

~~HOUSING & HOSTELS - [unclear] ORGANISATION~~
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HOUSING & HOSTELS - GENERAL 1988

JANUARY — JUNE.

Allied offers 11,5% bonds for the rich

By Udo Rypstra

BUILDING societies, which have been losing customers in the bond rate war, are flexing their banking muscle.

Determined to increase its market share, Allied Group is the first to meet banks head-on with new housing loans at interest rates ranging between 11,5% and 12,5%. Others building societies are also expected to counter-attack.

Allied is offering bank housing loans and building society bonds under one roof. Existing clients may switch from a building society to a bank loan without incurring major re-registration costs.

First phase

Allied plans to wipe out the gap between interest rates it charges for new and existing borrowers. Last night it announced it had reduced the interest rate on its one-year fixed rate bond from 14% to 13,5% — getting closer to the 12,5% the banks are charging.

This is only the first phase. More goodies for borrowers will be introduced in the next few months, it says. Business Times believes an announcement will be made at the end of January.

The Allied Group is using its banking muscle — Allied Bank — to employ cheaper short-term funds for what it calls the Bank Bond.

But you have to be well-off to qualify for this bond.

The 12,5% interest rate is only for borrowers who earn more than R40 000 a year. This applies to the income of the main breadwinner — the combined income of a husband and wife will not be considered.

For the 11,5% interest rate, you have to be even richer. Only those

with a minimum annual income of R60 000 and who possess realisable assets worth more than R150 000 qualify.

Most important

Managing director Kevin de Villiers says banks charging 11,5% and 12,5% apply the same qualifying standards. He says they are insisted on for a good reason.

"A Bank Bond is not a recommended method of home finance except for those borrowers who have sufficient financial resources to protect themselves should the general pattern of interest rates start rising again.

"For most people, the purchase of a home is the most important financial decision they will ever make and it is essential that they enjoy the stability of traditional building society finance."

Mr de Villiers says that when banks using expensive short-term funds had to charge 23% interest on housing loans some time ago, building societies (enjoying cheaper long-term funds) asked for only 18%.

Guaranteed rates

Mr de Villiers says advances can be as high as 100% of a property's valuation. Personal loans may be negotiated to cover additional expenditure. This is much in line with what banks offer.

But where Allied has stolen a march on some banks is that the Bank Bond can be used by people who wish to build a gouse — drawing against the bond as work progresses.

Some banks have guaranteed their rates for up to a year and will give long notice of any increases. Mr de Villiers, however, stresses that the interest rate on the Bank Bond, in contrast to those on housing loans from Allied Building Society, could be more volatile.

"There is evidence that bank housing loans are volatile. One reason for setting a different set of qualifications for borrowers using bank finance is that these clients are people who are, or should be, financially cushioned against undue hardship if there is a significant increase in the cost of bank finance, as happened three years ago.

"It is recognised that consumers, particularly those in the higher-income groups, are extremely conscious of interest rates. The bank acknowledges this and adds another to the range of choices Allied offers its clients."

Commenting on the decision to eliminate anomalies in interest rates applicable to new and existing building society bonds, Mr de Villiers says

that since November, new Allied Building Society advances have borne interest at 13% and earlier ones cost 14,5%.

"We were never comfortable with the gap, but there were sound reasons for it. Existing bonds were still being funded from deposits made more than a year ago when interest rates were much higher. New bonds, on the other hand, can be funded with recent deposits, the cost of which is considerably lower."

Mr de Villiers warns that the reverse can also happen, as it did in 1984-85 when interest rates rose and new borrowers had to be charged more than older ones.

"Nevertheless, this gap is undesirable and we hope to avoid such inconsistencies."

All Allied borrowers — including those paying 14,5% interest on bonds — may take immediate advantage of the lower interest on the fixed rate bond.

On a R100 000 bond, the reduction in interest rate would be R73 a month.

Pledge of cuts in home loan rates for existing borrowers

123

19/1/88

BOND WAR SALVO

From ROY COKAYNE Argus Financial Staff

PRETORIA. — Relief is in sight for some of the thousands of existing bondholders locked into higher interest rate bonds as the battle for market share between banks and building societies intensifies.

Existing bondholders have been "discriminated against" and forced to pay a higher rate as building societies and banks slashed the rate for new clients.

But Allied Group managing director Mr Kevin de Villiers today said his society intended eliminating the differential between new and existing bonds "even if it hurts us."

The Allied currently charges 14,5 percent on existing bonds and 13 percent on new bonds.

"This gap is undesirable and the Allied hopes to avoid such inconsistencies in the future," he said.

Close the gap

The Allied intends to close the gap — probably in two or three stages — in the next few months with the first reduction announcement likely before the end of January.

The Allied has already announced a reduced rate of 13,5 percent with immediate effect for its one-year Fixed Rate Bond — one of a range of fixed rate options it offers clients.

The Allied decision means only two of the five major building societies still have to announce adjustments to their existing bond rates — the SA Perm and Saambou.

SA Perm senior general manager Mr Hugh MacLachlan said they were "continually assessing the situation." It is charging both existing and new clients 14,5 percent.

Saambou chairman and managing director Mr Hendrik Sloet said they were constantly looking at their bond rate but only anticipated a decision in two months. He would not speculate what the decision would be.

Clarification

"I want to have more clarification about what is happening in the market. At the moment the situation is as clear as muddy water. There has been some hardening of the deposit and short term rates and I'm not sure it's just a seasonal thing. I'm sitting on the fence at the moment," he said.

The Saambou rate on existing bonds is 14,5 percent while new clients can get 12,5 percent if the bond does not exceed 50 percent of the purchase price or valuation of the house. New normal bonds are charged at 13 percent.

The Natal Building Society's rate on existing bonds will drop to 13,5 percent — the same as that being offered to new bondholders — from February 1.

The 14 percent the UBS charges on existing bonds will drop to 13,5 percent from March 1. New bondholders will be charged 12,5 percent — the same as the banks.

The Allied will also introduce a "bank bond" for home owners. Initially the bond will carry a fluctuating rate between 11,5 percent and 12,5 percent according to the net worth and income of the borrower.

(23) 6/24 20/1/88

New look at urban housing norms

THE RAPID urbansation of most of SA's population is putting increasing pressure on existing housing, and the call for moves away from strict health and building regulations is growing stronger.

A recently-released review by the Housing Research Information Service of the CSIR's National Building Research Institute (NBRI) repeats estimates that, by the year 2 000, about 93% of whites, 86% of coloureds, 92% of Indians and 75% of blacks will have been urbanised.

Thus, the review suggests, authorities should dispense with prescription in respect of the house itself, as long as water supplies, acceptable sanitation, regular refuse removal and public cleansing services are provided.

It is noted that the main problem in informal and squatter settlements does not stem from occupation of a shack or

a shelter which does not conform to normal health standards but with the absence or inadequacy of the basic infrastructural services demanded for the preservation of health, such as potable water.

"Although informal housing is generally frowned upon, there has been a considerable input by the NBRI to offer innovative solutions to some of the problems encountered," says the report.

The NBRI has itself promoted relatively simple yet effective drainage and sanitation systems capable of being used in informal settlement and other residential areas.

The introduction of low-key health norms suggests, it says, that provided ownership or rights of tenure to land are secured, and elementary services are available, informal housing and settlements could yet fulfill the needs of the average family, serving at the same

time as vital reception and transition areas for people entering the urban environment.

The area of informal and low cost housing is currently receiving the attention of many of the country's developers, builders and communities.

A computer-based Housing Delivery Systems Analysis (HSDA) system evolved by the NBRI provides a means by which builders can evaluate their systems, their performance, flexibility and suitability in the marketplace.

Interestingly, it shows there is a trade-off between jobs created and production rate — a delivery system with a high rate of delivery tends to generate fewer jobs per house than slower systems.

Analysis shows clearly that house size has the greatest influence on cost and the standard of service the least.

123 ST
10/1/88

9% house price rise

AIDA Real Estate reports record sales for October and November, house prices being 9% higher on average over the same time in 1986.

It sold R8-million of houses through the financial rand last year, indicating that purchases from abroad are higher than in 1986.

AKGAS

Wednesday January 12 1988 3

(123)

UBS puts up bond cancellation charges

The Argus Correspondent

PRETORIA. — The United Building Society has sharply increased its bond cancellation fee, a move widely interpreted as an attempt to deter its existing bondholders from switching to another financial institution.

The increased fee is apparently the latest salvo in the home loan battle for increased market share between banks and building societies.

However, UBS general manager Mr Piet Kruger denied the cancellation fee had been increased as a form of "penalty".

"That was not one of the reasons why we increased it at all," he said.

ATTORNEYS' FEES

The UBS has introduced a flat rate fee of R200 for any bond cancellation. Before, UBS bondholders were charged about R85 in attorneys' fees to cancel a single bond on a property. About R30 was charged to cancel any additional bonds on a property.

Clients at all the other major building societies are charged only the attorneys' fees involved in a bond cancellation.

NBS assistant general manager (loans) Mr Trevor Olivier said the UBS's increased fee was a deterrent to people thinking of switching their bonds.

A Trust Bank spokesman said the move was "good news" because it meant the UBS was trying to protect its market share.

Argus 29/1/88 (123)

Allied announces 1% bond rate cut

The Argus Correspondent
PRETORIA. — The Allied Building Society has slashed the interest rate charged on existing bonds by one percent to 13,5 percent — and committed itself to achieving parity between the rate charged on new and existing bonds by the end of May.

The cut, effective from the end of February, will reduce the rate gap between new and existing bonds at the Allied and match cuts on existing bonds already announced by the United and Natal building societies.

These bond rate cuts will bring relief to some of the thousands of existing bondholders at several building societies have been "discriminated against" and forced to pay a higher rate as building societies and banks slashed the rates for new clients in intense competition for increased market share.

The bond rate cut has been announced by the Allied in spite of the sharp increase in money market rates and the

bank prime rate since the beginning of the year.

It is also likely to put increased pressure on the SA Permanent and Saambou National building societies to narrow the gap between the rate they charge on existing and new bonds. They are the only two major building societies that have not yet announced a cut to the rate on existing bonds.

Traditional

Announcing the rate cut today, Allied Group managing director Mr Kevin de Villiers said new borrowers would continue to pay an interest rate of 13 percent on traditional bonds.

A decision on how to close the gap between new and existing bonds would be taken as interest rate trends became clearer.

Mr de Villiers said the rate gap between new and existing bonds was a result of the fact that existing bonds were funded with relatively expensive deposits while new borrowers

could benefit from deposits accepted by Allied at lower rates.

The Allied has also announced the introduction of a range of short-term fixed deposits — all maturing in 364 days or less — to improve its range of investment products and obtain a better balance of funding.

This is a market that is closed by legislation to traditional building societies but heavily promoted by the banking sector. The Allied is entering through its banking arm, which now operates virtually throughout its branch network.

The short term deposits are for terms of between 32 and 364 days and interest rates vary according to the size of the deposit, the term of the deposit and the frequency of interest payments.

17/04/81
4/2/81

Vatican highlights plight of homeless in SA

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The Argus Foreign Service

ROME. — The Vatican has called for housing to be shared out fairly to ease the "alarming" plight of the world's homeless — and cited South Africa as one of the nations where millions are living in "inadequate habitations".

The historic report was introduced by Pope John Paul himself.

The 30-page document — drawn up with the help of the episcopal conferences in South Africa and 59 other countries — stated: "In certain large cities, the number of empty houses would... provide for the majority of the homeless, however numerous they may be."

"Public authorities have the obligation to establish norms regulating the just distribution of housing."

South Africa's case is mentioned in a separate Vatican dossier, which says the problem of the homeless there is "a direct result" of apartheid and attacks the Group Areas Act.

"According to the most recent report of the national building research institute, about 3 500 000 people are living in inadequate habitations (in South Africa)."

"A particular problem is that of the 1 500 000 workers forced to live away from their families."

The overall report, drawn up by the commission headed by French cardinal Roger Etchegaray, gave other alarming statistics. "A thousand million people, that is one fifth of the human race, do not have decent housing."

"One hundred-million people quite literally do not have a roof over their heads."

But the statement added that governments should not shoulder the burden alone. "The homeless should be encouraged to form grass roots associations for the purpose of procuring housing, once informed of their rights, and if necessary with legal assistance."

E Cape housing sale falters

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D/D 5/2/88

EAST LONDON — Only 9,7 per cent of the 34 045 State-owned houses in the Eastern Cape have been sold to tenants in black urban areas, a figure which compares unfavourably with sales in other areas.

According to a press statement issued by the Transvaal Provincial Administration, Transvaal sales during December totalled 21,65 per cent of the 240 965 houses available.

Sales in the Western Cape totalled only 7,41 per cent of the 20 041 houses available, and in the Northern Cape 29,33 per cent of the 10 786 houses available.

Natal sales totalled 12,03 percent of the 9 861 houses available, and Free State sales totalled 28,8 per cent of the 17 041 available houses.

The executive director of Community Services for the Cape Provincial Administration, Mr D. J. Retief, said average sales figures in the Cape Province as a whole totalled about 10 per cent.

The low sales figures in the Eastern Cape could be attributed to unemployment and unrest in the area, he said.

"Unrest prevented land surveyors from completing surveys in the townships, so building was delayed."

Mr Retief said surveyors could only begin work in the Western Cape once leasehold rights had been introduced.

"The delay meant that the action started late here, which explains lower sales figures."

The statement said that experience in the United Kingdom has shown that the privatisation of Council houses has usually resulted in improvements to the homes in question and a general enhancement of living conditions.

The same applies in this country, where the value of privately owned houses has risen due to improvements and renovations. — DDR

WHITE HOUSING

Swinging to the sellers

5/2/88 FM

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The white housing market, until recently a buyer's dream, is turning into a seller's delight.

Following an uninspired third quarter last year, the market has shown a remarkable turnaround in the past few months.

Prices of existing homes, especially in the middle and upper brackets, have risen rapidly, largely driven by a shortage of stock. Sales have been driven, too, by the fear that bond rates will rise rapidly in the second half of this year and money will once again become scarce.

Mario Pretorius, MD of Aida National Franchises, says his records show prices of existing houses in January were, on average, 9,5% up on December — although only 10% up on January last year.

What's more, he says that although there is always a shortage of stock "at acceptable prices," this has been exacerbated recently as sellers' expectations were raised in anticipation of a property boom.

Another consequence of the stock shortage is that many would-be buyers have turned to building new houses, despite hefty materials cost hikes and increases in builders' margins. Previously undeveloped townships are now mushrooming.

Rob Crockett, deputy MD of Schachat Homebuilders, estimates that sales of new houses will increase by at least 10% this year, and that prices will rise by around 20%.

However, it is not only the sellers' perceptions which are changing — Frank Berkeley, Gough Cooper MD, says buyers are now going into the market prepared to pay far more than a few months ago — provided the location is right.

His company's development Ashdown Forest, in Bedfordview, sold out in six months — with prices rising from R185 000 in August to around R225 000 in January, mostly because of building cost escalations.

Stableford Mews, just off the golf course in Randpark, was sold out in the two months following its November launch — at prices ranging from R118 000 to R150 000. Entry level on the second phase is pitched at R130 000.

Both these developments also have good security systems, which are proving another major attraction for builder-buyers.

Amaprop's Peter Gardiner says land sales worth R5,7m were notched up at Fourways Gardens in Sandton last year, with the bulk changing hands in the last half of the year. Stands in the township, which has 24-hour security, start at R43 000. Around 100 of the 321 stands in the first phase are left, but already 35 houses have been built and another 35 are under construction — at prices

ranging from R120 000 to R250 000.

In another residential development, Dovehouse at Gillitts in Natal, Amaprop sold 200 stands last year and is launching another phase of 89 stands at prices ranging from R30 000 to R35 000. Houses will cost R120 000 to R200 000.

In the Cape, traditionally some way behind the PWV area and Natal on price, developers are also surprisingly bullish.

Entrepreneur Harry Fuchs has just launched an exclusive, 17-unit scheme on the slopes of Signal Hill. It is to be known as De Waterkant Piazza and its 130 m² double-storey units will sell for R190 000 and up.

Then there's the R50m plan to put 400 houses and a hotel alongside the golf course in East London's Bunker's Hill suburb, and the plan to sell 12 parts of Sea Farm on a peninsula just west of Betty's Bay for R200 000 to R250 000 a site.

In fact, so good have land sales been recently, that the United Development Corporation (UDC) is now predicting a shortage of high quality land stock for second and third time home buyers.

Consequently, says UDC marketing manager Jonathan Fair, it has launched Woodhill Manor, in Randburg, with stands at an average price of R32 500 for 1 000 m² and upwards.

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THE cost of a new house could rise by more than 6% once the new value added tax (VAT) is introduced.

And with building costs expected to rise this year by a minimum 17%, the combined rise could add an extra R23 000 to the cost of a R100 000 house by year-end.

National Association of Home Builders (NAHB) executive director Johan Grotsius says about 50% of the cost of a house at present — that part made up of labour, overheads and finance charges — is not subject to GST.

However, under the proposed VAT system this would appear to be taxable and could add R6 000 to the cost of a R100 000 home.

Grotsius said the home building industry was anxiously awaiting information on VAT, as the tax could present another

VAT could boost house prices 6%

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TERRY MEYER

major obstacle in the way of buying a home.

To make matters worse for first-time buyers, major builders throughout the country confirm that, with building material increases, they are no longer able to build homes for less than R40 000, which is a pre-requisite if first-time buyers are to apply for government bond subsidies.

And with mortgage interest rates expected to rise later this year, the cost of a new home could prove even more "unreachable" to first-time home buyers.

Prize moves to R800

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BUSINESS

VAT may push up house prices 6%

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JOHANNESBURG — The cost of a new house could rise by more than six per cent once the new value added tax (VAT) is introduced.

And with building costs expected to rise this year by a minimum 17 per cent, the combined rise could add an extra R23 000 to the cost of a R100 000 house by year-end.

The National Association of Home Builders (NAHB) executive director, Mr Johan Grotsius, says about 50 per cent of the cost of a house at present — that part made up of labour, over-

heads and finance charges — is not subject to GST.

However, under the proposed VAT system this would appear to be taxable and could add R6 000 to the cost of a R100 000 home.

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And with mortgage interest rates expected to rise later this year, the cost of a new home could prove even more "unreachable" to first-time home buyers.

For the past few years the cost of existing, or second-hand, homes has lagged behind that of new homes, making them a relative bargain.

mind that specific guidelines for economising in a particular year can only be given once the final estimates are known.

Although funds for education are limited, the Department of Education and Culture is determined to maintain a high standard of education. However, for this the Department needs the support of everybody involved. It is also necessary to bear certain realities in mind:

- The funds available for education are limited.
- A provincial education department must be administered with the amount allocated to it.
- At every level of education, as is also true for other state departments and other viable undertakings, it is imperative that priorities be determined.
- As all the education departments are free to determine their own priorities, it serves no purpose to lift out one aspect of an education department and compare it with a specific aspect of another education department.

Cape Province	(a)	40.38%
Natal		48.6%
OFS		41.28%
Transvaal		42%
Head Office*		1.7%
Joint Matriculation Board		this information is not currently available.

*The vast majority of these candidates are enrolled at technical colleges and enter for a small number of subjects only.

Mr D J N MALCOMNESS: Mr Speaker, may I address you on a point of order relating to your decision earlier in regard to the reply of the hon the Minister of Law and Order? On pages 80 to 82 of *Parliamentary Procedure in South Africa*, Kilpin discusses the issue of replies to questions. On page 74 of the *Manual for Presiding Officers* the following interpretation is given of the relevant section in Kilpin:

Mr Speaker is unable to lay down the form in

ment or to make unwarranted deductions on the grounds of such a comparison.

• In future schools will to a certain extent be dependent upon the contributions of parent communities and other partners of education. However, nobody who cannot afford to contribute will be under any compulsion in this regard.

Against this background I wish to thank most sincerely principals of schools, parents and school communities who accept these realities with understanding and who, together with all our other partners, maintain the highest possible standard of education in our schools.

Std 10 examinations: matriculation exemption

*7. Mr K M ANDREW asked the Minister of Education and Culture:

What percentage of pupils from schools falling under his Department who wrote the Std 10 examinations at the end of 1987 passed (a) with and (b) without matriculation exemption?

†The MINISTER OF EDUCATION AND CULTURE:

(a)	52.31%
(b)	46.8%
	56.03%
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which a Minister should reply to a question, but a Minister is expected to confine himself to the points contained in the question and must not use offensive, unbecoming or critical language, nor may he debate the matter to which the question refers.

May I therefore ask you, Sir, to reconsider your decision, after properly consulting Kilpin and perhaps May on parliamentary procedure.

Mr SPEAKER: I will have a look at the authority from which the hon member quoted and I will give him a decision at a later stage.

HOUSE OF ASSEMBLY

†Indicates translated version.

For written reply:

General Affairs:

Unemployment Insurance Fund

25. Mr P G SOAL asked the Minister of Manpower:

- (a) What was the total amount (i) paid into the Unemployment Insurance Fund in 1987 and (ii) paid out in benefits by the Fund in that year and (b) to how many (i) White, (ii) Coloured, (iii) Indian and (iv) Black applicants were benefits paid?

The MINISTER OF MANPOWER:

- (a) (i) R583 168 280
(ii) R388 274 527

(b) The Unemployment Insurance Act, 1966, makes no distinction between the various population groups and consequently the Fund does not have separate figures available.

NOTE: The above-mentioned figures are provisional and subject to audit.

Land and Agricultural Bank: loans

82. Mr R J LORIMER asked the Minister of Finance:

- (a) What was the total amount of loans granted to farmers by the Land and Agricultural Bank as at 31 December 1987 and (b) to how many farmers had these loans been granted?

The MINISTER OF FINANCE:

- (a) R2 661 009 735
(b) 40 432

Land and Agricultural Bank: loans

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- (1) How many (a) Coloured, (b) Indian and (c) Black farmers (i) applied for loans from and (ii) were granted loans by the Land and Agricultural Bank in 1987;
(2) what was the total value of the loans so (a) applied for and (b) granted in respect of each of the above population groups in this year?

The MINISTER OF FINANCE:

1(a)(i)	(b)(i)	(c)(i)
24	20	None
(a)(ii)	(b)(ii)	(c)(ii)
20	9	None

Coloured farmers

2(a) — R290 400

(b) — R217 400

Indian farmers

(a) — R1 845 000

(b) — R527 400

Black farmers

(a) — Nil

(b) — Nil

Land and Agricultural Bank: housing loans

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What total amount of money was on loan to employees of the Land and Agricultural Bank in the form of housing loans as at 31 December 1987?

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(23)



by day 17/12/88

BLACKS SLOW TO BUY HOUSES

FOUR out of every five blacks in council housing still rent their homes in spite of government's major house-selling drive.

By January, the National Housing Commission (NHC) had sold only 20% of the total number of homes available under the scheme, while 80% of occupants were still registered as tenants, NHC sales co-ordinator Alex Weiss disclosed yesterday.

Last year government offered vast reductions on house prices.

Weiss said in the Transvaal 21,94% of the available houses had been sold by January — 58 411 out of 266 239.

Commenting on the slow response,

SOPHIE TEMA

Weiss said: "The black community does not respond as expected despite the government having done everything possible to streamline the sale of houses."

Weiss said the reason could be that most did not understand home-ownership. He said the Transvaal Provincial Administration had repeatedly asked employers to explain to their black employees the advantages and financial details of home-ownership.

The NHC had also launched various programmes to boost the campaign.

Black homes drive fails to take off

CARE 71915 17/2/88 123

Own Correspondent

JOHANNESBURG. — Four out of every five blacks who occupy council housing still rent their homes in spite of the government's major house-selling drive.

By January this year the National Housing Commission (NHC), which is conducting the sale, had sold only 20% of the total number of available units. Eighty percent had still not bought their houses.

Last year the government offered massive reductions on the prices of houses put on sale by the NHC.

The NHC's sales co-ordinator, Mr Alex Weiss, yesterday said 80% of occupants were still registered tenants and had not become home-owners.

He said that in the Transvaal 21,94% of the houses on sale had been sold by January this year. Of the 266 239 for sale in the Transvaal only 58 411 had been sold, leaving a balance of 207 000 houses. The NHC owns 53 694 houses in Soweto.

Commenting on the slow response from residents to buy their houses, Mr Weiss said: "The black community did not respond as expected despite the government having done everything possible to streamline the sale of houses."

Mr Weiss said the reason the community had not taken advantage of the opportunity to buy their houses could be that most of them did not understand the concept of home-ownership.

He said the Transvaal Provincial Administration had repeatedly asked employers in industry and commerce to explain to their black employees the advantages and financial details of home-ownership in terms of the government's "big sale".

The NHC had also launched various programmes in the townships to boost the government's campaign to sell houses and to teach prospective home buyers the concept of freehold rights.

Mr Weiss said the discount sale of houses would continue till every house had been sold.

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THE MINISTER OF DEFENCE:

The hon member is referred to the reply in this House to the written Question No 78 of 1987.

Publications/objects prohibited

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

Whether the possession of any publications or objects was declared prohibited in 1987 in terms of section 9(3) of the Publications Act, No 42 of 1974; if so, how many publications or objects in terms of section 47(2)(a), (b), (c), (d), (e) and (f), respectively?

THE MINISTER OF HOME AFFAIRS:

Yes.

Section 47(2)(a)	(b)	(c)	(d)	(e)	(f)
64	3	2	6	70	—

Handwritten signature

Reclassifications

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

(a) What total number of persons in each category applied to be reclassified from one race group to another in 1987 and (b) how many of these applications were unsuccessful in each case?

THE MINISTER OF HOME AFFAIRS:

	(a)	(b)
White to Cape Coloured	5	1
Cape Coloured to White	313	69
Cape Coloured to Chinese	4	—
White to Chinese	1	—

Handwritten signature

Chinese to White

White to Malay	10	4
Malay to White	17	5
Indian to Cape Coloured	61	3
Cape Coloured to Indian	35	2
Indian to Malay	9	—
Malay to Indian	23	1
Black to Cape Coloured	382	113
Cape Coloured to Black	3	—
Black to Other Asian	8	—
Black to Indian	2	—
Black to Griqua	7	—
Cape Coloured to Malay	13	1
Chinese to Cape Coloured	2	—
Indian to Black	2	—
Malay to Cape Coloured	15	—
Griqua to Cape Coloured	2	—
	918	196

Electrified fence on northern/eastern borders

272. Mr P G SOAL asked the Minister of Defence:

What total number of persons (a) had died as a result of contact with the electrified fence on the (i) northern and, (ii) eastern borders of the Republic since the construction of each of these fences as at the latest specified date for which figures are available and (b) died as a result of such contact in 1987 in each case?

THE MINISTER OF DEFENCE:

- (a) (i) From 12 August 1985 until 15 February 1988 — 6 persons
 - (ii) From 1 June 1986 until 15 February 1988 — 46 persons
 - (b) Northern fence — 1 person
 - (c) Eastern fence — 34 persons
- Handwritten signature*

Handwritten signature

†Indicates translated version.

For written reply:

Own Affairs:

Amounts spent on housing

4. Mr P G SOAL asked the Minister of Local Government, Housing and Works:

What amounts were spent by his Department in the 1987-88 financial year on the construction of housing for Whites in (a) Cape Town, (b) Durban, (c) Pietermaritzburg, (d) Pretoria, (e) Port Elizabeth, (f) Kimberley, (g) East London, (h) Bloemfontein and (i) Johannesburg?

THE MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS:

Amounts spent per metropolitan area for the period 1 April 1987 until 31 December 1987 are as follows:

- (a) R6 985 122
- (b) R9 709 319
- (c) R1 276 951
- (d) R1 914 733
- (e) R2 300 977
- (f) R Nil
- (g) R2 320 727
- (h) R3 148 945
- (i) R15 382 759

Housing assistance: amounts spent

6. Mr P G SOAL asked the Minister of Local Government, Housing and Works:

What amount was spent by the State in respect of housing assistance to the White population group in the latest specified financial year for which figures are available?

THE MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS:

R94 930 789.

Drought relief: financial assistance

12. Mr H H SCHWARZ asked the Minister of Agriculture and Water Supply:

What was the total amount of financial assistance rendered by his Department in the form of drought relief during 1987 or the latest specified 12-month period for which figures are available?

THE MINISTER OF AGRICULTURE AND WATER SUPPLY:

R206 138 050
(1 April 1987-31 January 1988)

Durban: accommodation units built

34. Mr M J ELLIS asked the Minister of Local Government, Housing and Works:

How many accommodation units for aged White persons were built in the Durban municipal area with financial assistance from the State in 1987?

THE MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS:

24 double units for the accommodation of 48 aged persons.

Handwritten number 123

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BUSINESS

D/D 25/2/88

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House prices go up 13pc

JOHANNESBURG — House prices sustained their upward trend in the fourth quarter last year, rising by about 13 per cent for a medium-sized house compared with the same quarter of 1986, says the United Building Society (UBS) in its latest quarterly review released yesterday.

The average price of a medium-sized house was now about R80 000. Larger houses, costing R111 000 on average, had increased in price by about 13 per cent, while small houses, now trading at roughly R64 000, had increased in price by about six per cent.

On a quarter-on-quarter

basis — fourth quarter on third quarter — the highest price increase occurred in "the rest of Natal", 10 per cent, followed by West Rand and Vaal Triangle, both eight per cent.

Price adjustments elsewhere were East Rand, six per cent, Western Cape, five per cent, Eastern Cape, three per cent, rest of Transvaal, Free State and North Cape, all two per cent, and Durban-Pinetown, one per cent. House prices in Johannesburg and Pretoria remained virtually unchanged.

The report predicts that house prices will

rise by about 17 per cent this year.

"The demand for housing is expected to increase substantially over the next year, supported by factors such as the reversal in the net emigration trend, renewed investor interest in property after the crash on the stock market, and an improvement in the overall financial position of the average South African," it says.

"We further foresee building costs rising by some 18 per cent average in 1988, mainly driven by higher profit margins and rising labour costs in the building industry."

It states that the price differential between new and existing houses widened further to about 15 per cent in the last quarter of 1987. A new medium-size house currently sold at approximately R93 000, while older houses of the same size cost about R78 600.

"The widening in the price differential was mainly the result of the steady increase in building costs over the past year — currently running at some 16 per cent — and a rising demand for new houses on the part of first time homeowners."

— Sapa

HOUSE PRICES

On the up-and-up

The dramatic turnaround in the housing market is destined to push house prices up this year by more than the expected 15% inflation rate.

The UBS Quarterly Housing Review reveals that house prices rose by an average of 13% in the year to December. This compares with a year-on-year figure of 43% from 1985 to 1986. However, UBS economist Hans Falkena now expects a total average increase of some 17% in 1988.

The 1987 fourth quarter average increase of 2% also compares favourably with a 0% increase in the third quarter, indicating the swing of private investors back to bricks and mortar after the October stock exchange crash.

The increase in demand is also demonstrated by a rapid increase in the number of house plans passed (see graph) since the market bottomed in early 1985. This is already translating into a substantial increase in building starts and should result in significant numbers of new houses completed later this year.

This in spite of the fact that the price differential between new and existing housing has risen to 15%, compared with 6% three years ago. A medium-sized (141 m²-220 m²) new house now sells for around R93 000, while older houses of the same size cost about R78 600. The rising differential in the past year was mainly the result of steadily increasing building costs as contractors looked to restore previously eroded margins and to cover rising labour and materials costs.

However, a shortage of stock in the existing market (*Property* February 5) and concomitant high prices, is driving more first-time buyers into the new housing market. This is evidenced, for example, by rapid increases in prices in areas such as the East and West Rand. The review shows an annual increase to December of 18% in the West Rand and 15% in the East Rand.

More pressure

However, the biggest annual increases occurred in the eastern Cape (19%) and Natal, excluding Durban-Pinetown (21%).

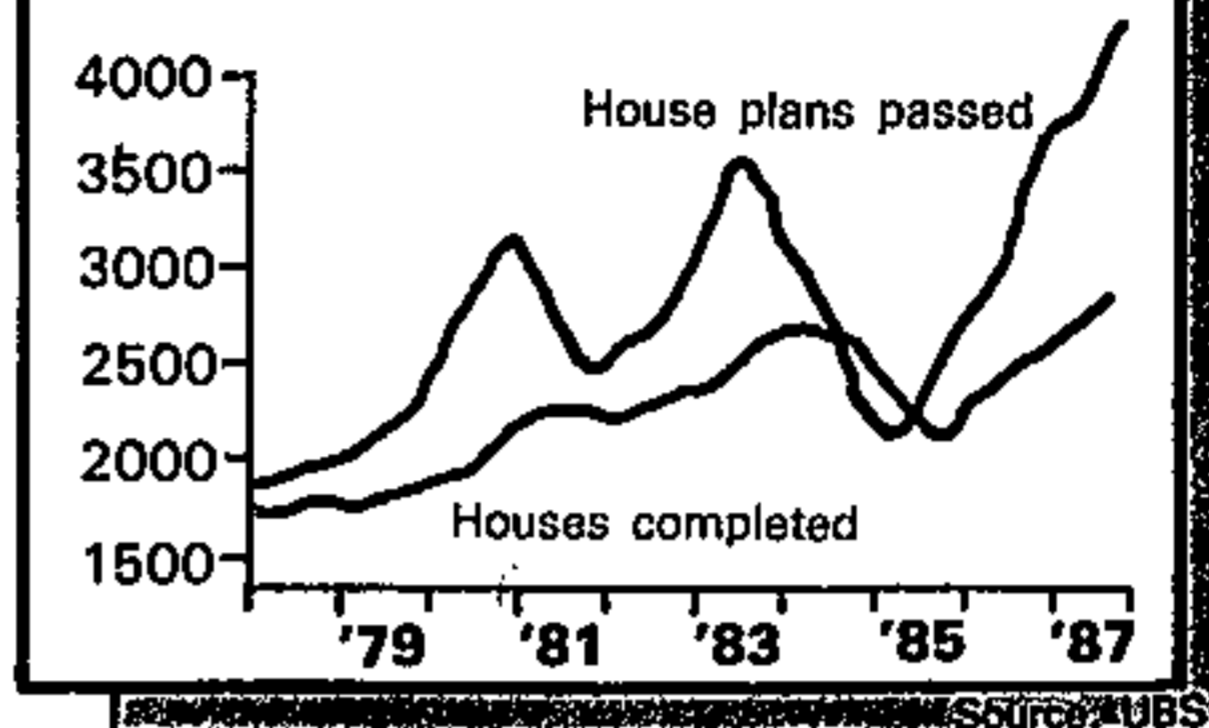
Falkena reckons the demand for housing will increase even more this year, supported by factors such as "the reversal in the net emigration trend, renewed investor interest and an improvement in the financial position of the average South African."

One factor which could dampen demand is the fear of bond rates rising. However, although the UBS expects that improvement in domestic economic activity will exert pressure on interest rates towards the end of

March, Falkena says the intense competition in the bond market will probably cause bond rates to lag behind the upward trend in other rates.

Banks have taken a substantial slice of

Laying the foundation



business, particularly in the middle to upper markets. Standard's Dennis Matfield says the average size of advances by the bank has increased from R69 000 to R78 000 in the past four months.

Cape Times 26/2/88

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R95m spend on housing

Political Correspondent

NEARLY R95 million was spent last year on white housing by the Own Affairs Department of Local Government, Housing and Works.

Replying to written questions by Mr Peter Soal (PFP Johannesburg North) the Minister, Mr Amie Venter, said assistance in the metropolitan areas was: Cape Town R6,9 million, Durban R9,7 million, Maritzburg R1,2 million, Pretoria R1,9 million, Port Elizabeth R2,3 million, East London R2,3 million, Bloemfontein R3,1 million, Johannesburg R15,3 million.

He told Mr Mike Ellis (PFP Durban North) that the department had built 24 double units to accommodate 48 aged people in Durban.

PFP presence down to one

Political Correspondent

THE PFP's representation on parliamentary standing committees has been cut from two members to one following the defection of three members of the PFP.

Mr Jan van Eck left the party to become an independent while Mr Peter Gastrow and Mr Pierre Cronje joined forces with Mr Wynand Malan's New Democratic Movement.

THE MINISTER OF LAW AND ORDER:

- (a) 73 policemen.
(b) 636 policemen.

*6. Mr P G SOAL—Public Works and Land Affairs. [Withdrawn.]

Notices to evict non-White occupants

*7. Mr S S VAN DER MERWE asked the Minister of Constitutional Development and Planning:

Whether any owners of properties in White group areas who leased such properties to non-White occupants, have had notices issued in 1987 to evict the occupants concerned; if so, (a) (i) how many, (ii) why, (iii) when and (iv) on whose instructions and (b) in which towns or cities were these notices issued?

THE DEPUTY MINISTER OF DEVELOPMENT PLANNING:

No.

South African Certification Council

*8. Mr A GERBER asked the Minister of National Education:†

Whether the South African Certification Council proposes to introduce equal educational standards; if not, why not; if so, when?

†THE MINISTER OF NATIONAL EDUCATION:

Section 3 of the South African Certification Council Act, No 85 of 1986, stipulates that it is the object of the Council to ensure that the certificates issued by the Council at a point of withdrawal represent the same standard of education and examination. Because the Council does not control education departments, it cannot introduce equal standards of education but it can however ensure that the certificates issued by it will represent the same standard. The quality of education that is provided in each education department and the standards which pupils achieve in each department, depend upon that department and the community it serves.

The members of the Council have already been appointed and the Council will in due course be able to determine its working programme.

Corridor between Brits/Thabazimbi: transfer

*9. Mr A GERBER asked the Minister of Constitutional Development and Planning:†

(1) Whether his Department is at present considering the possible transfer of the corridor, or a portion thereof, situated between Brits and Thabazimbi and bordered by Bophuthatswana; if so,

(2) whether any negotiations have taken or are taking place with White landowners of the area concerned; if not, why not; if so, (a) when and (b) with what result;

(3) whether any negotiations on the matter have taken or are taking place with the Government of Bophuthatswana; if so, (a) when and (b) with what result;

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

†THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(1) No.

(2) Falls away.

(a) and (b) Fall away.

(3) No.

(a) and (b) Fall away.

(4) No.

S G Lourens Nursing College: student nurses

*10. Mr A GERBER asked the Minister of Constitutional Development and Planning:†

Whether any Coloured student nurses are currently receiving their theoretical training at the S G Lourens Nursing College; if so, (a) how many, (b) why and (c) where (i) are they completing the practical part of the course, (ii) are they accommodated and (iii) did they previously receive their training?

†THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Yes.

(a) Eight.

(b) The Coloured community of Pretoria requested that Coloured student nurses from their community be trained through the medium of Afrikaans.

(c) (i) At the Coloured, Indian and Black

sections of the H F Verwoerd and Westkoppies hospitals and at clinics in Eersterust.

(ii) In the Dennekruijn residence for Coloured nurses at the H F Verwoerd Hospital.

(iii) At the Lebone Nurses Training College, where training was done in English.

Clifton Beach: arrests for topless bathing/sunbathing

*11. Mr C W EGLIN asked the Minister of Law and Order:

(1) Whether any persons were arrested on Clifton Beach on or about 10 February 1988 for alleged topless bathing or sunbathing; if so, (a) how many, (b) with what offences were they charged in each case and (c) what were the (i) ranks and (ii) positions held in the Police Force of the policemen who made the arrests;

(2) whether the arresting officer was acting in response to a complaint from a member of the public in each case; if so, (a) when and (b) where were these complaints lodged; if not, on whose instructions did he take this action;

(3) whether these policemen were in police uniform at the time of the arrests; if not, why not;

(4) whether, prior to being arrested, the persons concerned were warned that they were committing an offence; if not, why not; if so, (a) when and (b) by whom;

(5) whether these persons were fingerprinted following their arrest; if so, why?

THE MINISTER OF LAW AND ORDER:

(1) Yes.

(a) 2 persons on 10 February 1988 and 2 persons on 11 February 1988. They were, however, released shortly after their arrest after they had been summonsed.

(b) Contravening section 19(b) of the Immorality Act, 1957 (Act 23 of 1957), public indecency.

(c) (i) and (ii)

One detective sergeant and one detective constable of the Narcotics Bureau of the South African Police.

(2) (a) and (b) Yes. The Narcotics Bureau of the South African Police who are responsible for the investigation of cases of this nature, received several written complaints on various dates from residents of the area and also from persons who objected on account of moral and religious grounds.

(3) No. Members of the Narcotics Bureau perform duty in civilian clothes.

(4) No. Section 40(1)(a) of the Criminal Procedure Act, 1977 (Act 51 of 1977), authorises a police official to arrest someone who commits a crime in his presence without a warrant. The Act does not stipulate that the police official must warn the person that he/she is committing an offence before he/she is arrested.

When the arrest is carried out, the police official must inform the person that he/she is being arrested and for what offence or crime. During the arrest of the 4 persons concerned, this requirement was met.

(5) Yes. Section 37(1)(a)(ii) of the Criminal Procedure Act, 1977 (Act 51 of 1977), authorizes a police official to take the finger-, palm- or footprints of a person arrested upon any charge. In the case of these 4 persons, their fingerprints were taken and sent to the South African Criminal Bureau to ascertain by that means whether they had previous convictions or not. In the event of a conviction by a competent court, the clean record/previous convictions are taken into consideration for purposes of sentencing. If the person is acquitted, the fingerprints are destroyed by the South African Criminal Bureau as soon as they are informed of the acquittal.

NOTE: I wish to point out to the hon member that according to representations received from the residents of the area, since the beginning of the summer and since the press started giving publicity to topless bathing, men of dubious character have flocked to this beach. Police observation has confirmed this fact.

HOUSE OF ASSEMBLY

†Indicates translated version.

For written reply:

General Affairs:

Housing rentals/service charges: amount owing

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

What total amount was owing to Black local authorities in respect of (a) housing rentals and (b) service charges in each specified province of the Republic as at 31 December 1987?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Housing rentals and service charges are levied as a single amount. Therefore separate figures cannot be furnished. The total amount for each of the provinces is as follows:

ORANGE FREE STATE

R16 857 555,59

NATAL

R2 455 387

TRANSVAAL

R321 179 285

CAPE PROVINCE

R46 938 619

Primary/secondary schools in departmental regions

174. Mr P G SOAL asked the Minister of Education and Development Aid:

What total number of (a) primary and (b) secondary schools was there in each specified departmental region as at 31 December 1987?

The MINISTER OF EDUCATION AND DEVELOPMENT AID:

REGION	(a) PRIMARY	(b) SECONDARY
N Transvaal	1 200	95
Highveld	868	97
Johannesburg	275	62
Orange-Vaal	1 483	34
OFS	1 369	45
Natal	1 022	39
Cape	1 049	58

Information as on 3.3.1987. Figures for 31 December 1987 are not available.

Private bodies/persons: amounts owing by Government

287. Mr H H SCHWARZ asked the Minister of Finance:

What amounts were owing to private bodies and persons by the Government, other than on bank facilities and stock issues, as at the latest specified date for which figures are available? The MINISTER OF FINANCE:

R1 857 033 984 — as at 31 January 1988.

(This amount excludes foreign loans, stock issues and Treasury Bills.)

Films: subsidies paid

355. Mr H H SCHWARZ asked the Minister of Economic Affairs and Technology:

(1) What amounts were paid in subsidies in the 1986-87 financial year in respect of films in (a) Afrikaans, (b) English and (c) the African languages?

(2) In respect of how many films in each language were these subsidies paid?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY:

(1) (a) Afrikaans	R2 068 944
(b) English	R2 944 229
(c) Black languages	R4 738 117
	R9 751 290

Note: The amounts were paid in respect of films released during the 1986/87 financial year as well as in respect of films released during previous years but which still qualified for the subsidy.

(2) (a) Afrikaans	13
(b) English	7
(c) Black languages	132
South African Certification Council: persons appointed	
361. Mr R. M. BURROWS asked the Minister of National Education:	

Whether, with reference to his reply to Question No 14 on 15 September 1987, he has as yet appointed persons to serve on the South African Certification Council; if not, why not; if so,

(a) what are the names of the persons appointed, (b) what are their qualifications for serving on this council in each case and (c) with effect from what date were they appointed?

The MINISTER OF NATIONAL EDUCATION:

Yes.

(a) and (b):

Chairman:

Prof. C F Crouse, Vice-Chancellor and Rector of the Rand Afrikaans University. An expert on the mathematical sciences and in the use of statistical techniques in achieving the object of the Council.

People nominated by Ministers of Departments of State responsible for Education:

Minister of Education and Development Aid: Dr E P Ndaba, Deputy Director, Education Development Services, Department of Education and Training.

Minister of Education and Culture (Ministers' Council of the House of Delegates): Mr B M Moodley, Chief Education Planner.

Minister of Education and Culture (Ministers' Council of the House of Assembly): Dr C R Meinjes, Superintendent of Education, Curriculum Service, Cape Education Department.

Minister of Education and Culture (Ministers' Council of the House of Representatives): Mr W A Schroeder, Chief Inspector.

Selected expert members:
Mr J A Benade, Principal of Hoërskool Vobis-trekker, Pietermaritzburg. An expert on the teaching of Accounting and on pre-tertiary education in general.
Prof M W Browne, Professor of Statistics at Unisa. An expert in the use of statistical techniques in achieving the object of the Council.
Prof C G Troskie, Professor of Statistics at the

University of Cape Town. An expert in the use of statistical techniques in achieving the object of the Council.

Mr J P Brummer, President of the Association of Correspondence Colleges and Managing Director, Damesin Education Group. An expert on the teaching of Afrikaans and on private education and correspondence colleges.

Mr M Henning, Principal of St Suthan's College, and National Executive Officer of the Association of Private Schools. An expert on the teaching of Geography and English and on private school education.

Dr J S Hill, Chief Educationist, Department of Education and Culture. Administration: House of Assembly. A curriculum specialist.

Mr A T Jackson, Principal of the SADF Technical College, Wingfield. An expert on pre-tertiary vocational education.

Mr D Kobe, former Secretary of Education in Lebowa. An expert on pre-tertiary education in the self-governing territories.

Prof H J Potgieter, Dean of the Faculty of Natural Sciences, University of the Orange Free State. An expert on the natural sciences.
(c) 23 December 1987.

Venda: projects financed by RSA

390. Mr R A F SWART asked the Minister of Foreign Affairs:

(1) Whether his Department has approved any projects in Venda which are to be financed in part or in whole with moneys appropriated by Parliament; if so,

(2) in respect of 1987, (a) what is the (i) name and (ii) nature of the project, (b) where is it situated, (c) what is the estimated total capital cost of the project, and (d) how much of this cost is to be borne by the South African Government, in each case?

The MINISTER OF FOREIGN AFFAIRS:

(1) Yes.

Banks switch loans to blue-chip market

Discount houses lack 'free' cash

DISCOUNT houses are experiencing a change in character due to the erosion of "free" cash held on call by banks, says the Bank of Lisbon Economic Focus newsletter.

Since 1979, call loans and other loans held with discount houses, compared to the houses total liabilities, have shrunk from 78.9% in 1979 to 11.1% in 1986. Discount houses have become jobbers in the money and capital markets instead.

The banking system's traditional cash balancing mechanism has been

HELOISE HENNING

undermined by the liquidity constraints of the foreign debt moratorium, it says.

The smooth working of the cash balancing system depends on large "free" cash reserves. Low levels create short term fluctuations in banking liquidity accompanied with volatile short term interest rates, resulting in low business confidence.

Evolving monetary policy, the expansion of private sector credit and the substantial sale of government

stock to the non-banking system to finance deficits, has also eroded cash reserves.

Banks are also entitled to go straight to the central bank.

Despite the De Kock Commissions expectation that lower short term rates and higher long term rates would revert the cash balancing system to its traditional form, this has not happened.

Bank of Lisbon says the reason lies in the influence exerted by the Corporation for Public Deposits (CPD) in the wake of the foreign debt standstill and the recycling of debt into the Public Investment Commission.

Recycling opportunities have given banks a larger incentive to economise on cash holdings, reducing call deposits. Instead they have grown their overnight market to accommodate blue chip customers at interest rates below prime.

"It remains to be seen just how liquid this market is in the face of significant demands for repayment by banks."

The lack of cash relief for banks in a general shortage and the low level of funds kept with discount houses could herald a change in monetary conditions.

Under assumed growth, the monetary authorities "may deem it to be desirable to scale down, if not largely abandon, recycling operations involving CPD funds", forcing banks to use the more expensive access to the Reserve Bank discount window. This could precipitate a sudden significant rise in domestic interest rates.

Bank of Lisbon suggests the discount window be closed to the banks or that terms of access be altered to encourage banks to hold larger call deposits at discount houses.

The previous banking milieu could be regained if money market rates became more closely aligned to the re-discount rates of the Reserve Bank. Discount houses would then be more inclined to hold short term paper and offer higher call rates.

Vexed question of house prices

123
SIT 6/13/88

THE decision to build a house or buy an existing one is becoming more difficult.

The Bureau for Economic Research at Stellenbosch University and the United Building Society differ on trends in housing and building.

The BER says house prices shot up by an "astonishing" 27% in 1987, and building costs are expected to jump more than 20% this year.

Referring to the 27% increase, the BER says: "This growth rate has important implications for house builders because it means new houses become more easily marketable, especially in white areas, as the existing houses start approaching re-

By Udo Rypstra

placement values."

The UBS says: "The price differential between new and existing houses widened further to about 15% in the last quarter of 1987 compared to 6% in the fourth quarter of 1984. A new house (medium size) sells at about R93 000, while older houses of the same size cost R78 600 on average.

"The widening in price differential was mainly the result of the steady increase in building costs over the past year (currently 16%) and a rising demand for new houses by first-time owners."

The UBS predicts that demand for housing is expected to increase in the next year.

It says building costs will rise by 18% on average in 1988, mainly because of higher profit margins and labour costs.

"Against this background, we expect house prices to rise by 17% in 1988," says the UBS.

The highest quarter-on-quarter increases in house prices occurred in Natal (excluding Durban and Pietermaritzburg). Prices there rose by about 10%. On the West Rand and the Vaal Triangle, prices rose by 8%.

Smaller price adjustments were recorded on the East Rand (6%), in the Western Cape (5%) and in the Eastern Cape (3%). House prices in Johannesburg and Pretoria have remained virtually unchanged since the third quar-

ter of 1987.

Since the last quarter of 1987, the money and capital markets have been characterised by a general hardening in interest rates. For instance, the prime rate moved up from 12,5% to 13% in January, and the 20-year RSA rate rose from 15,25 in November to 16,77% in January.

In spite of this firming, the mortgage rate has by and large remained unchanged.

"In view of the intense competition in the mortgage loan market, it is anticipated that the mortgage rate (currently 2% negative in real terms) will lag behind the expected upward trend in interest rates."

- (2) No
- (a) Falls away
 - (b) Falls away
 - (c) Falls away
 - (d) Falls away
- (3) No

Christmas cards sent out

608. Mr P G SOAL asked the Minister of Manpower:

- (1) Whether (a) he and/or (b) his Department sent out Christmas cards in 1987; if so, (i) what total number of cards was printed, (ii) to whom were they sent, (iii) what was the total cost of producing and distributing these cards, and (iv) who was responsible for printing them, in each case;
- (2) whether postage stamps were used to send out these Christmas cards; if not, how were they distributed?

The MINISTER OF MANPOWER:

- (1) (a) yes
- (i) 2 000 of which 621 are still at hand, to be used in the future.
 - (ii) To various organizations and people.
 - (iii) R5 888.52
 - (iv) Government Printer
- (b) No
- (i), (ii), (iii) and (iv) Fall away.

- (2) Yes, but only in the case of cards sent abroad. In all other cases the cards were posted under the ministerial office stamp.

Unemployment insurance benefits: applications refused

632. Mr P G SOAL asked the Minister of Manpower:

Whether any persons who applied for unemployment insurance benefits in 1987 were refused; if so, how many in respect of each race group?

The MINISTER OF MANPOWER:

Yes, the applications of altogether 52 724 persons who applied for the different types of

Housing assistance to Whites: amount spent

42. Mr J J WALSH asked the Minister of Local Government, Housing and Works:

What amount was spent by the State in respect of housing assistance to the White population group in the latest specified financial year for which figures are available?

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS:

R94 930 789

Overseas visits

47. Mr P G SOAL asked the Minister of Education and Culture:

- (1) Whether he undertook any overseas visits in 1987; if so, (a) which countries were visited and (b) what was the purpose of each visit;
- (2) whether he was accompanied by any representatives of the media on these visits; if so, (a) what were the names of the journalists involved, (b) which newspapers or radio or television networks did they represent, (c) to which countries did each of these persons accompany him and (d) why;
- (3) whether any costs were incurred by his Department as a result; if so, what total amount in that year?

The MINISTER OF EDUCATION AND CULTURE:

- (1) Yes,
- (a) Mauritius
 - (b) private holiday visit;
- (2) no,
- (a), (b), (c) and (d) fall away;
- (3) no.

School buildings constructed: capital cost

36. Mr M J ELLIS asked the Minister of Local Government, Housing and Works:

- (a) How many school buildings were constructed by his Department in 1987 and (b) what was the average capital cost of constructing these buildings?

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS:

- (a) 7 school buildings have been completed.
- (b) R3 602 914

Pupils/school psychologists: ratio

38. Mr M J ELLIS asked the Minister of Education and Culture:

What was the ratio of pupils to school psychologists in each education department falling under the control of his Department as at the latest specified date for which information is available?

The MINISTER OF EDUCATION AND CULTURE:

Cape: 1:3 180.15, December 1987

Natal: 1:3 000, January 1988

OFS: 1:1 547.9, February 1988

Transvaal: 1:2 387.5, January 1988

Sowetan 8/5/88

Fighting backlog

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THE State was looking increasingly to the private sector to build housing for non-whites, while it limited itself to residential development infrastructure, Mr Kent Durr, the Deputy Minister of Finance, said yesterday.

Addressing the Institute of Estate Agents of South Africa in Franschoek, near Cape Town, Mr Durr said community involvement through self-help schemes should be encouraged.

The role of the private sector was of "cardinal importance" in township development.

However, the Government was also spending increasing amounts on serviced plots where people could establish themselves — a matter receiving "urgent attention."

"We undeniably have a great housing shortage in this country . . .

rationalisation in the building industry and its suppliers is thus of the utmost importance."

He said no barriers should be put in the way of innovative building systems, the use of new materials and even modern derivatives of traditional ways of building.

Some black homebuyers paying more, getting less

By MAGGIE ROWLEY,
Business Staff

SOME black home-buyers are paying more a square metre than is being paid in Bishops-court, Cape Town property developer Mr Peter Swartz says.

Managing director and chairman of Superama, Mr Swartz is also on the board of a number of companies including the Cape Town board of the United Building Society where he is involved in granting home loans.

He said many homebuyers were not getting value for money.

"In one black area homes are being sold at R1 000 a square metre for 65 square metre homes. Recently I was involved in the valuation of a block of flats in Rondebosch for the same price a square metre. However the latter had underground parking and many other perks besides the area," he said.

"There is a tremendous need for housing for blacks, coloured people and Asians in the Western Cape. All these years there has been a need. Nobody has been able to take this from stage one to development process for many reasons, mainly statutory and legal.

"The little activity in this market had one result — the need for housing created a demand which artificially increased the cost of housing for population groups other than white."

He warned that although financing for homebuyers was relatively cheap at the moment, this was only a short-term situation and estate agents should warn buyers so they did not over-commit themselves.

"Interest rates are going to rise this year. In fact it is the social responsibility of estate agents to warn buyers that interest rates could be 13 or even 14 percent shortly and when they buy, they are earning enough to cushion these increases."

All the results of The Argus/M-Net Cycle Tour will be published in a special section of Weekend Argus on Saturday.

ARGUS 8/3/88 (123)

Unorthodox methods needed now — Durr

From MAGGIE ROWLEY, Business Staff

FRANSCHHOEK. — Unorthodox and innovative methods were urgently needed to meet the pressing housing needs of the lower income group, according to Mr Kent Durr, the Deputy Minister of Finance.

Addressing a convention of the Institute of Estate Agents (Cape) yesterday, he said that although the Government saw its role primarily as one of providing the infrastructure for housing, it was not simply standing aside from housing delivery itself.

In addition to the more conventional methods of addressing the housing backlog, a bold approach had been adopted in the past year through the establishment of the SA Housing Trust Ltd — a joint venture between the State and private sector.

So far 15 890 houses had been built on housing projects on service stands produced by third party for a total of R205-million; 4 392 houses had been built in projects funded by the trust, involving housing and infrastructure for R87-million.

In addition, infrastructure projects producing service stands for the trust's future use involved 2 634 houses at a cost of R50-million while projects for future use by third parties on service stands totalled 6 721 at a cost of R32-million.

"If, furthermore, certain other projects already approved by the Trust are brought into calculation, then no less than 37 855 stands will eventually

be produced. A drop in the ocean, to be sure, but a pointer to what can be achieved in a short period by imaginative and resolute action," he said.

The revamping of the building society movement to bring it into line with recent changes in Government policy and perception had given a further boost to housing.

"We are very pleased with the way the new building society legislation is functioning. Four building societies have taken the equity route and one has declared its intention of doing so.

"I believe this reform, or deregulation, has led to keener competition and more innovative packaging and marketing with a wider range of products emerging — all of which adds a new dynamism to the housing and property market, with obvious spin-offs for the house-owner and the whole back-up structure," he said.

Whereas the State had previously been exclusively responsible for township establishments, township development and the provision of housing, it was now realised that the rôle of the private sector was of cardinal importance and that the existing backlogs were partly the result of reluctance previously to involve the private sector or to create conditions to encourage its involvement.

"It is also important that no barriers be put in the way of innovative building systems, the use of new materials or even perhaps modern derivatives of traditional ways of building as a supplement to our conventional building industry," he said.

8/3/88 (123) B/day

State plea on black housing

FRANSCHHOEK — The State was looking increasingly to the private sector to build housing for blacks, while it limited itself to providing the infrastructure for residential development, Deputy Minister of Finance Kent Durr said yesterday.

Addressing the Institute of Estate Agents of SA, Durr said community involvement through self-help schemes should be encouraged. The role of the private sector was of "cardinal importance" in township development.

However, government was also spending increasing amounts on serviced plots where people could establish themselves — a matter receiving "urgent attention".

"We undeniably have a great housing shortage in this country... rationalisation in the building industry and its suppliers is thus of the utmost importance."

Durr said no barriers should be put in the way of innovative building systems, the use of new materials and even modern derivatives of traditional ways of building.

The fact that government saw its role as primarily that of providing the infrastructure did not mean that it was standing aside from housing delivery.

Funds

The SA Housing Trust Ltd had been established through the joint initiative of the state and the private sector. It aimed to mobilise private sector funds for affordable housing and to create job opportunities.

The state had provided R400m in interest-free loans that had been made available to promote affordable homes.

Since starting, the trust had approved expenditure of some R363m for, among others, 15 890 houses in projects on serviced stands and 4 392 houses in projects funded by the trust involving housing and infrastructure.

If other projects approved by the trust were brought into the calculation, 37 855 stands would eventually be produced, Durr said. — Sapa

First National Bank home loans to be 1 percent more tomorrow

Borrow Rate Rises

By TOM HOOD
Business Editor

AK 45

9/3/88

123

A 16-MONTH holiday for home-owners will end tomorrow when First National Bank raises its home loan rate by 1 percent to 13,5 percent.

Senior general manager Mr Jimmy McKenzie said deposit rates paid to savers and investors are also likely to increase.

A home-owner with a R50 000 bond will pay R35 more a month — making about R603 — on a 20-year loan.

But about 80 percent of home-owners receive subsidised loans, so their actual repayments will be less than this.

Mortgage rates of other commercial banks, building societies and financial institutions are under pressure where they are linked to the banks' prime lending rate, which is going up by 1 percent.

Standard Bank, the first to announce a 1 percent hike in its prime lending rate today, said its home-loan rate was pegged to 12,5 percent up to the end of June, but no decision has been taken yet about an increase.

Stand still

Volkswagen said prime and other overdraft rates would rise by 1 percent. Mortgage rates are unchanged.

For 16 months home-owners have seen their monthly repayments stand still.

The repayment on a R50 000 bond dropped from a high of R970 at the end of 1984 to below R600. Rates fell from a peak of 25 to 12,5 percent.

The long-expected end of the interest rate holiday dawned yesterday when the Reserve Bank announced an increase of 1 percent to 10,5 percent in the official bank rate — the rate it charges commercial banks and financial institutions.

Fears of an explosion in spending and demand for credit prompted the Reserve Bank to act.

First National Bank said it will increase its prime overdraft rate from 13 percent to 14 percent from tomorrow, a change prompted by the increase in money market rates and the rise of one percent in the bank rate.

This also reflected the recent sharp increase in the demand for credit and the repayment of foreign capital by South Africa.

Farmers

More expensive funds will be particularly harsh for farmers hit by drought and floods. But a spokesman said the bank would continue to support its farming clients "to the full".

First National Bank has about R2-billion in home loans and expects the figure to rise to R3-billion by the end of the year.

Mr McKenzie said: "This is the first adjustment to the home loan rate in 16 months.

"We welcome the statement by Dr de Kock, governor of the Reserve Bank, that there should be more frequent movements of a smaller magnitude in the bank rate — both up and down.

"Lending rates should be market-related and the adjustment an ongoing function in response to the overall liquidity in the market."

Fierce competition between banks and building societies has kept lending rates low.

Overdraft

Societies have been forced to raise their deposit rates in order to draw in enough money to fund the house-buying boom.

Some are now paying a higher rate of interest to depositors than they are receiving from home loans.

The man-in-the-street will soon also have to pay more for his overdraft, while hire-purchase charges and all interest rates are also likely to rise.

Dr de Kock disclosed last night that the economy grew at an annualised rate of 5 percent in the fourth quarter of last year.

● Party over — see page 11.



NBS Home Loans

Mike Trunk's

6/13/88

(123)

THE United Building Society, the country's biggest, yesterday announced an immediate 1.5% jump in its rate for new mortgage loans from 12.5% to 14%.

Existing bondholders paying rates below 13.5% will have their rate increased to 13.5% from May 1. The society said in Johannesburg the move was prompted by "a sharp increase in the cost of funds." It declined to comment on whether strong demand had played a role.

Reserve Bank figures show that the demand for building society mortgage loans soared by 33% last year compared with 1986, despite competition from the banks.

First National Bank also announced bond rate increases yesterday following an increase in the bank rate to 10.5% announced by the Governor of the Reserve Bank, Dr Gerhard de Kock, on Tuesday.

Other banks and building societies are either expected to follow suit soon or are keeping a close watch on the situation.

First National Bank is adjusting its home loan rate to 13.5% (12.5%) from March 24.

Syffrets Bank, which has always geared its mortgage bond rates to the prime rate, will increase its rate for home loans to 15%, the highest of all rates at present. According to Investment Editor Lawrence Tohill, managing director Mr Brian Button acknowledged that Syffrets Bank would be out of line "but then rates have been artificial for some while as the banks jostled to get a share of the market. The banks and the building societies have been taking a bath with cheap loans and expensive deposits, but that will change in the next four to six months."

"We will have clients who will query the position, but mortgage bonds have to be viewed as long-term and not short-term loans."

Standard Bank has not yet made a decision regarding its home loan rate, but the managing director of Standard Bank Financial Services, Mr Dennis Matfield, assured existing home loan clients and those who had already applied for home loans that the bank guaranteed that the rate would remain at its current level of 12.5% until June 30.

The assistant general manager (loans) at NBS, Mr Trevor Olivier, said the NBS was happy to hold its rate at 13.5% for the time being.

An Allied spokesman said that the building society would not increase its bond rate and Ned-bank has announced that its home loan rate will remain unchanged.

While extensions of repayment periods will be negotiated, and taking into account subsidies and the fact that every bond is different as to period still to run and the rate involved, a rule of thumb might be an additional R35 or R40 a month needed on a R50 000 bond over 20 years.

The rise in interest rates will benefit those who live on fixed interest incomes from investments.

								No	SURNAME

M WORK

ADDRESS

HOME

WORK

Cape Times 11/3/88
R486m for black housing (123)

THE government had spent R486,6 million on infrastructure, services and loans for black housing over the past three years, the Minister of Constitutional Development and Planning, Mr Chris Heunis, said yesterday.

Screws tighten as lenders call bond war truce

13/3/88

123 5 11

By Udo Rypstra

THE screws are tightening on home-owners as the bond rate war between banks and building societies turns into a truce.

Prospective house-buyers should take care lest they overextend their budgets because this week's increase in mortgage rates is likely to be followed by others. Analysts believe this may not be merely a hiccup but the beginning of an upward phase in rates.

A bond one could afford at today's rates could become prohibitively expensive by the end of this year or early next year.

The reverse trend in interest rates is expected to hurt the residential property market.

Funds depleted

Rates have come under severe pressure by a depletion of short-term funds. Companies are said to be withdrawing short-term money from lenders and borrowing more to feed a hungry economy that needs capital for more trading stock and raw materials, machinery and labour.

Growing demand for housing loans and bonds, especially from coloureds in the Cape Town area and blacks countrywide, is emptying the coffers



Kevin de Villiers ... Allied Bank set to follow

of banks and building societies.

Although they are still fighting one another for market share with what they describe as "competitive edges", banks and building societies cannot afford the almost cut-throat interest rates they were offering.

First National Bank (FNB) and the United Building Society were the first to yield to market forces this week. Some of their competitors ad-

mit they can no longer handle the pressure.

"We still try to be competitive, but rates have become uneconomic. Some are still holding out, but call it the last moments of the bond war," says a building society spokesman.

Concerned

People with 25-year loans with FNB and paying 12,5% interest can expect to pay 76c more for every R1 000 they owe when the bank lifts its rate to 13,5% this month; or 71c more a R1 000 on a 20-year bond. This works out at increases of respectively R76 and R71 a month in repayments on a R100 000 bond.

An FNB bank official stresses: "We are concerned about having to do this. We are committed to act in the best interest of our customers. But there is too much pressure on interest rates. Demand for funds is outstripping supply and there is no profit margin any more."

Since entering the housing loan market in a big way, FNB has more than R2,8-billion tied up in mortgages. In the past four months it lent more than R600-million.

The UBS, which has been lending more than R230-million a month since the bond rate war started, will increase its rates by 1,5 percentage points to 14%. This means an increase of more than R100 in monthly repayments on a R100 000 bond.

The Allied Bank, still offering 11,5% interest on bonds to people

with considerable assets, will wait before increasing its rates. But managing director Kevin de Villiers admits the bank may have to follow the others "within three to six weeks".

Ironically, Allied Building Society, which is advertising bonds with rates of between 14% and 16%, sent notices to certain customers this week advising them that their rate of 14,5% had been dropped to 14%.

Speculation is that banks and building societies will lift rates and that the recent and highly criticised practice of charging new borrowers more than existing ones may end.

The demand for houses and loans is strong among coloureds and blacks — and whites. JSE-listed Aida National Holdings (ANH), which runs a nationwide franchise network, registered a record turnover of R70-million last month — 42% higher than in the best month in its history.

Houses cost more

Chairman Aida Geffen says demand for housing is particularly strong in Pretoria, Midrand, the northern Johannesburg suburbs, the East Rand, Maritzburg, Port Elizabeth and the Vaal Triangle.

Average unit prices rose from R96 082 in February last year to R106 000 and increased especially in East London (42%), Nelspruit (35%) and Midrand (25%).

Mrs Geffen believes the rise in borrowing costs will hurt the property market slightly.

Homebuilding industry disappointed

By Frank Jeans

The homebuilding industry has been disappointed by the lack of firm commitment to itself in the Budget.

The industry is worried that there is still no decision on the need to raise the R40 000 first-time homeowner's subsidy.

"We are upset that there was no reference to housing," says Mr Johan Grotsius, National Association of Home Builders executive director.

"We also made representations on affordable housing which embraced increased State

participation in the provision of housing but nothing was said."

But Mr Grotsius finds it reassuring that there was a hint that interest rate patterns were fairly stable.

Another encouraging measure, he says, is the spin-off for the industry, albeit indirectly, from the increased assistance to institutions such as the Development Bank of Southern Africa, with State allocation going up in soft loans.

"This could certainly alleviate the problem," he says.

Spending on black housing to increase

17/3/88

GOVERNMENT is committed to increased spending on black housing and upgrading programmes, Finance Minister Barend du Plessis says.

He said housing was one of the areas in which social spending "is

 B/day 
Political Staff

bound to grow", and he made special mention of the SA Housing Trust which started early last year with a Treasury interest-free loan of R400m.

Hacking through the jungle

Efficiency or continuing apartheid — that's the choice facing much of South African society. And nowhere is it more evident than in the housing industry.

The State has made it plain it now looks to private sector developers to provide the bulk of housing for blacks, and it has repeatedly called for builders to co-ordinate their efforts.

Yet, though the housing shortfall is now estimated at 800 000 homes, private sector developers are still expected to find their way around a maze of rules, regulations and competing priorities generated by five ministries, four provincial administrations and a myriad of local authorities involved in the provision of housing for different race groups.

This week, Deputy Finance Minister Kent Durr, reiterated to the Institute of Estate Agents that the State was looking to limit its involvement in mass housing to the provision of infrastructure.

He said the role of the private sector was of "cardinal importance" in township development and that community involvement through self-help schemes should also be encouraged. To this end, the government was spending increasing amounts on serviced plots where people could "establish themselves."

And yet the housing shortage continues to grow — and not just because of natural population growth either.

Developers says hacking their way through jungles of red tape has frustrated many so much that they have turned to other ventures.

Rob Crocket, Schachat assistant MD, says the inconsistency of regulations generated from so many sources results in the private sector "wandering around in a maze."

- Special interest groups — all with their own axe to grind — have difficulty reaching consensus on general policy such as interest rate subsidies and building standards;
- Statistical information — from so many sources — is also difficult to collect in any

meaningful form; and
 Apparent shortages of skills within various departments result in decisions being bottlenecked.

Time Housing MD Mike Graham says there has been an improved attitude from the various ministries over the past year, but there is still plenty of room for improvement. As an example, he cites a township development which has had its service infrastructure in place for the past 18 months, but is still to be proclaimed.

To be fair, government has recognised the problem — and formed the South African Housing Advisory Council to increase the degree of interaction between ministries and to try and establish a more cohesive housing policy.

Leon Claassen, administrator of the advisory council and chief director land affairs and housing for the Department of Public Works, says committees have been established at Cabinet and department level. This, coupled with the function of the advisory

council, should address the problems.

He says the council provides the private sector with a forum and it is from there that the majority of its members are drawn. The council also has four working groups to assist it in formulating strategy.

Claassen says another obstacle has been the time required to put management in

place. This has now been done and he predicts there will be a marked increase in its involvement over the next year. He points out that the effectiveness of the system depends on how it is used by those involved in housing. He maintains the private sector has also been through a learning curve in that it was not geared to deal with the requirements of black housing.

Even so these somewhat cumbersome arrangements have failed to win universal approbation outside of government, resulting in a suggestion from several quarters that a single housing ministry should be formed. This would give developers one source of information and one point of reference at the very least.

However, to be truly effective such a ministry would have to abandon the "own affairs" policy — something unthinkable at the moment.

Bob Tucker, SA Perm MD and chairman of the Association of Building Societies, says a single ministry would only be feasible if the various ministries sacrificed their own interests in favour of a central ministry.

"People must recognise the bigger issues at stake rather than protecting their empires. While a central ministry would not solve all the problems, it would provide an organisation which is subject to the same policy and common management. Moreover, there would be someone to make decisions."

The problem really lies in the politicisation of the housing issue. Housing provides those in political power with the means to impress voters with tangible achievements — even if results fall far short of requirements. They will not surrender control easily. In addition, assuming the various groups were reformed under a single ministry, priority infighting could simply descend to departmental level, solving nothing.

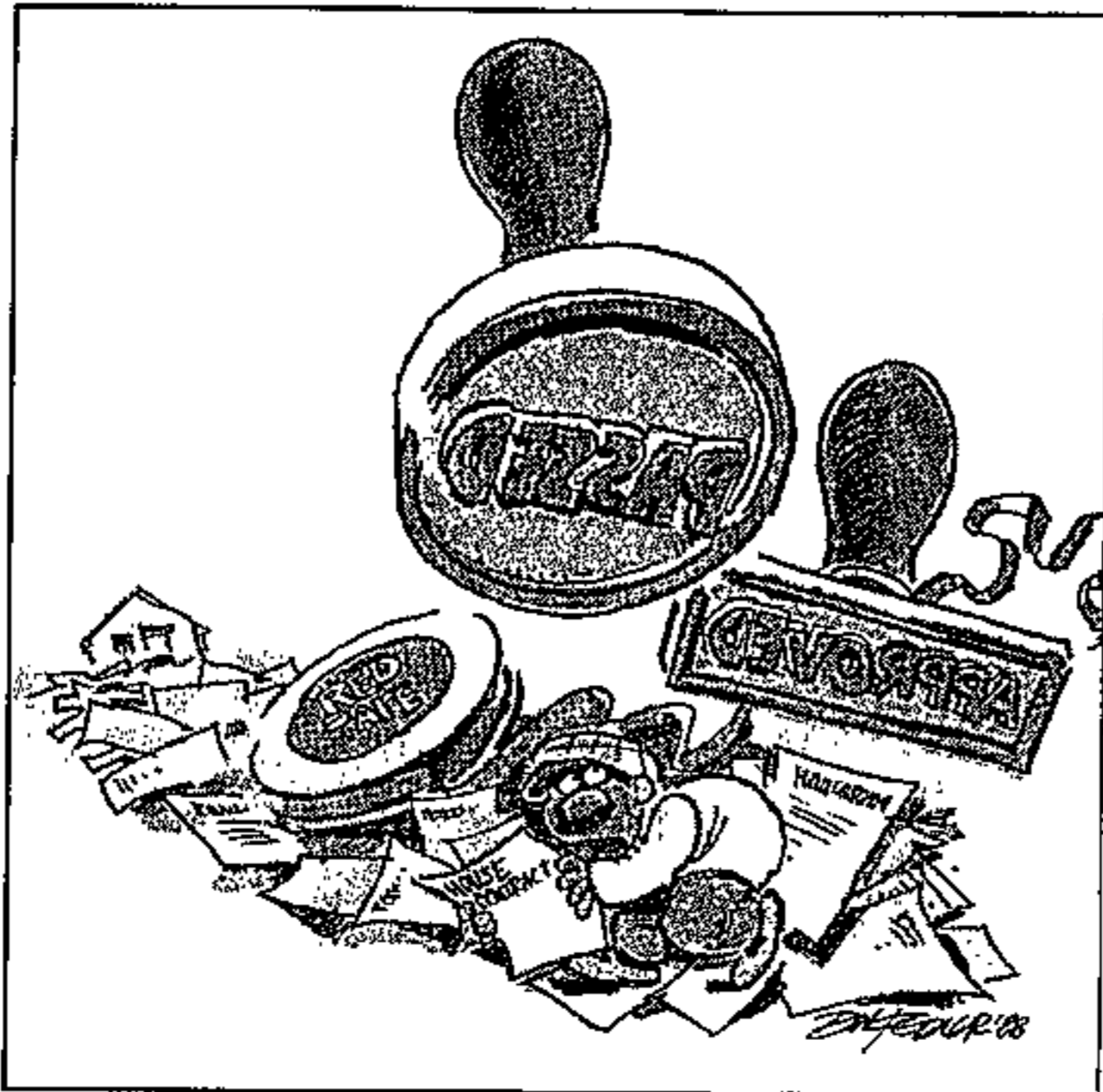
On the other hand, depoliticising the issue would have many advantages, including:

- Speeded up land delivery as allocations were made on economic grounds;
- Uniform legislation which would enable private industry to spend more time building houses and less "wandering through a maze;"
- The sharing of expensive services, such as sewage treatment works, among several developments;
- The targeting of subsidies at people who could not otherwise afford a home of their own instead of using them as vote catchers; and
- The restructuring of building standards to allow for really affordable housing.

At the moment, remarks Jill Strelitz, the Urban Foundation's housing director, the poor are being protected right out of housing.

Legislators appear to need reminding that behind the mass housing statistics there are living, breathing people whose aspirations are fast being buried beneath the Group Areas Act (GAA) rubble. If the government is genuine in its commitment to housing and, given that even the State President has called for regular reports, then it must take its courage in hand and throw out the GAA and its companion, the "own affairs" system.

At the same time, it needs to form a Ministry of Housing which will address the existing backlog in a realistic manner — on the basis of need, not race.



year-end. But Finance Minister Bernard Chidzero's tactics are criticised by those who believe he should have announced a single package of higher taxes and prices at the same time as the pay award.

News for the rest of the year will be generally bad for wage earners — higher fares and rates on railways, buses and the airline; higher prices for milk, bread, meat and maize meal; and higher indirect taxes in the July budget, not to mention a broad range of private-sector price increases that will start to filter through in the second half.

Chidzero admits that the economy will again be plagued by growing unemployment and inadequate investment. His reluctance to liberalise price controls underscores yet again that near-term political issues are considered more important than faster economic growth and increasing employment.

The episode is a reminder that it is easier to impose a freeze than end it. Zimbabwe has still to work out how to return to normal methods of price and wage determination. ■

HOME LOANS

Hidden costs

In the mortgage bond supermarkets over the past few years, there have been some tempting special offers. Now, although the market is still competitive, all financial institutions will be making upward adjustments in interest rates over the next few months — which will force prospective homeowners to reconsider their needs.

And when calculating costs, they should take into account the hidden costs. With attention focused on monthly repayments, many buyers tend to overlook that a large sum of money has to be put up front — about 4% of the purchase price.

On a property worth R140 000, with an 80% bond worth R112 000 (see table), this amounts to around R6 000. The biggest beneficiary is the Receiver of Revenue, to whom transfer duty of R3 600 is paid. Also at the receiving end are two sets of attorneys: one nominated by the seller to transfer the property (R985) and one by the financial institution to register the bond (R735-R760).

The rest goes to the bank or building society granting the loan. Although there is a wide variation between institutions in charges on individual items, there is no great discrepancy when these items are totalled — less than R200.

For comparative purposes, this can be calculated by adding administrative, valuation and registration costs (as the attorney is chosen by the institution, his fee is included in this item), as well as the first annual premium for compulsory insurance on the house (worth R100 000).

The Perm heads the list with R1 475. Then come Nedbank R1 454, Saambou R1 440, First National (FNB) R1 430, Allied R1 425, Natal Building Society (NBS) R1 416, United R1 386, Trust R1 381, Standard R1 364, Volkskas R1 279-R1 299.

These figures are, however, only part of the picture. One has to take into account that FNB, Nedbank and Trust require the bond-

raiser to have life cover. As its value depends not only on the size of the bond but other extraneous factors, the amount cannot be included in the table.

Also of interest is the cost of switching a bond from one institution to another. There has been a considerable spread between lowest and highest interest rates and borrowers have been cancelling bonds and re-applying to other institutions. For instance, since the Perm put up its rate for existing clients to 14,5% in June last year, there has been a 2-2,5 percentage point differential between its rates and the lowest on offer.

What would be the cost of switching, say to Nedbank, which offers to subsidise cancellation and registration costs? The answer is R700. This would be made good in just over four months by an interest rate differential of R170 a month. Nedbank has also been offering new clients an initial three-month moratorium on monthly payments to absorb costs — although this is a short-term benefit, as, in the long run, resulting capitalisation of interest would amount to a large sum over a 20-25 year period.

Nevertheless, on balance, with Nedbank rates guaranteed to existing borrowers until end-September, a decision to change would seem, at this stage, to have been wise.

Then again, the future could see a changed playing field. The spread of rates alters as time goes by and each organisation has a range of services which, for some clients, outweighs the impact of interest rates on the monthly budget.

Institutional loyalty may have hidden benefits. ■

COSTS TO HOME BUYERS

Property R140 000. Bond 80%

	First Nat.	Standard	Volkskas	Nedbank	Trust	UDS	Perm	Allied	NBS	Saambou
% bond available	80%-100%	80%-100%	80%-90%+	80%-100%	100%	90%+	90%+	90%+	90%-100%*	90%-100%
Interest rates to new borrowers	13,5%	11,5-12,5%	13,5%	12,5%*	12,5%-14%	14%	14,5%	11,5-16%	13,5%*	12,5%-13%
Administrative and valuation fee	R250	R165	R100	R300**	R150	R150	R250	R200	R250	R240
REGISTRATION COSTS	R975	R959	R969-R989	R979**	R1 026	R1 026	R1 015	R1 020	R980	R995
This includes:										
<input type="checkbox"/> fee to attorney nominated by institution* ¹	R751	R735	R745-R765	R755	R760	R754	R743	R756	R735	R755
<input type="checkbox"/> stamp duty to Receiver of Revenue* ² ...	R224	R224	R224	R224	R266	R272	R272	R264	R225	R240
CANCELLATION COSTS										
This includes:										
<input type="checkbox"/> administrative fee to institution	R200* ³	—	R50-R75	—	—	R115	—	—	—	—
<input type="checkbox"/> fee to attorney nominated by institution ..	R85	R85	R85	R85	R85	R85	R85	R85	R85	R85
Insurance on R100 000 building including political riot cover	R205	R240 no excess	R210	R175	R205	R210	R210	R205	R206	R205
Is loan conditional on life cover	Yes (through any institution)	No	No	Yes (through any institution)	Yes (through any institution)	No	No	No	No	No

Notes:

- *¹ this includes postages and petty and also depends on the amount for which the building society is a secured or preferred creditor
- *² depends on the way in which bonds are registered
- *³ no penalty interest charges
- *⁴ reductions apply immediately to existing borrowers but increases only after 3 months

- ** Nedbank will meet half the legal bond cancellation costs plus 50% of the legal bond registration costs and will reduce the administration fee to R150 where clients transfer existing home loans to Nedbank from another institution
- *⁵ 100% requires 10% collateral
- *⁶ existing borrowers got same rate as new borrowers

ADDITIONAL COSTS

- Transfer
- duty to Receiver R3 600
- fee to attorney nominated by seller R985
- Commission of 6% payable by seller but often incorporated in sale price

HOUSE OF DELEGATES

Indicates translated version.

For written reply:

Own Affairs:

Disability grants cancelled

10. Mr M RAJAB asked the Minister of Health Services and Welfare:

- (1) Whether any disability grants administered by his Department in respect of physically disabled, mentally retarded and aged persons were cancelled in (a) 1986 and (b) 1987; if so, (i) how many, and (ii) why, in each case;
- (2) whether any such grants have been reinstated since then; if so, (a) how many, and (b) why, in each case?

THE MINISTER OF HEALTH SERVICES AND WELFARE:

- (1) (a) Yes.
(b) Yes.
(i) 983 in 1986 and 420 in 1987
(ii) The beneficiaries had been assessed medically and not found to be disabled.
- (2) (a) 225 in 1986 and 103 in 1987.
(b) Additional medical evidence submitted justified the reinstatement of these disability pensions.

Sites in Lenasia South: construction of houses not yet completed by developers

13. Mr M RAJAB asked the Minister of Housing:

- (1) Whether, with reference to his replies to Question No 2 on 3 September 1987 and Question No 91 on 24 September 1987, certain developers have not yet completed constructing homes on the sites allocated to them in Lenasia South; if so, (a)(i) how many and (ii) what are their names and (b)(i) at what price was each of these plots allocated to each such developer and (ii) how many plots were allocated to each;
- (2) whether his Department intends instituting claims for damages against any of

HOUSE OF DELEGATES

these developers; if not, why not; if so, against which developers;

- (3) whether any properties in other areas have been allocated to these developers; if so, (a) where and (b) how many plots were allocated to each developer;

- (4) whether any of these developers will again be considered by his Department when allocating sites for development; if so, why?

THE MINISTER OF HOUSING:

- (1) Yes.
(a) (i) 2
(ii) Dashanya Residential Development; Bazaria Housing Utility Company.
- (b) (i) R18,00 per square metre.
(ii) Dashanya Residential Development: 90.
(ii) Bazaria Housing Utility Company: 100.
- (2) This will depend on an acceptable explanation being advanced as to why the contract could not be completed within the stipulated period and whether it is decided to take steps against such defaulting developers or not.
- (3) No.
(a) Falls away.
(b) Falls away.
- (4) See (2) above.

Transfer of assets of former Department of Community Development

14. Mr M RAJAB asked the Minister of Housing:

- (1) Whether any assets of the former Department of Community Development in the form of (a) land, (b) buildings and (c) cash have been transferred to his Department; if so,
- (2) (a) on what date or dates, (b) what is the (i) location and (ii) book value of the (aa) land and (bb) buildings and (c) what amount in cash was so transferred?

THE MINISTER OF HOUSING:

- (1) (a) No.

(b) No.

(c) No.

- (2) (a) Falls away.

(b) (i) Falls away.

(ii) (aa) Falls away.

(bb) Falls away.

(c) Falls away.

Construction of schools in Phoenix: criteria for assessing tenders

16. Mr M RAJAB asked the Minister of Housing:

Whether, with reference to the reply of the Minister of Local Government, Housing and Agriculture to Question No 13 on 25 April 1986, the criteria for assessing tenders for the

construction of schools in Phoenix still apply; if so, to what extent; if not, why not?
THE MINISTER OF HOUSING:
Yes. Fully.

State housing sale campaign: houses sold

24. Mr K CHETTY asked the Minister of Housing:

How many houses were sold by his Department in each province under the State housing sale campaign during the latest specified period of 12 months for which figures are available?

THE MINISTER OF HOUSING:

Natal: 13
Transvaal: 27
Cape Province: 0
From 1 February 1987 to 31 January 1988.

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HOUSE OF DELEGATES

Housing interests of the retired covered in draft legislation

D/D 24/3/86
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Daily Dispatch
Correspondent

CAPE TOWN — Draft legislation aimed at addressing the housing needs of retired persons and at protecting their interests was tabled in parliament yesterday by the Minister of Economic Affairs and Technology, Mr Danie Steyn.

The Housing Development Schemes for Retired Persons Bill is the end result of an investigation carried out by a special committee appointed in June 1986 by the then Minister of Local Government, Housing and Works in the House of Assembly. The brief was to inquire into these housing needs and the methods of meeting them.

The legislation is clearly aimed at introducing some regulatory controls over retirement village developments which have been mushrooming around the country in recent years.



MR STEYN

The bill sets out in detail all the formalities which must be met by the developers in respect of contracts entered into with prospective purchasers.

It also provides for stiff penalties — a fine of R10 000 or five years imprisonment — for developers who attempt to sell off housing schemes before they have been officially approved.

And, it sets down strict guidelines con-

cerning the "alienation" of the housing interests vested in a retired person, whereby alienation means the sale, exchange, lease, donation or other form of disposal.

● In the House of Delegates yesterday, the Minister of Health Services and Welfare, Mr Raman Bhana, said a clarifying statement on the pensions issue would be released today following a decision not to increase the monthly pensions of Indians.

He was replying to Mr Perumal Nadasen (NPP, Allandale) who said in the second reading debate on the own affairs budget that newspapers had misled the community when they said coloured and Indian people would get pension increases while whites would not.

Mr Bhana said a R60 one-off bonus would be granted in October, the same as that for the whites.



MR EGLIN



MRS SUZMAN

Thubani

THE MINISTER OF EDUCATION AND CULTURE:

Springfield College was built 40 years ago to cater for the training of primary school teachers. Subsequently the College was expanded to cater for the training of secondary school teachers as well. Over the years additions have been provided on a limited scale because of the lack of space. The recent introduction of a four year Diploma course equivalent to University status demands additional facilities which cannot be provided on the space available. These include large lecture theatres, additional laboratories, workshops and the expansion of the sports facilities and gymnasiums required for physical education.

For written reply:

Own Affairs:

Ministers of House of Delegates: telephones/telephone jacks

17. Mr M RAJAB asked the Minister of the Budget:

- (1) How many official (a) telephones and (b) telephone jacks does each specified Minister of the House of Delegates have at his (i) home in (aa) Durban and (bb) Cape Town and (ii) office in (aa) Durban and (bb) Cape Town;
- (2) what amount was paid for telephone services in respect of the (a) home and (b)

office telephones of each specified Minister for each month from May 1987 up to and including February 1988;

- (3) whether his Department has a breakdown of the official and private calls made by Ministers of the House of Delegates from these telephones; if not, why not; if so, what amount was paid by each specified Minister in respect of private calls for each month from May 1987 up to and including February 1988;
- (4) whether he will make a statement on the matter?

THE MINISTER OF THE BUDGET:

Ministers are provided with official telephones in their offices as a matter of routine. In terms of the Guidelines for Ministers issued by the Office of the State President, the telephones at their residences are also regarded as official. No distinction is drawn between official and private calls made from any of the instruments in question. Accounts are settled by the Administration upon certification as correct by Ministers. All payments are subject to auditing by the Auditor-General and, if usage appears excessive or irregular, it can safely be assumed that queries will be raised which, if unsatisfactorily answered, will find their way to the Select Committee on Public Accounts. I am therefore not prepared to disclose details of the nature sought nor to make a statement on the matter.

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Indicates translated version.

For written reply:

General Affairs:

99-year leasehold/freehold title scheme: plots surveyed/available in RSA

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

- (1) How many plots (a) were surveyed in each province of the Republic in 1987, and (b) are available, with a view to the (i) 99-year leasehold and (ii) freehold title scheme;
- (2) whether any of these plots have been sold; if not, why not; if so, (a) how many in each province and (b) in respect of what date is this information furnished?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

TRANSVAAL

- (1) (a) 381 678
(b) (i) 324 309
(ii) 2 556 (Spruit View — Katlehong, Naledi — Soweto and Sasile — Pretoria)

(2) Yes.

(a) 57 369

(b) 31 December 1987.

ORANGE FREE STATE

- (1) (a) 1 569
(b) (i) 103 538
(ii) None.

(2) Yes.

(a) 2 104 erven have been sold.

(b) 31 January 1988.

CAPE PROVINCE

- (1) (a) 59 739
(b) (i) 60 152
(ii) None.

(2) Yes.

Arwand

(a) 3 901

(b) 31 December 1987.

NATAL

- (1) (a) 5 413
(b) (i) 5 413
(ii) None.

(2) Yes.

(a) 416

(b) 31 December 1987.

Houses for Blacks: money spent

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

- Whether his Department spent any money in the 1987-88 financial year of the construction of houses for Blacks in (a) Cape Town, (b) Durban, (c) Pietermaritzburg, (d) Pretoria, (e) Port Elizabeth, (f) Kimberley, (g) East London, (h) Bloemfontein and (i) Johannesburg; if not; why not; if so, what amount in each case?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(a) up to (b)

No. It is no longer Government policy to erect housing units for blacks. It merely supplies serviced sites for self building purposes.

(i) Johannesburg

Houses: 2 368

R11 729 272,00

These funds were provided for the rounding-off of existing housing schemes which originated prior to the policy change of the National Housing Commission.

Section 19, Group Areas Act: open areas proclaimed in municipal areas

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

- Whether any open areas have been proclaimed in municipal areas in terms of section 19 of the Group Areas Act since 28 February 1987; if so, (a) how many, (b) in which municipal areas and (c) when?

Telephone section: technical assistants/technicians employed

489. Mr C J DERBY-LEWIS asked the Minister of Communications:

- (a) How many (i) technical assistants and (ii) technicians were employed in the telephone section of his Department in each

	1983	1984	1985	1986	1987
(a) (i)	5 270	5 347	5 306	5 238	5 232
(a) (ii)	5 079	5 192	5 452	6 151	6 871
(b) (i)					
(aa)	3 852	3 868	3 885	3 852	3 822
(bb)	387	402	397	384	381
(cc)	210	228	177	178	178
(dd)	321	849	847	824	851
(ii)					
(aa)	4 863	4 941	5 099	5 551	6 138
(bb)	80	102	139	251	304
(cc)	99	107	128	189	224
(dd)	37	42	86	160	205

Notes: (1) The above-mentioned figures reflect the position as at 31 March each year.
 (2) As the rank "technical assistant" is not used in the Post Office, the figures reflected against items (a)(i) and (b)(i) are in respect of officials occupying the rank of "telcom assistant". The figures do not include "telcom electricians" and "telcom mechanics".

Eastern Cape: applications to purchase houses

553. Mr D J N MALCOMMESS asked the Minister of Constitutional Development and Planning:

- (a) How many persons in each specified Black township in the Eastern Cape lodged applications to purchase houses in 1987, (b) how many of these applications had been granted as at the latest specified date for which figures are available and (c) (i) what total number of houses had been purchased in each of these townships and (ii) in respect of what date is this information furnished?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

	(a)	(b)	Date	(i)	(ii)
Alival North	62	62	12/87	62	12/87
Cathcart	13	13	"	13	"
Fort Beaufort	20	20	"	20	"
King Wil-	10	10	"	10	"
liam's Town	10	10	"	10	"
Komga	10	10	"	10	"

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of the latest specified five financial years for which information is available and (b) how many of these (i) technical assistants and (ii) technicians were (aa) White, (bb) Coloured, (cc) Indian and (dd) Black?

The MINISTER OF COMMUNICATIONS:

	1982	1983	1984	1985	1986	1987
(b)	1982 — 9	1983 — 19	1984 — 57	1985 — 47	1986 — 21	1987 — 63

Alexandra Township: applications for 99-year leases

581. Mr D J DALLING asked the Minister of Constitutional Development and Planning:

- (a) How many persons in Alexandra Township applied in each year for 99-year leases from the inception of the leasehold scheme to 31 December 1987 and (b) how many of these applications had been granted as at the latest specified date for which figures are available?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

	1982	1983	1984	1985	1986	1987
(a)	1982 — 9	1983 — 19	1984 — 57	1985 — 47	1986 — 21	1987 — 66

Alexandra Township: rental payments in arrears

(b)	1982 — 9	1983 — 19	1984 — 57	1985 — 47	1986 — 21	1987 — 63
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582. Mr D J DALLING asked the Minister of Constitutional Development and Planning:

- (1) Whether any families living in Alexandra Township, Johannesburg, are in arrears with rental payments; if so, (a) how many families are (i) in arrears and (ii) up to date with their rental payments and (b) what is the extent of the arrears in rental payments in this township;
- (2) In respect of what date is this information furnished?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

- (1) Yes.
- (a) (i) 15 000
- (ii) 250
- (b) R2 734 099

(2) 31 December 1987

Sandton: applications by non-Whites to occupy own residential property

583. Mr D J DALLING asked the Minister of Constitutional Development and Planning:

- (1) How many applications were received during the period 1 June 1987 to the latest specified date for which information is available, from (a) Coloured, (b) Indian and (c) Black persons to (i) occupy and (ii) own residential property in areas proclaimed for occupation by White persons in Sandton;
- (2) how many such applications (a) had been (i) granted and (ii) refused and (b) were pending as at the above date?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

- (1) (a) Coloured
- (b) Indians

(c) Blacks

(i) None	—
(ii) Acquisition coloureds	—
Indians	1
Blacks	—
(2) (a) (i) None.	—
(ii) Refused coloureds	—
Indians	1
Blacks	—

(b) None.

Christmas cards sent out

598. Mr P G SOAL asked the Minister of Communications:

- (1) Whether (a) he and/or (b) his Department sent out Christmas cards in 1987; if so, (i) what total number of cards was printed, (ii) to whom were they sent, (iii) what was the total cost of producing and distributing these cards, and (iv) who was responsible for printing them, in each case;
- (2) whether postage stamps were used to send out these Christmas cards; if not, how were they distributed?

The MINISTER OF COMMUNICATIONS:

- (1) (a) and (b) Yes;
- (i) 44 940
- (ii) The large majority to selected investors in the Post Office Savings Bank as part of our endeavours to promote the corporate image of the Department and the rest as a reciprocal gesture mainly to politicians, senior officials of the Post Office and other Government Departments, editors of newspapers, banks, large users of the Post Office, suppliers of telecommunication equipment, private consultants and prominent persons in the private sector.
- (iii) R6 734,88 (cost of printing and envelopes)
- (iv) Departmental printing works
- (2) No, they were distributed as official mail.

HOUSE OF ASSEMBLY

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

The MINISTER OF EDUCATION AND CULTURE:

- (1) No.
It is an enormous task for which manpower is not available.
- (a) and (b) Fall away.
- (2) Yes
Letters are being addressed to educators with poor leave records on a continuous basis drawing their attention to the consequence of their absenteeism.
- (3) It is not possible to give an indication in this regard as a survey has not yet been done.
- (4) No.

Mr P I DEVAN: Mr Chairman, arising out of that reply, the question seems to be an alarming one. Has the hon the Minister any intention of expediting the survey on this issue?

The MINISTER: Mr Chairman, I think it is advisable to look into this very seriously.

Mr J V IYMAN: Mr Chairman, further arising out of that reply, I should like the hon the Minister to tell this House about the question of teacher absenteeism which was debated in this House and in view of the fact that in a particular by-election teachers were seen by the school children's parents . . .

