and Development, Dr Piet Koornhof, stating concern over the social consequences of separation of families where the breadwinner is forced to find a livelihood in an urban area.

This follows the

minister's statement that he was likely to introduce legislation waving certain court decisions which permitted women to live in urban areas with their qualified husbands (The Khomani case).

"It is a recognised basic legal right of married people to live together and bring up their families together, and every population group other than the blacks have this unquestioned right taken for granted," the newsletter states.

Other matters for

which the WLSC have made submissions to the relevant Government institutions include the Orderly Movement and Settlement of Black Persons Bill, the Matrimonial Property Legislation and Alcohol as a mitigating factor.

In reply to the latter, the Department of Justice expressed the minister's concern and that he had already ordered an investigation into this.

The founder member of the WLSC who gave the organisation its name, Dr Ellen Hellman, died recently.

10/12/82

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Sowetan

Sowetan 10/12/82

the Sanlam western catchment growing from 227 000 (1985) to 290 000 in 1990. With the two projects planned to come on stream in late 1985, the case for two centres is thus strengthened. Says Smith: "We already have a statement of intent from major tenants, including Garlicks, Pick 'n Pay, John Orrs, Woolworths and Edgars." With a substantial investment at stake, Sanlam, insists Smith, is not walking into the project blindfolded.

OK Bazaars, with its Hyperama across the highway from Sanlam's proposed development, has duly objected to both proposed centres and Province's decision at forthcoming township board hearings will determine whether the projects are definitely on. Other details still to be tied up are the rezoning of land, says Smith.

The Townships Board is unlikely to recommend against the projects just because OK has objected. The expectation, therefore, is that they will both go ahead — and hopefully not end up as a brace of white elephants. Still, Leissner does have a point, and if population growth and economic fortunes do not live up to expectations, there could be problems.

COMMERCIAL SITES

Cape plum

One of the largest and most valuable pieces of real estate in Cape Town's CBD could soon become available for redevelopment. The city council's utilities and works committees this week accepted a recommendation by the City Electrical Engineer that the Table Bay power station on the foreshore be demolished. A decision by the full council will be taken later this month.

If the demolition gets the expected nod, a prime site of 5 ha will go on offer to the developer market. And if the adjacent ICS site is included, the total spread — bounded by Dock Road, Buitengracht Street, Coen Steytler Avenue and Long Street — will offer nearly 6 ha.

Originally, the ICS property was to be expropriated for the extension of Bree Street, but ICS property consultant Bernard Squire says he has been "given to understand" that this has fallen away. He is awaiting official confirmation.

"If the expropriation falls away and the power station is demolished, the council will be left holding a very valuable piece of real estate which is a town planner's dream," says Squire. "The very size of the site opens up all sorts of opportunities, including both office and shopping development. But before any development can take place, the original foreshore planning provisions will have to be re-negotiated because they are not practical in today's situation."

City engineer Jan Brand confirms that if the council approves the demolition of the power station, the council will market the

land. According to Brand, the foreshore scheme allows for the development of three sites — a tower block (112 m), a low building (17 m) and a tower slab (81 m) on top of a podium (25 m) — set in a landscaped area.

"But these plans were prepared a long time ago and are due for revision," he says. "We will be making a full report within the next couple of months."

Brand adds that a strip of land will be used for the widening of Long Street and that a final decision has still to be made on the Bree Street extension.

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Black bounty

Black-controlled African Development and Construction Holdings (ADC) is to issue R400 000 worth of new shares to broaden its equity base and help fund a R14m property development programme on the Reef.

The company, which was formed in 1977 and promoted by the National Association of African Chambers of Commerce (Nafcoc), has not had an easy run of it until now. Obtaining development rights over largely unsurveyed land controlled by administration boards and community councils needs Job-like patience, as ADC has since discovered.

Now that ADC has converted to a public company, its long-term plan is to concentrate on the residential side. The persistent shortage of black housing should ensure a steady demand.

But the commercial possibilities have not been forgotten, says company secretary Matodzi Liphosa and immediate focus is on the retail market. Yet even here, the red tape involved has ensured slow progress. Applications to develop land have first to comply with the community council's land allocation procedure and the councils can reject applications without giving reasons. Developers also have to get ministerial clearance as "qualified" persons or parties to acquire leasehold rights for commercial projects.

Institutions reluctant

The major difficulties arise, says Liphosa, when finance has to be raised for projects in which capital will be locked in for two years or more. The 99-year leasehold system, as it works in black urban areas, leaves few openings for satisfying financial institutions' security requirements. Hence their reluctance to put up money with no tangible guarantees is understandable says Liphosa.

One problem is, that the property will eventually revert back either to a black leaseholder or to the government. Financing arrangements thus have to be worked out on the basis of less tangible securities which, at this stage, tend to depend largely on goodwill. The use of 49% white and 51% black shareholding companies can be in-

strumental in negotiating contractual management and performance guarantees, Liphosa adds.

White property investors will not get the capital appreciation they normally expect. But, says Liphosa, the flow of black money into pension funds and life assurance companies is substantial and growing.

One way or another, mutually acceptable means will have to be negotiated to finance black property development.

Although the company is public, he says, the ADC is reluctant to finance projects out of share capital because of the risk of becoming over-reliant on equity. The share issue will, instead, increase the company's capital base and enable it to increase its borrowing capacity.

Spreading capital further

Raising R2m to finance its housing projects has been an easier task, he says. "Bridging finance can be obtained from financial institutions at money-market rates.

With a six-month construction period, ADC subsidiary African Development and Construction Company, in which Murray & Roberts holds a 49% share, can build batches of 50 houses and roll over the funds.

"In this way, working capital can be spread further," explains Liphosa, "but profit margins for the moment look negligible."

Immediate plans include:

- 300 houses in Tembisa. These will cost roughly R4,8m to build in six phases and will be marketed to buyers with incomes of R200/month-R500/month for R16 000-R18 000;
- 29 houses in Sebokeng, which will involve roughly R700 000. The units will sell for R26 000-R27 000 to higher-income buyers;
- 150 houses worth R2,4m in Kwa-Thema. Negotiations with Erab are in hand and if the application is approved, ADC will build 150 houses to sell at about R16 000 apiece;
- Development of 100 stands in Vosloorus at a cost of R1,6m in April next year;
- A R2m flat development with ground floor shops in Soweto. The go-ahead hinges on a rezoning for mixed use. ADC plans to rent the units initially and convert units to shareblock later; and
- A R3m office block in Soweto's Meadowlands. Here the restrictive factor is finance but the funds are being sought.

The share issue, apart from raising ADC's borrowing capacity, will also have the welcome effect of involving the black community in property development. The Group Areas Act generally prevents blacks from trading or owning property in white areas and the presence of white investors in black areas is likely to continue to be a thorny issue.

But, reasons Liphosa, by buying shares, blacks can become involved in development and, long-term, look forward to profits by way of dividends.

Subsidies seen as the ⁽¹²³⁾ only housing answer ^{Star} _{20/12/82}

By Trevor Walker
Assistant Financial
Editor

The best form of a housing help available to the lower and middle income groups is a subsidy as recommended by the De Kock Commission, says Mr R E

Munford, managing director of the Eastern Province Building Society.

Building societies have been loath to comment on the De Kock proposals. They are waiting to present a United front to Fi-

nance Minister Owen Horwood, who has called for comment from all interested parties by the end of next month.

Mr Munford, commenting on the De Kock report, says interest rate rebates on loans could be split with a subsidy of three percent for the lower income group and two percent for the middle income group.

The loan amount and individual income levels would be set annually with the budget.

This way the cost of the property would not be important, as the subsidy would relate solely to individual income as shown on the tax return. People who have been thrifty should not be penalised, he says.

The subsidy could run for three years before a fresh income tax certificate must be produced, to comply with the income level set at the last budget, Mr Munford says.

Touching on a subject not covered by the report, he says the provision of rented accommodation is urgently needed, and a two percent vacancy factor should exist to keep the market normal.

Mr Munford says insurance companies and building societies could provide flats, provided there was some incentive such as allowing institutions to allocate a percentage of their prescribed investment ratios, to be used for the erection of flats for fulltime letting to home seekers.

The scheme could run for an initial period of two years, after which the authorities could review the advisability of any additional use of prescribed investments in this way.

(23) *Star*
29/12/82
Govt urged to promote more black housing

By Frank Jeans

At present interest rates and housing costs, there is no way the private sector can provide homes for the low-income groups in mass programmes.

Dr Llewellyn B Lewis, marketing director of the Everite group, estimates that at an interest rate of 15 percent a black family earning R5 000 a year can afford only a R8 000 house.

The question is: What private builder can produce an acceptable home for that?

INCAPABLE

"Whether we like the word or not, there has to be a subsidy for the black man in housing.

"The private sector is simply not capable of building homes at a price which about 75 percent of blacks could afford."

Urging inducements to stimulate the private sector in providing low-income homes, he believes the Government, "as manager of the economic system," has the responsibility to "orchestrate and mobilise the private sector."

This could be done through State investment in building societies at subsidised interest rates, provided this

money was channelled into bond financing in new and existing black towns.

"The Government could also provide low interest loans or bridging finance to companies building homes in black urban areas, while assistance could be given through the Small Business Development Corporation to establish small black building contractors, sub-contractors, estate agents and merchants in black areas," he says.

On his estimates, an interest rate subsidy of 4,25 percent could bring a R12 000 home within reach of the R5 000-a-year earner.

Households below that figure should also be provided with sites and services and core unit houses, allowing the owner to add on when funds permit.

RESPONSIBILITIES

"At least the black man would get a foot on the ladder and know that it was not the last rung," says Dr Lewis.

He also believes that as a "last resort" the Government could insist that employment must be coupled with housing.

House loan demand up despite money fears

AR665 30/12/82

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By Tom Hood, Property Editor
DEMAND for housing loans is surging ahead in spite of high interest rates and fears of recession.

Barclays Bank says it is receiving between 50 and 60 applications a day and has lent R220-million to 5 697 families since it moved into the housing business only four months ago.

"The Western Cape is top of the pops with R43-million of loans being granted to 1 251 people," says Mr J H McKenzie, the bank's general manager in charge of home loans.

Average loan is about R38 000 compared to the building societies' R33 200 average.

More money

Building societies have had more money to lend as a result of heavy inflows in deposits. Altogether, they advanced R1 193-million in the seven months to October, a 25 percent rise on the same seven months of 1981.

One of the biggest, the SA Permanent, reports an avalanche of applications for bonds after its announcement a few weeks ago that it had enough funds to make loans immediately available.

Waiting list

"We lent a lot of money and we are now back depending on the normal inflow of money which varies from week to week," said Mr Frikkie Oosthuizen, Cape regional manager. "We are having to go back to a waiting list again."

"If demand continues we may have to look at matching finance again if someone wants a bond straight away."

Demand for bonds is as strong as ever, said United's assistant general manager, advances, Mr Geoff Bowker.

Waiting list

"We have virtually eliminated all waiting lists but there is some doubt about being able to meet all demands in the new year. Traditionally people deposit their Christmas bonuses with building societies in December then withdraw them in January and February to pay bills."

● The president of the Institute of Estate Agents, Mr Roland Walker, forecasts 1983 will see financial turmoil with high inflation, high interest rates, a declining economy and less mortgage bond finance.

"The present availability of bonds is probably a temporary situation and in the new year housing finance will become a continuous problem with building societies once again seeking reciprocal finance."

HOUSING & HOSTELS —

General — 1983

JANUARY —

SEPTEMBER

~~INDICES FOR REVISIONS~~

Easier home loans for six months

By GORDON KLING

HOME buyers can look forward to at least another six months of relatively easy loans following the recent break in the mortgage bond drought.

Building society officials in the City said yesterday that the position could change quickly, but indications were that it would get better before it got worse.

Referring to speculation that bank overdraft interest rates were due to fall, the Cape regional manager of the S A Perm, Mr Frikkie Oosthuizen, said lower interest on overdrafts meant lower interest to bank depositors. This improved the society's prospects of deposits, which could be lent out as bond money.

The Perm, however, had worked its way through a R60-million deposit surge and was now back to a short waiting list because publicity had led to a rush for bonds.

"We are lending freely," said a spokesman for the Natal Building Society, which is favouring first-time borrowers and the elderly. "You could say we're lending with a social conscience."

The elderly were being favoured because the society believed they should not miss the "tremendous opportunity for capital appreciation" in property, while first-time borrowers needed help in taking the important step of getting a house.

Barclays Bank's bond scheme is doing its best business in the Western Cape. Loans worth about R43-million have been granted to 1 251 people in four months.

The average loan was about R38 000, against R33 200 for the societies, according to the general manager in charge of home loans, Mr J H McKenzie.

'Don't shift housing snag responsibility'

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S. Times

9/1/83

BUILDING-SOCIETY CHIEF REACTS TO TWO COMMISSION REPORTS

Business Times Reporter
SOUTH Africa's housing problems cannot be solved by building societies alone, and any attempt to try to shift the responsibility to the movement will not succeed, according to Mr R E Munford, managing director of the EP Building Society.

In a hard-hitting comment on the recent De Kock interim report on building societies and the Du Plessis report, Mr Munford says that a lot of positive advantages could flow from the reports if the authorities act now. He says the major problems are the allocation of scarce capital to be

various sectors of the economy and the use of funds that flow to the building societies and their cost.

The allocation of funds is theoretically no problem if there is a free market, in which case the money would go to the highest bidder.

"The De Kock Commission evidently favours the move into this free market by building societies over a period of time.

"The reason behind the recommendation that the changes be phased in is that the increase in the cost of home finance will be drastic and very disruptive to the ordinary home owner, the building industry, estate agents and, more importantly, to young married couples seeking to purchase their first home, people in rented accommodation and to the

lower-income groups."

Mr Munford adds that the amount of capital that has been diverted to white housing over the years has been excessive mainly because of the proliferation of housing subsidies.

"I personally feel that the operation of any subsidy for housing the lower-middle-income and lower-income groups should be in the form of an interest-rate rebate on their loans based on a two-tier system.

"For example, the lower-income group should get a subsidy of 3% and the lower-middle-income group a subsidy of 2%, the amount of the loan and the income level to be set annually with the budget.

"I feel that the cost of the property is not important, as a subsidy should be purely in relation to the income of

the person as shown on his tax return, and persons who have been thrifty should not be penalised."

Mr Munford suggests that the subsidy should run for three years, after which a new tax certificate should be produced and the subsidy renegotiated for a further three years. He adds that the subsidy could vary from budget to budget.

"The second point of vital importance to any country is that the public should be encouraged to save, and building societies have the infrastructure to do the job.

"However, incentives must be offered to the public, and here the Government must supply some tax incentive which could apply to all financial institutions in respect of personal savings."

harmful.

In a report published by the Urban Problems Research Unit, "Alternative strategies for housing: The case of SA," Dewar says that "self-help housing is no magic cure for the housing problem. Indeed, the prospects of solving the urban housing problem in the foreseeable future are nil."

He adds "The self-help approach being advocated represents a total distortion of the concept of self-help housing. It appears that it is primarily being used as a banner behind which to reduce government's involvement in low-income housing.

"Firstly, the self-help option is not available to the people who most require it (the very poor) or in situations where it has the greatest potential (squatter upgrade). The insistence on minimum standards and the size of loans available to people earning under R250 will effectively price out the poorest group. The only option available to them will be rented accommodation if this is available."

Dewar says that Minister of Community Development Pen Kotze's recent claim that his department will still consider supplying housing for households whose heads earn under R150 "suggests that the present inadequate rate of supply will be cut back further. In the face of this increasing shortage, the social control aspect of housing policy will be strengthened and the level of exploitation of the poor ... will be intensified."

He believes that self-help housing is not being offered as an additional option but is being imposed and is simply replacing conventional approaches. In addition, it is being imposed without the support of financial and decision-making networks, essential for the success of self-help schemes. The system remains highly centralised, and conventional expensive building standards are also still demanded.

Housing shortage

"The only difference now," says Dewar, "is that employers or individuals rather than the State must provide housing. The effect of this will be to dramatically increase the scale of the housing shortage. Many people will be unable to afford to build. Many more will be unable to obtain loans from over-extended financial institutions."

He says that expenditure on community facilities and public spaces will be reduced and infra-structural inputs simplified and reduced. As a result, "environmental sterility, monotony and boredom, which are already the hallmark of most recently created townships in SA cities, may well reach unprecedented dimensions.

"The concept of self-financing local areas ... which cannot work satisfactorily when local areas are almost entirely populated by low-income people, is being entrenched in policy. The inevitable consequence of this policy is that the majority of low-income communities simply will not have community facilities."

HOUSING FM 21/1/83 Doubts on self-help

Government's acceptance of the principle of self-help housing may reflect greater realism in housing policy. But, according to University of Cape Town professor Dave Dewar, it is no panacea, and could even be

123

123 ROM
22/1/83

Mass sale of black houses on the cards

By **NORMAN CUTHBERT**
and **LIN MENGE**

THE Government is expected to announce soon that it has agreed in principle to the mass sale to black tenants of houses owned by administration boards.

Mr Peter Richardson, president of the Association of Building Societies, told a Press luncheon yesterday: "We do not know officially but we understand that it has been approved."

"The matter has been with the Cabinet for 15 months and we are just awaiting announcement of a decision in principle," he said.

Asked to comment, Mr P D McEnery, Deputy Director-General of Community Development, said the Government was "giving attention" to the sale of rented housing not only to black tenants but also to white, coloured, and Indian tenants.

The matter had not yet been finalised and any announcements would come from the Ministers of Community Development and of Co-operation and Development, he said.

Mr McEnery pointed out that after the recommenda-

tions of the 1981 Viljoen Committee on Soweto's housing crisis had been accepted in principle by the Cabinet, Dr Piet Koornhof, Minister of Co-operation and Development, had said that steps would be taken to sell existing housing stock in urban areas to black residents.

The report of the Viljoen Committee — chaired by Mr Boet Viljoen, then president of the Association of Building Societies — recommended Soweto should be sold at cost.

By this they meant the houses should be offered for sale at as low a price as was necessary to recoup costs and provide a reasonable incentive to the local authority to undertake the selling and administration.

Coloured tenants have already been given an option by the Johannesburg municipality to buy their houses — or face a steep increase in rent.

It is expected that blacks who rent their houses from the administration boards will also be given a time limit in which to buy at an attractive price — or pay much higher, economically-related rents.

MATCHBOX HOUSES: Sash's dramatic call

Don't sell them... GIVE them away

(123) GCP 23/1/83

1973		
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GCP Reporter

GIVE the matchbox houses to the people!

This is the call following reports yesterday that the Government is planning to sell all the matchbox houses in the townships to tenants under the 99-year leasehold scheme.

The president of the Black Sash, Mrs Sheena Duncan, said houses built before 1978, when the Government started building family accommodation after a 10-year freeze, had long since been paid for in rentals.

"The best thing to do is give them to the people," said Mrs Duncan.

Cost

Her call was endorsed by leading black architect, Mr Julius Mpo Moikangoa. He said many of the matchbox houses had cost only R250 to build.

"They should be given away to the people now," he said.

Mrs Duncan warned that if the houses were sold, owners would still have to pay site rentals.

"Under the 99-year scheme, they will only own the house, not the land.

"Already site and service charges make up the major part of township rentals, so owners will not be freed from these charges."

Afford

Many people, like pensioners, would not be able to afford to buy their houses, said Mrs Duncan.

She called for the Government to provide guarantees that these people would not be evicted.

GCP was unable to contact the Soweto Council's Nico Malan yesterday to find out what prices the Government was intending to sell the houses for.

Address: P.O. Box 620
Cape Town
2000

Officials: Secretary: J.M. Harper

Area of Operation:

Founded: 1896

Registration: Yes

Industrial Council: Building Indust

Govt slammed over bargain sale of houses

By LEN KALANE

THE BARGAIN sale of "matchbox" homes was reducing the black struggle to non-issues like houses.

This is the view of the president of Azapo, Mr Khenko Mthembu who said the real South African problem lay in the fair distribution of all resources, and the wealth of the country.

And Mrs Sheena Duncan, president of the Black Sash, said the "matchboxes" should rather be given to the people for free, and not be sold at the reduced price.

BARGAIN

"These houses have long been paid for in rents," she said.

These were reactions following the announcement that a Government report was favouring a "bargain sale" of black homes. According to the report, the Government was expected to agree soon on the mass sale of the "matchbox houses" which are in the majority of townships.

It has been estimated that 90 000 of Soweto's 105 000 houses would be available for this "bargain sale". The other houses are "more modern" and it was not Wraib's policy to sell them. No amount has been fixed for the bargain sale but it is believed that the houses would be reduced from the initial R1 700 for the four-roomed.

This scheme, according to reports, will not be confined in Soweto and will apply to other townships as well.

CRISIS

Mr Mthembu said: "The crisis in black housing is a mere tip in the iceberg of the black man's needs. The issue on black housing cannot be solved by the 99-year lease system or the sensational sale of houses.

He added "Housing being the fundamental principle in any fair system of a fair government, can be solved when all people of the country have got an effective say from the central governing processes and total management and the two being inseparable."

PROFITS

Mr Mthembu said one cannot claim to be having the autonomy of Soweto without an effective say in the Government.

These houses most built before 1978 are

City

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is no longer
a secret
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'Prayer will

By ALI MPHAKI

BLACK people can achieve their liberation by simply kneeling down to pray, a prayer meeting for black unity held at the Dube Memorial Chapel heard yesterday.

Addressing the more than 100 delegates which included Bishop the Rev Eddie Thobane said prayers for

fair that were he throughout the country are evidence enough that God is listening. His children and could be of help to them while they pray and ask in united voice.

"Our organisation past and present, has together to include God in whatever meeting we embark upon, and this had created many setbacks

said to have been constructed at a value of R250 each and according to Mrs Duncan, the Government had already retrieved its money and was now continuing to make profits in rent.

Mrs Duncan said if the houses were sold owners would still have to pay site rentals.

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28/1/83 (123) Stan

Govt has a new housing plan for needy

Political Staff
CAPE TOWN — The State President, Mr Marais Viljoen, opened Parliament today with an announcement of a new housing strategy for South Africa.

Making the traditional opening speech, he dwelt on the crippling effect of the drought in the country before listing this year's priorities.

Mr Viljoen was expected to deal at length with the new constitution, but hardly touched on it.

But he did say the Government was determined to solve the housing problems of as many people as possible and that this would need a new strategy.

In future, the State would concentrate on relieving the housing plight of those whose needs were the most acute, and site-and-service schemes would be started.

"Emphasis will be placed on the provision of infrastructure to make sites available for housing on the most reasonable conditions.

"The individual will be placed in a position of self-sufficiency by granting loans for the purchase of building materials.

"A more prominent role is also envisaged for housing utility companies," the State President said.

The new strategy would include the upgrading of existing residential areas and development of site-and-service schemes to provide "adequate, albeit modest, housing for the various black communities" as funds permitted, he said.

Mr Viljoen said the South African economy had performed as well as any — and better than most — in a world rocked by the worst economic setback since the Great Depression of the '30s.

He said that in the present depressed state of the world economy, South Africa's economic growth rate would most probably remain below its long-term potential this year.

"However, if the long-expected economic recovery in the major industrial countries gets under way in the months ahead, and the gold price holds, the trough of our own business cycle might well be reached about mid-year or a little later," he said.

● See Page 3.

123 1/2/83

Bosses neglect black housing

Industrial niche

PETER Richardson, MD of the United Building Society, has called on employers, the Government and black pension funds to play a greater role in financing black housing.

Richardson said the only reason that South African whites were so well housed was due to

employers subsidies and it was time that industry became more involved in black housing.

Slamming the 99 year leasehold plan as "ridiculous", he said that since 1979 when the first 99 year lease was registered only 3 343

more leases had been registered.

Richardson who is also the president of the Building Societies Association, said there were problems with education, communication, and minor legalities.

bonds, but building societies would be prepared to give extra loans for renovation purposes.

He said that the houses could be sold off for between R3 000 and R5 000 with the developers still making more than adequate profits, as



Peter Richardson... time industry was involved in black housing.

Municipality vetoes tenders for Palm Ridge

A THUMBS down has been given by the Germiston Municipality's works committee to all 17 tenderers for the multi-million rand Palm Ridge Indian township services contract, writes Lynn Carlisle.

Disclosing this to Industrial Week, a senior

Ciskei backers can stay

THE Ciskeian National Development Corporation (CNDC) has announced measures to secure the permanency of industrialists investing in Ciskei.

CNDC chairman, Dr P Hoogendyk, announced that a clause included in all agreements between the corporation and industrialists, giving the CNDC the option to purchase industries as a growing concern after a number of years, be waived with immediate effect

municipal spokesman said that tenders ranging from R5.4-million to R6.9-million would have made up the sixth contract connected with the "phase one" development.

"But it has been decided to re-advertise the contract. I am unable to disclose our reasons for this works committee decision," he said.

He revealed that of the contracts awarded the biggest - the laying of a 30kW cable to Palm Ridge and worth R2.65 million - had been awarded to African Cables.

The other awards made were:

- Main sewer and water supply to Hall Longmore (R967 024).
- Erection of a 1.14 MI water tower and 5.5 MI reservoir to Level Construction (R751 019).
- Hi-tension portion of sub-station to Relay Setting (R509 550).
- Extensions to existing sub-station by Brown Boveri (R49 202).

"Rather than building new houses to sell off under the 99 year leasehold plan, it is essential to sell off existing stocks - only then will the leasehold plan get off the ground" said Richardson.

He added that some of the existing houses would not qualify for

most of the loans used to provide the houses have already been paid.

About R40,3-million had been put aside for black housing, with R10,5-million coming from the Urban Foundation and the balance coming from overseas banks on a three year loan at "very favourable rates", said Richardson.



Apprentices at work in GEC's new training centre at the company's Benoni works. The centre was opened last

Factory Managers Builders/Architects
 the answer to your problem
 Roller Shutter doors is here!

HERE'S what employers in the Johannesburg area should be doing NOW about housing their employees, says Mr Alec Rabie, Wrab's Director of Community Services.

● Ensure your employees are on the waiting lists because when stands or houses become available, no leap-frogging will be allowed.

● See that they have Section 10 rights, that is, that they are qualified to remain in an urban black residential area. Then they will be eligible to buy under 99-year leasehold.

When the Government's proposed mass sale of township houses starts, people will only be able to buy under 99-year leasehold — not Wrab's 30-year home ownership scheme.

People who want to buy their houses now, should think about buying under Wrab's home ownership scheme, and convert to 99-year leasehold later when the mass survey of stands is complete. Otherwise they will have to pay an extremely high fee to have their stand individually surveyed before they can obtain a building society bond.

Note that semi-detached houses (there are some 40 000 of these in Soweto) cannot be bought on 99-year leasehold. However they can be bought under Wrab's home ownership scheme.

● Avoid delays by seeing that all the documentation needed for buying a house is ready. Delays are caused mainly by applicants leaving behind one of the necessary documents — not because the procedures are complicated. Soweto people need deal with only one office if they want to buy a house — the New Canada Home Ownership Centre. (Inquiries, Mr Piet Genis, telephone 673-5200.)

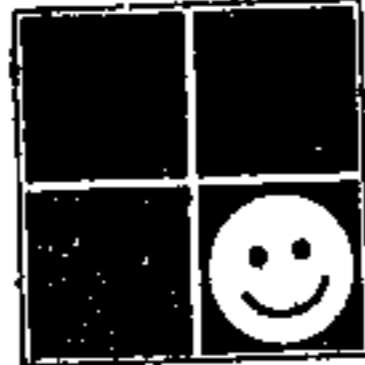
● Encourage your employees to upgrade or extend

How employers can help in black housing

123 RSM
3/19/83
State President Mr Marais Viljoen spells out the Government's new housing policy at the opening of Parliament. That policy puts the onus largely on private enterprise and on the employer. "Where do we begin?" companies ask HOMEFRONT. Here's how:



Wrab's Alec Rabie ... wants to know what employers want.



Report by Lin Menge

their existing houses. Those extra rooms can be rented to people at present living in shacks, and will add to the value of the house. New Canada Home Ownership Centre takes care of that too — for estimates, costs, plans, builders and loans.

● Upgrade hostel accommodation. (See tomorrow's HOMEFRONT).

● Help house a valued employee who does not yet qualify for Section 10 rights because he has worked for less than 10 years for you. Companies can themselves apply for 99-leasehold of a township property for 30

years and then accommodate the employee on that property.

● Advise Wrab if you are interested in flat accommodation. Would your workers like flats — if so what kind of flats? Wrab hopes employers might be interested in developing flats for letting to their employees or to township residents generally. (Inquiries, Mr Nico Malan, chief executive officer of the Soweto Council tel. 930-3521, or Mr Rabie).

● If you are interested in participating in the R65-million Protea North scheme, with a view to de-

veloping housing for your own employees, make your interest known. The nature of the housing provided there will depend on the needs of employers. The scheme is still to be finalised by the Soweto Council and the Urban Foundation and construction of the proposed 2 500 houses and 800 flats is unlikely to start for another 12 to 18 months because all the services still have to be provided. (Tel. Mr 'Jack' Jacobs of the Soweto Council, 930-3521, or Mr Matthew Nell, Housing Manager of the Urban Foundation, tel. 833-1620).

123

Another bank bond rate cut

Cape Times 9/2/83

Own Correspondent

JOHANNESBURG. — Barclays Bank has again cut its mortgage bond rates — this time by 1,5 percent across the board.

It is the second time it has lowered the lending rate since it brought in its controversial scheme at the end of August last year.

Now the bank is putting heavy pressure on the building societies to follow suit.

Home-owners with building society bonds will, however, have to wait at least until March 22 before they know if they, too, will receive relief. That is the date of the next meeting of the executive of the Association of Building Societies,

of which the major lenders are members.

Even then, a calendar month's notice is necessary before any changes could take effect. This means borrowers would be affected only from May 1.

On the other hand, Barclays' new rates come into effect on February 24 and will affect new and existing loans.

The bank will charge 15 percent for loans up to R20 000; 16 percent for loans between R20 000 and R40 000 and 17 percent for amounts above R40 000.

Building societies demand a minimum of 14,25 percent, with a top rate of 16,25 percent.

Societies still say they have the advantage because of the slightly lower rates, which still mean a considerable amount of money on a loan over 20 or more years.

But pressure from the bank comes from its ability to lend freely — more than R200-million is still available — and to make a decision on a loan in 24 hours of an application being lodged, allowing prospective home-owners to have their joint income taken into account when applying for a loan and allowing borrowers to spread the repayments over 30 years.

*23. Dr. M. S. BARNARD.—Health and Welfare. [Withdrawn.]

*24. Dr. M. S. BARNARD.—Health and Welfare. [Withdrawn.]

123 ~~3047~~ *Harvard Q. 61. 55-*
Urban Foundation 56
9/2/83

*25. Mr. S. P. BARNARD asked the Minister of Community Development:†

Whether the Urban Foundation has received financial assistance out of the National Housing Fund or any other funds at the disposal of his Department; if so, (a)



FEBRUARY 1983

56

on what basis, (b) what amount was paid to the Foundation in each of the latest specified two years for which figures are available and (c) for what purpose were these amounts applied?

the end of the 1987/88 financial year, and no indication of when their turn will come can be given at this stage.

123 Hansard Q. Col. 70 - 71
Houses provided by private sector
10/2/83

43. Mr. C. W. EGLIN asked the Minister of Constitutional Development and Planning:

How many houses were provided for members of the (a) Coloured, (b) Indian and (c) White population groups in each province by the private sector in 1982?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Statistics in respect of houses provided for members of the Coloured, Indian and White population groups are not available. However, the following data in re-



71

FRIDAY, 11 FEB

spect of houses erected for the private sector in areas of all local authorities are furnished for 1982.

	(a) Coloureds	(b) Asians	(c) Whites
Cape Province	1 764	12	6 290
Natal	60	615	2 819
O.F.S.	36	—	1 844
Transvaal	234	183	13 391

123

blocks of flats during the past ten years, if so, (a) from whom was each such block purchased and (b) what was the (i) purchase price and (ii) date of purchase in each case?

The MINISTER OF FOREIGN AFFAIRS AND INFORMATION:

Yes, 3 blocks of flats, namely:

- (1) TREVI COURT, Tamboerskloof Cape Town.
 - (a) From Delfonte (Pty) Limited.
 - (b) (i) Purchase Price: R900 000.
(ii) Date Of Purchase: February 1981.
- (2) COTSWOLD, Florida Hills, Roodepoort.
 - (a) From Cotswold Investments (Pty) Ltd.
 - (b) (i) Purchase Price: R295 000
(ii) Date of Purchase: July 1980.
- (3) CALETA FLATS, Windhoek*.
 - (a) From Caleta Flats (Pty) Limited
 - (b) (i) Purchase Price: R82 500.
(ii) Date of Purchase: August 1970.

The aforementioned blocks of flats were purchased by the SABC itself. In addition the Pension Fund of the SABC has purchased a considerable number of apartment blocks since 1974 as part of its overall property portfolio. The Pension Fund of the SABC is a juristic person with its own rules. In terms of the pension Funds Act, 24 of 1956, the activities of this Fund are reported to the Registrar of

*Transferred to the SWABC when the latter came into being.

Pension Funds. The Minister of Foreign Affairs and Information has no responsibility in respect thereof.

101. Mr. S. P. BARNARD asked the Minister of Foreign Affairs and Information:†

Whether the SABC purchased any

101. Mr. S. P. BARNARD asked the Minister of Foreign Affairs and Information:†
SABC: purchase of blocks of flats 118
15/2/83
Hansard Q.61. 116-

The MINISTER: No, that is not so.

219 (123) Hansard
Railway houses: political meetings
Q Col. 128 16/2/83
8: Mr. J. C. B. SCHOEMAN asked the
Minister of Transport Affairs:†

Whether he or the management of the South African Transport Services has issued any directive in regard to the holding of political meetings in Railway houses; if so, what instruction?

The MINISTER OF TRANSPORT AFFAIRS:

No.

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House subsidy of R370 for single women

BW ARGUS 19/2/83 123
By Audrey d'Angelo

SINGLE women in the public service, including teachers, can obtain subsidies of up to R370 a month to buy a house.

Since October 1981 single people of either sex in the public service have qualified for a housing loan and subsidy.

But women, unlike their male colleagues, are penalised by ceasing to qualify as soon as they marry and the subsidy is

withdrawn completely regardless of how low the husband's income may be.

This happens because the Public Service Commission takes the view that, even if he is unemployed, the husband is the breadwinner and responsible for providing housing.

An exception is made only if the husband is an

invalid, unable to work.

Most of the major building societies now take a wife's earnings into account when granting a bond.

A former president of the Association of Building Societies, Mr H Sloet, managing director of Saambou, was surprised to hear that women in the public service lost

their housing subsidy on marriage.

"It seems a bit unfair to treat a woman employee differently after her marriage if she continues to give the same service," he said.

CONTRIBUTION

His own society normally took a wife's earnings into account when granting a bond if asked to do so, assuming that a professional woman with a career would make a contribution to the family income.

The president of the Public Servants Association, Dr C M Cameron, said the association was happy that it had succeeded in getting the housing subsidy scheme extended to single people.

At present only breadwinners qualified and in the case of a married couple this was considered to be the husband.

It was possible that the association might at some time in the future ask for the definition of the term "breadwinner" to be changed to allow

married women who earned more than their husbands to qualify.

Dr Cameron agreed that society and the situation of women were changing and there were many cases now when a household needed two incomes, so that the concept of the husband as breadwinner could be out of date.

"There are cases where a wife is in fact the main provider because she earns more than her husband and can qualify for a larger bond," he said.

BOTH QUALIFYING

A senior employee of the Public Servants Association said it was his personal opinion that it was right the subsidy should be withdrawn.

"In many cases women in the public service marry men in the public service and then you would get the anomaly of both husband and wife qualifying for the subsidy.

equivalent of the FBI, since ers "He promised the Ger- He said the German in- can service members
he

Summit on finance for housing

123
E. Post
19/2/83

Property Reporter

A TOP-LEVEL probe into the shortage of housing finance is set to begin later this year under the chairmanship of Dr Simon Brand.

Dr Brand is chairman of the Prime Minister's Economic Advisory Committee and professor of economics at the University of South Africa's School of Business Leadership.

The probe which Dr Brand is to head was the brainchild of the South African Property Owners' Association (Sapoa). Explaining the reasons for calling the meeting, Sapoa says in a statement:

"In recent months the problem of meeting South Africa's housing needs has received an increasing amount of public attention and much prominence has been given to the enormous challenge which faces South African society in this regard.

"Despite the difficulties presented from time to time by fluctuations in the supply of labour and materials and in the availability of serviced township stands, the core of the problem of meeting the country's housing needs lies in the availability to the prospective home buyer of adequate and suitable financing."

Accordingly, at its last council meeting, Sapoa "decided that the most practical method of investigating and solving the problems of housing finance would be to create an interdisciplinary forum, consisting of representatives drawn from the highest level of the organisations concerned with housing finance, and embracing both the public and private sectors".

Mr Piet Moolman, deputy president of Sapoa and chairman of its housing committee, has announced that the association will initiate the investigation by holding a summit meeting on housing finance.

The first meeting is scheduled for May 18. Attendance will be by invitation but will not be confined exclusively to Sapoa members.

At this summit meeting, working groups will be formed to give specialist attention to the task of mobilising South Africa's potential sources of housing finance.

The investigation will conclude with a major public seminar, to be held in Johannesburg on October 5, when the working groups will report on their investigations and their proposals will be assessed.

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MEN'S
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JOHN STEPHEN, MEURICE, MONATIC
ALBA, CHRISTIAN DIOR, YVES ST LAUR-
ENT, CARDUCCI, PIERRE CARDIN

LADIES'
SLAX FROM R5⁰⁰
RONALD SASSOON, CARDUCCI, MONDI,
CASSIDY, DIJON, ZA

FROM
SPORTS COATS R30⁰⁰
MAN ABOUT TOWN, JOHN STEPHEN,
PIERRE CARDIN MENTONE

FROM
SKIRTS R5⁰⁰
MONDI, AFFINITY, ZA, RONALD SASSOON

FROM
TROUSERS R15⁰⁰
MOVERS, MONATIC, JOHN STEPHEN,
MENTONE, KNOCKOUT

FROM
CORDS R15⁰⁰
ZA, DIJON, WRANGLER, RONALD SAS-
SOON, CHAPS

FROM
SHIRTS R10⁰⁰

FROM
KNITWEAR R5⁰⁰

Building in Bloemfontein where a bomb

Picture JILLIAN EDELSTEIN

19/2/83
Britain and
Norway cut

KNITWEAR SALE

KNITWEAR SALE

Hansard Q. Col. 260
Domestic servants on flat premises
206 123 23/2/83
*19. Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

Whether he will review the formulae adopted in 1966 for determining the number of Black domestic servants permitted to reside on flat premises, as referred to in his reply to Question No. 31 on 16 February 1983; if not, why not; if so, when?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

Although the residence of unlimited numbers of Blacks in high density White areas overnight cannot be permitted due to undesirable circumstances arising therefrom the formula is at present being reconsidered. Compassionate cases are considered on merit with great circumspection and can be brought to attention.

Mrs H. SUZMAN: Mr. Speaker, arising out of the reply of the hon. the Minister, is he aware that permits are being withdrawn from people who have been employing domestics for many years and that no alternative accommodation exists for those domestics either in hostels or in the houses in the townships?

The MINISTER: I am aware of the facts mentioned and that is why I replied in the fashion I did reply.

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Blacks: freehold tenure

Q. Col. 303
25/2/83

*4. Mr. P. R. C. ROGERS asked the Minister of Co-operation and Development:

- (1) Whether he is considering freehold tenure for Black South Africans in urban centres in the Republic; if so, which urban centres will be involved;
- (2) whether the 99-year leasehold system will continue to operate for Blacks from independent and national states living in the Republic?

†The MINISTER OF CO-OPERATION AND DEVELOPMENT:

- (1) No. To implement the 99-year leasehold system now deserves our full attention.
- (2) The 99-year leasehold system will continue to operate for such Blacks who fall within the definition of "qualified person" as defined in Section 1 of the Blacks (Urban Areas) Consolidation Act, 1945 (Act 25 of 1945).

Mrs H. SUZMAN: Mr. Speaker, arising out of the reply given by the hon. the Minister, is he considering extending the 99-year leasehold to the Western Cape as well, and if not, why not?

†The MINISTER: Mr. Speaker, if the hon. member wants a reply to that question, I cannot simply reply to it off the cuff. She is welcome to table her question.

†Prof. N. J. J. OLIVIER: Mr. Speaker, further arising out of the hon. the Minister's reply, could that mean that the question of freehold for Blacks in urban areas will not be considered by the Cabinet committee announced by the hon. the Prime Minister?

†The MINISTER: Mr. Speaker, I replied to that question very clearly. I therefore think it is unfair that the hon. member should now come forward with such a question here. [Interjections.]

25/2/83
99-year leasehold scheme
123 Hansard Q. Col. 335 - 336
92 Mrs. H. SUZMAN asked the Minister
of Co operation and Devejopment:

(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?



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The MINISTER OF CO-OPERATION
AND DEVELOPMENT:

(a) It has been approved that all urban Black residential areas where the leasehold system is applicable be surveyed on a programmed basis in order to promote the scheme. Funds will be made available from the National Housing Fund over the next 5 to 6 years to bridge the costs of survey.

(b) West Rand	2 402
East Rand	629
Bloemfontein	60
Vanderbijlpark/Sasolburg	387
Pretoria	64
Port Elizabeth	51
Pietermaritzburg	0
Durban	0
Cape Town	0
Kimberley	0

123 Hansard Q. Col. 350
Loans/grants for housing
25/2/83

188. Mr. A. SAVAGE asked the Minister of Co-operation and Development:

- (1) What were the amounts provided by the Government for the 1981-'82 and 1982-'83 financial years, respectively, for 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?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(1) 1981/82	(a) R81 500 000	(b) Nil
1982/83	R98 700 000	Nil

- (2) Yes. The interest rates vary between 1% and 9% depending on the income group.
- (3) (a) No,
(b) No.
(i) and (ii) Fall away.

Railways: uniforms

*12. Mr. G. S. BARTLETT asked the Minister of Transport Affairs:

- (1) Whether the design and colour of uniforms worn by certain staff of the Railways have been changed recently; if so, (a) in respect of which staff, (b) what articles of clothing make up such uniforms, (c) what new colour was chosen and (d) who chose this colour;
- (2) (a) over what period will the change-over take place and (b) what is the estimated cost of supplying these new uniforms?

†The MINISTER OF TRANSPORT AFFAIRS:

- (1) Yes
- (a) All White S.A. Railways and S.A. Road Transport employees entitled to uniforms.
- (b) Summer wear: Safari suit (longs). Short optional for shunting staff.
Winter wear: Serge jacket and trousers.
Cap included with both uniforms.
- (c) Murray brown.
- (d) Special Uniform Clothing Committee in liaison with Staff Associations.

(2) (a) October 1982 to June 1983

- (b) The provision of the new uniform does not constitute additional expenditure since the old uniform is being phased out gradually.

Mr. G. S. BARTLETT: Mr. Speaker, arising out of the reply given by the hon the Minister, could he tell us what the additional personal costs to the staff have been owing

to the fact that they are now being required to buy new shirts, ties, socks, shoes and boots in order to comply with this colour change?

The MINISTER: Mr. Speaker, the old tie and the old shirt suit this new outfit. They do not therefore have to buy new ties and shirts. [Interjections.]

Dr. A. L. BORAINÉ: Mr. Speaker, would the hon. the Minister consider giving one of the old uniforms to the hon. member for Amanzimtoti? [Interjections.]

Mr SPEAKER: Order!

Kensington Drive, Durban: property

*13. Mr. R. B. MILLER asked the Minister of Posts and Telecommunications:

- Whether his Department recently purchased a property in Kensington Drive, Durban North; if so, (a) which property, (b) what was the purchase price and (c) (i) for what purpose was the property purchased and (ii) when will it be taken into use for such purpose?

The MINISTER OF POSTS AND TELECOMMUNICATIONS:

- Yes:
- (a) lots 2336 and 2340, which belonged to the Journey's End Shellhole of the M.O.T.H. organization;
- (b) R.300 000; and (c) (i) a post office and postmen's delivery depot, and (ii) on 1 March 1983 a postmen's depot will be established in the existing building, while the new post office building is being planned for erection by 1985.

(23) Howland
Black states: establishment of towns/housing
O. Col. 328 - 311 25/2/83
*14. Dr. F. HARTZENBERG asked the Minister of Foreign Affairs and Information:†

What is the total amount to be spent by the State in the current financial year on (a) the establishment of towns and (b) housing for Blacks in the independent

ment of Co-operation and Development excluding any amounts possibly to be approved in additional estimates and the amount estimated in respect of the administration of the Department, are as follow:

- (a) R968 327 000.
(b) R250 455 000.

Mr. Speaker, I want to point out to the hon. member for Lichtenburg that he has to accept co-responsibility for this budget because he was present in the Cabinet when the budget was adopted.

Black states: towns/townships/houses/dwelling units

*16. Mr. F. J. LE ROUX asked the Minister of Foreign Affairs and Information:†

- How many (a) towns or townships and (b) houses or dwelling units will be erected by the State in respect of the current financial year in the independent Black states which previously formed part of the Republic?

The DEPUTY MINISTER OF FOREIGN AFFAIRS AND INFORMATION:

As independent states, these countries themselves are in the first instance responsible for housing and establishment of towns. There are, however, two types of assistance in this regard which supplement and support their actions. In terms of the independence agreements certain actions in respect of the establishment of towns and housing are undertaken by the South African Development Trust in these countries.

The Department of Foreign Affairs and Information does not incur any direct expenses in this regard, but makes project aid available to these states for this purpose. Project aid is financed by the Economic Co-operation Promotion Loan Fund which was instituted in terms of Act No. 68 of 1968.

It is therefore necessary to distinguish between the expenses of the Development Trust and that of the Loan Fund in this regard.

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It is impossible to distinguish between Black and White housing, although the vast majority is probably meant for Black citizens of those states.

- (a) Development Trust . . . R 7,997 million
Loan Fund R15,350 million
- (b) Development Trust . . . R 5,318 million
Loan Fund R 1,125 million

Amounts to be spent on Blacks

*15. Dr. F. HARTZENBERG asked the Minister of Co-operation and Development:†

What are the total amounts to be spent by the State for the benefit of Blacks (a) in the national states and (b) outside such states but within the borders of the Republic in respect of the current financial year?

†The MINISTER OF CO-OPERATION AND DEVELOPMENT:

The amounts to be spent by the Depart-

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FRIDAY, 25 FEB

- (a) Development Trust 13 townships;
Loan Fund 4 townships.
- (b) Development Trust 665 dwelling
units; Loan Fund 187 dwelling units.

LOSS

Wilkins East Roberts 756

STOCK CONTROL. MODULES are capable of

ware to Sirius and IBM computer users

available on video cassette.

No relief for homeseekers

S. Times 27/2/83 (123)

By Vera Beljakova

SOUTH Africa will continue suffering from a lack of residential accommodation for letting, with the average vacancy rate remaining below 0.4% in Johannesburg, Cape Town, Durban and Pretoria.

The situation will not ease until property developers can be confident that the Government has rejected all forms of rent control — and is seen to be honouring its promise.

Until the total abolition of rent control, only the most negligible amount of rental accommodation will enter the letting market, says Errol Friedmann, joint MD of J H Isaacs, the country's largest property managers.

"Though accommodation will be scarce, the rate of rent increases is likely to decline as the recession takes its grip on tenants.

Reduced salary increases and increased job competition will result on severe financial pressures on tenants, who in turn will

resist high rentals.

"Hence the rate of rent increases will be lower than the rate of inflation," predicts Mr Friedmann.

Luxury apartments which today command rentals of R1 500 and above (for a two-bedroom in the Hyde Park and Illovo areas) will be particularly subjected to customer resistance.

"Much of this luxury accommodation has come on to the rental market since mid-1982 as a result of apparent saturation of the high-priced townhouse/sectional-title market, where the developers are avoiding forced sales at prices below cost."

The anticipated lowering of interest rates this year and the consequent availability of money could result, however, in increased sales towards the end of 1983, says J H Isaacs.

Moreover, the demand for sectional-title units in most categories of apartments will persist — particularly in the middle-to-lower-income areas.

What's in store: New look

By Elizabeth Rouse

THE abolition of exchange control for non-residents has been evaluated by Econometrix, a newly established company specialising in economic analysis and forecasting, with the aid of an econometric model of Infonet (a division of Computer Sciences).

Within the framework of an average gold price of \$538 for 1983, \$600 for 1984 and \$650 for 1985, the model predicts growth of 3% in 1984 and more than 4% in 1985.

For the current year, the model indicates negative growth of 0.6%, with the turning point in the real economy beginning at the end of this year.

The model indicates that the abolition of exchange control will cause only a minor depression in the dollar/rand exchange rate, which, on average, will exhibit an upward trend.

The model also indicates that the downward trend in interest rates established last year will continue.

Econometrix undertakes consulting projects into specialised sectors.

Reasons for leaving the job

By Kerry Clarke

IT is neither the boss nor the job that causes as many as 63% of casual resignations among low and middle level office workers, but the office surroundings and facilities.

This and other surprising results were gleaned in a survey on office life carried out in the US by Louis Harris Polls and used as a base for similar studies in South Africa by Dashing Office

Furniture, part of the Mathieson and Ashley group.

Out of the eight major factors causing worker dissatisfaction, the boss and the job were in fourth and seventh places.

Top of the list was failure by management to update offices and maintain a pleasant environment.

Next was inadequate space, followed by lack of privacy, uninterested man-

agement, unpleasant co-workers, low salary, boring work and no respect for weak managers.

When office workers were asked what things they would most like to change in their personal work spaces if they had a say in planning a new space or selecting new equipment, there were two requests most frequently mentioned.

These were: among office workers who share their offices, in pool offices and in open-plan offices, approximately a third said that they would like more privacy, almost the same number asked for "more personal space, a larger space".

A generally "more attractive, neater, better organised, more pleasing" office is mentioned by 14% of office workers.

About 12% mention a change in the colour of walls or partitions.

Carlton revamp plan

THE Carlton Centre, a gem in the Anglo American property crown, turned into an old, drab and almost obsolete compound of trading stores within the decade.

Now Anglo American Properties, bent on saving Johannesburg's CBD, is investing at least R20-million in a complete revamp, turning the

old dame into a classy conglomeration of trendy boutiques, chic cafes and elegant eateries.

This, at least, is the intention of Anglo's Tony Mason, who is hosting the world's expert on shopping centres, Beda Zwicker of the US's Gruen Associates, to captain the rescue operation.

Gremlins, gremlins

THE gremlins had a field day in the table published on Page 1 of last week's Business Times.

The most recent results from Cadschweppes reflected an 11% increase in earnings per share (not an 11% decline), Rennie's was 8% up (not 8% down), NEI Africa was 31% up (not 13% down), Montays was 55% up (not 55% down) and Claude Neon was 10% up (not 10% down).

Since these were printing errors, they do not affect the validity of the text of the story accompanying the table.

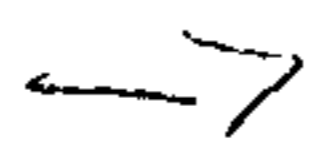


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Hansard Q. Col. 377-
Rent control 378
28/2/83

301. Mr. A. B. WIDMAN asked the Minister of Community Development:

How many dwelling units are still subject to rent control in each province?



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The MINISTER OF COMMUNITY DEVELOPMENT:

The hon. member is referred to the reply on his Question 78 of 1982 to which nothing can be added.

123 Hansard Q. 61. 375-
National Housing Fund 376
28/2/83
206. Dr. W. J. SNYMAN asked the Minister of Community Development:

Whether loans at reduced interest rates are available from the National Housing Fund for the provision of housing to the aged and handicapped of all population groups, if so, what are these interest rates in respect of each population group?

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The MINISTER OF COMMUNITY DEVELOPMENT:

Yes, at a uniform interest rate of 1% but in respect of infirmed aged a loan at a rate of 1/4% can be considered.



Dr Jolly

The new Dr Spock

Dr Hugh Jolly, head of the paediatric department of Charing Cross Hospital in London and author of several best-selling books, is presently visiting South Africa to lecture on child care.

Often described as a modern day Dr Spock, Dr Jolly says his work is not to be regarded as the Bible of childcare but just an effort to help mothers.

His ideas, which are reported on Page 9, are often considered highly controversial. But as long as they help mothers they are providing a valuable service, he says.

Botes goes down

Gerhard Botes, heralded as successor to Charlie Weir in the junior middleweight division, plummeted to his first defeat in 60 amateur and professional bouts at the hands of the enigmatic David "Baby Lux" Kambule last night.

Kambule, occasionally guilty of lackadaisical performances, remained aggressive for the entire eight rounds and knocked down Botes in the sixth period. See Page 19.



Top singer

A talk man to Manilow

Barry Manilow (above), one of the world's top singers, will perform at Sun City at the end of April.

The artist who has

State housing aid for 200 000

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By Sue Leeman, Pretoria Bureau

About 200 000 public servants are eligible for housing loans following last year's announcement that Government assistance was to be extended to single employees.

Until April loans were available only to married bread-winners but now single people — irrespective of whether or not they have dependents — can obtain 100 percent loans for the purchase of houses, flats or land.

The only pre-requisite is they must be over 21, have at least one year's unbroken service and have made regular contributions to a Government pension fund. Part-time employees are also eligible.

The State also guarantees a deposit of 20 percent on any bond obtained from approved financial institutions.

'Automatic'

A spokesman for the Commission for Administration said while the applicant was asked to provide some sort of security "this is really a formality and the granting of a loan is almost automatic".

The size of the loan is calculated according to salary but service bonuses, contributions to pension and provident funds and medical aid are also taken into account.

An unmarried man with an annual salary of R8 000 and no dependants is entitled to a R43 561 loan. If he has more than one dependant he is entitled to R44 214.

Women employees, whose pension and provident fund contributions are about two percent lower than their male colleagues, are entitled to slightly smaller loans.

Single men earning R12 000 annually are entitled a R54 663 loan while their female counterparts can borrow up to R53 357.

Subsidies



Victorious husband and wife TV team, Regardt van den Bergh and Jana Cilliers, at The Star Tonight! TV Awards which were made at a Johannesburg hotel today. Regardt van den Bergh won his award as director of "Vyfster" and Jana won the category Best Performance by an Actress in a single drama for her role in "The Portrait of Gysbert Jonker". See Page 4 for all the winners.

● Picture by Ruphin Coudyzer.

Naas back in fold as suspension is lifted

Pretoria Correspondent

Living under a cloud of suspension can be a strain.

That was Springbok flyhalf Naas Botha's experience after being suspended by the Northern Transvaal Rugby Union last week for his involvement with Dallas Cowboys grid-iron football club in America.

The Northern Transvaal captain appeared before the NTRU disciplinary committee at Loftus Versfeld yesterday, and the suspension was lifted after a 90-minute hearing.

"I'm pleased this whole business has been settled," said Naas. "What upset me was the suspension. I hate the

"It was gratifying. I had numerous calls from people, some of them not even rugby supporters."

The announcement that the suspension had been lifted was made somewhat prematurely.

It was approved officially by the NTRU delegates at its monthly meeting last night — almost four hours after the disciplinary committee's decision to clear Naas.

Mr Mike Odendaal, chairman of the disciplinary committee, said: "We had the media waiting for a decision, and by delaying the announcement we would have caused a lot of inconvenience."

Spontaneous applause greeted the

The artist, who has sold more than 40 million records worldwide, talks to Peter Feldman in an exclusive newspaper interview about his visit, his background and his music. It's all on Page 8 in Tonight!



Peter O'Toole

Lifelong rehearsal

After a long career of acting the pukka English gentleman, Irishman Peter O'Toole is about to be seen in a role he says he's been rehearsing for all his life - an alcoholic film star of the 50s in "My Favourite Year", due for release in South Africa soon.

O'Toole, who was late for the interview in his own home, spoke to Dirk de Villiers, who tells you all about this unconventional actor on Page 10 of Tonight!

Subsidies

Housing subsidies are also available to permanent staff members, regardless of their marital status.

Interest rates on bonds are subsidised by the State and calculated according to income. Public servants pay no more than three or four percent monthly interest on bonds of up to R40 000 but for additional amounts normal interest rates apply.

For those in the higher income brackets this saves about R340 a month while those with lower salaries benefit by R370 every month.

Public servants in all central government departments, including teachers, post office workers, Defence Force members, police and employees of the Prisons Service are eligible for loans. The railways has its own scheme.

In addition, public servants who have already bought homes with Government loans can apply for further help with the purchase of other accommodation once they have sold their existing property. Those wishing to make structural alterations to their homes are also eligible for assistance.

"I'm pleased this whole business has been settled," said Naas "What upset me was the suspension I hate the word. There's stigma attached to you when you're suspended, and I'm glad the air has been cleared."

The Springbok flyhalf said he was surprised by the moral support he had received from the public

by delaying the announcement and President Eloff, president of the I was obvious that delegate as pleased as he was the back in the fold

See Page 26

Kotze warns of 'drastic' action

Political Staff

CAPE TOWN - A warning of "drastic" action against non-whites who tried to live in white areas of Johannesburg was issued today by the Minister of Community Development, Mr Pen Kotze.

In a statement in Cape Town the Minister said a group area for Indians had been declared in the city centre and a good number of serviced building sites were available in Johannesburg's Indian and coloured group areas.

"Non-whites who penetrate or have penetrated white living areas unlawfully must take careful note that relentless and drastic action will be taken against them in future," he said.

Mr Kotze said it was clear the newly proclaimed Indian area would have to be rounded off by "proper separation" from the white area of Mayfair.

"An inquiry will give all interested parties a full opportunity to make representations," he said.

The Minister added: "Although I do not want to anticipate this matter in any way I want to give the assurance that if the area in question should be proclaimed as anything other than a white area, the present white residents will be offered suitable alternative housing in Pageview and Vrededorp."

"I also want to say quite plainly that with the execution of this limited area which will be the subject of investigation, Mayfair and the surrounding white areas will remain white."

TRF R33-million in debt

The Transvaal Union is in a state of about a year of nearly a million.

The TRFU's report to be tabled at its annual meeting next month shows the union has assets worth R43-million and owes a commercial bank about R27-million interest of some R2 million outstanding.

In addition the union owes the Johannesburg City Council about R2 million and an industrial company provided the video scoreboard a further R2,7-million.

The union's net income was just over R6 million while gate money, sponsorship and other sources of revenue netted another R1,5-million.

Mr Derby-Lewis was invited to address the meeting as he has opposed the CP supporters.

he and Mr Snyman are active CP supporters. Both he and Mr Snyman are active CP supporters. Both he and Mr Snyman are active CP supporters.

SUPPORTERS

The meeting will also be addressed by Mr Clive Derby-Lewis, former MP for Edenburg. Both he and Mr Snyman are active CP supporters.

A CP spokesman said these protests had encouraged the CP to hold the meeting which will be addressed by former Supreme Court Judge Mr Lammie Snyman, who is a resident of the town.

Although the CP is not represented on the town council, the party reports it received a flood of objections from residents opposing the current Human Sciences Research Council survey into the possibility of mixed facilities.

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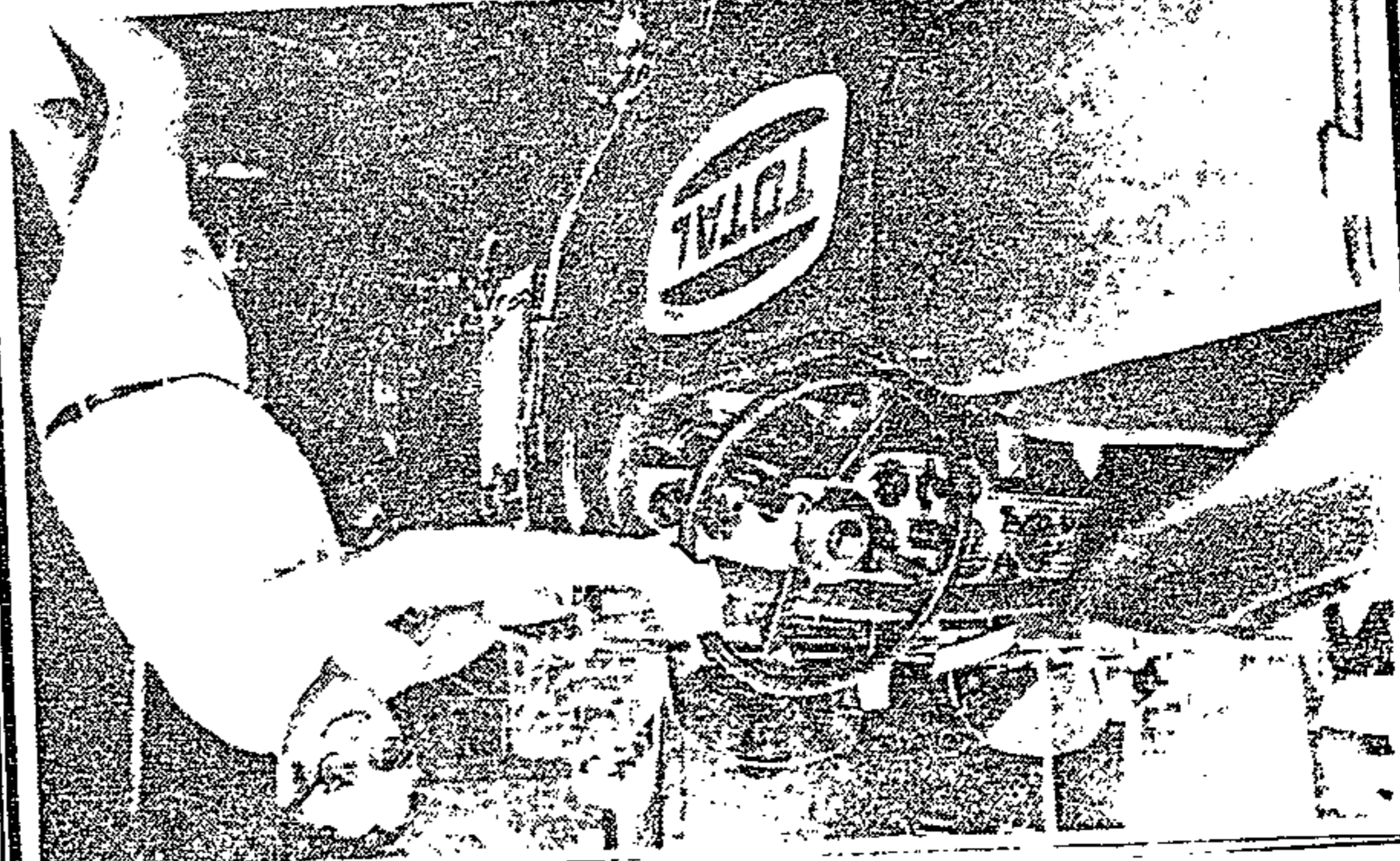
White's three-litre model were severely damaged in two separate collisions, and the car has been withdrawn from the event.

"It is a great blow," said the deflected

Battered and bent Bentley

Disaster has hit two of the "Bentley boys" entered in the Total International Vintage Bentley Tour of South Africa. Mr Acutt's joy was spoiled later when one of the cars was severely damaged while he was driving.

A smiling Mr Jack Acutt of Durban supervises the off-loading of one of the overseas Bentleys which will take part in the Total International Vintage Bentley Tour of South Africa. Mr Acutt's joy was spoiled later when one of the cars was severely damaged while he was driving.



Disaster has hit two of the "Bentley boys" entered in the Total International Vintage Bentley Tour of South Africa. Mr Acutt's joy was spoiled later when one of the cars was severely damaged while he was driving.

123) Howard Q. 61. 432
 Housing shortage
 2/3/83 434

40 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 1982;
- (2) how many houses were provided in 1982 for each population group in each province by (a) the State and (b) local authorities;
- (3) when is it expected that the shortage will be eliminated in each province?

The MINISTER OF COMMUNITY DEVELOPMENT:

(1) and (3) The whole question of housing needs and shortages are closely linked to the new policy directives announced by me in terms of which as part of a comprehensive housing strategy it has been determined that state funds in future will be made available only for the provision of infrastructure to ensure an adequate supply of building sites, and for the provision of housing to the very lowest income group, the aged and other welfare cases, whilst greater involvement by the private sector in the housing process, especially by the individual himself, his employer and utility companies will be purposefully pursued and actively promoted. Where the Government with the limited means at its

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disposal will in future accept responsibility for only a portion of the housing needs, it is not incumbent on the State to undertake the comprehensive research on an ongoing

basis that the determination of housing needs and shortages demands. Accordingly the Department, unfortunately, cannot provide the required statistics.

(2)

Province	White		Coloured		Indian		Black	
	State	Local Authority	State	Local Authority	State	Local Authority	State	Local Authority
Cape	573	477	820	7 262	71	9	757	2 286
Natal	87	55	—	20	791	5 460	3	538
Tvl.	1 020	694	292	1 256	369	278	25	7 785
Ovs.	522	130	30	103	—	—	—	2 128

(123) R.M. 4/3/63
New priorities for housing funds

By LIN MENGE

NEW Government guidelines for the funding of housing place a heavy burden on individuals, employers, welfare organisations and communities of all races.

A circular issued by the Department of Community Development to local authorities, administration boards and regional representatives of the Department, lays down new priorities for the allocation of State funds:

● First priority — funds to make serviced plots available so individuals may pur-

chase stands and erect homes with their own funds, or with finance obtained from other sources such as building societies, financial institutions or employers. The serviced stands will be available for all income groups, but while lower income groups will be allowed to buy plots at prices set by their incomes, those falling outside the income limits will have to acquire plots at market value;

● Second priority — funds to house the aged, pensioners and other needy persons who cannot provide for themselves. "Funds cannot be pro-

vided for luxurious items," says the circular. "In future it will be expected from organisations providing this type of accommodation to, wherever possible, make a greater contribution to the cost of such projects";

● Third priority — to assist persons prepared to help themselves but who cannot obtain funds from private sources. Funds will be made available to local authorities and to administration boards for 90% individual loans and for the purchase of material so individuals can erect self-help and self-building projects under supervision;

● Fourth priority — housing for people earning less than R150 a month — the lowest income category, and;

● Fifth priority — technical know-how and loans on limited scale for community facilities. The community will have to be involved to a greater extent and will have to make its own contribution.

Allocations will be made by the National Housing Commission only once a year — in January. All available funds will be allocated, so it will be no use asking for additional funds, says the circular.

ARK 41. 4/3/83 (123)

Home loan interest cut unlikely at present

By DEREK TOMMEY
Finance Editor

COMMERCE, industry and agriculture will benefit from the rate-cutting war that has developed between the commercial banks.

But it seems unlikely that those people paying high interest rates on their building society mortgages will gain to any great extent.

The fight between the banks to retain and get new customers has led them to announce a two percentage point reduction in their lending rates from Monday. This will lower the banks' prime rate, which is the rate charged their most favoured customers, from 16 percent to 14 percent.

However, it seems that building society mort-

gage rates will not be greatly affected for the time being.

Mr Peter Richardson, president of the Association of Building Societies and joint managing director of the United Building Society, said today it was obvious that interest rates were falling generally.

Under these conditions the mortgage rate was under constant scrutiny. But it was not a logical consequence that a fall in prime rate would lead to a drop in mortgage rates.

The drop in the prime rate was due to a build-up of funds in the corporate money market as a result of reduced borrowings by companies owing to the recession.

The building societies did not operate in the

corporate market, Mr Richardson said.

In contrast to the position of the banks, the building societies were experiencing a strong demand for mortgages and they still needed money.

Bankers say the reduction in economic activity had lessened the demand for bank credit. This has resulted in banks offering loans below the prime rate to capture new customers and secure old ones.

Dr Conrad Strauss, managing director of the Standard Bank, said this practice had become so prevalent that the artificiality of the 16 percent prime rate could no longer be maintained.

This was why his bank had taken the initiative in reducing its prime rate to 14 percent.

Govt house move gets high praise

Jan
4/3/83

(123)

Political Staff

The Government's intention to sell 500 000 State-owned houses to all races has been widely welcomed throughout the country.

The scheme was announced last night by Dr Piet Koornhof, the Minister of Co-operation and Development, Mr Pen Kotze, the Minister of Community Development, and Mr Danie Steyn, the Minister of Education and Training.

They called the move "exceptional, singular and very favourable".

It will be promoted from the start of July with a fanfare of publicity.

Discounts of up to 40 percent on the selling price will be offered. These apply as follows:

- For sales within a one-year period.
- In recognition of the length of occupation.
- For cash transactions, other than from the National Housing Fund.

The Ministers warn that people who do not make use of the one-year selling and buying opportunity, could face drastic rent increases.

The only dissenting voices to the Government's move have come from the right-wingers who condemn the wholesale selling of houses to blacks under 99-year old leasehold.

The Opposition black affairs spokesman, Mrs Helen Suzman, welcomed the move saying it would change the face of Soweto drastically.

The West Rand Administration Board chairman, Mr John Knoetze, said the board was fully geared for the expected high demand for home ownership.

About 40 000 houses in Soweto will become available for sale on the 99-year leasehold or the 30-year home ownership system.

The Urban Foundation's executive director, Mr Jan Steyn, said the scheme was one of the best and potentially one of the most stabilising to be taken in many years.

Massive boost for black housing

500 000 Govt homes up for sale

123

RDM
4/3/83

By JOHN BATTERSBY, Political Correspondent

CAPE TOWN.

THE Government is to embark on the biggest home-ownership scheme in South African history — 500 000 State-owned houses will be sold within 12 months at discounts of up to 40%.

The crash programme, to be launched on July 1, will apply to all races and is likely to benefit an estimated 250 000 blacks.

The offer will be valid until July 1, 1984, after which tenants are warned that they could face a "drastic" increase in rentals.

Top cricketers in heated clash with Ali Bacher

By RODNEY HARTMAN

ONE of South Africa's leading cricket administrators, former Springbok captain Dr Ali Bacher, yesterday questioned the "discipline and behaviour" of some of the country's leading cricketers after a major row in the Wanderers stadium dressing rooms on Wednesday night.

It was reliably learnt that Springbok and WP captain Peter Kirsten was one of the players involved in what Dr Bacher described as "a free for all."

The trouble started when the Transvaal Cricket Council's managing director told the two teams that their appearance money was being withheld because of their slow over rates.

The victorious WP players stand to lose R300 each and their defeated opponents R150 a man. The SA Cricket Union must still decide whether or not the penalties should be enforced.

The controversy was sparked by a decision to

scrap normal restrictions on bowlers' run-ups for the semifinals and final. Dr Bacher, the umpires and the team managers added to the confusion when they agreed to allow the innings to continue past the stipulated time limit until 45 overs had been bowled.

The rules of the competition do not make allowance for such a decision and Dr Bacher conceded that he had been at fault in condoning it.

Despite the relaxation of the rules, the SACU decided that financial penalties should still be imposed.

EP skipper Gavin Cowley — who collapsed unconscious in the showers soon after the incident — said yesterday: "It's not only a few players who are upset by this decision. All the guys feel the same way. It was a great game of cricket, and now the players are being punished."

Cowley said it was "an impossibility" to bowl 45 overs in the stipulated time of 2¼ hours.

The announcement — made in a joint statement by three Ministers, of Development and Co-operation and Development, Dr Piet Koornhof, of Community Development, Mr Pen Kotze, and of Education and Training, Mr Danie Steyn — was generally welcomed last night.

The Soweto Civic Association chairman, Dr Nthato Motlana, and the Urban Foundation both saw it as "stabilising".

Mr Colin Eglin, the Opposition's chief spokesman on housing said that while there were many problems with details, the concept was a good one.

While blacks will certainly be the major beneficiaries, a substantial number of whites, coloureds and Indians will also benefit.

The move is seen as an irreversible step in the Government's recent turnaround in its approach to the provision of low-income housing — particularly for blacks.

It sounds the death-knell for State-subsidised housing and will draw the private sector — building societies, employers and the individual home-owner — directly into the provision of housing.

While the home ownership programme is being approached on a non-racial basis, the main thrust of the scheme is clearly directed at blacks. Professional publicity agents are to be enlisted to promote the sales campaign. Discounts of up to 40% will be given to buyers taking up their option to buy within the prescribed 12-month period, who occupy a State-

Trial set for Berea murder

Mail Reporter

A BEREA sales representative yesterday appeared briefly in the Johannesburg Magistrate's Court on charge of murder following the discovery of a body in a cupboard of a flat.

Mr Johannes Jacobus Hermanus Erasmus, 41, of Berea Boulevard, Tudhope Avenue, was not asked to plead when he appeared before M. P. H. Olivier.

Mr Erasmus was not represented at the hearing.

The body of Miss Lynette Claassen, from East London, was discovered last Sunday at the Berea Boulevard by Hillbrow detectives after they were called in to open up a cupboard which had been closed and sealed with putty.



Standard leads rate cut

By HAROLD FRIDJHON

STANDARD Bank cut the

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 Cowley said it was "an impossibility" to bowl 45 overs in the stipulated time of 2 3/4 hours.

Standard leads rate cut

OLD FRIDJHON
 RD Bank cut the overdraft rate by 2% to 14% yesterday, followed by the other banks.
 The rate will be effective from Monday.
 The weeks prime over- rate has fallen from...
 reduction has been... by the Governor of... Bank, Dr Ger- Koek...
 al overdraft rates

will also be falling.
 There will be no immediate effect on other rates, such as hire purchase and home loan mortgages.
 But the impact of the lower prime rate can be expected to filter through gradually to the wider economy.
 That will partly depend, however, on what happens to gold.
 Yesterday in London the price eased fractionally to \$429.75.

● See Page 13

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the Rand
 Mail 710-9111

NP, HNP tussle hots up

Mail Reporter
SOUTPANSBERGERS gearing up for the May by-elections see the campaign as yet another phase in an old Andries Treurnicht-Fanie Botha tussle that began with a contest for leadership of the Transvaal Nationalists.

Conservative Party members — hardened farmers busy fighting for their lives in the middle of a fierce drought in the far northern Transvaal — also say they would enter into a coalition with the Herstigte Nasionale Party if they could get two-thirds of the election spoils.
 Others, at the historic All-days Pub, have turned the political scenario into jovial rivalry — it seems community feeling goes deeper than a ballot form cross.
 While the Herstigtes and the Conservatives battle out their differences a hard core of Nationalists hold firm behind Fanie Botha, and watch the tussles from a sceptical distance.

● See Page 11

Money keeps rolling in

WASHINGTON. — The World Bank, major source of aid to poor countries, will show about R870-million profit in the year ending June 30 the treasurer, Mr Eugene Rothberg, predicted yesterday. — Sapu-AP

reversible step in the Government's recent turnabout in its approach to the provision of low-income housing — particularly for blacks.
 It sounds the death-knell for State-subsidised housing and will draw the private sector — building societies, employers and the individual home-owner — directly into the provision of housing.
 While the home ownership programme is being approached on a non-racial basis, the main thrust of the scheme is clearly directed at blacks. Professional publicity agents are to be enlisted to promote the sales campaign. Discounts of up to 40% will be given to buyers taking up their option to buy within the prescribed 12-month period, who occupy a State-owned house at the time of implementation, and for cash transactions which include finance from any source other than the National Housing Fund (NHF).

"It has been decided that the NHF will not undertake to finance transactions to purchasers earning in excess of R450 a month unless proof is produced that no other source of finance is to be found," the statement said.
 "Although everything possible will be done to offer for sale all available units, there will be exceptions and some flats, group housing — and even housing projects — will as a result of limitations not be able to be sold."

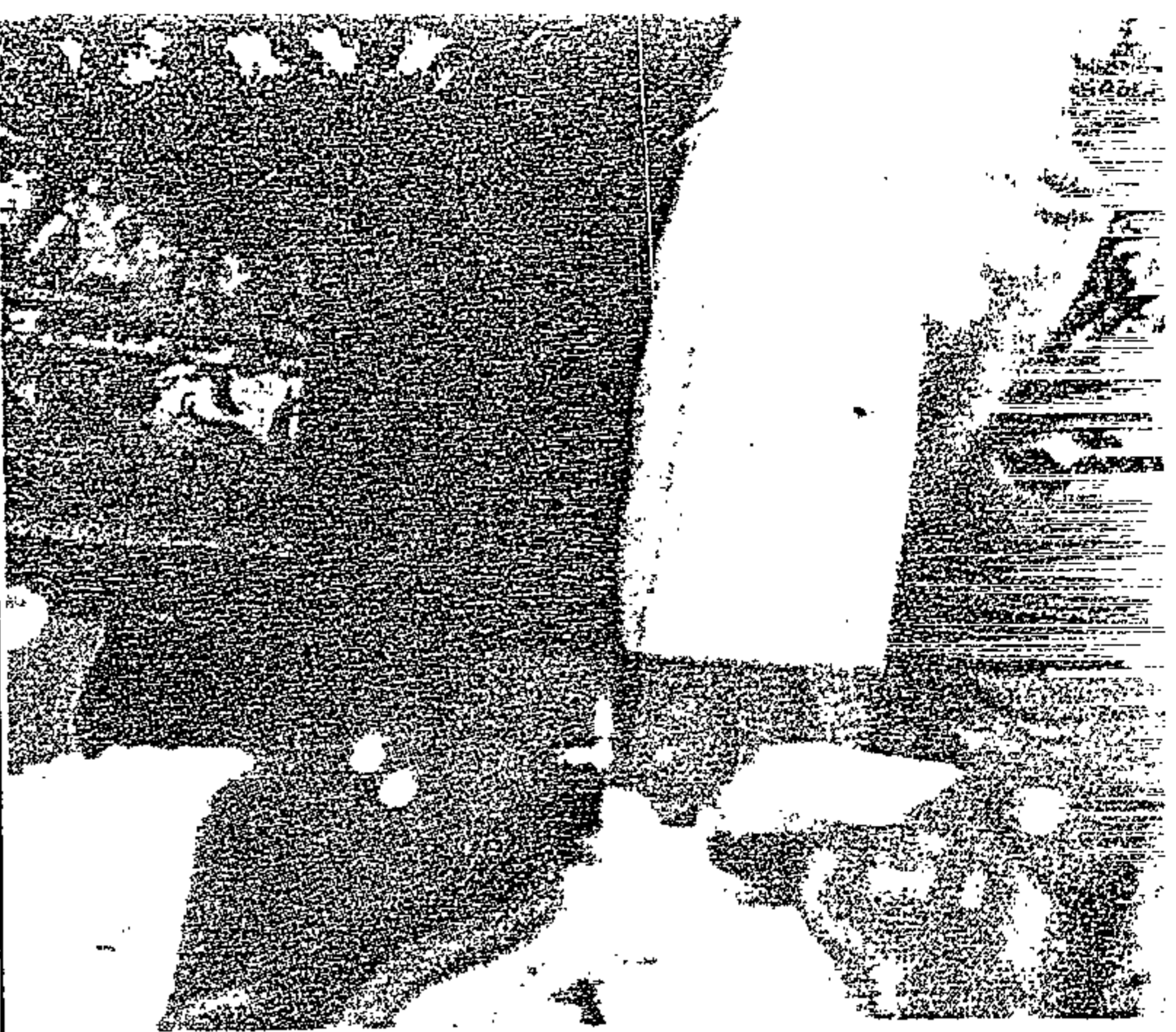
Dr Nthato Motlana said last night: "This kind of sale is of course most welcome. Anything done even by Nationalists to stabilise African family life in urban areas is more than welcome."
 He said he regretted the move should, however, be preceded by a statement by Dr Koornhof that the Government has not intention whatsoever of granting urban blacks freehold land tenure.

"We maintain that as long as that remains Government policy, any measure, like the sale of bricks and mortar, without the necessary sale of land remains an unacceptable discriminatory measure against black South Africans," Dr Motlana said.

Mr Alec Rabie, director of Community Services for the West Rand Administration Board, said Wrab welcomed the announcement and was geared for the sale. Superintendents had already been trained to handle the sales.

Mr Bob Viljoen, chairman of the Viljoen Commission which originally recommended the sale of existing homes, and past president of the Association of Building Societies, said it was "great news". He was "delighted and excited" that the recommendations of the Viljoen and Steyn committees had been accepted. Mr Jan Steyn, executive director of the Urban Foundation, said the announcement was one of the best and potentially one of the most stabilising steps taken in many years.

● Homefront — Page 4



"I'm not worried at all about this," said a smiling Mr David Bank relative of his friend who declined to be named. On the table in front of him...

Bank is out but

By **GEOFFREY ALLEN**
 Mail Reporter

DAVID Bank was a disgruntled man when his chauffeur drove him to the Killarney flat which he has been ordered to vacate in 15 days by a Supreme Court judge.
 He quickly stepped out of his limousine, grabbed a brief case from a maid sitting in the back of the car with him, pressed home a card to open the automatic garage doors, and stormed through the foyer of the large, expensive, flats while the driver gunned the left-hand drive vehicle into the basement.
 Minutes later he opened the service door of his R800 a month apartment and said:

"Please come in, I don't want to be rude... come in."
 "I'm not worried about all this, but I'm concerned that an innocent man has now taken to court for something which is not his fault," he said.
 He said that he could not discuss the whole episode freely because there are two criminal actions presently pending.
 "I'll find somewhere else to live, that's not a problem," said the man who wears monogrammed shirts and immaculate fitting suits.
 The small man who once boxed as a middleweight in the South African Army was clearly shaken by the trial in which Mr Justice B J

Curlewis ordered must leave the flat. He said he had ended black status and summoned a lawyer to argue that there were no grounds for the proceedings at the time.
 Inside his home, he said, he had to his beautiful friend, "Please drink... I want to be with you."
 The woman, he said, had been driven up in a car with a companion, obliged to settle down and water.
 "I don't know what I feel tonight... I feel sorry for doing it."
 "My cousin... of flats and no thrown out,"

SIDE MAIL

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SEVERED FOR KILLER BLOW	BACK PAGE

Breakfast Quip

"Funny, I thought the sun never settled on the British Empire."

TAB still probi

By **DAVID MOLLETT**
 THE Totalisator Agency Board were yesterday investigating whether two of the 12 winning tickets on last Saturday's R85 356 jackpot at Germist in were fraudulent claims.
 "Two of the tickets just don't look right and we are withholding payment in them until we have ascertained whether they are valid or not," said Mr John Pells, the TAB's general manager, yesterday.
 There were six winners of the R85 356 jackpot and all the winning permutations were claimed at off-course offices in Johannesburg.
 "One black man had three winning tickets and we have already paid him out his winnings of R256 098," said Mr Pells.

Mum Bill's visitor was four

THE HAGUE. — A young man seeking William the Silent broke into Queen Beatrix's residential palace, Huis ten Bosch, as she entertained the judges of the United Nations world court to dinner, officials revealed yesterday.
 He triggered a security alarm in the grounds and was apprehended by staff as soon

as he opened a door to the guest wing of the palace," said Mr Henk Bax, the queen's spokesman.
 "The queen and her guests knew nothing about it," he said.
 Police inspector Marnix Iysink-Smeets said the 20-year-old man, who had come

about 120km from Dieren, apparently mentally or physically disturbed.
 He said he had visited William the Silent in the past.
 A psychiatrist had seen him last night.

Plan to sell 500 000 Govt homes faces huge problems

123

Property Editor

HUGE problems are bound to face the Government following its decision to sell 500 000 State-owned homes.

In creating what amounts to a whole new property market throughout the country, the physical task of selling the homes becomes enormous.

If, as announced, the crash programme begins on July 1 and lasts for 12 months, the Government and its agents will be trying to sell an average of 1 370 houses a day.

Mr Brian Hose, chair-

African Affairs Reporter
THE Government's plan to sell houses was enthusiastically welcomed by black community leaders in Durban yesterday.

Mr Moonlight Gasa, chairman of the Ningizimu Community Council, said it was a good proposition, but pointed out that his council was looking forward to the

man of the Durban and Natal Coast branch of the Institute of Estate Agents, forecast yesterday that a sales drive involving so many homes could be a 'hopeless task'.

Government finalising the 99-year lease.

He said some houses were built in the early 1930s and he hoped that they would be sold at the value which prevailed at the time.

Mr C B S Makatini, former mayor of Clermont, said the scheme was a good idea but it was long overdue and the Gov-

ernment should expedite its introduction.

He advised township residents to waste no time in buying the houses under the new scheme.

Mrs E Nxasana, life chairman of the Inkatha's Women's Brigade, also welcomed the scheme and suggested the houses should be sold at reduced prices because buyers would spend a

lot of money improving them.

Mr D I Ngcobo, branch chairman of the South African Allied Workers' Union, said his main concern was the improvement of wages. He would comment after reading the full report and it might be discussed at the SAAWU meeting in Estcourt tomorrow.

Welcome from black leaders

Describing the joint statement made to Parliament on Thursday by three ministers as 'fascinating', he said the period given for the sales was incredibly short.

'You must remember that every sale will be an individual one,' he said. 'Of course, we do not know yet how the Government intends to sell.'

Referring in particular to homes for blacks, he said the institute had always said that where a middle class of homeowners with fixed overheads could be developed, it would be good for stability.

The institute had been involved in the training of blacks as estate agents.

'It is going to be a very interesting growth area,' he said, adding it was bound to be discussed at a council meeting of the institute in Cape Town next week.

The three ministers — of Community Development, Co-operation and Development, and Education and Training — said those tenants who did not take advantage of the scheme could face drastic rent increases from July 1984.

But if the sales — at discounts of up to 40 percent — were conducted in the normal way as in the free property market, the delays could be considerable.

Some tenants, therefore, might be faced with the increased rents even if they wanted to buy.

Another snag looming is

that building societies will certainly refuse to make loans unless the land has been properly surveyed.

Mr Trevor Olivier, head office loans manager of the Natal Building Society, said yesterday many homes would not be eligible for sales — for example, homes in Kwa Mashu fell under KwaZulu.

'We would not lend on a standard G51/9 (the traditional township 'match-box house') unless it had such fittings as proper ceilings and floors, running water and indoor toilets,' said Mr Olivier.

'But if we were approached for a loan by a person who had plans to upgrade the dwelling to a suitable standard, that might be considered.'

Buthelezi

In Ulundi, the Chief Minister of KwaZulu, Chief Gatsha Buthelezi, has welcomed the Government's announcement that State-owned houses are to be made available for sale to blacks.

He said yesterday the backlog in black housing was so acute that any opportunity to reduce it was to be welcomed.

The director of the Urban Foundation, Mr Alan Mountain, welcomed the plan, saying: 'Home-ownership must be encouraged because it forms the basis of any normal society. It gives people a sense of belonging, of security and of identity.'

THINKWOOD!

123

So Finance 6/3/83

THE SOLUTION to South Africa's housing problems depends on the positive attitude of local authorities — and it is unacceptable that they should resist the introduction of new building methods.

This is what the Town Clerk of Randburg, Chris- to Geyer, told a seminar in Durban this week on timber frame house construction.

Timber frame homes are allowed and welcomed in Randburg where the first were built in 1972.

“And after 10 years I can say without fear of contradiction that they have lasted as well as any orthodox house.”

There are local authorities that do not approve of timber frame construction, he said: “But such resistance could in the long run be counter product- ive and have a negative effect on the improvement of the quality of life.”

The ultimate goal was enhancing the common good, he said.

“The magnitude of South Africa's housing require- ments is reflected in the number of housing units that need to be erected to accommodate the population growth up to the year 2 000.

These can be roughly calculated as:

Whites	184 000
Coloured	187 166
Asians	61 000
Blacks	2 438 166

“These figures exclude the present shortage of hous- ing.”

“A number of prominent people said recently that within the next 18 years more houses would have to be built in the country than during the previous three centuries since Jan van Riebeeck landed at the Cape in 1652.

“This is not far-fetched at all.”

Geyer said it posed a real challenge to the local government sector, especially in metropolitan areas, because of the continued escalation in urbanisation.

“One of the main issues is whether it will still be possible for everyone concerned to continue with the same expensive traditional home-building methods.

A town clerk drops a brick at Durban talk on timber housing

By JEREMY REES

“Randburg's attitude to new building methods is that they must conform to standards approved by the Agreement Board, be carried out by licence-holders, and the houses must be aesthetically acceptable and not detract from the appearance of the neighbour- hood.”

“Randburg has found that timber frame houses comply with all these requirements and consequently has no objection to them being erected.”

“The timber frame construction method is an acceptable alternative to conventional building methods and should be seriously considered to help alleviate the housing shortage.”

Geyer said a South African study group that visited Australia in 1981 reported that timber frame construction pre-

dominates in the Austr- alian building industry where upwards of 90 per- cent of all new dwellings are constructed in this form.

“It is also mentioned that the majority of tim- ber frame homes there are of the brick veneer type.”

“In Randburg it has been proved that timber

frame houses do not de- preciate the value of ex- isting development or in- vestment in the area, or detract from the appear- ance of the neighbour- hood.

“In fact it is impossible to identify a timber frame house among con- ventional brick and mor- tar houses.”

Some of the advan- tages of timber frame houses are said to be:

- The building process is easier and does not

rely on such a high de- gree of construction skill.

- The plumbing and electrical installations are easier to install.

- A shorter period of construction.

- A better strength to weight ratio.

- More reliable on un- stable soil.

- The houses can be heated more quickly yet cool down more ef- fectively.

(123) (1168) Hansard
Posts and Telecommunications: flats/housing
Q. 601. 525 units 7/3/83

384. Mr. A. B. WIDMAN asked the Minister of Posts and Telecommunications:

- (a) How many (i) flats and (ii) housing units are owned by his Department and (b) how many such (i) flats and (ii) housing units have been allocated to non-White employees?

The MINISTER OF POSTS AND TELECOMMUNICATIONS:

- (a) (i) 987;
(ii) 1 707; and
(b) (i) 37;
(ii) 24.

Telephones

385. Mr. A. B. WIDMAN asked the Minister of Posts and Telecommunications:

- (1) What was the total number of (a) private and (b) public telephones in use in the Republic as at the latest specified date for which figures are available;
- (2) how many new telephones were installed in the 1981-'82 financial year;
- (3) how many telephone applications were outstanding (a) in the Republic, (b) on the Witwaterstand, (c) in Pretoria, (d) in Durban, (e) in Port Elizabeth and (f) in Cape Town as at the latest specified date for which figures are available?

Public operators
facilities
services
Urban
Planned
long costs

- (3) (a) and (b) This will depend on the funds made available by the state, private sector and contributions by individual prospective home owners.

Note: It should however, be pointed out that the Government is well aware of the shortage in housing of Blacks and that a housing strategy has been accepted with the emphasis on the responsibility of the individual and the private sector. Site and service schemes, self-build, core-housing and housing schemes where technical advice is given and control is exercised over standards, form part of the strategy.

Considerable progress has been made, especially with regard to self-build and several projects of this nature are in operation in the Western Transvaal, Eastern Cape and Orange Free State. The co-operation of the Urban Foundation has also been obtained.

Hans and Taxpayers
 Q. 61. 528
 320
 431. Mr. H. H. SCHWARZ asked the Minister of Finance: 7/3/83
 How many taxpayers in each income category in respect of the 1981-'82 tax year were (a) White, (b) Coloured and (c) Indian?

The MINISTER OF FINANCE:

Reliable statistics in respect of the 1981-'82 tax year are not as yet available. As at 31 January 1983 assessments issued in respect of the 1980-'81 tax year reflected the following:—

Income category	(a) White	(b) Coloured	(c) Asian
Loss	14 302	131	285
Nil	48 222	11 065	5 386
R 1 000	66 099	16 862	7 118
R 2 000	64 610	44 359	13 933
R 3 000	88 202	55 599	21 488
R 4 000	109 433	42 576	22 393
R 5 000	102 794	32 217	18 515
R 6 000	93 020	23 503	13 950
R 7 000	85 132	16 310	10 239
R 8 000	81 681	11 677	7 854
R 9 000	80 228	8 584	5 382
R 10 000	79 881	6 096	3 856
R 12 000	154 734	7 398	4 715
R 14 000	137 531	3 725	2 688
R 16 000	109 545	1 759	1 654
R 18 000	79 320	726	1 031
R 20 000	54 523	757	337
R 22 000	36 464	167	494
R 24 000	24 791	109	386
R 26 000	17 146	73	319
R 28 000	13 205	69	295
R 30 000	9 931	44	242
R 40 000	23 965	83	510
R 50 000	8 722	25	147
R 80 000	7 235	80	14
R 100 000	1 258	3	13
R 150 000	986	1	3
R 150 000 and over	619	—	2
Total	1 593 569	283 998	143 249

X TUESDAY, 8 MARCH 1983

Indicates translated version. Q. 61. 527

For written reply: Hans and -531 Housing units

24. Mrs. E. M. SCHOLTZ asked the Minister of Co-operation and Development:†

ce and (b) national state at the end of 1982;

- (2) how many houses were provided in 1982 for each population group in each (a) province and (b) national state by (i) the State, (ii) local authorities and (iii) the private sector;
- (3) when is it expected that the shortages will be eliminated in each (a) province and (b) national state?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(1) (a) It is not possible to give a completely accurate figure as the shortage of housing also depends on the actual demand. Nevertheless it has been estimated that the shortage in terms of units for Blacks in the White areas is in the region of 160 000 units.

(b)	
Lebowa	16 800
Qwaqwa	18 000
kwaZulu	68 600
kaNgwane	5 600
kwaNdebele	2 000
Gazankulu	1 000
SADT	14 000

(2) (a) In respect of Blacks the following figures can be furnished:

State	Local authorities and Administration	Boards	Private sector
Transvaal	3 532	88	3 212
OFS	1 413	54	1 230
Cape Province	2 680	—	453
Natal	—	—	—

Local authorities	Private sector
Lebowa	302
Qwaqwa	254
kwaZulu	958
kaNgwane	9
kwaNdebele	—
Gazankulu	—
SADT	549

of factors including the contribution by the private sector affect the position. However, a sum of R117 million in respect of the 1983/84 financial year is to be made available for Black housing schemes (services included) in the administration board areas. Of this amount approximately R60 million is for ongoing projects and R57 million for new projects. Of the latter amount approximately 70% is tentatively being made available for self-build schemes.

(b) The South African Development Trust will allocate, in respect of projects under its control, R70 million for infrastructure and housing. The latter at present on a planned basis of approximately 8 800 units to which conventional and self-build methods will be applied.

The national states and development corporations also undertake the planning and provision of houses but information concerning that is not readily available.