The CHAIRMAN OF THE HOUSE: Order! Has the hon member a question?

MR J V IYMAN: Yes, Mr Chairman.

The CHAIRMAN OF THE HOUSE: Will the hon member then please put it.

MR J V IYMAN: Why did the hon the Minister not pay attention to what was said in this House and why did he not conduct that survey? Why is he waiting?

The MINISTER: Mr Chairman, with respect, I would like to tell the hon member that there is a difference between leave and absenteeism. However, it certainly will be looked into.

Housing Development Board: names of members
*4. Mr Y MOOLLA asked the Minister of Housing:

(1) What are the names of the members serving on the Housing Development Board referred to in section 2 of the Housing Development Act (House of Delegates), No 4 of 1987;

- (2) whether this board has an executive committee; if so, what are the names of the members of the executive committee;
- (3) whether a certain person, whose name has been furnished to the Minister's Department for the purpose of his reply, is a member of this executive committee; if so, (a) how many executive meetings has he attended and (b) (i) where and (ii) when were these meetings held?

The MINISTER OF HOUSING:

- (1) Mr W J vd M Marais
Mr C H Kotzé
Mr R E Hudson-Reed
Mr R Jagath
Mr J G Brand
Dr D S Rajah

(2) Yes

- Mr W J vd M Marais
Mr C H Kotzé
Mr R E Hudson-Reed
Mr R Jagath

(3) Yes

(a) 10

- (b) (i) Malgate Building, 72 Stanger Street, Durban (ii) 14 May 1987
Malgate Building, 72 Stanger Street, Durban 8 June 1987
Malgate Building, 72 Stanger Street, Durban 6 July 1987
Malgate Building, 72 Stanger Street, Durban 21 October 1987
Malgate Building, 72 Stanger Street, Durban 3 November 1987
Malgate Building, 72 Stanger Street, Durban 18 November 1987
Malgate Building, 72 Stanger Street, Durban 1 December 1987
Malgate Building, 72 Stanger Street, Durban 6 January 1988
Malgate Building, 72 Stanger Street, Durban 17 February 1988

Malgate Building, 72 Stanger Street, Durban 2 March 1988

budgeted for the provision of these services in Cato Manor?

Replacement of Springfield College of Education feasibility study

The MINISTER: Mr Chairman, these two factors go hand in hand. At the time that this was being budgeted for, a feasibility study had commenced.

*5. Mr M RAJAB asked the Minister of Education and Culture:

- (1) Whether, with reference to his reply to Question No 1 on 11 June 1987, the feasibility study undertaken to plan and provide a smaller but modern facility to replace the present Springfield College of Education has been completed; if not, (a) why not and (b) when is it expected to be completed; if so,
- (2) whether a report on the matter has been submitted to his Department; if not, why not; if so, (a) what was (i) the purpose of the report and (ii) his Department's response thereto and (b) what is the estimated total cost of the new college;
- (3) whether the Edgewood College of Education has been considered as an alternative; if not, why not; if so, with what result?

The MINISTER OF EDUCATION AND CULTURE:

(1) No.

(a) Architects and consultants are still busy with the feasibility study.

(b) The feasibility study is not expected to be completed before 1989 as the provision of a new College does not enjoy a high priority at this stage.

(2) Not.

The architects and consultants are still busy with the feasibility study.

(a) (i) and (ii) Fall away

(b) Falls away.

(3) No.

The Edgewood College of Education falls under the control of the Administration: House of Assembly and is still being used by the Natal Education Department for Teacher Education.

Mr M RAJAB: Mr Chairman, arising out of the hon the Minister's reply, may I ask him why, when a feasibility study was not done, funds were

Mr P I DEVAN: Mr Chairman, further arising out of the hon the Minister's reply, may I ask him whether he really appreciates the need for an updated college of education in Durban?

The MINISTER: Mr Chairman, the answer is yes.

Mr P I DEVAN: Mr Chairman, further arising out of the hon the Minister's reply, may I ask him why there is so much wavering and inconsistency with regard to this issue, because costs are rising by the day?

The MINISTER: Mr Chairman, I did say that a feasibility study was being done, and once the results of that study are made known, we shall act on them.

Mr P I DEVAN: Mr Chairman, I cannot see his logic. He said that he sees the need for it.

The CHAIRMAN OF THE HOUSE: Order! Does the hon member have a further supplementary question?

Mr P I DEVAN: Mr Chairman, I shall make a written submission in this regard.

Mr P T POOVALINGAM: Mr Chairman, further arising out of the hon the Minister's reply to the hon member for Springfield with regard to the Edgewood College of Education, would the hon the Minister acknowledge being aware that the Edgewood College is not filled to capacity and that optimum use should therefore be made of that college regardless of any own affairs restrictions?

The MINISTER: Yes, I am aware of that and I agree that it should be used to its fullest capacity.

Springfield College of Education: outdated/inadequate

*6. Mr M RAJAB asked the Minister of Education and Culture:

With reference to his reply to Question No 1 on 11 June 1987, in what respects is the Springfield College of Education outdated and inadequate as a tertiary institution?

(103)

Expertise in hotels a feather in firm's cap

SINCE working on the Carlton Centre, Venn & Milford's involvement in the hotel industry has become an important aspect of its activities.

"We have been involved with most of the Holiday Inns built in SA since the first one went up in 1969," comments partner Robin Jamieson, the firm's hotel specialist.

"Our expertise in this field has grown alongside Holiday Inns, which started off as a moderately priced roadside inn and has become progressively more sophisticated over the years."

A particularly demanding project was the original Wild Coast Holiday Inn and casino complex, now known as the Wild Coast Sun.

"We had a high level of responsibility on this project, which was also very diversified," comments Jamieson. "Being far from any major centre, it required extensive infrastructural development. This included a reservoir, sewage works, roads and parking areas."

"We managed most cost aspects of the project, from the infrastructure and the casino to the golf course construction."

The specialised nature of hotel design sets it apart from most construction projects. "Hotel design demands attention to a tremendous amount of detail," comments Jamieson.



□ JAMIESON

"When preparing an estimate and feasibility study for a proposed development, the QS must consider specialist finishes, equipment and fixtures, taking stringent special requirements into account."

"Such feasibility studies are often prepared in the first instance from a general brief supplied by the client prior to any of the design team having been appointed. Consequently, a detailed knowledge of the components is required."

As the design progresses, Jamieson adds, the QS's estimate is refined and the client kept informed of the effect of his decisions on costs.

This cost control and reporting continues throughout the construction of the project, reducing the risk of "unpleasant surprises" at the end of the contract, he says.

SAVING

"One of our major projects which was handled in this way was the Durban Marine Parade Holiday Inn, which reflected a saving of 8% between the initial estimates and the final account, some three years apart."

"This was achieved despite various, sometimes radical design changes required by the client — an inherent feature of such dynamic projects," Jamieson comments.

At present, Jamieson says, the firm is busy with a number of refurbishment contracts.

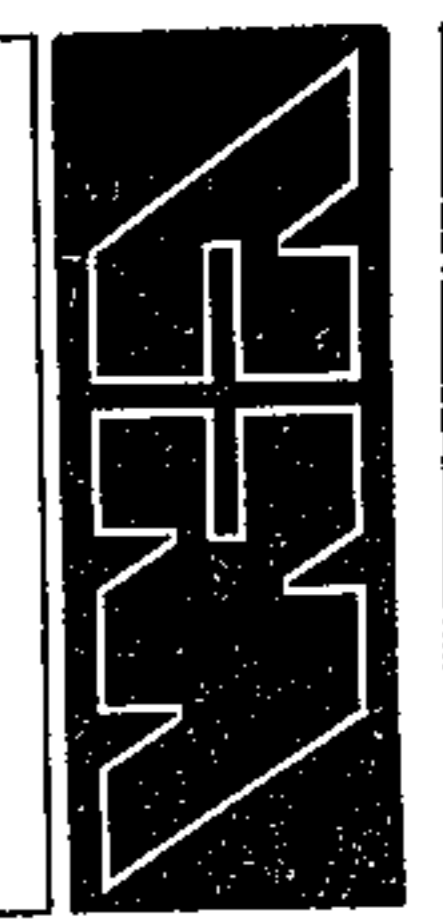
"The life cycle of a hotel bedroom is only 10 to 15 years, while restaurants and function rooms may need to be refurbished every five years to remain competitive."

"When this is done, it is a major operation, the rooms and public areas are completely stripped and QS involvement is essential to ensure that the best options are selected, and that nothing is forgotten," he says.

Although the local hotel industry has not been buoyant during the past few years, signs of a considerable improvement are apparent, adds Jamieson.

"Some new hotels are in the pipeline and we at Venn & Milford are confident of our ability to continue to provide the full range of QS services to the industry."

Corporate Profile



Venn + Milford

Business Day

IDEALLY the quantity surveyor should be one of the first people to become involved in a major construction, engineering or mechanical project, says Charles Venn, partner in Johannesburg QS firm Venn & Milford.

"It is in the client's interest to take advantage of the QS's expertise at the feasibility study stage," he says.

And partner Robin Jamieson adds: "The QS is no longer just a measurer, as his name often implies to the general public."

"In fact, his training is such that he can be fully responsible for the financial control of a project, from its inception to its completion."

According to Oliver Venn, one of the founders of the firm, much needs to be done to promote the QS profession, particularly in terms of its involvement in the fields of engineering.

"Nonetheless, the incidence of cases where the QS controls the budget and coordinates and manages the project is increasing, as the profession grows and diversifies," he adds.

Charles Venn points out that involving the QS in a project while it is still in embryo enables him to understand and influence final costs at a fundamental level.

"We need to know exactly what the client wants to achieve and to make him aware of the factors that could influence the success of his project."

Top-class team is behind good reputation

A READINESS to take advantage of new opportunities as they arise, combined with a broad balance of expertise is the Venn & Milford recipe for professional success, says partner Charles Venn.

"Our experience is evenly spread between such fields as building, civil, mechanical, electrical and instrumentation projects."

"To survive the economic downturn we were forced to be more aggressive, in that we learnt to respond to market stimuli and to

market ourselves within the bounds of professionalism," he adds.

In 1985 the firm established a branch office in Welkom to serve the mines in the area. This branch is manned by 10 members of staff supervised by partner Bob Blair, and is geared to cater for the probable future expansion of Welkom.

As a comparatively large QS firm by SA standards, Venn & Milford controls about 120 to 140 contracts at any time. Working on these at its Johannesburg head office is a staff

of some 30 QSs and technical people, backed up by administrative and secretarial staff.

"Each of our contracts is directly supervised by a one of the seven partners in the firm, whose management style is entirely hands-on. He is accessible to the client, and responsible for every report and every item of correspondence relating to that project that leaves this office," says Venn.

This "open door" philosophy is reflected in relationships within Venn

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This "open door" philosophy is reflected in relationships within Venn

More than just a measurer . . .

Working together, this team can formulate solutions to meet the client's brief and budget.

"As the design work proceeds under the control of the architect or engineer, the QS updates records of the probable costs and feasibility of the project."

Once the design stage has been completed, the QS produces detailed contract documentation and calls for tenders.

"The documentation must be designed to ensure that every tenderer can price the tender documents on a comparable basis. It cannot leave any room for ambiguities which may lead to a misunderstanding," adds Venn.

The QS is also active in evaluating tenders received and making recommendations to the client. Finally, he draws up the necessary contracts to ensure the protection of all the parties involved.

Once the project is underway, the QS's role as a channel of information becomes of paramount importance.

"He prepares monthly schedules of work done and materials used on site, on the basis of which he values the work in progress for payment certificates. In addition, he provides the client with regular, up-to-date budget reports."

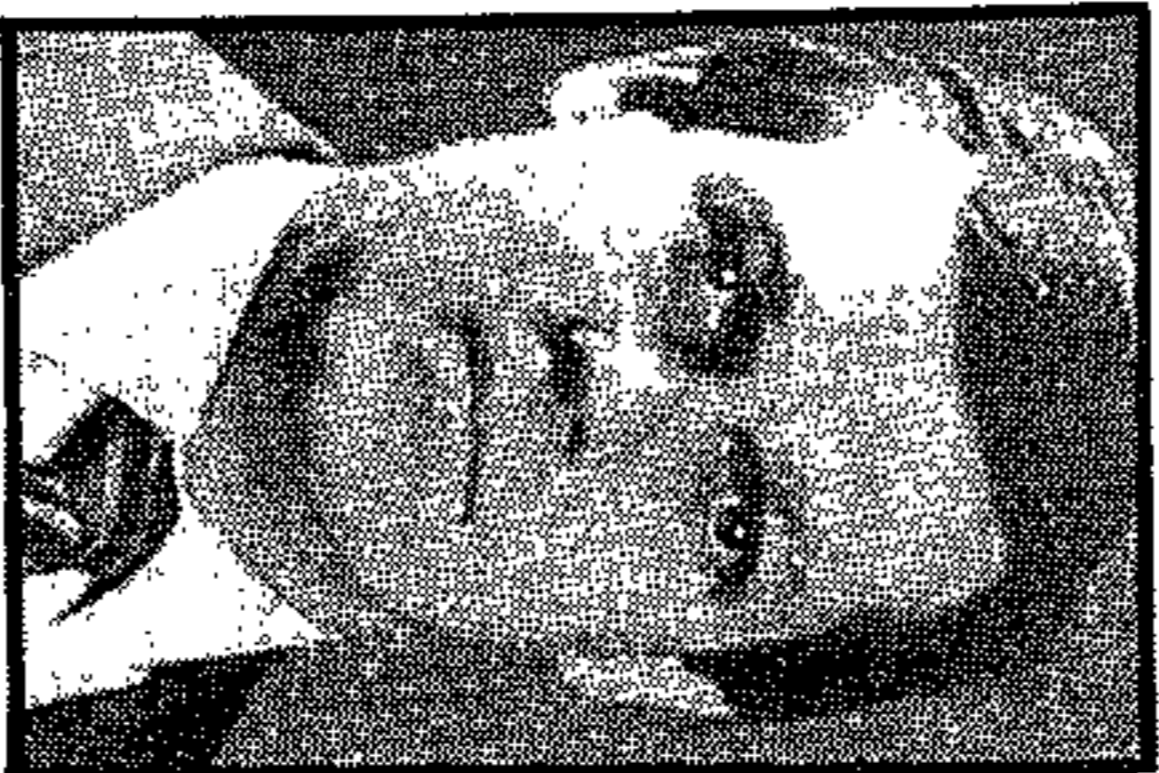
He also helps smooth the passage of design changes. It is at this stage, says Venn, that the worth of bonds formed between the professionals becomes clear.

"Any major project will be subject to design changes during the course of construction. The QS's responsibility is to ensure that the full cost implications of any proposed changes are reported to and resolved with the client."

"When problems relating to the design arise, the QS must be consulted so that he can assess the most cost-effective solution to satisfy the client's brief."

According to Venn, teamwork is an essential factor in the success of any project.

"The essence of effective teamwork between the professionals is to have each respecting the other's strengths," he says.



□ CHARLES VENN

"If we can begin our involvement with the feasibility study, we can do concept estimates to create a financial envelope within which the project team can work."

"And, if we are to assist in the control and advise on the cost of major projects, we need to be able to pre-empt the decision-making process," he says.

Venn stresses, however, that a project team involved in all the relevant professions should be assembled as early as possible to bring

FAITH IN PROPERTY

PROPERTY development is one of many areas into which Venn & Milford, a firm of quantity surveyors, has diversified.

Partner Charles Venn's faith in the future of the industry is reflected in his personal commitment to Venn & Milford's own property development projects. This interest is encouraged by his town planner wife Mitzi.

Venn points out that both investors and the general public are becoming more conscious of the need for innovation in the packaging of property developments.

"During the past few years, a poor economy has both tightened profit margins and heightened competition," he says.

"An increasing number of people is entering the property investment market, and many need quick returns despite the fact that property is essentially a long-term investment."

"From the QS's point of view, putting together a package for a small consortium with a limited ability to cope with risk is very different from preparing a project for a major company that can absorb a short-term loss."

He does not underplay the risks inherent in investing in a market as sensitive to economic and political fluctuations as property development.

"Despite the present boom conditions, one is aware of the question: How long can it last?"

Despite the uncertainty surrounding the future of specific development

& Milford, he adds. "There is no hierarchy among the partners. We each tend to have one or two particular fields of expertise and we complement one another."

"And this attitude is reflected in our staff relationships. We have built up an excellent team of people who work well together."

"In fact, I believe Venn & Milford's good reputation is largely an indication of their worth," says Venn.

For example, he says, in Sandton there is a looming shortage of zoned office sites to cater for the future needs of the business sector based on present growth rate statistics.

And, at the other end of the spectrum, he cites the Wedela Housing Project being undertaken by Anglo American Corporation.

"Anglo's intention is to create a self governing town for 7 000 families, with the potential for expansion to accommodate 10 000. It has been designed to attract secondary and tertiary industries while supplying a labour source for Western Deep Levels and Elandsrand mines."

"In essence, it is an attempt to escape the hostel concept of labour accommodation," Venn explains.

To date, some 634 houses have been built with serviced stands for a further 500 and the main infrastructure for up to 2 500 houses. This includes a sewage works, water reservoir and main access roads.

The township also has a supermarket, community centre, high, primary and pre-primary schools, clinic, local administration building and low-rise blocks of flats for single people.

Venn is confident that such schemes, whether funded independently by major companies or as a joint venture between investors, will prove an important route for township development in the future.

Call for more housing land

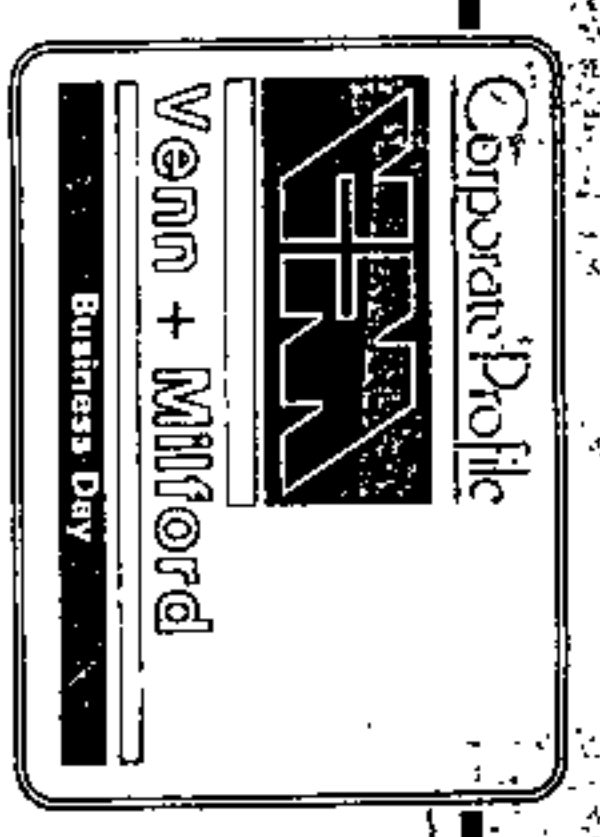
GOVERNMENT will have to make up to 10 000 ha of land available in the PWV area in the next two years if it is to meet the demands of the black housing crisis, according to an Urban Foundation assessment.

With the black population last year estimated to be 4,8-million in the region, the Foundation believes another 98 000 houses are needed by 1990 to keep up with growth, while 58 000 would be needed to reduce the backlog.

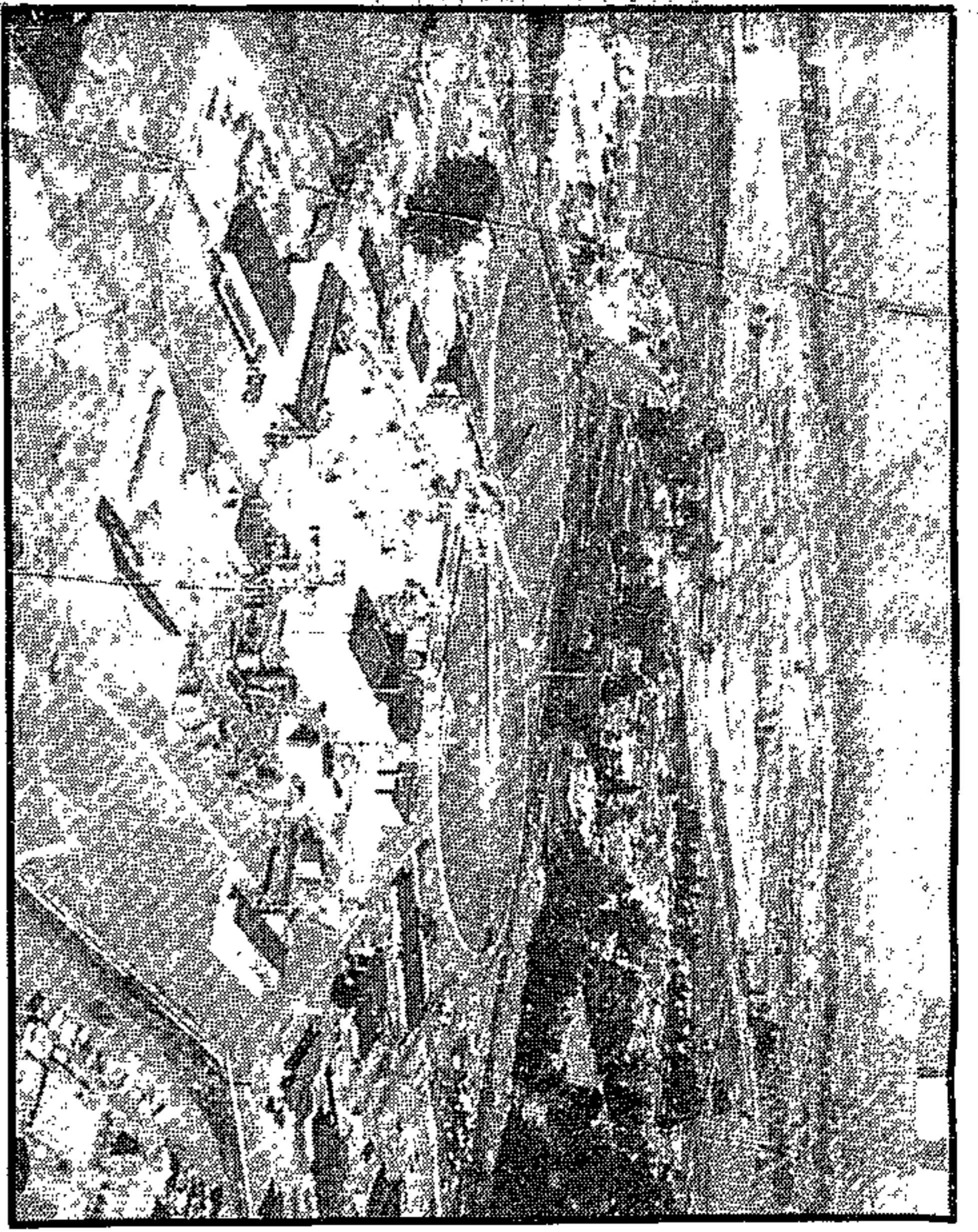
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But the Foundation's Housing Manager Mike Morkel notes effective demand would be something less than the total of 156 000 units, as a result of restricted buying power.

Soweto, at present, covers about 9 000 ha, so in effect three or four times that area — although not with the same type of township development — is needed by the year 2 000.



Major role being recognised



□ The East Daggafontein plant... a typical V & M project

Leaders in their field

INVOLVEMENT in complex engineering projects has set Venn & Milford among the leaders of the quantity surveying profession, says partner Graham Gardiner.

"We have developed the expertise to manage specialised fields such as civil, structural, mechanical, electrical and instrumentation engineering," adds partner Errol Laing.

This expertise is of particular value where a feasibility study is required but no detailed design is available.

"The project team discusses the design principles of the proposed plant. Based on these discussions, we can assess and compare the costs for the different processes which could be used.

"From this, we can formulate a reasonably sound estimate, which in turn acts as the control budget for use by the project engineer in finalising the design.

And as work on the design progresses, we are able to update the budget, keeping management constantly informed of any changes," explains Laing.

A typical large project, which was recently completed, was the East Daggafontein gold treatment plant. Here, in addition to playing the traditional role of a QS, Venn & Milford assisted

the project engineer in the overall cost control by producing a detailed budget which was updated monthly.

The work incorporated civil, mechanical and electrical engineering, as well as building work. The Venn & Milford team comprised full-time staff members, with back-up for each individual discipline.

"Our expertise was particularly valuable in this project, which involved estimating costs from metallurgical flow sheets before any detailed design was available," says Laing.

"This kind of work is relatively new ground compared with work traditionally associated with the profession. We have developed the skills to undertake it, and constant effort is needed to keep abreast of developments in the professions we relate to.

Laing adds that Daggafontein was an unqualified success, being completed on schedule and within budget.

"The multidisciplinary approach to cost control of the project enabled us to co-ordinate our activities.

"The, we believe, resulted in greater management control overall, which enhanced the quality of service we were able to give to the client."

THE INCREASING size and complexity of building, engineering and mining projects has expanded the horizons of today's quantity surveyor (QS).

According to Charles Venn, a partner in Venn & Milford, in Johannesburg, quantity surveyors are being recognised as having a more important and diversified role to play in any project.

"Our basic function remains the same as it always has been: to monitor and report on costs," he explains.

"However, the past experience on many and varied projects that a QS brings to a project enables him to evaluate and compare the factors which affect the cost of a project, and to make valuable recommendations to the client."

And partner Robn Jamieson adds: "The nature of a QS's education gives him the adaptability to apply his expertise in a diversity of fields.

"For example, I believe that QSs in the UK are used by the ship building industry, while on the local scene their input into engineering projects is increasing."

As a result, quantity surveying has recently expanded to incorporate both property development and project management.

And, in an increasing number of firms, of which Venn & Milford is one, it is seen as being applicable to a far wider market, including such specialist fields as mechanical, electrical and instrumentation engineering.

"Recognising the potential of new markets and being ready to diversify has enabled us not only to survive, but also to grow, in a tough economic climate," he comments.

New benefits for profession

"This could lead to a drop in the quality of service provided."

By contrast, Charles Venn is undaunted by the threat of undercutting.

"It is naive to think undercutting never occurred in the past, since the fees laid down by the Act were open to interpretation," he says.

"In fact, for most firms it is business as usual."

Venn points out that since QS fees amount to an insignificant percentage of the total cost of any building, civil or mechanical engineering contract, any savings gained by the client from a reduction in the recommended scale of fees would be negligible.

"On the other hand, the overall savings that result from using a QS can be huge.

"Few serious investors will risk funds to save cents, and I am confident of our ability to retain our client base on the basis of quality of service.

"In fact, I would encourage clients rather than spend more on controlling project finance across a wider spectrum, rather than putting pressure on the profession to reduce its fees," he adds.

"We have developed the in-house expertise to handle complex projects ranging from major processing plants, shaft sinking and underground mine development to township development and the construction of luxury hotels.

The firm's relationship with the mining industry started with the construction of the treatment plant and shaft headgears at Elandsrand gold mine, in 1976.

"We brought the expertise of QS to the disciplines of civil, mechanical, electrical and instrumentation engineering in the Elandsrand project," Venn adds.

The development of Erigo came next, followed by a number of similar projects.

"The QS has a broad understanding of all the professional and technical aspects of a project, together with the skill to relate these on a day to day basis to the cost," comments Venn.

"He brings a balanced perspective to each aspect of a complex project, and is trained to manage the documentation that controls costs and minimises litigation."

However, Venn is quick to stress the importance of teamwork between the professionals on a project.

Recent developments in local industry have renewed the vigour of the QS profession, adds Venn.

"The building and construction industry has started to boom, privatisation of government operations will release more work into the private sector, and even the floods — appalling though they are — will stimulate economic activity as rebuilding gets underway."

THE LIFTING of the statutory restrictions from the quantity surveying profession will make it more market-oriented, and in the long term this will benefit both the profession and its clients, says partner Charles Venn of QS firm Venn & Milford.

"In recent years, the face of the profession has changed. It has the potential to serve a wider range of industries than ever before, and the individual QS's involvement in projects is far deeper.

"Because of this, the issue is no longer the cost of QS, but quality and diversity of service."

This view is echoed, although with less enthusiasm, by a recognised denizen of the profession, Oliver Venn.

"Changing the Quantity Surveyors Act will make a profound difference to the profession. I foresee that in the long term the QS as we know him will disappear completely.

"One of the most logical developments I expect to see is a steady trend towards in-house property development. Ultimately, this will force independent QSs who want to survive in a competitive market to join forces in order to raise investment capital," he says.

He also predicts the departure from the recommended scale of fees as a logical result of the removal of price protection. He stresses that only diversity and quality in the services

Friends' firm was built up from the bottom

SINCE being established in 1947, quantity surveying firm Venn & Milford has grown considerably.

Founder members Oliver Venn and Rex Milford were school friends and grew up during the years of the Depression.

Venn's career started in the accounts examiner's office of the Railways, examining bills of quantities and similar documents.

"My boss suggested I become a QS, so I joined a firm and worked my way up from the bottom while studying by correspondence," he recalls.

"The War interrupted my career, but after returning home I went into business on my own."

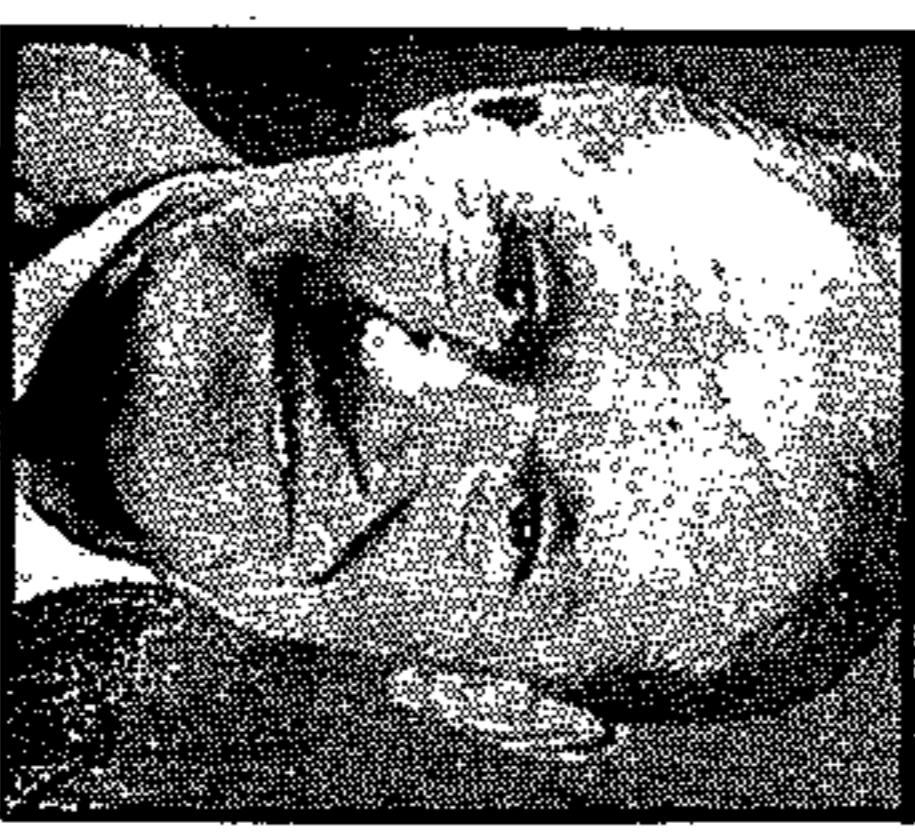
At this time, Milford was employed as a quantity surveyor with the Kenyan government. Venn invited him to join his venture, and Venn & Milford was established.

"There were three of us, all ex-servicemen, in one small office in Johannesburg — Rex Milford, myself and our faithful assistant Jonathan Mbele," he comments.

During the next few years the practice grew steadily to accommodate the building activity typical of a developing nation. Staff were recruited overseas, including Robert Blair (who now heads up the firm's Welkom operation), Robn Jamieson, Bob Campbell and Graham Gardiner — all of whom are now partners in the firm.

Venn's son Charles grew up with the firm, and recalls many school holidays spent painstakingly collating documentation by hand.

"That was before we acquired anything as sophisticated as a photocopier — let alone computers!" he comments. Venn joined the firm in 1976 after graduating from Wits



□ MILFORD



□ OLIVER VENN

provided will enable the profession to survive.

"Although, as it stands, the Act prohibits QSs from tendering against each other, this restriction will probably be extremely difficult to enforce.

"And undercutting of the recommended scale of fees is a particular risk when the client fails to provide a clear and detailed brief of the services he requires.

University with a degree in QS and, to complete the partnership, Errol Laing was employed in 1979.

Today, many familiar Johannesburg landmarks bear witness to Venn & Milford's readiness to tackle unusual projects — and, in fact, Venn attributes the firm's growth to its commitment to the expanding horizons of the QS profession.

Among the projects V & M has been involved in in the past are the Marshalltown Post Office, the New Corner House, The Standard Bank Centre, and the Carlton Centre.

Some years later Venn & Milford moved into the field of civil, mechanical and electrical engineering contracts.

This came as a result of the firm's association with the consulting civil engineer and consulting architect at the Anglo American Corporation.

Award

(2) Yes.

(a) 3 353.

(b) 54 families have been rehoused during 1987. The remaining families will be formally settled as the land for black development is identified and set aside. This process is receiving ongoing attention.

TRANSVAAL

(1) Yes.

(a) The estimated number of squatters (inclusive of males, females and children) in the PWV area on 31 December 1987 was as follows:

(i) Backyard squatters	804 372
(ii) Other squatters	109 729
TOTAL	914 101

(2) No.

(a) Falls away.

(b) It is a continuous process that will continue for several years.

Community councillors/members of Black local authorities: number attacked/killed/injured

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

(1) Whether he will furnish information on the number of community councillors and members of Black local authorities who have been attacked and killed or injured as a result of their holding these offices; if not, why not; if so,

(2) whether any (a) community councillors and (b) members of Black local authorities were attacked and killed or injured in 1986 and 1987; if so, how many such persons were (i) killed and (ii) injured in those years?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(1) No. Although community councillors and members of black local authorities were attacked and killed or injured in 1986 and 1987, it cannot be beyond doubt be attributed to their holding these offices.

(2) Falls away.

Black townships: housing units sold in freehold

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

(a) How many housing units in black townships were sold in freehold to Blacks during the latest specified 12-month period for which information is available and (b) in which specified townships were these houses situated?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

NATAL
(a) None.
(b) Falls away.

TRANSVAAL

(a) 3
(b) 2 at "Spruit View" — Kaitshong (East Rand).
1 at Naledi — Soweto (West-Rand).

ORANGE FREE STATE

(a) None for the period 1 March 1987 to 29 February 1988.

(b) Falls away.

CAPE PROVINCE

(a) None.
(b) Falls away.

Community councils/other Black local authorities constituted

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

How many (a)(i) community councils and (ii) other Black local authorities had been constituted, and (b) wards were there, in each specified area as at the latest specified date for which information is available?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(a) (i) Community Councils were replaced on 11 July 1986 to Town Committees. (G N 1 480 dates 11 July 1986)
Region A: Western Cape — 13 Town Committees
Region B: Northern Cape — 21 do
Region D: Eastern Cape — 38 do

Award

(ii) Region A: Western Cape — 1 Town Council

— 2 Local Authority Committees

Region B: Northern Cape — 1 City Council

— 2 Town Councils

Region D: Eastern Cape — 3 City Councils
— 1 Town Council

(b) As at 22 February 1988.

Region A: Western Cape

Dorpsraad

Number of wards

Walvisbaai Kuisebmond 7

Town Committee

Stellenbosch Mfuleni (Kuitsrivier) 7
Ashton Zolani 7
Ceres Nduli 5
Hermannus Zwellihle 5
Cape Town Cape Town 21
Paarl Mbekweni 7
Robertson Nqubela 7
Stellenbosch Kayamandi 7
Worcester Zweletemba 7
Mossel Bay KwaNongqaba 5
Oudshoorn Bongolethu 7
Beaufort-West Sidesaviwa 7
Victoria-West Masinyusane 5

Local Authority Committee

Crossroads Cape Town 7
Lwandle Strand 5

Region B: Northern Cape

Local Authorities
Galeshewe City Council 12
(Kimberley) Town Council 6
Paballelo Town Council 6
(Upington) Town Council 6
Nonzwakazi Town Council 6
(De Aar)

Town Committees

Barkley-Wes Mataleng 6
Bristown Mziwabantu 5
Danielskuil Thakaladou 6
Delportshoop Tjidimalo 6
Douglas Bongani 6
Griekwastad Matlomoa 6

Jan Kempdorp 6

Olifantshoek 6

Petrusville 6

Philipsdorp 5

Postmasburg 6

Prieska 6

Relvilo 6

Ritiche 6

Vryburg 8

Warrenton 6

Windsorton 1 ward

Richmond 6 members

1 ward

5 members

Hanover Nompumelelo 6

Noupoort KwaZamuxolo 7

Colesberg Kuyasa 8

Region D: Eastern Cape

Local Authorities

Ibhayi (Port Elizabeth) City Council 21

Rini City Council 9

(Grahamstad) City Council 9

Kwanobuhle (Uitenhage Despatch) City Council 14

Lingelihle (Craddock) Town Council 7

Town Committee

Aberdeen Thembalesizwe 6

Adelaide/Bedford Lingelithu 9

Alexandria Kwanonqubela 5

Alicedale/Kwanozwakwazi 8

Paterson Dukathole 6

Aliwal-North Barkly-Oos 6

Barkly-Oos Nkululeko 6

Burgersdorp Mzamonghle 8

Cathcart Katikati 6

Dordrecht Sinakho 5

Elliot Masibambane 6

Fort Beaufort Kwatindubu 7

Graaff-Reinet uMasizakhe 8

Hankey Umzamonghle 6

Holmeyr Luxolweni 5

Humansdorp KwalNomzamo 8

Indwe Mavya 6

Jamestown Masakhane 4

Jansenville KwaZamukucinga 6

King William's Town Ginsberg 4

Kirkwood Nomothamsanqa 7

overseas visits in 1987; if so, (a) which countries were visited and (b) what was the purpose of each visit;

- (2) whether he or these Deputy Ministers were accompanied by any representatives of the media on these visits; if so, (a) what were the names of the journalists involved, (b) which newspapers or radio or television networks did they represent, (c) to which countries did each of these persons accompany him or these Deputy Ministers and (d) why;

- (3) whether any costs were incurred by his Department as a result; if so, what total amount in that year?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

- (1) No.
(2) and (3) Fall away.

Mixed couples: applications for permits

585. Mr R M BURROWS asked the Minister of Constitutional Development and Planning:

- (1) Whether his Department has received any applications from couples who entered into mixed marriages for the issue of permits in terms of section 26(3) of the Group Areas Act, No 36 of 1966, to reside permanently in White areas and to be exempt from the provisions of the said Act; if so, how many (a) in 1987 and/or (b) as at the latest specified date for which figures are available;

- (2) whether any of these applications have been granted; if not, why not; if so, how many (a) in 1987 and/or (b) at the above-mentioned date;

- (3) whether any of these applications have been refused; if so, why in each case?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

No.

Soweto proper/Dobsonville/Diepmeadow: applications for 99-year leases/freehold title

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

- (a) How many persons in Soweto proper, Dobsonville and Diepmeadow, respectively,

HOUSE OF ASSEMBLY

applied in 1987 for (i) 99-year leases and (ii) leave to purchase property under freehold title and (b) how many such applications had been granted in each case as at the latest specified date for which figures are available?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

As at 31 December 1987.

(a) (i) Soweto 3 949
Diepmeadow 604
Dobsonville 310

(ii) Soweto 1
Diepmeadow 1
Dobsonville 1

(b) (i) Soweto 3 949
Diepmeadow 291
Dobsonville 310

(ii) Soweto 1
Diepmeadow 1
Dobsonville 1

99-year leasehold scheme: plots surveyed

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

- How many plots were surveyed in each province of the Republic in 1987 with a view to the 99-year leasehold scheme?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

TRANSVAAL

381 678 plots were registered with the Deeds Office.

ORANGE FREE STATE

1 569 plots.

CAPE PROVINCE

59 739 plots.

NATAL

5 690 plots.

Greater Soweto: population

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

- What was the population of Greater Soweto as at 31 December 1987?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

1 542 100 estimated.

Christmas cards sent out

606. Mr P G SOAL asked the Minister of Justice:

- (1) Whether (a) he, (b) the Department of Justice and/or (c) the Prisons Service sent out Christmas cards in 1987; if so, (i) what total number of cards was printed, (ii) to whom were they sent, (iii) what was the total cost of producing and distributing these cards, and (iv) who was responsible for printing them, in each case;

- (2) whether postage stamps were used to send out these Christmas cards; if not, how were they distributed?

THE MINISTER OF JUSTICE:

- (1) (a) Yes.

(i) No cards were printed in 1987.

(ii) Approximately ten cards were sent to colleagues and friends.

(iii) None. Existing stocks were used.

(iv) The Government Printer.

- (b) Yes.

(i) 1 000.

(ii) The Director-General in his official capacity sent out cards to approximately 800 people comprising public office-bearers, heads of state departments, retired heads of the Department, heads of sub-offices in the Directorate: Justice, heads of prison commands and prisons and retired officials in the Directorate: Justice.

(iii) R436,43.

(iv) The Government Printer.

- (c) Yes.

(i) 3 000.

(ii) 575 were sent out to instances and persons with whom the SA Prisons Service has official connections and also in return of season greetings to the Commissioner of Prisons and the personnel corps of the SA Prisons Service received from individuals, instances and Members of Parliament.

(iii) R684,32 for the supply of 3 000.

(iv) The Government Printer.

- (2) Yes. However, the cards mailed by the Director-General and the Commissioner of Prisons in their official capacities were dispatched as official mail.

Nursing diploma course at H F Verwoerd hospital in Pretoria

613. Mr A GERBER asked the Minister of Constitutional Development and Planning:

- (1) (a) How many (i) enquiries about, and (ii) applications for admission to, the nursing diploma course at the H F Verwoerd Hospital in Pretoria were received in 1985, 1986 and 1987, respectively, and (b) how many persons were admitted to the course in each of these years;

- (2) whether there is a shortage of nursing staff at present at (a) Transvaal provincial hospitals in general and (b) the H F Verwoerd Hospital in particular; if so, what (i) is the extent of and (ii) are the reasons for this shortage, in each case?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(1) (a) (i) 1985 — 340
1986 — 634
1987 — 668

(ii) 1985 — 205
1986 — 232
1987 — 210

(b) 1985 — 152
1986 — 147
1987 — 181

- (2) (a) Yes.

(b) Yes.

HOUSE OF ASSEMBLY

1233
R/Row 30/3/88

PROPERTY/Edited by Terry Meyer

Joburg tackles parking problem

CHANGES in Johannesburg's town-planning policy could see the construction of new city council parking garages in critically-congested areas in the near future.

Serious parking shortages in areas such as Hillbrow, Norwood, Melville and Orange Grove, along Louis Botha Avenue, are among suburbs where parking garages could soon be built — thanks to a change in city council policy.

In terms of existing town-planning regulations, where developers do not build their own parking garages, they are required to make a contribution to council's coffers.

This "money in lieu of parking" has been collected over the years by council and has steadily built up. However, old council policy enforced town-planners to spend the monies only in those areas where it had been collected.

to entice private enterprise to erect viable parking garages.

While council's present funds acquired from the "money in lieu of parking provision" fund are clearly insufficient for council to embark on a wide garage-building campaign, it could allow them to buy up stands in certain decentralised locations.

This, in turn, could give them leeway to negotiate with private developers, if necessary.

Areas such as Norwood and Melville, where parking is often a problem, could be the first to benefit from the change in policy.

According to a council report, no serious problem yet exists with the majority of "isolated" developments. Among "medium priority" areas, for example, are Greenside, Corlett Drive, Industria and Industria West.

TERRY MEYER

Thus in areas such as Johannesburg's Berea, only R10 267 stands to the suburb's credit — clearly insufficient to provide any sort of parking in the area.

The same applies to scores of other areas, with the largest amount standing to the credit of the suburb of Rosettenville

(R350 676), with Rosebank a close second (R344 000).

However, in the case of Rosebank recent council policy has enforced developers to provide parking and there is now ample provision.

In terms of the latest council policy changes, funds can now be diverted to other areas where parking problems are critical and where it is difficult for council

Rental level hitch

THE FIRST phase of Highgate, western Johannesburg's latest regional centre, opens next month with some 90% of its 41 000m² retail space pre-let. However, there appears to have been some resistance to rental levels and the remaining 10% could take some time in letting.

Marketing agents Finlay & Associates director Lynette Stevens said: "Although the owners are generally satisfied with the rentals which we have managed to achieve, some rentals are less than anticipated". The average is in the R30/m² to R35/m² range.

Located on Main Reef Road in Wibsey Dip, the centre's main anchor is an 18 000m² Pick 'n Pay Hypermarket — the 100th store in the P 'n P chain — opening next month.

According to Stevens, the first year is expected to show the owners — the Iscor Pension Fund and the Eskom Pension and Provident Fund — a return on investment of 10%, which is less than the original 11,5% projections.

MARKET IS BOOMING

NEW leases and renewals worth R42m were concluded by Anglo American Property Services (Ampros) during January and February. Compared with a monthly average of R12m during 1987, it demonstrates the amount of activity in the market at the moment.

"We see 1988 being a good year for commercial property," says Ampros national leasing director Graham Lindop, "especially in the case of prime office accommodation, with rentals moving steadily upwards and vacancies declining substantially."

The location, maintenance and servicing of buildings in Ampros' portfolio is considered a major advantage, Lindop adds.

R17m for phases

GROUP FIVE Building-Combrink has been awarded a contract worth R17m for the construction of phases three and four of the Southern Life Gardens office development in Sandown.

The company completed phases one and two of the scheme in April 1985 and April 1986, at a total cost of R9,4m. The phase three block will comprise ground floor parking and foyer of 2 242m², with five office floors totaling 8 308m². Completion is due for the end of June next year.

Phase four, which has already been fully let to the Allied Building Society, will have ground floor parking and foyer of 1 303m², with six office floors with a lettable area of 5 694m². This should be ready by February next year.

The two blocks will share a basement parking area of 6 714m².

123 B/day 30/3/88.

PROPERTY

Contractors urge caution

THE CURRENT surge of activity being experienced by the building contracting industry may run out of steam sooner than expected.

And a number of those who are now working flat-out are feeling the pinch of recessionary belt-tightening, with a shortage of good management, skilled labour and sound sub-contractors.

Even plant, a lot of which left the country during the bad times, is difficult to come by, and in Cape Town contractors say there is not an item to be had for rental. Plant replacement costs for buyers have escalated in some cases by as much as 50%.

Another factor affecting the industry is the fast-track contract — as, said Ovcon's Derek Mace, the fast-track job has become the rule rather than the exception, shortening contract periods.

Worry

"This leads to the shortening of order books, which may push turn-over temporarily but certainly affects the long-term picture," he said.

"A further tremendous worry associated with this is that, although the main contractors may have got used to the fast-track way, sub-contractors are just not able to cope. And as long as the construction industry continues to run on a boom-or-bust basis, these problems are going to be difficult to solve."

A representative of the finishing trade specialists Fred Whitehead Group is inclined to agree with this, adding that with the busy period ahead, the company has started a lot of in-house training for the group's more than 2 000 employees.

"There is definitely not enough training in the sub-contracting industry to meet current demand," the

JANE STRACHAN

spokesman said.

Ovcon director Jan Kaminski observes that, while there is still a high degree of optimism in the industry and a lot of work to go around — particularly in Cape Town, where the company is based — the number of tenders is getting fewer and the positive mood is showing signs of tailing off.

He suspects the industry's capacity to handle volume is less now than it was three years ago.

"Saturation is going to be reached much more quickly than normal," he said. "Productivity is generally lower and quality is poorer."

Companies which kept staff on at all costs (such as Ovcon) should survive reasonably well over the present period, said Kaminski, but he expresses serious concern for those companies which cut back substantially and now find themselves without the managerial and technical expertise to handle jobs properly.

As a result of having kept the organisation intact, Ovcon has been able to take on new work worth nearly R50m in the last three months, and is close to tying up a further R38m.

Andy Shoredits, chairman of the Pretoria-based construction and property group Shoredits, is optimistic, believing SA is moving into the start of the traditional cyclical up-swings in the construction area.

Nevertheless, he warns that the industry is fast running out of capacity.

"There is a definite shortage of skilled labour. This tends to inflate wages, and we are experiencing lengthening delivery times for strategic building materials."

As always with this industry, timing plays a vital role: the ability to find the right time to take on the workload at the right prices is of paramount importance and can have enormous repercussions on the profitability of a number of companies.

Hardening

Shoredits said operating margins in the industry are better than at any time in the past five years, with a hardening in construction tender prices of between 10% and 30%.

However, concern has been expressed in some quarters that some contractors leapt in to take too much work too soon, filling their order books with jobs with the narrowest of margins. Also cause for worry is that the inevitable cost correction could be so dramatic as to put an end to further building.

"There has to be a cost correction in order to get the industry back on its feet," concludes Kaminski. "But if this is accompanied by factors such as rising interest rates and if rentals do not move enough, the up-turn we're seeing is sure to be short-lived."

QUESTIONS UNDER NAME OF MEMBER

Pupils: Std 10/Std 8/Std 6 examinations written

Teacher training colleges: applications for admission

Andrew, Mr K M—

General Affairs:

Constitutional Development and Planning, 335

Defence, 102, 184, 185, 186, 206

Education and Development Aid, 10, 11, 13, 58, 160, 161, 163, 469, 573, 580, 581, 582, 583, 584, 585, 601, 786, 848, 849

Finance, 774

Home Affairs, 334

Justice, 335

Law and Order, 347, 348, 778

National Education, 604

Own Affairs:

Education and Culture, 23, 24, 28, 175, 614, 616, 794, 795, 796

Barnard, Dr M S—

General Affairs:

Constitutional Development and Planning, 404, 690, 691, 693, 704, 721, 725, 726, 727, 729, 730

Defence, 285

Education and Development Aid, 416

Home Affairs, 415

Justice, 381, 533, 534, 627

Law and Order, 838, 839

National Health and Population Development, 396, 435, 436, 441, 442, 443, 445, 447, 448, 749, 752, 753, 754, 755, 757, 842

Own Affairs:

Education and Culture, 214, 425

Burrows, Mr R M—

General Affairs:

Administration and Broadcasting Services, 60, 212, 849

Constitutional Development and Planning, 715, 784

Defence, 11, 101

Education and Development Aid, 577, 613, 843

Finance, 338

Home Affairs, 789

Justice, 371

Law and Order, 12, 253, 465

National Education, 65, 67, 224, 287, 380, 460, 502

National Health and Population Development, 337, 394, 395, 435, 466, 758, 759, 762, 782

Own Affairs:

Budget and Welfare, 478

Education and Culture, 20, 21, 22, 70, 72, 119, 120, 121, 122, 124, 125, 133, 135, 136, 171, 176, 191, 194, 214, 236, 345, 346, 479, 482, 615, 794, 796

Chetty, Mr K—

General Affairs:

Law and Order, 875, 877

Transport Affairs, 543

Own Affairs:

Education and Culture, 558, 674, 743, 744, 883, 884

Health Services and Welfare, 595

Housing, 646

Coetzee, Mr H J—

General Affairs:

Defence, 622

Economic Affairs and Technology, 550

Dalling, Mr D J—

General Affairs:

Administration and Broadcasting Services, 211, 532

Agriculture, 737
Communications, 80, 110, 483

25. Mr K CHETTY asked the Minister of Education and Culture:

- (1) (a) How many Indian pupils in schools under the control of his Department wrote the (i) Std 10, (ii) Std 8 and (iii) Std 6 examinations in 1987 and (b) how many of these pupils passed each of these standards in that year;
- (2) how many students obtained degrees in 1987 from each specified university under the control of his Department?

The MINISTER OF EDUCATION AND CULTURE:

- (1) (a) (i) 12 429
(ii) 18 793
(iii) 20 979

- (b) Std 10: 11 575
Std 8: 16 954
Std 6: 19 496

Teachers appointed as planners

26. Mr K CHETTY asked the Minister of Education and Culture:

- (1) Whether any teachers were appointed as planners during the latest specified 2-year period for which figures are available; if so, how many;

- (2) whether he will furnish the (a) names and (b) qualifications of the teachers so appointed as planners; if not, why not; if so, what are their (i) names and (ii) qualifications in each case;

- (3) what criteria are applied by his Department in assessing teachers for promotion to the post of planner?

The MINISTER OF EDUCATION AND CULTURE:

- (1) No.

- (2) (a) and (b) Fall away.

- (3) The candidate's relative suitability for the relevant post is determined by assessing, *inter alia*, the following:

Academic competence, appropriate experience, initiative, perseverance and zeal, personality, leadership and human relations.

HOUSE OF DELEGATES

29. Mr K CHETTY asked the Minister of Education and Culture:

- (1) How many persons applied for admission in 1988 to each of the teacher training colleges administered by his Department;

- (2) whether any of these persons were refused admission by any such college; if so, (a) how many in respect of each college and (b) what were the main reasons for these refusals?

The MINISTER OF EDUCATION AND CULTURE:

- (1) Springfield College of Education: 923
Transvaal College of Education: 130

- (2) Yes.

- (a) Springfield College of Education: 815
Transvaal College of Education: 70

- (b) Applicants did not meet one or more of the following requirements:

- (i) Minimum admission requirements;
- (ii) Academic merit requirements;
- (iii) Academic requirements for specific study directions.

Housing Development Board: criteria for appointment of members

36. Mr M RAJAB asked the Minister of Housing: With reference to his reply to Question No 3 on 11 June 1987, what criteria were applied in selecting members for appointment to the Housing Development Board referred to in section 2 of the Housing Development Act (House of Delegates), No 4 of 1987?

The MINISTER OF HOUSING:

Suitability.

Housing: actual/estimated shortage

43. Mr M RAJAB asked the Minister of Housing:

What was the actual or estimated shortage of housing for Indians in (a) Natal, (b) the Cape Province and (c) the Transvaal as at the latest specified date for which statistics are available?

The MINISTER OF HOUSING:

The estimated figures for June 1987 are:

- (a) 39 879.
(b) 2 536.
(c) 6 332.

mm 11/9/88

HOUSING

123

Getting to it

The Family Housing Association (FHA), the Urban Foundation's building arm, is to double its turnover in its next financial year from R56,5m to R124m as part of a restructuring of its operations which will shift emphasis to selling more houses.

In the year to end-March, FHA sold around 5 000 stands and 1 000 houses. This is expected to increase in the next 12 months to 7 800 stands and 3 500 houses.

The swing to providing more houses is being structured around a product called "Starter Home," intended to provide basic accommodation and allow the buyer to upgrade as finance permits.

Prices start at around R18 000 — including stand but no electricity — and go up to R35 000. Sizes range from 30 m²-80 m².

FHA's Matthew Nell says the houses will be developed in two different ways. The first is owner-built, with FHA selling the stand and arranging bond finance as well as providing building materials and ongoing advice. Buyers can also make use of small local contractors.

Under the other scheme, FHA will contract out 200-500 houses to a large construction company and sell the houses off-plan.

FHA will also start development work on incremental homes — selling serviced stands on which the buyer can erect a temporary dwelling and build a proper home as finances permit.

However, Nell points out there are still problems with the scheme. A method of financing the purchase of just the stand over a 20-year period is required and, more important, local authorities have to be persuaded to allow such projects.

Says Nell: "This is an important step. We are trying to get people on to and over which they have tenure. It provides a starting point for the lower-income black."

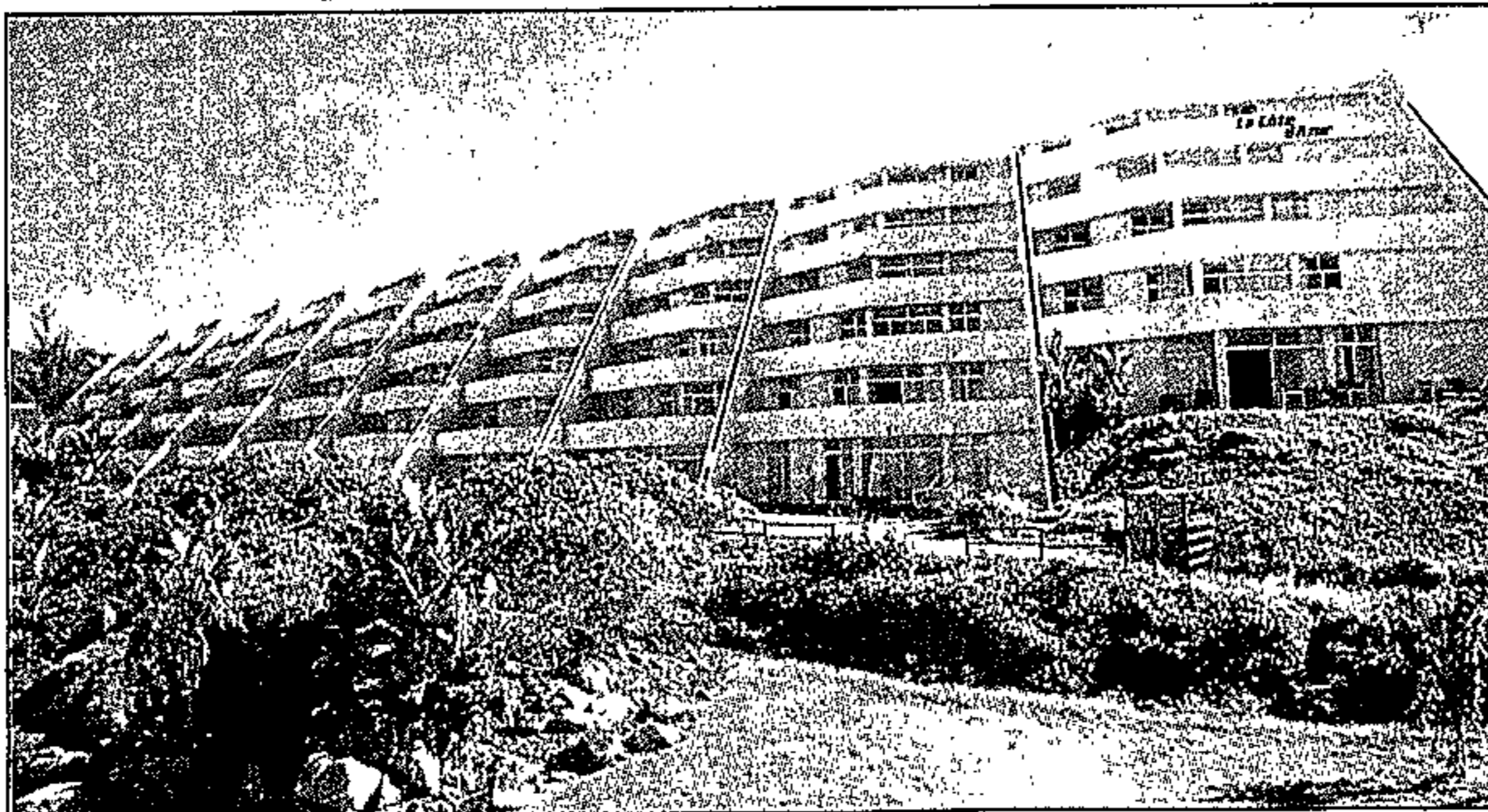
In addition, FHA is planning to restructure its operations. Instead of only having sales and construction divisions, FHA will create a land division which will effectively wholesale land and a housing division which will construct and sell houses. The operation will also be subdivided into regions to better serve local markets.

Nell believes that FHA, like other, similar organisations, has to guard against becoming a bureaucracy.

"With this in mind, we are mounting a big push to retain customer service and intend spending R350 000 on staff development and training. This will concentrate particularly on management, supervisory and customer skills," says Nell.

2

La Cote d'Azur ... hoping for better



HOUSING

Harsh reality

(23)

Aside from an occasional twitch, the market for subsidised white housing is dead.

Consequently, developers who just two years ago saw the package home market as a means of tiding them over a particularly slack period, have now effectively turned their backs on it.

The government subsidy on bond interest was introduced in 1983. It applies to houses

suited for the lower-income groups.

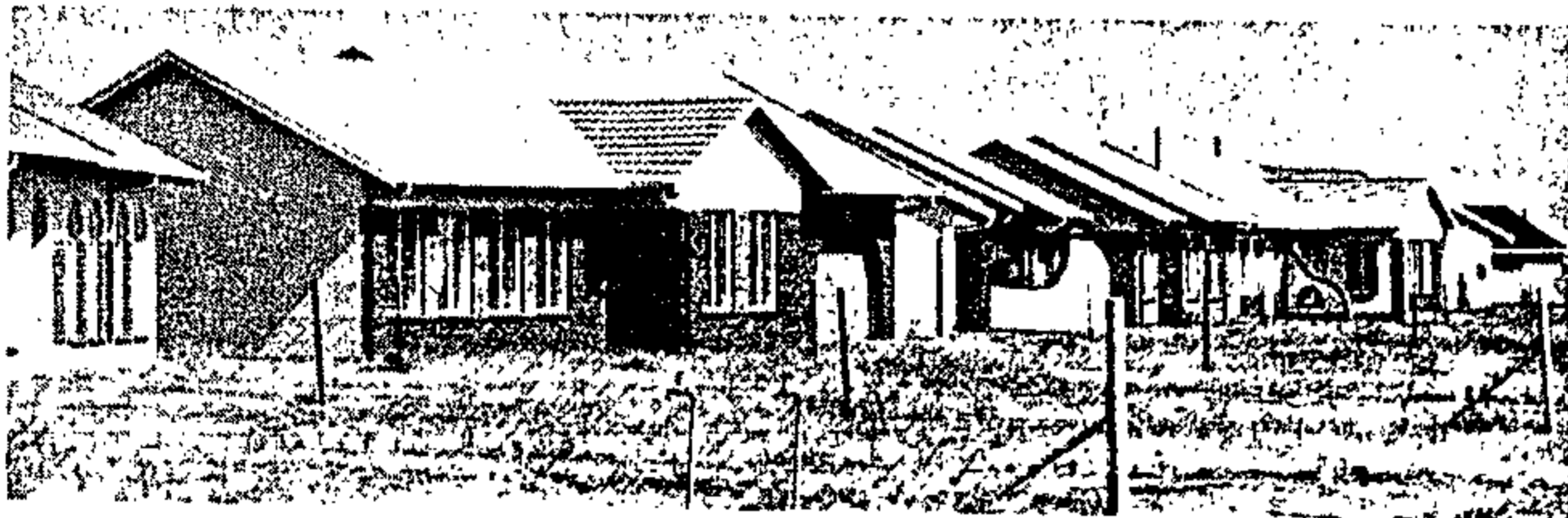
But the erosion of subsidised buying power is not all bad. There is a strong argument to suggest that the subsidy is finally addressing South Africans with the most need, the real lower-income groups.

Gallic MD Paul Koep says his company studied the feasibility of entering this market a year ago, but decided against it as it did not

saying: "Even if more affluent members of society use the scheme, it has the advantage of setting an example with regard to more modest housing needs."

Grotsius's arguments may have cogency. But SA has an evolving economy and the perceived needs of its people are in constant flux.

Limited means require that the country subsidise only those who are in real need. If some people have to wait before acquiring their dream home, that's economic reality. ■



Subsidy houses... black market beckons

costing no more than R40 000, excluding land. Since then, rising building costs, especially for labour and materials, have severely diminished the size of the house which can be built for this amount.

Consequently, many prospective buyers are no longer attracted by this type of development. Though expectations are dropping, many whites still expect to live in the same size house as their parents. So many prefer to rent accommodation until they can afford to have their aspirations met.

Rob Crockett, Sage Schachat's new MD, says it is becoming impossible to deliver even the most modest home — 80 m² with two bedrooms, no garage and one bathroom — for under R40 000.

As a result, he says, developers are now turning to the black market (see *Guidelines*), where expectations are rising — albeit off a low base. Crockett believes this market will remain viable for some time.

Another factor which has a significant impact on the first-time buyer in the white market is the comparatively high cost of the stand. Black consumers are paying from around R10 000 for a 300 m² stand and white buyers from around R25 000 for a stand twice that size. However, once again white perceptions as to what is acceptable influence stand sizes.

What's more, moving township development away from main urban centres doesn't help to make housing more affordable. The land cost component may be cut, but buyers are then faced with prohibitive transport costs.

Finally, there is reluctance on the part of local authorities to pass plans for housing

want to sell "little boxes."

However, finding the market non-viable does not change his view that the present subsidy level should remain.

"At its present level it serves a real need. It should not be changed just because a lot of young accountants can't get what they want. There are a lot of developers who are supplying fine houses to the non-white market at that price."

Taking the opposite perspective, Johan Grotsius, National Association of Homebuilders executive director, says the scheme was originally intended to provide housing for white first-time buyers. Although the scheme is open to all races, the need in the non-white market was not the main thrust at the time.

"The standards were set in 1983 and the obvious solution is to increase the subsidy to maintain that level of housing. The government says the fiscus cannot afford this, so another approach is needed."

One solution could be a sliding scale of subsidies, perhaps starting at 50% for houses targeted at the lower-income groups and decreasing as the house purchase price approaches a suggested ceiling of R60 000.

Grotsius says there is an even simpler solution. A ceiling such as R60 000 could be introduced, with the subsidy remaining on the R40 000 portion and no subsidy on the balance of R20 000. This would enable people to buy the type of housing they require.

He says the subsidy was also intended to encourage white South Africans to buy more modest houses and that it has achieved this objective. Grotsius responds to suggestions that the system has been open to abuse by

SANDTON

At the entrance

Sandton continues to attract, in droves, companies wishing to relocate to a "decentralised" area (*Property* April 1).

The latest developer to take advantage of the trend is Group Five Development, which has bought the Sandown Nursery site and other properties adjacent to it, fronting on to Rivonia Road opposite Sandton City.

MD Chris Drummond says the company is negotiating with six potential tenants to determine the configuration of building, but that all six require in excess of 5 000 m² — one possibly even around 15 000 m².

The 2 ha assembled site has been zoned Business 4, with an FAR of 1,2 and a height restriction of 10 storeys. The rezoning has been approved by the Townships Board.

Drummond says the usable portion of the

THE ROAD AHEAD

Freeway access is becoming a major issue in the location of new office developments, as evidenced by two projects planned for the outskirts of Johannesburg.

The first is Group Five Development's office park in Bedfordview, on a 2 ha site adjacent to the Gillooly's Interchange. It will provide some 6 500 m² of office space, with the configuration to be decided by the tenants. Owner occupation is also open to negotiation.

The second complex, to be known as Inter-Rand Park, is being developed by Oakwood Ventures near Alberton, on the east-west axis of the freeway ringroad. This provides easy access to both the East and West Rand, Pretoria and the Vaal Triangle. Here, too, buildings will be developed to suit tenants' requirements.

Handwritten initials

Handwritten name: Howard

Contract 1: Civil Works (Phase I)	November 1988
Contract 2: Hostels, administration buildings, library and lecture rooms	February 1989
Contract 3: Academic buildings	June 1990
Contract 4: Academic buildings	February 1991
Contract 5: Civil Works (Completion)	November 1991

Subject to the availability of adequate funds.

- (c) (i) Contract 1: January 1989
 Contract 2: April 1989
 Contract 3: August 1990
 Contract 4: April 1991
 Contract 5: January 1992
- (ii) Contract 1: August 1989
 Contract 2: March 1991
 Contract 3: October 1991
 Contract 4: June 1992
 Contract 5: June 1992

(d) R42 million.

(2) No; because it has not been requested by the Department of Education and Culture.

*2. Mr W J DIETRICH — Education and Culture. [Reply standing over.]

*3. Mr W J DIETRICH — Education and Culture. [Reply standing over.]

Handwritten name: Howard

HOUSE OF ASSEMBLY

Indicates translated version.

For written reply:

General Affairs:

Christmas cards sent out

601. Mr P G SOAL asked the Minister of Environment Affairs:

- (1) Whether (a) he and/or (b) his Department sent out Christmas cards in 1987; if so, (i) what total number of cards was printed, (ii) to whom were they sent, (iii) what was the total cost of producing and distributing these cards, and (iv) who was responsible for printing them, in each case;
- (2) whether postage stamps were used to send out these Christmas cards; if not, how were they distributed?

The MINISTER OF ENVIRONMENT AFFAIRS:

- (1) (a) Yes.
 (1) (b) Yes.
 (1) (a) (i) 800.
 (1) (b) (i) 300.
 (1) (a) (ii) Ministers and Deputy Ministers; Administrators; Members of Parliament; Directors General; Heads of Departments; Rectors of Universities; Ambassadors; Senior Officials of the Department of Environment Affairs and Water Affairs; Regional Officers of the Department of Environment Affairs and Water Affairs; Ministerial Representatives; and Members of the Executive Committee for the four Provinces.

Also to those persons and institutions from whom Christmas cards were received and to those who maintain a close relationship with the Ministry for Environment Affairs and Water Affairs.

Furthermore, in accordance with the guidelines on rights and privileges for Ministers, Christmas cards were also sent to institutions and individuals, at the Minister's discretion.

- (1) (b) (ii) Ministers and Deputy Ministers; Administrators; Directors General; Heads of Departments; Provincial Secretaries of the four Provinces; and Senior Officials in the Department of Environment Affairs.

Also to institutions and statutory bodies administered or controlled by the Department and who maintain a close connection with the Department and to institutions and individuals from whom Christmas cards were received.

- (1) (a) (iii) R2 219,35 (Printing cost for 800 cards).
 (1) (b) (iii) R380,82 (Printing cost for 300 cards).
 (1) (a) and (b) (iv) Government Printer.
 (2) No, Christmas cards were distributed officially.

Non-Whites: purchase of time-share units in share-block companies

802. Mr C J DERBY-LEWIS asked the Minister of Economic Affairs and Technology:

Whether non-Whites may purchase time-share units in share-block companies holding properties in White group areas; if so, (a) in terms of what statutory provisions and (b) under what conditions?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY:

- Yes.
 (a) The Share Blocks Control Act, 1980 (Act 59 of 1980) and the Property Time-sharing Control Act, 1983 (Act 75 of 1983).
 (b) In terms of the provisions of the two Acts no restriction is placed on any person to buy either shares in share-block companies.

nies or time-sharing interests. The use or occupation of fixed property with regard to share-block or property time-sharing schemes by non-Whites in White areas is controlled by other legislation which falls outside the jurisdiction of the Department of Trade and Industry.

Printing contracts awarded to Printech

839. Mr D J DALLING asked the Minister of Defence:

- (1) Whether the South African Defence Force awarded any printing contracts in 1987 to two companies, the names of which have been furnished to the Commission for Administration for the purpose of the Minister's reply, or to their associated companies and printing operations; if so, (a) in respect of what publications or printed matter, (b) how many copies of each publication or item were ordered from each company and (c) what are the names of the companies concerned;

- (2) whether these contracts were put out to tender; if not, (a) why not and (b) what was the total amount paid by the Defence Force in respect of each of these contracts; if so, what was the (i) tender price originally accepted, and (ii) total amount paid out, in respect of each contract;

- (3) whether the Defence Force subsidizes any publications published by the above companies; if so, (a) which publications and (b) (i) why, and (ii) what is the amount of the subsidy, in each case;

- (4) what total amount was spent by the Defence Force in 1987 on printing and publishing involving (a) the above companies and (b) any other specified companies?

The MINISTER OF DEFENCE:

- (1) Yes
- | (a) | (b) | (c) |
|---|-------|----------|
| SA Communication Security Agency Cryptographic Instructions | 500 | Printech |
| SA Emergency Communication Guide | 2 000 | Printech |
- (2) Yes, (a) and (b) fall away

Blankets

—Two blankets per prisoner, which can be increased during cold climatic conditions according to need.
—One per female prisoner and normally also one per hospital patient. Male prisoners are usually not issued with bedspreads.

Bedspreads

—Prisoners who do not sleep on beds, sleep on two or more sleeping mats of which at least one must preferably be fabricated from felt due to the softness of the product. As was already mentioned, the number of mats can be increased during cold climatic conditions according to need.

Sleeping mats

—Prisoners who do not sleep on beds, sleep on two or more sleeping mats of which at least one must preferably be fabricated from felt due to the softness of the product. As was already mentioned, the number of mats can be increased during cold climatic conditions according to need.

- (b) (i) and (ii)

The thickness of the sleeping mats is as follows:

Two felt sleeping mats = ±24 mm
One sisal and one felt sleeping mat = ±42 mm

Two sisal sleeping mats = ±60 mm

For the information of the honourable member it can also be mentioned that a total of 45 791 beds are in use in South African prisons. The new prisons at Durban and Johannesburg are already equipped with beds and several older prisons are also, as far as possible, equipped with beds. All prison hospitals were, at first priority, equipped with beds.

Redundant naval vessels sold

937. Mr C J DERBY-LEWIS asked the Minister of Defence:

- (1) Whether the South African Defence

Force sold any redundant naval vessels recently; if so, (a) when and (b) what vessels;

- (2) whether these vessels were dismantled prior to being sold; if not, why not; if so, what are the relevant details?

The MINISTER OF DEFENCE:

- (1) Yes

(a) and (b) The SAS PRETORIA, SAS NAUTILUS and P1558 were sold on 17 August 1987 and the P1554 on 23 March 1988. The SAS NAUTILUS and P1558 have since been returned by the owner and the sale was cancelled.

- (2) Yes, prior to the sale. The new owner of the SAS PRETORIA requested that a 40/60 Mk 3 cannon be made available to him for exhibition purposes. A spiked cannon was supplied on loan, after permission had been obtained from the Treasury.

National Road Fund: funds used

940. Mr R W HARDINGHAM asked the Minister of Transport Affairs:

Whether funds of the National Road Fund were used for purposes other than the maintenance and construction of national roads during the latest specified period of three years for which figures are available; if so, (a) for what purposes and (b) what amounts, in each case?

The MINISTER OF TRANSPORT AFFAIRS:

Yes, in accordance with the provisions of the National Roads Act, 1971 (Act No 54 of 1971).

(a) and (b) The honourable member is for the sake of completeness referred to the Financial Statements of the National Road Fund as published in the Annual Reports of the Department of Transport and of the National Transport Commission for the 1984/85, 1985/86 and 1986/87 financial years which were tabled in Parliament and wherein the required information has been published in detail.

HOUSE OF DELEGATES

Indicates translated version.

For oral reply:

General Affairs:

Selling/allocation of houses in Umzinto North: alleged irregularities

*1. Mr M RAJAB asked the Minister of Constitutional Development and Planning:

Whether, with reference to his reply to Question No 57 of 14 August 1987, he will now make a statement on the matter of the alleged irregularities in connection with the selling and allocation of houses in the Umzinto North area?

The DEPUTY MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

The information given in the reply to Question No 57 on 14 August 1987, as furnished by the Natal Provincial Government, unfortunately seems to be incorrect and I want to apologise for this. According to further information supplied by the Natal Provincial Government only one instance of an alleged irregular allocation of a residential unit was identified. This matter was followed up administratively by the Office of the Provincial Secretary of Natal. Pending a satisfactory answer from the town council concerned, the matter could not be reported to the South African Police up to now.

Selling/allocation of houses in Umzinto North: alleged irregularities

*2. Mr M RAJAB asked the Minister of Law and Order:

(1) Whether, with reference to the reply of the Minister of Constitutional Development and Planning to Question No 57 on 14 August 1987, the South African Police have conducted an investigation into alleged irregularities in connection with the selling and allocation of houses in the Umzinto North area; if so

(2) whether this investigation has been completed; if not, (a) why not and (b) when is it expected to be completed; if so, (i) when, (ii) what were the findings and (iii) what steps have been taken as a result;

HOUSE OF DELEGATES

(3) whether he will furnish the name of the person who lodged the complaint that gave rise to this investigation; if not, why not; if so, what is the name of this person?

The MINISTER OF LAW AND ORDER:

(1) to (3)

This matter has up until now, not yet been reported to the South African Police.

I refer the honourable member to the reply of my colleague, the Minister of Constitutional Development and Planning to question 1.

Group Areas Act: proposals concerning amendments

*3. Mr M RAJAB asked the Minister of Constitutional Development and Planning:

(1) Whether a technical committee of his Department has prepared and presented to him proposals concerning amendments to the Group Areas Act, No 36 of 1966; if so, what is the purport of these proposals;

(2) whether these proposals have been forwarded to the Cabinet; if not, why not; if so, with what result;

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

The DEPUTY MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(1) Yes. They represent an embodiment of the principles set out in the State President's speech in the House of Assembly on 5 October 1987.

(2) Yes. Proposals for appropriate amendments to the Act will be introduced during this session.

(3) No.

Liquor Board: members appointed

*4. Mr K CHETTY asked the Minister of Economic Affairs and Technology:

(1) Whether, since his reply to Question No 3 on 17 April 1986, any (a) Black, (b) Indian and (c) Coloured persons have been appointed as members of the Liquor Board; if not, why not; if so, what are their names in each case;

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

The DEPUTY MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY (Dr T G A. Aant):

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

The Liquor Act, 1977 provides for the appointment of permanent and *ad hoc* members to the Liquor Board. At present the permanent Board members do not include any Black, Indian or Coloured persons. However, the composition of the Board is to be restructured in terms of the Liquor Bill which was published on 21 March 1988.

As an interim measure and as was foreseen in the reply on 17 April 1986 with regard to co-option on a provincial basis, Mr A A Koobar, an Indian person of Durban, was again appointed, as in 1986, as an *ad hoc* member during the annual meeting for Natal held in June 1987. A representative of the Black community, Mr B Z Ndlezi, the mayor of the Black township Mamelodi, was also appointed as an *ad hoc* member during the annual meeting for Transvaal, held in August, September and October 1987. No response was received to an invitation for the nomination of a Coloured person to be appointed as an *ad hoc* member of the Board.

(2) No.

Competition Board: members appointed

*5. Mr K CHETTY asked the Minister of Economic Affairs and Technology:

(1) Whether, since his reply to Question No 2 on 17 April 1986, any (a) Black, (b) Indian and (c) Coloured persons have been appointed as members of the Competition Board; if not, why not; if so, what are their names in each case;

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

The DEPUTY MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY (Dr T G A. Aant):

(1) (a), (b) and (c) No. As was indicated in the reply of 17 April 1986, the number of posts on the Board is laid down by law. Except

for the post of Chairman of the Competition Board, no vacancies occurred since the aforementioned date and no appointments or reappointments of Board members were considered.

The post of Chairman of the Board became vacant at the end of February 1988 and negotiations concerning the appointment of a new Chairman have not yet been finalised.

It may be added that responsibility for the Competition Board falls under the Minister of Administration and Privatisation since 31 March 1988.

(2) No.

Trade Practices Advisory Committee: members appointed

*6. Mr K CHETTY asked the Minister of Economic Affairs and Technology:

Whether, since his reply to Question No 1 on 17 April 1986, any (a) Black, (b) Indian and (c) Coloured persons have been appointed as members of the Trade Practices Advisory Committee; if not, why not; if so, what are their names in each case?

The DEPUTY MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY (Dr T G A. Aant):

(a), (b) and (c) As far as membership of the Trade Practices Advisory Committee is concerned, the position has remained unchanged since the reply of 17 April 1986, namely that no Black person has been appointed as a member of the committee, while Messrs C T Bhoola and D Crowie from the Indian and Coloured communities, respectively, still serve on the committee.

The revision of the Trade Practices Act, 1976 has in the meantime reached a stage where it is expected that new legislation will be submitted to Parliament during the current session.

Own Affairs:

Housing Development Board: assets

*1. Mr M RAJAB asked the Minister of Housing:

(1) Whether, with reference to his reply to Question No 2 on 4 June 1987, the matter of the assets of the Housing Development

HOUSE OF DELEGATES

Fund has been finalized; if not, (a) why not and (b) when is it anticipated that this matter will be finalized; if so, (i) on what date and (ii) (aa) what is the value of the assets in this fund and (bb) in respect of what date is this information furnished;

(2) whether the assets in this fund were derived from (a) the Community Development Fund and (b) other sources; if so, (i) from what other sources and (ii) (aa) what amount was derived from the Community Development Fund and (bb) what percentage of the assets of the latter fund does this amount represent?

The MINISTER OF HOUSING:

(1) No.

(a) The Department of Public Works and Land Affairs is still busy finalising this matter. The Administration: House of Delegates is exerting all possible pressure to finalise.

(b) Unknown at this stage.

(i) Falls away.

(ii) (aa) Falls away.

(bb) Falls away.

(2) (a) Falls away.

(b) (i) Falls away.

(ii) (aa) Falls away.

(bb) Falls away.

Mr M RAJAB: Mr Chairman, arising out of the hon the Minister's reply, may I ask him whether it is not, in fact, true that because this matter has not been finalised, none of the resources of the Housing Development Fund are available to the Ministry of the House?

The MINISTER: I suggest that the hon member put this question in writing and I shall furnish him with a reply.

Establishment/planning/running of hospitals

*2. Mr M RAJAB asked the Minister of Health Services and Welfare:

(1) Whether, with reference to his replies to Question No 17 on 24 March 1986 and Question No 1 on 4 June 1987, his Department has as yet been granted the responsibility for the establishment, planning

HOUSE OF DELEGATES

and running of hospitals for the Indian population group; if not, (a) why not and (b) when is it anticipated that this will be done; if so, with effect from what date;

(2) whether it is still the intention to build a hospital for Indian persons in Phoenix; if not, why not; if so, (a) when, (b) where in Phoenix will it be located, (c) for what categories of patients will it cater, (d) how many beds will be provided and (e) what (i) facilities and (ii) equipment will be provided at this hospital;

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

The MINISTER OF HEALTH SERVICES AND WELFARE:

(1) No.

(a) A final decision is being awaited from the Commission for Administration.

(b) Unknown.

(2) Yes.

(a) As soon as possible.

(b) Sub 5 of Lot Aileen no. 15362 situated on the corner of Spine Road and Rockford Drive in Phoenix.

(c), (d), (e), (i), (ii) and (3): Negotiations are proceeding with other Government Departments to obtain approval for the allocation of resources and to satisfy the norms that are required. Negotiations are at a delicate stage but when finalised, the Minister will make a full statement on the matter.

Mr P T POOVALINGAM: Mr Chairman, arising out of the hon the Minister's reply, and having regard to the fact that the construction of a hospital in Phoenix has been delayed for something of the order of six years, may I ask the hon the Minister kindly to define what he means by "as soon as possible"?

The MINISTER: Mr Chairman, as I indicated in my last paragraph, it is now in its final stages and a statement will be issued very shortly.

Private schools: proposals for subsidization

*3. Mr M RAJAB asked the Minister of Education and Culture:

(1) Whether, with reference to his reply to Question No 77 on 7 September 1987, his Department has finalized its proposals for the subsidization of private schools registered with it; if not, (a) why not and (b) when are these proposals expected to be finalized; if so,

(2) whether the two private schools referred to in the above reply have been granted subsidies; if not, why not; if so, (a) how much in each case and (b) what are the names of these schools?

The MINISTER OF EDUCATION AND CULTURE:

(1) Yes.

(a) and (b) fall away.

(2) No.

The payment of subsidies as from the 1988/89 financial year is under consideration.

(a) and (b) fall away.

Agricultural land at Lenasia allocated to certain person

*4. Mr J V IYMAN asked the Minister of Local Government and Agriculture:

(1) Whether a plot of agricultural land situated at or near Lenasia in the Transvaal was recently allocated to a certain person, whose name has been furnished to the Minister's Department for the purpose of his reply; if so, what is the (a) total area of this plot and (b) name of this person;

(2) whether a building has been erected on this plot; if so, what is the floor area of the building;

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

The MINISTER OF LOCAL GOVERNMENT AND AGRICULTURE:

(1) No.

(a) Falls away.

(b) Falls away.

(2) Falls away.

(3) No.

Mr J V IYMAN: Mr Chairman, arising out of the hon the Minister's reply, may I refer him to the question, which reads as follows:

(1) Whether a plot of agricultural land situated at or near Lenasia in the Transvaal was recently allocated to a certain person, whose name has been furnished to the Minister's Department for the purpose of his reply; if so, what is the (a) total area of this plot and (b) name of this person;

As I understand it, no fewer than seven persons have been allocated land in that particular area. This is a question that has been omitted and therefore I am worried about it.

The MINISTER: In the first place, Mr Chairman, we have no agricultural land in Lenasia.

Mr J V IYMAN: Mr Chairman, further arising from the question, would the hon the Minister state whether the press statements issued by him about agricultural land obtained and distributed to Indians in the Transvaal, particularly in Lenasia and vicinity are false or true?

The MINISTER: Mr Chairman, no statement about land allocated to anybody for agricultural purposes has been issued. There are investigations afoot at the moment.

Mr P T POOVALINGAM: Mr Chairman, will the hon the Minister agree that if a person has been on the waiting list for 16 years and was in fact a displaced person in terms of the Group Areas Act, justice requires that that applicant be considered favourably?

The MINISTER: Mr Chairman, that question is not relevant to agriculture.

Phoenix: building of hospital

*5. Mr K CHETTY asked the Minister of Health Services and Welfare:

(1) Whether, with reference to his reply to Question No 1 on 4 June 1987, the necessary authority and finances for the building of a hospital for Indian persons in Phoenix have been obtained; if not, (a) why not and (b) (i) when is it anticipated that such (aa) authority and (bb) finances will be obtained and (ii) from whom are they to be obtained in each case; if so,

(2) (a) when is it anticipated that building operations will be (i) commenced and (ii) completed, (b) what amount has been made available for this purpose and (c) from whom was authority for this project obtained?

HOUSE OF DELEGATES

tial property in the Orange Free State in terms of the provisions of the said Act during the above-mentioned period; if so, (i) in respect of the owners or occupants of which properties, (ii) what action was taken, (iii) who initiated the action, (iv) who decided that action should be taken, (v) why was action taken and (vi) what was the outcome of this action in each case?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(1) No. The rest of the question falls away.

Natal: applications for permits granting exemption from Group Areas Act

584. Mr R M BURROWS to ask the Minister of Constitutional Development and Planning:

(1) Whether representatives of his Department in Natal have considered any applications for permits granting exemption from the application of the Group Areas Act, No 36 of 1966, in respect of persons wishing to reside in group areas proclaimed for another race group; if so, how many such applications were received during the latest specified period of 12 months for which information is available;

(2) whether any of these applications were refused; if so, (a) how many and (b) for what reason in each case;

(3) whether, amongst the applications that were refused, there were applications which had received the support of the local authority and the local member of Parliament; if so, (a) in respect of which group areas were these applications submitted and (b) for what reasons were they refused in each case?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(1) No.

(2) Falls away.

(3) Falls away.

99-year leasehold scheme/freehold title: applications

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

(1) (a) How many persons in each specified

HOUSE OF ASSEMBLY

office for community services area applied in 1987 for (i) leases in terms of the 99-year leasehold scheme and (ii) leave to purchase property under freehold title and (b) how many such applications had been granted as at the latest specified date for which figures are available;

(2) whether the figures in respect of each such area represent an increase or decrease in comparison with the relevant figures for 1986?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

NATAL

(1) (a) (i) 979 — with the option to convert to freehold title.

(ii) None.

(b) (i) 416.

(2) Increase.

ORANGE FREE STATE

(1) (a) (i) 1 156.

(ii) None.

(b) 1 156 applications have been granted in terms of the 99-years leasehold scheme up to 31 January 1988.

(2) Increase.

CAPE PROVINCE

(1) (a) (i) 5 312.

(ii) None.

(b) 5 169.

(2) Northern Cape — decrease
Western Cape — increase
Eastern Cape — increase

TRANSVAAL

(1) (a) (i) 24 763.

(ii) 3.

(b) 21 463 (99-year leasehold).
3 (freehold).

(2) Increase.

Christmas cards sent out

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

(1) Whether (a) he and/or (b) his Department

sent out Christmas cards in 1987; if so, (i) what total number of cards was printed, (ii) to whom were they sent, (iii) what was the total cost of producing and distributing these cards, and (iv) who was responsible for printing them, in each case;

(2) whether postage stamps were used to send out these Christmas cards; if not, how were they distributed?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(1) (a) and (b) Yes.

(i) 6 500.

(ii) To various persons, Members of Parliament, members of legislative assemblies, diplomats, provincial and local authorities of all population groups, public bodies, semi-government and private organisations and bodies.

(iii) R10 208

(iv) The Government Printer.

(2) No, it was distributed as official mail according to standard practice and directives.

Diplomas in Clinical Nursing Care/Health Diagnosis/Treatment and Care awarded

639. Dr M S BARNARD asked the Minister of Constitutional Development and Planning:

(1) (a) How many Diplomas in Clinical Nursing Care, Health Diagnosis, Treatment and Care were awarded in each province in each of the latest specified four years for which information is available and (b) by which training institutions for nurses were they awarded;

(2) (a) what additional salary scale is paid to holders of such qualifications in the employ of each provincial hospital services department and (b) (i) how many registered nurses with the above qualifications were employed by each provincial department as at 31 December 1987 and (ii) at which institutions were they so employed?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

ORANGE FREE STATE

(1) (a) This Administration does not offer a

course for this Diploma.
Rest of question falls away.

CAPE PROVINCE

(1) (a) February 1984 to January 1985 = 12
February 1985 to January 1986 = 6
February 1986 to January 1987 = 7
February 1987 to January 1988 = 7

(b) the Day Hospitals Organization, Bellville and the Livingstone Hospital, Port Elizabeth.

(2) (a) The holders of such qualifications receive no additional salary notch. They are awarded a cash amount equal to twice the cash value of the following salary notch on the applicable salary scale after a period of twelve month's service and on submission of proof that the qualification has been registered with the South African Nursing Council.

(b) (i) 27

(ii) Groote Schuur Hospital,

Observatory
Day Hospitals Organization,
Bellville

Western Cape Region Training
Centre, Bellville

Beaufort West Hospital, Beaufort West

East Cape Region Training
Centre, Port Elizabeth

Livingstone Hospital, Port
Elizabeth

Dora Nginza Hospital, Port
Elizabeth

Frere Hospital, East London

Galeshewe Day Hospital,
Kimberley.

Hospital and Health Services
Branch Cape Town.

TRANSVAAL

(1) (a)

1983 — 23

1984 — 39

1985 — 28

1986 — 27

(b) Baragwanath — Soweto Community
Health Centre
Leratong — Paardekraal Hospital
Kalafong Hospital

Tembisa Hospital
Tshepong — Klerksdorp Hospital

- (2) (a) Recognition is granted for the additional qualification by means of a cash bonus equivalent to two salary notches.

(b) (i) 218

(ii) Boksburg-Benoni

Sebokeng

Pietersburg

Bethal

Coronation

Withank

Paul Kruger Memorial

Rustenburg

F H Odendaal — Nykström

A G Visser — Heidelberg

Far East Rand — Springs

Tembisa — Olfantfontein

Natalspruit — Alrode

Kalafong — Pretoria

Leratonq — Krugersdorp

Amajuba Memorial — Volksrust

Hillbrow

Tshepong — Klerksdorp

Soweto Community Health Centre

NATAL

(1) (a) 1983 — 5

1984 — 2

(b) The Livingstone and Leratong Hospitals

- (2) (a) No additional salary is paid to holders of such qualifications. A cash bonus equal to two salary notches is paid to holders of the Diploma in Clinical Nursing Science, Health Assessment, Treatment and Care 12 months after obtaining the diploma.

(b) (i) and (ii)

Stanger Hospital

Estcourt Hospital

R K Khan Hospital

Eshowe Hospital.

Munsterville, Krugersdorp: relocation of residents

681. Mr C J DERBY-LEWIS asked the Minister of Constitutional Development and Planning:

- (1) Whether, with reference to his reply to Question No 627 on 7 October 1987, any

HOUSE OF ASSEMBLY

- (1) Whether, with reference to his reply to Question No 35 on 11 February 1986, it is still the policy not to open any White residential areas of Sedgfield for occupation by non-Whites; if so,

(2) whether any exceptions to this policy have been or will be allowed; if so, whose authorization is required for such exceptions?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

(1) Yes.

(2) Yes. Exceptions can be made by way of permits issued by the relevant Provincial Administration in terms of the provisions of the Group Areas Act, 1966.

Listed/unlisted companies: publication of year-end financial results

806. Mr C J DERBY-LEWIS asked the Minister of Economic Affairs and Technology:

Whether any statutory requirements are to be met in connection with the publication of the year-end financial results of (a) listed and (b) unlisted companies; if so, what statutory requirements in each case?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY:

(a) and (b) Yes, in respect of public companies, whether listed or unlisted, and private companies, in terms of the Companies Act, 1973 (Act 61 of 1973) which distinguishes between public and private companies only and not between listed and unlisted companies.

Section 302 of the Companies Act provides that a copy of the annual financial statements of a company and the group annual financial statements, if any, shall not less than twenty-one days before the date of the annual general meeting of the company be sent to every member and every holder of debentures of the company. A public company shall on the day on which it sends such copies to its members send to the Registrar of Companies a true copy certified by a director and the secretary of the company of the annual financial statements and group annual financial statements, if any, and of the annual financial statements of every private company which is a subsidiary of that public company.

HOUSE OF ASSEMBLY

Other authorities such as, for example, the Johannesburg Stock Exchange, may possibly lay down additional requirements regarding the publication of annual financial statements of listed companies.

Gampo Township: relocation of residents

811. Mr H SUZMAN asked the Minister of Constitutional Development and Planning:

(1) Whether any residents of Gampo Township, previously known as Duncan Village, are to be relocated; if so, (a) how many residents are to be relocated, (b) (i) when, (ii) where and (iii) why are they to be relocated and (c) who took the decision in this regard;

(2) whether the site to which these persons are to be moved is situated in the Republic; if not, what effect will this move have on the South African citizenship status of these persons; if so, what action will be taken in respect of persons already resident in this area;

(3) whether any consideration is being given to incorporating this relocation area into Ciskei; if so, (a) when and (b) why;

(4) whether any guarantee will be given to these persons that they will be able to retain their South African citizenship and all rights corresponding thereto; if not, why not; if so, by whom;

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

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(1) No. The rest of the question falls away.

Hospitals: beds/staff establishment/vacant posts

819. Dr M S BARNARD asked the Minister of Constitutional Development and Planning:

(1) What was the (a) number of commissioned beds as at 31 December 1987 at the (i) Bethlehem, (ii) Botumelo, (iii) Odenaalrus, (iv) Parys, (v) Pelonomi, (vi) Phekolong, (vii) Sasolburg, (viii) Universitas, (ix) Virginia, (x) Voortrekker, (xi) Welkom and (xii) Harrismit Hospital, (b) average bed occupancy rate, expressed in percentage, in respect of each of the above hospitals for the (i) 1984/85

HOUSE OF ASSEMBLY

23
21 Nov 1988
15-21/11/88

THE ECONOMY

A boom in black homes. Can the buyers afford them?

"BLACK housing", to the stock market investor, is a catch phrase implying profits and a healthy share price.

For thousands of people waiting for homes there is some consolation in the fact that private enterprise's role in construction will help accelerate the process of meeting pent-up demand.

Demand for housing in black areas has climbed to the extent that there are an estimated 22 000 people on waiting lists in Soweto alone.

Right now, however, the most significant problem concerns an even greater number of families who can't afford, even the cheapest houses offered by developers.

"We estimate that services offered by developers meet the demand of between five and eight percent of the population in the PWV area," says Matthew Nell, chief executive of the Family Housing Association, a housing utility company of the Urban Foundation.

If the estimated number of black families in the PWV area is compared to the number of housing units which exist, the outstanding need for homes is conservatively estimated at 320 000 units, according to Nell. The national shortage is more like 700 000 houses.

Nell outlines some of the reasons which have led to the backlog. Until about five years ago when the private sector entered the market, black housing was a centralised and subsidised state operation. The system did not respond to demand but was controlled by available resources.

Nell adds that socio-economic factors and urbanisation growth contributed to the problem. Previous political policy didn't help either: influx control legislation at the peak of its implementation meant almost no houses were built for blacks in cities.

The buck has since been passed to the private sector and considering the profits involved a number of developers have naturally responded.

Euan Cormack-Thomson, sales director of Schachat Homes which deals with development in black areas, explains how companies like his operate in the black market.

Land is set aside for development. Councils controlling these areas seldom have the financial backing to provide the essential infrastructure needed before houses can be built.

As a result, they appoint private developers to handle the infrastructure and in return grant an allocation of stands in proportion to the amount of money the construction company has spent on the installation of roads, wa-

A shortage of 700 000 homes nationally means profits for investors and construction companies. But 60 percent of families cannot afford houses. By BRUCE ALLEN

ter, electricity and sewage systems.

The developer then builds a house on the stand and the completed project is sold at a price determined by the value of the house and the ground. Land value will vary in line with the services offered in the area.

Cormack-Thomson notes that stands in areas which are not yet supplied with electricity will sell for less than those with access to power.

The ground does not become the property of the developer who acts as an agent and handles the sale of the property. The cash value of the land is then refunded to the authorities.

Estate agent David Bopape confirms the huge demand for new and second hand houses. He is, however, critical of some developers who concentrate on the provision of more expensive housing.

While many developers concentrate on houses in the R30 000 price range, Bopape says, the majority of properties sold on the open market go for around R10 000.

Municipalities which suffer from a lack of funds tend to focus on the administration side and the provision of services. This has contributed to the huge shortage of cheaper homes.

Terry Power, general manager of Standard Bank's home loans division, notes a rise in demand for finance. "The demand is going to be with us for a long time — especially in the R10 000 to R12 000 range. But there is a need for bonds right across the price spectrum."

Power says his bank's criteria for lending to black customers are the same as for their white counterparts.

Clearly the emergence of a black middle class will see more and more people qualifying for bigger bonds.

In spite of the government subsidy for first-time buyers, which takes care of one third of a bondholder's interest payment, an estimated 60 percent of families cannot afford "conventionally financed housing".

Nell says the emphasis should be on the provision of site and service schemes and the long-term development of incremental housing projects. The private rental market should also be developed.

Steward

any contracts or agreements with any trade unions; if so, (a) with what unions, (b) why, (c) on what dates and (d) what are the main terms of these contracts or agreements?

The MINISTER OF DEFENCE:

- (1) No (a) and (b) Fall away.
- (2) No (a), (b), (c) and (d) Fall away.

Cabinet Ministers permitted to serve on boards of directors of companies

788. Mr C J DERBY-LEWIS asked the State President:

- (1) Whether Cabinet Ministers are permitted to serve on the boards of directors of local and/or foreign companies; if so, which Cabinet Ministers are directors of (a) local and (b) foreign companies; if not,
- (2) whether there have been any contraventions in this regard over the past year; if so, what action was taken in each case;
- (3) whether he will make a statement on the matter?

The STATE PRESIDENT:

- (1) to (3) No.

Own Affairs:

Sea Point: rent-controlled premises

41. Mr C W EGLIN asked the Minister of Local Government, Housing and Works:

- (a) How many rent-controlled premises were there in the Sea Point constituency as at the latest specified date for which information is available and (b) how many such premises were decontrolled in that constituency in 1987?

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS:

- (a) As at 25 February 1988 there were still 1 129 units, consisting of 608 houses and 521 flats, subject to rent control in the Sea Point, Camps Bay, Bantay Bay and Llandudno areas.
- (b) 452 units, consisting of 53 houses and 399 flats, were decontrolled.

State housing sale: houses sold

44. Mr J J WALSH asked the Minister of Local Government, Housing and Works:

- (a) How many houses had been sold by his Department in each province under the State housing sale announced by the then Minister of Community Development on 3 March 1983, as at the latest specified date for which figures are available and (b) how many houses remained to be sold in each province as at that date?

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS:

As at 31 January 1988 in respect of dwellings erected for Whites from the National Housing Fund:

(a) Transvaal	870
Orange Free State	178
Cape	2 189
Natal	503
(b) Transvaal	1 159
Orange Free State	116
Cape	5 601
Natal	210

Overseas visits

46. Mr P G SOAL asked the Minister of Local Government, Housing and Works:

- (1) Whether he undertook any overseas visits in 1987; if so, (a) which countries were visited and (b) what was the purpose of each visit;
- (2) whether he was accompanied by any representatives of the media on these visits; if so, (a) what were the names of the journalists involved, (b) which newspapers or radio or television networks did they represent, (c) to which countries did each of these persons accompany him and (d) why;
- (3) whether any costs were incurred by his Department as a result; if so, what total amount in that year?

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS:

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

- (2) No
- (a); (b); (c) and (d) Falls away.
- (3) No; Falls away.

Cape School Board area: school funds

62. Mr J VAN ECK asked the Minister of Education and Culture: The MINISTER OF EDUCATION AND CULTURE:

What fixed amount per school per quarter was levied by each school within the Cape School Board areas as at 1 December 1987 and 19 January 1988, respectively, in respect of voluntary contributions by parents to school funds?

Name of school	as on 1-12-87		as on 19-1-88	
	First child	More than one child	First child	More than one child

HIGH SCHOOLS

Bergvliet	R70,00 child	+R20,00 for every add. child	R70,00 child	+R20,00 for every add. child
Camps Bay	R60,00 child	+R20,00 for every add. child	R60,00 child	+R20,00 for every add. child
Cape Town	R45,00 child	R60,00 per family	R50,00 child	+R15,00 for every add. child
Ellerslie Girls'	R60,00 child	+R15,00 for every add. child	R60,00 child	+R15,00 for every add. child
Fish Hoek Senior	R55,00 child	+R12,00 for every add. child	R60,00 child	+R22,50 for every add. child
Fish Hoek Junior	R55,00 child	+R12,00 for every add. child	R60,00 child	+R22,50 for every add. child
Gardens Commercial	R25,00 child	R33,00 per family	R40,00 child	R60,00 per family
Good Hope Seminary Girls'	R20,00 child	R20,00 per family	R20,00 child	R20,00 per family
Groote Schuur	R40,00 child	+R10,00 for every add. child	R40,00 child	+R10,00 for every add. child
Jan van Riebeeck	R30,00 child	R30,00 per family	R50,00 child	R60,00 per family
Maitland	R10,00 child	R13,00 for 2 children	R10,00 child	R13,00 for 2 children
Minlerton	R45,00 child	R55,00 for 2 children	R50,00 child	R61,25 for 2 children
Muizenberg	R35,00 child	R65,00 per family	R50,00 child	R80,00 per family
Norman Henshiwood	R40,00 child	R50,00 per family	R50,00 child	R75,00 per family
Pinelands	R55,00 child	R70,00 per family	R65,00 child	R85,00 per family
Plumstead	R48,00 child	R69,00 per family	R75,00 child	R105,00 per family
Queen's Park	R25,00 child	R37,50 per family	R25,00 child	R52,50 per family
Rhodes	R50,00 child	+R15,00 for every add. child	R60,00 child	+R25,00 for every add. child
Rondebosch Boys'	R110,00 child	+R60,00 for every add. child	R110,00 child	+R60,00 for every add. child
Rustenburg Girls'	R60,00 child	+R30,00 for every add. child	R60,00 child	+R30,00 for every add. child
SA College	R125,00 child	+R63,00 for every add. child	R125,00 child	+R63,00 for every add. child
Sans Souci Girls'	R60,00 child	+R30,00 for every add. child	R85,00 child	+R42,50 for every add. child

HOUSE OF REPRESENTATIVES

†Indicates translated version.

For oral reply:

Own Affairs:

Question standing over from Wednesday, 9 March 1988:

Campus of UWC: reports on rape of female students

*1. Mr W J DIETRICH asked the Minister of Education and Culture:

- (1) Whether his Department has received any reports on incidents of rape and/or attempted rape of female students on or in the vicinity of the campus of the University of the Western Cape; if so, (a) how many such incidents were reported to the university authorities during the latest specified period of five years for which information is available and (b) on how many occasions were the perpetrators identified;

- (2) whether the incidents were reported to the South African Police; if so, with what results;

- (3) whether the university authorities took any action in regard to these incidents; if not, why not; if so, what action was taken in respect of (a) disciplining the perpetrators, (b) counselling the victims and (c) preventing such incidents;

- (4) whether any (a) meetings were organised and (b) petitions were drawn up and circulated by the student body on the university campus to protest against such incidents; if so, what are the relevant particulars;

- (5) what is the policy of the university in this regard?

†The MINISTER OF HEALTH SERVICES AND WELFARE (for the Minister of Education and Culture):

- (1) Yes
 (a) One (1)
 (b) None
 (2) Yes.

HOUSE OF REPRESENTATIVES

The accused was acquitted by the Parow Regional Court.

- (3) No. No steps could be taken by the University authorities because the accused was acquitted by a court of law. The personnel of Campus Control nevertheless stay on their guard with a view to preventing the possibility of such incidents occurring.

- (4) (a) Yes
 (b) Yes

The student body requested that action be taken against the accused. At that stage, however, the university did already report the matter to the Police because the offence is of a criminal nature.

- (5) The policy of the university is that strong action within the constraints of the existing rules of conduct be taken against students who make themselves guilty of misconduct of the nature in question.

New Question:

Waiting list for housing: central computerized data system

*1. Mr P CHARRIS asked the Minister of Local Government, Housing and Agriculture:

- (1) Whether it is the intention of his Department to place all waiting lists for housing on a central computerized data system; if not, why not; if so, when is it anticipated that the computerization of these waiting lists will (a) commence and (b) be completed;

- (2) whether these computerized waiting lists will be made available for inspection on request by the public; if not, why not; if so, (a) when and (b) where will these lists be available?

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND AGRICULTURE:

- (1) The Department does not keep waiting lists of the housing requirements of individuals because local authorities are better equipped to gather and to keep such information up to date. Details of the needs for accommodation is nevertheless

HOUSE OF REPRESENTATIVES

being compiled since 1986 in a central computerized data system.

- (a) Falls away
 (b) As the statistics are always subject to change it will never be complete but it will always be updated. Renewal no-

tices are issued two-monthly in order to compile the latest information.

- (2) Personal details of individuals are confidential but general statistics can be made available at request.
 (a) and (b): Anytime at my Department.

HOUSE OF REPRESENTATIVES

Handwritten signature

HOUSE OF ASSEMBLY

Indicates translated version.

For written reply:

General Affairs:

Self-governing territories: family housing units

171. Mr P G SOAL asked the Minister of Education and Development Aid:

(1) (a) How many family housing units were built in 1987 in each self-governing territory by (i) the authority of the territory, (ii) private owners and (iii) the South African Government and (b) what was the total amount spent by each in respect of each territory;

(2) whether there is a shortage of housing units in any self-governing territory; if so, how many units are required in respect of each territory;

(3) whether any family housing units are being built in the self-governing territories at present by (a) the authority of the territory, (b) private owners and (c) the South African Government; if not, why not; if so, (i) how many units are being built by each in each territory and (ii) when are they due to be completed in each case?

THE MINISTER OF EDUCATION AND DEVELOPMENT AID:

(1) (a) (i) and (ii) Unknown. This is a function of the Governments of the self-governing territories.

(iii) Nil.

(1) (b) (i) and (ii) Unknown.

(iii) Nil.

Note: Although the Government no longer builds houses, an amount of R65 920 000 for self-build loans was made available to the low-income group Blacks.

(2) Yes. It is difficult to give a completely accurate figure as the shortage of housing depends on the actual demand that varies as the availability of job opportunities

varies from one area to another. It is however estimated that the shortage in terms of units is as follows:

Lebowa	12 000
KaNgwane	15 000
KwaZulu	100 000
Gazankulu	2 578
OwaOwa	17 000
KwaNdebele	5 000
Total	151 578

Note: Apart from this it is estimated that there is a shortage of 34 000 units in towns on SADT land outside the self-governing territories.

(3) (a) Yes. According to information in the cases of Lebowa, KaNgwane and Gazankulu.

(b) Yes.

(c) No.

(i) (a) and (b): The number of houses which is built by the self-governing territories and private owners is not known.

(c) The South African Government has implemented self-build schemes within all the self-governing territories and no longer builds family housing units.

(ii) It is not possible to indicate when the houses will be completed as it is an ongoing process.

232. Mr D J DALLING asked the Minister of Justice:

(1) (a) How many judges in each province made visits to detainees in 1987, (b) how many visits did each such judge make, (c) which prisons did they visit and (d) on what dates were the visits made in each case;

(2) whether he will furnish the names of the judges concerned; if not, why not; if so, what are their names?

Handwritten signature

THE MINISTER OF JUSTICE:

(1)(a), (b), (c) and (d) and (2)

In terms of Prisons Regulation 104 (2)(a) a Judge of the Supreme Court of South Africa shall at all times be afforded admission to a prison. Judges are free to report to the Commissioner of Prisons or myself in respect of any matter which they consider should be brought to notice.

Statistics mentioning the category of prisoner that was visited are not kept and it is therefore not possible to indicate the number of judges who in each province visited detainees or any other specific category of prisoner during 1987, without a special and time-consuming survey.

The Heads of the 241 prisons under the auspices of the SA Prisons Service keep record of the fact of each visit and for this purpose an official visitors register is in use at each prison from which the Heads of Prisons submit a biannual return to Prisons Headquarters for central statistical purposes. These returns show that judges visited prisons on 260 occasions during the period 1 July 1986 to 30 June 1987.

Visits of this nature are welcomed and I have much appreciation for the work being done by the respective judges in this regard. They determine their own schedule and can also visit any prison unannounced. I am therefore not prepared to and also do not have the authority to interfere with the manner in which judges execute this task and likewise I am not prepared to announce the names of individual judges in public as these visits take place in their official capacity and the results of such visits are rather concentrated upon than the individual judges. However, I am prepared to provide the honourable member with the names on a personal and confidential basis.

Detainees: children of 18 years and under

340. Mr D J DALLING asked the Minister of Justice:

(a) How many (i) male and (ii) female children of 18 years and under in each race group were detained in prison as at the latest specified date for which figures are available, (b) into what age categories did they fall and (c) for what offences were they imprisoned in each case?

THE MINISTER OF JUSTICE:

(a) (i) and (ii) as well as (b).

Figures as on 31 December 1987.

UNSENTENCED/AWAITING TRIAL (DETAINEES UNDER EMERGENCY REGULATIONS EXCLUDED)

	Up to and including 15 years		16 and 17 years		18 and 19 years	
	Male	Female	Male	Female	Male	Female
White	0	0	2	0	37	3
Black	103	11	254	15	1 620	96
Asian	1	0	1	0	5	0
Coloured	73	0	119	3	411	10
Total	2 626	138				

	SENTENCED	
	Up to and including 15 years	16 and 17 years
White	0	0
Black	16	1
Asian	0	0
Coloured	5	0
White	5	1
Black	377	20
Asian	2	0
Coloured	193	3
White	61	3
Black	2 345	96
Asian	23	0
Coloured	1 544	23
Total	4 571	147

123 B/day
9/4/88

Black builders urged to create own identity in better housing market

BLACK builders have been urged not to join building associations of other races which shunned them before the building market shifted to the townships. Jonberton (Krugersdorp) mayor N G Naphakade said before 1986, when the black man's SA citizenship was restored, building associations of other races would not accept blacks as artisans.

THEO RAWANA

"Now that the building market has shifted to the black townships, the black builder is being overwhelmed by offers to join these associations," he said at a Transvaal African Builders Association conference at the weekend. "We are not going to join them. We

have to create our own identity and not allow ourselves to be misused."

Government had given an assurance that land in the township was available to developers of all races but black local councils were not co-operating when blacks were denied sites to develop, Naphakade said. "As individuals we won't

be able to address this issue, but as an association we will be able to ask government to intervene."

The 16-region association has appointed consultants to conduct research into problems facing the black builder. Among tasks to be tackled is the privatisation of land, removing the power of allocation from black local councils.

Copy from 19/11/88
123

Bill on leasehold rights due today

Political Correspondent

A BILL providing for blacks to convert "occupational rights" to leasehold and later to full ownership is to be tabled in Parliament today, the Minister of Constitutional Development and Planning, Mr Chris Heunis, disclosed.

Mr Heunis said the conversion to leasehold would be free of charge and could later be converted into full ownership in the normal manner.

He said there were 554 801 such houses and business premises involved.

The minister said that till 1986 blacks had been permitted to build homes and buildings for commercial use on sites provided by local authorities while these authorities also erected houses and buildings for trading and sold the occupation rights to blacks.

Money was lent on a 30-year redemption term and many of the loans had been repaid in full.

Mr Heunis said the occupational rights were outdated as comprehensive leasehold and full ownership had now been made available.

He said the system of occupational rights besides being outdated had given rise to complicated legal and administrative problems.

(1) Whether he or the Deputy Minister of Water Affairs undertook any overseas visits in 1987; if so, (a) which countries were visited and (b) what was the purpose of each visit;

(2) whether he or this Deputy Minister was accompanied by any representatives of the media on these visits; if so, (a) what were the names of the journalists involved, (b) which newspaper or radio or television networks did they represent, (c) to which countries did each of these persons accompany him or this Deputy Minister and (d) why;

(3) whether any costs were incurred by his Department as a result; if so, what total amount in that year?

THE MINISTER OF WATER AFFAIRS:

- (1) No.
- (1) (a) and (b), (2) and (3) Fall away.

Nine main urban areas: houses built

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

What was the total number of houses built for Blacks in the 1986-87 financial year in each of the nine main urban areas in the Republic?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

TRANSVAAL

Pretoria 2 042
 Witwatersrand 10 472
 Vaal Triangle 673

ORANGE FREE STATE

Mangaung (Bloemfontein) 940
 Thabong (Welkom) 174

CAPE PROVINCE

Cape Town 182
 Port Elizabeth 1 202
 East London 180
 Kimberley 247

NATAL

Durban area 51

Christmas cards sent out

600. Mr P G SOAL asked the Minister of Water Affairs:

HOUSE OF ASSEMBLY

what was the delivered cost of the item, in each case;

(2) whether there was a delay of more than 60 days between the date of delivery and the date of commission in respect of any of this equipment; if so, what was the reason for the delay in commissioning the order in each case;

(3) whether reviews of capital equipment in hospitals are carried out by his Department and/or the provincial authorities on a regular basis to establish the degree of

utilization of such equipment; if not, why not; if so, (a) at what intervals and (b) what is the policy of his Department and/or the provincial authorities in cases where the equipment is under-utilized?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

ORANGE FREE STATE

(1) Yes.
 (a), (b), (c) and (d)

UNIVERSITAS HOSPITAL

Item	Department	Date ordered	Date delivered	Cost	Reason for late delivery
Angiontron CMP 12491	X-rays	11-07-85	07-03-86	R638 615.00	Imported as tendered
Two-phase X-ray machine	Catherer Laboratory	08-08-85	14-03-86	R1 446 847.36	Imported as tendered
Operation microscope	Ophthalmology	03-09-85	15-09-85	R126 504.00	Imported as tendered
Upgrading computerised tomograph scanner	X-rays	09-01-86	28-04-86	R396 944.00	Problems with import
Amino acid analyser	Obstetrics	09-01-86	05-03-86	R156 782.00	Delivered as tendered before 31-03-86
Yag laser	Chemical Pathology	09-01-86	31-03-86	R154 560.00	Delivered as tendered before 31-03-86
Lung function equipment	Ophthalmology	17-12-86	12-02-86	R229 824.00	
Whole body scanner	Pulmonology	20-01-86	04-03-86	R545 020.00	
Monitors	Pulmonology	20-01-86	12-03-86	R741 210.00	
Biochemical analyser	Cardio	12-12-85	11-06-86	R123 755.00	Problems with import
Heart-lung machine	Thorax	26-09-85	06-12-85	R473 371.36	Problems with import
	Chemical Pathology	23-01-86	07-05-86	R150 785.60	Conditions of delivery 3 to 4 months

PELONOMI HOSPITAL

Lateral scanning unit	Radiology	26-07-85	25-02-86	R111 760.32	Problems with import
Incubator	Maternity	26-07-85	25-02-86	R111 760.32	Problems with import
Ultra-echo unit	Ward	25-01-85	18-12-85	R126 700.00	
CO ₂ laser	Radiology	28-11-85	25-04-86	R146 389.12	Problems with import
Dosage meter	Ear, Nose and Throat	03-12-85	17-02-86	R146 720.00	Problems with import
HI system	Oncotherapy	23-12-85	07-04-86	R190 485.12	Delivered as tendered
	Oncotherapy	10-01-86	14-03-86	R296 500.00	4 months
Linear accelerator	Oncotherapy	15-01-86	08-01-87	R2 500,494.00	Delivered as tendered before 31/03/86
					Delivered as tendered one year

HOUSE OF ASSEMBLY

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Howard

1091

FRIDAY, 22 APRIL 1988

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HOUSE OF ASSEMBLY

Indicates translated version.

For written reply:

General Affairs:

Johannesburg: applications for exemptions from Group Areas Act

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

- (1) Whether, during 1987, his Department received any applications for exemptions from the provisions of the Group Areas Act, No 36 of 1966, in respect of residential areas in Johannesburg; if so, (a) how many such applications had been (i) granted and (ii) refused as at the latest specified date for which information is available and (b) what were the reasons for (i) granting and (ii) refusing each application;
- (2) whether any action was taken against (a) owners and (b) occupants of residential property in Johannesburg in terms of the provisions of the said Act during the above-mentioned period; if so, (i) in respect of the owners or occupants of which properties, (ii) what action was taken, (iii) who initiated the action, (iv) who decided what action should be taken, (v) why was action taken and (vi) what was the outcome of the action in each case?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

- (1) No. The rest of the question falls away.
- (2) (a) Yes;
- (b) Yes;

- (i) It is not deemed desirable to divulge the required information as it might lead to embarrassment of owners and occupants.
- (ii) Notices were issued on the parties concerned in terms of section 41 of the Group Areas Act.
- (iii) Action arose from complaints lodged with the Police by the public.

Howard

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FRIDAY, 22 APRIL 1988

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TRANSVAAL

- (1) (a) (i) 24 763
- (ii) 3.

(b) 21 463 (99-year leasehold) (as at 31 December 1987). 3 (freehold).

NATAL

- (1) (a) (i) 979 — with the option to convert to freehold title.
- (ii) None.

(b) 416 (as at 31 December 1987).

DEVELOPMENT AND PLANNING:

Nine development areas: housing backlog

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

- (a) What is the extent of the housing backlog for Black in respect of each of the nine development areas in the Republic and (b) in respect of what date is this information furnished?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(a) Region	A — 36 454	B — 9 977	C — 50 409	D — 52 716	E — 142 000	F — 44 895	G — 1 039	H — 354 792	J — 10 468
------------	------------	-----------	------------	------------	-------------	------------	-----------	-------------	------------

(b) December 1987

Black townships: township constables deployed

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

- (1) (a) How many township constables were being employed in Black townships as at the latest specified date for which information is available, (b) what training are these constables given prior to being deployed and (c) where are they trained;
- (2) whether any fire-arms issued to township constables have been used in the commission of any crimes; if so, (a) how many as

at the latest specified date for which information is available and (b) what were the circumstances surrounding the use of such fire-arms in each case?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

The execution provisions of section 34 of the Black Local Authority Act, 1982 (Act No 102 of 1982) in terms of which the municipal police function was assigned to the various provincial governments on 1 October 1986 and according to information received from them, the following replies are furnished:

- (1) (a) 9 119

(b) A twelve week training course for law enforcement officers under the supervision and guidance of the South African Police is presented.

- (c) Tladi Training College at Soweto
- Katlehong Training College at Germiston
- Sobokeng Training College at Vanderbijlpark
- Mtombolwazi Training College at Port Elizabeth
- Mokutu Training College at Zeerust
- Ningizima Training College at Durban

(2) When law enforcement officers go on duty they are issued with fire-arms. It cannot be confirmed that these fire-arms were used in the committing of crime.

(a) and (b) A number of cases against law enforcement officers, where fire-arms were used, were reported, *inter alia* —

- Murder
- Attempted murder
- Armed robbery
- Contraventions of the Weapons and Ammunition Act, 1969 (Act 75 of 1969).

To gather this information, will be a time-consuming and counter-productive task which cannot be economically accounted for. On account of this, the furnishing of the required information is not justifiable.

Overseas visits

567. Mr P G SOAL asked the Minister of Water Affairs:

16 163 houses built for blacks

By BARRY STREEK
Political Staff

*Cape Times
23/4/88* *123*
IN SPITE OF a housing backlog of 702 750 for blacks in South Africa's nine development regions, only 16 163 houses were built in the 1986/7 financial year.

This was disclosed by the Minister of Constitutional Development and Planning, Mr Chris Heunis, in reply to questions from Mrs Helen Suzman (PFP, Houghton) and Mr Peter Soal (PFP, Johannesburg).

The region with the highest backlog was the PWV area (region H), which had a shortage of 354 792 houses.

The Natal area, Region E, had a shortage of 142 000 houses.

Other shortages were 36 454 in the Western Cape (Region A), 9 977 in the Northern Cape, (Region B), 50 409 in the Free State (Region C), 52 716 in the Eastern Cape (Region D), 44 895 in the Eastern Transvaal (Region F), 1 039 in the Northern Transvaal (Region G) and 10 468 in the Western Transvaal (Region J). In reply to another question from Mr Soal, he said 32 210 people had applied for 99-year leases last year. They were granted to 21 463 people in the Transvaal, 5 162 in the Cape, 416 in Natal and 1 156 in the Orange Free State.

Only three people, all in the Transvaal, had been granted leave to buy property under freehold title.

24/4/88
123
Times

R441m housing

By Julie Walker

THE SA Housing Trust has approved R441-million for low-cost housing in its first year of operation.

The trust plans to fund another 38 000 serviced stands and 26 300 houses in the next three years.

Of these, 38% are in the Transvaal, 23% in self-governing national states, 20% in the Cape, 9% in the TBVC states, 7% in the Free State and the balance in Natal.

The trust raised R100-million on the capital market last year at 11,5% coupon for 1991 redemption. Black home-buyers pay only 8% interest.

Two rooms

The trust was established in January 1987 after an interest-free loan of R400-million was granted by the Government. The private sector added R800-million.

A R10 000 basic unit, comprising two rooms and a bathroom, will cost R85 a month in repayments, and the buyer need earn only R280 a month to qualify for the trust's finance.

A 40m² house can be built for R8 000 and a stand with a pit latrine and a stand pipe costs R2 000.

The SAHT uses labour-intensive methods even though they are not as cost effective as experienced contractors. But they provide work for the unemployed.

"There is great pride among home-owners," says trust managing director Joe Taylor. There is a backlog of 700 000 houses and it is estimated that 2-million will be

needed by the year 2000. The townships are not well serviced and there is large potential for entrepreneurs to establish businesses in the new housing areas.

Lower income housing to get R800-m injection

slav
24/1/86
123

Nearly R800 million is to be pumped into housing for lower income groups through projects run by two major organisations. At least 50 000 serviced sites and more than 35 000 houses will be provided in the next three years.

About 12 900 developed sites and 8 800 houses will be made available to mainly lower income communities within 12 months by the Urban Foundation, its chairman Mr Jan Steyn has announced.

And the South African Housing Trust Ltd has committed itself to countrywide low-cost housing projects worth R441 million, the trust announced in its annual report.

Managing director Mr Joe Taylor said these projects were expected to yield 37 900 serviced stands and 26 300 houses for blacks in the next three years.

Mr Steyn said: "South Africa is a rapidly urbanising society and while rural and agricultural development clearly remain vitally important, the country's future ultimately will be decided in the cities."

Last year the foundation made 7 550 sites and 2 950 houses available. This year's projects, funded by loans at conventional market rates, should draw R350 million from the private sector.

MORE LAND

Mr Steyn said the increase in serviced sites reflected the progress in land delivery by the authorities.

In turn, this would lead to increased private sector involvement in the provision of housing for black people and should be seen against the background of severe shortages of such land in the past.

Housing for black people remained critical though, Mr Steyn said, with 250 000 homes needed each year until the end of the century.

About 3,5 million people lived in informal settlements in urban and peri-urban areas. The backlog in urban areas for formal housing was between 500 000 and 800 000, he said.

"South Africa needs a positive approach to urbanisation based on the acceptance of the inevitability and desirability of this process," Mr Steyn said.

HOUSING SHOCK

Sowetan 25/4/88 (123)

By SY MAKARIN and SAPA



DALUXOLO Macozana, Umtata Bucks' forward, trying to go past Orlando Pirates' Moses "Ace" Siwisa at the Orlando Stadium yesterday. Pirates won 3-1. See page 24.

THE housing short-fall in black areas has reached a staggering 702 000 units while there are thousands of houses standing empty in white areas.

The figure, given in Parliament by Minister of Constitutional Development and Planning, Mr Chris Heunis, in reply to a question, shows that the number of black people on the housing waiting list has increased more than twofold since 1986.

A study carried out two years ago by the Institute for Housing of Southern Africa revealed that there was a surplus of more than 37 000 homes in the white areas. The study also revealed a national housing shortage of 334 000 homes for coloureds, Indians and blacks.

Backlog

Mr Heunis said the highest backlog was in region H, which lacked more than 350 000 housing units, followed by region E (142 000), region D (52 716), region C (50 409), region F (44 895), region A (36 454), region J (10 468), region B (9 997) and region G (1 039).

Anti-apartheid spokesmen have attributed the backlog to the Group Areas Act.

Areas Act

From Page 1

butted the imbalance of housing to the Group Areas Act. They said the Act hampered planning and contributed to the backlog for other race groups.

Meanwhile, the South African Housing Trust has announced that it is to spend more than R440-million on low-cost housing projects in the next three years. The trust's managing director, Mr Joe Taylor, said yesterday the projects were expected to yield 37 900 serviced stands and 26 300 houses for blacks.

New move on Budd

LONDON — British athletics chiefs, taking advantage of a major climbdown by the International Amateur Athletic Federation, yesterday put off their decision over Zola Budd's future until May 21 so that they can make their own probe into her eligibility.

The British Amateur Athletic Board's council voted after a three-hour meeting to set up a three-member committee of inquiry, including an independent chairman, to investigate whether Budd broke the IAAF's rules barring contact with South Africa.

The BAAB council has asked Budd not to take part in competitions under international rules in the meantime.

BAAB spokesman Tony Ward said the mood of council members was "one of cool anger" at the IAAF move

against Budd. The IAAF has been demanding that the BAAB slap a year-long ban on the runner after charging her with taking part in an athletics meeting in South Africa last year.

But BAAB officials yesterday seized the initiative over the Budd affair after the IAAF dramatically dropped its threat to ban Britain from the Seoul Olympics in September if the board refused to ban the athlete.

The IAAF could have been rattled by the news on Saturday that a right-wing pressure group had started legal action against the world body.

The Freedom Association, headed by former British international athlete Norris McWhirter, claimed that the IAAF was guilty of blackmail in issuing the threat. — Sapa.

REPORTS, pictures and comment in this edition may be censored in terms of the Government's state of emergency.

John Player
SMOOTH VIRG
KING SIZE
New John Player S
GET THE PLEASURE OF SMOKING
DGLVY & MATHER, RICHFORD SEARLE-TRIPP & MAKIN 104643

Thousands of new homes for low-paid

afbus 25/4/88 123
Staff Reporter

NEARLY R800-million is to be pumped into housing for lower income groups through projects run by two major organisations that will yield at least 50 000 serviced sites and more than 35 000 houses in the next three years.

About 12 900 developed sites and 8 800 houses will be made available to mainly lower income communities within 12 months by the Urban Foundation, its chairman, Mr Jan Steyn, announced today.

And the South African Housing Trust Ltd has committed itself to countrywide low-cost housing projects worth R441-million, the trust announced in its annual report. R87-million of this is destined for the Cape.

The managing director, Mr Joe Taylor, said these projects were expected to yield 37 900 serviced stands and 26 300 houses for blacks in the next three years.

FUTURE IN CITIES

Mr Steyn said: "South Africa is a rapidly urbanising society and while rural and agricultural development clearly remain vitally important, the country's future ultimately will be decided in the cities."

Last year the Urban Foundation made 7 550 sites and 2 950 houses available.

Mr Steyn said the increase in serviced sites "reflected the progress in land delivery by the authorities".

In turn, this would "lead to increased private sector involvement in the provision of housing for black people and should be seen against the background of severe shortages of such land in the past".

STILL CRITICAL

But housing for blacks remained critical, Mr Steyn said, with 250 000 homes needed a year until the end of the century.

About 3,5-million people lived in informal settlements in urban and peri-urban areas. The backlog in urban areas for formal housing was between 500 000 and 800 000, he said.

Meeting this "would make a real contribution to job creation and skill development. It would also promote human dignity, stability and self-sufficiency".

Partly as a result of the deliberate encouragement of labour-intensive methods, the projects will create about 9 500 jobs countrywide in the building industry.

The projects are expected to generate profits of more than R30-million for entrepreneurs in the communities for which houses are built.

A 350-m SCHEME TO PROVIDE HOMES

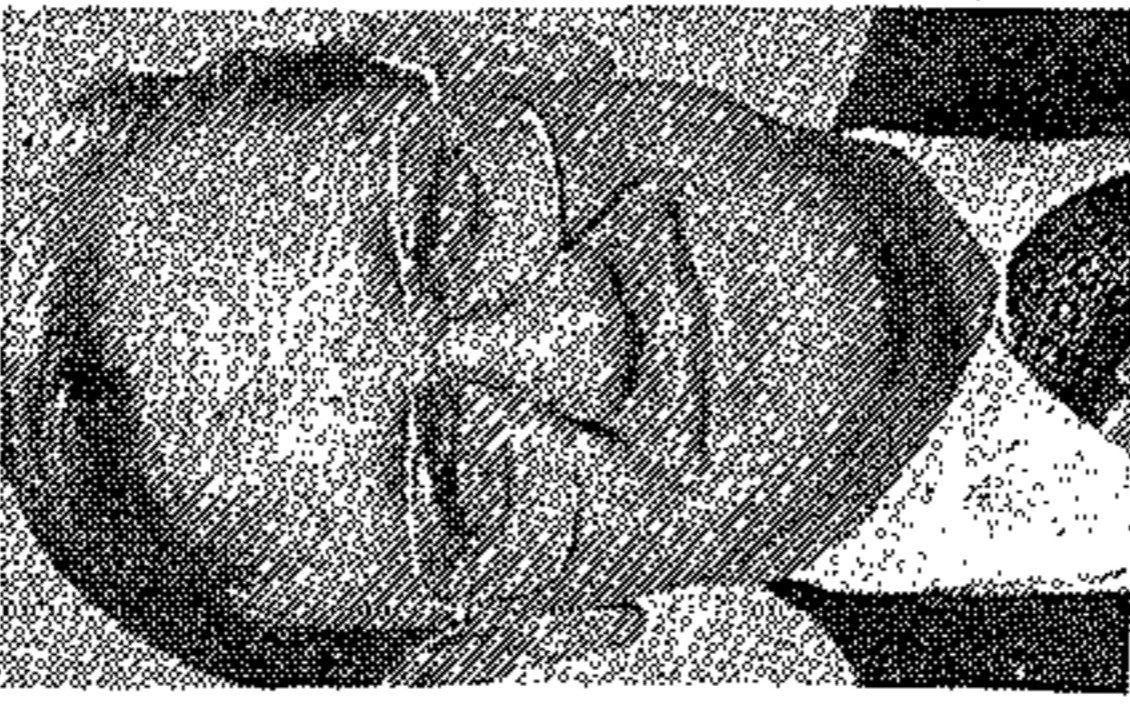
Sowetan
26/4/88
123

THE Urban Foundation yesterday announced a programme that would envisage the sale of 12,900 sites and 8 800 houses, principally for lower income communities.

The UF yesterday announced details of its plans for the coming year in a statement.

Its chairman, Mr Jan Steyn, said the residential development and construction division, that would run the programme, was funded by loans at conventional market rates.

It was estimated the activities would result in R350 million being drawn from private sector institutions to fund long term home loan finance and associated development in the year ahead.



MR JAN STEYN

Critical

He said despite the rapid increase in delivery of housing by the UF and other private sector agencies, housing for black people remained critical with the annual need for delivery of dwelling units standing at more than 250 000 until the turn of the century.

He also said the UF and communities would explore the feasibility of establishing more community resource centres to provide access to a wider range of resources.

"The resource centres would focus on a wide range of needs identified by communities in areas such as, for example, advice concerning housing options, job training opportunities, access to finance and other resources."

The UF would also allocate a major portion of its resources to education.

ments succeeded, and, if so, in what manner, and will the results be made known?

*The MINISTER: Research is done; in fact, it is in progress. It is done, firstly, by establishing what the estimated number of readers is of the specified publications; secondly, research is then done to determine how many people actually saw and read the advertisement; and, thirdly, how much of it they remember, in other words, how much effect it had on them. This is the type of research we do and with which we are busy at present. We could probably make the results known in due course.

Case against certain person: investigation

*15. Mr D J N MALCOMESS asked the Minister of Law and Order:

Whether, arising out of the judgment given in the High Court of Botswana in the case of *The State versus Steve Henry Burnell*, the South African Police investigated or are investigating any case against a certain person, whose name has been furnished to the Police for the purpose of the Minister's reply; if so, (a) with what result and (b) what is the name of this person; if not, why not?

***The MINISTER OF LAW AND ORDER:**

The South African Police are investigating the matter. This investigation has not yet been completed.

Floods: cash payments to individual victims
*16. Mr R R HULLEY asked the Minister of National Health and Population Development:

(a) How many separate cash payments have been made to individual victims of the 1987 and 1988 floods, (b) what total amount has been paid out in this manner and (c) in respect of what date is this information furnished?

The DEPUTY MINISTER OF NATIONAL HEALTH:

- (a) 73 685
- (b) R30 261 654.47
- (c) 31 March 1988

HOUSE OF ASSEMBLY

Entrance of certain person in RSA: documents missing

*17. Mr R R HULLEY asked the Minister of Home Affairs:

(1) Whether any documents relevant to the entry into South Africa of a certain person, whose name has been furnished to the Minister's Department for the purpose of his reply, are missing from the records of his Department; if so, (a) what documents, (b) what are the circumstances surrounding this matter and (c) what is the name of the person concerned;

(2) whether any steps have been taken to (a) recover these documents and (b) have any persons prosecuted in this connection; if not, why not; if so, (i) what steps and (ii) with what results in each case?

***The MINISTER OF HOME AFFAIRS:**

(1) and (2) The hon member is referred to my reply in this House to oral question No 25 of 1 March 1988. A police docket with regard to the matter is presently with the Attorney-General, Cape Town, for his decision. In view thereof, I do not consider it expedient to give full details of the nature as requested by the hon member.

Raid by SADF in Gaborone: persons killed

*18. Mr R R HULLEY asked the Minister of Defence:

Whether any persons were killed in the recent raid by the South African Defence Force on properties and persons in Gaborone in Botswana; if so, (a) (i) how many and (ii) what were their (aa) names, (bb) nationalities, (cc) ages and (dd) occupations and (b) what are the addresses of the properties in question?

The MINISTER OF DEFENCE:

Yes. As a result of the general practice among terrorists to use aliases and the circumstances that exist on the ground during such operations, it is almost impossible to positively identify all the bodies in all cases. In addition, the names and particulars of the dead thus given, can be abused by the enemy for its own purposes. Consequently I do not intend to divulge the names of fatalities in the future. With this as background, the reply in this case, is as follows:

(a) (i) 4
(ii)(aa)

Solomon Molefe also known as

Charles Makoena, Patric

Mvudla, Boy Aubrey Moloi,

Sandile, Mbele, Siphon Siphete

and Molotshe, plus two other

male persons whose identities

cannot be confirmed for

certain.

Masego Kgopoleng also known

as Kerishabile.

(bb)

South African

(cc)

41 years

(dd)

Member of Umkhonto we

Sizwe and regional military

commander in Botswana.

Unknown

Female employee at Botswana Book Centre. Also known as communicating agent between senior members of Umkhonto we Sizwe in Gaborone.

(b) House 11464, Broadhurst, Gaborone.

Area south of Lansdowne Road near Nyanga/Crossroads: designation as development area

*19. Mr J J WALSH asked the Minister of Constitutional Development and Planning:

(1) Whether, with reference to his reply to Question No 228 on 25 March 1988, a decision has as yet been taken on the designation of an area, approximately 218 hectares in extent, south of Lansdowne Road in the vicinity of Nyanga/Crossroads, as a development area; if not, (a) why not and (b) when is it anticipated that a decision will be taken on the matter;

(2) whether he will furnish information on this planned development; if not, why not; if so, what are the details thereof?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(1) No.

(a) The application is still under consideration.

(b) As soon as possible.

(2) No, not at this stage.

The matter is still under consideration.

Mr K M ANDREW: Mr Chairman, arising out of the reply of the hon the Minister, may I ask him whether it is correct that the MEC involved with this matter said some months ago that the squatters would not spend another Cape winter in their existing places?

The MINISTER: Mr Chairman, I suggest the

hon member submit his question in writing to the MEC to whom he has referred.

National Housing Commission: request for money granted

*20. Mr J J WALSH asked the Minister of Constitutional Development and Planning:

(1) Whether, with reference to his reply to Question No 224 on 16 March 1988, the request to the National Housing Commission for an amount of R3.5 million for the 1988/89 financial year for the building of 500 houses by means of a self-help programme has been granted; if so, when will the implementation of the programme be commenced; if not, when is it anticipated that a reply will be received to the above request;

(2) (a) how many individual loans have been granted under the self-help scheme instituted in the 1987/88 financial year and (b) who is responsible for approving these loans?

***The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:**

This information was furnished by the Cape Provincial Government:

(1) No. Because of the many claims on available funds only R700 000 was granted for the self-help programme in Khayelitsha.

(2) (a) None.

(b) Cape Town Town Committee.

HOUSE OF ASSEMBLY

Govt reviews subsidies for house buyers

122 2/80y 26/4/88
CHRIS CAIRNCROSS

CAPE TOWN — Government is being forced to re-evaluate its first-time house-buyers' subsidy scheme, as a result of the growing financial burden it is imposing on the state's coffers.

According to the Department of Public Works and Land Affairs annual report, tabled in Parliament yesterday, the scheme is being reviewed to ensure the state "is not ensnared in an accumulative obligation which may embarrass it at a later stage".

The subsidy scheme, representing a joint effort by the state and the private sector, briefly entails that 33,3% of the interest payable by a first-time buyer is subsidised during the first five years. The ceiling placed on the unit cost of the house is R40 000.

Since it was first introduced in 1983, about 21 569 units have been completed, and this level of participation is rapidly increasing.

Changes to the subsidy scheme now being considered include:

That the subsidy amount, calculated over five years, be paid over a seven-year period, on the basis that the full subsidy covering the first two years be

● To Page 2 →

Home subsidy scheme is under scrutiny

paid in equal monthly instalments, with the balance spread over the remaining five years in annually diminishing amounts;

Existing houses be included in the scheme;

That a maximum be laid down for the total cost of the dwelling and the site in order to avoid "unwarranted manipulation" to qualify for the R40 000 limit;

That the R40 000 limit be increased to compensate for the increase in building costs since the scheme was first introduced four years ago;

That the scheme be made more acces-

sible to the lowest-income groups by the payment of a constant subsidy on a dwelling costing R27 500 or less, including the cost of the land, on condition the total subsidy payable over the proposed seven-year term shall not exceed R6 000.

Government has estimated that under these proposed new conditions a programme involving 10 000 dwelling units would push the state's financial commitment to R87m a year. The private sector's investment, in turn, would amount to R400m annually.

122 2/80y 26/4/88
● From Page 1 ←

Govt to Review Home Loans

CNE Tris 26/4/88
 123

Political Staff
WHILE the government is having a second look at its first-time home buyers' subsidies to the public, its 100% low-interest home loans for civil servants in the last six months of 1987 increased to a mammoth R1,8 billion — about 5% of the budget.

These figures — which drew strong criticism last night from the Progressive Federal Party — were disclosed yesterday in a Department of Public Works and Land Affairs annual report, tabled in Parliament.

The first-time home buyers' scheme is being reviewed because of the growing financial burden it is imposing on the state's coffers and to ensure the state "is not ensnared in an accumulative obligation which may embarrass it at a later stage".

The report makes it clear that the state believes the scheme has much merit, but that it is determined to restructure it so as to keep the state's contribution to a "realistic" level.

Elsewhere, the report records that the R1,8 billion to civil servants covered 15 506 loans granted and guaranteed on existing and new houses between July and December last year.

Many government employees pay substantially lower interest rates on home loans — about 3% — compared with current interest rates, which are expected to rise shortly, of 13,5% and 14% paid by members of the public.

Real financing

In terms of the loan scheme to its employees, the government guarantees 20% of the loan, with full financing borne by financial institutions. Guarantees totalled R345,9 million last year, substantially above the R267,7 million guaranteed in 1979.

The sharp increases in loans granted were due to the fact that non-white civil servants have started participating in the scheme to a far greater extent, said the report.

Since it was first introduced, in 1983, some 21 569 houses have been built under the scheme — and this level is increasing rapidly.

Changes to the subsidy scheme may now being considered include:

- That the subsidy amount, calculated over five years, be paid over a

To page 3

NATIONAL UNION OF LAUNDRING, CLEANING AND
 1 Floor, Trades Hall We
 Johannesburg 2001
 • Box 1609, Johannesburg
 3-5861
 n Heerden
 General

From page 1
 Home loans
 123
 seven-year period on the basis that the full subsidy covering the first two years be paid in equal monthly instalments, with the balance spread over the remaining five years in annually diminishing amounts;
 ● That existing houses be included in the scheme.
 ● That a maximum be laid down for the total cost of the dwelling and the site to avoid "unwarranted manipulation" in order to qualify.
 ● That the R40 000 limit be increased to compensate for the increase in building costs.
 ● That the scheme be made more accessible to the lowest-income groups.

Commenting on the report's figures, PFP leader Mr Colin Eglin said it seemed "strange" that while the government was handing out more money to civil servants at low interest rates, it was reconsidering housing benefits for first-time home buyers.

Govt to put 22 900 properties on sale

CAPE TOWN — The state has identified 22 900 properties which it is prepared to place on the market, in an accelerated land sale programme scheduled to start in July this year, says the Public Works and Land Affairs Department annual report tabled in Parliament this week.

A department spokesman yesterday confirmed the sales programme represented official policy to sell off state land, where it cannot be used in the foreseeable future.

This has been policy since 1982 and,

CHRIS CAIRNCROSS

according to official statistics, has resulted in sales of nearly R70m since its inception. This involves some 4 723ha of rural land and 1 690 unspecified urban properties.

The report says the 22 900 properties represent about 80% of the state properties on a central computerised property register.

The register is to be used to monitor the marketing of "redundant" state land.

It will also form the nucleus for implementing the Rating of State Property Act of 1984, which is expected to come into effect from July 1.

Government spokesmen made clear the property sales programme will not take the form of a massive clearance sale, but will rely on existing market conditions to determine whether the prices offered are acceptable.

They also emphasised that much of the property available may not be marketable.

South African Press Photo

Black housing backlog now stands at 702 000 ¹²³

Star
27/1/88 By David Braun,
Political Correspondent

The national housing backlog continues to escalate alarmingly in spite of a huge effort by the private and public sectors to build homes involving billions of rands.

Statistics from various sources in Parliament this week revealed that the total housing backlog for blacks countrywide at the end of December 1987 was 702 750. The shortfall for coloureds and Indians is believed to be at least 100 000 units.

Constitutional Development Minister Mr Chris Heunis told Mr Peter Soal (PFP, Johannesburg North) in the House of Assembly yesterday that the backlog in development region H, that is the PWV area, was 354 792 or more than half of the national total.

A few weeks ago Mr Heunis revealed that the official tally of squatters countrywide was near the one million mark, with 900 000 of these in the PWV.

Against a problem of such magnitude, these projects are under way:

- The South African Housing Trust Ltd, with R400 million from the Government and R800 million in loan bonds raised from the private sector, has already approved 36 757 new stands (valued at R63 million), and erected 21 532 housing units (valued at R304 million).

- The Urban Foundation announced yesterday it would make available about 13 000 developed sites and 8 800 houses to mainly lower-income communities this year.

- Government institutions, as employers, are making a considerable contribution in promoting home ownership among all population groups.

In the last six months of 1987, 15 506 loans were granted to public servants. Of these 7 818 were for new houses.

Cam Times

y, April 28, 1988 7

Optimism greet¹²⁵s subsidy changes

By PETER DENNEHY

PROPERTY developers have been cautiously optimistic about some of the changes the government is considering making to the first-home buyers' subsidy.

Mr Hans Moser, joint managing director of Faircape Homes, said his company had known of the proposed changes to the government's subsidy scheme, and he welcomed the proposal to spread the subsidy over the first seven years of ownership, instead of the first five as at present.

He also thought it was a good idea to place the limit — for qualification for the subsidy — not only on the price of the building, but also the plot.

Mr T Stergianos, managing director of Disa Homes, also welcomed the "smoothing of the bump" when a homeowner had suddenly to cope with payments without the benefit of a subsidy after five years.

But he felt it was unfair that only buyers of houses under a certain maximum price should qualify for the subsidy.

Another developer, who declined to be named, also welcomed the proposed raising of the R40 000 qualifying limit on houses.

HOME LOAN GROWTH

(123) Am

United Building Society, subsidiary of UBS Holdings, granted R1bn of home loans in the first four months of 1988.

This is a gross figure.

Its effect on mortgage balances will depend on the extent of capital repayments, how quickly bonds are registered and the number of building loans involved (on which payments are made as building progresses.)

However, MD Mike de Blanche expects they will have "a significant impact on total mortgage balances on our books by the third quarter."

The level of mortgage advances in December stood at R8,7bn after relatively slow growth in 1987, in the face of determined opposition from banks for a meaningful share of the home loan market.

Most of the new business was written in the first three months, before United increased its mortgage rate from 12,5% to 14%, and April saw some decrease in the rate of growth.

However, De Blanche believes banks, "with a total home-loan book of about R6bn, will feel more pressure on margins as short-term rates move up fast."

29/4/88

Superhuman task

The SA Housing Trust (SAHT) was launched in January last year. How successful has it been?

According to the SAHT chairman Fred du Plessis in the annual report released this week, the current backlog of housing is estimated at more than 700 000 units. Du Plessis adds that "it is estimated . . . that up to the year 2000 approximately 2m new houses will have to be built . . . an average of 210 000 units per year."

So far the trust has committed itself to countrywide low-cost housing projects worth R441m. These are expected to yield 37 900 serviced stands, in addition to 26 300 houses for blacks in the next three years, says SAHT MD Joe Taylor. However, Taylor recently told the *FM* that during its first year of operations, the SAHT spent only R50m and produced only 2 000 houses and 2 700 serviced stands — around 2% of what the trust itself says is needed (See page 63).

Given these figures, the trust, as presently constituted, is only scratching the surface of the problem. Taylor says plans to streamline the SAHT's delivery process are under way. One problem it hopes to sort out is SAHT contracts which contractors have apparently been reluctant to sign — contracts worth only R140m have been signed so far. The reason for this, says Taylor, is that some contractors have been cautious because the whole system is new. Another reason being mooted by members of the homebuilding industry is that contractors are worried that prices of the completed houses are too high, and that they will be unable to recoup their costs. So getting signatures is now a priority, and Taylor expects contracts for the balance of the work to be signed within months.

Another factor in slowing production is the SAHT's emphasis on job creation and the use of local contractors. "These smaller contractors have had to go through a learning curve to extend their operations to cope

with larger projects," says Taylor. The trust, however, maintains that its aim of job creation is as important as providing housing, and any slowdown as a result of this policy is justified.

"The importance to the country of creating new jobs in the communities we serve is evident from unofficial estimates of unemployment — currently about 4,5m," says Fred du Plessis. According to the annual report, the policy encouraging labour intensive methods in SAHT projects will create about 9 500 jobs countrywide.

"Any higher costs that labour-intensive methods might entail should be seen against the cost of providing social programmes for the unemployed," says Taylor. "The projects are expected to generate profits of more than R30m for community entrepreneurs."

Another hassle has been bond financing. Although the SAHT was set up to provide development finance, it has discovered that building societies are reluctant to lend money to low income consumers for the type of housing being created. To overcome this problem, the trust has set up Khayaletu Home Loans, a company funded by the trust to provide bonds to potential home owners.

The SAHT was established with an interest-free loan of R400m granted by the government. The loan was subject to the understanding that the private sector would supplement it by at least R800m. The trust demonstrated its ability to get private sector money by raising R100m from the primary capital markets in November 1987.

However, based on the figure of 210 000 houses needed a year and an average cost of R10 000 a house and with inflation taken as 12%, says Du Plessis, R4,5bn a year will be needed.

"With the projected capital of R1,2bn (which still means raising another R700m on the capital markets) provided by government and private sector in terms of the loan agreement, little progress will be made." ■

FM 29/4/88



Steyn ... SA needs a positive approach

housing is something between 500 000 and 800 000 units.

Steyn pinpoints urbanisation as the critical challenge of the next decade: "SA needs a positive approach to urbanisation, based on the acceptance of the inevitability and desirability of this process and the need for the cities to manage it successfully." During 1988-1989, UF urbanisation policy will be concentrating on SA's cities as the engine for economic growth and job creation.

The UF also aims to provide resources for these urban communities to improve their own economic and social circumstances. This could be done through the establishment of community resource centres. These would address local needs, such as the provision of advice concerning housing and financial matters.

In the educational sphere, apart from traditional UF involvement in adult education and teacher training, efforts will be concentrated on rationalising and improving the contribution of the private sector. ■

URBAN FOUNDATION

Looking ahead

Jan Steyn, chairman of the Urban Foundation (UF), has given details of its plans for the coming year. On the housing side, the UF envisages the sale of 12 900 developed sites and 8 800 houses, principally for lower income communities. It is estimated that this will result in some R350m being drawn from the private sector to fund long-term home loan finance.

Steyn notes that the anticipated increase in delivery of serviced sites reflects good progress in the delivery of land by the authorities. This augurs well for increased private sector involvement in black housing. UF activities in this area should also encourage job creation, self-sufficiency and black entrepreneurship. Despite these positive signs, the issue of black housing remains critical. In urban areas alone the backlog in formal

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JM 29/4/88

the self-government

Mr. T. S. 29/4/48
Shortage of black housing

Political Staff *123*

HOUSE OF ASSEMBLY. — The extent of black urbanization and inadequate housing had resulted in a severe shortage of sites, and special attention was being given to township development, the Department of Development Aid said yesterday.

"More than 40 000 new sites were surveyed and a large percentage of these sites were supplied with services.

"Everything possible is being done to adapt the level of services offered to the needs of the community, ranging from rudimentary to full services such as electricity, sewerage and tarred roads."

Allied pushes up bond ^{CAF 7/16/88} rate to ¹²³ 14,5%

HOME-OWNERS will soon pay more for their mortgage bonds and further increases could follow later this year.

And tougher hire-purchase regulations are likely to be imposed by the government, possibly this week, in the face of increasing pressure on the prime overdraft rate.

Yesterday the Allied building society told its thousands of borrowers they would have to pay more from June 1, when rates will go up by 0,75% to 14,5%.

This means a home-owner with a R50 000 bond, repayable over 25 years, will find his monthly repayments at about R620, compared with about R590.

Sanlam's assistant general manager (investments), Mr Hendrik du Plessis, said he expected prime to rise by one point, with another to come in July.

He felt the authorities would want to avoid a prime rate as high as 18% in order to avoid bankruptcies and unemployments.

If the prime rate rose to not more than 16% and other controls were effective, long-term interest rates, such as those on gilts, should not go higher than 17%.

● Mixed reaction to rate rise — Page 9

Home loan, HP rates ⁸⁸ set to rise ¹²³

D10 3/5/88

Daily Dispatch
Correspondent

DURBAN — Home-owners will be called on to pay more for their mortgage bonds within weeks, and further increases might follow during the course of the year.

Tougher hire-purchase regulations are likely to be imposed by the government, possibly this week, in the face of increasing pressure on the prime overdraft rate.

Yesterday, the Allied building society told borrowers they would have to pay more from June 1, when rates will go up by 0,75 per cent to 14,5 per cent.

This means a homeowner with a R50 000 bond, repayable over 25 years, will find his monthly repayments at about R620, compared with about R590.

According to a statement by the country's biggest building society, the United is "not reacting" to the Allied increase, but is waiting for indications of rate increases from the Reserve Bank expected later this week.

The managing director of the SA Perm, Mr Bob Tucker, said the society was determined to keep rates stable.

The assistant general manager, loans, at the Natal Building Society, Mr Trevor Oliver, said

yesterday the NBS was already in a period of notice to its borrowers that rates would go up to 14 per cent from June 1.

The increase in interest rates seems to be across the whole board of investments. Credit card charges are reported to have risen by as much as 1,5 per cent on outstanding amounts.

Meanwhile, economists and financiers are watching the prime rate anxiously.

The assistant general manager, investments, at Sanlam, Mr Hendrik du Plessis, said he expected the prime rate to rise by one point, with another to come possibly in July.

With consumer spending at record levels as South Africans celebrated the apparent end of the long years of recession, warnings were given that the spree might end quite abruptly.

Mr Du Plessis believes that if the prime rate increases are taken with measures such as tighter restrictions on easy-payment purchases, pressure on the rates might be taken off.

He felt the authorities would want to avoid a prime rate as high as 18 per cent in order to avoid bankruptcies and unemployment.

He forecast that rates would rise quite quickly, then level off.

1307



WEDNESDAY, 4 MAY 1988

1308

State Veterinarian	112		
Assistant State Accountant	1		
State Accountant	6		
Senior State Accountant	3		
Telephonist	7		
Chief Telephonist	1		
Typist (Ministerial)	1		
Typist	1		
Chief Typist	51		
Stock Inspector/Senior Stock Inspector	1		
Principal Stock Inspector	365		
Chief Stock Inspector	14		
Accounting Clerk	1		
Senior Accounting Clerk	18		
Chief Accounting Clerk	6		
Pupil Veterinary Technician	2		
Veterinary Technician	5		
Senior Veterinary Technician	9		
Principal Veterinary Technician	8		
Control Veterinary Technician	7		
Chief Veterinary Technician	1		
Pupil Meat Examiner	1		
Meat Inspector	7		
Principal Meat Inspector	4		
Chief Meat Inspector	12		
Control Meat Inspector	37		
Pupil Meat Inspector	45		
Meat Examiner	5		
Foreman: General Gr II	3		
Provisioning Administration Clerk	6		
Senior Provisioning Administration Clerk	45		
Chief Provisioning Administration Clerk	136		
Assistant Provisioning Administration Officer	6		
Provisioning Administration Officer	2		
Senior Provisioning Administration Officer	10		
Chief Work Study Officer	8		
Wine Controller	2		
Senior Wine Controller	2		
Principal Wine Controller	1		
Chief Wine Controller	1		
	4		
	4		
	6		

Conservation of Agricultural Resources Act: persons prosecuted

988. Mr R W HARDINGHAM asked the Minister of Agriculture:

Whether any persons were prosecuted for contravening the provisions of the Conservation of Agricultural Resources Act, No 43 of 1983, during the latest specified period of 12 months for which figures are available; if so, (a) how many and (b) (i) for what contraventions and (ii) what were the fines in each case?

The MINISTER OF AGRICULTURE:

Yes:

(a) 17 persons were charged during the 12 months ending 31 March 1988.			
(b) (i)			
Overgrazing of veld (1)	Found not guilty		
Keeping of too many stock (1)	R1 000 fine or 6 months'		
Grazing of burnt veld (2)	imprisonment R100 admission of guilt		

1309

WEDNESDAY, 4 MAY 1988

1310

Spreading of weeds (1)	Found not guilty		
Erosion on lands (1)	Found guilty, warned and discharged		
Erosion on lands (1)	Found not guilty		
Ploughing of virgin soil (1)	R3 000 fine, of which R2 500 was suspended		
Ploughing of virgin soil (1)	R500 fine or 3 months' imprisonment, suspended		
Ploughing of virgin soil (1)	R400 fine or 2 months' imprisonment, suspended		
Ploughing of virgin soil (1)	R100 admission of guilt		
Ploughing of virgin soil (1)	R300 fine or 3 months' imprisonment, suspended		
Ploughing of virgin soil (3)	R200 fine or 2 months' imprisonment, suspended.		

Own Affairs:

Housing units built for Whites

5. Mr P G SOAL asked the Minister of Local Government, Housing and Works:

- (1) (a) How many housing units for White occupation were built in each specified area in the Republic in 1987 and (b) what is the number to be built for members of this population group in 1988;
- (2) whether, with reference to his reply to Question No 38 on 10 April 1986, the survey of the shortage in housing has been completed; if not, (a) why not and (b) when will it be completed; if so, (i) what was the scope of the survey and (ii) what were the findings?

The MINISTER OF LOCAL GOVERNMENT AND HOUSING:

(1) (a)	Number of Houses of Persons	Welfare Housing
		Number
Cape Metropolitan area	0	255
Durban Metropolitan area	58	128
Pietermaritzburg	0	44

123

Handwritten signature.

7. Mr P G SOAL asked the Minister of Local Government, Housing and Works:

- Whether his Department intends constructing any housing units in the Republic in 1988; if not, why not; if so, (a) how many units in each case and (b) in which centres will they be constructed?

The MINISTER OF LOCAL GOVERNMENT AND HOUSING:

(a) and (b) The Department of Local Government, Housing and Works finances the construction of dwellings by local authorities, housing utility companies and welfare organisations from the Development and Housing Fund. The information indicated below reflects the housing in respect of projects at present under construction in 1988 or which will be constructed in 1988:

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Howard

Region	Number of Houses	Welfare Housing Number of Persons	Cape Town		
Pretoria	4	4	Belville	10	40
Breyton	—	43	Caledon	—	20
Colling	—	33	Citrusdal	—	120
Ermele	—	40	Durbanville	—	35
Pietersburg	50	33	George	—	92
Potchefstroom	—	40	Goodwood	—	20
Klerksdorp	—	69	Hartebos	—	2
Orkney	—	36	Hermannus	60	272
Lichtenburg	5	12	Cape Town	—	35
Ottosdal	—	46	Kraysia	—	22
Phalaborwa	—	18	Kraaifontein	—	113
Pretoria	—	355	Malmesbury	—	32
Rusienburg	—	38	Montagu	24	25
Sannieshof	—	2	Mossel Bay	—	14
Verwoerdburg	—	68	Napier	—	110
Wolmaransstad	—	42	Nieuwoudville	—	11
Johannesburg	—	30	Paarl	—	20
Benoni	—	120	Prins Albert	—	4
Boksburg	—	44	Riversdal	—	70
Brakpan	—	15	Springbok	—	—
Carletonville	—	20	Swellendam	18	—
Edenvale	—	24	Fish Hoek	—	—
Germiston	—	64	Vredenburg/	—	—
Kempson Park	—	30	Saldanha	—	—
Johannesburg	98	745	Wellington	—	90
Krugersdorp	—	60	Wolseley	—	72
Randburg	—	110	Worcester	19	56
Randfontein	—	88	Kimberley	—	—
Roodepoort	52	218	Kimberley	30	—
Vereeniging	—	38	Postmasburg	—	18
Durban	—	—	Bloemfontein	—	92
Amanzimtoti	—	44	Bultfontein	—	8
Durban	—	198	Dealesville	—	9
Howick	—	40	Hartsmith	—	16
Kingsborough	—	40	Kroonstad	—	3
Pietermaritzburg	105	8	Ladybrand	—	3
Pinetown	—	55	Sasolburg	—	6
Port Shepstone	8	62	Villiers	—	80
Queensburgh	—	60	Warden	—	4
Richmond	—	20	Welkom	30	7
Vryheid	—	2			
Westville	—	24			
Port Elizabeth	—	—			
Alwal North	—	35			
Beacon Bay	—	50			
Despatch	—	13			
Fort Beaufort	—	24			
Joubertina	—	21			
Kirkwood	—	14			
Komga	—	12			
East London	—	106			
Port Elizabeth	—	119			
Queenstown	—	38			
Uitenhage	—	20			

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39. Mr P G SOAL asked the Minister of Local Government, Housing and Works:
 Whether, with reference to his reply to Question No 3 on 19 August 1987, his Department intends building any (a) welfare housing and (b) dwelling units in the Republic in 1988; if not, why not; if so, (i) how many units in each case and (ii) in which centres will they be constructed?

The MINISTER OF LOCAL GOVERNMENT AND HOUSING:

(a) and (b) No; but the honourable member is kindly referred to my reply to Question 7.

Howard

HOUSE OF REPRESENTATIVES

†Indicates translated version.

For oral reply:

General Affairs:

State President:

Appointment of Prime Minister: consideration of Minister of colour

*1. Mr P A C HENDRICKSE asked the State President:

(1) Whether, with reference to his recently announced proposals for constitutional reform, any consideration has been or will be given to appointing a Minister of colour as Prime Minister;

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

†The DEPUTY MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING (for the State President):

(1) and (2)

On 21 April 1988, I said the following about the matter in the House of Assembly:

"The State President should mainly concern himself with matters such as for example population relations, macro-economic policy and the determination of financial priorities, security and foreign affairs, as well as ceremonial occasions and functions which developed by convention. The day to day administration under Ministers should then rather continue under the chairmanship of a Prime Minister appointed by the State President."

This is naturally a matter that requires further consideration. If the proposal is accepted, the State President will deal with the matter at that stage. The person for such an appointment will necessarily be considered on the basis of his expertise with regard to administration.

In the meantime the status quo is maintained.

Ministers:

Former director-general of SABC: resignation

*1. Mr P A CHENDRICKSE asked the Minister of Information, Broadcasting Services and the Film Industry:

(1) Whether he was consulted beforehand in connection with the resignation of the former director-general of the SABC; if not, why not; if so, (a) when, (b) what was the purport of these consultations and (c) what action did he take in consequence of these consultations;

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

†The MINISTER OF INFORMATION, BROADCASTING SERVICES AND THE FILM INDUSTRY:

(1) No.

(a) to (c) Fall away.

(2) In order to avoid any misunderstanding regarding the reply given above I want to state clearly that I had discussions with the Chairman of the Board, as well as with the members of the relevant committee of the Board, regarding the circumstances which lead to the resignation of the former director-general. However as the matter falls within the jurisdiction of the Board and outside the jurisdiction of the Minister, these discussions cannot be described as "consultation".

Vereeniging: Sharpville mother arrested for breast-feeding in public

*2. Mr W J DIETRICH asked the Minister of Law and Order:

(1) Whether, with reference to information furnished to the South African Police for the purpose of the Minister's reply, a Sharpville mother was arrested at the Vereeniging charge office for breast-feeding her baby in public early in November 1987; if so, (a) in terms of what statutory provisions, (b) what were the circumstances surrounding the incident and (c) what is her name;

(2) whether any action has been taken against the policeman concerned; if not, why not; if so (a) what action and (b) when;

(3) whether any steps have been taken to prevent further arrests for offences of this nature; if not, why not; if so, (a) what steps and (b) when?

New law threatens

Star 4/5/88

90 000

123

By David Braun,
Political Correspondent

CAPE TOWN — An estimated 90 000 people could lose their homes under proposed group areas legislation, the Progressive Federal Party has estimated.

The majority parties in the Houses of Representatives and of Delegates have announced they will form an alliance to block the legislation, meaning the Government would have to use its majority in the President's Council to force it through.

In the House of Representatives yesterday, President Botha refused to debate the planned new legislation.

The Minister of Law and Order, Mr Adriaan Vlok, confirmed in the House of Assembly that two special "group areas police squads" were already in existence in Johannesburg and Durban.

100 000 ILLEGALS

A PFP spokesman said yesterday that his most conservative estimate was that 100 000 people were living illegally in areas reserved for whites.

The Government had lost control of the group areas situation, he said, as the pressures of population, economics and marketing had caused the concept of segregated residential areas to break down.

The draft legislation gives the authorities power to evict offenders of the Group Areas Act from their homes, even if no alternative accommodation is available for them.

The Conservative Party has indicated that it would welcome new machinery to evict people of colour from white areas.

The National People's Party and the Labour Party confirmed yesterday that they would meet to co-ordinate opposition to the legislation.

Yesterday, President Botha told the House of Representatives during the debate on his vote that the legislation would be introduced during this session of Parliament, and that that would be the opportunity for it to be debated.

● See Page 11.

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THE Government is morally obliged to provide houses for the low income group and the scrapping of the Group Areas Act and the Land Act will solve the shortage of houses among blacks, writes MATSHU-BE MFOLOE.

This was said by the president of the National Environmental Awareness Campaign (Neac), Mr Japhta Lekgetho, in response to a recent announcement by Urban Foundation to build houses worth R350

'Build ^{Sowetan 4/5/88} for the poor' ¹²³

million for blacks.

Mr Lekgetho said the Urban Foundation's initiative "will only alleviate the problem and not solve it." He said the definition of "low income group" and "low cost houses" were

confusing and ambiguous.

Most of the "low cost" houses cost around R22000 and the majority of black people homeless earn about R200 a month. Since this group, (low income group), cannot afford the prices, they resort to squatting, Mr Lekgetho said.

He said blacks who cannot afford expensive houses should have a choice to stay in houses built and subsidised by the Government.

(a) Allocated bed occupancy

Hospital	White		Non-White	
	Beds	% Occupancy	Beds	% Occupancy
Groote Schuur	492	50,17	975	103,40
Red Cross War Memorial	60	41,46	287	119,96
Tygerberg	799	54,68	1 307	90,87
Woodstock	35	51,93	140	69,47
New Somerset	162	63,94	275	92,79

(b) Actual bed occupancy

Hospital	White		Non-White	
	Beds	% Occupancy	Beds	% Occupancy
Groote Schuur	311	79,36	1 156	87,21
Red Cross War Memorial	24	103,64	323	106,59
Tygerberg	742	58,89	1 364	87,07
Woodstock	35	51,93	140	69,47
New Somerset	162	63,94	275	92,79

Eastern Bloc countries: value of imports

991. Mr C J DERBY-LEWIS asked the Minister of Economic Affairs and Technology:

- (1) What was the value of imports into South Africa from Eastern Bloc countries for the (a)(i) 1978-79 and (ii) 1982-83 financial years and (b) latest specified financial year for which figures are available;
- (2) whether he will furnish details of the (a) countries and (b) categories of imports involved; if not, why not; if so, what are the relevant details in respect of each of the above financial years?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY:

- (1) and (2) The information is unfortunately not available for publication. It should be explained that South Africa maintains a policy of neutrality with regard to the origin or destination of its foreign trade. However, in the circumstances of the increasingly complex situation that South Africa faces internationally, particulars of the country's foreign trade are regarded as sensitive information and it is not considered advisable to divulge an analysis thereof in any form. This obviously applies in particular also in respect of any trade between South Africa and Eastern Bloc countries.

HOUSE OF DELEGATES

†Indicates translated version.

For oral reply:

Own Affairs:

Arena Park, Chatsworth: School hall built

*1. Mr M RAJAB asked the Minister of Education and Culture:

- (1) Whether a school hall was built in the Arena Park area of Chatsworth in 1987; if so, (a) at which school and (b) at what cost was it built;
- (2) whether this hall is ready for use; if not, (a) why not and (b) when is it expected to be ready;
- (3) whether any complaints and/or reports have been received in regard to leaks in the roof of this hall; if so,
- (4) whether any repair work has been undertaken; if not, why not; if so, what was the (a) nature and (b) cost of these repairs;
- (5) whether his Department has laid down any conditions in respect of the use of this hall; if so, what are these conditions?

The MINISTER OF EDUCATION AND CULTURE:

- (1) Yes.
- (a) Arena Park Secondary School.
- (b) R1,34m
- (2) Yes.
- (a) and (b) Fall away.
- (3) Yes.
- (4) Yes.
- (a) Installation of protective cowls over roof ventilators in order to prevent roof leakage.
- (b) None. The cowls have been provided by the company that installed the roof ventilators.
- (5) No. The Department is still finalising the conditions for the use of the hall.

Mr P IDEVAN: Mr Chairman, arising out of the answer provided by the hon the Minister, may I ask him whether he motivated the cost of this

building? Moreover, does he not consider the sum of R1,34 million for a single school hall to be too much? Lastly, we are given to understand that this is to serve as a committee hall. May I ask the hon the Minister whether all negotiation with the local authority was exhausted before the education department resorted to the construction of this hall?

The MINISTER: Mr Chairman, at this stage I can reply as follows: R1,34 million was regarded as a fair price for the contract for that hall, in comparison with R1,8 million in Phoenix. The department took into consideration the use to which this hall will be put. May I say that I foresee that it will be used by the Arena Park Secondary School itself in the first instance, as well as by primary and secondary schools in the area for their year-end functions and cultural functions, and also by the community in the area.

I therefore consider that the money was well spent.

Mr P IDEVAN: Mr Chairman, further arising from the answer of the hon the Minister, were all negotiations with the local authority regarding a hall in the area to suit the purposes of the community exhausted before the department started this project?

The MINISTER: Mr Chairman, I am aware of the fact that investigations did take place before my department went ahead with this project. I am not certain about all the negotiations but I can make the information available to the hon member.

Housing Development Board/ executive committee meetings

*2. Mr Y MOOLLA asked the Minister of Housing:

- (1) (a)(i) On how many occasions have the (aa) Housing Development Board and (bb) executive committee of this board met since its inception and (ii) in respect of what date is this information furnished and (b) what decisions were taken by these bodies at these meetings;
- (2) whether any decisions taken by the said executive committee were implemented prior to approval having been obtained from the Housing Development Board; if so, (a) why, (b) on whose authority was

First National, Volkskas and Standard banks have already raised their prime overdraft rate by 1 percent to 15 and Nedbank and Trust Bank are expected to follow today.

Boland Bank has announced that it will increase its prime overdraft rate to 15 percent from tomorrow.

Further bond rate rises, affecting tens of thousands of home-owners around the country, are expected from banks and building societies this week.

South Africa's biggest building society — the United — has already disclosed that it is reconsidering raising its present rate of 14 percent.

Basic guideline

The major banks' prime rate increase is in reaction to the increase in the Reserve Bank's bank rate — the basic guideline for all interest patterns — from 10,5 to 11,5 percent as from today.

Credit customers will pay more up front for a wide range of goods, as the required initial deposit on goods will be increased by one-fifth from this morning — which means that where formerly a required deposit was 10 percent it would be increased to 12 percent.

Mortgage bond rates at most other institutions have already been increased and are committed until June/July.

Higher rates could add hundreds of millions of rands to companies' interest bills, undermining profits and curbing expansion and job creation, according to analysts.

Escom alone faces a R20-million increase in what it will pay on its borrowings.

Sources in the motor industry believe this curb plus the 20-percent increase in minimum deposits required on all hire purchase contracts will depress the car sales market and cause a drop of at least 20 percent in the sale of cars to private motorists.

The deposit on a car worth R20 000 will increase from R4 000 to R4 800.

A property economist, Professor Wilsey Kilian of UCT, forecast that prices at the upper end of the white market would level off and be the first to drop.

However, house prices could be underpinned by higher buildings costs, now running at about 23 percent a year.

More difficult

Home-owners will also find it more difficult to secure bonds than in the past, analysts say.

Property economist Mr Neville Berkowitz believes that demand in the residential property market will subside as people become nervous of further interest rate increases, and the price of homes slowly subside as a result.

Office and factory developments will obviously become more expensive and some projects might be temporarily shelved.

Rental agreements will now be subject to the minimum deposit restrictions currently applicable to HP transactions and this is expected to hit sales made under the popular car rental agreements — now involving no deposit.

For an item purchased for R10 000 a deposit of R1 000, calculated on 10 percent of value, has been increased to 12 percent, requiring an initial deposit of R1 200.

By TOM HOOD, Business Editor
THE first shocks of the Government's credit squeeze were felt today when First National Bank announced a 1,5-percent increase in its bond rate to 15 percent.

Home loan interest rate rises

PK615

5/18/80

173

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Rate increase hits buoyant homes market

FRANK JEANS

This week's interest rate shocker, which will inevitably push up bond repayments, could seriously affect the present booming homes market.

But, in a counter swing, by the end of the year a R112 000 home could be selling close to R150 000.

There is consensus among leading real estate agents that the market could withstand a bond rate of up to 15 percent, but if it goes to 17 to 19 percent there will be "serious repercussions".

Mr Eskel Jawitz, of Eskel Jawitz Estates, says: "I said back in January on a television show that we would have to tread carefully and not stretch financial limits.

"Now this is happening. You can't keep the lid on the pressure cooker too long, otherwise there will be a mighty explosion."

Nevertheless, Mr Jawitz sees still good demand for homes and, depending on rates being maintained at present levels, the market could "weather the storm".

Mr Basil Elk, of Basil Elk Estates, says: "There are still plenty of people looking for houses, but it means that they will just have to adjust their price range. The seller, too, will have to bring down his asking price."

Mr Piet Hamman, of De Huizemark, says: "The market has only just returned to normality and now we are threatened with higher interest rates artificially imposed as a means of beating inflation.

"The uncertainty of what is going to happen is having a dampening affect on the market," he said.

● See Property Guide and Magnus Heystek's Money Matters column on Page 12.

Freak Kani v

The ghost of Desdemona has the centuries. In the same way, South Africa's actor John Kani.

He stepped in at the 11th h Richard Nzimande, star of the tion "Stormriders", who had h dent, only to come face to face even his Cassio.

Equally bewildered were J McCarthy, who played Desde tively in the production of "Oth

"For so many months, I d role of Othello. To act side by was horribly *deja vu*," said Ka

What is even more unbel happened.

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Homes firm offers shares

123
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A DURBAN building company is offering shares to the public to help finance housing projects in KwaZulu and Ciskei.

Worth R11.5-million, the combined projects will provide 360 housing units.

The company - General Housing - provides houses for under R28 000.

Chief executive, Peter Theron, said the company needed R500 000 to finance the construction program.

Unlisted securities and private placings expert, Tinus van Dyk said the share issue would be readily available.

"The company has an excellent track record. It has a manufacturing plant covering 5 800 sq metres and a strong management team. These attributes lead to a healthy investment in shares," he said.

Upreno
8/1/78

HOUSE OF DELEGATES

Indicates translated version.

For written reply:

General Affairs:

Houses built by local authorities

13. Mr K CHETTY asked the Minister of Constitutional Development and Planning:

(1) (a) How many houses were built by each specified local authority during the latest specified period of three years for which figures are available and (b)(i) where, (ii) when and (iii) at what total cost were they built in each case;

(2) (a) how many houses are planned by each specified local authority for the next three years and (b)(i) where, (ii) when and (iii) at what total estimated cost will they be built in each case?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

This information was furnished by the different Provincial Governments:

CAPE PROVINCE

(1)(a)	(b)(i)	(ii)	(iii)				
2 136	Khayelitsha	For the period 1 January 1985 up to 31 December 1987	11 567 457				
177	Tyolotha		1 232 131				
57	Sidesaviwa		989 385				
63	Kwanongaba		309 974				
1	Crossroads		6 753				
512	Huhudi		1 682 252				
25	Tidimalo		159 525				
175	Mataleng		1 291 756				
45	Lukhanysweni		542 844				
50	Nompumelelo		565 646				
26	Ikhutseng		289 808				
40	Motswedimosa		277 541				
32	Ditloug		201 206				
25	Bongani		172 825				
20	EThembeni		157 000				
247	Galeshewe		773 906				
20	Hanover		138 412				
226	Humansdorp		1 581 398				
25	Beaufort West		175 000				
137	Adelaide		1 011 899				
125	Alexandria		646 666				
24	Aberdeen		189 426				
186	Elliot		1 494 345				
47	Alicedale		389 000				
278	Aliwal North		1 849 869				
197	Jamesown		1 299 834				
101	Mossel Bay		694 928				

(1)(a)	(b)(i)	(ii)	(iii)				
740	Aliwal North		6 009 000	58	Ladybrand		1 750 000
224	Barkly East		2 146 167	50	Onderdaalsrus		873 730
5	Bathurst		51 923	10	Reddersburg		200 000
363	Bedford		3 790 235	1	Reitz		128 998
177	Burgersdorp		2 705 378	3	Smithfield		32 000
360	Cathcart		2 848 900	59	Vrededorf		1 700 000
31	Cookhouse		250 000	314	Welkom		8 850 000
49	Dordrecht		419 200				
462	Elliot		5 229 100	(2)(a)	(b)(i)	(ii)	(iii)
793	Fort Beaufort		8 803 301	70	Bethulle		470 000
130	Graaff-Reinet		1 086 000	30	Bethlehem		240 000
913	Grahamstown		7 461 949	357	Bloemfontein		10 088 410
50	Hankey		390 000	70	Boshof		770 000
71	Hofmeyr		478 110	20	Edenburg		160 000
4	Humansdorp		60 956	200	Fauresmith		1 000 000
65	Indwe		507 000	40	Ficksburg		400 000
80	Jamestown		664 300	34	Heilbron		630 000
102	Jansenville		1 035 000	60	Jacobsdal		900 000
106	Kareedouw		1 116 000	21	Jagerfontein		210 000
313	King William's Town		2 902 500	80	Kroonstad		3 200 000
373	Kirkwood		3 892 693	50	Koffiefontein		846 600
2	Klipplaat		35 406	50	Ladybrand		1 500 000
150	Komga		1 184 400	40	Luckhoff		800 000
50	Lady Grey		390 000	15	Rouxville		105 000
33	Maclear		290 000	45	Springfontein		810 000
700	Marselle		740 000	35	Trompsburg		122 000
383	Middelburg		4 492 500	64	Welkom		7 350 000
72	Molteno		635 500				
442	East London		3 696 000				
44	Paterson		364 129				
64	Pearson		526 996				
613	Port Alfred		7 081 502				
2 491	Motherwell		20 640 000				
100	Masangwanaville		850 000				
720	Walmer		7 200 000				
550	Zwide						
676	Uitbreiding		4 440 000	75	Agisang		168 458
40	Queenstown		5 628 000	504	(Sannieshof)		1986/87
40	Rhodes		312 000	140	(Sandton)		1 653 789
52	Steytlerville		412 408	400	(Westonaria)		114 273
113	Steynsburg		1 004 000	109	(Dobsonville)		942 322
124	Somersdorp		996 000	200	(Rooodepoort)		568 244
161	Somershet East		894 188		(Soweto)		
215	Shuterheim		1 734 600		(Johannesburg)		
31	Tarkastad		465 000		(Vosloorus)		
53	Ugie		444 000		(Boksburg)		
52	Venterstad		426 000	28	(Impumelelo)		1 200 000
1 497	Kwanobuhle		8 144 500	107	(Devon)		193 525
50	Willowmore		390 000	100	Duduza (Nigel)		482 493

ORANGE FREE STATE

(1)(a)	(b)(i)	(ii)	(iii)				
1	Arlington	For the period 1 January 1985 up to 31 December 1987	45 000	712	Leohang		457 000
65	Bethulle		780 000	654	(Emthonjeni)		1 098 670
167	Bloemfontein		7 767 479	30	(Machadodorp)		80 000
45	Boshof		297 000	89	(Vukuzakhe)		80 000
300	Bultfontein		225 000		(Volksrust)		
20	Fauresmith		550 000		(Kwaquna)		
18	Harrismith		151 900		(Witbank)		

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(2) The required information is not readily available.

NATAL	(1)(a)	(b)(i)	(ii)	(iii)	(2)(a)	(b)(i)	(ii)	(iii)
4	Stanger	84/86	214 380	1	Dundee	88/89	4 100 000	
24	Utrecht	87/88	522 000	230	Marburg	88/89	6 000 000	
207	Oaklands			2 000	Marburg	89/90	70 000 000	
718	(Verulam)	84/85	7 000 000	20	Weenen (Old Weenen)	88/89	500 000	
101	Trenant Park	87/88	22 000 000	60	Age Home)	89/90	1 500 000	
54	Vryheid	84/85	1 655 000	80	Dannhauser	88/90	1 500 000	
74	Vryheid	87/88	1 000 000	150	Ginginhlova	88/90	4 500 000	
102	Harding	87/89	600 000	60	Ginginhlova	89/90	1 800 000	
59	Belvedere	87/89	600 000	6	Harding	88/89	350 000	
77	Westbrooke	84/85	6 709 000	1 200	Uvongo	88/90	40 000 000	
	Belvedere	85/86	1 720 000	45	Verulam	88/89	810 000	
	(Tongaat)			45	Ixopo	89/90	810 000	
1	Umhlabi Beach	86/87	932 500	Retire-	Ixopo			
300	Umzimto North	84/85	750 000	ment	Pennington	89/90	1 800 000	
100	Mooi River	84 85	5 000 000	49	Glencoe	88/89	1 500 000	
20	Mataiele	87/88	3 000 000	130	Greytown	88/89	6 500 000	
107	Bishopstowe	84/85	3 200 000	36	Greytown	88/89	1 080 000	
22	Northdale	87/88	2 317 000	60	Howick	89/90	1 500 000	
12	Lenville	87/88	634 444	50	Howick	89/90	1 500 000	
380	(Newcastle)	86/87	206 260	150	Kokstad	88/89	3 200 000	
20	Juchers	86/87	2 700 000	83	Kokstad	89/90	2 000 000	
265	Glencoe	85/86	400 000	115	Ladysmith	88/89	2 270 000	
214	Isipingo	84/85	Unknown	104	Ladysmith	88/89	2 750 000	
102	Isipingo	85/86	Unknown	173	Ladysmith	89/90	4 196 000	
74	Kokstad	86/87	Unknown	20	Mataiele	88/89	400 000	
175	Ladysmith	86/87	2 500 000	250	Pietermaritzburg	88/89	7 500 000	
2	Ramsgate	87/88	2 500 000	1 000	Pietermaritzburg	89/90	30 000 000	
157	Shelly Beach	84/85	3 262 758	48	Newcastle	88/89	1 109 000	
49	Dundee	84/85	49 000					
120	Marburg	86/87	2 500 000					
250	Marburg	86/87	960 000					
190	Marburg	84/85	1 590 000					
1 851	Merbank	87/88	10 000 000					
74	(Durban)	85/86	3 000 000					
1 375	Merbank	85/86	18 400 000					
664	(Durban)	86/87	3 100 000					
280	Phoenix	86/87	15 700 000					
88	Phoenix	86/87	15 200 000					
	(Durban)	87/88	4 500 000					
	(Durban)	87/88	1 400 000					
	Canelands							

48. Mr M RAJAB asked the Minister of Defence: Whether he will furnish information on the number of South African Defence Force aircraft involved in crashes in recent years; if not, why not; if so, (a)(i) how many such aircraft crashed in 1986, 1987 and 1988, respectively, and (ii) in respect of what date is the information for 1988 furnished and (b) what was the cost to the Defence Force in this regard in terms of (i) lives lost and (ii) replacement in respect of each of these years?

The MINISTER OF DEFENCE:
Yes.

(a)	(i)	(ii)	1986	1987	1988
(i)	16 April 1988		4	7	4
(ii)					
(b)	(i)	1		3	1
	(ii)				
			R2 755 906	R31 103 518	R6 000 000

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HOUSE OF ASSEMBLY

†Indicates translated version.

For written reply:

General Affairs:

Black nurses: institutions for training

944. Mr J J WALSH asked the Minister of National Health and Population Development:

(1) (a)(i) How many institutions for the training of Black nurses are there in the Cape Province and (ii) in respect of what date is this information furnished and (b) how many students obtained their initial nursing qualifications at each such institution during the latest specified period of five years for which information is available;

(2) (a) how many persons in each population group are employed as nurses in the Cape Province and (b) in respect of what date is this information furnished?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

(1) (a)	(i)	(ii)
(i)	29 March 1988	
(b) (aa)	Nico Malan College of Nursing.	
	1983	1984 1985 1986 1987
(bb)	Farleh Dollie College of Nursing	
	1983	1984 1985 1986 1987
(cc)	Frere College of Nursing	
	1983	1984 1985 1986 1987
(dd)	Charlotte Searle College of Nursing	
	1983	1984 1985 1986 1987
(ee)	Henrietta Stockdale College of Nursing	
	1983	1984 1985 1986 1987

(2) (a)	White	Coloured	Asian	Black
(b) 31 December 1987.	6 968	9 385	71	3 196

Cost of putting ambulance services on sound footing: estimate prepared

986. Mr M J ELLIS asked the Minister of National Health and Population Development:

(1) Whether, at any time in the past he instructed the subcommittee on ambulance services to prepare an estimate of the cost of putting ambulance services in South Africa on a sound footing; if so, when;

(2) whether such an estimate was prepared; if not, why not; if so,

(3) whether this estimate was presented to the Advisory Committee on Health Services; if so, what amounts were budgeted for each province;

(4) whether these budgets were implemented; if so, when; if not, why not?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

(1)	Yes, on 30 May 1986.		
(2)	Yes.		
(3)	Yes. The estimates submitted to the Advisory Committee are as follows:		
Province	Non-recurring	Annually	Total 1987/88
Transvaal	16 790 000	19 410 000	36 200 000
Cape	14 432 000	6 648 000	21 080 000
O.F.S.	2 100 000	2 200 000	4 300 000
Natal	4 322 000	10 699 000	15 021 000
Totals	R37 644 000	R38 957 000	R76 601 000

(4) No. No funds were available.

Black housing boom under way

STW
11/15/88
123

By Frank Jeans

The gathering momentum of the black housing market is seen from the results of a national survey which reveal that only 43 percent of homebuilding plans passed last year were for whites, compared with 67 percent in 1985 and 87 percent five years ago.

"These figures reflect the unleashing of demand which has been pent up for decades," says Mr Erwin Rode, research director of Real Estate Surveys which, along with the Bureau for Economic Research of the University of Stellenbosch, conducted the survey.

"Housing contractors are, on average, going downmarket and private sector housing for people of colour is booming to an unprecedented extent."

Providing the spark to the black homes boom has undoubtedly been the amendments to the Black Community Development Act which has opened the way for blacks to have freehold rights in white urban areas and given the private sector entrepreneurs the opportunity to buy land in the townships for development.

Asian housing

Coloured and Asian housing starts doubled between 1984 and last year, while plans passed for black accommodation during the same period increased by a factor of 32.

"Over the same period, white housing plans went down by 11 percent," says Mr Rode.

Also giving a spurt to the non-white market which is seen to be making a "major structural change" to the traditional business, is seen to be the increased willingness of banks and build-

ing societies to provide much needed finance.

Employers, too, are playing an increased role in making housing schemes possible for blacks. "The mining houses for example are only now about to begin a drive towards black employee housing," says Mr Rode.

Another interesting trend has emerged from the survey. In 1985, 33 percent of black households could afford a housing loan of more than R12 000 without a subsidy.

Overcrowding

"We believe, given the present overcrowding and assuming a continuation of the redistribution of wealth that is currently taking place in South Africa, the longer-term prospects for homebuilders in the black market is good," says Mr Rode.

"Overall, the good news for the building industry is that we expect a growth of 8 percent in real terms in the private sector's investment in residential building this year, with that of 1989 possibly averaging out at 4,5 percent," says Mr Rode.

While the home building boom is going on, shortages of artisans and building materials continue to be the industry's bugbear.

According to the bureau, more than 43 percent of building sub-contractors report a serious shortage of artisans as building companies "compete fiercely to meet housing demand".

On the bright side again, 70 percent of residential builders report a higher volume of work than a year ago, compared with 61 percent among non-residential men.

Spines 15/5/88 (123)

The Perm rides high on black housing, savings

THE black housing boom and the thrifty habits of blacks are boosting the SA Permanent Building Society

It has been granting housing loans to blacks at a rate of more than R2-million a working day for the past year. Among borrowers are single women with a secure income — the Perm is the first building society to help them.

This week, SA's remaining big "unlimited" building society is expected to report for the year to March and show record figures for housing loans as well as savings growth.

Rate war

The Perm has been criticised for its refusal to enter the recent bond-rate and market-share war. The Perm pegged its interest rate at 14.5% after other societies and banks charged less to attract customers.

By Udo Rypstra

The Perm granted R2,2-billion in loans of which R556-million, or R46-million a month, went to black housing in the past year. This was virtually double the previous year's figure. The lending pace quickened after an advertising campaign that drew enormous response from the black community. The average black loan is worth about R27 000.

The housing shortage for blacks is more than 600 000 units. Perm officials say they are only scratching the surface and the black demand for loans will soar.

Perm officials hint that income from savings has also risen dramatically. Thousands of black consumers and several collective savers, including stokvel or by-gooi groups operating Club Accounts, have joined the Perm in response to the advertising campaign and its educational "phone-in" pro-

motion on Radio Metro. The Perm plans to sponsor a similar promotion on TV2 and 3.

Crowds milling inside and outside Perm branches in Soweto and Johannesburg on Saturday mornings and the telephone-jamming response to the radio programme confirm it has become a champion of the black consumer cause.

Benefit

Peter von Broembsen, assistant general manager, marketing, says black consumers are beginning to understand the benefits of capitalism and home ownership.

Most of their savings are still in ordinary and transmission accounts, but subscription shares and fixed deposits are becoming popular.

Mr von Broembsen says the Perm has had to open several outlets to cope with the increasing customer traffic. The number of transactions increased by 27% in the past year.

Critics say that the administrative load and small deposits and withdrawals must be straining the Perm's computer system. Some believe that the Perm has taken on doubtful business.

However, Mr von Broembsen regards these suggestions as ridiculous.

"We are not in black housing and savings for philanthropic reasons. We see it as a business opportunity and we look at it in the long term. We see the development of a new market in which we have a major role to play.

"Our computer system can cope with even bigger volumes. Like other societies, we charge for each transaction. Balances in accounts are rising as steadily as the incomes of these customers.

Percentage

"The black consumer's ability to save is widely underrated. Because of his particular needs and because he is an inherent saver, he puts a bigger percentage of his income away than the white consumer."

Mr von Broembsen stresses that the Perm serves the whole spectrum of savers and home owners at all income levels and has no particular designs on the black market.

"We merely respond to it," he says.

● This week, the Bureau for Economic Research at Stellenbosch University confirmed the boom in the black housing market. A survey found that only 43% of housing plans passed in 1987 were for whites compared with 67% in 1985 and 87% in 1983. Coloured and Asian housing doubled between 1984 and 1987, and plans for black housing increased by 32%.

Black housing demand takes off

Home boom — builders caught short

MICK COLLINS

THE unleashing of black demand for housing has seen the building industry hit by soaring costs, compounded by severe shortages of labour and materials.

The driving force behind the boom has been the 1986 amendments to the Black Community Development Act, which allowed blacks freehold rights in white urban areas and allowed the private sector to buy land in townships for development.

A Bureau for Economic Research (BER) survey, conducted in conjunction with independent market research company Real Estate Surveys (RES), found 43% of building plans passed in 1987 were for whites, compared with 67% in 1985 and 87% in 1983.

One of the results of the BER study shows a net 70% of residential contrac-

tors reported a higher volume of work than a year ago.

RES director Erwin Rode says: "Coloured and Asian housing has doubled between 1984 and 1987, while plans passed for black housing during the same period increased by a factor of 32. Over the same period white housing plans decreased by 11%."

Central Statistical Services (CSS) figures released for February 1988 show the total value of building plans passed for houses increased by a huge 49,9% compared with February 1987.

The CSS also points out although the total value of buildings completed (factories, civic structures and homes) for the same month rose only 2,1%, the in-

● To Page 2

Housing boom: builders caught short

crease in respect of residential buildings was 28,5% compared with February 1987.

Building Industries Federation of SA (Bifsa) statistics show the cost of building has risen 21% to 25% over the past year mainly as a result of material price increases.

But Bifsa executive director Lou Davis says building costs will climb further this year as a result of higher interest payments, higher materials prices and pressure from employees for higher wages.

The Bifsa statistics show the cost of building an average home, excluding the price of the stand, was R566/m² last year.

Davis says: "This has now risen to R685 and, when combined with higher bond rates, means many families will not be able to afford to build."

"As a labour-intensive industry we are dependent on the skills of the workmen on site and it is unfortunate that with each slump we lose thousands of skilled workers who are reluctant to return later."

He says in the past two years wage increases have been below the country's

inflation rate.

"The industry is facing pressure from employees to raise wages. Although government has appealed for restraint, it is certain that increases will have to be paid."

The BER says more than 43% of building subcontractors have reported a serious shortage of artisans.

BER director Ockie Stuart says: "Contractors are experiencing difficulties with the availability of materials. Some 62% of residential contractors have reported an unsatisfactory supply of stock or common bricks, while a high 75% regard the supply situation of face bricks as unsatisfactory."

Bifsa's Davis points out employment in the industry dropped from 270 000 in 1984 to 190 000 in 1986 and is still well below the 1984 levels.

"The only effective method of stabilising the building industry is for institutional investors and developers to keep investing in this sector. Also building material suppliers must do everything possible to contain costs and limit further price increases."

STANDARD Bank is raising its home loan mortgage rate to 14,25% from the present 12,5% from July 1, a move which some surprised competitors described as being "very aggressive marketing".

Standard raises home loan rate

12
Blows

HAROLD FRIDJHON

The rate on its Prestige bonds, on loans of R100 000 and over, will rise to 13,25% from 12,5% on July 1, in accordance with the bank's undertaking not to raise its rates before June 30.