Housing shortage

39. Mr. C. W. EGLIN asked the Minister of Co-operation and Development:

(1) What was the estimated shortage of housing for Blacks in each (a) provin-

State	Local authorities	Private sector
Transvaal	3 532	3 212
OFS	1 413	1 230
Cape Province	2 680	453
Natal	—	—

(b)

State	Local authorities	Private sector
Lebowa	302	—
Qwaqwa	254	—
kwaZulu	958	—
kaNgwane	9	—
kwaNdebele	—	—
Gazankulu	—	—
SADT	549	—

123 Family housing units 534-535
Hansen 8/3/83
190. 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 by each Administration Board in each of the latest specified five years for which figures are available and (b) what was the expenditure in each of these years on (i) such housing and (ii) infrastructural services for such housing?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(a) The figures in respect of each administration board for the last five years are not readily available but the total number of houses erected during the last five financial years is as follows:

1977/'78	5 284
1978/'79	9 154
1979/'80	9 945



1980/'81	3 465
1981/'82	4 674
Total	32 522

(b) 1977/'78	R12 432 622
1978/'79	R40 986 698
1979/'80	R58 989 834
1980/'81	R47 019 135
1981/'82	R59 567 330

Note: Separate amounts in respect of housing and infrastructure are not readily available but on average the costs of the two components are more or less the same.

~~123~~ Transport Services: properties of employees
Howard A. 61. 547
8/3/83
123 304. Mr. G. B. D. McINTOSH asked the
Minister of Transport Affairs:

(a) How many properties are owned at present by South African Transport Services employees through the (i) House Ownership Scheme, (ii) Assisted Building Society Housing Scheme and (iii) House Ownership Scheme with Pension Fund Assistance and (b) how many of these houses are owned by (i) Whites, (ii) Coloureds, (iii) Indians and (iv) Blacks?

The MINISTER OF TRANSPORT AFFAIRS:

- (a) (i) 24 013.
(ii) 4 195.
(iii) 17 669.
- (b) (i) Whites 44 427.
(ii) Coloureds 1 003.
(iii) Indians 351.
(iv) Blacks 196.

Indians go scrounging for shelter in shacks, garages

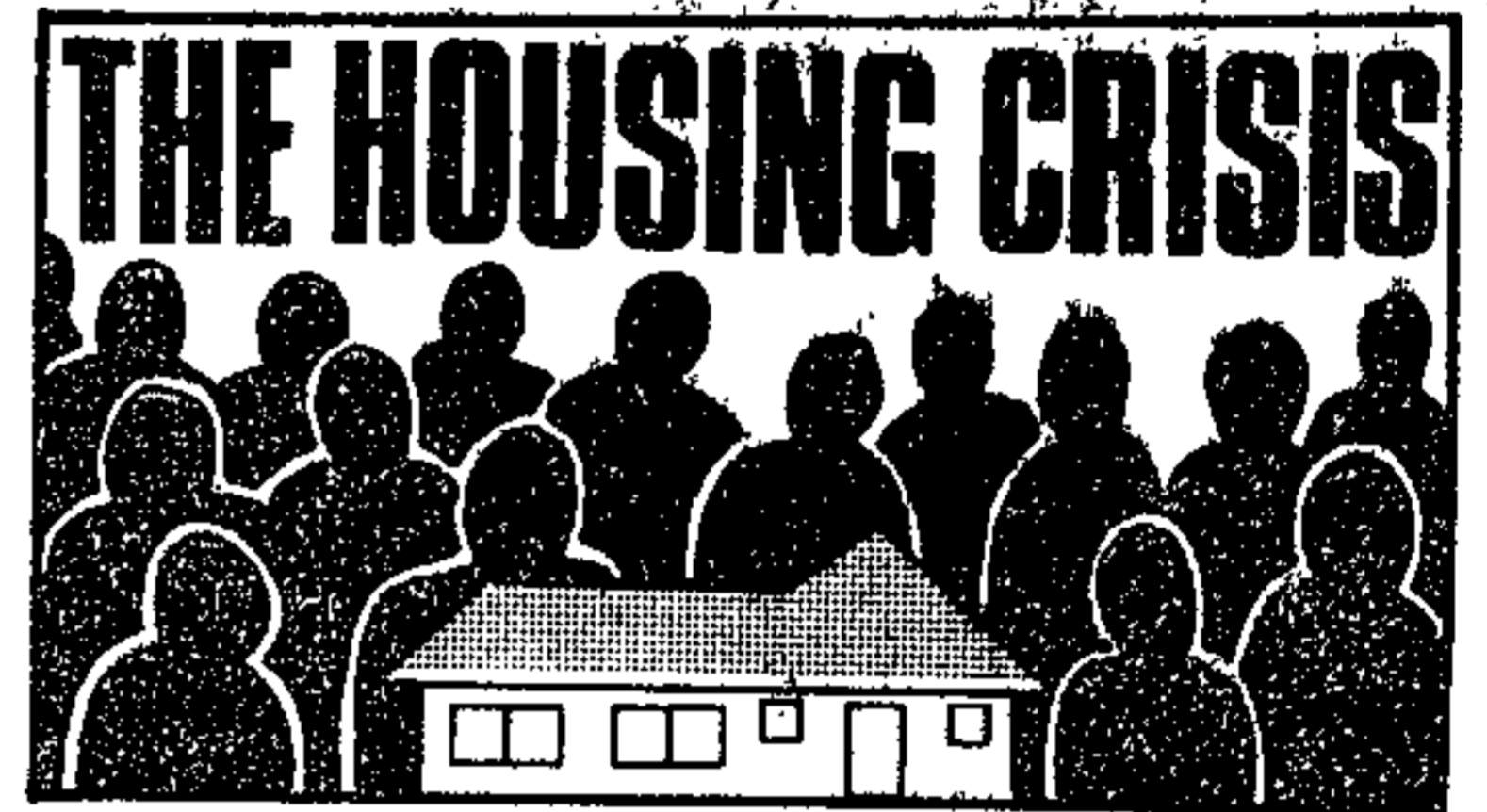
By Yussuf Nazeer

A 5 sq m Wendy house was the first home-of-their-own for Mrs Veejee Govindsamy and her teacher husband. Before that home was a rented garage or backyard room in Lenasia.

For the Govindsamys and more than 7 000 other Indian families who need homes in Johannesburg's Indian areas, shacks, garages, overcrowded flats or the possibility of some accommodation in a white area is the only hope.

Mrs Govindsamy, who is almost nine months pregnant, recently came out of hospital — the result of a kidney complaint which arose when she and her husband shared a dank backyard room after their Wendy house was condemned by

This is the first of four articles on the plight of families struggling to find proper housing. Much has been written about the tens of thousands who have been waiting for homes for up to a decade. This series will focus on black, white, coloured and Indian families who, for one reason or another, have not been able to get a home through the normal channels.



the health authorities and they had to move.

She and her husband — a Lenasia teacher — have applied several times in the past two years to the Department of Community Development for a house, she said.

“Last September clerks at the depart-

ment's offices in Johannesburg told me they could find no record of my applications,” she said. “I presume they were lost, so I made out a new one. Now I wait again to see if I will ever get a house.”

When Mrs Govindsamy came out of hospital she moved in with her moth-

er in a small sub-economic house already the home of eight people.

Mr Govindsamy stays in a backyard room several houses away because it would be impossible to fit him into the tiny house as well.

Community Development officials have re-

iterated that there are no homes available for Indians through the department. Promises that 1 000 stands would be made available in Lenasia South have not materialised.

Officials could not give any indication when they would be available.

Q. Col. 573 - 574
 (23) Housing development company: fees
 Howard 9/3/83

*12. Prof. N. J. J. OLIVIER asked the Minister of Co-operation and Development:

- (1) Whether, further to his reply to Question No. 13 on 23 April 1982, he has as yet received a report from his Department regarding the alleged payment of fees by Blacks to a certain housing development company; if not, when does he expect such report to be completed; if so, what were the findings of the report;
- (2) whether he will furnish the name of such housing development company to the House?

†The MINISTER OF CO-OPERATION AND DEVELOPMENT:

- (1) (a) Yes.
- (b) Falls away.
- (c) In so far as could be established a certain housing development company accepted R250 each from approximately 400 Blacks in respect of sites in Diep-Meadow which the company was to develop. Blacks who made enquiries concerning their deposits paid to the company were advised to seek legal advice.

No fault could be attached to the West Rand Administration Board concerning this incident nor could any blame be attached to the Community Council as such. The Department issued a circular on the 1 October 1982 to all Chief Commissioners, Administration Boards and Community Councils requesting that Blacks wishing to obtain houses in terms of the 99-year-leasehold scheme to be on their guard when requested to make payments in the form of a cash deposit or first instalment. Such prospective buyers were to be advised to approach the Administration Board as the owner of

the land for advice before making any payment.

- (2) No, but I am prepared to divulge the name of the developer to the hon. member.

Chartered accountants

*13. Mr. W. V. RAW asked the Minister of Internal Affairs:

- (1) Whether the inquiry into the professional status of chartered accountants has been completed; if not, why not; if so, with what result;
- (2) what is the educational qualification for the administrative division of the Public Service into which accountants and auditors (a) were previously and (b) are currently classified;
- (3) what (a)(i) university and (ii) other examinations and (b) periods of articles are required for the qualification of chartered accountant?

†The MINISTER OF INTERNAL AFFAIRS:

- (1) The Commission for Administration is not involved in any investigation into the professional status of chartered accountants.
- (2)(a) and (b) There are numerous posts with different appointment requirements provided for in the administrative division of the Public Service. If the hon. member could be more specific with regard to the posts for which he requires information, details would be provided to him with pleasure.
- (3)(a)(i) and (ii) and (b) Requirements as prescribed by the Public Accountants' and Auditors' Board.

Employers! (123) Help on way (10/3/85)

IT WILL cost R3 000-million a year for the next 10 years to eliminate the housing backlog and housing demand of the rapidly urbanising black community in South Africa.

But if that is the bad news. Mr Johan Kruger, national housing manager of the Urban Foundation, also had good news for commerce and industry who, in terms of the new Government policy, will have to help foot that huge bill.

Speaking at the National Building and Investment Corporation of South West Africa (Nasboukor) seminar in Windhoek last month. Mr Kruger said housing should not be underestimated as an economic stimulant and as a provider of jobs. For example:

- While it takes R27 000 to create one job in the manufacturing industry, it costs only R1 000 to create a job in housing construction.
- Housing changes consumer spending patterns and contributes to national growth.
- Housing has a low import content and does not affect the balance of payments negatively.

But, best news of all for employers back in South Africa, is that the Urban Foundation in Johannesburg has decided to set up a utility company to offer an employer service.

This is because they have found that although employers are keen to be helpful, they are ignorant about low



Are you helping your worker house himself?



By LIN MENGE

income housing and hesitate to use company funds for housing.

The company will be registered shortly ... so please wait for the formal announcement before you start phoning the UF!

The company, Mr Kruger told the seminar, will protect employers against exploitation, and will offer:

- An information package
- A policy formulation service
- Help with obtaining land
- Help with obtaining finance
- A project management service.

Group Areas Act

533. Mr. J. H. VAN DER MERWE asked the Minister of Community Development:

- (1) How many (a) Coloured persons, (b) Indians and (c) Blacks are at present living in White group areas in contravention of the provisions of the Group Areas Act;
- (2) whether any steps to rectify this situation are contemplated; if so, what steps?

The MINISTER OF COMMUNITY DEVELOPMENT:

The information is not kept by this Department.

FRIDAY, 11 MARCH 1983

†Indicates translated version.

For oral reply:

123
Hansard
 President's Council: accommodation
 Q. 61.591-592 11/3/83
 *1. Mr. D. J. N. MALCOMES asked the Minister of Community Development:

- (1) Whether Chairmen of Committees of the President's Council are currently provided with accommodation in Cape Town by the State pending the completion of the houses being built for them; if so,
- (2) whether such accommodation belongs to the State; if not, at what total cost is it rented;
- (3) whether houses are being rented from Chairmen of Committees or members of their families for such Chairmen to occupy; if so, what rentals are paid?

ent in the Western Cape and who do not have employment opportunities and/or housing. The intention is also to bring the details of these arrangements to the notice of the latter persons in order to obtain their co-operation to make use of these new opportunities in their own interest.

In the discussion of the unemployment problem, as manifested also in the squatter problem in the Western Cape, the Governments of the RSA and Transkei had from the beginning an understanding that constructive co-operation and positive action would be emphasized in order to alleviate the unemployment problem.

The implementation of the employment programme makes provision for *inter alia* the creation of job opportunities in the fields of soil and water conservation as well as in forestry and construction.

In addition the two Governments agreed that special attention would be given to the planning and implementation of labour intensive development projects in Transkei in order to alleviate the unemployment problem, also in the medium and longer term. The formulation and implementation of a co-ordinated development strategy for Region D, which consists of Transkei, Ciskei and the Eastern Cape parts of the RSA, is naturally also of the utmost importance in this regard.

For persons who return to Transkei in this manner, special attention will also be paid to the provision of housing according to their circumstances and needs.

Hansard Q. 61.593 -
11/3/83
 Protesting burghers: pensions 595
 *3. Mr. G. B. D. McINTOSH asked the Minister of Health and Welfare:

- (1) (a) In terms of what statutory provision are pensions paid to protesting burghers and (b) when was the first such pension paid;
- (2) whether certain requirements have to

be met in order to qualify as a protesting burgher for pension purposes; if so, what are these requirements?

†The MINISTER OF HEALTH AND WELFARE:

- (1) (a) The Social Pensions Act, 1973 (Act 37 of 1973). Attention is invited to paragraph (c) of the definition of "War Veteran" under that act;
- (b) October 1966;
- (2) yes;
- (i) application on the prescribed form;
- (ii) proof that the applicant was a protesting burgher; and
- (iii) compliance with the prescribed residential qualifications and the means test.

*Mr. G. B. D. McINTOSH: Mr. Speaker, arising out of the hon. the Minister's reply, are the protesting burghers those who are generally known as the rebels of the First World War?

†The PRIME MINISTER: Precisely!

†The MINISTER OF HEALTH AND WELFARE: Mr. Speaker, I think the Act gives a very clear description of who these people are, that is, of course, if the hon. member can read. [Interjections.]

*Mr. G. B. D. McINTOSH: Mr. Speaker, further arising out of the hon. the Minister's reply, if Jopie Fourie had not been executed, would he have been entitled to such a pension today?

†The DEPUTY SPEAKER: Order! That has nothing whatsoever to do with the question under discussion.

†The MINISTER: Mr. Speaker, nowhere

123

World's most important sale

RDM March 1983

THE SALE of 500 000 houses to people of all races who rent them "may go down as the most important sale ever concluded anywhere in the world," says Mr A F V (Boet) Viljoen.

"I do not refer to the magnitude of the parcel of houses, but to the far-reaching effects it will have on people who possibly stopped dreaming of a home of their own.

"Here it is at a price that many can afford... a new day has dawned for tens of thousands," he said.

As chairman of the Viljoen Commission which originally recommended the sale, Mr Viljoen is justifiably pleased.

His commission's report was accepted by the Government at the end of 1981, and the Steyn Committee was then set up to implement the recommendations of the Viljoen Committee.

The Steyn Committee is headed by Mr Danie Steyn, Minister of Education and Training, who issued the housing sale announcement, together with Dr Koornhof and Mr Kotze.

Speaking at the Wits Graduate School of Business Administration seminar on "The Black Colossus" last week, Mr Viljoen — a past president of the Association of Building Societies — hinted at various developments which would help to solve the housing crisis and the shortage of money for housing:

● Subsidies, still to be decided on, for people who do not earn sufficient to buy a home.

● Increased tax concessions.

At present, employers are entitled to a deduction in terms of Sec II (T) of the Income Tax Act when providing hous-



BOET VILJOEN ... "a new day has dawned"



ing for employees.

● Opportunities (still to be finalised by the Government) for building societies to compete on more equal terms for funds.

"What is not possible today will be made possible tomorrow," Mr Viljoen said.

Other facts from his speech:

● A total of 2,3-million houses will have to be built in the period 1982-1990 for whites, coloureds, Asians and blacks (blacks alone will need 1,8-million houses).

● The black share of the national income is growing... it will be 36% in 1985, 43% in 1990 and 60% by the year 2000.

● In June 1982, 63% of blacks had a monthly income of less than R200. However, some 559 000 black households are now earning more than R400 a month, although fewer than 1% have an income of more than R1 000 a month.

Tutu is pleased

BISHOP Tutu has sent telegrams to Mr Pen Kotze, Minister of Community Development, and Dr Piet Koornhof, Minister of Co-operation and Development, congratulating them on the decision to sell State-owned houses to the people who rent them.

123 Farmers: housing for labourers 11/3/83
*5. Mr. D. J. N. MALCOMESS asked the
Minister of Agriculture:

- (1) Whether his Department makes any funds available to farmers for the purpose of providing housing for their labourers; if so,
- (2) whether any limits have been laid down (a) per farming unit and (b) per labourer; if so, (i) what are the limits, (ii) what is the rate of interest charged and (iii) what are the terms of repayment?

†The DEPUTY MINISTER OF AGRICULTURE:

- (1) Yes.
- (2) (a) Yes.
(b) No.
 - (i) Loans are limited to a maximum of ten houses per farming unit per financial year.
 - (ii) 8% of which $\frac{1}{2}$ is subsidized.
 - (iii) Depending on the applicant's financial capability, loans are repayable over a period not exceeding 20 years.

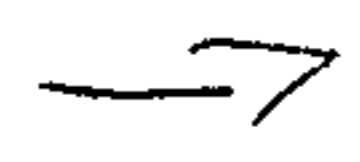
Rygersdal Flats, Cape Town

*6. Mr. G. B. D. McINTOSH asked the Minister of Community Development:

- (1) Whether the Rygersdal Flats in Cape Town are fully occupied at present; if so, by whom; if not, how many such flats are vacant;
- (2) what is the monthly rental per flat?

300 Hansard Q. Col. 597
123 Old-age homes - 598
11/3/83
*8. Mr. J. H. VAN DER MERWE asked
the Minister of Community Development*

(a) What amount was spent by his De



MARCH 1983

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partment on the erection of and improve-
ments to old-age homes for Whites in the
past financial year and (b) to how many
aged White persons has accommodation
been provided in this way?

*The MINISTER OF JUSTICE (for the
Minister of Community Development):

(a) R29 341 048.

(b) 3 628.

123

Black townships: buying of houses
16/3/83
Hansard Q. 601. 684

*4. Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

- (1) Whether an individual in a Black township is entitled to buy more than one house;
- (2) whether he proposes to set up information centres at which residents in the Black townships will be made aware of how the plan to sell houses is to be operated?

The DEPUTY MINISTER OF CO-OPERATION:

- (1) Yes, but preference is given to tenants.
- (2) Yes. Attention is also drawn to the press statement of 3 March 1983 regarding the selling of approximately 500 000 houses in which an indication was given of the method of implementation of the sales campaign.

Housing bond drought ends

123
C. Times
16/3/83

BY PAUL DOLD
Financial Editor

BUILDING SOCIETIES are once again providing mortgage bond finance on a large scale after the severe drought of the past two years — and the waiting period for bonds has fallen drastically to two months.

In Cape Town yesterday the president of the Association of Building Societies, Mr Peter Richardson, said: "We are back in business again and there is a strong demand for funds."

The Cape real estate market is particularly strong and is booming ahead of that in the Transvaal, where prices have tended to stabilize.

Mr Richardson's statement implies that the societies have effectively wiped out the huge back-

log, which at one stage stretched to R2-billion.

Over the past 10 months, the societies have lent some R2,8-billion, well up on the R2-billion lent in the corresponding period last year. This covered some 94 000 homes as against 78 000.

In January, the societies had their largest inflow — of R342-million — during the current financial year, with R322-million being advanced in turn.

Over the past five years the inflow of funds has increased by R7 616-million, or 90,8 percent. So far this financial year (since April), R668-million has been lent to home owners for the building of 20 000 new homes.

"We have deliberately supported the building industry during the recession to keep construction teams intact for the upswing," Mr Richardson said.

Downturn 'mild'

As a result, the downturn had been relatively mild for the home-building industry.

The increasing flow of funds to building societies has coincided with a strong demand for home loans and the movement is gearing to meet the expected heavy demand for finance from the black and coloured investors following the government's decision to switch 500 000 State-owned homes to private ownership.

Welcoming the government's initiative, Mr Richardson made a strong plea for all the houses to be sold under the 99-year lease plan and not 30 years, as the latter did not



With the days already beginning to... agency, and Sandra Johnston, 16, a

Teleletters is hit with reac

Staff Reporter

TELELETTERS, the first service of its kind by a South African newspaper, has proved to be a hit with readers in the three months since it was introduced.

At times calls have come in at the rate of one every two minutes and it has sometimes been necessary to use a second telephone to relieve congestion on the Cape Times' switchboard.

The topics which have drawn most response include motorcycle noise, South African television programmes (readers think they are very poor), Koeberg security, sporting issues and public transport.

Teleletters recorded a remarkable change in public opinion when feeling swung from a stand against chequebook cricket tours to popular support for the West Indies cricket team.

Yet the service is not an opinion poll. It is concerned with the views of readers — the more inter-

always have to down and write the editor, so tried to make them by acco- phoned comm- variety of iss

Generally, Times suggests the news for comment on, welcome to call subject they also to suggest future Teleletters.

● The Topic row is trophy- you see the animals in order their horns or phies as a fine ly skills or sick ring about day and age?

Do you think can take pride a former zoo his benefit? If like to comment

OK Kenilworth and Mitchells Plain SPECIALS

EXPERT OFF-PI

Welcoming the government's initiative, Mr Richardson made a strong plea for all the houses to be sold under the 99-year lease plan and not 30 years, as the latter did not imply real ownership.

The societies anticipate that most of the existing tenants will opt to buy their homes rather than face free-market rentals.

Praise from an ¹²³ American Prof ^{ROOM} ^{18/3/83}

HOW are we doing? Fine ... but the way we're doing it comes rather expensive.

That is Professor Floyd Slate's view of the way the housing crisis is being tackled in South Africa.

Prof Slate, professor of engineering at Cornell University in the United States, is an internationally known expert on low-cost housing.

His primary interest is in construction materials, and in the civil engineering and chemical problems of materials.

From a stint as housing research adviser for the US Foreign Service in Pakistan, he went on to study the low-cost housing problems of Thailand, the Philippines, Indonesia and the Republic of Korea. He has observed low-cost housing in some 70 countries.

He came to South Africa this year to lecture in concrete technology in the Department of Civil Engineering at the University of the Witwatersrand and for a conference on low-cost housing.

He has also lectured at the Universities of Natal and Cape Town. He leaves South Africa on Saturday.

"I have been very impressed," Prof Slate told HOMEFRONT. "South Africa is not only paying lip service to the problem, as most countries are, but is doing a great deal.

"I was prepared not to believe what I had read in the international Press but things are even better than I expected."

But if the "very efficient systems of mass housing" in South Africa impressed him and the quality of housing was better than he expected, it was possibly better than South Africa could afford, he said.

It was also possible that the expectations of the poor were unrealistically high.

He felt the change in housing policy from State-provided housing to greater reliance on self-help was "a proper way to go".

"I am very much in favour of self-help housing and of labour intensive approaches where they can be used."

Self-help projects undertaken by the Urban Foundation showed the way, he said.

"I am also in favour of private enterprise getting involved. A government cannot handle all the problems, and when it tries it usually ends up making serious mistakes. That seems to be a general rule, worldwide.

"You are fortunate in having large amounts of space available ... much more so than most other countries.

"I was surprised at the



PROF FLOYD SLATE ... "I've been impressed"



HOME FRONT

By LIN MENGE

amount of space in Soweto. But the space used makes services very expensive. You have not yet got into the high-rise area of low-cost housing which most countries have been pushed into.

"You will have to go upwards, whether you like it or not, because land costs will become too great."

The antipathy to high-rise might be temporary, Prof Slate said.

Whereas the first generation who moved from a rural to an urban area tended to want a house and a garden with a fence around it, their children were likely to be more receptive to flats and the third generation might even prefer the city centre because "that is where the action is".

South Africa tended to build almost entirely in concrete and brick, which were high cost materials.

He thought adobe-type construction should be investigated and more study given to indigenous housing methods.

The overall cost of the

housing in South Africa and the extent of space being serviced possibly reduced the number of people who could otherwise be helped.

Prof Slate was surprised by the affluence of Soweto, the almost luxurious housing in some areas, the expensive cars, the televisions (And he did go off the main streets!)

"Soweto appears to be almost at the beginning of a boom. I suspect it is going to develop into a partially self-contained city," he said. He was much impressed by Wrab chairman, Mr John Knoetze, he said.

In Cape Town he had been impressed by the upgrading taking place in the Old Malay Quarter.

As for squatter areas — which he had seen near Carletonville and Durban — they were bad, but not nearly as bad as some he had seen elsewhere in the world.

"With the rate of population increase, your problems are vast indeed. I suspect that even with the major present effort in housing, South Africa has probably fallen behind ... most countries are falling behind even faster," he said.

Large families, he said, were found where there was no security system to care for people in their old age, and where the child death rate was high, so people had more children to ensure survival.

URBAN BLACKS

Time for freehold

FM 18/3/83

~~123~~

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Government sometimes does the right thing. Certainly, its decision to sell 500 000 State-owned houses, mainly to existing black tenants, is one of its wiser decisions.

As is often the case in SA, the effect of wisdom is partly

terms. Not, unfortunately, in SA. A black, meaning in this case an indigenous African, can own a house in an urban area. He may not have freehold title to land. That is Pretoria's present ideological stance.

So urban blacks may temporarily park their houses on administration board land. In this context, "temporarily" has a fairly wide definition — 99 years under lease.

Pretoria can hardly complain if urban blacks treat the

undermined by Pretoria's inability to break ideological chains. Blacks will be able to buy the houses they are now renting — but not the ground on which they stand.

A house without land might seem a contradiction in

big housing sell-off with suspicion. Government has previously given urban blacks leasehold rights — only to remove them for ideological reasons in the late Sixties. Could it happen again? That will be the fear.

It is time for government to muster its courage and give urban blacks freehold ownership of land. The practical effect would be little different from 99-year leasehold. The psychological and political effects could be immense.

(23) Protected tenants 18/3/83
Hansard Q. Col. 725
*16. Mr. P. H. P. GASTROW asked the
Minister of Community Development:

- (1) Whether, in view of the judgment in the matter of *Worcester Court (Pty) Ltd. v. Benatar*, he intends to take steps in regard to the position of protected tenants; if not, why not; if so, (a) what steps and (b) when will such steps be taken;
- (2) whether he will make a statement on the matter?

†The MINISTER OF COMMUNITY DEVELOPMENT:

- (1) Yes. (a) and (b) A revised proclamation in terms of the Rent Control Act, 1976 will shortly be promulgated.
- (2) No.

Pensioners critical of rents

Staff Reporter

DOZENS of pensioners called TELELETTERS yesterday to plead for the retention of rent control.

"The old people, who were the foundation of our society, must be protected," said Mr L Fowler of Kenilworth. "We would have white squatters on Rondebosch Common if rent control were abolished."

Mr C Lategan, Kraaifontein, said "Rent control should only be abolished once all pensioners have been registered and they have been found proper accommodation by the government. For a flat-owner to loose out is unfair, but it is just as unfair for a pensioner to loose out."

The owner of a rent-controlled premises, Mr S Stavrou (junior) of Kalk Bay, said: "Eight years ago I was forced to retire for health reasons and I

bought a block of flats in Vredehoek which I hoped would finance my family and me.

"The tenants are not struggling, some of them even own property. My maintenance costs are just as high as those of newer blocks I am in a worse position than some of them."

Mrs D Sadur of Sea Point said: "The abolition of rent control has not increased the supply of flats except for some new high-priced units. The outlook for insecure tenants has never been worse."

"I am a widowed pensioner," said Mrs M Heyns of Claremont, "and they have just put my rent up so that it is more than my pension. Fortunately my son is able to help to me. What if he decides to get married?"

Adding that he was speaking on behalf of



many people. Mr D Diesendorf of Sea Point said: "Last year the government sent a delegation to America to study rent control; are they still sleeping? Many of us are living on borrowed time"

Mr G Slaughter of Wynberg said he and his wife had saved for their retirement, but were uncertain if it would be enough. "Why do we have to suffer this when we contributed to the country all our lives?"

Mrs K Stephens of Rondebosch said: "I am a widow and have been in my flat for 23 years. Who on earth would want to buy property at 67? All the old-age homes are full. One can't sleep at

night for the worry."

"I think the fault lies with the government," said Mr L Conway of Kenilworth. "They should introduce further tax incentives to encourage entrepreneurs to build."

A flat-owner, who said his sole source of income was from two blocks of flats he owned, said "My statistics show that 90 percent of tenants earn far more than the minimum level specified in the rent-control agreement. Originally the measures were introduced to protect people earning below a certain level"

Mr J Andrué of Sea Point said rent control should not be abolished while there was an accommodation shortage.

If anyone would like to comment on issues relating to this column they are welcome to phone TELELETTERS at 41 3361 — ext 219.

CAP, Times 28/3/83,
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'Don't panic' call to tenants

Staff Reporter

MR COLIN EGLIN, Progressive Federal Party MP for Sea Point, yesterday urged tenants in rent-controlled flats and houses not to panic or be misled as a result of a recent press report that suggested that the report of the Parliamentary Select Committee on Rent Control "would be the death knell of rent control".

In a statement, Mr Eglin, PFP spokesman on housing, said: "The interim report of the select committee is expected to be tabled shortly. Until it is tabled, the public would be well advised not to jump to any hasty, and possibly wrong, conclusions."

Mr Eglin was reacting to a newspaper report yesterday which speculated on a possible decision by the committee appointed 10 months ago to "investigate the desirability of removing rent control".

"I certainly would not support any measure that would destroy the security of rent-controlled tenants unless and until I was satisfied that the government had ensured that there was adequate and suitable accommodation at rentals which people living in our cities — and particularly older people — could afford.

"As soon as the report is published and the government has indicated its reaction to the select committee's recommendation, I will be holding public information meetings in Sea Point."

Plan to give low-income and elderly tenants stronger protection

New deal on rents

Political Staff

1985
25/3/83
123

MAJOR changes in rent-control protection for tenants and in the sale of flats under sectional title have been recommended by the parliamentary select committee on rent control.

Sales

Up to now, eviction notices were often served without good cause and many tenants obeyed them rather than go to court.

● Sales under sectional title should be allowed for pre-1949 buildings, and also for more modern ones however many protected tenants they house, provided certain conditions are met.

Among these are that a tenant be given the right to buy with 90 days to make up his mind if it is not subject to rent control and 365 days if it is; and that if a tenant of controlled premises is at least 65, or meets the income requirement for "protected" tenants, his unit shall be offered to him and to no one else. The latter is partly to counter "harassment by sales agents".

The committee also recommends compulsory disclosure by developers of information on the

(Turn to Page 3, col 9)

An interim report by the committee was tabled in the House of Assembly today.

If its recommendations become law, the position of "protected" tenants will be strengthened but the buildings they live in — as well as pre-1949 buildings which would remain subject to rent control — may be converted to sectional title schemes.

Many faults are therefore likely to be taken out of the rental market.

The committee, chaired by the Deputy Minister of Community Development, Mr P Cronje, was appointed 10 months ago to "investigate the desirability of removing rent control".

Income

It expresses no opinion on this in the interim report today, promising to deal with the question in a later report. Instead, it recommends that:

● Income limits for tenants who already have "protected" status should be raised from R650 to R850 a month for those with dependants, and from R360 to R450 for those with no dependants.

This is to help "borderline" people whose personal income may be pushed above the present limits by inflation without any real improvement in their means.

● Only those who really deserve protection by virtue of income should get it — so all sources of regular income as well as half the income of a spouse or non-dependant children living on the premises should be taken into account.

● A court must first decide if vacation of premises is necessary for rebuilding or repairs before a landlord can serve an eviction notice.

New deal on rents

(Contd from Page 1)

condition of the property, its suitability for sectional title, and all foreseeable maintenance costs, so that prospective purchasers can make sound decisions.

Mr Cronje said in Cape Town today the proposals were aimed at promoting home ownership without

"the indiscriminate and undisciplined conversion of residential buildings into sectional title which was experienced in 1981".

Just as public sector housing (mainly for non-whites) was soon to go on sale, so it was now intended for tenants in the private sector to buy their units, he said.

1985 25/3/83 (1)

Thousands of flats will be put on sale — developers

By TOM HOOD, Property Editor
THOUSANDS more flats will be put up for sale if changes proposed by the Cronje committee are promulgated.

This is the view of Cape Town property developers after studying today's interim report.

Owners would be able to put every block of flats on sale under sectional title. But the rights of "protected" tenants will remain.

An attorney specialising in sectional title registers said the prohibition on the sale of flats built before 1949 would end. At present only flats built after 1966 could be sold without restriction.

STATUS

Flats built between 1950 and 1966 could not be sold if a block had a "protected" tenant. These flats could now be sold but "protected" tenants would not lose their status.

"It means that landlords won't be held to ransom any more by one 'protected' tenant preventing a sectional title being opened for the rest of the block," he said.

While welcoming these provisions, developers are less happy about proposals to force them to employ an architect or professional engineer to inspect a block of flats and make a full report on its condition, its suitability for conversion into sectional title and an estimate of essential repairs needed, before selling.

PROPOSALS

"Buyers of houses are not given this protection. Why should buyers of flats be treated differently? Any reputable developer will make a full investigation before deciding to sell flats under sectional title."

Developers also welcome proposals to raise the income limits of "protected" tenants and at the same time force tenants to disclose the income of all dependents staying with the tenant.

The result would be a means test for "protected" tenants and the end of "multi-millionaires living in rent-controlled flats in Sea Point".

Expectations expressed yesterday that the end of rent control is on the way, however, are unfounded.

Volkas enters home-loan market

CARE TRAKS 26/3/83 123

By JOHN MULCAHY

JOHANNESBURG. — South Africa's third biggest commercial bank, Volkas, has come out fighting in the fierce battle for market share.

In a two-pronged foray into the field, the bank is launching a competitive entry into the home-loan market and is also offering a personal loan scheme, to counter the other major commercial banks, who are now offering clients various forms of automatic overdraft facilities or easier access to credit.

Other banks

In response to the trend already established by some of the other banks, Volkas will announce on Monday or Tuesday its plans in respect of current accounts.

Nedbank, Trust Bank, Barclays and Standard Bank have all announced the payment of interest on credit balances held in current accounts in one form or another.

A Volkas spokesman said, yesterday, that although about 80 percent of the bank's branches were linked to a central computer network some of the smaller branches still operated manual sys-

tems, and in these cases it would be extremely difficult to calculate interest on a daily basis.

However, the bank had decided in principle to meet the challenge laid down by the other banks, and all that remained was to decide finally on the format of the scheme.

In terms of Volkas' home-loan plans, the bank will offer clients loans of up to 80 percent of the purchase price of a house.

The home loans will be for a maximum period of 30 years, and the rates are competitive with Barclays and with the building societies:

Up to R20 000	15%
R20 000 to R30 000	15,5%
In excess of R30 000	16%

Monthly repayments may not exceed 30 percent of a borrower's net monthly income, but Volkas will include in its calculation a spouse's income, provided his or her job is permanent.

A spokesman said yesterday, the bank would monitor the response to the home-loan scheme before deciding on the total amount to be set aside for loans.

While the bank had in the past granted home loans on an ad hoc basis,

circulars formalizing the scheme were being sent out to branch managers, and applications for loans would be considered from early next week.

Housing shortage

Although housing loans from building societies are now reasonably freely available, especially when compared with the tight position ruling for most of last year, the increasing involvement of commercial banks in the home financing market should serve to alleviate the chronic housing shortage.

Under the Volkas personal loan scheme clients will be offered loans of up to a maximum of twice their monthly basic income, for a maximum of four years.

These loans will not be automatically granted, but on application, and the bank will require security in the form of life assurance cover.

The rates to be charge on such loans are as follows:

● Up to R2 000 — 1 percent above prime overdraft rate (prime is now 14%).

● From R2 000 to R5 000 — ½ percent above prime.

● Above R5 000 — prime rate.

CAPE TIMES
26/3/83
(123)

Sale of flats without evicting poorer

By MARTINE BARKER

FLAT-DWELLERS will be able to buy individual flats in spite of sharing their blocks with "protected" tenants who cannot afford to do so, if recommendations of the Parliamentary Select Committee on Rent Control are promulgated. Sectional title development of blocks of flats will then be possible without poorer people qualifying for "protection" being forced to move out.

At present, sectional title development of a block is prohibited if a single tenant is protected because of a low income. Estate agents yesterday welcomed the recommendations.

They agreed, however, that tenants in rent-controlled blocks would resent the sectional title sale of their blocks. Currently the law prohibits the sale under sectional title of blocks built before 1949, which are still rent-controlled. The committee has recommended that tenants earning less than R850 while supporting dependants, or less than R450 without dependants, are allowed to retain their protected status.

Estate agents welcomed the recommendation that the income limit for protected people be raised and the recommendation that the assessment of people entitled to "protection" be extended to take into account half the income of non-dependant family members living in a flat as well as half the income of a spouse. Some people claimed protected status under the present system were, by virtue of investment returns, receiving incomes far higher than those qualifying them for protection, they said. Their only criticism was that the committee had failed to put the onus of protecting tenants on the State — where it should lie.

Those interviewed, while approving the principle of protection, said property owners would still, unfairly, be forced to carry the financial burden of tenants qualifying for protection.

● Rent-controlled flats: Sectional title mooted, page 4

Good and bad in rent control moves, says expert

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26/3/83 Mercury

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Property Editor

ASPECTS of the report by the Select Committee on Rent Control and Related Matters, tabled in the House of Assembly yesterday, have been described as 'ridiculous' by a Durban expert.

But Mr Peter Strachan, a former president of the Institute of Estate Agents, and a director of RMS Syfrets, believes most of the new proposals, which include adjustments to the Sectional Titles Act, are generally reasonable.

His main objection comes to a section of a proposal which would conditionally lift the prohibition of sales under sectional title.

'Nonsense'

The conditions include measures ensuring the tenant a reasonable time (90 days for uncontrolled premises and 365 days for rent-controlled premises) to exercise his right to purchase at market value.

Mr Strachan described this clause as 'nonsense'.

'It is right to give a tenant a reasonable time to decide whether to buy but 90 days should be the limit. A year is ridiculous.'

Sapa reported yesterday that the Deputy Minister of Community Development, Mr Pierre Cronje, said the select committee's report now would be referred to the Government for consideration.

The statement on the proposals by the select committee also says tenants of rent-controlled flats may in future not be told to move out before a court order has been obtained stating the building needs renovation or rebuilding.

Referring to the committee's recommendation to amend the Rent Control Act of 1966, the minister says it is to protect tenants of controlled premises who, for no good reason, are in certain instances experiencing pressure to vacate.

Preventing

Regarding the conditional lifting of the prohibition on sales under sectional title, the minister says this is being recommended in the interests of promoting home-ownership after the committee

found that 'the exploitable situation which prevailed at the time the prohibition was instituted had meanwhile subsided'.

The conditions proposed by the committee for the lifting of the prohibition are aimed at preventing a recurrence of the 'indiscriminate and undisciplined conversion of residential buildings into sectional title, and to afford additional protection to both tenants and prospective purchasers.'

According to the minister, in terms of the sales campaign announced recently, tenants of housing projects, belonging to the Department of Community Development, local authorities and administration boards will soon be given the opportunity to buy their units.

The measures proposed by the committee will make it possible for tenants in the private sector also to buy their units.

Mr Strachan approved proposed adjustments to the income limits for tenants, but was puzzled by the planned extension to the prohibitions under the Sectional Titles Act.

'Once Section 26 of the Alienation of Land Act comes into being, we will not need this one.'

He was also puzzled by the clause prohibiting the sale of a unit to anyone other than the tenant if the occupier were 65 or older.

Mr Michael Clave, of the Association for the Aged in Durban, said yesterday the recommendations were much better than he had been led to believe. Loopholes were being closed.

Enhanced

He saw the recommendation prohibiting sales of a flat to anyone other than the tenant if that tenant were 65 or more as giving them tremendous protection.

'Their status as a lessor will be enhanced considerably,' he said.

He also thought the 365-day period, in which a tenant in a rent-controlled flat had to make up his mind whether to buy, 'takes the pressure off anyone who thinks their home is likely to be sold over their heads. Elderly people do get nervous about such things'.

Report holds out hope for tenants

THE all-party parliamentary select committee appointed last year to investigate rent control has issued its first report. MR COLIN EGLIN, MP for Sea Point and the PFP's spokesman on housing, examines its recommendations.

IN THE course of its investigations the members of the committee considered memorandums and letters from 471 persons and organisations and heard evidence from 27 experts and specialists representing a cross section of interests in the housing field.

Members of the committee also travelled abroad.

There are two important points to bear in mind when considering the report.

The first is that it does not have the force of law. It serves only as advice to Parliament.

Only interim

The second important point is that this is only an interim report dealing with limited aspects of the subject.

Thus, for instance, in this report the committee does not deal with the issue of rent control per se and whether it should be retained, abolished or amended.

While one part of the committee's mandate is to look at control measures the other very important side of this coin is to study ways and means of housing so that there is sufficient accommodation in our cities at prices people can afford.

Thus the interim report concludes: "Your committee considers it essential that the private sector be encouraged by means of positive incentives to erect buildings for leasing purposes.

For aged

"Positive steps should be taken to provide additional housing for the aged at rentals they can afford.

In addition, there is a need for loans for the purchase of flats by persons who cannot readily obtain bond financing in the private sector. Your committee will go into this in a later report."

The recommendations of the select committee fall into two distinct categories. One deals with aspects of current rent control and the other with sectional title concession.

Its recommendations on aspects of rent control are:

While reserving its comments on the general issue of rent control the committee felt there were two matters which should be attended to immediately.

Income limits

The first was the income limits for existing protected tenants which were last set in September 1980 and still stand at R350 a month for a tenant with no dependants and R650 a month for a tenant with dependants.

The committee recommended that these limits should be increased to R450 and R850 a month respectively and that monthly income should be defined as one-twelfth of income received during the year.



Mr Colin Eglin -

This latter provision was included to prevent tenants from becoming disqualified as the result of fluctuations of their income during the course of the year.

Abuses

The second aspect of current rent control on which the committee made a recommendation arose from the fact that owners of certain older blocks of flats were abusing the provisions of the existing law and giving tenants six months notice to vacate on the grounds that the flat was required for repairs, restoration or concession.

To prevent abuse of this provision the committee recommended that "an eviction notice may not be served on a tenant unless a court order is first obtained to the effect that the premises concerned are reasonably required for the purpose of any reconstruction or rebuilding scheme, repairs restoration or concession for which the vacation of the premises is essential."

Its recommendations in connection with sectional title concession are:

Because of the widespread abuses that were taking place the law was changed in 1981 to put a stop to sectional title concession schemes in any block of flats which was rent controlled or in which any protected tenants were still living.

Off the boil

This took the pot of concessions off the boil but it has also meant that many tenants who would like to buy their flats, both to protect themselves against rising rentals and property prices and to make sure that they could never be evicted, are prevented from owning their own flats.

The problem that the committee had to resolve was how to make it possible for tenants to buy their flats while at the same time pre-

venting abuse and exploitation from taking place.

To deal with this the committee has recommended that it should be made possible to buy rent controlled flats and flats in buildings in which there are still some protected tenants but only subject to certain important safeguards both for rent controlled and non-rent controlled tenants.

These safeguards are:

The existing rights of rent controlled and protected tenants should not be diminished in any way. Whether or not these tenants buy their flats they should continue to have the same rights of occupation and continue to pay rentals determined by the Rent Board.

Have the right

All tenants — rent controlled, protected and non-rent controlled — should have the right to buy the flats they occupy.

For non-rent controlled tenants the period during which they should be allowed to exercise their option to buy should be 90 days. For rent controlled and protected tenants this period should be 365 days.

Should a tenant not exercise his option to buy the flat which he is renting the following rights of occupation would apply:

If the tenant is a rent controlled or protected tenant he can stay on in his flat in exactly the same way as before in terms of the Rent Control Act.

If the tenant is a non-rent controlled tenant he can stay on in terms of his lease and if there is no lease for a period of six months at the same rental.

To protect senior citizens still further, a rent controlled flat cannot be sold to anyone other than the tenant if that tenant is 65 years of age or older and meets the income qualifications for protected tenants.

To safeguard tenants, especially in older blocks of flats, the developer of a concession scheme must advise the tenants of the details of the scheme at a meeting of tenants convened for this purpose.

Much to be done

Much has to be done before these recommendations are converted into laws.

For instance attention will have to be given to the timing and perhaps the phasing in of any new laws flowing from the report.

I believe that prospects of success in providing for the needs of the people in our cities will depend mainly on two factors.

The first will be the willingness of the Government to take positive steps to ensure that there is more housing for our people at prices they can afford.

The second is whether the private sector is going to play its part.

†THE DEPUTY MINISTER OF COMMUNITY DEVELOPMENT:

(1) Yes.

(a) 11 March 1983;

(b) (i) Mrs. E. D. Malan;

(ii) 25 Baring Street, Worcester;

(c) (i) 20 January 1983;

(ii) The Hon. the Deputy Minister of Community Development;

(iii) owner applied for relief owing to the tenant's refusal to honour an agreement, to the effect that the tenant would rent the premises in question for only six months, whereafter the owner would again take occupation;

(2) to (5) are not applicable in view of the grounds of the application.

~~884~~ *Howard Q. 6/1 883 - 884*
 Anti-tank rocket 30/3/83
 14. Mr. P. A. MYBURGH asked the Minister of Defence:

(1) Whether, with reference to his reply to Question No. 13 on 9 February 1983, the investigation into the presence of a 68 mm anti-tank rocket in the garden of a home in Cape Town has been completed; if not, (a) why not and (b) when is it anticipated that it will be completed; if so, what was the outcome of the investigation;

(2) whether any steps are to be taken as a result of the investigation; if not, why not; if so, what steps;

(3) whether any new control measures are to be instituted to prevent recurrences; if not, why not; if so, what measures?

†THE MINISTER OF DEFENCE:

(1) No.

(a) The evidence which has been given by about 25 persons is only circumstantial evidence and thus inadequate.

(b) This will be determined by the nature and extent of further evidence which is gathered. The investigation is progressing at best speed.

(2) and (3) This will depend on the result of the investigation.

(123) Howard
 Public Service: housing subsidies
 *15. Dr. A. L. BORAINÉ asked the Minister of Internal Affairs:

(1) Whether housing subsidies are available to employees of the Public Service; if so, (a) under what conditions and (b) what is the amount of the subsidy;

(2) whether women employees qualify for such subsidies; if so, under what conditions; if not, why not;

(3) whether he proposes to take steps to rectify the matter; if not, why not; if so, what steps?

THE MINISTER OF INTERNAL AFFAIRS (Reply laid upon the Table with leave of House):

(1) Yes.

(a) A housing subsidy may be paid to a civil servant who meets particular qualifying requirements. To qualify, a civil servant must—

— be a permanent officer or full-time temporary employee,

— be a contributing member

of a pension or provident fund or pension scheme.

— own a house in the Republic which is registered in his or his spouse's name or on which he has a right of leasehold, which is occupied by him and his dependants and on which a registered mortgage at a registered financial institution or loan for leasehold purposes has been granted; and

— not own another fully paid house on which a housing subsidy has previously been paid.

(b) The amount of the housing subsidy is determined by—

— the public servant's salary.

— the amount of the mortgage to a maximum of R40 000 for subsidy purposes.

— the redemption period of the mortgage,

— the interest rate on the mortgage, and

— the amount of the monthly capital and interest redemption

and varies from case to case to a maximum of R370 per month

(2) Yes, a female civil servant may also qualify for payment of a housing subsidy if she is—

— a permanent unmarried officer, including divorcees and widows.

— an unmarried full-time temporary employee with dependants including divorcees and widows with dependants.

— a legally married permanent officer or married full-time employee who is necessarily the only breadwinner of her family.

(3) Falls away.

Soccer teams: permits

*16 Mr. K. M. ANDREW asked the Minister of Co-operation and Development:

(1) Whether (a) White, (b) Coloured, (c) Indian and (d) multi-racial soccer teams require a permit or permission to play in a Black township; if so, (i) what permit or permission is required, and (ii) in terms of what (aa) law or (bb) regulation is the permit or permission required, in each case.

(2) whether (a) White, (b) Coloured and (c) Indian spectators require a permit or permission to watch a soccer match in a Black township; if so, (i) what permit or permission is required, and (ii) in terms of what (aa) law or (bb) regulation is the permit or permission required, in each case;

(3) whether it is intended to amend or repeal any of the laws or regulations concerned; if not, why not; if so, (a) when in each case, (b) which laws or regulations will be (i) amended or (ii) repealed and (c) in what manner will the laws or regulations be amended?

†THE MINISTER OF CO-OPERATION AND DEVELOPMENT:

(1) (a) Yes.

(b) Yes.

(c) Yes.

(d) Yes, in respect of non-Blacks.

(i) Entry permit.

(ii) (aa) Section 9(9)(b) of the Blacks (Urban Areas)

Drakensberg Administration Board

- (b) Yes. Northern Cape Administration Board
Eastern Cape Administration Board
Orange Vaal Administration Board
Port Natal Administration Board

- (2) Highveld Administration Board—416 houses
Northern Cape Administration Board—486 houses
Eastern Cape Administration Board—1 068 houses
Southern O.F.S. Administration Board—450 houses
Orange Vaal Administration Board—1 910 houses
Port Natal Administration Board—99 houses
East Rand Administration Board—2 925 houses
West Rand Administration Board—348 houses
Western Cape Administration Board—600 units

- (3) (a) Eastern Transvaal Administration Board—1
Northern Cape Administration Board—1
Eastern Cape Administration Board—3
Orange Vaal Administration Board—2
East Rand Administration Board—6
West Rand Administration Board—8

- (b) As far as the housing units are concerned it is not possible to quantify the reply in terms of units as a number of factors including the contribution by the private sector affect the position. However, a sum of R117 million in respect of the 1983-'84 financial year is to be made available for Black housing schemes (services included) in the adminis-

(123) Hansard
Administration Boards: housing projects
Q. 61.901 - 903 30/3/83
412. Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

- (1) Whether any Administration Boards (a) requested and (b) were granted additional funds for housing projects in the 1981-'82 financial year; if so, which Boards in each case;
- (2) how many of the housing units in the various Administration Board areas for which funds were allocated in the 1981-'82 financial year have been completed to date;
- (3) how many (a) new projects and (b) housing units are planned in each Administration Board area in respect of funds allocated for the 1982-'83 financial year?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

- (1) (a) Yes. Northern Cape Administration Board
Eastern Cape Administration Board
Orange Vaal Administration Board
Port Natal Administration Board

tration board areas. Of this amount approximately R60 million is for ongoing projects and R57 million for new projects. Of the latter amount approximately 70% is tentatively being made available for self-build schemes.

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99-year/30-year leasehold system
Hansard Q. Col. 903 30/3/83
529. Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

How many houses are available on a (a) 99-year and (b) 30-year leasehold basis in the Black townships in the (i) nine main urban areas and (ii) Republic?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

- (a) (i) 49 809.
- (ii) 54 156.
- (b) There is no 30 year leasehold scheme but in respect of the home ownership scheme the figures are as follows:
 - (i) 220 184.
 - (ii) 281 951.

Note: It is expected that the homes available on the 99 year leasehold system will increase substantially during the next 5 to 6 years in view of the fact that the Government has approved that all urban Black residential areas where the leasehold system is applicable be surveyed on a programmed basis in order to promote the scheme. Funds will be made available from the National Housing Fund over the next 5 to 6 years to bridge the cost of survey.

for Pretoria, Durban, Pietermaritzburg and Kimberley as furnished in (a) is as follows:

Pretoria: With the exception of a number of sites which became available after replanning, no further expansion of Atteridgeville, Saulsville and Mamelodi will take place. Additional housing is mainly provided in Soshanguve.

Durban: No sites for new houses are available in Lamontville and Chesterville. Members of Black communities who are employed in Durban are mainly from townships in kwaZulu namely Umlazi, Kwamashu, Ntuzuma and Inanda.

Pietermaritzburg: The urban Black township Sobantu is small and will not be expanded further. Imbali, is, however, being developed where additional houses will be erected.

Kimberley: No funds were available for additional housing.

(b) The figures in (b)(i) reflect only those houses built by the South African Development Trust and do not include houses built by the national states, development corporations and private sector.

For written reply:

Hansard Q. 61. 893

National states: houses

123 ~~401~~ 30/3/83 - 894

184. Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

What was the total number of houses built for Blacks during the 1981-'82 financial year in each of the (a) nine main urban areas and (b)(i) urban and (ii) non-urban areas of each national state?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(a)	Witwatersrand	4 790
	Vereeniging/Vanderbijlpark/Sasolburg	1 200
	Pretoria	0
	Bloemfontein	600
	Durban	0
	Pietermaritzburg	0
	Cape Town	818
	Port Elizabeth	462
	Kimberley	0
(b)	(i) kwaZulu	1 082
	Lebowa	385
	Qwaqwa	309
	kwaNdebele	15
	kaNgwane	9
	Gazankulu	0

(ii) None.

Note:

(a) The position regarding the nil returns

Tinkering while tenants queue

Such sentiment, expressed in the first report of the Cronje select committee on rent control, suggests that government thinking has come a long way since control was slapped willy-nilly on all landlords in 1949. The practical implications of the report, however, don't necessarily lend adequate credence to that view.

That ill-advised act has created the problems which the committee, like several investigative bodies before it, is trying to overcome. The crux of the matter, as the committee says, is to create a new stock of rental flats "in the public interest."

Clearly, the first step is to get rid of the Rents Act. And even then further come-ons will have to be forthcoming if the private sector is to be seduced back into building rental flats.

These are the two critical factors which the report does not cover. They will be dealt with in part two. The recommendations published last week, therefore, deal with the sectional title problems relating to rent control and tend to fiddle with the effects rather than address the causes.

If accepted, however, the preliminary recommendations will bring some changes in the application of rent control and sectional title conversions. The most important for converters is that blocks containing protected tenants would become saleable again.

To begin with, the 1949 Act not only brought all existing flats under rent control, but also gave the Minister of Community Development the right to extend the restrictions to all new blocks of flats thereafter. Successive incumbents duly exercised the prerogative until, in the early Sixties, the truth finally dawned that controls were doing more harm than good to the tenants the legislation was designed to protect.

A combination of unacceptably low rental returns and enforced retention of unwanted tenants understandably steered developers towards more attractive investments. The result: a worrying shortage of flats to rent.

As general policy, therefore, government announced that all flats first occupied on or after June 1, 1966, would not be controlled automatically. But the right was retained — and, indeed, was recently used.

The moratorium on new stock worked for a while. In the economic good times, free market returns were good enough to tempt developers back into rental accommodation. But the legislative threat remained. The Act was still on the books and could be used against them. Furthermore, building costs soared way above the inflation rate and tenants could not pay the rentals which had to be asked.

Meanwhile, of course, all owners of flats

"It is desirable that the free market mechanism be allowed to regulate affairs without any interference, unless absolutely necessary."

first occupied before June 1966 had to grapple with rent control. Permitted yields finally settled at 8,5% and were based on values which even now are subject to interminable argument at rent board hearings.

The system was also open to abuse by tenant and landlord alike. Owners could include improvements in the value on which the 8,5% return was based. Many owners thus submitted to the temptation to overstate outlays and, in some cases, claimed against costs which had not been incurred at all.

Also, they could free themselves of rent control by major re-development of their blocks. This required protected tenants to vacate, but many such schemes got no further than the plans or minor alterations and a coat of paint.

While yields were pegged and bond rates were on the rise, landlord action was often dictated more by desperation than wilful intention to defraud.

And, latterly, tenants have been able to claim protection only if they show incomes below prescribed limits. They have thus been able to cheat the system by not divulging true income or by having the wife

installed as official tenant. Indeed, stories of wealthy tenants living in accommodation subsidised by the landlord have been a bad joke in the industry for years. Eviction was possible only if tenants did not pay rent in time or damaged the building.

By the end of the Sixties rent control, which still basically applied only to pre-June 1966 stock, was in a mess. But a new factor was about to emerge which would turn the mess into a fiasco — the Sectional Titles Act.

For the first time in SA, ownership of fixed property other than land could be recorded in a deeds office. Previously, other ploys had to be used to sell sections of buildings (usually flats). The most common was the sale of shares, with perpetual occupation rights attached, in a company which owned the building. This system, which has involved many in tragic losses, is still being used. But it is now subject to tighter control.

Even more hardship

The Sectional Titles (ST) Act has proved successful on the whole. Indeed, it probably caused more hardship to tenants before implementation than after. Seeing a chance to realise their artificially depressed assets, some landlords started selling flats before the ST Act became law. As a terms deed of sale it was permissible, but there could be no guarantee that the block would eventually qualify for a ST register. And although many buildings were in a bad physical state, they were being sold to a gullible public which would become partly responsible for the repair bills thereafter.

To sell, however, owners had to offer the properties either to the tenants themselves or get rid of them. But protected tenants could not be given notice in the ordinary way, so some owners resorted to pressure tactics.

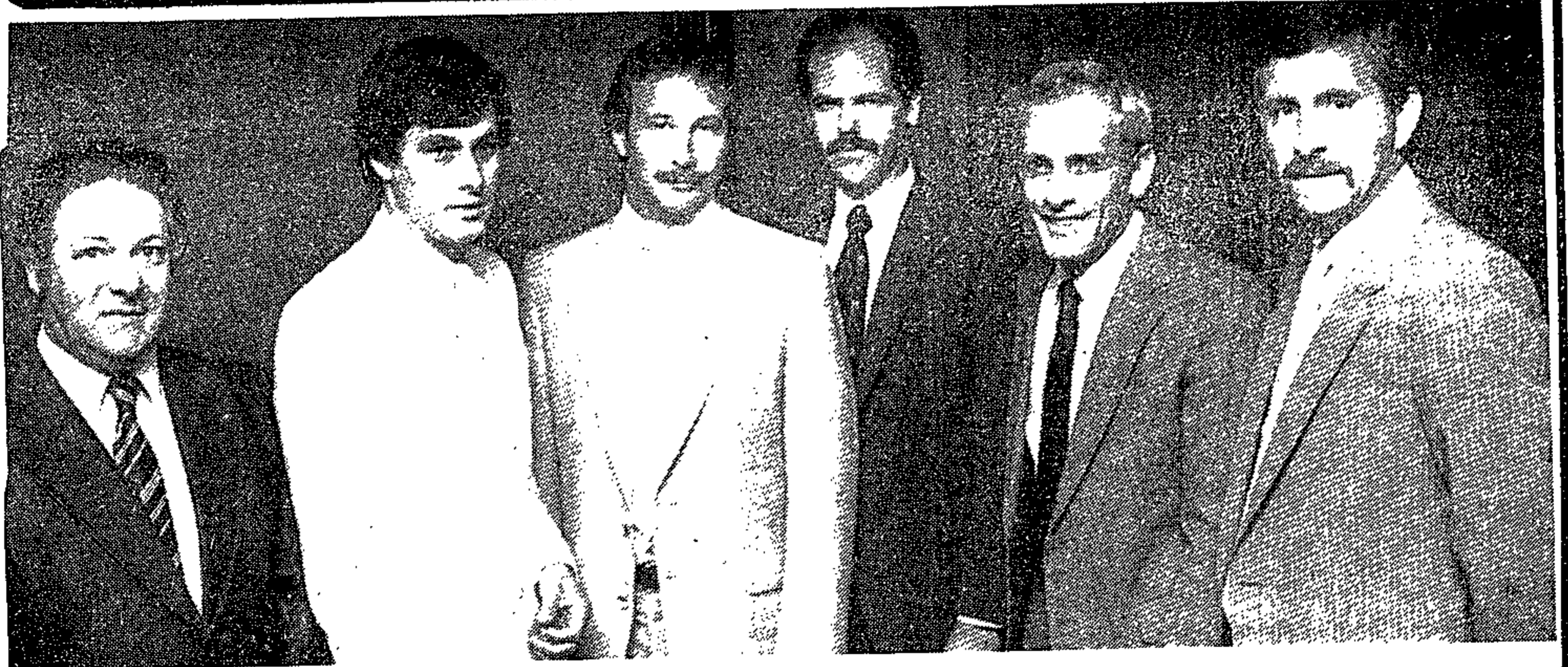
The celebrated Chaim Wainer affair was one of the results. Hundreds of tenants were illegally evicted. When Wainer went bust and ran, many buyers lost all, and government had to find ways of plugging the holes to retain political credibility. In many cases, pensioners and the poor were the ones to suffer. One immoral system, rent control, had spawned another.

By bureaucratic standards, action came quickly. Various amendments to the ST Act made it illegal for flats to be sold before the opening of a sectional title register; register applications could not be considered if even one protected tenant remained in a building; buyers of rent controlled flats could not move into their properties (which was still permitted in free-standing housing); promotion of flats for sale by the developer (including advertising) was not permitted before a register had been



Flatland . . . persisting with the protection racket

Midweek Property



Home building inflation eases

By Noel Hamlyn

THE average cost of building a house, after showing a peak annualised increase of 24,65 percent in 1980, eased back to 17,84 percent in 1981 and 11,89 percent last year — well below the consumer price index for the year.

These calculations by the National Association of Home Builders (N A H B) are obtained from information supplied by several major home builders.

The simple average increase for home building costs annually from 1975 to 1979 was 15,07 percent, with the lowest annualised increase at 2,36 percent in 1977 — dropping from 12,13 percent in 1976 and rising again to 11,98 percent in 1978. In 1979 it climbed to 19,78 percent.

This home building costs index (H B C Index), published as soon as possible after the end of each quarter, relates to all direct production costs, including costs of plans, service connections, materials, labour and subcontract work,

but excludes costs not so directly related to the construction process, such as supervision, head office charges, overheads, sales commission, finance charges and profits.

It is, therefore, an index of actual house building production costs and is neither an index of contract values nor of market or valuation values.

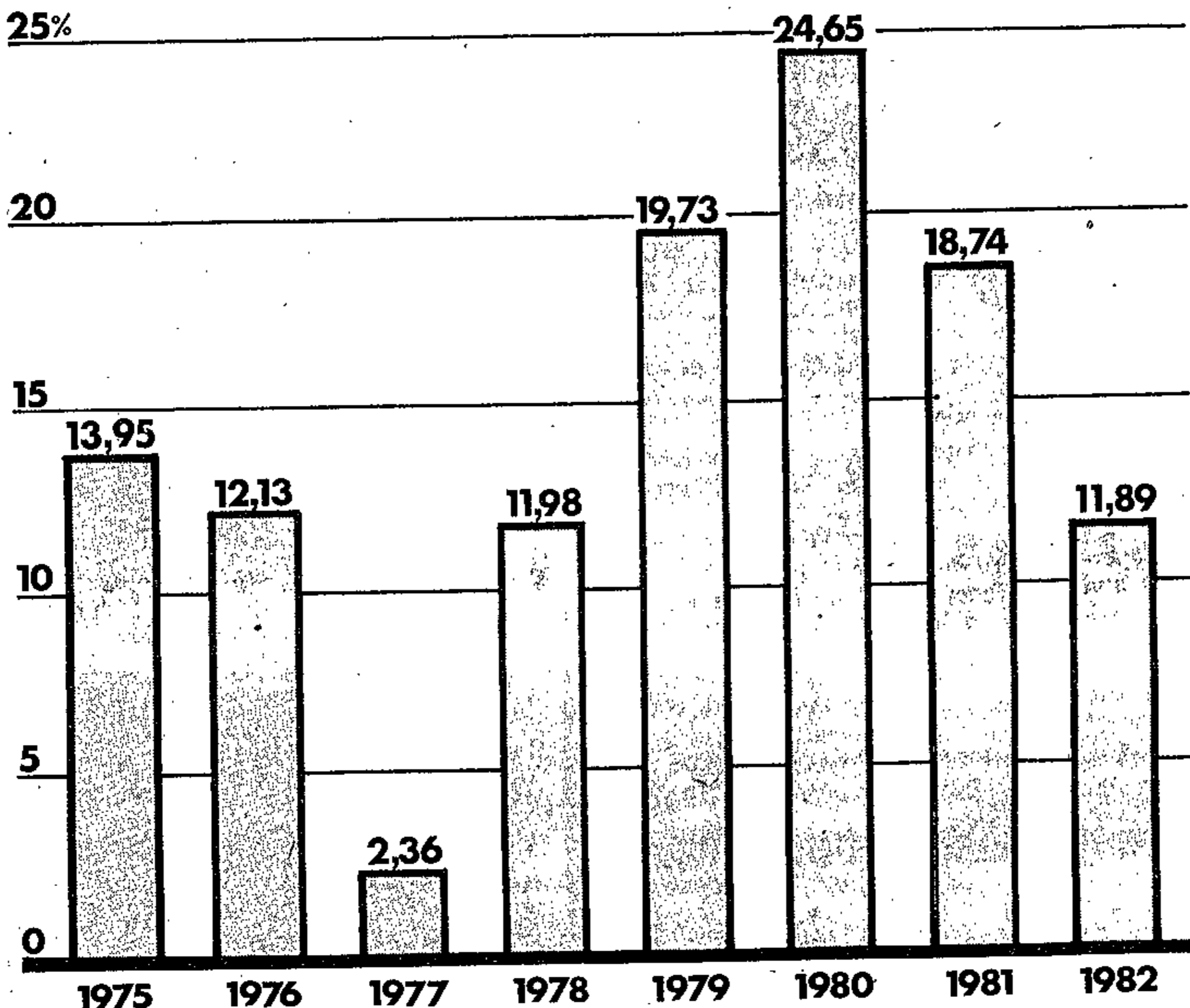
Initially the index, which reflects the position on the Witwatersrand, was prepared on the basis of costs as at January 1, 1975, constituting the base figure of 100. The base date has since been changed to January 1, 1980, with costs on that date being equal to 100.

From the second half of 1982, when the home building section of the M B A discontinued its regular meetings, the survey was taken over by the N A H B.

Depending on demand and the willingness of N A H B members to provide the necessary data, it is possible that the index may be extended nationwide.

Agents study sectional title problems

MORE than 250 estate agents and body corporate chairmen attended a seminar on the operation of sectional titles held by the Cape and Western branch of the Institute of Estate Agents. Taking part were (from left) Mr I Marks, Mr D Rosenweig, Mr Paul Eisenberg, Mr Graham Paddock, Mr Geoffrey Seeff, chairman, and Mr Brian Reddington.



The year-by-year increase in house-building costs since 1975.

R17-m time share sales forecast

AS a large proportion of the more expensive high season units in the Umhlanga Sands time sharing project, near Durban, are still unsold, the developers expect to record a turnover figure of R17-million for the next 12 months.

In the past 12 months the project has sold 5 000 units which surpasses any other project in the

world, claims Mr Brian Stocks, managing director of the company.

"The sales average in the United States is about 12 units a week but we are selling more than 100 a week. Sales to date are about R13-million for 5 000 units and there are another 5 000 to go," he said.

'Home scheme not all negative'

123

Angus

6/4/83

Staff Reporter

DESPITE its obvious, and grave problems, the decision by the Government to sell rented homes should not be interpreted as being inherently negative, says Professor David Dewar, researcher and senior lecturer at the University of Cape Town's Department of Urban and Regional Planning.

He was interviewed on the recent decision by the Government to sell 500 000 rented homes. The decision has been met with a varied response from community organisations, political leaders and tenants.

Professor Dewar, who has extensively researched housing problems both in and outside South Africa, said that to assess whether this move was positive or negative it had to be viewed in relation to the central purpose of housing.

The very existence of a housing policy aimed at the lower income group was overt recognition of the fact that certain people found themselves in a disadvantaged and

There is little understanding of the decision by the Government to sell 500 000 rented homes to tenants, what these changes mean in its totality or what the implications are, says Professor David Dewar, researcher and senior lecturer at the University of Cape Town's Department of Urban and Regional Planning. This is the first of a two part series on this vital housing issue.

non-competitive position and that it was in society's interest to assist these people to satisfy their basic needs.

Professor Dewar said: "Inevitably what will happen if this policy is carried through is that the housing shortage for the poorer people, who constitute the largest portion of unhouseed or inadequately housed people, will increase.

"This has to be seen in the light that the Government is now only building homes for welfare cases and people who earn less than R150 and consequently the amount of sub-economic houses constructed will decrease.

"Other points which will place the poor people in the most disadvantaged position in the competition for scarce resources is the fact that the self-help scheme, where people are supplied with the

material and they have to build, is beyond the reach of the poor and the continued insistence on high housing standards by the National Housing Commission will effectively price out many people.

"The move to market-determine rentals, as a direct measure to coerce people to buy (the Government has said that the rents of those people who do not buy would be increased) will effectively de-house many poor families.

"The frightening number of final eviction warning notices each month already bears testimony to the magnitude of the potential problem. A sharp rise in rentals will leave many families with no option but to abandon their existing homes and seek smaller units of accommodation through subletting at uncontrolled prices which

are inflated by the housing shortage itself.

"When, in this system, the vast majority of tenants are the poorest people, a situation is created whereby the poor are trapped in a permanently disadvantaged position. Worse, families who bought homes, and who themselves are poor, are forced to exploit those without housing to the greatest possible degree, in order to satisfy their own housing needs.

"A major consequence of this will be an increased level of overcrowding among the poorest groups and since overcrowding is one of the primary forces of physical, social, and psychological ill-health in low-income areas, there will be a commensurate increase in pressure on other social services, such as health.

"It is apparent, therefore, that

the new policy package has grave problems associated with it."

Professor Dewar said the problem essentially hinged on the issue of imposition, and the ability of the poor to enter the system.

"The real issue of urban housing", he said, "is implementing a system which is directed towards giving people, particularly the poor, the greatest chance and choices to fit housing, defined in the broadest sense, to their needs and pocket.

"Any system which removes choice and is impositionary is negative, for, by definition, it will worsen the lot of a great many people. Within a system based on choice, self-help and the sale of rented housing to tenants do have roles to play, provided they are offered options and are not imposed."



Professor David Dewar

HOUSING

'State wants to distance itself from the problem'

REC 45 7/4/83

123

This is the second of a two-part series in which Professor David Dewar, researcher and Planning, looks at the implications of the decision by the Government to sell 500 000 of its rented housing stock. Today he offers an explanation as to what may have motivated the Government to take this far-reaching decision.

THE decision by the Government to sell 500 000 of its rented stock to tenants appears to have strong political overtones, says Professor Dewar.

Tenants have been told they won't be evicted if they do not buy, but that their rents may be increased.

This decision has been met with a contrasting response from local authorities, community and political leaders. It has been described, variously, as being a "sick-joke" in that nobody would be able to afford to buy the homes, to a "wonderful thing" that will give everyone a chance to own a home.

Professor Dewar says: "The way it looks at the moment, and you can see it in the concept of the whole movement that has been occurring in housing policy with self-help and that stuff, that the State is trying quite hard to distance itself from the housing problem."

"The major thrust behind this seems to be a straight political thing, that the State is trying to distance itself, so that it doesn't have a direct area of confrontation over the housing issue, which is incredibly highly politicised through the country.

"The way this is done, and the consistent path throughout has been, that the State is without question trying to switch its area of attack

from the lowest income groups, from the people who have the greatest need, to much higher up the income scale.

CO-OPTION

"This has to be seen in the light of the kind of movements within the Presidents Council. The tricky word that is being used is co-option there is quite a strong element of that."

Professor Dewar said there seemed to be two major reasons for this housing policy shift. The first is that there are strong competing claims on national finance and there is a strong school of thought that housing is not a productive kind of investment and therefore the State should be cutting back, and moving out it.

The other reason was that it was entirely consistent with the general policy direction that greater attention was being paid to create a stable middle class. The people who bought these 500 000 homes would undoubtedly be moving into this category."

AGGRAVATED

Professor Dewar said that with the amount of energy that was being used by this initiative, the real housing problems would be aggravated. He has, as a researcher at UCT's Urban Problems Research Unit, extensively researched housing problem both in and out of South Africa. The unit recently published a research paper on housing problems in which the issue of the selling of rented stock was raised.

CAPE TIMES 7/4/83

Dewar attacks housing policy

123

Staff Reporter

THE government's new policy package on housing for the poor had grave problems associated with it, Professor David Dewar, of the Institute of Urban and Regional Planning, warned in his address to the congress of the Institute of South African Architects in Cape Town yesterday.

The shift in policy towards an emphasis on self-help housing, along with a reduction in the provision of sub-economic

housing and the sale of 500 000 rented units, could create a situation where the poorest of society were trapped into a permanently disadvantaged position, he said.

Self-help schemes and the sale of rented units were not inherently negative — the problem hinged on the imposition of the system and who would be able to enter it.

Professor Dewar said self-help housing schemes focussed invariably on individual dwelling units

and not on the total environment. Almost without fail these schemes resulted in "dismal total environments".

The real housing problem was not one of how merely to provide shelter, but how to provide qualitatively rich and viable environments.

There was a minimal amount of public investment below which one could not go if reasonably livable environments were to result.

"The real danger in this regard is that the state uses the rhetoric surrounding the self-help approach to reduce its investment in public spaces and facilities."

A recent statement by the Minister of Community Development, which warned that low income communities would have to provide most community facilities themselves, raised "the horrifying spectre of cities made up of miles and miles of houses, roads and pipes only — environmental sterility, monotony and boredom which are already the hallmark of most recently-created townships in South African cities".

Space essential

The household of poor people could not accommodate the full range of a family's needs, however well it was made, and public spaces were essential, he said.

The minister's warning also had implications for the present system of city financing.

There was no way in which local areas populated by low income people could generate internally "anything like an adequate level of social or community servicing".

The image of mystical, self-reliant local communities happily providing a full range of social facilities and services for themselves was "an exploitative myth".

Infrastructure, self-help needs

Staff Reporter

THE main problem of housing in South Africa was one of infrastructure, which could be successfully met by the use of genuine self-help projects, Dr Franco Frescura, of the University of the Witwatersrand, told the congress of the Institute of South African Architects yesterday.

At the outset it had to be acknowledged that a large part of the current problem had either rural links or was firmly located in rural areas and should be assessed accordingly, Dr Frescura said.

Increasing pressure on the virtually non-existent rural infrastructure (defined basically as the provision of reticulated water, sewage disposal, electrical services and road facilities but varying also from region to region) would rapidly bring serious problems, while urban housing problems were relatively less severe.

Government figures relating to black sector housing were both flattering to its programme and misleading to the public at large.

By removing all the data relating to housing in the homelands it had, in one act, reduced the problem to a more manageable size and had divested itself of all responsibility for these areas.

The homeland populations were increasing and thus, too, the rural problem.

Pressures on the rural infrastructure would increase to a point where the already overloaded natural ecology must break down with a rise in health problems.

By comparison, the expected rise in urban population was by no means excessive and there was no reason why urban problems could not be met by conventional methods.

However, it was likely that the increase would be mainly in the Transvaal where a serious housing crisis already prevailed.

The processes of rural architecture represented a cheap, viable and visually exciting method of housing people which could be reproduced under controlled conditions in a modern urban environment.

latest specified five years for which figures are available;

- (2) at what interest rate (a) was money borrowed for the erection of homes for the aged in each such year and (b) is it being borrowed at present;
- (3) what rental is at present being paid by the aged for flats erected with funds supplied by the National Housing Fund?

The MINISTER OF COMMUNITY DEVELOPMENT:

- (1) 1977-'78—R5 617 788.
1978-'79—R10 328 111.
1979-'80—R19 879 189.
1980-'81—R17 809 757.
1981-'82—R21 441 597.
- (2) (a) and (b) 1% or 1/20% (the difference in interest between 1% and 1/20% is subsidised in respect of the aged whose incomes do not exceed R300 per month);
- (3) rentals are equivalent to the lowest amount calculated on the following alternative bases:
 - (a) 5% of the occupants income; or
 - (b) interest and redemption at 1% over 40 years.

In addition an extra amount of rental is payable in respect of occupants whose incomes exceed R300 per month in the case of single persons and R600 per month in the case of married couples. The additional amount is equivalent to 25% of that portion of the occupant's income by which the limit is exceeded. A maximum rental equivalent to an amount calculated on an annuity basis at 9% per annum over 30 years is, however, payable.

123 Hansend Q. 61. 927 -
Housing for aged persons 928
11/4/83
628. Mr. A. F. FOUCHÉ asked the Minister of Community Development:†

- (1) What amount was spent on housing for White aged persons in each of the

'Complex society in SA a problem' Kotze calls for more flexible housing rules

Staff Reporter

AKS 13/4/83 123
Staff Reporter

THE unwillingness or inability of local authorities to be flexible with regard to standards of building methods, services and town planning for housing of lower income groups is becoming a situation of increasing concern to the Department of Community Development.

THE multinational composition of South African society was one of the main problems faced by town and regional planners, according to Dr P S Rautenbach, the chairman of the Prime Minister's Planning Advisory Board.

Mr Pen Kotze, Minister of Community Development, said today his department did not want second-rate housing but the implementation of more realistic standards in keeping with potential home owners' financial ability.

Dr Rautenbach was speaking at the opening of the South African Town and Regional Planning conference in Cape Town this morning.

Opening the South African Institute of Town and Regional Planners conference in Cape Town, Mr Kotze said certain communities believed it was their right to be supplied with housing units which suited their tastes at rentals they could afford.

Other problems faced by town planners in South Africa were the complex combination of boundaries in South Africa, the contrast in physical circumstances in the land and the inter-dependence between the Republic and the rest of the world in respect of international trade.

EXPENSES

A standard problem was the growth of population which must be housed on a level which remained constant and must be supported by resources, some of which were already declining.

He said the fact that building costs, interest rates and other expenses were still rising did not bother these people because according to them it was the Government's responsibility to provide housing.

ACTIVITIES

Figures for 1980 showed that urbanisation was steadily increasing and high concentrations of population and economic activities in certain areas contrasted with underdevelopment in other areas.

It was generally accepted that the Government had played a great role in the financing and provision of low-cost housing for all race groups in the past 34 years.

In the highly concentrated areas people were forced to live further away from their work, which caused longer journeys and an increase in traffic pressure.

The Government, however, could only provide limited funds for housing assistance within the framework of its priorities and financial abilities.

The increase in demand for ground caused prices for land to rise at an unnatural tempo and open spaces became scarcer.

"With housing subsidies rapidly engulfing more than a quarter of the amount voted for housing, building costs almost 800 percent higher than 20 years ago and the continued demand for lower rentals, it is apparent that if drastic adjustments are not made, we have no chance of overcoming the housing problem," he said.

As population density increased so did pollution, and slum conditions experienced in many world cities were the result. There were areas in South Africa where the negative effects of overpopulation could already be seen, he said.

Cape Times
13/4/83
123

Housing: City's sales tax call

Municipal Reporter

THE MINISTER of Community Development, Mr Pen Kotze, has told the City Council he is prepared to propose to the government its suggestion that sales tax be increased and used as a source of housing finance.

Private sector

According to the minutes of a meeting held between Mr Kotze and a top-level council delegation on February 28, Mr Kotze said he did not agree with the Prime Minister's financial advisers who had unanimously condemned the government's previous policy of providing mass housing.

The advisers, drawn mainly from the private sector, believed the State should not build houses but should provide the infrastructure only.

Although he disagreed with this view and supported the council's proposed solutions to the housing crisis, Mr Kotze said that because of current low funds, a greater investment from the private sector would have to be encouraged while the

government concentrated on doing what it could for those most in need.

Mass housing, he said, had been the policy for a number of years and his department had spent R1,7-billion over the past five years through the National Housing Commission alone — more than the total spent during the previous 55 years.

However, funds were becoming less and less available. In 1983, R150-million was available for capital works. However, after certain prior commitments had been met, only R50-million would be left over for new housing.

R600-million

Schemes valued at R600-million had been approved and he could not favour Cape Town — only one overcrowded area — with financial concessions for its approved schemes.

He agreed that immediate steps should be taken to find more suitable land for coloured housing, and acknowledged that site-and-service schemes would not be "a total solution" in Cape Town.

Kotze warns on housing needs

CAPE Times 14/4/83 123

Staff Reporter

THE Minister of Community Development, Mr Pen Kotze, yesterday warned local authorities that if low income housing needs were to be met, far greater flexibility would have to be shown in standards of building methods, services and town planning.

Opening the triennial conference of the South African Institute of Town and Regional Planners in the City, Mr Kotze accused local authorities of demonstrating an "inability and unwillingness to be more flexible".

More realistic standards were necessary to put housing within the financial means of low income communities, he said.

It was apparent that unless drastic adjustments were made, there was no chance that the present housing problem would be overcome.

Ten targets Mr Kotze's department set for itself included that:

- Sufficient building sites be available at all times for all population groups so that people who were able to do so, could build houses.

- The government should use most of the available funds to buy land for this

purpose.

- The government should in future provide for the housing needs of only the very lowest income groups, the elderly and the under-privileged.

- Financial aid in the form of loans should be made available for building and the purchase of materials for self-building projects.

- Standards applicable to structures and necessary services should be reviewed and alternative building methods used.

- The department should launch "as never before" a campaign to promote home ownership among all population groups.

Mr Kotze said draft legislation, which would bring town and regional planners under the ultimate control of the Minister of Community Development, was unlikely to come before Parliament in the current session.

The Institute's constitution was based on the principle of minimal government control and he hoped that under the proposed legislation this principle would be maintained and that state interference in the profession would never be necessary.



Ms Dhane Naidoo and a toast to C for the Cape Town Festival and are and dried haarden

Govt broke sporting policy, says PFP

Political Staff

HOUSE OF ASSEMBLY. — The government was accused yesterday of negating its declared policy of sports autonomy by forcing the Westlake

the Commissioner of Prisons in terms of prison regulations, and it was one he would defend.

He said it was accepted policy that coloured prisons service personnel in

'No statement to police'

JOHANNESBURG. — A man who had to scurry for safety when police opened fire on a suspect in a crowded Johannesburg street on Tuesday afternoon says he will not make a statement to police on the shooting.

town topics

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CLIVE SHARROCK BIG BAND dance take the Green Point Temple Hall on Saturday. Tickets are available from 49-3742, 95 2335.

GST, housing plan supported

Cape Times 14/4/83 123

Municipal Reporter

AN increase in general sales tax was one of the most "painless" ways of collecting sufficient money to ease the housing crisis, the City Engineer, Mr Jan Brand, said yesterday.

A City Council proposal that GST be increased by one cent in every rand — from six to seven percent — could bring in R600-million a year for desperately-needed housing.

Well received

The proposal, one of several options put forward by the City Council, was sympathetically re-

ceived by the Minister of Community Development, Mr Pen Kotze, at a recent meeting.

However, officials and councillors interviewed yesterday agreed that there was little chance that the State Treasury would consider a GST increase diverted to a single area, that of housing.

Injection of funds

Mr Brand said Cape Town needed 8400 new houses a year if it was to cope with the backlog and natural increase in housing demands.

This could only be attempted with a massive

injection of funds. If the provision of housing was left to the private sector — a policy now being advocated by the government — the situation would take much longer to ease. And the introduction of self-help schemes would only be part of the solution.

The deputy chairman of the Housing Committee, Mr Norman Osburn, said the council's GST proposal need not necessarily mean an increase. What the council was appealing for was an immediate and massive allocation of funds nation-wide and this could be taken from the current GST income.

The option appeared to be an easy way of getting cash. There would be no chance of the State increasing income tax by such an amount for a relatively short period.

Last resort

Another member of the committee, Mr Clive Keegan, said a GST increase to supplement housing funds should be a last resort because such an increase would hit everybody.

There remained, however, a heavy obligation on the State to spend much more on housing, he said.

Mr Osburn said although the GST increase would hit the poorer people the hardest, it was aimed at helping them in the field of housing.

● Kotze warns on housing needs, page 9

HOUSING ¹²³ ³⁰⁶
Back to tradition

~~1-1~~ FM 15/4/83
The use of traditional building methods is being proposed as a solution for SA's black housing shortage — which many believe is the result of the rapidly rising cost of conventional building techniques.

Wits architecture lecturer Franco Frescura told the recent Institute of SA Architects Congress on "Southern African Architecture: Roots. Development. Future" that the "processes of rural architecture represent a cheap viable and visually exciting method of housing people. These processes can be safely taken out of their rural context and reproduced under controlled conditions in a modern urban environment."

He said SA's housing problem is not necessarily only urban in nature and that, given a supporting infra-structure, it could be met by rural means and knowhow. In Frescura's view, the housing problem is not one of housing but rather of infrastructure, and he believes the provision of both can be met successfully through the use of genuine self-help projects.

According to Frescura: "In both urban squatter and semi-urban settlements people are using modified rural technologies in an urban environment to provide themselves with housing of an acceptable standard. And despite the lack of fresh water and waste removal facilities, they are meeting with a remarkably high degree of success.

"Current research shows that given a sufficient supporting infrastructure, many squatters have managed to provide for themselves efficient and even aesthetically pleasing dwellings, which in many cases may be seen as the intermediary stage between temporary shelter and a more per-

manent and conventional residence."

He told the congress that "vernacular architecture is essentially a system of building motivated by practical considerations, based upon the principle of housing men in the most efficient manner possible, using what natural materials are most readily available and building his dwelling in the form most suitable to his climate and natural environment."

However, contrary to popular belief, Frescura maintains that SA's current housing problem is not chiefly located in the urban areas, but "has either rural links or is located firmly in rural areas."

This problem is exacerbated, rather than aided, by the homelands policy. According to Frescura: "Current government figures relating to black sector housing are both flattering to its programme and misleading to the public at large. By excising that data pertaining to housing and population in the new states of Venda, Bophuthatswana, Transkei and Ciskei from that of SA as a whole, the government has in one act reduced the problem of housing down to a more manageable size and divested itself of all responsibility for its resolution in these areas."

Yet Frescura believes these areas should be included in national housing policy because "far from decreasing, the rural population of the homeland areas is in fact rising."

Given an urbanisation rate for the years 1980 to 2000 equal to that of the preceding 10 years, the homelands population will more than double in the next 20.



Frescura . . . traditional solution for housing

123 ~~103~~ Hansard Q.101.
Townships/houses/dwelling units
18/4/83 1003-4
348. Mr. F. J. LE ROUX asked the Minister of Co-operation and Development:

How many (a) towns or townships and (b) houses or dwelling units will be erected by the State in respect of the current financial year for Blacks (i) in the national states and (ii) outside such states but within the borders of the Republic?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(a) (i) Nil.

(It should, however, be pointed out that the South African Development Trust is involved in altogether 62 townships in the independent and self-governing states and that available funds are used for the extension and upgrading thereof).

(ii) Nil.

(Available funds are used for the upgrading of 312 Black townships).

(b) (i) 2 200.

(During the last financial year, however, 14 359 surveyed sites were made available in the national states by the South African Development Trust for the erection of houses on a self-built basis.)

(ii) 7 631.

Note: Results which are obtained with the provision of houses are to a



8 APRIL 1983 1004

great extent influenced by the Government's approach in this regard, namely that the States provides mainly the infrastructure whilst the erection of houses is being done by means of self-build and site-and-service schemes. It should also be pointed out that the number of housing units erected by or with the assistance of the private sector or individuals, cannot be gauged accurately.

~~Q. 1053~~ Farm labourers: housing loans ^{2/4/83}
 Q. 1053 - 1054
 723. Mr. P. A. MYBURGH asked the Minister of Agriculture:

- (1) How many farmers in (a) the Greater Western Cape area, (b) the remainder of the Cape Province, (c) the Orange Free State, (d) the Transvaal

- and (e) Natal applied for housing loans for farm labourers in 1982;
 (2) (a) how many of the applications in each area were granted and (b) what was the total amount granted in (i) each area and (ii) the Republic as a whole?

The MINISTER OF AGRICULTURE:

(1)	(2)(a)	(2)(b)(i)	
(a) Greater Western Cape	276	267	R3 664 950
(b) Cape Province (Remainder)	104	100	R1 653 059
(c) Orange Free State	25	21	R 472 800
(d) Transvaal	80	78	R1 758 280
(e) Natal	27	24	R 525 900
(2)(b)(ii)	512	490	R8 074 989

1009.

1038.

9.

12.

Millions of homes needed for cities

By HUGH ROBERTON

NEARLY two million new houses will have to be built in South Africa's major cities within the next 20 years at a cost of some R30 000 million, just to house the expected increase in the urban population. Some estimates suggest that if the job is to be done properly, well over five million new homes will have to be built.

The scale of the problem can be gauged from the fact that in the past 10 years, with massive infusions of capital, the country has built only 582 000 dwelling units. And that could not satiate even the existing demand. There is a backlog of about 160 000 houses for urban blacks alone. Nearly 50 000 coloured families are still waiting for homes.

Revolutionary

To make a significant impact on the problem, all experts agree, the country will have to revolutionise virtually every aspect of housing, from finance to construction methods, from building regulations to town planning.

The new housing policy outlined by the Minister of Community Development, Mr Pen Kotze, in Parliament last week, was an attempt to address the need for drastic change. But much of the detail of the new plan has still to be announced and many of Mr Kotze's critics still doubt whether it will be adequate, or even whether a solution is possible while the Government's race policy remains intact.

One of the cornerstones of the new policy is that the Government, which was responsible for building about half of all houses between 1970 and 1980, would concentrate its efforts on the very poorest groups in future. Since poverty is synonymous with blacks, most observers believe Mr Kotze was saying, in effect, that in future the Government would concentrate its efforts on black housing.

For the elderly

He gave an assurance, though, that the Government would continue to provide welfare housing and housing for the elderly.

To provide low-income homes for other groups, he envisaged a coalition of building societies, trade unions, employers, financial institutions, housing utility companies and property developers, and announced that he would amend the Housing Act later this year to enable the Government to give more aid to housing utility companies.

But he urged employers, too, to become involved in housing construction, saying that the Government was going out of its way to remove what obstacles there were to the private sector's involvement in "non-white" areas.

The Government and the public sector, he said, would see to it that sufficient ground and "infra-structure" (water, electricity, sewerage, roads and other services) were made available,

Another pillar of the new policy is the principle that as far as possible the individual will bear prime responsibility for his own housing.

"Through his own efforts, his own methods, with help from his employer, or from other sources, he will in the first instance be responsible for providing a roof over his head. If he cannot get help in any other way, the Government and local authorities would help him with materials and building loans and we would assist by initiating self-build and self-help projects throughout the country," Mr Kotze said.

Owning homes

The new policy aims at promoting home ownership "as never before", and a first step to effect this was the announcement that nearly 500 000 Government-owned homes would be offered for sale to the present occupants.

Crucial to the new policy are self-build and self-help schemes, which in South Africa are relatively new although they have been widely used elsewhere. But an obstacle to such schemes is the uniformly high standard set by local authorities for buildings and services.

These would have to be relaxed, Mr Kotze warned. And local authorities which resisted the change would simply have to do without Government housing assistance.

123 ROOM 622/4/83

Black stands survey is 'off the ground'

By LIN MENGE

AT LAST — the mass, countrywide survey of residential stands for blacks is under way.

In the Middelburg-Witbank-Standerton region of the Highveld, 7 000 stands have been parcelled out for surveying between nine surveyors.

Mr H C Brown, a member of the council of the SA Institute of Land Surveyors and regional representative of surveyors on the Highveld,



**HOME
FRONT**

told HOMEFRONT yesterday that he hoped all these stands would be ready for 99-year-leasehold registration by the end of the year.

The surveyors were being urged to do the stands in small blocks and submit certification to the office of the

Surveyor-General as they completed them.

He stressed that exactly the same standards were being applied as were used in the surveying of white-owned properties for freehold title. It was essential that there should be no boundary disputes, and that the black home-owner enjoyed the same sense of security as the white home-owner, he said.

Although aerial surveying was one of the available techniques on-the-ground meth-

ods were being used because they were more economical.

The countrywide survey programme was first announced last August and the Government has made R28-million available for the survey of 360 000 stands.

Because it is able to do all the stands, and the cost of the survey is being spread across entire black communities, the surveying profession has been able to bring its prices right down — a vital factor in making home-ownership af-

fordable for township residents

□ □ □
— 11 —

CALL FOR FREEHOLD

CAPE TOWN — The controversial aerial survey of Soweto, to prepare the way for 99-year leases, cost R3,5-million as opposed to R27-million if it had been conducted in the normal way, Mr J C Knoetze, Wrab's chief director, told a Parliamentary committee.

Two powerful business organisations, the Urban Foundation and the Federated Chamber of Industries, have called for the same land ownership rights for all South Africans.

And representatives of the 14 administration boards have admitted there is a 'stigma' to the 99-year leases because "it is not the same system, for example, as that adopted for whites".

This emerges from the evidence given before the Parliamentary Select Committee on the Constitution.

Ministers

Among the members of the committee are leading members of the Cabinet, including the Minister of Co-Operation and Development, Dr Piet Koornhof; the Minister of Internal Affairs, Mr F. W. De

CAPE TOWN — The Government has been told to introduce freehold ownership of land for black people in the cities.

Klerk; the Minister of Law and Order, Mr Louis le Grange; the Minister of National Education, Dr Gerrit Viljoen; the Minister of Justice, Mr Kobie Coetsee; and the Minister of Constitutional Affairs, Mr Chris Heunis.

The Federated Chamber of Industries told the committee that it fully supported freehold title for black people.

The Urban Foundation said in a memorandum to the committee that property ownership "constituted one of the cornerstones of the free market system and should be available to all."

Impact

"The granting of freehold title to the permanent urban black population would constitute most significant form of confirmation of a 'new dispensation' and recognition of their status."

"It would have a marked impact on the 'stability' of the people in question."

Similar

It pointed out that the Viljoen Commission, on which it was represented, had also called for freehold title for black people.

The FCF's Dr J C Van Zyl said in evidence: "Why should things be different for urban black people than it is for others?"

"Even if the de facto results of the 99-year leasehold sys-

CITY PRESS
CORRESPONDENT

City Press 24/1/83

(123) 25/4/83

A slow launch for the Great Housing Sale

By LIN MENGE

STAFF shortages and other problems in the public service are holding up both the State's Great Land Sale and the Great Housing Sale.

It will be another week or two before circulars are sent to management committees, administration boards and community councils, setting out the details of how the State's huge sale of rented accommodation is to be implemented, Mr Patrick McEnery, deputy director-general of the Department of Community Development, has told HOMEFRONT.

Then the local authorities

will still have to work out the prices for their own areas. Some 500 000 units are involved and the sale starts on July 1.

Mr McEnery said the department had been trying to combine the selling of houses and of land but there were problems, such as staff shortages.