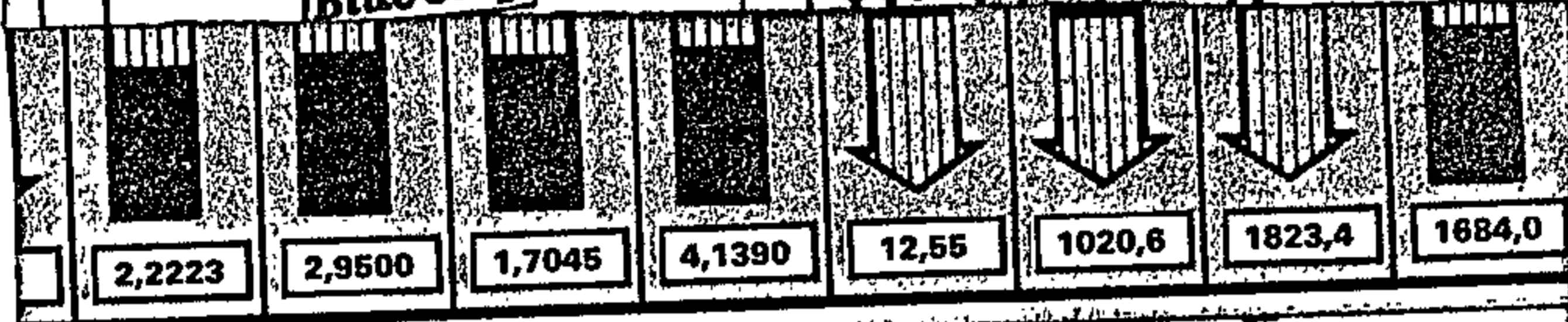
This leaves Nedbank offering the cheapest home loans in the market: 12,5% fixed to September 30, with three months notice of any change. It would be surprising if Nedbank does not give this

notice at the end of June.

Among building societies, NBS is the cheapest supplier of home loans. The current NBS rate is 14% to all borrowers. The rate charged by most other societies is 14,5%, with the UBS at 15%.

Standard's rate rise was not unexpected in view of the increase in the rates pattern since the beginning of the year.

Blue Chip



Thieves hit Lesotho

4] S] A] A W T A C N Y

DID 16/5/88

Demand sets building costs soaring

239 123

JOHANNESBURG — The unleashing of black demand for housing has seen the building industry hit by soaring costs, compounded by severe shortages of labour and materials.

The driving force behind the boom has been the 1986 amendments to the Black Community Development Act, which allowed blacks freehold rights in white urban areas, and let the private sector buy land in townships for development.

A Bureau for Economic Research (BER) survey, conducted in conjunction with an independent market research company, Real Estate Surveys (RES), found that only 43 per cent of building plans passed in 1987 were for whites, compared with 67 per cent in 1985 and 87 per cent in 1983.

One of the results of the BER's study shows that a net 70 per cent of residential contractors reported a higher volume of work than a year ago.

An RES director, Mr Erwin Rode, said: "Coloured and Asian housing has doubled between 1984 and 1987, while plans passed for black housing during the same period increased by a factor of 32. Over the same period white housing plans decreased by 11 per cent".

According to statistics released by the Building Industries Federation of South Africa (Bifsa), the cost of building has risen by between 21 and 25 per cent over the past year, mainly as a result of ma-

terial price increases.

But Bifsa's executive director, Mr Lou Davis, said that building costs will climb further this year as a result of higher interest payments, higher prices for materials and pressure from employees for higher wages.

Bifsa's statistics show that the cost of building an average home, excluding the price of the stand, was R566 per m² last year.

"This has now risen to R685 (per m²) and this, combined with higher bond rates, means that many families will not be able to afford to build," Mr Davis said.

"The industry is facing pressure from employees to raise wages. Although the government has appealed for restraint, it is certain that increases will have to be paid.

"As a labour-intensive industry we are dependent on the skills of the workmen on site and it is unfortunate that with each slump we lose thousands of skilled workers who are reluctant to return later.

"The only effective method of stabilising the building industry is for institutional investors and developers to keep investing in this sector and for building material suppliers to contain costs," Mr Davis added. — DDC

d f m

Govt to build 140 000 houses

AVG Traps 17/5/88 123

By JIM FREEMAN

THE government is to build at least 140 000 housing units within the next two years in an attempt to reduce the South African accommodation backlog, says the Minister of Public Works, Mr Pietie du Plessis.

He told a news conference yesterday that it was "very difficult to give definite figures on the shortage of housing in the country".

"Urbanization is taking place more and more and there is a problem with how to accommodate these people and avoid squatting," he said.

"As far as whites are concerned, there is only a need for young people and those with low incomes. To a certain extent there is a housing surplus for whites."

He admitted that the government

had in the past made the mistake of providing housing that people could not afford.

The most serious housing shortage was among blacks and coloured people, and particularly for low-cost housing, he said.

Mr Du Plessis added that, while there was "never enough money for housing", about R1,64 billion had been spent on housing last year. Of this, the state had contributed R400 million in an interest-free loan to the South African Housing Trust in late 1986.

The number of conventional deeds of transfer and bonds registered in the year to end March was 492 193 as opposed to 395 238 the year before.

Nearly 104 000 erven in townships were surveyed and their building plans approved during the past financial year.

140 000 homes to be built to ease backlog — minister

Parliamentary Staff

CAPE TOWN — The government is to build at least 140 000 homes within two years in an attempt to reduce the accommodation backlog, the Minister of Public Works, Mr. Pietie du Plessis, said yesterday.

He told a news conference that it was "difficult to give definite figures on the shortage of housing in the country".

Increasing urbanisation posed the problem of how to deal with squatting.

"As far as whites are concerned, there is only a need for young people and those with low incomes. To a certain extent there is a housing surplus for whites."

In the past the government had made the mistake of providing hous-

ing that people could not afford.

The most serious housing shortage was among blacks and coloureds, and particularly for low cost housing.

While there "was never enough money for housing", R1,64 billion had been spent on housing last year.

Of this, the state had contributed R400 million in an interest-free loan to the South African Housing Trust in late 1986.

The number of conventional deeds of transfer and bonds registered throughout the year in the year to end March amounted to 492 193, as opposed to 395 238 the year before.

Nearly 104 000 erven in townships had been surveyed and their

building plans approved during the past financial year.

A further 74 384 erven had been surveyed and their plans were in the process of examination at the end of March.

Registration of leasehold and full freehold rights in black townships had risen to 55 460 by the end of March, with 32 256 occurring during the 12 months from April last year.

However, only 42 blacks had been granted full freehold rights since these rights were extended to them in November.

Statistics indicated that the total number of rented dwellings thus far identified as being up for sale in these townships amount to



MR DU PLESSIS

373 715 units.

Of these only 80 561 or 22 per cent have thus far been sold via finance obtained from the National Housing Funds.

Sales continued to gather momentum as the surveys programme nears completion.

Inferior housing built to alleviate shortage — Sabs

Because of the rush to alleviate the housing shortage, a great number of houses do not comply with the National Building Regulations, says a statement from the SA Bureau of Standards (Sabs).

It says many are not weather-proof, while structural conditions of some are such that they are unsafe.

Some houses, in fact, pose a health hazard.

To provide a countrywide testing service following reports of poor housing quality, Sabs has established a mobile unit for the testing of buildings and, in particular, houses.

The unit will site-test houses

and buildings to determine their weather resistance, structural strength and impact resistance.

The building materials will be tested in its laboratories.

"There is absolutely no justification for the construction of inferior houses or for allowing such state of affairs," says Mr Philip Hamm, head of Sabs's structural engineering division.

"Satisfactory low-cost housing complying with the regulations can be provided at a cost of as little as R150/sq m.

"The erection of non-complying cheap housing is shortsighted because the maintenance of such buildings would cost much more

than if satisfactory housing had been provided in the first instance."

He says in some houses, the walls are not water-resistant, resulting in damage to carpets and furniture when it rained.

This could be avoided at a low cost by plastering and painting the walls.

In some cases, the structure was too weak to ensure the roof would be able to withstand a strong wind or heavy storm.

In others, it was found that one-brick walls of too great a length and height were being built without providing the necessary support.

123

Star 17/5/70

State's home-owner scheme runs into difficulties

CAPE TOWN — The State assisted home owners' savings scheme, established to help prospective home owners save funds for a deposit on a property, is proving to be a partial failure. Adjustments to the scheme are now under consideration. Changes are also envisaged for the 90% housing loan scheme, designed to help those prospective home owners unable to obtain private sector loans. This is spelt out in the annual report of the Department of Local Government, Housing and Works tabled in Parliament yesterday.

The former scheme provides for a tax free benefit on interest earned on savings with a R20 000 ceiling on the amount that can be saved. According to the report, 8 258 people had saved R24,8m in terms of the scheme by the end of November 1987. The report says this may be attributed to the declining propensity to save. The tax-free benefits offered appear

to be an insufficient incentive for saving because tax savings are of little consequence to the income group at which the scheme is directed. Government says the scheme must be made viable to enable young people to save for a deposit on their own home. Adjustments to make the scheme

CHRIS CAIRNCROSS

more viable are being investigated by the Development and Housing Board. The second scheme provides for a maximum loan of R29 700 with the cost of the dwelling limited to R33 000. The report notes a declining demand for such loans and has proposed the following changes to make it more viable: An increase of the maximum loaned and building cost to R35 000;

- An increase in the qualifying income of the breadwinner to a maximum of R1 200 a month;
- An adjustment of the redemption basis of loans so that monthly instalments are calculated according to the standard rental and selling formulae;
- No restriction on the total cost. Whether the loan scheme should be extended to include existing houses is also being considered.

1507

THURSDAY, 19 MAY 1988

1508

The MINISTER OF HOUSING:

(1) Yes.

(a) April 1988.

(b) (i) R4 850 950

(ii) Hamilton Developments (Proprietary) Limited.

(c) The usual sale conditions of the Housing Development Board.

(2) No.

(3) Yes.

(a) 23 February 1987.

(b) R4 675 950.

Harward

(c) Property expropriated in accordance with the Expropriation Act, No 63 of 1975.

Mr P T POOVALLINGAM: Mr Chairman, arising out of the hon the Minister's reply, would the hon the Minister kindly tell this House when the property was purchased, what price was paid for it—I think he mentioned the figure; and what the holding costs were in the interregnum between the date of purchase and the date of sale, having regard to the fact that even when the State spends money, it costs the State money?

The MINISTER: Mr Chairman, I would suggest to the hon member that he put those questions in writing and I shall furnish him with a reply.

1509

FRIDAY, 20 MAY 1988

1510

HOUSE OF ASSEMBLY

†Indicates translated version.

For written reply:

General Affairs:

Family housing units for Blacks

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

1
2
3

(1) (a) How many family housing units were built in each Black township and Black local authority area in 1987 by (i) the State, (ii) private owners and (iii) other specified organizations and (b) what was the total amount spent by each in respect of each area;

(2) whether there is a shortage of housing units in any of these areas; if so, how many units are required in respect of each area;

(3) whether any family housing units are being built at present in the above Black areas by (a) the State, (b) private owners and (c) other specified organizations; if not, why not; if so, (i) how many units in respect of each area and (ii) when are they due to be completed in each case?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Reply bound in Annexures of House — see M/288-1988.

KwaNdebele Government: certain employee

1010. Mr P G SOAL asked the Minister of Constitutional Development and Planning:

Whether he will furnish information on the employment by the KwaNdebele Government of a certain person, whose name has been furnished to the Minister's Department for the purpose of his reply; if not, why not; if so, (a) in what capacity is he employed, (b) for how long has he been so employed, (c) what are his functions and duties, (d) what amounts is he being paid, (e) who is responsible for his salary and (f) what is his name?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

No, because being an internal matter of KwaN-

Harward

debele, I have no knowledge of such an appointment.

(a) to (f) Fall away.

Khayelethu in Msobomvu area of Knyasa

1018. Mr J J WALSH asked the Minister of Constitutional Development and Planning:

(1) Whether a new township was established in the Msobomvu area in the Knyasa district recently; if so, (a) when, (b) at what total cost as at the latest specified date for which information is available and (c) what is the name of this township;

(2) (a) what is the total area, in hectares, of this township, (b)(i) what percentage of the area of this township and (ii) how many hectares will be used for (aa) conventional and (bb) site-and-service housing, (c) who will be housed in the township and (d) when will the township be available for occupation?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

This information was furnished by the Cape Provincial Government:

(1) (a) On 4 February 1983 a portion of land in the Msobomvu area was declared as a development area. Services were installed in the area during 1986. Although the township has not yet been declared an approved township in accordance with regulations nothing stands in the way of individuals or developers to obtain ground on a 99-year leasehold.

(b) R7 000 000.

(c) Khayelethu.

(2) (a) The declared development area covers an area of 105,6 ha. The net developable land within the declared area, however, covers only 35,468 ha.

(b) (i) (aa) 38,34%
(bb) 18,12%

(ii) (aa) 13,597 ha

(bb) 6,427 ha.

(c) Site and service housing: Squatters

Report: aid scheme for home-owners a partial failure

DID 2018788
123

Daily Dispatch Correspondent

CAPE TOWN — The state assistance to home-owners' savings scheme, established to help prospective home owners save for a deposit on a property, is proving to be a partial failure.

Adjustments to the scheme are now under consideration.

Changes are also envisaged for the 90 per cent housing loan scheme, which was designed to assist prospective home-owners unable to obtain loans readily in the private sector.

This is spelt out in the annual report of the department of local government, housing and works, tabled in parliament.

The former scheme provides a tax-free benefit on interest earned on savings.

A R20 000 limit is placed on the amount that can be saved.

According to the report, 8 258 people had saved R24,8 million in terms of the scheme by the end of November last year.

The scheme is not viable in all respects.

This may be attributed primarily to the fact that the propensity to save is on the decline.

Moreover, it would appear that the tax-free benefits offered are not a sufficient incentive for saving, because the largest group at which the scheme

is directed falls into an income group where tax savings are of little consequence.

Nevertheless, the government declares that it is still of the utmost importance that the scheme be made viable in order to enable young people in particular, to save sufficient money as a deposit on their own home.

As a result, adjustments to make the scheme more viable are now being investigated by the Development and Housing Board.

The second scheme, makes provision for a maximum loan of R29 700 with the all-inclusive cost of the dwelling being limited to R33 000.

The report notes that there has been a decline in demand for loans under this scheme, so much so that the following changes have been proposed in order to make it more viable:

- an increase of the maximum loan and building cost to R35 000;

- an increase in the qualifying income of the breadwinner to a maximum of R1 200 a month;

- an adjustment of the redemption basis of loans, so that monthly instalments are calculated according to the standard rental and selling formulae, and;

- no restriction to be placed on the total cost.

A further aspect under consideration is whether the loan scheme should be extended to include existing houses, and under what circumstances.



Subsidy abuse studied



DE VILLIERS

CHRIS CAIRNCROSS

GOVERNMENT is planning to re-vamp the Public Service housing scheme completely as a result of major problems which have led to under- or over-payment of subsidies and possible abuses.

The problem areas had been revealed during investigations by the Auditor-General and were viewed in a serious light, Administration and Privatisation Minister Dawie de Villiers said yesterday.

Speaking during his budget vote in Parliament, De Villiers said the Commission for Administration had been aware of these problems before the Auditor-General's investigations, and had been reviewing the subsidy

scheme with a view to eliminating these problems as far as possible.

De Villiers said the commission had now decided to involve an expert from the private sector "with many years of experience in the building society industry" with its efforts to develop a new subsidy scheme.

He said simplicity of application would be of vital importance to any new scheme. As soon as agreement on particulars of the expert's assignment and remuneration was reached, a further statement would be made. De Villiers told Parliament clear

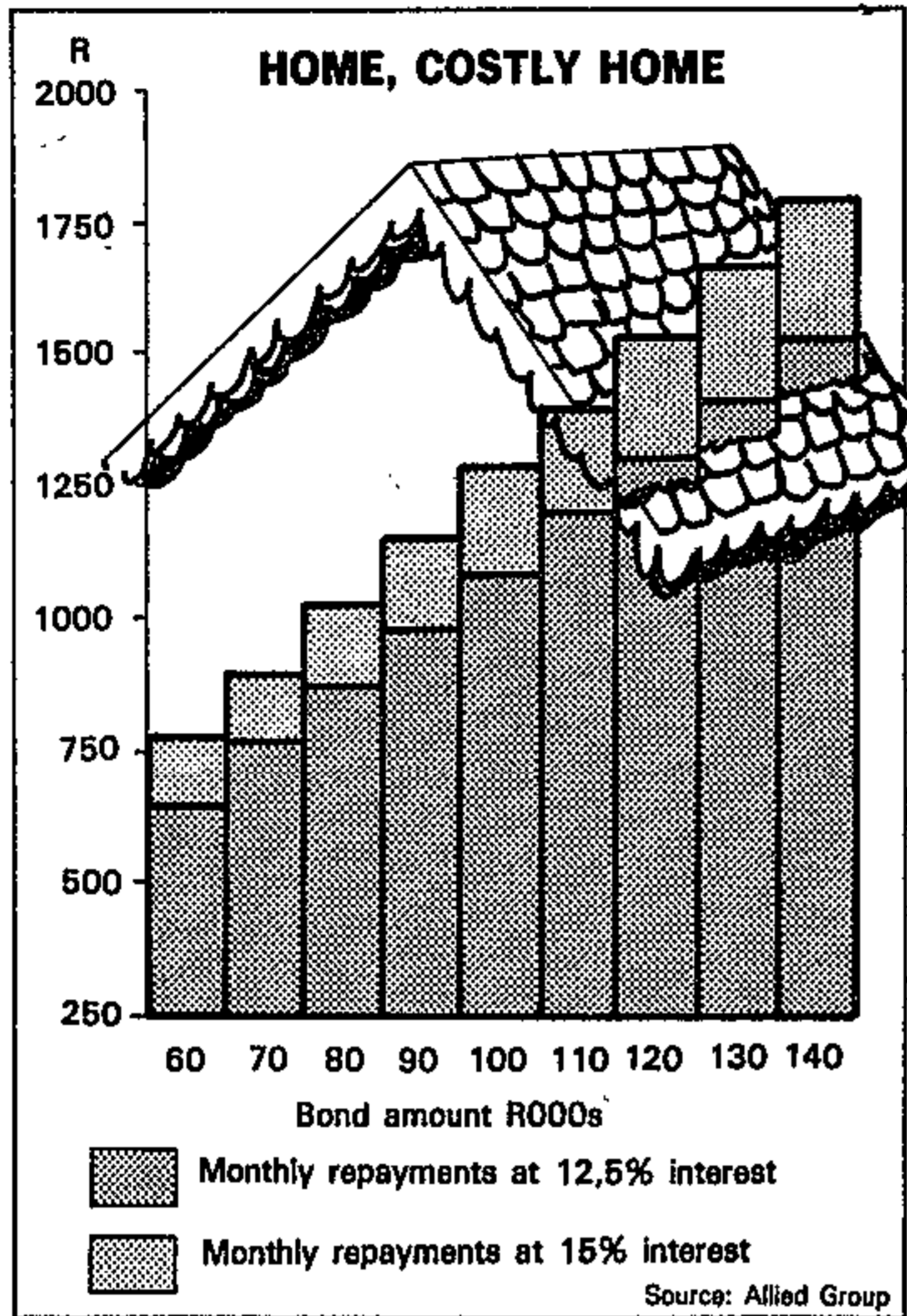
directives had been issued to prevent possible misuse and dishonest conduct by participants in the housing subsidy scheme.

He warned should any person conceal information or misrepresent his situation, the subsidy would be summarily discontinued, over-payments would be recovered, and he would be permanently excluded from the scheme.

De Villiers appealed for co-operation from financial institutions, surmising they were not always ignorant of cases where subsidy recipients manipulated loan situations.

IN BRIEF

123 Strines 22/5/88



Householders feel mortgage pinch

PREDICTABLY, banks and building societies are experiencing a slight downturn in mortgage applications in the wake of the Government's credit curbs and the higher bank rate.

But the fall is not serious enough to cause concern.

An Allied Building Society spokesman says: "The number of holidays in the past couple of weeks must have affected property transactions, and this may have had a bigger effect than fears of higher repayments."

Householders who will feel the pinch most are those who were able to secure a bank mortgage at 12,5% at the height of the battle for market share among banks and building societies.

With the rate moving to 15%, the holder of a 25-year bond of R60 000 will have to hand over an additional R114,29 a month. Repayments will increase from R654,21 to R768,50.

The increase for a householder with a R140 000 bond over the same time will have to pay R266,66 more, monthly repayments rising from R1 526,50 to R1 793,16.

The table gives the increases on bonds ranging from R60 000 to R140 000.

Estate agents have predicted that the higher repayments will depress house prices, but there has been little effect up to R100 000 so far.

"Sales at this level have held up remarkably well, particularly in the Johannesburg area," says an estate agent. "We may see a bigger effect in the R120 000 to R180 000 range."

Housing aid for blacks earning under R300

PRETORIA — The National Housing Commission has decided to assist blacks earning less than R300 to buy homes.

This was said by the Transvaal MEC for Housing and Community Development, Mr John Mavuso, during the joint sitting of MPs and MECs.

They would be assisted on a self-help basis by receiving a loan in the form of material worth R6 000, plus R1 000 cash to pay for labour.

Mr Mavuso said the National Housing Commission had built 272 707 houses in the Transvaal and more than 61 000 of these houses had been sold.

Other houses for blacks in the province include 25 300 that had been built by individuals and 3 000 by employers.

The leader of the National Democratic Movement, Mr Wynand Malan, told the sitting that 56 percent of South African blacks could not afford to make a contribution to housing. These 56 percent had a monthly income of less than R300.

"It is the duty of the State to see to the needs of the poor," he said.

"Land must be made available by the Government for those who cannot afford housing."

Mr Harry Schwarz (PFP) said residents of townships who had paid their rent for 15 years had earned their houses. They should be given those houses so they could improve them.

R5 000 boost to help first-time home buyers

By TOS WENTZEL
Political Correspondent

FIRST-TIME home buyers are to receive improved concessions to encourage people in the lower income groups.

The present maximum limit for the cost of a house is being increased from R40 000 to R45 000.

A further increase up to a maximum of R5 000 will be allowed in cases where steep inclines or unfavourable soil conditions on the stand result in higher construction costs.

The concessions were announced today by the Minister of Constitutional Development, Mr Chris Heunis, and other Ministers dealing with housing for the various population groups.

To prevent building costs higher than the new limits being shifted off to the cost of the stand an inclusive cost limit of R65 000 is laid down.

In exceptional cases the limit may be increased to R75 000 if this is justifiable.

This limit includes the cost of the

house and stand as well as expenditure on administration, consultants' fees and registry of freehold rights.

The maximum subsidy payable will still be calculated on a building cost of R40 000.

LOWER INCOME GROUP

To ensure greater participation of people in the lower income groups it was decided that for all loans in respect of building costs less than R20 000 a subsidy calculated on R20 000 would be paid.

The subsidy may not, however, amount to more than the interest payable on the building loan. For this purpose the cost of the stand and other expenditure included in a loan of less than R20 000 may also be taken into consideration.

The revised interest subsidy scheme will be implemented from August 1 and will apply only to new applications received by financial institutions after that date.

Housing is the key to stability — Schwarz

By day 25/12/80 (120)
ROGER SMITH

HOUSES in black townships should be given to their occupants, PFP MP Harry Schwarz said in the extended parliamentary committee on provincial affairs sitting in Pretoria yesterday.

He said people who had paid their rent for 15 years had made their contribution and their houses should be given to them so they could obtain loans to improve them.

He said this would provide peace and stability.

He also called for the marketing of black housing to be taken over by building societies.

Fund

J.J. Lemmer (NP Benoni) said government and the private sector should establish a central fund of R1 500m for housing for lower income groups, reports Sapa.

An amount of R5 000 could be put in a building society as collateral for an 80% loan.

In three to four years, the original amount would have been paid back to the self-help fund.

Wynand Malan (NDM Randburg) said priority should be given to making land available to people who could not afford sites.

About 56% of blacks had a monthly income of less than R300 and could not contribute to buying land.

It was the state's responsibility to see to the collective needs of the poor.

Cape Times 26/5/88

Ceiling ¹²³ on home loans to be raised

Political Staff

THE ceiling on loans for first-time home buyers participating in the government's subsidy scheme is to be raised and the subsidy period increased from five to seven years from August 1988.

The revised scheme will apply only to new applications received by financial institutions after that date, according to a joint statement released in Cape Town by several cabinet ministers headed by the Minister of Constitutional Development and Planning, Mr Chris Heunis.

The statement indicates that as a result of representations received from the private sector, the government has decided to increase the loan ceiling from R40 000 to R45 000. A further increase up to a maximum of R5 000 is also to be allowed in cases where steep inclines or unfavourable soil conditions on the stand result in a higher cost of construction.

An all-inclusive cost limit of R65 000 has been laid down, but in exceptional cases the limit may be increased to a maximum of R75 000.

The maximum subsidy payable will still continue to be calculated on a building cost of R40 000, the statement stresses.

As far as the subsidy period is concerned, it was announced that this The subsidy period is to be increased to seven years, and there is to be a gradual phasing out of the subsidy on the interest payable on the housing loan from the third year.

Govt ceiling on first-time home loans up R5 000

CHRIS CAIRNCROSS

CAPE TOWN — The ceiling on loans for first-time home-buyers taking part in the government's subsidy scheme is to be raised and the subsidy period increased from five to seven years from August 1.

The revised scheme will apply only to new applications received by financial institutions after that date, according to a joint statement released by several ministers headed by Constitutional Development and Planning Minister Chris Heunis.

The loan ceiling will be increased from R40 000 to R45 000. A further increase up to a maximum of R5 000 is also to be allowed in cases where steep inclines or unfavourable soil conditions on the stand result in a higher construction cost.

To prevent building costs escalating beyond the R45 000 ceiling being shifted to the cost of the stand, an all-inclusive cost limit of R65 000 has been laid down. In exceptional cases, the limit may be increased to a maximum of R75 000 if, in the opinion of the relevant minister, it is justifiable.

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THE ECONOMY

Housing market boomerangs as rates rise

BUSINESS BAROMETER

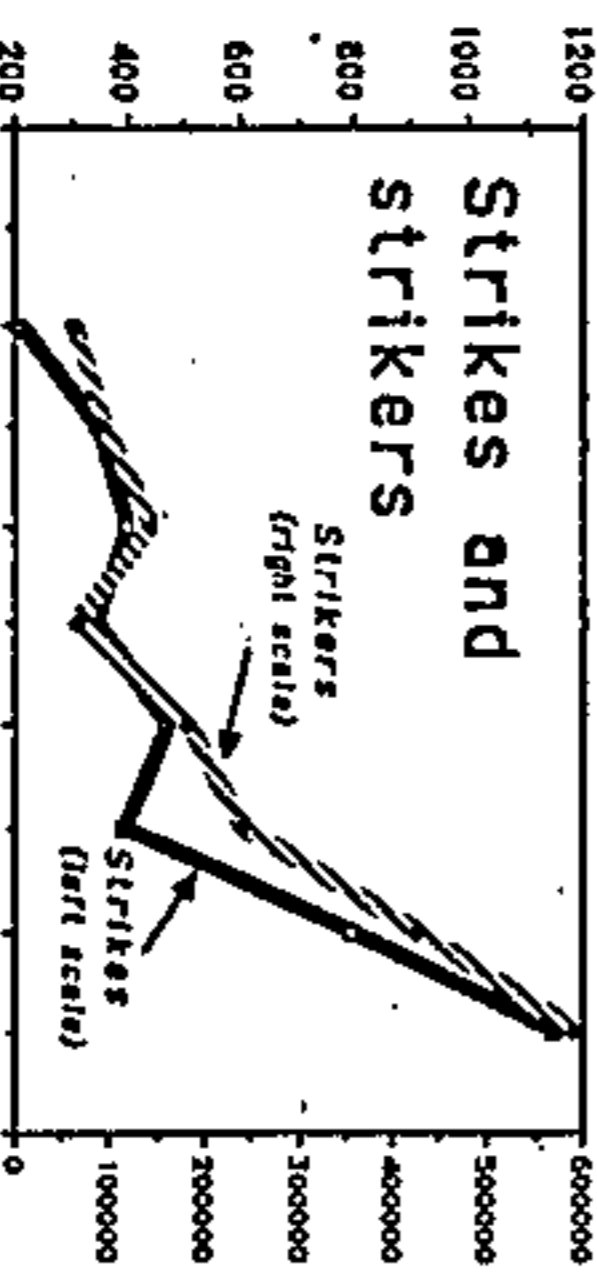
GENERAL INDICATORS

INFLATION
Consumer prices rose by 13,3 percent in the year to April compared with a figure of 13,4 percent for March. The monthly rate of increase in the consumer price index in April was the same as in March: 1,1 percent. Food prices rose by 17 percent for the year to April, the same as for March.

SHARE OWNERSHIP

The British Treasury's Economic Progress Report for April reports that 20,5 percent of adult Britons held shares at the beginning of this year compared with 19,5 percent a year earlier and about seven percent in 1979. Most of the growth in share ownership since 1979 can be attributed to government initiatives: privatisation of state-owned industries, favourable tax treatment of employee share schemes and the introduction of personal equity plans, the report says. Three percent of British adults own shares in the company for which they work and 13 percent (six million people) hold shares in privatised companies. In levels of share ownership, Britain is second to the United States, where a quarter of the adult population (about 47-million people) own shares or holdings in mutual funds (unit trusts). This figure is 23 percent for Britain, 21 percent for France, nine percent for Japan and nine percent for West Germany. Deputy Finance Minister Org Marais estimated last week two percent of South Africans own shares.

INDUSTRIAL RELATIONS



INDUSTRIAL COURT

The number of applications to the industrial court for status quo orders in terms of Section 43 of the Labour Relations Act increased to 3 128 last year from 1 551 in 1986. Section 43 provides for the reinstatement of dismissed workers pending an unfair labour practice hearing by the court. The number of

unfair labour practices in the industrial court (in terms of Section 46 (9) of the Act) increased to 964 from 451 in 1986. According to the NMC Report, employers have made increasing use of urgent interdicts "to avert actions by workers which would often have been illegal". There were 76 such applications last year. Total cases in the industrial court last year increased to 3 533 compared with 2 042 the previous year.

FINANCIAL INDICATORS

Johannesburg Stock Exchange Indices

USE Indexes	24/5/88	WEEK AGO	% CHANGE
All Market Index	1687	1605	+5
All Gold Index	1264	1179	+7.2
Industrial Index	1563	1502	+3.3

Short-term interest rates

	24/5/88	WEEK AGO	YEAR AGO
Three-month bankers acceptances	12.7%	12.1%	9%
Prime overdraft rate	15%	15%	12.5%

Gold Price: Dollars

	24/5/88	WEEK AGO	% CHANGE
	459.45	453	+1.2

Gold Price: Rands

	24/5/88	WEEK AGO	% CHANGE
	1014	998.77	+1.5

Selling price: Major currencies against rand

	26/5/88	WEEK AGO	% CHANGE
US dollars	2.2270	2.2165	+0.4
Pounds Sterling	4.1453	4.1355	0.2
Deutsche Mark	0.7669	0.7661	+0.1
Yen	55.88	56.25	-0.6
Swiss Franc	0.6398	0.6380	+0.2
Financial Rand	2.93	2.9	+1

US Dollar against major currencies

	26/5/88	WEEK AGO	% CHANGE
Dm	1.7080	1.6982	+0.5
Sterling	1.8614	1.8658	-0.2
Yen	124.45	124.70	-0.2
SwFr	1.4250	1.4142	+0.7

Source: First National Bank

JUST as estate agents were getting their teeth into the booming property market, interest rates started heading up.

Over the past six months residential property prices have come close to the levels achieved at the start of the decade. But government moves to curb consumer demand for credit are sure to put a damper on things.

Some institutions have already responded to a higher bank rate by increasing mortgage interest rates. First National Bank has pushed its rate to 15 percent for all loans while the United Building Society has retained the same rate against new loans and retained a figure of 13,5 percent for existing bonds.

Most institutions are expected to follow a similar line and all should be quoting higher rates by the start of the second half of this year.

The climb in interest rates looks set to continue and recent buyers who opted for one of the few fixed interest mortgage schemes must be pleased with themselves.

UBS economist Hans Falkena sees the bond rate hardening along with other interest rates, and has been quoted as saying that mortgage rates could reach the 16 percent mark by the end of the year.

Others see rates going even higher, although competition between financial institutions could well prevent rates reaching the astronomical 25 percent level of 1984 and 1985.

This will come as little consolation to potential buyers who missed the period of low bond rates.

There are, however, some positive factors. The depressing effect of higher mortgage rates is bound to reduce demand for houses, and this will result in lower prices. Those who wait until the end of the year could get into the market at lower levels.

On the other hand, escalating building costs remain a problem. According to the SA Housing Trust the average cost of building a home climbed

The mortgage interest rates may be rising but this could be the potential property owner's chance to buy a house. By BRUCE ALLEN

from R566 a square metre to R685 in less than a year.

Demands from employees in the building industry for higher salaries are putting further pressure on costs. The price of building materials are bound to be more expensive by the end of 1988.

First time buyers at the lower end of the market will not feel higher monthly bond payments to the same extent as those who have aimed their sights higher.

The government subsidy takes care of one third of interest payments in the first-time buyer segment of the market — provided building costs are kept below R60 000. The ceiling was this week raised from R40 000.

Minister of Manpower Pietie du Plessis believes the ceiling compels builders to keep costs down.

Demand, particularly from black buyers, for houses in this price range is soaring. Between 1983 and 1987 12 439 buyers obtained the government interest subsidy.

From April 1987 to March this year a further 12 029 people qualified. Builders will be reluctant to exclude themselves from this growing market but at the same time will have to offer less to make a profit.

Terry Power, the general manager of Standard Bank's home loan division, says that in spite of harder interest rates, he has not noticed any decline in demand for housing credit. Power adds that his bank has sufficient cash reserves for the time being. "Interest rates are one thing, the availability of funds is another. We are still granting bonds to the value of around R200-million a month and will continue to provide money at market related costs."

UNIVERSITY OF CAPE TOWN



UNIVERSITY OF CAPE TOWN
Department of Economics

What do housing schemes offer?

FIRSTLY we should examine the form of assistance scheme available to employees of the Government.

People who have this kind of employment usually qualify for a form of subsidised loan guarantee that is not available to employees of private companies. It is a special scheme that gives each person a guaranteed amount of loan. In addition the employer pays a reduced amount on this loan each month.

This type of arrangement is special and

MR IAN Bromley, of Goldstein Homes, continues his series on housing. In this article, he discusses the employer housing schemes.

means that anyone qualifying for such a scheme does not get the benefit of the Government "First Time House Buyers" subsidy.

Now, let us examine the kinds of assistance available to employees of some private companies. There are two main ways that employees are given assistance.

There is assistance that helps to provide the deposit which is required

by the building society or bank granting the mortgage bond. This assistance can come in two ways depending on the policy of your employer. It can be a grant of a lump sum of money which is a one-off grant to you. Or it can come as a loan which you have to repay over a period of time. Either way it is a very useful form of assistance because very few people have enough savings to

pay for the loan. (123)

The other main form of help given by employers is in the form of a bond guarantee. Here, the company will have an arrangement with a bank or building society which gives their employees a guaranteed mortgage bond. It is possible that this scheme can include a 100 percent loan on the price of the house so that you do not need to find a sum of money for a deposit.

But what about the Government subsidy?

As long as your employer merely supplies

the deposit by grant or by loan, or has a loan guarantee scheme which requires you to repay the bank or building society at full interest rates you can also qualify for the subsidy.

This is a scheme where the Government will pay an amount equal to one third of the monthly interest repayment on your loan for the first 5 years after you purchase a new house.

This money is paid direct to the organisation granting you a loan and in no way affects your ownership of the house.

MASS HOUSING

(123) FM 27/5/88
Under the thumb

Government has now made it plain it will not tolerate building cost increases which drive developers out of the low-income housing market and exacerbate the housing shortage. Rapid rises in the costs of both materials

and labour could mean the building industry in general is in line for the application of the Harmful Business Practices Act, now a Bill before parliament.

Figures show that the average cost of building a home has increased from R566/m² to R685/m² in less than a year. What's more, the industry is facing further pressure from workers to increase wages.

Manpower, Public Works and Land Affairs Minister Pietie du Plessis says government is "concerned" at the rapidly rising cost of building, particularly in the light of the State President's call on the private sector to keep cost increases down.

"I'm not sure that all cost increases are unavoidable. We are watching them and if excessive price increases are reported, we will go into them."

The State itself intends to contain building costs by refusing to raise the R40 000 qualifying level for the government mortgage interest rate subsidy for first-time buyers.

Du Plessis points out that the number of people qualifying for the subsidy in the year to March totals over 12 000 — almost as many as in the previous four years. Significant increases in demand for the subsidy were recorded for the first time among blacks, coloureds and Indians, bearing out the fact that the building industry is turning increasingly to these markets.

However, it appears that what government really wants the private sector to do is go

even further downmarket — Du Plessis talks specifically of the housing backlog, which exists way below the R40 000 level.

The problem, as usual, is that it is precisely in this sector where private enterprise runs into government red tape which hampers development and further increases costs.

Du Plessis does admit that the response to government's calls for the private sector to take the lead in housing provision would have been easier if more land had been available before margins came under pressure. He says the problem is being addressed and a total of 157 000 new plots have been surveyed in the past year.

He adds it is difficult to estimate the housing backlog, particularly in the light of rapid increases in urbanisation. However, a data bank has now been established and "in a couple of months" government will be in a better position to assess the actual shortage.

Joe Taylor, MD of the South African Housing Trust (SAHT), estimates 210 000 new homes will have to be provided every year if SA is to house its growing population by the end of the century — a total of approximately 2,5m units.

The FM's research puts the total figure at 3,4m units at a cost of some R6,9bn a year.

It is true though, as Taylor says, that the focus in home construction must change from the upper income to the lower income, mass-housing market.

While the SAHT has hardly been at the

forefront of mass housing provision, at least Taylor is on the right track when he says: "The time is overdue for taking a penetrating look at both the direct legal costs and the interest charges brought about by cumbersome administrative delays in property transactions.

"The present system evolved over many years to accommodate the requirements of a highly sophisticated property market centred on individualised, low-volume production.

"The new generation of homebuyers will increasingly be served by production-line methods. It makes little sense to waste the savings achieved by mass production on individualised legal and unnecessary administrative procedures."

He is essentially suggesting a form of deregulation. Perhaps the government should now actively pursue ways of making life simpler for private developers, rather than threatening them with more regulation.

Howard

(ii) Vacant posts were advertised throughout the Republic and candidates were interviewed during April 1988. The posts will be filled shortly.

(3) 30 April 1988.

Greenfield/Valley View Place of Safety

98. Mr M RAJAB asked the Minister of Health Services and Welfare:

(1) (a) How many children are accommodated at the (i) Greenfield and (ii) Valley View Place of Safety and (b) in respect of what date is this information furnished;

(2) what is the complement of each specified staff category at each of these institutions;

(3) whether he will furnish the House with the detailed costs of running each of these institutions; if not, (a) why not and (b) what is the total cost of running each institution; if so, what are these details?

THE MINISTER OF HEALTH SERVICES AND WELFARE:

(1) (a) (i) 66.

(ii) 58.

(b) 30 April 1988.

(2) **Greenfield:**

1 Superintendent; 1 Social Worker; 1 Senior Health and Welfare Administration Clerk; 1 Health and Welfare Administration Clerk; 1 Professional Nurse; 2 Care Officers; 16 Care Assistants; 15 General Assistants and 2 Cooks.

Valley View:

1 Superintendent; 1 Assistant Superintendent; 1 Nurse; 11 Care Assistants; 3 General Assistants and 1 Cook.

(3) Yes.

(a) Not applicable.

(b) Not yet available in respect of Greenfield. The total cost of running Valley View for 1987/88 was R277 002, details of which are as follows:

Personnel Expenditure	: R170 891
Administrative	:
Expenditure	: 5 893
Stores	: 86 238
Professional and Special Services	: 6 083
Equipment	: 6 371
Other	: 1 526

Howard

HOUSE OF ASSEMBLY

†Indicates translated version.

For written reply:

General Affairs:

Black population numbers

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

What was the (a) adult (i) male and (ii) female and (b) child population of each specified Black (aa) local authority area and (bb) township as at the latest specified date for which figures are available?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Reply bound in Annexures of House — see M/287-1988.

Overseas visits

566. Mr P G SOAL asked the Minister of Home Affairs:

(1) Whether he undertook any overseas visits in 1987; if so, (a) which countries were visited and (b) what was the purpose of each visit;

(2) whether he was accompanied by any representatives of the media on these visits; if so, (a) what were the names of the journalists involved, (b) which newspapers or radio or television networks did they represent, (c) to which countries did each of these persons accompany him and (d) why;

(3) whether any costs were incurred by his Department as a result; if so, what total amount in that year?

THE MINISTER OF HOME AFFAIRS:

(1) No, not in my capacity as Minister of Home Affairs.

(a) and (b) Fall away.

(2) Falls away.

(3) Falls away.

National Housing Commission: functions/members

947. Mr C J DERBY-LEWIS asked the Minister of Constitutional Development and Planning:

(1) As at the latest specified date for which information is available, (a) what were the functions of the National Housing Commission, (b) who were the members serving on it and (c) (i) for what period and (ii) by whom had each of them been appointed;

(2) (a) from what source was the Commission financed, and (b) what funds were available to it, in each of the latest specified five years for which information is available?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(1) (a) The powers and duties of the National Housing Commission are defined in the Housing Act, 1966 (Act 4 of 1966) as amended.

(b) Mr C H Koze (Chairman)

Mr F H Cronje (Vice-Chairman)

Mr K A Finlayson

Mr D J F Hige

Mr L C Koch

Mr M M van Zyl

Mr L P van S Moolman

Mr J H Opperman

Mr L S Peteni

Mr A M Shipalana

Mr A G Magubane

Mr R P Molemela

Mr H M Matsie

Mr L E Moekelesi

(c) (i) 1 June 1987 to 31 May 1988.

(ii) The Minister of Constitutional Development and Planning.

(2) (a) The Commission being a statutory policy making body has, as such, no funds at its disposal but considers housing projects in terms of existing norms and standards.

(b) Falls away.

Black residential areas proclaimed

966. Mr J J WALSH asked the Minister of Constitutional Development and Planning:

(1) Whether any Black residential areas have been proclaimed in the (a) Caledon, (b) Ceres, (c) De Kuitlen, (d) Durbanville, (e) False Bay, (f) George, (g) Helderberg, (h) Malmesbury, (i) Mossel Bay, (j) Paarl, (k) Pletberg, (l) Swellendam, (m) Tygerfontein, (n) Wellington and (o) Worcester constituencies; if so, (i) what are the names of these areas in each case and (ii) what was the estimated population in each such area as at (aa) the latest specified date for which information is available and (bb) a date five years previously;

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Revised housing subsidy will benefit lower income buyers

Star 11/6/85



123

Government's revised subsidy policy for first-time homebuyers was channelling money away from middle income groups to the more needy lower income groups and as such was an excellent package, according to Edwin Rode, an independent property market researcher.

Mr Rode's comments come in the wake of widespread criticism from property developers that the package was a definite move by the Government towards phasing out the four-year subsidy system.

Property developers warned that the new package would ring the death knell for subsidies for middle income homebuyers and would force builders to cut corners to keep the cost of houses down in order to qualify for the subsidy.

Reg von Selm, chairman of the Cape and Western branch of the Institute of Estate Agents, said he foresaw the new system bringing a costly, bureaucratic headache to building societies and government officials whom, he suspects, will be flooded with applications from builders and homebuyers to qualify for the extra maximum amounts that are to be allowed in exceptional circumstances.

According to the new subsidy scheme, announced in Parliament last week the present qualifying limit for the cost of a dwelling will be increased by R5 000 to R45 000 effective from August 1.

If there were unfavourable conditions on the site, such as steep inclines or poor soil, a further increase of a maximum of R5 000 would be allowed.

An inclusive cost limit for the property — including the dwelling, the plot and expenditure on administration, consultants' fees and registry of freehold rights — has been set at R65 000. In exceptional cases the limit may be increased by a further R10 000.

Definite improvement

Mr Rode said that the new package was a definite improvement and would channel the subsidies away from middle income groups towards lower income groups "which, after all, a policy like this should do."

"In fact I believe it is going to be an effective tool to promote housing for lower income groups, even if this is at the expense of middle income groups. This makes a lot of sense from a socio-economic point of view," he said.

The ceiling of R65 000 was more than adequate, he said.

Last week the government revised its housing subsidy scheme, raising the qualifying limit to R45 000 and, in special circumstance, to as high as R65 000. However, property developers fear it could be the first step towards phasing out the subsidy. **MAGGIE ROWLEY** looks at the problem.

"If the erf costs R22 000, that leaves R43 000 for a home. With building costs of R400 a square metre this means a 100 square metre home, which is a fair size by all means in lower income groups," he said.

The subsidy scheme had gone a long way to keeping the cost of new houses down since its introduction.

While the CSS contract price index for new houses had risen from 100 in the first quarter of 1984 to 119 in the last quarter of 1987, the Haylett index of input costs for builders had risen from 100 to 164,5 during the same period and the BER Building Cost Index for non-residential building costs had risen from 100 to 143,8.

He said that for white homebuyers to qualify for the subsidies they would have to accept more modest housing standards. "This is not necessarily a bad thing. We have been living beyond our means and most particularly with regard to our houses. There has been an erosion of living standards in the past 15 years, and lower housing and motoring standards will have to come.

"Whites will have to be prepared to have smaller plots and go for core houses, which they can add to at later date," he said.

Mr von Selm said he believed builders would be forced to cut corners to meet the subsidy requirements and thereby produce an inferior product.

"I think it is going to turn into a bureaucratic headache and a lot of paper work for the building societies and government officials as everyone will be applying for the exceptions. They will be forced to by the mere fact that R65 000 is not sufficient."

Mr von Selm said it would appear the new scheme was in line with the Government's general clampdown on expenditure. He estimated that the subsidy applied to about 20 000 homebuyers at present and, on an average of R150 a month each, this would amount to a total of about R136 million a year of taxpayers' money.

He said that the phasing out of the

subsidy over a seven-year period, from the third year, would help the homebuyer but not the taxpayer.

Some property developers expressed concern that the new scheme represented an attempt by the Government to phase out the subsidy scheme.

They said it was practically impossible, even in areas for lower income groups, to find a serviced site for less than R20 000 which, under the new scheme, would be necessary in order to qualify for the subsidy.

However, a number of property dealers said they would just have to refocus their attention on alternative markets.

Estate agent John Clark said the R5 000 increase in the cost limit for dwellings, was totally insufficient especially since building costs had soared 100 percent — about 17 percent a year — since the system was first introduced.

The R65 000 limit would hurt white homebuyers in particular, he said.

He said property developers would have to change their focus to lower income groups.

"The price of used houses has now caught up with new houses, and we are seeing a demand for new homes from second and third time homebuyers."

HOME LOANS

123 (M) 3/16/88
Compounding the confusion

Over the years, the alteration in the frequency with which interest rates change has considerably complicated long-term budget projections, as well as the investment decisions of people putting money into property.

When rates were comparatively stable, it was much simpler. Between 1938, when the cost of a mortgage loan was 6%, and June 1961, when it went as high as 7% on certain bonds, rates moved in a narrow band.

In 23 years, they never dipped below 4,5% or climbed above 6,5%.

The following 20 years saw little change, though impetus was gradually upwards. Only in 1981 did change gain sudden momentum, leaving homeowners breathless and groping for pocket calculators.

Rates went from 9%-11% to 9,75%-11,75% (range reflects differences between rates charged on new and existing loans as well as on different size loans in some periods) in January; to 11,25%-13,25% in April; 12,25%-14,25% in August; 13,25%-15,25% in February 1982; and 14,25%-16,25% in July. After contracting to 14%-15,5% in April 1983, they moved to 14%-17,5% in July; 15%-17,5% in August; 15%-18,5% in December; 16,25%-18,75% in January 1984; 17%-19% in June; 18,25%-20% in August; and 18,25%-23% in April 1985.

Then began a dizzy descent. With liquidity rising and banks determined to break into the home loan market, rates plunged as low as 12,5% by December 1986.

In 1988, after a year during which most loans were granted between 12,5% and 14,5%, they have started moving up again.

Most recent adjustments were made by Standard which last week announced an increase from 12,5% to 14,25%, and United Building Society which this week brought rates for existing clients into line with the 15% charged new borrowers.

So homeowners will either have to make bigger monthly repayments or juggle with present discounted value of the eventual cost

of extending the life of the loan.

What is the immediate impact on the homeowner?

For most people, extended to the limit and allocating possibly 25% of income to loan repayments, an increase from the 12,5% charged by many institutions during 1987 to present levels of up to 15%, can make an immediate difference to lifestyle.

Longer term, the rise in interest charges will significantly increase the cost of owning a home.

For the average R55 000 loan granted by four of the five major societies (exception is the Perm with average loan of R38 500) in the year ending March 31, this 2,5 percentage point rise will push monthly repayments on a 20-year loan from R624 to R724.

As a person eligible for a loan of this size is probably earning about R2 500 a month, this represents about 28% of monthly income. Additionally, the interest component on a 20-year loan will rise from just under R95 000 to about R118 800 (comparisons are of statistical value only as the calculations assume uniform rates throughout).

An alternative to higher monthly repayments, of course, is to extend the term.

"But," says Allied's Geoff Bowker, "the effect of this is to increase even more the overall cost of the home as the interest component rises even further.

"If, for instance, the term is extended to 30 years, the borrower will have to make monthly repayments of R695, instead of the R724 charged over 20 years. But interest paid over the term would rise to over R195 000."

So much for the options of existing owners. The home seeker who has still to buy must weigh up the benefits of alternative avenues of investment.

Though history is not necessarily a guide to the future, it provides certain guidelines.

First Persam MD Ken Burgess estimates that over the 15-year period from 1973-

1987, while inflation averaged 13,4%, residential property (growth and rental income) averaged 15,8%, the fixed deposit rate averaged 10,8% and industrial shares (growth and dividend income) averaged 20%.

So, while property beats inflation, from purely an investment point of view equity may prove better. But, of course, much more is at stake than return on investment.

A house is a home, whether its market value rises or falls and can't be measured in rands and cents alone. It satisfies one of humankind's most basic needs — shelter; it symbolises one of our most cherished institutions — the family; and in our community it represents a triumph for the work ethic. ■

HOUSING SUBSIDIES

3/6/88 (123) PM
Keeping a firm grip

Government's moves this week to limit the cost of a housing package eligible for its first-time buyers' subsidy to R65 000 reinforces the impression that it is determined to keep a firm grip on rising housing standards (*Property* May 27).

In terms of the new regulations, the actual cost of the house can now be R45 000, instead of the previous R40 000. But the whole unit, including land and services, must not cost more than R65 000, or R75 000 in exceptional cases and at the discretion of the relevant housing minister.

This, government says, is to prevent higher building costs being passed off as land costs, a practice which has for some time been cause for concern.

However, builders have already experienced difficulty in marketing R40 000 houses. And stands are far more expensive in the white market, so the effect will probably be to force them further into the mass black housing market. As it is, blacks are already major recipients of government's first-time buyers' subsidy.

Indeed, another part of the new deal is specifically calculated to ensure "greater participation" in the scheme by people in the lower-income groups.

A special subsidy is to be granted to those taking loans for houses costing less than R20 000.

This will not amount to more than the interest payable on the building loan, but the cost of the stand and other expenditure can be included.

Rob Abrams, SA Perm assistant GM, mortgages, says the number of blacks coming to the bond market has been increasing steadily, but that these moves are likely to cause a sharp rise.

In general though, builders aren't happy with the package, saying it amounts to market interference.

Johan Grotsius, executive director of the National Association of Homebuilders, says: "We're very disappointed. While land for black housing is often available from the State or local authorities at nominal cost and serviced en masse, stands for whites are expensive and can easily push total costs well above R65 000. In fact, potential white homebuyers are now worse off than before."

Terry Power, MD of the Standard Building Society, doesn't agree. He says there are "perfectly acceptable" houses available for R65 000 and points out that first-time buyers are probably going to have to lower their sights if the overall housing backlog is to be overcome.

Another interesting feature of the new deal is that, although the cost of the house

may now be R45 000, with an allowance of R5 000 for difficult terrain or soil conditions, the subsidy will still only be on R40 000 of the cost.

This explains the remark of Public Works and Land Affairs Minister Pietie du Plessis last week that the government would not raise the ceiling above R40 000.

□ The new subsidy package is to be implemented on August 1. It will still cover 33,3% of the mortgage bond interest rate, but, instead of being paid over five years, it will be paid over seven, with a gradual phasing out beginning in the third year. ■

Call to use white land for blacks

123) 3/1/80 5/1/80
own Correspondent

MMABATHO — The critical shortage of land for blacks could be alleviated by the creation of small communities on private farms in peri-urban areas, director of the Centre for Policy Studies at the University of the Witwatersrand Prof. Lawrence Schlemmer said yesterday.

Schlemmer was addressing delegates at an SA Property Owners' Association (Sapoa) executive meeting at KwaMaritane in Bophuthatswana.

He said at present a number of white farms already accommodated small groups of blacks illegally, but peacefully, and that other private landowners willing to make marginal profits by allowing controlled squatting could make a meaningful contribution to an area of need.

Further, landowners who could get the consent of neighbours and formulate details of services provided and appropriate rentals should be allowed to apply for licences and become a legal part of the housing market.

Schlemmer said by allowing such initiatives the issue of provision of land for urban and peri-urban blacks could be depoliticised to a certain extent, and would also cause less controversy, resistance and environmental damage than massive new townships.

Director of the Urban Foundation Jan Steyn said urban growth was a process which could not be resisted and was a positive process as urban areas were points of national economic growth and development.

He challenged official thinking that SA's urban centres were too large and congested, adding that policies should facilitate and encourage continued growth.

Steyn also called for the creation of a single housing ministry and said the private sector should be allowed greater direct participation in the planning and management of housing provision.

'R18-b not enough to cut backlog'

5 Feb 3/6/61
123
By Claire Robertson,
Pretoria Bureau

Even if South Africa spent R18 billion in the next eight years there was "no way" that the housing backlog could be solved, the Department of Finance chief executive for planning, Mr G P Croeser, told a housing conference in Pretoria yesterday.

This sort of expenditure represented a 17 percent growth rate in real terms, when, at best, South Africa could hope for 3 percent, he said.

"The reality of limited funds available to Government and the private sector for the financing of housing and other social services cannot be over-emphasised," he said.

Along with other speakers at the Unisa School of Business Leadership's two-day conference on housing, Mr Croeser said South Africa would have to address new ways of generating growth — proposing, in his case, the more efficient use of capital.

"We will have to address very seriously the way growth is generated and relentlessly weed out the unproductive use of capital and enhance the present level of capital productivity.

"The signs of this disease are only too evident if we look around our central cities, our industrial parks, our shopping malls and our affluent and rather ostentatious upper and middle income group housing developments."

SATISFY NEED

"We shall either have to leave the (housing) problem unsolved or satisfy the needs of more people more modestly. The choice as far as I am concerned is simple, for in politics one also tries to satisfy the demand of the largest number of people."

The reality of the South African situation was that "however regrettable this may be, we simply cannot afford to provide First World standards of housing for our total population".

"An obvious aspect which deserves more attention is the enormous amount spent by Government on subsidies to people for houses and services they simply cannot afford."

Subsidies were needed for the very poor, "but one has to be careful that subsidies on the existing housing stock do not in time devour most or all of Government's allocation to housing".

"The message that the individual is living in a heavily subsidised house has not sunk in," he said, detailing the "crazy system" of someone earning R300 a month owning a house worth R15 000 and paying R26,13 a month while the Government subsidy comes to more than R145 a month.

Finrand attracts ⁽¹²³⁾ R6bn investment ^{stv - 3/6/85}

Financial correspondent

Since September 1985, 4 241 applications for investment through the financial rand had been approved, amounting to R6,3 billion, Mr Kent Durr, Minister of the Budget and Works, said yesterday.

Addressing a conference on the financing of housing in South Africa, held by the Open Unisa School of Business Leadership in Pretoria, Mr Durr said that 956 applications totalling R2,3 billion had been turned down.

The bulk of investment through the finrand had been ploughed into industry, which had received R3,8 billion.

Mining had received R404,9 million, or 6,5 percent of total finrand investment.

More than 8 percent of approved applications had been for investment in the commercial property market for a total of R533,9 million. Another 3,2 percent had been in the residential property market for a total of R199,4 million, while 2,9 percent of approved investments, totalling R180,7 million, had gone into farming property.

The remaining R1,1 billion, which represented 18,2 percent of approved applications, had been invested in other sectors, he said.

Mr Durr said that there had been some criticism that the foreign investor in property enjoyed an unfair advantage over the local buyer because of the low exchange rate for the financial rand.

"But it must not be forgotten that when the foreign investor disposes of his South African assets and repatriates the proceeds, the low financial rand works against him, just as much as it worked in his favour when he came in.

"Where he gains is through the higher yield he earns, but presumably the yield is no higher than is necessary to induce him to make the investment, otherwise the

financial rand would not be so low," he said.

Turning to mortgage rates, Mr Durr said that the correct way to help the poorer classes of society to buy their own homes was to subsidise the particular mortgagees directly, and not to contrive an artificially low mortgage rate generally for all borrowers.

Wholly or partially tax-free building society shares conferred a special benefit on wealthy shareholders, whose marginal rate of income tax was high. The lower mortgage rate which the tax concession made possible was available to all, irrespective of income, wealth or size of dwelling.

"The large borrowers for luxury homes obviously benefit the most, and this is at a cost of several hundred million of tax revenue forgone. Those most in need are assisted the least by these arrangements."

FUNDAMENTAL

He said there was an even more fundamental reason why official measures to keep the mortgage rate low for everyone failed to achieve their aim, which was affordable housing.

"The basic objection to all forms of direct or indirect state assistance, which result in relatively cheap housing finance, is that the market in due course tends to capitalise this interest rate advantage in the prices of residential property.

"In other words, the artificially low mortgage rates in the end help to bring about inordinate increases in the prices of houses and residential erven. "The attempt to make home ownership more accessible by means of cheap finance therefore tends to be self-defeating in the long run — borrowers tend to lose in the inflated cost of housing what they gain by way of subsidised finance," he said.

House prices show further gains

By Frank Jeans

House prices continue to rise and according to the latest review of the United Building Society the average increase during the first quarter of this year was 13 percent on a year-on-year basis.

The price of a medium-size house is currently about R84 500 — implying a rise of about 5 percent on the previous quarter.

Larger homes trade at about R118 000 and the smaller properties in the R67 000 range.

The price differential between new and existing houses has risen further and the comparative cost of building a new house of more than 140 sq m will be in excess of 20 percent higher than buying an existing property of comparable size.

The Johannesburg region hoisted the biggest price rise at 10 percent over the previous quarter and only Natal recorded a decline in prices at minus 5 percent.

United believes a further one or two percentage point increase

in prime overdraft is likely during the rest of this year and mortgage rates "could be expected to move in sympathy with the general pattern of interest rates".

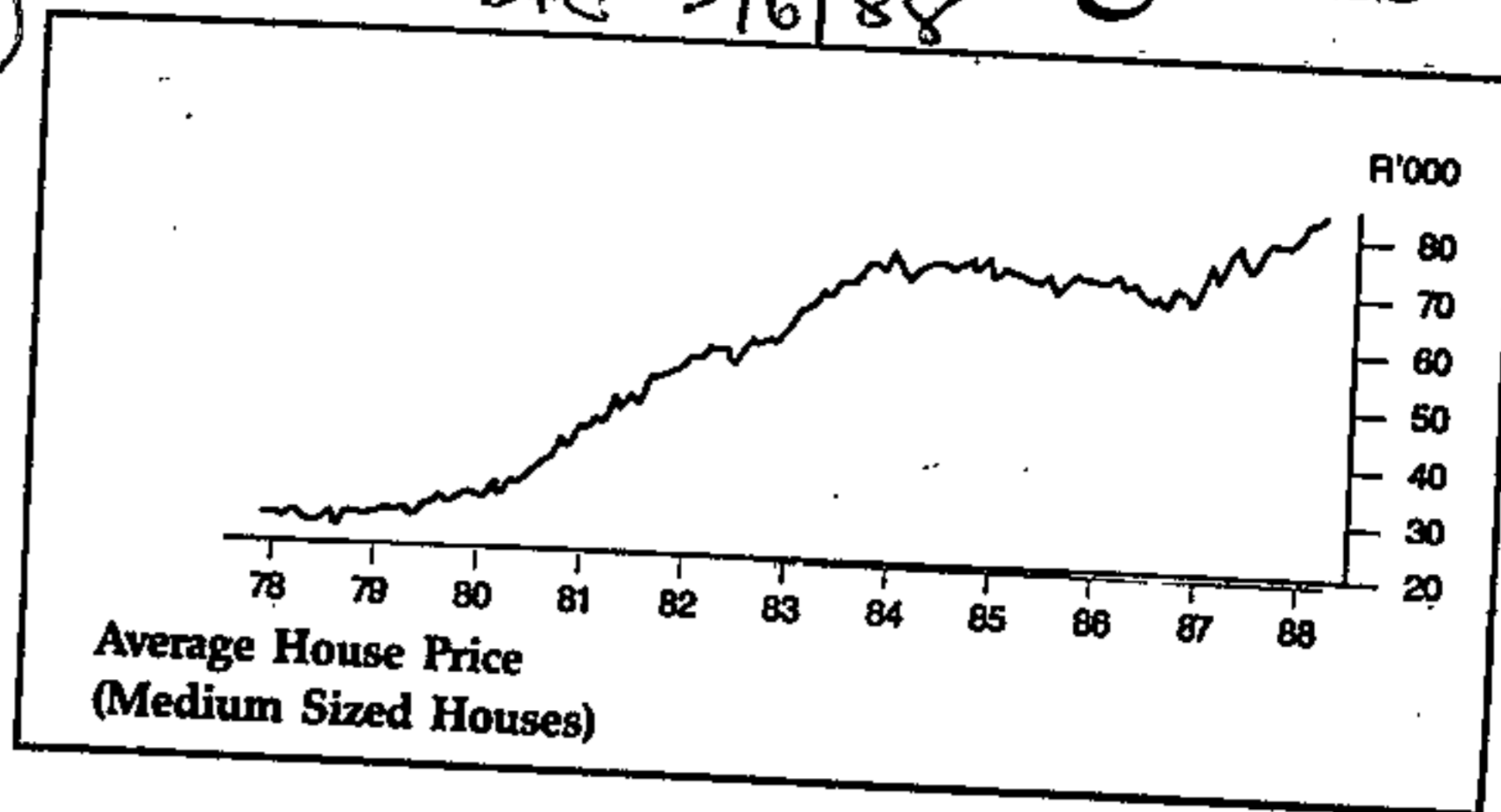
"Conditions in the economy in general and the residential property market in particular, have improved markedly during the first quarter of this year," says the review. "Not only did house prices show some strong advances but volumes have also risen considerably.

"The danger of the economy

overheating and thus jeopardising the country's balance of payments position now seems very real and will certainly receive the attention of the authorities in the coming months."

Against this background, United expects a further measure of upward potential for house prices but the rate of increase could slow down somewhat towards the end of this year.

On average, the society believes that house prices could rise by some 17 percent this year.



Housing ⁽¹²³⁾

crisis pinned *Star 6/16/88* to lack of

investment

A crisis of grievous proportions in the rate of fixed investment in South Africa is reflected in the provision of housing.

At a conference on innovative financing in Pretoria last week, property economist Dr. Peter Penny said that last year the country spent only R23,303 billion on gross domestic fixed investment (GDFI), compared with R33,757 billion in 1981.

"The GDFI trend is even more disturbing in the light of an increasing depreciation requirement," he said. "By 1987, the percentage of GDFI going to depreciation was 85 percent of the total GDFI figure."

"Thus, only R4 billion was available for new investment."

"Business & Marketing Intelligence estimates that R500 million was spent last year on black housing, representing 12 percent of net GDFI."

Higher sum

"Without an increase in GDFI, a higher sum can hardly be directed to black housing."

Dr. Penny said that when the US faced a similar problem, Congress passed legislation enabling developers to raise the required funds on government-guaranteed negotiable instruments, now known as "Ginnie Mae" certificates.

He urged the South African Government to follow this example.

The US negotiable instrument combined the best features of both mortgages and government loans, offering safety, an attractive yield, cash flow and marketability, he said.

"The US Government National Mortgage Association (GNMA) guarantees timely payment of principal and interest on these securities, which represent pools or packages of mortgages."

"Assuming a wholly owned government corporation is created in South Africa — say the SA Mortgage Association (SAMA) — special-purpose companies can be formed by the private sector to provide loans on SAMA-approved projects."

"On the analogy of Ginnie Mae, these companies would be 'mortgage bankers' who would package mortgages and sell them to SAMA."

"SAMA, in turn, would issue negotiable securities in marketable units." — Sapa.

Financing black housing

PRETORIA — A solution to SA's massive and fast-escalating black housing shortage will be impossible without private sector funding.

This was the theme running through last week's Unisa School of Business leadership conference "Finance — the pathway to housing" at the CSIR conference centre.

First National Bank divisional GM J B Mering said that unless a basis could be found for involving the private financial sector a major crisis was in the making. Some 50% of the black population was urbanised and it would grow to 80% by 2020.

About 200 000 units a year would be needed, and if this was added to the current backlog estimated by the CSIR at 700 000 units "we have about

127/5/100 6/6/88
GERALD REILLY

4,7-million housing units needing to be financed in the next 20 years".

The total funding requirement would amount to R94bn. The figure of R20 000 a unit could be reduced in certain circumstances to a bare bones minimum of R6 000, reducing the financial need to R41bn.

SA Homes Trust GM P W Mountford said the non-white housing shortage was estimated at 846 000 units. Projected growth in demand was estimated at 3,05-million family units by 2000.

It was logical, therefore, the state should develop mechanisms to involve the private sector in the provision of affordable houses.

CSIR wants subsidy system changed

By Claire Robertson,
Pretoria Bureau

Dr T J de Vos of the Council for Scientific and Industrial Research (CSIR) has called for a reduction in general housing subsidies, and for them to be replaced with specific subsidies such as one-off "gifts" of land. Speaking at the close

of a two-day housing conference organised by Unisa's School of Business Leadership in Pretoria last week, Dr de Vos said there was "serious ignorance and confusion among the public ... on the various forms of housing assistance offered by the State".

"For both economic

and social reasons, general subsidies should be reduced," he said, pointing out that 70 percent of all building society mortgages are subsidised, while the State has been responsible for the direct financing of more than a third of new housing in recent years.

In order to meet South

Africa's tremendous housing backlog — some estimates put it at 700 000 units — he suggested a once-only grant of serviced land to qualifying households.

"Consideration (should) be given to the precondition that prospective homeowners make some payment ... towards the cost of the property.

"The need for the property owner to have a personal commitment to his property is a prerequisite for a sound policy concerning a home-ownership promotion and subsidisation scheme."

Once he had the stand, the prospective homeowner should make his own arrangements for the construction of a dwelling — applying for employee or other subsidies or assistance, or constructing the home on a self-help basis.

This form of subsidy would provide direct assistance where it was needed, said Dr de Vos.

It was equitable in that households were given stands with comparable services, easier to administer than an interest rate subsidy.

Call to apply VAT Star 6/6/88 (123) to home construction

By Claire Robertson, Pretoria Bureau

The entire cost of building a private home should be subject to value added tax (VAT), says Mr Willem Cronje of financial management firm Deloitte, Haskins & Sells.

In a paper read on his behalf at the Unisa School of Business Leadership's two-day conference on housing in Pretoria last week, Mr Cronje said that although this would be unpopular politically, a broadly based tax system would enable a low tax rate to be maintained.

Granting tax relief on the construction of homes would benefit the relatively better off, he said, while not giving much to "those with the greatest need for housing".

Low-income home-owners would not benefit much from such relief as their houses, built generally from "sweat equity", fell outside the taxing system.

Under the general sales tax system, construction of homes is exempt from tax as this is a construction service, and only the materials used are taxed.

Important changes in the Sectional Title Act

MBUS 6/6/88 (123)

THE new Act makes specific provision for exclusive use areas, provided that a sectional plan must delineate any exclusive area in the prescribed manner.

When applying for the opening of a sectional title register and the registration of the sectional plan, a developer may impose a condition by which the right to the exclusive use of a part or parts of the common property is conferred upon the owner or owners of one or more of the sections.

The purpose for which these areas will be used must be specified.

The Act also provides that the body corporate may, by unanimous resolution of its members, take steps to establish exclusive use area.

The owner who has the right to an exclusive use area may sell his right, but only to the owner of another section of the building.

NEW SCHEMES

Although a developer still has to apply to his local authority for approval to establish a sectional title scheme, the new Act determines that a local authority no longer can decide whether or not a sectional plan has been prepared in accordance with the Act.

The local authority may require the developer to furnish him with further particulars, information and plans.

TENANTS

The principle is retained that a developer may not make an application, before he has held a meeting of tenants, in cases where the building is wholly or partially let for residential purposes.

The local authority must grant an application if the scheme does not conflict with any operative townplanning scheme and if the building was erected in accordance with any applicable building by-laws.

IMPORTANT changes have been made in the new Sectional Titles Act, which came into force last week. These are reviewed in a series of two articles by Professor HENK DELPORT, head of the Department of Mercantile Law at the University of Port Elizabeth, from a paper prepared for the Institute of Estate Agents.

developer is the owner of all units in the building on the opening of a sectional title register. He may sell them all or sell some and let others.

If a unit is occupied for residential purposes by a lessee who was in occupation when the developer applied to the local authority for approval the lessee must first be offered the unit.

Only after a refusal by the lessee (to buy the unit or non-acceptance of an offer) may the developer sell the property. A period of 90 days (365 if rent controlled) must be given to the lessee to make up his mind.

If a lessee refused the offer the developer may not sell it for less than he had offered to the lessee within 90 days (365 days if the unit is rent controlled).

With regard to subdivision, consolidation and extension of sections, the owner of two or more sections registered in his name who wishes

to consolidate those sections must, with the consent of the trustees, apply to the local authority.

Once approval is given by the local authority, the draft sectional plan of consolidation must be submitted to the Surveyor-General for approval.

If an owner wishes to subdivide his section he must apply to the local authority for approval.

He must obtain written consent of the trustees. To extend his section an owner must obtain the unanimous consent of the body corporate before lodging an application with his local authority.

With regard to phase development, the new Act makes special provision for phase development.

A scheme may now relate to more than one building to be erected on the same piece of land or on more than one piece of land, subject to certain limitations.

A developer may reserve the right to erect and complete from time to time a further building or buildings, a horizontal or a vertical extension.

An approved plan of the future construction must accompany the original application for the registration of the sectional plan.

A right reserved by the original developer may be exercised by him or his successor in title even though they have no further interest in the common property.

SALE

With the sale of a sectional title unit, the essence of the principles of the old Act is retained. Proposed units, that is units in respect of which a sectional title register has not been opened, can thus be sold in respect of buildings which have been built or completed or are still to be built, after February 25 1981.

With the sale of proposed units the provisions of section 26 of the Alienation of Land Act of 1981 still applies.

As far as existing units are concerned the

HOUSE OF DELEGATES

Indicates translated version.

For written reply:

Own Affairs:

Housing: sub-economic/economic

91. Mr K CHETTY asked the Minister of Housing:

(a) What is the policy of his Department in regard to the provision of homes for Indian persons falling in the (i) sub-economic group and (ii) economic group and (b) what steps have been or are being taken in this regard?

The MINISTER OF HOUSING:

(a) (i) and (ii) My Department follows the following policy in order to supply adequate housing for both groups:

— the allocation of Housing Development Funds in the most effective way possible in order to ensure optimum access to people for housing;

— a sales campaign to alienate all saleable units to present tenants;

— encouragement of the participation of the private sector; and

— planning of housing projects to be carried out departmentally.

(b) (i) Funds are being allocated to local authorities in order to enable it to satisfy the existing needs

(ii) The sales campaign has been extended on numerous occasions in order to enable tenants to acquire the properties they occupy.

(iii) Funds are being allocated to utility companies and land is being made available to development companies

in order to enable it to participate in the supply of houses.

(iv) Departmental projects are carried out from time to time

Housing: units built/ to be built

92. Mr K CHETTY asked the Minister of Housing:

(1) (a) How many housing units for Indian occupation were built in the Transvaal in 1987 and (b) what is the number to be built for members of this population group in this province in 1988;

(2) whether there is a shortage of housing in the Transvaal; if so, (a) what was the estimated shortage of housing for Indian families in this province at the end of 1987 and (b) when is it expected that this shortage will be eliminated?

The MINISTER OF HOUSING:

(1) (a) Units built with funds derived from the Housing Development Fund in the 1987/88 financial year are 369. Apart from the 340 units built by private developers in Lenasia Extension No 1, figures for other units built by the private sector are not readily available.

(b) Units to be built with funds derived from the Housing Development Fund in the 1988/89 financial year are approximately 1 552. Information regarding the number of units to be built by the private sector is not readily available.

(2) Yes.

(a) 6 332 For the income group up to R1 000 per month. Figures for the income group over R1 000 per month are not available as no waiting list for this group is being kept at this stage.

(b) Possibly within the next ten years.

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One-party state warns from Urban Foundation

By REHANA ROUSSOUW
Staff Reporter

SOUTH AFRICA would run a serious risk of ending up a one-party state unless development ensured that the country's black communities did not rely exclusively on the political system for welfare and progress, the executive chairman of the Urban Foundation, Mr Jan Steyn, said today.

Mr Steyn told delegates at the national congress of chartered accountants in Durban that the possibility of achieving democratic forms in a future open society depended on the development of the under-privileged mass population.

He said a balanced society was one in which politics was not seen to be the cure for all ills. Economic franchise had to accompany political participation.

Progress towards the economic empowerment of the black community occurred in the spheres of trade unionism, housing and small business, Mr Steyn said.

Black unionism was approaching European levels and was well above the proportions typical of most developing countries. Many black workers now had a way to articulate their material demands without depending entirely on the hopes of political liberation.

"I must stress, however, that trade unionism will never by itself be able to depoliticise the aspirations of blacks," Mr Steyn said.

The urban reforms of recent years, which the Urban Foundation helped to achieve, launched the process of economic empowerment of blacks.

The 99-year leasehold and, in 1986, the extension to blacks of full ownership rights brought back possibilities of wealth accumulation to ordinary black people for the first time in decades.

"Our residential development and construction division programme envisages the sale of 12 900 developed sites and 8 800

houses, principally for lower-income communities," Mr Steyn said.

"The division, which operates through seven Urban Foundation-associated utility companies in all major metropolitan areas, is independently funded entirely by loans at conventional market rates."

Mr Steyn estimated that R350-million would be drawn from private sector institutions to fund these developments in the years ahead.

The shortage of suitable land for housing in urban industrial areas was critical.

This was further constrained by the Group Areas Act and by procedural inhibitions associated with black residential development.

A further problem was that even where there were opportunities to buy homes for blacks, these would be expensive in relation

to the cost and quality of homes in the older, more established white residential areas and would be farther away from places of work.

"For these reasons, home ownership, like trade unionism, will not provide a panacea for mounting political frustrations," Mr Steyn said.

"Until the Group Areas Act is removed and further informal impediments to black entry into white areas are overcome, home ownership will be perceived as an unequal game perpetuating white privilege."

Mr Steyn said the emergence of small black businesses was the third aspect of economic empowerment which was proceeding apace.

"There are hundreds of thousands of black-owned shops, service industries and, to a lesser extent, manufacturers in South Africa's formal sector," he said.

The extent of opportunity today represented a great leap of progress compared with the "bad old days" when African business-

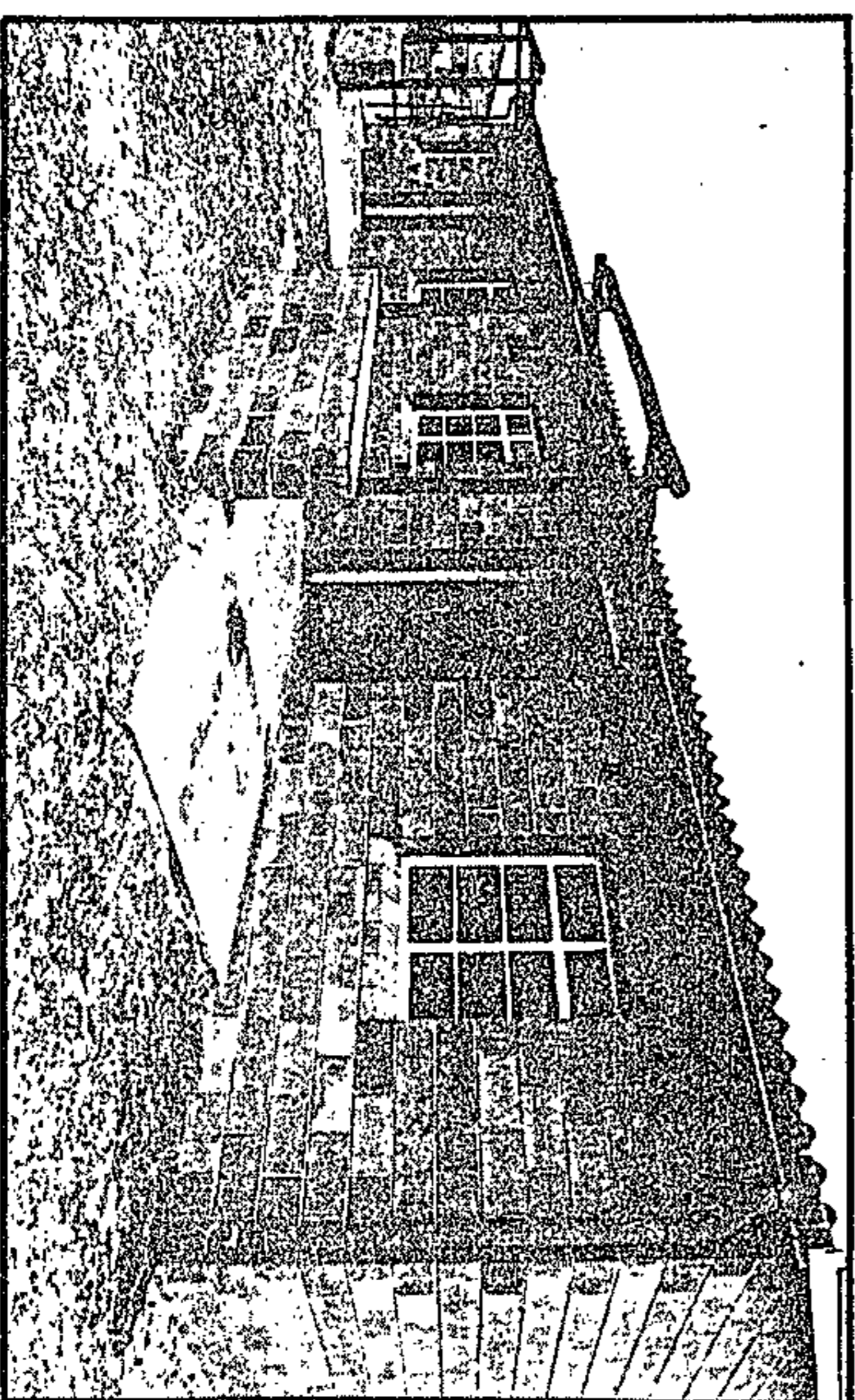
men were limited to one business each within the confines of black townships.

A major contribution to the development of black business was the range of more than 30 organisations sponsoring and promoting small entrepreneurship.

The Group Areas Act remained a problem for black businessmen, Mr Steyn said. Most of the rapidly expanding shopping centres, where middle-class buying power was most concentrated, were in decentralised white suburban areas.

Another impediment was the fact that black small businessmen still lacked adequate access to capital and credit, training and experience.

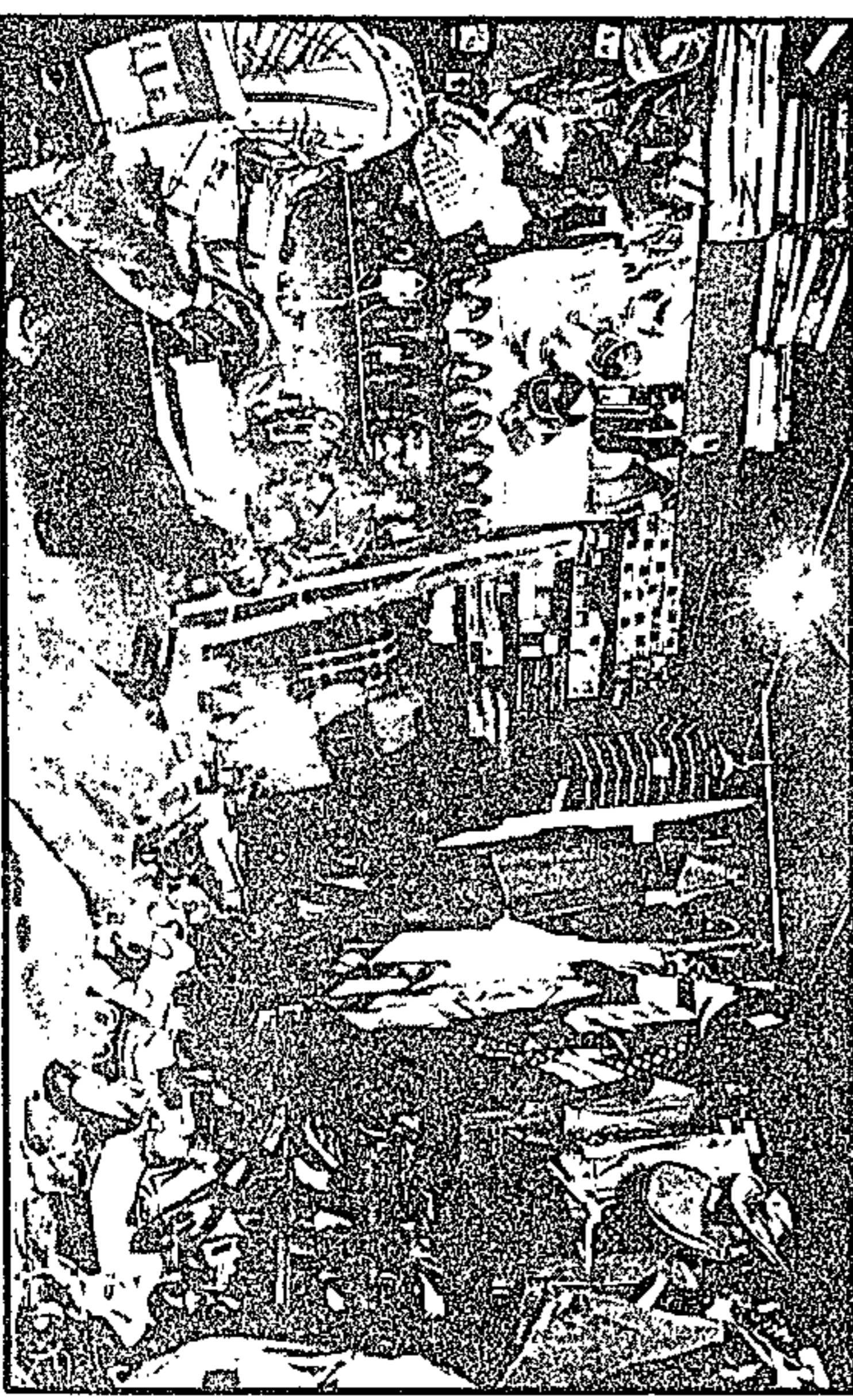
A limited percentage of the Urban Foundation's budget for the current year will be devoted to projects in the field of economic activity because of the overwhelming need for housing, education, community development, the promotion of social amenities and resources and research directed at policy reform.



HOUSING: More homes and sites planned for blacks.



Mr Jan Steyn



BUSINESSES: An aspect of black economic empowerment.

Interpretations of human rights highlighted

(123) B/day 9/6/88

Land ownership justice call

STATE intervention had resulted in injustices in regard to ownership of land and other economic commodities, former Supreme Court judge and Stellenbosch University law professor Laurie Ackerman said at an economic rights symposium at Pretoria University yesterday.

He said a fairer redistribution could compel SA to revise its concepts of property and property rights.

Ackerman, who recently criticised the SA legal system for "flagrantly breaching human rights", holds the H F Oppenheimer Chair in Human Rights at Stellenbosch.

Delivering the main address, he underlined the conflict between liberal and conservative interpretations of human

ELSABÉ WESSELS

rights and focused on the concept of property and economic exploitation.

Ackerman said: "The operation of exclusive and disposable property rights leads inevitably to the unequal accumulation of land and working capital.

Conflict

"The process, if left unchecked, leads to escalating inequalities, until eventually when free land runs out, a small number of people get the exclusive right to the bulk of land and working capital."

He emphasised the historical conflict between the first and second tiers of human rights and highlighted the anomaly of liberals equating economic rights with welfare rights while conservatives

upheld the rights of entrepreneurs.

To establish common ground between liberals and conservatives, Ackerman propagated a greater emphasis on the protection and extension of human dignity and the development and realisation of human potential.

Taking part in a panel discussion after Ackerman's address, Cosatu information officer Frank Meintjies called for the extension of the concentration of the country's resources from a small number of controllers.

Addressing the controversial proposed amendment to the Labour Relations Bill, Meintjies said the amendment retracted on bargaining conditions in the Bill which were significant steps forward in granting workers' decision-making rights.

han troops advance

IN BRIEF

Signs of boom in building



123

B/ADW
14/6/88

House prices up an average 13% in first quarter of 1988

HOUSE prices rose strongly in the first quarter of 1988 to record an average increase of 13% from last year, the United Building Society (UBS) says in its latest quarterly Housing Review.

The UBS expects the upward movement to continue for the rest of the year. On average, house prices should rise by about 17% in 1988.

At the same time, the society foresees the possibility of rises in mortgage rates.

It expects a further one or two percentage point increase in banks' prime overdraft rates and says mortgage rates "could be expected to move in sympathy with the general pattern of interest rates".

Not only did house prices advance significantly in the first quarter, but volumes also in-

GRETA STEYN

creased considerably. This led the UBS to observe the danger of the economy overheating and thus jeopardising the country's balance of payments position seemed very real.

Against that background, house prices should continue to rise but at a slower rate towards the end of the year.

The only region which experienced a decline in house prices compared with the previous quarter was Natal. Johannesburg and the East Rand recorded strong increases, rising by 10% and 7% respectively in three months.

The price of a medium-sized house currently stands at about R84 500, while larger houses

can be bought at about R118 000 and smaller houses at R67 000.

The price differential between new and existing houses had increased further and the comparative cost of building a new house of more than 140m² would be more than 20% higher than buying an existing dwelling of comparable size.

The effect of lower interest rates, which prevailed for the whole of last year, is clear from the UBS's analysis of monthly bond repayments. The monthly repayment on a R50 000 bond, repayable over a 20-year period, declined from a high of about R970 in the fourth quarter of 1984 to R600 in the first quarter of last year. The average repayment on new loans showed very little movement since then, but could be expected to increase to about R630 during the current quarter.

RENT CONTROL

Dodging the issue

Government's decision to "end" rent control sooner rather than later is a bit like the curate's egg — good in parts.

The good news is that the time frame for phasing out rent control — long a controversial issue with landlords — is to be shortened from 10 years to 18 months. The bad news is that some categories of tenant — the aged and the indigent — remain protected.

Rent control will, in fact, remain in force for married tenants with dependants whose gross incomes do not exceed R1 250 a month; single tenants without dependants with a gross income not more than R750; and tenants 70 years of age or older.

For all that, managing agents, landlords and the SA Property Owners' Association (Sapoa) have welcomed the announcement by Minister of Local Government and Housing Amie Venter that the phasing out of rent control on 60 000 "dwelling units" is to be speeded up.

The time scale has been shortened following a decision not to send questionnaires to affected tenants. Venter says only 30% of the questionnaires relating to the first phase of "decontrol" were returned and the time taken to process all the information led to slower implementation.

I Kuper MD Ronnie Sevitz predicts the removal of rent control will tend to raise the general level of flat rentals. The extent to which rentals are increased, he says, will depend on when the last increase was, accommodation demand in the area as well as the standard and facilities on offer.

The quicker phasing out of rent control, however, is unlikely to bring residential developers back into the market. Sevitz notes that there is already upward pressure — demand related — on the rental market, but that rentals would have to double to make new residential developments viable.

But tenants, too, may see some initial benefits as increased rental incomes allow owners to improve facilities to attract even higher-paying occupants. Still, high building costs and the sheer scale of many of the renovations should soon reflect themselves in higher rentals.

It is interesting that this final decontrol phase comes after more than 21 years of negotiation between government and Sapoa.

Gert Hugo, Sapoa rent control spokesman, says rent control was one of the major reasons Sapoa was founded. However, despite the time taken to reach an acceptable understanding with government, it would be fair to say that the negotiations failed to actually end rent control.

Landlords are still prevented from increasing rentals on decontrolled dwellings by

more than 10% each year for the first two years. And, should the minister decide that a landlord is "exploiting" tenants by increasing rentals excessively, he has the power to reapply rent control on the building in question.

Consequently, the landlords' cynical view is that government's social conscience appears to be active as long as someone else is shouldering the cost. It is concerned about the aged and low-income earners, but, in effect, wants landlords to subsidise them.

As Errol Friedmann, JH Isaacs MD, points out, landlords can only charge market-related rentals on flats not occupied by "affected" tenants. Which ultimately means landlords subsidise the remaining tenants.

"Subsidising the indigent and aged is the government's responsibility. There is no good rationale for landlords to subsidise tenants," he says.

However, in 1984 the Parliamentary Select Committee on Rent Control recommen-

ded against government directly subsidising rentals. And landlords have by now accepted limited rent control as the lesser of two evils.

There is no question, however, that efforts to "protect" consumers by interfering with market forces tend to backfire. In London, for example, landlords are now reluctant to let accommodation to individuals and rentals are sky high.

Cecily du Preez, manager of Pam Golding Properties' London office, says this has come about as a result of legislation enacted to protect tenants' rights.

Under current legislation it is extremely difficult for a landlord to prevent a tenant becoming a "sitting tenant." Such tenants have the right to remain in their rented homes for as long as they wish — even for life.

Should the landlord have a serious need to move the tenant, equivalent accommodation must be provided and the tenant can also insist on compensation for the costs involved — often thousands of pounds.

There is also a form of rent control operable in the UK.

However, none of these problems apply to companies or to holiday leases. And as companies are "able" to afford higher rents and short-term leases are often concluded at even higher rates, rentals have climbed, putting many beyond the pockets of all but the well-heeled.

The lesson could well be applied to SA where limited rent control could end up protecting the disadvantaged right out of decent, affordable accommodation. ■

Matching the flow

The grave black housing shortage is toughest in the South African Development Trust territories (SADT). Worst off is the Durban-Maritzburg-Pinetown region, according to Education and Development Aid Minister Gerrit Viljoen. At a press briefing in Cape Town last week, Viljoen gave details of housing developments in SADT areas, and noted that the KwaZulu-Natal Planning Council proposal (announced earlier this year) to spend R1,24bn over five years will significantly alleviate the problem.

About 2m people live in the SADT territories — areas acquired by government with the aim of eventual incorporation into homelands. In most cases the homeland authorities have requested Pretoria to develop the areas to a more advanced stage before incorporation. At Lethlabile near Brits and So-shanguve north of Pretoria, earlier decisions to incorporate areas have been reversed. They will remain part of SA. The trust originally acquired about 6,9m ha for incorporation, and currently administers about 1,4m ha.

Sales

Viljoen said there were 393 000 sites for houses in townships in SADT areas. The trust has built 154 000 houses of which 93 000 have been bought by occupiers in terms of government's housing sale programme. In the past few months house sales have averaged about 2 500 a month.

Government currently offers low-interest loans of R5 000 to people who want to have houses built or to build their own with material supplied at favourable rates from depots in the SADT townships. So far 14 000 such loans have been approved. Last year nearly R70m was provided to finance individual loans of R5 000. Additional funds for this project are a high priority.

Viljoen says the SADT's current main thrust in housing is to provide serviced sites, surveyed sites, or "raw land" on which individuals or the private sector can build houses. In the current financial year R105m has been provided for infrastructure in SADT areas. Deregulation now allows householders to use their houses for business purposes, and this encourages the informal sector. Building regulations have also been relaxed, Viljoen says.

Viljoen says in Durban-Maritzburg-Pinetown there is a "steady influx" of people

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from KwaZulu into the SADT areas, which have better job opportunities. There are no restrictions on the movement of people into or out of the trust areas.

There is also an influx of people from black urban areas in SA to SADT areas and to the homelands and independent homelands. This is evident from their "abnormally" increasing school populations — probably because they generally have more stability and discipline than schools in SA. ■

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CAP Times 18/6/88
123

Allied bond rates rise, fuelling upward spiral

Investment Editor

THE Allied announced an across-the-board increase in bond rates yesterday, fuelling another upward spiral in interest rates.

A statement says the rate on traditional bonds will rise by 0,75% to 15,25%. Commercial-bond rates will increase by the same amount — to a best of 16,25%.

The best rate on the Allied Bank Bond will be set at 14,25%.

Rates on fixed-rate bonds will also be lifted. Bonds fixed for a year will go to 16%; for two years to 16,5%; for

three years to 17%; for four years to 17,25%; and for five years to 17,5%.

It was only in early May that Allied pushed its bond rate up to 14,5%. Now it is the first of the building societies to go above the 15% mark.

United announced its bond-rate rise to 15% at the end of last month, while Volkskas and Trust are also charging 15%. Most other building societies and major bond providers are lending money at around 14,5%.

Also in early May, Allied was one of the first to lead the pack to higher interest rates, and could be doing the same thing again.

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HOUSE OF REPRESENTATIVES

Indicates translated version.

For written reply:

General Affairs:

Self-governing territories: chambers and offices

14. Mr T ABRAHAM asked the Minister of Education and Development Aid:

(a) What was the cost to the State of providing (i) debating chambers for the legislatures of, and (ii) administrative offices for, each of the self-governing territories and (b) when were these buildings erected in each case?

The MINISTER OF EDUCATION AND DEVELOPMENT AID:

(a) (i)	Cost	(b)
Debating Chambers		Completion Date
Owagwa	R 7 289 900	Feb. 1988
Gazankulu	R 1 995 600	April 1982
Kwazulu	R 8 588 590	October 1987
Lebowa	R 3 600 000	March 1987
Total	R21 474 090	

The debating chambers for the self-governing

HOUSE OF ASSEMBLY

Indicates translated version.

For written reply:

General Affairs:

Black persons: resettlement

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

(a) What total number of Black persons in the Republic was resettled in 1987, (b) (i) from what places were they removed and (ii) in what places were they resettled, and (c) for what reasons were they resettled, in each case?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

This information was furnished by the different Provincial Governments:

ORANGE FREE STATE

- (a) None.
- (b) (i) and (ii) Fall away.
- (c) Falls away.

TRANSVAAL

- (a) 435
- (b) (i) Varkfontein plots, Petit.
- (ii) Eriwata, adjacent to Daveyton.
- (c) Their perilous living conditions with the consequent health risk.

NATAL

- (a) None.
- (b) (i) and (ii) Fall away.
- (c) Falls away.

CAPE PROVINCE

- (a) 47 182
- (b) (i) Noordhoek (517 persons)
- (ii) Ericadens (280 persons)
- (iii) Colchester (169 persons)
- (iv) Threescombe (98 persons)
- (v) Fitches (111 persons)

Rocklands (7 persons) Motherwell Kabah/Langa and Despatch (46 000 persons)

- (c) Their perilous living conditions with the consequent health risk.

Blacks: housing shortage

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

- (1) What was the estimated shortage of housing for Blacks outside the self-governing territories at the end of 1987;
- (2) how many houses were provided in 1987 for Blacks outside these territories and in each province by (a) the State, (b) local authorities and (c) the private sector;
- (3) when is it estimated that the shortages will be eliminated in areas outside these territories?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

This information was furnished by the different Provincial Governments:

TRANSVAAL

- (1) 411 194
- (2) (a) The provision of housing is the responsibility of the individual, the employer, the other sectors of the private sector and by absolute exception, in respect of the underprivileged, that of the authorities. Provision is also made for material loans. The following information is supplied:

Houses built:	783
Material loans granted:	1 998
(b) 3 342 houses; and	
3 874 loans were also granted for "self-build" housing schemes.	
(c) 12 130 houses	

ORANGE FREE STATE

- (1) 50 409
- (2) (a) The provision of housing is the re-

responsibility of the individual, the employer, the other sectors of the private sector and by absolute exception, in respect of the underprivileged, that of the authorities. Provision is also made for material loans. The following information is supplied:

Houses built: None
Material loans granted: 1 311

- (b) None
- (c) 3 007

CAPE PROVINCE

- (1) 99 147

- (2) (a) The provision of housing is the responsibility of the individual, the employer, the other sectors of the private sector and by absolute exception, in respect of the underprivileged, that of the authorities. Provision is also made for material loans. The following information is supplied:

Houses built: None
Material loans granted: 13 948

- (b) 3 630
- (c) 1 226

NATAL

- (1) 142 000

- (2) (a) The provision of housing is the responsibility of the individual, the employer, the other sectors of the private sector and by absolute exception, in respect of the underprivileged, that of the authorities. Provision is also made for material loans. The following information is supplied:

Houses built: None
Material loans granted: 134

- (b) None
- (c) 51

- (3) Housing for Blacks is a process that receives ongoing attention and is influenced by the availability of funds and land, pri-

vate sector involvement, etc. Therefore, it is not possible to predict when the shortages will be eliminated.

Squatters: shelters

748. Mr K M ANDREW asked the Minister of Constitutional Development and Planning:

Whether officials of his Department or any provincial or local authority took any steps in respect of shelters for squatters in 1987; if so, (a) what steps, (b) how many shelters in respect of each specified area were affected by these steps and (c) where were these shelters situated in each case?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

This information was furnished by the different Provincial Governments:
No.
Rest of question falls away.

Blacks: land in urban areas

884. Mr C J DERBY-LEWIS asked the Minister of Constitutional Development and Planning:

- (1) Whether the State purchased any land in 1987 for the purpose of accommodating the influx of Blacks into the urban areas of the Republic; if not, why not; if so, (a) where is this land located and (b) at what total cost was it purchased;

- (2) whether it is the intention to purchase additional land for this purpose; if so,

- (3) whether any options have been taken on such land; if so, (a) what was the cost involved in taking these options, (b) where is this land located and (c) what is the agreed purchase price of this land?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

This function vests in the different Administrators of the four provinces and they furnished the following information:

CAPE PROVINCE

- (1) No, because they could be accommodated in existing urban black towns.

(a) and (b) Fall away.

- (2) No.

- (3) (a), (b) and (c) Fall away.

ORANGE FREE STATE

- (1) None.

(a) and (b) Fall away.

- (2) No.

- (3) No.

(a), (b) and (c) Fall away.

NATAL

- (1) Negotiations for the purchase of land for this purpose were not concluded during 1987. Negotiations are continuing in respect of (a) (i) land adjacent to Chester-ville Black Township (Durban) and (ii) Hambanati Black Township (Tongaat)

(b) R700 000 and R1 909 000.

- (2) Yes.

- (3) No options were taken.

TRANSVAAL

- (1) Yes. Although no land was bought by the State during 1987, several Black local authorities have bought land from funds loaned by the National Housing Commission. (See attached Annexure.) The land was purchased for the purpose of eradicating the existing housing backlog and to make provision for the increase in the demand for housing *inter alia* also as a result of the natural population growth

In order to accommodate the squatters at Welier's Farm several portions of the farm Wildebeestfontein in total ±1 000 ha (directly north of the area of jurisdiction of Evaton) was bought during 1983/84 by the former West-Rand Development Board for an amount of R1 400 000.

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

This information was furnished by the Cape Provincial Government.
No. Rest of question falls away.

It is pointed out that land which was made available the past year for Black development by the declaration of development areas, will not have direct relation to land which the Government or the Black local authorities bought during the relative period for Black township development, because this development areas will in future years also be developed with the assistance of the private sector.

(a) and (b) See attached Annexure.

- (2) No.

- (3) (a), (b) and (c) Fall away.

Land purchased from funds granted by the National Housing Commission

Located at	Black local authority	Size per ha	Purchase price
Vanderbijl-park	Sebokeng	325	R1 829 902
Johannes-burg	Soweto	42.64	R1 017 291
Balfour	Siyathemba	85	
Middelburg	Mhluzi	509	R6 214 908
Ogies	Phola	200	
Witbank	KwaGugqa	2 400	
Nigel	Duduza	849	R2 900 000
Benoni	Wartville	41	R 200 200
Total		4451.64	R12 162 301

Cape Peninsula: buffer strips

945. Mr J J WALSH asked the Minister of Constitutional Development and Planning:

Whether there are any buffer strips separating areas for the various population groups in the Cape Peninsula; if so, (a) where is each such strip located and (b) what is the area covered by these strips (i) individually and (ii) in total?

123 FM 24/6/88

HOME LOANS

Where did all the business go?

Though the recent rise in funding costs may reduce banks' eagerness to grant mortgage loans, in the first quarter of 1988 they were still taking big chunks of building society business. Despite the surge in the property market, growth in mortgages granted by building societies in the year to end-March 1988 was down on the previous year.

According to an analysis by Davis Borkum Hare's Kim Bruce of industry returns to the Registrar of Banks & Building Societies, advances by the five major societies increased by only 16,9%. This compares unfavourably with an increase of 18,9% in 1986-1987 — a period of record growth in mortgage advances in SA. And it was little better than the 16,1% experienced in 1985-1986, when mortgage rates were at historic highs and the property market was experiencing one of the worst recessions in years.

The reason, of course, is the 64,1% increase (off a much smaller base) in home loans granted by the five major banks in the same period. With their access to short-term funds, banks were able to take full advantage of that phase in the economic cycle when interest rates were, for the most part, below the rate of inflation. This funding flexibility (which the societies are denied by statute) made it possible for them to offer rates below those available from most societies.

If the R2,75bn of business this aggressive marketing strategy brought in had gone to the big five societies instead, it would have spelt growth of more than 29% — assuming they could have absorbed it.

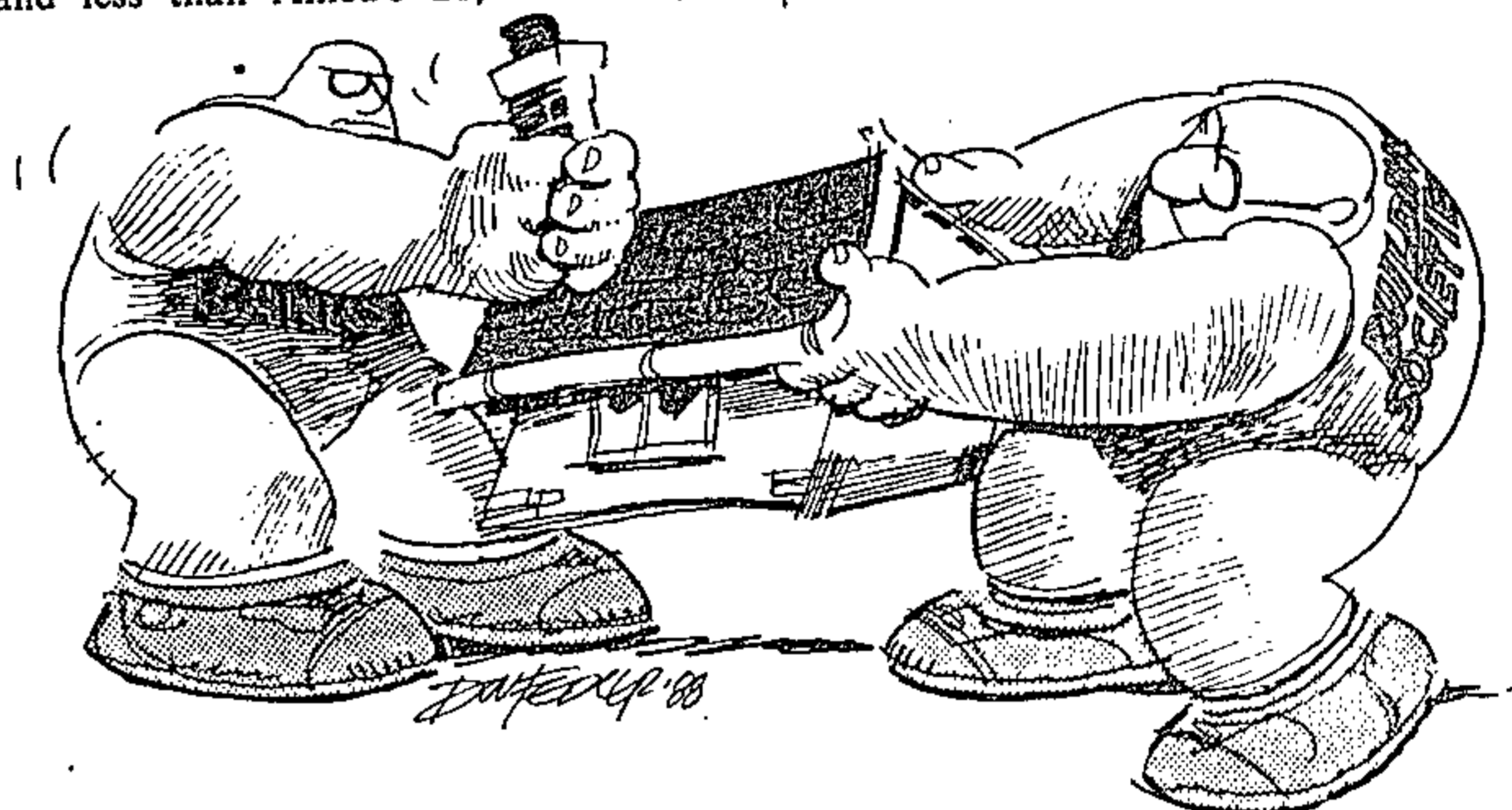
Total loans of the five societies stood at R25,2bn on March 31 after quarterly growth of 2,7%. This compares with the big five banks' quarterly growth of 18,0% to R7bn.

Quarter-on-quarter growth in 1987 was 4,1%, 4,5%, 4,9% and 3,9%, compared with quarter-on-quarter growth of bank loans of 4,1%, 5,5%, 19,8% and 10,1%.

United Building Society, which bore the brunt of the banking attack on the mortgage market, has regained some ground, though growth in mortgage advances in the year to end-March remains lacklustre. Total advances rose only 13,3% to R9bn. This was ahead only of Saambou's 8,1% to R1,8bn and less than Allied's 21,8% to R5,4bn,

book, losses incurred when properties are repossessed, or profitability.

Nor are they necessarily an indication that societies are losing out to the banks. The rules of the game are rewritten each time interest rates change direction. With cost of funds rising, banks may find their additional business very costly.



Natal Building Society's (NBS) 20,2% to R2,6bn and the Perm's 19,5% to R6,4bn.

However, its performance in the first three months of 1988 improved, with growth of 3,2%, compared with NBS 2,9%, Allied 2,8%, the Perm 2,2% and Saambou 1,6%.

"It will improve even more," says a United spokesman, "as business written in the first three months comes on to the books."

But United has a long way to go to regain lost momentum. In the year to end-March 1986, ahead of its listing that December, it grew mortgages by 22,5%, well ahead of other societies that year — Perm 9,9%, Allied 15,9%, NBS 12,2% and Saambou 12,5%.

These figures, of course, are only part of the picture. They don't reflect quality of

The natural advantage will be with the societies. Their longer funding book, which hampers them when interest rates fall, serves them well when rates rise and building society margins should be much more comfortable than the banks'.

THE BIG FIVE

Building society mortgages (R1m)

	UBS	Perm	Allied	NBS	Saambou	Total
December '86	7 765,3	5 088,2	4 164,7	2 082,4	1 617,0	20 717,6
March '87	7 950,9	5 367,0	4 413,6	2 167,8	1 660,7	21 560,0
June '87	8 239,9	5 660,5	4 654,3	2 277,5	1 693,8	22 526,0
September '87	8 493,8	6 025,0	4 979,6	2 420,2	1 701,4	23 620,0
December '87	8 733,8	6 275,1	5 227,0	2 533,6	1 767,5	24 537,0
March '88	9 009,8	6 413,7	5 375,9	2 606,5	1 795,2	25 201,1

Annual growth to March '88

UBS	13,3%
Perm	19,5%
Allied	21,8%
NBS	20,2%
Saambou	8,1%

Quarter on Quarter growth to March '88

UBS	3,2% to R9,0bn
Perm	2,2% to R6,4bn
Allied	2,8% to R5,4bn
NBS	2,9% to R2,6bn
Saambou	1,6% to R1,8bn

Source: Davis Borkum Hare.

Home-owners likely to foot interest bill

123

24/6/88

Business Editor
HOME-LOAN rates will come under upward pressure from July 1 when building societies start paying more to attract funds from investors.

Bond rates are now between 14 and 15,5 percent for new borrowers.

Societies will pay an extra one percent on partly tax-free savings and an extra half percent on tax-free savings.

"These increases have to be financed somehow and that usually means bondholders will eventually foot the bill," said a NBS spokesman today.

These increases form part of

an overall rise in rates paid on tax-free investments announced by the Minister of Finance, Mr Barend du Plessis.

Higher interest rates are also to be paid on tax-free savings with the Treasury and the Post Office.

The Department of Finance also announced that tax-free indefinite period Treasury bonds would be increased by 0,5 percent to eight percent.

Fully taxable

Rates paid on indefinite period defence bonds will rise by one percent to 13 percent on July 15 but these bonds are fully taxable.

Investors were not required to submit their certificates to

the Treasury for alteration as this would be done automatically, said the announcement.

The chairman of Boland Bank, Mr Pietman Hugo, says in his annual report today that he expects another increase in interest rates as money market rates begin to rise.

The bank boosted its home loans by 49 percent to R417-million in the 12 months to the end of March.

For more than a year the rates paid to investors were below the country's inflation rate.

But capital market rates had now become positive in real terms for the first time since the end of 1985, he said.

person's politics or his skin colour.

Black housing shortage

Political Staff 24/6/88

(23) 24/6/88
HOUSE OF ASSEMBLY — The four provincial governments estimated the shortage of housing for blacks outside the homelands was 702 750 units, Constitutional Development and Planning Minister Chris Heunis said yesterday.

The estimated shortage in the Transvaal was 411 194 units, in the Free State 50 409, in Natal 142 000 and in the Cape 99 147.

Last year 24 169 houses were built by the state, local authorities and the private sector in all four provinces, 16 414 of these provided by the private sector.

Material loans for another 17 391 units were granted and local authorities granted loans for 3 974 self-build housing schemes.

Replying to a question by Peter Soal (PFP Johannesburg North), Heunis said: "The provision of housing is the responsibility of the individual, the employer, the other sectors of the private sector and, by absolute exception, in respect of the underprivileged, that of the authorities."

THE ECONOMY

(103)

Selling off a headache, brick by brick

THE government has quietly but determinedly been selling off state-owned housing stock, both to promote home ownership, particularly among blacks, and to get rid of the difficult political problem which has been highlighted by the rent boycotts. By March this year, 80 561 houses had been sold to black people in the urban areas. A further 93 000 houses were sold in South African Development Trust areas.

The "great housing sale", which was instituted in 1983 after the government decided blacks could own property outside the "homelands", had a slow start and was delayed by legal and administrative problems, as well as complications with matters such as surveying and the provision of finance for the purchase of homes. But recent government announcements have indicated the drive to re-

move the state as either the builder or owner of homes has intensified. Legal restrictions on the acquisition of property have been removed or simplified in both Trust and other areas and greater access to finance has been provided.

There is a long way to go before the government is able to sell off all its houses, but the direction and intention of the housing sale strategy is clear. Minister of Works Pietie du Plessis, who is the co-ordinator of a cabinet housing committee on which all ministers involved in housing sit, spoke recently of the government campaign to sell houses built with government funds, particularly those financed by the National Housing

The government has found that selling houses to black residents raises more than hard cash ...

Fund. Each minister was responsible in the area of his jurisdiction, he said. Du Plessis said the number of houses sold to whites by the end of March was 3 777, while those sold to Indians totalled 10 627 and those to coloureds, 45 552.

The government had identified 373 715 rented houses which could be sold to blacks, 10 825 houses for whites, 18 071 for Indians and 160 124 for "coloureds". Although the sale of these houses could release some finance for the provision of services in new develop-

ments or in squatter areas, it was not directly aimed at eliminating the shortage of housing — estimated, on the basis of official statistics, to be 702 750 in the case of blacks and believed to be at least 100 000 units in the case of "coloureds" and Indians.

Indeed, Tobie de Vos, the project leader of the CSIR's Division of Building Technology, said recently the shortfall of 865 000 housing units for blacks could grow to over two million units by 1990. He also estimated the shortfall for all racial groups will be around 3,4-million by the year 2000.

The housing sale campaign is rather aimed at phasing the government out of its role as homeowner and home-provider and, more significantly, the

development of a homeowning black middle class.

At a recent press conference in Cape Town, Minister of Education and Development Aid Dr Gerrit Viljoen said the 93 000 houses sold in the Trust areas had been bought by blacks without a major sales campaign, but a drive would be launched to promote the sale of the remaining 61 000 houses in the Trust areas.

Viljoen said the private sector or developers played "a very important role in the provision of housing and infrastructure for all income groups. The government move to opt out of building or owning homes is not surprising. This, after all, is in line with previously-stated housing policies. But this year the drive is intensifying and the government role as the owner and provider of homes, particularly for blacks, is declining.

PEOPLE'S MOVEMENT FOR DEMOCRACY

Cape Times 24/6/88

702 750

houses ¹²³

needed

Political Staff

THE four provincial government estimated that the shortage of housing for blacks outside the homelands was 702 750 units, the Minister of Constitutional Development and Planning, Mr Chris Heunis, said yesterday.

Most of the estimated shortage of housing for blacks — 411 194 — was in the Transvaal.

The estimated shortage in the Cape was 99 147, in Natal 142 000 and in the OFS 50 409.

Last year, 24 169 houses were built by the state, local authorities and the private sector in all four provinces, 16 414 of which were provided by the private sector.

Material loans for another 17 391 units were granted and local authorities granted loans for 3 974 self-build housing schemes.

The Cape Provincial Government did not build any houses, but provided material loans for 13 948 houses, the local authorities built 3 630 houses and the private sector 1 226.

Saambou enters black housing market

The Saambou Group has entered the housing market for Blacks, Coloureds and Indians.

The chairman and group managing director, Mr H A Sloet, says the company is involved in projects for the supply of about 1700 housing units for blacks, coloureds and Indians through its property subsidiary Saambou Woningen Limited.

As far as housing for blacks is concerned, Saambou has already serviced 129 housing stands in Tsakana on the East Rand where houses will be built in co-operation with East Rand Housing.

In Kwa Thema 80 houses are being built on a tender basis and at Vosloosrus, Boksburg, an agreement has been entered into with Time Housing for the development of 131 stands.

In Khuma at Stilfontein Saambou Woningen has financed the servicing of 141 stands and has made bonds available for the building of houses on these stands.

PRESTIGE

A prestige project for the building of 10 homes in Mamelodi Gardens, a sought after suburb of Mamelodi outside Pretoria, was recently completed.

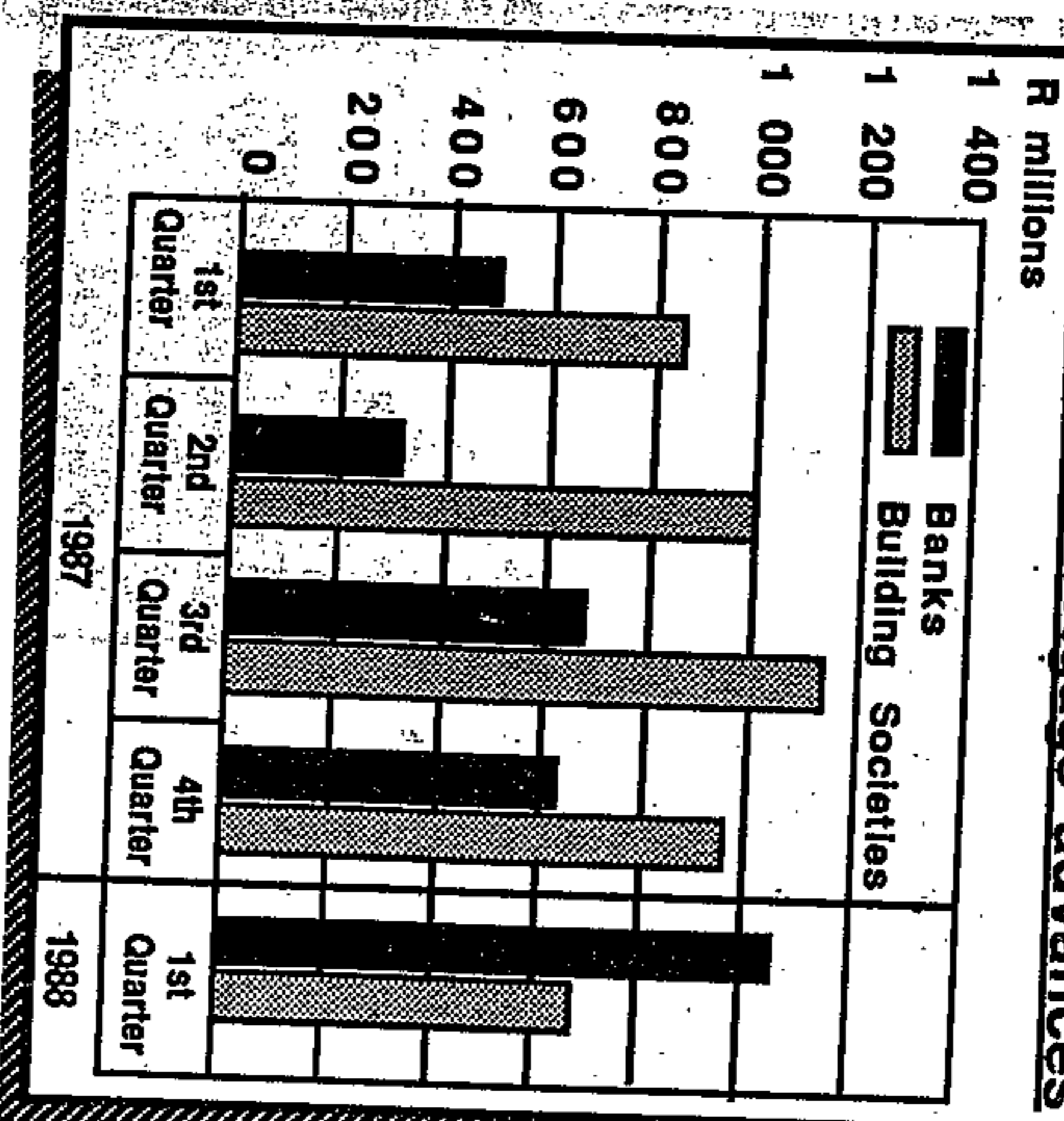
Mr Sloet says 79 houses for coloureds have already been completed in Kleinlei Ext 14 at Eersterivier in the Cape and an additional 800 stands will be made available during the next two years.

In the elite suburb of Ennerdale in Johannesburg, 100 stands have been allocated and by the end of the year the building of houses on these stands should be complete.

A group housing project for coloureds has just recently been completed in Toekomsrus, Randfontein.

Mr Sloet expressed concern over the shortage of land for Indian housing and said Saambou Woningen is investigating the possibility of various housing developments to place housing units within reach of the average family.

Increase in mortgage advances



Banks take the lead in 'bond wars'

By Michael Chester

A review of trends by the SA Reserve Bank has revealed that commercial banks have seized the lead from building societies in the "bond wars" battle to win new home loan business.

While the amount of new mortgages handled by the building societies slipped between the tail-end of last year and the first quarter of 1988, home loans flowing from the banks surged still higher and took the lead for the first time.

A major influence during the change-over was the intense competition inside the housing market to pull down interest rates on bonds and offer radical new finance packages to home buyers.

The total holdings of housing finance mortgages in the hands of the banks grew by as much as R1,2 billion in the first three months of the year — while the increase in the building societies' total tagged behind at about R700 million.

The scale of the 1988 turnaround emerges with Reserve Bank figures showing that the total holdings of home loan mortgages claimed by the

building societies grew by R3,9 billion over the whole of last year, while the banks were still trailing behind with a modest R2,1 billion increase.

The dramatic change of lending patterns in the home loan market emerges after moves inside Parliament to allow building societies more flexibility in enlarging their traditional role to compete in banking business as well.

Proposals to eliminate more of the rules that divide building societies and commercial banks in legislation were contained in a new Bill tabled last week.

Under the proposals, building societies would not only be allowed to join banks in offering to finance the cost of transfers of mortgaged property as well as the mortgages themselves, but also to make more use of short-term funding to finance home loans.

There are also other amendments aimed at allowing more common ground in the competition for business.

Home-ownership a major deterrent to unrest — UBS

By Sven Forssman

Home ownership by as many people of all race groups as possible is the cornerstone of political and sociological stability in South Africa and is probably the most single important deterrent to unrest, United Building Society chief executive Piet Badenhorst says in the UBS Holdings annual report.

"Building societies for a century or more, have been the main providers of finance in contributing to the realisation of this ideal.

"With their infrastructure, unequalled knowledge and experience in this field geared to meet the enormous challenge, it is of paramount importance that building societies enjoy a fairer share of the nation's savings to meet the huge and growing demand for housing finance.

"To this end it is desirable that there be a better distribution of savings to meet all the important requirements relating to the current and future well being of all South Africans, be it provision for retirement, death, disablement or home ownership. Not one of these important elements should be promoted at the expense of the others."

Mr Badenhorst said UBS, like most other financial institutions, had

operated in an extremely difficult and challenging environment.

"Interest rates below the inflation rate, discouraging discretionary savings by the household sector, the relative attractiveness of investments in the products offered by the life insurers, and the aggressive entry by banks into the home mortgage market at competitive rates were some of the factors that made the environment difficult and challenging.

"Other factors compounded the competitive position of UBS. They were:

- "In respect of many of their products, life insurers are operating as deposit-taking institutions without the same prescriptions legislated in respect of building societies;

- "The legislative advantage of banks to accept large volumes of short term deposits which was the cheapest source of funds in the declining interest rates cycle which prevailed during the year under review and;

- "The uncompetitive nature of the long-term funding structure of building societies was made increasingly difficult at a time when the authorities were trying to stimulate domestic economic activity with a negative real interest rate policy."

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Saambou builds for blacks

HELENA PATTEN

THE Saambou group has entered the housing market for blacks, Indians and coloureds.

Chairman and group MD Hendrik Sloet, said the company was involved, through its property subsidiary Saambou Woningen, in projects for the supply of about 1 700 housing units for non-whites.

He expressed concern at the Indian land shortage.

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27/9/88

(123) 

By TOM HOOD, Business Editor

ONE of the best investments a home buyer can make is to pay a few rands extra on the monthly instalment of his home loan. It's as good as earning 15 percent interest tax free.

And it can save tens of thousands on the eventual cost of the house, chopping years off the repayment period.

For example on a R50 000 mortgage, the normal repayment at the rate of 15 percent is R668 a month for 20 years.

By increasing the repayment by only R10 a month, the home owner will repay the loan in 18 years instead of 20, says the Allied.

Fluctuate enormously

The cash saving is difficult to forecast because bond rates could fluctuate enormously.

However, the buyer could save as much as R14 000 as well as owning a bond-free house two years earlier. He will have paid R146 000 instead of R160 000 to buy his house, calculated at current bond rates.

If this home owner boosts his repayment by R20 he will pay off the bond in 17 years, which could bring a saving of R24 000.

Will be bond-free

A home-owner with a R40 000 bond currently pays R534 a month and in 20 years he will have paid in R128 000 — again assuming bond rates at present levels. But if he pays an extra R10 a month, the house will be bond-free in 18 years and he will have saved about R11 000.

He will save even more if he steps up his repayments by R20 a month to R554. The house will be his in 16 and a half years and his total repayments will amount to about R110 000 — saving him some R18 000.

The saving can be even more startling when bond rates are lowered and home buyers continue to pay in a few rands extra.

A couple of years ago bond rates were around 19,5 percent on a R50 000 bond, which cost R830 a month. But cuts in rates have reduced the repayment by R168 to R662 a month — a drop of 20 percent.

Pay off

If the home owner kept his instalment at R830 he would ultimately save tens of thousands and pay off his house in about 15 years instead of 20.

When bond rates rise, it is vital to increase monthly repayments to meet this — otherwise, as some borrowers discovered in the past, they owed more at the end of the year than at the beginning. And paying off

(See Page 20)

increase your monthly bond payments and . . .
Pay thousands less

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missions in foreign countries, Chief Judges in Bloemfontein and Matfkeng, Chairman and member of the Commission for Administration and the Heads of certain government departments.

(ii) Occupation by the office bearers and their households.

Organizations listed as banned and subversive

1228. Mr C J DERBY-LEWIS asked the Minister of Justice:

Whether he will furnish the House with the names of organizations which are listed by his Department as (a) banned and (b) subversive; if not, why not; if so, (i) what are their names in each case and (ii) in respect of what date is this information furnished?

The MINISTER OF JUSTICE:

(a) The legislation administered by the Department of Justice does not provide for the listing of organizations as banned organizations. Section 4(1) of the Internal Security Act, 1982 (Act 74 of 1982), provides for the declaration of an organization to be an unlawful organization in the circumstances referred to in that section. The repealed Internal Security Act, 1950 (Act 44 of 1950), and Unlawful Organizations Act, 1960 (Act 34 of 1960) contained similar provisions and organizations declared to be unlawful organizations under those statutes are by virtue of the provisions of section 73 of the Internal Security Act, 1982 still unlawful organizations.

(i) The following organizations were declared to be unlawful organizations under the said statutes:

ORGANISATIONS DECLARED TO BE UNLAWFUL BY OR UNDER THE INTERNAL SECURITY ACT, 1950

Association for the Education and Cultural Advancement of the African People of South Africa
Black Parents' Association
Black People's Convention
Black Women's Federation
Border Youth Organisation, also known as Border Youth Union

HOUSE OF ASSEMBLY

Hansard

Communist Party of South Africa
Eastern Province Youth Organisation, also known as Eastern Cape Youth Organisation
Medupe Writers Association
Natal Youth Organisation
National Youth Organisation
South African Communist Party
South African Congress of Democrats
South African Student's Movement
South African Students' Organisation
Soweto Students' Representative Council
The Black Community Programmes Limited
The Christian Institute of Southern Africa
The Defence and Aid Fund
Transvaal Youth Organisation
Union of Black Journalists
Western Cape Youth Organisation
Zimele Trust Fund

ORGANISATIONS DECLARED TO BE UNLAWFUL UNDER THE UNLAWFUL ORGANIZATIONS ACT, 1960

African National Congress
African Resistance Movement, also known as African Freedom Movement; National Committee, for Liberation; National Liberation Committee and The Socialist League
Dance Association
Football Club
Football League
Pan Africanist Congress
POOO
SAA Football League
South African Communist Party
Spear of the Nation
Umkhonto we Sizwe

ORGANISATIONS DECLARED TO BE UNLAWFUL UNDER THE INTERNAL SECURITY ACT, 1982

(ii) 13 June 1988
(b) There is no provision for organizations to be listed as subversive.

Public Service: staff housing subsidies

1233. Mr R M BURROWS asked the Minister for Administration and Privatisation:

What total amount was allocated by the departments and the organizational component referred to in section 6(1) of the Public Service Act, No 111 of 1984, for the (a) 1986-87, (b) 1987-88 and (c) 1988-89 financial years for the payment of staff housing subsidies on a (i) compulsory and (ii) voluntary basis?

The MINISTER FOR ADMINISTRATION AND PRIVATISATION:

To furnish the Honourable Member with the information in the requested form, the individual files of approximately 70 000 staff members receiving housing subsidies will have to be consulted. Due to the magnitude of the task, the requested information can not be furnished.

Residence permits: persons of Eastern European origin

1256. Mr C J DERBY-LEWIS asked the Minister of Home Affairs:

With reference to his reply to Question No 950 on 26 April 1988, (a) how many persons of Eastern European origin who entered South Africa on temporary residence permits or tourist visas over the latest specified five-year period for which figures are available returned to their countries of origin and (b) for what purposes did they visit South Africa?

The MINISTER OF HOME AFFAIRS:

(a) and (b)
Statistics on the basis required are not available.

Deferment of tax

1261. Mr C J DERBY-LEWIS asked the Minister of Finance:

(1) (a) Under what conditions may companies apply for deferment of the tax payable by them to the State and (b) for what periods are they granted deferment;
(2) whether the Receiver of Revenue receives interest on such deferred tax; if so, at what rate; if not, why not?

The MINISTER OF FINANCE:

(1) (a) The Income Tax Act provides that "any tax chargeable shall be paid on

such days and at such places as may be notified by the Commissioner or as specified in this Act, and may be paid in one sum or in instalments of equal or varying amounts as may be determined by the Commissioner having regard to the circumstances of the case". While the Commissioner is thus empowered to defer the payment of tax there are no prescribed conditions attaching to such deferment.

(b) The period of deferment depends on the circumstances of the case, the Receiver of Revenue concerned having regard to factors such as the financial position of the taxpayer, the amount of tax payable and whether the taxpayer has a good or bad tax-paying record.

(2) Where income tax is not paid in full within the prescribed period, interest is payable at the rate of 15% per annum on the outstanding balance in respect of each completed month during which any portion of the tax remains unpaid.

In the case of sales tax where due to circumstances beyond the control of the person liable for the payment of tax the amount of tax due cannot be accurately determined within the time allowed, the Commissioner may, subject to such conditions as he may impose, accept a provisional payment. Any shortfall determined in relation to the actual liability as finally determined is subject to interest at the rate of 10% per annum in respect of the period reckoned from the day after the date by which the tax should have been paid in full to the date of payment of the shortpaid amount.

Number of first-year students

1263. Mr K M ANDREW asked the Minister of National Education:

Whether his Department keeps statistics on the number of first-year students registered at universities in South Africa; if so, how many (a) White, (b) Coloured, (c) Asian, (d) Black and (e) other specified first-year students were registered at each university in each of the latest specified four years for which figures are available?

HOUSE OF ASSEMBLY

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Hansard

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Standard
ups home
loan rate
copy TMS 30/6/88

Own Correspondent

JOHANNESBURG. — Standard Bank yesterday announced that it would increase its home loan rate to 14,75% from August 1.

The announcement comes days before the bank's mortgage rate rises to 14,25% from the present 12,5%. The rate on PrestigePlan bondholders will increase by 0,5% to 13,75% from August 1.

Standard Bank's deputy general manager (home loans), Mr Terry Power, said in a press statement that pressure on the bank's fund margins had made it necessary to review its current home loan rates.

He reiterated the bank's commitment not to exceed the average rate charged by the major building societies until the end of the year.

From Standard's latest increase it would appear that the bank's mortgage portfolio is not as comfortable as comments earlier this year suggested.

The United, NBS, First National and Trust are now charging 15% while the SA Perm is still at 14,5%.

HOUSING & HOSTELS
GENERAL

JULY - DEC 1988

This is reality

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■ The pass laws are two years dead: now the focus is on affordable housing

President P W Botha and his administration are irked that reforms they introduce go unacknowledged. This is very often true. Unfortunately — to placate the Right — such changes are generally accompanied by some negative step which dilutes a lot of potential goodwill. Take influx control.

It was abolished two years ago this week. Even initially this historic step was substantially weakened by the exclusion of the residents of Transkei, Bophuthatswana, Venda and Ciskei (the TBVC states) from the decision to restore SA citizenship to black South Africans. The question of TBVC citizenship remains unresolved, although fears that government would use the Aliens Act against these people have so far fortunately proved unfounded. Transkei's military leader Major General Bantu Holomisa has recently put the issue back on the public agenda by requesting dual citizenship. Perhaps this issue will now be resolved.

However, the bad publicity it generated at the time served to eclipse the death of the *dompas*. Of course, for many, both inside the country and abroad, with their black and white view of SA affairs — a question of Hitler vs the Cosby Family — government can do no good. But there is no question that the demise of the dreaded pass raid has alleviated the daily suffering inflicted on countless blacks.

Says Geoff Budlender of the Legal Resources Centre: "Until 1986 a large amount of my time was spent assisting people who could not get on with their lives because they didn't have the required stamp to be in the urban areas. I counselled grown men who cried in my office, and we are not seeing this any more."

The Black Sash's Sheena Duncan agrees that the level of harassment endured by blacks has diminished. Previously the organisation's major case load concerned influx control; today the emphasis has shifted to sorting out problems such as incorrect data in the new ID books, work problems involving non-unionised workers such as domestics, and homelessness.

But now government's good faith is again being questioned with the introduction of the controversial Prevention of Illegal Squatting Amendment Bill.

Critics of the new squatting laws say they are designed to replace the pass laws. When the *dompas* was abolished it was stated that "orderly urbanisation" was to take its place and that squatting legislation would become the legal mechanism to enforce this. Yet if these laws are meant to replace influx control, they are doomed to fail.

After all, influx control was abolished mainly because it had become impossible to

enforce any longer. Long before its abolition people were moving into the cities and what we are witnessing now is merely a continuation of that process. In fact, fears that the cities would be overrun when influx control was removed have proved largely groundless. Many of those setting up home in the squatter camps are not even new arrivals to the cities but the overflow from overcrowded townships. The Urban Foundation's Ann Bernstein says we are now witnessing the emergence of what was a hidden population daily gaining confidence.

Rural people are still drifting into the belt of squatters that surrounds Durban and into the Cape Peninsula — but not in dramatic numbers. In the PWV there does not seem to be any major influx. The inhabitants of KwaNdebele still endure their long daily bus rides to work, as do those of Winterveld and Botshabelo.

Land for black settlement in the urban areas, however, remains limited. So the decision to tighten up on squatting does seem to substantiate the belief that government still harbours the dream of trying to stem the flow — at least to some extent — of black people to the cities.

However, this legislation is qualitatively different to the pass laws. Squatters' shacks may indeed be demolished by government — and this is happening in places like Alexandra and Duncan Village where people are being moved to make way for redevelopment schemes. But, as Bernstein points out, government no longer has the means to kick out of the cities those so evicted.

She notes that the abolition of influx control represented a decisive first step in unlocking the larger debate on a new positive strategy for urbanisation in SA. It has brought into focus other pillars of separate development such as the Group Areas Act, decentralisation and the homelands policy. For this reason she cautions that we should not regard any urbanisation policy as a single event but rather as a process.

This debate at the moment, Bernstein adds, hinges around the question of where urbanisation will be allowed: where in the cities, still governed by the Group Areas Act, and where in the country as a whole, which continues to be manipulated by the homelands policy based on the Land Acts.

Bernstein is concerned that government policy continues to discourage growth in the major metropolitan areas, preferring to push black settlement to fringe areas and decentralisation points — at great cost to the taxpayer. She notes, however, that there have been some rather more positive steps recently. They include the anticipated amendments to the Group Areas Act and

some momentum in the identification of land for black settlement within city areas.

Also crucial to the debate, says Bernstein, is the question of what *kind* of housing will be allowed. The major thrust in black housing at the moment is in middle-class or low-income housing, rising in price from R10 000. But even this is too expensive for the majority — the solution lies in allowing the growth of informal settlements.

However, government's post-influx control housing policy has dovetailed with its attempt to regain the political initiative in the townships. As Stoffel van der Merwe puts it: for a revolution you need the agitators and the grievances. The State of Emergency is there partly to remove the "agitators" while government attempts to sort out the grievances with massive upgrading schemes. Much of the development is concentrating on middle-class housing — not, unfortunately, affordable housing for the poor.

The question that arises is: if the major thrust of housing in the urban townships is to be for formal dwellings, where are people going to construct informal ones? Will only those who can buy their way into housing be accommodated close to the urban areas?

If this is so it means we can expect more bungled attempts at removals which — in the language of government — will not win any hearts but will rather turn them into wells of bitterness.

This is part of the pattern. On the one hand government is assiduously wooing blacks to participate in reform plans, encouraging them to participate in the forthcoming local authority elections and the tricameral parliament. On the other it introduces new mechanisms that can only be used against those it should regard as potential supporters — the poor and the newly urbanised. It is the poor who really can be brought into "the system" by material benefits, since this is what concerns them most immediately.

Another problem is that if it is up to black local authorities to enforce the squatting legislation, for the benefit of an elite which includes them, it will further isolate them from their constituencies.

In the end urbanisation is always messy and any attempts to block it will make it messier. Pretoria seems to have accepted half an equation — black urbanisation — while stalling on the requisite measures.

In essence, what is needed is a dynamic approach. The only solution to our housing problem will be the freeing of massive tracts of land with minimal services close to the urban areas for the poor to build what they can afford. We are only beginning to move down that road. ■

5/7/88 B/Day

Areas plan 'can harm economy'

BIFSA executive director Lou Davis appealed to government last night not to rigorously impose group areas through proposed amendments to the existing Act, as this was likely to have "a detrimental affect on the industry and the economy of the country."

Davis cautioned against diligent or excessive "policing" of areas which are

not demarcated as open, claiming that the resulting effect on the country as a whole would be enormous if "suddenly a great number of people from other population groups are turfed out of their homes".

"The housing problems won't vanish overnight." — Sapa.

● See Page 3

(23)

B/Day 5/7/88

The index is compiled by combining statistics — including the value of re-

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Areas plan 'can harm economy'

5/7/88 B/D

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"The housing problems won't vanish overnight." — Sapa.

● See Page 3

(23)

Property market buoyant — Buildcor chief

(123)

Finance Staff

The property market is very buoyant, with no signs of a downturn, says Buildcor chairman Derick Brindle, in the group's annual review.

He says the existing major housing shortage, which current estimates put at 800 000 units,

could be on the short side if the average number of people occupying a house is reduced in line with an improvement in living standards. *See 7/7/88*

On this basis, Mr Brindle believes that the real shortage is very much greater, primarily because people are forced to share existing houses at levels

which rise to 18 for each unit.

With these points in mind, Mr Brindle says that there is no reason to revise the projected earnings growth given in the Buildcor prospectus of 40 per cent per annum in the foreseeable future.

"This projection is based on organic growth," he says.

ONE of the best investments a home buyer can make is to pay a few rands extra on the monthly instalment of his home loan. It's as good as earning 15 percent interest, tax free.

It can save tens of thousands on the eventual cost of the house, chopping years off the repayment period.

For example on a R50 000 mortgage, the normal repayment at the rate of 15 percent is R668 a month for 20 years.

By increasing the repayment by only R10 a month, the home owner will repay the loan in 18 years instead of 20, says the Allied.

The cash saving is difficult to forecast because bond rates fluctuate.

However, the buyer could save as much as R14 000 as well as owning a bond-free house two years earlier. He will have paid R146 000 instead of R160 000 to buy his house, calculate at current bond rates.

A few extra rands monthly on a bond can save thousands in the long term

Star 9/1/75

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If this home owner boosts his repayment by R20 he will pay off the bond in 17 years, which could mean a saving of R24 000.

A home-owner with a R40 000 bond currently pays R534 a month and in 20 years he will have paid in R128 000 — again assuming bond rates at present levels. But if he pays an extra R10 a month, the house will be bond-free in 18 years and he will have saved about R11 000.

He will save even more if he steps up his repayments by R20 a month to R554. The house will be his in 16 and a half years and his total repayments will amount to about R110 000 — saving him some R18 000.

When rates rise

A couple of years ago bond rates were around 19,5 percent on a R50 000 bond, which cost R830 a month. But cuts in rates

have reduced the repayment by R168 to R662 a month — a drop of 20 percent.

If the home owner kept his instalment at R830 he would ultimately save tens of thousands and pay off his house in about 15 years instead of 20.

When bond rates rise, it is vital to increase monthly repayments to meet this — otherwise, as some borrowers discovered in the past, they owed more at the end of the year than at the beginning.

However, paying off your bond is only worth your while if you do not receive a housing subsidy or allowance from your employer. It has been suggested that about 70 percent of all white homeowners in South Africa receive some kind of subsidy, either from the state or their employers.

In this instance it will be foolish to repay your bond in full as it would result in the loss of the subsidy

Ster 9/7/88
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Building costs set to rocket this year

FRANK JEANS

THE contract price — excluding land — of the average three-bedroom home could soar from the present R60 000 level to about R75 000 this year.

This is the result of an expected 21- to 25-percent increase in building costs mainly because of dearer materials and the rising cost of labour.

The price of materials rose by no less than 17 percent in the first quarter of this year compared with the same time in 1987.

● Full story in Property Guide.

9/7/88
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LTA low-cost housing move shakes builders

LTA's decision to abandon its operation in tendered mass low-cost housing because it was unprofitable has disappointed those involved in the building industry.

The decision was announced by LTA chairman and heir-apparent to the Progressive Federal Party leadership, Dr Zac de Beer, in the company's annual report yesterday.

"Instead," Dr de Beer says, "considerable resources are being devoted to housing development work, which we undertake in partnership with Comiat Limited.

"Our building division was the major disappointment of the year under review. While some companies per-

SVEN FORSSMAN
PAT DEVEREAUX
and ADELE BALETA

formed well, others made large losses, caused partly by over-keen tendering and partly by unsatisfactory management."

Reacting to the LTA decision last night, people in the building industry expressed disappointment.

Executive director of the National Association of Homebuilders, Mr Johan Grotius, said: "We are obviously disappointed at LTA's decision in the light of the backlog of housing needs for lower-income groups. But it reaffirms the risk factors are high for those in-

involved in building and contracting in this sphere and the need for government assistance in cushioning the effects.

"Low-cost housing is expensive to provide and a huge vacuum in the housing industry was left after the shift from rented low-cost government housing to an emphasis on home ownership — there is now a tremendous housing backlog," he said.

Mr Frank Berkley, Managing Director of Gough Cooper Homes (Pty) Ltd, said he did not understand why low-cost housing had resulted in a loss for LTA.

He said Gough Cooper's Goldstein division which dealt with tenders

● TO PAGE 2

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LTA decision disappoints

● FROM PAGE 1

from government and municipalities had proved to be profitable and the company would continue doing business in low-cost housing.

He said he admired Dr de Beer's honesty in attributing losses in LTA's building division to over-keen tendering and unsatisfactory management.

"Naturally we're upset to hear LTA plans to abandon its mass low-cost housing operations," said South African Housing Trust managing director, Mr Joe Taylor. "We believe the private sector must be involved in low-cost housing. More govern-

ment subsidies — and we have so much already — distorts the market. It is possible to study this market and be innovative in making it profitable," he said.

Mr Rob Crockett, the managing director of Sage Schachar, said: "It seems a sensible decision to me. We have always been involved in the development side of housing. In the area of black housing there is a limit to how low we can go in terms of the money-lending institutions. We haven't submitted tenders for mass low-cost housing. However this decision will not influence us as we will continue to tender for low-cost housing."

Slim margins defeated LTA in the low-cost housing sector — Wood

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FRANK JEANS

PURE economics — that is what finally decided construction giant LTA to pull out of the low-cost housing market, as it announced in its annual report last week.

The group claims it has simply not made any significant profit out of low-cost housing.

Mr Colin Wood, managing director, says: "Our withdrawal has not been sudden one. Actually, we

decided to disband more than a year ago and have now run out present contracts."

He emphasises this does mean the group has lost its capacity to build low-cost housing.

"We have building companies in every major South African centre and we could enter the market again if and when margins improve.

"It should be remembered, too, that we are

continuing with development and building work in the upmarket sectors of black, Indian and coloured housing throughout the country."

Contract prices in the black housing sector are too low and competition too keen. So until tender mark-ups become more realistic, there will always be cost problems in this vital homes area.

Pointing out there has been a move away from

the large-scale housing contracts for local authorities to more personal homebuilding activities on a plot-and-plan basis for private ownership, one expert in black housing says:

"Other large-scale home builders have managed to switch over from the one type of product to the other without having to take another look at the situation later, and eventually halting operations in that market."



GROUP MD: Colin Wood of LTA.

Major surge in townhouse construction

The increasing tempo of construction work throughout the country is reflected in the latest figures from the Central Statistical Service of Pretoria which show that the total value of work on hand in January this year rose by 30,7 percent over the same month last year — R2,6 billion to R3,5 billion.

There are clear indications, too, that the pace is not lessening, certainly so far as building is concerned. The combined value of building plans passed for May this year jumped by 57 percent over the fifth month of 1987 (R339 million from R192 million).

The big plus factor occurred in the flats and townhouses market which showed a massive 231 percent rise, with dwelling houses hoisting a 60 percent increase.

The additions and alterations market is also booming with a 35 percent increase.

Non-residential building activity recorded a 45 percent rise.

The contract price index of buildings rose by 4,1 percent in the first quarter of this year as against the same time in 1987, says the CSS.

Of the 11 regions, seven had annual rises of more than 14 percent, with the Johannesburg, Sandton and Randburg areas, top of the league at 25,5 percent.

The type of building which shows the largest quarterly increase is housing schemes, with a jump of 6,4 percent.

The Johannesburg building scene is also looking good, with the latest figures from the City Planning Department showing the value of work begun during June at R37,4 million compared with R21,3 million previously.

First step: sell the land to the people

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Star 14/71

There is little room for private-sector involvement in mass housing for the poorest section of the black population, according to Anglo American director Dr Zac de Beer.

Dr de Beer, who is also chairman of LTA, Southern Life and Anglo American Properties and the likely new leader of the Progressive Federal Party, says construction companies can operate profitably only in more up-market development housing.

"But the need for housing is enormous and most people cannot even afford to buy houses at a cost of R16 000, which is the cheapest at which houses can be built at the moment," he says.

One option is to revert to subsidised housing in that market, but the State would eventually not be able to carry all the costs, nor would the family be given a say in the design of the house.

Instead, Dr de Beer proposes that the Government, in conjunction with the Urban Foundation, develop self-help housing programmes that focus on "settlement upgrading in the shanty areas".

Based on similar successful projects in South America in the 1970s, Dr de Beer says the first step is to sell the land to the people at a cheap price.

"Social workers, and not engineers, should then assess the needs of the community, after which a State-run centre in the area can provide the building plans and building materials at a cheap cost."

Dr de Beer points out that two successful self-

By SVEN LÜNSCHE
Big business should be eloquent and active in striving for a society that makes for an improved business environment, argues Dr Zac de Beer.

help housing projects have already been implemented by the Urban Foundation, which this year is constructing houses at a cost of R280 million and is trying to bring down the cost of building a house to even lower levels.

Commenting on LTA's decision to pull out of mass-tender housing, Dr de Beer stresses that the market is hyper-competitive and that tender offers are eventually pushed too low to ensure a profit for the group.

MUCH MORE PROFITABLE

"There is no way we can build at a loss — or donate houses to poor people, for that matter. If we did not make money on our projects we would eventually go bankrupt," he says.

He stresses that LTA has now entered housing development on a fairly large scale. "In that market we provide the land, build the houses and eventually sell the house, which is a much more profitable and more up-market area of the construction industry."

Dr de Beer says big business has to vastly im-

prove the image of free enterprise among the black community.

"Before apartheid is dismantled, we will have to prove to the black people that free enterprise and apartheid are contradicting each other — not, as often said, benefiting from each other.

"Business has been, at its worst, uncaring about social issues, but since Sharpeville and under pressure from economic growth, the need for skilled black labour has been realised, and together with this the need to provide a more stable social and political environment."

Focusing on the need for greater productivity, Dr de Beer highlights a number of factors that he believes most businessmen strive for:

- Proper training and educational systems, as apartheid is not conducive to an improved educational system.
 - The abolition of forced residential apartheid.
 - Efforts to combat the alienation felt by blacks in all aspects of the apartheid society.
- "But most importantly, a programme of political reform is absolutely essential in order to get foreign capital back into the country.

"Foreign investment could finance economic growth in this country, which at present is almost impossible to achieve above a growth rate of three percent as we are faced with balance-of-payment constraints," Dr de Beer concludes.



Dr Zac de Beer . . . Most people can't even afford to buy the cheapest house.

Housing 'needs savings'

SAVINGS in the hands of the life assurers should be channelled into much-needed housing, SA Perm top management said at the building society's annual meeting yesterday.

Perm chairman Alistair Macmillan said in his chairman's address: "Mechanisms must be found to channel some of the household savings held by the life offices into housing."

All the major building societies agree life assurers' share of the nation's savings is too large compared with that of the societies.

Macmillan also called for "the playing fields, in which the various sectors of

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the financial-services industry play, to be levelled. Otherwise, it is nonsense of talk of an open market".

Saambou's Hendrik Sloet said yesterday he agreed with Macmillan. "Since life assurers are becoming deposit-taking institutions, they should be subjected to the same regulations as banks and societies."

Macmillan said savings available to the building-society industry had been all but eroded because of inflation and

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Housing 'needs boost from life savings'

taxation. "The result is that the home-loan industry is now relying substantially on volatile and unreliable corporate savings and the individual saver has tended to seek the inflation and tax protected havens offered by the life companies."

Only a small band of enthusiasts were really conscious of the enormity of the housing backlog. Until the turn of the century, the country needed to build new houses at the rate of 250 000 per annum, of which the private sector would have to supply about 100 000 a year. Last year,

the private sector built only 30 000 new houses — "a deficit of 70 000".

Finance needed every year from the private sector to meet the country's housing needs amounted to about R1,7bn annually at current prices. "Yet the entire building society movement probably advanced less than R1bn against this need in the last financial year and the banks have granted a negligible amount for new housing."

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Govt 'is compounding plight of the homeless'

Homelessness is arguably the most serious problem in South Africa, says the Black Sash, yet the Government is proposing to make even more people homeless by evicting them from farms or for being in the "wrong" group areas.

The group says this is the likely effect of the Prevention of Illegal Squatting Amendment Bill, the Group Areas Amendment Bill and the Slums Bill, all of which could become law by the end of August.

All the Bills provide for the removal of people from their homes without regard to the availability of alternative accommodation.

In a special pamphlet, the Black Sash says the measures have certain

other things in common:

- They make homelessness a crime.
- They punish the condition of being homeless with penalties more suited to crimes of violence.
- They remove judicial consideration of justice and human rights and substitute the opinions of functionaries and a compulsion on judicial officers to make orders.

All this is about to become law in a situation where "one out of six South Africans is without proper shelter or is living 'illegally'".

The Black Sash says the new measures will result in more human suffering and chaos.

"Laws such as these bring law in disrespect," the group concludes.

BLEAK FUTURE

By THEMBA MOLEFE

AHEAD IF BILLS ARE PASSED

MILLIONS of homeless people in the rural areas and cities will be affected even more drastically if three Bills presently before Parliament become law, legal experts and organisations monitoring homelessness have warned.

The Bills provide for amendments to the Prevention of Illegal Squatting Act, the Slums Act and the Group Areas Act. They will be tabled in August.

Attorney, Mr Geoff Budlender, of the Legal Resources Centre, said in his analysis that proposed legislation on illegal squatting placed the onus on the squatter to prove his innocence and that the courts were obliged to order the eviction of the person concerned and the demolition of structures he had built.

The court has a discretion in this regard in terms of existing laws.

Penalties

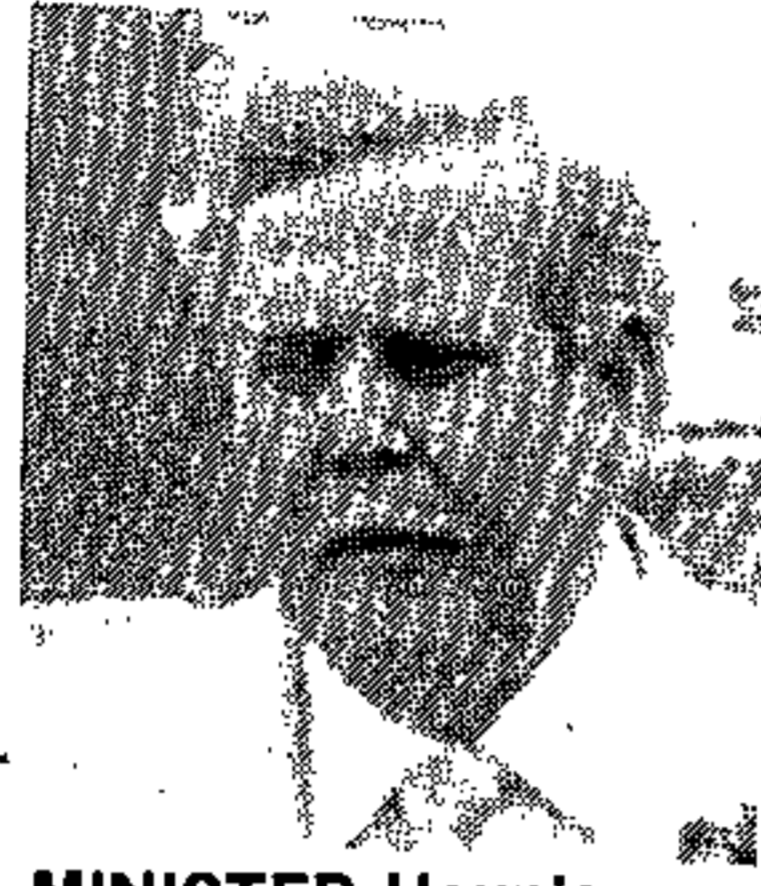
The penalties for contravention would be sharply increased, Mr Budlender said.

The Bill proposes penalties amounting to R2000 or 12 months imprisonment. The fine for continuing to commit the offence has been doubled, to R20 or 14 days' jail for every day on which the offence is committed.

Landowners or lessees who permit the erection or occupation of unauthorised structure on their premises can be sentenced to fines of up to R10000 or five years' jail.

Mr Budlender said punishment, eviction and demolition orders will not be suspended by an appeal to the Supreme Court.

"The success of an appeal to the Supreme Court will thus be largely theoretical as the



MINISTER Heunis ...
in charge of Bills.

Millions will be affected

punishment order will already have been carried out," he said.

A clause in the squatting Bill also creates an entirely new procedure for removals from "white" rural areas. All black people living in those areas, except farmworkers, can be removed.

"The families of farmworkers are not exempted. The clause effectively reverses a major reform in the

Abolition of Influx Control Act, which by repealing Chapter IV of the Development Trust and Land Act gave black people easier access to 'white' rural areas," Mr Budlender said.

The Bill also vastly extended the administrative powers of removals by limiting magisterial discretion.

"A major theme in the Bill is that it places wide-discretionary powers in the hands of officials and

limits the power of the Supreme Court to control both administrative action and the conduct of the lower courts."

Mr Budlender said one of the most striking aspects of the Bill was the extent to which it mirrored the pattern of the present state of emergency legislation.

"The overall impression created is that the Bill is an attempt to deal with what is officially

perceived as a crisis situation by creating wide and largely uncontrollable administrative powers," Mr Budlender said.

Mr Budlender summed up the effects of the Bills if they were to become law by saying: "Millions of people in the rural areas and cities are criminalised because they are landless. People whose offence is that they have nowhere where they can live lawfully are now placed at greater risk than ever before".

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'Building industries would boom'

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Tax rebates for housing punted

By AUDREY D'ANGELO
Financial Editor

TAX rebates of 200% on expenditure incurred in providing housing for employees would have a "mind-boggling" economic impact, city businessman Philip Krawitz said at the annual dinner of the University of Cape Town Graduate School of Business Association last night.

Apart from providing badly-needed housing, which was the key to sociological stability, "there would be an enormous fill-up in the field of job creation. All the industries associated with home-building materials would boom".

"In time to come, all these new homes, and the income generated in their creation, would provide purchasing power for consumer durables such as furniture and appliances. Certainly, such a step could be the key to a 5% growth rate, placing little demand on our balance of payments as most of the materials and labour are local."

The suggestion was one of several Krawitz made to help improve SA's situation.

He said this was not hopeless, in spite of double-digit inflation, the state of emergency, rising unemploy-

ment, world hostility and the need to restrict the growth rate to below 3% in order to maintain a balance of payments surplus.

SA still had strengths. The chief of this was "the immense, untapped fund of goodwill, prevalent amongst millions of our fellow citizens who simply want to live side by side without taking up arms".

Since those holding power must take the first step, Krawitz suggested the government should:

- Remove the Group Areas Act "and every remaining statute which offends the dignity of man and divides our peoples";

- Abolish preconditions and petty posturing and sit down round a very large table with a blank sheet of paper;

- Convince those present that, while many hurdles have still to be jumped, no-one should quit the race as long as the finish line remains in sight.

Discussing the need to redistribute as well as create wealth if capitalism is not to give way to socialism, Krawitz said: "With 5,5m black people currently unemployed and a need to provide 1 000 homes every day between now and the year 2 000, the free-enterprise system could hardly wish for a better opportunity to prove itself."

Progress stifled by red tape

UNLESS there is a determined effort by Government to cut through the mounds of red tape stifling progress on the housing scene, there is little prospect of development taking place at anything like the required rate.

This is the opinion of Peter Clogg, Group Five's CE, who, like many others, believes progress in this area is vital to the country's development at this stage.

"It is really a matter of will, because we certainly have the means available. We have simply got to accept that some action has to be taken, especially with regard to the availability of land," he says.

The future of the building and construction industry is no different from any other, in that it is highly dependent on the political climate.

For the next 18 months the industry appears likely to remain fairly buoyant, but looking ahead over the next three to five years the uncertainty of the political situation makes predicting more difficult, says Clogg.

"Every factor involved in forecasting future trends in the industry is vulnerable to political events. In a worst-case scenario, clients who might otherwise be forward-looking may take a different view and cut back on planned expenditure.

"On the other hand, if we can overcome some of our problems then a continuation of the present fairly positive trend is quite likely."

Clogg says the company has a strong order book at present, and should give a good account of itself in the immediate future. For the first time since 1980 its turnover is outpacing inflation. "This, coupled with the more sensible margins we are getting, should mean a considerable improvement in earnings in real terms."

The company has a firm policy of not taking on more work than can be efficiently handled at any one time, despite the temptation to chase additional turnover now that margins have improved.

"Over-extending oneself is not clever if standards are allowed to suffer, and we are very jealous of our reputation for quality work. While we would never turn down work from our regulars, other possibilities are very carefully considered," he says.

The building scene on the Witwatersrand is currently very active. Group Five Building-Combrink, for example, claims to be highly involved with several major contracts and a number of planned developments to be announced soon.

In the Johannesburg CBD the company is well ahead on its R32m contract for the construction of Project 1066 — a 20-storey office development for SA Mutual Properties.

The company is also busy

on phases three and four of Southern Life Gardens — a R16m office development at Sandown. Combrink completed the earlier phases two years ago at a cost of just over R9m. It is also involved in the construction of a supermarket and office development at Hurlingham being carried out in conjunction with Nexus Projects at a cost of about R17m.

Group Five Building-Stevenson has just been awarded a contract worth R28,8m to build Natal Newspapers' new centralised headquarters building in Stamford Hill Road, Durban, and has a wide spread of work in Natal.

In Port Elizabeth, the company is constructing the new R35,8m Regional Post Office building, while Group Five Building (East Cape) is handling the contract for the new R7,9m fire station there, and a contract for extensions and improvements at St Alban's Prison.

Also in the Cape, R H Morris has just completed work on the R17m NBS/Waldorf building in St George's Street, Cape Town, and is working on the R15m Cape Archives con-

tract on the historic Roeland Street gaol site.

At the Peninsula Technikon the company has an R11m contract for student amenities and a recreation centre, a R9m contract for the new science block at the University of the Western Cape, and a R2,6m contract at the University of Cape Town.

The road building section of the company recently won contracts worth R157m in a single day (May 27), including two contracts on the new N3 toll route and one for the construction of the Wriggleswade Dam near Stutterheim.

Although this section is looking healthy at the moment, Clogg says there is talk of a cutback next year on roads expenditure.

He feels the civils scene is rather flat, but CMGM Transvaal has some large contracts on hand including R60m worth of work for Gencor on their new Karee Mine, and SAB's new brewery at Pietersburg.

CMGM Natal is the main civils contractor on Eskom's R35m Majuba Power station being built near Amersfoort.

After a fairly quiet period Group Five Projects recently picked up some contracts as a result of the Mossel Bay development, as well as work in Natal and Transkei.

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Yours for just 25c a month: a state house

By CARMEL RICKARD, Durban

DETERMINED that all National Housing Commission houses must be sold off, the state has announced monthly loan repayments of 25 cents for the very poor.

This week's Natal Provincial Administration announcement to that effect means even a poverty income should not prevent people in townships administered by the NPA from buying the houses in which they live.

This follows approval by the ministers responsible for housing of a new formula for the sale of properties financed by the NHC.

According to the formula, people who want to buy their houses but whose monthly income is R50 or less will pay 25 cents a month over 30 years in loan repayments.

For those with an income of between R51 and R100 the repayments will be 94 cents a month. The repayments increase with income, and for those earning R800 a month and more, there is no subsidy.

However, all the scheduled monthly repayments exclude service charges. This means prospective home buyers will have to budget for water, electricity, sewerage and refuse removal — where these services are offered — in addition to the loan repayment.

Officials at the NPA said it was impossible to give an estimate of the service charge as it varied from one township to another.

The NPA also said where the purchaser could not afford a deposit this could be paid over two years. In some cases it may even be waived.

An official of the NPA said the formula applied to anyone living in National Housing Commission houses in any province.

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Carmel Rickard

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Bristol Industries manages only nominal pre-tax increase

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By Ann Crotty

Bristol Industries, the property holding company, achieved only a nominal eight percent increase in pre-tax income to R532 000 (R492 000) for the year to end-February 1988.

The results, which are released almost five months after the close of the financial period, show taxed income up just 6,9 percent to R279 000 (R261 000). This was due to a marginal increase in the tax rate from 47 percent to 47,5 percent.

Performance was greatly enhanced by a 68 percent surge in contribution from associated companies to R155 000 (R92 000) and also a R416 000 (R257 000) surplus on the disposal of investments.

But this was transferred to non-distributable reserves which left earnings per share at 2,72c which was just 6,7 percent up on the previous year's 2,55c. An unchanged one cent dividend has been declared. If attributable income of associated companies is included earnings per share rise to 4,23c which is 23 percent up on 1987's figure of 3,44c.

Financial clout needed to solve housing crisis

Star 20/7/88 123

By Frank Jeans

The financial institutions will have to bring their financial clout into play if South Africa's housing programme is to succeed, says Mr Mike Rosholt, chairman of Barlow Rand.

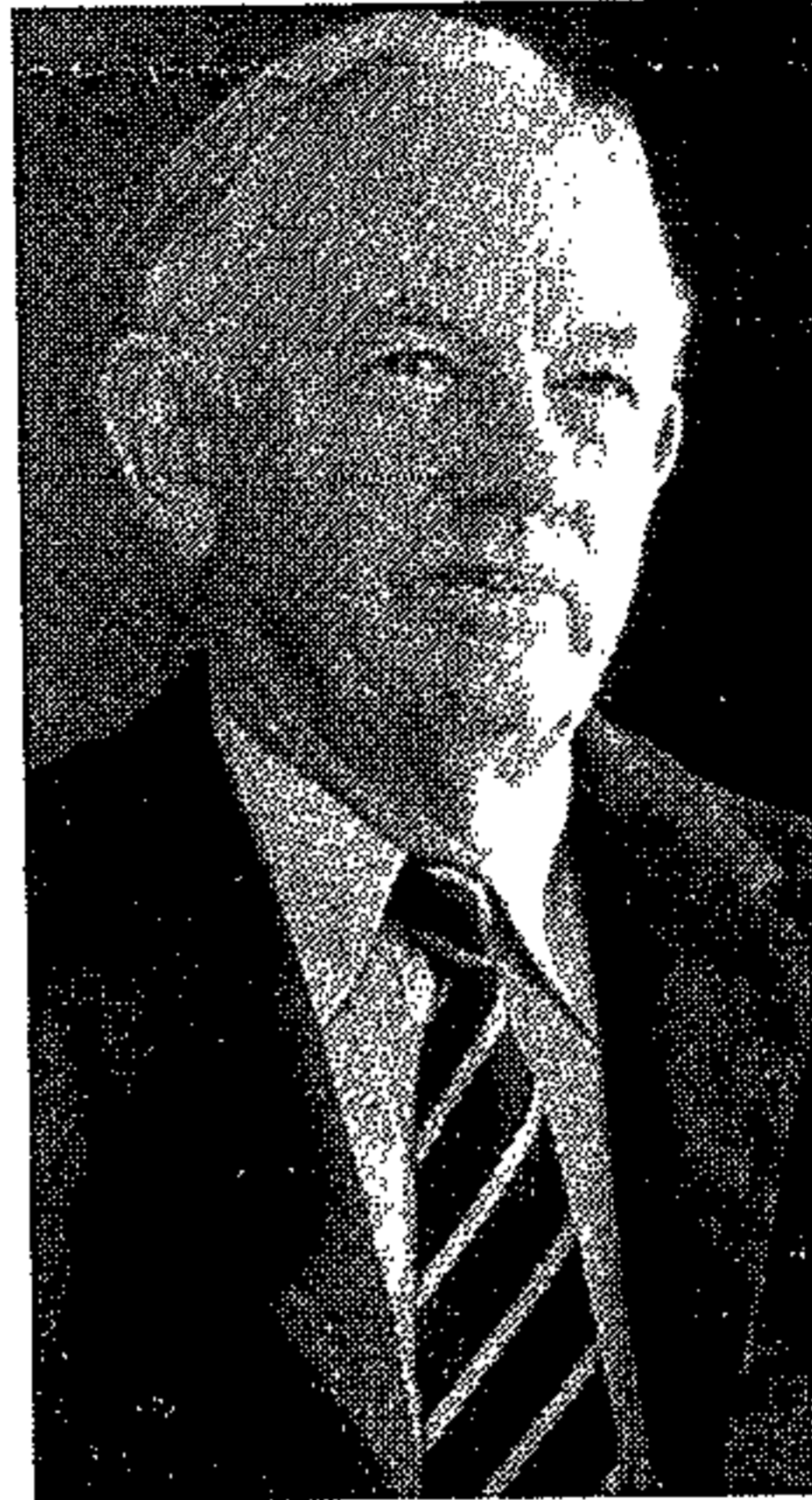
Seconding the speech by chairman Mr Alistair MacMillan at the annual meeting of the Perm in Johannesburg yesterday, Mr Rosholt said this would have to be done through the introduction of innovative, negotiable investment instruments pitched at attractive market-related rates of return.

In particular, these will have to be targeted at those major financial institutions, the life companies and pension funds which are currently attracting the bulk of personal savings," said Mr Rosholt.

The failure to mobilise plentiful amounts of home loan finance is seen as the key obstacle in the housing process, particularly in relation to loans of R30 000 and less.

And the Barlow Rand chairman believes that with the higher risk and administrative costs involved, the reluctance of home loan institutions to grant loans below that figure is understandable.

"This, however, is where the greatest need lies," he says, "and solutions, based on sound market-related rates and nor-



Mike Rosholt

mal commercial and business principles must be found.

"It is clear that if we are to come anywhere near meeting the overall housing requirement it will be necessary for the full resources of the private loan institutions, building societies and banks to be totally involved."

Mr Rosholt backs the basic principle of the Government confining itself to housing those who are clearly unable to acquire any shelter whatever and

for the private sector to provide affordable housing for those able to finance it and with the Government's role, in this instance, restricted to providing finance and subsidies.

Acknowledging the Government's recognition of the land availability problem in the housing scene and its "determination to act", the Barlow Rand chairman sees this as an encouraging attitude towards an issue which remains critical.

Perm chairman, Mr MacMillan, asked in his address: "While a small band is really conscious of the enormity of the housing backlog, are the rest of us really aware of what the shortfall means both in unit and monetary terms and in human misery terms?"

Pointing out that 1 000 houses will have to be built every working day or 250 000 a year to the new century, Mr MacMillan said this represented an annual outlay, at current prices, of more than R3 billion.

"The portion of that market which one could expect the private sector to address has an estimated value of R1,7 billion and yet the entire building society movement probably advanced less than R1 billion against this need in the past financial year.

"And the banks have granted a negligible amount for new housing."

R1.4-bn (123) earmarked for housing

stejn 30/7/88

FRANK JEANS

THE Government was stepping up spending on low-cost housing, and over the next two years the South African Housing Trust would inject R1.4 billion into the homes business, Minister of Economic Affairs and Technology Mr Danie Steyn said this week.

Mr Steyn was addressing the Portland Cement Institute at a function at the institute's Halfway House head office.

"The Government has budgeted about R222 million for housing this financial year," he said.

"In addition, the trust has approved facilities for about R620 million — a sum which will provide more than 56 000 homes."

The sale of homes in black urban areas in the Transvaal continues to gather momentum.

A total of 1 254 houses were sold to registered tenants during June.

Best to let black housing take its own course

SOUTH AFRICA is changing so rapidly — for good and ill — that it becomes difficult to preserve a framework of assumptions in which to judge events. Or, to put it colloquially, this place is crazy.

Here is a paradox: the political rhetoric from the black townships consists overwhelmingly of dreary socialist clichés, offered at precisely the moment in history when socialism is failing worldwide, while the reality of the townships is a bustling urbanism and a soaring entrepreneurial spirit.

Everybody knows about the taverners — the shebeen keepers — whose importance to the liquor trade makes them respected customers, courted by suppliers. Everybody knows, too, that the taxi-owners have the muscle to bargain for fleet sales, and for bulk fuel supplies.

But it goes beyond this. Every day brings fresh evidence that a breed of urban black man and woman, shrewd and tough and ambitious, is beginning to take hold of the future. The retreat of apartheid, with its destructive bureaucrats and its restrictive regulations, is opening new gaps by the day.

Nobody measures the informal economy (the free economy, I like to call it) but some economists say it may account for 30%-40% of our economic output. Indeed, excessive taxes are driving even "white" enterprises into what the British, untroubled by the double meaning, call the "black" economy. Anybody who has hired a bricklayer for cash knows what I mean.

In any event, the informal sector offers the only visible explanation — or partial explanation — for one of the puzzles of current political debate: where are the millions of utterly poor people who stand at the centre of that debate?

Before the entire welfare lobby goes into hysterics, let me say that I don't doubt the existence of gruelling poverty in South Africa, especially in the drought-shattered rural areas. I know that TB is an index of endemic and growing poverty in some classes of people, and I am sure that diseases like kwashiorkor and gastro-enteritis are deadly indicators of deprivation.

I know the Eastern Cape has been crushed by unemployment, and that young matriculants, lacking work, hang around in dangerous gangs. I know, too, that lack of housing creates intolerable conditions of crowding and stress. And I have been inspecting shanty settlements for 30 years.

Still, the visible poverty does not, in its extent or its depth, seem to me to match the political rhetoric that infuses our national debate. (To suffer poverty by proxy is, of course, proof of moral superiority; I don't knock it, but I do question



By KEN OWEN

the proportions.)

At least, let us say, there exists another reality: the customers of the mini-buses, and of the retail supermarkets; the purchasers of houses who put down R3 000 in cash deposits; the families who can afford (as they could not 25 years ago) to keep children at school for 12 years; the bustling middle-class women — high heels and mock leather skirts — who crowd downtown Johannesburg.

We are dealing not only with racial oppression, though that is part of it, but with a three-way class split in the black community: the new entrepreneurs, the unionized workers, and the impoverished unemployed or under-employed.

It may, therefore, be time to consider differentiated policies to deal with the different classes. The welfare statism demanded by utter deprivation is like to be wholly inappropriate for a unionized working class, and downright destructive towards the entrepreneurial class.

Three things seem to me to be self-evident about the coming decade:

Firstly, the population of the cities will double, from natural growth and from migration, and the multitudes will overwhelm all urban facilities;

Secondly, there is no possibility at all that government will "provide" — even if it tries — the 400 000 houses a year that will be needed until the end of the century.

Private enterprise is now building, perhaps, 35 000 houses a year. If black people do not house themselves, they will end up homeless;

Thirdly, government cannot, by any policies known to man, create enough work for the new urban multitudes who, if they do not create work for themselves, will remain unemployed.

Even socialist remedies, which would require huge disruption of economic patterns, would be at best as inadequate as Zimbabwe's or Tanzania's, and at worst as brutal as Stalin's. Even socialist states must accumulate capital, and they often do so by brutish methods.

For a supposedly capitalist government, the best course of action is not to try to build houses or create jobs, but to devise policies that exploit the huge natural resources of human creativity and resourcefulness.

To break down a home which any per-

son has built for himself and his family, no matter how humble, has always seemed to me to be an intolerable wickedness. For some years I have advocated a register of the names of all officials who have been guilty of that practice so that, sooner or later, they might be brought to trial for crimes against humanity.

However, there is now a much more practical reason to stop the demolition of homes: if we continue, the new urban hordes will take up residence under bridges, on golf courses, in concrete pipes, on construction sites and on sidewalks. We shall turn our cities into Calcuttas.

The best housing policy is simply to identify land for squatters, to help them settle and to encourage them to upgrade their homes over time. Nothing else will work.

Similarly, it is futile to think in terms of "providing jobs". The best government can do is to stop "preventing jobs". Except for some essential health regulations, a bit of zoning, and strict enforcement of laws against mugging, theft and other common law offences, the sensible course of action is, more or less, to let it happen.

After all, this great surge of urbanization — not government policy, and certainly not the patronizing goodwill of the whites — is the force that is changing South Africa, and smashing apartheid.

So far as I know, only a few organizations are thinking seriously along these lines — the Institute of Race Relations, the Urban Foundation and Small Business Development Corporation, and some private groups.

It would be nice if our academic sociologists put aside their obsession with the accumulation of capital, and stopped trying to teach economics, and tried instead to describe the *real* South Africa. If, instead of asking inane questions ("Would you support sanctions if they cost you your job?"), they told us who, among the bustling millions, is doing what, and why, they might help to break the South African deadlock.

Anyway, it would spare us some of the ritual condemnation of apartheid, which is something most of us do in safety and comfort, and it might just show us how to encourage the forces of change instead of hampering them.

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One in six homeless — Sash

900 Tink's
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By ANTHONY JOHNSON
Political Correspondent

ONE in six South Africans is homeless, according to former Black Sash president Mrs Joyce Harris.

Writing in the latest edition of the Sash magazine, Mrs Harris says the Group Areas Act, the Land Acts and the Black Communities Development Act are responsible for the "crisis of homelessness" in rural and urban areas across the country.

"These laws zone land racially, they control who may live where, and they apportion approximately 13% of the land to about 80% of the people.

"All this has had — and is still having — dire consequences for millions of dispossessed people."

Mrs Harris said recent Black Sash reports from all regions "painted a picture of dispossession, alienation, overcrowding, people with nowhere to go and nowhere to live even though they may be employed and earning (a living)".

Turning to the situation in the Western Cape, Mrs Harris described Cape Town as a "city in crisis".

"The black population in the Cape Metropolitan Area will have grown from 133 889 in 1970 to an estimated 1 379 330 in 2 000.

Desperate poverty

"It is estimated that by 1990, 400 000 workseekers will lack formal employment and be unemployed or supporting themselves in the informal sector.

"The poverty is already desperate. Five out of seven coloured tenants are in arrears," she writes.

In the Transvaal, there is a "massive shortage" of houses and land.

"Only about 25% of Africans would be able to make any contribution to housing costs, yet the government is unwilling to build low-cost housing.

"There is a stubborn resistance in the white councils even to acknowledge the existence of many

black homeless people, let alone do anything constructive about this crisis."

In the Port Elizabeth area, 215 538 people are living in shacks in a "constant state of fear of demolition" because there are no alternative sites as a result of the Land Acts and the Group Areas Act.

"Major housing projects and incentives favour the middle-income group and the government is not addressing the housing problem of the poor."

The Border area, with a housing shortage of 340 000 units, was marked by "acute poverty and people having to choose between food and shelter because they cannot afford both".

Natural disasters have also contributed to the problem, particularly in Natal where floods devastated the homes of about 500 000 people.

"Political conflict in this province also contributed to homelessness through the destruction of township houses," Mrs Harris notes.

Gap in housing figures

RESEARCHERS are taking a government department to task over housing building figures for blacks.

They claim official statistics badly underrate private sector efforts to provide housing in this sector.

Central Statistical Service's figures on new homes for blacks financed by the private sector have, according to the Bureau for Economic Research, been grossly understated.

CSS reported that 9 000 new units for blacks were last year financed by private institutions. The BER counters that in one area alone this figure is almost three times the official number.

BER says new houses in Khayelitsha, on the Cape Flats, last year, financed by SA Perm and First National Bank, totalled more than 25 000.

BER research director Erwin Rode says he has taken the CSS to task.

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HELOISE HENNING 123

He adds it acknowledged that its monthly sample, which purports to represent 90% of the construction market, was deficient for "technical reasons". This is mainly because most units built in areas under newly created black local authorities go unreported.

CSS does, however, do a full annual report of the construction industry but its findings lag by two years.

"They are not able to tell me how many other examples there could be."

The BER believes black houses not reported are in smaller and cheaper categories.

"This would distort the perceived size of the average black unit being built and would explain why the relatively large average size of 78 m² for a black house has been doubted by operators."

Home loans lift Stanbic profits

2/8/88 (123) B/Daw

GRETA STEYN

BUOYED by strong demand for home loans, the Standard Bank Investment Corporation (Stanbic) increased taxed profits by 17,2% to R107,9m in the first six months of this year.

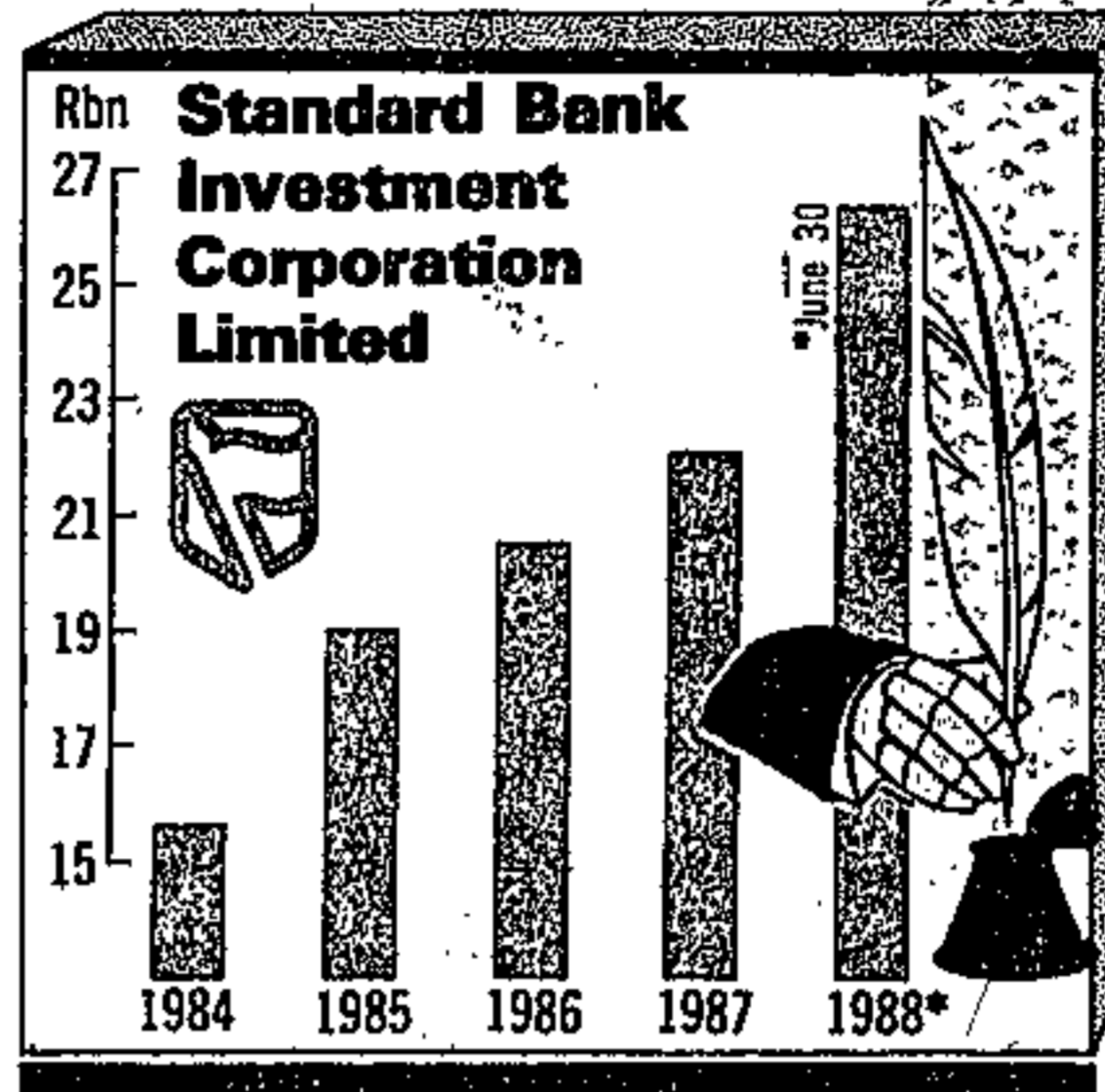
Stanbic MD Conrad Strauss ascribed the profit growth to strong demand for credit as the economic upswing took off, coupled with the Standard's aggressive positioning in the home-loans market.

Income attributable to ordinary and preferred ordinary shareholders was 108c a share, up 17,4% on the comparable period last year. An interim dividend of 27c per ordinary share has been declared.

On the consolidated balance sheet, advances and other accounts surged by more than 20%, with home loans accounting for almost a third of the growth. Strauss said if home loans were excluded, lending rose by only 14,5%.

There had been pressure on margins, and Strauss acknowledged that Stan-

Total assets



Source: STANDARD BANK Graphic: JOHN McCANN

Standard's decision to peg its home-loan rate to 12,5% up to June 1988 had added to the squeeze. But tighter margins had been largely alleviated by growth in the volume of lending.

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Stanbic profits boosted by home loans

Apart from home loans, significant demand for credit was also experienced in the form of personal loans. However, credit demand from the corporate sector had remained flat.

Total assets, including off-balance-sheet items, rose by 24,1% in the half year.

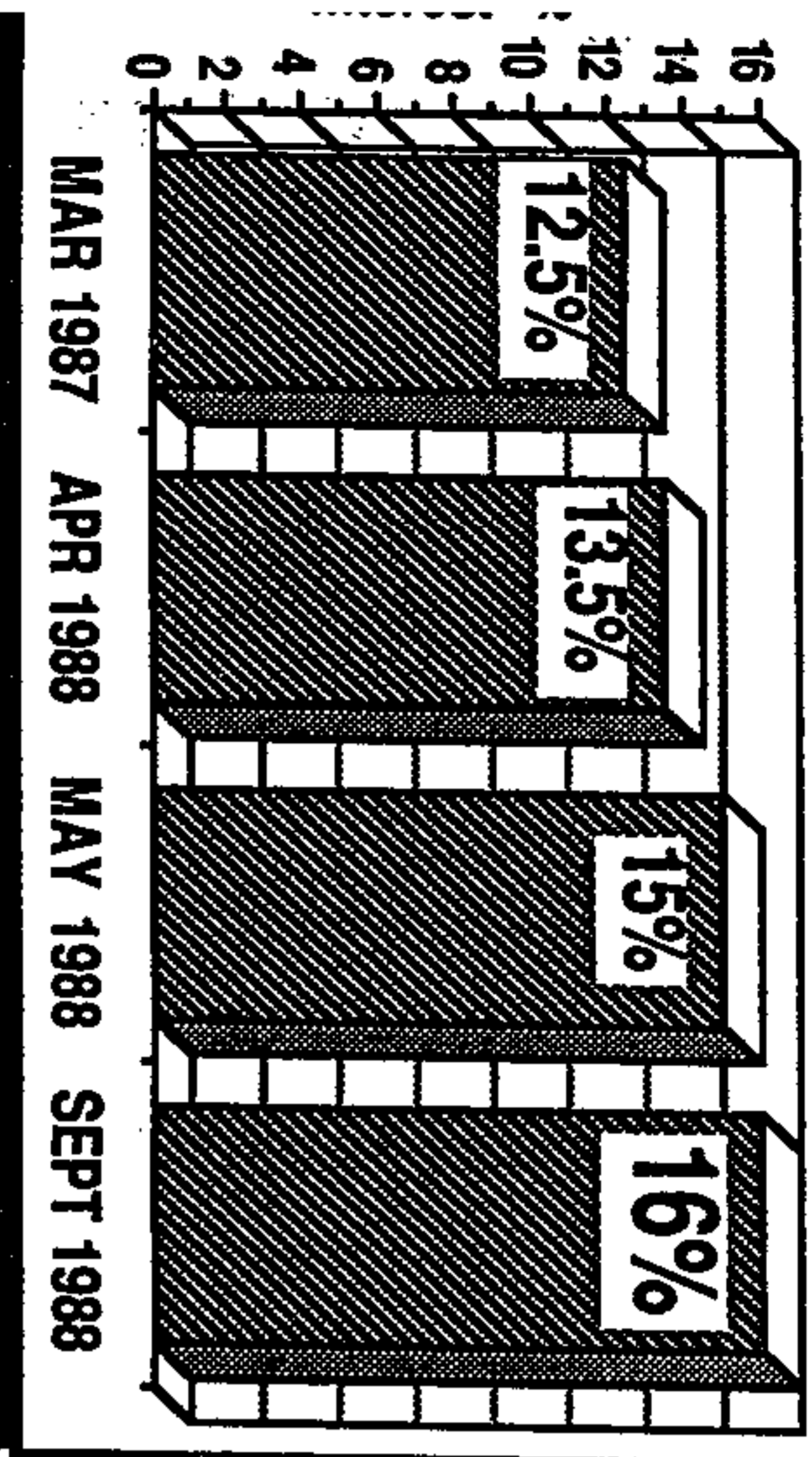
The surge in lending in the first half of the year would not continue until the end

of the year, Strauss said. Policy measures to cool down the economy would curtail the demand for credit. Monetary policy was already tighter and he expected another package of fiscal policy measures to be announced to complement interest rate policy.

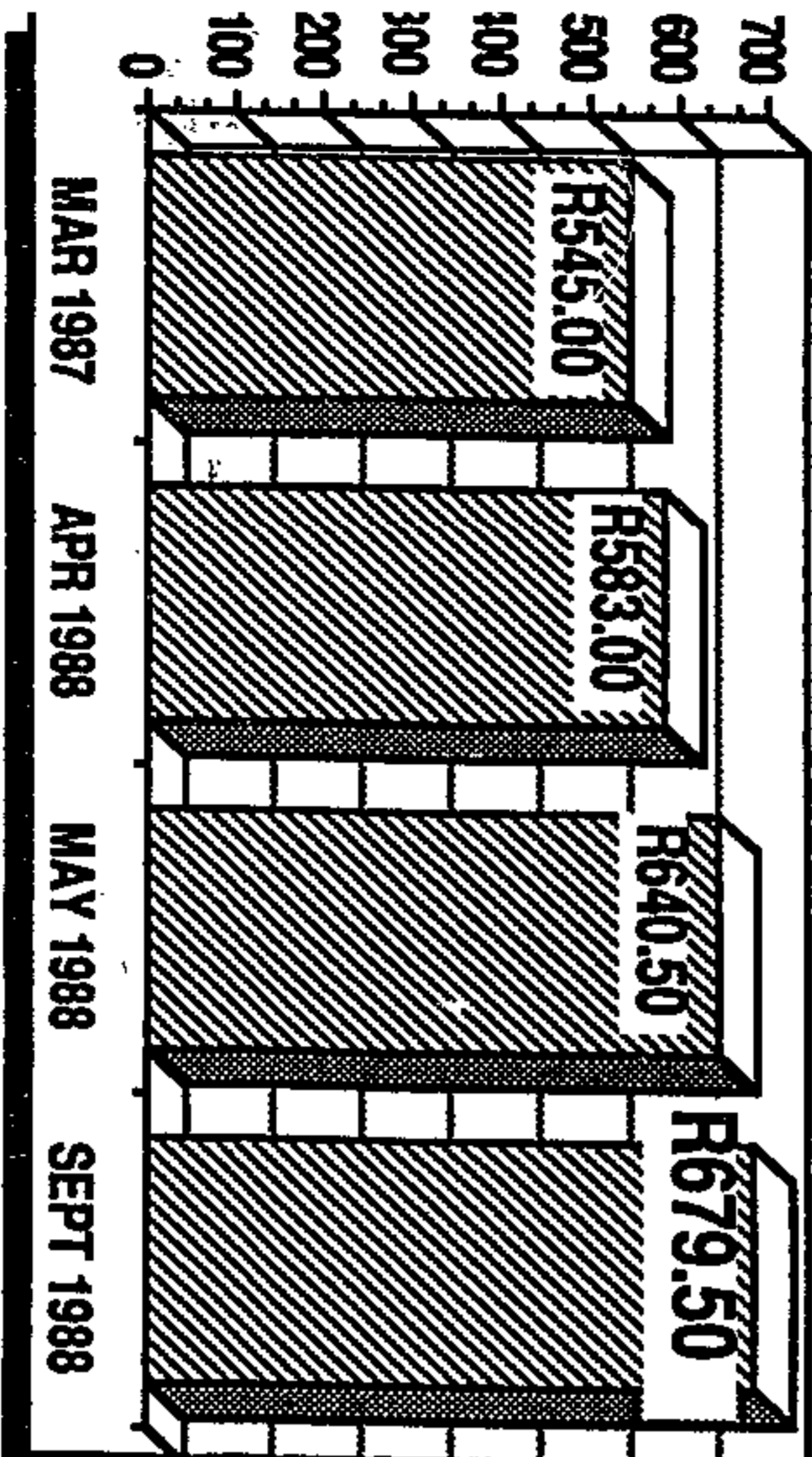
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BOND RATES



MONTHLY REPAYMENTS ON A R50,000 BOND



Cash crisis for home-buyers

By SUE OISWANG

The latest increase in the bond rate to 16 percent has left many home-buyers wondering how they will meet the higher repayments.

The increased bond rate has stunned many home-buyers as they battle to find the extra cash to pay increased monthly repayments.

"The latest increase, which pushes rates up to 16 percent, is obviously a blow for every home-owner but will come as a big shock to those home-owners who are already struggling to meet their repayments," said Mrs Lyn Morris, president of the Housewives' League.

"I strongly recommend that these people approach the various financial institutions to lay their financial predicaments on the table.

"They must approach the banks and building societies to make some kind of a plan rather than throwing their hands up in despair and moving out of the market."

BUY TOO QUICKLY

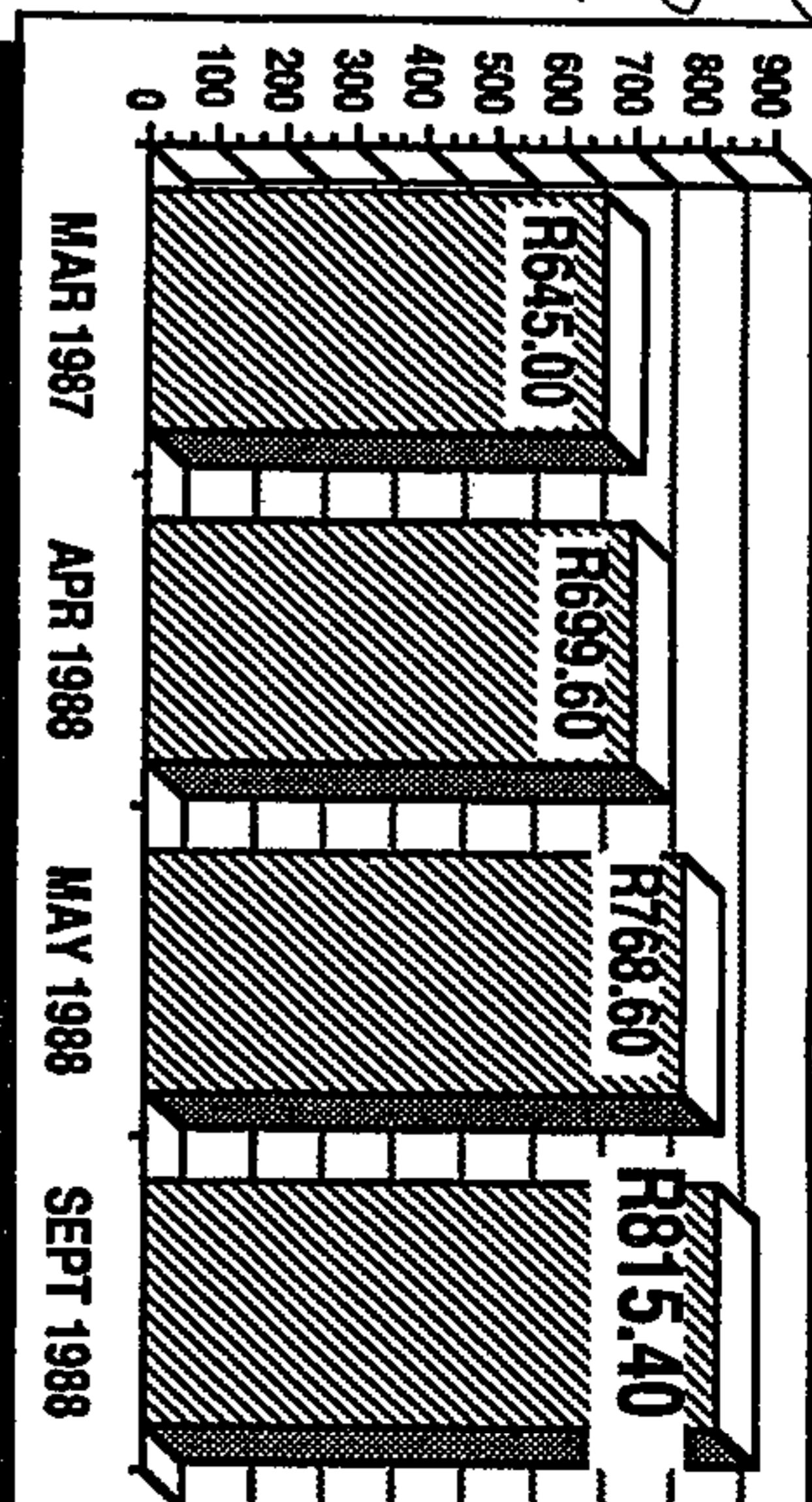
Mrs Morris said many people bought homes too quickly without any real thought or proper budget-planning.