Negotiations on the sale of State-owned land for housing for the various races had been entered into with the Johannesburg City Council but all other areas were still under consideration, he said.

The sale of land was first announced by the Minister of



Community Development, Mr Pen Kotze, on November 19 last year.

He said then that the sale, by means of an intensified marketing campaign, would be held "within the near future" and that it would provide a "golden opportunity to utility companies and other developers to obtain valuable land for housing and other developments".

If the land sale fails to take

off in the coming months, it will add to the hopelessness of many groups: especially elderly whites who can no longer find cheap flats, coloureds and Indians who are already squeezed into backrooms and even garages or sneak-renting flats in white Group Areas, and homeless blacks.

The delay in releasing details of the housing sale has already led to controversy and dissatisfaction among blacks. Diepmeadow Council has caused outrage by saying it wants to charge R12 000 for the houses, while the Soweto Council has said it will

charge on Yy R1 200. Official spokesman can do no more than quote the original Ministerial statement which said prices would be "very reasonable".

Yesterday Mr H H Fuchs, a spokesman for Community Development, was quoted as saying: "It is important that the correct facts should be made available to the people."

These "facts" are still not available although the offer of the houses, at discounts of up to 40% is only valid until July 1, 1984, after which tenants who do not buy could face "drastic" increases in rent.

● Visit HOMEFRONT in the lecture room of the Shell Education Tent at the Soweto Homemakers Festival this afternoon from 4.30pm to 6pm and listen to Mr Alain Roulier, manager of African Development Construction Homes talk on buying a house as an investment. Questions, comments welcome.

123 *Hansard*
 Families/residential units
 O. Col. 1099 - 1100 26/1/83

630. Mr. A. F. FOUCHÉ asked the Minister of Constitutional Development and Planning:†

- (1) What are the latest population statistics in respect of (a) White, (b) Coloured, (c) Indian and (d) Black families in the Republic;
- (2) (a) how many family residential units are there in respect of each population group according to these statistics and (b) how many of these residential units are (i) flats and (ii) houses;
- (3) how many family residential units in respect of each population group are occupied by single persons?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Population Census 1980.

	Number	Average family size
(1) (a)	1 152 840	3.5

- (b) 430 800 4.7
- (c) 162 980
 (Asians) 4.4
- (d) Not available.

(2) (a) Data for houses and flats only available—see (b).

	(i)	(ii)
(b) Whites	311 540	1 026 460
Coloureds	50 540	371 880
Asians	25 020	132 520
Blacks	not available.	

(3) Not available.

**Africans may become
shareholders in firm**

Financial Editor

27/4/83

AFRICAN businessmen would be able to become shareholders in a firm which was going to build houses and high-rise buildings in African areas, the Rev E Shembe, a director of African Development and Construction (ADC), said yesterday.

He was speaking at a function in Umlazi at which 35 black business people were awarded certificates for completing a course organised by the Rotanda Council.

Mr Shembe said it was planned to offer 400 000 shares at R1 each to the public.

The company had been operating for some time and now had agreement from several Administration Boards to develop vacant plots in townships. This included 300 stands at Tembisa, 29 stands at Bethal and plots in Mamelodi, KwaThemba, Volksrust and elsewhere.

They would build houses, shopping centres and possibly high-rise developments. Murray & Roberts held 49 percent of the shares in ADC.

Mr Shembe said the need for black housing would continue as the population expanded and there would be a need for business facilities as well. Very often the small businessman could not find the capital to build.

ADC had a turnover of R5m in the past financial year and with the relaxation of certain legal constraints was set to expand rapidly.

(123) MOM
27/4/83

'Red tape' holds back housing



Mr Sam Motsuenyane in Tembisa yesterday.

RED TAPE was holding back the provision of black housing, Mr Sam Motsuenyane, president of Nafcoc and chairman of African Development Construction Holdings, said in Tembisa yesterday.

He was interviewed at a viewing of the first 50 houses completed in a development of 300 houses undertaken by his company.

Mr Motsuenyane attacked the "delaying factor of administrative red tape" which, he said, prevented developers from doing more.

Another constraint was lack of bridging finance for development companies, he said. The Tembisa scheme was significant because where this kind of development had been done for blacks in the past, blacks' own money was now being used for the purpose.

"But you can't expect it to all come from blacks — because blacks are capitalists without capital," Mr Mot-



suenyane said.

"I also wish that people would come forward with bridging finance without asking for too much security," he said. The track record of Nafcoc companies — all of them in profit — should be considered, he said.

The attractive facebrick and painted block houses (described in HOMEFRONT April 21) have all been sold privately under 99-year-leasehold.

The houses have been erected by the African Development and Construction Co (ADCC). Sales are being handled by ADCC Homes and the United, Natal, SA Perm and Allied Building Societies are prepared to consider bond registration for would-be buyers.

assist us in collecting the funds, we would be able to proceed rapidly with this.

*3. Mr. D. J. DALLING asked the Minister of Co-operation and Development:

Whether the Government is considering granting the right to obtain freehold title to Black persons permanently residing and/or domiciled in the Republic in areas other than the national states; if not, why not; if so, when?

THE MINISTER OF CO-OPERATION AND DEVELOPMENT:

99-year leasehold rights are available to members of Black communities in the Republic of South Africa in areas other than the national states, and every effort is and should be made to assist members of such communities to own houses in terms of these rights.

+Mr. P. A. MYBURGH: Mr. Speaker, arising out of the hon. the Minister's reply, I should like to ask him whether the 99-year leasehold system is also applicable to the Western Cape.

+The MINISTER: Mr. Speaker, I have replied to this question before. The position is that we have just announced the new site at Sanddrif and Swartklip. We are busy with the planning there and at this stage I am not able to add anything to the planning we are doing there.

Mr. D. J. DALLING: Mr. Speaker, I thank the hon. the Minister for his reply. Further arising from it, I should just like to ask him something that relates specifically to the question. The question deals with freehold title and the hon. the Minister's reply dealt with the 99-year lease system. What I should like to know is whether the Government intends at all to grant freehold title outside of the national states and, if not, why not?

The MINISTER: Mr. Speaker, I have replied to the question to the best of my ability and I have nothing to add.

Newspaper Press Union: agreements

*4. Mr. D. J. DALLING asked the Minister of Internal Affairs:

Whether any agreements between the Government or any Government agency and the Newspaper Press Union are in existence; if so, (a) how many agreements and (b) what is the subject matter of each such agreement?

THE DEPUTY MINISTER OF INTERNAL AFFAIRS:

As far as the Department of Internal Affairs is concerned the hon. member is referred to my reply to Question No. 4 of 18 February 1983.

In respect of the Commission for Administration the reply is in the negative, while the hon. member is requested to direct questions relating to other departments directly to the Ministers concerned.

*5. Mr. D. J. N. MALCOMESS.—Foreign Affairs and Information—Reply standing over.

*6. Mr. D. J. N. MALCOMESS asked the Minister of Internal Affairs:

(1) Whether the Commission for Administration is investigating the housing subsidy system; if so, for what period has the investigation been in progress;

(2) whether the investigation has been completed; if not, when is it anticipated that it will be completed; if so, what were the findings?

THE DEPUTY MINISTER OF INTERNAL AFFAIRS:

(1) No.

(2) Falls away.

Kalahari Stock Watering Scheme

*7. Mr. P. C. CRONJÉ asked the Minister of Environment Affairs and Fisheries:

(1) Whether it is the intention to recover the (a) capital and (b) running costs of the proposed Kalahari Stock Watering Scheme from the farmers to be served by it;

(2) whether the scheme will provide water for irrigation purposes; if so, in respect of how many hectares?

THE DEPUTY MINISTER OF ENVIRONMENT AFFAIRS AND FISHERIES:

(1) (a) and (b) No, not by the State as the proposed scheme is to be constructed and operated by a statutory water board.

(2) No.

Kalahari Stock Watering Scheme

*8. Mr. P. C. CRONJÉ asked the Minister of Finance:

What is the average Land Bank valuation of the farms to be served by the proposed Kalahari Stock Watering Scheme?

THE MINISTER OF AGRICULTURE (for the Minister of Finance):

In terms of the provisions of the Land Bank Act the Board of the Bank determines the fair agricultural or pastoral value of each individual property offered as security for a specific loan.

Such valuations are intended only for the Board's own use when considering applications and it is the Board's policy to regard its valuations as confidential.

*9. Mr. A. B. WILDMAN asked the Minister of Law and Order:

(1) Whether shots were fired at a person by the South African Police in central Johannesburg on or about 12 April 1983, if so, (a) at whom, (b) why, (c) at what time did the incident take place, (d) how many shots were fired and (e) what are the ranks of the policemen involved.

(2) whether such person was wounded, if so, (a) how many times and (b) in which parts of his body;

(3) whether the policemen involved were in uniform; if not, why not;

(4) whether any of these policemen were requested to furnish their names after the incident; if so, (a) by whom and (b) to what effect;

(5) whether an investigation into the incident has been held; if not, why not; if so, what were the findings;

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

THE MINISTER OF LAW AND ORDER:

(1) Yes

(a) One M. D. Kruger.

(b) To prevent him from fleeing

(c) At approximately 17h10.

(d) Eight

(e) The one is a captain and the other one a sergeant.

(2) Yes

(a) Twice.

(b) In his right buttock.

(3) No, because they perform their duties in civilian dress.

(4) Yes.

(a) A certain Mr. Tweert.

Get set for the biggest sale yet as . . .

THE 500 000 Government-owned houses which will be sold from July this year, could be priced at between R3 000 and R6 000 each.

But, indications are that the houses will not be repaired and tenants would be encouraged to buy their houses "voetstoots".

These details were revealed by the Minister of Community Development, Mr Pen Kotze, to local authorities and others concerned with housing in a series of meetings to draw up a final policy document on what seems set to be the country's biggest sale of houses. It is seen by many as a move by the Government to shirk off the responsibility for housing.

SALES

So far, pilot housing sales have not been very successful with reports that after more than six months only about 40 people had indicated their willingness to buy their rented homes in Hanover Park and Heideveld.

According to Mr Patrick McEnery, the Deputy Director-General of Community Development in Pretoria, department officials are hard at work on the final housing policy document which could be completed within the next few days.

"We have sorted out most points on the policy and are now busy with small technical points only," he said.

STATE SETS PRICE TAG ON HOUSES

Cape Herald
13 0 APR 1983

123

By RYLAND FISHER

However, Cape Herald can reveal some of the points discussed by the Minister with the local authorities, which are bound to be included in the final document.

In terms of the discussion with the Minister, the sale price of the houses will be worked out on the average of the original cost of the building and the cost to re-

place it at today's prices. If a housing scheme is less than two years old, the selling price will be based on its construction costs.

PAYMENTS

Very cheap houses (R2 500 or less and mainly for Africans) will only be sold for cash with a 40 percent discount, bringing the cash price to

R1 500. Cash payments would be in the form of a 10 percent deposit of the selling price and the rest on transfer.

People who do not use Government funds for houses over R2 500, will get a 25 percent discount if they buy within one year. Another five percent discount will be given if the buyer has lived in his house for more than five years.

METHODS

The Government would work out methods of getting loans from building societies for people with incomes less than R450 a month.

Houses would only be built for people earning less than R150 a month, except in the case of resettlement and squatters.

The Government is not expected to repair houses before they sell because they believe maintenance could be done much cheaper by the occupant if he bought at low cost. There would be a 20 percent discount for houses needing maintenance.

INCREASES

Although there was no threat to evict anybody, existing tenants who did not buy their houses would face rent increases from July 1. Rentals would be determined in terms of the new selling prices of houses as well as the income of the breadwinner and 50 percent of the incomes of his wife and children.

How homes will be sold

THIS is an example, given at a meeting of the Minister of Community Development, Mr Pen Kotze, with local authorities, of how houses would be sold.

A house built at an original cost of R2 000 could have a present day replacement cost of R14 000. The average of the two amounts (R8 000) would be taken as the selling price.

There would be a 25 percent discount for buying cash, five percent off if the prospective buyer has occupied the house for more than five years and another five percent if he buys within the first year (from July this year) — a total discount of R2 800, bringing the selling price to R5 200.

A special 20 percent discount (R1 040) would be given if the property requires maintenance.

This would bring the final price to R4 160.

There is a possibility that money from the sale of houses could be used to build more houses from the National Housing Fund.

RENTALS

People who do not buy, will have their rentals increased by 10 percent.

Much emphasis would be placed on serviced plots, with discounts offered. People earning below R450 would get a 50 percent discount. They would pay R4 000 for a R8 000 plot. Someone earning R600 would pay R6 000, while someone earning R800 or more would be required to pay the full amount.

Good

(123)

news!

RDY
20/4/83

BEST news on the home front in a long, long time is that the national housing manager of the Urban Foundation, Mr Johan Kruger, has been recruited by the Department of Community Development to assist the Government in selling 500 000 low-cost housing units.

The announcement comes just four days after HOMEFRONT published a HOMEGROAN that the Great House Sale, together with the Great Land Sale, had become bogged down in continuing delays.

If anyone can get the action going, it is soft-spoken Johan Kruger.

In a statement to Sapa in Pretoria, the Minister of Community Development, Mr Pen Kotze, said that besides being leader of the sales team, Mr Kruger would try to obtain greater involvement by the private sector in the financing and provision of low-cost housing.

Mr Kruger, a professional engineer, would also guide and assist local authorities, employers and others to promote self-building and self-help projects, Mr Kotze said.

CAPE TIMES 5/5/83

Price of houses causing crisis⁽¹²³⁾

HOUSE OF ASSEMBLY. — The housing crisis confronting white city dwellers was not so much that housing was unavailable, but that it was only available at prices the ordinary South African could not afford, Mr Colin Eglin (PFP Sea Point) said yesterday.

Speaking in support of a bill aimed at stimulating the role that housing utility companies can play in the provision of housing, Mr Eglin said the cost of housing — made up of the cost of land, services, building and finance charges, plus the market factor determined by the forces of supply and demand — had in recent years raced way ahead of the income which the average urban South African could spend on housing.

He welcomed the Housing Amendment Bill, introduced by the Minister of Community Development, Mr Pen Kotze, saying: "We believe this bill will enable housing utility companies to play a greater role in the provision of housing in South Africa."

The bill makes provision for utility companies to obtain building loans directly from the National Housing Commission without the intercession of a local authority.

According to the bill's provisions, the utility companies will qualify for these loans by registering with the Department of Community Development. — Sapa



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1969 TUCSA reversed its previous decision and voted at its Conference to
 exclude unions that were not registered in terms of the Industrial
 Conciliation Act. Subsequently several unions reaffiliated.
 1971 Urban Training Project established to provide organisational, adminis-
 trative and educational assistance to workers and their organisations.
 1972 General Factory Workers Benefit Fund formed in Durban to assist workers
 in Natal
 Black Allied Workers Union formed
 1973 TUCSA recommended that its affiliates set up parallel unions for
 black workers
 Trade Union Advisory and Co-ordinating Council (TUACC) was formed in
 Durban to assist and advise workers and workers organisations.
 Institute for Industrial Education established in Durban to provide
 educational resources for workers
 Consultative Committee of Trade Unions founded in the Transvaal. It
 included all the unions associated with the Urban Training Project
 and some others.
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City dwellers hit by housing crisis

AR665 5/5/83 123

Parliamentary Staff

FOR THE first time in decades thousands of white South Africans living in cities — who previously felt secure — were facing a personal housing crisis, according to Mr Colin Eglin (PFP Sea Point).

The crisis was not so much that housing was not available. It was available, but at prices the average South African could not afford, Mr Eglin told the Assembly during the second reading debate on the Housing Amendment Bill.

Mr Eglin supported the Bill, which provides for the establishment and stimulation of housing utility companies, on behalf of his party.

He referred to housing costs which included the costs of land, services, building and finance charges, and the market factor determined by forces of supply and demand.

He said that in recent years these costs had



“raced way ahead of the income which the average city South African has available to spend on housing”.

In addition inflation was “eating away” at the value of savings and the buying power of the rand at an “alarming rate”.

The increase in building costs meant that a house that cost R30 000 five years ago now cost R51 000. In 10 years time the same house would cost R147 000 if costs continued to increase at the same rate.

Hardest hit by the crisis were retired people living on a fixed income



Mr Colin Eglin

and young couples wanting to buy or build their first home.

There were three key courses of action to alleviate the crisis: reduce the rate of inflation; reduce the cost of housing units; and increase the supply of housing coming onto the market for the middle and lower-income group.

Mr Eglin said housing utility companies could play a valuable role in helping to ease, if not solve, the housing crisis.

If properly managed and directed, and given the right incentives, sufficient enthusiasm, and

the appropriate amount of money, they could help increase the supply of housing and thus help reduce the market price of housing to the average South African.

The utility companies could make houses available at cost related instead of market related prices by not making profits for distribution.

Early purchase of land protected the houses against rises in capital cost. The cost of services and building could be kept down by cost-effective design, integrated planning; continuity of personnel and bulk buying.

Loans and advances could be offered at favourable interest rates and terms of repayment.

Mr Eglin warned that the concept of utility companies was not without its dangers. Public funds could be at risk unless the Minister of Community Development, Mr Pen Kotze, monitored the implementation of the Bill very carefully.

Kotze announces new concession in housing aid

4/16/83
5/5/83
123

THE qualifying level of income for housing aid from the National Housing Commission will be raised from R650 to R800 a month this July.

This was announced last night by the Minister of Community Develop-

ment, Mr Pen Kotze, in his reply to the second reading of the Housing Amendment Bill.

He said the private sector should play a bigger and better role in providing housing.

There was a tendency

in South Africa for people to buy houses they could not afford.

It was not only the cost of plots and of building that chased up the price of a house, but also property tax.

The lengthy process of

going through all the aspects of town planning was one of the major problems in putting up houses.

The Bill went through all its stages with the support of the opposition parties. — Sapa.

HOUSING FM 6/5/83
Local options 123

All central and local authorities concerned with housing should undergo a process of re-education. So says respected Cape Town architect, Rével Fox. He argues that existing planning, financial and administration techniques are unsuitable for dealing with site-and-service and self-help schemes.

For these schemes to work on the required scale, emphasis must shift from providing dwellings, to enabling people to provide their own, he says.

Fox told the Habitat working group of the Union Internationale des Architectes in Washington last month that there must be a shift towards community-based involvement. Emphasis must be placed on teaching, rather than allocating; and this implies the direct participation of every home-owner in the planning and construction of his home.

"For this to be technically and economically feasible, there must be a means of



Fox ... new techniques for different schemes

deprofessionalisation and devolution, which spreads the load to a wide cross-section of people, who can be specially trained for this purpose.

"Self-help schemes succeed when people

know how to help themselves, and for this to work, there must be an effective organisation to supply information on the financial, legal and technical problems that face a prospective builder.

"Large centrally designed and contractor-built housing schemes are not a solution, whether in terms of cost or user satisfaction. The designer's role should change from an authoritative to a collaborative one, and systems should be set up to make it easy for the user to make those choices enabling him to build the home he wants and can afford."

The objective, says Fox, is to design better environments which embody not only the technical skill of the professionals but also the particular and varied needs of individual owners.

Community participation in the planning of townships, however, is harder to achieve in practice than involvement in house design, because ultimate users are often unknown at the time when the infrastructure is being planned.

According to Fox: "The lesson here is that the closer the planner is to the community concerned, the better he is able to determine the real issues."

He cites the Garden Cities Developments in Cape Town as a working solution. In these development projects, the broad outlines of services and routes are determined — sufficient only to obtain planning con-

sent. Building proceeds in small stages, in which more detailed planning, dwelling units and amenities are simultaneously conceived.

On completion of the houses, comprehensive consultations take place so that a continual process of response to user preferences is maintained. Although the majority of participants exercise their option by picking the house of their choice, those who cannot find what they want in a wide range of alternatives can still acquire land and "do their own thing."

Home buyers need R300 pay rise

By TOM HOOD

IF YOU received a pay rise of less than R300 a month this year, you could be losing out as a house buyer.

An extra R300 is needed merely to keep pace with the level of monthly payments demanded by rising property prices.

Building societies say the average home loan rose to R35 154 in March, a jump of 20 percent in 12 months.

A bond of this size spread over 20 years can be given only to a home buyer who earns R1 804 a month or more.

Repayments of such a bond at today's rate of 14,5 percent cost R451 a month for 20 years and building societies insist that repayments should not exceed a quarter of a wage-earner's monthly salary.

Repayments cannot be spread over more than 20 years because of societies' limit of 20 years on anything borrowed above R30 000.

The average building society loan a year ago amounted to R29 284, which could be afforded only by a home-buyer earning at least R1 500 a month. Repayments worked out at R375 a month over 20 years.

Because the bond was below R30 000, repayments then could have been spread over 25 years to keep the monthly payments lower. Eventually, however, the house would cost thousands more because a longer repayments period adds considerably to the amount of interest to be paid.

Two years ago the average home loan was R25 141, needing a minimum R1 292 pay cheque to qualify as monthly repayments were a little over R323 for 20 years.

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African Garment Workers Union (Natal)
African Leather Workers Union (Transvaal)
African Trunk & Box Workers Union

Textiles, Clothing, Leather and Footwear

Rustenburg Tabakwerkersvereniging
National Union of Cigarette & Tobacco Workers
African Tobacco Workers Union

Tobacco

Witwatersrand Brewing Employees Union
Witwatersrand Baking & Confectionery Industrial Union
Western Province Sweet Workers Union

S.A. Electrical Workers Association
S.A. Boilermakers, Iron & Steelworkers, Shipbuilders and Welders
South African Allied Workers Union (SAAWU)

Sugar Industry Employees Union
Sweet Workers Union
Sweet Workers Industrial Union (Natal)

Housing-aid move a 'relief'

Staff Reporter

THE announcement that the maximum-income limit for people seeking assistance from the National Housing Fund would be raised from R650 a month to R800, has been welcomed by a former general manager of a consortium responsible for the sale of Mitchells Plain houses.

The announcement was made in Parliament last week by the Minister of Community Development, Mr Pen Kotze, and will be effective from July.

This concession would bring relief to thousands of people, especially artisans in the building industry, whose income in many cases was slightly over the old limit, said Mr S Parker.

He said those people had been placed in a "unique situation where they earned too much to qualify for state-subsidized housing but earned too little to qualify for a building

society bond".

Mr Parker called on prospective home-seekers to take advantage of the announcement and secure a house while prices were still "reasonable". He also urged employers to assist their staff wherever possible.

Most property transactions in Mitchells Plain are undertaken by the City Council on a "sale by substitution" basis and there are numerous advantages for the purchaser:

- The purchaser takes over only the balance of the bond from the original purchaser, provided he has met all the requirements of the City Council and the National Housing Commission;

- The bonds are heavily subsidized by the state and the average repayment is about R85 a month;

- House prices range between R16 000 and R24 000, depending on the suburbs;

BLACK HOUSING 123

Low income design

FM 13/5/83

The establishment of a Housing Research Unit in the University of the Witwatersrand's Department of Architecture is being sponsored by brick company, Toncoro. It will probe methods of solving SA's black housing crisis.

Franco Frescura, currently lecturing in the Department of Architecture and author of *Rural Shelter in SA* will head the unit.

Frescura says: "The aims of the unit are to provide an inter-disciplinary teaching function within the university and to service other departments. We hope to ultimately establish a chair of housing studies which will be the first in SA. About R400 000 is required to endow a chair for five years, but hopefully this can be raised within three to five years.

"We also aim to provide students with practical specialised experience and training in the field of low-income housing provision as this is not usually available in a conventional architect's office. Traditionally, private architects have not been involved in low-income housing provision."

As a result no new designs have been implemented on a large scale.

Frescura maintains that low-income housing design has been dominated by draughtsmen. As a result, designs are often not cost-orientated, and there is space wasted and clients' needs are not taken into account.

The unit will also provide a heavily subsidised architectural service. Houses will be designed in terms of clients' specifications, but the service charges will be subsidised in terms of income. For example, charges would be about R120 or less on a R4 000 house. Conventional architectural fees on a R40 000 house are approximately R2 400, but the unit will charge about R1 200.

"Our priority is on servicing low-income clients, but our designs will take into account rising incomes and the desire for alterations, additions and a larger house in future," says Frescura.

Plans will be available for either self-built or conventional houses. Standardised house plans will also be available for the lowest income groups at a nominal fee of R60 a plan. Plans will also be available for standard alterations at a nominal fee.

The Housing Research Unit received 42 applications in its first week of operation — so clearly Toncoro's money is being put to good use.

CAPE TOWN 16/5/83 123

SA Perm launches new-home project

SETS of architect-designed plans for expandable homes — a new project to help South Africans of all races to own their own homes — are now obtainable from certain Perm outlets.

The Perm Centenary Homes Project marks the building society's centenary year and is one of the many special projects to be undertaken this year.

To launch this project, four different building plans with specifications, have been designed and can be bought at a cost of R20 each.

Three of the plans make provision for completing the house in three stages, while the fourth is a four-phase development.

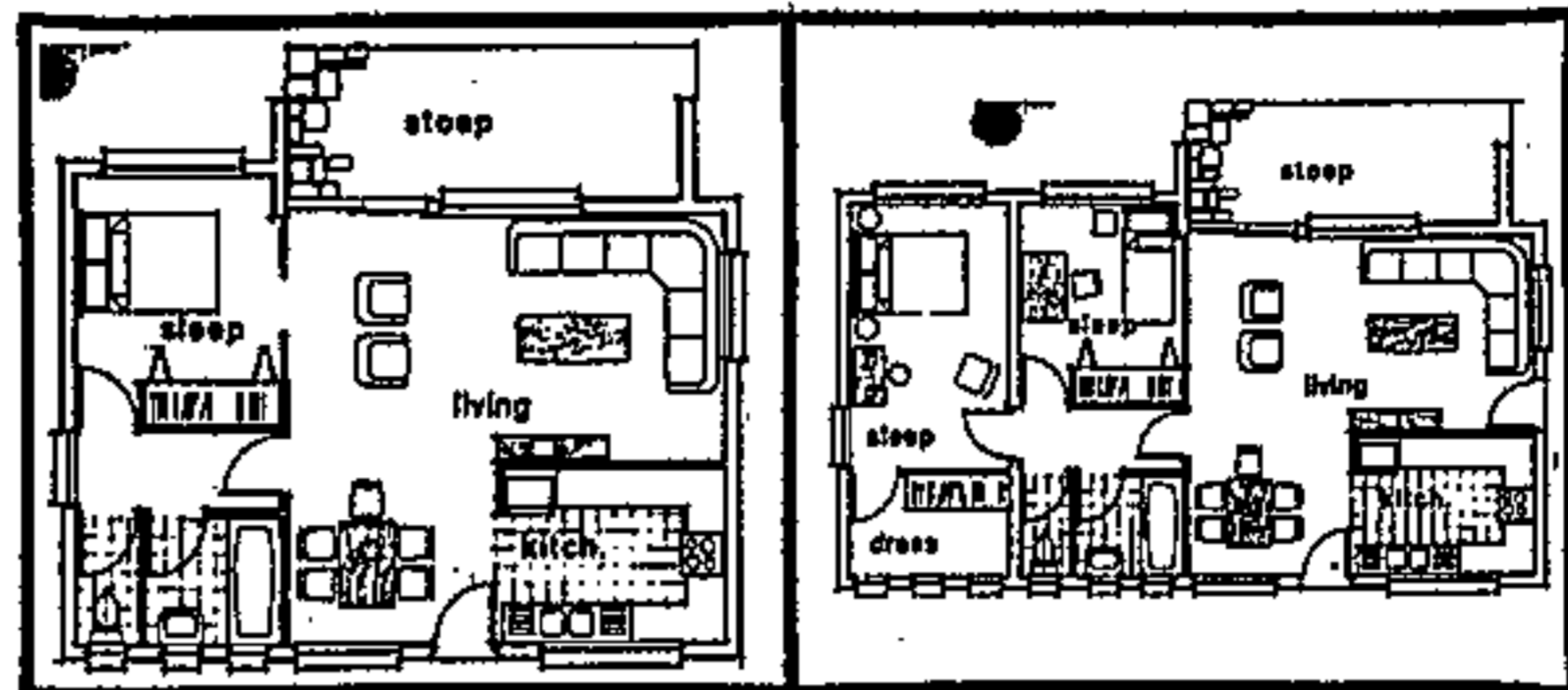
Phase one is the basic unit consisting of a lounge, diningroom, kitchen, bathroom and one bedroom. The plans allow for expansion as the owner's needs and economic means increase so that he will be able to add extra bedrooms, a study, a carport and other features without having to demolish large sections of the existing structure.

"A client who buys a set of plans will still have to submit a copy of the plan to his local master builder, draughtsman or architect for completion of the site plan and drainage, as well as to the local authorities for approval", said Mr F Oosthuizen, regional manager Western Cape.

"It is possible for people to start with two bedrooms or even build the full house at the outset."

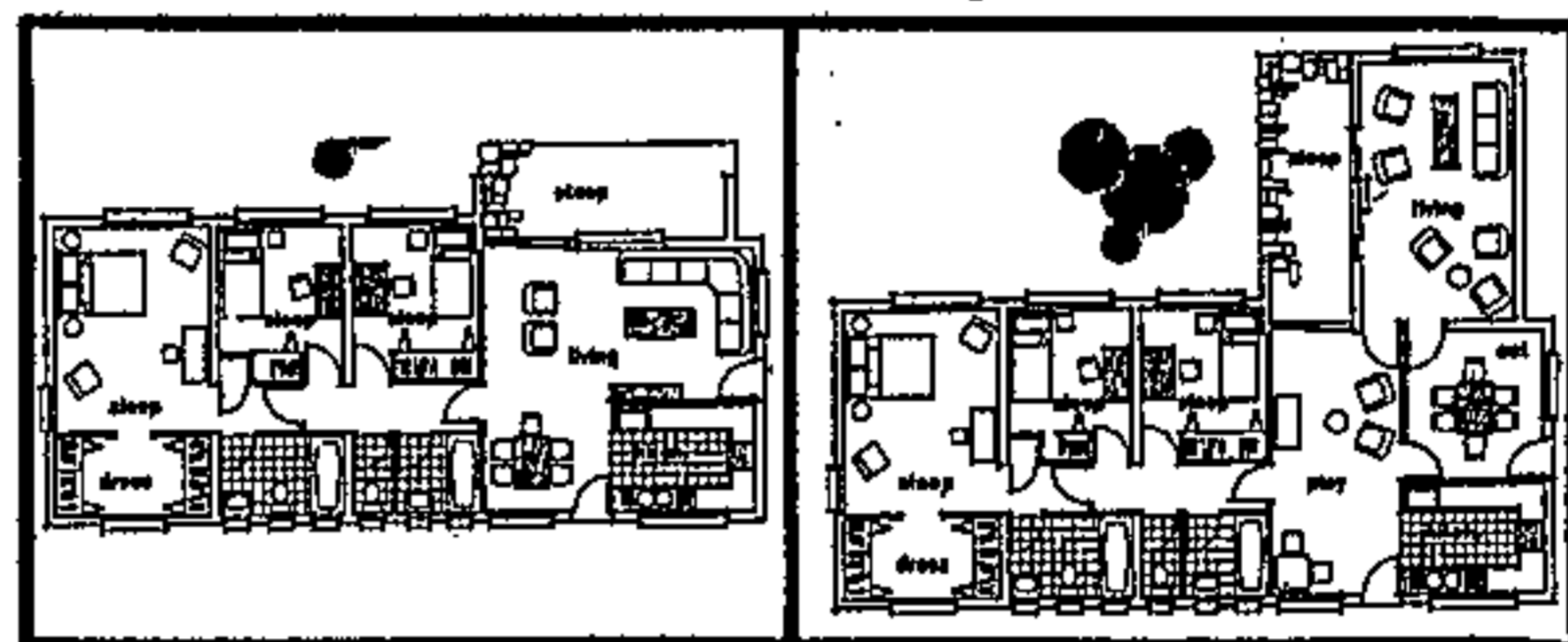
Applications for loans will be treated and considered on the normal basis like all other bond applications.

"However, since the



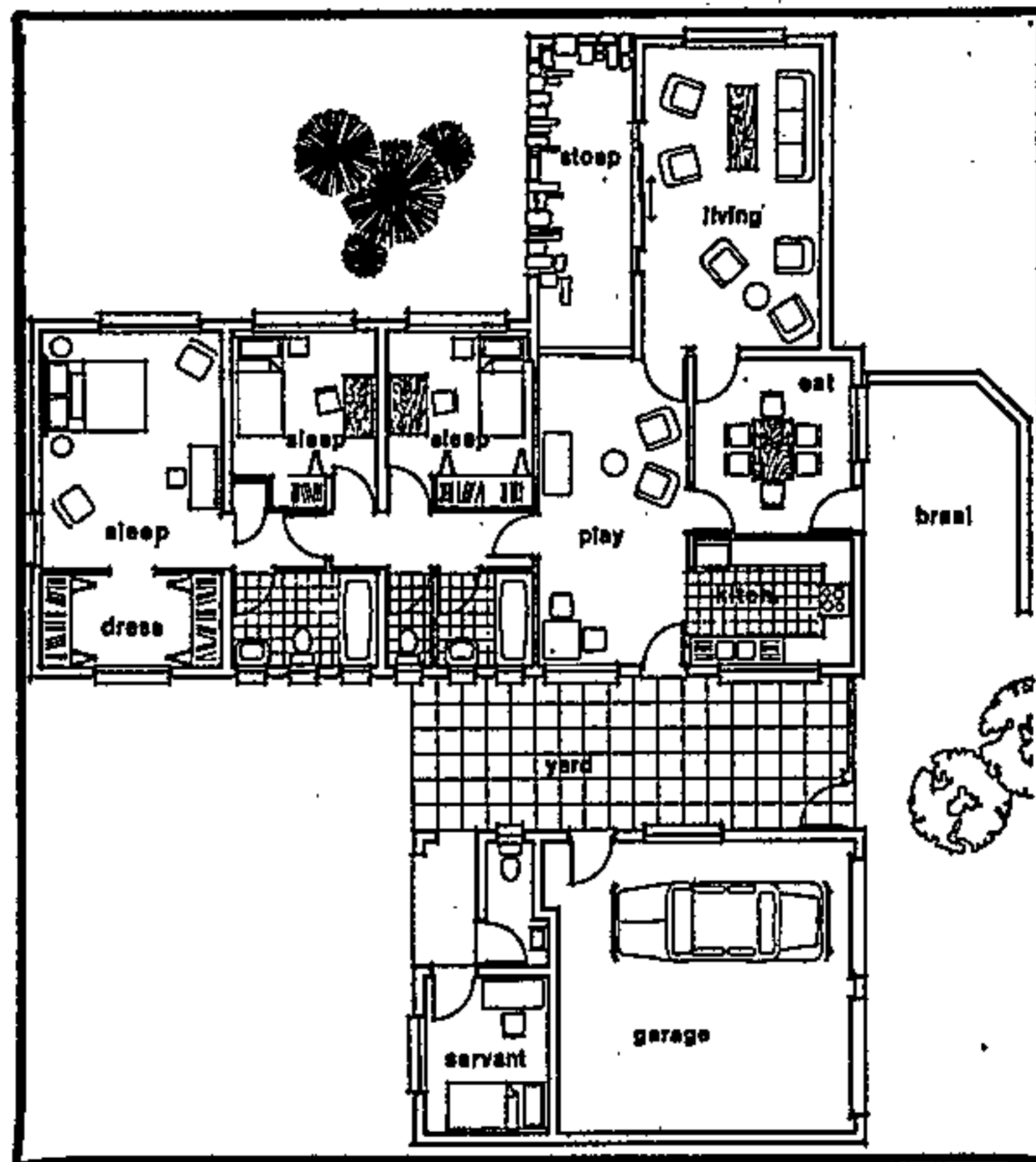
STAGE ONE

STAGE TWO



STAGE THREE

STAGE FOUR



STAGE FIVE

Perm Centenary Home, built in its stage one form, will cost substantially less than a conventional home, the Perm may be in the position to help many more first-time-home builders than they normally would."

"In many cases, an investment in a plot of land could qualify a po-

tential home owner for a bond to build a home."

Mr Oosthuizen said he was hopeful that the Perm would be able to satisfy the bulk of demand for centenary homes and any other applicants needing finance to build or buy a home during this financial year.

State spending on housing still priority — De Loor

17645/83
19/5/83
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THE GOVERNMENT had not downgraded its priority for housing in the Budget since the beginning of the 1970s in spite of its policy of financial discipline, says Dr J H de Loor, Director-General, Finance.

Speaking to the South African Property Owners Association in Johannesburg, he said the Department of Finance had encouraged the development of new market-oriented techniques to finance housing for lower income groups.

"The provision of adequate housing at realistic standards continues to enjoy high priority," he said.

However, the Minister of Finance had indicated that the private sector should assume increased responsibility for the housing of all population groups.

CROWDING OUT

A central issue was whether the government's fiscal income and spending were leading to the crowding out of the private sector.

The government had taken a firm stand on the issue and had reduced the ratio of government spending to gross domestic products since 1976.

MONEY

The ratio of gross domestic investment in residential buildings to total fixed investment and total domestic spending had declined in the past 13 years.

NOT BAD THING

"This is not necessarily a bad thing because not only have living standards improved on average, but the housing standards of the more affluent could be lowered somewhat without undue harm."

A backlog in housing, especially among the less affluent sections of the population, had built up over the years.

More than 80 percent of the housing provided by state funds was for Africans, coloured people and Indians.

+ Z

zabeth in each of the latest specified five years for which figures are available?

The MINISTER OF COMMUNITY DEVELOPMENT:

(1) R91 560 000

(2) (a) (i) 1978 87 062 058
 1979 112 428 888
 1980 111 694 454
 1981 107 343 405
 1982 109 283 808

(ii) 1978 27 257 738
 1979 53 128 802
 1980 43 113 690
 1981 44 865 373
 1982 61 255 976

(iii) 1978 7 580 777
 1979 7 957 960
 1980 12 669 629
 1981 9 178 731
 1982 7 052 033

(iv) 1978 5 102 409
 1979 16 038 890
 1980 14 787 621
 1981 19 813 681
 1982 22 556 221

(v) 1978 3 824 273
 1979 7 895 167
 1980 5 822 420
 1981 8 673 547
 1982 8 171 300

(vi) 1978 26 158 400
 1979 50 018 058
 1980 43 663 316
 1981 59 474 282
 1982 74 408 778

(vii) 1978 9 026 361
 1979 14 773 934
 1980 13 589 018
 1981 13 821 019
 1982 33 515 564

(2) (b) Funds are not allocated for each individual project whilst in practice, at the beginning of each financial year, especially in re-

spect 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.

Newspaper Press Union: agreements

781. Mr. D. J. DALLING asked the Minister of Manpower:

Whether any agreements between him, his Department or any departmental agency under his jurisdiction and the Newspaper Press Union are in existence; if so, (a) how many and (b) what is the subject matter of each such agreement?

The MINISTER OF MANPOWER:

No. (a) and (b) fall away.

Newspaper Press Union: agreements

787. Mr. D. J. DALLING asked the Minister of Constitutional Development and Planning:

Whether any agreements between him, his Department or any departmental agency under his jurisdiction and the Newspaper Press Union are in existence; if so,

THURSDAY, 19 MAY 1983

*Indicates translated version.

For written reply:

Hansard Q. C. 1. 1303 - Housing 1305

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

(1) What funds were available to his Department as at 31 December 1982 for the construction of housing;

(2) what amount did his Department (a) spend on and (b) allocate for the construction of housing in (i) Cape Town, (ii) Durban, (iii) Pietermaritzburg, (iv) Pretoria, (v) Bloemfontein, (vi) Johannesburg and (vii) Port Eli-

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Govt explains low-income housing deal

AR665
19/5/83

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Staff Reporter

THE Government has released details of its massive drive to sell 500 000 rented homes to low-income families in a circular which also appeals to local authorities to use all resources, as well as advertising and estate agents, to assist in the sales campaign.

In the circular issued yesterday the Minister of Community Development, Mr Pen Kotze, said the houses could now be sold, and urged local authorities to identify "as soon as possible the dwellings which can be sold" and to finalise pre-sale formalities.

The "full-scale" selling campaign comes into operation on July 1. The Minister wants the 500 000 homes to be sold in a year. The cost of advertising campaigns will be included in selling prices.

Mr Kotze said that since maximum use was being made of available private sector funds, con-

tributions by individuals or financial assistance from employers would be encouraged. Tenants could then qualify for the maximum discounts offered in the scheme.

It the circular the Minister acknowledged that a profit would be made by selling the houses.

He proposed that this profit be split between local authorities and the National Housing Fund — the local authorities' share being used for administration costs, maintenance and community facilities and the NHF's half being ploughed back into housing.

Prices

The prices of the homes would be determined by dividing the original costs of building, erven and services by the replacement cost calculated against escalation factors set out on a sliding scale.

An example listed is that of dwellings erected in 1960 at a cost of

R4 000. The replacement cost would be R29 000. The cost of the house would then be R16 800.

People earning less than R800 a month will qualify for the homes. Existing tenants will be given first option to buy.

Interest

Discounts up to 40 per cent will be given for factors such as length of stay, the purchase price being paid in cash, the dwelling being bought within the selling period, and dwellings not in a good condition.

Interest rates will vary between three and 11 percent, depending on the salary of the buyer.

It was stated when the scheme was first announced that if tenants did not buy the homes, their rents would be increased. The circular said nothing to this effect except that a minute about the new rentals would be forwarded to local authorities in due course.

The latter part of 1981 was marked by increased repressive action against the trade unions and many unionists were detained. The death of Neil Aggett, Transvaal Secretary of the African Food and Canning Workers' Union, in detention in February 1982 has increased the strain on the already tenuous relationship between the State and the trade unions. The General Workers' Union, the Food and Canning Workers' Union and the African Food and Canning Workers' Union, the Cape Town Municipal Workers' Union and FOSATU have stated that there could be no further relations between them and the government until further Security Police action against the unions ends.

'Raise GST to pay for low income group homes' call

Mercury
19/5/83, (123)

Property Reporter

GENERAL sales tax should be raised by 1 percent to provide money for houses for low income groups, it was proposed at a conference organised yesterday by the Natal branch of the South African Institute for Housing.

Rejecting any suggestion that commerce and industry had a responsibility to pay for employees' housing, Mr Alexander Hamilton, head of a major construction company, said it was the duty of the State to ensure the provision of low cost housing.

'After all, the private sector has not caused the shortage of low cost housing,' he said.

Mr Hamilton said huge sums of money were needed on a regular basis to acquire land, survey it, install the necessary infrastructure and build homes. He said the only way to ob-

tain this would be to increase GST by 1 percent.

'Although this effectively raises the tax burden on the population, it is however a burden shared by the whole population group, in a venture to solve our housing shortage,' he said.

This would raise more than R650 million annually, which would allow the authorities to grant 'soft loans' to prospective home buyers.

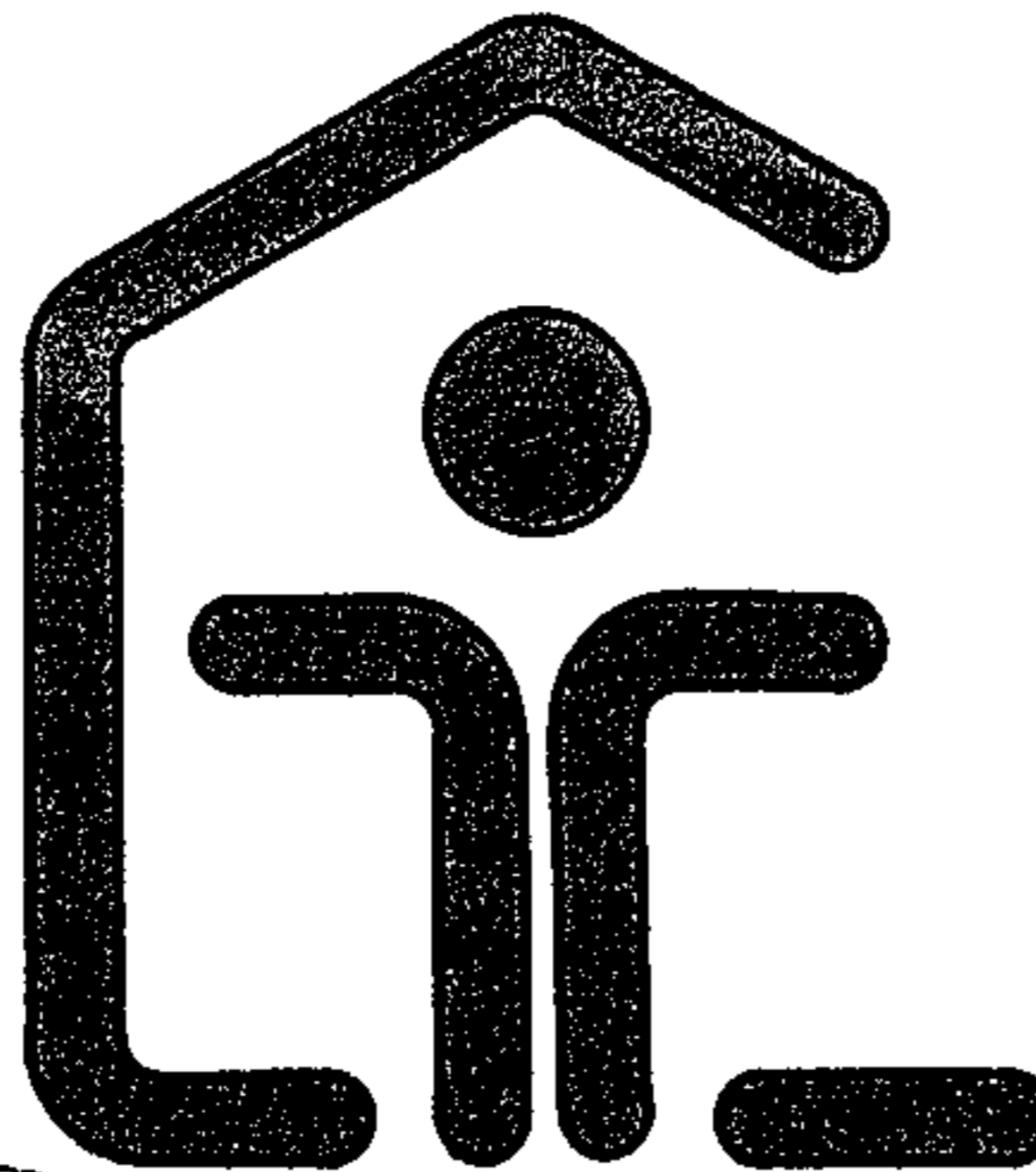
Loans with interest between 1 and 4 percent could be introduced, with interest based on a sliding scale of income, depending on the buyer's needs.

Mr Hamilton pointed out that a R10 000 bond, repayable at the current 14 percent over 25 years, resulted in monthly repayments of R121. On a 4 percent interest rate, repayments would be R53 and with no interest at all, repayments would be R33,50.

housing research review

NEWSLETTER OF THE HOUSING
RESEARCH INFORMATION SERVICE

NATIONAL BUILDING RESEARCH INSTITUTE
OF THE CSIR, PO BOX 395, PRETORIA 0001
TEL. (012) 869211, EXT 2065 DR E J JAMMINE



behuisings- navorsings- oorsig

NUUSBRIEF VAN DIE INLIGTINGSDIENS
OOR BEHUISINGSNAVORSING

NASIONALE BOUNAVORSINGSINSTITUUT
VAN DIE WNNR, POSBUS 395, PRETORIA 0001
TELEFOON (012) 869211, BYLYN 2065 DR E J JAMMINE

NUUSBRIEF Nr 2
1983

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BNO/2

NEWSLETTER No 2
1983

THE RECENT BUILDING RESEARCH CONFERENCE ON HOUSING DIE ONLANGSE BOUNAVORSINGSKONFERENSIE OOR BEHUISSING

AFSLUITINGSREDE

Die NBNI se Konferensie oor 'Die Behuisingsuitdaging' bygewoon deur 320 afgevaardigdes van die openbare en private sektore het gekom en gegaan met heelwat stof tot nadenke oor die uiteenlopende sosiale, ekonomiese en tegnologiese probleme wat die huidige behuisingsituasie in Suid-Afrika kenmerk en waarvoor oplossings gevind moet word.

Wanneer die eise van die suiwer stedelike situasie opgeweeg word teen dié van gebiede wat snelle en radikale veranderinge van 'n suiwer landelike omgewing na 'n staat van verstedeliking-intransito ondergaan, is dit duidelik dat daar geen ooglopende enkele of gemeenskaplike oplossing vir die behuisingsprobleem kan wees nie.

In sy afsluitrede aan die einde van die Konferensie het die Voorsitter, mnr J F van Straaten, die volgende hoogtepunte uitgelig:

1. Die belangrikste boodskap wat reeds in die openingsrede van die Vise-staatspresident duidelik na vore gekom het, is dat ons in hierdie land ook wat ons behuising betref, sal moet aanvaar dat ons net aanspraak kan maak op dit wat ons kan bekostig.
2. Dit is ewe duidelik dat die Staat nie onbeperk tot behuising kan bydra nie. Die dae van die sosialistiese/paternalistiese waar ons gepoog het om vir elke familie minstens 'n vierkamer-huis te bou, is verby. In die toekoms sal die klem op die voorsiening van gedienste persele, 'n groter bydrae van die individu en van die private sektor val.
3. Alhoewel die meeste mense glo dat verstedeliking onafwendbaar is, kan nogtans veel vermag word om die proses te vertraag deur georganiseerde en goed-beplande landelike vestigingsprogramme.
4. Selfbou en ander onkonvensionele stelsels het 'n belangrike rol om te speel maar moet nie gesien word as die enigste opsies nie. Hulle is siegs alternatiewes.
5. Huis- en behuisingsstandaarde sal heroorweeg word, en in lyn gebring moet word met die werklikheid. Dit geld ook ten opsigte van dienste. Net so moet bouregulasies die werklike plaaslike behoeftes weerspieël. Beperkende faktore en konserwatisme sal plek moet maak vir realisme. Die wanbegrip onder ontwikkelaars dat alle jongmense huise bo hulle vermoë wil koop, sal nek omgedraai moet word.



Mr J F van Straaten, Chief Director,
National Building Research Institute.

6. Kommunikasiekanale sal opgeknop moet word en hoe gouer ons leer dat ons saam met die mense vir wie die huise bedoel is, moet beplan, en nie vir hulle nie, hoe gouer sal ons die samewerking van almal kry.
7. Nouer skakeling is ook nodig om die lae-inkomstegroepe op te voed en daarvan te oortuig dat laer standaarde nie iets is wat op hulle afgedwing word deur meer goeies nie, maar dat dit slegs 'n poging is om hulle in staat te stel om eie vermoëns te bekom. Die afhanklikheidsindroom sal nek omgedraai moet word.
8. Finansiële instellings sal toepaslike verbandaflosstelsels wat met inkomste groei, moet oorweeg om dit vir jong getroudes moontlik te maak om hulle eie huise te bekom.
9. Heelwat kan gedoen word om die koste van behuising te verlaag deur gekoördineerde en rasonale beplanning tydens alle stadia van dorpsontwikkeling. Trouens die meeste besparings kan gemaak word in die rasionalisering van stedelike dienste en die doeltreffender benutting van boupersone.
10. Die boubedryf kan 'n beduidende bydrae maak om die behuisingsprobleem op te los indien hulle dit op 'n groot genoeg skaal kan aanpak. Dit sal beteken dat die behuisingsbehoefte van veral private sektor-werkgewers gesamentlik op 'n streeksvlak gekoördineer moet word en elkeen nie op sy eie stoom voortgaan nie.
11. Ons moet ons nie blind staar teen die sogenaamde behuisingsprobleem nie; die probleem van opleiding en die skepping van voldoende werkseleenthede is straks ewe belangrik, indien nie belangriker nie.
12. Waar die klem so baie geval het op laekostebehuising vir ander groepe, is die afwesigheid van verteenwoordigers van hierdie groepe op hierdie Konferensie 'n kwessie van kommer en sal weë gevind moet word om hulle nouer te betrek by sulke geleenthede in die toekoms.

CONFERENCE CONCLUSIONS AND RECOMMENDATIONS

The following were put to the final session of the Conference and endorsed by delegates for referral to the Housing Matters Advisory Committee.

1. While it is self-evident that South Africa has a serious housing problem this conference would like to underline the fact that this problem has reached crisis proportions and must receive the greatest priority. Unless meaningful solutions are found and implemented soon the nation's economic growth and political evolution cannot but be adversely affected.
2. South Africa possesses resources of manpower and knowledge, research and experience, physical and professional expertise – equal to the best in the world for meeting the challenge of overcoming and solving the nation's housing problems. It is believed that these problems are neither insoluble nor by any means beyond the capacity of the nation.
3. While this conference acknowledges the significant investment in housing by the State to date it must stress that by comparison with other countries, especially developing countries, South Africa's investment in housing as a percentage of its GDP is not only comparatively low but clearly insufficient to overcome the considerable existing backlog and the growing natural annual new family formation. A greater commitment of the nation's wealth to shelter is imperative. The conference believes very sincerely that investment in housing will be not only the soundest but also the most productive in the national context.
4. The conference acknowledges the need to promote home ownership and to reduce and finally eliminate subsidies which are inflationary, discriminatory, bedevil the whole housing provision process and promote dependency. Subsidies should be provided only to those in real need.
5. Serious reservations were expressed as to whether the private sector or the creation of more utility companies will assist significantly in the satisfaction of low cost housing needs. The private sector will invest in this field only if there is a profit to be made and, lacking specific incentives to mobilise their funds, their contribution can be expected to be only marginal, and then mainly in the middle and upper income ranges.
6. The State's commitment of the free enterprise system is fully endorsed by this conference. The achievement of a free housing market requires the rapid provision of the greatest practicable freedom of choice and freedom of access to as wide a range of shelter options as possible to match personal preference and affordability in all areas of South Africa. To meet this objective an oversupply and not merely an adequate supply of unserviced and serviced land, basic homes or other means of obtaining basic shelter must be provided to match real needs within a reasonable, programmed time scale.
7. If the necessary progress is to be made the State's present housing strategy will need to be firmed up urgently. General objectives and policy will have to be developed in consultation with the private sector, and this should be followed up rapidly by devolution of activity to the regional level where greater flexibility, decentralised decision taking and local community involvement should be permitted within the overall policy framework.
8. In the interests of achieving a balanced outlook and coordinating the often divergent activities of the many agencies involved in housing provision, the conference recommends that all housing matters, for all population groups, should be included in the terms of reference of the Housing Matters Advisory Committee and that all population groups be there represented.

THE HOUSING SALE OF THE CENTURY

In keeping with the Prime Minister's declared intent to strengthen the free enterprise system attempts have been made to decrease government involvement and responsibilities in areas of housing procurement which could be regarded legitimately as the operations area of the private sector. To this end a new strategy was adopted by the Department of Community Development for general application as from 1 July 1983.

1. Introduction

This strategy was based on:

- (a) A shift in the capital expenditure policy to place an increased emphasis on the purchase of ground and the development of a services infrastructure.
- (b) The promotion of homeownership by selling existing housing stock to occupants and re-investing the proceeds in further housing development.
- (c) The promotion of the self-help concept in home building.
- (d) The promotion of utility housing companies with assistance from the National Housing Commission.
- (e) The creation of an environment in which it would be attractive for the private sector to participate in the satisfaction of the housing demand and to see the backlog as a challenge and opportunity rather than a so-called housing crisis.

The basic philosophy has been to attempt to create a market in which the normal forces of supply and demand would operate. The selling action is in essence part of an attempt to correct the perceived value of accommodation through the concept of promoting homeownership while the emphasis on serviced sites will hopefully create the required mobility.

2. The Development of Infrastructure

The new policy actually only shifts the emphasis away from fully developed ready-for-occupation houses to the provision of serviced sites on which entrepreneurs, individuals and employees can erect housing either by conventional ways or by utilising self-help principles. Contrary to opinions that might be expressed the State is not abandoning its responsibility but rather attempting to achieve a more stable long term environment through a redirection of its resources to assist more people. Only in cases of merit will ready-to-occupy units still be erected.

The government wants to see 500 000 scheme houses sold, preferably to their occupiers. The promotion of this massive deal is being undertaken under the direction of Mr P C van Blommestein, Director-General, Department of Community Development.

In order to promote this scheme fully Mr Johan Kruger has been specially appointed to coordinate and activate the selling action. This article, prepared by him shows briefly how this is to be accomplished.



Mr P C van Blommestein.

Simultaneously with this redirection of State financial resources more appropriate standards will be applied on a more flexible basis responsive to the specific community and its geographical location.

3. The Selling of State Funded Housing Stock

The action being taken is to promote the concept of homeownership as the primary objective and as a secondary objective to generate cash resources for immediate re-investment.

The houses will therefore be sold at extremely favourable prices on a basis which provides for financial incentives for both the homeowner and the local authority: in the first case by allowing the homeowner virtually half the capital appreciation in the determined selling price and a substantial discount on the calculated selling price. In the case of the latter provision has been made for the local authority to receive half the balance available after redemption of the original loan, subject to all funds so acquired being used for community facilities, upgrading and new housing development.

Although no details have been finalised, it must be clear that in the course of time after the expiry of the 'sale period' there should be a move towards calculation of future rentals on a

realistic replacement value and at economic interest rates with subsidies being applied only to cases of merit and not on a blanket basis.

4. The Use of Self-help Building Methods

Arising from various committees and commissions of inquiry it has been accepted that controlled self-help and self-builder schemes can make a contribution and that it can be socially and financially beneficial. It has therefore been accepted that where appropriate it should be encouraged and that National Housing Commission Funds can and should be utilised for income groups with earnings less than R800 per month, in respect of materials supplied for such projects.

5. The Promotion of Utility Companies

Utility housing companies, registered as Section 21 Compa-

nies, will be encouraged and assisted in the initial stages. Companies of this nature can play a substantial role in the provision of housing if dedicated people are prepared to undertake this service. They form an ideal vehicle to give substance to the concept of a private sector/public sector partnership in the creation of a housing opportunity.

6. Conclusion

The whole new approach is therefore aimed at the creation of a flexible approach to low-income housing. In allowing market forces to play a role, the benefits of homeownership for vast numbers of people can become a reality and a partnership between State and the private sector can be established in which each is mutually supportive of the other in contributing to a generally conducive living environment.

HOUSING UTILITY ASSOCIATIONS

A housing utility is in a position to implement the concept of life cycle housing to suit all family sizes throughout their lives. It should not, for example, concentrate on building the most profitable form of housing; but should accept and favour a responsibility to provide a full spectrum of options involving the building of one, two, three and four bedroom units on a variety of plot sizes, as well as the provision of special housing for the elderly and institutional buildings for the dependent and partially dependent aged.

Housing has become a complex social process of building homes rather than houses – this means the provision of a full range of facilities for the community which is best tackled by a specialist organisation. In the South African context the housing association, as now defined in the Housing Act and the Companies Act, "is an ideal body for this enormous task." So says Mr Selwyn B Myers, head of Garden Cities and its subsidiaries in Cape Town.

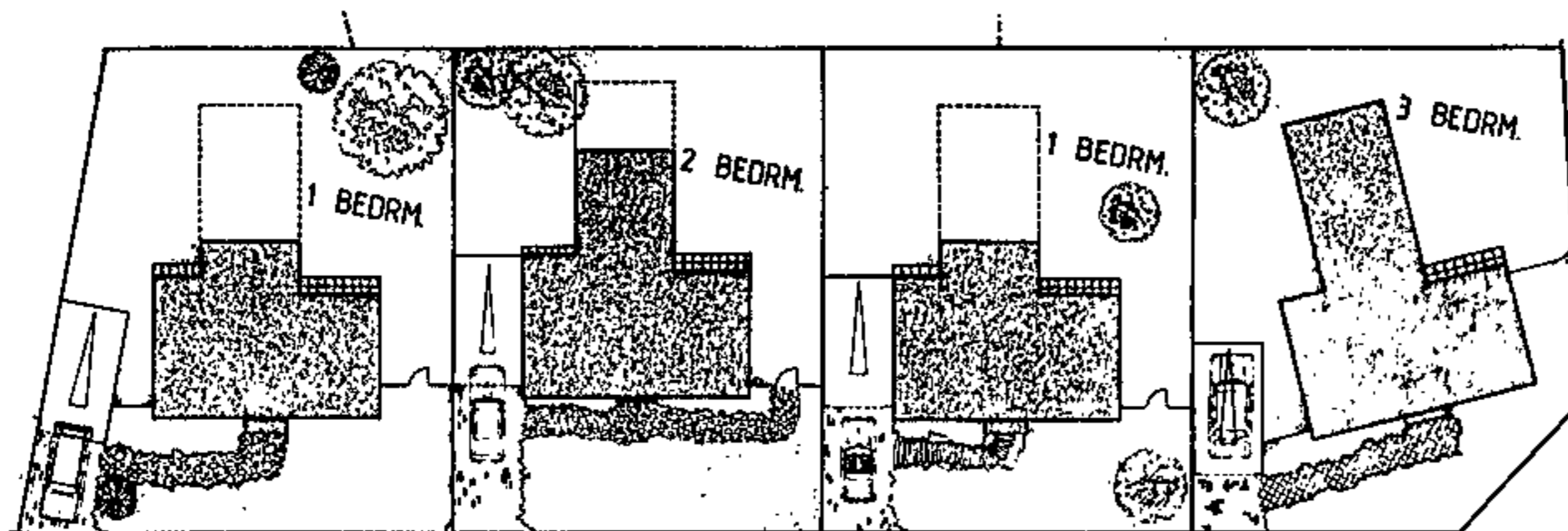
He was reacting to the Prime Minister's announcement that the Government intended to take the initiative to establish housing associations in the larger urban centres. These associations, or housing utility companies as they are sometimes called, would be aided

by the State although no details were given at the time of the form of assistance to be made available.

The Minister of Community Development has in recent months pressed strongly for the private sector to become more involved in the procurement of housing for low-income group families and to this end to invoke, where possible and practicable, the assistance of utility housing associations.

Only four associations providing housing for the general public were registered in South Africa prior to the Prime Minister's announcement. All of these operate in the Cape Peninsula. Garden Cities was founded in 1918; The Housing League in 1929; and two companies, New Garden Cities and the Peninsula Community Association established in 1975, the latter catering specifically in the provision of homes for Coloureds.

Since the Good Hope Conference in November 1981 these four companies have been joined by the Uluntu Utility Company for Blacks in Cape Town, Comdev in Durban and Urban Villages in Port Elizabeth. Other companies are in the process of being formed



How facade dwellings 'grow'



An extendable 'facade' dwelling by Garden Cities.

Whilst reflecting an ostensibly complete living unit, extensions to facade dwellings can be paced according to the needs of families.



Housing for retired persons by Garden Cities.

in East London, Kingwilliamstown, Pietermaritzburg, Pretoria, Stellenbosch and elsewhere.

The mere formation of a housing association, warns Mr Myers, will not automatically ensure a successful housing project. Success can only be achieved if the Company conceives its objectives and tasks as a social art and not as a building or speculative undertaking.

The Company, he says, must operate in a businesslike manner and its Board must be prepared to take entrepreneurial risks as it functions in a free market place; it should not, however, function as a bureaucratic organisation or as a local authority.

Because of its nature and social goals the Association should at least retain its real asset value and have sufficient funds for its future activities. For this reason it should not be optimum profit oriented but should pass on any savings effected during development and construction. A housing association is in a position to undertake innovative concepts. This being so, some of the most important advances in the housing process have emanated from the activities of housing associations. As an on-going organisation a housing association is able to create and maintain the quality of the living environment in a way which cannot be emulated by the speculative builder or local authority. In this respect it sets reasonable and manageable controls in the interests of the community as a whole.

KAN DIE LAND SE VERVALLE DORPE DIE STEDELIKE BEHUISINGSVRAAGSTUK VERLIG?

Die toenemende en blykbaar onoplosbare aanvraag na meer en behoorlike huisvesting teen redelike pryse en huurgelde, veral met betrekking tot die behoeftes van gesinne van die lae-inkomste groepe wat dikwels in die groot stede van die Republiek nie in staat is om behoorlike huisvesting te bekom nie, beklemtoon die noodsaaklikheid dat, afgesien van bestaande strategieë om hierdie probleem uit te wis, daar met vrug gekyk kan word na die potensiaal wat die kleiner dorpe moontlik kan inhou om 'n redelike en betekenisvolle bydrae te maak tot die oplossing van hierdie netelige en dringende vraagstuk.

Die moontlike positiewe bydrae wat so 'n strategie op die sosiale en selfs ekonomiese oplewing van 'n vervalte gebied of dorp kan hê, tesame met die potensiële bydrae wat dit kan maak om die netelige huisvestingsvraagstuk van sekere stedelike gebiede te verlig, regverdig beslis verdere ondersoek deur 'n Universiteit of soortgelyke instansie as 'n onderwerp of projek vir verdere navorsing.

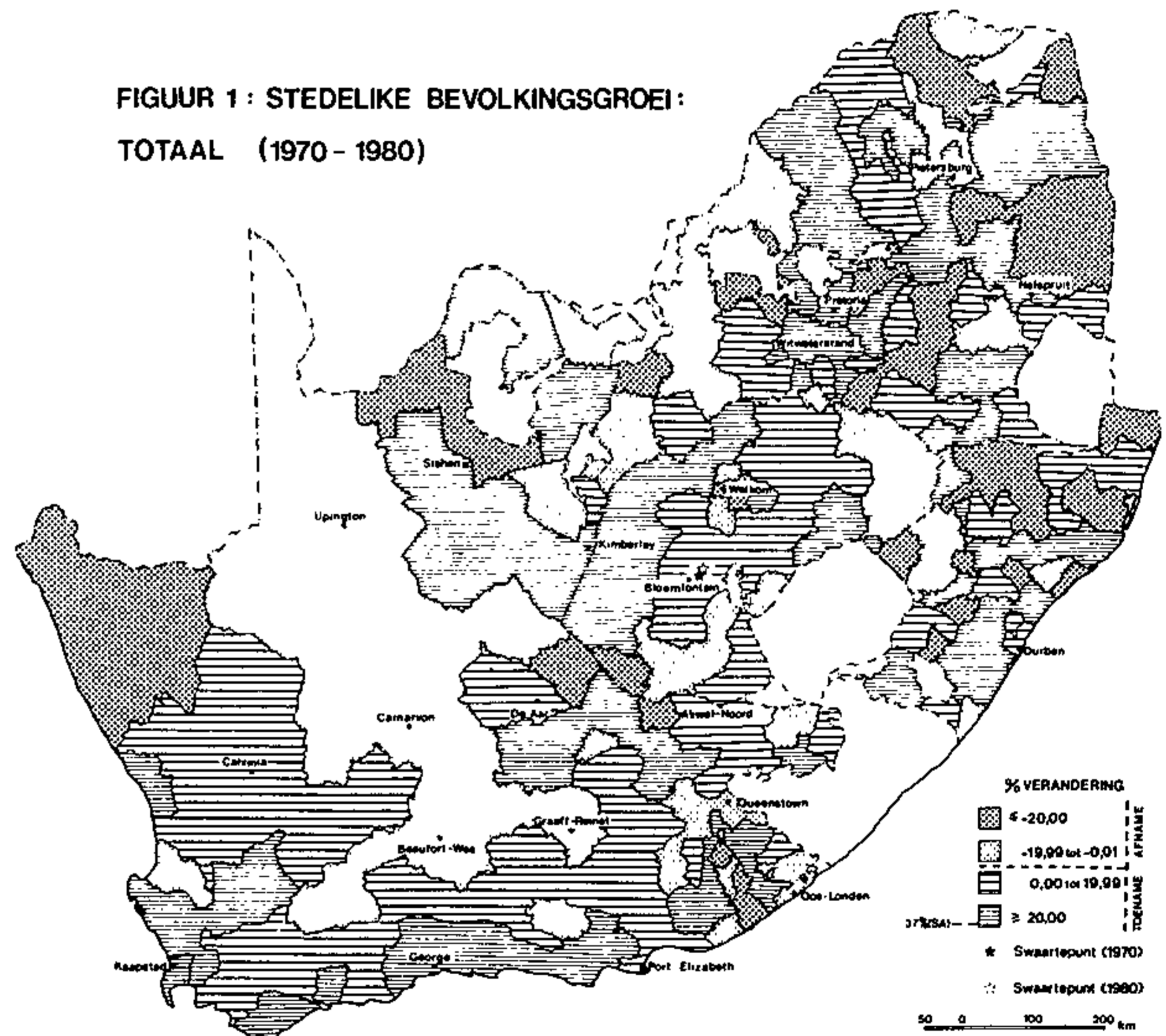
Volgens dr I J van der Merwe, Hoof van die Instituut vir Kartografiese Analise, Universiteit van Stellenbosch, is die "... lewenspatroon en denke van die twintigste-eeuse mense ... so intens verweef met die grootstadsindroom dat die klein dorp op die platteland nie altyd in perspektief gesien word nie. Vir die meeste stedelinge is die klein dorp niks meer nie as bloot 'n gespreksonderwerp waarin nostalgiese herinneringe aan die verlede of ... by tye die eiesoortige karakter en heersende landskapskenmerke, opgeroep word. ... Die ekonomiese aktiwiteite in die dorp het hul polsslag verloor en fiskale balanstade wil somtyds nie meer klop nie. Die reeds klein inwonertal en beskeie omvang van die dorpe krimp steeds onverbiddelik." Hiermee gepaard gaan die beskikbaarheid van ruim en goedkoop huise vir koop- of huurdoelindes.

Volgens Van der Merwe het daar sedert die besettingstydperk 1652 'n merkwaardige verstedelikingstempo plaasgevind waarin "... naastenby 600 dorpe en stede van verskillende groottes in Suid-Afrika tot stand gekom het" maar waar daar, weens 'n ekonomiese en strukturele verval in sommige kleiner dorpe, nou 'n absolute afname in bevolking heers. Sodanige dorpe is redelik kolsgewys oor die hele land versprei.²

Figuur 1 dui die stedelike bevolkingsgroei aan wat tussen 1970 en 1980 plaasgevind het. Dit is opmerklik dat aansienlike en uitgebreide plattelandse gebiede ontvolk is.³ So byvoorbeeld wil dit voorkom asof die Kaaroo, die Kaapse Middellande, die Oos-Kaap en die Suid-Vrystaat 'n groot en aaneengeslote gebied van stedelike verval vorm.²

In die lig hiervan ontstaan die vraag of die onbewoonde huise in hierdie gebiede nie in sommige van die groter stede se behuisingsbehoefte kan voorsien nie. Al lei dit tot 'n mate van ongerief, moet dit opgeweeg word teen die lyding en sukkelbestaan wat baie inwoners tans in die groot stede voer.

FIGUUR 1 : STEDELIKE BEVOLKINGSGROEI: TOTAAL (1970 - 1980)



TABEL 2 DORPSVERVAL EN STEDELIKE BEVOLKINGSVERANDERING VOLGENS GROOTTEKLASSE (1970-1980)

Grootteklas (volgens bevolking)	Alle rasse		Blankes	
	Aantal dorpe met bevolkingsafname	% Bevolkingsverandering	Aantal dorpe met bevolkingsafname	% Bevolkingsverandering
Kleiner as 2 000	97 (36,5%)	2,7%	176 (41,5%)	9,1%
2 001 - 5 000	29 (16,9%)	34,6%	10 (15,6%)	25,2%
5 001 - 20 000	9 (6,4%)	52,4%	3 (8,1%)	36,5%
20 001 - 100 000	1 (2,4%)	56,7%	0 (0,0%)	28,3%
Groter as 100 000	0 (0,0%)	34,0%	0 (0,0%)	24,8%
Totaal	136 (21,6%)	37,3%	189 (34,9%)	25,2%

1 en 2: "Die Klein Dorp in Verval" deur dr I J van der Merwe, Instituut vir Kartografiese Analise, Universiteit van Stellenbosch, 1982, bladsy 1.

3 Idem, bladsy 2.

123 ROOM 20/5/83

25% discount on cash sales of rented houses

By LIN MENGE
HOMEFRONT Reporter

BUY for cash, and you enjoy an immediate 25% discount on the purchase of your house under the Government mass sale of rented houses to people of all races which starts on July 1.

"Cash" means money from any source other than the Government.

Discounts of up to 40% are available to buyers in the various categories.

How the pricing will work was one of the matters explained at yesterday's seminar organised by the SA Institute of Housing in Johannesburg.

"Buy, because you'll never get a chance like this again," the large, black and white audience was told.

Mr Johan Kruger, national housing manager of the Urban Foundation, who has joined the Department of Community Development to coordinate the sale of houses gave the key facts:

- If the occupant of the house buys for cash he qualifies for an immediate discount of 25%.
- If the selling price of the house is less than R2 500, this becomes 30%.
- An extra 5% discount if he has lived in the house for longer than five years.
- Another 5% discount if he buys within the first year.

The prices are calculated on the original cost of the dwelling and the present cost of replacing those houses. Tenant improvements such as ceilings or extra rooms are excluded. For example:

- If the house was built in 1960 for R400, the (revalued) price today would be R1 700, but the selling price, with the above discounts, will be only R1 020.
- If the house was built in 1970 for R1 000, revalued today at R2 500, the discount price would be R1 500, and
- If it was built in 1975 for R6 000, revalued at R10 500, the discount price would be R6 300.
- The option to buy at these prices is only for those who earned less than R800 a month when they first rented the houses.
- Blacks who buy these discounted houses will be able to re-sell them, as soon as they like, in the hopes that they will use the profit they make to house themselves on newly serviced stands, thus creating a housing market for others. Whites, coloureds and Indians will be restricted from re-selling quickly at a profit.
- No-one will be forced to buy. People with very low incomes will be able to apply for a Government subsidy to buy their homes, but will then forfeit the cash discount.
- Rents for those who do not buy will definitely go up, but probably in phased increases and not in a sudden jump.

Surveyors to

The rescue of other races

21/5/83

(123)

RDM

By LIN MENGE

A MASS survey of stands, similar to the one recently embarked on in black urban areas, is on the cards for other population groups.

This is good news especially for the many coloureds and Indians who have stands which have not been subdivided, making it impossible for them to take title to their properties and so obtain building society loans.

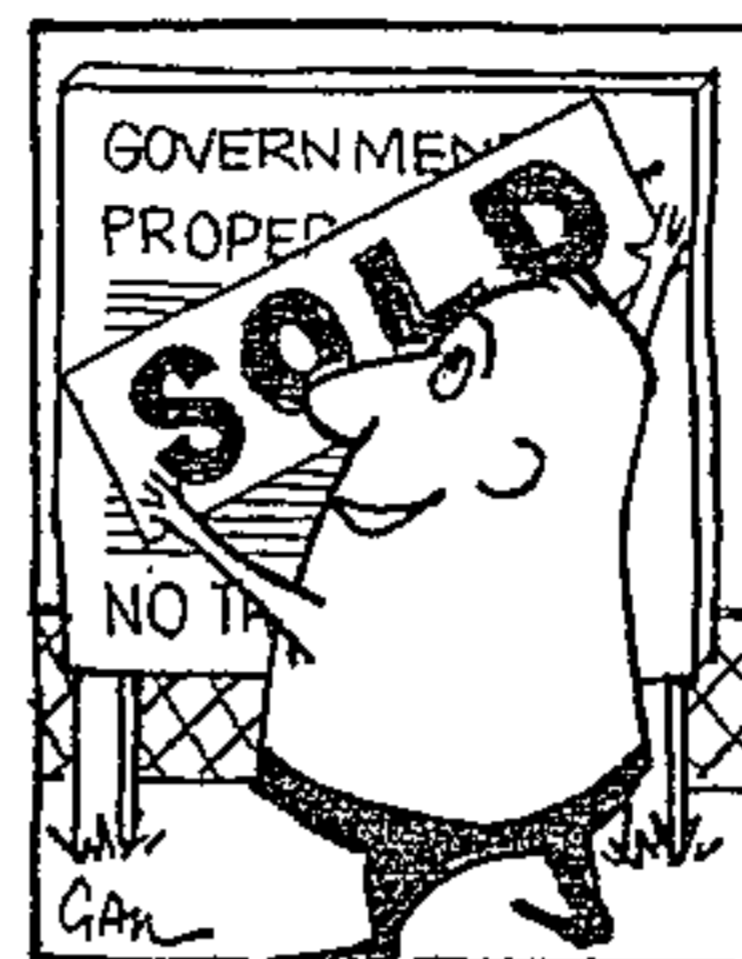
The news comes in the circular dispatched by the Department of Community Development this week to its regional offices and to all local authorities concerning the mass sale of State-owned dwellings which starts on July 1.

It says the Institute of Surveyors is to be approached as soon as possible to negotiate the same "reasonable tariffs and conditions" for mass surveys for other race groups as the Government negotiated for black urban areas.

The Cabinet made R28-million available for the bulk surveying of stands for 99-year leasehold in black urban areas. Because the surveying profession then had 360 000 stands to survey, they were able to bring down their price. The survey, which is already under way on the Eastern Transvaal highveld, the Western Transvaal and now on the East Rand, has slashed the cost, on an individual stand, from R400 or more to R65. It is a five-year project. A separate bulk survey of Soweto is almost complete, making 40 000 houses available for immediate sale on 99-year-leasehold from July 1.

But a great number of other people who rent State-owned property will not be able to buy their houses for "cash" ie with money from any source other than the Government. They will therefore not be able to take advantage of the 25% discount being offered for "cash" during the big sale, unless they have savings of their own. They could buy on deed of sale, and will then get the cash discount, in maybe three or five years' time when they can take title and get a building society or a bank to take over their loan.

People who earn less than R450 a month will be helped with Government loans to buy their houses, but they will not enjoy the cash discount. Those who earn more than R450 a month, and who want Government assistance will have to produce proof that they cannot get finance from elsewhere.



A CITY housing official told HOMEFRONT this week that of the 3 000 or so houses sold to coloureds by the Johannesburg municipality in the past eight months, at least 1 000 had to be bought on deed of sale because the areas had not yet been proclaimed.

Riverlea, Coronationville and Eldorado Park Ext 2 have been proclaimed, but Klipspruit W and Eldorado Park Exts 4, 6 and 9 have not. There are still more than 200 new houses costing R35-R37 000 each for sale in Eldorado Park Ext 9 on deed of sale.

Many coloureds have complained the houses are too expensive, but the official told HOMEFRONT that people should grab the houses while they could, because building costs were set to rise steeply and the council would not be erecting any further schemes for better-off coloureds.

□□□

PROCEEDS from the mass sale of houses will be divided 50-50 between the National Housing Fund and the local authority.

According to the Department of Community Development circular, the local authority (municipality or administration board) must use its share as follows:

- 60% to be paid into a development fund specially created for providing new infrastructure for housing or for the upgrading of infrastructure;
- 20% for community facilities;
- 10% for maintenance of properties financed by the National Housing Fund, and
- 10% for administration costs.

In other words, buy your house in the Big Sale — and help create more housing and facilities for people in your town or township

student at the University of the Witwatersrand giving ceremony yesterday. He won three by a student in the final year of design.

Picture: JILL EDELSTEIN

With coathangers

was warned to remain if I didn't want to

lotlounge continued: was instructed and later I heard a car outside.

I heard voices of in the shop and they were dis- that to do with me nothing.

ed them removing from the hangers ers and apparently e taking it to the

Miss Motlounge said she remained where she was until she heard the shop door being slammed and a car driving away.

After untying herself, she discovered she was locked in the store.

"I had to scream for help," she said. "Fortunately, one of the shop assistants nearby was attracted by my screams and was able to fetch the duplicate key from the shopkeeper."

Police are investigating the robbery

Wits architects plan to aid low-cost housing

123

Spaw
2/15/83

By Jo-Anne Collinge

There is a scheme at the University of the Witwatersrand to get architects back to designing low-cost urban housing.

It is called the Wits Housing Research Unit and involves harnessing student power and the expertise of lecturers to offer full architectural services at below commercial rates.

Mr Franco Frescura, a lecturer in the architecture department, said that the unit's staff would draw plans, have them approved by the authorities, recommend builders and sort out on-site difficulties.

PROFESSIONAL AUTHORITY

The aim is to give professional authority to the owner's voice — not to drown his say in the matter.

A parallel aim is to offer students a full range of practical experience. Their involvement in community projects usually stops at the drawing board.

In addition, it will provide the basis for the first housing course to be taught at a South African university.

"At the moment housing appears in different guises in many courses — architecture, town planning, geography. The object will be to draw this together," said Mr Frescura.

NOT TRADITIONALLY INVOLVED

The new Government emphasis on private sector involvement in black housing makes the Wits venture feasible. Mr Frescura pointed out that architects had not traditionally been involved in township housing.

"Doctors, for instance, have had no greater choice of housing than factory workers," he said.

He added that opening township development to private enterprise was no guarantee of architectural interest and improved design.

"On a private basis, designing individualised low-cost houses just doesn't pay. Drawings for a R12 000 house don't take much less effort than those for a R100 000 house."

UNIT WILL BE SUBSIDISED

But the Wits unit will be subsidised — it already has the sponsorship of a leading brick manufacturer — and will be able to take on jobs that are not lucrative.

Clients will be charged according to their means. The unit will not turn away wealthier clients, but will charge them higher rates.

Mr Frescura said that township residents relied on draughtsmen to draw their plans and that the level of skill varied widely. Often they found that they had no one to sort out building problems because draughtsmen did not go on site. Endless complications with the authorities and building societies could result.

PROBLEMS AT ANY STAGE

The unit will tackle housing problems at any stage, but, ideally, would like to get in at ground level — planning the home with the client according to his lifestyle and budget.

The Wits Housing Research Unit will be based on campus and plans a weekly clinic in Soweto. Although the emphasis is on black housing needs, it is not a racially exclusive service. Anybody interested should get in touch with Mr Frescura at 716-2709 or write to him at the department of architecture, University of the Witwatersrand.

Just how much those houses will cost

123

City Press
22/5/83

PRETORIA — The Minister of Community Development, Mr Pen Knoetze, this week announced the interest rates which will apply to householders currently renting their houses from Administration Boards who buy their homes when the State-owned properties go on sale on July 1.

A spokesman for Mr Knoetze's office told City Press: "These interest rates are far less than those of building societies and other financial institutions."

The rates have

been worked out as follows, based on householders' minimum earnings of R300 per month:

- R300 -350—5 per cent.
- R351-R450 —7 per cent.
- R450-R800—11,25 per cent.

The spokesman could not say what will happen to those black householders who earned less than the stipulated minimum of R300 per month and were keen to purchase their houses.

He indicated this question would be left to local authorities.

En...

Drought will hit housing position

123



By LIN MENGE
Homefront Reporter

THE present drought would accelerate urbanisation in South Africa to a point never experienced before, Mr Louis Koch, chief director of the Eastern Cape Administration Board, said at the "Housing Challenge" conference in Pretoria yesterday.

"Those people who move to the towns because of the drought are not going to go back — only a very small percentage will return," Mr Koch said.

Unless this was taken into account, forward planning for housing could be off target.

"We do not have a squatter problem, we have an urbanisation problem," he said.

The shortage of serviced land lay at the heart of the housing problem. There was far too much red tape, he said.

"You could cut millions of rands off the cost of infrastructure if you cut the time span in the provision of land."

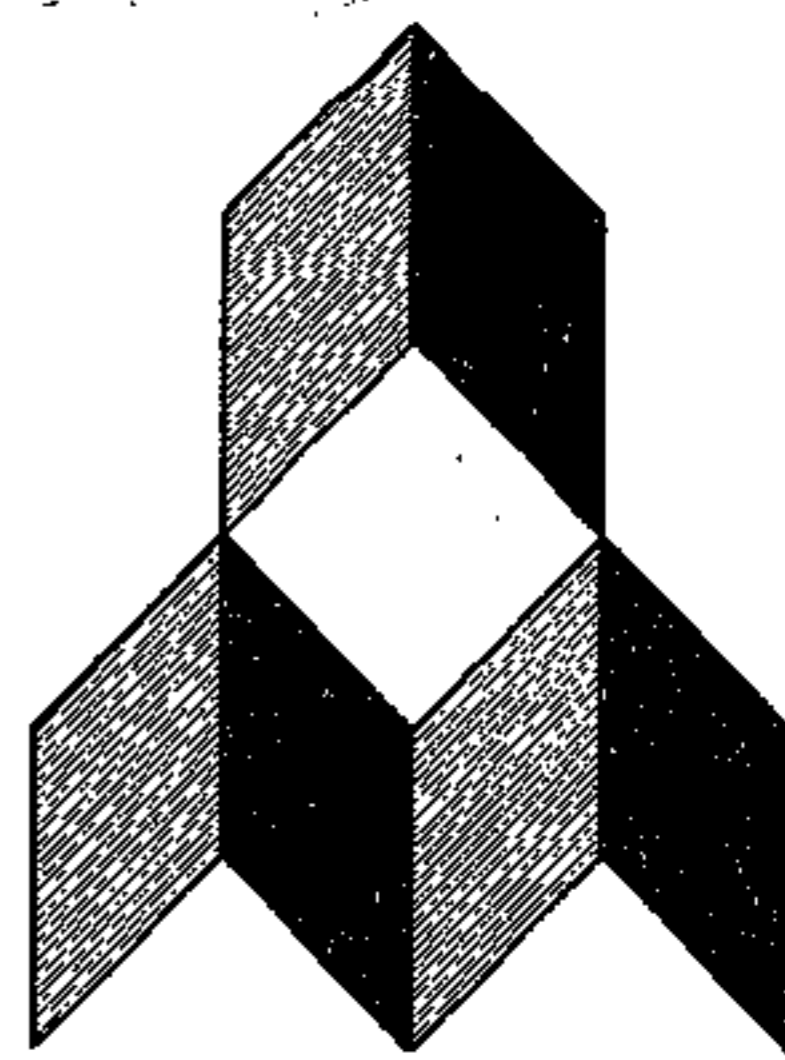
Undue delays in housing development would harden attitudes and whip up emotions to the point where people did not even feel welcome in the areas to be developed.

Mr Koch said the sale of 500 000 State-owned houses did not go far enough — it should be extended to serviced vacant stands to help new homeowners. The private sector, through utility companies, rather than local authorities and administration boards should be brought into the selling action.

He pleaded for more realistic building standards. People were being forced to break the building regulations because they could not afford to meet them. Then if their houses were broken down they were upset and suspicious and felt that the "haves" did not want them — the "have-nots" — to have anything.

Opening the three-day conference, which was organised by the National Building Research Institute of the CSIR, the Deputy-State President, Mr A. L. Schiebusch, said South Africa's 14,9% inflation rate had tremendous implications for housing because costs could double every seven years even if the average inflation rate was only 10% a year.

Mr Schiebusch said the cost of service land was 20% to 25% of the total cost of a middle income house, but this



increased to 50% of the total cost of a house for the low income group.

Building researchers believed engineers would be forced to adopt an appropriate technology approach to services to cut costs, he said.

Dr D Mullins, senior planner, economic planning branch of the Department of Constitutional Development and Planning, said housing requirements for the period 1982 to 1990 stood at 2 300 000 (1 792 500 for blacks, including a 501 000 backlog, 250 000 for whites, 180 000 for coloureds and 80 000 for Asians).

Dr Mullins said that while State expenditure on defence had risen from 11,5% in 1970 to 17,3% in 1980, expenditure on housing had fallen from 2,68% to 2,3% in the same period.

Mr L van Gass, deputy director constitutional services in the Department of Cooperation and Development, said the possibility of converting "the deed of grant" system used in the homelands to a conventional land title would be investigated.

Building societies did not accept the deed of grant as adequate security and had suggested that a system similar to 99-year-leasehold be applied in the homelands.

Mr J K Matjila, of the Vaal Triangle Community Council, said Escom was to finance the servicing of 1 500 stands in Sebokeng and the erection of 1 500 houses and a 1 500-bed hostel in a R40-million development over the next seven years.

In a paper read on his behalf, Professor R Weitz, director of the Settlement Study Centre at Rehovot in Israel, urged the creation of a system of rural towns, as opposed to villages, which would provide a link between industry and agriculture, provide markets for farmers produce and attract much-needed professional workers and entrepreneurs who would otherwise all settle in the main cities.

Conference will define new national housing strategy

Sweten
25/1/83
(123)

A CONFERENCE to define a national strategy to solve the country's housing crisis is to be held in Pretoria on Friday.

Leading politicians, highly-placed civil servants and specialists from the private sector have been invited to attend the meeting, whose theme is The Housing Challenge — Positive Approach.

The conference will be held at the premises of the Council for Scientific and Industrial Research.

By LEN MASEKO

The Vice-State President, Mr A L Schlegelbusch, will deliver the opening address at the gathering. The Deputy Minister of Finance, Mr E van der Merwe Louw, and the invited civil servants will be among those chairing various sessions or presenting papers.

All the speakers, including one from Israel, have been drawn from policy makers in local or regional authorities, architects, planners, civil and municipal engineers, housing managers, housing researchers and other people connected with housing throughout the country.

When reviewing the country's major housing challenges, the delegates will consider the national perspective, the human aspect, financing, planning and standards, and alternative technologies for construction and services.

According to the conveners, the conference was being held at a time when housing had been accepted as being a top

national priority.

The gathering will provide an opportunity for those people connected with housing at all levels to exchange ideas, pool their experiences and contribute to the defining of an effective strategy. The delegates will review recent research and development housing projects from the whole of southern Africa.



muscle and it's lift-off for a 15-ton petrol tanker. A d ability over an obstacle course in the US contest.



amine, Henry Raubenheimer, Hylton Silver, Stanley Miller will represent SA in the US tow-truck rodeo.

Group comes up with plan to house poor

By LIN MENGE
Homefront Reporter

PROPOSALS for revised building standards have been compiled by the National Building Research Institute (NBRI), organisers of the "housing challenge" conference in Pretoria.

They were presented yesterday by the NBRI assistant director, Mr R J Page-Shipp.

The proposals, which will enable low income people to build what they could afford, set the essential minimum standards needed to satisfy not only the occupants of the houses but also neighbours, financiers and local authorities.

Mr John Knoetze, chairman of the West Rand Administration Board, said there should no longer be talk of inadequate standards in the services in black townships.

The upgrading of services in Soweto at a cost of R300-million in the past three years had meant the township now conformed to city standards — even better than Sandton in some respects, Mr Knoetze said.

This meant it was possible to redevelop every one of the 100 000 stands in Soweto to "high-rise" or whatever was sociologically acceptable.

The need to increase density applied to white towns as well. One could not continue to think in terms of providing new land all the time, he said.

Mr W J Marais, chairman of the National Housing Commission, told the conference that to ensure that rent subsidies were limited to deserving cases, such subsidies would in future be calculated on family income and not on the income of the breadwinner.

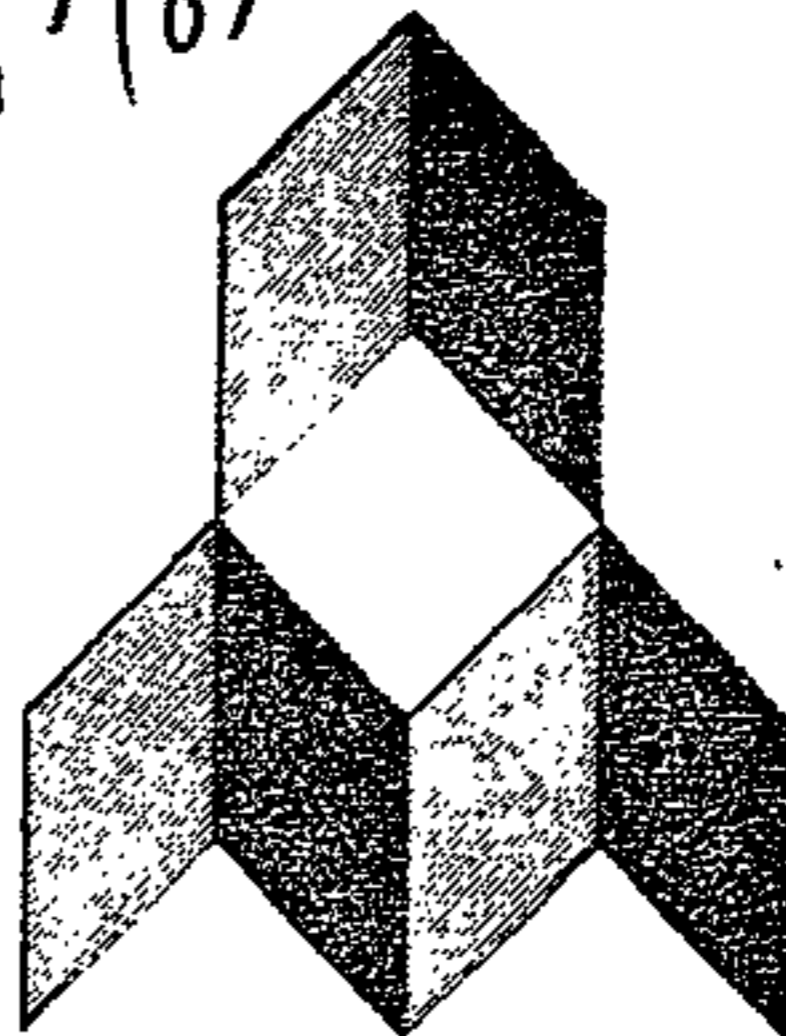
He said "family income" meant the breadwinner's income plus half the income of all the family members living in the house.

The State would continue to provide mass housing schemes to the maximum that funds allowed but the priority was housing for very low income groups.

Mr Marais promised he would raise the problem of improved tax rebates for employers who provided houses for sale to their workers.

Mr M H Daling, of Sanlam, said the total assets of financial institutions dealing in long-term insurance and private sector pension funds now amounted to R33-billion and were increasing by almost R6-billion a year.

But they were not keen to



THE HOUSING CHALLENGE

use their money for housing because it would reduce the attractiveness of their investment possibilities. It was not the function, Mr Daling said, of policy-holders to subsidise low income housing.

"Such a burden should be evenly spread over the whole community," he said.

Dr E J Jammie, housing consultant to the NBRI, said speedy proclamation of townships was essential. He said where housing was to be provided by major local authorities, the latter should be allowed to lay the townships out and have them officially proclaimed.

Dr Jammie called for "frank and open consultation" in mass housing, especially with low-income groups.

He also called for more generous allocations of land for community and recreational use for low income families than was normal in ordinary township development.

An architect, Mr G Gallagher, said Government-financed, socialist housing had not worked even in the Soviet Union and Eastern Europe.

"Ten and 20-year waiting lists for a modest home in those countries are still the norm after many years of well organised communist, government-provided, housing ideology.

"It has also not worked successfully in the US, nor has it worked comprehensively in Latin-America, South East Asia or in Africa."

Cape Town city councillor Mrs E Stott said the "sub-economic" level should be seen as those people earning less than R350 a month, not R150 a month. People who earned less than R150 a month should not have to spend more than 10% on rent, she said.

Govt aims to beat inflation

By GERALD REILLY
Pretoria Bureau

THE Cabinet's commitment

tend with the big additional cost of meals. He pointed out that the increase of nearly 10% in the producer could

Greek star tries to get her 'exiled marbles' returned

Mail Correspondent

ATHENS — Melina Mercouri the actress who is now

The works of art were brought to Britain early in the last century by Lord El-

Let all races have a say on housing

By LIN MENGE
Homefront Reporter

ALL races should be represented on the National Housing Matters Advisory Committee and private sector representation should be increased, delegates recommended at the "Housing Challenge" conference in Pretoria yesterday.

The other main recommendations made in the closing session were that the Government "firm up" its strategy and give the housing crisis the greatest priority; that the State's investment in housing be increased and that there must be meaningful incentives for private sector involvement.

Delegates from the Cape and Natal complained that the Government's new policy on housing — which puts a joint responsibility on the individual, the employer, the community and the authorities — had never been discussed with local authorities who had been "caught with their pants down". They

pleaded for closer liaison between the Government and the local authorities, and between the various race groups.

More people of other races should have been included in delegations to the conference, it was said.

Metropolitan coordinating bodies were needed because central city areas had no say over the upgrading of squatter areas on their fringes — yet they were intimately affected by such developments.

The three-day conference was organised by the National Building Research Institute of the Council for Scientific and Industrial Research and attracted delegates from all over Southern Africa. A Zimbabwean delegate contributed the idea of using youth building brigades to tackle the housing shortage.

Among points made yesterday were:

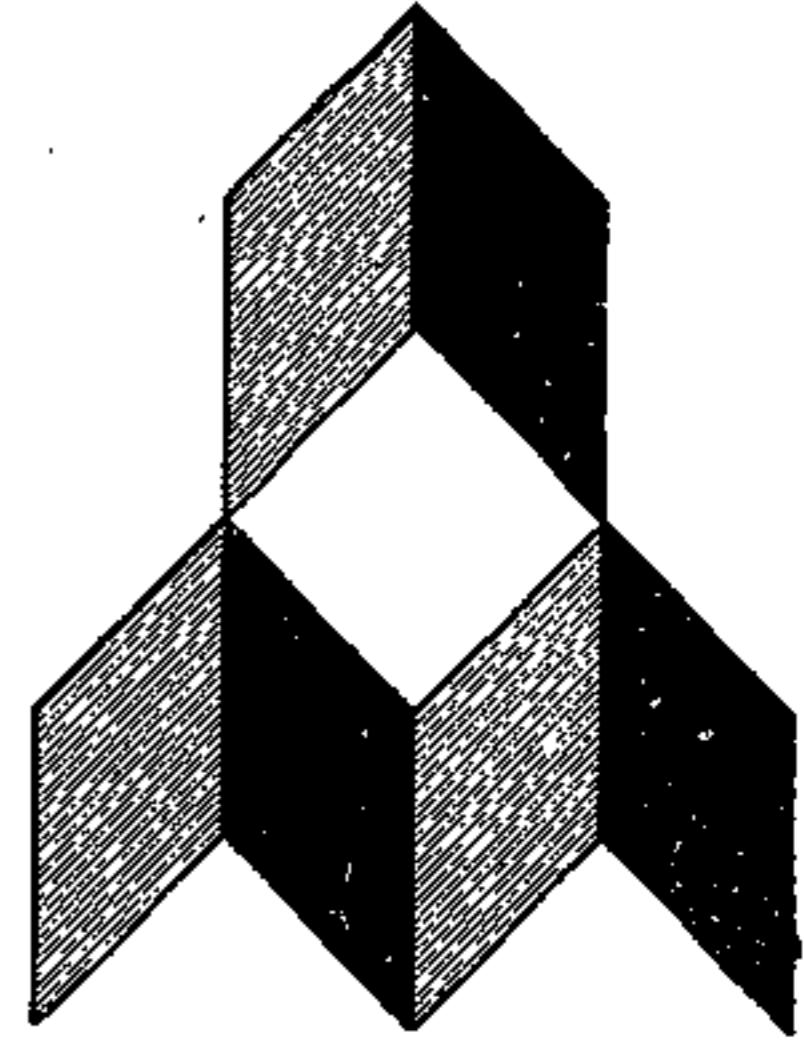
● Political constraints, ideologies "and other forms of interference" must be minimised to make the new housing concept a reality, said Mr J K Matjila, of the

Vaal Triangle Community Council.

● "While we are the experts, and other communities have a lot to learn, this is a two-way learning process because every household has an interest in how it is housed," said Dr R H Lee, Director of Resources and Planning of the Urban Foundation.

● Cluster housing, rather than housing in rigid straight lines required more effort, not more cost, said Mr Selwyn Myers, general manager of Garden Cities utility company in Cape Town. Imaginative site planning which used courts and cul-de-sacs and landscaping could avoid creating soul-destroying rows of boxes.

● Even if it cost twice as much to build by self-help, it still benefited the whole nation because it brought people into the financial, legal, management and organisational process, said architect Mr Revel Fox. Smaller parcels of mass housing were more susceptible to feedback than 5 000-house contracts. People's preferences could



THE HOUSING CHALLENGE

then be built into the next lot of houses.

● Dr J K Evenwel, managing director of Besterecta, said self-help meant accepting "organised slums". He said it would be "criminal" if the expertise of the country's building industry was not exploited to alleviate the housing problem.

● Many other valuable ideas emerged from the conference, so keep reading HOMEFRONT.

Syria in huge war games

Mail Correspondent

JERUSALEM - Tension between Israel and Syria is at its peak this weekend, as the Syrian army conducts large-scale exercises on the Golan Heights and in Lebanon's eastern Bekaa Valley.

In Jerusalem, the Prime Minister Mr Menachem Begin briefed opposition Labour Party leaders yesterday morning on the latest Syrian moves and Israeli preparations. Observers believe the briefing indicates the seriousness with which Israel views the situation.

An official source said yesterday that Israel "genuinely fears that the situation could develop into something bigger than the two sides intended".

The Syrian exercises began on Thursday and are expected to last into next week. Syrian tanks taking part in the exercise are reported to be fully armed and fuelled and ready for battle.

There have also been changes in Syrian troop deployments on the Golan and in the Bekaa, and major earthwork and engineering projects are said to be going on in the Bekaa. The exercises, in which Soviet advisers are participating, are said to be the largest ever held in Syria.

An Israeli military source said the Israeli army had been placed on alert and was prepared for any eventuality. Settlements on the Golan Heights and along the northern border had increased their state of preparedness, including the preparation of bomb shelters and the checking of warning systems.

At intensive, high-level meetings in Tel Aviv and Jerusalem on Thursday, it was decided that Israel would inform Syria, via the United States, that it would do everything possible to prevent war.

However, if the situation worsens, Israel will not guarantee that it will allow the fighting to remain local or develop into a war of attrition.

NBS has R5m ready for the big housing sale

By LIN MENGE

NATAL Building Society has earmarked an initial amount of R5-million in mortgage funds for people wanting to buy their rented houses when these are offered for sale by the Government from July 1.

This was announced by the managing director, Mr John Bennett, in Durban yesterday. Mr Bennett said it was aimed at encouraging people in the lower income groups to take advantage of the "extremely generous" terms being offered - discounts of up to 40% - to people who buy for "cash".

By "cash" the Government has said it means money coming from sources other than Government loans made through the National Housing Fund.

Loans would be available only for homes with freehold or 99-year-leasehold rights, and both buyers and properties would still need to meet certain minimum standards before they can be granted loans. Mr Bennett said.

"But we have the funds, we are sympathetic and we are committed to assisting first-time buyers," he said.

He expressed the hope that employers would help their employees by making funds available for deposits.

Staff at branches of the society, countrywide, would be fully informed about how to process applications for the purchase of the houses being sold by the State.

"But not every application will be successful. There are many details that must be investigated and there are certain requirements to be met, such as salary levels, the man's ability to repay the loan without getting into financial difficulty - which means not spending more



than a quarter of his earnings on the bond - and the condition of the property." Mr Bennett said.

BLACKS who cannot afford to buy their houses on 99-year-leasehold and do not intend improving their houses with the help of a building society loan, will still be able to buy at discount prices through the administration boards' home ownership or right of occupation scheme.

A Wrab spokesman told HOMEFRONT yesterday: "All we will require is a minimum 10% deposit. The person can then pay off their house over 20 to 30 years."

Site rents and services will remain the same, whether people rent or buy their houses. For the benefit of employers, HOMEFRONT will, next week, publish details of the kind of charges people living in various parts of Soweto will be expected to pay for site rent and services, over and above the repayments on the purchase of their houses.

No rent for old mine houses

HARARE - All mine houses in Zimbabwe which are more than 20 years old must be occupied rent-free, the Minister of Labour and Social Services Mr Kumbirai Kangai has ruled.

The move resolves a week-long dispute between the

Chamber of Mines and the Associated Mine Workers' Union of Zimbabwe.

Mr Kangai said negotiations would be held to determine whether there was any basis to charge rent for newer houses "unsuitable for human living" - Sapa

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worried about of the trial be- convinced that ld free him.

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Jail garb for air force six

HARARE - Zimbabwean prisoners appearing in court must wear prison clothing, it was ruled in Harare yesterday, and it was specifically forbidden for prisoners to wear uniforms of the defence forces, police or prison services.

This follows the State's objection in the High Court this week when six air force officers, charged in connection with the sabotage of aircraft, turned up in full dress uniform - Sapa

Air Force Base near Gweru last July, Vice-Marshal Hugh Slatter, leave the must be worn by prisoners in court.

CAPE TIMES 31/5/83 (123)

Call for incentives to build flats

Political Correspondent

HOUSE OF ASSEMBLY.

— The government was urged last night to stimulate the building of new flats for renting.

Mr Colin Eglin (PFP Sea Point) said incentives to build new leased flats were an important but unstated corollary to the Sectional Titles Amendment Bill.

The bill gives additional protection to tenants, particularly the elderly, in blocks put up for sale under sectional title and also provides for time-sharing schemes in sectional title units.

Mr Eglin welcomed the amendments, which

followed recommendations of a parliamentary select committee. He said it corrected recent government blunders which led to greed on the part of developers and caused panic among tenants.

The select committee, however, has also warned that increased sales of formerly leased flats would lead to a shortage of rented flats, and therefore higher rents, unless more flats were built for letting.

The committee recommended incentives to encourage the private sector to build flats for rent.

The PFP supported the bill as "an act of faith" and expected the government to implement recommendations which would increase the number of flats for rent and provide accommodation for the aged.

Introducing the measure the Deputy Minister of Community Development, Mr Pierre Cronjé, said it contained four important provisions protecting tenants or prospective purchasers under section title.

• Developers would be forced to inform tenants of the physical condition of the property before it was offered for sale.

• Tenants were given first option to buy the flats.

• Tenants over 65 years of age and with an income below a specified level could not have their flats sold to others.

• A tenant who decided not to purchase was guaranteed six months to find alternative accommodation and his rent could not be increased during this period.

The bill also lifted the 1981 prohibition on a block being sold under sectional title if any flat in the block was subject to rent control, Mr Cronjé said.

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Huge discount homes plan starts next month

Argus 1/6/R3 123

Staff Reporter

CUT-PRICE housing for about 500 000 South Africans comes on the market next month when tenants can receive subsidies of up to 35 percent.

Details of the scheme to sell State-subsidised housing were published in The Argus on May 19 and more particulars have now been given to local authorities.

Circular

The latest circular from the Department of Community Development spells out a complex pricing system which will give existing tenants of State-aided schemes massive discounts.

Mr M J Aggenbach, deputy chairman of the Cape Divisional Council, said the principal of creating a stable community by enabling people to buy homes instead of letting them, had long been the policy of the council.

Although the Divisional Council has not yet formally approved details of the latest selling

scheme, it will participate in the scheme from next month.

A council spokesman today explained how the selling prices would be calculated.

Costs

He said replacement costs were calculated by determining building costs since 1950.

An average price between the original cost including land and services, and replacement value, was then calculated and discounts of up to 35 percent were computed.

A buyer paying cash would be entitled to a 25 percent discount. Another five percent discount was given to a tenant who had occupied a house for at least five years and another five percent rebate was given to those buying the house within a year.

For example, a house costing R5 000 in 1968 would cost R25 000 to replace at today's building costs.

The average between the original and replacement price is R15 000. Discounts of 35 percent would amount to R5 250, meaning the actual price paid would be R9 750.

Motivation

The spokesman said the huge discount for cash would motivate the private sector including employers, banks and building societies, to participate in the scheme.

Housing authorities will supply the Department of Community Development with an initial list of houses for sale by the end of this month and the list will be updated every three months.

A further circular from the department is expected later this year spelling out possible rent increases for those tenants not making use of the home ownership scheme.

First-time buyers to get a R35m handout

123
S. Express
5/6/83

MORE THAN R35-million is to be handed out during the next two years by the Government to help young couples and other first-time buyers get their first home. This is in terms of a scheme announced last week.

And for the first time the subsidy scheme — by not setting a limit on the price the buyer can pay for a stand — will be meaningful to buyers in the major metropolitan areas.

In the past the Government subsidy scheme set a limit of R50 000 on the price of a home (including a stand) and in the larger areas this has excluded most homes available on the market.

Now first-time buyers can spend as much as they want on a stand — and still benefit from the scheme. However the homes one can buy on the scheme won't be the glamorous 'three-bedroomed, two bathroom' dreamhouse with pool that many young couples believe they 'deserve' today.

It will, however, provide

**By TERRY MEYER
Property Editor**

them with a three-bedroomed, one bathroom house with about 95m² of living space and possibly only a carport instead of a fully covered garage.

According to Roy Mawson, MD of builders Gough Cooper, the scheme will allow the first-time buyers to get on the property 'roundabout'. They will be able to expand their homes at a later date or trade up when they can afford it.

Peter Stathoulis, MD of Alberton Construction (ACC), said that this new plan was ideal for the flexi-home, as his company terms the expandable home, which was launched 12 years ago.

Gerhard Croeser, deputy Director-General (Finance), told the Sunday Express that people wanting to make use of the scheme must apply to their own building society in the normal way.

On a R40 000 loan, people would receive from the Government a R88,97 subsidy a

month. So that instead of paying the normal R565 monthly repayment on a R40 000 bond they would only have to pay R476,03.

With the 25% building society 'rule-of-thumb' (borrowers repayments must not exceed 25% of their salaries), that would mean now that a borrower under the scheme would only have to earn R1 904 a month instead of R2 260.

One drawback is that — as with all building society loans — the buyer will have to put down a 20% deposit on the house. But, a Department of Community Development spokesman told Homefinder that if the borrower owns a stand, its value will be included in the deposit.

Another drawback at present is that one can't buy a flat — or even an existing home — with it. But Croeser said that once tax-free shares at building societies have been phased out — as is the current suggestion — the money saved could be used to extend the scheme to provide more direct aid.

Clarity on big sale of houses sought

Post Reporter

THE State was unable to provide sufficient housing in South Africa without the involvement of the private sector, delegates to a seminar on the Government's sale of 500 000 houses were told in Port Elizabeth yesterday.

They were attending the seminar held by the SA Institute of Housing.

Addressing about 120 industrialists and businessmen were spokesmen for the Government, the building society movement, the East Cape Administration Board and the private sector.

Mr Stan Anderson, former president of the Midland Chamber of Industries, said that though the private sector welcomed the principle of the original announcement of the sale in March, since then the issue had been cloaked in deep secrecy.

He said the political announcement had not been followed by clear administrative action. The private sector wanted:

- To short-circuit land surveys.

- To eliminate as much as practicable of the red tape at present inherent in the creation of black home ownership.

- To simplify the determination of the selling price.

- To determine clearly the role the private sector was to play in the sale.

Mr Derrick Cleary, president of the institute, said the Government's sale would be "written in the annals of South Africa as the most important housing happening to date".

The housing programme would apply to all races and was likely to benefit an estimated 250 000 blacks.

Mr Louis Koch, Chief Director of the East Cape Administration Board, said people who bought houses under indefinite home ownership could convert to 99-year leasehold to get the benefit of discounts.

Within the next two years a minimum of 42 000 surveyed sites throughout the East Cape Administration Board's area of jurisdiction would become available.

State urged to ease way for black housing

By David Bamber

The Government and banks could play a major role in the home building industry in the next decade.

Mr Dick Kemp, chairman of Tongaat Corrogroup (Toncorro), says in his annual report to shareholders that the Government should move with "all possible speed" to eliminate or amend legislation which inhibits private sector investment in black housing.

He says the current legislation creates doubt as to the "security and transferability of title".

With the increased liquidity of building societies — "which it is hoped will not be seriously affected by the proposed elimination of tax free investment opportunities" — Mr Kemp feels the banks should make substantially more money available for housing starts and alterations.

"In this context it is interesting to note that the March 1983 building survey issued by the Bureau for Economic Research says that its business mood graph might presage a revival in the building industry during the latter part of 1983 and early part of 1984."

But Mr Kemp is cautious about the short-term outlook. The drought and the uncertainty of the gold price are factors which could have a marked effect on the building industry, he says.

He expects both sales and earnings this year to be lower than the record levels in the year ended March. Production is expected to remain at about 93 percent of capacity, which stands at 2 000 million bricks a year.

The company will, however, go ahead with its expansion programme which will greatly increase its capacity in preparation for the next surge in demand.

Comment: Mr Kemp's caution on short-term prospects is understandable.

The company has, however, proved conservative considering that the dividend was covered nine times in the last financial year.

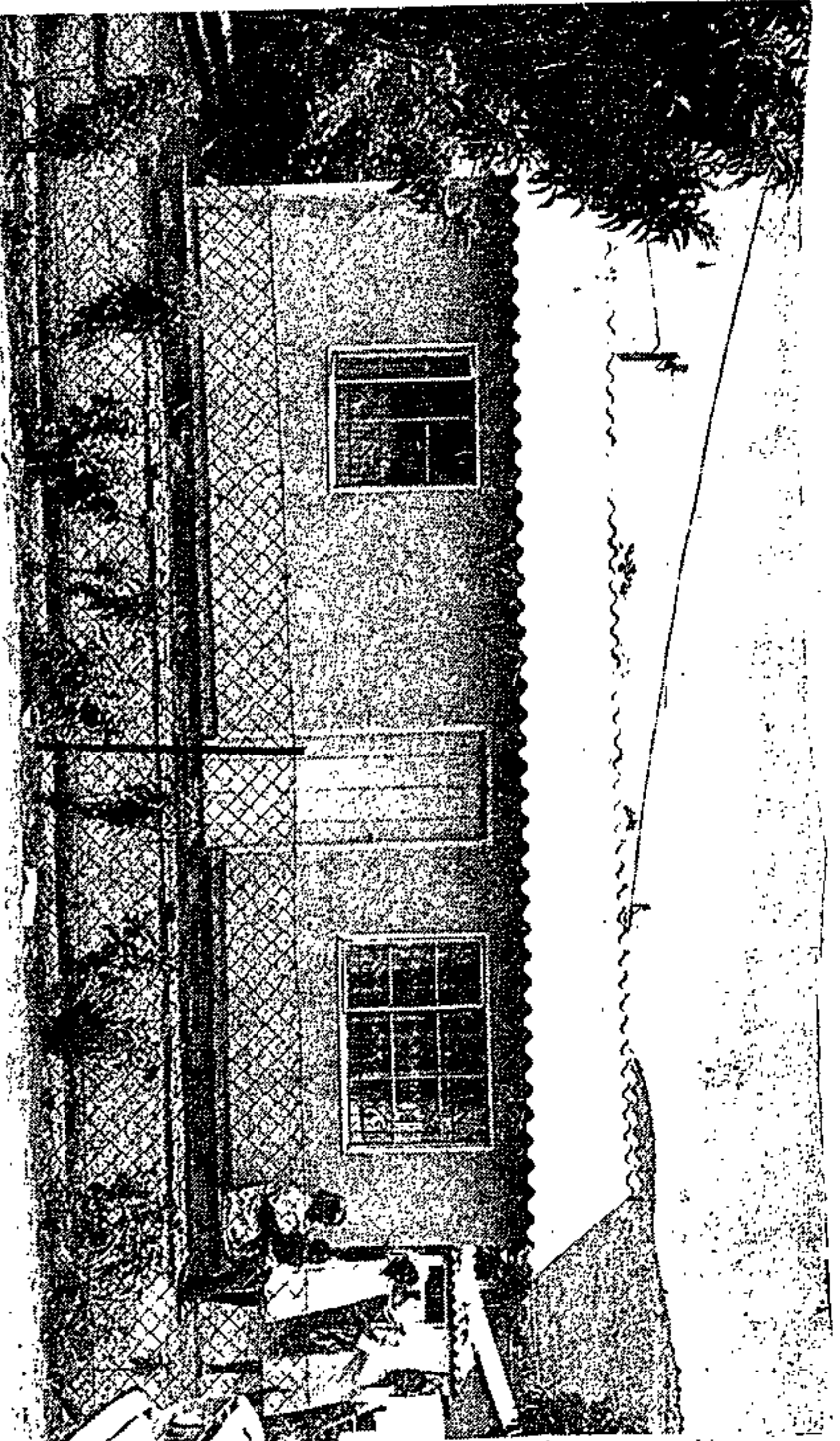
Despite high capital expenditure, the ratio of borrowings to capital employed has fallen from 27,1 percent five years ago to 16,2 percent, with the long-term component of total borrowings standing at 71,9 percent compared with the group's target of a 60 percent minimum.

During this period earnings a share have rocketed at an average rate of 53,7 percent a year, while dividends have risen by a healthy 61,5 percent a year.

Prospects of unchanged earnings during the current 12 months should therefore not be taken too seriously.



Mr. P. W. Sceales ... wanted to help long ago.



UBS moves to help 'matchbox' buyers

Loans even for boxes like these.

NOW here's a big helping hand.

The United Building Society, the largest in the land, has made two important decisions which will help lower-income people, especially those who want to buy their houses in the State's Great Housing Sale which starts on July 1.

● The UBS will grant loans on basic 51/6 houses. This means the society will accept these little four-roomed houses with their outside toilets and asbestos roofs and brick or cement block structure, as security for mortgage loans — provided of course the construction is sound.

In the past building societies have insisted on tradi-



tional white housing standards before granting mortgage loans. They then moved on to granting loans on township houses provided people improved those houses to meet minimum standards. Now the UBS has gone even further and will consider lending on unimproved matchboxes.

Of the 500 000 houses coming on sale for all races, 300 000 are in urban black areas, and most of them are 51/6s. It is expected these houses will sell for less than R1 400 in Soweto.

● Where the joint income of

husband and wife is below R350 a month, the UBS will consider not only the monthly repayment such people will have to make to the building society, but also their monthly payments for site and services. Where building societies usually insist that bond repayments must not exceed 25% of the person's income, the UBS will, for this very low-income group, see that the bond repayments plus site rental and service charges do not exceed 25% of the joint income.

As HOMEFRONT pointed out recently, people have to go on paying site rental and service charges to the administration boards whether they buy or rent their houses. These charges may be far higher than the house rent or loan repayments. (Monthly accounts for me-

tered use of water and electricity remain separate as they are living expenses, like food, clothing and transport.)

"While the United's decision to enter the field of mortgage finance for low cost housing is a major breakthrough in the critical sphere of black housing, it will also be extended to whites, coloureds and Indians," the society said in a statement yesterday.

"Applications will be treated on merit."

Mr. P. W. Sceales, chairman of the UBS, advocated building society loan finance for black home ownership long before the country's laws allowed it. Now, provided applications meet UBS requirements, the society is trying to help even the humblest home-buyer.

No "Home Ownership"

HOUSES sold in black townships during the Great Housing Sale will be available ONLY on 99-year-leasehold.

A senior spokesman for the Department of Cooperation and Development told HOMEFRONT yesterday that the sale houses could not be bought under the Right of Occupation or "Home Ownership" schemes run by the administration boards.

This corrects previous information given by administration board spokesmen to HOMEFRONT.

Discounts of up to 40% are available to people of all races who buy their rented houses for cash — ie with their own money or with loans from a building society or their employer.

Black population rise 'irresponsible'

MAR 15 14/6/83 123

Staff Reporter
WHITES have been effectively and irretrievably outnumbered in South Africa and black leaders must realise that population control can no longer be interpreted as a device to obliterate their race.

This was said today by Mr Hennie Klerck, newly-elected president of the Afrikaanse Handel-sinstituuat (AHI).

He told delegates to the annual general meeting of the Brick Development Association in Durban that there was an estimated backlog of

600 000 housing units for all ethnic groups in South Africa.

This figure increased by 180 000 units a year because of "the irresponsible population growth factor of our black countrymen".

"Nobody can possibly provide for such a human tide, not even a strong and powerful government — whether it be white, brown or black; capitalist, socialist or even communist.

"The answer lies in controlling that population now," Mr Klerck said.

Mr Klerck said the

AHI had often been branded as an apologist for Government policy, but it was totally apolitical and concerned itself only with the business interests of a specific group.

Statement

Referring to his statement welcoming the new constitution at the AHI's congress in Cape Town last month, Mr Klerck said: "I have naturally been criticised because I have committed the AHI in support of constitutional reform. But I do not see this as entering the party political arena.

"I merely believe that if there is going to be a change in our economy and lifestyle, we have a right to have our say."

Mr Klerck said the huge housing backlog put the building industry "on the threshold of entering the most dramatic boom in its history, which will be sustained for many years because of socio-political demand pressures".

He questioned whether it was necessary to build brick homes "to last 1 000 years" and suggested that one of the main reasons for high housing costs was "over-specification".

Black births blamed for lack of homes

(23)

Mercury

15/10/73

Property Editor

MR HENNIE Klerck, president of the Afrikaanse Handelsinstituut, yesterday blamed the 'irresponsible population growth factor of our black countrymen' for the growing housing backlog.

He told the annual meeting of the Brick Developers' Association in Durban there was an estimated backlog of 600 000 housing units for all ethnic groups in South Africa.

This was increasing by 180 000 homes a year, a factor for which he criticised blacks.

Mr Klerck said: 'It is reported that our black population is growing at the alarming rate of 3 percent a year, and that this is the main contributing factor to the doubling of our population every 31 years.

'Every day we see headlines of starvation in KwaZulu and other black homelands. This is great news material — but the type of news that does South Africa's image precious little good.

'Should these headlines not rather be highlighting the greatest problem facing the underprivileged of South Africa today?

'They should be screaming at us all — every week, every day — the absolute necessity to curb the frightening population explosion which threatens to destroy our beautiful country.

'Nobody can possibly provide for such a human tide, not even a strong and powerful government, whether it be white, brown or black, capitalist, socialist or even communist.

'The answer lies in controlling that population now.

Priority

'Our black leaders must surely realise and recognise that control of population growth can no longer be interpreted as the white man's device for obliterating their race, because whites have long ago been effectively and irretrievably outnumbered.'

Mr Klerck added: 'Why do I raise this subject at the annual meeting of the BDA? Simply because leaders of all fields have admitted that overcoming the black housing backlog is of the highest priority.

'I therefore think this is the right time and place to ask you whether you are doing your bit.'

He said that the huge backlog meant that generally the building industry was on the threshold of entering the most dramatic boom in its history.

'What is even more promising is the fact that this boom will be sustained for many years because of the socio-political demand pressures.'

Mr Klerck also defended the AHI's position: 'We have often been branded as an apologist for Government policy and some have looked upon our institute as an anachronism in the modern business world.

'I wish to assure you, however, that the AHI is not a puppet organisation.

'We are totally apolitical and concern ourselves solely with the business interests of a specific group.

'We will never hesitate to tackle legislation to prove that point.'

Brick shortage as housing demand rises

A BRICK shortage has arisen in the Transvaal in the past few weeks, but it is not likely to reach crisis proportions, says Toncoro's

By NORMAN CUTHBERT

managing director, Mr Cedric Savage.

At present deliveries of stock (or plaster) bricks by all manufacturers in the Transvaal are subject to delays of two to four months because of an unexpected and prolonged increase in demand.

Corobrik, which has a 50% share of the Transvaal brick market, is to meet the situation by railing in supplies from the Free State and Natal, which are not experiencing similar shortages, he says.

All Corobrik clay brick factories in the Transvaal are working at maximum capacity. The only factories in the province that have been closed are a cement block plant and a lime-based brick factory, both of which were uneconomic.

Attempts by the Corobrik group over recent months to build up a stock equal to three months' output countrywide have been thwarted by a demand considered abnormal in the light of the current recession.

Heavy sales have prevented the stockpile from growing larger than 31 days' supply and in certain types of brick all built-up stocks are now exhausted.

The delays mostly affect stock bricks, but have hit high-quality face bricks, which are also in heavy demand. At present average-quality face bricks are available.

Although there is no crisis, builders are advised to order in advance to enable manufacturers to schedule their production and distribution.

The situation for high-quality face bricks is expected to improve greatly when the R31-million Rietvlei factory, south of Pretoria, comes on stream next year.

The capital-intensive plant, which will have an output of 81-million bricks a

year, will be the group's most efficient production unit and add about 10% to its production capacity in the Transvaal.

Overall, Corobrik sales nationally are only slightly higher than at this time last year.

He attributes the position in the Transvaal to the increased demand for residential housing in recent months, caused by the increase in the lending capacity of building societies.

"In all probability the delays will be a short-term phenomenon as the situation is an anomaly in a recession climate.

"Factors that will restrain the present high demand for bricks in coming months include the rising cost of house building and the shortage of serviced sites," he says.

Handwritten notes: "74-73" and "74-73" with arrows pointing to the main text.

Handwritten notes: "173" in a circle, "123" in a circle, and "17/6/83" written across the headline.

UBS ⁽¹²³⁾ to provide mortgages for basic housing

E. Post 18/6/83

SOUTH AFRICA's largest building society, the United, has agreed to accept basic 51/6 houses as security for mortgage loans to urban blacks in Soweto and elsewhere.

These houses are constructed of cement blocks under asbestos roofs and have two bedrooms, a livingroom, kitchen and outside toilet. They measure about 47,5 m².

Anticipated selling prices in Soweto range between R800 and R1 400.

This decision follows the recently announced marketing campaign involving some 500 000 housing units owned by the Department of Community Development and local authorities.

Of these, 300 000 (mostly of the 51/6 type) have been earmarked for blacks. The UBS expects to provide a substantial proportion of the mortgage loans for these houses, the aggregate selling price of them being in excess of R600 million.

The decision to accept

low cost housing as security does not mean an abandonment of sound lending policy. All properties will have to comply with normal criteria to be acceptable.

In cases where the joint income of husband and wife is below R350 a month, monthly repayments plus site rental must not exceed 25% of joint income.

While the society's decision to enter this field is a major breakthrough, it will also be extended to whites, coloureds and Asians. Applications will be on merit.

The UBS has to date lent more than R22 million to urban blacks in terms of the 99-year leasehold legislation, which represents some 50% of the total of all bonds registered.

The chairman of the society's head office board of directors, Mr P W Scales, is on record as having advocated building society mortgage to finance home ownership for blacks many years before legislation to make this possible was placed on the statute book.

(123) ~~#17~~ Hansard 20/6/83
National states: housing
Q Col. 1609

937. Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

What is the average cost per house built in the national states to the (a) South African Development Trust and (b) Administration Boards concerned?

The MINISTER OF CO OPERATION AND DEVELOPMENT:

The Department appoints administration boards as agents in the different national states and therefore the average cost per house built in the national states will be the same for (a) the South African Development Trust and (b) the administration boards concerned. The average cost per house varies from R3 500—R6 500. These figures do not include infrastructure.

X

123

~~123~~

1234 21/6/83 X

Be patient for the July Great House Sale

By LIN MENGE

THAT Great Sale of houses is NOT going to start at one minute past midnight on July 1.

Administration boards and regional offices of the Department of Community Development have until June 30 to give the department details and prices of the properties in their areas which are to be put on sale to tenants at discounts of up to 40%.

The West Rand Administration Board, which is probably better prepared for the big sale than many other authorities, expects to be able to send its price list to the department by June 30, Mr Steve Burger, the director of community services, told HOMEFRONT yesterday.

But he said he did not expect to be able to announce the prices to the public before about July 10.

□ □ □

TENANTS of those tiny, two-roomed houses in Orlando East will have to find their own cash to buy the houses. Building societies are not going to give them loans to buy them.

However, the societies may be prepared to grant building loans for improvements to the houses.

The United Building Society, which has so far gone further than any other building society in its readiness to grant mortgage finance on township houses, will not drop its minimum lending standard below the four-roomed 51/6. Some other building societies will not lend on the 51/6 at all unless the would-be buyer takes out an "improvement" loan at the same time to bring the house up to a certain standard.

The UBS announced recently it was prepared to accept unimproved four-roomed 51/6 houses with outside sanitation as security for mortgage loans, provided the construction was sound.

The UBS is also prepared, where the joint income of husband and wife is below R350 a month, to see that the



HomeFinder

monthly bond repayments PLUS the monthly site rental and service payments these people have to make, together do not exceed 25% of their joint income.

Asked yesterday about loans on those two-roomed Orlando East houses, the assistant general manager of the UBS, Mr Piet Kruger, told HOMEFRONT the society would consider building loans for people who wanted to improve the houses, but the loans would not cover the cost of the houses. For that, the buyer must have his own cash ready.

□ □ □

A SOWETO resident showed his home improvement plan to HOMEFRONT yesterday because we had promised to help him approach his building society for a loan for the improvements.

The plan labelled the two extra bedrooms, which are attached to the garage, as a "study" and a "storeroom".

Why?

Because the draughtsman had told him it was easier to get the plan passed at New Canada if they were not labelled bedrooms, the man said.

"No way," we told the man. His building society would not lend him money on a plan that is based on a lie. The draughtsman, who works at New Canada and should know better, must draw a proper plan — or we find someone else to do the job.

Migrant labour spreads disease & MOH

Municipal Reporter

CAPE Town's Medical Officer of Health, Dr Reg Coogan, has lashed the Government's housing and labour migratory systems, saying they spread infectious diseases.

His annual report, released yesterday, shows that tuberculosis, a major cause of death among blacks, is still the greatest infectious-disease problem in Cape Town.

And it is likely to remain so unless the migrant labour system is scrapped and something is done about the housing crisis, the report says.

SHORTAGE

The shortage of houses in the coloured and black areas, leading to "gross overcrowding in the housing estates", was the "big remaining factor" in the spreading of diseases such as TB, meningitis and influenza.

"The infectious pool" was continually being renewed by the migrant labour force entering Cape Town from the homelands, and without the abolition of the system it was "difficult to see how the situation could be improved".

The number of registered cases of TB increased from 2 814 in 1981 to 3 420 in 1982.

Nearly half Cape Town's cases came from Langa and Guguletu residents, but many of them had been resident in the townships only for about six months and had therefore been infected outside the municipal area.

DEATH RATE

The death rate due to TB remained low (148 deaths in 1982 compared to 149 in 1981), but it ranked fifth on the "killer list" for blacks and 15th on the list for coloured people.

The death rate does not reflect the fate of new cases in any year but the past and present failure to prevent, treat and cure TB, the report says.

Dr Coogan urges health officials to continue to campaign for the improvement of the "socio-economic status of the depressed classes of Cape Town, particularly in respect of housing and nutrition".

(1237) ~~10~~ *Harwood*
Hostel buildings/beds
22/6/82 Q. 1642
1022 Mr. G. B. D. McINTOSH asked the
Minister of Transport Affairs:

How many hostel (a) buildings and (b) beds were (i) owned and/or (ii) utilized by the South African Transport Services as at 31 July 1982 for single White, Coloured, Indian and Black males, respectively?

The MINISTER OF TRANSPORT AFFAIRS:

		Whites	Coloureds	* Indians	Blacks
(a)	(i)	38	3	—	13
	(ii)	39*	3	—	18†
(b)	(i)	5 432	712	—	21 242
	(ii)	4 019*	688	—	23 008†

* Includes one building with 59 beds hired; 30 beds in this building were utilized at the time.

† Includes five buildings with 6 470 beds hired; 5 934 beds in these buildings were utilized at the time.



Mammoth Govt house sale: loans available for buyers

By Anthony Duigan

123

Jul 22/6/83

Loans will be available for all prospective homeowners when the sale of 500 000 Government-owned houses begins next month.

This has been confirmed by spokesmen for the Department of Community Development, the Government department handling the massive selling operation.

Homeowners — black, white, coloured or Indian — presently renting a Government-owned house may apply to buy the home from July 1. If the householder is earning less than R450 a month then he is eligible to apply for a loan to the Department of Community Development, a Govern-

ment spokesman said today.

Those earning more than R450 a month must apply to a building society or financial institution for a loan, he added.

Under the new scheme the Government hopes to sell off most of its housing stock during the coming year. Favourable reductions in price and interest rates are being offered.

The Deputy Director-General of the Department of Community Development, Mr P D Mc Enery, told the annual congress of the Association of Management Committees in Ravensmead, Cape, yesterday that one building society had already put aside R100 million for prospective home-buyers under this scheme.

'Catch 22' to the Rikhofo victory

Huge backlog of houses may exclude most black migrants

The first battle is over and the doomsayers have been proved wrong. The Government yesterday endorsed last month's Appeal Court ruling that affirmed the right of black migrant workers who have remained with one employer for 10 years, or who have lived legally in an urban area for 15 years, to become permanent city dwellers.

The Government, said Dr Piet Koornhof, Minister of Co-operation and Development, would not bring in legislation to counter the Appeal Court decision — a judgment in which a contract worker from Gazankulu, Mr Mehlole Tom Rikhofo judgment given the right to live permanently in an urban area and bring his family with him.

Initial reaction after the Appeal Court decision seemed to indicate a Government move to negate the Rikhofo judgment by introducing blocking legislation. Government critics beat a crescendo of warnings about the dire consequences of ripping away from thousands of workers what was being seen as hard-won rights to which most blacks aspired.

Alarmist reports claimed Government sources as fearing a flood of 1.5 million people pouring into towns looking for accommodation and bringing chaos to already overcrowded and under-housed black townships. These reports were countered this

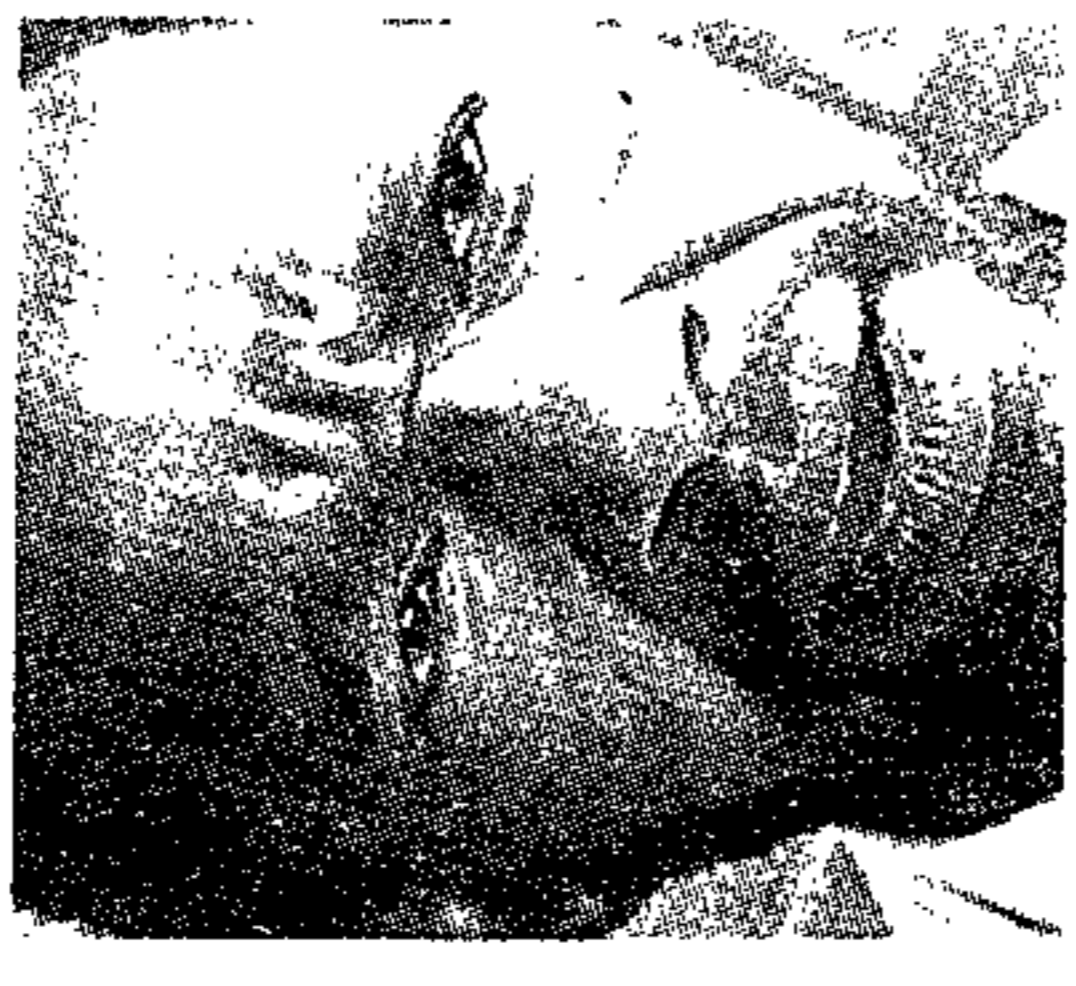
From today Administration Boards can no longer hide behind the Government's skirts. The Government has given the full go-ahead for migrant black workers who qualify to be given the right to remain permanently in an urban area. But there is still an uneasy fear that another mechanism — housing — will be used to prevent many workers, possibly most of them, from bringing their families to live with them. ANTHONY DUGAN reports.

week by two experts, Professor Lawrence Schlemmer, Natal University social scientist, and Dr Flip Smit, adviser to the Government on black urbanisation.

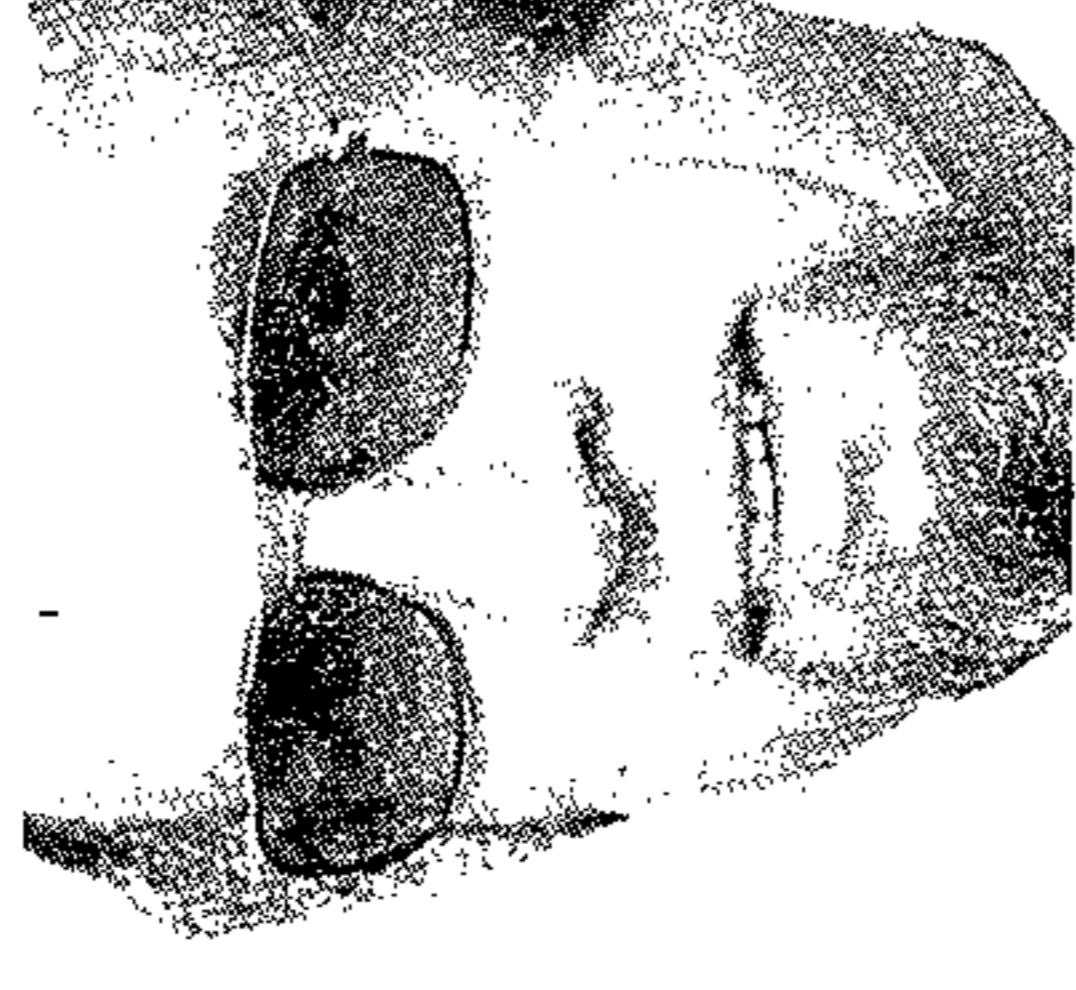
Estimates of how many blacks were affected by the judgment varied and nobody could be certain of the numbers involved, Professor Schlemmer said. Some believed as many as 145 000 workers would immediately head for the towns with another 29 000 coming next year, he said. But he felt this was far too high an estimate.

His own view, based on research, was that only about 15 to 20 percent of the workers who qualified for urban rights would bring their wives and families to the urban areas. On the basis of this, only between 30 000 and 50 000 workers would come to urban areas initially, he is reported to have said this week.

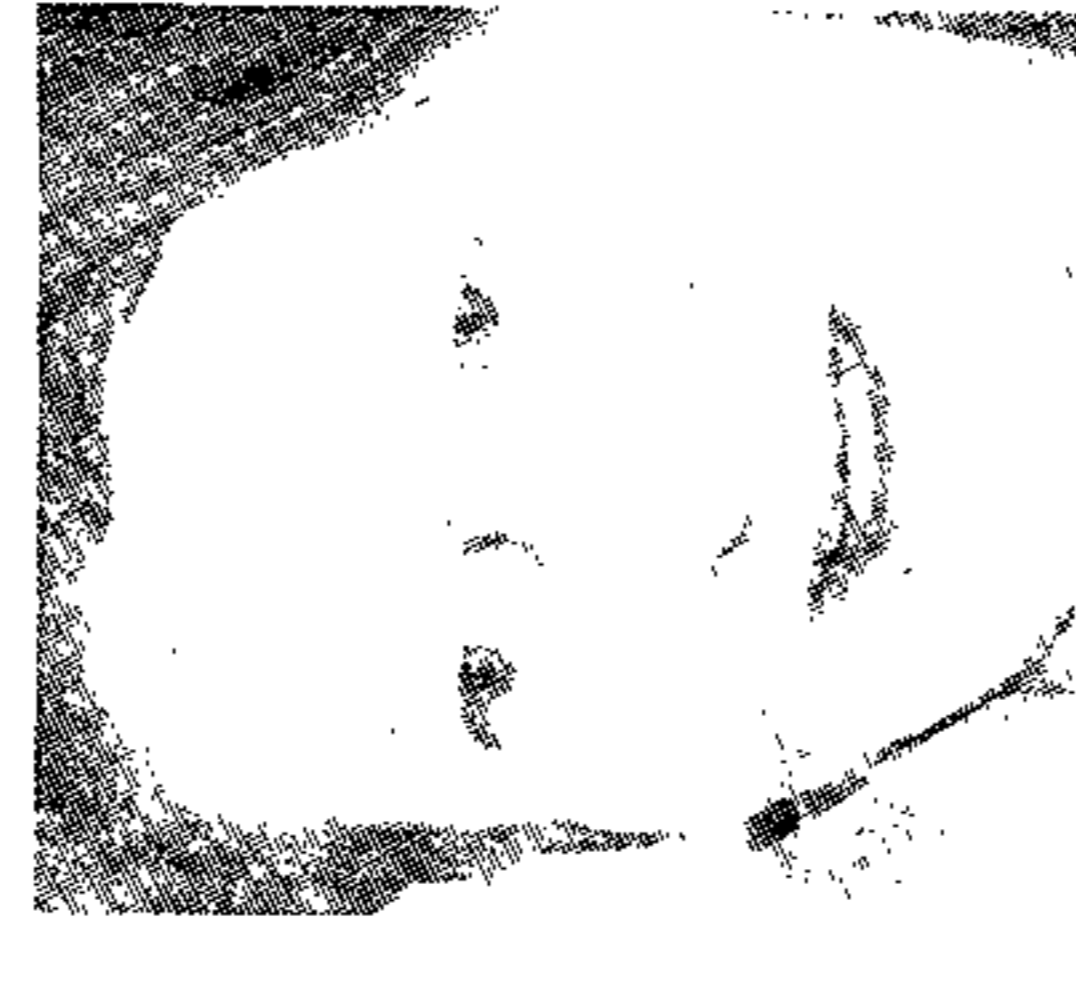
Dr Smit agreed with Professor Schlemmer and said many of the workers who would qualify for urban rights would not want to bring their wives and families to live with them in town because of personal reasons, or because they believed town life was detrimental for family life. He also pointed out that many migrant workers already had their families with them anyway in spite of it being illegal.



Dr Nthato Motlana
... no sites available.



Prof Lawrence Schlemmer
... only 20 percent.



Mrs Sheena Duncan
... important weapon.



Dr Piet Koornhof
... no counter move.

But now there is another fear, reinforced by Dr Koornhof's announcement yesterday. Legislation would be introduced this session to ensure rights were given only to the wives and children of those contract workers with a permit for a private house or a hired Administration Board house, or a certificate of occupancy for a rented house or a house purchased under the 99-year leasehold, he said.

"Control of the provision of accommodation remains firmly in the hands of the authorities and is the most important weapon in the armoury of influx control measures," said Mrs Sheena Duncan, President of the Black Sash.

Currently there is a shortage of about 170 000 houses for urban blacks alone, according to a Government spokesman. An indication of the sorry state of the scene is an official estimate of the houses built by the Government over the last seven years — fewer than 9 000 houses a year. At this rate the present official backlog might not be eliminated this century.

For those who simply believe that private enterprise can dent the backlog there is another obstacle. "I have personal knowledge of firms who have put aside big money for homes for their workers but they cannot get a single site for a home," said Dr Nthato Motlana, chairman of the Soweto Civic Association.

All three Councils administering Soweto have had complaints for years from the private sector that the provision of homes is being severely curtailed by the lack of serviced sites available.

This has raised the spectre of migrant labourers, their urban rights clearly stamped in their reference books and their families standing by to join them, being delayed for years while they wait either for a home to rent or a site on which to build.

Mrs Duncan also fears that the "housing sword" could become another way of stripping urban rights from black people who otherwise qualify. In its present form the Orderly Movement Bill (presently before a select parliamentary committee) seeks to make all urban residence rights subject to the provision of "approved accommodation", she said.

This would put a question mark over the thousands of urban blacks forced to live in backyard shacks because of the lack of housing. They could lose their urban rights under legislation such as this, and migrant workers, waiting at the bottom of a long queue for a house to become available, might never actually get to fully exercise their right to a place in the urban sun.

Nonetheless, the Government has restored the hope which it smashed 15 years ago when it summarily removed the chances of thousands of migrants workers of ever getting the right to settle down in the urban area to which they had given their working life.

'Catch 22' to the Rikho

Huge backlog of houses may exclude most black migrants

From today Administration Boards can no longer hide behind the Government's skirts. The Government has given the full go-ahead for migrant black workers who qualify to be given the right to remain permanently in an urban area. But there is still an uneasy fear that another mechanism — housing — will be used to prevent many workers, possibly most of them, from bringing their families to live with them. ANTHONY DUGAN reports.

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His own view, based on research, was that only about 15 to 20 percent of the workers who qualified for urban rights would bring their wives and families to the urban areas. On the basis of this, only between 30 000 and 50 000 workers would come to urban areas initially, he is reported to have said this week.

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Dr Nthato Mollana
... no sites available.



Prof Lawrence Schlemmer
... only 20 per cent

But now there is another fear, reinforced by Dr Koorhof announcement yesterday. Legislation would be introduced to ensure rights were given only to the wives and of those contract workers with a permit for a private home hired Administration Board house, or a certificate of occupancy for a rented house or a house purchased under the 99-year leasehold, he said.

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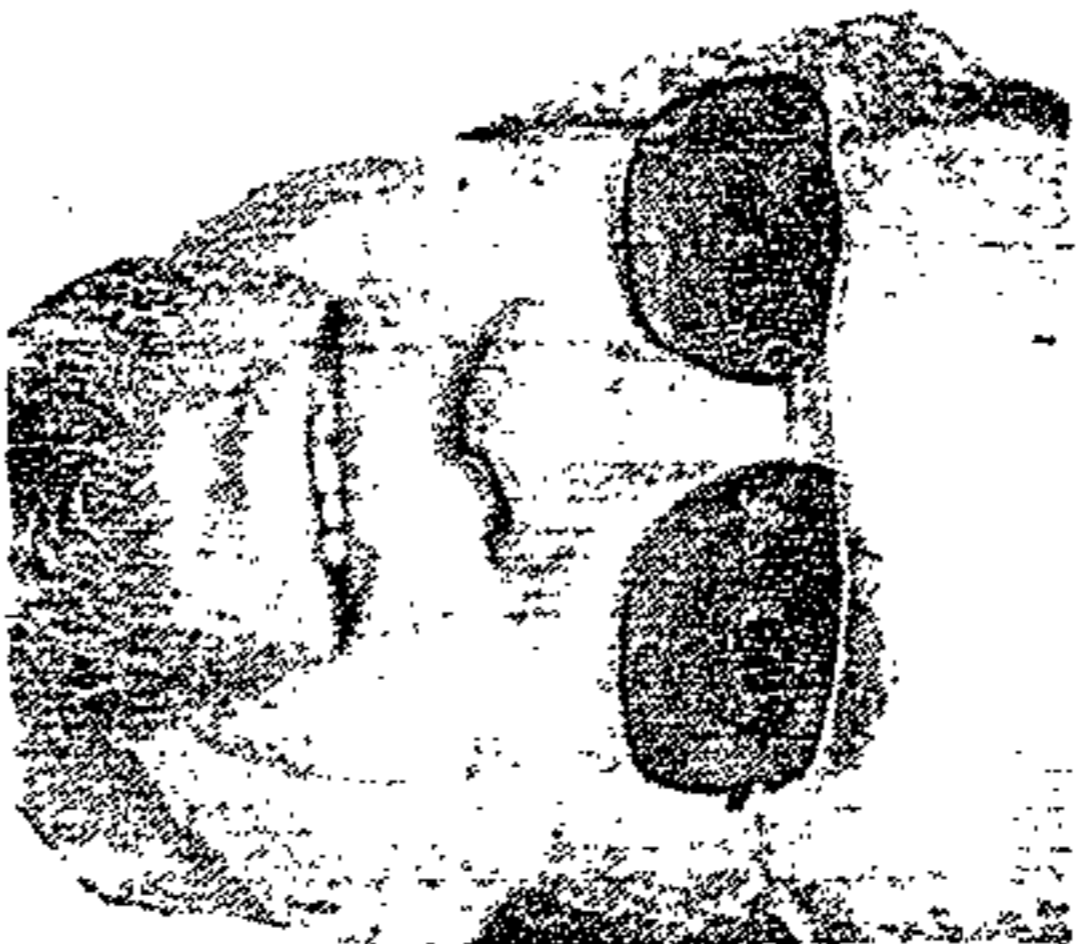
For those who simply believe that private enterprise the backlog there is another obstacle. "I have personal knowledge of firms who have put aside big money for homes for workers but they cannot get a single site for a home," Nthato Mollana, chairman of the Soweto Civic Association

to the Rikhotso victory

today. Administration Boards can no longer hide behind the Government's skirts. The Government has given the full go-ahead for migrant black workers who qualify to be permanent to remain permanently in an area. But there is still an uneasy fear of other mechanisms — housing — will be required to prevent many workers, possibly most of them, from bringing their families to live with them. ANTHONY DUGAN reports.



Dr Nthato Motlana
... no sites available.



Prof Lawrence Schlemmer
... only 20 percent.



Mrs Sheena Duncan
... important weapon.



Dr Piet Koorhof
... no counter move.

no experts. Professor Lawrence Schlemmer, Natal's social scientist, and Dr Flip Smit, adviser to the Housing Board, on black urbanisation.

of how many blacks were affected by the judgment of the court could be certain of the numbers involved, Schlemmer said. Some believed as many as 145 000 could immediately head for the towns with another 145 000 next year, he said. But he felt this was far too high a figure.

In view, based on research, was that only about 15 per cent of the workers who qualified for urban rights in the townships and families to the urban areas. On this, only between 30 000 and 50 000 workers would be in the urban areas initially, he is reported to have said this.

agreed with Professor Schlemmer and said many workers who would qualify for urban rights would not be in the urban areas because they believed in the use of personal reasons, or because they believed in the use of personal reasons for family life. He also pointed out that migrant workers already had their families with them in the urban areas, and that it was illegal.

But now there is another fear, reinforced by Dr Koorhof's announcement yesterday. Legislation would be introduced this session to ensure rights were given only to the wives and children of those contract workers with a permit for a private house or a permit for a rented house, or a certificate of occupancy for a rented house or a house purchased under the 99-year leasehold, he said.

"Control of the provision of accommodation remains firmly in the hands of the authorities and is the most important weapon in the armoury of influx control measures," said Mrs Sheena Duncan, President of the Black Sash.

Currently there is a shortage of about 170 000 houses for urban blacks alone, according to a Government spokesman. An indication of the sorry state of the scene is an official estimate of the houses built by the Government over the last seven years — fewer than 9 000 houses a year. At this rate the present backlog might not be eliminated this century.

For those who simply believe that private enterprise can dent the backlog there is another obstacle. "I have personal knowledge of firms who have put aside big money for homes for their workers but they cannot get a single site for a home," said Dr Nthato Motlana, chairman of the Soweto Civic Association.

All three Councils administering Soweto have had complaints for years from the private sector that the provision of homes is being severely curtailed by the lack of serviced sites available.

This has raised the spectre of migrant labourers, their urban rights clearly stamped in their reference books and their families standing by to join them, being delayed for years while they wait either for a home to rent or a site on which to build.

Mrs Duncan also fears that the "housing sword" could become another way of stripping urban rights from black people who otherwise qualify. In its present form the Orderly Movement Bill (presently before a select parliamentary committee) seeks to make all urban residence rights subject to the provision of "approved accommodation", she said.

This would put a question mark over the thousands of urban blacks forced to live in backyard shacks because of the lack of housing. They could lose their urban rights under legislation such as this, and migrant workers, waiting at the bottom of a long queue for a house to become available, might never actually get to the top of the queue.

Nonetheless, the Government has restored the hope which it smashed 15 years ago when it summarily removed the chances of thousands of migrants workers of ever getting the right to settle down in the urban area to which they had given their working life.

(133) (57) COM 24/6/83
**UBS prepared to
lend R100m a year**

AT LEAST R100-million a year! That is the amount the United Building Society is prepared to make available to people who want to buy their rented houses when the Great House Sale starts some time in July.

Mr P W Scales, chairman of the UBS, told the society's annual meeting in Johannesburg yesterday that the UBS had told the Department of Community Development it foresaw no difficulty in making at least R100-million available to would-be buyers of the 500 000 houses which are being offered, at up to 40% discount, to their tenants.

"We are satisfied that the houses, although austere, are perfectly acceptable as security in that we have no doubt there would always be willing buyers for such prop-

erties at the indicated price levels and they do represent solid, permanent structures," Mr Scales said.

He said the success of the scheme, devised by the Urban Foundation in Katlehong, on the East Rand, had shown it was possible for a black community to acquire their own homes at prices they could afford "without the need to insist on elaborate structures with very high standards of finish".

Mr Scales said the shortage of surveyed stands for new buildings for urban blacks was "alarming".

"When one sees and hears all the problems with shack-dwellers, it is apparent that the highest priority should be given by the authorities to making surveyed stands available on a massive scale without delay," he said.

Cape Times 24/6/83 (123) (74) (200) (2/17061-390-540)

Housing challenge for employers

By PHILLIP
VAN NIEKERK
Labour Reporter

A MAJOR challenge to employers to provide greater housing assistance for their workers has emerged in the wake of the historic Rikhoto Appeal Court judgment.

This follows the statement on Wednesday by Dr Piet Koornhof, Minister of Co-operation and Development, that the government would implement the decision, but would legislate to prevent their families living with them unless they had "approved accommodation".

The Urban Foundation, the Federated Chamber of Industries (FCI) and the Association of Chambers of Commerce (Assocom) all felt this emphasised the need for the private sec-

tor to continue their efforts to overcome the housing shortage.

However, in the Western Cape private sector bodies with housing funds are facing a dilemma over providing accommodation in Khayelitsha, the only area set aside for new black housing.

It is understood some organizations, including

church bodies, who wish to help beat the housing backlog, do not wish to be party to the planned massive relocation of people from Guguletu, Nyanga and Langa to Khayelitsha, viewed in an extremely negative light in the black community.

Mr Jan Steyn, the executive director of the Urban Foundation,

said it was clear that the government's decision to link the settlement of dependents to the availability of suitable accommodation "poses a special challenge to the private sector to actively expand its role in the provision and financing of housing".

Mr Rod Ironside, the president of the FCI,

said employers should take an increasingly active stand in giving real housing assistance to their employees.

And Dr John Burns, the executive director of the Manpower and Management Foundation, said every effort should be made to make more land available for leasehold development where housing short-

ages existed.

However, Professor David Dewar, the head of UCT's department of Urban and Regional Planning, warned that the government had the prime responsibility to provide low-cost housing. This did not mean that efforts by the private sector should be discouraged.

Professor Dewar described the Western Cape as a "Catch 22" situation: There was a desperate housing shortage, but any group providing housing there would face a "severe credibility problem" in the black community.

Meanwhile, Dr Koornhof's statement has been welcomed by the Urban Foundation and employer bodies, but civil rights groups and trade unions say they are waiting to see the envisaged legislation.

Rikhoto Ruling



Dr Piet Koornhof

UF urges govt not to block families

Own Correspondent

JOHANNESBURG. — In a rare public statement, the Urban Foundation has urged the government not to introduce a law to hamper attempts by workers who qualify for city rights in terms of the Rikhoto judgment to have their families in the cities.

The UF welcomed Dr Piet Koornhof's statement that the government would implement the Rikhoto judgment.

But it said new legislation linking the right of families to come to the cities to possessing "approved accommodation" could "create an unnecessarily negative impression if enacted at this time".

"We are convinced the government does not wish to give recognition to the separation of husband, wife and family or to strengthen the migrant labour system," the UF said.

"After all, workers affected by the Rikhoto judgment have shown by length of service that they are a stable and loyal component of the free market system."

will depend on the funds allocated to the South African Development Trust for this purpose as well as funds made available by the private sector and individual prospective homeowners.

28 JUNE 1983
 Hansend
 Independent/national states: houses
 Col. 1700 28/6/83
 Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

- (1) How many houses were built by each Administration Board in each (a) independent Black state and (b) national state in each of the latest specified 10 years for which figures are available;
- (2) whether there are any plans to build additional houses in the national states; if not, why not; if so, (a) what is the nature of these plans and (b) what is the estimated number of houses that will be (i) required and (ii) built in each of the next five years?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(1) (a) and (b)

Administration Board	Independent States	National States	Years
Southern O.F.S.	—	509	1981—1983
Orange Vaal	—	2 177	1974—1982
Drakensberg	—	3 900	1977—1983
Port Natal	—	3 600	1977—1983
Eastern Cape	2 169	25 022	1971—1983
Northern Cape	985	—	1971—1983
Eastern Transvaal	—	5 639	1972—1982
Northern Transvaal	—	467	1979—1983
Western Transvaal	3 074	—	1973—1983
Highveld	—	151	1980—1983
	6 228	41 465	

(2) (a) Yes conventional, self-help and corehousing are to be erected.

(b) (i) Regarding the number of houses required in each of the next five years it is not possible to give an accurate figure. It will be influenced by the population growth rate and the existing backlog of housing. Estimates of the number of houses required vary from 300 000 to 500 000 for the next five years.

(ii) The number of houses to be built in the next five years

Big US housing corporation to enter S A market

28/6/83

123

Property Reporter
A MULTI-million
rand American hous-
ing corporation is to
enter the South Afri-
can market in co-op-
eration with the
Corporation for Eco-
nomic Development
(CED).

Mr Don Tidwell, chairman of the board and president of Tidwell Industries, announced this week that a new company, Tidwell Housing SA is to establish a factory in the Ezakheni industrial area near Ladysmith.

The company is a subsidiary of Tidwell Housing Systems International, based in Haleyville, Alabama. It will manufacture mobile homes with an initial emphasis on housing for mobile home park developments and single family dwellings

Construction of the Ezakheni factory is due to begin in mid-July and is scheduled for completion in January 1984. It should eventually produce seven to eight units a day and employ over 300 workers.

The houses will be built to SABS specifications and Tidwell aims to work towards gaining a SABS mark for its products.

Mr Tidwell said the factory would eventually include constructions for the industrial and commercial markets, including dining units and laundry units for mining and construction sites, as well as modular offices for urban areas.

Sales centres are to be established at various sites by November this year.

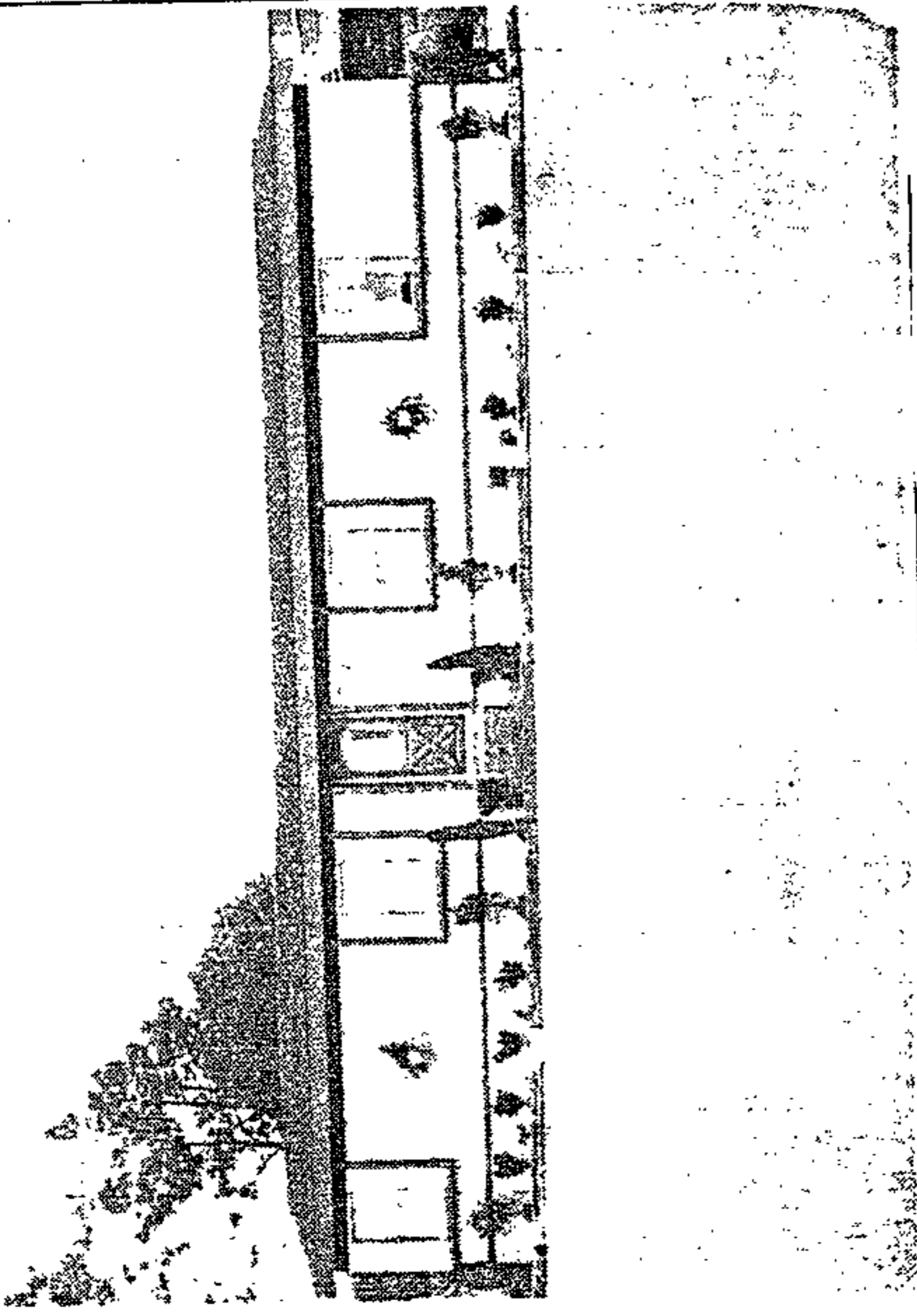
Realising the tremendous housing shortage that exists throughout the world, Tidwell has for several years followed an

aggressive policy of exploring promising opportunities for the shelter and housing business in international markets.

Through on-site visits and extensive discussions, we found that South Africa provides a stable, attractive investment climate, a highly developed economy and far-sighted government officials and business leaders. We are very pleased to have this opportunity to extend our operations to South Africa, Mr Tidwell said.

Tidwell has worked in Kuwait and Saudi Arabia, providing technical assistance and management services as well as establishing manufactured housing assembly lines.

Tidwell Industries employs more than 2 000 workers in the US and sales in 1983 are estimated to total approximately R200 million.



ONE of Tidwell's manufactured homes — soon to be produced locally at Ezakheni industrial park.

Legislation for tenant protection proposed

ARGUS
29/6/83

123

By TOS WENTZEL
Political Correspondent
LEGISLATION to protect tenants has been proposed by a Select Committee on Rent Control which had its second report tabled in Parliament today.

The committee found that, although it subscribed to free market principles, it would be in the public interest that all tenants be afforded a reasonable measure of security of tenure and be protected against possible victimisation.

A Protection of Tenants Act, which is proposed by the committee, will ensure that:

- Rents are determined by the interaction between supply and demand without state intervention.

PROTECTED

- Discrimination against a tenant or prospective tenant on the grounds of age or number of children is forbidden.

- Tenants are protected from arbitrary eviction and victimisation by means of measures similar to those already embodied in the Rent Control Act, 1976.

bodyed in the Rent Control Act, 1976.

- Contract in respect of new lettings must be in writing.

- A notice must be conveniently placed in the dwelling unit or building to draw tenants attention to their statutory rights.

- An ombudsman is to be appointed to investigate complaints to settle certain disputes between tenant and landlord, promote sound relations between the parties and, in general, to strive after orderliness in the letting market.

Certain actions of an ombudsman will, on application, be subject to review by a statutory body.

SECURITY

The select committee has also identified a group of tenants who, in addition to security of tenure, ought to receive rent protection as well.

This group comprises tenants in buildings built and occupied before June 1966. Their monthly income may not exceed R450 a month for single
(Turn to Page 3, col 2)

Tenant protection

ARGUS 29/6/83 123

(Contd from Page 1)

people and R850 in other cases. Rents may not exceed 30 percent of income.

The committee also recommends:

- The provision of additional State funds for the purchase or erection of blocks of flats by welfare organisations and utility companies.

- The sale of surplus State-owned land at reasonable prices for deserving housing projects.

TOTAL COST

- A concession to private developers, who build flats for letting, in terms of which the existing provision is extended in order that the total cost of an approved project may be written off against income-tax over a period of 20 years.

- The encouragement of utility companies to play a more prominent role in the provision of housing and the rendering to them of all possible assistance during their founding years.

- An investigation of methods to bring home to the public the necessity for realistic standards of housing.

The committee also recommends the repeal of the Rent Control Act subject to the limitation of rent increases in respect of tenants who are destined to lose rent protection to 15 percent a year during the period of two years starting after the repeal of the Act.

Black housing crisis looms

Cape Times 29/6/83-123

123

Political Correspondent

HOUSE OF ASSEMBLY. — Black homelands, both independent and non-independent, face a massive housing crisis within the next five years.

The Minister of Co-operation and Development, Dr Piet Koornhof, said yesterday that up to 500 000 houses could be required in the homelands in the next five years.

He told Mrs Helen Suzman (PFP Houghton) that administration boards had built a total

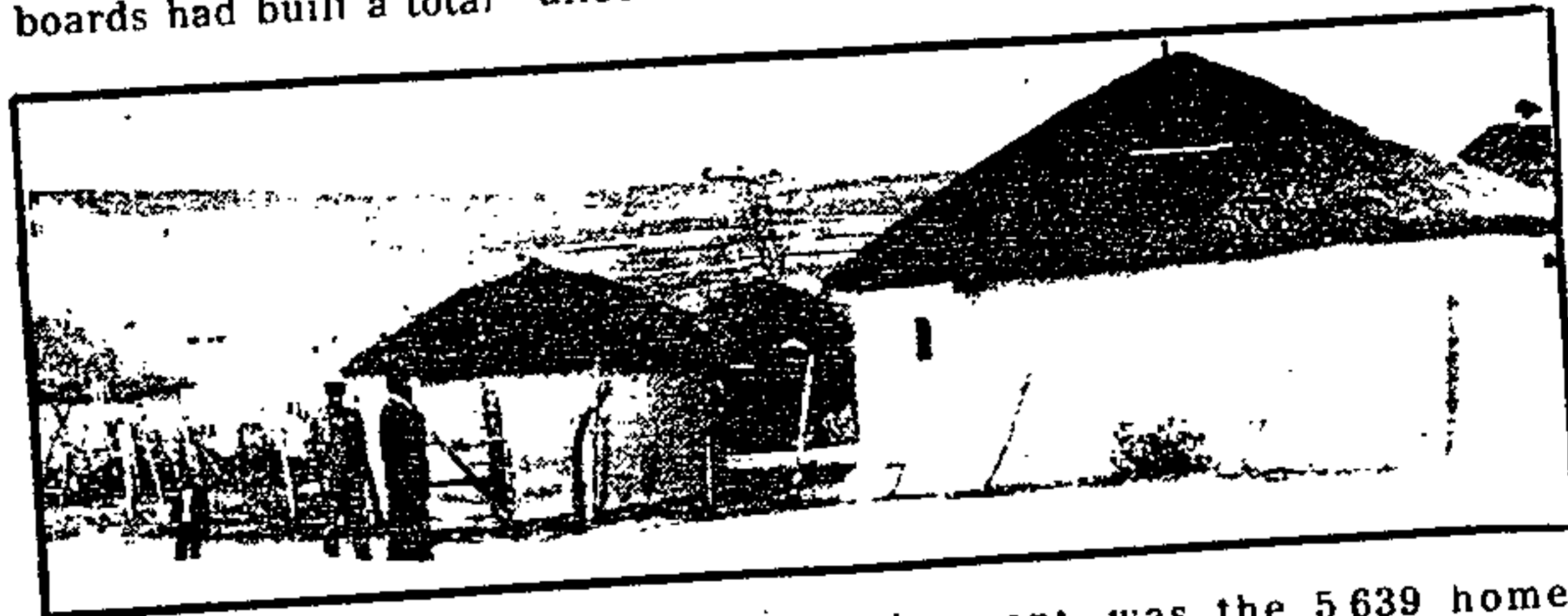
of 48 000 homeland houses over the past ten years. Plans for additional housing in self-governing homelands included conventional, self-help and core housing. Dr Koornhof said he could not give an accurate figure of the number of houses that would be required.

"It will be influenced

by the population growth rate and the existing backlog of housing. Estimates of the number of houses required range from 300 000 to 500 000 for the next five years," he said. The number built by administration boards would depend on funds allocated to the South

A further 41 465 houses had been built by administration boards in non-independent homelands.

The largest number of houses was built by the Eastern Cape Administration Board, which put up 27 191 homes over the past ten years. The next highest figure



of 48 000 homeland houses over the past ten years.

Plans for additional housing in self-governing homelands included conventional, self-help and core housing. Dr Koornhof said he could not give an accurate figure of the number of houses that would be required.

"It will be influenced

by the population growth rate and the existing backlog of housing. Estimates of the number of houses required range from 300 000 to 500 000 for the next five years," he said. The number built by administration boards would depend on funds allocated to the South

African Development Trust for the purpose and money made available by the private sector and individual prospective home-owners. He published figures showing that a total of 6 228 houses had been built since 1971 by the administration boards in what were now independent homelands.

was the 5 639 homes built by the Eastern Transvaal Administration Board.

The Highveld Administration Board put up the least homeland houses, 151, followed by the Northern Transvaal Administration Board (467) and the Southern Free State Administration Board (509) since 1971.

By Audrey d'Angelo

House prices and flat rents levelling off

AR645 30/6/83

123

~~124~~

~~125~~

A STRANGE thing about the present recession is that although consumer resistance kept other prices down, there was a boom in property and house prices and rents soared.

So it's cheering for most of us that house prices seem to have stopped rising — for the time being at least — and the shortage of flats to rent seems to be over.

Estate agents report that it is no longer as easy to sell high priced houses.

Shareholders warned

And shareholders in Ovenstone Investments, of which Bellandia Homes is a subsidiary, were warned by their chairman, Mr ADP Ovenstone, at the annual meeting this week that they could not expect property prices to continue at the same rate.

Flat rents don't seem to have come down yet. But, for people who

can afford R300 a month or more, there seem to be plenty on the market. This should stop the rents from rising further.

One of Cape Town's leading estate agents, Mr Joe Abel of Syfrets, confirmed this week that landlords who asked too much were coming up against consumer resistance and that prices of flats sold under sectional title seemed to have reached a plateau.

Hedge against inflation

"I don't see prices dropping but I don't see them increasing at the rate they have in the past."

Buying flats under sectional title was a hedge against inflation rather than a source of income, since people who let them would receive only a reasonable return to cover their expenses.

He thought developers and converters of blocks for sale under sectional title would make smaller profits.

Parliament and Politics

Scrapping of rent control recommended

Offic. *Travis* 20/6/87
(23)

Political Staff

THE scrapping of rent control and the introduction of legislation to protect tenants have been recommended by the parliamentary Select Committee on Rent Control which tabled its second report in the Assembly yesterday.

But, according to a press statement by the Deputy Minister of Welfare and Community Development and chairman of the select committee, Mr Pierre Cronjé, "the prime objective and a prerequisite" to the total abolition of rent control was the "production" of an adequate supply of housing at prices which urbanites in the lower and middle income groups are able to af-

ford".

Measures recommended by the committee to achieve this included:

- The provision of additional State funds for the purchase and construction of blocks of flats by welfare organizations and utility companies.

- Sale of surplus state-owned land at reasonable prices to private bodies for "deserving housing projects".

- A concession to long-term insurers in terms of which investments in approved flat development projects would be regarded as part of their prescribed assets.

- A concession to private developers who

build flats for letting in terms of which the existing provision is extended in order that the total cost of an approved project may be written off against income tax over 20 years.

- The encouragement of utility companies to play a more prominent role in the provision of housing.

- An investigation of methods to make the public aware of the necessity for "realistic" standards of housing.

The committee believed all tenants needed "a reasonable measure of security of tenure" and had to be protected against possible victimisation. For that reason the committee recommended a "protection of

tenants act".

The proposed act would make provision for:

- Rents to be determined by the "interaction between supply and demand" without State intervention.

- Protection of tenants and prospective tenants against discrimination on the grounds of age or children.

- The protection of tenants against arbitrary eviction and victimisation by means similar to those in the Rent Control Act.

- A contract in respect of new lettings that will have to be in writing.

The opposition housing spokesman, Mr Alf Widman (PFP Hillbrow) who was a member of the

committee, said in a statement last night that he supported the recommendation to replace the Rent Control Act with legislation to protect tenants.

But the PFP agreed to the change on the "distinct understanding" that as a prerequisite the government provided more State funds for the erection of flats by welfare organizations and utility companies.

The Opposition finance spokesman, Mr Harry Schwarz (PFP Yeoville) said it was refreshing to note that the committee had recommended tax concessions for developers who wanted to let their flats — something he had called for in the past.

(1230) (1204)
11/21/83

Estate agents' exam the same for all races

By LIN MENGE

BLACK estate agents who operate in black urban areas will have to pass the examinations now being introduced to control the standard of training for estate agents of all races.

A major announcement expected from the Government early next week will spell out details of the training of black estate agents, Mr Boet van Straten, chairman of the Estate Agents Board, said in Johannesburg yesterday.

Answering questions from HOMEFRONT at a Press conference, Mr Van Straten said that of the 19 500 registered estate agents in South Africa, only some "half dozen" were black. There were, however, many registered Indian and coloured estate agents.

The new regulations for training estate agents, due to be published in the Government Gazette today, apply to all races, Mr Van Straten said. No minimum educational qualification for estate agents is necessary, but estate agents who sit for the new examination must be prepared for some serious study. The examination, which will be based on multiple-choice questions, will be equal in difficulty to Matriculation History.

The Estate Agents Board, among others, will be involved in the training of black estate agents to meet the demands of the free market in housing which is gradually expected to come about once the State has sold off hundreds of thousands of rented homes to township tenants.

The total cost of the study materials and the examination fee is not expected to exceed R135. Mr Van Straten said. People will be able to study either at home, or through certain private or



MR BOET VAN STRATEN
Serious study needed

correspondence colleges or technikons. People who attend colleges will have to pay tuition fees as well.

Mr Van Straten said he expected many of the existing black, coloured and Indian agents might have to write the examination, depending on how long they had held fidelity fund certificates.

He said even those agents who were exempt from writing the exam might want to do so anyway — or find themselves "three steps behind".

Examinations will be held at least three times a year in the main cities. Study material prepared by experts will be available by early September.

The Human Sciences Research Council will set and mark the examinations for the joint examinations committee set up by the board and the Institute of Estate Agents.

● See Business Mail

THE GOOD AND THE BAD

That's the news for the landlords in the rent control committee report

By JEREMY REES, Property Editor

LANDLORDS, sighing with relief at the recommendation in the second report of the Parliamentary Select Committee on Rent Control that rent control be abolished, may be better advised to hold their breath — at least until the full report is considered by Government.

The good news for landlords is tempered with some bad news — possibly some very bad news — for property owners.

The plain recommendation that rent control be abolished is nothing new, says an expert on the subject, Peter Strachan, a director of RMS Syfrets in Durban and a former president of the Institute of Estate Agents in South Africa.

The Fouche Commission recommended the same in 1977, but political considerations blocked the final steps from being taken, he said.

sufficient houses be made available for the middle and lower income groups. But this is years ahead.

“Are we going to have to wait until then before rent control goes?”

“The provision of houses for the lower income groups will depend on Government grants and loans, or the creation of incentives. When is it going to happen that there will be sufficient accommodation?”

“The other point that concerns me is the proposal to have some sort of statutory lease. It is most undesirable that they should interfere with the ordinary free market situation where the lessor and lessee enter into a lease between themselves.

“The select committee talks of letting the free market determine rent levels — surely the same

system should apply to lease conditions?”

Mr Strachan said he welcomed the Government selling land at cheap prices and the granting of tax incentives so that more housing would become available.

“I do not have all the facts, but if we have to wait until sufficient housing is available then rent control will never be abolished.”

The recommendation by the select committee that legislation be introduced to protect tenants has ominous undertones for landlords.

The committee said it believed that all tenants needed a reasonable measure of security of tenure and had to be protected against possible victimisation and it recommended a Protection of Tenants Act

preventing arbitrary eviction and victimisation. Similar legislation in other parts of the world basically makes it illegal for landlords of residential property to give notice to tenants (except where the conditions of the lease are broken) unless the accommodation is required for self occupation or for parent or child.

The name of the intended occupant has to be stated and heavy fines are stipulated unless such person actually occupies the property for at least six months.

Other grounds for giving notice include if the property is required for renovation or reconstruction, but after such work has been carried out the tenant must be given the right to re-occupy the premises.

The select committee has recommended protection of tenants by means similar to those in the

Rent Control Act which includes many of the above conditions mentioned.

In its first report the select committee recommended that tenants of rent-controlled premises should only qualify as protected tenants where their maximum monthly income is R850 (with dependants) or R450 (without dependants).

The committee said the income must be the total amount received by a tenant from any source, excluding capital, and it must also include half the amount received by the spouse or any other member of the family living with him and not dependent on him.

The committee was required to report on measures to afford tenants continued protection and against exploitation and also on measures to curb related malpractices with reference to the Sectional Titles Act 1971.

The Bureau for Mercantile Law of the Port Elizabeth University says in its June bulletin that the committee recommended the Rent Control Act be amended to provide that an eviction notice may not be served on a tenant unless a court order is first obtained.

The order must be to the effect that the premises concerned are reasonably required for the purposes of reconstruction, repairs, restoration or conversion for which the vacation of the premises is essential.

The committee's recommendations on amendments to the Sectional Titles Act included that:

- A tenant must have a right to purchase the unit occupied by him;
- If the unit is controlled, it may be sold only to the tenant if he is 65 years or older and complies with the income

requirements applicable to protected tenants;

- The developer must offer the unit concerned for sale to the tenant;

- The tenant must be allowed 90 days to decide whether he wishes to buy (365 days if the unit is controlled in terms of the Rent Control Act);

- The unit may not be offered for sale to any other person unless the tenant decides not to buy or the period has expired;

- An offer to sell the unit at a lower price than that at which it was offered to the tenant is invalid if made within six months of the date of the offer to the tenant;

- The Registrar of Deeds may not register transfer of a unit unless the developer has submitted a sworn affidavit to the effect that the required provisions have been complied with.

A HOUSE out of the box — that is the prospect for future South African home owners.

Kit Homes are proverbially two-a-penny in Australia, and South Africa has all the expertise, materials and machinery to put such houses into production.

The homes are very popular in Australia because of their price and ease of erection.

Production of Kit Homes in South Africa depends largely on the acceptance of the current factory-made wooden frame buildings now gradually, and sometimes grudgingly, being approved by local authorities here.

A three-bedroom two-bathroom home can be delivered on site for less than R30 000 and full instructions and tools enable the buyer to put the house up himself.

The external walls and ceiling panels are fully insulated with predom-

antly steel and cement fibre sheeting in the structure.

The units are termite-proof, fire-resistant and claimed to be maintenance-free.

Australian Government bodies have approved the construction of the units in severe hurricane and cyclone af-

ected areas, such as northern Australia and the Solomon Islands and more recently in the burnt-out areas of south Australia.

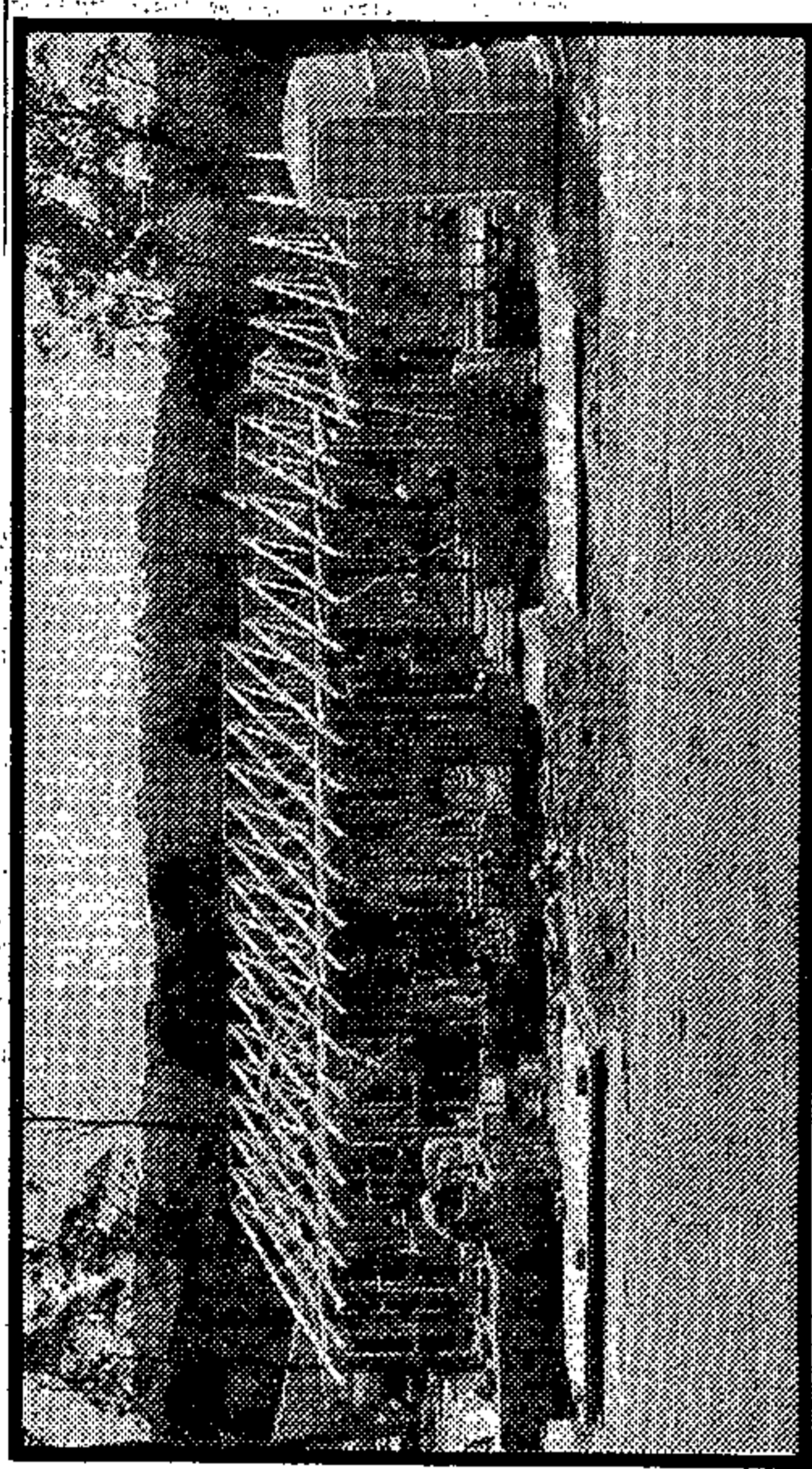
Building is relatively simple with the standard one metre width panels.

Floor plans start with simple single unit dwellings and vary in design

SA go ¹²³ for boxes? ^{S. Tuleme} houses?

Cheap way to solve the housing shortage

Report and picture by Jeremy Rees



□ A typical Australian timber frame house — often bought cheaply in kit form with panelled interior walls

up to 185sq m homes with luxury fittings. And one of the main benefits of the flexible designs is that it is possible to change the floor plans at any time.

There are variations of materials available, including sliding glass windows and doors, a selection of roof structures,

timber panelling and tiled roofs.

There is a step-by-step guide to assembly and the unpacking of crates is done in strict order in accordance with the plans. All components including every nut and bolt is supplied and delivered on site at the same time.

The homes can be

completed in one week after the floor has been established, claim the makers. The windows are fixed in the wall panels and the doors pre-hung in special steel frames

Kit Homes are produced by several companies, including the big Logan Unit Company based in Brisbane.

Retco spawns a pyramid as profits boom

By PAUL DOLD
Financial Editor

RETCO the country's largest sectional title developer produced scintillating profits in the past year with attributable net profits rocketing to R5,1m from the projected R1,5m, and the group is to consolidate its share capital and spawn a pyramid. A final dividend of 1,5c is being paid making a total of 2,5c.

Retco's major office block Poyntons Building in Pretoria is being revalued from the historic cost of R7,5m to R37m which will boost the net asset value per share from 15,8c to 45,3c.

New valuation

The leases with government departments in the block have now been renegotiated and the new valuation has been based on this development.

The profits announced yesterday reflect the booming demand for flats a trend which is continuing unabated although the tightening supply of building society finance could brake the momentum to some extent.

Currently the rate of sales is being more than maintained and the group has adequate stock now totalling R31m.

Profitability

Wholesale margins remain intact and Retco itself is confident subject to the normal caveats that profitability this financial year will be increased.

The formation of the pyramid to be called Propgrp (The Property Group of South Africa Ltd) suggests considerable expansion lies ahead with the controlling shareholders able for the first time to use

paper to acquire property without diluting their control situation.

Retco's will no longer be a "penny stock" characterized by a huge share capital — the 100m shares are to be consolidated on a one for 10 basis.

Participating

The pyramid will hold some 75 percent of the new issued Retco capital of 40m shares with all shareholders participating both in Retco and the pyramid.

One of Retco's problems has been its thousands of small shareholders. Of the 14 000 shareholders some 6 000 own less than 200 shares. Post consolidation shareholders who hold less than 100 shares are to be allowed to top up their holding to 100. Those deciding not to do so will have their shares sold for them on the JSE.

After the consolidation there will be a cap issue with three shares being issued for each share held. These shares will be automatically re-nounced in favour of the pyramid company and the pyramid in turn allotting one share for every two shares in Retco.

Consortium

Shareholders who stayed aboard for the ride when the Cape Town consortium bought control from Breweries had done well with the share price rising from around 17c to over 40c.

The latest net asset value should at least underpin the current price and a five percent dividend yield rating would suggest the share could move to around 50c. This price does not discount future developments and the share warrants a medium term hold at least.

Cape Times
5/7/83

Govt 123

firm on rent control

Own Correspondent

JOHANNESBURG. — Rent control has not been scrapped, the government assured both tenants and landlords in a statement yesterday.

Reacting to expressions of alarm from people who thought rent control had been abolished, the Department of Community Development issued a statement yesterday to assure tenants they were still under the protection of the Rent Control Act.

The statement referred to "misconceptions" which may have arisen after the Deputy Minister of Welfare and Community Development, Mr Pierre Cronje, spoke in Parliament last week on the tabling of the second report of the parliamentary Select Committee on Rent Control.

The report of the committee, which is chaired by Mr Cronje, recommended the scrapping of rent control and the introduction of legislation to protect tenants.

The statement issued in Pretoria yesterday emphasized "that until the recommendations of the Select Committee have been considered by the Government and the necessary amending legislation affected, the status quo will be maintained.