"New home-buyers must take a careful look at their needs and their incomes before purchasing. "It is also vital for all new home-buyers to work out exactly what their monthly repayment rates will be if bond rates increase. In this way they can plan for the future and assess whether they can really afford possible increases."

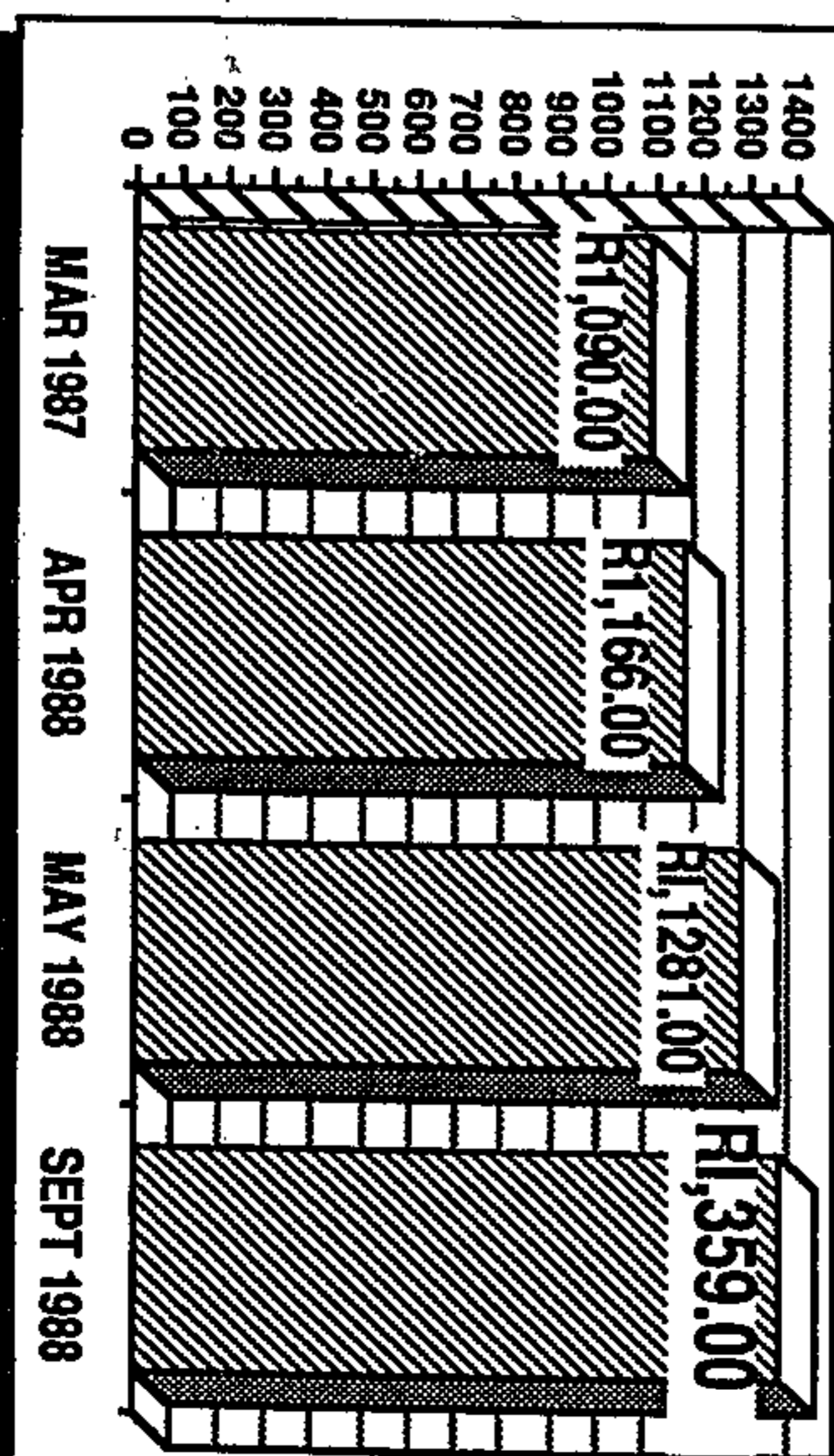
The accompanying graph shows how home-buyers have been affected by bond rate increases over the past two years.

Average bond rates have been used for the graph with monthly repayments worked out for R50 000, R60 000 and R100 000 bonds.

MONTHLY REPAYMENTS ON A R60,000 BOND

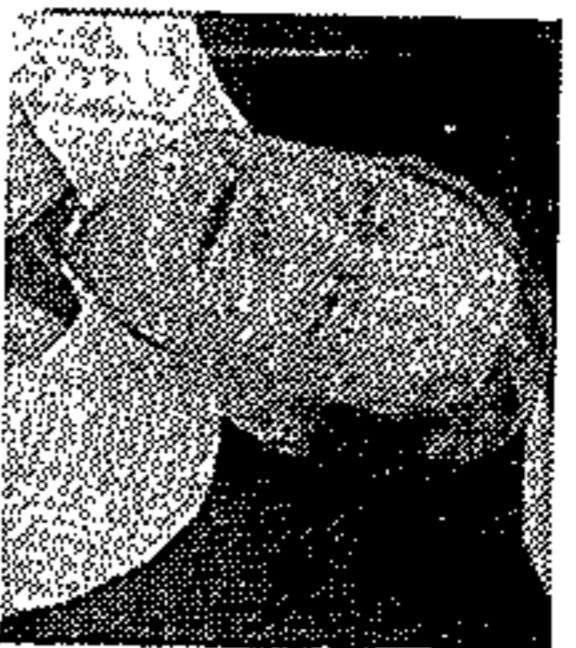


MONTHLY REPAYMENTS ON A R100,000 BOND



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Housing: new effort is now imperative



● KAHN

DURBAN — Pro-active partnerships between public authorities and the private sector were essential for the provision of housing, SAB chief Meyer Kahn said.

Kahn told the SA Property Owners' Association (Sapoa) annual conference yesterday a new effort in the housing arena had become not only necessary, but imperative.

For many years, the general perception was that the responsibility for providing affordable housing lay with government.

The authorities did little to dispel that notion, in fact it promoted a socialist approach to housing, often unwittingly placing obstacles in the way of free market forces. Kahn said in the process, people's

Own Correspondent

sense of responsibility was all but destroyed and when the problem became too serious to handle, few, including government, had any desire to step in.

One of the most important ways of nurturing responsibility was undoubtedly partnership, as this type of relationship was based on a realisation that parties to the partnership needed, and therefore respected, each other.

However, a number of critical problems would have to be addressed before business with all its resources could be fully utilised in the provision of low-cost housing. These problems included:

- The "unfortunate" dependency syndrome in low-income communities, which had become inbred by a past

tradition of the public sector providing housing.

- The development of essential dialogue between public and private sector bodies.
- The equitable rechanneling of limited available funds to permit their optimum utilisation.
- Appropriate training and education.

Kahn said the most essential element for success was a change of attitude in tackling the problem. He said: "The general attitude in the informal sector excites me. It is proactive and of a problem-solving nature. 'I don't think we have to concentrate on formal structures and textbook solutions. Rather, we have to remove obstacles which impede free market forces in the provision of housing.'"

Resources on wrong tap

DURBAN — A researcher claimed yesterday that there was no technical reason for homelessness.

The Labour and Economic Research Centre's Taffy Adler told the SA Property Owners' Association congress: "We know that there is no real shortage of land."

He added that pension funds alone had assets of almost R66bn, a net annual cash flow of almost R11bn, and that there were many small builders able to construct adequate dwellings.

"In short, there are means at our disposal to deal in a more adequate

Own Correspondent

way with the housing shortage. What then is the problem?" Adler said.

He added: "The key to the crisis is in the reallocation of resources. The allocation is, of course, a political question."

Most housing resources were still allocated to the white sector.

He claimed that privatisation of the black housing sector, and the concomitant increase in private sector involvement in the developing black property market, had also contributed to ensuring that homes were available only for the wealthy.

More
blacks
buying
houses

(23)

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Finance Staff

REPH

South Africa's current boom in black housing construction is even more dramatic than has been portrayed by government statistics, the Bureau for Economic Research at Stellenbosch University disclosed yesterday.

Real Estate Surveys Research Director and co-author of the BER report Erwin Rode, says the reason is probably because data from many of the newly created black local authorities has gone unreported.

It could be speculated, he said, that those black houses which were being reported were the better and bigger ones, while the smaller ones were falling into the unreported category.

For example, the SA Perm and First National Bank alone had financed more than 25 000 new units for blacks at Khayelitsha in 1987, he said, while the official figure stands at only about 9 000 units.

'Don't link housing to jobs'

Employers should provide housing subsidies for black workers, but they should not insist that these workers forfeit their houses if they lose their job.

This appeal was made by Mr Taffy Adler of the Labour and Economic Research Centre in an address to the South African Property Owners' Association conference in Durban yesterday.

Mr Adler said most black workers could not afford homes. He suggested that employers might create a fund to which they and the employee would

contribute.

This fund would be managed by bosses and workers and the money made available for housing.

When a worker left the company he should be entitled to take back his contributions if the money had not been invested in a housing scheme.

Mr Adler said that threats to black workers had previously been in the form of influx controls.

"Threats to tenure are now in the form of housing tied to employment. If you lose your job, you lose your house."

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sleeve



who'll whip up
at Saturday's
Cheryl Uys
Smuts (front),
the right spirit.
Photo: RICHARD BELL

Homeless
'can wait
no longer'

DURBAN. — Clashes between trade unions and black local authorities are inevitable as the country's labour groups increasingly make greater use of their muscle to lobby for South Africa's millions of homeless.

Mr Taffy Adler of the Labour and Economic Research Centre told delegates at the SA Property Owners' Association's national convention in Durban that the estimated five million homeless were no longer prepared to wait quietly and were making their presence felt either by squatting or protesting through organizations such as trade unions and various housing bodies such as the Durban Housing Action Committee and the Witwatersrand Network.

"Given their recent performance in relation to the amendments to the Labour Relations Bill it is probable that the unions stand a better chance than most of persuading the government to allow housing finance to be placed on the schedule of prescribed assets of the Pension Funds Act."

Mr Adler said the control on land by black local councils had created numerous problems.

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R750m to build 36 000 homes for blacks in '87

THE PUBLIC and private sectors invested R750m in building some 36 000 homes in black areas last year, according to a comprehensive research project sponsored by the private sector and carried out by Business and Marketing Intelligence (BMI), an industrial research firm.

Most of the burden is borne by the private sector. In the public sector it is now provincial and local authorities which provide black housing, with central government almost out of the market.

These details emerged in the survey of those involved in black housing after official figures by the Central Statistics Services (CSS) were questioned last month by a researcher for Stellenbosch's Bureau for Economic Research (BER).

BRUCE ANDERSON

tween the number of houses built by the private sector in the first five months of last year (2 403) and those built in the first five months of this year (3 644).

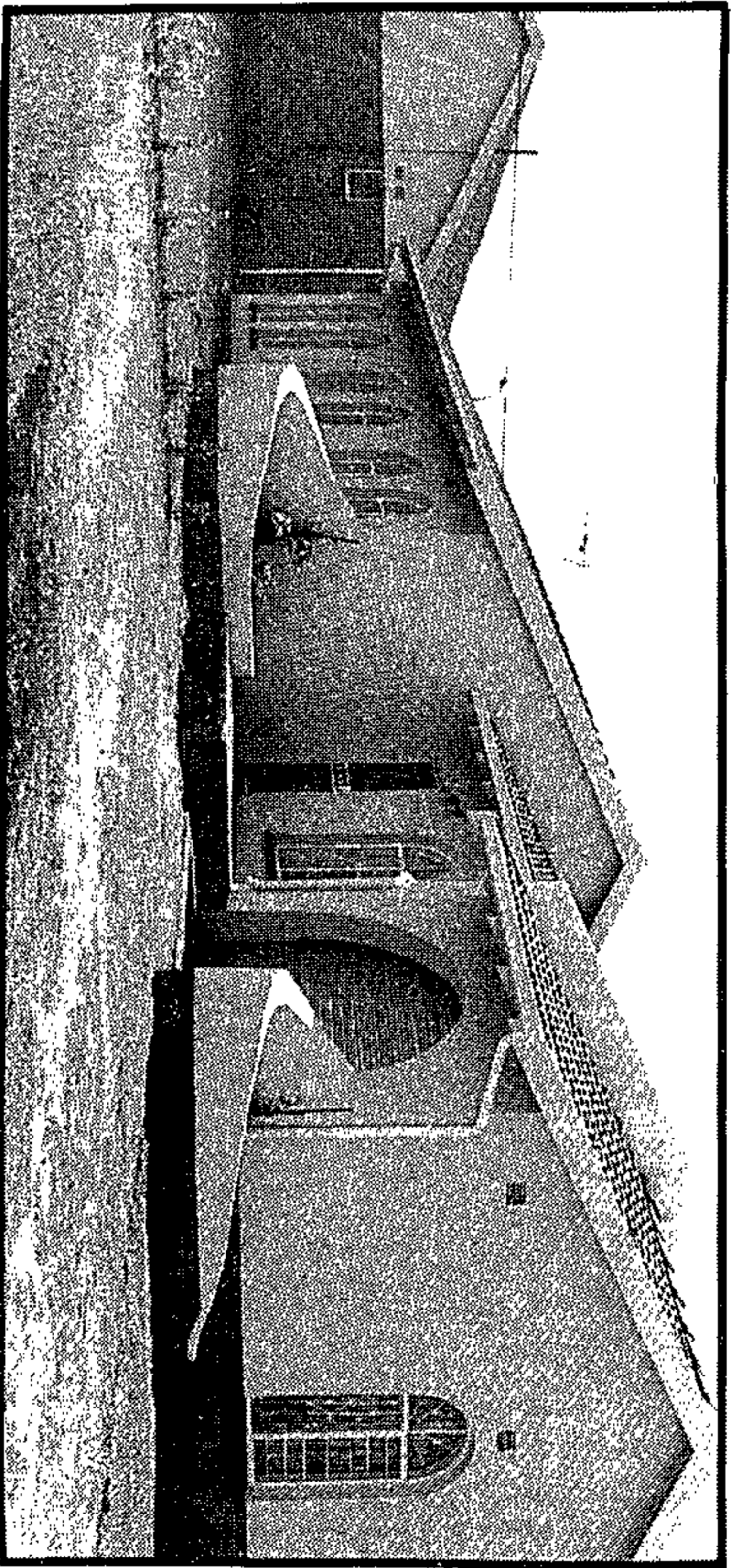
However, BMI researcher Johan Strauss reports that almost half the R750m invested in black housing by the public and private sector last year is not reaching the people who most desperately need homes.

He said 40% of the money invested in black housing in 1987 was spent on houses costing more than R40 000, while only 25% was spent on houses costing less than R15 000.

The most urgent need lies in the under R10 000 category, said Strauss.

Underwritten

The research conducted by BMI was underwritten by a R150 000 sponsorship from manufacturers of building materials and was based on contact with all the larger local authorities, major building companies, financial institutions and suppliers of building materials.



□ UP-MARKET BLACK HOUSES ... "public sector figures are harder to find"

Strauss said the private sector's commitment (an estimated R450m last year) represents 60% of the total amount spent on black housing. The main private sector contributors are financial institutions.

Strauss suggests the provision of serviced sites that allows for "formalised squatting" might be the most effective way of addressing the backlog in mass housing.

The most recent official figure for the number of black houses

built by the public and private sector in the 1987-88 financial year is about 35 000, according to the director of township development in the Department of Development Planning, M P van Niekerk.

A figure of 24 169, given in March this year by Constitutional Development and Planning Minister Chris Heunis, related to the 1986-7 financial year, said Van Niekerk.

The official estimate for last year is borne out by BMI's figure of

35 577 houses built.

The Urban Foundation's (UF) estimate puts the 1987 figure at between 25 000 and 30 000.

However, UF housing manager Michael Morkel said the estimate was made in March this year, and that the higher figures suggested by the Department of Development Planning and BMI did not seem inaccurate.

Morkel also points out that the production of houses by the public

sector "has dropped significantly and public sector figures are harder to find".
Accordingly, most research institutions tend to focus on figures for the amount of houses supplied by the private sector, he said.
Morkel's point about the growing emphasis by research institutions on private sector figures was repeated by most researchers.

The larger construction firms in the black housing market appear to be concentrating on relatively up-market houses.

In July, LTA chairman Zach de Beer said there was little room for private sector involvement in mass housing and that construction companies could only operate profitably in the more up-market areas.

Brisk demand

LTA spokesman Colin Wood said De Beer's comments still reflected the company's approach. LTA had built 500 houses for black people last year.

Murray and Roberts (M&R) are also involved in the provision of up-market black houses, most recently in Alexandra township near Sandton.

The firm reports a brisk demand for homes in a R40m housing development at East Bank, Alexandra, where about 511 homes are to be built. The project is a joint venture by M&R and Rabie Property Developers, part of the JSE-bound Rabie Investment Holdings.

M&R said earlier this year that house sales had been boosted by first-time buyers, subsidies and legislation granting freehold rights to blacks. Prices in the project range from R40 000 to R80 000.

The researcher, Erwin Rode, said he did not believe that the CSS figure of 7 330 houses built by the private sector was an accurate reflection of the situation. This opinion was also expressed by a number of other researchers in the black housing field contacted by Business Day.

CSS head Treurnicht Du Toit did point out that the CSS figure was based only on sample figures, which cover 90% of the construction market. The CSS is two years behind on the full annual report which it compiles on the construction industry and the department is forced to rely on sample figures, said Du Toit.

Nonetheless, he thought the sample figures were a largely accurate reflection of the number of houses built by the private sector.

Du Toit said there is a definite growth in the provision of black housing based on a comparison be-

PHOTO BY G. VAN DER MERWE FOR BUSINESS DAY

Govt spending on blacks falls

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DIRECT government spending on black facilities and services is slowing down and Regional Services Councils are unlikely to make much impact on township backlogs, according to the South African Institute of Race Relations.

Events earlier this year indicated that the previous trend of growing government spending on black facilities and services was slowing down, the institute said in the latest Social and Economic Update, released yesterday.

"There has been a reduction in bridging finance and community services funds voted by the provinces in the housing budget of the Department of Development Planning, in operational budgets for many black hospitals, in monies allocated to the National Housing Fund for black housing and in funds for teacher training.

"A possible constraint on funding is that more spending on black needs means less spending on white needs."

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Scrap new housing Bills, say bishops

The Southern African Catholic Bishops' Conference has called on the Government to scrap three pieces of legislation controlling the erection of shelters and the racial allocation of land and housing.

The Transvaal Indian Congress simultaneously announced its intention to fight the laws.

The three Bills — the Prevention of Illegal Squatting Amendment Bill, the Group Areas Amendment Bill and the Slums Bill — were published at the end of the last sitting of Parliament.

HOMELESS

The statement notes that one in six South Africans is homeless or living in an illegal shelter.

"Admittedly it is a reflection of a worldwide trend towards rapid urbanisation. But the South African situation is also due to the Government's own insufficient provision of low cost housing," the SACBC states.

"Now, in addition, these three Bills threaten the poor and the homeless with further misery and make their misery a crime."

REMOVALS

The bishops say that:

- The Squatting Bill "reintroduces the State's power to remove any group, tribe or black person from any area to another area".

- The Group Areas Bill provides for enforcement of racial housing restrictions and eviction of people, despite the absence of alternative accommodation.

House-building boost for employment

Strong foundation laid

By NORMAN CHANDLER

The provision of housing in South Africa is a significant socio-economic development, say Mr Harry Oppenheimer and Dr Anton Rupert.

Two of South Africa's top businessmen say the provision of housing is more than merely providing shelter — it is stimulating the socio-economic development of the country.

Mr Harry Oppenheimer, president of the Urban Foundation and retired chairman of the Anglo American Corporation, says work done by the foundation has resulted in State departments, local authorities, the business sector and urban communities recognising that the "provision of housing is not only a national priority but a significant socio-economic development".

Dr Anton Rupert, vice-president of the Urban Foundation and chairman of the Rembrandt Group, says "spin-offs for socio-economic development that accrue from this housing activity" offer significant opportunities for lower-income communities.

Writing in the foundation's annual review, the two business leaders say house-building has had the advantage of generating "much needed job opportunities (and) having a positive impact on unemployment".

Mr Oppenheimer says the extent to which the foundation has so far been able to provide housing reflects a series of achievements over a number of years.

"The efforts, together with other public and private-sector bodies, have led to a modifying of housing policy and legislation that has resulted in a complete restructuring of the framework within which housing is provided.

New emphasis

"Previously, the emphasis was on the centralised public sector providing highly subsidised rental accommodation for a limited number of black families. The new emphasis," says Mr Oppenheimer, "is to decentralise the public sector's involvement and rely instead on the initiative of the private sector, on the basis of an economically viable housing industry, to supply housing on a basis of ownership."

He adds there is "real and encouraging" evidence that the private sector is gaining momentum in providing homes for many black families.

But, Mr Oppenheimer says, many families cannot afford housing "and much remains to be done to help the private-sector home-building industry to provide more affordable, conventional houses.

"A major concern is to stimulate increased lending by the financial institutions in the lower end of the housing market."

Dr Rupert says in his message that the Urban Foundation has stimulated significant additional investments in housing by the private sector, but there needs to be a sixfold increase in housing if the country's needs are to be met by the year 2000.

The Urban Foundation's seven utility companies — operating in Cape Town, on the Rand, in Port Elizabeth, Durban, Bloemfontein and Maritzburg — generated housing and site sales of R123 million, and additional housing investment generated by the home-building industry developing housing sites serviced by the foundation amounted to a further R150 million, Dr Rupert says.

The foundation's self-help housing projects are creating opportunities for the informal contracting industry, he adds.



Hundreds of thousands of people working in office blocks and factories are forced to go home not to neat houses in formal townships but to corrugated-iron or wooden shacks, such as these near Durban.

Blacks lag badly on home bonds

A PILOT small-loans company is to be established by the Urban Foundation.

It adds in its annual review for 1988 that main impediments to large-scale black home-ownership are the unavailability of finance for low-income borrowers and lack of land.

During the past year a major feasibility study into the setting up of a mechanism for granting small loans was completed.

It showed that in 1985/86 only 3.1% of building society lending for homes went to

blacks.

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Another research project, investigating the subsidy system, was initiated.

The foundation believes government should subsidise supply and not demand.

Its recommendations have been submitted to the Department of Finance and Housing Advisory Council and, with government examining its subsidy policy, the foundation says it is optimistic.

It hopes to release its research and recommendations on the lack of land for housing next year. — Sapa.

WITH the abolition of influx control in 1986, the government accepted at least some blacks would be permanent urban dwellers in 'white South Africa'.

And the government's condoning of certain squatter settlements in recent years shows some recognition that all these urban dwellers simply cannot be accommodated in formal housing in the official black townships.

But the Prevention of Illegal Squatting Amendment Bill, currently before a standing committee of parliament, is evidence that the government remains ambivalent about black urbanisation.

It is, as yet, unwilling or unable to formulate a coherent view of how South Africa's massive housing shortage should be addressed and how its cities should develop.

The Bill extends the prohibitions of the original 1959 Act by increasing the penalties for illegal squatting and effectively removing action against squatters from the scrutiny of the courts. Where previously the onus was on the state to prove people were squatting illegally, the Bill would oblige squatters to prove they had permission to dwell in an area. Magistrates would have the power to grant eviction or demolition orders, in response to complaints against squatters, and the Bill removes any objective criteria on which such a decision has to be based.

On the other hand the Bill provides for the official "reprieve" of informal housing.

It extends existing legislation which provides for "emergency camps" by providing for "transit camps", for which the authorities can expropriate land without compensating its owners. And it extends the authorities' power to deregulate zones for black settlement.

But it does not specify any criteria on which these measures should be based. So the result could be arbitrary and inconsistent condoning of squatter areas, rather than planned urban development. And it provides for no re-regulation or upgrading of such settlements.

The Bill would of course have harsh effects on squatters if officials chose to enforce it to evict squatters. It would also result in increased conflict as squatters organised against removal.

But it is highly unlikely it would work anyway. People evicted in terms of such legislation would simply go and squat somewhere else, because they have nowhere else to go.

The number of people in towns far exceeds the number of houses — while the government puts the urban shortage in white areas at 500 000 units, TJ de Vos of the Council of Scientific and Industrial Research has estimated it at 865 000.

Existing townships are crowded to their limits. There is not enough land on which to build sufficient new houses for urban black dwellers. And even if there were houses available, many blacks could not afford them.

"Our research suggests that people are squatting because they have no alternative," the South African Institute of Race Relations told the parliamentary standing committee this week. The SAIRR pointed to the shortage of housing land, the effects of the Group Areas Act in limiting the amount of black housing land close to work opportunities, and the fact that most black people could not afford even low-income housing.

Squatting in "informal settlements", garages and township backyards is the most significant way in which people have responded to homelessness. (The movement into houses and flats in "white" group areas is another).

There are some seven million informal settlers in South Africa's urban areas, the Urban Foundation (UF) estimates.

There are between 1,6-million and 2,4-million people in informal settlements in the PWV area alone: in 312 000 backyard shacks, 67 000 garages and 28 500 homes in squatter settlements.

The UF estimates the growth in shacks has run at 60 percent a year since the end of 1985 and could be as high as 95 percent a year in the central Witwatersrand area.

Nowhere to stay. Nowhere to go.

There are more and more squatters in South African cities for one simple reason: There is no alternative.

A new, harsher amendment to the squatting laws goes before a parliamentary committee.

HILARY JOFFE reports

Squatters are usually long-term city dwellers rather than new migrants to the cities. Many have been on waiting lists for houses for years.

In Soweto, for example, there are 26 000 families on the official housing waiting list, according to the SAIRR, and many of these people have resorted to squatting. "If they are evicted from shacks they will not leave the cities they regard as home but will build new shacks."

The influx into the towns predates the abolition of influx control and the growth of informal housing has been mostly a result of natural growth in the urban population.

Professor Charles Simkins has estimated the natural increase of the PWV population as 2,75 percent and the increase due to new migrants as 1,2 percent.

In their survey of people in informal housing in the PWV area, UF researchers found 68 percent had worked in the PWV for five years or more, 98 percent moved to shacks from within the metropolitan area, and 71 percent moved to shacks before 1986.

SAIRR researchers say in the Weiler's Farm squatter settlement near Walkerville in the Southern Transvaal, most residents are either workers who were evicted from neighbouring farms or former residents of PWV townships who could not afford to pay rent.

Squatters are not, for the most part, unemployed, nor are they necessarily among the poorest urban dwellers. Many could afford low-

priced houses — if they could get them.

The UF found 79 percent of the men were in formal employment. The proportion of household heads with monthly incomes of between R500 to R1 000 was 24 percent. A total of 56 percent earned incomes of R200 to R500. In households with more than one income, 12 percent had shared monthly incomes of over R1 000.

Some of the squatters were destitute, mainly households headed by women. But these were a minority — only 15 percent of the squatters had household incomes below R100 per month, the researchers found.

Some of the squatter settlements are highly organised, with residents' committees which ensure the settlement is laid out properly and that each family builds a pit latrine and fences its property. In one settlement the UF looked at, residents had built a creche for the children and staffed it with a full-time paid childminder.

Despite the fact that most squatter communities are very insecure — their chances of staying often depend on the whims of "squatter farmers" or the whites in nearby suburbs — many invest a great deal in their tin or cardboard shacks and some even build solid structures.

But in the Transvaal most would still prefer to be in a formal township house, the UF researchers found. The shacks in backyards or squatter settlements are cheap, but are smaller than township houses and don't have the services: 60 percent of shacks have no regular access to toilets, for example.

Although squatting conditions are inadequate and overcrowded, and squatters are often exploited by landlords, it is clear the proposed legislation would make for even less "orderly urbanisation".

Provincial officials in the Transvaal have said the province believed the way to handle squatters would be to have enough sites available and the



Rolls of blade wire mark the boundary of the

Every second B...

By CARMEL RICKARD, Durban
VIRTUALLY one person in two living in the greater Durban area stays in a shack or informal housing development but people in white areas of the city could spend their whole lives here and never see such a shack.

An estimated 1,7-million people live in informal housing out of a total of 3,5-million in the Durban Functional Region — the three areas north to Verulam, inland to Hammarsdale and south to Amanzimtoti — and the number of shacks is expected to double within 12 years.

Speaking at a recent conference on "Informal settlements and the core city", mayor Henry Klotz commented: "Of the people who work and shop in our municipality, almost one in two live in settlement conditions about which we know relatively little."

Homes range from formal housing in well-constructed backyard rooms and garages, through houses of mud or plywood, to car wrecks and plastic bags.

The densely-populated hills of Lindelani and Inanda, for example, cannot be seen from the roads joining the city's white suburbs with the city centre. Whites would have to make a special effort to see how most of their fellow Durban residents live.

One of the reasons Durban has such a high "squatter" population is that the government has not built any black housing for 20 years.

People evicted from farms in other parts of Natal are unable to find accommodation

land earmarked for black housing by Minister of Constitutional Development Chris Heunis would be sufficient to accommodate the population.

A total of 16 000 hectares has been earmarked for black occupation in the PWV since 1985 and Heunis recently announced an additional 13 000 hectares would be allocated.

The prices keep going down, but the Great House Sale still won't happen

ONLY 26,5 percent of rented houses in African townships have been sold to registered tenants, although the government has been trying to sell its housing stock since 1983 and has steadily reduced prices to black buyers.

In the Transvaal — where just over 27 percent of government houses had been sold to their tenants by the end of June this year — prices range from about R800 to R4 000, depending on the condition of the bricks, according to a Transvaal Provincial Administration (TPA) official.

The "great house sale", which the government initially intended to bolster the finances of ailing local authorities, rapidly became an attempt to defuse the rent boycotts.

In an attempt to relieve the black local authori-

ties of their rent-collecting function, the cause of so much township conflict from 1984, the government has cut house prices and gone on a concerted selling drive.

But although the houses are now relatively affordable, township tenants have proved generally reluctant to buy their houses.

One reason is that the low prices have provoked suspicion about the motives of a government which denied home-ownership in the townships for so many years. Labour and Economic Committee researcher Taffy Adler told a conference of the South African Property Owners' Association last week.

Adler added: "A second leg to the failure of the government to sell these houses is that people be-

lieve after paying rent for them for so long, the houses in fact have been paid for. In terms of the actual cost of the houses, this is a correct perception."

Another reason is that township tenants may see little financial advantage in buying their houses. Much of what they pay in "rent" is in fact service charges which they continue paying once they have bought their houses.

In Soweto in 1987 service charges made up more than 96 percent of the typical rent bill, and in some Vaal townships in 1985, 88 percent, according to research by the South African Institute of Race Relations.

Government officials are said to have acknowledged the limited success of the "great house

sale", with some urging better communication with buyers.

A TPA official interviewed this week defended the sales figures saying even in Britain, the government had managed to sell only 38 percent of total government housing stock.

"In South Africa the black population is getting more and more aware of the very profitable offer," he added.

He said a secondary market for township houses had developed and buyers were reselling their houses for up to R25 000 in some areas. The building industry was being boosted as many buyers improved their properties.

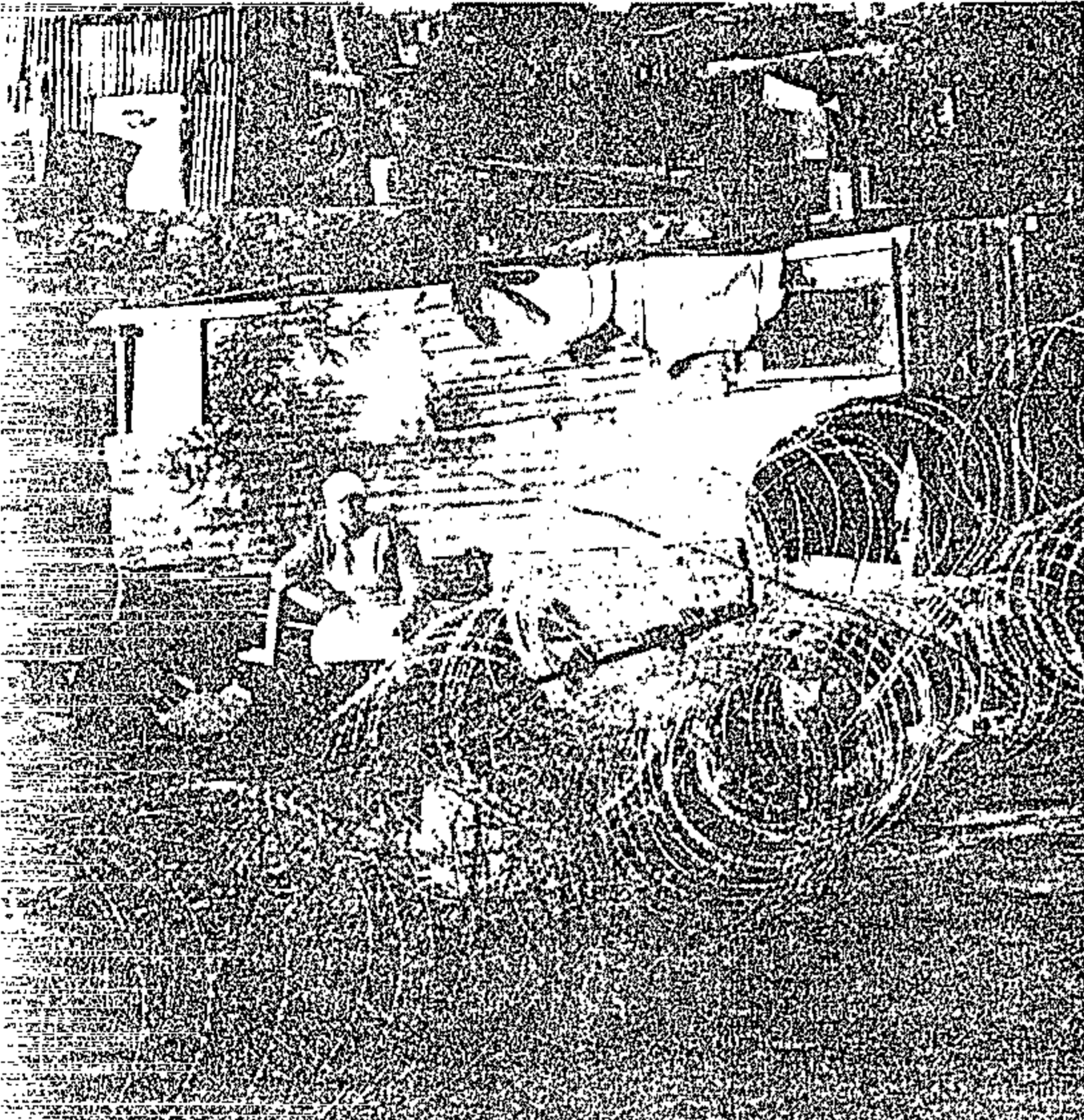
The official said many of the buyers of the cheaper houses had the necessary cash. Others

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(23) Antropress



boundary of this woman's makeshift home.

Picture: ANNA ZIEMINSKI, Afrapix

And Durbanite lives in a shack

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Squatters' 'moveable assets' — their pet dogs. Picture: CEDRIC NUNN, Afrapix

anywhere else — there is no land available in KwaZulu — and people can survive better with no work close to the city than in the rural areas.

An indication of the poverty-stricken state of KwaZulu's rural areas is that it is better to come to Durban and live in a shack, even without a job, than to stay in the rural areas and starve.

KwaZulu, which surrounds Durban, has a lenient policy on informal settlements. This means closely packed settlements can form near the city, without threat of removal by state officials.

On the other hand, KwaZulu does not have the funds to develop or upgrade these settlements.

Durban is also surrounded by pockets of "development trust land", bought by the state some time ago for black occupation.

"It is ideal squatting land," explained Michael Sutcliffe of Natal University's Built Environment Support Group.

"No other race group may occupy the land, so people living on it will not face removal under the Group Areas Act. However, these areas also suffer from a shortage of funds of housing and development."

But the Black Sash says: "It is quite clear that both the estimates of the likely future population and the land allocated for occupation are grossly inadequate." Too little account has been taken of the current housing backlog and 40 percent of the newly allocated land may be unsuited for development because of the danger of sinkholes.

The newly earmarked land is also unlikely to be available for new squatter settlements.

Local authorities or developers have to apply to develop the land; developers are likely to have profit in mind and to build new houses for relatively better-off blacks; black local authorities have tended to resist the idea of making provi-

were assisted by their employers.

Most of the 366 984 houses in urban townships in "white South Africa" are concentrated in the Transvaal. By the end of June this year 72 866 houses of the available 266 225 had been sold to tenants, according to the TPA.

Countrywide, the number of houses sold totalled 96 780 by the end of June. In the Orange Free State, 36 percent of the available stock of 21 013 houses has been sold, while 25,3 percent of Natal's 9 801 houses, and 19,7 percent of the Cape's 69 931 houses have been sold.

The great housing sale has had one of its greatest successes in the Northern Cape, where 49 percent of the available housing stock has been sold to black tenants.

The TPA official points out other provinces came into the house sale later than the Transvaal.

Doubts about whether certain townships should be incorporated into the homelands caused the delay in some areas. In the Western Cape it was only in 1985 that the government decided African townships should be developed as part of the urban areas rather than the homelands.

The TPA has calculated if all the different home ownership schemes are combined, 54 percent of all houses available in black townships in the Transvaal would belong to black families.

The provincial administration does, however, have a problem keeping track of new housing stock and is trying to get the co-operation of all the developers so it can establish a data base.

sion for "site-and-service" schemes for poor black people, and there could be resistance from nearby white suburbs.

But the issue goes deeper than that. Given the massive scale of the housing shortage and the problems of affordability, some more "unconventional" forms of housing will be an essential part of addressing housing needs.

One prong of such a strategy, urban policy experts argue, would be planning for informal settlements in suitable areas, putting resources into upgrading them with the provision of water and sewerage disposal, and providing for people to upgrade their shacks.

UF researchers say the international experience in developing countries suggest government planners have to build on the positive features of spontaneous informal settlement, create shelter at a rate which meets the need, and provide housing for families which cannot afford the lowest cost conventional houses.

Attempts to destroy squatting have failed internationally. Policies of benign neglect have had undesirable consequences. Cities in developing countries which have coped best with rapid urbanisation have been those which have accepted informal settlement as part of national housing policy, the UF researchers conclude.

This means assessing existing informal settlements and authorising and upgrading them where appropriate; preparing additional land for future settlement, and "building on people's initiative and willingness to help themselves".

In the 1980's the government has acknowledged the problem to some extent and has shifted its position on a number of issues: for example, earmarking urban land, allowing private sector developers in, accepting the principle of "site-and-service" schemes and providing new subsidy schemes which are supposed to benefit poorer blacks.

But the problems remain: and the new Bill is evidence of a failure to address the problems coherently.

The Urban Foundation estimates the housing shortage at 1,8-million units countrywide, a figure which could increase to over 4,6-million units by the year 2000. The UF includes in its figure the housing backlog in urban areas in "white South Africa" as well as the shortage in "independent" and "non-independent" homelands, derived from South African Development Bank figures.

The shortage means 400 000 units a year will have to be provided up to the year 2000 to meet the national need, according to the UF.

The private sector will build an estimated 35 000 houses for blacks in urban areas this year. The public sector provided 9 000 houses for blacks in urban areas in 1986 but last year built none. The government's housing funds went into infrastructure and development in line with its policy of supporting private sector housing provision rather than building houses itself.

Many business people have welcomed the "privatisation" of black housing. But there are clearly severe limits to the private sector's ability to address the housing shortage, even if there was government support, for example, in provision of adequate land.

"Let basic business principles be applied in satisfying the housing needs of our country," South African Breweries Group Managing Director Meyer Kahn told a South African Property Owners' Association conference last week.

He spoke of the benefits for the economy of the expansion of black housing — a view shared by government planners, who advocate "inward industrialisation" as a strategy to promote economic growth.

But the scope for business to provide black housing at a profit is limited by the very low incomes of the majority of the population.

The National Building Research Institute estimates 84 percent of urban black people are unable to afford housing unless they receive a subsidy. An NBRI study of a low-income self-help scheme in Kaitshong found 99 percent of people in the area could not afford even this scheme.

De Vos has estimated 60 percent of blacks (a figure which includes rural dwellers) could not afford a R20 000 housing unit — the construction cost of a four-roomed "matchbox" house — without subsidisation. Most private sector developers are building units which cost R35 000 and upwards.

The UF's Family Housing Association, the major private sector provider of housing, can build "starter units" in the Transvaal for as little as R18 000 but that is beyond the reach of many black families.

"If left to market forces, housing delivery will bypass the very poor. What is required is proactive policy on the part of the government to ensure those at the bottom of the social pile have a reasonable chance to gain access to land and services," says UF official Mike Morkel.

If the Bill goes through, huge evictions could happen

By Carmel Rickard, Durban

MASSIVE evictions from Natal farms have been predicted if proposed changes to the squatter laws go ahead.

Durban Legal Resources Centre lawyer Peter Rutsch, who has had extensive experience working with the legal problems of squatters, said he anticipated "an horrific situation" with large scale evictions, particularly in northern Natal.

Rutsch has prepared a detailed analysis of the Bill — which contains significant changes to the old Prevention of Illegal Squatting Act — for a number of community and other organisations interested in the problems of squatters.

He said the Bill removed adjudication of the issue of squatting from the hands of the courts and gave it to police and civil servants.

Rutsch believes the Bill would affect people in both the rural and urban areas. He warned of a "carousel effect" in which people "wander round and round trying to find a place where they can put their feet down".

"People made homeless by the law will wander from town to country and back again, trying to find somewhere secure to live. In the urban areas when action is taken against squatters, they are told to go back to some farm where, officials believe, they must have come from.

"However, the new legislation will be forcing people back to the farms at the same time as people living on the farms will be forced off — often after living in the same place for generations, and inevitably without anywhere else to go."

The Bill provides heavy penalties for landowners who allow "illegal squatting" as well as for squatters themselves. Opponents of the proposed changes, like Durban's Joint Residents' Association Action Committee, says the state will be criminalising people because they are homeless, when the reason they are homeless is because of state policy.

Rutsch said farmers in Northern Natal were evicting families living on their land "at an alarming rate", even though some of them had lived on these farms for generations. "They have given the farmers labour from family members in return for being able to live there."

He said there was a significant change in farming style in the area, with many farms being sold or more intensive farming methods being used.

"So farmers are wanting the land on which the families are living, and the new proposals — if they become law — will give farmers the means to get rid of 'squatters' without any difficulty. Farmers will be able to argue that they would be committing an offence by not moving the 'squatters' and they will also not need to provide alternative accommodation."

Rutsch said one of the problems of the Bill was that it provided for "committees" to be appointed by the provincial administrator. These committees had extensive powers to investigate any occupation of land by people not employed by the farmer, and could order farmers to get rid of people they did not employ.

White farmers may object, the final decision lies with the committees. Farmers could be fined R10 000 and a squatter R2 000 if the orders of the committee are not obeyed.

The Bill gives no guidelines about the composition of the committees, nor any other criteria, despite the fact that they have such wide powers.

Rutsch said the Bill meant, for example, that an elderly worker who retires but continues to live on the farm would be considered "not employed" by the farmer and could therefore be ordered off by the committee. The farmer would be powerless to intervene.

Rutsch said some aspects of the proposals appeared progressive — such as provision for transit camps (emergency squatter camps) and the designation of development areas.

"However, you have to see these proposals in the context of official attitudes, the removal of the issue from the court's jurisdiction, the fact that there is no obligation to provide homes for people and that other laws — like the Group Areas Act — prevent the adequate provision of homes.

"I believe that, given this background the new proposals would cause a lot of problems and greatly worsen the situation."

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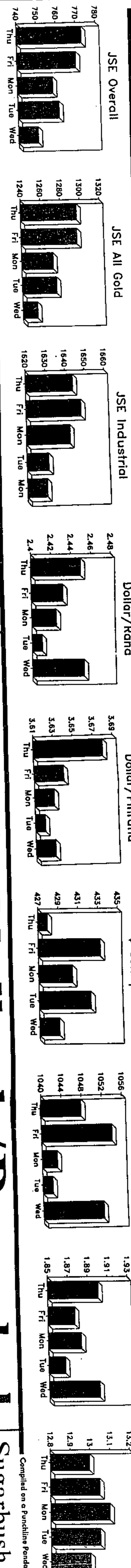
The Star FINANCIAL

Commodities

Copper (3-month): £1264.0 (£1267.0)
 Platinum: \$527.75 (\$541.50)
 Sugar: £165.20 (£170.00)
 FTSE 100 close: 1830.9 (1825.3)
 Dow close: 2025.96 (2021.51)

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Weswits a sound bet

West Witwatersrand's (Weswits) open-cast mining operation has swung into full gear and management is confident of paying a maiden dividend this year.

The group did not pay a dividend for the year to March, giving the reason that capex demands precluded one.

When the group started open-cast mining in November 1985 it did not envisage that it would be contributing 70 percent to profits.

A visit to the mine yesterday revealed that new and better grades had been encountered in the past couple of months. Conservatively estimated, there are 5 million tons of reserves, with grades of about 2 grams a ton.

The group learnt in 1987 that thorough geological surveillance was necessary to ensure that mining was confined to payable reef and spent time and money on extensive testing.

It expects to continue open-casting mining for at least another 10 years and gold mining for 15 to 20 years.

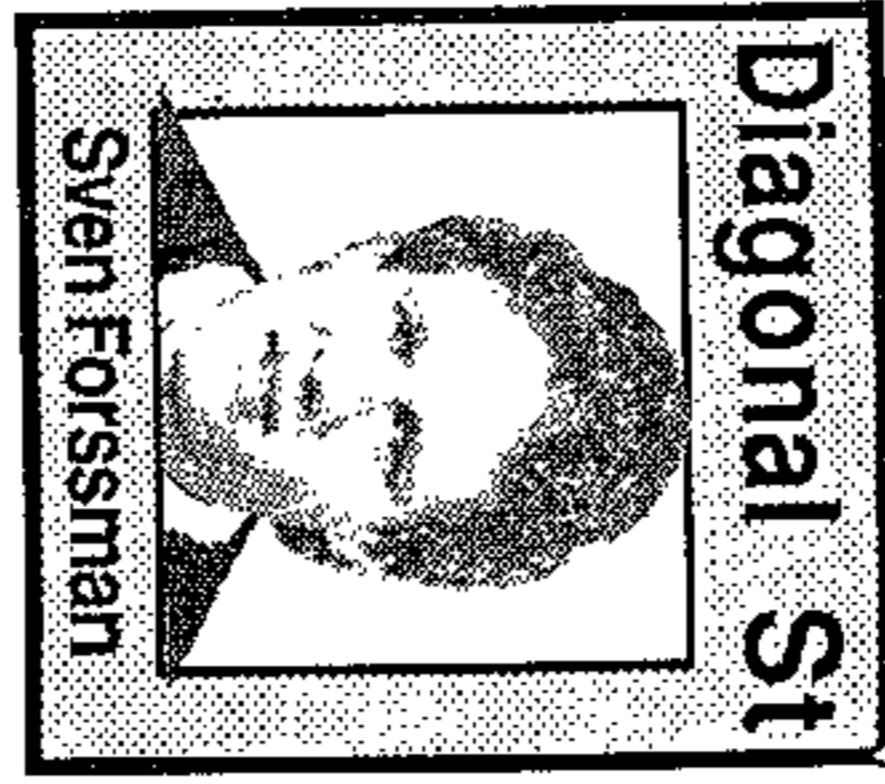
The gold mining opera-

tions are, however, a little disappointing.

Gold production last year rose by 36 percent to 1 607 kg, but was below target. The reason was that grade in the reef tonnage produced was below expectations.

Tonnage this month should increase from 60 000 to 90 000 tons, but the group still does not think it profitable to run a night shift.

A plus in West Witwatersrand's favour is that it has been largely unaffected by labour problems, largely because miners are housed in two separate commercial hostels and thus not easily accessible to the NUM.



Guardian lifts underwriting profit by R7-m

Finance Staff

Past premium rating increases and improved loss experience resulted in an increase of R7.4 million in underwriting profit for Guardian National for the half year to June.

The directors say that while this represents a satisfactory return at seven percent of net written premium, "indications are that current rate reductions, some of which have initiated in overseas markets, are causing a competitive situation in which it may be difficult to achieve comparable levels of underwriting profit in the balance of this year and in 1989."

The 27.3 percent increase in investment income to R10 million over the same period last year arose out of premium growth and higher interest rates.

An interim dividend of 35c a share has been declared.

In line with company policy, this represents 50 percent of last year's total dividend.

Govt hails Nedbank/Perm deal

By Magnus Heystek, Finance Editor

The merger of Nedbank and the Perm was the forerunner of similar mergers. Dr Japie Jacobs, deputy governor of the Reserve Bank, said in Cape Town earlier this week.

The enlarged Nedperm Bank had the blessing of the authorities, he said.

"A more competitive and efficient financial system, receptive to the transmission of market forces, will not only enhance the effectiveness of monetary policy as an instrument of demand management, but will also facilitate the optimal allocation of financial resources, which is essential to improving the performance of the economy."

"The merger between Nedbank and the Perm provides scope for rationalisation of the existing infrastructure in the form of premises and computer facilities, for the provision of financial services and the use of the available management expertise.

This is an instance where the monetary and supervisory authorities with their programme of deregulation have to a great extent initiated the changes," he told a gathering of the Institute of Bankers.

Dr Jacobs said that important changes which had occurred in the market for deposit-taking institutions would eventually culminate in the re-registration of all banks and building societies in terms of one Act.

One result of recent changes to legislation was that tax concessions currently enjoyed by building societies were to be phased out over a period of five years, beginning next March, he said.

Dr Jacobs touched on the subject of disclosure by financial institutions and said:

"Greater self-regulation by financial institutions implies greater financial disclosure than is currently the case. Some banks have moved towards fuller disclosure, but the public in general, whether they be users of financial services or investors, can at present learn very little from the published accounts of institutions about their soundness."

"Too much reliance is placed on the supervisory functions performed by the authorities to ensure that financial institutions do not fail. It is essential that attention should be paid to the data reflected in these financial statements and the way they are presented to the public."

"A strong case can be made out to make these financial statements more meaningful, which, at the same time, will ensure that institutions apply greater care in evaluating risks in managing their liability and asset portfolios," Dr Jacobs said.

Banks' figures confirm spending spree

Finance Staff

The authorities' concern about surging consumer spending was highlighted yesterday when figures released by 41 banks showed that credit had demand increased by 25 percent over the last year.

An analysis of BA9 figures (quarterly returns of commercial banks) conducted by Nedfin shows that from June last year to July this year credit agreements signed by banks with corporate and private borrowers rose from R12,942 billion to R16,216 billion.

Lease agreements rose faster than instalment sale agreements — the 12 month increases being 34 percent, against 20.9 percent. The Nedfin figures show the value of lease agreements stood at R5,669 billion on June 30, compared with the June 1987 figure of R4,217 billion.

The increase in leasing can be partly accounted for by rental schemes promoted by banks.

Says Nedfin MD Ron Rundle: "This dramatic increase in credit, especially in the lease area, highlights the authorities' need to curb credit creation."

"Although the rate of increase slowed somewhat in the June quarter, the continual demand for credit has naturally been a worry for the authorities in an economy under balance-of-payments pressure."

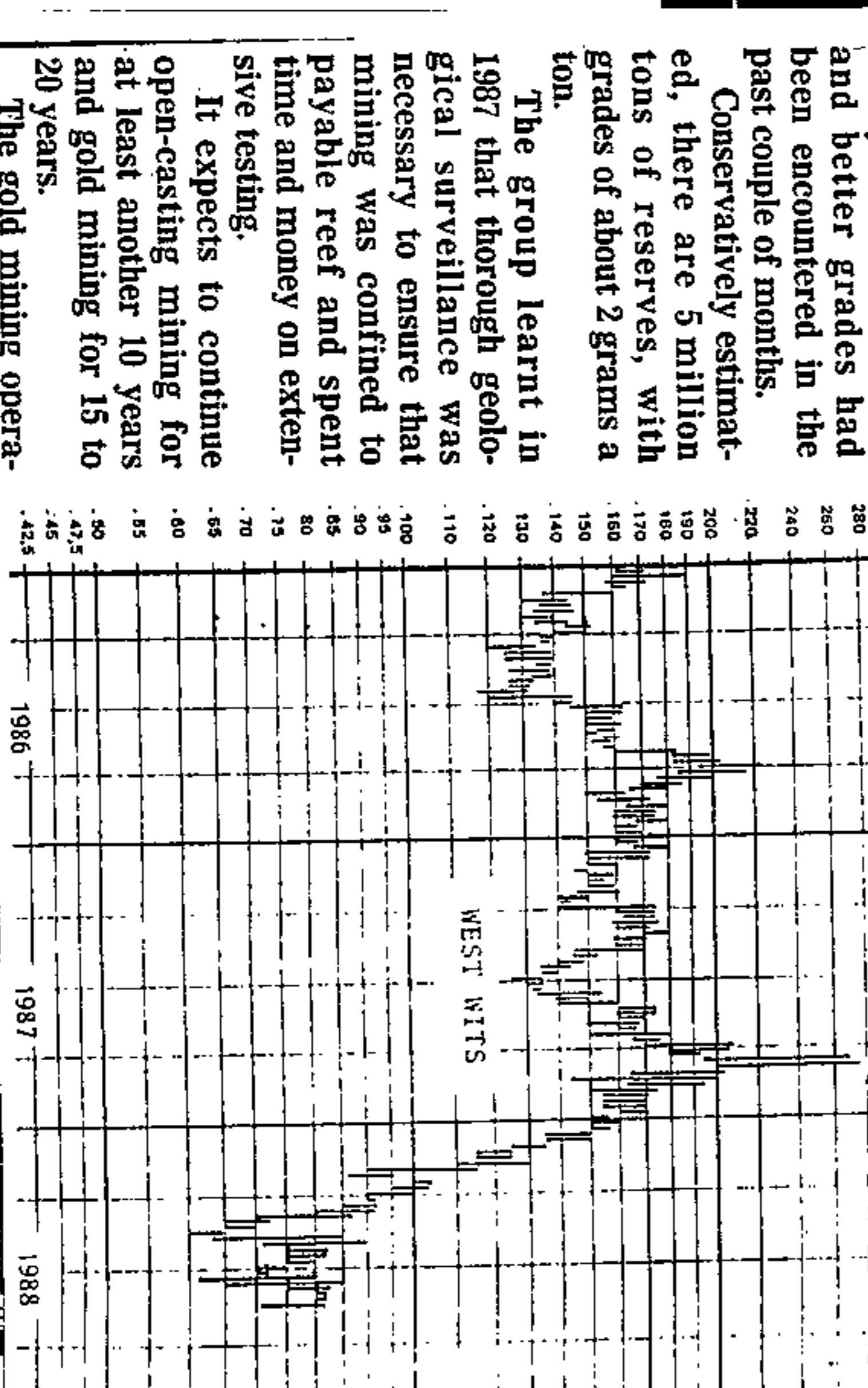
The value of lease agreements increased by R497.8 million, or 9.6 percent, while the value of instalment sale agreements rose by R388.8 million, or 3.6 percent, in the three months to June.

Mr Rundle says the value of instalment sale agreements increased by 20.9 percent from R8,725 billion to R10,547 billion over the 12 months to June, reflecting the surge in credit and justifying the stringent curbs announced last Friday.

Mr Rundle expects corporate credit demand to be dampened by higher interest rates but says consumer credit should remain at current levels because the curbs exclude restrictions on vehicle financing.

Sugarbush intended raising R14.1 million by way of a private placing and a public offer of 4 400 000 linked units at 320c each. The units comprised two shares and an option to subscribe for one Sugarbush share at 225c.

The company intends continuing exploration activities in a 38 000 ha area, 100 km south of Johannesburg and bounded by Evander and Balfour.



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Mr P W Mounford, general manager, SA Housing Trust: "The State should develop mechanisms in terms of which the private sector can be meaningfully involved." He says housing development has corrected social imbalances in developing countries.



The National Council of Trade Unions' Mr James Mndaweni: "The critical housing shortage is a direct result of the Government's apartheid policies. The land issue, urbanisation policies, the Group Areas Act and influx control are all central to the issue of housing."

Employers urged to assist

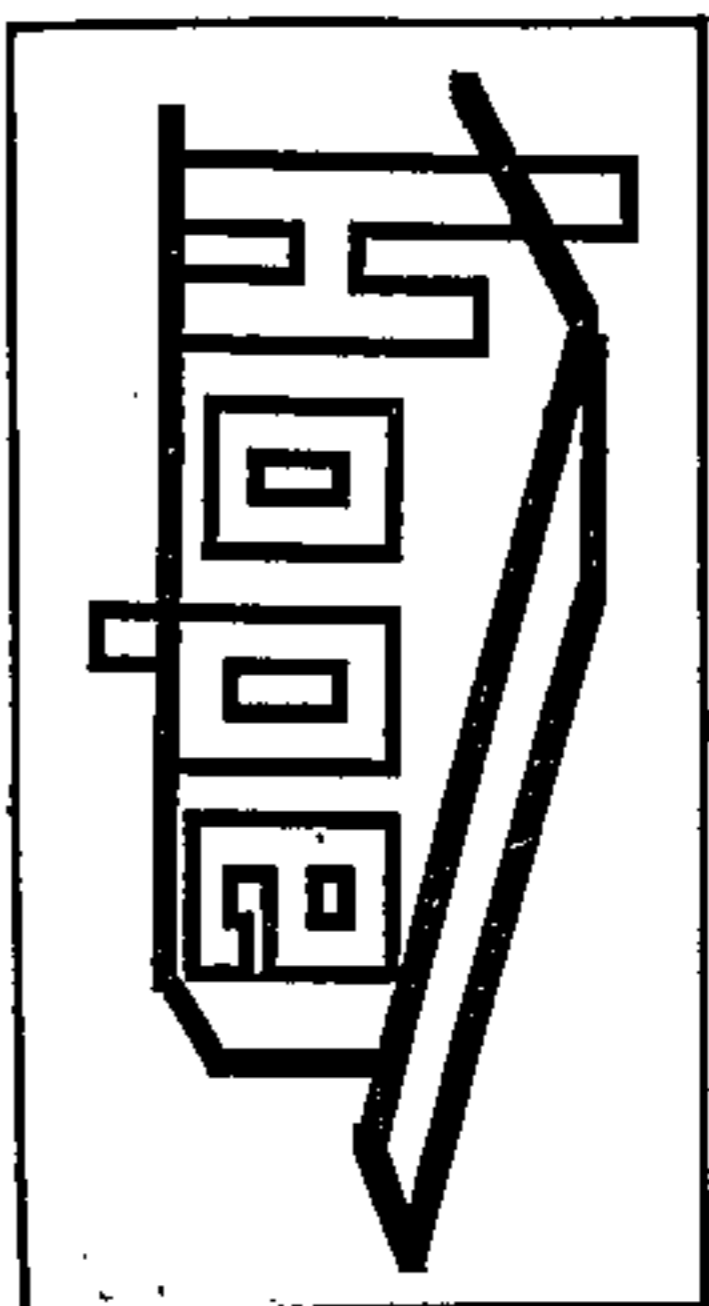
By NORMAN CHANDLER

South Africa's "highly-distorted and inadequate" housing situation requires close attention by employers, says an Assocom official.

Mr G A V Brett, the organisation's manpower secretary, says that the welfare and social environment of workers are important factors in maintaining a contented, reliable and stable workforce.

He congratulated businesses which had already helped workers in this regard, despite earlier "confusion and lack of knowledge of the requirements and regulations, not only by employers but also by local authorities and others concerned in these dealings."

Mr Brett said employers, and shareholders in companies, should recognise their re-



sponsibilities to employees which "go beyond the workplace and the pay cheque".

"There is a great deal of legislative control and restrictions which militate against the free and adequate supply and acquisition of housing."

Mr Brett says these include the Group Areas Act, which he says needs to be radically amended or abolished.

The Star Friday August 19 1988

Workers

He suggests that government subsidies should be designed to be targeted at those most in need and that financial institutions should be more innovative in their approach to the provision of housing loans to the low income groups.

He said Assocom would not support tax incentives to encourage employers to provide employees with assistance in housing.

"It is opposed to such incentives for any purpose as it believes that they act as a distorting factor in the allocation of resources in the general financial structure of the country and introduce undesirable distortions into the taxation system.

"It is likewise opposed to relief of taxation on bond repayments for the reason that the home owner is being favoured over the lessee," he says.



Mr Bob Tucker, SA Perm MD: "At our peril do we overlook the fact that now, during the period of rapid urbanisation of the black community, rates of interest are high and the subsidy mechanism has effectively been removed."



Mr Esau Mahlatsi, the Mayor of Lekoa: "Laws such as the Group Areas Act contribute to this (the housing) problem. The number of squatter camps are mushrooming in every area." He said this showed that there was an urgent need for housing development.

QUANTUM

Housing drive

Activities: Development of industrial and commercial land primarily in black areas, civil engineering and project management.

Control: Directors hold about 54%.

Chairman: D Meyer; managing director: S A Gordon.

Capital structure: 43,3m ords of 1c each. Market capitalisation: R34,6m.

Share market: Price: 80c. Yields: 6,3% on dividend; 16,8% on earnings; PE ratio, 6; cover, 2,7. 12-month high, 200c; low, 70c. Trading volume last quarter, 1,9m shares.

Financial: Year to March 31.

Debt:		'88
Short-term (Rm)	7,3	
Long-term (Rm)	5,9	
Debt:equity ratio	1,06	
Shareholders' interest	0,27	
Int & leasing cover	5,78	
Debt cover	0,57	

Performance:		'88
Return on cap (%)	16	
Turnover (Index 1987 = 100)	292	
Pre-int profit (Rm)	8	
Taxed profit (Rm)	4,4	
Earnings (c)	13,4	
Dividends (c)	5	
Net worth (c)	36,2	

A movement from the DCM to the JSE main board is on the cards for Quantum, which is now one of the larger members of the nursery, following vigorous growth in the first year since its listing in June 1978. MD Stuart Gordon confirms that the company is moving towards a transfer, although an application has not yet been made.

Although the performance has been good, its track record is short. Operating profit in the year to end-March was 183% above the pro forma figure for the previous 15-month period and 66% above forecast; attributable income was 245% and 70% higher and EPS 173% and 65% higher. Turnover, shown as an index, was 192% higher.

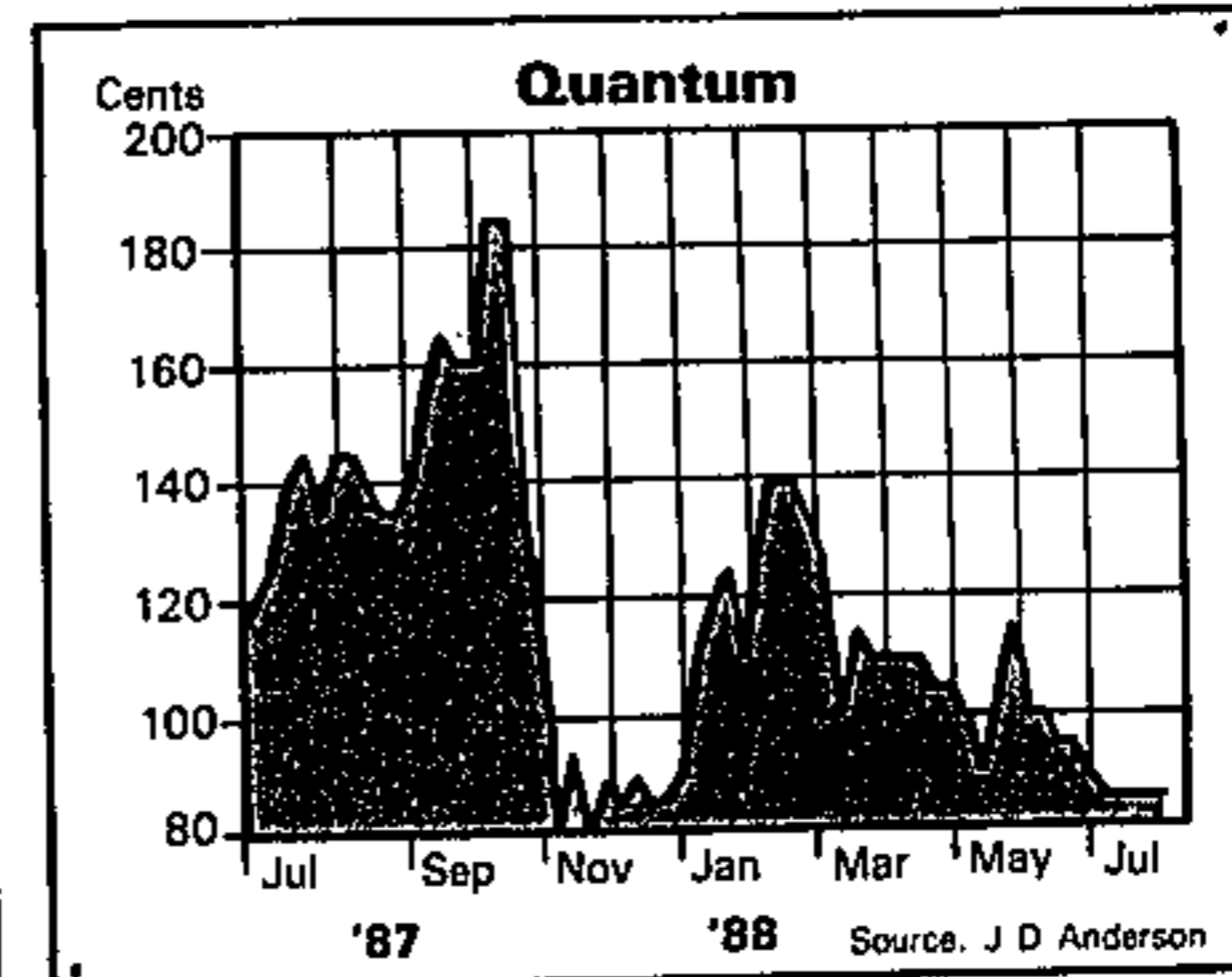
The debt:equity ratio was a source of concern at 1,06, high even for this kind of company.

Quantum is active in the black housing market, from which it drew more than half its income last year. Its other divisions — property development, project management and civil engineering — are also primarily in black developing areas and integrate well operationally. This may seem like staking all on one market, but a slowdown in black housing at least seems unlikely. An estimated 2m houses must be built in this market in the next two decades. Gordon says the market is competitive but is also big enough for everyone and hence margins should be maintained.

Until now, Quantum has specialised in higher-margin, upper-income black housing — largely individual units subsidised by employers. Gordon says further growth lies in the middle-income group, so Quantum is shifting. Again, this market must be

employer-subsidised. Gordon says subsidised housing is in its infancy, but political and union pressure are prompting rapid expansion.

This year, Quantum expects to double the number of houses (900) it built last year; other divisions are also growing strongly. Roadstorm, which specialises in installing infrastructure for black residential stands, was acquired in February and extends Quantum's services in black areas. Roadstorm's results were consolidated as of July 1987. In the nine-month period, it earned R430 000 on a turnover of R15,3m, which emphasises the low margins in civil engineering. Quan-



tum intends eventually to list Roadstorm.

After rapidly reaching a relatively high base, Quantum is likely to grow at a slower rate this year. Issued shares have been increased 12% since the listing, making EPS growth more difficult. A share bonus scheme offered in place of the maiden dividend, to conserve working capital and ameliorate minimum tax on companies, was accepted by holders of two-thirds of the issued shares (the directors, who hold about 54%, all opted for shares).

The group appears to have bright prospects and the only apparent reason for the share trading close to its 12-month low is its high gearing. Although the p/e of six times is not far below the construction sector's 7,8 average, the counter could be rerated when it moves out of the nursery.

Teigue Payne

Urbanisation is opportunity, not threat, says Durr

By Norman Chandler
People living in informal settlements should be allowed to stay where they are, says Mr Kent Durr, Minister of the Budget and of Works in the House of Assembly.

One of the Government's top experts on housing, Mr Durr believes that "if we want to build a free society, we must extend property rights".

He said that urbanisation was not a threat to South



Africa, but a great opportunity — and informal settlers had a real role to play in the whole scenario.

In an interview with The Star, the Minister also said:

● There was room for innovation by the Government and local authorities on the

question of informal settlements.

● Opportunities must be created for people "to live informally but with security of tenure".

● Too many local authorities showed "a lot of ignorance" and did not have the same attitude towards the housing problem as did the Government.

● Regional housing committees were a way to overcome

ing local housing problems.

Mr Durr, former chairman of a building society, said the question of informal settling was one of the most important problems for South Africa in terms of housing provision.

"Not everybody settling informally or squatting in urban areas, sometimes far from places of work, necessarily did so because

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PARTY LEADER: Allan Hendrickse.

Housing row hots up after walkout

SHIRLEY WOODGATE
Municipal Reporter

THE Rev Allan Hendrickse, leader of the House of Representatives, is to be asked to intervene in the Ennerdale housing row following Housing Minister Mr David Curry's walkout from a meeting he had called to discuss long-standing complaints.

The year-long row stems from allegations by the Ennerdale Steering Action Committee (ESAC) that 918 houses in Extension 5 were falling apart because of inferior building materials.

Residents originally demanded total demolition or a R10 000 reduction in purchase prices that varied between R25 000 and R30 000. According to committee chairman, Mr Eddie Marks, attitudes had hardened after Mr Curry's walkout and the committee now demanded an 80 percent reduction in price.

Following a Portland Cement Institute analysis showing the mortar was "much too lean" the ESAC advised residents not to apply for bonds.

Mr Marks said Johannesburg's town clerk, Mr Manie Venter, insisted the houses could be repaired. "He warned the council would take back its houses if we did not accept repairs and I told him to go ahead, but he cannot confiscate the ground, which belongs to the House of Representatives.

"I challenged him to spell out the cost and to say where and how he would relocate 250 000 people.

"Mr Curry cares nothing for coloureds in the Transvaal, and I challenge him to an open debate. Our answer to his attitude will be given at a public meeting on Wednesday, August 24."

Homes for all a gargantuan challenge

By NORMAN CHANDLER

Professor Jan Lombard, Deputy-Governor of the Reserve Bank, says the orderly settlement of the black urban population "is surely one of this country's greatest... challenges".

He told The Star: "The trek to the cities is so great that it overshadows almost any other great social movement in recent times, including the mass immigration into this country during the 1960s, the development of the gold mining industry in the Free State in the 1950s or the development of the petrochemical industry."

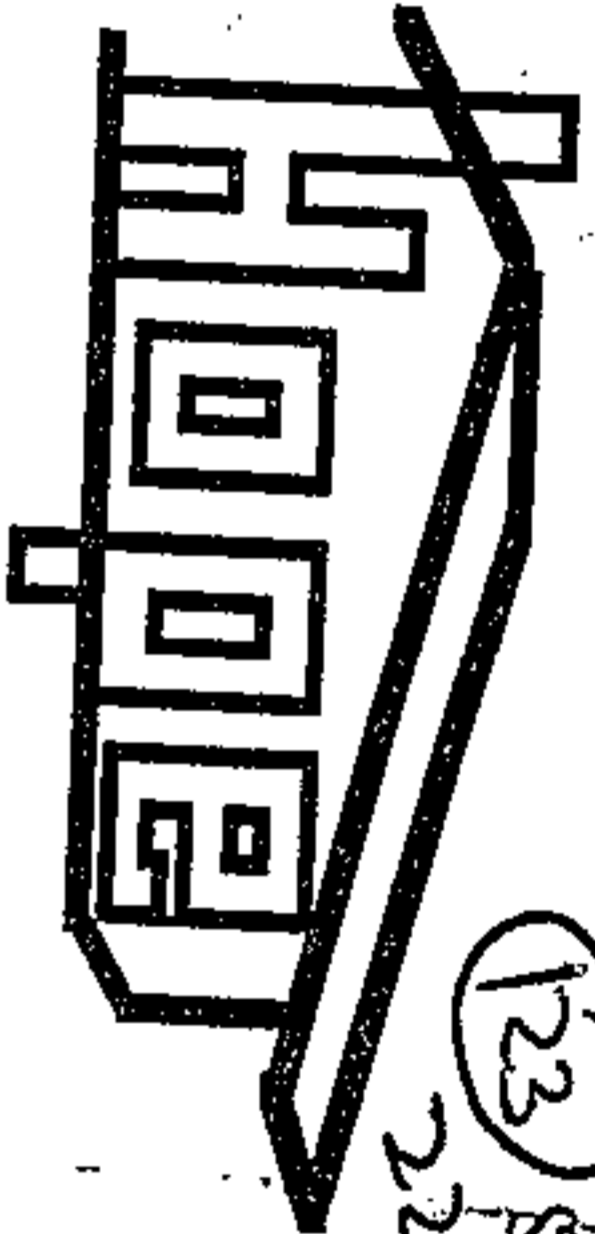
Professor Lombard said that in his view the nearest event to compare with the new settlement task would be the urbanisation of the Afrikaners during the early part of the century.

MASS OF POOR WHITES

At that time, among the many other issues, was the problem of the poor whites, who made up about one-third of all Afrikaner people at the time.

Professor Lombard said that on present calculations — with inflation taken at 12 percent — it would cost R4 500 million a year until the end of the century to meet the housing demand caused by the huge influx to urban areas. The question of finance for housing, particularly low-cost housing, had become a key national debate in recent weeks.

He said that with capital of R1 200 million set aside by the Government and private sector, "not



much progress will be made, and additional funds will have to be procured in the near future".

He added that something had to be done to attract savings back to the longer-term fixed-interest market, and also to induce insurance houses and pension funds to move their funds into longer-term financial commitments.

Professor Lombard pointed out that the challenge in housing finance was not confined to blacks only.

"There are backlogs and growing needs among other population groups as well. The ethnic distribution of the need is not the point. The point is that there is a vast need to settle hundreds of thousands of low-income households in urban centres.

"In Natal alone there are at this moment probably a million people squatting on land without any order at all." And he added that the number was growing daily.

According to statistics collated by The Star, the number of squatters in the Durban-Pinetown-Amantzimtoti area is about 1 700 000. South Africa's

total squatter population is estimated at more than 5 million.

Professor Lombard said an "operation bootstrap" project might be the answer to the housing crisis because it would "enable... millions of unemployed people to build houses and install basic services".

He said people of the so-called Third World sector might be able to improve on settlements and housing programmes if tenders for engineering and housing contracts "did not go to producers with capital-intensive processes of production, but to labour-intensive producers".

LOW COST OF SITES

The Deputy-Governor added that if there were a need for subsidies to be offered to "settlers", the best time would be when basic services had been installed.

"By keeping the cost of sites low, the subsidy benefits would remain with the site owner." And he warned: "Subsidisation at later stages might well turn out to become a subsidy to the builder, rather than the owner."

Commenting that the financial system in South Africa remained, as he described it, "riddled with problems of unequal competition", Professor Lombard added: "There is an absence of a level playing field for the various kinds of financial institutions who might have a role to play in housing finance."

New homes rise on once barren soil

By Norman Chandler

An attempt to improve the lot of the informal settler — squatters — as well as anyone else inadequately housed, is under way under the auspices of the Urban Foundation, the SA Housing Trust and private enterprise throughout the country.

Striking examples are in the Motherwell area of Port Elizabeth, once a barren farm, which has been turned into a black housing estate on which there are homes that would not be out of place anywhere.

There are a few drawbacks. Electricity, for instance, is still being introduced to some areas — two magnificent Cape Dutch-style homes are already occupied in the area's so-called Nob Hill, but electricity to those and to many others is still on the way.

The Ibhayi City Council, which administers the area, has in the meanwhile installed the lamp stan-



dard-type of electric light.

But whatever the drawbacks, it is infinitely better than living in the Soweto-by-the-sea slum that residents cannot escape from, as this huge slum area around a salt pan is in view from their front doors.

As in many other areas, land has been virtually given away to would-be residents.

Market prices for homes built in the area, and its surrounding "neighbourhood units" (there are nine in all) start at about R40 000, but property experts believe prices will escalate when more land becomes available.

But as fast as one wants to house squatters, the quicker new ones arrive.

Many black urban areas have found that a system of controlled squatting is one way to solve this problem.

Squatters are allowed to enter a "controlled area" and are charged R27,11 a month as an initial payment (R24 for the rent and R3,11 for administration costs). They are allowed to take title on the 99-year leasehold scheme.

The authority supplies electricity (initially a lamp system to cover the whole controlled squatter township) and other upgrading services.

Many have taken advantage of the "controlled area" idea — some sites have been used for self-help or conventional building schemes.

● See Page 11.

Report on squatters released

By Norman Chandler

The insecurity of squatters is detailed in research findings released by the Urban Foundation.

Most will not go on holiday because of this insecurity as well as the "traditional response" of authorities — such as demolition of shacks.

They say authorities are hostile to their plight, there is a suggestion of official corruption in the shack market, and further aggravation comes from exploitation by landlords.

BACKYARD SHACKS

The foundation says these are problems being faced by between 1,6 million and 2,4 million people living in backyard shacks, in garages and in informal settlements in the Pretoria-Witwatersrand-Vaal area.

It estimates there are seven million squatters in South Africa.

In the PWV area they live in 312 000 backyard shacks and in 67 000 garages. The Government says 156 000 backyard

shacks house squatters and another 28 500 shacks are in what are termed "free-standing settlements" (also known by Government officials as informal settlements).

The Urban Foundation says that in most Third World countries, the authorities "traditional responses" to informal settlements are prosecution of squatters and the demolition of shacks.

These responses to the "problem" come about because of conservative attitudes, radical elements and a First World vision for cities.

International experience has shown that coercive and destructive measures had all failed, with the result that shack dwellers had nowhere to go. In addition, costs were high politically and economically.

Another response internationally has been the turning of a "blind eye" to the issue, with the result that growth has taken place in contravention of official land-use plans, property rights and health regulations.

Section with an attack on
in court in

Houses cost more to build than to buy

JOHANNESBURG — It costs 22% more to build a medium-size house today than to buy an existing dwelling, says the UBS in its latest Housing Review.

It states: "This substantial price differential between new and existing housing can be attributed to the combined effect of sharply rising building costs and an oversupply of existing housing in white residential areas.

"Building costs are increasing by an estimated 10% on a year-on-year basis in the first quarter and by 17% in the second quarter of this year."

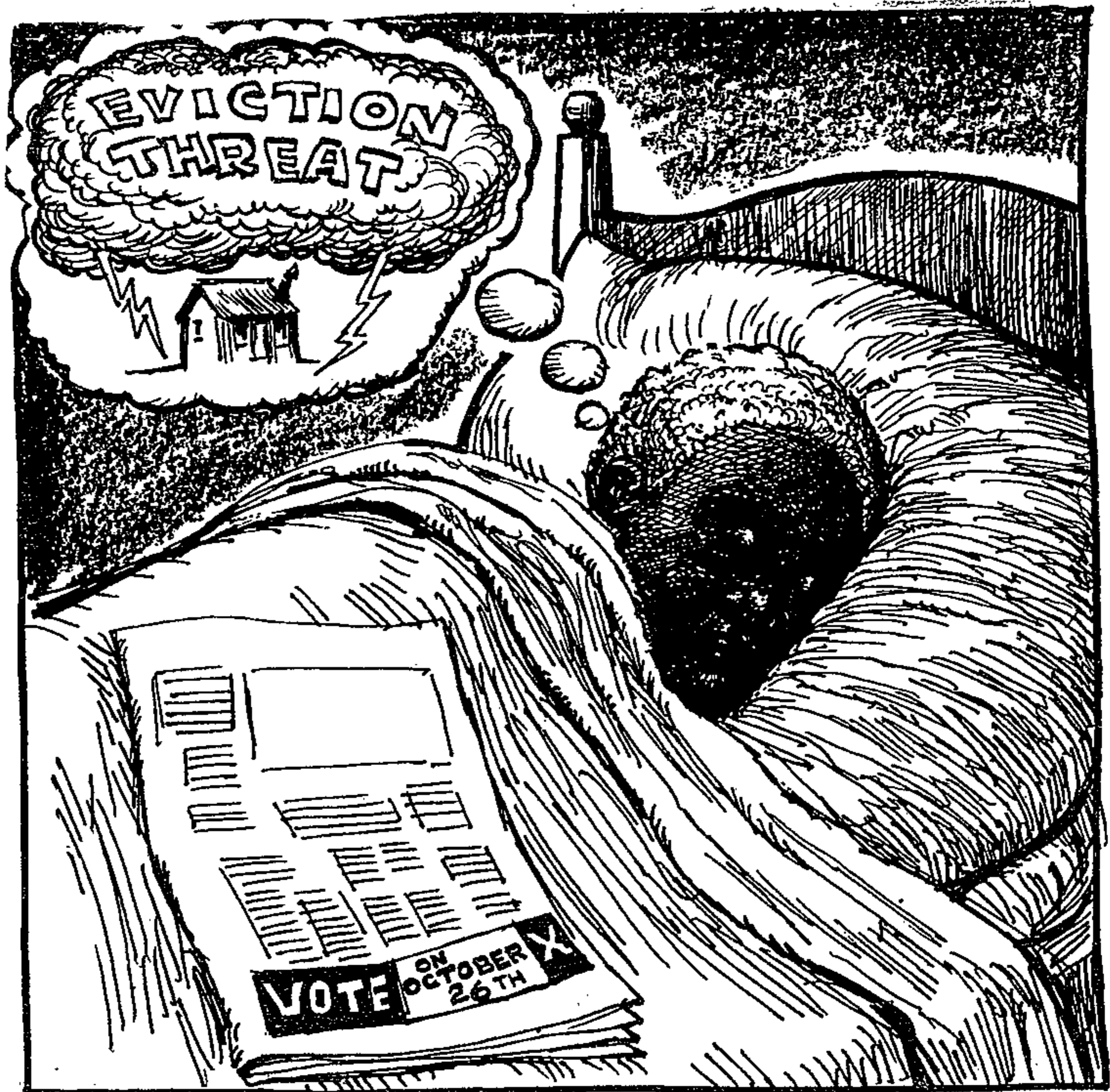
The UBS went on to say: "During the second quarter the increase in house prices was only 11% on a year-on-year basis compared with a 13% increase in the first.

"A medium-sized house can currently be acquired for R85 000. The price of larger dwellings has remained stable at R118 000 but the price of smaller houses has increased by 13% to R70 000."

The best increase in the country was recorded in the Western Cape where prices escalated by 11% and 9% on a quarter on quarter basis.

In Natal and the East Rand prices increased by 5%. — Sapa

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HOUSE OF REPRESENTATIVES

+ Indicates translated version.

For written reply:

General Affairs:

SAP Western Province Division: commanding officers

42. Mr W J DIETRICH asked the Minister of Law and Order:

(1) How many (a) district head-offices, (b) training colleges, (c) riot control unit offices, (d) charge offices and (e) detective branch offices in the Western Province Division of the South African Police (i) are situated in predominantly Coloured group areas and (ii) have (aa) White and (bb) Coloured commanding officers;

(2) whether it is Government policy that each race group should preferably be served by members of that race group; if so, (a) what steps have been taken in regard to (i) the appointment of senior Coloured officers to existing senior posts, (ii) in-service training programmes to prepare competent (aa) commissioned and (bb) non-commissioned Coloured officers in the Police Force for appointment to posts currently filled by Whites and (iii) the implementation of this policy in general and (b) in respect of what date is this information furnished;

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

The MINISTER OF LAW AND ORDER:

- (1) (i) (a) 1.
(b) 1.
(c) None.
(d) 12.
(e) 12.
(ii) (aa) 10.
(bb) 1.

(2) (a) (i) to (iii) It is the policy of the Government that every race group should as far as possible preferably be

HOUSE OF REPRESENTATIVES

Howard

Own Affairs:

Despatch/Uitenhage: development projects

23. Mr P J MÜLLER asked the Minister of Local Government, Housing and Agriculture:†

Whether his Department intends to launch any development projects in the (a) Despatch and (b) Uitenhage area in the current financial year; if not, why not; if so, what are the relevant particulars, in each case?

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND AGRICULTURE:

(a) No.

The Department does not envisage to launch any development projects itself but has allocated funds for the installation of 222 water meters, electricity connections for 72 dwellings, electricity network and connections at 154 dwellings and an amount of R772 000 for services.

(b) No.

Although the Department does not intend to launch any development projects itself, it has allocated an amount of R1 250 000.00 for sports facilities.

Housing: publication of waiting lists

25. Mr T R GEORGE asked the Minister of Local Government, Housing and Agriculture:

(1) Whether his Department intends publishing all housing waiting lists in all local newspapers; if not, why not; if so, when; (2) whether these lists are being made available for scrutiny by members of the public; if not, why not; if so, where in each case?

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND AGRICULTURE:

(1) No.

All applications are regarded as confidential.
(2) Falls away.

Port Elizabeth area: value of projects for housing infra-structural development

26. Mr C R REDCLIFFE asked the Minister of Local Government, Housing and Agriculture:

(1) What was the total value of projects for (a) housing and (b) infra-structural development in the Port Elizabeth area undertaken by his Department in respect of the 1985-86, 1986-87 and 1987-88 financial years, respectively;

(2) whether at the end of each of these financial years any funds appropriated for (a) housing and (b) infra-structural development were unexpended; if so, what amounts in each case;

(3) whether there is a shortage of housing units for Coloured persons in the Port Elizabeth municipal area; if so, (a) what is the extent of the shortage and (b) when is it anticipated that it will be eliminated?

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND AGRICULTURE:

(1) None. (a) and (b) falls away.

(2) Falls away.

(3) (a) Approximately ± 8 500 housing units.
(b) The tempo at which the housing shortage can be eliminated is difficult to determine. The Department, the local authority and the Management Committee recently decided to establish a Development Committee so that the development of housing projects can be co-ordinated and accelerated. Tenders for the development of 497 erven in Bethelsdorp, Extension 31 will be invited in the second half of 1988.

Riverlea Extension 2: proclamation as Coloured residential area

28. Mr T R GEORGE asked the Minister of Local Government, Housing and Agriculture:

(1) Whether his Department has made any representations for Riverlea Extension 2

HOUSE OF REPRESENTATIVES

Howard

- to be proclaimed as a Coloured residential area; if so, (a) when and (b) to whom;
- (2) whether negotiations in this regard are in progress; if not, why not; if so,
- (3) whether any recommendations have been submitted on this matter; if not, why not; if so, (a) what recommendations, (b) by whom and (c) to whom;
- (4) whether he will make a statement on the matter?

THE MINISTER OF LOCAL GOVERNMENT, HOUSING AND AGRICULTURE:

- (1) No. Riverlea Extension 2 has already been proclaimed a Coloured group area.
- (a) Falls away.
- (b) Falls away.
- (2) Falls away.
- (3) No.
- (a) Falls away.
- (b) Falls away.
- (c) Falls away.
- (4) No.

Riverlea Extension 1: meeting on upgrading

29. Mr T R GEORGE asked the Minister of Local Government, Housing and Agriculture:

- (1) Whether he or his Department was informed of and/or received reports on a meeting held in February 1987 in the Riverlea Community Hall on *intra alia* the upgrading of Riverlea Extension 1; if so,
- (2) whether, at this meeting, any undertakings were given to the residents of this area; if so, (a) what undertakings and (b) by whom;
- (3) whether any of these undertakings have been honoured; if so, which undertakings;
- (4) whether he will make a statement on the matter?

THE MINISTER OF LOCAL GOVERNMENT, HOUSING AND AGRICULTURE:

HOUSE OF REPRESENTATIVES

THE MINISTER OF LOCAL GOVERNMENT, HOUSING AND AGRICULTURE:

- (1) No.
- (2) Falls away.
- (a) Falls away.
- (b) Falls away.
- (3) Falls away.
- (4) No.

Riverlea: application for funds

30. Mr T R GEORGE asked the Minister of Local Government, Housing and Agriculture:

- (1) Whether the Johannesburg Coloured Management Committee has applied to his Department for funds for the Riverlea areas; if so, (a) what are the amounts involved and (b) (i) for which areas of Riverlea, and (ii) for what projects in each such area, are these amounts intended;
- (2) whether he will make a statement on the matter?

THE MINISTER OF LOCAL GOVERNMENT, HOUSING AND AGRICULTURE:

- (1) Yes.
- (a) R774 300,00
R2 000 000,00
R800 000,00
- (b) (i) Riverlea Extension 2
Riverlea
Riverlea
(ii) Old Age Home Units
Old Age Home Units
Old Age Home Units
- (2) No.

31. Mr P J MÜLLER asked the Minister of Local Government, Housing and Agriculture:

- Whether a sports complex is envisaged for (a) Boesmansriviermond, (b) Kenton On Sea, (c) Port Alfred, (d) Grahamstown, (e) Addo, (f) Hankey and (g) Kirkwood; if so, (i) when is it anticipated that building operations will (aa) commence and (bb) be completed, and (ii) what total amount has been allocated for this purpose, in each case?

(1) No.

(2) No.

(a) and (b): Falls away.

(3) No.

(4) No.

Mrs J Sallie/Mr N Crowie: representations for rental relief.

38. Mr T R GEORGE asked the Minister of Local Government, Housing and Agriculture:

- (1) Whether certain persons, whose names have been furnished to the Minister's Department for the purpose of his reply, made any representations to him or his Department for the implementation of rental relief formulae; if so, (a) on what dates, (b) what is the main content of these formulae, (c) what was the purport of the representations and (d) what are the names of the persons concerned;
- (i) (aa) Falls away.
- (g) Not known.
- (bb) (a-f) Falls away.
- (g) Not known.
- (ii) Not known.

Housing projects: negotiations/decisions

34. Mr P J MÜLLER asked the Minister of Local Government, Housing and Agriculture:

- (1) Whether any additional housing projects are envisaged by his Department for the (a) Boesmansriviermond, (b) Kenton On Sea, (c) Port Alfred, (d) Grahamstown, (e) Addo, (f) Hankey and (g) Kirkwood areas; if not, why not; if so, what are the relevant particulars in each case;
- (2) whether any negotiations have taken place in this regard; if not, why not; if so, (a) what negotiations, and (b) with whom, in each case;
- (3) whether any decisions have been taken on the matter; if not, why not; if so, what decisions in each case;
- (4) whether he will make a statement on the matter?

THE MINISTER OF LOCAL GOVERNMENT, HOUSING AND AGRICULTURE:

- (1) Yes.
- (a) 21 October 1987.
14 January 1988.
- (b) All cases of hardship will be investigated by the Department of Health Services and Welfare, for possible assistance.
- (c) The purport of the representations was the request for rental relief
- (d) Mrs. J. Sallie
Mr. N. Crowie.
- (2) No.
- The new rental-instatement formula cannot be applied as the dwellings were financed with the local authority's own funds.
- (3) No.

THE MINISTER OF LOCAL GOVERNMENT, HOUSING AND AGRICULTURE:

- (1) No.
- (a), (b), (c), (d), (e), (f) and (g): Falls away.

HOUSE OF REPRESENTATIVES

Policemen/suspected informers murdered
970. Mr P G SOAL asked the Minister of Law and Order:

- (1) How many (a) policemen and (b) suspected informers were murdered in 1984, 1985, 1986 and 1987, respectively;
- (2) How many of these murders are suspected by the South African Police to have been politically motivated in each case in each of these years;
- (3) how many persons were charged with the murder of (a) policemen and (b) suspected informers in each of the above years?

The MINISTER OF LAW AND ORDER:

- (1) (a) 1984 — 19
1985 — 30
1986 — 50
1987 — 35

(b) In general it is not possible to ascertain whether or not a murder victim was a suspected informer. Statistics in this regard are therefore not kept.

(2) In the investigation of murder cases it is not always possible to determine a specific motive for the deed. More than one motive is often involved and is normally based on suspicion. Reliable and scientifically justified statistics cannot be compiled on the basis of suspicions, therefore the requested information cannot be furnished.

(b) I refer the honourable member to my reply in paragraph 1(b) above.

- (3) (a) 1984 — 42
1985 — 150
1986 — 158
1987 — 38

Primary/secondary schools: teacher/pupil ratio/
class size

1195. Mr K M ANDREW asked the Minister of Education and Development Aid:

What is the (a) teacher/pupil ratio and (b) average class size in (i) primary schools other than farm schools and (ii) secondary schools in the (aa) Cape Peninsula and (bb) Republic?

The MINISTER OF EDUCATION AND DEVELOPMENT AID:

	(aa)	(ii)	(i)	(ii)
(a)	1:37	1:40	1:44	1:35
(b)	35	34	49	43

Paragraph (bb) includes the Self-Governing Territories.
Information as on the first Tuesday of March 1987.

SAP: staff complement

1253. Mr J S PRINSLOO asked the Minister of Law and Order:

Whether he will furnish information on the staff complement of the South African Police; if not, why not; if so, how many (a) Whites, (b) Blacks, (c) Coloureds and (d) Indians were in the permanent employment of the Police on 31 December 1982, 31 December 1983, 31 December 1984, 31 December 1985, 31 December 1986, 31 December 1987 and 1 May 1988, respectively?

The MINISTER OF LAW AND ORDER:

(a) to (d) I refer the honourable member to the Annual Reports of the Commissioner of the South African Police for the years 1983 to 1987, which were tabled in Parliament and in which this information was published.

Police reservists: call-up for duty

1332. Mr C J DERBY-LEWIS asked the Minister of Law and Order:

- (1) Whether he is authorized to call up police reservists for duty other than on a voluntary after-hours basis; if so, what are the relevant details;
- (2) whether this duty results in any loss of income to any members of the Police Reserve; if so, (a) to what extent and (b) what arrangements apply in this regard;
- (3) whether he intends taking any action in regard to the matter; if not, why not; if so, (a) what action and (b) when?

The MINISTER OF LAW AND ORDER:

(1) to (3) I refer the honourable member to my reply to oral question 3 of 1 September 1987 which I also regard as an adequate reply to this question.

Eastern Europe: South Africans admitted

1343. Mr C J DERBY-LEWIS asked the Minister of Foreign Affairs:

Whether South African citizens are allowed to enter any Eastern European countries on temporary residence permits and/or tourist visas; if so, (a) how many South African citizens entered each such country on (i) temporary residence permits and (ii) tourist visas over the latest specified five-year period for which figures are available and (b) for what purposes did they visit each such country?

The MINISTER OF FOREIGN AFFAIRS:

The Republic of South Africa does not maintain official relations with these countries and I am therefore not in a position to confirm their entry requirements for South African citizens. I also do not dispose of official information

regarding the exact number and category of South African citizens who may have been allowed to enter these countries.

State selling-scheme of rented homes
1346. Mr C J DERBY-LEWIS asked the Minister of Education and Development Aid:

(a) How many houses have been sold by the Department of Development Aid in terms of the State selling-scheme of rented homes since the introduction of the scheme, (b) what is the total amount realized in this manner, (c) what are the terms and conditions of sale and (d) in respect of what date is this information furnished?

The MINISTER OF EDUCATION AND DEVELOPMENT AID:

(a) 3 628 (101 188 houses sold prior to the inception of the special selling-scheme).

(b) R6 057 930.

(c) Conditions for the sale of houses available for renting purposes which were built with funds provided by the South African Development Trust are as follows:

(i) SELLING PRICE	Deed of Grant	99 Year Right of Leasehold
a) Site	R4,40/25 m ²	R4,40/25 m ²
b) Infrastructure	None	Sites smaller than 750 m ² : Between R600 and R2 400 Sites larger than 750 m ² : Between R800 and R4 000
c) Electrification	None	R1 300 per site
d) Houses built before 31/12/78	Standard: R30/m ² X floor area (without improvements)	Improved: R30/m ² X floor area plus actual construction cost of any improvements
e) Houses built after 31/12/78	Actual construction costs plus costs of further improvements.	