"Until such time, tenants as well as landlords will continue to receive protection and meet their obligations in terms of the Rent Control Act of 1976."

The Select Committee recommended a "Protection of Tenants Act" which would protect tenants against discrimination and arbitrary eviction.

Rents should be determined by the "interaction between supply and demand", without State intervention.

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Allied to meet needs of black home buyers

ALLIED Building Society will meet the housing needs of blacks by providing mortgage loans for those buying their houses under 99-year leasehold, including 51/6 houses, the chairman of the society, Mr E F Allen, said yesterday.

The society would also grant loans to approved administration boards to enable them to provide infrastructure and sub-economic housing, including houses erected under self-help schemes, Mr Allen told the society's annual meeting.

Allied would also erect houses through its development company for purchase under 99-year leasehold with the aid of loans from the society, he said.

But, although the development company had undertak-



en successful housing projects in black, coloured and white areas, including Soweto, the lack of suitable residential sites, especially in black townships, had greatly restricted its activities, Mr Allen said.

Because of the shortage of serviced residential stands at reasonable prices, the development company had turned its attention to developing its own townships but was concerned at the high cost involved.

"The expense of developing and servicing raw ground

is substantially increased by heavy holding costs resulting from inordinate bureaucratic delays," Mr Allen said.

He asked for urgent steps to be taken to streamline the whole process of proclaiming townships.

He also appealed to administration boards to remove unnecessary red tape and streamline procedures.

For the first time, an administration board chairman — Mr J M van Rooyen, chairman of the Orange Vaal Administration Board — seconded the adoption of Allied's annual report.

Mr Van Rooyen praised the society for the fact that its new branch office in Sebokeng would be entirely staffed by blacks who had received the most advanced training possible.

206 (123) J. Ashatch
7/7/83

Rikhoto could assist in workers' housing

JOHANNESBURG — One of the government's aims in responding to the Rikhoto judgment was to put pressure on employers to provide housing for their workers.

This was clearly implied yesterday by the Minister of Co-operation and Development, Dr Piet Koornhof, at a press conference in Pretoria.

He said to newsmen: "I hope you have the message" that the govern-

ment's decision on Rikhoto gave employers a "good opportunity" to help their workers.

Employers who looked after the interests of their employees could make an important contribution to black housing needs.

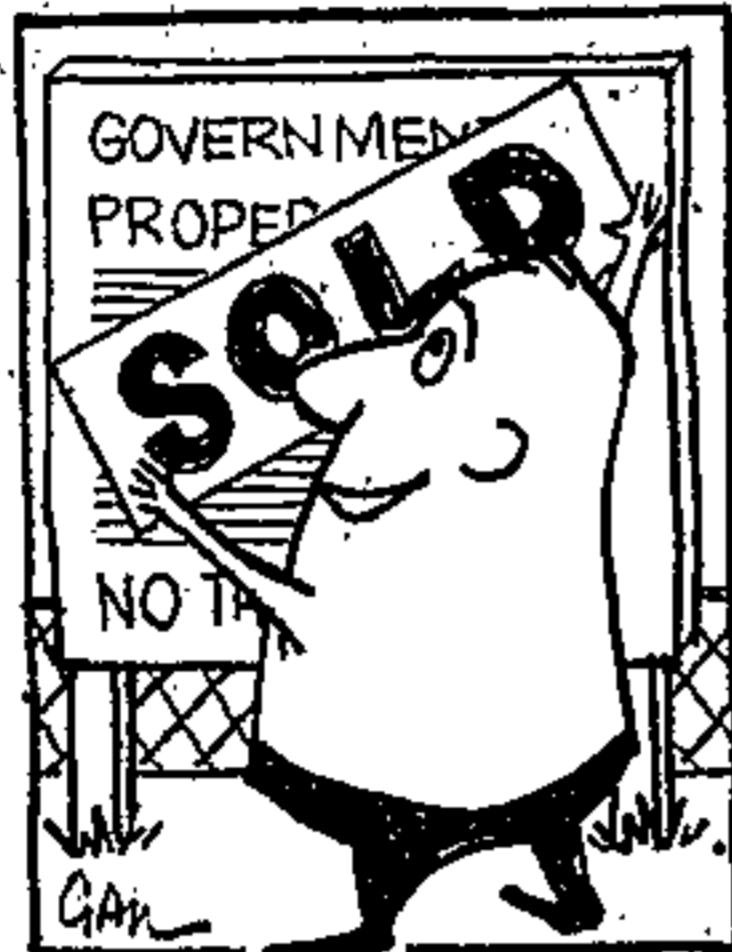
He called on employers in this regard to "show their interest." It was important for the country that all groups lived and worked in as stable a situation as

possible, he said.

In terms of the Rikhoto judgment, migrant workers who have worked continuously for one employer for at least 10 years are entitled to section 10 (1) (b) rights.

But in terms of proposed legislation their families will only be allowed to join them in the "white" urban areas if certain types of accommodation are available — one of which is family housing provided by employers. — DDC.

350 000
houses
go up
for sale



By CHRIS FREIMOND
Political Correspondent

THE Government hopes to sell the first of 350 000 State-owned houses in black townships by the middle of next week, the Minister of Co-operation and Development, Dr Piet Koornhof, said at a Press conference in Pretoria yesterday.

The houses are part of a recently announced Government plan to sell 500 000 State-owned dwellings in black, coloured, Indian and white areas.

Dr Koornhof said the prices of the 350 000 houses falling under his department had not been finalised. But an "average" Soweto unit would cost between R800 and R1 500 and would be sold under the 99-year leasehold scheme.

The houses would be offered at "special cash prices" for the next year during which time existing tenants would be given first option to buy.

Dr Koornhof stressed that no-one would be forced to buy their house. They could go on renting for as long as they liked.

People living in houses earmarked for selling would be notified through the news media and personally that they were eligible to buy their houses.

People who did not currently live in one of the houses on sale would not be able to buy under the Government's offer because no tenants who did not want to buy would be evicted.

However, it was possible for an existing tenant to buy at the low price and then to sell to someone else at a higher price.

Dr Koornhof said it could be expected that once sales started, a system of buying and selling through agents on an open market would develop. He believed this was a healthy thing. However the authorities would not permit unfair exploitation.

Details of how to go about buying a house could be obtained from administration boards.

Selling would be handled through the administration boards and purchases would be financed primarily by commercial financial institutions and employers.

He said he was sure the private sector would make a "massive" contribution to the success of the scheme. Employers who looked after the interests of their workers would also be making an important contribution.

The "channels" for the success of the scheme had been opened, and any problems should be brought to his notice and he would solve them where possible, Dr Koornhof said.

Watch HOMEFRONT for the Big Sale prices — they will be announced soon!

CAPL files 2/7/83
Govt hope on houses

Own Correspondent

JOHANNESBURG. — The government hopes to sell the first of 350 000 state-owned houses in black townships by the middle of next week, the Minister of Co-operation and Development, Dr Piet Koornhof, said at a press conference in Pretoria yesterday.

The houses are part of a recently announced government plan to sell 500 000 state-owned dwellings in black, coloured, Indian and white areas.

Dr Koornhof said the prices of the 350 000 houses falling under his department had not been finalized. However, an "average" Soweto unit would cost between R800 and R1 500 and would be sold under the 99-year leasehold

scheme. Details of how many houses would be available in various townships would be announced soon.

The houses would be offered at "special cash prices" for the next year during which time existing tenants would be given first option to buy.

Dr Koornhof stressed that no-one would be forced to buy a house. Details of how to go about buying a house could be obtained from administration boards.

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(23) 120M 8/11/83

Big blue book to improve quality of suburban life

GUIDELINES for Better Living: that is what the Department of Community Development should perhaps have called the fat blue volume they released yesterday with the title: "Guidelines for the provision of engineering services in residential townships."

While the main aim of producing uniform guidelines for road layout, electricity distribution, water supply, sewerage and stormwater provision is to reduce the exorbitant cost of developing new townships, much of the material compiled here by the National Building Research Institute is concerned with the quality of life.

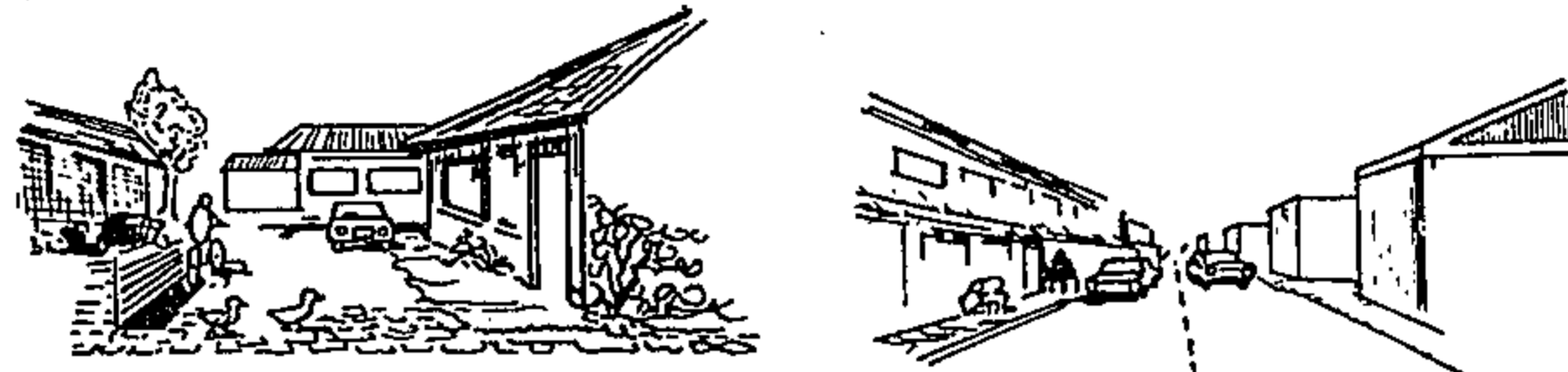
Thus a common development target will remind engineers, planners, surveyors and everyone else concerned that their primary function is to:

"Provide a township layout and services which recognise human needs for security of person and property, safety, privacy and good environmental quality."

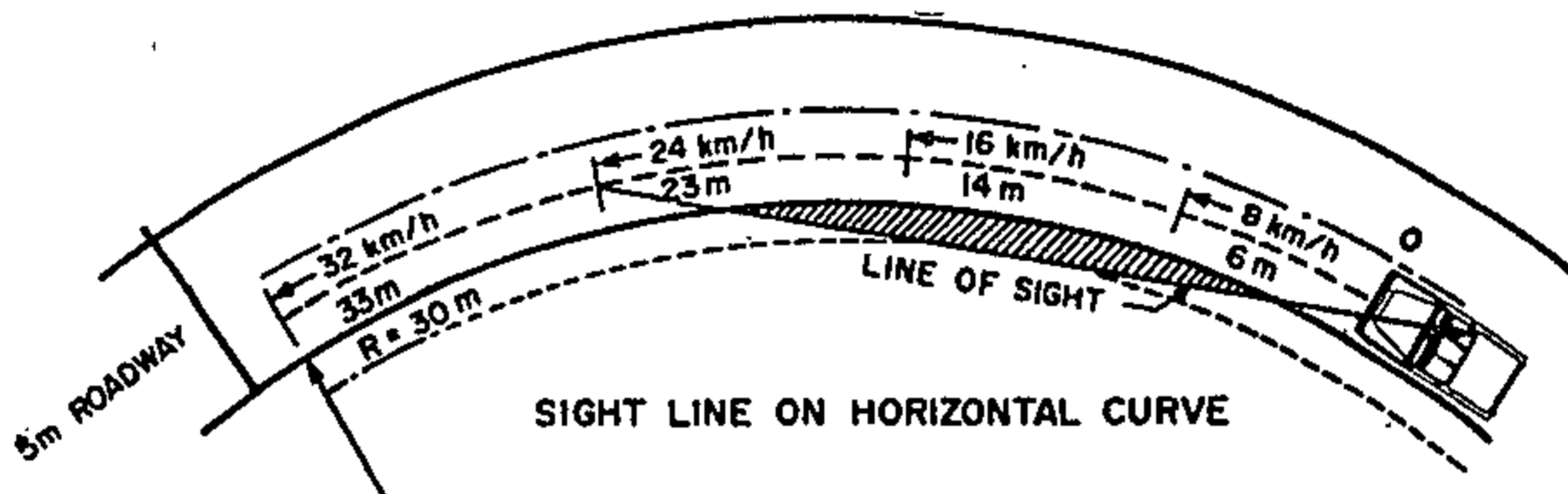
It is not only the legal and physical factors and constraints which need to be considered, but also the positive goals of environmental quality and, of course, economy and efficiency.

Township layout should, for example, use natural features — such as gullies and outcrops — to "create interest, variety and surprise" in the vistas along the streets; garages and parking areas should be located to minimise

Yesterday saw the release, with immediate effect, of guidelines for the servicing of new townships which could greatly reduce township development costs (see page 5) and improve the quality of urban life. LIN MENGE reports



Access roads should be designed for people and cyclists (left), not only cars.



Motorists' sight lines must be considered when calculating curves.

noise, dust and fumes nuisance to residents; sewerage pumping stations should be kept unobtrusive; street lighting should be efficient by night but also look well by day; pedestrian and cycle routes should minimise invasion of privacy to homes and gardens; high fire risk developments should be accessible to fire fighting equipment.

There are suggested dimensions for kerb widths, but also a reminder of the need

for kerbside scoops for bicycles, wheelchairs and prams. Residential access roads should be designed with as much consideration for pedestrians and cyclists as for motor vehicles... diagrams show the "right" and "wrong" of street layouts.

Safe stopping distances for cars should be calculated according to rises or curves in the road, and also the use of that particular road... e.g., children walk or play there.

There are calculations for the provision of ramps to make buildings more accessible to handicapped people.

Property, too, must be protected. Motorists do not want their cars vandalised, stolen or scratched by other vehicles or by children playing.

Nor do they want to be mugged between their parked cars and their destinations, so public parking needs to be well-lit, well-traf-

ficked and overlooked by buildings and roads... factors which need balancing against the problem of noise, dust and fumes.

The guidelines are applicable to new work on townships developed for residents with varying income levels.

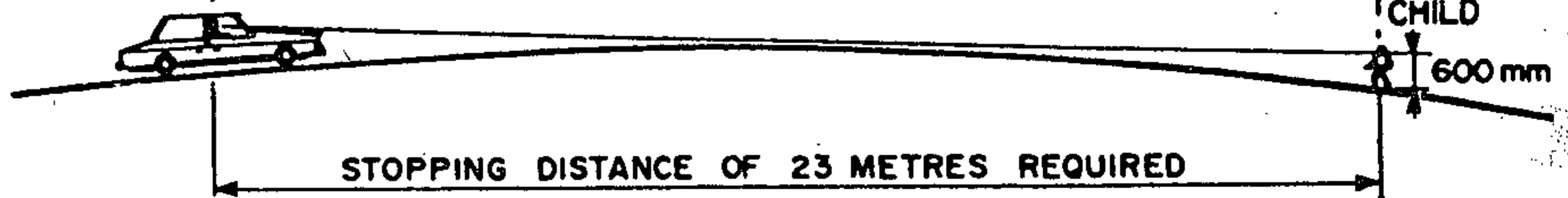
Developers, builders, building societies, architects, engineers, students, surveyors, landscape gardeners, even estate agents, will be among those who will find the guidelines essential reading.

Copies may be obtained from: The Government Printer, Private Bag X85, Pretoria, at R10 inclusive.

Lists of definitions replace loose and inaccurate use of language, jargon and sales gimmicks. Use of the term "multiple dwelling-unit buildings" is advocated in place of terms such as "duplex, simplex, town houses, maisonettes, semi-detached, cluster, group, cabana, high rise, low rise and walk-up". Such terms could still be used as subtitles.

A "household" is defined as a group of people living in a dwelling unit and may consist of a single family together, with or without their servants, and with or without a boarder or boarders, but with a maximum of three paying boarders.

VEHICLE SPEED OF 24 km/h!



Stopping distances should be reduced on roads where children may be playing.

increased!

Trend towards higher interest rates

123 ROM 8/7/83

Squeeze on home loans tightening

By NORMAN CUTHBERT
Property Editor

THE squeeze on home loans is tightening.

Barclays National Bank has hardened conditions for mortgage bonds under its home-purchase finance scheme.

United Building Society has raised its interest rate on new bonds above R60 000 from 15½% to 17%.

Though other building societies will not immediately follow this move, informed sources say it is likely the SA Perm will announce a similar rate change early next week.

All the societies hope that the present, higher trend in interest rates will be a short-term phenomenon.

Mr Mike Smythe, a senior general manager of Barclays, said that because funds available from building societies have shrunk in the past two months, applications to the bank have increased.

"What we are doing now is sticking strictly to the original criteria — providing finance for the first-time home-buyer in the lower- to middle-income bracket.

"We are not providing money under the home loan scheme for home extensions or for people who want to buy a second home or seaside cottage."

Some branches of Barclays, particularly those in Johannesburg's northern suburbs, are reported to have been flooded with bond applications in recent weeks.

Barclays still guarantees to decide on a bond application "in principle" and in

most cases within 24 hours. The property will be inspected "within a few days".

But applications for a public servant's loan can take a month and more to be approved.

Barclays will continue to cater for private homebuilders "by offering them personal loans until construction is completed and a mortgage can be granted," Mr Smythe said.

The bank's bond interest rates are: up to R40 000 — 15%; above R40 000 — 16%.

Since entering the home loan field last August, Barclays has advanced just over R500-million to house buyers.

This was the "ballpark" figure mentioned at that time as the possible limit of the bank's involvement in this sector. But Mr Smythe said there is no upper limit in the long term.

It is understood the SA Perm will probably take a decision on mortgage rates at an executive meeting today, following the return from Europe of managing director Mr Bob Tucker.

The Perm has been under pressure and admitted two weeks ago that it was once more looking for reciprocal investment for mortgage bond loans.

"We are doing everything we can to hold off such a rise," said a Perm spokesman. "If there has to be one, it will be only the highest mortgage band that is affected."

The Allied, whose chairman Mr Ernest Allen said on Tuesday rates were unlikely to rise before the second half of 1984, will definitely not be raising its rates.

"We don't need to," was the comment

of managing director Mr Jim Dodds. He believes the recent hardening of money market rates will probably persist for a few weeks, but that the long-term trend is still downwards.

Though the Allied is paying a little more for money than a month ago, "the overall cost of money to us has not been affected."

"We have been renewing quite large amounts of 12 months' fixed deposit money at 13½% that was previously costing us 15-16%."

The UBS move applies only to new bonds. Other rates remain unchanged — 14% for sums below R20 000, 14½% for R20 000 to R40 000 and 15% for R40 000 to R60 000.

It is the first individual change since the societies in May abandoned their informal agreement to advise one another in advance of proposed alterations to interest rates.

UBS managing director Mr Peter Richardson, who last month described talk of a possible increase in mortgage rates as "sheer speculation", said yesterday the move had been necessary "because of the high price of funds".

It was an open secret in the market early in June that the UBS was buying money at higher rates.

"The demand for mortgage bonds above R60 000 is still very strong even at the higher interest rate," Mr Richardson said.

For loans over R60 000, the UBS rate is now 1% above the 16% charged by Barclays for mortgages under its home loan scheme.

New policy improves black housing — Lee

CAPE TOWN — Greatly improved opportunities for black housing are seen in the government's new housing policy, said Dr Robin Lee of the Urban Foundation.

At the 19th annual Nafcoc conference at the Good Hope Centre, here Dr Lee said yesterday that in terms of the government's acceptance of the Viljoen Commission's recommendations, the scope of black participation in urban development and control of their own housing affairs had "improved considerably".

He said that the new policy meant that the government had "defined for itself a facilitating role, enabling participation in the housing process by all interested parties.

Among its advantages were taking cognisance of "the range of demand" and its variety, and the promotion of home ownership through selling the bulk

of public housing.

"This is a crucial period in the history of housing in South Africa which will have to be handled with great care and sensitivity.

"New and improved opportunities are being created for increased participation and decision-making by the individual household and the black community at large.

"The opportunity will be provided for a person to change from a passive recipient of public goods to an active decision-maker with regard to housing."

Mr a. M. Kedzierski, acting general manager of the Small Business Development Corporation, told the conference that South African companies had a better record for helping black industrialists than American ones.

Mr Kedzierski said he was amazed that Nafcoc had been unable to get

more companies to allow black-owned companies to manufacture under license or sub-assemble.

"I have personally spent many hours trying to convince — even coerce — overseas companies to give work to our industrialists, especially those companies who stand up in public and make speeches about their assistance to the less privileged sector of our economy.

"So far I have found those organizations to be less helpful than one would have liked them to have been, or as one has read about it in the newspapers.

"There seems to be a massive difference between what some, especially American companies, say and what they actually do.

"We have met with better success with the South African-orientated companies and even smaller companies," Mr Kedzierski reported.

A call for black farmers to unionize to negotiate more successfully with the government was also made at the conference.

Speaking on making black agriculture in South Africa more productive, Dr S. T. Tjijorokisa, from SWA/Namibia, compared the well-developed white agricultural sector with the under-developed black one, producing on a subsistence basis.

He said the co-existence of these sectors retarded productivity and contributed to rural inequality, poverty, unemployment, land exhaustion and insufficient allocation of resources.

The need of black farmers "to be involved in organized agriculture" would enable them "to negotiate with the government and eventually influence government policies more effectively." — DDC.

Editorial opinion, P12.

RENTS ACT

123 8/7/83

Heading for the scrapheap

After 24 fretful years, the Rents Act finally looks like bowing out. The Parliamentary Select Committee which has been studying the subject recommends the Act's repeal in its second report. But hand in hand with the scrapping of official rent control would go a new *Protection of Tenants Act* which, at least in the short-term, may well prove as onerous as the original.

The committee finds, correctly to some extent, that the Rent Control Act is now a "secondary consideration" with developers.

"The fact of the matter," it says, "is that market rentals for newly erected housing units are presently too low to persuade developers to build for letting purposes."

Acknowledging at the same time the "helpless position in which so many tenants find themselves," the committee has proposed measures to ensure an "adequate supply of affordable housing" for tenants who can no longer pay economic rentals. Secondly, it says such rules would "provide tenants in general with a reasonable measure of security of tenure and protection against harassment."

Says the report: "The existing provision for the determination of reasonable rentals no longer complies with present-day demands and creates dissatisfaction among both tenants and landlords."

The proposed new measures, the report says, will be streamlined and easily administered, while "they will to a great extent respect free market principles."

The committee argues that its plan will eliminate the main defect of the existing system — namely the arbitrary determination of rental values.

It proposes that if there is not consensus between landlord and tenant, rental should

be determined by an independent body based on concrete market evidence. Both parties would have the right of appeal.

The new measures, the report adds, will apply only to dwelling units except State-owned and sub-economic housing first occupied before June 1. But to cushion the effects of lifting strictures on the other controlled buildings, the report recommends that rent increases during the first two years of the proposed new dispensation be limited to 15% a year (all inclusive). Units affected would be those first occupied before October 21 1949, all of which are still controlled. The proviso is that the first increase may not take place within 12 months of the last Rent Board determination.

To provide housing for tenants who can no longer afford accommodation in the private sector, the committee recommends, among other things, that:

- Additional funds be made available by the Department of Community Development to local authorities, welfare organisations and utility companies for the construction and acquisition of existing flat buildings;
- Each advance granted by the National Housing Fund for the provision of housing for the aged and others requiring assistance be subject to the condition that lowest earners take preference;
- The Department of Community Development sell surplus land at reasonable prices to developers, including local authorities, welfare organisations, long-term insurers and utility companies for "deserving" housing projects; and
- Long-term insurers be encouraged to build approved new flat development by allowing the investment as a prescribed

asset.

The Protection of Tenants Act would apply to the letting of private residential property. The purpose: "To provide tenants in general with a reasonable measure of security of tenure and protection against harassment."

This Act, it says, should embody the following principles:

- Rents should be determined by the interaction between supply and demand as manifested by agreement between landlord and tenant;
- Discrimination against a tenant or prospective tenant on the grounds of age or number of children should be prohibited; and
- Existing measures in the Rents Act to protect tenants against arbitrary eviction and victimisation should be retained.

The committee adds that new letting contracts should be in writing and landlords should be compelled to put up notices in their buildings drawing tenants' attention to their rights under both the new legislation and the Sectional Titles Act.

The report also suggests the appointment of an ombudsman — a member of the Department of Community Development with a grading not lower than Assistant Director in the Public Service — to investigate complaints. Part of his job would be to "promote sound relations between the parties and in general to strive after orderliness in the letting market."

The report adds that until the first two recommendations are implemented, tenants who cannot afford market rentals should continue to enjoy protection. The interim intention, it seems, is to provide statutory tenants in units first occupied before June 1 1966 the same protection they now enjoy under the Rents Act.

This is the general outline of the committee's recommendations and a closer study will be needed to work out the precise effects. One thing, however, is clear — even if the recommendations are accepted by government, the market will remain far from free.



Flatland ... freedom of a kind

RENT CONTROL

The last rites

It has been a long and tortuous process, but the Rent Control Act finally looks to be on the way out. Certainly, government has a firm mandate to act in terms of the Parliamentary Select Committee recommendations which are reported on in this week's issue of the *FM* (see *Property*).

The committee, after all, is a multi-party affair and its decision to support abolition comes without dissent.

But, inevitably perhaps, it does not propose a clean break. The damage the market has suffered under control over these past 24 years makes that impossible.

Too many tenants have been subsidised by the private sector for too long. Thousands, including pensioners, do not have the means to pay market-related rentals and cannot be thrown into the streets.

That problem, of course, is the legacy of the Rents Act. While government could coerce the private sector into doing its own job of subsidising the poor, there was little need to find alternatives.

The committee contends that rent control is now only a "secondary consideration" in the supply equation; that high building costs and the inability of tenants to pay rentals which would provide landlords with acceptable returns is the real reason for the lack of developer interest.

To some extent that is true. But the affordability factor is a recent phenomenon. The decontrol saga has been going on for years, with the phased withdrawal of control on blocks first occupied between June 1966 and October 1949 now complete.

But the power to re-impose control has been retained — and used. What's more, qualifying tenants in so-called decontrolled buildings will continue to enjoy statutory protection.

The Sectional Titles Act has complicated matters further. The rules were changed again and again, culminating in the absurd situation where buyers of flats could not move into their own properties.

Recognising that the whole sorry mess cannot be undone in a single stroke, the committee has come up with a complicated protective formula to be enforced during the phase-out period. Furthermore, it wants legislative backing from a new Protection of Tenants Act. And that sounds suspiciously like another Rent Control Act by a different name.

Hopefully, that is not the intention. There will be little point served by substituting one set of controls for another.

Government itself has been exhorted by the committee to contribute more to the housing of the less fortunate. And it is something which will have to be done if the decontrol process is to be brought to a successful conclusion.

The institutions, too, may have a part to play. If rental flat development becomes a prescribed asset, as the committee suggests, they could find the proposition a good deal more attractive.

The detailed intention should become clearer in time, but the first priority must be to get the Rents Act off the statute book. And good riddance.

Financial Mail July 8 1983

123

(123) 2011 9/7/83

Societies to cut Big Sale deposits

By LIN MENGE

THE Good News is that building societies have agreed to reduce the amount they require as deposits on loans to people who want to buy their houses during the Big House Sale.

It is possible they will ask for only a 10% deposit instead of the usual 20%. The Government will cover the building societies for the balance, otherwise such a concession would not be possible.

The concession will apply only to houses bought under the Big House Sale which starts this month and lasts for one year. People will still be able to buy their rented houses after July 1984, but the special discounts of up to 40% will no longer apply.

Dr Piet Koornhof, Minister of Co-operation and Development, will hand over the key of the first house bought under the Big Sale to a resident of Sebokeng at a ceremony arranged by the Orange Vaal Administration Board this morning.

□ □ □

THE Bad News is that blacks who buy their rented township houses during the Big Sale will have to pay between R100 and R200, or even more, in extra payments.

Depending on the area in which they live, they will have to pay these additional costs:

- Survey costs — this should be R60 to R80.
- Right of leasehold — R100 to R150.
- A contribution to infrastructure.

These are extra charges. Home-buyers will still have to pay their usual monthly site rent and service charges.

□ □ □

MORE Good News is that building societies will be able



Dr PIET KOORNHOF
At the first sale



to grant bonds to blacks who want to buy or build homes in the national states.

This presumably means non-independent homelands only. A Department of Co-operation and Development official refused to say. A proclamation will be issued — sometime.

□ □ □

MORE Bad News is that the sharks are getting ready. Be warned: there are those who are going to try to trick people in Soweto out of their houses during the Big Sale.

Don't hand over your permit or other documents to anyone except a superintendent. Don't listen to people who offer to "arrange" things for you. If possible, get your employer to go with you when you are ready to buy your house.

Big housing sale: today is big day

123

City Press

10/7/83

JO'BURG — The long-awaited mass sale of houses gets into full swing next week, and Government officials are expected to announce full details of prices today.

Indications are that the first of the 350 000 State-owned houses might be sold as from next week at prices

By LEN KALANE

ranging from between R800 to R1 500.

At a Press conference this week, Minister of Co-operation and Development Piet Koornhof said prices of the 350 000 houses falling under his department had not been finalised but a spokesman for the West Rand Administration Board said the prices should be finalised today (Friday).

Dr Koornhof said the houses, to be offered at "special cash prices", would be sold under the 99-year leasehold. The big sale will continue over the next year.

Administration boards will advise would-be buyers, but no-one would be forced to buy their house. Dr Koornhof indicated that people who wished to rent their houses could continue doing so.

The mass sale of houses is part of a recently announced Government plan to sell 500 000 State-owned houses for black Indian, coloured and white communities.

Dr Koornhof also urged employers to make a contribution to the black housing needs.

The Government's aim, in response to the Rikhotso judgment, was to put pressure on employers to provide housing for their workers.

GOVT DENIES CONFUSION OVER PLAN TO SELL COUNCIL HOMES

S. Vries
THE GOVERNMENT has denied there is confusion over its plan to sell thousands of municipal homes, despite claims to this effect by the Cape Town City Council.

By SYLVIA VOLLENHOVEN

A Department of Community Development statement issued this week describes the Council queries as "inexplicable".

Despite a fanfare of publicity about the July 1 kick-off date, there has been little local interest in the scheme, according to the Cape Town City Council.

Among other important details which have not been ironed out, according to the council's housing committee head, Mrs Eulalie Stoll, are:

● Whether people would be thrown out of their homes to make way for buyers;

● Exactly how much more rent they would pay if they did not buy. A council official said they feared people who chose to rent could end up paying the equivalent of bond repayments, anyway;

● Whether discounts — these would be for cash sales, buying within the next year as well as the lengthy tenancies — would cease after a certain time period; and

● Exactly how sectional titles would be sorted out, especially where there was joint metering for services and joint plumbing.

Statement

The Department of Community Development's housing sales coordinator, Mr Johan Kruger, said in a statement this week:

● Houses would be offered for sale to the existing tenants, who would have an option to buy or continue renting;

● Nobody would be forced to buy, or be penalised in any way if they elected to continue renting, but rentals would "become more realistic, especially for those who (could) afford it";

● Prices would be very favourable and, in some cases, would amount to only 30 per cent of the replacement value; and.

● Discounts would range from between five percent — for occupants of municipal housing for longer than five years — and those who bought by June next year — to 25 percent for a cash sale.

A special statement issued by the Cape Areas Housing Action Committee (Cahac) said it was "laughable that neither the Council, nor the Government officials, appeared to know exactly what was expected."

They saw the plan as a move to "provide homeowners for racially-separate municipalities".

In his reply, Mr Kruger said it had always been the Government's policy to "promote home ownership" and the current scheme was "a serious attempt to re-emphasise the benefits of home ownership and its advantages to all people".

National chairman of the Labour Party, Mr David Curry, has hailed the scheme and accused the City Council of being reluctant to part with the homes.

Crisis

At a special public meeting this week, City Engineer Mr Jan Brand said Cape Town's housing problem had become a "crisis".

He said "the promotion of the Government's laudable goals were restricted" by, among other things:

● Lack of land. More Group Areas proclamations, creating additional land for coloured housing, was needed;

● Excessive unsatisfied basic needs of people; and,

● The lack of equal, mainly political, opportunities.

Mr Brand said housing for the poor was the responsibility of the State.

He said home ownership could be promoted if new problems were not created, housing stock was expanded to meet backlog, as well as new demand, the decay of housing stock was arrested and sufficient job opportunities were provided.

Mr Kruger said: "The Government's intention to sell houses forms part of a two-pronged strategy to alleviate the demand for houses in the

lower-income categories.

"This strategy evolves around the involvement of the individual, financial institutions and employers — as a supplementary action to Government's own action — to make a contribution."

He said the plan would result in the Government spending more on self-help schemes — for example, serviced sites as opposed to "ready-to-occupy houses".

"The present sales campaign represents a serious attempt to re-emphasise the benefits of home-ownership and its advantages to all people."

"The extremely attractive prices now make it possible for even very poor people to enjoy home-ownership, the corresponding wedge against inflation, the capital appreciation, the pride of owning property and the ability to let their children inherit."

"In addition, home-ownership is the most effective way to improve the housing environment and to combat decay of existing stock."

"This does not imply that the Government is shedding its responsibility towards the very poor."

"On the contrary, both in the selling scheme and for those who wish to continue renting, generous provision has been made by the continuation of the subsidy on interest rates," said Mr Kruger.

He said many people, who could afford more expensive accommodation, were enjoying the benefits of subsidised rentals at present.

"It is the Government's intention — from July 1, 1984 — to start phasing in increased rentals, to bring such rentals to more-realistic levels," said Mr Kruger.

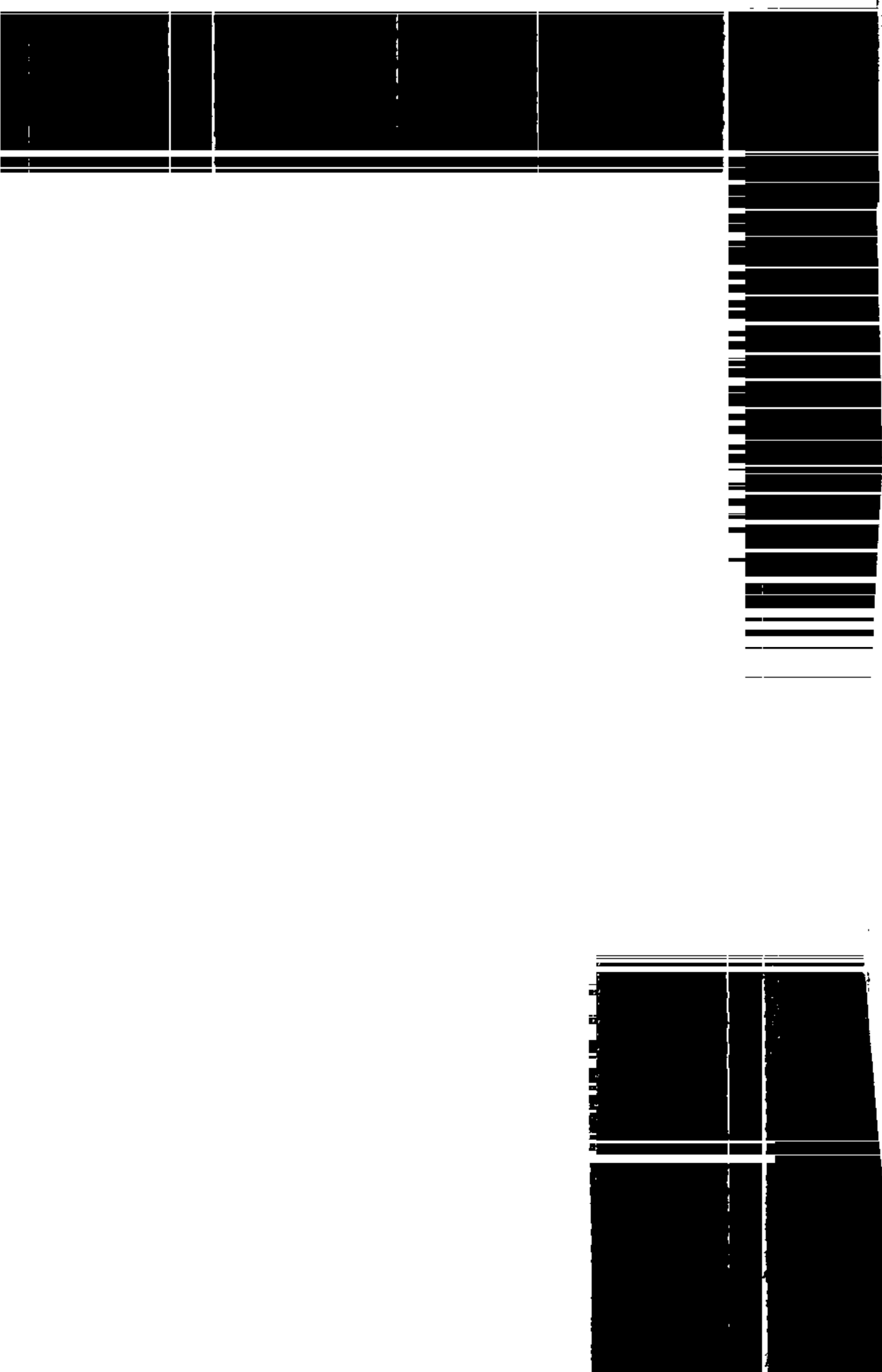
Details

The details of the new rentals had not been decided, but it would depend on "the general economic condition, the continuation of the drought and the resulting unemployment".

Mr Kruger said all the information had been given to all local authorities in May.

"In addition, a meeting of all Cape metropolitan authorities was held on June 27."

"At this meeting, local authorities and management committees were given the opportunity to ask questions and the meeting was only terminated when all questions were answered," he said.



Multimillion-rand plan launched

Cash boost for the 'super sale' of homes

(123)
12/2/83
S. Paul

Major building societies have set aside tens of millions of rands to ensure the success of the Government's radical scheme to sell 500 000 State-owned houses to low-income families of all races.

Mr Tim Hart, executive director of the Association of Building Societies, confirmed today that all the major societies had volunteered to contribute to the vast cash pool.

The funds will allow black families in particular to take advantage of discounts which can slash as much as 40 percent off the price of houses on offer if cash or mortgages can be arranged.

The UBS alone has earmarked R100 million to help tenants go ahead with purchases. "We are satisfied that the houses, though austere, are perfectly acceptable as security," said Mr Philip Scales, chairman of the association.

The cash reservoir was revealed just as the first sales were confirmed in the plan to sell 350 000 State-owned houses in black townships and 150 000 more in white, coloured and Indian areas.

The supersale, run by the Department of Community Development and the Department of Co-operation and Development, is open to all families with incomes of less than R200 a month.

In Soweto, where many of the 40 000 houses will be offered at about R1 400, sales are expected to start next week.

The Association of Chambers of Commerce has already alerted its 20 000 company members across the country to stand by to assist employees where possible.

Mr Vincent Brett, secretary of the Assocom Manpower Committee, said he was holding a meeting in the next few days with Mr Johan Kruger, the Department of Community Development co-ordinator of the sell-

**By Michael Chester
and Anthony Duigan**

ing programme, to be briefed on final details.

Mrs Freda Gowie, secretary of the Federated Chamber of Industries Manpower Committee, said the FCI was scheduled to be briefed by Mr Kruger on August 2 on how the private sector was invited to assist.

"There may well be scope for bigger companies to offer guarantees, so that house purchases can go ahead," she said.

The full-scale launch of the supersale, however, is being hampered by a vast amount of paperwork. There are at least 1 000 local authorities and 312 black community councils involved in the project. To date only 100 to 150 local authorities have submitted statistics of houses available for sale in their areas.

Of the roughly 350 000 black houses that will be available for sale about half have been surveyed or their survey is under way. In Johannesburg there are 450 white houses and about 3 000 coloured houses for sale.

A council member of the SA Institute of Land Surveyors said 52 surveyors were surveying 52 000 stands in four of the biggest East Rand townships. All Pretoria township stands and 10 000 in the Orange-Vaal area had also been contracted for surveying.

for signing Naas

of the South African government.

"Mr Botha does not represent the South African Government. He came to the United States to compete as an individual athlete the same as thousands of South African citizens who live and work in the United States."

In a letter to one of the groups, the Washington Office on Africa, Mr Landry said that Botha "is no different from

South African golfers such as Gary Player or South African tennis players such as Johan Kriek and Kevin Curren, who have competed for many years in the U.S."

He also pointed out that scores of black South Africans, such as the track star Sydney Maree and the soccer star Jomo Sono of the New York Cosmos, had enjoyed success as students and athletes in the U.S. in the past 20 years.



falls onto Mexican attorney Victor Luna as his new wife Sally Hay, right, in Taylor's theatre in New York after a performance by him, twice married to Miss Taylor, was married to Hay on July 2.

.. 714 verses to go

raise funds for a group which promises "more exciting music" at its autumn arts festival.

Concert-goers were sponsored by the hour to listen to the monotony.

Wearing a 19th century frock coat with a button-hole carnation, Mr Fish said: "I'm finding it impossible to learn by heart. I still keep having

to look at the music all the time."

Supporters cheered quietly as he clocked the 100th repeat.

"Originally, I thought I could play the whole work myself, but I chickened out. Dawn is a good musician and I hope this doesn't put her off her studies," he said. — Sapa-AP.

Arms of SA labour 'tied' — Relly

Staff Reporter

FREE market forces could not be expected to work effectively if labour had its arms tied behind its back, according to the chairman of the Anglo American Corporation, Mr Gavin Relly.

In his annual statement Mr Relly said it would be "self-destructive" to throw open South African industry to international competition while the productivity of our own labour force continued to be impaired by a wide range of restrictions and a failure to provide adequate support and incentive.

"The South African economy is at a stage of evolution where the growth of black earnings is not only not at the expense of white, but where there can be little real growth in white earnings without further material gains in black.

"The essential point is that the rates at which both move up is partly a function of productivity — in other words the wise and proper development of our human resources."

Deleterious

Mr Relly said formal restrictions on the mobility of black labour were deleterious to productivity.

So too were the informal restrictions on the mobility of Indian and coloured workers, where lack of housing made it impossible for them to

offer their skills in the best market.

"Thus the Group Areas Act becomes in effect a form of influx control further restricting labour mobility, individual advancement and economic growth."

Shrank

The Government had taken some steps towards allowing black people to compete in industrial society, but it shrank from allowing them to enjoy the fruits of their labour and improve their life-styles.

"Increasing opportunity for personal industrial success must be accompanied by demonstrable social success within the totality of South African society, unencumbered by the restrictions of the Group Areas Act and the inhibiting psychology which flows from it."

"If we can get on with this task, difficult and complex though it is, I see no reason why South Africa should not be capable of competing effectively with international industry both at home and abroad," Mr Relly said.

'Avoid strife' — warning by NGK

Religion Reporter

THE Ned Geref Kerk leadership has deplored "the sin of fraternal strife, bitterness and possible schism" among Afrikaners.

The NGK executive committee referred specifically to the Government's constitutional proposals as the subject of Afrikaner division.

The church, whose propagation of the apartheid doctrine resulted in its suspension from the World Alliance of Reformed Churches last year, has not referred to divisions in other population groups.

ACT

But it has called on its members to act against divisions within Afrikanerdom.

Die Kerkbode, official organ of the NGK, today carried a front page report headed Vermoedertwis en Bitterheid (Avoid Fraternal Strife and Bitterness), containing the text of a statement by the NGK national executive.

"The executive committee of the General Moderamen notes with concern the serious problems and divisions in the ranks of the Afrikaner people about the Government's Constitution Bill.

CAMPS

"Although the church may not be directly involved in the conflict, which is taking place at the political level, it is

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HOUSING

'Millions' set aside to aid black home-owners

ARGUS 14/7/83 123

Argus Correspondent JOHANNESBURG. — The building society movement has confirmed that tens of millions of rands have been set aside to ensure the success of the Government scheme to sell 500 000 State-owned houses to low-income families of all races.

The "super-sale" of homes has begun. Mr Tim Hart, executive director of the Association of Building Societies, said that all the major societies had volunteered to contribute to the vast cash pool, which will allow black families in particular to take advantage of discounts that can slash as much as 40 percent from the prices of homes on offer if cash or mortgages can be arranged.

The UBS alone has earmarked R100-million to help tenants to go ahead with purchases.

"We are satisfied that the houses, though austere, are perfectly acceptable as security," said Mr Philip Scales, chairman of the society.

The cash reservoir was disclosed as the first sales were confirmed in the programme to sell 350 000 houses in the black townships and 150 000 more State-owned houses occupied by low-income whites, coloured and Indians.

Wages limit

The super-sale, being run by the Departments of Community Development and Co-operation and Development, is open to all families with incomes under R800 a month.

Sales in Soweto, where many of the first 40 000 houses in the scheme will be offered at about R1 400, are expected to start next week.

The Association of Chambers of Commerce

has alerted its 20 000 company members throughout the country to stand by to assist employees where possible.

Mr Vincent Brett, secretary of Assocom's manpower committee, said he would meet Mr Johan Kruger, the Department of Community Development co-ordinator of the selling programme, in the next few days to be briefed on final details.

Mrs Freda Gowie, secretary of the manpower committee at the Federated Chamber of Industries, said the FCI was scheduled to be briefed by Mr Kruger on August 2 on how the private sector was invited to assist.

"Many firms do not want to move in on building societies' territory by offering to finance house-buying by employees," she said, "but there may well be scope for bigger companies to offer guar-

antees so that home purchases can go ahead."

However, the full launch of the supersale is being hampered by the vast amount of paperwork required.

At least 1 000 local authorities and 312 black community councils will be involved in the sale of houses.

Statistics

So far only between 100 and 150 local authorities have submitted statistics of homes available for sale in their areas.

Of roughly 350 000 black houses that will be available for sale about half have been or are in the process of being surveyed.

A spokesman for the Central Transvaal Administration Board said after a meeting in Pretoria: "We have had a lot of problems with this housing sale, but it seems we might be seeing some

light following a meeting earlier this week."

The survey of Pretoria's black townships of Mamelodi and Atteridgeville may take long as two years to complete. Mr Thys Wilsnach, director of the Johannesburg City Council's housing division, said that Johannesburg had 450 white houses and about 3 000 coloured houses for sale. In the first seven days of July, 29 coloured houses were sold.

A council member of the SA Institute of Land Surveyors said that 52 surveyors were surveying 52 000 stands in four of the biggest East Rand townships. All Pretoria township stands and 10 000 in the Orange-Vaal area had also been contracted for surveying.

Altogether, about 100 000 erven in black areas countrywide are under contract to be surveyed.

Rent Control still protects

By David Braun

THE new Sectional Titles Amendment Act makes it easier to convert buildings to sectional title but tightens protection of rent controlled tenants.

Mr Alf Widman, member of Parliament for Hillbrow and the PFP representative on the parliamentary Select Committee on rent control whose recommendations caused the amendment, says the concessions are made on the strict understanding that tenants presently enjoying protection will continue to do so.

Tenants living in rent controlled buildings occupied before October 20 1949, or tenants who are protected in that they were resident when their building was phased out of rent control — that is the period between October 21 1949 and June 1

1966 — will remain protected and need have no fear that conversion of their building to sectional title will take away any of the rights they are enjoying.

The new income limits for protected tenants are R450 a month for a single person and R850 in the case of a family, but the calculation of this amount will have to include half of the income of a spouse and any family members residing with the tenant concerned.

Mr Widman says that before this new law it was not possible to apply for conversion to sectional title where a building was affected by the 1949 and or 1966 dates and where at least one tenant, protected under the Rent Act, lived.

"The select committee felt this was unfair to the majority of tenants who wanted sectional title, but

could not get it because there was a protected tenant in their building.

"Consequently, this provision has been changed and developers are now entitled to apply for sectional title in any building, irrespective of whether or not it is rent controlled, or whether or not a protected tenant lives in that building."

But the understanding is, and it is enforced by the law, that tenants presently protected will continue to be safeguarded. Indeed, further protection measures have been legislated.

If a developer wants to divide the building for sectional title, and if the units are let for residential purposes, he cannot make the application unless he notifies every lessee in writing of a meeting at least 14 days hence, in or near the building, at which he or his agent will be

available to give lessees all relevant details and inform them of their rights.

He must also produce at the meeting a certificate by an independent professional expert on the state of the building, including the structures, roofs, plumbing, electrical installation, and so on.

When the developer applies for sectional title in the normal way he must include an affidavit that he has held the meeting, provided the certificate and furnished all relevant information.

Once the sectional title has been granted the owner wishing to sell the flat must first offer it for sale to the existing tenant, who has 90 days in the case of non-rent controlled tenants, and 365 days in the case of rent controlled tenants, to accept or reject the offer.

If after those periods the owner within 180 days offers to sell the unit to someone else at a price lower than that offered to the tenant he is obliged to again give the tenant the option to buy, at the lower price. The tenant then has 60 days to reject or accept.

The tenant may not be ejected during the periods of deliberation, except when he has failed to pay the rent, has materially damaged the unit or is guilty of conduct which is a nuisance to other occupiers — and then he may be ejected only by a court order.

The owner may not raise the rent during the periods of deliberation.

Tenants are 65 or older living in rent controlled units are the only people who may buy the units, they are resident in.

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C.E. Post 16/7/83 (123)

Solution to surveying hassle found

AN answer to the pressing land-surveying problems which have arisen as a result of the 99-year leasehold scheme in South Africa's black townships, has been supplied, claim Zeiss of West Germany.

The problem mainly concerns the rapid tempo at which residential stands in the townships have to be surveyed.

Zeiss has many years of experience in the revolutionary electronic tachometric field, developed in West Germany over the past 12 years.

With its background and know-how, the company was able to adapt its highly sophisticated surveying equipment in a very short time to suit the requirements for this huge task.

The company's revolutionary Elta System was delivered recently to a well-known surveying firm in Welkom for use in surveying stands now available under the 99-year leasehold scheme in the nearby township of Thabong.

The advantages of the electronic tachometer — the first of its kind in the country — are mainly that it saves labour and time and eliminates human error.

A further advantage is

that all data can be memorised by the Elta, to be processed and played out at any time when needed. Basically it means that the old theodolite, field book and pencil have now become entirely redundant.

The device is equipped with an electro-optical range finder-microcomputer which can process data on the spot to the final stage, including resections, triangulation and traverse measurements.

Another important breakthrough is that Zeiss has been successful in interfacing the Elta with more than 20 different computer systems available in South Africa. The one in use in Welkom was interfaced with a Canon AS 100 system.

Yet another advantage is that smaller surveying firms can now couple it with a "bureau" where all the final processing of surveying data can be done.

Managing director of Zeiss in South Africa, Mr Rolf Teungenthal, said the system would help alleviate many of the problems surveyors encountered in the 99-year leasehold scheme "in which virtually thousands of stands will have to be surveyed in the shortest possible time".

Sale of State-owned housing is criticised

Jan
18/7/83
123

Starting this month the Government is putting on sale 500 000 State-owned houses.

There seems, indeed, "no reason to doubt the sincerity of the Government's intentions" as you put it in your editorial of July 11 ("Buy now while stocks, last...").

No reason, that is, to doubt the Government in such a rush to dispose of its housing stock? And what will be the fate of those who do not or cannot buy?

It may also be asked what the fate even of those who purchase houses may be in the longer term.

When these questions are posed, the enthusiasm expressed by your editorial seems unfounded.

As the property sale starts, the Government is planning the transfer of more powers to the community councils and elections to the same bodies.

Without delving into the politics of these bodies, it is clear they require greater community support than they have hitherto received in order to function effectively.

Without exploring their economics, it is clear they need a rather more sound financial base than can be provided by unpopular high rents and service or electricity levies.

The sale even of a portion of the rental housing stock might just provide initial capital if, say, half the money raised thereby were to revert to the community councils from the National Housing Fund.

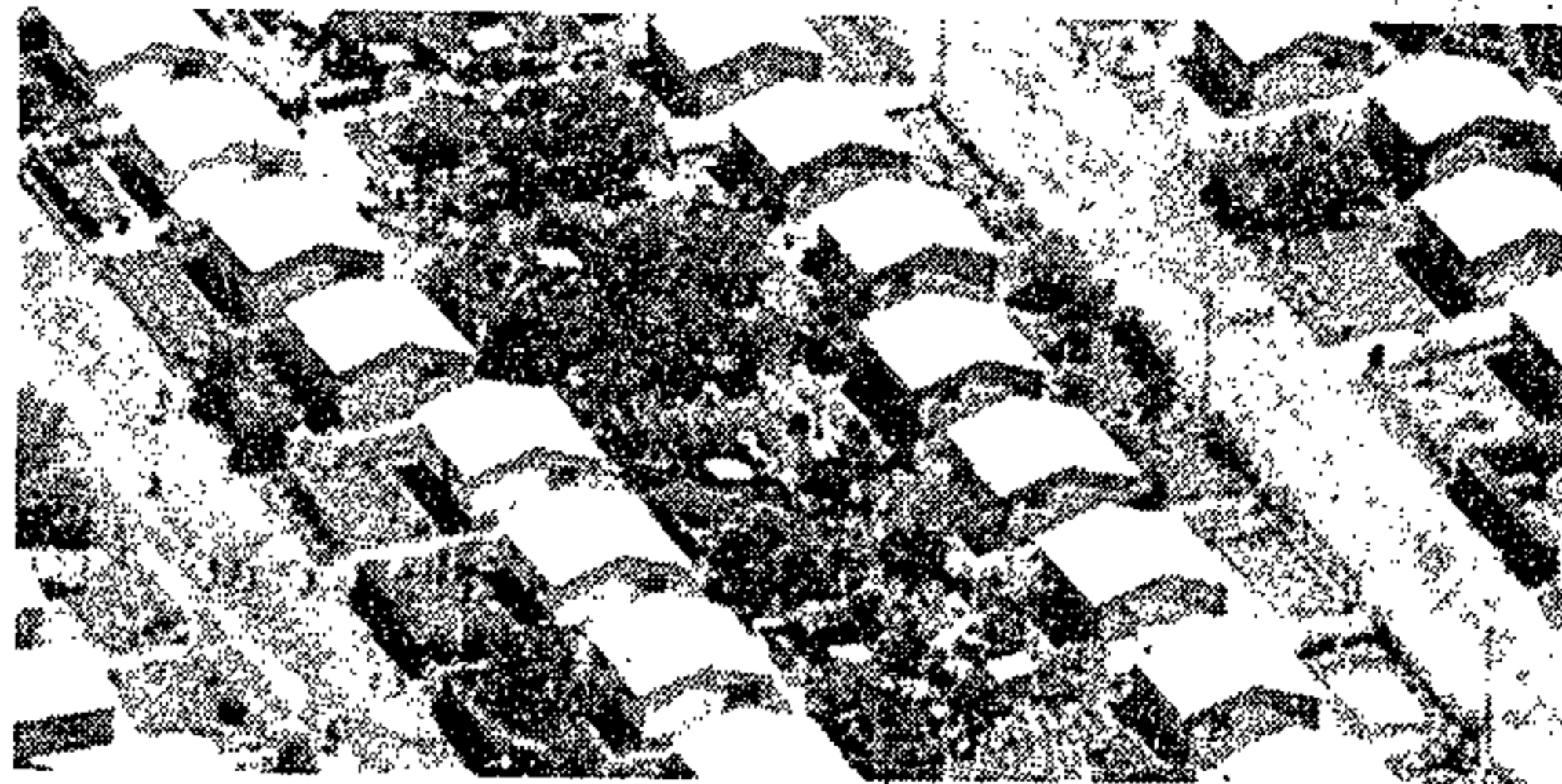
With no maintenance costs on privately-owned housing, and given rates or levies, the community councils would have ongoing income — even though they would lack the commercial and industrial rates and taxes which keep the "white" municipalities afloat.

And the tendency of homeowners, even 99-year leaseholders, to support the authorities which create and maintain their owner-occupancy is widespread.

The switch of allegiance among purchasers of council housing in Britain from the Labour Party of their tenant days to Margaret Thatcher's Conservatives is a notable case.

The sale of State housing cannot be divorced from the questions surrounding the community councils.

It is of course true that many life-long tenants will be transformed into 99-year leaseholders. But not all tenants will



Homes for the masses — some of the 500 000 to be sold.

become, still less remain, "home-owners."

Some may well take advantage not only of Dr Piet Koornhof's "once-in-a-lifetime opportunity," but also of the rapid escalation of house prices which will undoubtedly follow.

Short-term financial gains will prove attractive to those with debts, to the retrenched, or to the pursuers of more appliances.

To whom will they sell their houses?

The concentration of ownership in the hands of landlords will mark a return to the extensive private tenancy which once marked — and excused the destruction of — Sophiatown, District Six and Cato Manor.

Already there is evidence that tenants who cannot or do not wish to buy their houses — and perhaps even some who would like to — are being forced out by trumped-up evictions to make way for those with the desire and the wherewithal to accumulate property.

Evictions have always jeopardised the security of many Africans who, like those subtenant families renting single rooms in Soweto houses, have tenuous claims to urban residence.

Ever since the Riekert Commission it has been apparent that the Government wishes to tie urban rights more closely to access to accommodation. The response to the Appeal Court's decision in the Rikoto case emphasises the point.

Those forced out of houses after the sale of state homes will have little to look forward to but a bleak existence in reserves like kwaNdebele, squatter areas like the Winterveld, or the nightmare life of tents at Chicken Farm.

Dr Koornhof and Mr S F Kotze have stressed that rents for unsold housing will rise dramatically as the sale proceeds.

Not only will this force more people out of their houses. It may generate unprecedented

opposition to state housing policy. The rent issue in Lamontville could prove to be the tremor before the earthquake in the townships of this country.

The issues left untouched by your editorial are not exhausted by these remarks. The sale of previously rented housing in coloured, Indian and white group areas poses many other problems, despite the freehold tenure on offer.

And selling houses is hardly the creation of new ones needed to overcome the backlog and the unaffordable price of housing which is now critical even for whites.

There is no reason to suppose that "getting rid of the burden of collecting rents and maintaining houses" will lead the State to build more accommodation and overcome the backlog.

There is no evidence the Government has any commitment in this area, apart from rumours of a new housing corporation. If it materialises, the corporation is hardly going to supply the resources people need either to buy or to build houses themselves under the much-vaunted self-help schemes.

Given the context in which the State rental housing is being sold, and faced with no prospect that this move will help to overcome the housing shortage, the unreserved enthusiasm you express seems entirely unjustified.

Alan Mabir,
Lecturer

University of the Witwatersrand

The editorial expressed a hope, rather than an assumption, that the State would be enabled to devote more of its energies to the housing backlog. Its main thrust was that home ownership for urban blacks was preferable to tenancy. Most reasonable people, we believe, would endorse this view whatever the Government's underlying motives might be. — Editor.

House leasehold praised by MP

By J S MOJAPELO
Pretoria Bureau

DESTRUCTION of property during the 1976 riots would not have been much had the Government introduced house leasehold for blacks earlier, Mr Rex le Roux, a Pretoria National Party MP, said at the weekend.

Addressing the annual meeting of the regional council for Central Transvaal in Atteridgeville, Pretoria, on Saturday, he said the Government felt that the 99-year leasehold scheme was going to improve the quality of life for people in the townships.

"The pride of possession is already coming to the fore and will no doubt play an important role in keeping law and order in these areas at a high level," he said.

Mr Le Roux, chairman of the Commission for Co-Operation and Development, said blacks had welcomed the home ownership scheme.

"Had we introduced the leasehold system a decade or so ago, we would probably not have had so much destruction of property during the 1976 riots, because people would have learnt to value their possessions," he said.

Mr Le Roux said it would cost the Government R2 016-million to wipe out the housing backlog in the country, conservatively estimated at 168 000 family units — each unit costing about R12 000.

He said the Government

regarded the development of local government as the most important step in the development of local communities. The process was going to be expedited by the introduction of the Black Local Authorities Act.

"Broadly speaking, the Act is based on the principles contained in the Transvaal Provincial Ordinance on local government," he said.

He added that black local authorities fell under the authority of the Minister and not the Administrator of a province.

Mr Le Roux said the Local Authorities Act did not make provision for statutory bodies for blacks regarding municipal functions such as water and electricity supply or rubbish removal.

"What may happen in terms of the new Act is that a black local authority or one of its committees may co-operate with other local authorities in the execution of a service which the local authority may rightly or legally perform itself," he said.

No local authority could operate meaningfully as an independent entity unless it had an efficient administration and the necessary financial resources at its disposal.

"The ability of the forthcoming black local authorities to meet their financial commitments is a matter of serious concern for the Government," Mr le Roux said.

Bank puts up interest rate on home loans

ARGUS 19/7/83
123

Financial Editor
BARCLAYS Bank is to increase the rate of interest on its home loans by 1,5 percent from July 25.

This will increase the monthly repayment on a 20-year home loan by more than R1 a month for every R1 000 borrowed. On a 30-year bond the increase will be slightly less.

However, Mr Mike Smythe, executive director of Barclays Real Estate, said increased monthly payments were not being insisted on at this stage.

Interest rates on loans below R40 000 will go up from 15 to 16,5 percent.

This will increase the monthly repayment for each R1 000 borrowed on a 20-year loan from about R13,20 to R14,30.

The rate on loans above R40 000 will go up

from 16 to 17,5 percent, increasing the monthly repayment from about R16,05 to about R17,20 a month for every R1 000 borrowed.

When Barclays started making home loans in September last year it was charging 17 percent on loans of R20 000 and less, 18 percent on loans between R20 000 and R40 000 and 19 percent for loans over R40 000.

Since then the rates had been reduced three times.

Mr Smythe said the increase in rates was unavoidable in view of the upward pressure on interest rates.

Barclays says the demand for loans remains heavy. It is granting some 120 loans worth about R5-million each day and has committed almost R600-million for home loans so far.

Interest on home loans up

CAPE TOWN 20/7/88 123
Staff Reporter

INTEREST rates on Barclays home loans were to be increased from July 25 by 1½ per cent across the board, Barclays Real Estate announced yesterday.

The interest rates on loans below R40 000 will go up from 15 to 16,5 per cent and those above R40 000 from 16 to 17,5 per cent, according to the announcement.

Surprisingly, it comes only a day after the Reserve Bank reduced banks' liquid asset requirements to 48 per cent for short-term liabilities and 28 per cent for those of medium term, freeing about R1 000-million in liquid assets. Some of this money could become available for home loans.

At the inception of its scheme in September last year, Barclays undertook to hold a ceiling on interest rates for one year at not more than 17 per cent for loans up to R20 000, 18 per cent for those between R20 000 and R40 000 and 19 per cent those for over R40 000.

The new increased rates are well within the declared maximum.

Mr Mike Smythe, executive director of Barclays Real Estate, said the increase in rates was unavoidable in view of upward pressure on rates, but point-

ed out that increased monthly payments were not being insisted on at this stage.

"We are receiving an average of 15,54 per cent on home loans, which is well below the prime overdraft rate of 16 per cent. We will review our home loan rates as soon as there is any further significant change in interest rates generally," he said.

Barclays says demand for loans remains heavy. It is granting some 120 loans — worth about R5-million in total — each day, and has committed almost R600-million for home loans to date.

High demand

"Demand for loans has considerably exceeded our expectations, and if it continues at this level, we may have to review the amount that can be made available," Mr Smythe said.

Building societies were short of lendable funds at present, he said.

The societies have not reacted publicly. The executive director of the Association of Building Societies, Mr Tim Hart, said yesterday that they would "decide what to do in relation to what their money is costing them."

● Higher bond rates forecast, page 12

Home loans tighter as mortgages rise

By TOM HOOD
Property Editor

THREE important sources of home loans are raising their mortgage rates and others are certain to follow as funds dry up.

Natal Building Society's top rates go up next month by one percent to 16 percent for all loans over R60 000.

United Building Society, the country's largest, raised its top rate to new borrowers by one percent to 17 percent this month.

Barclays Bank yesterday pushed up all its bond rates by 1,5 percent, with a top rate of 17,5 percent for loans over R40 000.

Others are sure to follow so they can increase their savings rates and attract more funds for an insatiable demand for housing finance.

Deposits

Many societies are also tightening up on loans by insisting the borrower or his family or employer deposit finance for up to three years.

To get a R40 000 bond, for example, a borrower may be forced to deposit R10 000 to R15 000.

House prices are beginning to stabilise after a year of frantic rises, say Cape estate agents.

But there is no sign of higher mortgage rates forcing a collapse in the property market.

There is even a scarcity of houses to sell and the property boom is still attracting record numbers of estate agents into the business.

Cash deals

Many house or flat-buyers are able to pay cash and most of the others have subsidies from employers which cushion the blow of any rise in bond costs.

The arrival of about 40 000 immigrants a year is also putting pressure on house-builders.

"As soon as home loans get expensive or scarce, prices begin to stabilise," said Mr Hadden Steer, chairman of the Cape and Western branch of the Institute of Estate Agents.

"Buyers are becoming choosier, especially with houses above R200 000.

"We had an epidemic of people asking ridiculous prices in the hope of quick profits — and often getting them."

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Rent control continues

Sir — As reported in the FM of July 8, the recommendations of the Select Committee on Rent Control, which have just been published, propose a new Protection of Tenants Act which will extend many of the provisions of the existing legislation to all residential tenants (even buildings which are at present free of all control) and will also provide for the control of rentals for those tenants who will continue to be protected (apparently in perpetuity), by virtue of their income level (R850/month for tenants with dependants and R450/month for tenants without dependants). There is no time limit on this continued rent protection.

It seems to me, therefore, that far from coming to the end of rent control, we may be starting a new beginning. Nor do I believe that private developers will be encouraged back into new construction for letting, until our law-makers clearly demonstrate that the State will shoulder its responsibility when the need to subsidise tenants arises.

Arbitrary limit

It is in this area of rental subsidisation that the Report contains its most unjust recommendation — it arbitrarily limits the amount of rental payable by a protected tenant to 30% of that tenant's income, regardless of the merits of the case. There appears to be no thought of whether the tenant reasonably requires the size and standard of the accommodation concerned nor whether the level of the tenant's income merits sympathy — he may decide to take a half-day job instead of working full time in the knowledge that 30% of the salary reduction will be paid by the landlord (and perhaps a further percentage by the Receiver in reduced taxes). In fact, there is every incentive for the tenant to ensure that his income remains at a level to qualify for continued protection and the Report recommends increased income limits to facilitate this. Worst of all, it is recommended that this full rental subsidy should be borne by the landlord.

I have personal experience of an existing case which illustrates the inequity of the Report's recommendations.

The dwelling is a large, sectional title, five-roomed flat (176 m²), capable of comfortably accommodating four or five people, in an expensive suburb, (Sea Point). The tenant is a divorced woman with one child. There is a bond of R15 000 with a monthly repayment of R183 which, with the levy of R129,95, makes the owner's monthly commitment R312,95. The present Rent Board determined rental is R289,52. A local agent has conservatively valued the flat at R90 000 and the market rental at R550/month.

If the Select Committee's recommendations are implemented and this tenant's income is R850/month or less, the rental will actually be reduced (eg income R850 x 30% = rental R255 which is R57,95/month less than the landlord's commitment. The lower the income, the worse the landlord's position — and this is with a very modest bond). The value of this subsidy to the tenant would be not less than R295/month (R550 market rent less R255 maximum rent).

The owner desires but cannot get occupation of the flat for his own occupation because Section 38(1) prevents this. That Section was to have been repealed in 1981 when the flat was purchased but this was rescinded and the Committee now recommends that it continue to apply to protected tenants (permanently it seems).

In effect, the basic right of the owner to occupy his property has been expropriated without compensation; he is precluded from charging an economic, let alone market rent and now, there is the prospect that even that rental could be reduced. To enjoy this very material subsidy, the only qualification required of the tenant is that she earns no more than R850/month, (or such higher amount as may be prescribed in future). The State accepts no responsibility for the payment of this subsidy.

It would be of interest to know whether the Deputy Minister of Community Development and his other committee members, regard the above as the procurement of simple justice in a free society. If they do, can they believe that property owners and developers will feel safe from the expansion of the proposed Tenants Protection Act to full rent control when rentals continue to rise, to a level where there are again cries of exploitation.

T Clarke, Cape Town.

Housing prices level off

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RDM
22/7/83

Financial Reporter

THE prices of houses, after rising strongly in the first six months of 1983, have reached a plateau, according to the Property Economist.

However, the bubble in the residential market is unlikely to burst because of the shortage of accommodation and economic conditions.

"Price is a function of supply and demand and the bubble will burst only when supply exceeds effective demand," says the editor, Mr Neville Berkowitz.

"Supply exceeds demand only in the luxury end of the market. As prices escalate beyond the reach of the average person, the demand swells further for realistically priced units.

"Effective demand is building up at the R30 000 to R70 000 level while the supply of funds is being diverted in certain instances to luxury units.

"Insufficient accommodation has been built over the last five years to satisfy demand. Similarly, there has been virtually no increase in the supply of rented accommodation and demand is building up at this end of the market."

He says there was a nationwide shortfall in supply of 4 000 houses for whites a year between 1978 and 1982 and an undersupply of 13 375 townhouse and flat units "at affordable levels" in the same five years.

The reasons for the upward price movement are huge lending by building societies in the first quarter of

1983, bond subsidies distorting "affordability values", high inflation and short-sighted hysteria.

There is too much money in the economy with limited areas for investment in the downturn and it is now "swamping the residential property market", he says.

A factor to consider is the future supply of mortgage bonds by building societies. There is a correlation between increases in the price of homes and the supply of mortgage loans.

To compound the problem, only 30% of new mortgage loans granted in the first half of this year were for construction of homes. The other 70% was for the purchase of existing homes.

Subsidies have distorted the market and it is estimated that house prices, when based on economic levels, are 20% higher than they should be as a result.

"It has been estimated that almost 43% of the non-agricultural work force has access to bond subsidies.

"If only 70% of these people apply for bonds of R30 000, then R7 650-million is being used to subsidise bonds rather than being invested in the economy."

He says that if the Government limits the size of subsidies, the housing bubble might well burst.

Should the drought persist, the social, economic and political consequences could lead to a fall in the price of housing.

The shortage of residential land has aggravated the situation. But rising prices could lure township developers back to the market.

Black agents to sell 1/2-m homes ⁽¹²³⁾

By Sue Leeman,
Pretoria Bureau

Star 2/11
A utility company to organise and train black, coloured and Indian estate agents has begun to take shape.

To be known as Home Ownership Marketing Enterprises, the company was agreed to by the Government recently on the recommendation of the Steyn Committee into the financing of black housing.

It will train estate agents to sell the 500 000 housing units which went on sale on July 1.

The Minister of Education and Training, Mr DW Steyn, announced in Pretoria yesterday that a

steering committee had been formed to pilot the new company.

The committee is headed by the chairman of the Estate Agents Board, Mr JG van Straten, and composed of members of a working committee which has in the past assisted the Steyn Committee.

The steering committee also includes representatives of the departments of Co-operation and Development, Industries, Commerce and Tourism, and Community Development, as well as members of administration boards and estate agents' organisations. Commercial bodies will also be represented.

BUSINESS BRIEFS

Nightclub licence No 2

EASY By Night, the popular East Rand nitery, will soon have a rival to contend with in the lucrative entertainment business — largely untapped in the black areas.

The Katlehong Community Council has made another night-club licence available. Two bottle stores, four hairdressers, a poultry business, sports shop and a curtain shop are some of the new licences allocated.

NO DEPOSIT HOME LOANS

By CAMUEL DIKOTLA

THE African Bank has eased conditions for people wanting to purchase houses under the 99-year lease and home ownership schemes, the Managing Director of the company, Mr Moses Maubane, told City Press this week.

People do not necessarily have

to put down a 20 percent or 10 percent deposit at his bank.

"We are particularly concerned with the track record of our prospective clients regarding his job and his trade reference. We also try to determine for ourselves whether the person will be able to repay his loan during the stipulated period," said Mr Maubane.

(123) City Press

24/7/83

Eviction after no rent for 3½ years

S. Times 24/7/83

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Sunday Times Reporter

A FORMER black civic leader was evicted from his four-roomed house in a Port Elizabeth township last week because he had not paid rent for three and a half years.

Mr Wilberforce May said he had not paid rent as a "form of protest" against higher rentals and he said he was actually quite surprised that the East Cape Administration Board had taken so long to evict him.

He said the East Cape Administration Board claimed that he owed R1 980 but he was contesting the amount.

Mr May was the former secretary-general and co-founder of the Port Elizabeth Black Civic Organisation (Pebco) which grew into a powerful civic organisation and then went into decline after the banning of its president, Mr Thozamile Botha.

Evict

One of the issues which Pebco took up in late 1979 was the question of rentals for homes in Zwide IV which were considered too high by the residents.

A decision was made at a Pebco meeting that all residents would not pay their rents as from January 1980.

Mr May said he had stuck to his decision not to pay rent and alleged that Ecab had drawn up a special rent card for him which it showed to tenants to prove that he was paying rent.

"They did not evict me before because then it would have proved to the world that I had not been paying rent all along," said Mr May.

His furniture is stored outside in the backyard of his neighbour's house and Mr May, his two children and two younger brothers are staying with friends.

Mr May said a friend had given him R1 000 and he had saved R500 which meant he had enough to pay his arrear rentals.

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Housing policies condemned

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25/7/83

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Staff Reporter

THE Government's housing policies have been unanimously condemned by about 700 people at a meeting held by the Disorderly Bills Action Committee (DBAC) in Lavis-town.

A resolution passed at the meeting also rejected the Government's constitutional proposals and the proposed "Koornhof Bills" — the Orderly Movement and Settlement of Black Persons Bill and the Black Community Development Bill.

The DBAC is an umbrella body representing about 40 civic, cultural and sports organisations in the Western Cape and the meeting demanded the form of a new constitution be determined by a "democratically elected constituent assembly".

The resolution also called for an end to pass laws, migrant labour and coloured labour prefer-

ence in the Western Cape and demanded the "immediate provision of adequate State housing free of rent exploitation".

Mr S Bosch, a representative of the Lavis-town Action Committee, told the meeting that the housing crisis was in fact a "Government crisis".

"This Government with which we are blessed has created a crisis in every field of human endeavour, including housing and education," he said.

"Housing is a basic need — but the Government never intended to satisfy people's basic needs."

Referring to the Government's decision to sell houses to tenants, Mr Bosch said people had already paid for their houses "three times" in rents.

He challenged a recent statement by Mrs Eulalie Stott that the council makes no profits from housing.

"Included in our rent is an amount for insurance against rent loss caused by people who leave their homes because they cannot meet the rents — so we have even paid for their houses."

Ms Lucy Edwards, a resident of Parkwood Estate, said the Government was responsible for housing but was trying to pass the responsibility on to the tenants.

"They demolished houses in District Six; there are houses standing empty or nearly empty in white areas and yet they spend R3-billion annually on defence.

"When we consider this, it is obvious that the housing crisis could be solved in a few years if the Government wished to."

Tetanus death

HARARE. — A crop guard who trod on a porcupine he had shot, died of tetanus after the quills were pulled out of his foot in hospital. — Sapa.

Govt's housing policy rejected

Staff Reporter

ABOUT 950 people passed a resolution rejecting both the government's housing policy and constitutional proposals at a meeting convened by the Disorderly Bill Action Committee (DBAC), in Bishop Lavis yesterday.

The DBAC was formed to oppose the "Koornhof Bills" and the constitutional proposals, but has since become a permanent body representing more than 40 organizations.

The sale of houses under the new housing policy was rejected by affiliates as an attempt by the government to pass the economic and housing crisis on to the

backs of workers. Their resolution stated: "In the face of all these attacks, workers should unite and strengthen their organizations to defend their living standards. This should be seen as part of the greater struggle for a South Africa free of oppression and exploitation."

Workers were called on to unite by forming committees on action for housing, by getting rid of "reactionary reformist leadership", and a separate call was made for the right of workers to live and work where they choose.

Calls were made for an end to pass laws, the migrant labour system,

and the coloured labour preference policy.

A spokesman for the Manenberg Residents' Association said the proposals by the President's Council should be exposed for the "mirage" they were.

"They have no meaning except to ask us to endorse apartheid. The proposals and their blood brother, the sale of houses, are a recipe to compromise us further," he said.

"How many of the people living in council-owned houses have the cash to buy their houses? We will have to go to building societies for loans and pay interest on those loans."

Dr Neville Alexander, chairman of the Lotus River-Grassy Park Residents' Association, said the PC proposals were "supposed to make life better for the coloureds and Indians, but are, in fact, a way of getting support for apartheid.

"As payment for the vote, our children will be put in uniform to fight their own people," he said. "It is a matter of life and death."

"The Koornhof Bills are an attempt to divide the legal blacks and illegal blacks in the urban areas. We must ensure that they do not succeed and that the government does not succeed in its devilish plan. We oppose kitchen parliaments, management committees and community councils. We must not give them credibility."

CBC to

Societies compete for deposits

Homeowners face higher mortgage rates

By NORMAN CUTHBERT
Property Editor

BUILDING society mortgage interest rates are moving up.

In the last few days the big four societies have increased their interest rates on new bonds for amounts of more than R60 000.

In addition, the SA Perm has raised its rates on new bonds in other borrowing bands and will raise rates on existing bonds at a date still to be announced.

The United has increased its interest rate on new bonds over R60 000 for the second time in a month.

Bond interest rates are beginning to show proper divergences for the first time since the societies in May abandoned their informal agreement to inform one another of impending changes.

But to speak of differing rates within given mortgage bands bringing increased competition between societies at this time is to view the equation from the wrong end.

The competition at present is for deposits. And as societies have to increase share and deposit rates to attract funds, so mortgage rates must be increased to pay for the dearer money.

Demand for mortgages continues unabated and most societies have waiting lists, of varying lengths. In terms of monthly repayments, a difference of 0,5% or 1% in bond rates is not sufficient to draw business to one society at the expense of the others.

For new bonds the Perm's rates have been increased by 0,5% for all amounts up to R130 000. The rates are: up to R20 000 — 14,5%, R20 000-R40 000 — 15%, R40 000-R60 000 — 15,5% and R60 000-R130 000 — 16%.

On amounts over R130 000 the rate has been increased by 1,5% to 17,5%.

A spokesman for the Perm pointed out the society has recently put up the rates of its "key" partially-tax free subscription shares (12,5%-13%) and its fully paid up shares (12,5%-13%) and fixed period shares (13%-14%).

These increases, "necessary to give investors a fair return", have made increases in the bond rates inevitable, though they had been staved off as long as possible.

The UBS, which raised its rate on new bonds for amounts of more than R60 000 from 15,5% to 17% at the beginning of July, has just increased it by a further 0,5% to 17,5%.

The Allied has increased its rate on new borrowings only for amounts of more than R60 000 by 1,5% to 17% "to put a brake on borrowings at the upper end of the market".

The new rates, said managing director Mr Jim Dodds, are also in anticipation of increased sales of black housing which will call for a considerable increase in lending at the lowest rates.

"We will hold bond rates for existing borrowers steady as long as possible," said Mr Dodds.

The NBS has raised its rates on amounts of R60 000 and above by 0,75% to 16% with effect from September 1 for both new and existing borrowers.

Saambou National, which two weeks ago increased its bond rates on new loans for amounts over R60 000 by 0,25% to 16,75%, now offers the lowest rates in this top borrowing band.

The EP, which on July 8 increased its minimum rate to 15,5% and its top rate for bonds over R60 000 by 1% to 17%, last week rejiggered its scales.

The new rates are: up to R20 000 — 15%, R20 000-R40 000 — 15,75%, R40 000-R60 000 — 16,25% and above R60 000 — 17%.

There have been increasing indications in recent weeks that Pretoria is not happy with the continuing flow of building society funds into luxury housing.

The societies' move to increase rates for the top band of borrowers can be seen in part as a desire to damp down demand in this sector, which is based broadly on housing subsidies.

Paton answers critics

Mail Correspondent

DURBAN. — Author Dr Alan Paton said he condemned the new constitutional dispensation on the obvious ground that it excludes black people

Dr Paton was responding yesterday to criticism at a meeting in Durban on Wednesday night when about 500 Indians and blacks rejected the new tri-cameral parliament as an "entrenchment of apartheid".

The author was criticised

They were amazed, Soal tells Benoni

By CHRIS FREIMOND
Political Correspondent

PEOPLE in the Eastern Transvaal were "amazed" to learn that blacks were excluded from the proposed new constitutional dispensation, the Progressive Federal Party MP for Johannesburg North, Mr Peter Soal, said last night.

Speaking at a public meeting in Benoni, Mr Soal said: "There is great expectation throughout the country that we are about to embark on constitutional changes which will have long lasting and ef-

will had been built up.

Earlier this week Mr Soal addressed a number of meetings in the Eastern Transvaal as part of the PFP's nationwide campaign to alert the public to what the party believes are the major shortcomings of the proposed new constitutional deal.

He said last night that if the Bill at present before the parliamentary select committee on the constitution did not meet the PFP's basic objections, it had to be rejected at the planned referendum.

"I believe the constitution



Robert Grizel — the 16-year-old Fairview scholar — sits in front of his burning home to rescue his pet dog from the fire-damaged house's broken windows and

Inquest is postponed

THE inquest into the death of a man whose partially decomposed body was found in a Johannesburg Hospital ventilation duct, after having been missing for two months, was postponed yesterday to August 12.

Mr Carl Lensing, 50, was found dead on January 5 after he went missing from the hospital on November 12 last year.

According to evidence at an earlier hearing, although Mr Lensing had made repeated attempts to leave the hospital, his family was refused permission to keep a watch over him.

Firemen — to

Mail Reporter

FIREMEN at the Fire Station have taken problems of a young man — his grandparents — home was damaged by last week — to their

Yesterday 10 firemen went to the Fox Street, Fairview home of Mr and Mrs Rothman and their 16 old grandson, Robert, to cover broken windows and holes in the roof with

The Rothmans' home badly damaged by fire

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Computer brain to speed up surveying

A COMPUTER bureau will open in Kelvin, Sandton, this week, which will make it possible to produce a surveying plan in a third of the time usually required.

So says Mr Keith Young, a surveyor by profession and managing director of the bureau, which is named Surcomp.

Mr Young says the bureau will enable smaller surveying companies with limited computerisation, or none at all, "to have access to a turn-key computer-aided draughting system at a price within their means".

Because the draughtsman stage is bypassed, a surveying plan can be produced in a third of the time usually required. Instead the computer package he has developed will allow the surveyor to generate plans on the computer screen.

No fewer than 25 000 housing plots have already been scheduled for surveying by means of the package, says Mr Young.

At present the surveying profession is heavily in-



involved in the mass surveying of urban black residential stands for 99-year-leasehold. A similar emergency mass survey of stands in areas occupied by other races is expected to follow.

For further inquiries Telephone 011-21-0911.

● The East Rand Administration Board chief director, Mr Frans Marx, says it will be another couple of weeks before the Big House Sale gets under way in his townships.

Erab has calculated the prices, but they now have to produce the documents giving the individual house prices. These will be made available to would-be buyers through their township managers, Mr Marx said.

Half a percent interest rise on loans under R60 000 will hit most home-owners

Bonds rise again

By TOM HOOD, Property Editor

MORTGAGE rates for new home loans below R60 000 are to rise by a half percent from today, report three building societies — the United, Perm and EP.

AMG 1/8/83

123

Home owners already paying bonds will find their rates going up by a half percent from September 1.

The majority of the country's home buyers will be hit because these societies handle well over half of the total mortgages.

These three, the Allied and NBS have already raised their rates on bonds over R60 000 and by 1 or 1,5 percent to 17 or 17,5 percent.

Fork out

The Allied's directors were believed to be considering an increase in their rates on bond below R60 000 at a meeting in Johannesburg today.

Barclays Bank last month raised its home loan rates across the board.

Home buyers will have to fork out:

- An extra R8 a month on a R20 000 bond over 20 years, making R264 instead of R256.
- An extra R16 a month on a R40 000 bond over 20 years, making R552 instead of R536.
- An extra R26 a month on a R65 000 bond at 17,5 percent over 20 years, making R955 instead of R929.

Competition

The higher rates have been forced on building societies by intense competition to raise finance, leading to a series of hikes in rates offered to depositors and investors.

A main source of cash to finance home loans comes from paid-up shares which jumped to about 13 percent last week after being as low as 8 percent two years ago.

Societies say they still cannot meet the heavy demand for home loans and house buyers often face a long wait for a bond or else get their employer or relatives to deposit some matching finance for up to three years if they want a bond in a hurry.

Property agents thought the increases were not high enough to deter house buyers, although further increases — forecast for later in the year — could put the price of expensive houses beyond the reach of many people.

But the repayment rates for bonds over R60 000 was "getting frightening", said Mr Neville Pittaway, the EP's regional manager in Cape Town.

"How many people in Cape Town are earning enough to pay R955 a month?" he asked.

HOUSING

Acceptable alternatives?



A plethora of industrialised building systems is emerging in response to the growing housing shortage and the rising cost of conventionally built homes. Products range from complete factory-built homes, timber-framed, brick veneer and concrete block and panel structures to steel shutter, wire mesh buildings that can be erected entirely by unskilled labour.

The various systems are confidently touted as the answer to SA's housing crisis, but huge question marks remain. Do they, for example, address the real housing problem in SA, which is to provide acceptable housing for blacks? Do they meet the normal standards of aesthetic appeal and durability? Are they really that cost effective and are government and local authorities doing enough to encourage those that could make a contribution to solving the housing problem?

Bruce Boaden, professor of Building Economics at Natal University, says there is no doubt that most building systems are aimed at the lower and middle income groups. But there are only a few which get to the heart of the problem and he warns that in the mass housing context "cheapest is not always best."

Boaden says the technology employed in mass housing developments should be carefully evaluated to ensure maximum benefit to the community concerned. He points out that a technology that relies primarily on factory-built components may be cheaper, but does not provide as much "spinoff" for the community as those that employ a degree of self-help. "It depends on whether your objective is to merely provide housing, or whether you view the housing problem in broader social terms," he says.

There are those, however, who argue that SA's housing problem is so huge that efforts should not be concentrated solely on providing shelter for the country's blacks. They contend that there is also a shortage of houses among whites, coloureds and Indians. The implication is that building systems should be developed to overcome the housing shortfall in these communities as well. Tony Erasmus, chairman of the Natal Branch of the Institute of Housing, says: "If one considers that we need to build 4m houses by the turn of the century, then we must pursue every possible direction."

However, some questions arise. Which, of all the systems on the market, would be acceptable by normal suburban standards? Is

the public not in danger of being sold something on the cheap which is clearly inferior? Erasmus thinks not. He says the quasi-government Agrément Board does a commendable job of vetting the various building systems and that few local authorities would countenance dwellings in their boroughs that did not carry the Agrément Board certificate of approval. Of the 25 or so building systems available, he estimates that only eight carry the Agrément Board's stamp of approval.

In addition, Erasmus maintains, the standards set and the cost of acquiring a certificate are so high that the fly-by-nighters will automatically fall by the wayside. "Besides, if builders put up shoddy stuff, they will dent their public image, lose their source of funding and almost certainly have their certificate withdrawn. No one is going to buy things that don't look good and don't last."

The crux of the battle between builders of conventional homes and those who build industrialised units is: are building systems more cost effective? In the face of scepticism from the established building community, purveyors of industrialised building systems have, at times, claimed cost savings of up to 25% over conventional methods. While the economies of scale inherent in most factory-type building must lend some credence to their claims, most have yet to be proved.

Erasmus alleges that industrialists themselves are partly to blame. He says they have hidden behind an array of building by-laws while making wild claims about the merits of their products and sniping at conventional builders. "The time for talking is over," he says. "They must come into the open and prove their cost effectiveness."

Rob Heywood, MD of CI Industries, which has a big investment in factory-built homes, has little doubt who will emerge the ultimate victor. He says the big advantage CI enjoys is that by increasing factory throughput it can reduce the square metre cost of building. Conventional building cost increases might have slowed somewhat because of the recession, but, he says, they are bound to take off again once the economy gets going. "If we keep the rate of increase below inflation, as we have done, the gap will widen rapidly."

There may be a degree of sales talk in what he says, but Heywood is convinced that the trend in SA, particularly for lower

income groups, will be towards transportable, factory-built homes. He points out that factory-built homes already hold the dominant share of the US market, where about 250 000 are produced a year. CI is gearing up its own production to around 2 000 a year. New US entrant into the SA market, Tidwell Industries, will add a further 300.

Though Agrément Board approval for CI homes is expected, Heywood does see some problems of a legislative nature. He says existing building regulations and by-laws are geared towards site-built homes and problems could result if factory-builts are expected to conform. Investment in the industry, he points out, has already been substantial. "The industry," he warns "will not be prepared to make further investments unless the authorities recognise the contribution which factory-built housing can make and adapt the regulations and specifications accordingly."

There is every likelihood that government will respond positively. It has shown immense flexibility on housing matters recently. The recent change in policy on low-cost housing is a case in point. The new standard building regulations, yet to be promulgated, could easily be broadened to include minimum standards for industrialised housing. Economic necessities might have prompted it, but few would dispute that government has shown far more pragmatism towards industrialised building methods of late.

Still, Erasmus, for one, believes there is a long way to go. Problems include building by-laws that make no exception of hybrids; local authorities which insist on holding the final veto over building systems; and building societies which follow disparate lending policies on system-built homes. But there are some who see the building societies' decision to finance the houses government is offering for sale in black townships — mainly built of concrete blocks — as presaging a change in attitude.

Erasmus believes government should indicate clearly that building systems are acceptable, provided they conform to certain standards.

It should also remove the restrictions which inhibit their development, encourage experimentation with new building methods and offer both moral and financial support to the entrepreneurs in the industry.

important letters to Prime Minister." what the letters contained, Mr Nkomo said: "I will be seen later. He knows this, and I have been expecting a reply to those letters." "He had paid someone to deliver the letters to Mugabe. This was on June 27." "The leader added: "The issue of my parliament seat is not a problem. It is just a consequence of the problem of Zimbabwe. What is most important is to solve the problem, and I have been doing that, as it will be revealed." "He claimed he could be expelled from Parliament because the constitution said nothing about expulsion. It said the seat would be vacant - and it would be filled by Zapu. "He claimed he wrote to the Speaker of the Zimbabwe Parliament on June 27 explaining why it had been possible for him to attend Parliament for the time", but did not give a reply until July

Help for OK workers in Big House Sale



MR FRANS YAZBEK Home-buying a priority

By LIN MENGE 5/18/83
STAFF of all races who work for OK Bazaars branches throughout South Africa will be assisted to buy their rented houses from the Government during the Big House Sale. This first move by a major employer in the wake of the Government's decision to sell off 500 000 houses to their tenants, was first announced through Sapa by the firm's chief executive, Mr Gordon Hood. Mr Frans Yazbek, the personnel division executive, told HOMEFRONT yesterday how the firm was going about it. Because they have 25 000 employees working at OK Bazaars and Hyperamas around the country, the company first had to create a national network to handle the home-buying programme.

After circulating their personnel divisions countrywide, they sent circulars to their employees asking whether they were entitled to buy the house they were living in and, if so, to discuss the matter with the company. Employees would be explained the benefits of buying now rather than facing higher rentals in the future, Mr Yazbek said. The company also undertook to help sort out any snags that might arise during the buying procedure. Most important of all, the company would invest considerable funds so that an OK employee wanting to buy his house would be guaranteed a 100% building society loan. The firm is deeply committed, in several ways to assisting their employees to become homeowners, Mr Yazbek said.

DURBAN. — The trial of a former herdsman who is alleged to have strangled his employer, Lady Noreen MacLaine, and buried her in a shallow grave at her smallholding in Kloof, Natal, in January, began in the Supreme Court, Durban, yesterday. Mr Michael Siphon Nzimande, 34, pleaded not guilty to the murder of Lady MacLaine, 59, and to robbery with aggravating circumstances.

Herdsman killed Lady Noreen

The State alleges that on January 28, about midday, Lady MacLaine left her smallholding in her car to sell eggs and milk and to get wages for her four farm workers. She returned about 7pm and was seen talking to Mr Nzimande. Later that night she was strangled, and money, clothing and other articles were

removed from her house. Her body was buried in a shallow grave near the house. The next day Mr Nzimande told the other farmworkers, who were expecting to be paid, that Lady MacLaine had left for Maritzburg early that morning. He was seen in possession of two R10 notes, although he had not been paid, the State alleged.

Mr Nzimande is alleged then to have gone to his girlfriend's kraal at Molweni. He had with him the articles allegedly stolen from the Kloof home. Mr V O'Connell, defending, put it to Mr Lorne MacLaine, the victim's son, that Lady MacLaine had been drinking with Mr Nzimande on the

nita claims big anti-MPLA success

UNITA. — Anti-government forces claim to have had a major offensive against 10 000 guerrillas in central and east-Angola and to have inflicted heavy casualties on government forces. A statement issued in UNITA said the operation began at midnight on 31 and was centred on provinces of Moxico, Malange, Huambo, Cuanza-Sul — about half of the ruling MPLA to negotiate with Unita.

The statement claimed guerrillas had destroyed the 21st brigade of the Angolan Army, killing 273 soldiers and 15 Cuban advisers. They also claim to have:

- Besieged two government brigades and a Cuban brigade in Cangumbe.
- Shot down three MiG 21 fighter aircraft.
- Captured two assault vehicles, 43 trucks and arms.
- Taken an army post and training school in Cuanza-Sul and captured the town of Mungo. — Sapa-AP.

umber of bless up

LONDON. — Unemployment in Britain climbed back to three million last month to reach 3 020 600, 10% of the workforce, the Department of Employment said yesterday. The opposition Labour Party immediately attacked the ruling Conservative Party over the latest figures, condemning the government's "relentless and inhuman economic policy". — Reuter

UN scheme for Swaziland

MBABANE. — The United Nations Conference on Trade and Development has completed a study for the construction of a container terminal in Swaziland. An UNCTAD team arrived in Mbabane in May and started the study for a terminal for products produced in Swaziland, including wood pulp, beef and canned fruit. A government official said the terminal would most likely be situated at Matsapa. — Sapa.

ANC show of solidarity for SA women's day

LONDON. — The women's section of the African National Congress will dominate this year's celebration of South African Women's Day on Tuesday. The ANC women have organised a meeting-cum-cultural event to be held in a hall in London's Red Lion Square.

a number of songs by the ANC choir, and a dramatic presentation of the "women's struggle against oppression and exploitation in Southern Africa". The speakers include Eleanor Khanyile, Shirley Mashiane, former labour MP Joan Lester, and Bience Gawanda of Swapo.

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95c

Dion's Low Price

Govt launches newsletter on housing policy

By Frank Jeans

The Government today took a big step forward in its role in the communication of housing policies.

It launched its first newsletter to spell out State aims on homes and the need for private sector help.

The Minister of Community Development, Mr Pen Kotze, said at a meeting of business leaders in Pretoria: "In moving towards this new partnership between public and private sectors, it is the department's objective to establish a forum which can communicate on the field of housing.

"We will also use the newsletter to keep the

private sector fully informed on housing policies and developments."

Meanwhile, it has been announced that a committee representing the public and private sectors is to meet regularly to help "provide solutions to overcome housing problems".

The first issue of the newsletter spells out in detail how an employer, for instance, can help his workers to get homes.

The Minister said his department had aimed at promoting private home ownership for many years.

"This has now been given practical effect through the large-scale sale of 500 000 State-financed dwellings," he said.

(23)

8725 5/18/83

Govt is warned of new debacle

Parliamentary Staff

THE Government was heading for another Ingwavuma/Kangwane debacle in its consolidation proposals affecting Moutsie district, Opposition speakers warned.

* Speaking during the second reading debate on the Laws on Co-operation and Development Bill, Mrs Helen Suzman said the Moutsie people strongly objected to being sliced out of Lebowa and being incorporated in Kwandebele.

Deputations from Moutsie had told her that the entire population opposed a change in the status quo. Many had title deeds to their land and some believed there were mineral deposits on their land because the area ran parallel to the Witbank reef.

SHOCKED

The people feared for their rights if they were to be incorporated into Kwandebele.

Mr Nic Olivier (PFP nominated) said he was "shocked" at the Government's handling of the affair. The sovereignty of Parliament was being used to circumvent the Appeal Court's judgment on the Ingwavuma/Kangwane affair.

The "vastly expensive, totally disrupting" consolidation plans were all conceived in the ideological interests of apartheid and could therefore not be supported, Mrs Suzman said.

Bill puts blacks in 'Catch 22 situation'

ARGUS 9/8/83

Parliamentary Staff

THE Rikhoto judgment would be "seriously circumscribed" by a Bill which made it extremely difficult for contract workers' families to gain access to towns, according to Mrs Helen Suzman.

Speaking during the second reading debate on the Laws on Co-operation and Development Amendment Bill, Mrs Suzman said certain clauses imposed conditions which the Appeal Court did not lay down and which had not previously formed part of Section 10 (a) rights.

According to the Bill a contract worker's family can only live in a town if there is "approved accommodation".

DIFFICULT

This made it "extremely difficult" for a contract worker's family to take advantage of the rights acquired under the Rikhoto judgment, though the judgment itself was not affected.

It was common knowledge that there was no available housing or lodgings in any urban area for blacks.

"To make use of Rikhoto, blacks will have to rely on the decision of officials to make accommodation available — Section 10 (1) (b) does not give blacks a legal right to demand accommodation," she said.

Some "lucky workers" would have employers who would help them



Mrs Helen Suzman

cope with officialdom and to obtain accommodation, but the rest were in a "Catch 22 situation".

Numerous court cases had been fought at great expense to win a black man the elementary right of living with his wife and children in an urban area and all too often victory in the courts had been "deliberately countered" by an obstructive bureaucracy, almost to the extent of civil disobedience.

In one case it took two years to implement the Appeal Court's decision and now "delaying tactics" were again being employed.

Applications were made to come back time and again, information

which was on file already was demanded and Administration Boards used criteria which the Appeal Court did not lay down.

"The whole issue is chaotic and confusing," Mrs Suzman said, calling on the Minister of Co-operation and Development to clear up "inconsistencies and uncertainties."

Mrs Suzman asked Dr Koornhof to spell out the position of citizens of independent homelands, who had entered urban areas as contract workers under the Labour Act and Blacks (Urban Areas) Consolidation Act, not as citizens of Venda, Ciskei, Transkei or Bophuthatswana.

She also asked for an assurance that the Government would not make retrospective amendments or amendments which would prevent workers from obtaining Section 10 (1) (b) rights.

The new clauses were an extension of "totally discriminatory laws" which applied only to blacks, limiting their mobility and causing "untold misery" in South Africa.

Venter calls for subsidised rents

Star 10/8/83 (123)

There is a great need for subsidised rentals and mortgage rates as newcomers to the property market find it increasingly difficult to afford their own homes, says Mr A A Venter, Deputy Minister for Industry, Commerce and Tourism.

In his opening address to the annual congress of the South African Property Owners' Association, Mr Venter said effective measures would have to be taken to meet this need.

"Some of these problems will be covered by the findings and recommendations of the commission of inquiry into township development and I expect the commission to finalise its work soon," said Mr Venter.

He added that the Government had embarked

on a new housing strategy for low-income groups.

"The outstanding feature of the new approach will be the drive towards greater private sector involvement in the financing and provision of low-cost housing in future."

The building industry could also expect finalisation of the national building regulations "in due course".

Other key factors which would speed up the development of new residential townships, he said, were the Department of Community Development's guidelines for the provision of engineering services.

"This should go a long way towards reducing the exorbitant cost of township development."

Koornhof pledge on Rikfoto ruling

ARGUS 10/8/83

Parliamentary Staff
THE Government would respect the Rikfoto judgment but it could not allow uncontrolled influx into urban areas, the Minister of Co-operation and Development, Dr Piet Koornhof, told Parliament.

Replying to the second reading debate on the Laws on Co-operation and Development Bill, Dr Koornhof said citizens of independent homelands would also qualify for Section 10 (1) (b) rights in terms of the judgment.

Earlier in the debate Mrs Helen Suzman (PFP Houghton) described the situation as "chaotic and

confusing" and called on Dr Koornhof to clarify the "inconsistencies and uncertainties".

Dr Koornhof said there was "no question" of blocking contract workers from acquiring Section 10 (1) (b) rights but the issue of unpaid leave was still being investigated.

The Government respected the Riekert Commission's recommendation that housing had to be a prerequisite for admitting contract workers and their families to urban areas.

Housing was of crucial importance and the Government could not allow further squatting or the

development of slums.

"If uncontrolled influx is allowed it will not only aggravate the housing and unemployment situation but will further strain the health, welfare and education facilities," Dr Koornhof said.

"This will result in an atmosphere of discontent and will be detrimental to the urban community."

Dr Koornhof called on the private sector help provide housing by building homes for "faithful and stable" employees.

The Government alone could not be held responsible for housing — various stumbling blocks had been removed.



Mr Albert Nothnagel



Mr D van der Merwe

Developers often to blame for delays

Financial Reporter
EXPERIENCE has shown that delays in township proclamation are frequently caused by developers, according to Mr A A Venter, Deputy Minister of Industry Affairs, Commerce and Tourism.

He said in a speech delivered on his behalf at the annual congress of the South African Property Owners Association in Johannesburg yesterday that in the upward phase of an economic cycle township developers were impatient to satisfy demand.

But the other side of the coin was that when the economy turned, such as in the current recession, township developers often tried to delay or postpone proclamation because market conditions were not favourable and lacked the element of speculation, which was behind excessively high property prices.

Mr Venter did not want to blame any party concerned as everyone was trying to fulfil his function as effectively as possible.

The problem lay in the conflict between the Government's efforts to provide proper housing and the private developer and agent's attempts to maximise profits.

He stressed that the Government and the private sector needed each other and an effective formula for co-operation had to be found.

It was time for a detailed look at the possibility of

greater rationalisation of Government's involvement in the property market, with the greatest possible decentralisation in contractual capacity down to local government level.

One area that called for close co-operation between the Government and the private sector was the alleged inflexibility of the authorities on building norms, standards and regulations.

Mr Venter described this as "a very thorny issue with many pros and cons on which I would not express too much of my opinion".

"On the other hand, it is a matter which calls for the closest co-operation, and can only be sorted out between the relevant authorities and the various private-sector interest groups involved in the building industry and the immovable property market."

The Department of Community Development's recent publication of uniform guidelines for the provision of engineering services in residential townships should go a long way to reducing the exorbitant cost of township development.

Draft national building regulations, compiled in terms of the National Building Regulations and Building Standards Act, were being studied by the SA Bureau of Standards. It was hoped that an acceptable set of regulations, laying down minimum building standards, would be finalised in due course.

Mr Venter was concerned about the problems encountered in residential property.

The excessive rise in rentals and property prices had

meant that the days of cheap housing had ended.

For the wealthy the spiralling cost of housing meant they had to adapt spending patterns. The low-income group had access to low-cost public or private housing schemes.

"My greatest concern lies with those couples in the middle-income groups who fall between the wealthy section and those who qualify for assistance.

"The newcomers to the property market, who include many young married couples, find it more and more difficult to afford their own homes."

This increased the need for subsidised rents and mortgage rates, which further distorted the urban property market.

"More effective measures will certainly have to be devised."



Mr Ted Atkins has been pointed general manager of Martco.

Safety first in property investment

By NORMAN CUTHBERT
MOST institutions, including small self-managed pension funds, were seeking an increased exposure to property in their planning, Mr A Martin Buss, property manager of the SA Mutual Life Assurance Society, said yesterday.

Institutions could invest only at a price which gave a satisfactory yield, he told the annual conference of the SA Property Owners Association.

The weight of funds seeking sound property investments was growing fast. Investment in properties was sound, but to do so in property for its own sake could lead

the unwary into unsound investments.

The amount of total assets invested in property ranged from a few percent up to 20% by some of the largest institutions.

In determining the amount of the cash flow for property investment, the institutions had to operate prudently, recognising the limitations of the market and the inevitability of downturns in rents.

Property investment policies and strategies differed widely from society to society and his remarks, Mr Buss said, were limited to Old Mutual.

By their nature, life savings of policyholders and pension-fund members had to be treated as trust funds. This forced the Old Mutual to look for low-risk investments.

It had been determined that the upper end of the letting markets presented the lowest area of risk. To attract and keep the best companies as tenants, Old Mutual had concentrated on prime-quality buildings.

The belief that institutions could invest in projects with sub-normal yields in the early years because they could afford to wait for satisfac-

tory yield in later years was not true.

The Old Mutual operated in a competitive environment and needed to demonstrate its ability to achieve level of investment performance matching and exceeding that of its competitors.

Although the nature of the funds was long term, the short-term or immediate yields on any investments were as important to Old Mutual as to any other investor.

The actual weight of financial and practical administration of buildings produced a constraint that led the Old Mutual to concentrate its effort on investments that could absorb more than R5-million at a time.

Investments of R10-million to R20-million were favoured.

Old Mutual was seeking office buildings in the CBD of the four main cities, plus a few well-developed suburban nodes, industrial and warehouse buildings in established, fully serviced areas and shopping centres in selected locations.

Shopping centres were placed last, said Mr Buss, because he believed South Africa was overprovided with them.

Super-groups a danger

By NORMAN CUTHBERT
THE State would most likely have to intervene at some point in the public interest to undo some of the super-groupings which were increasingly dominating the economy, said Mr Johannes Hamman, managing director of Federated Employers Investment Company, yesterday.

He told the annual conference of the SA Property Owners Association that the

left. On the other hand, free markets ... are on the side of the big battalions.

"Greater and more powerful groups have been forming for years. In recent times the pace has quickened and the latest monumental moves clearly show how late it is."

These groups "are not good for institutions or the country".

"They reduce competition, but the best business

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Clash on urban blacks



Mr Nic Olivier

Parliamentary Staff
The Laws on Co-operation and Development Amendment Bill, which led to sharp clashes about the rights of urban blacks and homeland consolidation, has passed its final stage in the Assembly.

During yesterday's third reading debate, Mr Nic Olivier (PFP nominated) called on the Minister of Co-operation and Development, Dr Piet Koornhof, to state clearly what the Government planned in black housing.

Mr Olivier said it was not good enough for the Government to say families of contract workers with urban residential rights would be allowed into urban areas only if housing was available.

He asked whose fault it was that there was a backlog in black housing. The Minister should give an indication of what the Government envisaged in regard to housing.

On the issue of the proposed excision of the Moutse district from Lebowa for incorporation

action to place people under the authority of another government against their will.

The Minister of Co-operation and Development had harmed his own image by withholding certain facts until the information was dragged from him — "like milk-

ing a dry cow".

Mr Olivier said that in the light of the Ingwava case an impression had been created that the Bill represented an attempt to sidestep the Appeal Court's judgment.

Mr Z P le Roux (NP Pretoria West) rejected Mr Olivier's arguments and said he had made un-

position accusations that his department and Administration Board officials had taken harmful action.

He said thousands of white and black officials were involved in his department's efforts to work towards peaceful solutions to existing problems.

On the Moutse issue, Dr Koornhof said Kwandebele had asked to take independence in December 1984. This would not be the last of the black peoples to request independence.

The Bill was read a third time, with the official Opposition and the Conservative Party voting against it in a division. The New Republic Party supported the Government side.

'Koornhof has harmed own image'

his party was not satisfied with the effect of the Rikhotso judgment on the position of urban blacks.

The Government should introduce legislation to restore the previous situation under which certain restrictions were applied.

Replying to the debate, Dr Koornhof rejected op-

these two accusations against the Government in whichever way it suited them.

"The Conservative Party has only one aim and that is to get rid of its frustration and take over the Government of this country," he said.

Referring to the Progressive Federal Party,

CP accused of double-edged attitude to Nationalist policy

THE Conservative Party accused the Government on the one hand of being racist and on the other of being integrationist, according to the Minister of Co-operation and Development, Dr Piet Koornhof.

Replying to the third reading debate on the Laws on Co-operation and Development Amen-

presumed to speak on behalf of the blacks and then dragged the Government into the issue.

"The Government is doing all in its power to eliminate the backlog in housing for all races and there is a total new strategy as far as this is concerned," he said.

The National Party

"All the National Party did was to acknowledge the existence of different nations."

The Kwandebele people had asked for independence by the end of 1984 and he was sure other nations would follow suit.

The results of the proposed legislation would be positive as it would be about reater sta-



Dr Piet Koornhof

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Housing laws seen as source of misery

Staff Reporter

THE CHAIRMAN of the Black Sash in the Western Cape, Mrs Mary Burton, yesterday criticized government black housing policies, saying they caused huge human misery and suffering.

"Black people in the Western Cape are worse off than blacks in other areas," she told a lunch-time meeting in the City.

Talking on "Squatters, the Human Problem", she said: "Government policy has created a black housing problem of critical proportions. Housing needs are desperate, and because of this people are forced to make their own provision."

Mrs Burton gave figures to show that 42 percent of the blacks in the Western Cape's cities and towns were there illegally.

"The machinery which set up the so-called independent homelands has deprived millions of black people of their South African citizenship.

"Influx control regulations mean that it is the black people of this country who face the problems."

The laws were designed as a weapon against these people, she said — and the odds were stacked against them.

She pointed to the series of raids and arrests at the KTC squatter camp in mid-May, calling them "disastrous episodes".

"Rapid urbanization, the recession and the drought have aggravated the pressures to move from the country to the city.

"But there is a battery of laws and regulations set up to prevent country people making their lives in the city."

She said the urban blacks were "driven by human needs", striving for the right to live together as families.

"It is our human problem as well as theirs. They are being forced by our rules to live that way."

The drive to live a community life and the search to find something better would continue, Mrs Burton said.

"What these people want is the right to live in the area, the right to live with their families, and the right to work," she said.

Black women denied homes

By PHILLIP VAN NIEKERK

A CALL for an urgent examination of the marital status of black women — which severely restricts their ability to own property — has been made in the light of the government's sale of 500 000 houses.

This has emerged from evidence to the Select Committee on the

will be excluded from the housing sale.

In the report, a member of the select committee, Dr H van Rensburg, disclosed that the question of the legal status of black women had been referred to a special committee of the Law Commission.

However, Mr Tucker told the committee: "In

he would "surprised" if as many as 10 black couples had signed antenuptial contracts.

According to Mr Tucker, there are vast problems for black women, married or single, seeking a bond from a building society to buy a house.

● There is no guarantee that a single woman seeking a loan will not



Constitution examining the Black Communities Development Bill, the second of the three "Koornhof Bills", according to a report tabled in Parliament this week.

Mr Bob Tucker, a consultant to the Urban Foundation, told the committee that black women who were qualified nurses, teachers or the breadwinners of the family, were unable to acquire leasehold title because of the provisions of the law.

It is understood that at present only one building society in the country offers bonds to black women, because of their tenuous legal status.

According to Mr Tucker, unless the matter is dealt with speedily, virtually all black women — many of whom are breadwinners —

two or three years' time, when those 500 000 houses have gone, maybe the Law Commission will have resolved whether black women ought to be allowed to acquire property."

The laws regulating marriages among blacks are contained in the Black Affairs Administration Act. Black women can either enter into a customary union (in which case they are relegated to the legal status of children and cannot own property) or a civil marriage.

For blacks, a civil marriage (which has become the norm in the cities), in or out of community of property, is always subject to marital power. This means that a married woman, even if she is the breadwinner, cannot enter a contract without her husband's consent.

And, Mr Tucker says,

enter into a customary union in future, in which case she will lose her status in law and her property will revert to her husband.

● There is no register of customary unions, so there is no way of checking whether a client is in fact a minor in law.

● There are many woman breadwinners wanting to acquire leasehold whose husbands have disappeared, and they thus have no rights of ownership.

Mr Tucker believes it will be difficult to "invade" the "whole fabric of tribal custom and rule" by overhauling the matrimonial laws for blacks.

"But it is our submission that the question of a customary union is no longer appropriate in the urban areas today," he said.

Black wives can't buy their homes

13/8/83
C. Herald ~~775A~~ ~~775B~~ (123)

THE legal status of black married women, which is presently under investigation by the South African Law Commission, assumes a new sense of urgency in view of the Government move to sell houses to blacks.

About 99 percent of married black women are legal minors. Whether they are married under civil law or under tribal law, their husbands have marital power over them and are their legal guardians. Only the few who are married with an ante-nuptial contract are not subject to the marital power.

The Department of Community Development is allowing black women to buy Government houses — but they will not be eligible for building society loans.

Building society and Government officials admit this will affect many black families for, in many of them, the woman is the head of the household.

"The Government is sympathetic to the situation and aware of the problems. But it is not easy to find a solution that will satisfy all parties," said Mr Johan Kruger, sales co-ordinator of the housing scheme for the Department of Community Development.

OCCUPANTS

According to the department, only the present occupants of Government houses will be able to buy them.

To determine the prices of the houses the original price of the house has been added to its replacement value and the total halved. This means that old houses in particular will be sold cheaply.

The department is offering special discounts

as a further incentive to potential buyers — including one of between 25 and 30 percent for cash.

If the occupant chooses not to buy his house, it can still be rented — but rentals are likely to go up substantially next year, said Mr Kruger.

SECURE

In the past the United Building Society had allowed some black women to take out housing loans to secure houses under the 99-year leasehold system, said Mr Piet Kruger, the society's assistant general manager.

"But we cannot continue making exceptions because now there will be so many of them," he said.

Mr Kruger added that building societies had been pressing for a long time for the tribal law to be amended because "we consider black women good customers and safe borrowers."

It is even difficult for single black women to get housing loans. Tribal marriages are not registered so there is no way of checking on a black woman's marital status.

CHANCE

Building societies who gave self-declared single women a loan were taking a chance, Mr Kruger said.

Mrs Deborah Mabiletsa, a director of the

Urban Foundation, said she believed financial merit alone should decide whether a black woman could buy a house.

"For many years we black women have asked to be recognised as legal adults. Many of us are heads of households and, in certain cases, the sole breadwinners. Why is our majority not legally recognised when we are acting as adults in every other way?" she asked.

Home ⁽²³⁾ owners vital for social stability

14/2/83
Property Editor

HOUSING ranks as one of South Africa's most pressing needs because home ownership enhances stability and reduces social tension, the retiring chairman of the Southern Life Association, William Marshall Smith, said in his annual report, presented this week in Cape Town.

"A home is generally the most valuable asset a family possesses and it also offers protection against inflation," he said.

He welcomed the announcement that blacks in Soweto were to be given the opportunity of owning their own homes at prices within their reach.

He asked that similar facilities be made available to blacks in the Western Cape, who do not enjoy the same advantages as urban blacks in other parts of the country.

"They have the same need for stability through home ownership. Security of tenure makes for a settled society and home ownership for all races should be a top priority," he said.

Mr Smith said it was important that the State, local authorities and utilities regularly reviewed the terms on which loans had been granted, rents paid and expenses recovered.

DURBAN, AUGUST 14, 1983

123

Government scheme too restrictive, say property men

HORWOOD TIGHTENS CLAMPS ON HOME SUBSIDY



State-assisted home-ownership saving scheme are also eligible.

The subsidy remains the same - subject to any change in the lowest mortgage interest rate.

The scheme will interest the lower income groups especially and will encourage homeownership in the latest Government 99-year lease plan.

The subsidy will also benefit those building under the various homes-that-grow systems. There is nothing to stop applicants adding on to their house at any time after the initial approval has been given. The fact that the value then exceeds R40 000 does not affect the subsidy.

The Government, in consultation with building societies, has closed several loopholes in the original scheme, but the conditions may now be too restrictive.

Many property people believe the subsidy should not be restricted to homes that have not previously been occupied.

The clause is obviously intended to encourage the building of new houses.

By JEREMY REES
Property Editor

cludes possession of a residential property through holding shares in a company.

The scheme has had very little response, mainly because of lack of publicity.

Applicants must get the forms through building societies and sign an affidavit before a Justice of the Peace or Commissioner of Oaths.

The subsidy applies for five years at the lowest rate of interest (now 14 percent) and the amount is worked out as 20 percent of the total interest paid over five years and excluding capital repayments.

No one who already receives a subsidy from any other source qualifies for the Government scheme.

Although the maximum value of the building must be not more than R40 000, the value of the land is not included and there is no limit on the total worth of the property.

The subsidy is open to all first-time buyers, whether married or single, and individuals who have saved under the

BUILDING societies are ready to process applications for the 20 percent Government subsidy announced by Minister of Finance Owen Horwood in his budget speech earlier this year, but there are fears that restrictive clauses will defeat the object of the scheme.

The subsidy is subject to stringent conditions, the main ones being that prospective homeowners may not have previously owned a house or flat, the subsidy can only apply to a new home to be occupied by the applicants, and the value of the buildings must not exceed R40 000.

Many people feel the figure is far too low. They say it would be hard to find a builder to erect a suitable house for the white market at that price. Also, with land prices soaring it would not be economic to build a utility house on an expensive stand. The land would be more than half the value of the house in most cases.

A prospective homeowner will not qualify for a subsidy if either he or his wife has owned a house or flat. That in-

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INFLATION

Questioning Pretoria's veracity

One should not make the mistake of under-estimating the implications for inflation of the cuts in fuel prices. They are less fortuitous than the consequence of husbandry. The psychological impact reaches far deeper than the reaction of the consumer price index.

One of the hardest tasks of any government is to persuade the public that it can and will reduce inflation after years of manifest lack of success in doing so.

Why, most ordinary people must be asking themselves, should they believe Pretoria any more now than before? Their conclusion is clear from the buoyancy of share prices, rising property prices and stable consumer demand. They remain unconvinced.

But one doesn't have to be emotionally an optimist to see that there has been some progress towards price stability.

The fuel price cuts are the first actual reduction in years in key administered prices. At best, most others have risen less fast than the general price level.

Some other prices, especially real wages and services, have stopped rising. And the cost of credit and mortgages is rising. So the Reserve Bank is managing to keep the growth in credit more in kilter over a period with the economy's ability to supply.

It is not doing enough: the money supply growth and the weaker rand show that. But some progress is being made, and as the public becomes more aware of it, the effect on inflation should become cumulative. The more Pretoria can reinforce words with actions now — even if their immediate impact appears small — the greater the chances of more stable prices and renewed prosperity.

HOUSE SALES

And still the good times roll

With the R1m sale of Adrian Bellamy's former Houghton home making the front pages last week, property watchers are inevitably asking if the residential market is really cooling down as many would have us believe.

After all, the Bellamy property (licked into its present shape by Eric Lisus, of Summit fame) is only one of several now on the greater Johannesburg market with a seven-digit price tag.

And million rand house deals have been done before — like the R1.8m plus the rest which Mario Chiavelli paid for Summer Place.

Indeed, a string of properties in Johannesburg's high society belt have fetched R400 000-R500 000 recently almost as a matter of routine. So the good times continue to roll. Or do they?

It sticks in the craw of eternally optimistic estate agents to come right out and say the bottom is falling out of the market. "Prices will continue to rise with inflation," asserts Aida Geffen, mistress of the big-time house deal. "The cycle has done no more than reach a plateau," suggests the opposition's Eskel Jawitz.

Both could be right. Prices at the top are holding up remarkably well. And the dwindling supply of building society mortgages is evidently doing very little to dampen the fervour. People with that kind of money either pay cash (as happened in the Bellamy case) or simply get an overdraft from banks which might not even insist on a bond, preferring to play the man rather than the ball.

At the day's end, however, such deals are really no more than a curiosity at the fat end of the market. Way down where the bread and butter comes from, things aren't nearly as rosy.

Even Jawitz admits that the number of concluded deals is dropping because of financing problems. But where prices come down, it is usually because hopeful sellers are chancing their arms.

The real issue, he rightly says, is supply and demand. And as there are still more buyers than sellers, this factor alone should keep prices buoyant. Right again. One only has to look at the blue funk of the latter Seventies, when buyers were few and bonds were plentiful, to realise that money alone doesn't make a market.

EXCHANGE CONTROL

And the confusion now

There is too much confusion in the foreign exchange — the most important market in the economy — about the forthcoming changes to the ways the mining houses receive the

proceeds of their gold sales. This adds unnecessarily to the many risks that importers and exporters have to face daily. It also adds another distortion to the market orientation of

AKGUB 18/8/83

Gas fire: Children treated

Staff Reporter

THREE children escaped with slight burns when a liquid-petroleum gas cylinder started a fire in a Langa house.

Units of the Epping Fire Station used two fog jets to extinguish the fire in the kitchen of Mr and Mrs N Mtemba, in Zone 16, Langa, last night.

A spokesman said the fire was sparked off about 9.24 pm when leaking gas from a stove flared up and ignited curtaining in the kitchen. The fire damaged the entire interior of the kitchen.

The children — Bullelwa, Nomaza and Buyiswa — were discharged from hospital after being taken there by ambulance. They were reportedly in the kitchen when the fire started and were slightly burnt while escaping from the flames.

Coloured teachers for top level talks

Education Reporter

THE Union of Teachers' Associations of South Africa (Utasa), umbrella body for coloured teachers, will meet the Director of Coloured Education tomorrow to discuss salaries, conditions of service and the boycott at the Mountview Senior Secondary School.

This was confirmed today by Mr Franklin Sonn, president of Utasa and the Cape Teachers' Professional Association.

He said representatives of Utasa would be arriving from the three other provinces to take part in the discussions.

High on the agenda will be the question of salaries.

"When we met the Minister earlier this year, he indicated we would be given increments next year but they might not meet the average 15 percent increases

we have had in past years to keep in line with the rate of inflation.

"It is getting late in the year and we still have not been given any concrete indication of what we can expect.

"We are considering taking this to ministerial level as we also wish to know which teachers, if any, will be affected by moves towards parity with white teachers," Mr Sonn said.

He added that they wanted to hear first-hand from the department about developments at the Mountview Senior Secondary School in Hanover Park where pupils have been boycotting classes since July 25 over the expulsion of four pupils.

"The national executive will then meet on Saturday to discuss their stand on this issue," he said.

Returns on property better than other investments — UCT professor

Property Editor

CITY house prices have risen by an average of 300 percent since 1979 and all South Africans who owned property over this period have become much wealthier, says Professor Brian Kantor of the School of Economics at UCT.

"The increase in the value of their homes has increased their personal wealth and strengthened their personal balance sheets to the same extent as if they had accumulated a similar amount in a savings account or a share portfolio."

Speaking at a meeting of the SA Institute of Building in Cape Town, Professor Kantor said people not owning homes over this bonanza period have been similarly deprived.

The investment returns for owning real estate were many times

better than the returns available for any other kind of investment.

"Property-owning South Africans are saving less because they are wealthier. Non-property-owning South Africans are putting much more of their discretionary income into paying the mortgage.

"They are investing in housing rather than saving in other ways and I would be the last to censure them for this.

"What households do with their income is very much their business and that of the institutions willing to lend to them.

"The monetary authorities, however, have taken umbrage at what they regard as 'unhealthy speculation', which of course reflects unfavourably on the authorities' ability to bring down inflation.



Professor Kantor

"Their track record does not justify anything but scepticism about the prospects for lower inflation — and they should be the last to blame householders for seeking protection."

Professor Kantor said that considering the recent increase in house prices, borrowing from building societies or banks at 17 or 18 percent has been "very cheap indeed".

It did not follow that housing would always

prove as good an investment. This depended on property prices rising faster than the cost of borrowing, of which there was no certainty.

Interest rates on most building society and bank home loans have risen in the past few weeks to the levels prevailing at the beginning of the year. At the same time savers are being offered higher returns in the scramble to attract more investment money.

Mortgage rates of different building societies may vary slightly. Most have increased by 0,5 percent and are on these lines:

Up to R20 000	15 %
Up to R40 000	15,5 %
Up to R60 000	16 %
Over R60 000	17 %

Barclays rates are:
Up to R40 000 18 %
Over R40 000 19 %

Govt plans get more support from Afrikaans academics

Political Correspondent

A CAMPAIGN to have Afrikaans academics record their support for the Government's constitutional proposals is escalating.

All the rectors of Afrikaans universities have now joined the 19 academics who last week issued a memorandum in support of the proposals.

The last one to do so was Professor D Joubert of the University of Pretoria.

The deans of several

Especially in the north, the CP has influential support in academic and church circles.

One of the notable Afrikaans academics who has not joined the original 19 is Professor S P Cilliers of the University of Stellenbosch.

He has attacked what he described as gaps in their arguments, among other things that parliamentary rights for groups other than whites are being extended for the first time since 1910.

Professor Terreb-lanche has replied that political rights to groups other than whites have in fact not been extended since 1910.

MPs first to in Tygerberg

Tygerberg Bureau MEMBERS of Parliament in the Tygerberg area have bought the first tickets in a win-the-car competition to adver-



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OSKAVA

GENUINE SHEEP SKIN
SEAT COVERS at

R9,90

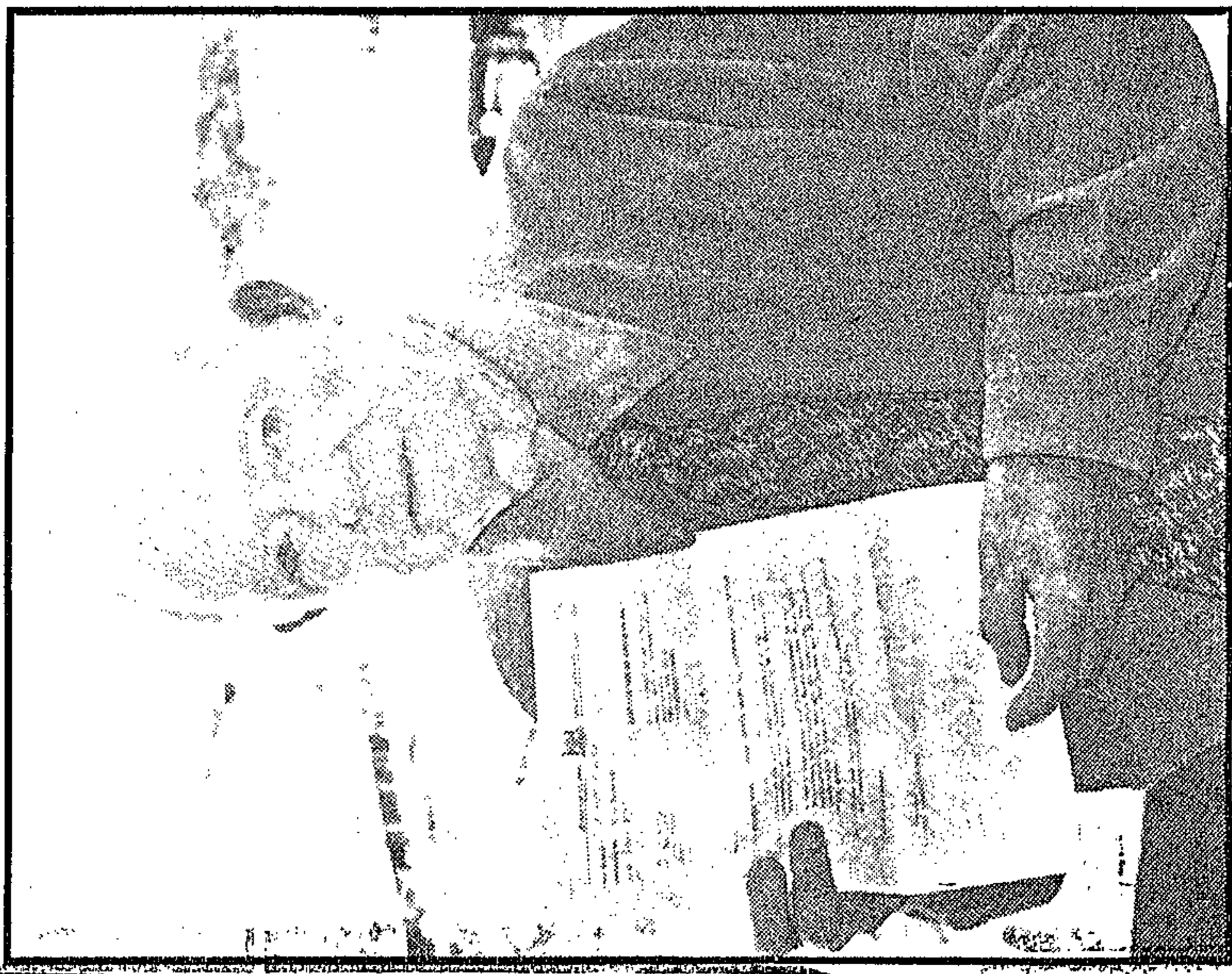
Gerlicks

**Cavendish
Square**

Fabulous fashion

My little stone domes could beat the black housing crisis

3-1-10
21/8/83



□ Stonemason James Gresty. . . a plan nobody will listen to

But nobody wants to listen to me, says one of the last of a dying breed

Tribune Reporter (123)

ALL-WEATHER, dome-shaped houses built by black people using local stone and costing no more than the price of "a couple of bags of cement" could solve the critical black housing shortage — but Government departments and churchmen are not interested, says a retired Durban stonemason.

And if somebody doesn't give them a good shake-up, valuable skills will be lost and the people of this country will miss out, according to 84-year-old James Gresty of Old Fort Road, Durban.

Mr Gresty says he has written to dozens of Government departments with a proposal to provide cheap do-it-yourself stone huts for blacks.

But his letters seldom get past the clerical types; if they do get a response, it is a fob-off.

"Churchmen I discuss it with just aren't interested," Mr Gresty says.

He wants the Government to employ him to teach blacks living in tin shanties and wattle and daub huts how to build all weather, dome-shaped houses from on-site stone, using mud and clay to hold the structure together.

"They would cost nothing to build, except for a couple of bags of cement used as grouting on the outside stonework to make them solid in any weather," he said.

Naturally, he would need a vehicle so he could visit different areas and homelands, and the Government would have to pay a fee for his knowledge and skill, but he is reluctant to discuss the finer details of this part of the proposal.

"I don't want to make money out of it; I want to do it for our black people," he explained.

"And if someone doesn't take the opportunity soon, it will be too late because there are not many of us left.

"But if the skills of people like me are not taken advantage of it will be too late. There are not many of us left because heavy trades like stonemasonry are dying out," he said.

Sowetan 123

Naawu begins housing plan

THE National Automobile and Allied Workers' Union (Naawu) has launched a housing and education scheme for members.

The union's president, Mr Jury Harris, said the union had received feedback from its membership that money currently in the union's benefit fund should be fed into these important areas.

The housing scheme is the first such involvement by a black trade union in the housing crisis.

"We do not want to go the way of most other benefit and pension funds which just invest money to the benefit of the bosses and financial institutions," Mr Harris said.

He added: "We want to put our money where it will help members and the community."

Initially, education bursaries will be available for the dependants of members in standards nine and ten only and will be awarded as from the 1984 school year.

He believed that bursaries were most needed in standards nine and ten and after these standards a student could go on to technical training or university where many bursaries were available.

The scheme would be continually revived to ensure that the interests of workers were catered for and to ensure that they were not just creating a class to exploit the "mothers and fathers".

The union has also decided to use its benefit funds to help members in getting homes. In so doing it is following the lead of many overseas unions.

Cape Times 26/8/83 (123)

Govt sells 2 000 homes to blacks

Political Staff

THE government's plan to sell 350 000 houses in black areas was progressing well and already more than 2 000 houses had been sold, mainly on the West Rand, the Minister of Co-operation and Development, Dr Piet Koornhof, said yesterday.

Speaking at a press conference in Cape Town, Dr Koornhof said the planning of a wide-ranging advertising campaign to promote the sale of more houses

was well advanced and would probably be launched towards the end of next month.

The government was also setting up two utility companies to train black estate agents to sell houses, he said.

The sale of the 2 000 houses so far had been possible due to co-operation and positive action by employers.

If they carried on as they had started, they would make a very important contribution to the future of the coun-

try, he said.

The 350 000 houses are part of a campaign — announced earlier this year — to sell 500 000 State-owned houses to blacks, whites, coloureds and Asians throughout the country.

Dr Koornhof also announced that 186 200 stands in black areas were being surveyed prior to the houses being sold.

A survey in June had indicated that 82 per cent of employers were prepared to assist their employees with housing and the government now wanted to get them actively involved, Dr Koornhof said.



123 South
24/8/73

Big drive to sell houses

THE DEPARTMENT of Co-operation and Development is to launch a massive advertising campaign next month to sell almost 380 000 houses to blacks.

Dr Piet Koornhof, Minister of Co-operation and Development, yesterday appealed to the private sector to help employees purchase their homes "in their own interests, those of the employees and to make an important contribution to the well-being of the whole country."

Speaking at a Press conference, Dr Koorn-

hof said that of the 372 607 stands on which houses were already built 186 000 had already been surveyed for 99-year leasehold.

Most building societies had given their support to the scheme and R100-million had been made available by them for loans.

A survey undertaken by the department had shown that 82 percent of employers were prepared to assist their employees in purchasing their homes.

He announced that two utility companies were in the process of registration and would train black estate agents.— Sapa.

(123) Feb 2/9/83

State home sales run into red tape

By Anthony Duigan

The sale of 500 000 State-owned houses has been threatened by bureaucratic obstruction in some of the 1 400 local authorities responsible for the sales.

Even the Minister of Community Development, Mr Pen Kotze, has involved himself to try to break down bureaucratic red tape which is preventing the sale getting off the ground.

Two problem-free areas are the main black local authorities in the PWV, the West Rand and East Rand administration boards, a Department of Community Development spokesman said in Pretoria.

The department has been negotiating with financial institutions to find ways to speed up sales by cutting down on some of the red tape.

"We have encountered problems in getting some local authorities to sort out the housing stock in their areas, set prices and get the sale campaign going," the country-wide sale co-ordinator, Mr Johan Kruger, said.

A major problem appears to be delays among some local authorities in applying the required formula to their housing stock and setting down selling prices.

The regulations include special discounts, operative during the first year, which allow people to buy the State homes at discounts of up to 40 percent (in the case of low-income black families).

All the major building societies are standing by with millions of rands set aside for loans to those wanting to buy the homes.

The first sales got off the ground more than a month ago in the Soweto, Johannesburg and Vaal Triangle areas where about 3 000 homes have either been sold or are in the process of being sold. The sale begins in East Rand black townships today.

The discounts make it possible for black families to buy the four-roomed township houses for as little as R1 400 (including the cost of 99-year leasehold registration).

Faw

13

~~204~~ ~~30~~ (123) Hansard
2/9/83
*19. Mrs. H. SUZMAN asked the Minister of Co-operation and Development:

(1) Whether, with reference to his reply to Question No. 31 on 16 February 1983, he has received any representations concerning the formulae in respect of Black employees in blocks of flats; if so, (a) from whom and (b) what was (i) the nature of and (ii) his response to each of these representations;

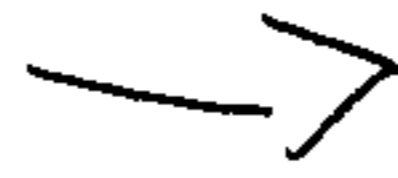
(2) whether he intends to effect changes to these formulae; if not, why not; if so, (a) when and (b) what changes?

The DEPUTY MINISTER OF CO-OPERATION:

(1) (a) Various instances.

(b) (i) The requests were that the formulae be revised with a view to accommodating more *bona fide* domestic servants on flat premises.

(ii) I instructed that proposals regarding the revision of the formulae be submitted to me by the Department of Co-operation and Development for consideration.



(2) (a) and (b) The matter is still under consideration.

Mrs. H. SUZMAN: Mr. Speaker, arising out of the hon. the Deputy Minister's reply, will he tell us when he expects finality in this matter? It has been dragging on now for many months. As he is aware, a number of employers in this free enterprise society are put to great inconvenience by having permits withdrawn and then having to submit applications to the Administration Board, accompanied by medical certificates, to say why they require a domestic to live on the premises.

	1981-'82 R	1982-'83 R		1981-'82 R	1982-'83 R
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(b)	1 517 960	3 658 065	(b)	847 016	1 632 653
(c)	48 250 288	49 418 039	(c)	126 649	1 813 916
(d)	1 845 852	850 601	(d)	11 531	—
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(d)	2 591 670	640 446	(d)	21 759 987	33 030 059
(v)					
(a)	2 475 166	710 274			
(b)	4 505 381	21 125 633			
(c)	1 036 021	15 647			
(d)	4 809 147	10 648 530			

123 Hansard Q.61.2080
Housing: amounts spent
9/9/83
*2. Mr. P. G. SOAL asked the Minister of
Community Development:

What amounts were spent by his Department on (a) Whites, (b) Coloured persons, (c) Indians and (d) Blacks in respect of the construction of housing in (i) Cape Town, (ii) Durban, (iii) Pietermaritzburg, (iv) Pretoria, (v) Port Elizabeth, (vi) Kimberley, (vii) East London, (viii) Bloemfontein and (ix) Johannesburg in the 1981-'82 and 1982-'83 financial years, respectively?

The DEPUTY MINISTER OF COMMUNITY DEVELOPMENT (Reply laid upon the Table with leave of House):

(123) City Press

NO SALE FOR HOMELAND HOUSEHOLDS

11/9/83
FAMILIES living in urban areas around Durban and Cape Town will not benefit from the national sale of houses launched recently.

Areas prescribed for homeland independence, mainly in the Northern Transvaal, and townships with Bophuthatswana links, are also affected.

Johan Kruger, national sales co-ordinator for the Department of Community Development, told a seminar the move was purely a "political decision".

The bulk of the 500 000 houses on sale are in the East Rand, West Rand, Soweto and Pretoria.

Mr Kruger said although Lamontville near Durban had been granted 99-year-leasehold status, very few houses were up for grabs. Kwa-Mashu and Umlazi, which have been handed over to KwaZulu, would not benefit.

He said there were on-going plans for a housing policy for Southern Africa which would hopefully rectify the hitch facing townships with homeland connections.

Mr Kruger urged employers at the seminar to "invest in the social responsibility at a cost a company can afford, to secure properties for your black employees."

Housing crisis for aged — Govt to be urged to act

Argus 20/9/83
Staff Reporter

123

THE Government will be asked to increase the sub-economic income ceiling for the aged to relieve the housing crisis for middle-income pensioners.

Mrs Zerilda Droskie, director of the South African National Council for the Aged, said in Cape Town that the council's executive committee would soon meet in Bloemfontein to discuss the request to the Department of Health, Welfare and Pensions.

Only the aged with monthly incomes of up to R300 qualified at present for a Government subsidy as residents of old-age homes.

But it could cost as much as R480 a month to care for them — and old-age homes were reluctant to accept those with incomes exceeding R300 but less than the cost of accommodating them, because such people were a financial burden to the homes.

SKIMPING

Mrs Droskie said her executive would propose that the income ceiling be raised from R300 to about R450.

Pensioners unable to find housing for the aged, were eating less food and even skimping on medicines as they faced rising rentals and cost-of-living.

Mr Ian Tedder, director of the Cape Peninsula Welfare Organisation for the Aged, which runs homes and residences, said raising the income ceiling from R300 to R450 would be "manna from heaven" for the organisation, which was being forced to "eat into" its financial reserves.

There was a "yawning gap" between the R300 income ceiling and the true cost of caring for the aged.

OVERDRAFTS

In spite of this, the organisation had never put anyone on the street and carried those who did not qualify for the subsidy. The resulting loss was about R140 000 a year.

"We just cannot close down and sell our homes as if we were a business," he said. Instead the organisation was forced to raise bank overdrafts and run into deficit.

● The Argus starts a three-part series tomorrow on the plight of the aged and what can be done to solve it.

HOMES FOR THE AGED
An Argus survey

22/9/83
123

Getting rid of tenants

Landlords are increasingly using the tactic of building renovations as a pretext for getting rid of protected tenants from their buildings, welfare organisations and rent control experts report.

"The name of the game at the moment is to get rid of protected tenants by renovating buildings," Mrs Zerilda Droskie, director of the South African National Council for the Care of the Aged.

"Old people are open to intimidation. They live in absolute fear and do not know what the future holds for them," she said.

Feeling the pinch

"People in the middle income bracket are really feeling the pinch because rents of flats are going up by leaps and bounds.

"They are applying to enter old-age homes although they should retain their independence in the community," she said.

In terms of the Rents Act, single people with incomes of up to R450 a month and families with incomes of up to R850 a month are classified as protected tenants.

Six months

Rents for protected tenants can be increased only on application to the Rent Board. In the event of repairs and renovation, a protected tenant must be given six months to vacate and has the right to return to the premises on completion of work, unless he waives his rights.

But Mr Alf Widman, MP for Hillbrow and a member of the Parliamentary Select Committee on Rent Control, said that in practice, tenants had to find alternative accommodation in the meanwhile, and were unlikely to return to the renovated flat.

"Although people have rights as protected tenants, this is one way of getting rid of a tenant," he said.

This is the second article in a three-part series on housing problems for the old aged, by Staff Reporter DAVID BREIER

At present an owner had to obtain a court order in order to demolish a building and give tenants six months notice.

But an owner who wished to renovate a building needed only to give six months notice and no court order was needed, he said.

Amendment

The Select Committee had agreed to make a court order necessary and the Cabinet had supported this, he said.

But it had been decided not to include this measure in the amendment to the Sectional Titles Act which was expected to take effect on October 1.

Instead it might be included in the proposed Tenants Protection Bill which is to be published for comment towards the end of this year.



This Bill will abolish the Rents Act but will give protection to tenants who need it.

The Department of Community Development is working towards promulgating the amendment to the Sectional Titles Act to take effect on October 1, a spokesman for the department said.

This amendment will make it possible to owners to open a sectional title register on rent controlled buildings or buildings housing protected tenants.

Non-protected tenants will have a 90 day option to buy the flat while protected tenants will have a year's option.

However tenants aged 65 and more and falling within the income limit for protected tenants, will have the sole right to buy the flat and no other person may buy it.

A spokesman for a large development company who declined to be named, said this would effectively make such people "life tenants".

He defended the rights of owners to renovate their buildings.

"If you want to upgrade your property in terms of the capitalist system, nothing says you cannot do so," he said.

The Rent Board had to ensure that the vacation of the property was necessary for the renovations, he said.

The board acted as a watchdog and would not give its permission unless it was necessary, he said.

"They won't let you get away with just slapping on a coat of paint that takes five minutes" he said.

Tenants were sent notices to inform the company if they wished to return to their flats after renovation, he added. In at least one block renovated by the company in Kenilworth, a few tenants were coming back.

123 C. Times
23/9/83

Stott condemns housing policy

Staff Reporter

THE government's new housing policy would turn what was a housing shortage into a housing crisis, Mrs Eulalie Stott, chairman of the Cape Town City Council's Housing Committee, said yesterday.

Addressing the Institute of Citizenship, Mrs Stott said the new proposals of self-help housing schemes for people earning more than R150 a month would "slow down the production of housing" and result in "even more overcrowding". People earning less than R150 a month would still be entitled to government houses, which were heavily-subsidized.

She said that till now the government of the day had accepted its responsibility towards houses for the poor at subsidized rentals.

"But with the introduction of the new proposals, the government intends to reduce dependency and subsidies, and encourage self-help and participation by the private sector."

"The new government housing policy will ensure that what has been

a housing shortage will become a housing crisis," she said.

It was unrealistic to expect people to build their own houses, as most did not have the know-how. The process of providing houses would consequently be slowed down.

She expressed scepticism about the effectiveness of the private sector providing housing in any meaningful way.

The government's proposal to sell existing rented houses would "not provide a single additional house for anyone" but would curtail the existing housing stock for the poor.

Rents would stay low if houses remained under council ownership, whereas if they were sold, their cost would rise each time they changed hands.

Mrs Stott said housing should be the first priority of a government and pleaded for "masses of money to be made available for this purpose".

If there was a shortage of money, lotteries or bonus bonds could be used to raise the finances, she said.

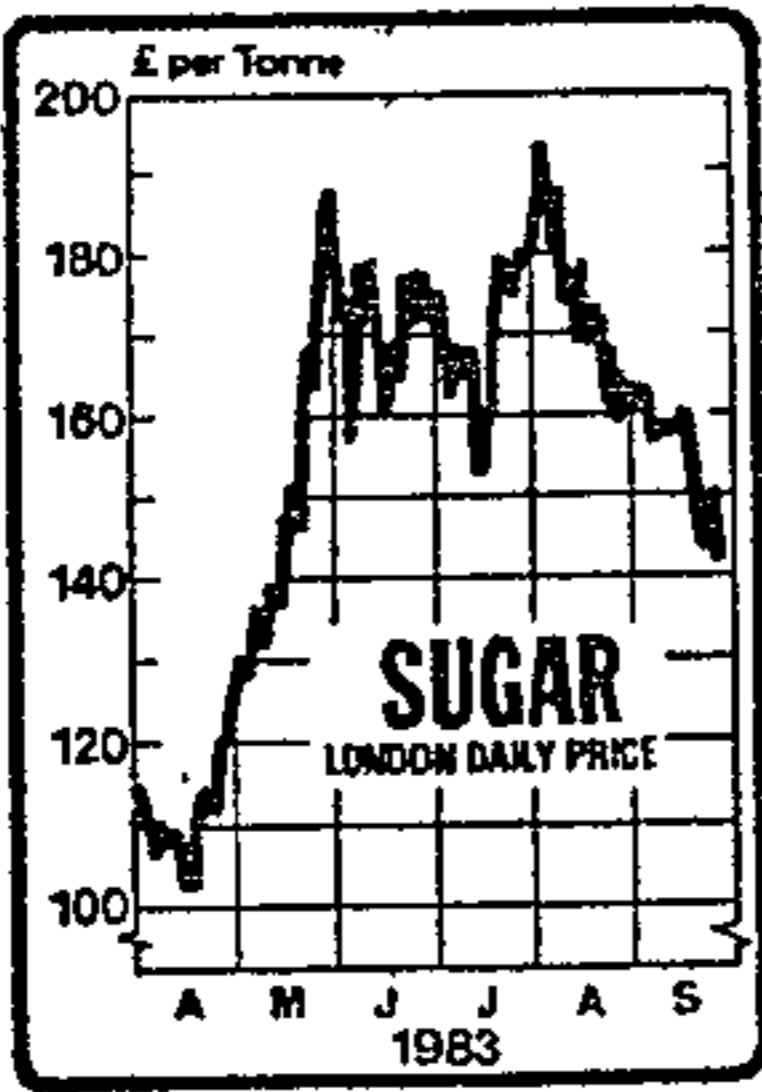
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Sugar low

The world sugar price this week plunged to its lowest level since May.

Yesterday's daily raw price was £147 a ton, down from £158 on Tuesday and the market was reported to be extremely nervous.

There have been constant rumours that Brazil is considering the sale of large quantities of additional sugar, in spite of the export quota restrictions imposed by the International Sugar Agreement.

The latest estimate by West German sugar statistician F O Licht confirms that the fundamental supply/demand position remains bleak for producers.

Prospects for the European Economic Community crop have improved after earlier fears of a setback.

On the demand side, there have been reports that the Soviet Union will be buying less sugar this year. Crop prospects there are reported to be good, with plantings early and harvesting already under way.

Ellerine down but not

Private sector must move into mass housing, says Acton

123
RSM
24/9/83

By JOHN MULCAHY

THE black housing backlog will grow, rather than diminish, unless the Government structures an environment in which the private sector can profitably undertake mass housing.

Mr Tony Acton, chairman of SM Golstein, says in his annual review the only way of servicing the mass housing market economically and profitably is to employ mass-production methods with attendant economies of scale.

"However, insufficient stands are available on a 99-year leasehold basis to permit large-scale development."

In Mr Acton's view, administrative procedures and red tape are enough to deter the most enthusiastic developer.

"We believe that a clear role exists for the employer as a catalyst in the housing process, provided there is little or no adverse impact on the employer's profits and cash flow.

"This situation can be created by introducing tax relief in some form for employers who provide or procure housing for their employees."

Mr Acton notes that the

Government's new policy of limiting its activities to the installation of infrastructure and the provision of housing only to the very poor — those earning up to R150 a month — while inviting private sector participation in the housing process, has been widely welcomed.

"This group found itself well placed by virtue of its Gough Cooper experience and its mass housing capability to enter the economic black housing field.

"Consequently a new company, Goldstein Homes (Pty) was formed to spearhead the move into the black housing market in the current price range of R25 000 and under."

Gough Cooper's residential housing and land operations and the companies under its control had another successful year, says Mr Acton, contributing about 46% of group taxed profit.

The group achieved profit improvements in all regions, with the Transvaal showing a more marked improvement than Natal and Port Elizabeth.

At the beginning of the re-

view period, the market was helped by the entry of banks into the home mortgage field, while early this year improved liquidity from building societies further supported the market.

Gough Cooper's success was derived mainly from capturing a greater share of the market, "mainly as a result of the innovative financial packages it was able to offer".

The dramatic increase in land prices over recent months is cause for concern, says Mr Acton, and the imbalance between supply and demand is further aggravated by the presence of speculators who are buying land on terms at high prices in the hope of realising large profits.

"These factors place severe strain on Gough Cooper's working capital resources, as it is essential for the company to maintain adequate reserves of residential land for development."

"The net result is that it becomes even more difficult to bridge the affordability gap as home prices increase."





Black housing — massive development is a must

By Amrit Manga

SOUTH Africa will have to industrialise its housing development programme on a huge scale if it is to meet the "colossal demand" it will be faced with during the next 17 years.

Large-scale urbanisation of black workers will bring formidable pressure to meet the demand for new accommodation at a rate of 146 000 housing units a year.

And, according to Alain Roulie of Murray & Roberts's ADCC Homes, the backlog will remain unless South Africa follows other African and European countries into mass industrial building schemes.

He pointed out that South Africa lagged behind most African countries where European construction firms had long since embarked on mass production of cheap housing.

"But the scheme will only be effective in satisfying the

Industrialised black-housing plan needed

(123) S. Times 25/9/83

demand if building societies can raise sufficient funds to finance purchasing of houses by black workers," he says.

Building societies have once again emphasised the need for prescribing investment by life companies and other financial institutions in building societies.

Mr Roulie pointed out that life insurers and pension-fund institutions are assured of a constant and growing inflow of funds.

According to a marketing preview compiled by D'Arcy-Macmanus and Masius (DM & M), the cost of providing the additional housing at

1980 prices is estimated at R21 750-million.

Considering the National Association of Homebuilders' (NAHB) increase of 77,5% in home-building costs during 1980 to 1983, the total investment could rise to R38 570-million by the end of this year.

According to the marketing preview, State funds for housing, currently in short supply, will be used mainly to acquire land and provide essential services.

"Consequently, the responsibility for housing will steadily shift to the private sector."

But LTA housing chairman Donald Goodey says the housing problem is no longer one of construction alone.

He says the State policy whereby employers and the private sector are required to share the responsibility adds an economic dimension to housing development.

Commenting on resources and technical know-how, Mr Goodey says: "The more important issues are the methods of financing."

"Ways and means of advancing loans to individuals and repayment terms should be structured to enable the not so wealthy to afford reasonable accommodation."



Mr Goodey is optimistic that variable interest rates for repayment of mortgages and the pooling of resources by both the private and public sector will make it possible for economies of scale from mass housing schemes to be passed on to householders.

He went on to call on building societies, financial institutions, the private sector and Government agencies to liaise in setting up the best terms and procedures to enhance the viability of a mass housing approach.

Illustrating the concept of joint ventures between large employers and housing developers, Mr Goodey pointed out that LTA had recently joined AECI in a project to build 900 homes in Tembisa near Kempton Park.

... MAY INCREASE

Whites to get 7 000 new homes

(123)

Star 27/9/83

By David Braun, Political Reporter
The major Government effort to wipe out the housing backlog of low and middle-income whites, announced by the Prime Minister, Mr P W Botha, last night, will start with an immediate crash programme to provide 7 000 homes before the end of the year.

The low-cost homes are for young couples, pensioners and the poor and the scheme will cost the Government R200 million.

A spokesman for the Department of Community Development said in Pretoria today that the five-point programme, announced by Mr Botha in George, was the most extensive single effort yet undertaken by the department to provide housing for whites.

Work would begin immediately a list of priorities had been drawn up and the most pressing problem areas had been identified, the spokesman said.

"The Government has provided these extra funds and we will be using them to

stimulate local authorities, welfare organisations and utility housing companies to provide as many units as possible for young couples, the aged and the low-income groups," the spokesman said.

The Department estimates that the total housing backlog for the income groups for which it is responsible is between 12 000 and 15 000 units.

In the first phase of the new drive, hoped to be completed this year, at least 7 000 units are expected to be provided.

A second phase, next year, should add another 5 000 units.

The purchase of land, erection of core units and selective acquisition of blocks of flats, as well as the expected big boost for local authorities and utility housing companies should also have a sizeable effect on the job market and the economy.

Welfare organisations will welcome the special allocations for the aged as this sector has increasingly become the victim of spiralling rentals and many old people have been priced out of homes.

New law a big break for flat buyers

By David Braun,
Thousands of flat tenants may be given the opportunity to buy their homes when a major legislative breakthrough in the property market comes into effect on Saturday.

Property men are confident that the Government's long-awaited regulations to implement the amendment to the Sectional Titles Act will be published in the Government Gazette on Friday, to come into effect the day after.

In what has been recognised as a significant step towards removing the impediment of rent control in creating sectional title units, the new law offers a better deal for landlords, tenants and home owners alike.

Mr Alf Widman, PFP member of Parliament and a member of the select committee which drew up the new legislation, says the new law is a big step enabling many more people to buy their flats and will bring many more properties on to the market.

At the same time the rights of rent-control-protected tenants remain unchanged.

The new law is only part of the proposed changes to legislation affecting properties and the protection of tenants.

Another part is contained in the recommendations of the second report of the Select Committee on Rent Control which, it is hoped, will be embodied in legislation next year.

At the moment an owner of a block of flats may not apply for sectional title if that building has been occupied since before October 1949, or if it has at least one rent-control-protected tenant and has been occupied since before June 1966.

But under the new amendment all buildings may be converted to sectional title, subject to certain conditions.

Landlords and tenants get a share

The owner must give at least 14 days' notice by registered post of a meeting of the tenants of the building. At that meeting he must provide an architect's or engineer's certificate detailing the condition of the building and its wiring, plumbing and so on.

He must also make himself available to answer all inquiries from the tenants.

Then he may apply for sectional title.

If the owner wants to sell the flats under sectional title he must give the first option to buy to the tenants living in the flats. The tenants have 90 days to decide.

If the owner wants to sell the flats within the next 180 days at a lower price than that offered to the tenants, he must again give first option to the tenants at the new price for a period of 60 days.

Rent-controlled tenants have 365 days to exercise their options.

Mr Widman said in an interview that the rent-controlled tenant remained under the protection of rent control.

But rent-controlled tenants may earn a maximum of R850 a month for a family (the breadwinner's full income and half of the income of other family members is taken into account) and R450 a month for a single person.

The select committee has recommended that the Rent Control Act should be re-

● To Page 2

New law a break for flat seekers

27/9/83 (123)

● From Page 1

placed by a Tenants Protection Act which will protect all tenants.

But, says Mr Widman who was also a member of this committee, this new Act would be subject to the Government providing sufficient accommodation throughout the country and enabling the private sector also to provide accommodation.

The recommendations call for a free market system in which tenants and landlords negotiate their leases and rentals, and if there is no agreement there is provision for an ombudsman to settle the differences.

There would also be provision for appeal to a judicial body against the decision of the ombudsman.

All leases would be in writing.

These recommendations are still being drawn up by officials in a proposed law which will, it is hoped, be published for comment towards the end of the year.

Once comments have been made the select committee will sit again before making its final recommendations to the Cabinet.

Mr Widman says he hopes the whole process will culminate in a new Tenants Protection Act next year.

● See Page 8, World section.

Volks

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Botha tells of housing boost

Cape Times 27/9/83 123

GEORGE. — The Prime Minister, Mr P W Botha, announced in George last night that the government had approved the spending of R200-million to provide 12 000 homes to low- and middle-income whites.

Mr Botha officially opened the Cape National Party's congress with a public meeting in the George Civic Centre at which he announced the housing scheme.

Mr Botha said that in addition to other economic problems with which the government had dealt, there remained the housing problems experienced by young married whites and elderly people with low incomes.

This problem affected mainly the middle- and lower-income groups

and the government had decided to spend R200-million in an attempt to catch up on the backlog and bring some relief.

The money would be spent on the purchase of land and the creation of infrastructures, the building of core housing, the supply of funds to local authorities to provide conventional low-cost housing, and to make available more funds for the accommodation of the elderly.

Mr Botha said the need had been estimated at 12-15 000 units.

The government scheme would be implemented in two phases, of which the first phase provides 7 000 homes and the second a further 5 000. — Sapa

(Report by P Claasen and A Braid, Nedbank Centre, Strand Street, Cape Town)

HOUSING

MUSASHI (Japan). — Henry Ford would have been delighted to see it.

The answer to SA's house problem?

A long production line snakes across a concrete factory floor, robots weld in flashes of blue flame, workers scurry from point to point with components, and conveyor belts slither beneath the roof.

But cars are not rolling off the end of this production line into the warehouse yard.

This one produces instant homes — 4 200 a month, in a manufacturing process which is revolutionising the Japanese housebuilding industry.

Every 40 minutes the factory, to the north of Tokyo, presents Sekisui Chemical Company with a new house to sell, tailored to customers' specific requirements, fitted with bathrooms, kitchens and staircases, lighting all in place — and even a bellpush chime on the front door.

has led to the entry of at least three other production-line home-making companies into the market.

On average it takes about three months to build a house in the conventional way, by erecting a wooden frame on a concrete base with an angular roof and then fitting room panels and outside weatherproofing.

But the new off-the-shelf houses have cut the building time down to 40 man-hours on site and a mere 10 man-

hours in the factory, making the end product cheaper.

The key to the factory-produced home is large metal frame boxes, welded into shape from a series of steel beams by robot welding machines. It takes about 10 boxes to build one home, with a square-shaped appearance and usually with a flat roof, well insulated but inclined just enough to help rainwater run off.

Before the manufacturing process starts, customers and sales-

men, using a computer, design the interiors of each box, including the colours, room layouts, kitchen and bathroom units, wallpaper and carpets.

This information is relayed to the factory computer which calls out to suppliers to deliver the necessary products about five days before the house starts its passage down the line.

Once the steel-frame box enters the line its interior is lined with fireproof boarding, ex-

cept for apertures which will later hold windows and doors. Floorboards are bolted to the floor and room dividers inserted where necessary.

Outside, weather-proof panels are fed into the line along with doors, windows and window boxes, and then all the internal fittings.

The whole line moves steadily day and night, seven days a week as 27 000 different parts come together in the hands of just more than 400 workers.

Meanwhile, at the housing site, company workers prepare a concrete base and during the night fleets of lorries and cranes carry the house compartments to the waiting erection team.

The frames are bolted to the floor and to each other to withstand earthquakes, and the roof tops off the whole structure in a matter of a few hours of the boxes arriving at the site.

Once the plumbing, gas and electricity are

connected the customer can move in.

Most of the rooms are designed in Western style now that the Japanese family is acquiring the tastes of its United States and European counterparts, but almost all have at least one drawing room finished in the traditional style with rice straw-mat "tatami" floors.

Sekisui executive Mr Wakimoto Masataka said: "No one seems to want to give up the tatami room, even in the most modern of houses."

Every new home is guaranteed for 10 years and new rooms can be added when needed.

This is one attraction for the average Sekisui home-buyer, because at the age of about 30 with one small child a family can buy just a few boxes with limited funds and add more later.

But perhaps the most interesting aspect of this new housebuilding process is the second-hand market. Sekisui will buy back an old house, strip it

down at the factory and save the vital steel frames, popping them into the start of the production line to make an entirely different house.

And it is not small business. The company reckons the market for used homes will be one million houses a year in about 10 years time.

Sekisui last year sold 12 000 homes, ranging in price from R58 000 for a basic three-bedroomed one to about R99 000 for a luxury four-bedroom house.

The company expects sales growth in the next five years to range between 10 percent and 25 percent a year. — Sapa-Reuters.



South Africa's aged face a

South Africa's aged tenants face a bleak future ... they are being turned out of their rent-controlled flats, sometimes their homes for years, by developers intent on renovating the buildings to win a bigger slice of the financial cake. Spiralling costs and fixed incomes may force many of the old people to become homeless.

Miss "Binks" Bloch and her sister Ivy, face a tragic future.

They have until October 31 to get out of their rent-controlled flat in Berea which is to be renovated by its new owners, Sable Holdings.

Their problem is they are unable to find an alternative flat which they can afford on their fixed income.

Another complication is that Ivy has been bedridden for the past 25 years...

They are among the growing legion of people being displaced by new owners of rent-controlled buildings planning to renovate them.

At a meeting of some remaining Marina Court tenants, it was decided to ignore the notices to vacate and face court eviction orders.

A South African Housewives' League national executive member, Mrs Muriel Preller, said: "No old person ever believed we would have a Government which would defuse the Rents Act. The Welfare and Community Development Deputy Minister, Mr Pierre



Russell Gault

Cronje, told me I had done right in telling Marina Court tenants to sit tight and face legal action — yet he is making it easy for the developers.

"These renovations are supposed to be essential, but how can they be so suddenly essential in blocks all over the country?"

Many elderly people seen by 24 Hours indicated that they had little idea where they were going once their notices expired.

In some cases, the owners had offered to find alternative accommodation which suited working tenants.

But in those involving aged tenants on fixed incomes, the search was often hopeless because rents were invariably higher and above their means.

The 24 Hours inquiry revealed blocks all over the Hillbrow-Berea area which were being vacated by order of the owners.

A Sable Holdings director, Mr George Kontominas, said his company had about 600 rental units in Johannesburg. Many developers were renovating rent-controlled buildings.

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"We have made people, but frankly, surprise to subsidise as the State's job but ability."

Miss Bloch said those without the nursing homes, was

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Another block have been notified bert Park, has seen

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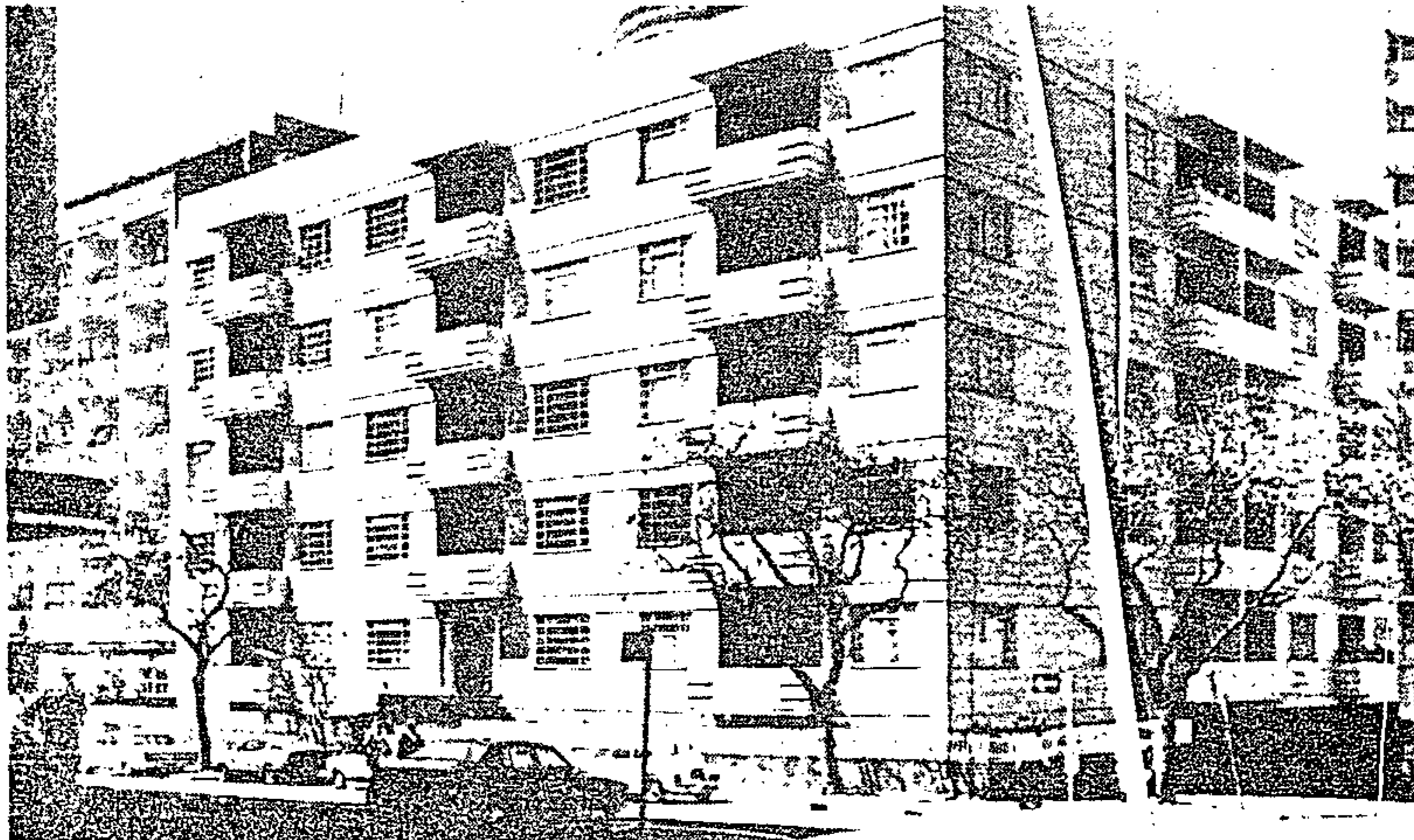
Sable's general mant that the building needed extensive plumbing facilities.

"The buildings are months while work can stay on as tenants not working."

Another prominent which has a close firms work in construction and developing while Mr Nash said.

Its directors include Juris and Mark Wain

As far as could be tions to buildings wetings, new tiling in



Marina Court in Berea is one of the rent-controlled blocks of flats to be redeveloped.

123

face a hopeless and homeless

The Lessor intends to effect and execute repairs and renovations to the premises which are occupied by you.

Since the Lessor reasonably requires your premises to enable it to effect and execute the repairs and renovations and since the nature and extent of the repairs and renovations are such that it is essential for you to vacate the premises, we hereby give you six months' notice...



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"We have made efforts to find accommodation for people, but frankly it is not the job of private enterprise to subsidise accommodation for people. That is the State's job but it has tried to avoid the responsibility."

Miss Bloch said the care of the aged, particularly those without the means to afford care in expensive nursing homes, was a reflection on the country.

"There are a lot of people who are lost, who don't know what the future holds for them," she said.

Another elderly Marina Court tenant, Miss Joan Pretorious, was unsure what she would do.

"I think a lot of people are going to be forced out of the city to small towns where costs are lower, away from everyone they know."

Another block owned by Sable and where tenants have been notified to leave, Broad Windsor, in Joubert Park, has seen many old people move out.

Long-time tenant Mr David Green, said his family had lived in the building for about 40 years.

"It's a dirty low trick to get people out of the place by claiming it needs renovating. That's what these developers are saying about every building they get their hands on.

"I'm a retired lawyer and I know how the game works. At this rate they will have every rent-controlled building in town being renovated. Then they will either rent them at much higher rents or sell them. Either way they do well."

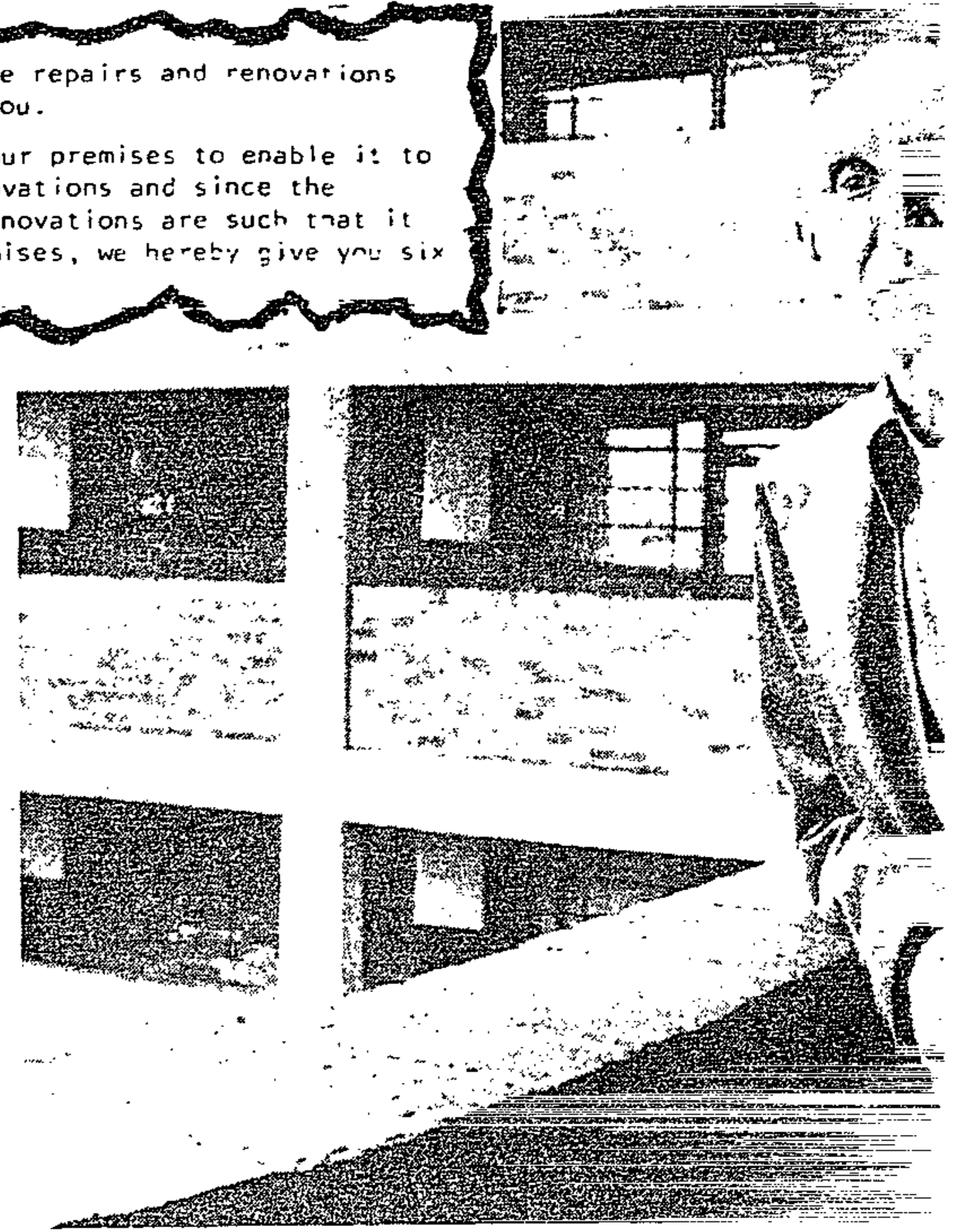
Sable's general manager Mr Paul Nash was adamant that the buildings his firm were interested in needed extensive repairs including new electrical and plumbing facilities.

"The buildings are going to be closed down for months while work is done. There's no way people can stay on as tenants while these basic facilities are not working."

Another prominent developer is Incity Real Estate, which has a close relationship with Sable. The two firms work in concert in some projects, one buying and developing while the other rents or sells the flats, Mr Nash said.

Its directors include S I Davidoff, P J S Corrigan, B Juris and Mark Wainer.

As far as could be determined by The Star, renovations to buildings were superficial with new light fittings, new tiling in bathrooms and kitchens, new



Above: Mr David Green has lived in Broad Windsor for 40 years and now has to get out because the new owners want to renovate the rent-controlled block. Right: One of the blocks being redeveloped. Inset (top): Typical section of a letter sent to a tenant.

Pictures

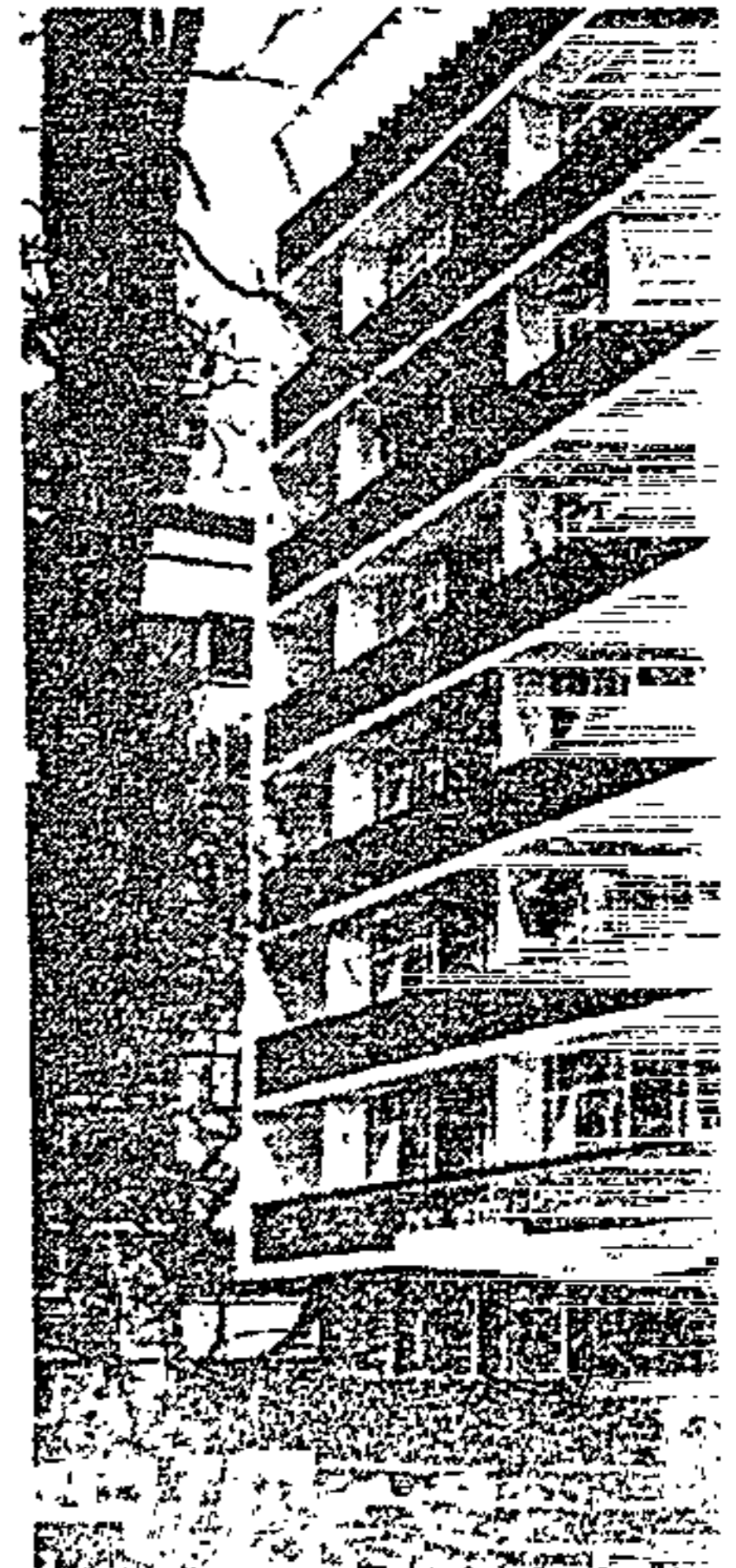
kitchen cupboards and new cheap electric ranges. In some cases new front doors were installed.

Each flat was repainted and new electrical wiring installed.

The same tiles, light fittings and kitchen fittings were seen in several blocks undergoing renovations.

Mrs Preller said she believed the authorities were determined to phase out rent control without making adequate provision for elderly people, and "what is happening now is a major step towards under-mining the security of the aged".

The Star's inquiries indicate that existing legislation is ambiguous and vague as to what constitutes extensive renovations which would in turn allow a developer to legally demand tenants to vacate while he does the job and



hopeless and homeless future

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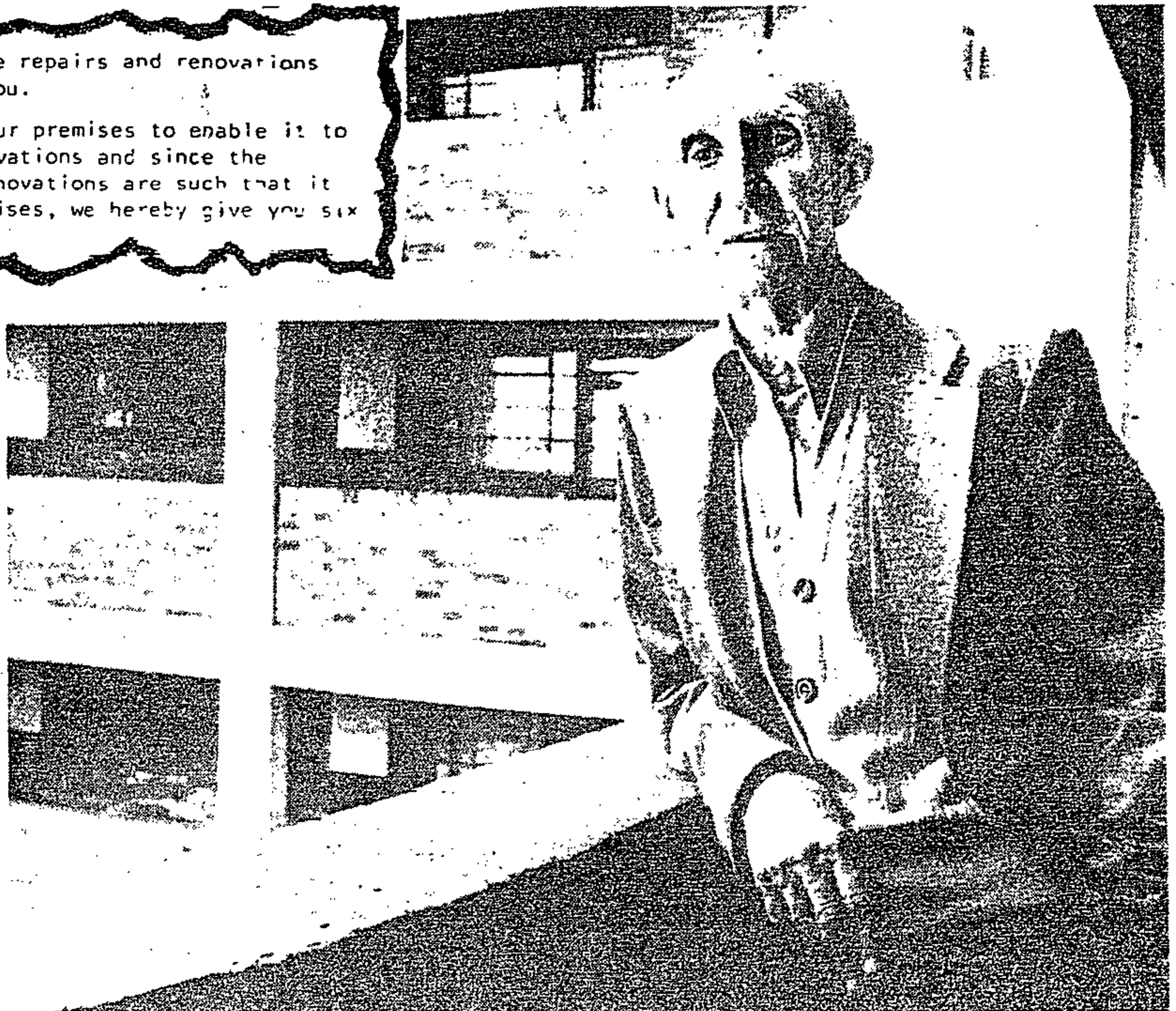
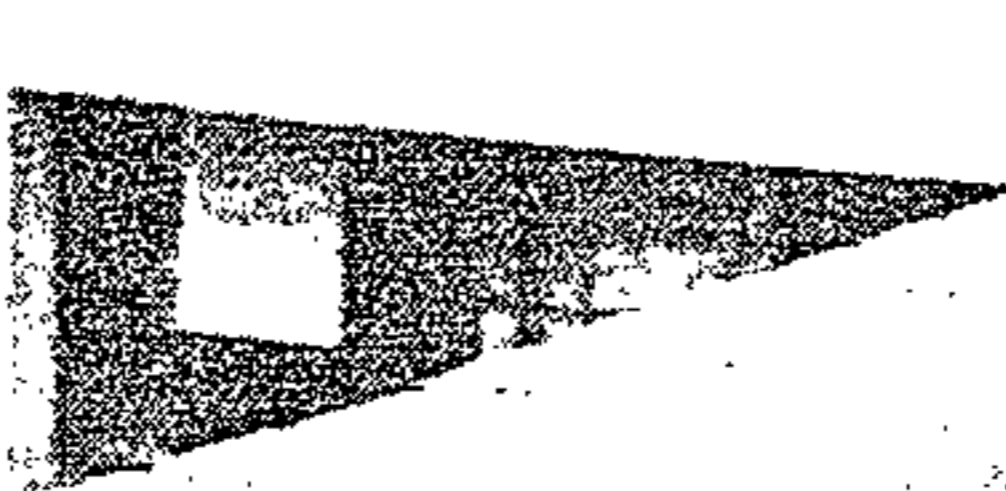
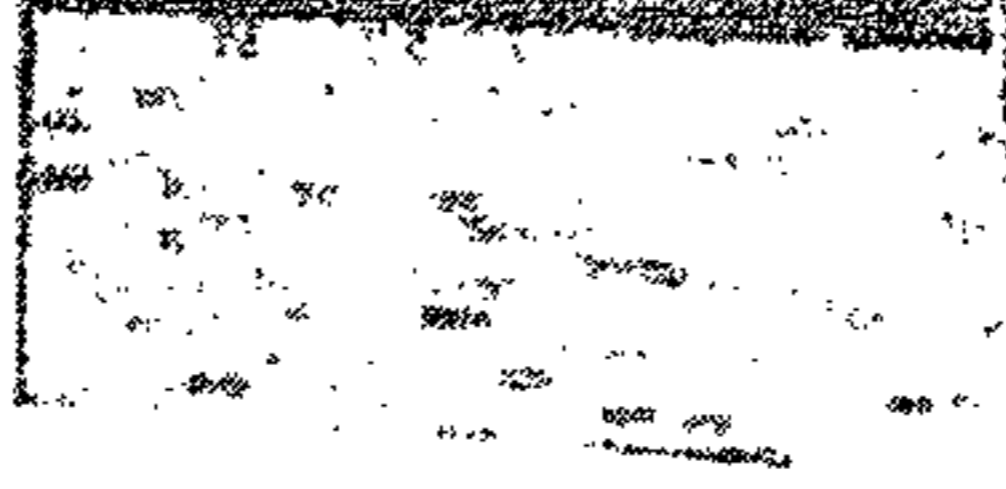
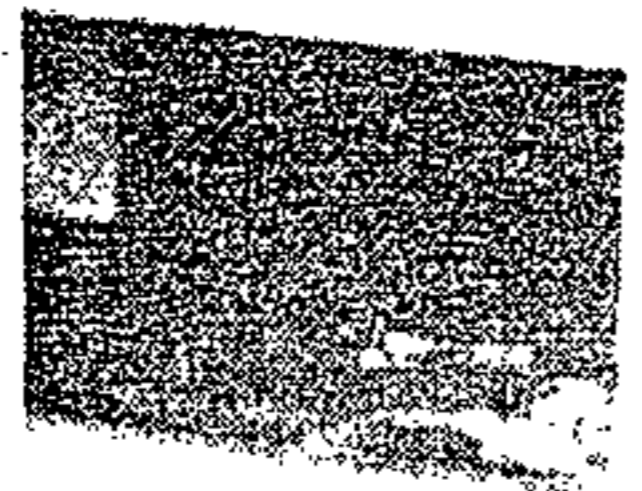
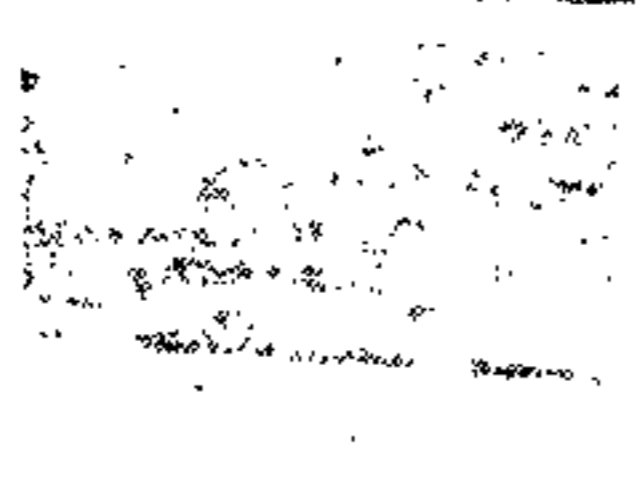
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Pictures by Etienne Rothbart

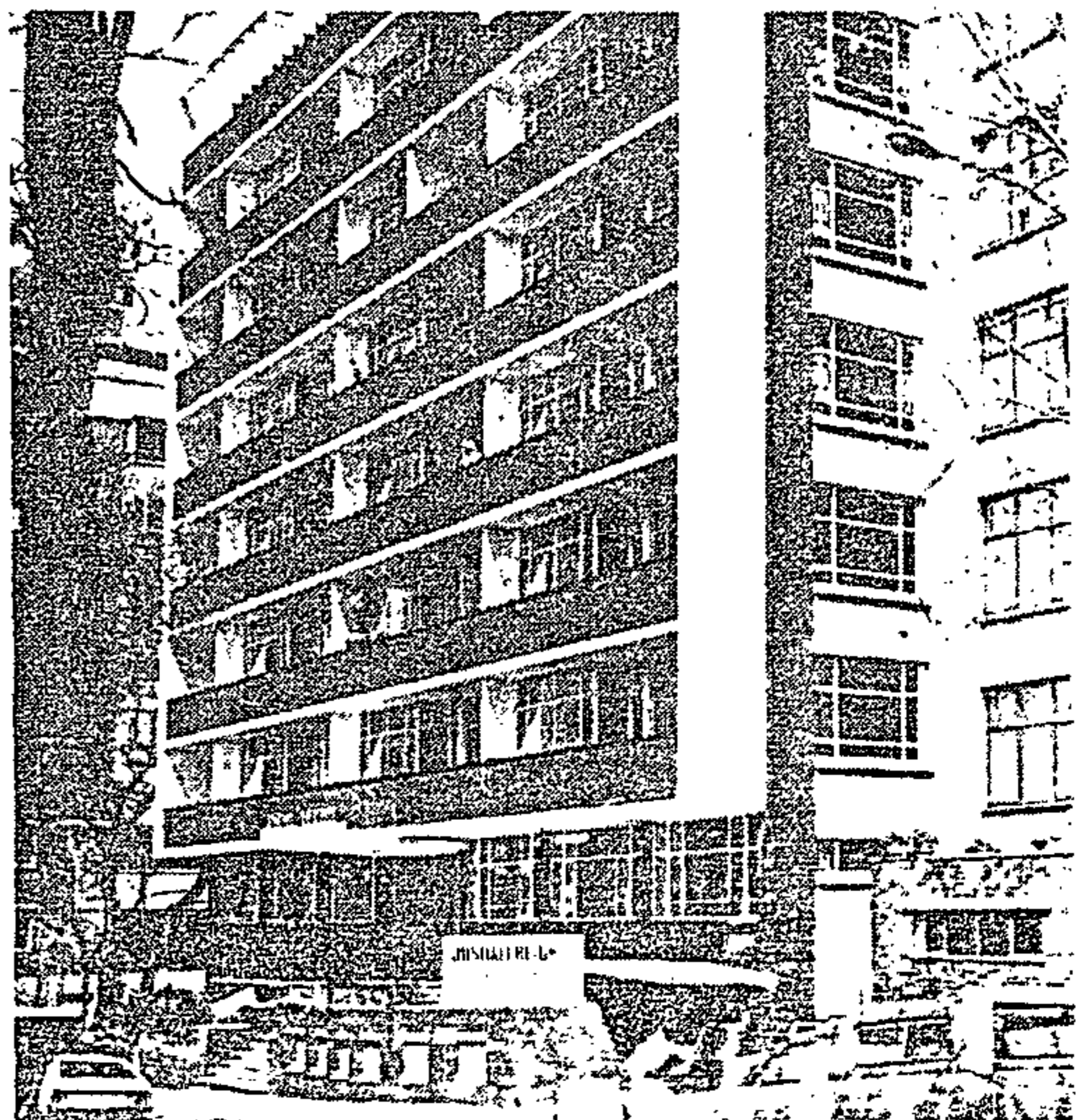
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profitable enterprise.



By LIN MENGE

PEOPLE who deal with boundaries, do not have boundaries between them. That is the friendly philosophy of Mr Horst Diering, and explains why this deputy director of the Federal Directorate of Cadastre in Bern, Switzerland, has been exchanging ideas with South African land surveyors on the use of aerial surveying.