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(ii) DISCOUNT

From the prices listed in (i) above, the following may be deducted:

(a) Up to 65% discount for any actual structural damage to the particular house.

(b) After the discount in (a) has been deducted, the following further discount can be subtracted:

(i) 25% for cash sales. In the case of houses with a gross price of R2 500 or less, a discount of 30% is granted.

(ii) 5% in the case of a purchaser who has rented the house for 5 years or longer.

(iii) 5% in the case of purchasers who buy within the special sales period that ends at 31 December 1988.

(iii) FURTHER INCENTIVES

The following further incentives are applicable:

(a) To the loan for the purchase of a house can be added any arrear rent which is applicable to the site and construction cost of the house.

(b) Transfer costs and other purchase costs can be added to the loan amount in deserving cases.

(iv) CONDITIONS OF PAYMENT

(a) Deposit

(i) A minimum deposit of 5% of the net calculated purchase price is payable. In the case of a house which is sold on the 99-year right of leasehold the minimum deposit is R300.00.

(ii) A lessee who has paid rent regularly over at least the last 3 years can purchase without payment of a deposit. Where regular payment of rent was not possible due to circumstances beyond the control of the

occupant, the town council or town manager may approve that the purchase can be effected without a deposit.

(b) Instalments

Where the purchase price cannot be paid in cash the balance of the purchase may be paid as follows:

(i) Soshanguve, Unlazi, Ntuzuma and Kwamashu 4,5% of the purchase price per annum

(ii) All other towns 3,5% of the purchase price per annum

(d) Up to 30 June 1988.

SAP: salary increases

1348. Mr C J DERBY-LEWIS asked the Minister of Law and Order:

Whether any salary increases, other than notch and merit increases, were granted to (a) White, (b) Coloured, (c) Indian and (d) Black members of the South African Police within the past six months; if so, (i) what increases, (ii) when, and (iii) why, in each case?

The MINISTER OF LAW AND ORDER:

1p:2q(a) to (d)

No, but disparity in the salaries of Black, Coloured and Indian members of the Force was eliminated with effect from 1 March 1988, in accordance with a Cabinet decision.

Mozambique: loans by South African Government

1349. Mr C J DERBY-LEWIS asked the Minister of Foreign Affairs:

Whether he will furnish information on loans made to Mozambique by the South African Government; if not, why not; if so, (a) how many such loans were made to the (i) Government of, and (ii) each specified organization in Mozambique during each of the latest specified five years for which figures are available. (b) What was the amount of each loan and (c) for what purpose was it provided in each case?

The MINISTER OF FOREIGN AFFAIRS:

Yes.

(a) (i) One in 1987.

(ii) None.

(b) R3 million.

(c) For the first phase of the rehabilitation and development of that section of Maputo harbour which handles South African trade *inter alia*.

Pupils murdered whilst attending school

1353. Mr C J DERBY-LEWIS asked the Minister of Education and Development Aid:

(1) Whether any pupils of schools falling under his jurisdiction were murdered whilst attending school during the latest specified period of five years for which information is available; if so, how many in each of these years;

(2) whether any measures are being taken to prevent occurrences of this nature; if so, (a) what measures and (b) by whom?

The MINISTER OF EDUCATION AND DEVELOPMENT AID:

(1) Yes.

(a) 3 (Three) in 1986.

(b) 1 (One) on 18 May 1987.

(2) Yes.

(a) The general application of discipline and supervision of children on the schoolgrounds by personnel.

The presence of security forces is requested timeously when it is obvious that people's lives are endangered.

(b) By security forces at the request of a principal of a school and/or a Regional Director.

HOUSING

Market flattens

The rise in mortgage bond interest rates and the consequent fall-off in demand for housing is reflected in the fact that house prices rose only 1% in the quarter to end-June, compared with 5% in the first quarter.

And, although prices were, on average, 11% above those in the second quarter of 1987, they were down on the 13% first-quarter increase over 1987 prices.

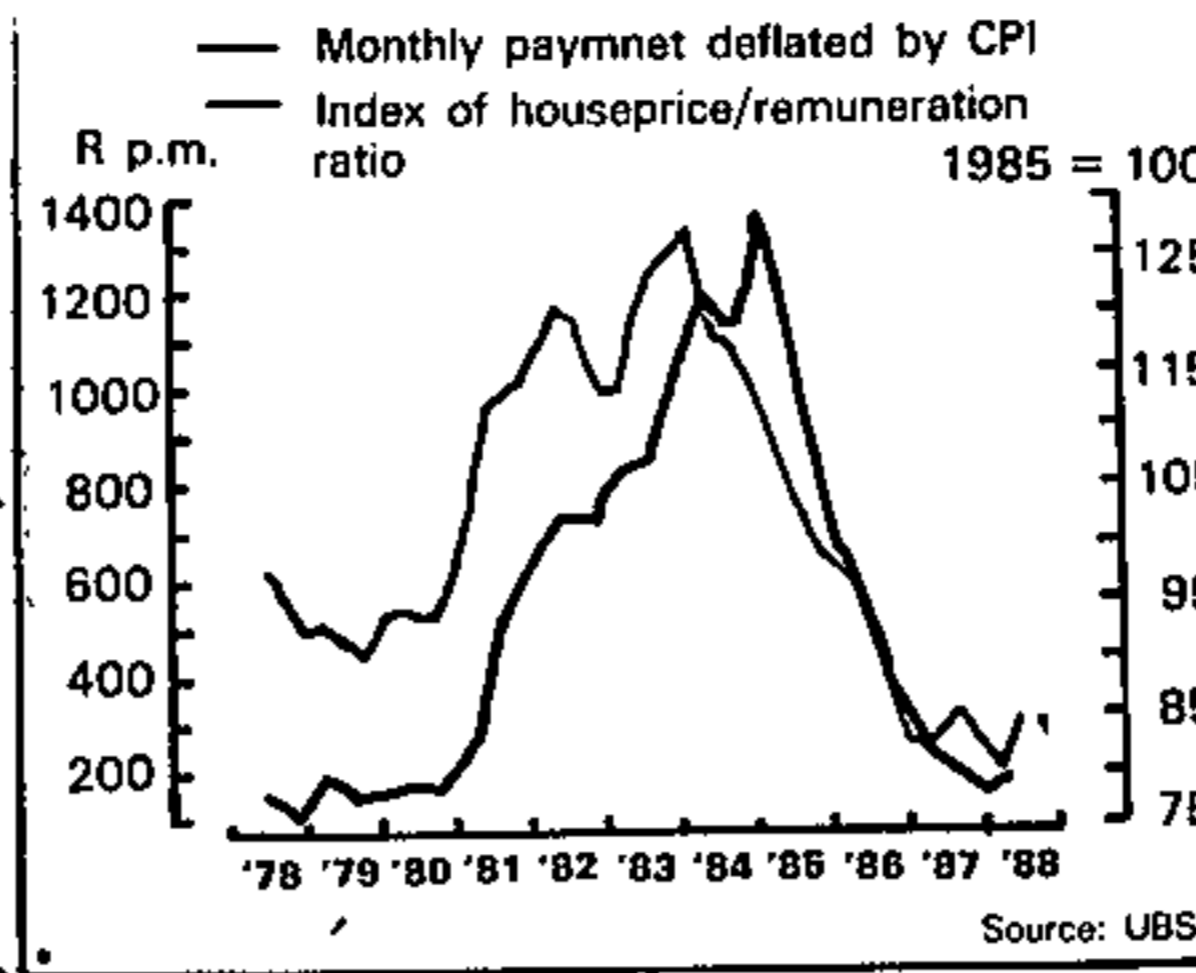
What's more, according to the *UBS Quarterly Housing Review*, house prices are now only expected to rise in tandem with inflation, estimated at 13% for the next 12 months. During the last quarter of 1987 and the first quarter of this year, economists were predicting that they'd rise 17% this year.

The *Review* points out that the Reserve

fm 26/8/88

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Affordability



Bank raised its rediscount rate by 1% both in May and July and that by mid-year the prime overdraft rate had increased from 12,5% at the end of last year to 16%. This does not augur well for the bond rate. Maintains the *Review*: "Since the mortgage bond rate has remained at an average 15%, some upward change must be expected in the near future."

This, it says, will have the effect of causing potential new homeowners to reconsider their investment decisions carefully and, in all likelihood, activity in the residential property market will experience a further decline.

Another negative factor is that, while an existing medium-sized house (141 m²-220 m²) can be bought for around R85 000, it would cost R100 000 to build a new one of the same size. This can be attributed to the combined effects of an oversupply of housing in the white market and sharply rising build-

ing costs, which rose 10% (y/y) in the first quarter and 17% in the second.

The review says the relative cost of acquiring a home is rising after a decrease in real terms from 1985-1987. The major reason for the turnaround is the rise in bond rates and house prices over the last year. The house price-remuneration ratio, which gives an indication of the relative cost of private housing, has also started to rise again after being on a decreasing trend since 1983.

The graph shows the average monthly repayment on new loans, based on an 80% bond of 20 years' duration at the prevailing bond rate deflated by the CPI. The house price-remuneration ratio is the index of the average price for medium-sized houses divided by the index of remuneration per worker in the non-agricultural sectors.

Source: UBS

Source: UBS

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Historically, retail development has followed demand for space as retailers chased market share in the belief that biggest was best.

However, as Philip Chilton-Jones, group development manager for Edgars, points out, trading densities that were previously considered acceptable are now found to be nowhere near international norms. Retailers have begun to make use of the "cube" rather than the "square" and found that "market share is not related to size as much as presentation, merchandising, assortment ranging, customer servicing and promotions."

And, he says, not only have turnovers been maintained in less space — and at much lower rentals — they have actually increased as response to the new trends in store fixturing and presentation grows.

What this should mean to property developers is that the pace of development should slow. Further brakes should be applied as they increasingly realise that food and similar purchases are "grudge" buys, taking time which could be used for other activities. As a result, electronic retailing and increased mechanisation are making their mark.

Also, there is a growing trend towards speciality stores — small shops of 500 m² or less which amplify a specific product range and present it in intensively merchandised outlets. Time for this kind of buying is not begrudged.

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RETAIL DEVELOPMENT

Still too much

Electronic retailing for staple purchases and the growth of speciality shopping are likely to put real dampers on the development of new regional shopping centres and hyperstores.

In addition, the larger national chains have realised the need to make better use of existing space as construction, rental, staff and advertising costs continue to rise.

Yet retail space is still growing at a faster rate than the market requires. Figures from Retail Information Management Systems show that between 1975-1985, growth in the retail infrastructure accelerated to 4,9%/year, while consumer spending grew only 2,3%/year. Space productivity levels declined by an average 1,5%/year in this period.

That being so, it is probably time to call a

halt to large new retail developments, especially as consumer spending is likely to undergo a further fall-off as interest rates continue to rise.

Meanwhile, building costs and rentals continue their upward spiral. Chilton-Jones says rentals approaching R65/m²-R75/m² may seem all very well now, but with escalations ranging around 10%-12% and a rapidly thinning slice of the cake, these levels are

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unlikely to be sustainable for long.

It seems developers have taken much of this to heart — witness Coreprop's inability to find a major financier for its new regional centre at Chatsworth (*Property* July 15).

However, they have not yet turned their full attention to the black market — which has achieved consistently high rentals from small outlets. Of course, to enter this market, developers would need to make fairly extensive capital investments in areas of relatively high risk — something which they aren't keen to do.

What they are doing is continuing to plan for massive growth in black residential areas and anticipating that regional centres and hyperstores will become as successful there as in white suburbia.

Wouldn't it be better to look at opportunities in the free trade and free settlement areas — which would really help open the country's central business districts to all? ■

Eldorado Park Extension 9: rentals

39. Mr T R GEORGE asked the Minister of Local Government, Housing and Agriculture:

- (1) Whether any assistance in regard to rentals is available to residents of Eldorado Park Extension 9; if so, what assistance;

(2) whether new rental formulae will be implemented in this residential area; if not, why not; if so, what are the relevant details;

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

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND AGRICULTURE:

(1) No.

(2) No.

The new rental instalment formula cannot be applied as the dwellings were financed with the local authority's own funds.

(3) No.

Central Johannesburg: resettlement of Coloureds
49. Mr T R GEORGE asked the Minister of Local Government, Housing and Agriculture:

- (1) Whether his Department has any official responsibility in regard to the resettlement of the Coloured population residing in the central areas of Johannesburg; if not, (a) why not and (b) what body is responsible for this matter; if so, to what extent;

(2) whether any housing development is taking place in the Emerdale area; if so,

(3) whether it is the intention to resettle Coloured persons residing in the central areas of Johannesburg in Emerdale; if so, (a) why and (b) when; if not, for what purpose is the Emerdale area being developed;

(4) whether the areas of (a) Westbury, (b) Newclare, (c) Bosmont, (d) Riverlea, (e) Coronationville and (f) Noordgesig are to be extended to accommodate Coloured

persons; if not, why not; if so, (i) which of these areas and (ii) (aa) to what extent, and (bb) when, in each case?

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND AGRICULTURE:

(1) Yes.

(a) Falls away.

(b) The Johannesburg City Council administers a project of 500 flats, which is financed by the Department and built for the relocation of the Coloured Community who resided in the central areas of Johannesburg. Relocation has been carried out in co-operation with the Administration: House of Assembly and the Johannesburg City Council.

(2) Yes.

(3) No.

(a) Falls away.

(b) For housing.

(4) (a) Westbury: No, vacant land unavailable.

(b) Newclare: Yes.

(c) Bosmont: No, vacant land unavailable.

(d) Riverlea: K1 and K2 areas were investigated but due to the physical limitations of the areas, investigations ceased.

(e) Coronationville: No, vacant land unavailable.

(f) Noordgesig: No, vacant land unavailable.³

(i) Newclare: The buffer zone is presently being investigated by the Group Areas Board.

(ii) (aa) Falls away.

(bb) Falls away.

HOUSE OF ASSEMBLY

+ Indicates translated version.

For written reply:

General Affairs:

(ii) (aa) Dresser SA R 3 500,00
Anglo American of SA R57 582,00

Co-operative society: information on directors

1428. Mr C J DERBY-LEWIS asked the Minister of Agriculture:

Black education: funds from non-Government sources

1360. Mr A GERBER asked the Minister of Education and Development Aid:[†]

Whether any amounts were received from (a) foreign governments, (b) foreign companies and (c) South African companies in 1987 for Black education in South Africa; if so, (i) what total amount in each case and (ii) (aa) from which South African companies were such amounts received and (bb) what amount was received from each of these companies?

The MINISTER OF EDUCATION AND DEVELOPMENT AID:

(a) No.

(b) No.

(c) Yes.

(i) R61 082,00.

(1) Whether he will furnish information on the directors of a certain co-operative society, the name of which has been furnished to the Minister's Department for the purpose of his reply; if not, why not; if so, (a) what are their names and (b) in respect of what date is this information furnished;

(2) whether any of these directors are ostrich farmers; if so, who?

The MINISTER OF AGRICULTURE:

(1) Yes;

(a) Messrs A J de Jager, J J Schoeman, C M Coetzee, P R Fourie, S D Jonker, G C Le Roux, M C Looock, P L Kleyn, G A Olivier, J C Esterhuizen, J H Potgieter and J J Schoeman;

(b) 23 August 1988;

(2) all the directors, with the exception of Messrs M C Looock and J C Esterhuizen, are ostrich farmers.

Housing: The group areas bottom line

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27/8/88

w/c AREAS 27/8/88

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THE Group Areas Amendment Bill, notwithstanding its newest amendments, fails to consider even the most fundamental requirements of positive urbanisation, says head of UCT's Urban Problems Research Unit Professor Dave Dewar.

Consequences of the implementation of amendments to group areas legislation due to be debated in Parliament next week would be "disastrous", he warned.

"It is frankly incomprehensible, given the realities of the urbanisation process in South Africa and the management problems which it poses, that legislation such as the Group Areas Amendment Act can even be contemplated at this time."

In a written submission to the parliamentary standing committee considering the trilogy of bills which all have bearing on group areas, Professor Dewar with Upru Ms Vanessa Watson analysed the

● Promotion of a positive climate of urbanisation.

The Group Areas Amendment Bill falls in respect of all of these, in Upru's analysis.

Professor Dewar points out that people are attracted to cities not only in the hope of finding shelter but in order to experience economic, social and cultural opportunities.

Failure to secure these opportunities does not, though, discourage people, as ongoing urbanisation in South Africa shows all too well. And when one asks why, the primary reason behind increasing urbanisation is revealed: the absence of opportunity and the means of survival for people in their areas of origin, notably in South Africa's case, the homelands.

In respect of generating urban opportunity, the key lies in a city's intensity of development in combination with the degree of integration of

the poor. Costs inflated by fragmenting a city include transport, housing and consumer goods.

Also negatively influenced by separation are human relationships: fragmented cities breed suspicion and mistrust between people of different backgrounds and income groups.

These characteristics which run counter to the ethic of human development have developed in South African cities as a result of, primarily, two influences: the uncritical adoption of planning ideas from other countries and the ideology of racial separation embodied in the Group Areas Act.

"They actively prevent the possibility of successful management of the urbanisation process," says Professor Dewar. "And the Group Areas Amendment Bill will only massively worsen the situation in its intention to tighten up the implementation of the Group Areas Act."

THE Urban Problems Research Unit of the University of Cape Town is staffed by professional architects and town planners. Their concern is primarily the promotion of "positive urbanisation" in South Africa where rapid urbanisation is accepted as a fact of life. Managed correctly, there is, in their view, positive potential in this swing to the cities. Mismanned, the resulting urban crisis would create irreversible problems and effect generations to come. The government's package of new group areas legislation sabotages all positive potential, they argue. DALE LAUTENBACH, Political Staff, reports...

Large scale displacement of people living in the "wrong" group areas will be a consequence of the proposed legislation. In recent years, inadequate provision of housing for coloured and black people in conjunction with a surplus of white accommodation has resulted in a "logical and positive response to the housing problem": blacks and coloured have moved into "white" accommodation.

possible without security of tenure. Professor Dewar points out that only where people feel secure about the property they occupy, do they undertake improvements, maintain the property with care and contribute willingly to the upkeep of their areas.

Other urban implications flow from this: if people feel secure they invest for their families in education and training; studies show social deviance and crime are

affected by security levels.

"One central effect of the Group Areas Amendment Bill will be to cause massive insecurity for all those living in the 'wrong' area," says Professor Dewar.

Investor confidence is next on Upru's list of those fundamental characteristics which will be negatively affected by the legislation.

For there to be positive and rapid growth, the private sector has to be involved, says Professor Dewar. In addition to the constraints already mentioned in that the availability of land for development will be retarded, the possibility of lengthy freezes of property and large scale state expropriation of areas affected by a change in group areas status will greatly discourage private investment... in both new housing and in the maintenance of existing accommodation and infrastructure.

Other urban implications flow from this: if people feel secure they invest for their families in education and training; studies show social deviance and crime are

Creating a "positive climate" for urbanisation is the last cardinal characteristic identified by Upru for healthy urban growth, a requirement all the more crucial where there is rapid urbanisation with the pressure this creates in society.

"It is essential that a climate is created which promotes neighbourhood cohesion, collective concern and collective responsibilities for the problems which have to be faced. If we cannot create a climate which encourages people to take control of their environments and future, the task of creating a positive urban society will prove insurmountable. The effect of the proposed bills will be to do exactly the opposite."

The bills legitimise neighbourhood spies by encouraging people to report group areas transgressors and this in spite of the government's claim in favour of the bills that they will "reduce" racial tension.

in which the proposed legislation would not only inhibit what is referred to as "positive urbanisation", but significantly reverse this process.

Any legislation which is going to have an impact on urbanisation should take into account several characteristics at the very heart of how to urbanise "positively", say the Upru experts.

They advise that legislation seek to promote these bottom-line characteristics:

- Maximum generation of urban opportunity;
- Facilitation of the provision of shelter;
- Promotion of security of tenure;
- Enhancement of investor confidence;

ability of different parts of the city to reinforce each other.

"Currently, the physical development of our cities is based on a ethic of separation," says Professor Dewar. His eye for urban analysis breaks it down: separation of residential areas from work and commercial areas; separation of high income groups from low income groups; separation of different races and cultures from each other.

"The result is cities which are made up of independent pockets of development and fragmentation of different land uses and types of development."

This type of city massively increases the cost of living for its inhabitants, a factor felt often most severely by

ment and alienation will all increase as a result of legislation which seeks to underpin city development with the ethics of separation, division and dilution.

Considering the second fundamental consideration, the provision of shelter, Professor Dewar says: "If the government is in any way concerned with the welfare of its people, a central priority must be the facilitation of the provision of shelter on the largest possible scale. (In Cape Town alone, the present estimated housing shortage is between 83 000 and 162 000 units).

"In our opinion, the bills being considered will do exactly the opposite and will directly result in an exacerbation of the housing crisis."

NOW, evicting hundreds of families from their homes and sending them back to their "own" areas will greatly increase the pressure on already grossly overcrowded areas, says Professor Dewar.

This movement will also have the effect of increasing the cost of accommodation, of increasing exploitation of those who are desperate and of inflating the price of houses in the townships.

Private sector investment by way of renting will be discouraged and due to various changes in zoning procedures envisaged in the legislation, land for urban use will be made available at a much slower rate than before.

Creating the positive urban environment of the future is also im-

Nomads with nowhere to go



NO PLACE LIKE HOME

FOCUS

AT least 200 000 new houses are needed annually in order to eliminate the acute housing backlog in South Africa's urban areas, a survey conducted by three organisations has revealed.

The survey also revealed that 832 000 houses

By MZIKAYISE EDMON

are presently needed to house about five million homeless people in the country's black townships, outside of the homelands.

The survey was conducted by the Transvaal branch of the Black Sash,

Urbanisation Working Group and Agency for Industrial Mission.

The three organisations said despite the fact that the Government has made available 3900 hectares of land in the Pretoria-Witwatersrand-Vereeniging area for the building of about 58 500 houses, this was not enough.

"Another 26 600 hectares of land is needed in the area to overcome the problem of housing," the organisations said.

The organisations said there were 1,3 million squatters in South Africa (excluding the homelands), of which about 850 000 were in the Transvaal.

In another survey conducted by the Black Sash on its own, it was discovered that 106 291 new houses were needed in Ciskei, Transkei, Venda and Bophuthatswana.

"The shortage in the

non-independent homelands was between 149 218 and 174 978. In Indian and coloured areas the shortage was 44 000 and 52 000," the Black Sash said.

The Black Sash said the Government was proposing to increase punishment of people for being homeless.

The Bill dealing with the enforcement of group areas was discussed in Parliament last week.

Voted

The House of Representatives voted unanimously not to consider any legislation during the session and the House of Delegates adjourned debate on the Government's trilogy of group areas Bills even though the Government tried to tone down the legislation at the last moment.

The House of Representatives adjourned to September 12.

Labour Party leader, the Rev Allan Hendrick-

se, said the decision by the House of Representatives to withdraw from the sitting was caused by its anger at the refusal of the Government to give way to the Group Areas Act.

He also challenged the State President, Mr P W Botha, to hold a referendum, either of the whole South Africa or of each individual community, to see whether there was any majority support for group areas.

The House of Delegates voted to postpone the controversial group areas legislation until the 1989 session.

In terms of the constitution, Mr Botha cannot refer Bills to the President's Council unless they have been dealt with by all three Houses. However, Section 32 of the constitution empowers him to set a deadline for the consideration of the Bills in any House.

But there must be 14 days' notice of the deadline.

The Black Sash says that the three new Bills (Prevention of Illegal Squatting Amendment Bill, Group Areas Amendment Bill and the Slums Bill) have certain things in common.

"They make homelessness a crime. They punish the condition of being homeless with penalties more suited to crimes of violence and they remove judicial consideration of justice and human rights," the Black Sash said.



Political comment in this issue by Aggrey Klaaste and Joe Tholoe. Sub-editing, headlines and posters by Sydney Matlhaku. All of 61 Commando Road, Industria West, Johannesburg.

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Foundation offers govt 'housing strategy'

CAH: Tim J
29/8/88

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By BARRY STREEK

THE Urban Foundation and the wider private sector had made an offer to the government to provide their expertise and resources to develop a positive informal housing strategy — if the government squatting proposals were reconsidered, the foundation's managing director, Mr Sam van Coller, said at the weekend.

Detailed written and oral submissions were made "four or five weeks ago" to the Parliamentary Standing Committee handling the Prevention of Illegal Squatting Amendment Bill.

The foundation did not believe the bill would achieve its objectives until a positive informal housing policy had been developed and implemented.

Publicly disclosed

"The offer still stands," Mr Van Coller said at a press briefing.

Its proposals for a new informal housing policy — supported by FCI, Assocom, Nafcoc, Chamber of Mines, SA Institute of Civil Engineers, SA Institute of Architects and the National Association of Home Builders — are to be publicly disclosed for the first time today.

Mr Van Coller said the private sector urged that both the bill and the 1951 Prevention of Illegal Squatting Act should be reconsidered and "in the event of reconsideration the Urban Foundation and the wider private sector have offered their expertise and resources".

Once the bill became law, the legal process "will be inexorable". "It will be arbitrary because there are no criteria laid down in the bill."

However, Mr Van Coller said, "we will continue to interact with the government until we have found the right route".

There were also positive provisions in the bill and provision for "designated areas" was one positive aspect.

"These are the opportunities to build on," Mr Van Coller said.

Though no direct response to the offer was given, the Foundation "cer-

tainly received a positive response to its proposals" when it gave evidence to the Standing Committee.

The Foundation had not disclosed its proposals for informal housing policy until now in the interest of correct procedures, but reference had been made in Parliament to its proposals and it felt it necessary to make public its full set of proposals "so that any discussion of these is seen in the proper context". "The Urban Foundation is concerned that the release of this information should not be misconstrued.

"We are sensitive to the current political difficulties being experienced and believe that the UF's submissions should be seen as being totally separate from those difficulties."

The foundation believes the matter should be approached from a developmental point of view and that "there is a positive approach that can be adopted to the extremely difficult issues surrounding squatting and informal settlements".

Its director of urban development, Ms Anne Bernstein, said the government's policy should emphasize that the preservation and upgrading was a national priority.

"The central government should instruct all provincial and local authorities to halt any planned demolition of shelter unless there is suitable alternative land which is well located for employment and is acceptable to the communities concerned.

Land invasion

"One of the motivations of the bill is to prevent informal settlers from occupying urban land contrary to existing land use plans.

"We share this concern. But if the bill is implemented, land invasion in all South Africa's metropolitan areas will increase and large-scale settlements in unauthorized places will develop," Ms Bernstein said.

"Policy-makers have an important choice to make: The Prevention of Illegal Squatting Act or an Informal Housing Act. The choice will determine South Africa's future."

Informal housing — a way out of the mire

Vital choice faces the State

By DAVID BRAUN,
Political Correspondent

The Urban Foundation says South Africa's housing shortage can be resolved by upgrading informal settlements, not demolishing them.

CAPE TOWN — The State has to make a vital housing policy choice that will have a major impact on the country's future, says the Urban Foundation policy director on urbanisation, Ms Anne Bernstein.

In a nutshell, it can choose between the Prevention of Illegal Squatting Amendment Bill (now being considered by Parliament) or it can have an Informal Housing Act.

Both ideas essentially seek the same ideal: orderly housing on approved land for all South Africans. The State's plan, though, according to Urban Foundation research, will be something of a disaster.

The Prevention of Illegal Squatting Amendment Bill has two parts: a general prohibition on all informal settlements, with the means to make these illegal and ensuring their demolition, and a discretionary reprieve by officials and local authorities to allow temporary and permanent informal settlement. The Bill has no criteria to guide local authorities when to say yes and when to say no.

The foundation says between five and seven million people are currently living in informal circumstances (shacks on land not developed for township purposes or in backyards). This is only in urban areas, and it represents about one in five South Africans.

The foundation says the general prohibition on in-

formal settlement envisaged in the Bill is inappropriate and undesirable, particularly because it affects the homes of so many South Africans.

It also allows local authorities to act punitively and contrary to policy that may be desirable from a national point of view. Local authorities will have little concern for outside squatters.

The foundation says the reprieve provisions could and would be likely to result in inconsistent and arbitrary application of the law.

Would be insufficient

They would be insufficient to ensure provision of mass, authorised informal housing on the scale required, and would also not provide the mechanism for managing the upgrading of existing informal settlements.

It has concluded that the Bill's positive provisions are unlikely to achieve the necessary objectives.

Prohibitory provisions of the Bill are unenforceable and will result in arbitrary implementation.

Furthermore, the Bill undermines the achievement of the White Paper on urbanisation and is incompatible with accepted legal principles.

The Bill will neither prevent illegal squatting nor promote orderly urban development.

It will also not resolve the conflict of inter-

ests between landowners and homeless people and between land-use planners and informal settlers.

The foundation says the facts of the national housing situation call for a different approach.

The estimated backlog in housing units was 1,8 million units last year. The bulk of this could be wiped out if the State accepted the legality of informal housing and upgraded shelters *in situ*.

If the Government persists with its present approach, to the backlog must be added an estimated 2,5 million units that will be needed because of population increase between 1990 and 2000. The total housing requirement between now and the end of the century is therefore about 4,3 million, or about 400 000 a year.

Against this, the private sector hopes to be able to deliver 35 000 houses this year while the public sector, which is phasing out its involvement in the provision of housing, expects to deliver 9 000.

The total supply is therefore running at about 10 percent of what is needed.

The result of this gross undersupply is an uncontrolled housing situation, leading to overcrowding in black township houses, backyard shacks, the occupation of garages and outbuildings, and a mushrooming of informal settlements in or near the townships as well as on vacant peri-urban and urban land.

There is also a growing incidence of movement of blacks into formal accommodation in white group

areas, as well as shifting shack development within white municipalities.

Many other countries have already experienced large-scale invasion of other peoples' land by informal settlers.

Looking for shelter

This has not yet happened in South Africa on any significant scale, but with the growing number of people looking for shelter, it will happen.

Of the various responses to this phenomenon, the one advocated by the foundation is to accept informal settlement as part of South Africa's national housing policy. The immediate consequences of this would be to assess existing informal settlements and, where appropriate, authorise and upgrade them *in situ*.

Additional land should then be prepared in advance and settlement planned so as to allow incremental upgrading over time.

Ms Bernstein adds: "Every day that passes, the situation is getting worse. Speed is essential now."

What is required is the political will to make a major shift as to where society's resources are to be allocated and a capacity to respond to a situation affecting millions of South Africans at a pace and scale relevant to the issue, she says.

CAPE TOWN — Informal settlements, currently housing about 7 million people in South Africa's cities, should be built on as a form of shelter that needs upgrading not demolition.

That is the essence of the Urban Foundation's strategy to resolve the country's massive housing shortage.

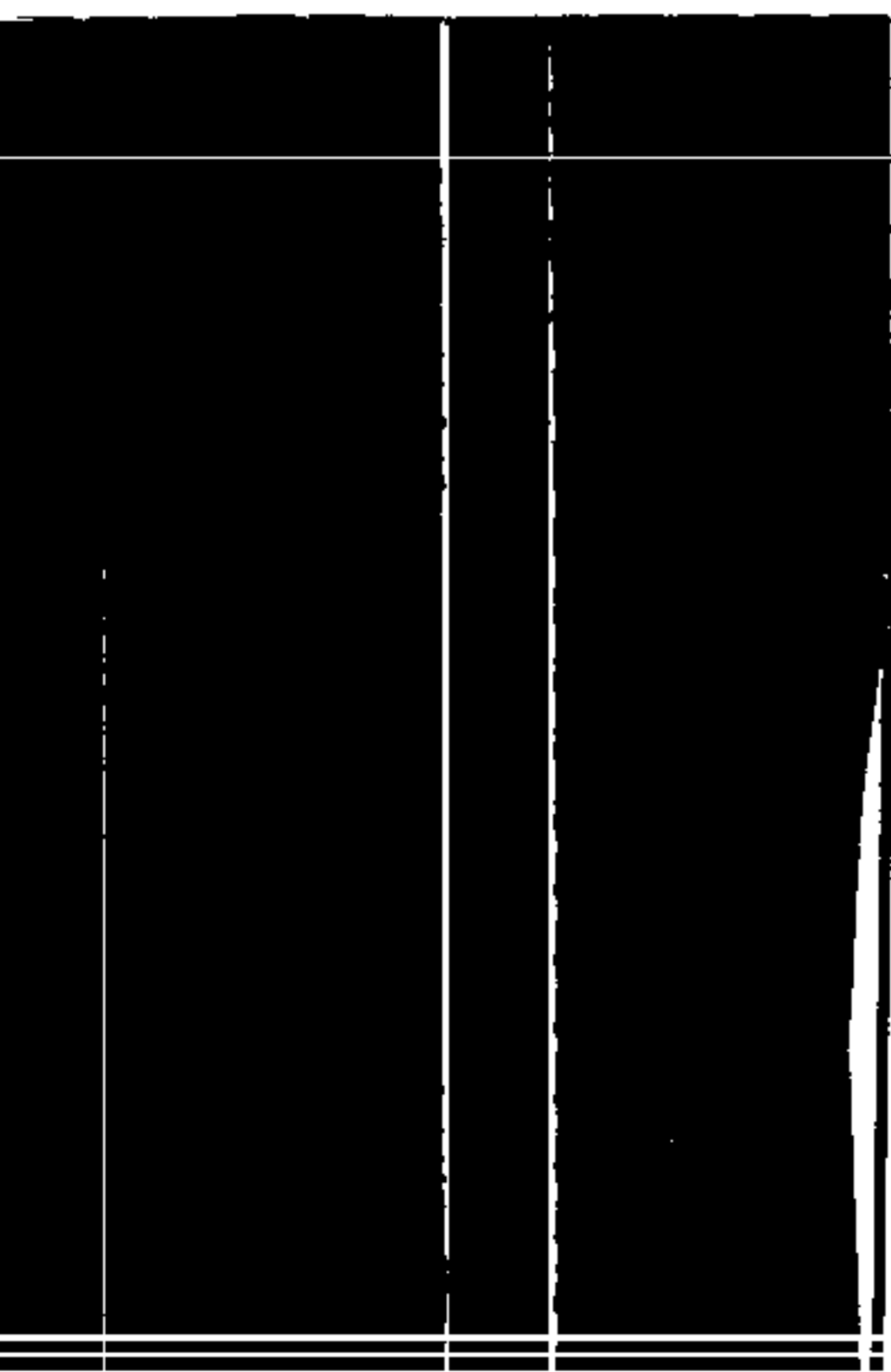
The UF has researched and devised an alternate strategy to the Government's proposed plan to demolish all informal shelter illegal in general.

Its proposals, which it says should be embodied in an Informal Housing Act, has four basic pillars:

- ▶ A required public sector action.
- ▶ An implementing agency.
- ▶ A flexible, responsive legal framework.
- ▶ A housing tribunal.

An informal housing policy requires a positive approach, the UF says, with a clear policy and direction from the central Government.

Informal housing already forms a major part of the national housing stock and the policy should be encouraged the retention and upgrading of informal shelter and environments right where they are to present.



Site and service

This is not a policy of neglect, the UF insists. It is a positive approach to community initiative and participation. The problem is so big it needs the involvement of everybody.

An informal housing policy would have two components: The upgrading of existing informal settlements and the establishment of site and service schemes.

Where existing settlements are upgraded, these must first be legalised and provided with security of tenure.

Rudimentary services would then be installed and this would be followed by the erection of more substantial or formal housing.

In establishing new informal settlements, new land must be formally laid out as townships and divided into sites and streets.

Sites should be sold and occupation allowed immediately.

In due course, services should be upgraded, facilities provided and private housing stock improved.

The guiding principles of an informal housing policy should be to target the poor before the middle class takes over the projects, manage consolidation at a pace of community affordability, have a long-term objective of balanced, viable communities, and recognise the uniqueness of each settlement, with a flexible legal framework to accommodate each circumstance.

Suitable land

Central Government must compel provincial and local authorities to accommodate housing projects, although appropriate support from the relevant authorities would be necessary for maintenance where this was more costly than for formal housing.

Suitable land must be identified specifically for informal housing projects.

This land must be acquired and "banked" until it is required.

Bulk infrastructure must be Government-funded.

The Government should further facilitate the provision of commercial loans for site purchasers.

The public sector, for its part, must facilitate the involvement of a wide range of private actors, including individuals, community organisations, loan agencies, township developers, home builders, material suppliers and utility companies.

Annual targets must be set by the public sector both for the amount of new informal housing to be delivered by the various sectors of society and for the number of existing informal settlements to be upgraded.

This would include the identification of the amount of land to be set aside specifically for informal housing, city by city, the location of this land, and specified amounts of national subsidised funds for informal housing.

The law should not prejudice the issue of the desirability of informal settlement. (The current Bill before Parliament for example stipulates that all informal settlements should be illegal.)

Each settlement is unique and its future should be based on a technical assessment of feasibility.

Clear guidelines

An appropriate legal framework should include procedure in terms of which all the relevant facts can be tested against clear guidelines provided by the law within a specified period of time.

The outcome must be a binding decision on whether an informal settlement is unsuitable for residential settlement, or authorised for permanent settlement and upgrading.

It must also decide whether compensation is necessary for any of the affected parties.

The UF believes the legal procedures would best be handled by a housing tribunal, similar to the Industrial Court.

It should comprise members appointed on the basis of their knowledge of the law.

In summary, the UF has suggested several immediate steps to tackle the country's enormous housing problem:

- Reconsider not only the Prevention of Illegal Squatting Amendment Bill but also the Prevention of Illegal Squatting Act. If that happens the UF and the wider private sector have offered the provision of their expertise and resources.

- The central Government must state its general policy with respect to existing informal settlements, emphasising the preservation and upgrading of shelter as a national priority and that the preference is for upgrading wherever this is technically feasible.

- In the context of a growing national housing shortage and the scale of informal settlements throughout the country, the Government should instruct all provincial and local authorities to halt any planned demolition of shelter unless there is suitable alternate land, well located for employment and acceptable to the communities concerned.

The choice for South Africa is the Prevention of Illegal Squatting Amendment Bill or an Informal Housing Act. It is a choice which will have a major impact on the country's future.

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First National increases bond rate

The Argus Correspondent

PRETORIA — First National Bank today became the first commercial bank to increase its home loan rate following similar increases just announced by most of the major building societies.

Senior general manager (public affairs and communications), Mr Jimmy McKenzie, said they had decided to increase their mortgage bond rate for both new and existing bonds to 16 percent effective from September 24.

Other major commercial banks are expected to announce increases soon.

Meanwhile, four of the five major building societies have now announced increases in their home loan rate to 16 percent.

"FORCED"

The Natal Building Society (NBS) today became the latest to announce an increase of 1 percent to 16 percent from October 1.

NBS public affairs general manager Mr Brian Short said the NBS had held its bond rate at 15 percent although the prime rate had been at 16 percent for some time.

"General economic conditions have forced the NBS to match the prime rate of 16 percent and notification of this has been sent to all our bondholders," he said.

The EP Building Society has also increased its rate to 16 percent.

Home owners feel bond rate pinch

30/8/88 By Sven Lünsche

Star

A 3,5 percentage points rise in the mortgage bond rate this year has pushed up the average monthly payments by prospective homeowners by R150 to about R750.

The latest increases in the bond rate were made by four leading building societies yesterday, when they announced an increase in their rate to 16 percent.

The United Building Society (UBS), Allied, the Natal Building Society (NBS) and Saambou said their rate for new bonds would go up from next Monday while existing bond rates would be affected on October 1.

The only society not to commit itself was the SA Perm which said it would keep to its current 15 percent, although it might well raise its bond rate at a later stage.

Banks would not comment officially but spokesmen indicated that announcements could follow later in the week, or even early next month.

In contrast to building societies, banks are not required to give a calendar month's notice of a change in rates.

First National Bank general manager Mr Jimmy McKenzie said the bank was analysing the situation but would not make an immediate announcement.

The increase to 16 percent represents a one percentage point rise for bonds written out by the UBS, the NBS and Saambou and a 0,75 percentage point rise for bonds with the Allied.

For the average R55 000 loan granted by the four building societies the one percentage point rise pushes up the monthly repayment on a 20-year loan by R40 to R765. On a 25-year loan the respective increase would be R43 to R747.

But these figures must be seen against a background of steep increases in the bond rate earlier in the year. At the beginning of the year the bond rate charged by most banks and building societies was quoted at 12,5 percent.

Since then, the 3,5 percentage point rise in the rate, has pushed monthly repayments on an average R55 000 20-year loan to R765, from R625 in January, while repayments on a 25-year loan have risen by R140 to R747.

From an economic viewpoint the rate increases had been anticipated as bankers had repeatedly said that present margins were too thin.

Informal housing strategy offer stands

THE Urban Foundation (UF) and the wider private sector's offer to government to provide their expertise and resources to develop a positive informal housing strategy still holds, says the foundation's MD Sam van Coller.

The offer was made "four or five weeks ago" by UF representatives, who made detailed written and oral submissions to the Parliamentary Standing Committee handling the Prevention of Illegal Squatting Amendment Bill.

The UF did not believe the Bill would achieve its objectives until a positive informal housing policy had been developed and implemented, Van Coller told a weekend media briefing in Cape Town.

The UF had been working with a number of organisations in developing its approaches and the proposals for a new informal housing policy — based on the preservation and upgrading of shelter — were supported by the FCI, Assocom, Nafcoc, Chamber of Mines, SA Institute of Civil Engineers, SA Institute of Architects and the National Association of Home Builders.

Van Coller said the private sector urged that both the Bill and the 1951 Prevention of Illegal Squatting Act should be reconsidered and "in the event of reconsideration, the UF and the wider private sector have offered the provision of their expertise and resources".

Once the Bill became law, the legal process would be inexorable and once a committee was established

Political Staff

in a rural area — the UF estimated that about three-million people lived in informal housing in the rural areas — in terms of the proposed measure, it would be forced to take action. It would be arbitrary, because no criteria were laid down in the Bill.

Interact

There would have been a better chance if a clear, informal housing policy had been adopted and it would be more difficult to do so if the Bill became law.

However, government thinking in this area was developing and "we don't see this as the end of the process. We will continue to interact with government until we have found the right route".

There were also positive provisions in the Bill and provision for "designated areas" was one positive aspect. "These are the opportunities to build on," Van Coller said.

UF's director of urban development,

Anne Bernstein, said government policy should emphasise that the preservation and upgrading of housing was a national priority, and the preference was for upgrading of shelter wherever this was technically feasible.

"In the context of a growing national housing shortage and the scale of informal settlements throughout the country, the central government should instruct all provincial and local authorities to halt any planned demolition of shelters unless there is suitable alternate land, which is well located for employment and is acceptable to the communities concerned.

"One of the motivations of the Bill is to prevent informal settlers from occupying urban land contrary to existing land use plans.

"We share this concern, but if the Bill is implemented, land invasion in all SA's metropolitan areas will increase and large-scale settlements in unauthorised places will develop.

"Policy-makers have an important choice to make: the Prevention of Illegal Squatting Act or an Informal Housing Act. The choice will determine SA's future," she said.

500 000 ^{per Day} housing backlog ¹²³

Own Correspondent

MARITZBURG — SA had a black housing backlog of at least 500 000 units of which about 300 000 were needed in the PWV region alone, Urban Foundation chairman Jan Steyn said yesterday.

Steyn said notwithstanding the significant progress made, the massive housing needs of low-income South Africans were not being addressed dynamically.

He said: "Looking at the Durban region, it has been reliably estimated that up to 70% of the black population — or about 2 million people — are living in informal settlements.

Exploited

"Many of them are housed in inadequate shack areas and a significant number of those are being exploited in a process described as squatter farming."

If such housing needs were to be met, it was imperative that 200 000 houses be built or adequate shelter provided every year in urban areas alone.

In 1986, only about 25 000 houses had been built for that sector of the market. Moreover, that rate of supply represented the efforts of the public and private sectors combined.

Not only was the rate of housing supply grossly inadequate, but when the housing being provided was examined in greater detail, it was clear such homes were affordable only by a small proportion of families or by those with substantial assistance from employers.

Steyn: Black housing backlog of 500 000

OWN Correspondent

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MARITZBURG. — South Africa has a black housing backlog of at least half-a-million units, of which about 300 000 are needed in the Pretoria-Witwatersrand-Vereeniging region alone, Mr Jan Steyn, chairman of the Urban Foundation, said yesterday.

He was speaking here at a public meeting of Azalea, an Urban Foundation utility company.

Mr Steyn said that notwithstanding the significant progress made, the massive housing needs of low-income South Africans — those with the most acute housing needs — were not being addressed dynamically at present.

He said that if the massive need for housing of low-income black South Africans was to be addressed it was imperative that as many as 200 000 houses were built or adequate shelter provided every year in the urban areas alone.

In 1986, he said, only about 25 000 houses — or one-eighth of the annual target — had been built for this sector of the market.

It was also clear, Mr Steyn said, that the homes being provided were affordable only by a very small proportion of black families.

SA 'needs joint effort to beat its housing crisis'

The real problem surrounding the chronic housing shortage in South Africa is that it is seen in two distinct perspectives, the State on one hand and private enterprise on the other.

Instead, the housing of people should be seen as a joint effort.

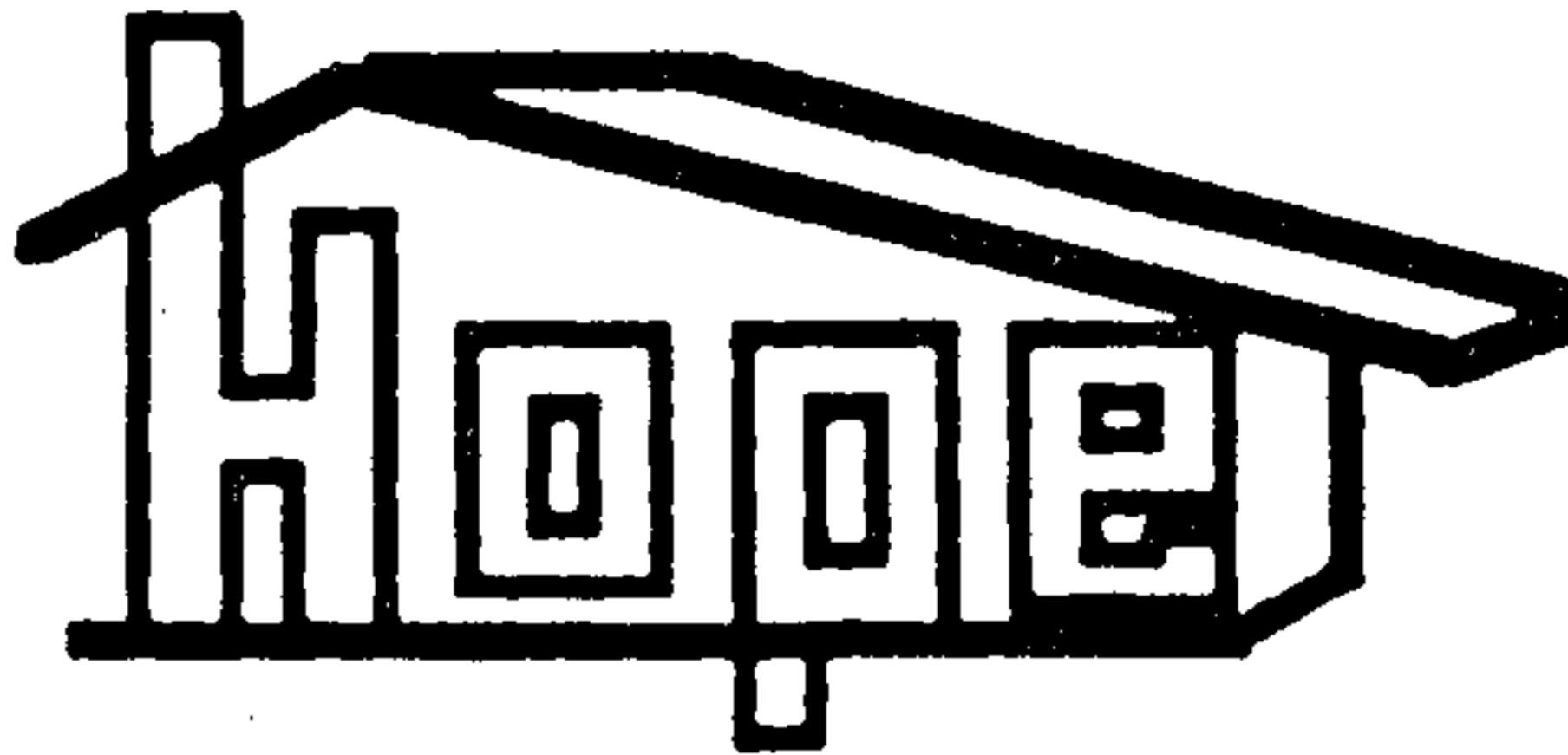
This is the view of Mr Derek Cooper, deputy chairman of industrial giant Barlow Rand, a director of the Urban Foundation and a board member of the SA Housing Trust.

Commenting on the housing crisis in the latest issue of the group's house journal, he says: "The availability of land and services in a macro sense are, without doubt, a Government responsibility."

Capital

"The further development of that land and the building of houses is where private enterprise enters into the picture as well as organisations such as the Family Housing Association (now renamed FHA Homes) and others like it.

"Finally, access to capital is in the court of private enterprise through the building societies and banks, assisted by Government in instances such as first-time home ownership."



By FRANK JEANS

Mr Cooper has no doubt, however, that the bottom end of low-cost housing for the unemployed is the sole responsibility of the State, just as in other countries throughout the world.

While he sees the land availability problem being tackled, he believes the key problem of housing continues to be the lack of bond finance, particularly when capital to the extent of R30 billion will be needed to provide homes up to the turn of the century.

"I fear there is just insufficient capital in the building societies to meet this demand," he says.

"They don't have a problem in meeting the needs of the lower-middle, middle and

upper class man. It's in that gap between the lower-middle and very low-cost that I see a problem in the financing of homes priced at between R10 000 and R25 000."

Barlow's executive director responsible for human resources, Mr John Hall, adds weight to the Cooper view: "We have reached a stage where company managers have to understand that the housing issue is as much a part of their portfolio as are production, finance and marketing.

"South African companies will have to get serious about housing if they believe in long-term survival."

The Barlow journal believes the appointment of a full-time housing assistance officer by all major companies is a prerequisite for getting any homes scheme off the ground.

The MINISTER OF JUSTICE:

Yes. The relevant buildings are to be converted into single quarters for personnel of the South African Prisons Service.

For the information of the Honourable member it can be added that provision has already been made during the planning stage for the historical significance of the buildings to be retained. A private contractor is undertaking the work.

Krugersdorp Prison: accommodation for warders

1447. Mr C J DERBY-LEWIS asked the Minister of Justice:

Whether the Prisons Service provides accommodation for (a) White and (b) non-White warders serving at Krugersdorp Prison; if not, why not; if so, (i) what accommodation, and (ii) where, in each case?

The MINISTER OF JUSTICE:

(a) Yes.

(i) Accommodation for married and unmarried personnel.

(ii) On the Prison Reserve.

(b) Yes.

(i) Temporary accommodation for unmarried personnel.

(ii) In a section of the new prison which has temporarily been adapted for this purpose until single quarters can be furnished on the prison reserve on a permanent basis.

Detainees: privileges
1448. Mr C J DERBY-LEWIS asked the Minister of Justice:

Whether detainees held in prison cells in terms of security legislation are accorded any privileges over and above those accorded to other prisoners; if so, what are the relevant details?

The MINISTER OF JUSTICE:

The Honourable Member's question is not clear.

Firstly there is no indication as to whether the comparison which he has in mind is between "detainees" and sentenced prisoners of between "detainees" and awaiting trial (unsentenced) prisoners or both.

HOUSE OF ASSEMBLY

Secondly the question does not specify which category of detainees he requires more information about, for example Emergency Regulations detainees or detainees being held in terms of section 29 of the Internal Security Act, 1982 (Act 74 of 1982) etc.

The term privileges as it is used in the questions is also open to different interpretations and it is therefore suggested that the Honourable Member must also be more specific on this point.

In general it can however be confirmed that all prisoners entrusted to the care of the South African Prisons Service are treated in a humane and responsible manner strictly in accordance with the stipulations of the Prisons Act, 1959 (Act 8 of 1959), the relevant regulations and the other legislation concerned.

Eastern Cape Film Festival sponsored by SAA

1450. Mr C J DERBY-LEWIS asked the Minister of Transport Affairs:

Whether the South African Airways sponsored the recent Eastern Cape Film Festival in any way; if so, what are the relevant details?

The MINISTER OF TRANSPORT AFFAIRS:

No.

SAA: technical staff members

1451. Mr C J DERBY-LEWIS asked the Minister of Transport Affairs:

(1) (a) How many technical staff members were in the employ of the South African Airways in each of the latest specified five years for which figures are available and (b) how many man-hours did they work in each of these years;

(2) (a) how many hours of overtime did these members work in each of these years and (b) what were the reasons for overtime having to be worked?

The MINISTER OF TRANSPORT AFFAIRS:

	1 Aug. 1985/ 31 July 1986	1 Aug. 1986/ 31 July 1987	1 Aug. 1987/ 31 July 1988
(1) (a)	2 323	2 109	1 980
(b)	4 265 164	3 920 283	3 681 931
(2) (a)	380 577	471 597	468 181

HOUSE OF ASSEMBLY

(b) Flight schedule coverage over weekends and normal fluctuation in maintenance-activities.
Information is only being kept since 1 August 1985.

Own Affairs:

Housing: amounts spent

173. Mr A GERBER asked the Minister of Local Government and Housing:

What amounts were spent by his Department on the erection of housing for Whites in the Republic in the 1985-86, 1986-87 and 1987-88 financial years, respectively?

The MINISTER OF LOCAL GOVERNMENT AND HOUSING:

Amounts spent on the housing terrain in the respective financial years from the Development and Housing Fund on the erection and development of housing for Whites in the Republic are as follows:

Financial Year	Spending
1985 - 1986	R4 751 769
1986 - 1987	R11 415 152
1987 - 1988	R17 922 109

(b) Further spending includes contributions in respect of the 3% home owner saving scheme, 90% loan scheme, pilot projects undertaken by the Department, welfare housing as well as the provision and upgrading of infrastructure:

Financial Year	Spending
1985 - 1986	R107 164 298
1986 - 1987	R88 594 214
1987 - 1988	R91 204 460

RSA: teachers in schools

174. Mr K M ANDREW asked the Minister of Education and Culture:

(1) (a) How many White teachers were employed by his Department in (i) primary, (ii) secondary and (iii) high schools in the Republic as at the latest specified date for which figures are available and (b) what was the decrease or increase in numbers

for each type of school compared to those as at a date one year earlier;

(2) what percentage of such teachers is in possession of a (a) university degree, (b) teaching diploma, (c) matriculation certificate and (d) junior certificate?

The MINISTER OF EDUCATION AND CULTURE:

CAPE

(1) (a) As on 31 March 1988

(i) 6 573

(ii) 79

(iii) 8 605

(b) (i) decrease of 204

(ii) decrease of 24

(iii) increase of 61.

(2) the information is not readily available.

NATAL

(1) As on 30 August 1988

(a) (i) 3 160

(ii) and (iii) 2 931

(b) (i) decrease of 70

(ii) and (iii) decrease of 21.

(2)

Primary	Secondary
(a) 9.9%	62.9%
(b) 94.9%	43.7%
(c) 100%	100%
(d) 100%	100%

OFS

(1) As on 12 August 1988

(a) (i) 1 795

(ii) and (iii) 2 341*

(b) (i) decrease of 18

(ii) and (iii) decrease of 10

(2)

The information is not readily available.

TRANSVAAL

(1) As on 31 December 1987

(a) (i) 12 794

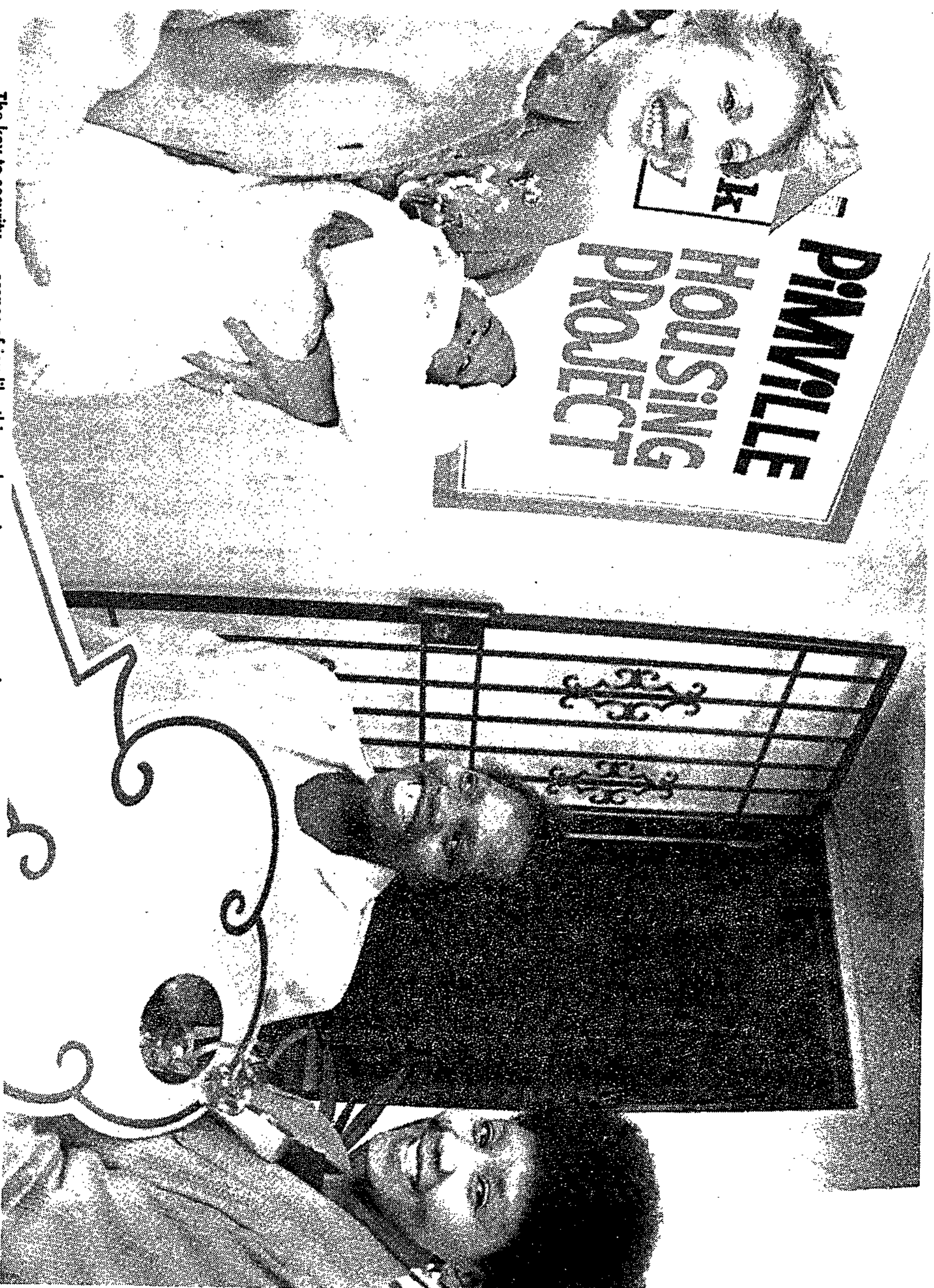
(ii) and (iii) 12 401

(b) (i) decrease of 461

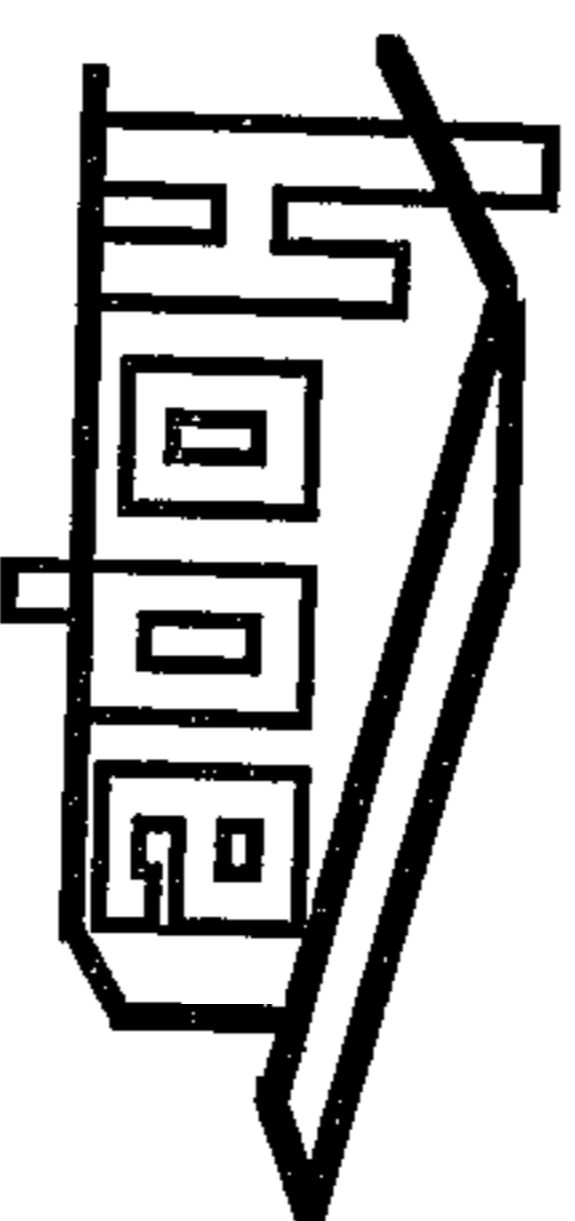
(ii) and (iii) increase of 70.

HOUSE OF ASSEMBLY

Tiny lending a big hand to homes market



Tiny Rowland: 'Hope for the future.'



By NORMAN CHANDLER

When Roland "Tiny" Rowland makes up his mind to do something, he does it — and in a big way.

The charismatic chief executive of Lonrho, the international investment and trading conglomerate, is overseeing the investment of more than R125 million to house South Africans. And that is only the start.

Hundreds of new homes are going up in Vosloorus, Soweto and Sebokeng — and his local subsidiary, Lonrho Projects Procurement, is looking at more opportunities in the western Cape and Natal.

Lonrho is also developing light industrial sites in various areas.

The style of operation is the same as Tiny Rowland has followed all over the world, and particularly in Africa. Simply put, it is "See the gap — and take it".

Reports of that style are legion. It is said that Lonrho is prepared to invest in high-risk, high-reward ventures in countries where other groups are scared to go — Lonrho looks at the problem, and then takes a long-term view.

The key to security . . . scenes of joy like this are becoming more common place as an increasing number of housing projects get under way.

'New homes' need repairs'

Coloured leaders in the booming Ennerdale new town, outside Johannesburg, say that structural problems have arisen with many homes — but they have been unable to get permission from the Johannesburg City Council to repair these houses.

The council's attitude is that it is a job for municipal workmen and not for residents.

Mr Gaillard Paulsen, vice-chairman of the Ennerdale Ext 5 steering action committee, told The Star that there was a great deal of confusion about the issue but that residents — the town has 20 000 and is scheduled to have a population of 250 000 — insisted that they wanted to do the work themselves.

"We recently held a meeting which resulted in chaos. The Minister of Housing and Agriculture in the House of Representatives, Mr David Curry, was there, as well as officials from the city council, the Council for Scientific and Industrial Research, and our committee.

"No solutions were reached, and in the end the meeting was closed by Mr Curry," he said.

The committee says that recent claims that many of Ennerdale's residents were originally squatters are incorrect.

"When the first people began moving in to Ennerdale there were about 15 families living in huts. They had moved from Weiler's Farm squatter camp as a temporary measure, and lived in the huts for about 18 months.

"The first of 151 low-cost houses built in mid-Ennerdale were later occupied by these people. To claim that most of Ennerdale's residents were squatters is therefore incorrect," Mr Paulsen said.

Press representatives who attended a briefing on developments in the town last week were told by officials of Metropolitan Life Ltd, the developers of an R8 million shopping complex, that the first residents were squatters.

'Take active housing role'

REPORTS BY NORMAN CHANDLER

An appeal for black businessmen to take an active role in The Star's HOPE (House our People) campaign was made this week by Mr Amos Cebekhulu, head of the Johannesburg Advice Office of the Witwatersrand Council of Churches.

"It is vitally important that they do so as it will show that there is solidarity between white and black over the question of housing," he said.

Mr Cebekhulu said that businessmen and businesses — large or small — should all co-operate in beating the housing crisis.

"It is possible that there hasn't been a decision by black business to take part because people are fearful to reach out... but they must, for it affects all of us," he added.

In a bid to bring the crisis home to all, the WCC is holding a housing seminar at Shareworld on September 15. It will discuss issues surrounding the availability and affordability of homes.

"The seminar will be asking black business how it can become involved," Mr Cebekhulu said.

He said the question of affordability of houses should be addressed quickly.

"We would say that the Government should guarantee loans acquired from financial institutions.

"The housing situation has been shaped by the Government to this very critical stage, and they owe it to the people to guarantee money lent by financial institutions in the event of loans not being repaid for political reasons.

"If we are to beat the squatter problem, we need to do this."

Housing experts had gone on record as saying that financial institutions were nervous of providing loans for low-income clients because of apolitical risk.

Housing plan for squatters

Squatters are to develop their own residential townships on the Rand — and the first one is scheduled on 28 ha of land near Meadowlands. A second will be near Randfontein.

The first new area will be known as Zakhelizwe.

It is expected that 600 families — totalling about 3 000 people — will be housed in conventional homes in the township.

Site plans have been drawn up and submitted to the relevant authorities for authorisation. It is hoped that proclamation of the area — between Floodpoort and Meadowlands — will be granted within a few months when purifying will start.

The squatter organisation involved, Isolomzi Peoples Union, representing 5 000 squatter families, is to become a national group and already has registered the Zakhelizwe Association and has applied for the Isolomzi Housing Co-operative to be registered.

The union's secretary-general, Mr Pheello Mofokeng, and the organiser, Mr Eric Ntshingela, told The Star land in Zakhelizwe township would be sold for R2 500. Squatters settling there would pay R200 deposit and purchasers would be entitled to leasehold.

The IPU will also be looking for suitable land for township development in other areas of the Transvaal as well as in Natal and the Free State.

Innovative financial arrangements are being discussed.

"We are hoping that a major building society will accept a substantial deposit from ourselves so that people building in our townships will be guaranteed a mortgage underwritten by the association.

"No individual will repay the building society. Repayments will be the responsibility of the association, which, in turn, will recover the money from residents, all of whom will be members of the association," the spokesmen said.

Thousands of houses

Mr Rowland is a frequent visitor to Africa, and particularly to central Africa. He knows Johannesburg well, and recently spent several days in Maputo talking to Mozambican officials.

Lonrho's local subsidiary uses the Loncon Developments company — a joint venture with another Lonrho affiliate, Control Centres, of Israel — as its construction arm, and has been successful in a number of fields in southern Africa. Loncon built Sun International's Molopo Sun in Botswana as well as thousands of houses in the independent homeland.

Mr Avi Feferkorn, general manager of Lonrho Projects Procurement, says the South African company is making a determined effort to help beat the housing crisis. It is estimated that there is a 3,5 million housing backlog that needs to be overcome by the year 2000.

"We are looking at various sites for housing development. While the Rand is a key area of operation, we are also looking at sites in the western Cape.

"There are also sites in Natal that we will investigate.

Closely involved

"This means not only house-building but the rest of the infrastructure as well, including schools, public amenities, creches and the like.

"Our association with Control Centres gives us, we believe, a unique position in the marketplace.

The company is active in Israel, where a R1 000 million series of projects are underway.

● "Tiny" Rowland's company began life on a farm at Gatooma, in the then-Southern Rhodesia (now Zimbabwe). He became involved with the London and Rhodesia Mining and Land Co, and the rest is history — investments now cover minerals, agriculture, textiles, brewing, shipping, car manufacturing, oil, gas, engineering, furniture, printing and publishing, insurance, importing and exporting, and the management and ownership of hotels and casinos.

Housing market will lose some steam

(23) *SM*
2/9/88

By Frank Jeans

While house prices are holding up considerably well following bond rate rises, there is little doubt that the latest upward adjustment to 16 percent must inevitably have a dampening effect on the residential property market.

Endorsing this sentiment is the United Building Society in its latest issue of the Quarterly Housing Review which says that higher rates must hit demand for credit in general and homes in particular.

"Potential new homeowners are bound to reconsider their investment decisions carefully and consequently, the level of activity in the residential market might well decline."

On the plus side, however, the Review believes that since the white population continues to grow at a rate of 1,5 percent a year and net migration has been reversed "from negative to positive", the surplus stock of houses in white residential areas is likely to decrease.

"The emphasis is likely to shift to the building of smaller houses since individual wealth is expected to decline in real terms," it says.

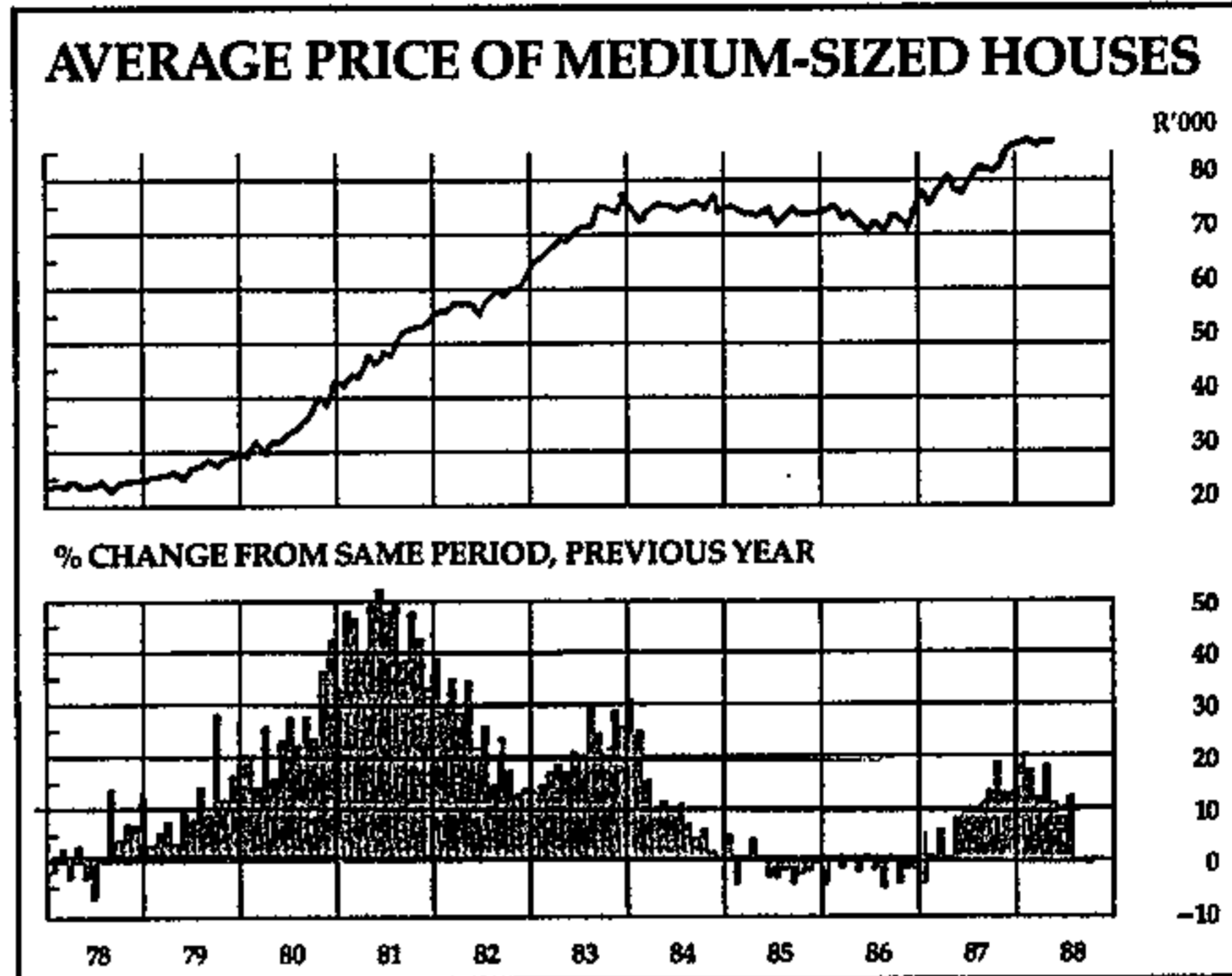
Looking at house price trends, the journal expects these to rise in tandem with inflation and an increase of about 13 percent a year seems likely over the next 12 months.

During the second quarter of this year, the rise in house prices was 11 percent on a year-on-year basis compared with 13 percent in the first quarter.

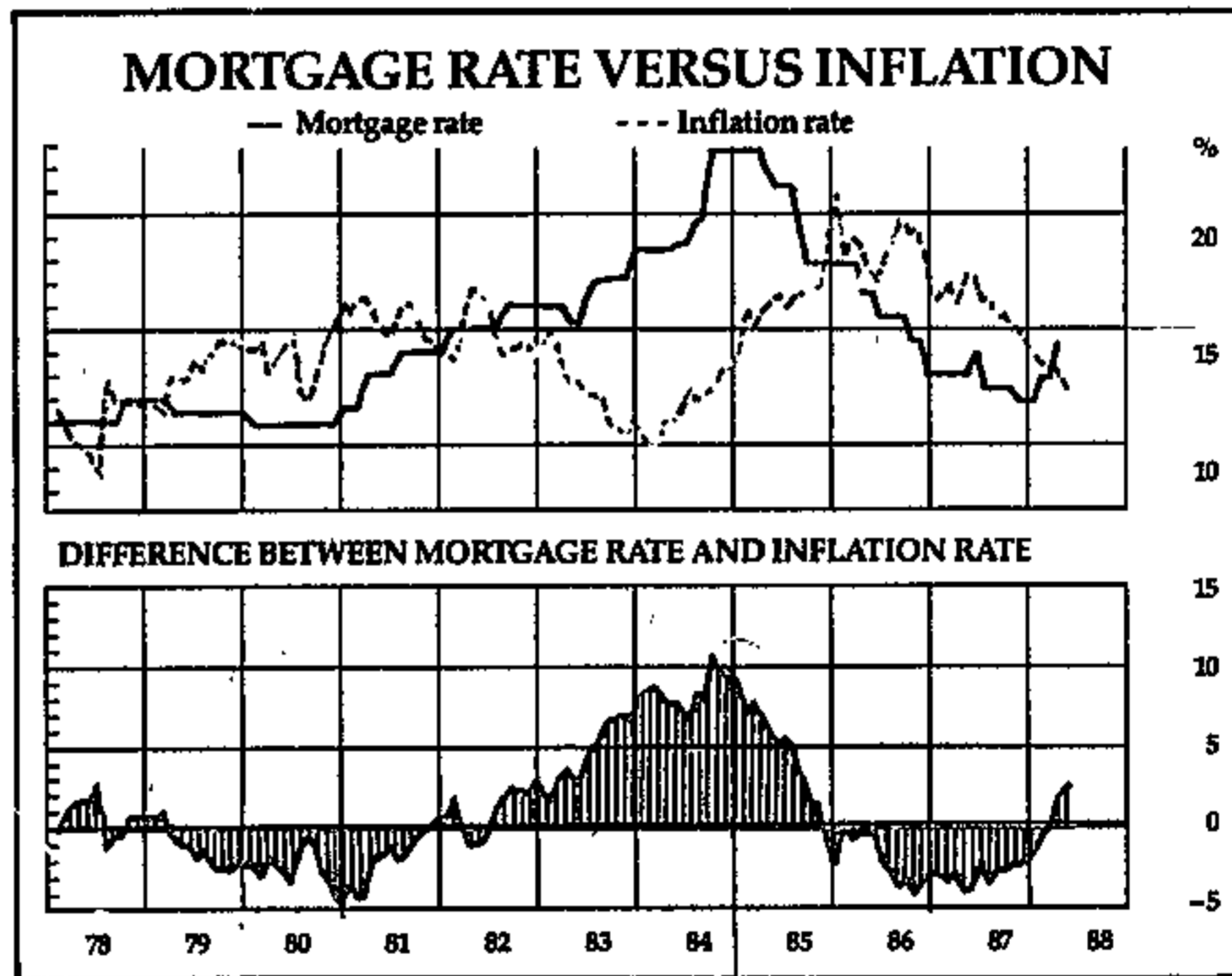
A medium-size house can now be acquired for about R85 000, while the average for larger homes remains stable at R118 000.

Certainly, the effect of soaring building costs is being seen in residential property.

At present, a medium-size house can be built for about R100 000 — about 22 percent



Based on the average price of medium sized houses, ie 140-220 sq.m



Based on the UBS mortgage rate for new loans. During periods when differential rates were applied, the maximum rate was used.

more than the cost of buying an existing dwelling.

The United estimates that building costs rose by 10 percent on a year-on-year basis in the first quarter and by 17 percent in the second quarter this year.

In an national overview of prices, the Review says the most marked increase occurred

in the eastern and western Cape regions, where prices rose by 11 and nine percent respectively on a quarter-on-quarter basis.

In the East Rand and Natal prices also went up by five percent and more, as against two percent in Pretoria and three percent in the rest of the Transvaal.

Housing Trust takes stock

The South African Housing Trust, set up to administer and supplement the R400 million special Government loan made during 1986 for low cost housing, completed 5 800 homes in the 18 months after its launch.

This is a drop in the troubled ocean of mass homelessness. The number of families needing shelter stands at more than 700 000 by official count, widely regarded as a conservative estimate.

The output required to wipe out homelessness by the year 2000 is estimated at 1 200 homes a day or about 430 000 a year.

The Housing Trust was billed at its launch as "the largest ever venture into housing and the largest partnership yet entered into between the State and the private sector".

The question that outsiders are asking is: Can the Trust deliver the goods it promised?

Its managing director, Mr Joe Taylor, is positive about the Trust's role, but even he admits its limitations.

"I wonder if 30 percent of the population will ever be able to afford housing," he says.

Mr Taylor points out the Trust, owned 10 percent by the Government and 90 percent by the private sector, initially targeted a specific section of the market — those who could afford formal housing in the price range of R6 000 to R16 000 a unit, excluding the price of land.

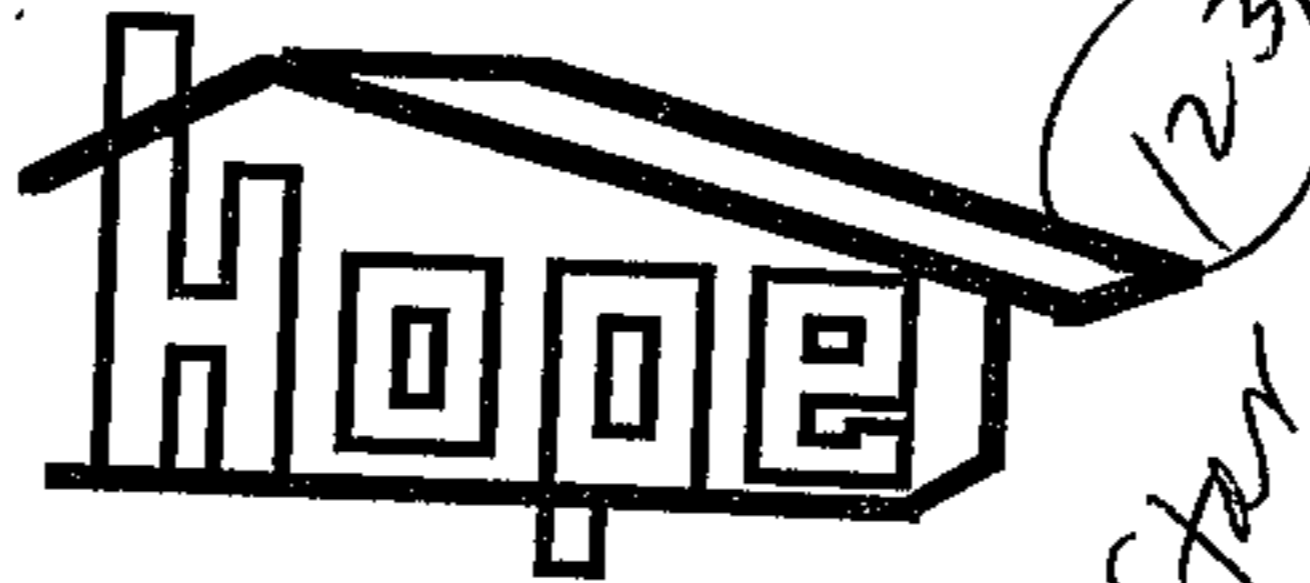
These were people not catered for by large property developers and financial institutions lending money at commercial interest rates.

His own organisation has, in turn, come to realise that there is a substantial stratum of society that cannot buy even the cut-cost housing it specialises in.

It is to the poorest residents who cannot afford formal housing that the Trust will be turning next, financing experimental site-and-service schemes to be implemented by housing agencies in informal set-

BY JO-ANNE COLLINGE

In the 18 months since the South African Housing Trust was set up, it has built 5 800 homes for people who could afford R6 000 to R16 000 for a home. Now the Trust will aim at those who cannot afford formal housing.



tlements on the Reef.

A month ago the total value of the Trust's approved projects stood at R620 million, Mr Taylor pointed out. This translated into 56 000 housing units at various stages of planning and construction.

The Trust's experience highlights two major obstacles to housing South Africa's working people.

The first is the shortage and cost of land in a market distorted by scarcity.

The cost of a serviced stand adds anything from R2 000 to R9 000 to the price of a house. The minimum price would secure only "rudimentary services" — a pit latrine and access to tapped water on a communal basis.

Mr Taylor insists a strict ceiling be placed on the amount the Trust will pay for "raw" land.

"I'm not prepared to talk to land hawkers. I'll talk to people who are reasonable and want to make their land available on commercial terms."

Subsidies are not something of which Mr

Taylor usually approves. He sees them as bad business, as distorting the market.

"But because the market is already distorted it gives you the right to intervene. If ever a subsidy system is needed it is for the bottom end of the market, to subsidise serviced land."

The second problem in low cost housing is finance for would-be owners. The Housing Trust is a wholesale finance institution that loans money for entire developments to developers.

It found it could not look to existing financial institutions to grant loans to individual buyers of units within these schemes so it established its own financing company, Khayaletu Home Loans (Pty) Ltd.

Buyers are usually required to put up 5 percent of the cost of a unit as equity. They pay off the rest of the loan over a period of 20 years at an assisted interest rate, presently 9 percent.

Mr Taylor is a banker by profession. He admits that the long-term financial management of the Trust is a challenge.

One thing he is clear about: "The investor in the Trust cannot look for more than breaking even."

Mr Taylor says that the Trust has found the risk in the low cost market is normal and the arrears position is no more serious than in higher economic groups.

In addition, there is the advantage of great scope for generating new business.

He predicts: "A lot of people in the financial world are going to be jealous to get their hands on that company (Khayaletu Home Loans)."

The State has virtually bailed out of the low cost housing market, leaving long waiting lists of homeless people in its wake.

What makes the Housing Trust think it will succeed where the State has given up?

Mr Taylor's answer is: "Government departments are not sensitive to income and to the wishes of their clients. The business world is sensitive to both of these."

Business needs help, says MD

123 B/day
8/9/88

Call on govt to smooth way for providing homes

GOVERNMENT red tape had to be cut down to assist the private sector in solving SA's critical housing shortage, AA Life MD Brian Benfield said in Johannesburg yesterday.

Benfield called on government to permit life assurance investment in housing to be recognised as a prescribed asset and to allow tax concessions on those incomes.

The solution to SA's critical housing shortage was in the hands of private enterprise. But government had to facilitate the process by making land available more speedily and on a less complicated basis, he said.

At present up to 30 government departments and agencies had to be dealt with when getting land allocated for housing, Benfield claimed.

Unnecessary red tape should be removed if SA's housing needs were to be met with any degree of urgency and efficiency.

"The sheer inventiveness and innovative ability of the private sector in general and the country's savings institutions in particular will produce the financial solution to the housing

ELSA BÉ WESSELS

crisis," Benfield added.

The challenge was to find a way to allow institutions to provide housing finance at low rates that would fetch them an acceptable return.

He said AA Life was one of many institutions with money to invest in housing — particularly since the October stock market crash.

"As a life company we are required to invest a third of our funds in prescribed assets, which are primarily government stocks and bonds.

"If, after our statutory investment in prescribed assets, we had to put part of the balance of our funds into housing — which may well yield lower than market returns — we would have little leeway to generate growth."

However, if government permitted investment in housing to be recognised as a prescribed asset and allowed investment income arising from this to be tax-free, or taxed at a lower rate, we would be in a better position to help solve the housing shortage, Benfield said.

BUSINESS

This bond hike's the last - until the next one

THE recent hike in bond rates is unlikely to be the last this year.

This week's climb in the rate of interest-charged on home loans follows government attempts to slow economic growth and reduce demand for credit. And with interest rates expected to rise further this year, bond rates may well go up again.

In response to the recent increase in the prime overdraft rate, several financial institutions this week announced they would raise the bond rate by one percentage point to 16 percent.

The United Building Society, the Allied, the Natal Building Society and Saambou said the rate for new bonds would go up next week and that on existing bonds, on October 1.

First National Bank's increase will come into effect on September 24, for both new and existing home loans.

And Standard Bank deputy general manager Terry Power told *Weekly Mail* on Wednesday that his institution would increase its rates to 15,75 percent from October.

Standard Bank has undertaken not to raise its bond rate to above the average charged by the major building societies until the end of December.

Power said: "Although we have the right to raise our rate above the average charged by the major building societies from next year, group policy is to remain competitive."

The Perm, however, has maintained its rate at 15 percent. Assistant general manager (marketing) Peter von Broemsen says the Perm does not plan to raise its bond rate over the short-term: "Although we are under the same pressure as other institutions, we will maintain as stable a bond rate as possible."

About the only good news for those whose bonds have climbed out of reach, is that building societies say they will lend a caring ear to problems. BRUCE ALLEN reports

With rates having moved from around 15 percent to 16 percent, the homeowner with a 20-year bond of R75 000 will pay an extra R55 a month, for example.

Those who have financed the purchase of a property through an institution which has already raised its rates may find themselves overextended. These people should approach their bank or building society and may enjoy a sensitive response. Allied's senior general manager

(lending), Geoff Bowker says "we are not in the business of repossessing property. If people are in trouble, we will help wherever we can."

Roy Bradley, of National Finance Brokers, explains that the relatively low rate of interest over the past two years has had the desired effect of boosting economic growth: "But the economy has grown too fast.

"Demand for credit is high and imports have climbed to the point where the balance of payments situation is no longer satisfactory."

In the past, the Reserve Bank has accommodated the system by providing additional funds to meet demand.

While the situation has been eased by the injection of R800-million this week, the Reserve Bank will not be assisting with the supply of cash to

the extent enjoyed in the past.

Bottom line is that demand for money now exceeds supply. As a result, money has become more expensive and this will place upward pressure on the prime rate of interest.

Bradley forecasts further increases: "We expect the prime rate of interest to peak towards the end of the year around 17 or 18 percent. Bond rates will follow suit which implies that bondholders can expect rates to firm by at least another one to two percentage points.

But the good news for those whose bond repayments have climbed, is that some expect general interest rates to level off towards the end of the year. Bradley sees prime stabilising around 18 percent and then easing down slightly over the following 18 months.

123 23 8/00y 16/9/88

VAT likely to push up cost of homes

THE imposition of VAT on new construction could raise the cost of homes, with detrimental effect to low-cost housing in particular.

Bifsa economist Charles Martin said the imposition of VAT at a standard rate would up the price of new homes and could cause socio-political problems if there were no other fiscal measures to soften the blow.

The cost of a new home -- taxes make up an estimated 6% to 8% of the cost of a house -- would rise if all building activities were standard rated.

Only private buyers would be preju-

KAY TURVEY

diced. If the work was for a registered person, or for business purposes, an input tax credit could be claimed.

However, in the case of residential property bought by a private individual, there would be no credit and the full final tax would have to be paid.

Government's intention to make capital goods such as plant and equipment non-creditable for input tax purposes would also see an escalation in prices, as contractors would probably build these additional costs into the price of

their goods and services.

This week the construction industry, represented by among others Bifsa, Selfsa, National Home Builders and the SA Federation of Civil Engineering Contractors (Safcec) met Inland Revenue to put forward a case for zero-rating under VAT.

Zero-rated goods and services attract no VAT on the supply.

Safcec contractual affairs manager Ted Brown said he doubted whether the industry would get the go-ahead for zero-rating.

VAT draft legislation is expected next month.

Housing SA's big problem

16/9/88

By Janet Heard

(23) SPK

The housing crisis was the root of the problem facing South Africa and the only way to overcome the shortage of houses was for the Government to make the land available to all South Africans to live where they chose, Mr Joe Latakomo, senior assistant editor of The Star, said last night.

Addressing a seminar hosted by the Witwatersrand Council of Churches, Mr Latakomo likened the situation blacks faced today with the problems faced by poor white Afrikaners who came from the rural areas to the cities to find work in the 1930s.

He said: "The political machinery was put into operation to accommodate the Afrikaners

He said that in the 1930s, government subsidies were introduced and interest rates were low, enabling people to find accommodation. Employment through job creation schemes was established.

"Today, with the influx of blacks into the city, subsidies have all but died and for those that exist, it is questionable whether they assist the person who needs them most. They often assist the developers and not the person buying the house," he said.

Interest levels were high and blacks who wanted to buy houses could not afford a deposit or the high repayments on a loan.

Mr Latakomo said that when the Nationalist government came into power in 1948, although commissions of inquiry into housing were set up, the policy was still that blacks were not to live permanently in the cities, and only a limited number of houses were built on limited land around the cities.

"This gave birth to the characteristic of the townships that we have presently in South Africa and the houses which were supposed to have a life span of only 25 years."

20/9/88 (123) Star

High-density housing 'only way' to cut servicing expenses in SA

By Norman Chandler

The Urban Foundation believes that high-density housing is the only way to reduce service costs.

The organisation's annual review, issued recently, says high-rise developments for lower-income housing have been socially disastrous.

"The few tentative experiments local authorities have ventured in this country have been just as disappointing."

The Foundation says that by clustering houses more tightly and reducing the area devoted to streets, it will be able to cut servicing costs.

"The overwhelming de-

mand is for conventional single-plot units. Until there is an acceptance of the need for an alternative cluster-type layout, and an institution can be persuaded to back such a project on a reasonable scale, solution to the problem (of housing) will have to be sought along conventional lines.

SUB-TENANCIES

"Which means building houses large enough for sub-tenancies, and developments farther and farther away from the metropolitan areas."

The Foundation adds that land is becoming more freely available in some areas, particularly the

Transvaal (except for Soweto and Alexandra) and the Free State, but legislation such as the Group Areas Act continues to "put a brake on a totally rational allocation of land..."

One way to get around the problem could be the purchase, by the Foundation "and without help or hindrance of the local authority", of blocks of land.

"The stratagem will need central or provincial government backing, but it is the view that without an approach of this kind it will be impossible to make up the national backlog," the review says.

123 Soweto 22/9/88

FIRMS AIM FOR PROFIT

Seminar on housing shortage told

AS the private sector's involvement in black housing continues to grow in leaps and bounds, its role is seen by some as part of the housing problem rather than part of the solution.

At a seminar held at Shareworld recently, participants felt that the private sector's primary aim was not to address the housing crisis, but to make huge profits.

The seminar was organised by the Witwatersrand Council of Churches (WCC) as part of its social responsibility towards the "disempowered" communities.

Although WCC's central aim is to serve Jesus Christ, it sees housing as an issue that all Christians in this country must address.

Participants felt that

By SY
MAKARINGE

far from solving the black housing crisis, the private sector had plunged many homeless families into heavy debts which they could not afford to pay.

Mr Joe Latakomo, senior assistant editor of *The Star*, who was a guest speaker at the seminar, said when the Afrikaners migrated from the rural areas to the cities in the thirties, the government thought something had to be done to accommodate them.

"They were vital because they were voters. Employment was provided and all efforts were made to provide housing for these people," Mr Latakomo said.

He said when blacks found themselves in the same situation, the oppo-

site happened.

Mr Khehla Mthembu, a prominent Soweto figure, said housing was a political problem. He said it was deliberately designed by the powers that be to keep blacks in servitude.

He said that blacks, who were in the majority, were allocated only 13 percent of the land.

Field workers for the WCC made an audio-visual presentation which highlighted the plight of the homeless.

A spokesman for the church organisation said houses in the supposedly elite black areas were falling apart even though the owners were paying building societies substantial amounts.

123 B/don 22/9/88

House prices set to soar by 16%-28%

CAPE TOWN — Increases of about 25% in the price of building materials in the past nine months could send the price of an average house soaring between 16%-28% — well over the inflation rate, Cape builders said.

Acting Cape Town city planner Neville Riley believed it would be "well nigh impossible" in 1989 to provide acceptable and affordable housing for people who qualified in terms of the housing code.

A Master Builders and Allied Trades Association (Worcester branch) spokesman said the price of building materials had risen about 25% in the past year.

He said: "We are told this was essential because prices were held down so long during the recession. But, in fact, regular price increases have been a feature of our industry."

"One gets the impression that suppliers' production costs are not properly controlled and that there is in some areas a monopolistic situation."

Because of the upswing, materials shortages were used to justify price increases without reference to the long-term interests of contractors.

A Garden Cities Development Corporation spokesman said they had stockpiled materials, thus "smoothing out the increases".

Bester Homes project manager E Potgieter said increases in labour costs would have a "tremendous impact" on building costs. — Sapa.

HOUSE PRICES

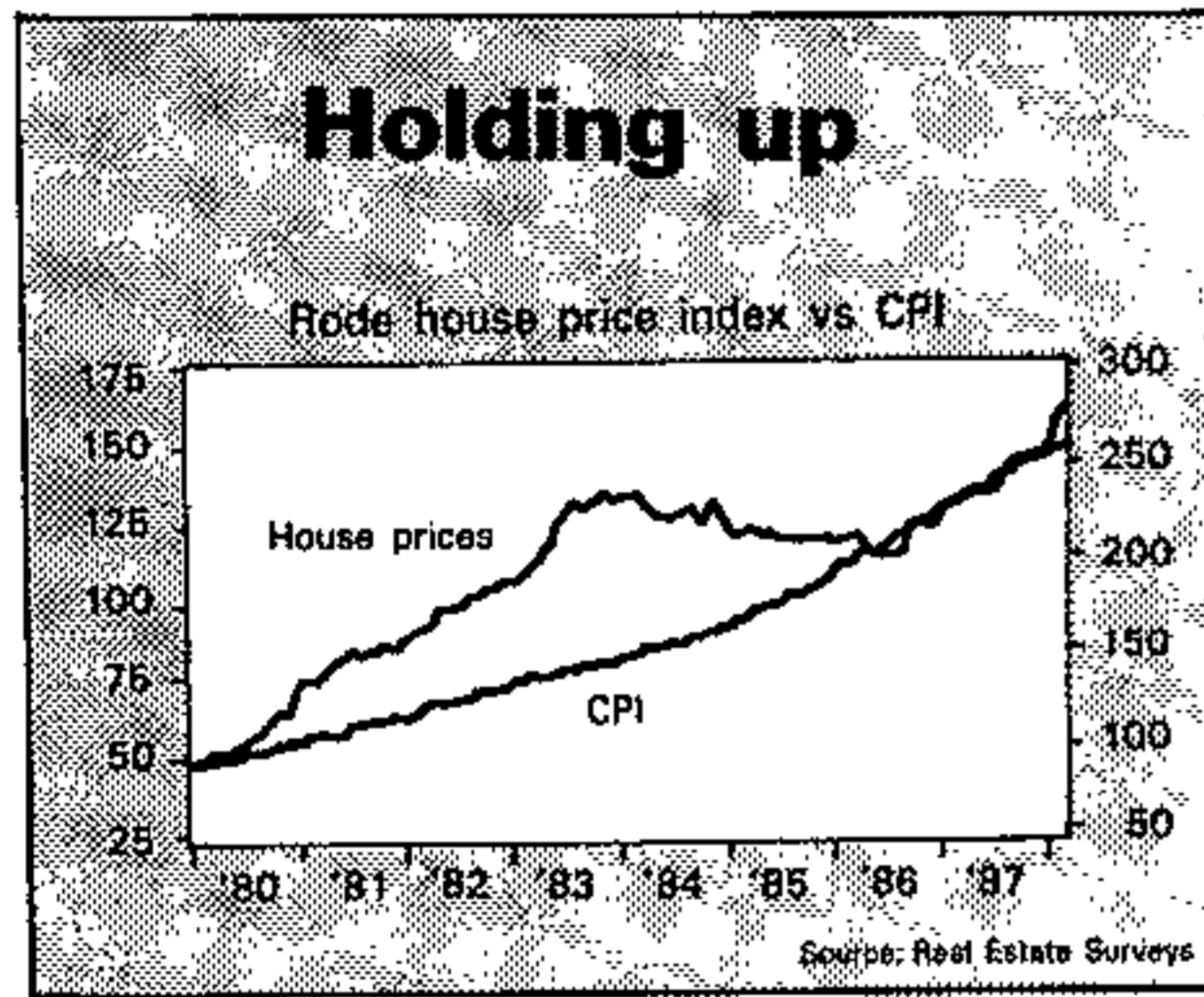
Still beating inflation

Rising interest rates aren't all bad news, despite the row that's brewing over the value of fixed property to the private investor, notably the homeowner, as a hedge against inflation.