Not only is the use of aerial surveying for title surveys of great interest to the South African profession — because of the mass survey of black urban residential stands for 99-year leasehold now on the go — but Mr Diering's own flat in Bern is built on land held under 99-year-leasehold.

Although less than 10% of property in Switzerland is held under leasehold, some extremely important areas are affected. In Basle, for example, industrial, residential and commercial areas are affected, Mr Diering told HOMEFRONT.

Leasehold title forms part of the political programme of the socialist parties because they feel that if the communities own the land they have more say over its use, he said. But after almost a century of leasehold experience, it has become obvious that owners lose interest in maintaining their properties as the lease begins to run out. To prevent such deterioration, and related social problems, leasehold now becomes the subject of new negotiations after 50 years.

(In South Africa similar problems should not arise because the 99-year term starts from the beginning again every time ownership is transferred.)

In the past three weeks Mr Diering, as the guest of the Central Council of

(123) RSM
28/9/83

Mass survey of townships Swiss expert warns on risks

Land Surveyors, has toured the country and talked to the institutions and institutes concerned with title surveys.

In South Africa land surveyors were accepting a reduced fee for the mass survey because the large number of stands involved made it possible for them to achieve the same standard of accuracy at a lower price, Mr Diering said. But only then could they think in terms of using cheaper methods.

And photogrammetry (aerial surveying) he warned, could be applied with varying degrees of cost and accuracy. Used in Switzerland for title surveys in urban areas because of the shortage of professional personnel, it turned out more costly than ground surveys. Now it is used for the surveying of farm portions in remote, inaccessible regions.

In Switzerland, too, the decision to use aerial methods is not made by the surveyor but by the local authority, who take full responsibility if the

method fails in terms of either cost or accuracy.

"Here in South Africa the land surveyor decides whether to apply photogrammetry or not," said Mr Diering. "That is risky because if he does not realise the real cost of photogrammetry he may run into difficulties."

If just 5% of the pre-marked points were not visible, requiring the surveyor to go back again over the area, then the advantages of photogrammetry sank to zero, warned Mr Diering, and the surveyor ran the danger of losing all his profit, or rushing the job to avoid further losses.

On the other hand South Africa had a system of automatic field checking not required in Switzerland, he said. Because he was involved in supervising and verification procedures, he was impressed with the rigid South African system of checking permanent reference marks and would commend its use to the Swiss.

Aerial surveying can mean the use



HORST DIERING ... he has 99-year-leasehold in Switzerland

of an automatic airphoto camera installed in an exceptionally stable aircraft which flies at some 120km/h over the area specified by the surveyor. But it can also mean the use of 6m high towers instead of aircraft. The tower method is being used in Daveyton, Tembisa, Katlehong and Kwa Thema on the East Rand.

The scale of the mass survey is shown by the fact that where the surveyors were originally expected, in terms of their special low-tariff deal with the Government, to complete 32 000 stands on the East Rand before March 31, 1984, they have since been asked to complete 53 000 — and now a further 24 000 — by that date.

Mr Diering, who fled East Germany at the age of 20 in 1949, studied his profession in Hanover and then at the University of Vienna and was in private practice in Zurich before joining the Federal Directorate in Bern.

He thinks South African efforts in housing are "extraordinary". But whether people are well off, or largely underprivileged, depends on whether the country is judged from a Third World or First World viewpoint.

Like the good Swiss citizen he is today, he does not believe isolation will solve our problems, and was happy to share his expertise in aerial survey methods with professionals here, both private and in Government service, for whom application of the method is new, and sometimes risky.

For 28/9/83 (123)

Old folks' housing plight is worsening

By Russell Gault

Where do the old folk go?

With redevelopment of rent-controlled premises galloping ahead, elderly people on fixed incomes are desperate for acceptable accommodation.

Each month the problem worsens as more of the aged have to move out of their flats which are scheduled for "extensive renovation" by developers.

Johannesburg Municipality has pensioner flats at low rentals, but each month the waiting list grows longer.

A confidential report of the city's Housing and Utilities Committee shows that as at July 31 there were 2 244 applica-

tions from whites for economic, assisted and old age housing.

By comparison during the previous month 102 were housed out of a waiting list of 2 233.

The situation for coloured people was worse. At June 30 there were 5 561 on the waiting list, of whom 27 were housed. By July 31 the waiting list had pushed upwards to 5 761.

When 24 Hours ap-

24 HOURS

The team that wraps up the news

said he would like to see local councils throughout South Africa buy stands owned by Government departments. They could then build low-cost pensioner housing which could be let at low rentals.

"I believe care of the aged should be a State responsibility, but consistently the Government has said South Africa is not a welfare state and refuses to accept liability for old people," he said.

"Even the institutions which do get State subsidies are battling to stay open.

"The situation is quite critical. There has to be a dramatic change in South Africa's approach to care of the elderly on fixed incomes."

Tenants facing threat of eviction will be able to take issue to court

By David Braun, Political Reporter

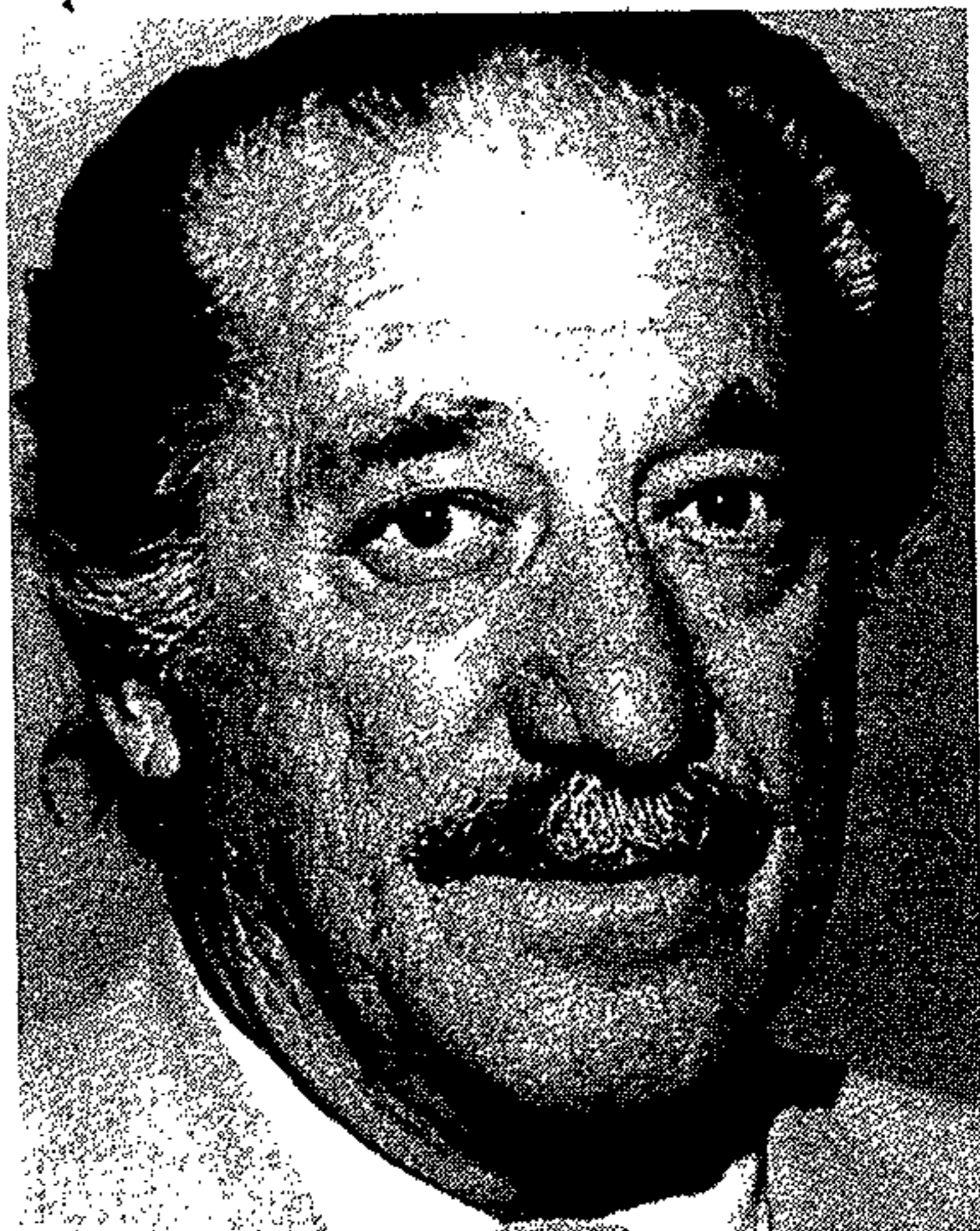
The Cabinet has approved a proposed amendment to legislation which would allow tenants to contest in the Supreme Court any eviction order on grounds that buildings must be vacated for renovations.

Mr Alf Widman, MP for Hillbrow and a PFP member of the Select Committee on Rent Control, confirmed that the committee had unanimously urged the Cabinet to give this right to tenants.

The measure, he said, would go a long way to curbing the sort of practice highlighted by The Star this week in which tenants, particularly elderly people, were being thrown out of their homes legally by building owners who used the excuse of having to renovate the premises.

"The select committee recommended that owners who wanted to renovate their buildings and who needed to evict tenants in order to do so should also have to apply to the Supreme Court, giving the tenants an opportunity to contest the application."

Mr Widman said the Cabinet had approved the



Mr Alf Widman, MP for Hillbrow, points to the "terrible crisis for elderly people who are forced to vacate their homes".

recommendation, but there had not been enough time in the last session of Parliament to change the legislation.

He hoped the amendment would be enacted in the next session in the new year.

Deputy Minister calls on private enterprise to step in

By Russell Gault

Private enterprise has been urged to back up Government and municipal efforts in providing housing for the aged.

This plea came today from the Deputy Minister for Welfare and Community Development, Mr Pierre Cronje.

It was made to The Star's 24 Hours team after inquiries into the crisis looming in availability of accommodation for the elderly, particularly those on fixed incomes.

Mr Cronje said claims that the Government was not doing enough to help elderly people were wrong.

"We are doing better on average than the rest of the Western world. We provide big subsidies to homes for the elderly and we provide large sums for flatlets and other capital projects devoted solely to old people.

"About 14 percent of our elderly are housed through funds contributed by the State. In other Western nations the figure is much lower. For example, 8.1 percent of the aged are in homes for the elderly

compared with just over four percent on average in the West."

Mr Cronje said he could see various ways private enterprise could help with pensioner housing and still make a profit. It should not be left entirely to the State.

"I want to see elderly people living alone in three-bedroom homes and flats move to smaller places with the bigger premises being recycled for families.

"Often people cannot afford to maintain their big places as they get older and the prospect of living in smaller premises with one or two others of similar age can be appealing.

"Our flatlets scheme is partly designed to help old people in this situation."

Mr Cronje said 22 000 people had been housed in this way in the past few years.

For people with an income up to R300 a month the rent was five-percent of that income.

Johannesburg was an area where more could be done for the pensioner, such as the building of flatlets. Mr Cronje said his department could assist by making land available for building projects.

Tucsa rejects housing probe

5/ter
29/9/73
By Carolyn Dempster
Labour Reporter

PORT ELIZABETH — A call for the Government to investigate profiteering and inefficiency in the deteriorating housing situation was defeated at the Trade Union Council of South Africa's annual conference today.

The resolution, proposed by the S A Boilermakers' Society, met widespread opposition from other delegates.

Mr Arthur Johannes said: "The time is fast approaching when a majority of blacks will no longer be satisfied with the meagre housing provided in the township."

"The pressure on available housing land will continue to grow and prices will continue to rise."

Dr Anna Scheepers, of the Garment Workers' Union, blamed the Government for the high cost of housing and said the introduction of rent control had created a shortage of housing and accommodation.

● See Page 3, World section.

HOUSING + HOSTELS

GENERAL 1983

- OCTOBER - DECEMBER.

Time to cut the backlog, says Concor chairman

By JOHN MULCAHY

THE authorities will have to spend more money on water, transport and other infrastructure developments to catch up with the backlog, says Concor's chairman, Mr Frans Aab, in his annual review.

These are areas that seem more promising than others in the construction sector. Mr Aab says additional impetus should flow from an acceleration in building investment, especially housing.

He says the coming year should be as challenging as the last. No general improvement in the supply of work can be expected until some time after the general economy shows strong signs of recovery.

Without being able to quantify re-

sults for the year ending June 30, 1984, Mr Aab is confident that Concor will hold its own in the market place until the economic upswing takes place. He is also confident "that we will be able to maintain a healthy growth rate in the long term".

The balance sheet shows that Concor's bank balances and cash rose to R5,922m at the end of June from R5,281m a year earlier, while long-term liabilities rose marginally to R1,018m from R937 000.

Mr Aab says: "The financial statements show that we have maintained our liquidity, which will allow us to take advantage of new opportunities as and when they arise — in addition to servicing our continuing operations based on a fair order book at the start of the new term."

Concor's turnover rose by 12% in the year to June and taxed profit fell by 5,7%, but the effective tax rate

dropped, enabling attributable profit to rise by 14% to R5,7m from R5-million.

Over the year, the amount of work available to the heavy earthmoving sector of the construction industry was considerably lower than its capacity, resulting in fierce competition in the industry.

"We consider ourselves fortunate to have been able to keep our highly skilled teams together by widening the geographic area and type of operations under the control of our Transvaal management, without taking in longer term contracts at unrealistically low prices."

Mr Aab says further rationalisation has been applied to Concor's building activities inland, and while prices are competitive, the amount of work on offer in this sector is encouraging and further development is expected in the coming year.

"A start has been made on certain property development schemes, and it is expected that further strides will be made in the new year."

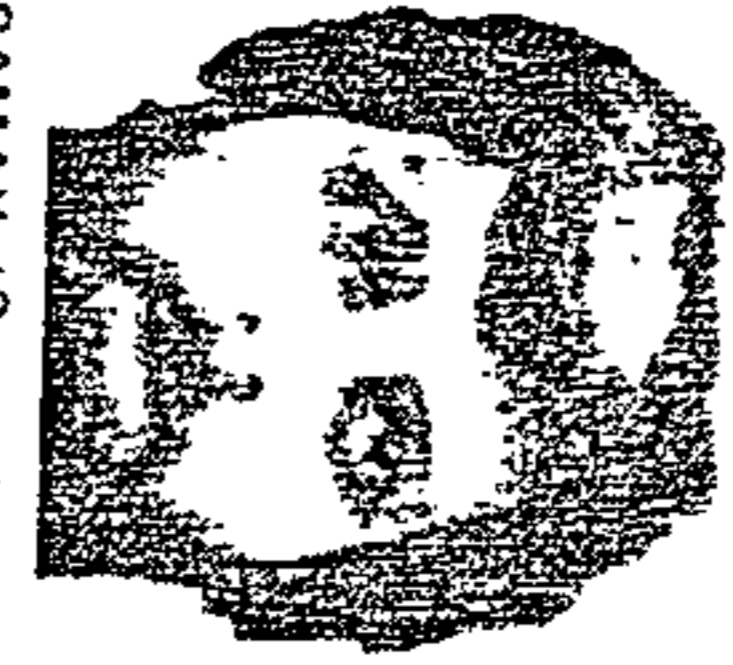
Concor has expanded its volume and range of services in the structural steel manufacturing, material handling, mechanical and electrical engineering fields.

"We should hold our own in these sectors and make good progress once the investment climate improves."

Concor's work is still proceeding in South America, says Mr Aab, although the financial climate is such that new contracts are scarce, "not only there but in the whole of the developing world, but some promising leads are being followed up".

Mr Aab says there are areas which seem more promising than others "and it will be our aim to concentrate on these".

Black anger over 'white houses ploy'



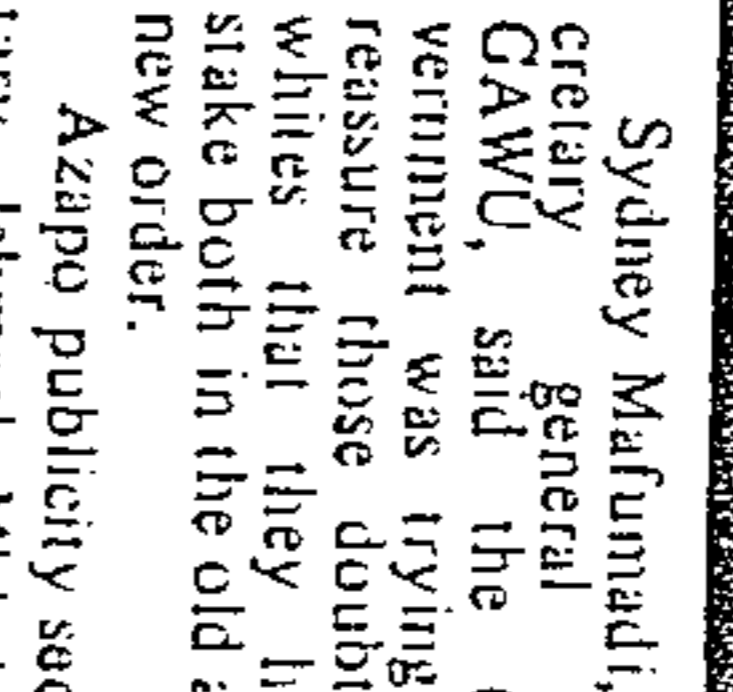
Prime Minister P. W. Botha announced this week that R200-million will be set aside over the next year.



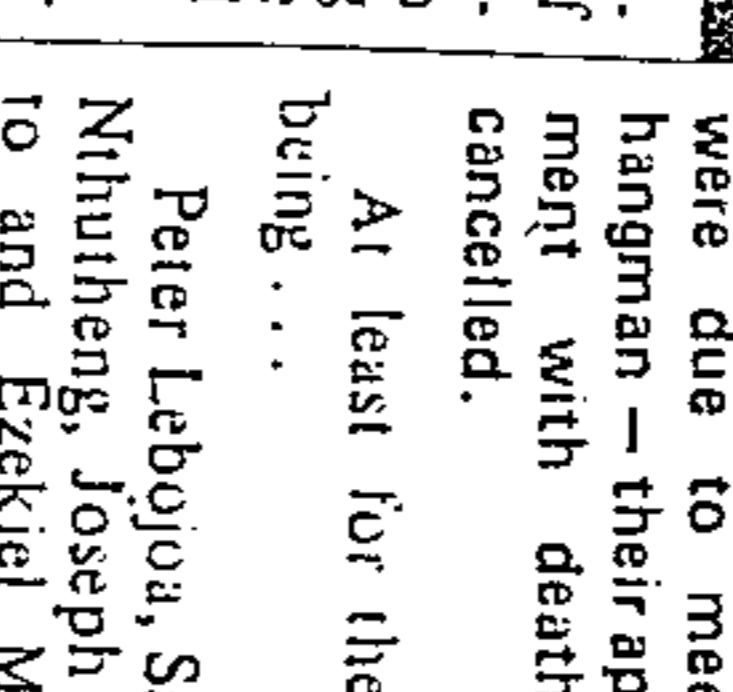
Sydney Mafumadi, secretary general of GAWU, said the Government was trying to reassure those doubting whites that they have stake both in the old and new order.



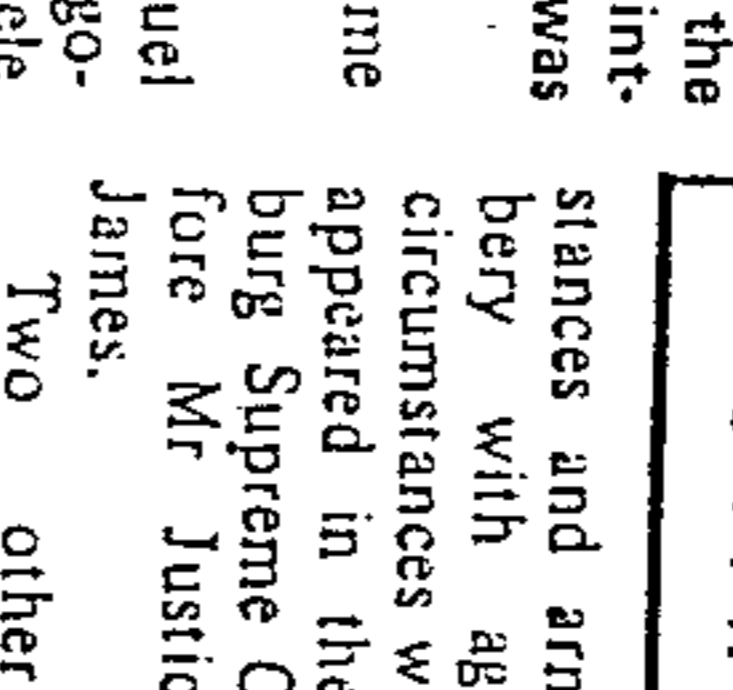
Alex Badela, chairman of the Alexandra Liaison Committee, said the Government was in desperate need of funds and proposed a "yes" vote.



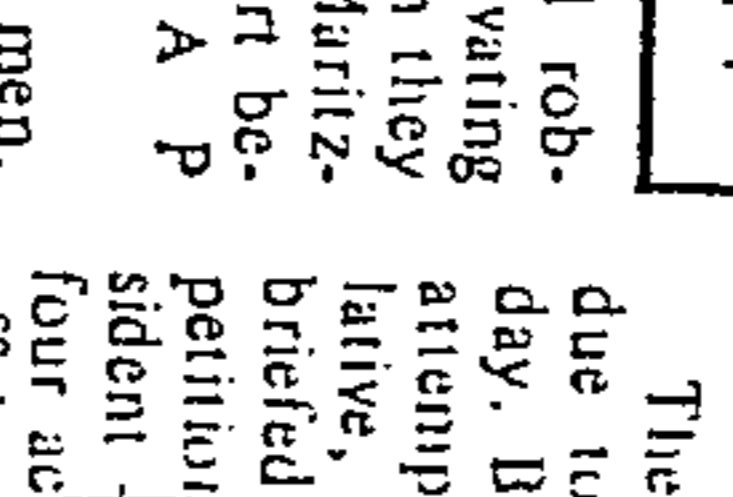
Rev. Sam Buti, chairman of the Alex and Liaison Committee, said the Government was in dire need of houses he said, pointing out that Alex families were being housed in old buses.



Peter Lebojwa, Samuel Nihutheng, Joseph Segoto and Ezekiel Mphahlele were given a last-minute stay of execution after a petition was lodged with the State President by Segoto's lawyers.



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Saved from the MOOSE — for

BY DERRICK LUTHAYI

FOUR CONDEMNED men this week thanked their lucky stars as — only hours before they were due to meet the hangman — their appointment with death was cancelled.

At least for the time being...

Peter Lebojwa, Samuel Nihutheng, Joseph Segoto and Ezekiel Mphahlele were given a last-minute stay of execution after a petition was lodged with the State President by Segoto's lawyers.

The road to death for the four men started on August 30, 1978 when they robbed and stabbed a Natal farmer.

They were found guilty of murder with extenuating circumstances.

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COMMUNITY leaders and trade unionists have reacted with anger to the announcement that the Government is to halve the white housing backlog when the black housing situation has reached such critical proportions.

Prime Minister P. W. Botha announced this week that R200-million will be set aside over the next year — the same amount the Government has spent on black housing over the last 17 years.

While the official housing backlog for whites is 15 000, the total shortage for blacks in rural and urban areas is estimated to be 750 000, with a shortage of 160 000 in the townships.

Unofficial estimates are much higher. Black leaders all agree that the announcement in white housing was carefully timed to win support in next month's referendum on the government's proposal to change the constitution.

The secretary general of the influential Council of Unions of South Africa (CUSA), Mr Pironkwe, said:

"If Indians and coloureds were involved in the voting, they would also be offered some of other handouts."

He said there was an urgent and desperate need for houses for the black community. "I condemn this and view it as a political trick with taxpayers' money to further the aims and objectives of the present government."

"We do not believe that a government which panders to an already wealthy voting section of the community can abuse its powers by ignoring the desperate plight of thousands of workers who are helplessly squating in urban areas."

Sydney Mafumadi, secretary general of GAWU, said the Government was trying to reassure those doubting whites that they have stake both in the old and new order.

Azapo publicity secretary Ishmael Mkhabela said the Prime Minister's announcement was disgusting. "This is definitely motivated by a government drive for its referendum and proposed dispensations. Housing is a major issue and the Government has disregarded the black community."

The Rev Sam Buti, chairman of the Alexandra Liaison Committee, said the Government was in desperate need of funds and proposed a "yes" vote. "The Government forgets that we are in dire need of houses he said, pointing out that Alex families were being housed in old buses.

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"We're making it a special year for you"



10 000 in the town.

Official estimates are much higher.

Black leaders all agree that the announcement on white housing was carefully timed to win votes in next month's referendum on the constitution.

The secretary general of the influential Council of Unions of South Africa, (C'usa), Mr Proshaw Canay, said:

"We believe that this is a dangling carrot for white voters in the coming referendum.

Track what taxpayers money to further the aims and objectives of the present government.

"We do not believe that a government which panders to an already wealthy voting section of the community can abuse its powers by ignoring the desperate plight of thousands of workers who are hopelessly and helplessly squating in urban areas."

Canay said instead of trying to catch some "yes" votes the Prime Minister should turn his

HUGE EXPENSE GAP

While the Government will spend nearly R28 000 on each of the 7 000 low income houses for whites this year, the Soweto Council will spend a princely sum of R2 000 on each of the 226 houses it intends to build next year for the same purpose.

Housing director Mr J J Oosthuizen said this week the council had applied for a loan from the Government to start a coe type scheme to alleviate the acute housing shortage in Soweto.

He said the houses would be built in the Diamond buffer strip and in Naledi Extension.

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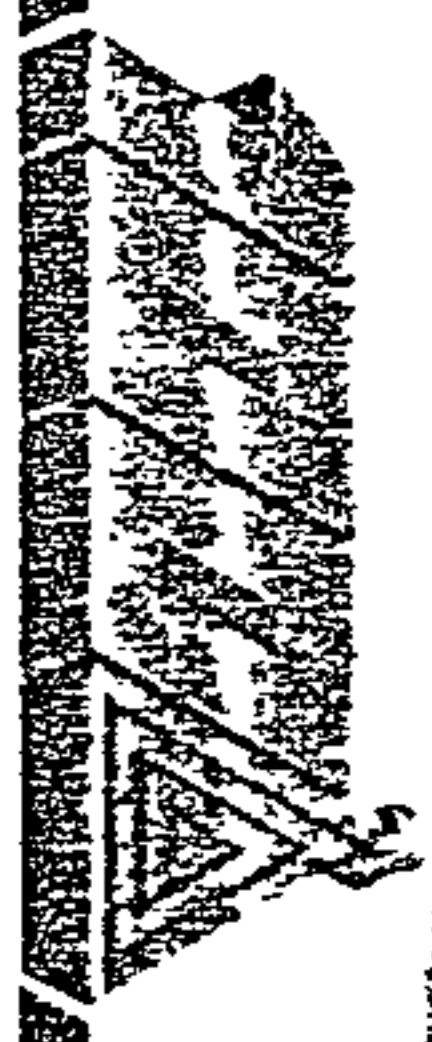
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- 3) Able and willing to follow instructions.

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"We're making it a special year for you"



"How the Perm and gave my children a good education"



Company selling containers for homes

123

Own Correspondent

DURBAN. — Shipping containers could be the answer to the housing shortage.

A national container management company, Saftainer, has advertised containers for sale and for hire and claim they could easily be used for a number of purposes, including being converted into a temporary home.

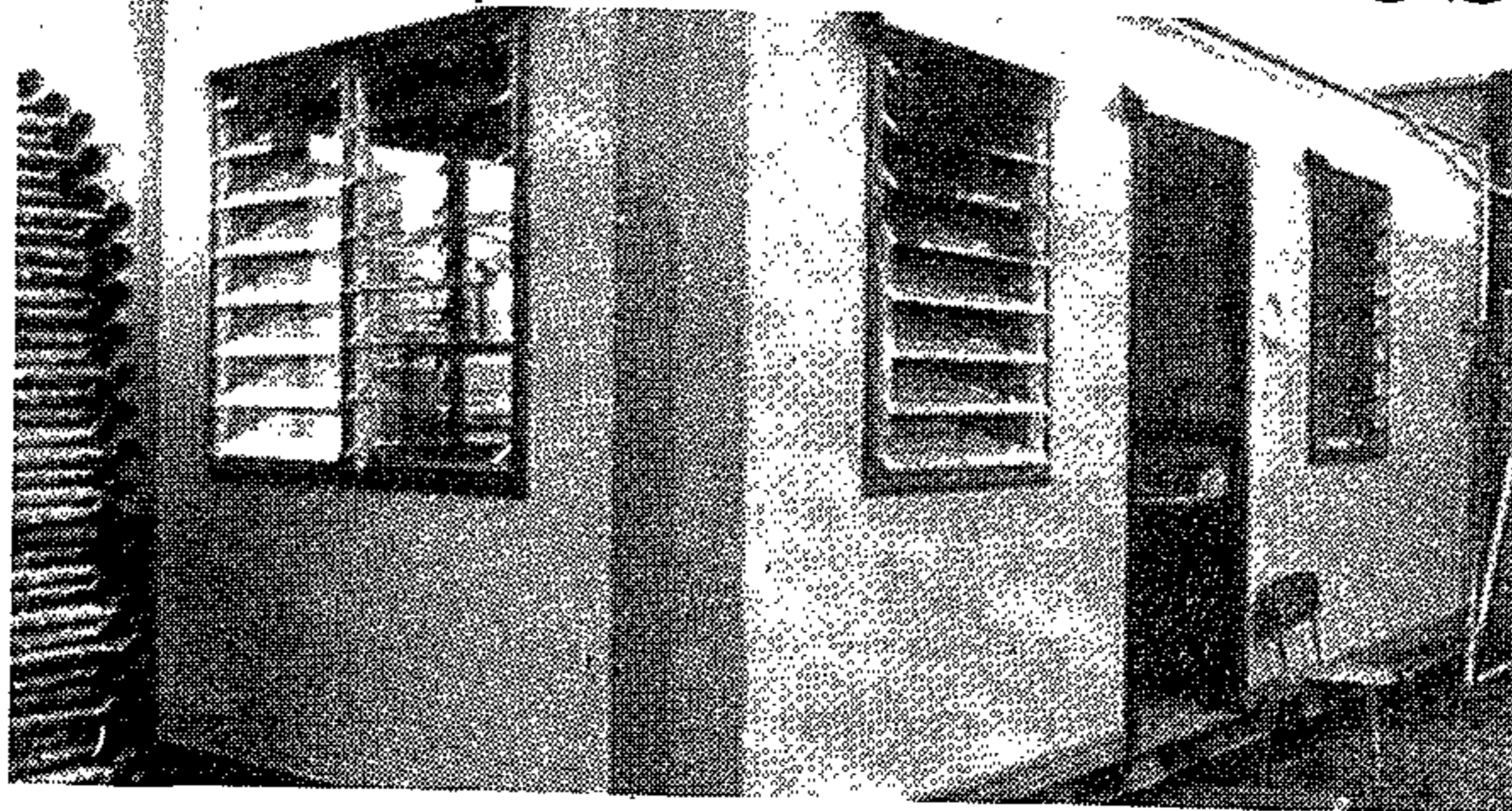
The company's chief executive, Mr Herman Kitshoff, said the tough and durable structures were easy to convert and simple to relocate.

"It wouldn't take long to convert a container and once it had been done, it could be used for almost anything, from a garage to a site office or even a temporary home.

"All you have to do is put in some windows.

"It would also be easy to join up containers if more room was required," he said.

He said the containers, about the size of a



A "container house" with windows and a door fitted

single garage, were made of steel or glass-reinforced plywood with raised wooden floors.

Mr Kitshoff said they were excess stock and about seven years old but would still be good for at least another 15 years — or even indefinitely.

"They are watertight and, with a coat of paint, wouldn't rust."

He said the company

had sold a number of containers during the past 15 months.

"They have been very popular with construction companies which have used them mainly for storage and site offices."

Mr Peter Kendall, projects co-ordinator in Durban, said there had been a tremendous response to the advertisement which appeared earlier this week.

"We received nearly 20 calls in one day," he said. "I believe there is a market for these containers, especially among people with larger properties.

"They would be ideal as an extra room or garage," he said.

Mr Kendall said the containers sold at between R1 200 and R1 600, but could double in price with conversion costs.

New firm will cut costs

By LIN MENGE

A NATIONWIDE utility company, which is likely to become the biggest in the country, has been formed to provide low-cost housing for white and black both in South Africa and the national states.

The company, the Southern African Housing Association (SAHA), will not develop housing itself, but will assist developers, civil engineers and private building contractors with cost cutting and the elimination of red tape.

The chairman is Professor Jan Hupkes, formerly assistant general manager of the Federale Volksbeleggings group and now professor of



**HOME
FRONT**

economics at the Unisa School of Business Leadership. Mr J L Hefer, a former president of the Association of Building Societies, is vice-chairman.

SAHA was formed on the initiative of Cohen, Bahr,

Lindsell and Partners Inc, a Johannesburg firm of consulting engineers.

"We think we can bring about substantial cuts in the price of houses, using economies of scale," Prof Hupkes said.

"Companies will be able to come to us with open tracts of land, so we are talking about infrastructural development as well. But our criterion will be price, so whether we can help with a small development will depend on whether the contractor can match prices.

"The strength of a utility company lies in its being able to work in close co-operation

with both central and local government and to cut red tape."

SAHA, which is a private, non-profitmaking Section 21 company, will charge a fee for its services, and hopes also to generate income by taking a percentage of turnover on the sale of houses.

It has also applied for a short-term loan from the Department of Community Development and will, therefore, in terms of the Housing Act, include a representative of the Minister on its board.

People who are buying their first, modest new home should inquire from their building societies about the



JAN HUPKES
chairman of SAHA

123 ROOM 12/10/83

Cheaper houses on show

THE Department of Community Development is to stage an exhibition of houses that can be built for under R40 000.

This is at least R24 000 less than the average cost of houses currently being built in Pretoria.

The exhibition will be held in Suiderberg in April next year.

The Pretoria City Council, which is developing the first phase of Suiderberg, has

agreed to reserve 40 erven in the new north-western suburb, for the Department's exhibition.

A further 50 erven in the suburb will be reserved for possible out-of-hand sale to city council officials.

The Department of Community Development hopes to invite different developers to build show houses — which can later be built on to — for less than R40 000. — Sapa.

Up to 50 000 houses
to be built in high
priority areas: Kotze

Own Correspondent

BLOEMFONTEIN — The Minister of Community Development, Mr Pen Kotze, announced today that the Government plans to co-operate with a private consortium which will finance and build between 40 000 and 50 000 houses in high priority areas throughout South Africa.

In the first year of the scheme, the consortium will spend R50 000.

Mr Kotze, speaking at a housing conference in Bloemfontein, said the Government would make land available to the consortium at market prices, and housing would be provided for all population groups.

The priorities and standards would be established jointly by the Government and the private sector. The recently established Housing Data Bank would be useful in establishing the spread of housing needs, said Mr Kotze.

The Government would undertake to rent any unsold houses at reasonable prices from the developer.

The scheme would provide about 15 000 housing units by the end of 1985 for the lower and middle income groups, said Mr Kotze.

Extensive financial support would be offered to housing utility companies for the building of houses of a modest standard for people within the R800 and R1 500 income groups.

Three hundred housing units in projects already approved by the National Housing Commission would be launched immediately.

Massive housing scheme is launched

123
RDM
13/10/83

By LIN MENGE
Homefront Reporter

A CONSORTIUM of leading construction firms and financial institutions has undertaken to design, build and finance a massive multi-million rand housing project for people of all races in the next four to five years.

The scheme involves the building of 40 000 to 50 000 "affordable" houses for middle and lower-income groups. This means the housing will not be subsidised — it will be designed to meet people's pockets.

The participants, who cannot be named at this stage, are offering the Government a package deal — they will handle everything from the provision of

infrastructure and services of vacant land to building, marketing, selling and arranging bond finance.

The move marks a major breakthrough in the Government's attempts to involve the private sector in the provision of lower-cost housing, a task which the State is no longer able to cope with on its own.

The Government will in effect partner the private sector in the scheme, which was briefly mentioned by the Minister of Community Development, Mr S F Kotze, in his opening address to the SA Institute of Housing conference in Bloemfontein yesterday.

"The interesting part is that the private sector and the Government will jointly establish priorities and standards," Mr Kotze said.

"The Government undertakes to make the land available at market prices in those areas where the priority is the highest," he said.

And because this was an unknown market for the private developer, the Government had undertaken to rent some of the houses at reasonable prices if the developer failed to sell them.

"It is my intention to spread the benefits of this offer over all the population groups where the need is the most acute," Mr Kotze said.

It is expected that R50-million will be spent in the first year of the project. Industry sources yesterday estimated the likely average cost of the houses, calculated across the board and including services, would be R15 000, giving a possible total cost of R600-million.

Govt to make it tougher for homeowners in cities

Homefront Reporter

THE Government intends making it easier for people to acquire housing in rural areas than in urban areas.

This emerged from the speech made by Mr S F Kotze, Minister of Community Development, to the SA Institute of Housing conference in Bloemfontein yesterday.

Mr. Kotze said that while State funds would be used primarily to provide serviced stands, a system of differentiated standards would have to be applied. State funds must in the first place provide essential services, while more sophisticated services such as electricity and tarred streets would be provided only to those who could afford them.

A site which met local community standards could be provided for R80 in Bocha-belo, near Middelburg, in the Eastern Transvaal, would cost R3 000 to R4 000 in the Cape Peninsula.



MR S F KOTZE
Priority to rural areas

"This principle of differentiated standards has a further, extremely important consequence: it gives people in rural areas easier access to housing than in the urban areas with all their associated economic, social and political advantages," Mr Kotze said.

"A person with an income of R200 a month will be able to house himself reasonably in the platteland, but not in an urban area," he said.

His department was urgently investigating the question of subsidies which needed to be applied in such a way that they stimulated more realistic standards and were thus anti-inflationary.

The Minister also warned young married couples to develop more realistic housing aspirations.

"Is every person in South Africa immediately entitled to his own complete home, even if he earns only R100 a month and even if he is just married?" Mr Kotze asked.

His department's answer to that was 'yes', if what was meant was a decent roof over his head to protect him from the elements, but 'no' if it meant his own house on his own stand with sophisticated services and standards totally beyond his pocket and his experience.

Answers, or no more help

Homefront Reporter

NO FURTHER housing assistance will be given to municipalities which do not promptly complete housing questionnaires.

Mr S F Kotze, Minister of Community Development, told the SA Institute of Housing conference in Bloemfontein yesterday that a minority of municipalities were not co-operating in the compilation of information for the Housing Data Bank in his department.

"We now have for the first time a scientific system whereby a true picture of the actual housing position can be obtained on a national, provincial, regional and local authority basis," he said.

But the data bank depended on local authority co-operation and until this was forthcoming, unco-operative municipalities "must not look to the department for any housing assistance".

Other points made by Government spokesman at yesterday's conference were:

- Local authorities and the building industry should proceed immediately with those projects, involving some 3 000 houses, which had already been approved by the National Housing Commission.

- More financial support will be provided to housing utility (non-profit making) companies to enable them to provide more, modest houses to people earning R800 to R1 500 a month. This included more funds for housing for the aged, and loans for welfare organisations to acquire blocks of flats to house the aged.

- Limited funds will be made available by the Department of Community Development to assist individuals who can afford modest homes (total cost of land and improvements R33 000) and who do not earn more than R800 a month.

- The National Housing Commission would make loans to municipalities and administration boards with which to buy building materials for assisted self-building projects.

X (123) ROOM 14/10/83

Business 'thwarted' over black housing



By LIN MENGE
Homefront Reporter

IT WAS cumbersome, uncertain, and expensive for businessmen to develop housing in black, coloured, and Indian townships, Mr Jan Steyn, executive director of the Urban Foundation, said yesterday.

Business was viewed "as a rapacious, unscrupulous sector, which many officials believe should be kept out at all costs if the communities are to be protected", he said.

Mr Steyn was addressing the SA Institute of Housing conference in Bloemfontein.

Although the entire housing policy of the State had been changed for the better, there were still many barriers to be removed, he said.

He called for clear, sensitive policy changes to be made, and quickly. Lack of housing had become a burn-



MR JAN STEYN
Call for policy changes

ing issue among the low-income communities who viewed all changes in housing policy with suspicion.

"With the current downswing in the economy, the accompanying unemployment and the impetus the devastating drought is providing to urbanisation, we face a poverty problem in our cities which is ever-escalating and assuming unacceptable proportions."

Administrative procedures and experience of black,

coloured and Indian local authorities were geared towards a Government-dominated system of providing housing. This severely limited effective involvement by private enterprise in the housing process.

Many of these local authorities were faced with enormously expensive upgrading projects and the need to install new services. Because of the absence of commercial and industrial land use in their areas, they lacked an adequate tax base.

"Because of these shortcomings, it is cumbersome, uncertain and often unnecessarily expensive for the private sector to undertake housing developments in these areas," Mr Steyn said.

There were also enormous attitudinal barriers, with many officials viewing the business sector as rapacious and unscrupulous.

"While I am sure these attitudes are motivated out of good intentions and concern, they are essentially paternalistic and have the effect of limiting access to essential commercial housing services," Mr Steyn said.

Township report out soon

Homefront Reporter

THE first two reports of the Amie Venter commission into township establishment are being studied by the Government and the third report will, it is hoped, be ready next month.

Addressing the SA Institute of Housing conference in Bloemfontein, Mr P C van Blommestein, Director-General of Community Development, said there was no simple answer to the present problem of a shortage of residential stands.

The commission had taken as its starting point the need to shorten and simplify the procedures for township development and had accepted that the developer should be given more responsibility for specific tasks.

The South African system of property ownership and property registration, however, offered a great degree of security of ownership. This limited the degree to which the procedures for township development could be simplified or shortened, Mr Van Blommestein said.

Business Day/**SMALL BUS**

Anglo seconds property man to **HOME**

123
2/10
ROM
4/10/83



WESSEL PIENAAR
Hopes to speed up sales

By **LIN MENGE**

THE brief Mr Wessel Pienaar had with Anglo American was property and problem-solving: fitting preparation for his new task of introducing a free market in property and an agency industry in the black townships.

Formerly Anglo's divisional mining titles and estates manager, he has been seconded as executive director to Home Ownership Marketing Enterprises (HOME), the Section 21 (non-profit-making) company recently set up by the Government and the private sector to train non-white estate agents and to handle the selling of houses.

HOME will go into business early next year, opening sales offices in Soweto, and in Port Elizabeth's black townships, says Mr Pienaar. It is expected the company will remain in existence for about three years, by which time the agents will have to comply, like their white counterparts, with all the requirements of the Estate Agents Board and the Estate Agents Act.

The company's premises will open on November 1 on the seventh floor of St Mary's Building in Eloff Street, Johannesburg, where the Institute of Estate Agents will conduct training sessions.

"We hope to train groups of 25 to 30 at a time," Mr Pienaar says. "After intensive training of three to four months, the agents will be appointed to our

sales offices in the townships. On-the-job training there will be supplemented by less intensive training for the balance of the three years."

Agents will receive both salary and commission and will, initially, handle sales under the State's mass sale discount scheme.

Mr Pienaar, 44, is a Pretoria University BA economics graduate. He worked for the Townships Board and the estates department of the Pretoria City Council before joining Anglo where he gained experience in dealing with administration boards and designed a home ownership scheme for Ergo employees.

HOME has a starter loan from the Urban Foundation, but hopes for donations from big employers.

"It is in the employers' interest to give their workforces a more secure base," Mr Pienaar says. "A satisfied employee living in his own house can only work better, and be worth more to the employer, than the man who has to float around, totally insecure and not knowing where he belongs."

Among numerous other organisations involved in setting up HOME are the SA Property Owners' Association, the Small Business Development Corporation, the Association of Law Societies, Assocom, Nafcoc, the AHI and Government departments and administration boards.

CARE FILES 15/10/83

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Housing reform 'essential'

Municipal Reporter

HOUSING reform is essential if South Africa is to meet its critical housing need — particularly in the area of low-income housing, according to Mr J H Steyn, executive director of the Urban Foundation.

Addressing a Bloemfontein housing conference, Mr Steyn said the resolution of the housing backlog was not merely dependent on how much money the public or private sectors allocated to housing.

It was "critically dependent" on the reform of the institutions and structures which controlled, regulated and supported the provision of housing.

Much housing reform had already been achieved, but there were still barriers to be overcome before the individual and business sectors fulfilled their potential role in providing low-income housing.

There would have to be a lowering of standards in what was considered to be legally-acceptable housing, he said. The government's traditional response to the affordability of houses had been to pro-

vide subsidized finance, but this had failed to provide enough finance.

Major problems still related to the inadequate supply of serviced land and lack of access to cost-effective, commercially-provided housing services.

The non-availability of commercial services on a supply-and-demand basis in coloured, Indian and black areas was a by-product of public sector domination in housing supply.

Effective private enterprise involvement in housing depended to a large degree on a positive role being played by local government. This was severely limited by inappropriate administrative procedures in black, coloured and Indian local authorities.

For various reasons, it was cumbersome and expensive for the private sector to undertake housing projects in these areas.

Many public sector officials saw the business sector as "rapacious" and "unscrupulous". These views were essentially paternalistic and limited access to essential commercial housing services, he said.

Housing vital to help productivity

123
E. Post 18/10/83
JOHANNESBURG — A country without adequate housing facilities could not depend on maximum production from its workers and without maximum production South Africa could never, from an industrial point of view, be competitive on world markets, according to the assistant general manager of Saambou National Building Society.

Mr J. E. Bekker was speaking on *The Role of Building Societies in the Future* at the South African Institute for Housing conference in Bloemfontein.

He said in future building societies would have to find new sources of cash flow to supplement their present resources.

Building societies could be expected to become

more bank-orientated as they moved into more profit-producing areas.

Housing was, next to food, the most essential requirement of every individual, according to Mr Bekker.

Economic and political development had made the present system of home financing inadequate and a new policy would have to be formulated to meet the

new demands. The measure in which these demands were met would determine economic and political stability.

Building societies had the responsibility of complementing the efforts of employers by providing finance for housing projects.

Increasing attention would have to be given to lower-income housing by building societies. — Sapa

Plea for rethink on black housing

AKGUS
20/10/83

306

123

Staff Reporter

UNREALISTICALLY high building standards, coupled with continued State housing subsidies, might be blocking better housing for urban blacks, according to Mr J Kruger, national housing manager of the Urban Foundation.

Mr Kruger presented a paper on black housing and township development at the convention of the South African Institute of Civil Engineers in the city today.

He said that while a new State housing policy announced earlier this year signalled a move away from subsidisation, the largest proportion of the black community had a monthly income of between R150 and R450 a family, "which is clearly inadequate for active participation in an open unsubsidised housing market at conventional standards".

An asset

An intermediate phase needed to be introduced between a highly subsidised and a completely unsubsidised market. Guidelines should be sought for a more flexible approach which would allow certain standards for certain communities.

"As horrifying as a shanty town or a squatter camp may be, it does represent an asset, a stock of some value, both from a material and spiritual point of view.

"Can we not try to accommodate this spontaneous housing in our thinking — accept it for the time being? Surely the special circumstances dictate a setting aside of the edifice of building regulations, submission processes and the like, for a time?"

In view of the need for about 200 000 more housing units a year, the private sector, including the individual, had to participate as fully as possible to create a normal free enterprise market system rapidly.

Lasting

Professor David Dewar, of the department of urban and regional planning at the University of Cape Town, told delegates today that if a low income housing policy was to have a lasting impact, it had to be based squarely on the recognition that certain groups and individuals needed assistance in satisfying basic needs like housing.

"It is in society's interests to help these people satisfy their basic needs.

State helps with low-cost houses

Municipal Reporter

THE Government's inability to allocate enough funds to solve the serious housing problem for the lower-income groups was regrettable considering the sociological and political problems it causes, says the chair-

man of the Divisional Council, Mr G M Basson.

In his annual report, Mr Basson said the realization of this fact had caused the State to relax its "somewhat inflexible and rigid policy". It had shifted some of the responsibility for housing to the private sector.

The emphasis would in future be on self and privately-financed houses on serviced residential land. This would be financed by the State through local authorities and other institutions.

90 percent loans

An interesting innovation was the concept of self-help housing. The State would make available 90 percent loans for buying discounted building material. The council would also provide technical advice.

The council had started selling as many letting units as possible, with preference to the present lessees. The public had expressed a "feverish interest" in this, he said.

The constitutional proposals for local government had made the past year an "exciting if somewhat uncertain period" for the council.

It supported the retention of the Divisional Council system and its evolution as a form of regional local authority, he said.

Uncertain future

Much information had been given to the government for the formulation of draft legislation in line with the establishment of "own" local authorities for the coloured and Indian groups, the devolution of more power to local government and the establishment of regional and metropolitan authorities.

"At this point, the situation of this council remains uncertain but by no means in jeopardy," he said.

The council was developing a highly sophisticated security section to protect its staff and buildings, Mr Basson said.

New housing policy 'not a solution'

CAPL Times 21/10/83

(123)

(124)

Staff Reporter

THE government's new housing policy offered no long-term solution to the country's housing shortfall, the director of the UCT Department of Urban and Regional Planning, Professor David Dewar, said yesterday.

Attacking the policy changes at the SA Institute of Civil Engineers' seventh quinquennial convention yesterday, Professor Dewar said the housing shortage would, in fact, increase significantly.

One of the major policy changes introduced by the Minister of Community Development, Mr Pen Kotze, was the emphasis on self-help housing as a means of "solving" the problem, he said.

"Significantly, therefore, the primary responsibility for the provision of housing is being placed upon the private, as opposed to the public, sector."

Reduction in rented accommodation

Another change was the reduction in the provision of rented accommodation. "This will now be built only for the aged, for welfare cases and for people earning less than R150 a month," he said.

Other changes were the sale of 500 000 rented housing units, the commitment to remove income-related subsidies on housing and, in the case of rental housing, the move towards market-determined rental levels, he said.

Privately-built homes would be beyond the reach of the poor, who constituted the majority of the unhoused people, and the housing shortage would increase for them, he said.

"Another reason why the housing shortage will increase can be found in the pace of provision." The delays caused by uncertainty in switching from one policy direction to another were partly responsible. Every week the backlog increased significantly, he said.

The shortfall would increase rents, and this would "de-house" many poorer families.

The new policy package thus offered no solution to the housing problem in the long run, he said.

CAPL

123 • ROOM 21/10/83

Reform needed for low-income housing

Financial Reporter

HOUSING reform is essential if South Africa is to meet its critical accommodation needs — particularly in low-income housing, according to Mr J H Steyn, executive director of the Urban Foundation.

Addressing a Bloemfontein conference, Mr Steyn said the resolution of the housing backlog depended not merely on how much money the public or private sectors allocated.

It was "critically dependent" on the reform of the institutions and structures which controlled, regulated and supported the provision of housing.

Much housing reform had been achieved, but there were still barriers to be overcome before the individual and business sectors fulfilled their potential role in providing low-income housing.

There would have to be a lowering of standards in what was considered to be legally acceptable housing. The Government's traditional response to the affordability of houses had been to provide subsidised finance, but this had failed to provide enough money.

Major problems still related to the

inadequate supply of serviced land and lack of access to cost-effective commercially provided housing services.

The non-availability of commercial services on a supply-demand basis in coloured, Indian and black areas was a by-product of public sector domination in housing supply.

The availability and price of serviced land was also not a function of market supply and demand, but of central Government allocations.

"In addition, significant bureaucratic and unnecessary delays exist regarding the process of township establishment," he said.

Effective private enterprise involvement in housing depended to a large degree on a positive role being played by local government. This was severely limited by the "inappropriateness of administrative procedures" in black, coloured and Indian local authorities.

Many local authorities were also faced with expensive infrastructural and upgrading projects and the provision of previously absent services.

Because of this and other shortcomings, it was cumbersome and expensive for the private sector to undertake housing projects in these areas.

123 RDM 21/10/83

Home rents at ceiling of R750

Financial Reporter

RESIDENTIAL rents are hitting resistance at R650-R750, according to Mr. Neville Berkowitz, editor of the Property Economist.

He says office rentals are likely to drop further over the next 15 months.

If summer rains are late an oversupply of office space is likely to emerge because of business clo-

sures.

Mr. Berkowitz says anyone paying more than R700 a month rent might as well be paying off a bond of R40 000 to R45 000 on a home of his own.

Salaries and wages are unlikely to rise above the inflation rate for the next 12 months so most tenants will, therefore, suffer a fall in real income. The ability to pay higher rents will be limited and more vacancies could occur if rentals are

increased substantially.

In the medium term there is likely to be a wave of new residential developments.

Mr. Berkowitz says: "Rentals are expected to increase as landlords attempt to recoup losses which will occur during the static growth years."

He believes that in the next 15 months the office rental market will be weak. Institutions owning office buildings can, however, af-

ford to ride out the squeeze without a sizeable drop in rents.

In the retail sector turnover in real terms is dropping and, with new space coming on stream, supply is likely to outpace demand. Some retail leases operate on turnover clauses and with revenue down rentals will probably drop to the lower level of annual escalations originally stated in the leases.

Demand for prime locations exists as well-heeled retailers wait for

the economic recovery. If retail spending improves in the second half of 1984 demand for space will pick up in 1985.

Research by the Property Economist shows that rentals in the industrial market fell by 15% in the first nine months of the year. Industrial rentals are expected to fall further in the short term. In the medium to long term the Physical Planning Act's restrictions on industrial development near urban areas will decrease as supply strengthens.

Low-interest bond subsidies under attack

w/le ARBUS (bus) 22/10/83

123

By **DEREK TOMMEY**
Financial Editor

LOW-INTEREST tax-free housing subsidies granted to public servants and employees of financial institutions are coming under attack from several quarters.

They are being blamed for distorting the property market, for leading to the wasteful use of the country's savings and for creating an unfair tax situation.

Mr Neville Berkowitz, editor of the Property Economist, said this week that bond subsidies and low-interest loans

granted to the staffs of financial institutions were responsible for soaring house prices. They enabled sellers to demand inflated prices.

In the first three months of this year, building societies lent R477.7 million — 232 percent more than in the first three months of 1982.

Between 60 and 65 percent of bonds granted by the two largest building societies in the first four months of the year carried some form of subsidy.

Subsidies were making a mockery of the affordability of homes, Mr Berkowitz said.

With two out of three homes being financed by a subsidy, he expressed sympathy for the remaining 33 percent of the market — people who did not have access to a bond subsidy.

Stimulatory

"It is subsidised buyers who have pushed prices out of reach of those people who do not enjoy a similar perk."

A Cape Town building society official said this week that news of the latest increase in the public service house subsidy had had a marked stimulatory effect on the prices of low cost housing.

As a result of the increase there were now few houses on offer in the R40 000 to R50 000 price range.

The price of an ordinary house was now between R60 000 and R70 000.

Mr W F de la H Beck, chairman of Murray and Roberts, has also criticised

cised low interest tax-free housing subsidies on the grounds that they lead to a misuse of capital.

Writing in Murray and Roberts' house journal, he says because of the non-taxable nature of low-interest housing subsidies, an inordinate and artificial amount of capital is being directed into providing houses of a type and a cost which would not have been built if normal market-related interest rates had appertained.

One of South Africa's leading tax consultants, Mr Costa Divaris said today he was amazed that the South African taxpayer had put up with this situation for so long.

If some people paid less tax than they should, others not getting tax-free housing subsidies had to pay more than their fair share.

The people who really benefited from the system were employers and property owners. By giving tax-free housing subsidies employers were able to keep wages down.

As a result the South African taxpayer was actually subsidising employers, he said.

To Page 3.

Dysselsdorp Community Project

Dysselsdorp (South) Western

Contact: _____

Subsidies

EARLY L 320 (123) from Page 122/10/83

Address: _____

Contact: _____

Objectiv: _____

The Government has been investigating the levying of taxes on low-interest loans for the past two years.

It recently appointed a two-man commission to take evidence from interested parties and to consider the matter further.

A senior Treasury official said yesterday the commission had finished its report and submitted it to the Cabinet for consideration.

catalyst and co-ordinator for all future developments in East London, Border and Ciskei. service training for teachers, its staff, day care centres and creches.

project.

education)

Govt cut-off stifles mass housing

24/11/83

By LIN MENGE

MASS housing is needed to keep up with demand for accommodation caused by industrial development, says Mr Carel Marais, managing director of Zakrzewski Associates Incorporated (ZAI).

ZAI, consulting engineers and architects, has been involved in the initial design and supervision of most of the mass housing projects developed in Transkei since independence. It is concerned at the SA Government's cut-off of funds for mass housing.

Mr Marais says that in 1968 there was only one small factory at But-

terworth. There were no housing schemes. But since 1972, with SA Government help, ZAI zoned and serviced 320ha of industrial land, attracted R85-million of industrial development to the area and, to accommodate those employed, designed and supervised the building of 2 000 houses.

These were all of the same type, but laid out in varying patterns and painted with Xhosa motifs.

"All these houses had a high degree of acceptability and were rapidly filled," says Mr Marais. "But from 1975 the influx into Butter-

worth, accelerated by the demands of industry, the high rate of industrial wages compared to agricultural wages and drought, has become excessive.

"The result is that projects designed to take 15 000 people are now holding 45 000 or more. Already one can see the deterioration in house maintenance standards and, I suspect, a decrease in the happiness and efficiency of the work force.

"Agricultural methods are so poor and the birthrate so high that new industrial areas, such as Butterworth, are magnets to a huge surrounding area. The only solution

is to keep developing them and to build houses.

"Somehow we must find the funds for more homes, not only in Butterworth but wherever else mass housing and industrial schemes have been initiated."

Mr Marais' views reflect a growing concern that mass housing has been cut back prematurely. It will be some years before the Government's new housing strategy, which puts the onus on the individual to house himself with the help of his employer and the private sector, begins to alleviate the huge and growing backlog.

Building industry boom predicted

ARGUS 24/10/83 123

From the Property Editor

PORT ELIZABETH. — The building industry will enter the busiest time the country has known before the end of next year, said the president of the Building Industries Federation, Mr Pat Morris, at the annual congress today.

While the federation was spending R15-million a year to train an adequate workforce to meet the boom situation, he had grave doubts whether manufacturers of cement and bricks were taking similar steps.

He said Bifsa was investigating the possibility of importing cement and bricks and "has already been successful in making contact with interested firms overseas".

Permission

"We have also received assurance from the Government that we would receive permission to import materials in short supply.

Mr Morris said South Africa now spent less on housing than most comparable countries.

He proposed a four-point plan to reduce building costs to a level the lower-income group could afford.

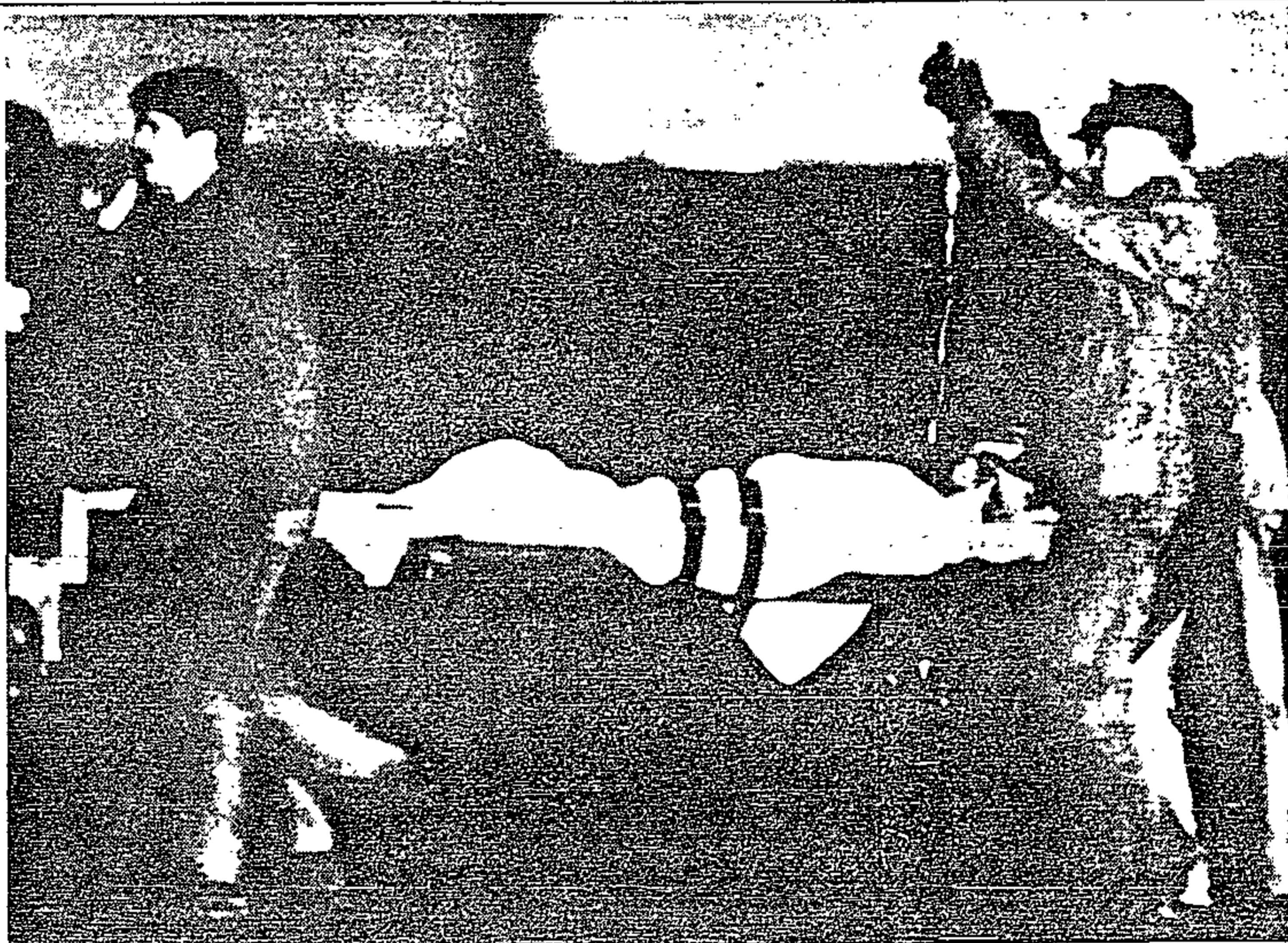
- Projects should be organised on a grand scale which, in the case of Mitchell's Plain, produced economics of 50 per cent.

Developed land

- The cost of developed land should be drastically reduced by the lowering or total elimination of certain services such as street-lighting, pavements and wide roads. By annually reducing the average waiting time in a township development application the final selling price of one erf could be halved, he said.

- Non-conventional housing forms, building methods and materials should be allowed.

- Housing should be made the responsibility of one dynamic democratic Government department.



Strapped to a stretcher, a United States Marine who was seriously injured in the Beirut bomb attack is rushed to a waiting helicopter at Frankfurt's Rhine-Main Airbase where 36 injured survivors were airlifted overnight for treatment in military hospitals in the area.

Horror and shock all over world

NEW YORK. — National leaders around the world have denounced yesterday's bombings.

President Reagan: "These deeds make so evident the bestial nature of those who would assume power", if the US forces were to leave Lebanon. "There are no words to properly express our outrage."

The French Prime Minister, Mr Pierre Mauroy: "An odious and cowardly attack against France and against peace."

Lebanese President Amin Gemayel: "Deep sorrow over brave sons who died in a for-

eign land in defence of freedom and democracy."

British Foreign Secretary Sir Geoffrey Howe: "A hideously malevolent action by any standards."

Mr Richard Luce, British Minister of State at the Foreign Office: "Gigantic atrocity."

The Pope: "An act of war."

Israel's Prime Minister, Mr Yitzhak Shamir: "A despicable crime."

Pravda: "The Vietnam story begins to repeat itself."

Mr Javier Perez de Cuellar,

Secretary-General of the United Nations: "A despicable act."

Italian Prime Minister Mr Bettino Craxi: "Vile attack by criminal hands."

Mr Walid Jumblatt, leader of Lebanon's leftist Druze faction: "Tragic."

Saudi Arabian Ambassador to Washington, Prince Bandar Bin Sultan: "Terrorist actions."

Egypt's Foreign Minister, Mr Kamal Hassan Aly, called for restraint for the sake of peace.

Brazil's President Joao Figueiredo: "Barbarian attack." — Sapa-AP.

INSIDE TODAY

Jackpot round-up

A number of top-class young horses will be in action in the four legs of Wednesday's jackpot at Milnerton. See Page 19 for The Argus Ratings.



Colour poster

A full-colour pop poster of Elton John, who has just visited the city, appears in Tonight.

TOMORROW

Pyramid power

Pyramid power — good vibrations, or just pie in the sky? Maureen, President Ronald Reagan's volatile daughter, Spring Brides, strawberry fare, fairytale fashions and more in Argus Woman tomorrow.

Increase ¹²³ E. Post ¹² incomes or ^{25/10/83} drop price of housing — Bifsa

Property Editor

SOUTH AFRICA spent less on housing than most comparable countries in the world, Mr P O Morris, president of Bifsa, said in his opening address at the organisation's annual congress in Port Elizabeth yesterday.

The urgency of South Africa's housing needs for the next two decades had been highlighted in numerous recent investigations and forecasts, all of which had endorsed the view that the need was urgent for a considerable acceleration in the provision of housing.

"The Prime Minister has, on several important occasions, called on private enterprise to play a bigger part, but this sector already provides almost 75% (in value terms) of all new housing in South Africa, albeit mostly in the middle and higher income categories."

Two obvious ways of bringing houses within the reach of lower income groups was to raise incomes to a level where they could afford them or to cut the cost of houses.

Bifsa, he said, believed the boldest and surest ways of reducing costs were:

- To plan, organise and execute low-cost housing projects on a grand scale which, in the case of Mitchells Plain for example, had halved costs.
- To reduce the cost of developed land through drastic new administrative and application procedures. Eliminating services such as street lighting, pavements and wide roads was suggested. An authority recently estimated that by reducing the average waiting time in a township development application, the final selling price of one

erf could be halved.

● To encourage and allow, subject to proper planning and control, non-conventional housing forms, building methods and materials.

● To place overall responsibility for housing in the hands of one dynamic democratic Government department.

Mr Morris said there was no doubt the workload in the industry had declined in the latter part of this year.

"This has, of course, resulted in a fiercely competitive tender market which property developers and intending home owners should take advantage of before the position changes."

Mr Morris said he had no doubt that before the end of next year "we will enter the busiest period of building activity this country has yet experienced".

While Bifsa had done everything possible to train an adequate work force to meet a boom situation by recruiting and spending millions of rands on training facilities, he said he had grave doubts as to whether the manufacturers were taking similar steps, especially regarding certain primary products such as cement and bricks.

"Bifsa would be failing in its responsibility to the building public if it did not at this time investigate the possibility of importing these materials and has already been successful in making contact with interested firms overseas."

"We have also received assurances from the Government that we would receive permission to import materials in short supply," said Mr Morris.

● See Page 12

Bifsa moves to protect home-buyers

ARGG's 123
26/11/83

From TOM HOOD
Property Editor
PORT ELIZABETH. — The Building Industries Federation wants to start an insurance system to provide home-buyers with guarantees against structural failures and major defects.

This was disclosed at the federation's annual congress here yesterday.

"One of the sad things in this country is that the general public is exploited by non-professional builders, many of whom are not our members,"

said Bifsa's executive director, Mr Lou Davis.

"Unfortunately, we get the blame as an organisation," he added in an interview.

"We are investigating with the insurance fraternity the establishment of a workable system whereby, if something goes wrong with a house after a certain time, it will be looked after through a written guarantee by an insurance company."

This was not just a question of a piece of pa-

per signed by an individual who might go away, but an insurance company that would take on the burden of putting things right.

Builders in Britain had a system by which they subscribed to a central body which inspected their operation.

The builders paid a premium and the owner of the house was given a guarantee on behalf of the builder that any defects would be put right within a limited time.

Inspector 'kept paperwork'

Tygerberg Bureau
MR David Loxton, 33, charged with 46 counts of car theft, owned a panel-beating firm for 15 years yet was unable to read or write, the Parow Regional Court heard.

Mr Loxton testified that an inspector of revenue with the Provincial Administration, Mr

Arend Visser, kept his paperwork in order and wrote out necessary cheques.

Mr Visser has been warned that he might be charged as an accomplice in the eight-day-old trial following his evidence that he bought four stolen vehicles from Mr Loxton. The vehicles

have since been confiscated by the authorities.

Mr Gerald Snow, 30, and Mr Joseph Sinclair, 23, are appearing on the same charges. All three have pleaded not guilty.

(Proceeding)

Mr J G Vermeulen is on the bench, Mr J Vermaak is appearing for the State and Mr N van Rooyen for Mr Loxton.

Impact of reserve — Simon's Town

Staff Reporter
SIMON'S Town town clerk Mr Charles Chevalier is concerned at the extent to which the proclaimed Peninsula nature area affects Simon's Town.

Mr Chevalier commented at a council meeting yesterday that as a result of the reserve area Simon's Town became a "permanently small town encapsulated in a large nature reserve — the only town I know of affected in this way".

He said that only on Red Hill plateau to the west of the municipal area, and at Rocklands Farm outside it to the south, was there any scope left for the town's "limited" outward development.

Proposals to develop an area above Jan Smuts Drive were now restricted by the reserve boundary.

"A new authority has taken over control of a large portion of the municipal area and this in-

cludes the waterfall area," Mr Chevalier said. The town council intended making this a nature reserve.

Mr Chevalier later said that much of the new reserve boundary came down to the limits of areas proposed for development or already developed.

Much of the municipal area now included in the Peninsula reserve was "probably too steep to develop anyway", but he

was thinking of the future development of the town — after the next 10 years — when pressure on land, the need for extending boundaries and the density of development would be "so much greater".

Mr Chevalier said Simon's Town, with the sea reserve and the nature reserve around it, attracted many people who wanted to "get away from the concrete jungle" — but he was also concerned about the

town's future prospect.

The waterfall would still be present but its control would be under the Peninsula reserve's board.

Crackdown

PEKING. — Traffic police are cracking down on roadhogs after a sharp rise in deaths and injuries on Peking's crowded roads.

Official figures

New turn in Harris case

Why raving killer spared girl.

EM 28/10/83 (123)

could soon be removed.

Alan Hankinson, who, with Louis Rive, is involved in a commission of inquiry into black housing in Natal, says he has written to Co-operation and Development Minister Piet Koornhof suggesting procedural changes that will allow private sector finance for housing to be fully mobilised.

Given the desire of both Koornhof and PM P W Botha to see progress on the housing issue, he believes action will follow. To its credit, government has, on its own initiative, already gone a long way to assuage the fears of those institutions which have committed their cash.

Says UBS assistant general manager with responsibility for black housing, Piet Kruger: "We are reaching the end of the line. Just about all our requirements have been met." Though Hankinson was not specific, the "obstacles" he refers to appear to relate largely to tenure. One frequently raised concern under the old 99-year leasehold scheme is that the authorities had the right to cancel the leasehold at any time.

Building societies strenuously objected and, according to Kruger, the clause has now been done away with. Other changes have been equally significant. Kruger says it is now broadly accepted that 99-year leaseholds may be used as a form of tenure in both black townships and the homelands where the deed of grant system is being phased out.



Hankinson ... suggesting procedural changes

In addition, a deal has been struck with the National Housing Commission whereby the societies may advance funds on the sale of houses before leaseholds or bonds are registered in townships which have not yet been properly surveyed. It amounts to a swap of paper between the two institutions, with suitable guarantees, and is designed to speed up the selling process.

All this may overlap with Hankinson's recommendations. But there are special circumstances peculiar to housing in Natal and his efforts may have been concentrated on these. Local building society managers, for example, have frequently voiced concern over what would happen to their assets should KwaZulu opt for independence. They want guarantees from Pretoria on this and other issues such as a suitable system of deeds registration, debt collection and repossession. Most black housing in the province falls within KwaZulu.

Reflecting the realities of the situation, government, in conjunction with the KwaZulu administration, has given Hankinson permission to extend his brief to housing in KwaZulu as well as white Natal. The urgency of finding solutions to the problem has been underlined by the violence that flared up at Lamontville, one of two townships destined for incorporation into KwaZulu, a week ago.

Apart from fears that residents will lose their citizenship and Section 10 rights on incorporation, Hankinson believes that the general poor quality of housing is contributing to tension: "A superficial study has shown that there are, in some cases, 20 to 30 people living in one house. That kind of overcrowding can only lead to a considerable degree of unhappiness and it is not surprising that it has led to some unrest."

According to Hankinson there is broad

BLACK HOUSING (123)

Removing barriers

There are hopeful signs that the few remaining obstacles to full private sector involvement in the funding of black housing

IS IT TAX-DEDUCTIBLE?

OMICRON

FM.

28/10/83

123

URBANISATION Tighter control

The Rand Supreme Court's recent affirmation of Rosinah Rikhoto's claim to urban rights has thrown attention on a little publicised new amendment to the Laws on Co-operation and Development Amendment Act. It has ominous implications for those who believe black urbanisation is inevitable.

Rikhoto is the wife of Tom Rikhoto, who made legal history in May when he became the first migrant worker to be awarded permanent urban residence rights in terms of Section 10(1)(b) of the Blacks (Urban Areas) Consolidation Act. To do so he had to prove that he had worked for one employer

of blacks manage to live in townships by lodging with others. Now these people will not be able to get their families to join them unless they can prove that they were there before August 26. This will invariably be extremely difficult to do, especially as there will be no records of their presence in urban areas because people who are illegal quite naturally tend stay out of the way of officialdom.

According to Black Sash national president Sheena Duncan, the amendment undoes the Komani judgment in relation to 10(1)(b) people — the most significant proportion of families wanting to come to towns. "This represents an almost total clampdown on any future black urbanisation," she told the FM.

Duncan predicts that the approximately 143 000 people who government has said would qualify for urban rights in terms of the Rikhoto judgement will be the last to qualify. (According to statements made in Parliament just before it rose, only 9 000 people have obtained rights through this mechanism.)

She points out that the Orderly Movement and Settlement of Black Persons Bill, which Co-operation and Development Minister Piet Koornhof has said will be introduced in Parliament next year, eliminates Section 10 rights and any chance of migrants obtaining urban rights.

"The amendment anticipates the Orderly

for 10 years or longer.

After his victory, Rikhoto set about obtaining permission for his wife to live legally with him in Germiston's Katlehong township in terms of another landmark case — the Appellate Division Komani judgment. This stipulates that the wife, unmarried daughters, or sons under 18 years of people with Section 10 qualifications are entitled to remain in urban areas once they have taken up residence with them (thus qualifying them as 10(1)(c) residents).

Numerous delays (some would call them obstructions) on the part of the East Rand Administration Board forced Rikhoto to resort to legal action yet again. Ironically, if Mrs Rikhoto's name had not been entered onto her husband's lodger's permit on August 25, she might not have won her case.

The Laws on Co-operation and Development Amendment Act adds a new paragraph with extremely rigid strictures to the Section 10 provisions. Central to it is that relatives of people with 10(1)(b) qualifications who wish to apply for 10(1)(c) qualifications must prove that they were living with them before August 26 — the day the amendment was promulgated. But there are other provisions — related to the highly vexed area of housing.

The 10(1)(b) person must live in either:

- A house bought under the 99-year leasehold scheme;
- A house built by the person on a site for which leasehold has been obtained;
- A rented house of which the person is the registered tenant (not a lodger); or
- Married quarters made available by their employer.

These factors clearly indicate that government is requiring extraordinarily high standards of accommodation for people who wish to qualify for urban rights. The waiting list for housing in all black townships is enormous. However, large numbers

Movement Bill which creates a new way of defining what an urban resident is. Black urban rights are subject to accommodation. This means urban rights will no longer be legal rights," she says.

Meanwhile, news of another limitation on migrant workers' tenuous ability to remain in urban areas emerged last week. The Steel and Engineering Federation of SA (Seifsa) has told its members that they are legally entitled to alter migrants' contracts (which usually apply for a year) allowing them to terminate employment with a day's notice.

Metal industry trade unions have reacted strongly against this move. Seifsa, however, says it has merely brought migrants' conditions of service in line with other employees in the metal industry whose service can also be terminated in a day.

(123) Mercury

House sales could hit poorer blacks'

Mercury Reporter 21/10/83

THE large-scale sale of government houses in black townships could place even greater burdens on the poor as house prices rose and the availability of rented accommodation decreased, a University of Natal academic has warned.

The Government announced in March that about 500 000 houses were to be sold. In the black areas those renting State houses would be able to buy them on a 99-year leasehold basis.

Prof Bruce Boaden of the Department of Quantity Surveying and Building Economics said in a paper, which severely questioned the new scheme, that it was 'part of a process of withdrawal by the Government from the direct provision of low-income housing'.

Increase

'Whether or not private investment will more than offset the reduced Government investment remains to be seen.

'Given the present housing shortage it seems inevitable that the advent of mass home-ownership will result in the price of houses and rentals increasing substantially.'

The Press statement announcing the scheme warned that rentals could rise drastically from next July.

'Upper-income residents who can afford to buy houses will benefit more than lower-income groups who will be forced into the rental market at unsubsidised rentals. These groups will probably be worse off than they are now,' Prof Boaden said.

The possibility also existed that many who were not currently renting a Government house would be prevented from ever getting a house as rented accommodation became scarce.

Home buyers would also be required to take on the responsibilities of insurance, repairs and general maintenance.

Many of the houses to be sold are reaching a stage where significant maintenance costs will be incurred.

'The scheme comes at a time when housing authorities throughout the country would be expected to start paying out larger and larger sums in order to maintain the aging stock of houses — most of which were built in the 1950's and early 1960's,' he said.

Loans available soon for Big Sale home buyers

By LIN MENGE

THE United Building Society expects to start granting loans soon to Big Sale home buyers in terms of the agreement with the Government which enables building societies to grant 90% loans and to lend on deed of sale.

The society signed the final agreement with the Government on Friday.

"From now on it will be up to every building society and their boards to decide whether to participate in the

agreement, but we have already taken that decision," said Mr Piet Kruger, UBS assistant general manager.

In terms of the agreement, first reported in HOMEFRONT on September 29, the loan concessions apply to people of all races who buy their rented properties during the State's year-long mass sale of about 500 000 houses.

Deposits of only 10% will be required by the participating societies, the National



Housing Commission providing security to the societies for an agreed period for the additional 10% deposit.

Big Sale home-buyers will also be able to obtain loans from the participating societies before their properties have been surveyed. The De-

partment of Community Development will issue the societies with housing securities so they may lend to clients before the title or leasehold deeds are available.

□ □ □

FROM the Department of Community Development Housing newsletter:

● Surveys have been commissioned on 343 000 houses so far, of which 60 000 have been completed.

● Big Sale prices have been approved for 259 000 houses, and 10 000 houses have been sold.

● Homes rented by blacks in the Western Cape and Northern Transvaal administration board areas cannot be bought in the Big Sale.

● Employers planning end-of-year bonuses for their staff should think about including in them the 10% deposit needed to buy a rented home in the Big Sale, says Mr Johan Kruger, national sales co-ordinator.



When this picture was taken on October 6, only the ground plans for the new village were complete.

Leasehold for blacks in the 'homelands'

By LIN MENGE



WANT to build or develop in the homelands? The good news is that 99-year-leasehold is now available to blacks or whites who want to acquire stands in a non-independent "homeland", provided of course they are for black occupation.

It will also be possible to apply for building society mortgage finance on properties in the non-independent "homelands". (The independent "homelands" are establishing their own building societies.)

Mr Lucas Kruger, Director, Towns, for the Department of Cooperation and Development, told HOMEFRONT that in terms of two proclamations gazetted on October 14, the following major changes have come about in the regulations governing leasehold and in township development in the rural areas:

- Any private person, developer, utility company, or financial institution can now obtain 99-year-leasehold in the non-independent "homelands".
- Land in these areas is either privately owned, by blacks under freehold, or it is held by the SA Development Trust solely for the benefit of blacks. The Trust may not sell the land it holds, but it can now lease that land to anyone wishing to develop housing for black occupation.
- Such 99-year-leasehold (which includes leasehold right for sectional units — eg semi-detached houses) will always be for the full 99 years from the date of transfer. (ie the 99 years can virtually never run out, because the purchaser of, or heir to, the leasehold property, acquires it for the full 99 years. This applies to 99-year-leasehold in the urban as well as rural areas.)
- The employer who wants

to buy or build in the rural areas, and then lease the house to his employee, or the developer who wants to erect houses or a whole township, must apply through the local township manager to be declared a "competent" person.

- The "competent" person or company then acquires the leasehold title for the full 99 years, but only blacks may occupy the property.
- Building societies are now legally able to lend in the rural areas because of the 99-year-leasehold provision. This will come as a relief to home-builders in the rural areas, who even though they may own freehold plots, have had to find their own cash or join the queue of would-be borrowers from the cash-starved development corporations.
- The building societies strongly objected to a clause which made it possible for the Minister to declare ownership of a property held under 99-year-leasehold forfeit under certain circumstances. This clause would be deleted, Mr Kruger said.

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IN THE past year hundreds of Soweto residents have learnt basic concrete production and hand-moulding methods of concrete brick and blockmaking at the Portland Cement Institute office in the Molapo Community Centre.

Four-hour classes are held for Soweto do-it-yourself enthusiasts on alternate Saturday mornings.

The PCI has also taken part in three major agricultural shows in the homelands, two in Lebowa and one in Qwa Qwa.

Big Sale bonds now open to black women

By LIN MENGE

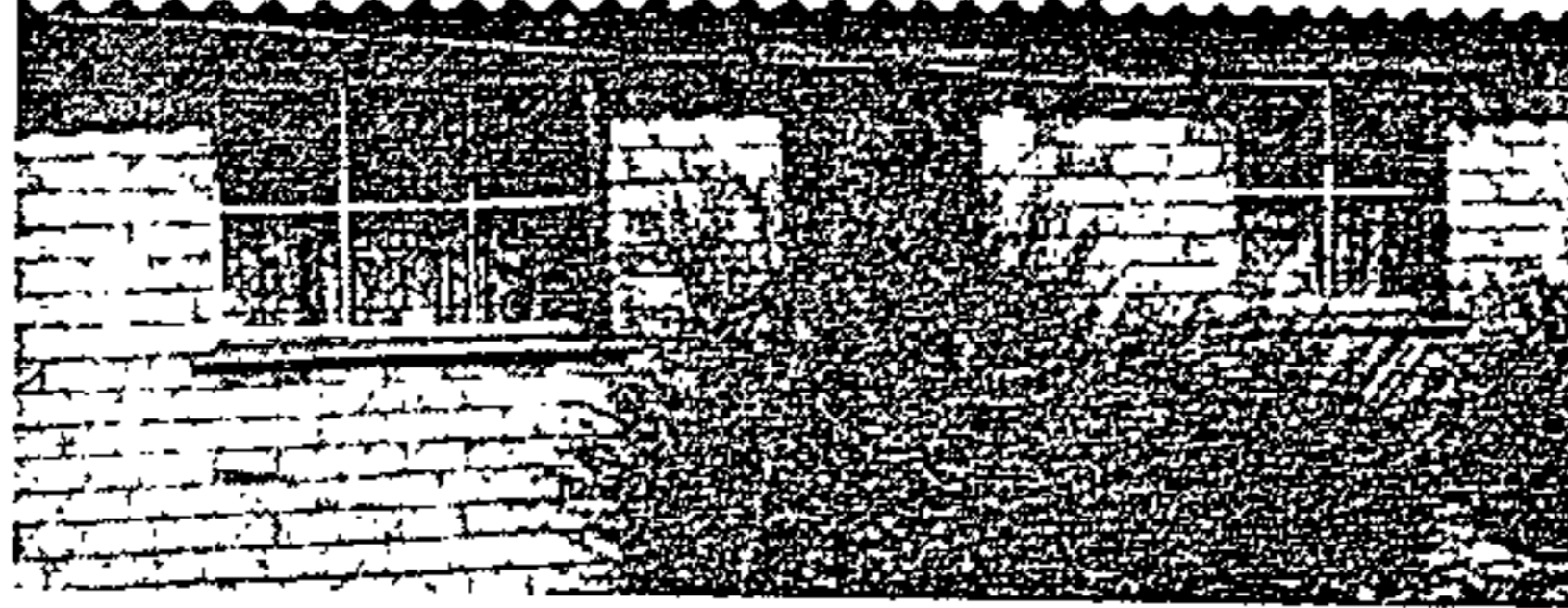
BLACK women who, for legal reasons, have been unable to apply for mortgage bond finance can now do so — provided the houses they wish to buy are being offered on the Big Sale.

They will be able to buy their houses on a ceded deed of sale, in terms of an agreement between the Government and certain building societies.

Until now the only black women who have been able to apply for mortgage finance have been those married by civil law — and in most of those cases the property has been in the husband's name.

But women married under tribal law, or single women — be they unmarried, divorced or widowed — who might marry or remarry under tribal law, have not been able to obtain bonds because, in terms of tribal law, they would be minors. This would immediately invalidate any contract they signed with a building society or bank.

The situation poses a major problem for urban black women. Attempts by the Government to alter the law have so far failed because of disagreement among the parties involved.



Many of the registered tenants of the State-owned houses being offered for sale to all races until July 1 next year are women unable, as the law stands, to get building society loans with which to buy their houses.

It has therefore been agreed between the Government and certain building societies, that the societies will consider granting loans to such women Big Sale buyers on a ceded deed of sale. In return, the Department of Community Development will issue the societies with housing securities.

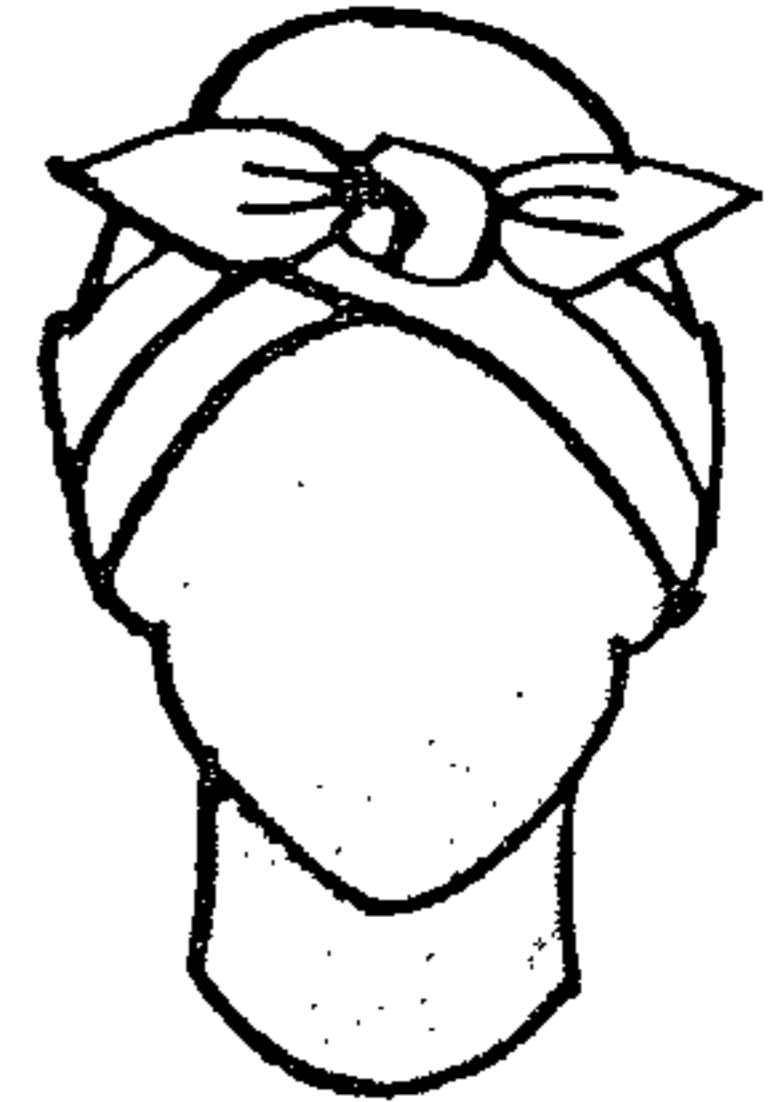
It is exactly the same arrangement under which any Big Sale house buyer, of whatever race, may now apply to buy his house on a ceded deed of sale if his stand has not been surveyed, and in that way obtain a building society loan.

However the building societies have given the Govern-



ment a deadline. According to Mr Piet Kruger, assistant general manager of the United Building Society, the problems both of surveying and the legal status of black women, must have been sorted out, or nearly sorted out, by July 1986. If nothing has been done by that date, the Government will have to refund the societies.

As with the arrangement with the Government that building societies can grant 90% loans on Big Sale purchased properties, it will be up to the individual societies to decide whether they are prepared to grant loans to black women or to buyers whose properties have not yet been surveyed. Mr Kruger said the UBS had already



decided to participate in all three agreements with the Government.

The position of black women who are not Big Sale house buyers remains unaltered, and they will have to wait for the legal position to be changed. But at least that is now likely to be before July 1986.

Now that the legal formalities for making 99-year-leasehold available in the non-independent "homelands" have been completed (reported in HOMEFRONT yesterday), it will be possible for home-buyers and developers in those areas to apply for mortgage bond finance once present negotiations with the building societies have been completed.

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Social need seen for foreign investment

By ALEX PETERSEN
BOTH social and economic issues had to be taken into account in assessing the prospects for profitable investment in South Africa, the development finance director of the Urban Foundation, Mr A J van Ryneveld, said yesterday.

Speaking to the Euro-money conference in Cape Town, Mr Van Ryneveld said a stable environment would undoubtedly contribute to better economic performance, and it was clear that past economic development had contributed to social advancement of all races.

An example of this was the elections taking place for community council in black urban areas.

New legislation

Under the new legislation, the powers of these councils would be virtually the same as those of white municipalities.

In the area of social issues, the world-wide drift from rural to urban areas had particular impact in South Africa. Estimates suggested that by 1990 that the black population in the urban areas would double that of the total of the other populations.

"The implications for housing, education and

training, job creation, welfare and other areas are enormous. It will create both problems and opportunities."

In the field of housing, government and the private sector and communities had embarked on significant new directions. These included:

- 99-year leasehold for blacks,
- The offer for sale of

unions, in which the State had played a leading role.

On foreign investment, Mr Van Ryneveld said that while a body of opinion favoured disinvestment, many black, coloured and Indian people favoured more investment.

"At the most basic level they see that this

Euromoney conference

500 000 houses to urban blacks which could produce major attitude changes.

- The acceptance of the need to depart from conventional forms of housing.

Vast task

While education was also a vast task, and there were still grounds for criticism, much progress had been made.

"There are more blacks in standard 10 than all other race groups put together. This also applies at all lower school levels."

Industrial relations had seen one of the most significant reforms of recent years with the opening up of trade

would lead to more economic activity, to more jobs, more income and more social development."

But those blacks who welcomed overseas investment would stipulate that it was through the private sector, and that local operations of overseas companies maintained a high standard of employment practices, and made a contribution to local social needs.

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Post office homes ^{5/11/83} for retired workers ^{123 Mercury}

Finance Reporter

THE Department of Posts and Telecommunications is to start building retirement complexes for Post Office pensioners.

Postmaster General, Mr Henry Bester, announced yesterday that legislation enabling this is expected to be submitted to Parliament next year.

He was speaking in George where he addressed a gathering of post office pensioners living in the southern Cape area.

Facilities

The first of the complexes is planned for Pretoria and a second one for Milnerton in the Cape, provided the necessary funds can be made available, Mr Bester said.

Mr Bester also revealed that the post office was investigating the possibility of paying civil pensions directly into Telebank, on request. This would give pensioners the benefit of easy withdrawals and tax-free interest on their current savings accounts.

Telebank facilities are currently available at 148 Post Offices and are planned for a further 300 Post Offices during 1984.

Mr Bester said this could relieve pensioners of the inconvenience of queuing for their monthly withdrawals at post offices, or of having to pay transfer fees or tax on the interest on their savings at other financial institutions.

After collaboration

with post office pensioners clubs, the Department of Posts and Telecommunications has decided to issue an identification card, known as a Post Office Veteran's Card.

This will be free of charge and will allow pensioners to make a free telephone call from any official or public telephone in cases of emergency.

Newspaper

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123/COM 7/1/82

Loans for building or buying

By LIN MENGE

BATTLING to get a loan to buy or build a house?

Don't forget that individuals of any race who are unable, for some reason, to obtain building society loans, may apply to the Department of Community Development for a 90% loan.

The loans cannot be used for home improvement, only for house purchases. The value of the house must not exceed R33 000.

The interest is lower than building society rates, being equivalent to the economic interest rate of the National Housing Commission, a spokesman for the Depart-



ment of Community Development told **HOMEFRONT**.

This loan scheme is not new. It has been especially popular among coloureds in the Western Cape where private building contractors often help prospective homebuyers negotiate a loan with the department.

Applicants must produce proof that they are unable to get building society loans.

They should apply for such

loans to the regional office of the department of community development for the region in which they live

The department also subsidises building society interest rates on loans to first-time buyers of brand-new homes, provided the new houses or flats do not cost more than R40 000, **EXCLUDING** the cost of the land.

The effect of the subsidy is to reduce monthly bond repayments for up to five years. Building societies which apply the subsidy are refunded by the Government.

Ask your building society for details.

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Few Japanese can hope to own homes

ARGUS 8/11/83

123

Argus Correspondent

TOKYO. — It's becoming harder to own a house in Japan.

A recent newspaper editorial put it bluntly: "Ordinary people nowadays face certain financial ruin if they buy land and build a house because of the strain of repaying loans."

According to a recent private survey, at least 100 000 homeowners have reneged on their loans. The amount involved averages out at about R44 000 each.

Although land prices have stabilised in the past year or so, big increases during the inflationary 1970s have now placed home-ownership beyond the reach of a significant sector of the Japanese public.

Urbanisation

The gravitation of most of the nation's 118-million people towards major urban centers like Tokyo has created a huge demand for land — always short in this predominantly mountainous country — helping to fuel the inflationary trend.

In search of land to fit their purse, Tokyo workers, for example, have had to switch their sights further and further away from the city business centre. It's not uncommon for commuters to spend four hours a day travelling to and from work.

Fatigue

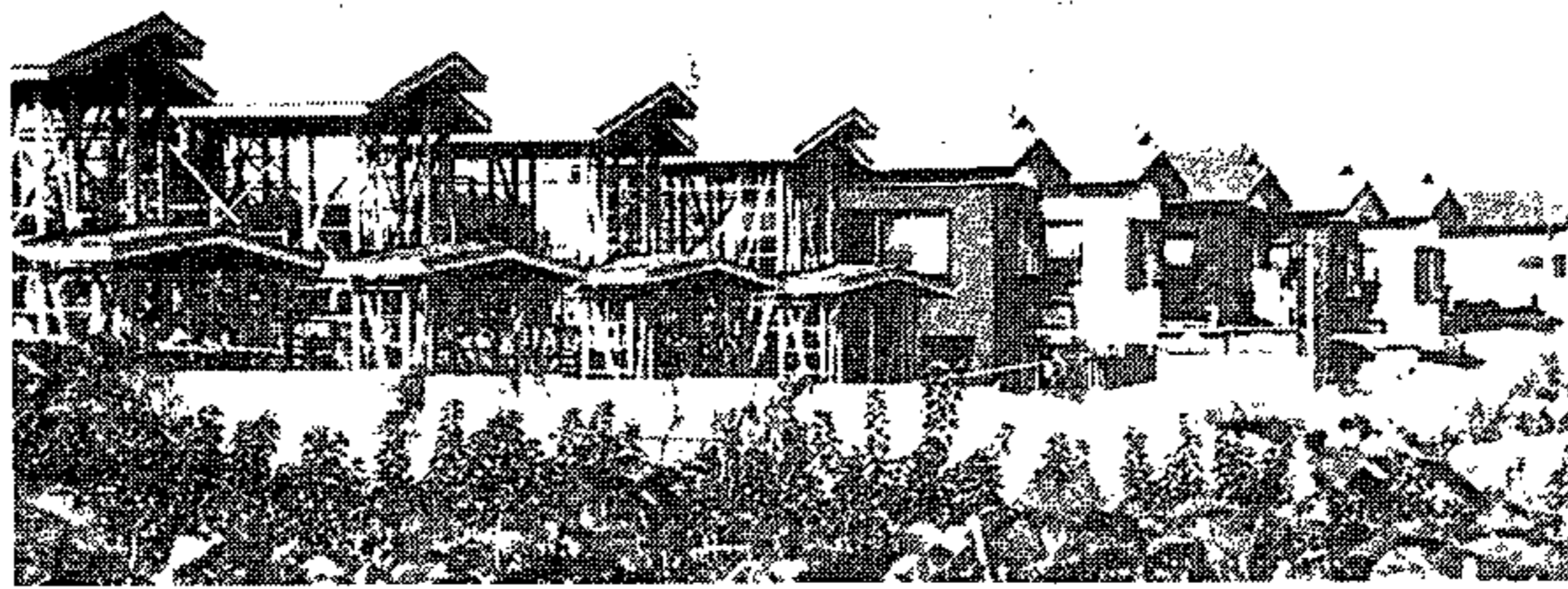
In a survey earlier this year, the National Land Agency found the average daily commuting time for Japanese was more than twice that of residents of London and "standard metropolitan areas" in the United States.

This, it said, has taken a heavy toll.

Workers were seeing very little of their families.

The survey found 83 percent of the respondents were constantly tired on the job due to the strains of long commuting on overcrowded trains.

And, although no fig-



New homes are springing up out of the weeds in Japan but few can afford them.

ures were produced, the agency said there had been a major increase in nervous troubles among city workers in recent years for the same reason.

Even living way out of town no longer eases the financial burden.

In areas an hour or more travelling time from central Tokyo, a typical 200 square metre plot can now cost from about R165 000 to R175 000; just big enough for a modest (by Western standards) three-bedroomed home and a miniscule garden.

Rising costs

With housing construction and material costs following the same inflationary trend, and after adding taxes and other necessary costs (agent's fee, land registration fee etc), a family can expect to pay out at least R245 000 to move in.

This is obviously an intolerable burden for many when the average worker's monthly salary is only about R900, according to the latest government survey.

For a lucky minority, working for major enterprises, there is the chance of subsidised housing loans or cheap company accommodation (usually apartments).

But most Japanese are on their own, and the burden is becoming increasingly intolerable.

Plight

Writing to a local newspaper recently, a 39-year-old housewife described the plight of many when she described how she and her husband bought a pri-

vate apartment four years ago.

"Ever since, we have been paying back the debt, sacrificing everything, but its size has scarcely decreased.

"My husband and I are indignant at the government's lack of a land and housing policy and curse our fate as it seems the sole objective of our life is to buy an adequate habitat."

A recent government report found the ratio of housing loans to total household debt is now 92 percent compared to 80 percent in 1971.

Only choice

For a while, the only choice for a large number of lower paid Japanese workers was to buy or rent from the government housing corporation, which tends towards functional but not particularly attractive look-alike blocks of flats.

Until now, the public housing policy has been to allot 70 percent of available units for sale and only 30 percent for rent.

But even these are becoming prohibitively expensive, and the housing corporation is finding it increasingly difficult to find buyers for units in unattractive, distant locations.

The housewife quoted earlier also reported how, with her family

outgrowing their present cramped "rabbit hutch" apartment, she and her husband applied for and won a lottery to buy a public financed unit.

No leeway

But the debt incurred, is twice that they have now, and she wrote: "We will have to spend the rest of our lives paying it back, requiring that we always remain healthy, that we do without even the semblance of a holiday, without giving our sons the best opportunities to advance their education and with no leeway for major unscheduled expenditures.

"I realise there are lots and lots of people in the same plight, so why aren't they more resentful against a government that allows this to happen?"

Recent rates for public housing units in Tokyo have been at least R440 a month for a cramped three-bedroomed apartment with combined living-dining kitchen area.

To make a profit, the housing corporation says the monthly payments should be at least R670 — far beyond the reach of the average salaried worker.

And with a major financial crisis on its hands, caused by chronic budgetary deficits, the government insists

it is in no position to help much in subsidising rents for the needy.

Both in the public and private sector, there is a growing realisation that the public's purchasing power is declining and the focus will have to switch more and more to rented accommodation.

But the problem remains the high cost of land and several suggestions have been put forward.

Redevelop

One is to redevelop rundown city areas with attractive, reasonably priced high rise apartment complexes for rent.

Another is to move more businesses out to the suburbs to cut down workers' travelling times.

Other ideas being floated are for farmers to be encouraged to build housing on their land for rent, more public land to be leased and a land trust system to be established to put idle properties to more productive use.

Home areas

Other experts believe the answer to to reverse the break-up of families into nuclear units, encouraging more people to leave the cities and go back to their home areas — if jobs can be created for them — and have two or more generations living under the same roof as they used to do until the urbanisation trend began in the 1950s.

Government officials, however, say all are long-term solutions, requiring major changes in society as well as its legal structure.

Meanwhile, many families will have to resign themselves to never owning their own home.



This smart shack, with its split-level roofline, newly-painted eaves, white-framed and curtained doors and windows and burgeoning array of burglar guards, belongs to a house-proud self-helper at Tsakane, near Brakpan. Watch HOMEFRONT for details of the scheme. Pictures by Lin Menge

Useful guide on self-help home building

123 ROOM
9/11/83

By LIN MENGE



SELF-HELP housing projects must be managed by local authorities in such a way that they really do provide a cheaper alternative, both for the individual and the Government.

This is stated in "Guidelines for self-help for local authorities and utility companies using National Housing Funds", which has just been issued by the Department of Community Development. The guidelines are published in booklet form. Apparently only the Afrikaans version is available at this stage.

It is a useful document for anyone contemplating getting involved in low-cost housing schemes. It sets out the priorities for the use of Government housing funds, which are now geared to providing people with the wherewithal to house themselves — such as land and loans — rather than actual houses.

The term "self-help" refers to "self-responsibility" for

housing rather than to the physical erection of the house. People taking part in self-help schemes may build their houses themselves, or employ contractors.

Either way, self-help is a whole new ball game. There is much interest in how site-and-service schemes such as the one at Ratanda, near Heidelberg, on which we reported yesterday, will look in a year's time.

One thing is certain, the completed site and service scheme at Ratanda will look quite different from the old mass housing schemes provided by the Government in the past, because people are having plans drawn to their own designs. Already there are some substantial houses going up between the shacks,



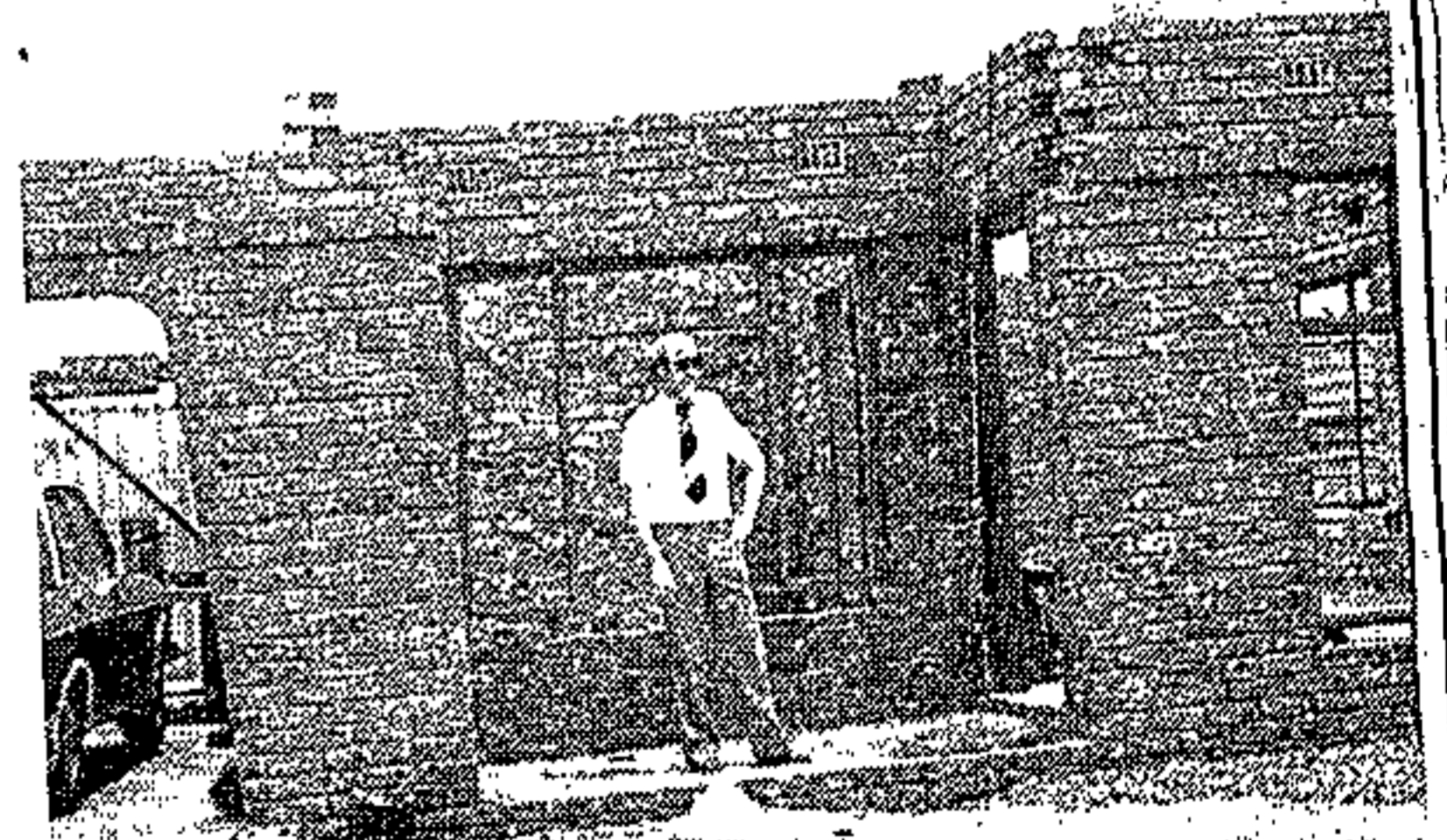
How self-help housing evolves at Ratanda: in the background, the shack in which the family lives; in front, the walls of their permanent home.

the completed two-room first phase units, and the half-dug foundations.

● Watch HOMEFRONT next week for tips on how to approach the planning of a new house, or extensions to a house. There are pitfalls ...

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HOME, the new utility company Home Ownership Marketing Enterprises, which will train black estate agents and then tackle the creation of a housing market in Soweto and other major centres, has not yet been able to move into its new headquarters in St Mary's Building, Eloff Street. Watch HOMEFRONT — we'll tell you when they move in.



Mr C B Mocke, Ratanda township's manager, with one of the substantial new houses going up in the site and service scheme. The picture appeared captionless yesterday.

Ownership of homes 'basis for stability'

ARGUS 9/11/83 123

HOME ownership was a basis for "political stability and sustained economic growth" in South Africa, the world president of the International Union of Building Societies and Savings Associations, Dr Willy Osterbrauck, said in Johannesburg this week.

And, he added, the Association of Building Societies of South Africa (ABSSA) was to be congratulated for its achievements in this regard.

Dr Osterbrauck, who was addressing the 44th annual meeting of ABSSA, outlined the history of the International Union and described ABSSA as a "meritorious and constructive member of our union".

He said the 8th world congress of the International Union, held in Johannesburg in 1959, was "a milestone in the history of the union".

ABSSA had continued this tradition by holding a regional seminar of building society associations in Swaziland recently, at which 70 countries were represented.

ABSSA's initiative was particularly important regarding the role that building societies had to play in developing countries, he said.

It was the aim of the International Union, and all building society organisations, "to shift the populations' savings to the purchase of houses".

ABSSA had realised the International Union's principle that it was "not governments, but the building societies and their members" which were responsible for "continued social and economic growth".

Waiting with interest

123 11/11/83 FM.

Residential building is the only part of the construction sector to have advanced in the past year. The reason is simple — mortgage availability improved strongly with the arrival of Barclays in the home loan market and home builders are cashing in. Which is all very well, but investors have only a limited choice of companies whose earnings are closely related to the residential sector.

SA's largest brickmaker, Toncoro, is on the verge of being swallowed entirely by parent Tongaat-Hulett, and Schachat Cullum generally weighs in with a relatively modest proportion of its parent Sage's consolidated profit. Investors' choice, then, is effectively limited on the house building front to Bester and SM Goldstein, which earns the major part of its consolidated profits from wholly-owned subsidiary Gough Cooper.

Though the industry that both companies operate in is the same, their operational emphasis is different. Bester concentrates on the mass housing market, while Gough Cooper targets its marketing at the individual home buyer. Bester's main customers are government, the parastatals, municipalities, homelands and mining groups. On

Bester concentrates on the mass housing market while Gough Cooper, a division of SM Goldstein, caters to individual needs. The FM looks at their strategies.

the whole, these organisations want employee housing on a large scale. Executive chairman Theunis Bester says that his company has specialised in this type of construction since the early Sixties and the experience and knowledge the company has in this area gives it the edge over competitors. More to the point, as far as the investor is concerned, it has led to a steady advance in attributable profits since the Seventies.

Mass housing projects have major advantages for contractors. Because all work is performed on a single site, fixed costs can be spread over a larger number of units thereby lowering the effective cost per house. And the large number of houses involved allows Bester to order its building supply needs in larger quantities, which

more often than not results in a better price from suppliers as well as giving the benefits of better scheduling of raw materials demand.

The constant flow of work which a major building contract provides also helps Bester in the area of labour relations. It allows the company to build up skilled teams of workers who work together and are able to get the job done more efficiently than temporary labourers. Each worker can be trained for a specific skill, such as plumbing or bricklaying, and these skills can be more efficiently used at each major building site.

Theunis's brother Willem, who manages the building operations of the company, says that one problem spot at the moment is that of obtaining an adequate supply of bricks. He points out that the average South African is conservative and prefers a brick house to anything else. That may not be too bad a thing, as Willem Bester also feels that there is no system to beat a brick house for quality and price.

On the other hand, Gough Cooper's emphasis on marketing to the individual home buyer brings with it a different strategy. When a mass housing scheme is granted to Bester, it is certain of the quantity of houses it will be building over the life of the contract and therefore can plan accordingly. However, a higher degree of risk surrounds the individual homebuilder due to the uncertainty of various factors — for example interest rates — which affect the demand for accommodation.

Gough Cooper MD Roy Mawson says there is a lull in the residential market at present and adds wistfully that now would be an excellent time to buy. Underlying demand for housing remains, but many potential buyers are not able to afford a house due to the widening of the "affordability gap." This "gap" is the spread between the individual's earnings and the cost of purchasing. Obviously, high interest rates are the main reason for this, and builders are now having to offer various incentives and financial packages to help ease the customer's burden.

From the beginning of the year, building costs have escalated by only 10% which is lower than the rate of inflation. However, land prices have increased much faster,



Bester's Theunis Bester ... horses for courses

123

FM 11/11/83



Gough Cooper's Mawson ... aiming up-market

which explains why the price of housing continues to outpace the rise in consumer prices.

Mawson says that his company is constantly replenishing its stock of land to keep inventories at satisfactory levels. However, the decision where to buy is made difficult because land usually takes three years to develop. The company must therefore project what areas will be in demand at that time, as well as bear the carrying cost of undeveloped stands.

Once the company starts building on an individual site and the buyer has expressed interest, it usually takes six to seven months before the house is finished. Surprisingly, most of the time is spent on administrative requirements, such as applying for a bond, and not on the actual building of the house.

Obviously, with the company relying on demand from individual home buyers, there can be no guarantee that all the stands will be sold. Therefore the company will build "spec" houses, which allows production to remain constant and which also helps keep labour, while reducing overheads. However, the company must then take the risk that an individual buyer will be found to purchase the spec as it stands, without having the freedom to choose the style he likes.

Gough Cooper is starting to build houses from prefabricated timber. While they currently cost the same as the conventional brick house, Mawson feels that this could change when the housing market gets going again. He reckons that a brick shortage will develop, and rising brick prices will lead to prefabricated dwellings becoming cheaper

than brick-built residences.

Different target markets have led Bester and Gough Cooper towards different corporate strategies. In the past, Gough Cooper has built its reputation in the lower-to middle-income groups. Now the company is increasing its emphasis on selling to the higher income sector through its Hestia Homes division. Bester, on the other hand, is tending towards developing its own townships and selling homes in them to individual clients. The company says that at the moment it has all the necessary personnel for this new venture.

The Bester brothers feel that market conditions have picked up in the past four or five months, but that a scarcity of funds for building will hold back the residential market for the next 10 to 12 months. Municipal and government funds for building are tight at the moment. The Besters hesitate to predict when this will change.

Choosing between Bester and Goldstein is not easy. Bester's share is at a year's high of 480c in response to a 23% attributable profit increase to R7,8m in the year to February 28, and a 61% interim profit advance to R5,9m in the half-year to end-August. More to the point, Bester's profit growth seems assured for the rest of this financial year, not simply because turnover is being maintained, but because lower borrowings have led to a substantially reduced interest bill. Following the interim dividend hike from 12c to 22c, Bester should declare a total approaching 50c this year, putting the share on a prospective yield of 10,4%.

Gough Cooper provided 52% of SM Goldstein's R10,2m pre-tax profit in the year to June 30, 1983. While construction activities weighed in with only 47%, in the preceding 18 months, construction provided 60% of the R12,6m pre-tax profit. In other words, residential building has helped even out the cyclical nature of the firm's construction-based profits. The same is expected this year and should leave Goldstein in a position to maintain its 15c total distribution. At 250c, the share thus yields a prospective 6%.

Stephen Richter

quotable

Writing in last week's *Sunday Tribune* the British writer on African affairs, Colin Legum, assumes the role of apologist for a system of detention without trial.

He comments on the Mugabe regime's detention of Bishop Abel Muzorewa, as follows: "It seems most unlikely that the Mugabe government would have risked arresting Muzorewa unless it was satisfied that the evidence against him was exceptionally strong."

Substitute the name of any SA detainee for Muzorewa and Botha for Mugabe and one could readily imagine such comment appearing in *Die Transvaler*

of old. Detention without trial anywhere is detestable but, as Julius Nyerere of Tanzania has put it, being black in Africa seems to confer the right to persecute other blacks with impunity.

Preposterous claim

Legum, never one to miss a chance to drag SA's name through the mud, adds that "there are good reasons for supposing" that this country contributed R314m to Muzorewa's United African National Council during the 1980 election campaign.

That's some 10% of the total Zimbabwe economy in 1980 prices and about

10 times what President Reagan will spend trying to stay in the White House, a preposterous claim.

He states, with a nice touch of innuendo, that Zimbabwe intelligence scored the following coup: "they learnt that (Muzorewa) was planning to visit SA and* he was detained."

Just how can a well-known, if ineffectual, figure such as the bishop travel secretly to SA?

We're not surprised that such a seasoned practitioner of double standards as Legum should write this sort of claptrap. Why it should be published at all is another matter.

*Our emphasis

Reserve Bank stalls housing loan

By HAROLD FRIDJHON

THE Reserve Bank's intention to offer R200m of Government stock for tender on Monday has jolted another public-sector borrower, the National Housing Commission.

Plans were for the NHC to approach the capital market on Monday to raise about R75m. These plans will have to be abandoned because, with most institutional investment books choked with bonds, there is little likelihood of the NHC's finding a ready market for its stock.

The Sasol rights offer will also help to drain the capital market of

any lingering liquidity.

The Reserve Bank is offering two stocks for tender: R100m of the 11½% 2001 and R100m of the 11½% 1990. Tenders, be in units of R1m, will close at 10 am on Monday.

Talk in the secondary market is that the rate for the 2001 should be between 13,85% and 13,90% if tenderers are seeking investments for holding. If there is a trading element in their bids, however, the rate could go as high as 14% — if the authorities would contenance such a bid. The price for the 1990 might be about 13,9%.

Belief in the market is that the

tender could nudge long-term rates on to a higher plateau because it is believed that the Reserve Bank action is not entirely to mop up liquidity. There is an element of fund raising for the Treasury whose expenditure is running ahead of budget.

Even if the Treasury needs funds the Reserve Bank should not have cold-shouldered the NHC out of the market.

One does not doubt that the Reserve Bank was unaware of the NHC's plans, but this only goes to show that there is insufficient liai-

son between the Reserve Bank and that section of the Treasury which supervises public corporation and local authority borrowing.

The NHC is a needy borrower. But even if it raised its money, it would not be spent immediately. It would probably be invested with the Public Debt Commissioners and, therefore, frozen. This would be part of the financial disciplinary policy of the authorities.

The Reserve Bank could have deferred its tender for a week or two when no other borrower of note is listed to come to the market.

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Core houses are a big hit

Property Reporter

The SA Perm's Development Corporation has completed 111 "centenary homes" since the concept, based on a core house that can expand with the family, was introduced at the beginning of 1983 — the Perm's centenary year.

"The concept — with prices, excluding land, ranging from only R18 000 to R34 000 — has proved a hit and we will certainly not be phasing it out at the end of the year," said manager Mr Johann Prinsloo.

"Homebuyers expressed reservations about only one aspect — the single bedroom units. Black and brown communities preferred a second

and even a third bedroom from the outset, even if this meant compromising on finishes to keep the price affordable."

Nationwide and for all races, the corporation has already built centenary homes in: Claremont, Pretoria (10), Mayberry Park, Alberton (15), Norkem Park, Kempton Park (8), Isandodale, East Rand (5), Kimberley Ext 43 (11), Galeshewe, Kimberley (10) and Sebokeng (52).

A further six units are under construction at Kleinvlei, Cape Town, and six at Azaadville, Roodeport and 25 of 30 homes in a development at Emkatini, Tembisa, are also centenary homes.

Rents: It's share or quit

Flats and houses stand empty as property prices soar and many opt for moving in with a friend, reports LESLEY LAMBERT

SOARING rents on the Witwatersrand have hit both tenants and property speculators.

Thousands of flats and houses stand empty, tenants are in arrears with their rent and there is a steady move to share accommodation or more humble dwellings.

Letting agencies and estate agents confirmed this week that high rentals — mainly

Why Joe Average is in such a panic

MR Joe Average wanted to make his money grow. When the property market was good and interest rates low earlier this year, he put down a deposit of R10 000 on a R60 000 two-bedroom flat in Hillbrow.

Now he's battling to let the flat for R700 a month — an income which will just cover his yearly 18% capital and interest repayments on a R40 000 20-year building society bond and a monthly levy on the flat.

His last two tenants left — they could not afford the monthly R350 each for accommodation. The present tenants are a month in arrears with rent payments. They will also have to move.

Joe Average is panicking. Hardly anybody will pay R700 a month for a "pleasant two-bedroom flat in Hillbrow" or buy the flat for more than R55 000. Instead of making the profit he anticipated he may have to subsidise the flat.

His predicament — fictional but typical — is the outcome of a period about eight months ago when property prices and bond rates were within the reach of many speculators.

Mr Ronnie Levy, managing director of Seekers, said: "There are many speculators burning their fingers now as a result of a boom in the property market and increased interest rates.

"Tenants cannot afford the high rentals the owners are forced to charge and the owners will battle to sell at the original price now that money is not so easily available."

Estate agent Mr Tasos Koronis said: "No building will give an annual return big enough to cover increased interest rates.

"With interest rates as high as 17,5% on a bond over R60 000, that's not nearly good enough to cover repayment costs."

caused by a wave of property speculation at the start of the year — has taken its toll on investors and tenants.

Agents are finding it difficult to let flats with rentals over R500. Tenants are not prepared to pay those kinds of prices.

Seekers, one of the largest letting agencies on the Witwatersrand, said it had about 600 empty flats and hundreds of empty houses and cottages or its books. And estate agents I Kuper and Co reported about 200 empty flats on their books.

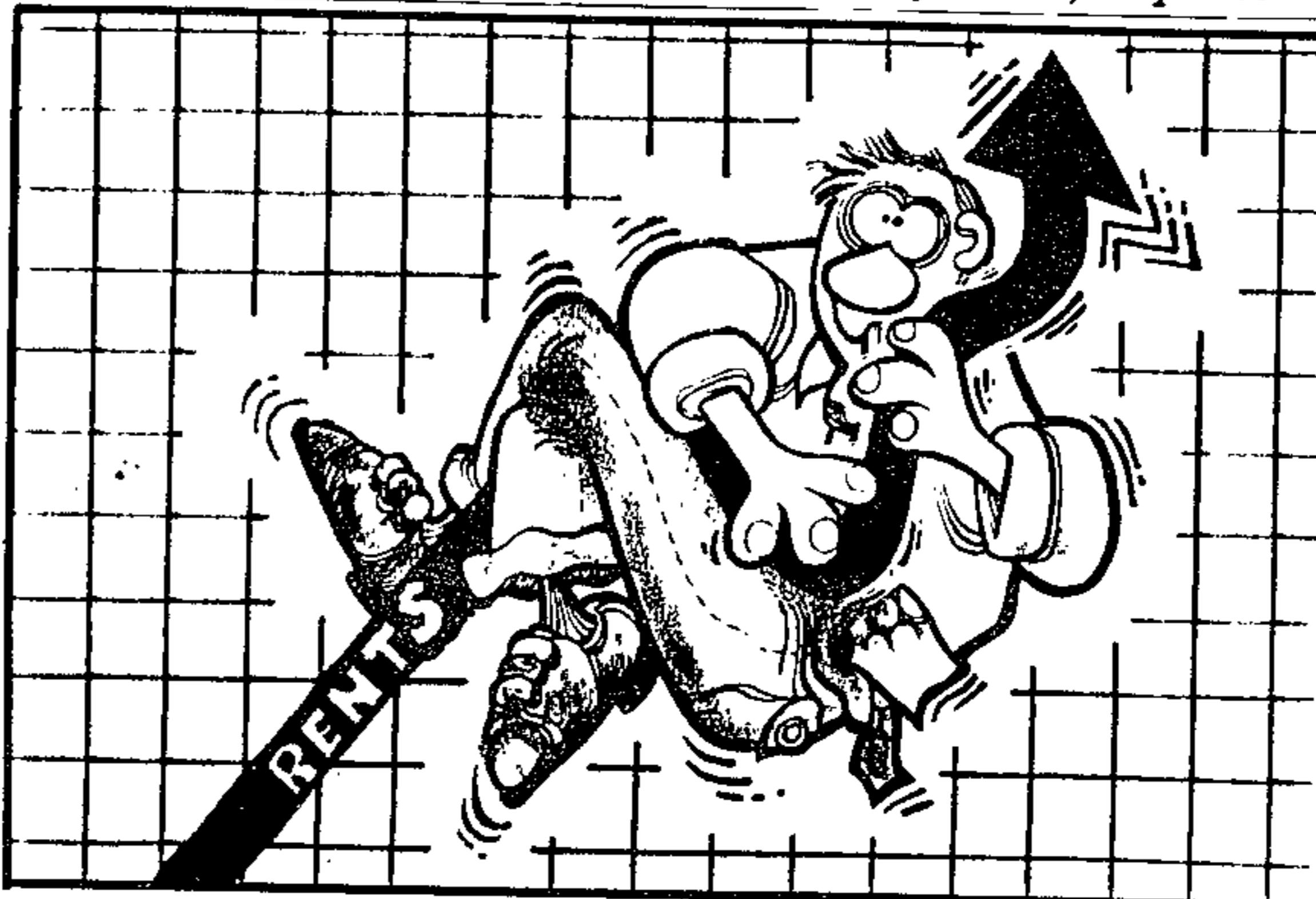
Mr Les Wheels, a Johannesburg property agent who deals mainly with flats and sectional title units, said about 70 of his units were empty. Some of his tenants were in arrears with payments.

Many other flats, bought under sectional title, are being vacated for renovation. Tenants who cannot afford to buy their flats are reported to have been threatened with eviction, despite an amendment to the Sectional Titles Act in October giving tenants new protection.

Although rentals began stabilising a few months ago, rentals of R250 for bachelor flats and R600 for two-bedroom flats in Hillbrow, for example, are placing flat accommodation out of the reach of many.

So is the average purchase price of R30 000 for bachelor flats and between R45 000 and R55 000 for two-bedroom flats, coupled with increased interest rates, in the same area.

People are being forced to change to a lifestyle in which



luxury, independence and privacy are being compromised by communal living or smaller more modest dwellings.

The manageress of Seekers, Mrs Anne Cosman, said: "I know of married couples at Halfway House and in the

northern suburbs, particularly Bryanston and Houghton, who are moving into garden cottages in their backyards and renting their homes because their children have gone and the home is too large and expensive to run.

"There's definitely a trend emerging in which people's pockets are telling them they have to change their lifestyles.

"It's not only the students anymore but also single working men and women and even married couples

who are coming together and sharing the cost of living in communal accommodation," she said.

"We had two married couples this week asking for a three-bedroom, two-bathroom house to share. They wanted to live in one section of the house and convert the rest of it into business premises."

Mrs Cosman said landlords who were previously against letting their property as communes were now beginning to approve the lifestyle.

"We have single women coming in and asking to share a flat or a garden cottage. It's not practical to pay between R300 and R400 for a one-bedroom cottage when you can share a bigger one for R500."

Another solution to the high rental problem is for young people to stay with their parents.

Families are even moving permanently into residential hotels to save costs.

Pensioners battle to keep house

HIGH rentals and evictions are forcing many of South Africa's 350 000 white pensioners out of their homes.

The dire living conditions — including financial hardship, dismal accommodation, loneliness, undernourishment and legal persecution — of people aged between 65 and 90 are reported in a Human Sci-

ences Research Council study released in Pretoria this week.

The report showed that the worst-hit financially were single and widowed women and state pensioners who earn a basic monthly pension of R138.

Pensions for civil servants were found to be inadequate. Additional financial as-

sets often prevented pensioners from getting subsidised housing and free medical care for which they qualified and those with modest savings were often deprived of their state allowances.

The HSRC made a number of recommendations to the Co-ordinating Committee for the Care of the Aged in Pretoria which advises the Department of Health and Welfare.

Apart from recommending additional health and welfare services for the aged in the central Pretoria area, the HSRC proposed some far-reaching policies for guarding the tenure of the elderly and for rent control.

The report said better supportive facilities were needed in the community to monitor the elderly person's ability to remain independent and mobile.

There was a desperate need for sound financial advice before and after retirement.

Both public and private societies should be selective in concentrating their services on those most needy, said the report, and some kind of substitution for essential and basic foodstuffs and the replacement of bedding, carpets and curtains should be considered.

Hundreds of elderly people living in Hillbrow, Joubert Park and the centre of Johannesburg, where rents

were once within their price range, have fallen prey to steadily increasing rentals or eviction notices from landlords eager to renovate and sell their flats.

The case of two 75-year-old women, living in Joubert Park, whose rentals have just been increased by 50% to over R200, was common.

The women, both receiving a monthly income of about R300, declined legal assistance for fear of victimisation from their landlord.

The director of the Johannesburg Association for the Aged (Jafta), Mr Laurie Starfield, said this week: "The cases of hardship increase as the cost of living rises and landlords are granted increases.

"The landlords are asking for returns on market value, not costs. Flats are being decontrolled weekly.

"The time is going to come when those who are barely affording rented accommodation now will no longer be able to cope financially."

He said that once high rentals had been paid, pensioners could afford only basic foodstuffs such as sugar, milk, bread and tea — an insufficient diet.

There was an urgent need to for the community to become involved in all movements to alleviate "horrible conditions" under which many hundreds of aged people were living.

Big Sale isn't a con, but watch all costs

21/11/83
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By Lin Menge
IS THE Big Sale a Big Con?

Since July 570 houses have been sold on discount in Soweto, 214 have been sold on the East Rand where the Big Sale started in September, and thousands of sales are in the pipeline, waiting for Christmas bonuses or the approval of company loans.

But one employee has complained to HOMEFRONT that buyers are being misled because their monthly payments hardly alter when they buy their houses. And if people buy their houses with building society loans, their total monthly payments will be even higher than before.

This man's employee believed that once he bought his house, he would no longer have any monthly payments for site rental etc. As a result he has over-committed himself in loan repayments on the purchase of his house.

HOMEFRONT has repeatedly warned readers that they will continue to pay monthly amounts for site and service, for items such as water, electricity, and insurance, and that it is only the tiny house-rent (about R 2,50 a month for an old matchbox house) and the board-arranged insurance cover that falls away when they buy their houses.

But people do not understand this because:

● Everyone tends to refer to the total monthly payments as "rent" — whether a house is rented or not. HOMEFRONT gets asked: "I bought my house, my neighbour



didn't — so why are we paying almost the same rent?"

● Soweto residents are not given a detailed breakdown of what those monthly payments are for. But not only are they entitled to this information, they are also supposed to have the amounts they pay monthly listed separately on their receipts. This is WRAB's own regulation, but it is disregarded and most people's payments are treated as one lump sum.

This has serious results:

● People find it difficult to calculate their monthly financial commitments accurately.

● Mistakes such as overpayment or underpayment go unnoticed for months. Then the householder is threatened with demands for backpayment and even eviction.

● Home-owners are unprepared for the inevitable increases in the cost of services.

EMPLOYERS: We've said it before and we say it again: please find out from the township manager what your employee pays monthly. Ask the township manager to look it up. Find out what the man is paying for site and services, for electricity levy, for unmetered water (or has he a meter?), for "house rent" and for insurance. Ask for that itemised receipt he is sup-

posed to get. Then help him work out his commitments before and after he buys his house.

He might seem to be worse off after he has bought his house, but:

● He owns the house. Suddenly he has an asset he can sell for a profit. As more houses are built in the next few years, so a lively market in houses will develop in the townships.

● The "house rent" part of his monthly repayments will go up if he doesn't buy. As we reported on October 18, "house rent" increases (for all races) will be phased in after July 1, 1984, and will be up to R5 a month for families with a combined income of up to R300 a month, up to R7 a month where the family income is up to R450 a month, and up to R10 a month where income is more than R450 a month.

● Family income, instead of only the breadwinner's income, will in future decide both the rental and selling prices of State-owned homes.

● The Big Sale's bargain prices won't last because State-owned houses will in future be revalued every two years, which means the prices will go up.

But buying a house is not easy: it means maintaining your property at your own expense, arranging your own insurance cover, watching your water and electricity consumption, and not paying out money to anyone without knowing exactly what it is for. It means standing on your own feet.

1 03

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6559/A

Progress in black housing, says Dr K

By HARRY MASHABELA

MUCH progress was being made in providing housing for blacks because of the involvement of the private sector, the Minister of Co-operation and Development, Dr Piet Koornhof, said yesterday.

Dr Koornhof, opening the first phase of a massive hostel complex planned by Darling & Hodgson in George Goch, Johannesburg, said 3 596 residential units had been built on the West Rand during the past four years.

He was applauded by businessmen at the ceremony when he said he was particularly grateful to Rand Daily Mail journalist Lin Menge and the Mail for "the tremendous work they are doing in helping us pull our resources together" in providing houses for blacks.

Lin Menge, an assistant editor, runs the Mail's "Homefront" column, which deals with black housing.

"Involvement by the private sector in the provision of black housing must not only be lauded but must also be encouraged and all obstacles are being removed by the Government for the private sector to play an even bigger role," Dr Koornhof said.

The first phase of the Darling & Hodgson hostel will house 1 176 men and cost R4 500 000 to build. When complete, the project will house 2 500 workers and the total cost is estimated at R10-million.

Pretoria's plans for old, new

Pretoria Bureau

THE Pretoria City Council wants to preserve two old buildings if the council's executive committee approves the creation of Verwoerd Square opposite the State Theatre in Church Street.

The council's public relations officer, Mr Jan Bezuidenhout, said the two buildings were Kynock and Gundelinger buildings, also known as Metro Cycle House and Market Building.

Mr Bezuidenhout said yesterday the executive committee would meet next week to decide on the issue.

The council intended maintaining the two buildings if it could find a company to renovate them.

Verwoerd Square would be bounded by Van der Walt, Church, Prinsloo and Vermeulen streets.

The council has also earmarked Verwoerd Square to include a block of shops at the corner of Church and Van der Walt streets.

Mr Bezuidenhout said the council also intended to build a library at the corner of Prinsloo and Vermeulen streets.

All the projects were still at a planning stage, he said.

Britain pledges to keep supplying aid to Zambia

Mail Correspondent

LUSAKA. — Britain, the former colonial master of Zambia, has pledged to continue giving approximately R30-million aid annually.

Permanent secretary in Britain's overseas development administration, Sir William Ryrie, gave the pledge at a Press conference held yesterday at the end of his five-day visit of the country.

He said the money would be given to bolster the country's agricultural industry and other sectors of the economy.

He said that he was impressed by several measures the Zambian Government had taken, especially the decision to raise crop producer prices, which he hoped would help rekindle agricultural growth in the country.

Healers' tour leader dies

Mail Correspondent

CAPE TOWN. — A 28-year-old South African guide who was leading a group of healers on a tour in Taipei was found dead in her hotel room yesterday morning.

It is suspected that Miss Cheryl Van Zyl, daughter of Mr John Van Zyl, chairman of Indo Jet, had died after having a heart attack.

Miss Van Zyl was found in her hotel bed. She had taken the group of healers on a tour about a week ago.

Her parents were not available for comment.

MATTER OF FACT

TO CORRECT specific errors of fact, write to the Editor at P O Box 1138, Johannesburg, or telephone the Editor's secretary at 710-9111 between 9am and 5pm on weekdays.

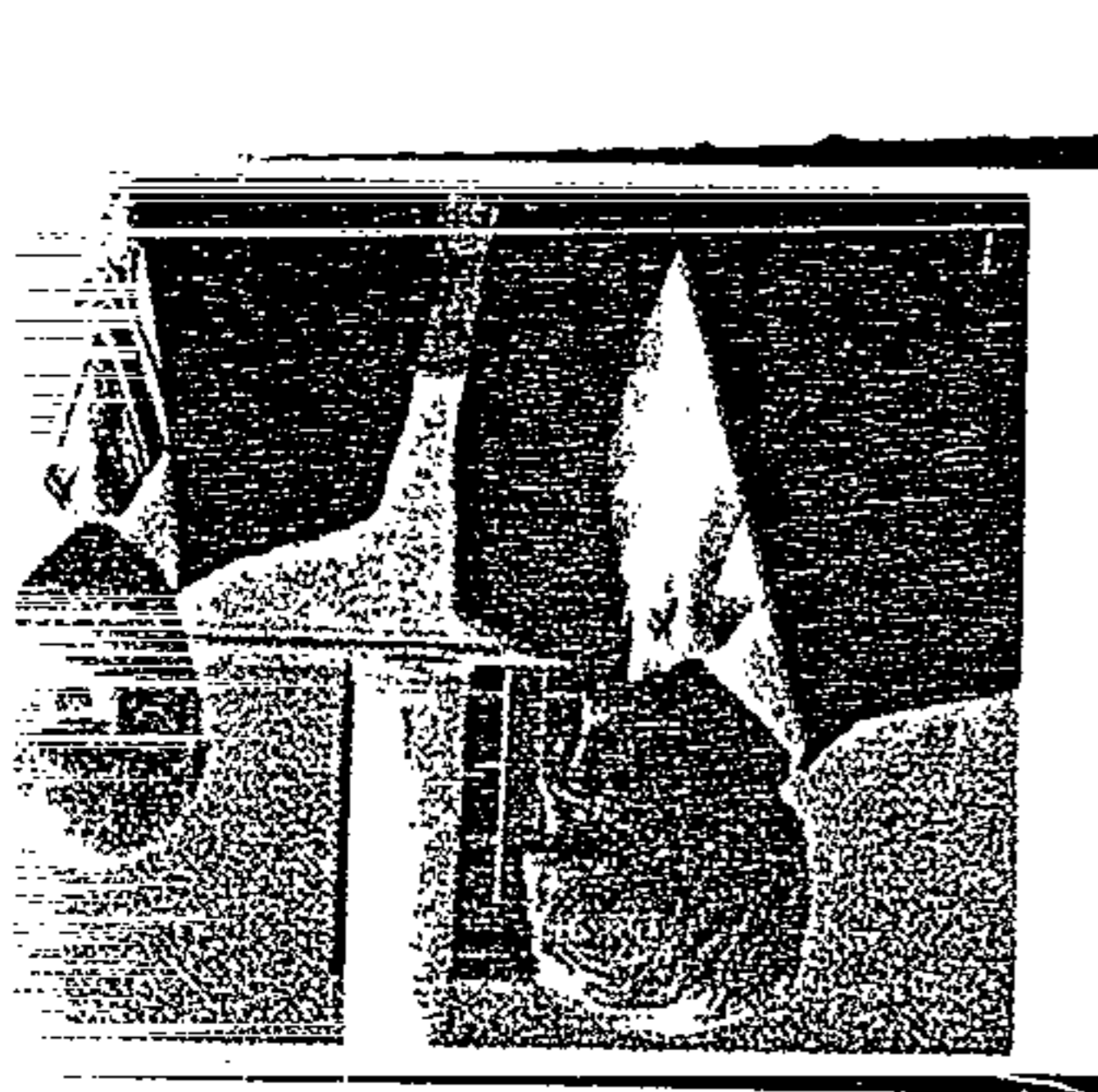
If you have broader complaints about the Rand Daily Mail these can be taken up with the Mail Ombudsman, James McClurg, c/o the Editor's secretary.

POLITICAL comment in this issue by R A Gibson, Benjamin Pogrand; newbills by Michael Stent; headlines and sub-editing by Paul Holroyd; cartoons by David Anderson; all of 171 Main Street, Johannesburg.

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Viljoen swears in Ministers

● Report — Page 12

CABINET members pose with the State President, Mr Marias Viljoen, after two new members were sworn in yesterday. From left, Mr Ben Wilkens, the new Deputy Minister of Development and Land Affairs, Mr F W de Klerk, Minister of Internal Affairs, Mr P W Botha, the Prime Minister, Mr Viljoen, and Mr Barend du Plessis, new Minister of Education and Training.

'No clues' on killings

NEWS

DAILY MAIL

SWAZI Police are investigating the murder of an ANC exile and a Swazi national by gunmen, but say they have found no evidence to link the killings with a South African death squad.

— PAGE 2

Court martial case

A MASTER and friends of a top De-

Another rise in bond rates on the cards

W/E ARGUS 2/12/83 ~~123~~ 123

By DEREK TOMMEY, Financial Editor

BUILDING societies will have to raise their mortgage rates early next year if deposit rates continue at their present levels, Mr Bob Tucker, managing director of the SA Permanent, warned today.

His remarks have come at the end of a week which has seen a considerable increase in the rates of interest offered by the banks and building societies on deposits and savings accounts.

Among the highlights have been a 1,5 percent increase in some rates and the lifting of the rates on 12-months fixed deposits and five-year fixed period partly tax-

free shares rise to record levels.

Mr Tucker said if these rates were maintained there was no doubt that mortgage rates would have to be increased at the end of the year.

Interest rates were unnecessarily high and the new rates were not drawing in any additional cash but were merely increasing competition between the institutions.

The SA Perm had to match these rates if it wanted to retain its deposits.

However, this was affecting its profitability and if it continued it would be necessary to increase the society's lending rates.

Mr Tucker blamed the latest round of interest rate increases on unbridled competition between the United Building Society and the Natal Building Society.

He said the first increase in rates in mid-November by the United seemed a rational move. But since then it and the Natal Building Society had been leap-frogging each other for no good reason.

"I don't understand why they did this. It was contrary to the financial pressures."

Top United Building Society officials were not available for comment today, but Natal Building Society officials defended

the rate increases on the grounds that they had to protect their deposits.

Some building society officials have maintained that the latest round of interest rate increases would only last a few weeks and the situation would ease by the end of the year.

But the move by Barclays Bank this week to increase the rates on medium-term deposits by up to one percentage point suggests that it is expecting the high rates to continue for somewhat longer.

Rates on interest on mortgages are currently: Up to R20 000 — 15 percent, R20 000 to R40 000 — 15,5 percent, R40 000 to R60 000 — 16 percent, R60 000 to R130 000 — 17 percent, over R130 000 — 17,5 percent.

(123) (117) E. Post
3/12/83

Concern at house funds cut for SA's 'homelands'

Mr CAREL MARAIS, managing director of the nationwide multi-disciplinary and project management practice Zakrzewski Associates Incorporated (ZAI), has joined the growing number of those to express concern about the Government's cut-off of funds to mass housing contracts in both South Africa and the independent homelands.

ZAI has been involved with the design and supervision of some 90% of the mass housing projects developed in Transkei since independence.

It was here, particularly, said Mr Marais, that he hoped the substantial gains of the past decade would at all costs be capitalised on by the South African Government's funding further

housing.

"What the South African and Transkeian governments have done at Butterworth represents one of the greatest achievements in homeland development so far," said Mr Marais.

"In 1968 there was only one small factory at Butterworth and no housing schemes.

"Since 1972, as a result of the SA Government's help, we have been able to zone and service some 320 hectares of industrial land and have been able to attract R85 million worth of industrial development to the area."

To provide accommodation for those employed, ZAI had initially designed and supervised the erection of 2 000 houses, all of the same type but laid out in varying pat-

terns and painted in Xhosa motifs.

Subsequently a further 500 houses had been built by the Transkei Government and 400 more in 1981.

"All these houses had a high degree of acceptability and were rapidly filled," said Mr Marais.

Then, however, they began to be over-occupied. "From about 1975 onwards the influx into Butterworth was too fast," he said.

"The demands of industry, the high rate of industrial wages (compared to agricultural wages) and, this year, the severe drought, have caused a flood of new people to invade the Butterworth area.

"The result is that projects designed to take 15 000 people are now holding 45 000 or more."

Bill on demise of rent control in print

123
E. Post
3/12/83

PRETORIA — The proposed Lease of Dwellings Bill — which will spell the demise of rent control in South Africa — was published for general information in the Government Gazette yesterday.

The draft legislation, in which sweeping reforms to the rental system are envisaged, will repeal the Rent Control Act and repeal or amend in part the Sectional Titles Act and Housing Act.

A spokesman for the Department of Community Development said in Pretoria that, although rent control was being abolished, protection for tenants whose income fell within a certain bracket had been provided for in the proposed legislation.

A notice in yesterday's Gazette said the bill was aimed at providing certain formalities with regard to the letting of property dwellings:

- To place limitations on the sale under sectional title of certain dwellings.
- To place limitations on the sale of shares in certain share block companies.
- To place limitations on the demolition of dwellings and the use of dwellings for purposes other than residential purposes.
- To provide the Director-General with certain powers in respect of unoccupied dwellings.

Parties wishing to comment on the provisions of the Bill were asked to do so before January 13. — Sapa

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S Tribune

●●25

4/12/83

Bill will repeal Rent Control Act

THE proposed Lease of Dwellings Bill — which will spell the demise of rent control in South Africa — was published last week for general information in the Government Gazette.

The draft legislation, in which sweeping reforms to the rental system are envisaged, will repeal the Rent Control Act and repeal or amend in part the Sectional Titles Act and Housing Act.

A spokesman for the Department of Community Development said in Pretoria yesterday that, although rent control was being abolished, protection for tenants

whose income fell within a certain bracket had been provided for in the proposed legislation.

“While control is removed, the draft legislation seeks to bring order into the market,” he said.

He added that the Bill, which would be tabled during the forthcoming parliamentary session, was the result of the recommendations made by the Select Committee on Rent Control.

A notice in the Gazette stated that parties wishing to comment on the provisions of the Bill were asked to do so before January 13.

— Sapa

(123) S. Times 4/12/83

Rush is on in

IN a determined drive to make the sale of 500 000 houses to blacks a success, the Government has completed the survey of 90 000 residential properties in record time.

And in the first four months of the "Big Sale", despite overwhelming obstacles, 14 000 houses have been sold — all for cash.

But the real rush has yet to come.

The Government has given instructions that another 276 000 houses be surveyed.

This project, to cost R28-million, is keeping 500 surveyors employed full-time.

Completion of the survey will remove the major obstacle preventing building-society lending to would-be black home owners.

Home-ownership promises to transform the black man's economic status. The security of a house, experts believe, will lead to a lowering in the punitive credit costs which this sector of the population has to bear at present.

To speed things along, the State has waived its pre-emptive right on State-built houses.

In the past, this right meant that someone who sold a previously State-owned house had not only to offer it first back to the State but also had to pay back a certain proportion of the profit which he made if the State declined to exercise the right.

The Government has started a self-help scheme where it buys building materials in bulk and sells off in smaller proportions to people in black areas. This will encourage not only the building of new houses by blacks but also provide materials for home improvement at a reasonable price.

It has also provided a guarantee of 10% to the building societies on the sale of each house. This means that societies can in effect push up their lending from 80% to

By Alec Hogg

90% of the purchase price.

The Department of Community Development says that all proceeds accruing to it through the house sales will be ploughed back into the provision of new, serviced townships.

It has streamlined administrative problems and mounted a campaign to explain the importance of their link, with great success, to employees of administration boards.

The Government is also to introduce legislation effectively converting 99-year leases into freehold.

According to the draft, on death or sale of a leasehold property, the period of the lease reverts to the full 99-year term.

As it is impossible for anyone to own a house for 99 years, this alteration makes black homes freehold in all but name. This does away with the most important reason for opposition to the scheme.

Johan Kruger, chief sales co-ordinator of the Department of Community Development, reckons the Government is dead serious about the big house sale, and the ball is now firmly in the em-

ployer's court.

Mr Kruger, who has been seconded by his private-sector employer for three years to first the Urban Foundation and now the Department, believes help is needed from businesses to provide the finance enabling the potential buyer to raise the deposit.

Employers, he adds, can offer assistance through either direct loans from the company or its pension fund, or by providing matching deposits with building societies to ensure that the loan is expeditiously granted.

A further possibility is a subsidy. "Because of the financial difficulties which apply particularly to the lower-income group, its low affordability threshold and inability to save a deposit, two basic methods of subsidies could be introduced.

"These are a capital subsidy for the deposit or an interest-rate subsidy. The advantage of granting subsidies is that they are tax-deductible and increase the affordability level of individuals," Mr Kruger said.

It was in the employer's interest to appoint an executive to handle the purchase of houses for employees in bulk.

The Administration Boards, according to Mr Kruger, have specially designated staff who visit companies at their request to process applications, which includes the time-consuming filling-out of forms, at one sitting.

By contrast, the worker who has to make his application personally could be kept waiting at the Administration Board's office for as long as two days, with the resultant man-hours lost to his employer.

Firm to train estate agents

Business Times Reporter

A NEW small-business career opportunity has opened up for blacks.

On November 10, a non-profit company, Home Ownership Marketing Enterprises (HOME) was registered. It was formed specifically to provide on-the-job training in the art of selling residential properties in black areas.

Chairman is Boet van Straaten, who holds a similar position at the Institute of Estate Agents.

HOME has set itself the task of properly training prospective black estate agents in both the skills and ethics of marketing houses.

The company hopes to put its first intake into the field in February, and expects that, within a year, the secondary market will have developed to such an extent that today's trainees will be able to open their own businesses.

Trainees must have the minimum of a matric pass to be accepted on the training scheme.

The Small Business Development Corporation has already given a commitment to provide the financial assistance in this regard.

HOME is to start operations in Soweto and the Eastern Cape, extending to other parts of the country as soon as possible.

The infant black estate-agent industry received a filip recently when a buyer of one of the previously State-owned houses sold the property, which had cost him R1 500, for R15 000.

BLACK HOUSING

appeals.

123

'All trade strictures should be removed'

JOHANNESBURG — The Furniture Traders' Association of South Africa has called for the removal of all legislation that constricts business and trade.

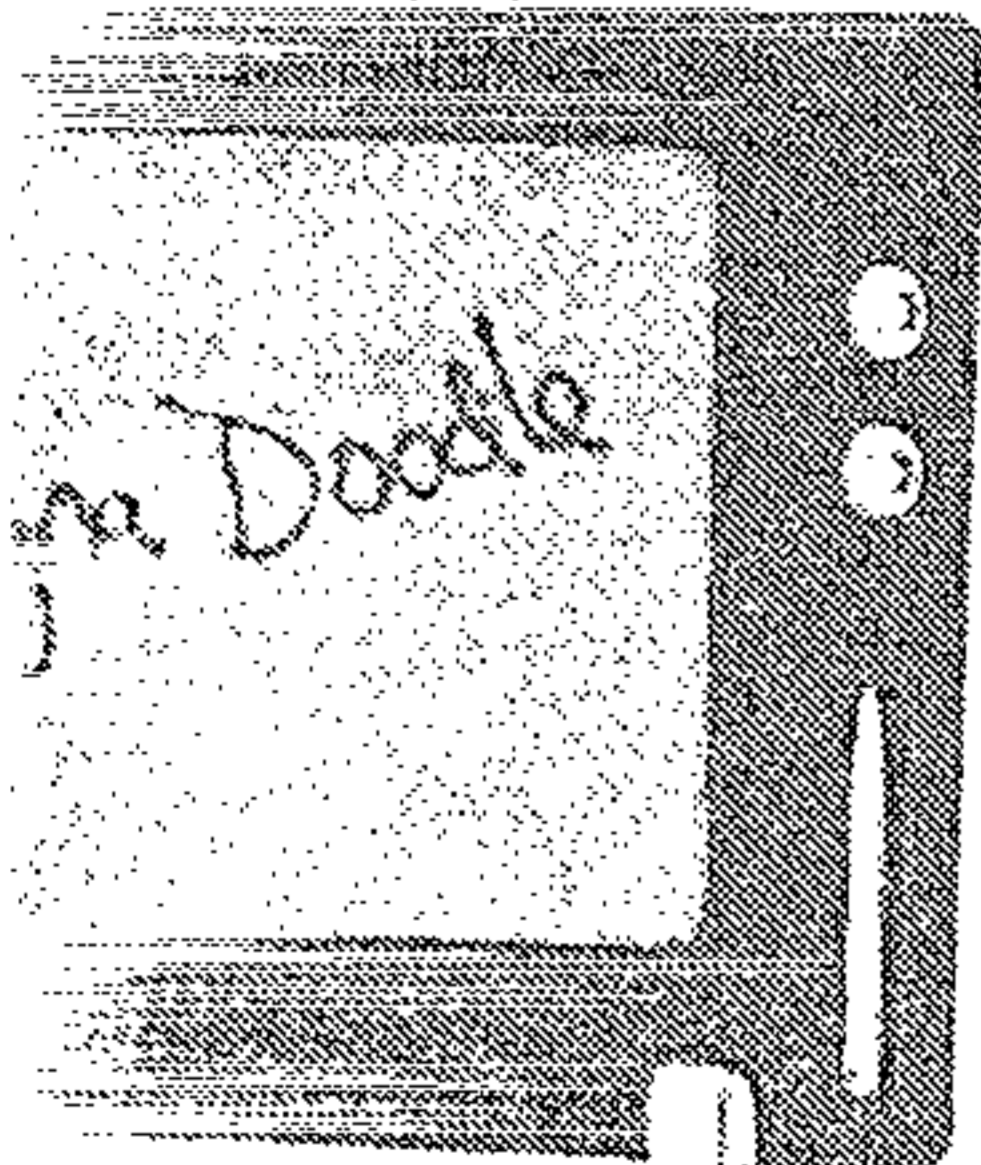
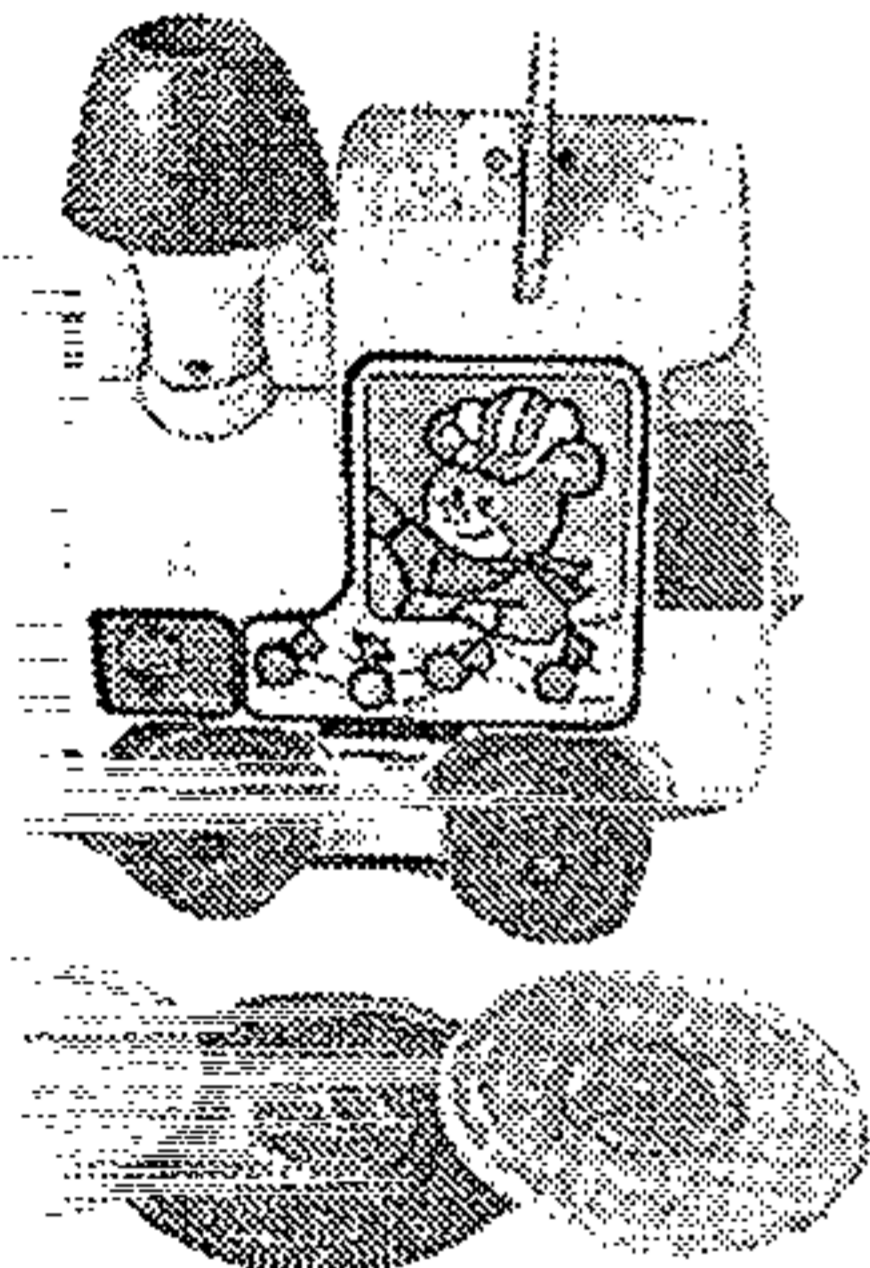
The association said all legislation that made it "unnecessarily difficult to start a business, as well as those Acts that create unnecessary costs to the trader" should be examined in the wake of the referendum.

6/12/83

The association stressed that the Group Areas Act in particular should be amended as it "hampers the economic progress of the country".

South Africa had a positive future and "therefore all items of legislation that hamper progress and contradict the principles of the private enterprise system for all racial groups, should be removed from the law books", the statement said.

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4 88

Slow progress made on Govt house sales

By Sol Makgabutlane,

The mass sale of houses announced by the Government on July 1 is progressing slowly.

Of the 238 000 housing units offered by the Government to black buyers, about 1 200 have been bought.

Spokesmen for several administration boards blame unemployment, reluctance on the part of tenants, and administrative factors such as the surveying of stands — a vital prerequisite to the sale of a house — as delaying progress in the sale.

The administration board which has sold the most number of houses is the West Rand, where about 82 000 are still on sale under the home-ownership scheme. By the end of last week at least 660 houses had been bought — representing a total value of more than R651 000 — and 1 420 applications were being processed.

A Wrab spokesman, Mr A R Mardon, said he was pleased with the progress. "The rate at

which houses are being bought is reasonable.

"It is a new scheme and it takes time for it to catch on. But with the festive season upon us, we are quite confident that people who receive Christmas bonuses will come forward and buy houses."

The East Rand Administration Board has so far managed to sell only 500 houses out of 53 000 units set aside for sale in its 14 townships. Erab's chief director, Mr Frans Marx, blamed the high unemployment rate among black families and the intricate procedures involved in buying a house.

The Orange-Vaal Administration Board, responsible for the sale of houses in the Vaal Complex and the northern Orange Free State, closes its books for this year with 215 houses having been bought out of 60 000 houses on sale.

A board spokesman commented: "You must know that buying a house is not like buying a car.

"It is a big buy and it definitely takes time be-

fore a man makes a final decision. When one buys something big, one sits down and think very carefully about it.

"No one can push you into buying something you do not want. It's a personal decision."

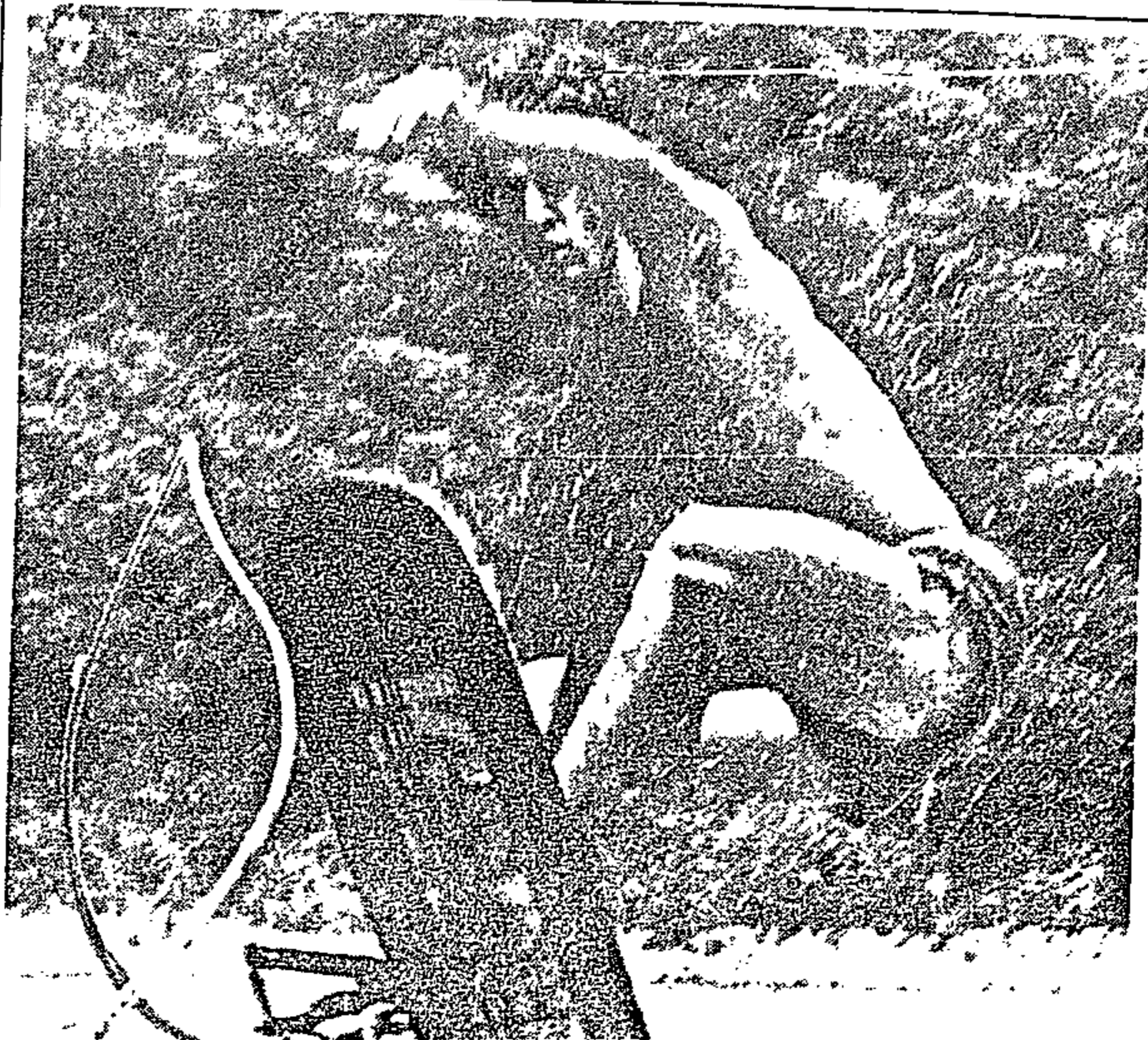
He said his board was pleased with the rate at which houses were being sold and said about 1 000 applications were still being processed.

"If all goes according to plan about 1 000 families will own their houses in the New Year."

The Central Administration Board, which is responsible for Mamelodi and Atteridgeville townships in Pretoria, has not sold any houses under the new scheme.

"A spokesman said 207 applications were under consideration. He blamed the fact that stands were not yet surveyed in the Pretoria area and said this was "holding up the sale".

There are 20 000 units for sale in the two townships and the spokesman said surveying would be completed by the end of next year.



'Cut housing red tape'

123

E. Post

10/12/83

— LTA man

"OLD GUARD" ideas on housing formulas in South Africa and the constricting red tape that inhibited and slowed the process of "converting raw land into homes" had to be swept aside quickly if this country was to be able to cope with its housing problems.

Addressing the Portland Cement Institute-sponsored year-end property editors' luncheon in Johannesburg, Mr D A T Goodey, executive chairman, LTA Housing Ltd, said what the authorities had to do was to make sure the required land was provided for housing for all races.

From that point on, he said, private enterprise was equal to the task of creating the homes South Africa needed as it had all the required skills and resources to meet the challenge.

Citing Mitchell's Plain as a prime example of what private enterprise could do in providing attractive, affordable housing, Mr Goodey said that out of the 40 000 houses built there so far, 22 000 had been sold.

"We put an end to the soul-destroying arrangement of concrete boxes in townships and instead create homes of which the residents can be proud," he said.

"We build the units closer together with paved areas between the houses.

"This prescription avoids the separating narrow ribbons of dust stacked with rubbish all too familiar in the townships."

Stating that 50% of all blacks could afford to make no financial contribution whatsoever towards their housing needs, Mr Goodey said it was time new formulas were sought to help aspirant home owners qualify for home loans.

The building society stipulation that the bond repayment sum could represent no more than 25% of a breadwinner's income, was unrealistic in the context of the mores of other societies, he said.

While it had become customary for young whites to leave the parental home and set up on their own as soon as they could, the Indian community believed in the concept of the greater family.

Accordingly as fathers, mothers, children and grandparents were often all living permanently under one roof, it made sense to consider total household income when evaluating ability to meet bond redemption.



By Owen Parker
Property Editor

A similar contention held good for African families in township housing as again togetherness was favoured, and total wage-earner income under one roof often far exceeded the single "breadwinner-owner" ruling for medium income white homes.

Another important principle that could make it possible for many more people to afford houses, was the concept of a sliding scale of repayment based on the premise of an increasing ability to pay through longer work service.

This meant, he said, that loan repayments in early years were scaled down, and increased over a period.

Thus through the joint influences of inflation and over-and-above-inflation-rate salary increases, the burden was affordably spread over the purchaser's working lifetime.

Financial institutions other than the building societies had abundant funds for investment. These included the insurance and assurance companies.

The Government should get together with them to find a formula for funneling some of this large financial resource into much-needed housing, said Mr Goodey.

There was an estimated backlog for all communities in South Africa of 160 000 homes and a need for 60 000 new homes each year to keep pace with urbanisation, immigration and natural population growth.

In 1983 money terms these numbers would indicate a backlog of R3 200 million and R1 200 million annually to keep pace with demand.

The number of new houses being built each year was not keeping pace with the annual demand

and no inroads were being made into the backlog.

In fact, the backlog was increasing steadily, he said.

The white community was reasonably well looked after through private sector funds, but other race groups were not being catered for adequately.

It was obvious, he said, that no government could be expected to finance the necessary housing expansion — R3 200 million backlog and R1 200 million annually — without private sector support.

Recognising this, the Government issued a policy statement at the beginning of this year to the effect that Community Development and the National Housing Fund would no longer make available funds for housing for coloured, Asian and black communities other than for:

Serviced site and infrastructure; housing for the poor earning less than R150 a month; old age and similar demands from the needy and self-help schemes including core and shell houses.

Requests for funds made by local authorities for new homes outside these parameters would not be granted.

The policy, simply stated, was that the individual worker and the employer

must now be responsible for providing homes within the limits of affordability of the household.

One reaction to the change in Government policy was to remove from the private sector building contracts worth some R350 million a year.

The shift in responsibility for housing — and the great sale of 500 000 existing homes — has not reduced the actual need for houses and the private sector was now striving to find ways and means to solve the housing problem, said Mr Goodey.

Accepting this as the new norm, it behoved Government to make:

- Adequate serviced land available to individuals and developers.

- Adequate unserviced land for developers.

- Review present specifications and standards for services, buildings and town planning.

Bureaucratic attitudes like: "We've done it this way through the tender system for the past 29 years and we can't listen to what you say," weren't going to help, he said.

Drastic and innovative ideas and methods were what was needed.

The objective should be more houses — not more forms and regulations.

FM 16/12/73

BLACK HOUSING

(23)

Rent strike crumbles

Stern tactics by the Port Natal Administration Board (PNAB) to collect arrear rentals in Durban's black townships appear to be paying off. The Chief Commissioner, Hennie du Plessis, says the board collected 124 000 rents last month — far more than the 50 000 or so that it has been collecting since residents began refusing to pay in protest against the August rent hikes.

He says notices were sent out to thousands of residents whose rents were in arrears and the response has been "gratifying." Last month, PNAB served notice on 145 Lamontville residents, in terms of the Housing Act, threatening to lock them out of their houses unless their overdue rents were paid. According to Du Plessis, all but 13 paid up. Those who resisted, finally came forward after the board had turned its threats into action.

Says Du Plessis: "I think the residents now know that we mean business. People must react to the notices, even if it is merely to apply for rent relief. Ideally, we would like them all to pay their rents, though we are not insisting that they should be paid at the new tariffs."

According to Du Plessis, since the rent increases, about a third of the residents have elected to pay the revised rentals, about a third have gone on paying the old rent, and about a third have simply decided to pay no rent at all. (The board's preparedness to temporarily accept rents on the old scale is the result of legal problems.)

A lot of the reluctance to meet the increased payments could also be the result of pending litigation in which Inkatha and the Ningizimu Community Council are challenging the Minister of Co-operation and Development's right to increase, unilaterally, rentals in townships where they share joint administrative responsibilities. The Natal Division of the Supreme Court has ruled in favour of the Minister, but the matter has now gone on appeal.

Du Plessis is confident that the Appellate Division will rule in the board's favour, but he points out that, either way, a decision would result in administrative problems. "If the court rules against us, we will have to take steps to refund those who have been making increased payments."

A NUMBER of large South African companies are poised to break into the manufactured-home market, an industry which it is estimated could be worth about R650-million within five years.

Among these are Readybuilt, a subsidiary of LTA, CI Industries, part of the Murray & Roberts stable, Portacamp in the Lonrho group and Jurgens.

The rush to establish facilities for the production of manufactured or timber-frame housing follows the decision by the Government to allow these homes to be erected in residential areas or in specially developed estates, subject to the requirements of local authorities.

The Cape Provincial Council is the first to allow these homes to be erected in residential areas, provided consent is received from the neighbours on both sides.

Other municipalities have expressed interest, and Ladysmith, Margate and Durban have agreed to the erection of specialised parks, while Roodepoort, George and Plettenberg Bay are among others which have shown an interest.

The concept is expected to grow rapidly because of the lower cost and ease of erection, and is being encouraged by the Government.

It is estimated that the homes could be built at about R270 a sq m compared with conventional costs of about R400 a sq m, and should be of interest to the public sector, which intends to spend about R5 000-million on residential housing next year.

A number of major banks have indicated that they will be prepared to finance the building of these homes in estates, which in the initial stages will not involve the sale of the land and will be sold on sectional title.

At a later stage, the sale of the land will also be part of the deal and could be financed by building societies.

The concept of manufactured housing was developed in America, and basically involves the production of a timber-framed house with various forms of cladding which are produced at a plant and wheeled to the site to be fixed to a permanent foundation.

In South Africa, the homes comply with SABS Standard 1122 of 1976 and are tested for life, fire-rating and insulation among other factors.

In America about 8-million timber frame houses are occupied.

Mike Burgess, technical director of Manufactured Housing Consultants, believes that



The interior of a manufactured home . . . not much different from a conventional home

the industry has the potential to grow to about 15 000 homes a year, worth an estimated R650-million at present prices.

With this in mind, his company is to sponsor an international conference in Johannesburg in March next year to provide information on how manufactured and mobile home projects should be tackled.

Interest locally is moving ahead rapidly and a number of American companies have expressed an interest in participating in South Africa.

The first project is already on stream in Ladysmith, where a R2,5-million facility has been erected under the name Tidwell Housing (SA).

The first units are due out in January and will be situated on an estate in Ladysmith.

David Dye, managing director of Tidwell, whose parent company in America is the sixth-largest manufactured-home producer, says that a further investment is likely depending on demand.

He believes that the South African market could support four or five plants such as his own, each producing about four units a day or about 4 500 a year.

Mr Dye is also investigating other areas.

The Jurgens subsidiary Terexco has plans to spend an eventual R5-million on a production facility at its Jan Smuts factory, and has signed an agreement with two American companies, Fleetwood and Coachman, for their expertise.

Work has started on the first phase of the plant and the first unit is expected to come off the line at the end of the year.

Rob Heywood, managing director of CI Industries, tells Business Times that his company has approached an overseas group for a licensing agreement, but should this not come to fruition it will look at other companies. He was not prepared to say any more.

Don Carruthers, chairman of Industrialised Building Systems, a member of LTA which produces Readybuilt homes, is conducting a feasibility study of the market and is seriously considering the project. Mr Carruthers was not prepared to comment further.

Another large company, which at this stage is keeping quiet on its plans, has also approached overseas companies for expertise and technical know-how.

By Don Robertson

S. Times

18/12/83

Rush on in manufactured

homes

Tougher rent laws on way

W/Argus 24/12/83 (123)

By TOM HOOD, Property Editor

The Government is proposing to repeal the Rent Control Act of 1976 and replace it with tougher laws to protect tenants.

A new Act, the Lease of Dwellings Act of 1984, is on the cards. Details of a draft Bill have been published by the Department of Community Development for information and comment. Proposals applying to houses and flats include:

- A minimum of 60 days notice of any rent increase.
- A ban on key money or taking of more than one month's rent in advance or deposits larger than a month's rent.
- Compulsory investment of deposits with interest credited to the tenant.
- The owner or agent must draw up in the tenant's presence an inventory of moveables and a list of deficiencies within seven days of the start of a lease.

THE editor and staff of Argus Property wish readers and advertisers a happy Christmas and a prosperous new year. Publication of the Argus Property section will resume on January 7.

- A ban on ejection for "trivial reasons."
- Compulsory written leases.
- Compulsory deposit and rent receipts unless the parties agree in writing to other arrangements.
- Forbidding landlords from refusing to accept children — or even asking if a tenant has a child staying with him.
- A tenant may not be rejected because of his income or if he is over 65.
- Rents Boards will go and instead Mediating Boards of five members are to investigate landlords' applications to raise rents and fix the rents on the basis of evidence.
- No building used for housing may be demolished without the Minister's written permission.
- Owners can be forced to make an unoccupied dwelling "reasonably fit for human habitation. If they fail to comply with a directive, the authorities may "take all such steps as are required" and recover the costs from the owner.

Property owners and estate agents are objecting to some of the proposals and have asked for the deadline for comment to be extended to end of February from January 13.

Mr Peter Strachan, convener of the Institute of Estate Agents national legislation committee, said today some of the proposals were unworkable and unacceptable.

Sixty days notice of a rent increase, for example was far too long.

The new mediating boards were empowered to "take such steps that it may deem necessary to promote proper relations between lessor and lessee and orderliness in the letting market." What, asked Mr Strachan, is that supposed to mean.

While it might be simple for the owner of a single flat to draw up an inventory, it would be impractical for companies that let 25 flats or more each month to make a list of all deficiencies within seven days.

- Anyone wishing to comment on provisions of the draft Bill should write to the Director-General, Community Development, Private Bag X65, Pretoria 0001, quoting reference 2/1/9/2/1/27 (Parl Afd).

Bond rates set to soar next year

CAC TIME

28/12/83

~~123~~ 123

Own Correspondent

JOHANNESBURG. — Mortgage-bond rates of most building societies are set to rise by 1,25 percent across the board at the beginning of February, to a new all-time high.

The move will mean an increase in monthly repayments of about 95c per R1 000 borrowed on a 20-year mortgage on all levels of borrowing.

No officials of individual societies would comment on either the amount of the projected increase or its effective date but informed sources confirmed both.

Mr John Bennett, the managing director of the NBS, accepted that it was well-founded speculation and said advice notices would undoubtedly be sent out to bond holders by some societies within the next few days.

He commented that, while an inter-society agreement to consult on rates and move in con-

cert no longer exists, "it is difficult for societies not to follow one another".

"We all need profits and the interest involved even on one month's repayments is substantial."

Mr Brian Kemmey, senior general manager of the SA Perm, said each society would act as it saw fit.

Immediate reaction from property circles was that the increase was bigger than expected and would hit bond holders hard, in many cases absorbing most of any year-end post-tax salary increase.

"People tend to stretch themselves to the limit on what they can repay when house

buying and, with the repayment on a R60 000 bond increasing by about R55 a month, they could find themselves in difficulty," one property broker said.

Estate agents had been expecting increases in the region of 0,75 percent.

Intending home buyers will definitely be discouraged and house prices, which have stabilized in recent months but not fallen, will almost certainly be affected.

Demand for stands is expected to ease.

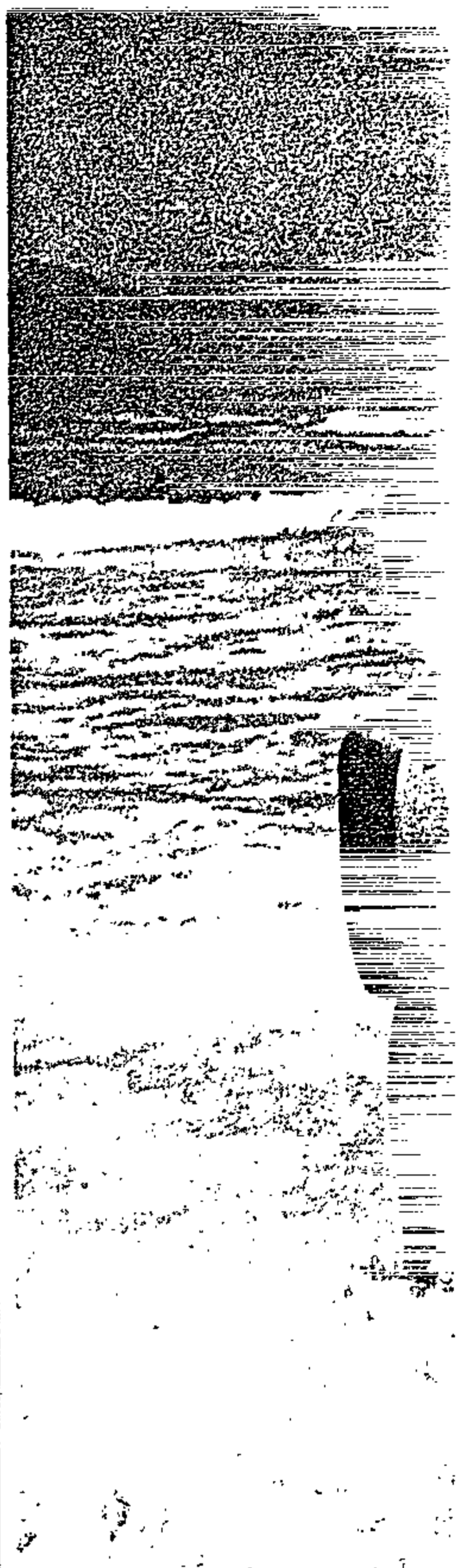
Worst hit will be investors who bought into the residential property market, particularly townhouses and flats, earlier this year.

Vacant

In a depressed rental sector, they are already unable to cover their bond repayments. Many of their investments are standing vacant.

Demand for building society bonds, too, can be expected to slacken and they should now be more readily available.

Anybody willing to take out a mortgage at the new rates could find there were bargains to be had in the housing market within the next couple of months.



Cooling off at Blouberg Beach, left, of Sea Point and De

The Cape Times at New Year

THE Cape Times will be published as usual on Saturday, December 31, but NOT on Monday, January 2.

The advertisement offices on the ground floor as well as on the fourth floor of our building at 77 Burg Street will be closed from 12.45pm on Friday, December 30 until 8am on Tuesday, January 3.

Birth and death notices may be phoned through to 24 2233 on Friday between 12.45 and 5pm for publication in Saturday's Cape Times, and between 10am and 5pm on Monday for publication in Tuesday's Cape Times.

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Anybody willing to take out a mortgage at the new rates could find there were bargains to be had in the housing market within the next couple of months.

Experts said that the ever-increasing cost of money, as evidenced by leading banks raising their prime lending rate to 20 percent just before Christmas, has made the increase inevitable.

The building societies, which must compete in the open market for funds and last raised their bond rates in July, have held back as long as possible in the face of steadily escalating general interest rates.



Cooling off at Blouberg Beach after a long swim, left, of Sea Point and Dee-Ann Hutchings.

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Fat in S

Staff Reporters

A FISH HOEK man missing, presumed drowned, after his ber dinghy capsized heavy surf at Kommetjie yesterday, throwing and his 11-year-old into the sea.

An air and sea search failed to find any trace of Mr Leo Hartman, Felucca Crescent, son, also named I was rescued by two fishermen in a small boat.

The John Rolfe rescue helicopter circled the area for 30 minutes from about 4.30pm, before calling the NSRI.

An NSRI spokesman said the search — in

Pick 'n Buy

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Tele Views

Readers wishing to comment on TV programmes can phone their comments through after 6pm from Monday to Friday to 24-2233 ext 216.

Police 'tai

Own

DURBAN. — Dozens of policemen as they registered car parks at the ville Place here yesterday.

Mr Barry du Plessis, who arrived at his friend's car at "About 150 people, were trying to obstruct

He said two women trying to prevent it towing apparatus at plastic bags filled

Bond ^{ARGU} rates ^{28/12/83} set to ⁽¹²³⁾ rise again

Financial Editor

TENS of thousands of home owners will be receiving letters from their building societies in the next few days notifying them of an increase in the rate of interest on their mortgage bonds from February 1.

This move has been forced on the societies as a result of the sharp rise in the cost of money in South Africa in the past few months. This led at the weekend to the commercial banks increasing their prime lending rate — the rate they charge their best borrowers — to 20 percent.

Building society officials said that letters notifying borrowings of the increase will have to be sent out today or tomorrow at the latest if borrowers are to receive a month's notice of the increases.

Although there have been suggestions that the increase may be only 0,75 percent, it is generally believed that it is more likely to be around 1,25 percent.

If this proves to be the case rate of interest on mortgage bonds from February 1 is likely to be:

Under R20 000: 16,25 percent;
R20 000 to R40 000: 17,25 percent;
R40 000 to R60 000: 18,25 percent;
R60 000 and above: 18,75 percent.

A 1,25 percent increase in the mortgage rate will increase the repayment on a 20 year bond by about 95c for every R1 000 borrowed.

It will increase the repayment on a R60 000 bond from about R800 a month to about R855 a month.

LIMITED SAVINGS

The increase in mortgage rates are mainly the result of the Government's decision to move towards "market related" interest rates, in order to use South Africa's limited savings to the country's best advantage.

This led to the lifting of artificial restrictions on interest rates and to a sharp increase in the rates of interest charged and paid by the banks.

In turn this meant that the building societies have had to pay more for deposits (some are now paying 17 percent for 12 months money) and therefore have had to increase the rate of interest they charge for mortgages.

The Governor of the Reserve Bank, Dr Gerhard de Kock, said recently that interest rates could ease in the New Year. This led to hopes that the building societies might have been able to delay and possibly avoid having to increase their interest rates on mortgages. But this has not been possible.

The increase in mortgage rates will bear down heavily on house buyers who could already be finding their present repayments a heavy burden, and thus could lead to some softening in the property market, building society officials say.

Bond rates could remain at record high throughout 1984

Call Times 29/12/83 (3) 123

Own Correspondent JOHANNESBURG. — Mortgage bond rates of the major building societies, which are to rise by 1,25% in February, could remain at their new all-time high level throughout 1984, even though interest rates generally may decline in the middle of the year.

All major societies yesterday confirmed the increases and most have already sent out notices to bond holders.

The SA Perm is to raise its rates in two stages. An immediate increase of 0,75% on new bonds will be applicable to existing bonds from the beginning of February. The date of a further increase of 0,5% will be announced shortly.

Banking circles believe that money market rates have now peaked. But, they say, some societies which in recent months liquidated much of their investments built up since September 1982 would have to maintain the new rates for at least a year to balance their books.

Mr Jim Dodds, managing director of the Allied, was reluctant to agree but he acknowledged that due to the mechanics of their funding, the societies always lag the market.

He pointed out that building societies could not change their deposit or lending rates overnight, as banks can, to react to a market move. In some cases soci-

eties had to give a calendar months' notice: a decision taken on, say, January 5 would be notified on February 1 to become effective on March 1.

Fixed deposits were taken for a minimum of one year.

A hiccup

Mr Dodds expects interest rates generally to start falling in about six months.

"The societies had hoped to avoid this increase and that the recent hike in money market rates — prompted largely by the banks — was a hiccup.

"But we had to raise our deposit and share rates to protect our flanks and stop money flowing out.

"In the event, we have now accepted it is more than a temporary aberration and we have had to raise the lending rates."

Rebutting recent speculation that mortgage loans were again drying up, he said that, "while inflows of funds have declined and the cake is, therefore, getting smaller, lending is fairly steady".

"The higher bond interest rates can be expected to dampen demand for mortgages and will tend to equate supply and demand a little more closely."

The Allied, which advanced a total of R458m between April 1 and December 20 this year (against R197m in the

same period of 1982) and has loan commitments at present of R288m, has a high liquidity.

Against prescribed investments of R330m, it now has investments of R570m — a surplus of R241m.

A UBS spokesman said the increase could have a slight downward levelling effect on house prices.

He believed that housing subsidies — enjoyed by "more than 50% of all borrowers" — would take the edge off the impact of the increase for many first-time buyers.

Cheaper

There will be no immediate change in the interest rates Barclays National Bank charges for home purchase loans — presently 18% for amounts up to R40 000 and 19% for amounts above R40 000.

"We are going to sit tight for the time being," a spokesman said. "We think rates may have peaked."

He pointed out that where a buyer has to pay a raising fee to obtain matching finance to

get a building society bond, the bank's home loan scheme could now prove cheaper than a society mortgage.

Barclays did not require a matching investment.

Standard Bank's home loan rates are tied to the top UBS rate and will move from 17,5% to 18,75%.

Any increase in bond interest rates was a two-edged sword for the societies, said Mr Basil Elk of Basil Elk Estate Agents.

On the one hand, it turned off potential house buyers and, on the other, it drew in more funds attracted by the concomitant rise in deposit rates.

He expected the market to seesaw for a while. House prices were now moving sideways but in the long-term they would continue to rise, he said.

Mr Barry Benigson, manager of Aida Estates, felt house prices might decrease slightly, with those in the R100 000-plus bracket being the worst affected.

Size of bond	Interest rate per annum, percent		
	Up to today	Now	Soon
Up to R20 000	15,0	15,75	16,25
R20 000-R40 000	15,5	16,25	16,75
R40 000-R60 000	16,0	16,75	17,25
R60 000-R80 000	17,0	17,75	18,25
R80 000 upwards	17,5	18,25	18,75

Figures released by The Perm show the changes in the bond rate on bonds of differing sizes.



at a quantity lower than where marginal revenue is price equal marginal cost. This obviously means that greater profit can be made by increasing them. There was a situation of perfect competition.

Urbanisation strategy for SA 'our most urgent priority'

123

Star

29/12/83

Smack in the centre of one of South Africa's wealthiest areas, in the shadow of Sandton City, plastic and cardboard shelters have sprung up.

Squatter settlements erupting on the boundaries of urban centres are not unusual in Third World countries. But in South Africa, where influx control can be swift and ruthless, it underscores the twin challenges of the '80s that have yet to be tackled comprehensively — urbanisation and rural development.

At a conference early this year, the Government's urbanisation adviser, Dr Flip Smit, vice-president of the Human Sciences Research Council, outlined the extent of the challenge: the black population alone in the main metropolitan areas will increase by at least 12 million in the coming two decades even if the Government's decentralisation initiatives succeed.

Despite this, the Government has yet to come up with a clear urbanisation strategy, Dr Smit said in a recent interview.

At the same time Mr Giel van der Wall, director general of the Department of Co-operation and Development, told The Star recently that black urbanisation strategy was being revised and would remain linked to the Government's decentralisation policy.

To cope with the population boom of all races, close to 2 000 homes will have to be built each working day during the coming decades.

"Where, how and by whom the houses for these people are to be built will to a large extent determine the future of South Africa," Dr Smit said.

"If the forces of urbanisation are positively harnessed they can become a powerful instrument for development."

Urbanisation should be seen as the inevitable result of population growth and economic development, which makes it possible to place the whole process in the context of overall de-

The essence of the challenge South Africa faces in the coming few years can be summed up in two major issues — urbanisation and rural development.
ANTHONY DUGAN reports . . .

velopment strategy, Dr Smit added in a recent interview with The Star.

On the practical side, Dr Smit sees the squatter problem as inevitable and has urged the official acceptance of controlled "informal settlements" as a first phase of urbanisation.

"We need to anticipate such squatter camps and plan for them by providing basic services including, in order of priority, clean drinking water, jobs, transport and housing," he said.

Since 1978, when the legislation introducing 99-year leasehold rights for urban blacks was passed, there has been a growing emphasis on stepping up home building programmes throughout the country. With very few exceptions, this has not occurred and waiting lists have grown longer and overcrowding in black townships worse.

At present close to 800 000 homes are needed for black families throughout South Africa, according to the office of the Prime Minister. The homes shortage for coloureds and Indians is about 66 000 and for whites about 18 000.

In a memorandum to the President's Council this year, the Urban Foundation put its finger on the nub of the problem — the grave shortage of serviced land available for black occupation.

With the changes in the Government's housing policy, from a system based on central control of homes' supply to a greater free market arrangement, the opportunity for the private sector to also take over the major supply of black housing has been created.

Mr van der Wall admits that progress on the black housing front has seemed slow, but he pointed out that a lot of preparatory work had to be done to change old regulations and remove former restrictions.

"In the coming year I anticipate a snowball effect as provision of housing on a large scale takes off," he said.

The mass sale of Government-owned housing stock — almost 500 000 Community Development-owned homes rented by people of all races throughout the country — got off to a slow start in August and by the end of the year more than 12 000 houses had been sold.

But, as Government critics pointed out, this housing sale will not solve the problems of the homeless. It only opens up home ownership to a wider circle of established householders.

The now famous Rikhotso decision of the Appeal Court in May — the ruling that has opened the way for tens of thousands of migrant workers to get urban rights if they have worked for one employer for 10 years, or more than one for 15 years without a break — will heap further burdens on urban accommodation as more and more workers qualify to remain permanently in the towns and cities.

In the New Year the 29 black local authorities — elected recently in terms of legislation which extends full municipal powers to black townships — will meet with the director of black local government to establish their staffing needs and other priorities.

And as they establish themselves, say political observers,

they will be drawn into the wide investigations which the Cabinet committee on urban blacks will be holding in the coming year to find a way out of the impasse over power-sharing with the urban black block.

But their first and major obstacle will be to overcome the suspicion and resentment felt about the new town and village councils.

Despite sometimes vigorous election campaigns, only about 20 percent of registered voters — and large numbers of legal residents in the townships were not registered — went to the polls.

The issue of how these councils will fund developments in areas which are largely without a proper capital base is still to be decided by the Government.

In the New Year there will also be an increasing focus, from private enterprise, on rural development, which has forced itself into the public consciousness increasingly over the past year.

One of the largest private sector rural development agencies, Africa Co-operative Action Trust, is embarking on a major fund-raising drive to finance its programme, which has now spread outside South Africa to Swaziland and Zimbabwe.

The neglect of the rural areas had presented South Africa with its greatest single threat to long-term stability, said Professor John Hanks, director of Natal University's Institute for Natural Resources.

The neglect of the rural areas has led directly to the pull from the cities and the push from degraded rural areas, Professor Hanks added. The only obvious answer lay in investing in rural development — creating a flourishing agricultural base to support a network of decentralised and labour-intensive industries.