The graph shows that, since 1980, house prices have consistently kept pace with the CPI, the most common measurement of inflation, even during the slump between 1984 and 1986.

This house price index tracks the median house prices of the same sample of representative suburbs in various cities each month. Its advantage is that all sales are incorporated, so that figures cannot be changed by a shift in the market.

It is true that the rate of increase in house



prices is decelerating, but in the long term it is not expected to drop below the rate of inflation. The model used to calculate the *Rode House Price Index* accurately forecast that the year-on-year rate of change in house prices would drop from 19% in January this year to 13% in August. It predicts that this will fall further to 7% in December, that the underlying growth rate will be zero in December and that the average increase this year will be 14%.

The UBS, in its most recent *Quarterly Housing Review*, predicted an increase of just 13% over the next 12 months, which would seem to indicate that the rate of price increases will drop even further in the first quarter of next year. The underlying quarterly growth rate in the second quarter of this year was already only 1%, compared with 5% in the first quarter.

Obviously, prices began to drop even before the bond rate rises. Interest rates have, of course, been blamed for the deceleration. But it must be remembered that higher rates are the result of government efforts to curb inflation. This means that, at the very least, house prices are likely to rise in tandem with the CPI.

Nevertheless, there are those who claim

that housing is not such a good investment. This might be true in comparison with corporate investment, where better annual returns could undoubtedly be had from industrial or financial equity investments.

But such investments are not a consideration for the average homeowner, who wishes to ensure capital appreciation. Of course, market perceptions, or perhaps estate agent enthusiasm, will tend to drive prices well above the rate of inflation in a cash-flush economic cycle, leading sellers to conclude they are losing out heavily when prices come down again.

But in the long term, it appears private investors can't really lose on fixed property. One study shows, for example, that the average annual house price increase over the past 20 years has been 35%.

And, while few people stay in one house that long, as long as they trade up, it won't matter at which point of the cycle they sell or buy.

Meanwhile, prospects for the property unit trust industry, another avenue for private investment in property, are looking brighter.

The level of interest received on cash balances is improving and rental income is escalating, leading to an accelerated growth in the underlying value of their portfolios.

Johan Annandale, retiring chairman of the Association of Property Trust Management Companies, expects building costs to rise by 23% this year and 15% to 18% in 1989. This could result in office rentals reaching a general level of R20/m² to R25/m² and line shop rentals in new centres

reaching R40/m² to R50/m² to reduce the gap between building costs and rental income and so give investors a reasonable return.

However, he says, this gap will only be reduced after significant take-up of the over-supply of existing space — which bodes well for landlords of existing buildings and centres. ■

RETAIL DEVELOPMENT

Disparate views

It always takes some time for the property market to react to any major change in the economic outlook, but retail developers appear particularly obtuse at the moment.

Or perhaps it's just that old ideas about regional shopping centres, appealing to a large proportion of surrounding suburban dwellers, die hard.

Developers, or at least the major financial institutions, know that the amount spent annually on retail infrastructure has grown at almost double the amount consumers spent annually in the past 10 years, and that rising interest rates are likely to put further dampeners on spending.

What's more, they know that SA has too few true anchor and national tenants to give regional centres a tenant mix rich enough to keep consumers from being bored.

And yet, they persist in creating regional centres, each billed as bigger, better and more modern than its predecessors, and each with essentially the same tenants.

A case in point is Southgate, the proposed

SETTING THE PACE

Marketing is still king in the residential land sales business.

G G Büchner Properties, developer of the highly successful Lonehill suburb of Sandton, is again seeing the advantages of innovation in the sale of plots in its Blue Saddles development near Walker-ville, south of Johannesburg.

In the first weekend of marketing, sales topped 100, leaving only 120 stands available. The plots, ranging in size between 2 ha and 2,5 ha, are being sold as "ranches" — combining the delights of country living with city facilities such as full services and a security system.

Prices range from R50 000 to R80 000 and MD Oswald Büchner reckons there is scope for capital appreciation. "Agricul-

tural holdings in a nearby area are changing hands for R80 000 and upwards, while in the north of Johannesburg, prices start at R100 000."

A further attraction of the "ranches," he says, is that the provincial authority will not allow any further development of similar size stands without the Administrator's approval. The reason is that many properties of this size are without serviced water and so become run down.

"This is why we are installing full services. We have also built into the title deeds the provision that each buyer must belong to the security organisation, that there is to be no construction with corrugated iron and that the building plans must be approved by the developer."

Innovative ideas needed to provide R20 000 house

Low-cost home challenge faces building industry

By Norman Chandler

A home for R20 000 or less. That's HOPE's challenge to house our people, and it is increasingly being taken up by the building industry.

And, surprisingly, the lead is held by architects working in neighbouring Botswana — they are designing homes using materials imported from South Africa.

Mr Hakon Ruud, a Norwegian expatriate architect in Gaborone, has developed a one-bedroomed, fully-insulated brick home for an all-in price of less than R15 000, including a 15 percent mark-up.

Mr Ruud, chief architect with the Botswana Department of Local Government and Works, told The Star the country's Accelerated Housing Programme — designed to house about 3 700 families by 1990 — “had to find a way around the dilemma, and designed three houses for this purpose”.

He said a one-bedroomed house, which included a lounge/dining room, separate kitchen, a combined bathroom and toilet, a verandah, as well as full insulation, would cost about R15 000. There are also two and three-bedroomed versions.

“We are very aware of the mass housing problem, and because of that, have established a low-cost housing committee to look into the problem,” Mr Ruud, an aid consultant on secondment to the Botswana government, said.

South African groups moving into the R20 000 package include LTA Comiat Homes, which is building 15 000 units in various price ranges throughout South Africa and the independent states.

Mr Tony Westbrook, deputy managing director, says: “We are looking at all sorts of building materials and methods to contain costs, but at present traditional brick or block-built homes satisfy the require-



ments of our clients, are acceptable to financial institutions and can be built at competitive prices.”

The company has found that 3 percent of the black population could afford houses in the R40 000 to R60 000 range — this leaves 97 percent who can afford nothing or less than R20 000. “The R20 000 figure is a problem, but we are undertaking research and development to see what can be done.”

The company's mezzanine-style housing for Khayelitsha, near Cape Town, will be sold for between R17 000 and R23 000, including land. The units are built with concrete blocks and average deposits are R850 while monthly repayments are about R165.

The design incorporates several innovative features. The slope of the roof allows for an upper level mezzanine sleeping loft which means the living, dining and sleeping areas, bathroom and kitchen can be combined in a 35 sq m home.

Mr Joe Taylor, managing director of SA Housing Trust Limited, says: “In places like Alexandra township there is an overwhelming demand for houses in the R14 500 to R18 000 price category but the price of land alone sometimes makes this impossible.”

PRETORIA

— More than a third of building plans passed this year are unlikely to reach the building stage, UBS economist Shand Falkana said yesterday.

Many plans passed 'will not be built'

(23)
8/10/88
29/9/88

GERALD REILLY

He was reacting to the January-July statistics of building plans passed, released yesterday by Central Statistical Service.

The figures show the overall value of plans passed increased by 45,1% to R4,398bn — houses by 52,3% to R1,9bn and flats and townhouses by 36% to R393,4m.

Non-residential plans passed were valued at R394,5m (up 38,7%) and additions and alter-

ations at R1,118bn (up 28,9%).

Falkana said in the '80s up to 1985 about a quarter of the plans passed came to fruition.

"Now, however, because of tightening economic conditions and the level of confidence in the economy, at least a third of plans passed this year will never reach the building stage."

The increase in public sector salaries could stimulate the housing sector but this could be neutralised by increased tax.

30/9/88 (123) pm

BLACK HOUSING

Too much paper

While government cleans up its act in providing land for housing, bureaucracy at provincial and local authority level is still proving a major stumbling block in the way of solving the housing shortage.

Major developers of black townships say obtaining approval for the various development phases can take up to three years from acquisition or allocation of the land.

Mike Guthrie, MD of Spruit View developer Impact Homes, says: "It took almost three years to get plans for this East Rand suburb (*Property* August 7, 1987) through various departments."

What's more, he says, the costs of such delays are naturally passed on to prospective homeowners, putting houses further out of economic reach.

John Marshall, MD of Direct Property Developers, says: "We would now have close to 10 000 houses for blacks in the Transvaal and OFS under construction had it not been for bureaucracy."

"A R150m plan for the development of 2 500 stands at Zimdela in Sasolburg has been passing to-and-fro for almost 12 months between the Lekoa town council and the OFS provincial administration. The delay has already cost in excess of R500 000."

On the other hand, it has taken Marshall's company just three months to start work on the largest black township in SA, due to the co-operation of the Evaton town council and the Transvaal provincial administration.

The site of the R300m township, Beverly Hills, is between the Golden Highway and the R28 (Western Bypass). It has been divided into 4 000 residential stands, many of which have already been sold.

"The only delay now is on the part of the Transvaal roads department, which has been making alterations on the proposals for the past five months," says Marshall.

"If the various departments dealing with black housing operated like the TPA and the Evaton council in this particular instance, we could see faster progress in eliminating the housing backlog."

According to Jan Canlaar, national roads design director for the Department of Transport, the delay in getting plans approved is due to national staff shortages.

Tom Boya, president of the United Municipalities of SA, which represents 60 black local authorities, says there have also been delays of up to four months in processing legal documents due to changes in the guidelines on 99-year leasehold and freehold rights.

"Most councils have now received new guidelines and future delays will be less than 40 days," he says. ■

Apartheid at root of housing problem

SAV 3/10/88

In the wake of the anguished parliamentary debate on group areas and mixed residential suburbs, **CAS COOVADIA**, a member of Actstop's publicity secretariat, offers a proposal on how to attack the problem of the homeless.

South Africa, one of the wealthiest countries in Africa, has about 7 million black people without formal housing. These are people who live in backyard shacks, garages, self-built tin and plastic shelters, and out in the open.

The PWV area is surrounded by between 1,6 and 2,4 million homeless people, Durban by about 1,7 million and Cape Town by about 400 000.

It is estimated that the number of houses needed for those currently homeless is about 1 817 000 units. It is further estimated that this requirement will reach 2 803 667 units by 1990.

The crisis of homelessness has its roots in apartheid, which essentially promotes white power and privilege at the expense of the real interests of the majority.

History records that land dispossession, de-nationalisation and the denial of full political rights to black people have been essential facets of apartheid. This has manifested itself in the denial of the most basic of human needs — that of shelter.

What is the result of this inhuman policy for those who have had to bear the brunt of the suffering? Black people have come to the cities of South Africa to avoid starvation in the homelands created by apartheid.

POLITICAL SOLUTION

These millions have constructed shelters from wood, tin, plastic and cardboard, and have given birth to citadels of struggle.

What then is the solution to the crisis of homelessness? It must be stated at the outset that the solution is not an easy one and that it necessitates the galvanising of all concerned forces.

It must also be accepted that the problem is not just one of resources — it is also a political problem. It demands a political solution. Apartheid has caused this crisis.

Apartheid cannot, therefore, be part of the solution to the ills of South Africa, of which the homelessness crisis is one symptom. Any solution of the homelessness crisis must contribute towards the abolition of apartheid.

Any step towards solving the crisis must recognise that the so-called "squatter" communities are, for the most part, settled communities with viable infrastructures. While the State aims to destroy these communities, our solution must facilitate their development.

This means the upgrading of houses already constructed by people where they are at present. It means the provision of facilities and amenities, the setting up of clinics, and access for health workers into the areas.

REPRESSIVE

A crucial aspect must be the acquisition of more land — the land that black people were deprived of by the apartheid policy of the white rulers. It is evident that the solutions suggested would require vast sums of money.

However the money is available. Apartheid policies, and repressive machinery of the Nationalist Government, have necessitated the allocation of vast sums of money to the maintenance of apartheid and its military and police wings.

This money must be diverted to the provision of housing for the homeless. The successful and urgent implementation of these solutions can be effected only by the concerted effort of all anti-apartheid forces.

But the initiative must be launched in consultation with, and under the broad guidance of, the legitimate representatives of the majority of the people of SA.

This is essential because any initiative must be within the broad framework of the struggle for full political rights for all South Africa's people; that is, the initiative must fall within the context of the demand for one person one vote in a unitary SA.

Bid to make loans more accessible

Star 7/10/88
123

A study has revealed that only 3,1 per cent of building society housing loans went to blacks, and because of it the Urban Foundation is to establish a small loans company.

The foundation says that the loans information had been uncovered during a major feasibility study looking into the setting up of a new mechanism for granting small loans to low income earners.

The study has revealed a need for loans — repayable over up to five years — of between R500 and R5 000 for a variety of housing products including building materials, stands and deposits for conventional bond finance. It also revealed that building societies currently provide loan finance to only the top 15 percent of the black market.

The foundation says that it has also studied how a building society assesses loan eligibility and availability.

The recommendations, contained in a report of a research team on subsidies, has been submitted to the Department of Finance and to the Housing Advisory Council.

26-part series on TV boosts buyer interest

By Frank Jeans

Thousands of blacks are nightly switching on to home ownership — literally.

Playing a major role in mass medium exposure of the home and how to go about getting one has been television, and following the successful My Home series last year, a new programme begins tomorrow.

The 26-part, 10-minute pointer to the securing of residential property in the non-white sectors is being sponsored again by the country's biggest brick producer, Corobrik, and will cover topics such as finance, home improvement and building.

Mr Keith Nurcombe, national marketing manager of Toncoro, holding company of the Corobrik group, says: "The new series will consist of stand-alone programmes with a heavy emphasis on both education and training.

"We had excellent response to the first series which addressed many of the basic issues of ownership and building. Further feedback has revealed that we now need to go into greater detail on specific problems."

Insurance, savings plans,

house design and home improvement ideas will all come on to the box.

Programmes will also be available on cassettes.

Running in tandem with the October programme is a training network throughout the country with more than 50 My Home merchants set to advise black potential homeowners on financial and technical matters.

MARKET RESEARCH

The brick group is undertaking comprehensive market research into black home building.

Preliminary research indicates a growing trend for black consumers to buy all their building materials from a one-stop outlet.

They need specialised knowledge, however, about masonry products and building with bricks which is not always available in general stores.

A major problem, too, is a limited knowledge about financial matters which is a key issue that needs to be addressed.

Among other heartaches facing black homebuilders are the limited availability of some materials, bottlenecks in getting plans approved, the raising of finance and the selection of the right builder.

PWV urban area has infrastructure

Room here for a further 1,4-m

Star 10/10/88

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By Norman Chandler

Urban areas in the Pretoria-Witwatersrand-Vaal area would not have any major difficulty accommodating tens of thousands of extra people looking for homes because the existing infrastructure is adequate.

"I have been told that the Witwatersrand, for instance, can immediately support an additional 1,4 million people with its existing infrastructure," town and regional planning expert Dr Richard Tomlinson told The Star in an interview.

He also said that significant tracts of land were available for residential settlement — and that if private sector land owners refused to make their properties available, a "well-intentioned government" could do so through a Vacant Land Tax "and other such measures."

Reaching out

Dr Tomlinson is senior lecturer in town and regional planning at the University of the Witwatersrand. He recently returned from being a visiting scholar at the Massachusetts Institute of Technology (MIT) in the United States and is currently completing a book on urban development in South Africa.

He says that the State should lead the way to overcoming the housing crisis by reaching out to the "really poor" as well as ensuring availability of land for homes of any kind — "there is so much land available. For instance, there are on the Rand large areas of mining land which would be suitable for this purpose just as there are areas which are unsuitable."

However, lack of financial resources hampered

efforts to house people and this was a reason why he did not see a successful outcome to the housing situation.

Dr Tomlinson described South Africa as a middle income country "simply not rich enough to house everyone. The debate about housing here is centred on one aspect: affordability. The problem is, we cannot afford it."

South Africa apparently has the capacity to supply 70 000 homes a year, whereas the Urban Foundation has estimated that the country needs of the order of 200 000 units a year to eradicate the housing backlog — estimated at 3,5 million — by the year 2000.

Dr Tomlinson says that even if money were available "it is very seldom that a government delivers to the really poor".

He said: "Any definition of who the really poor are in South Africa is arbitrary."

"However, we must remember that the household subsistence level for blacks in 1985 was R309, excluding accommodation. If you deduct this from a household income, before you have money for housing, then 56 percent of South Africa's black population has no money available whatsoever for housing."

"The equivalent figure for the Johannesburg metropolitan area is 29 percent."

Housing in South Africa was divided in three ways — those who could afford it via the private sector, State assistance with serviced sites, and those who cannot even afford serviced sites, but Dr Tomlinson said housing seldom came top of the list of priorities for the really poor.

"They want employment, cheap food, education for their children, a shack for shelter. Relatively formal housing is ranked further down the list," he added.

"For these people, if they have democratic control over how resources are allocated on their behalf, the outcome would probably be somewhat different to that envisaged in the debate over housing."

International experience showed that even if someone who is poor is given land on which to build a house, as has been suggested by various authorities searching for a solution to the problem, the recipient is likely to enter into what planners describe as "downward raiding" — vacating the site almost immediately and trading it off against increased income.

Dr Tomlinson suggests that the only way to partially overcome this situation, and help the housing problem, is by providing facilities unattractive to higher income groups and which will not prompt downward raiding.

"This seems like a justification of doing very little for the poor, but in fact the reverse is true. While one provides minimal help per household, this costs less, and the State is able to reach more households — it must be remembered that the State does not have sufficient resources to address the housing needs of all the people in the country."

Dr Tomlinson says this is not unique to South Africa.

"Internationally, it has been shown that the really poor are typically not a significant constituency in any country."

LOA rules out aid for home buyers

There is little hope of the South African insurance industry coming to the aid of prospective home-owners, particularly those needing low-cost homes.

The Life Officers' Association (LOA), an organisation of top life insurance groups, says however that there is sufficient private sector savings to finance "much more housing than is happening at present".

In a statement to The Star, the LOA says that "the need for more housing is most severely felt at the low end of the market. However, the public at that low end is unable to borrow at current market rates".

The insurance industry is said not to have "investment vehicles that can bridge the gap between rates at which savings will be made available for housing and the rate at which the potential market for low cost housing can borrow".

They say low cost housing also carries a higher economic risk, a higher political risk, and higher administration fees.

The industry statement adds that it is not an agent "for the redistribution of wealth or to undertake any other form of social or economic engineering — the only appropriate considerations for a life insurance company, when deciding whether to make a specific investment or not, is whether the investment offers a low enough economic risk to ensure the preservation of policyholders' savings against the risk of financial volatility and a high enough return to ensure the preservation of policyholders' savings against inflation." Star 11/10/88

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Homes supply on increase, but...

While much is said about the chronic housing backlog, there has been a considerable increase in the supply of homes in recent years.

According to figures covering the private sector only, from the Tencoro group, holding company of Corobrik, there has been a steady increase in the supply of homes in recent years.

In 1986, a total of 4 248 houses were built for blacks, while an increase of 3 082 (72,5 percent) to 7 330 took place in 1987.

In the six months to June this year, a total of 4 604 homes were built, compared with 2 969 over the same period in 1987.

While this is an encouraging trend, one home-building source believes the rate of supply is hopelessly too low to cater for the vast backlog and future requirements.

"More than 2,6 million homes

will be needed for the black population up to the turn of the century," he says.

"And if only 8 000 are being built on average annually, it is obvious that many people can expect to continue to live as squatters or in overcrowded conditions."

The rising cost factor is also seen in the Tencoro figures and suggests that the home-building industry is striving to keep the price of the end product within the means of blacks.

In 1986, the average size of a house built for blacks was 84,4 sq m and cost an average of R28 912.

The following year, the size was 74,2 sq m and cost R25 232.

The average size of houses built for blacks in the January-June period this year rose slightly to 77,4 sq m, with the cost at R29 420.

POPULATION GROUP	HOUSING STOCK		SUPPLY (I.E. BUILT)		TOTALS	
	1980	1980	1986(X)	1987(X)	1986(X)	(JUNE 1988)
Whites	1 127 000	209 000	16 649	17 443	9 160	1 379 232
Coloureds	332 000	78 000	4 127	5 493	3 458	423 078
Asians	104 000	43 000	2 586	2 795	1 279	153 660
Blacks	425 000	61 000	4 248	7 330	4 604	502 182
	1 988 000	391 000	27 610	33 061	18 501	2 458 172

X - Private Sector only

C.S.S. Statistical News Release

Crisis in civil engineering

Tertiary education in civil engineering is heading for a crisis.

Fewer students are entering the profession and universities and technicians are said to be losing staff, resulting in a shortage of skilled professionals.

The big problem has prompted the South African Institution of Civil Engineers to hold a workshop on tertiary education in civil engineering on October 27.

Professor A Kemp, professor of the civil engineering faculty at the University of the Witwatersrand and chairman of the institution's education committee, says: "The purpose of the workshop is to identify priority issues in tertiary education and to reach consensus on action to be taken."

"Discussions will centre around several important issues. For instance, a staff crisis is imminent

First biennial merit award presented

The first biennial merit award of the Institute of Town and Regional Planners has been presented to Robr's Nichol de Swardt and Dyus for their role in initiating and planning the Sanlameer development, the holiday resort on the Natal South coast and put together by insurance group, San-

Property & Construction
FRANK JEANS



at universities and technicians as subsidies are cut and employment conditions deteriorate."

Professor Kemp also voices concern at the fall-off in civil engineering enrolment at universities, which has dropped by 60 percent in the past 15 years.

"Today, fewer than 200 final-year students are registered in civil engineering at seven South African university departments offering degrees. This is well below the country's needs," he says.

"And we must avoid lowering entry standards to attract students."

He believes, too, that the difficulties experienced by students from disadvantaged educational and social backgrounds need urgent consideration.

Sanlameer was established in 1977 after four years of intensive research.

There are now about 330 units in a sub-tropical setting, a 40-room hotel, two restaurants and conference facilities. About 80 ha of parkland have been preserved.

PROPERTY

Getting to grips with difficulties of house hunting and selection

By Norman Chandler

Buying a house is not as easy as it sounds. The ABCs of how to go about it are contained in a practical guide now being published.

The booklet is said to be the first to detail fully financial arrangements, repayment tables, the choosing of the right suburb, and the differences between freehold and leasehold.

It is aimed primarily at first-time home buyers, say the publishers, Black Enterprise Publishing and Marketing and The Perm Building Society.

"In South Africa today, home ownership is the future — for everyone," the publishers say.

"More people than ever before are buying houses, encouraged by an ever-growing range of financial services and housing assistance



schemes ... but buying still requires financial planning, self-discipline, a strong commitment and plenty of energy."

Owning a house is a way of accumulating wealth and of saving.

The booklet explains the Government's first-time home buyer subsidy, which was recently increased to encourage building of new homes.

To qualify for a subsidy, the total value of land and improvements on it may not be more than R65 000 and the value of buildings no more than R45 000.

The amount of repayments people can afford is also detailed. For example, the booklet says that someone with a monthly income of R540

should be able to afford a house at a maximum price of R12 500.

But to purchase it, the prospective owner would need to have available, at current bond rates of 15 percent, R3 543 for the 20 percent deposit, legal and municipal fees and loan registration.

A house in the popular R40 000 to R50 000 range would mean having available up to R13 000.

The booklet suggests that because of fluctuating bond interest rates, and to prevent possible financial difficulties, home buyers should ask employers to deduct loan repayments from salaries.

Guidelines on how to purchase and what to look for in a house are also detailed by the booklet.

The intricacies of obtaining a home loan from a financial institution are also spelt out.

Conflict in SA townships must end, says report

Star 19/10/88

123

Staff Reporter

There is a pressing need for mediation structures to resolve the conflicts that have developed in many South African townships, says a report released by the South African Institute of Race Relations.

The publication, entitled "Urban Policy and Housing", and written for the Institute by Paul Hendler, says a stalemate between Government and anti-apartheid civic associations has developed which, some commentators believed, could be ended only by negotiation.

Obstacles

The obstacles to negotiation identified in the publication are:

- The Government's security strategy.
- The reluctance of community groups to negotiate with, and the unwillingness of officials to bypass, the black urban councillors.
- The absence of effective intermediaries who could bring parties with an interest in negotiation to the bargaining table.
- The view of some activists that housing negotiation would obscure political objectives.
- The view that negotiation with the authorities would conflict with the boycott strategies of some anti-apartheid organisations.

In the past few years, severe conflict, prompted originally by housing issues, had prevented local authorities in several

Staff Reporter

townships from carrying out day-to-day administrative tasks, which left communities with the problems of doing so themselves.

This led to some communities presenting the authorities with alternative plans for township development and house construction.

The clearest example of this was a detailed plan which developed in Langa in the eastern Cape, which led in 1986 to the establishment of a special Department of Constitutional Development and Planning task force to investigate the feasibility of upgrading the township.

This department was also reported to have set aside R200 million for upgrading Uitenhage and Port Elizabeth townships in negotiation with the eastern Cape branch of the United Democratic Front.

But, as elsewhere, promising negotiations like these were halted by the detention of community leaders, the study said.

Mr Hendler, who is one of South Africa's leading housing experts, believes that sustained bargaining might not develop unless mediators emerge who can bring the adversaries to the negotiating table.

He suggests that a starting point could be land availability agreements between black local authorities and private developers. Developers or utility companies, provident funds or employers could negotiate the terms of development with com-

munity groups and then attempt to secure their acceptance by the local authority, in effect mediating between them.

Mr Hendler says the last two views are giving way to a recognition that local negotiation over short-term demands may provide communities with the organisation they need to pursue wider objectives.

He speculates, however, whether community groups' greater willingness to negotiate will be met by a similar response from the authorities.

He suggests that this will depend on the outcome of divisions within the State between those who favour negotiation as a means to stability and those who advocate a combination of force and socio-economic upgrading.

Undermined

Examining the stalemate in the townships, Hendler points out that although the security forces appear to have re-imposed township order, rent boycotts and other political resistance continue.

The State had been unable to establish the long-term viability or credibility of township local government. Its urbanisation policy was also undermined daily as people erected makeshift shelters in places of their choice, and attempts to remove them had been accompanied by attempts to negotiate instead.

The rent boycott organisers, on the other hand, had failed to achieve their objectives, which were an end to the state of emergency and the removal of troops from the townships.

Housing shortage could become bargaining chip

Sta 2/1/10/88
By Norman Chandler

The shortage of housing for blacks could become a political bargaining issue, says a South African Institute of Race Relations briefing paper.

It adds that the lack of, and the cost of, shelter could "also create pressure for negotiation".

The paper, by Mr Paul Hendler, says "the provision of shelter is costly and few African residents can afford to cover construction costs or, at least in the view of potential lenders, afford paying off loans over an extended period".

His "Urban Policy and Housing" paper adds that, although the Government has lifted restrictions on home ownership, it is not providing housing as it did in the 1950s and 1960s and "few can afford the monthly instalments on private ownership schemes".

Rent defaulting is continuing and "conflicts over the right to settle on land are likely to be even more enduring".

DEEP-ROOTED DEADLOCK

"The abolition of the pass laws means that the need for land will increasingly be manifested in the cities, but there are significant political constraints on the authorities' ability to provide it.

"Although the weakness of 'squatter' organisation is a potential obstacle to bargaining, a deep-rooted deadlock has developed which may only be resolved by negotiation," Mr Hendler says.

"Negotiations with squatter leaders to determine the conditions under which they may remain on the land may therefore be the only means by which the authorities can ensure that urbanisation in the post-pass-law era remains orderly."

The paper says the growth of settlements is an "intractable problem" for the Government, and "the stresses which it places on Government urbanisation policy could allow squatter communities to make significant gains through negotiation if they are able to forge internal unity".

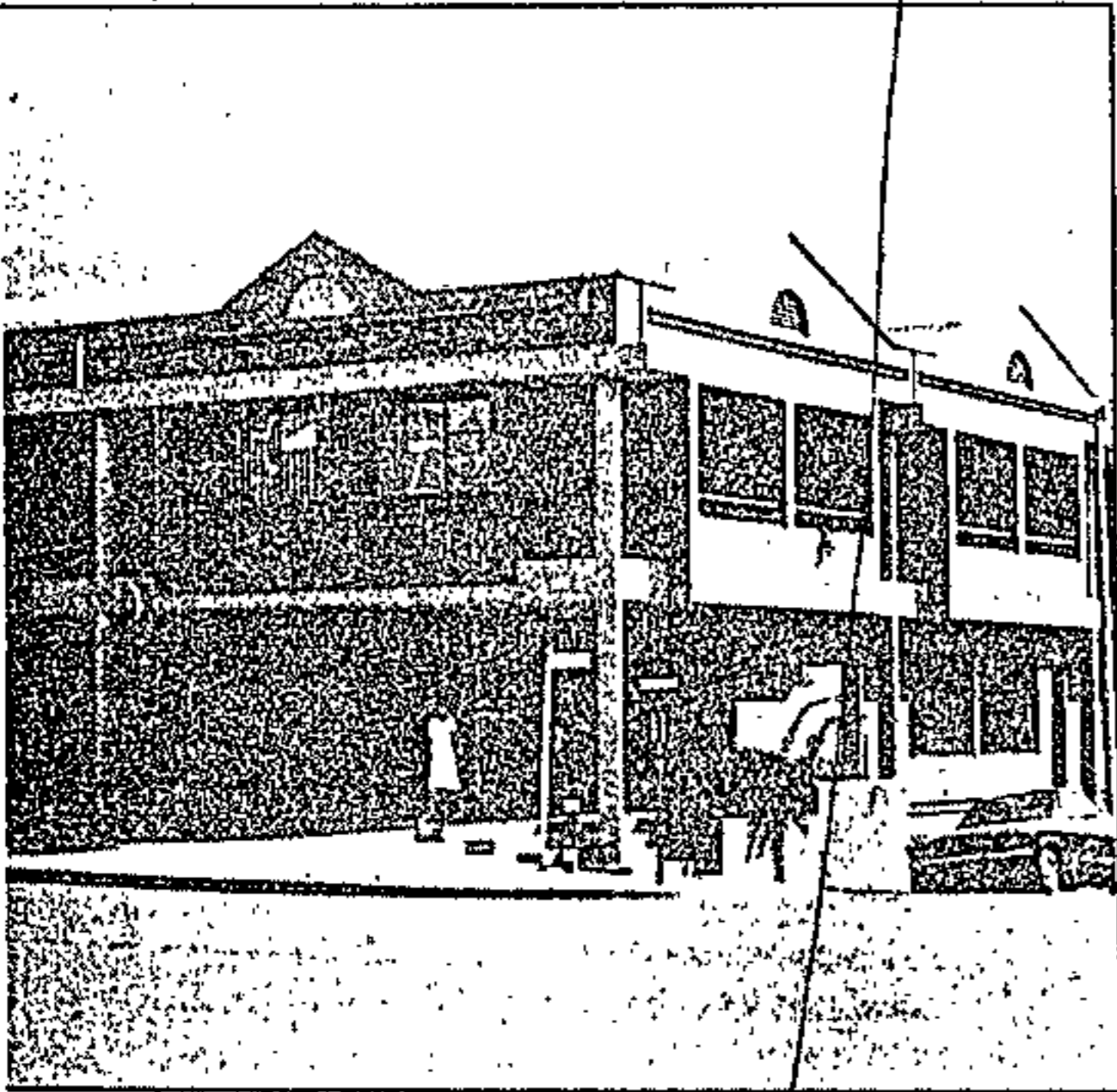
Bargaining could begin with "land availability agreements" between black local authorities and private developers.

Employers could negotiate housing agreements with trade unions, whose entry into the housing issue "raises possibilities for a new style of community organisation".

"Their stress on negotiating from a strength derived from grassroots structures in which negotiators are mandated by their constituents and their use of negotiation to strengthen organisation could offer community groups a model which would allow them to win power over township decisions," Mr Hendler says.

IN TRADITION

The first national award for quality clay masonry has been made by the Brick Development Association for work on a Victorian style office building in Maritzburg. Designed by architects Carter-Brown & Baillon, it was built by Modbou Construction, one of the few companies still offering specialist masonry skills. Known as 295 Pietermaritz Street, the gabled, red brick building fits into the architectural culture of the town, which celebrates its 150th anniversary this year.



A further difficulty relating to the sale of land in the area belonging to the department relates to the underlying conditions of sale. Three prime sites, zoned for business and adjacent to the CBD, were sold this year by private treaty. The sites bought by the technician, however, were sold by public tender. Apparently, officials cannot explain why this was so. They also won't say how many speculative sales have taken place, why this form has been adopted only in some cases and how they arrived at the valuations of properties sold.

HOUSING

Mines on the move

Driven by the need to retain skilled workers, union pressure and, they say, an increasing sense of social responsibility, all but one of the major mining houses are implementing employee housing schemes.

These are designed to give SA mine employees a choice of housing and the ability to invest and resell.

The only major mining house which has no home ownership scheme is Gold Fields of SA (GfSA), which provides houses on its mines at subsidised rentals. Assistant manager, personnel, Judy Paul, says the group has taken this route because most of its employ-

ees are migrants.

Rand Mines (RM) believes its scheme is innovative compared with those of other mining houses. Employees can rent, buy or build, and existing mine houses in local authority townships are available for purchase.

Where RM has implemented its scheme, wages have been increased. And RM has signed agreements with six major financial institutions — Standard Bank, First National, Santam, SA Perm, Saambou and the Allied Building Society — to provide up to 95% loans to coal division employees who elect to buy their own homes.

Employees on the group's newer coal mines — Duvha, Khutala, Majuba, Riet-spruit and Middelburg — are also benefiting from the scheme. Duvha and Middelburg Mine Services MD John Turner says, in some cases, employees will be given the option of buying company-owned houses which they are occupying. Even employees from TBVC states, which GfSA regards as migrants, qualify for the scheme.

The group has enlisted the services of FHA Housing, the housing development company under the wing of the Urban Foundation, to study the cost of township development and basic homes. FHA has since become involved in developing extensions to Phola township, near Ogies and Mhluzi township, near Middelburg, to service RM's coal division operations.

Johannesburg Consolidated Investments (JCI) has a mortgage bond subsidy based on an amount of up to 39 times an employee's monthly salary.

The subsidy reduces the repayment of interest to 6%. A surety of 15% of the value of the property, issued by JCI to various financial institutions, enables an employee to buy a house with a low deposit of 2,5%.

JCI has introduced a counselling service on home ownership matters, such as budgeting and insurance, and has arranged show house days for employees. In areas where it has few stands the company negotiates land

allocation with local authorities. In either case, it develops townships itself.

Anglovaal's home ownership scheme was introduced in February. Like JCI, its employees are required to find a 2,5% deposit. Out of the 160 residential stands bought by the group in the Free State, 60 have been bought by qualifying employees. These government-serviced stands cost R300 to R400 each.

Employees must have two years' service to qualify, though exceptions are made.

Gencor mining division implemented its scheme in February last year. It provides collateral to building societies of up to 22,5% of the purchase price or loan and subsidises the interest, enabling the employee to pay a rate of 5%.

Mine property

Almost 500 bond applications are being processed. The division is exploring the possibility of developing mine property for housing and is investigating low-cost housing in the Thabong area, near Welkom.

It is also negotiating to develop 574 ha in Khuma, owned by Stilfontein gold mine, for Gencor mining employees in the western Transvaal.

Employees in the A4 job category (operators) and higher grades (technical, clerical and professional) qualify for Gencor's scheme. On some mines the minimum qualification is B1. Loans vary from R35 000 for the lowest job category to R100 000 for the highest, but all employees with dependants qualify.

Anglo American gold and uranium division began its scheme in 1986. In its first year 35 employees took advantage of the scheme and so far over 530 families have benefited, including employees from TBVC states. Anglo's scheme differs from Gencor's only in its "graduated payment mortgage," which allows employees to start with low bond payments and increase them as their wages rise.

METROPOLE SOLD

One of Cape Town's best known "independent" hotels, the Metropole in Long Street, has been sold by brothers John and Brian Bowman to a foreign-based company.

The price paid for the prime CBD site with its landmark building has not been disclosed. What is known, though, is that the deal was financed partly in financial rands.

Newly appointed GM Alan Masters says the new owners plan to upgrade the hotel by refurbishing it to meet the challenge of the city's expanding tourist industry, as well as capture a bigger share of the business market. They also plan to use the hotel to attract foreign tourists to Cape Town.

He says the restaurant has already been refurbished and will remain a speciality seafood establishment. The configuration of the 41 existing rooms will be changed to provide for 34 rooms, mostly doubles. But the intention is not to go for a higher grading than the current three stars, as the five-star Cape Sun is right on its doorstep.

The sale of the Metropole follows only two months after another Cape Town landmark, the Mount Nelson Hotel, was sold to a Bermuda-based company for R25m. Also, in August, the Lanzerac hotel in Stellenbosch was sold to the Statesman Lodge Group for R5m. There are plans to upgrade and refurbish both the Mount Nelson and the Lanzerac.

2/10/88 FM

(123)

Homes boom rip-off

Consumer

By SY MAKARINGE

Corner



his office was contravening the law.

"If anyone who acts as an estate agent fails to produce the certificate, he must be reported to the board immediately for the matter to be investigated," the spokesman said.

These bogus agents have been springing up in great numbers since the private sector's involvement in the provision of housing gained momentum. After collecting several thousands from unsophisticated and unsuspecting home-seekers as deposits for houses, they usually close down their businesses and vanish, leaving their "clients" in the lurch.

Warned

A spokesman for the board this week warned prospective homebuyers not to deal with "estate agents" who did not possess a fidelity fund certificate. He said any estate agent who failed to display the certificate in

Victims

One of the victims is Mr Joseph Sondezi (64) who wanted to build himself a retirement home in Soweto.

Mr Sondezi told Consumer Corner he was approached by a man claiming to be an estate agent in January this year. The man, only known as Peter, told Mr Sondezi that he was working for a company called Modern Africa Homes. He told Mr Sondezi that he was selling houses in the townships.

Cheats

"The offices were deserted. The people did not even leave a forwarding address. I don't know where to contact them. I'm now convinced that these people are cheats," Mr Sondezi said.

Another victim who approached Consumer Corner for help is Mr Walter Mokhanedi, an Orlando West, Soweto, father of two whose R1580 deposit for a house in Vosloorus is believed to have gone down the drain after the disappearance of an East Rand estate agent.

The agent, whose identity has been withheld by Consumer

Corner, allegedly accepted the money in March after promising to build Mr Mokhanedi a home in the township.

"The agent promised me my house would be ready by July. I kept on phoning him and every time I was told he was either very busy or in a meeting," Mr Mokhanedi said.

Clue

He said when he went to the agent's offices about two weeks ago, he was told the man had disappeared.

"I don't even know where to start looking as he did not leave a clue of where he has moved to. I've been living in a backyard room with my family for many years. When I approached this man, I thought my problems would be over. Now I'm back to square one," an angry Mr Mokhanedi said.

Efforts to trace the man by Consumer Corner proved fruitless.

Another consumer who believes to have been taken for a ride is Mrs Olga Dotwana, of Katlehong, who paid a building contractor R23000 for the building of her house. The contractor, whose identity is also known to

Chain accepts Diners Club cards

CHECKERS, one of South Africa's leading supermarket chains, is to accept Dines Club credit cards from November 1, Mr Sergio Martenengo, the group's deputy managing director, announced this week.

Proud

"It will be the first supermarket chain in the country to offer this facility to Diners Club cardholders. This is an exclusive agreement," Mr Martenengo said.



MR SONDEZI... lost R500 to bogus estate agent.

She said she believed the contractor should refund her the extra money she spent on the house.

Factor
2ology

build the house, but left it incomplete and disappeared.

Mrs Dotwana said she had to dig deeper into her pocket to pay for some of the finishing touches as she had lost hope of ever tracking the contractor down.

"The house he built is also a mess. There are gaping cracks in the walls and some of the tiles are peeling off," Mrs Dotwana said.

She said she would never rest until the contractor had been brought to book.

Mr TONY FACTOR, well-known discount king and owner of Tony Factor's Discount Stores, this week said he would apologise to an unemployed Soweto man who had his goods repossessed, without a court order, by debt collectors on Wednesday last week.

Mr Factor confirmed this week that debt collectors employed by his company did not follow procedures laid down in the Credit Agreement Act when they repossessed a Hi-Fi set from Mr Wilfred Mkhumbuzi, of Dlamini One.

He said he would instruct that the set be returned to Mr Mkhumbuzi as soon as possible.

BUSINESS

35 577 down but business balks at building for the poor

The government has for the most part pulled out of black housing provision, leaving it to the private sector. But it is simply not feasible for developers to go far enough 'down-market'. By HILARY JOFFE

WHEN private sector housing developers talk about low-cost housing for blacks, they mean a house for R20 000 — or, at the very least, for R18 000.

By the standards of most white South Africans, that is indeed cheap. But it is not cheap enough for most black South Africans to afford.

Nevertheless, recognising that they are rapidly catching up with the housing backlog in the R35 000-plus segment of the black market, developers in the townships are now aiming at the R20 000 figure.

According to a survey by Business and Marketing Intelligence (BMI), the private sector last year built 35 577 houses for blacks, including in the "homelands".

Although this is an increase on previous years, it does not come near addressing the black housing shortage, estimated by official sources at around 800 000 units outside the "homelands" and by the Urban Foundation at over 1,8-million units countrywide.

The UF estimates 400 000 units a year will have to be built until the year 2000 for the housing shortage to be eliminated.

Below a certain price private sector developers cannot supply housing profitably.

And black housing is not characterised by "super-profits", according to developers interviewed by the *Weekly Mail*. Margins of five to 10 percent are standard in the industry, with developers relying on large volumes for profit.

According to the BMI survey, total investment in non-"homeland" areas last year was R498-million. Forty percent of this was on "up-market" homes, in the range R40 000 upwards, and 25 percent of it on low-cost homes costing between R7 000 and R15 000 — the area of greatest need.

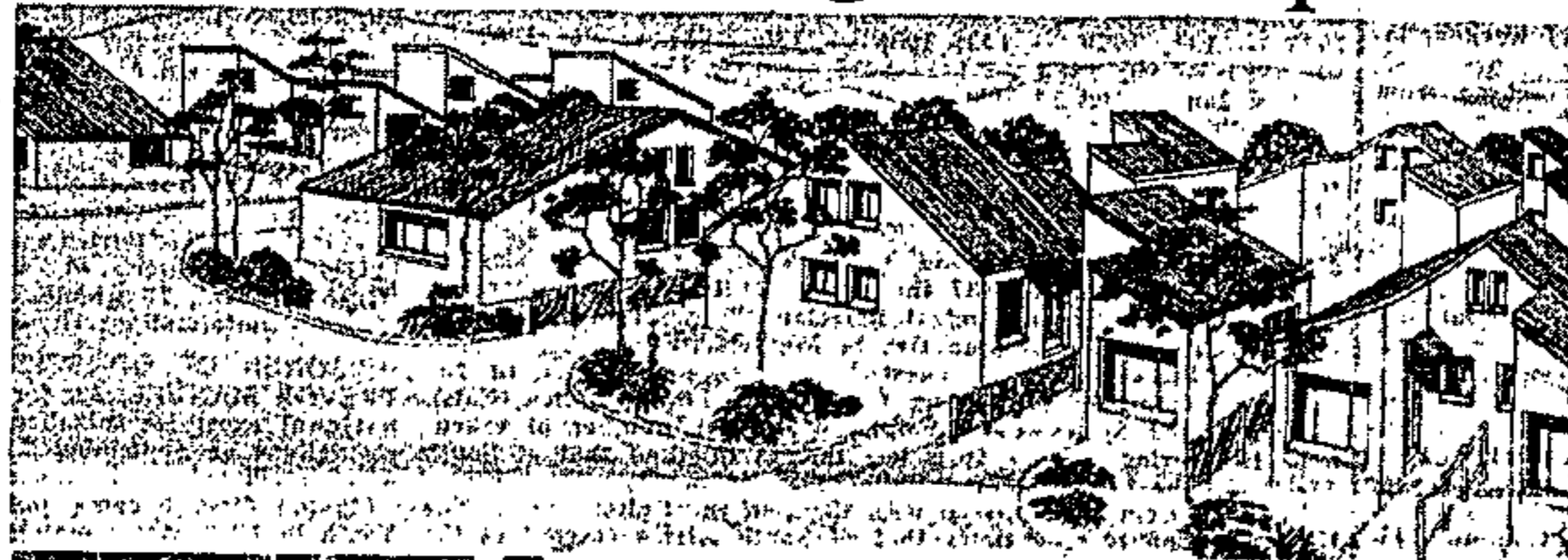
The survey does, however, indicate that just over half of the units built last year were low-cost ones (see table).

"The number of up-market prospective black home owners is, however, decreasing steadily. It is the opinion of BMI that, apart from normal growth, this market will be saturated within five years," the survey concludes.

The reasons are not hard to come by — 54 percent of black South Africans don't earn enough to buy a standard 55m² house for R20 000, according to the survey.

The Urban Foundation's non-profit housing companies have succeeded in delivering two-bedroomed houses on fully serviced stands for R16 000 and core houses for R12 000, according to the organisation's annual report. But it adds: "It is a sobering truth that even a R12 000 house is out of the reach of a potential home owner who earns less than R350 a month."

Private sector developers have moved into the black housing market, growing fast as a result of the privatisation of black housing provision in the 1980s.



Black housing built by the private sector, 1987

AREA	UNITS	PRICE RANGE			
		R7 000-15 000	R15 000-25 000	R25 000-40 000	R40 000+
RSA 'Self-governing states'	24 112	12 700	5 053	2 420	3 939
'Independent homelands'	9 265	4 053	2 928	2 009	275
TOTAL	35 577	16 878	8631	5029	8978

Source: Business and Marketing Intelligence

Top: LTA-Comiat's design for R20 000 houses. Left: Township housing for black mineworkers. Above: Too much is being spent on more expensive houses

The large developers take housing projects all the way from virgin land to the sale of the completed house.

How cheaply private developers can build depends on the cost of the land and the cost of servicing the sites as well as on actual building costs.

Quantum Construction's Ron Rennison estimates the cost of providing infrastructure such as water and tarred roads at between R6 000 and R8 000, depending on ground conditions.

This includes the cost of the land, but excludes electricity, which is an additional R2 000 or so per site. Rennison says Quantum only develops land where bulk services (water and electricity) are available or are promised. Without this, the cost of providing services would be much higher.

Some estimates are higher — Gough Cooper Homes' Frank Berkeley puts the cost of servicing a site at R10 000, excluding land, while the Urban Foundation has pointed out a serviced site costs a minimum of R12 000 on the Cape Flats.

Land costs vary by area — it's cheaper in outlying areas, according to Time Housing's Mike Graham. And the cost of a house can be brought down by cutting costs on the services: tarring the bus routes but not the smaller roads, planning for one-way and therefore narrower streets, or even supplying houses without electricity.

Most developers, however, appear to regard water and electricity as the minimum which must be provided, although gravel roads are a feature of many of the projects.

Then there's the cost of the house itself.

Speed of erection is a crucial factor in keeping costs down, says Rennison.

The longer the house takes to build and sell, the higher the interest costs incurred on financing a project. And one of the disadvantages smaller building contractors have is that they take longer.

Some developers are experimenting with innovative building materials — Time Housing, for example, has acquired Spaceframe, a manufacturer of low-cost wall-panel systems which it says will enable it to build homes in the R20 000 to R30 000 market.

But most houses are still built with conventional materials — brick or "breeze blocks". According to the BMI survey, 39 percent of the houses built by the private sector in 1987 were of brick and 35 percent of cement. Only 11 percent were of other pre-fabricated materials.

Pre-cast materials and "spray-ons" have met with some resistance, says Tony Westbrook, deputy managing director of LTA-Comiat Homes. "Black customers ask: 'Why should we live in different houses?'" he says.

What people want varies from area to area, says Westbrook. For example, developers might think showers are nice — and cheap — but people who have lived in hostels may have had enough of showers — they want baths.

According to Quantum Construction's Rennison, the main lesson his company has learnt is that "the demand for quality in the black market is very high — it's one of the single biggest decisions a consumer makes and he won't accept second best."

The other quality constraint is that set by the building societies, who will not bond houses below a certain standard.

Most building societies will also not bond houses below a certain price — and the shortage of finance is identified by most developers as the primary constraint.

Most building societies are reluctant to give bonds under about R35 000 — primarily because issuing lots of small bonds is much less profitable than fewer big bonds. The cost of issuing a bond is the same regardless of its size.

Some societies will issue bonds for lower-cost houses if these are corporate projects, in which companies contract with developers to build houses for sale to their black employees.

The SA-Perm tends to be "alone at the lower end of the market", as MD Bob Tucker puts it. Its average loan to black people is R27 000, and it will go as low as R9 000.

However, the Perm has been limited by a shortage of finance — something it hopes will be overcome when it merges with Nedbank next year.

It has been limited to five percent growth because of the restrictions of the Mutual Building Societies Act and has been contracting in real terms, Tucker, says, but hopes to raise growth in loans to 15 to 20 percent per annum after the merger.

For the most part, however, the South African Housing Trust (SAHT) is the institution which grants loans of R20 000 or less. It charges low-interest rates of between nine and 12 percent on maximum loans of up to R22 000.

Thus there's a gap in the market — with the building societies above R30 000 and the SAHT below R20 000.

Developers are experimenting with various options in an attempt to keep up quality and go down-market.

LTA-Comiat is trying to see if it can use conventional materials but innov-

ative designs, and is building houses in the R17 500 to R25 000 range in Khayelitsha and Odendaalsrus.

These "shell houses" look the same as more expensive ones from the outside but inside consist of one main room, bathroom, toilet and kitchen — and can be upgraded by owners.

Quantum Construction's recently acquired Quest Housing division, which builds houses of an average price of between R25 000 and R30 000, is going down to R18 000 by building "core houses" which can be extended.

Mike Fullard, MD of Stocks and Stocks Housing, which in the PWV area can supply houses from R18 000 (they can build more cheaply elsewhere) says doors and paint can be left out of the cheapest houses because homeowners can do these themselves.

But specialised services such as electricity and plumbing must go into each house, as must good foundation and roof structures.

Meanwhile building costs are rising at a rapid rate, which limits developers in terms of how low they can go. Berkeley estimates building costs have been rising at over 25 percent a year over the past 18 months.

Much of the demand for houses in black areas in the past few years has come from government employees on 100 percent subsidies who can afford houses in the R40 000 to R60 000 range. Westbrook estimates that this price range is accessible only to about three or four percent of the black population.

There is also increasing demand for low to medium cost houses, as defined by the developers, from employees with company subsidies. Some developers see the mines as a source of future growth.

But most agree the only way to build houses for the poor is through mass-housing schemes — and government intervention.

The economies of scale which come with such schemes, of thousands of houses at a time, make it possible to lower building costs.

And developers build into their price the cost of doing the paperwork and organising bond finance for each individual home buyer. Mass housing also requires that large chunks of land are allocated for development — something which doesn't happen at the moment.

"The poor are the government's responsibility," says Time Housing's Graham. "You can't expect capitalists to pick it up."

With privatisation, government tenders for mass housing schemes in black areas have declined. The Urban Foundation estimates the government built only 9 000 units in 1986 and none last year.

There are still a limited number of tenders — for example from the House of Delegates and House of Representatives — says Fullard. Stocks and Stocks still tenders for government contracts.

Most other developers have, however, pulled out of the government tender market, since there isn't much of it anyway and many say margins are too low.

One firm which received much publicity earlier this year for pulling out of tendered housing was LTA Construction — although its announcement was misinterpreted to mean the company was withdrawing from low-cost housing in general.

LAYING THE FOUNDATION

By THEMBA MOLEFE

EDITOR of the *Sowetan*, Mr Aggrey Klaaste, was given a standing ovation when he formally launched the newspaper's Nation-Building campaign at a banquet held near Soweto on Friday night.

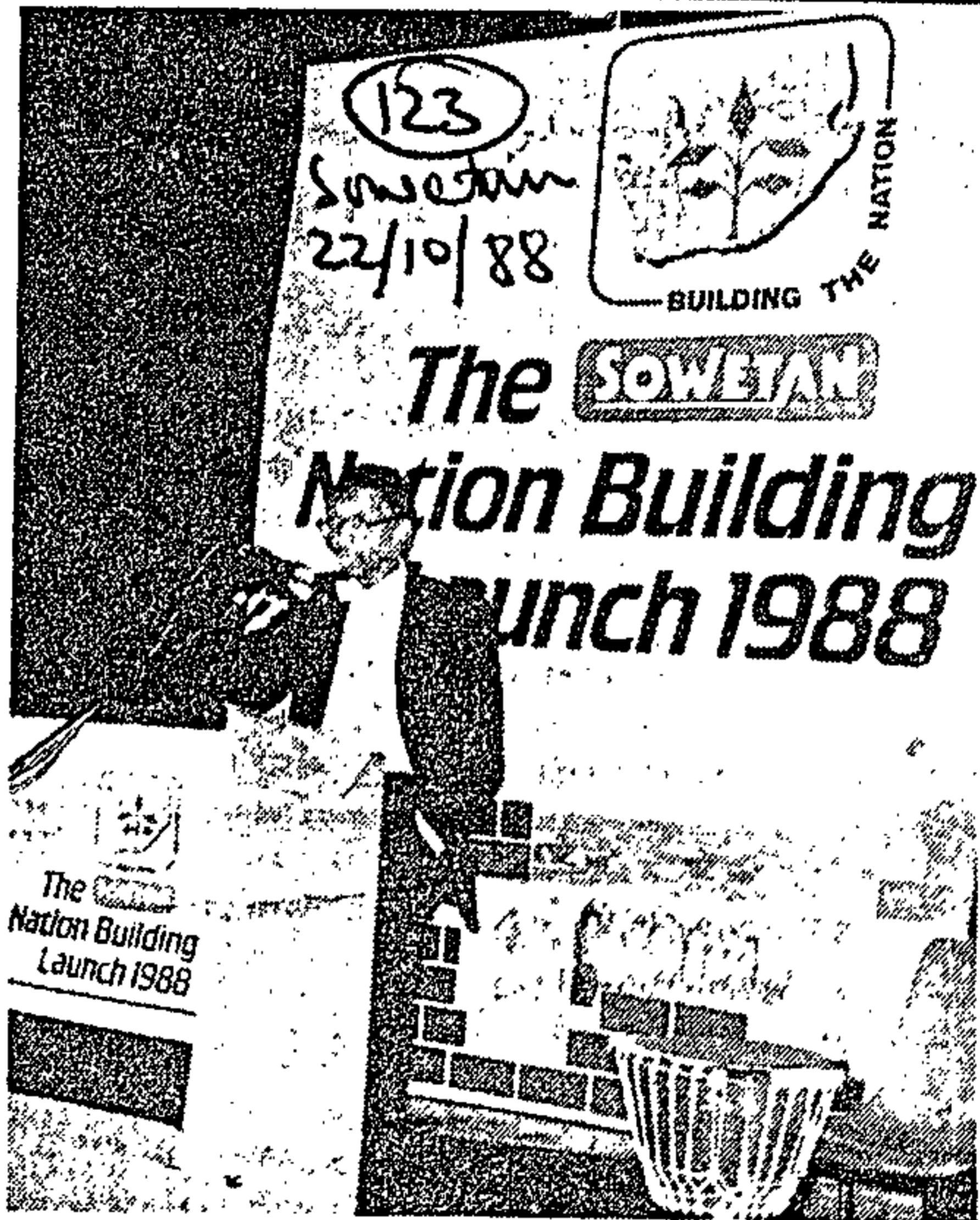
Shortly before he was applauded by the 400 guests at Shareworld, Mr Klaaste concluded by saying:

"The ultimate idea is that we, who are in the majority, will build ourselves, by seeking help internally and externally to build South Africa for all its people."

The outgoing president of the Chamber of Mines, Mr Naas Steenkamp, remarked after the speech: "Mr Klaaste's was a watershed speech and it is up to every right-thinking South African to heed the challenge."

A top black journalist said: "The feeling I have is like apartheid ended here tonight."

Mrs Sibongile Khu-



AGGREY KLAASTE, editor of the *Sowetan*, addressing the gathering at the launch of the *Sowetan* Nation Building campaign at Shareworld on Friday night.

Pic: LEN KUMALO

malo, who welcomed the guests and proposed a toast to the nation, touched many hearts as she sang her own composition, "Build the Nation", with the accompaniment of noted artist and playwright,

Matsemela Manaka, on African drums.

General manager of the *Sowetan* and *The Star* and president of the Newspaper Press Union, Mr Jolyon Nuttall, spoke of a tough life in

● To page 2

Nation Building launch

● From page 1

Alexandra township and quoted examples of *The Star's* proposed projects to improve the standard of living in the slum as its contribution to nation-building.

Assistant Editor of the *Sowetan*, Mr Sam Mabe, said in his closing remarks that the political climate inside the country was conducive (for the launch of the campaign) and everybody was ready to adopt a new approach to the problems that faced "most of us."

"South Africa is our country — that the majority of us are not recognised as citizens is not the issue for now. We want to rule this country because it is currently being misruled by a

Swop-a-Stamp begins tomorrow - R2600

(53) Smetan 24/10/88

WHILE our rivals and some of our detractors wish to make believe that nation-building is a flash-in-the-pan idea by a new Editor anxious to sell newspapers, or perhaps his name, I can say without equivocation that the idea took years to manifest itself. This manifestation was, in fact, the result of a combination of personal, political, historical and existential factors that have impacted on my life — and I daresay the life of young Sam Mabe — for 30 years.

In other words this is no obscurantist idea. It is no fly-by-night notion plucked from the air. The timing for it is, frankly, profound.

Nation building is many things. In the final analysis it is something like a unilateral declaration of independence in style, in shift of thought, and in the crucial role that blacks will play in this country's future.

But let me speak for myself. I am 48 years old and have lived through 40 years of National Party Rule. It has been a daunting experience, full of despair, small triumphs, of helplessness, tempestuous bouts of anger, grief and very little hope.

I have lived likewise through three historical watersheds in the country's history: Sharpeville, March 21, 1960; Soweto, June 16, 1976; and September 4, 1984 onwards. I have been chastened by these events, as they showed me singly and jointly, the best and the worst in the human experience. As a journalist — almost this entire period — I have been placed somewhere near the centre of these events.

After Sharpeville 1960, the first paradigm towards a phenomenon I have been able to identify began. After the first shock of the tragedy, we were thrown into uncontrollable waves of anger, which anger was just as ruthlessly smashed by the State. The aftermath of the tragedy, which saw the banning of the ANC and PAC and the systematic destruction of almost all

Thinking behind nation building

political dissent, ushered in the process.

The newspapers, the artists, commentators and all opposition political organisations stridently declaimed the evils of the Government. Day after bitter day we wrote, spoke and acted out the evils of the apartheid system.

Unwittingly we were fanning, and reinforcing the deep but impotent anger in the hearts of blacks. I am not saying there was anything wrong in that. It was a natural reaction. The uncanny thing is we were planting the seed for the next explosion.

In the meantime, the white communities were being told a rather different story. Lulled into a sense of false security by the Government and its powerful organs, white South Africa was made to believe everything was under control. Even those whites who have been close to the black struggle gave themselves a silent hug of comfort. Things were under control. The Government and its media reinforced this chimera. The people were told over and over again that the few radicals who had inflamed a gullible black population had been smashed.

The next terrible explosion happened 17

years later, in 1976. This time the cost was much higher. People were seriously beginning to question the legitimacy of the apartheid system. Our children caught most of the flak and became the heroes and martyrs of the struggle. It hurt and hurt badly. Once again the media and the opposition political organisations saw it as their duty to fan the silent flames systematically for the next round.

Once again the white community was told things were under control. Law and Order only needed to be put in place for life to hum cheerfully forth. A few businessmen, perhaps bothered by plain self interest, perhaps out of badly battered consciences, decided to do something. The thinking then was to form a black middle-class, a kind of buffer between the raging masses and the whites. But generally the delusion was being perpetrated that this, this killing of children was also just another historical aberration. That if something was done quickly to patch up the cracks, all would be well.

Blacks lost many things. Worst of all we lost the innocence of our children. We also lost their respect for us.

The scars of 1976 were on the way to being healed when the next conflagration struck with phenomenal intensity. This was September, 1984. After that it became clear to me that something desperate, something unusually creative would have to be initiated.

It took the security forces and the police a longish time to deal with the violence unleashed in 1984 and onwards. They looked on with sadistic fascination as the black community was seemingly engaged in tearing itself apart.

That hurt as well, and the scars are still raw. Some of that insanity is still being played out in

THIS is a copy of a speech the Editor of the Sowetan, Mr Aggrey Klaaste, gave at the inaugural Nation Building at Shareworld on Friday.



the shades of the lovely hillsides of Natal.

As if we were a nation accursed, there is a swing to the right in white politics which is perhaps as frightening as the necklace phenomenon of the 80s. It is, in its own appalling crudity, fanning race hatred. Apartheid is not dead at all. No, it is about to stalk the streets of our townships in all its dreadful menace.

There is therefore a holding of the angry breath in the black community. It is probably unconscious, but I can feel it in my bones. There is the silent preparation for the next inevitable explosion.

Quite clearly somebody has to do something to stop this madness. Or at least cushion the blow if or when it will fall. This has decided us on the Sowetan as a result of our reading, of our history, of our experiences, that we should dramatically shift the focus.

If you will allow me a little diversion into history. It was Dr Nkwame Nkrumah who in the hey-days of African independence from colonialism, exhorted black leaders to seek first the political kingdom. There was a flaw there, which has become reality with the wisdom of hindsight.

For one African country after the other got its independence in the exhilarating days of Uhuru. And just as inexplicably, nation after nation tumbled. There

were coups aplenty and the continent ran red with blood.

That lesson taught me that the getting of the political kingdom was not the means to an end. Political kingdoms do not stand up on their own, pristine, exultant as a galvanising abstraction. They are also not the result only of politicising and rhetoric. Political kingdoms to be effective, lasting and particularly democratic, need all sorts of power structures to underpin them. They need a back-up of strong people who have clout economically, who have clout academically, who have strength to recognise the value of a free press, who have a spiritual or religious foundation. Such kingdoms sadly also need a strong defence system, a respectable system of justice, a strong security system.

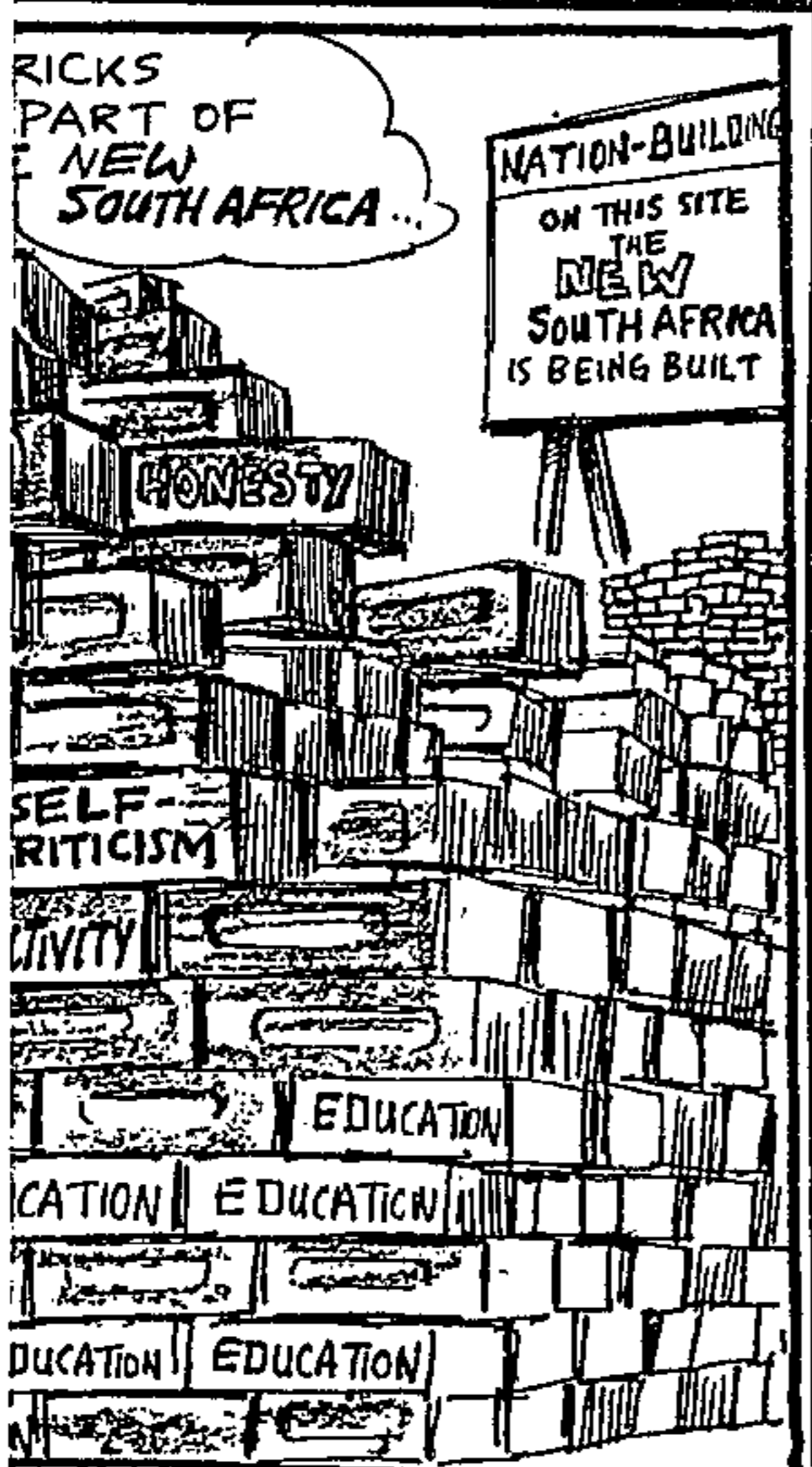
By some strange quirk of history the National Party, when it came into power in 1948, seemed to have a sense of this.

The Afrikaners before 1948 were a despised, in fact, an oppressed people. Their lives were perhaps as filled with suffering as the lives of blacks in the colonised states of the continent. Perhaps just a little better than the despicable situation in the lives of black South Africans. The Afrikaners became aware they had a poor white problem and dealt with it. Their thinkers had a Calvinist, almost Germanic zeal which was, fortunately for them, alive to the fact that the political kingdom gathers most of its strength from subsidiary or parallel power structures.

They placed people in key positions in the church, in the Broederbond, in business, and finally in their political organisations. They built a powerful Volk, no doubt about that.

But in building such a powerful people, a people that has been able to misrule this country

• To Page 7.



Political comment in this issue by Aggrey Klaaste and Sam Mabe. Sub-editing, headlines and posters by Sydney Matlhaku. All of 61 Commando Road, Industria West, Johannesburg.

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24/10/88 - 10/10/88

BIRTHDAY TREAT FOR DETAINED NUM BOSS

THERE was excitement in the Rand Supreme Court on Friday when Mr Moses Mayekiso celebrated his 40th birthday with a kiss and a creamy cake during the morning tea-break.

It was a kiss from his wife, Kola, who brought the cake that was specially made for him. It cost R100 and had an emblem of the National Union of Metalworkers of South Africa and an endearing "happy birthday Moses" message.

It was Mr Mayekiso's second birthday he celebrated in detention since his arrest on June 28, 1986. His co-accused and spectators, mostly members of the National Union of Metalworkers

SOWETAN Reporter

of South Africa, joined him in the celebration that was held in the foyer of the 4F courtroom.

There were good wishes from the spectators and others sent cards. Some court officials joined in the brief moment of excitement as photographers clicked several shots.

Treason

Incidentally, 4F is the courtroom where the trial of eight young men, also from Alexandra township, was held. They were also charged with treason, alternatively sedition or subversion. At the end of the trial, Mr Justice Grosskopf convicted all but one, of sedition and sentenced them to jail terms of which some years were

suspended.

Mr Mayekiso, secretary-general of Numsa, is appearing with four other civic leaders before Mr Justice P J van der Walt on charges of treason, alternatively sedition or subversion.

The four are, Mr Paul Tshabalala (38), Mr Richard Mdakane (29), Mr Obed Bapela (28) and Mr Mzwanele Mayekiso (22). They have pleaded not guilty and are held in custody.

After the brief party, Mr Mayekiso returned to the witness-stand, from where he is being cross-examined by the State prosecutor, Mr Chris Human, SC. He was questioned about the documents that were found in his possession when the police arrested him.

Union chief praises concept

BLACKS will still not be free even if apartheid were to be scrapped from the Statute Books, according to Mr James Mndaweni, president of the National Council of Trade Unions.

He was addressing the Southern Transvaal Regional congress of the Media Workers Association of South Africa (Mwasa), at Ipelegeng Community Centre yesterday.

Concept

Mr Mndaweni called on Mwasa delegates to take heed of the Sowetan's Nation-Building concept, which he said was a call through which people were being told that they are capable of liberating themselves.

He said members of the African working class had for many years undermined their ability to do anything for themselves because they had grown used to having things done for them by whites.

Mr Mndaweni also said it was very important that democracy should prevail in the labour movement and that political ideologies should not be imposed on workers

without allowing workers to debate and decide on their own which ideology they want to subscribe to.

The outgoing chairman of Mwasa's Southern Transvaal region, Sam Mabe, applauded Nactu and the Black Consciousness Movement of Azania for what he called: "A courageous stand they took on the education crisis in South Africa."

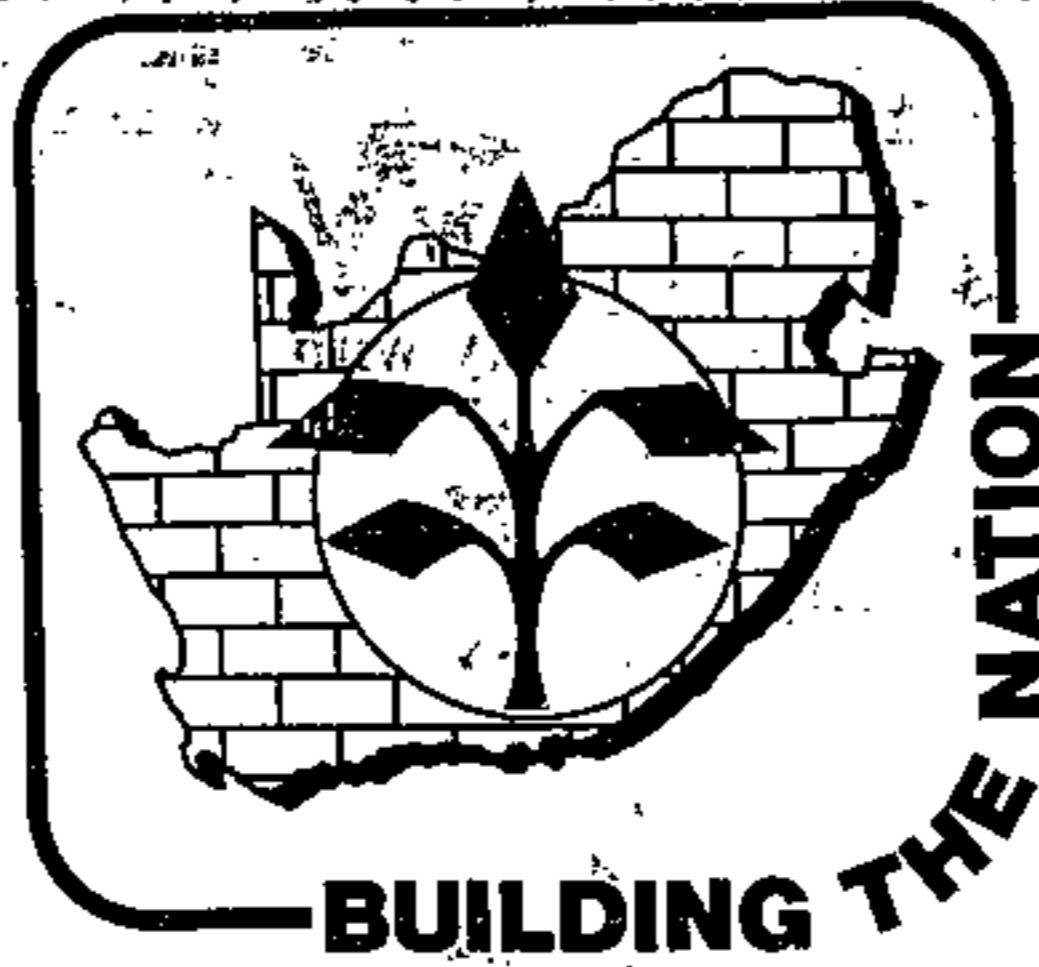
He said the position taken by the two organisations when they met in Harare in June demonstrated genuine leadership.

Play.

"If you are a genuine leader, you don't play to the public gallery, you have to be honest and have the courage to take decisions even if not necessarily popular.

"We all know that there are leaders who do not want our children to be educated because educated people are not easy to manipulate.

The Mwasa congress, which started on Saturday, was attended by over 200 delegates representing 73 plants in the Johannesburg area.



Building The Nation

Nation Building means picking up the pieces and rebuilding all structures that have collapsed in our communities;

It means striving for the best in all that we do for ourselves and our people;

It is the search, the acquisition and control of structures of power required for the survival of a nation;

It is creating an efficient leadership and increasing the value and quality of life among all inhabitants of our country;

We have a vision of a future society we want to create for ourselves and our children;

Let us, therefore, set ourselves goals and design objectives and a programme of action that will set the wheels of Nation Building in motion;

Nation Building is our hope for the future.

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Building the nation



Sowetan 24/10/88

123

• From Page 6.
for 40 years, they made one fatal mistake. They forgot the rest of us. Not only that, they hurt us.

Today that injury to Blacks and others, that total contempt for the humanity of others is reaping the whirlwind.

While the anger from the dispossessed is becoming simply too powerful to ignore, the monolith of Afrikanerdom is cracking. That has taught us, the nation builders, another bitter lesson. For if the Afrikaners had done all the things they did to build themselves, done them for all, of us, for South Africa, they would have been in a comfortable leadership position today. That, I believe, is the crux of the matter.

I have written somewhere that it is increasingly becoming the responsibility of blacks to help this country from certain ruination. It is our responsibility because it is also our country, and we are after all in the majority. Even more pertinently, we have something within us, something not easily definable that makes us

equal to saving this country and perhaps the world.

It stirs in the very depths of my soul, the certainty that blacks have a unique and remarkable humanity called *ubuntu* that others do not have. We have this indescribable ethic, to forgive and to forget.

We would thus be able, after the reconstruction of collapsed power structures, to do the good things, not for ourselves, but for all South Africans. The Afrikaners are hoist with their own historical petard. They encumbered their people with a baggage of race supremacy, an almost passionate claim to the ownership of this land, and overlordship eternally over blacks. They taught this in their schools, through their religion, and by propaganda. They kept on massaging what should have been badly bruised consciences by pointing to the general debacle in the continent.

Not that South African blacks helped to nullify this stereotype. We tend to act like Dr Jekyll and Mr Hyde. One

moment we are bowed, scraping slaves, happy to lick the Baas' hand. The next thing we are engaged in unbelievable acts of violence. And more irrationally against ourselves. How could the average white person have confidence, nay respect for such people?

The Afrikaner *broedertwis* has become a reality. The Afrikaners have revolted against the so-called reform process. In their eyes this is first a sharing of the spoils of a powerful country they believe was built solely through Afrikaner sweat and blood, and in the end the fear of handing over to violent blacks. They will have no truck with that. And who can blame them. Thus the Conservative Party and other radicals to the right.

The more dangerous thing is they are a very frightened people. For this reason we, on the *Sowetan*, have studied the danger signs and something just had to be done.

Another little diversion. On some of my travels I was told by worried black South African expatriates they were tired of protest politics, of the one impotent continual cry against oppression. By some coincidence many of us feel exactly that way.

I know what it is like to be in exile. It is an emotional, physical and spiritual laceration of the very soul to be unable to get back home. I said Nation Building is profoundly timeous for I fear some of my compatriots inside the country have also become battle-weary. We are tired especially that the cost in every upheaval is heavy on us.

So everything seems to indicate there has got to be another movement spurred on. But what should it be?

(To be continued tomorrow).

NATION BUILDING LAUNCH

Let's make a day of it!

THE *Sowetan* newspaper has called for the declaration of October 21 as a nation-building day, to mark the victories scored in the process of building a new nation in South Africa.

Speaking at a prestigious dinner, at Shareworld, to launch the nation-building campaign, the editor, Mr Aggrey Klaaste, and his assistant, Mr Sam Mabe, said October 21 should be included in the black calendar.

"The day should be remembered as the beginning of the road to freedom, and as a day when people will begin to pick up the pieces and go forward," said Mr Klaaste.

Corroborating Mr Klaaste, Mr Mabe said in his closing remarks that

By THEMBA MOLEFE

there were a number of sombre and emotional days in the black calendar.

"These are the days when we go to political meetings to reinforce the hurt that our people have suffered and to win public applause.

"We want nation building to be celebrated annually. We want everybody from various parts of the country to dedicate either the first or the last week of October to nation building.

"During that week, people can hold functions, festivals or some such events through which they will rally around common community or national issues which can be addressed by the young and old, pupils and workers

across racial, cultural and ideological lines," he said.

Mr Mabe said such occasions should mark the culmination of activities that shall have been taking place throughout the year at which people will be trying to empower themselves.

"We should use that occasion to boast the little victories we shall have scored in building the nation," he said.

Mr Mabe said that through nation building, the *Sowetan* had undertaken a very risky venture.

"We have stuck our necks out by saying things that are not said in our communities.

"Through nation building, we say publicly what many people say privately and away from public platforms because

they are too scared to be different or of being labelled irrelevant.

"But there is no way we can retreat. We love this country and that is why we want to adopt a more realistic approach to problems facing this country," he said.

He added that for many years, blacks delivered good speeches at commemoration services such as June 16. They whipped up people's emotions and launched scathing attacks on those they held responsible for their oppression.

"But we have been doing that for 300 years. And all we have achieved so far has been to perfect our criticism skills; nothing to improve our material conditions. Nothing to improve our social, moral and physical well-being," he said.



THE editor of *City Press*, Mr Khulu Sibya (standing) and his wife Esther, with *Sowetan* sub-editor, Mr Michael Tisoong, and his wife Jennifer, at the launching of the Nation-Building campaign.



THESE beautiful ladies at the Nation-Building launch are Thili (left) and Dudu Kunene.



Mr SYDNEY Mathaku and his wife Kerotse, share a minute at the banquet. Mr Mathaku is Production Editor of the *Sowetan*.



Miss DONNA de Vos (left), Mrs Thandi Chaane, who presided, Mr Rams Ramokgopa and his wife Thembi at the Nation-Building launch on Friday.

(123) Sametun 25/10/88

The ideal: To build ourselves

It has been risky. It has been very difficult to shift the focus from the political struggle.

But we had to do something. It seemed to us with the fractious nature of black politics, even the vocabulary — for instance, talk about black unity — had become jaded. We had to look for a new vocabulary. We had to be able to use that vocabulary in ways that would not lead to confrontation with a highly suspicious Government. We had also to develop a lateral type of thinking, a thinking that would in the end lead to black unity. We thought of Nation Building. It is ideologically a neutral label. It also tells the majority of people who had retreated from political activity that they count.

And for heaven's sake, how many good people are there even amongst us tonight who should by all definitions be accorded the label of leaders? In the end we are saying to our brothers and sisters who are actively involved in the struggle, they need to build strong people. A strong following of thinkers and doers. Not simply a vast number of angry, and plainly dangerous people.

We say the political kingdom will look after itself. It will look after itself particularly if it has

FOCUS

strong people behind it. We are saying instead of fanning the flames for the next explosion, implosion in fact, let us start the building now. I have a feeling in my bones that the next upheaval will surely lead to the wastelands, everything tells me so. The economy is despressed, there are many frightened and unhappy people. All it needs is a match applied to the dynamite stick for things to blast off.

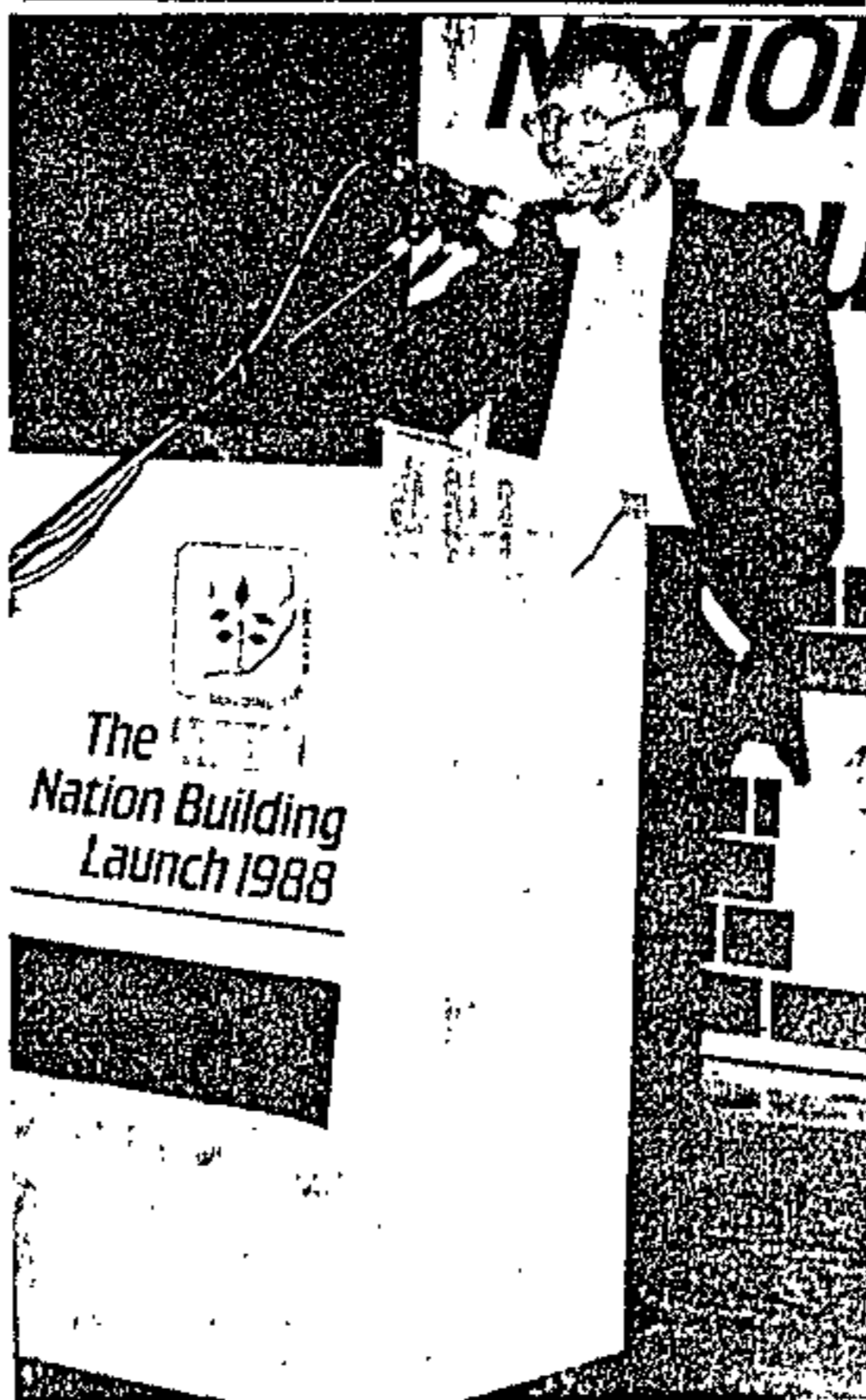
Politics

Why, you would rightly ask, why is it possible to do the building now? For many years we have quite naturally been obsessed by politics. We have said to ourselves, to our children significantly, and to the world, that the only leaders who are of consequence among us are the political leaders. That has been a shameful thing to do in many ways.

Those who are politically active had to bear all the attacks from the State. Many of them have died. Many of them are in exile. Many of them are in detention.

That is another reason my sons think my leading a newspaper is a particular, a singular

This is the second part of a speech delivered by the Editor of the *Sowetan* at the launch of the *Sowetan's* Nation Building at Shareworld on Friday.



MR AGGREY KLAASTE

irrelevance.

It has been difficult to work in the newspaper. Being near the centre of most crisis situations, we have been asked many times to search for black leaders. We are asked in times of crisis, *aphi amadoda?* Where are the men? The answer almost pathetically has always been they are in jail, in detention, in exile.

What an insulting thing to say about the many black men and

women who are doing excellent work that can make them fit the cap of leadership effortlessly!

Nation Building is about the recognition of such leadership. The reason for this recognition is also ridiculously simple. My sons need to know I have the potential of being a leader. That I can handle a school boycott. That I can understand and explain the profundity behind

liberation before education while at the same time stressing the desperate necessity to acquire knowledge, power.

I am still looking, or rather Sam and my colleagues are trying to help me get that essential chemistry together that will convince my sons and their peers that they are the leaders of tomorrow.

Then there are other sons who do not belong to my race. I said they do not believe there is reason for them to share the spoils, to share power. The Afrikaner youth quite frankly believe it is silly to try and dismantle a Volk they have built so religiously.

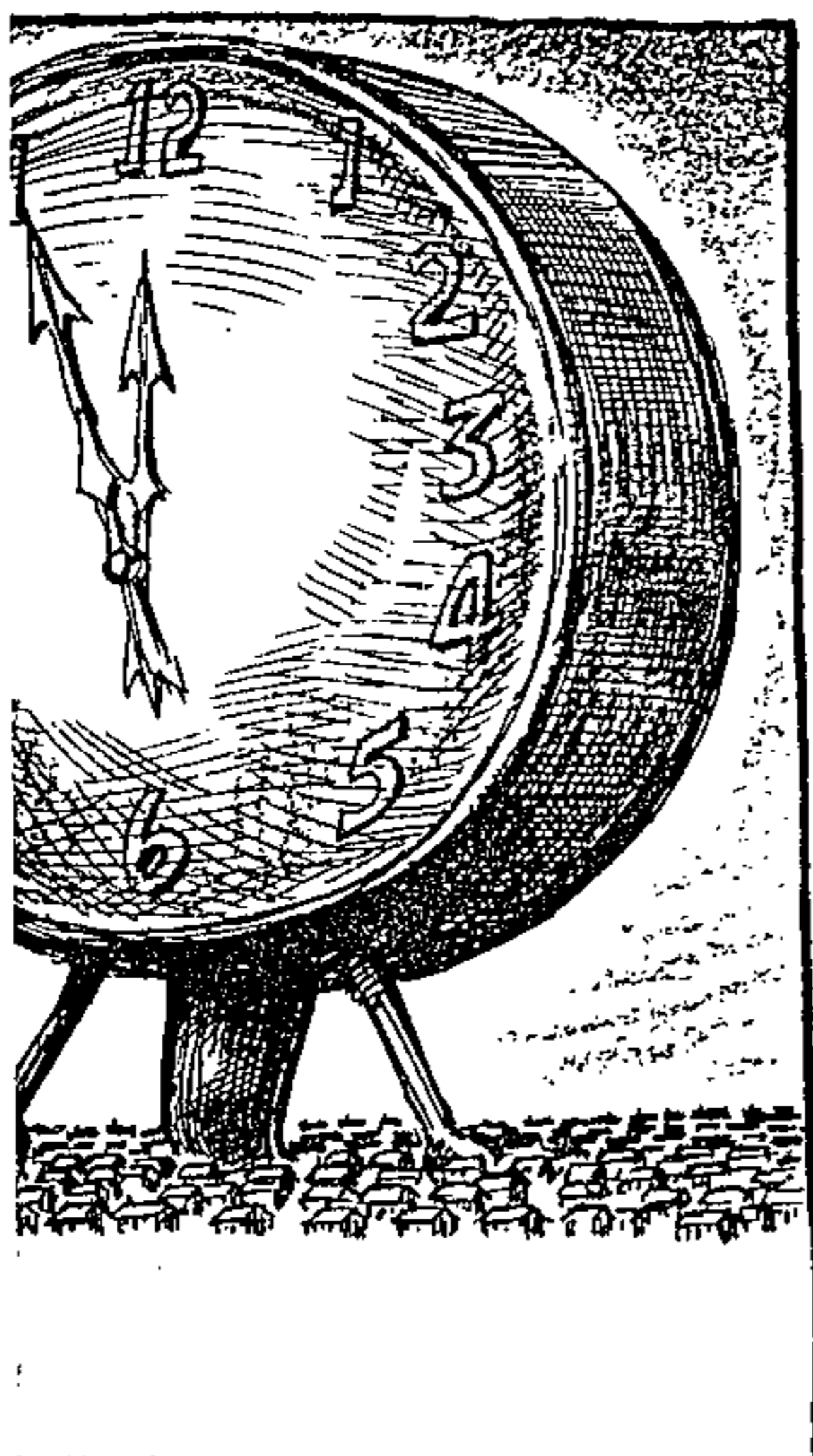
We need to have the type of black leadership that will decrease the fear in the hearts of the young Afrikaners. They are afraid of our numbers. They are convinced by the perception that we are a vast population of gullible people easily swayed by Communists and other radicals. We have to show those people that when we talk of building we include them in that happy future. We have no secret agenda. We will start helping rebuild the structures in all forms in our societies. When we run out of ideas, out of money, out of managerial skills, we will ask for help from our white friends. We are prepared to go to Pretoria and Stellenbosch University for such help.

But we will continue. The ultimate ideal is we, who are in the majority, will build ourselves, by seeking help internally and externally for that matter, to build South Africa for all its people.

I have obviously agonised over this talk. I do not even think I have done justice to the idea of Nation Building. I have a feeling it is simply too powerful for a simple journalist such as myself to articulate properly. I do not mind too much. I do not believe this is the final solution.

The launch of the idea is fittingly held to raise funds for our elderly citizens. Perhaps their end in the struggle against the vicissitudes of life, will see the birth of a new South Africa. I have not spoken about our plans for the future.

Let me end up by saying we are hoping to make this evening, in fact this historic month, October, in which there has been great pain and suffering, a day of celebration to rebuild a great people. A great country.



The Media Council

THE South African Media Council is an independent body established to deal with various matters affecting media reporting and comment.

One of the council's functions is to receive and act upon complaints from members of the public who have not been able to get satisfaction by approaching a newspaper or other news media directly. Complaints must relate to

published editorial matter and should be lodged within 10 days of publication. But late complaints may be accepted if good reasons can be advanced.

The address is: The Conciliator/Registrar, SA Media Council, P.O. Box 5222, Cape Town 8000. Telephone: (021) 46-7317. Inquiries are welcomed.

Political comment in this issue by Aggrey Klaaste and Sam Mabe. Sub-editing, headlines and posters by Sydney Mathaku. All of 61 Commando Road, Industria West, Johannesburg.

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mentary majority.

CP 'to turn back the group areas clock'

By Claire Robertson and Deborah Smith

The first challenge to Government policy from a Conservative Party-dominated Transvaal platteland was launched yesterday when leader of the CP Dr Andries Treurnicht indicated that the party would seek to turn back the group areas clock in towns it controlled.

More than two-thirds of the province's 84 "white" towns are in the hands of the CP after this week's municipal election.

The CP would try to close racially desegregated central business districts in those towns, Dr Treurnicht said at a press conference yesterday.

Minister of Constitutional Development and Planning Mr Chris Heunis responded immediately by pointing out that open trading areas were declared by central Government and not local authorities.

Town councils did not have the authority to close areas declared open by central Government, he said.

Black township development is also at risk following the CP victories. Dr Treurnicht said the election had given the CP a greater majority in the regional services councils (RSC).

The CP-controlled towns could exert influence in the RSCs especially regarding budgeting, said Dr Treurnicht.

starts today

squeezed in last-minute tactics yesterday final examinations.

More belt tightening as rate increase is forecast

(123) By Sven Lünsche

Home owners and consumers buying on hire purchase face higher monthly charges within weeks as financial authorities prepare to put up interest rates again.

The financial markets yesterday sent a clear signal to the authorities that interest rates will have to be increased as soon as possible — raising the spectre of higher lending and bond rates.

And the Reserve Bank is expected to oblige next week by raising the bank rate by up to 1,5 percentage points from its current level of 12,5 percent.

The key short-term liquid BA rate yesterday rose from 14,5 to 14,75 percent, its highest level in three years, an indication that dealers anticipate a higher level of general interest rates soon.

The commercial banks, which have emerged as major players in

the housing loan market over the last two years, could implement possible increases immediately.

With the exception of the Standard Bank, whose bond rate is currently fixed at 15,75 percent, all banks and building societies at present charge 16 percent on bonds.

If bond rates are raised by 1,5 percentage points, home owners would see their interest payments go up from 12,5 percent at the beginning of the year to 17,5 percent, effectively increasing the monthly repayments on a R70 000 bond by over R300.

● Sapa reports that the Government is unlikely to put up GST before next year's budget.

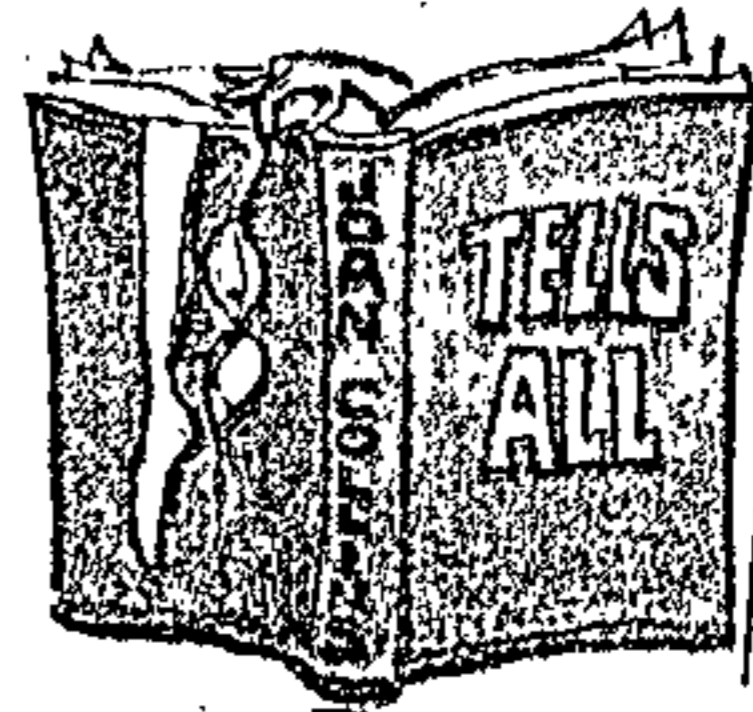
Government sources said that those pushing speculation about an increase in GST following the local government elections were likely to be deeply disappointed.

THE SUNDAY STAR IS THE BEST THING ABOUT

**CLOSE-UP
LOOK AT
THE ROYALS
— IN YOUR
MAGAZINE**



**A SEX
SIREN
AND
HER
SECRETS**



**HOW TO WIN
A FORTUNE
— OR A
TRAVEL
BONANZA**

Pretoria C... The "guerrilla warfare" staged... Drive for about one kilometre... 1 pm - 5 pm Jumping disco and pony rides... Saturday 20 October

MASS HOUSING

Seizing the moment

123
RM 28/10/88

Awful though it may seem, the housing backlog may just prove the salvation of the building industry — if it has the will to seize the opportunities, despite wafer-thin margins in this sector.

Direct private-sector investment in the market is set to fall by half in 1989 (*Property* October 14). Meanwhile, the government-sponsored SA Housing Trust (SAHT) has this week come to the market with four schemes in which the total investment over the next three years will be some R180m.

While these may seem drops in the ocean, the trust has at last put into place an operational structure which directly benefits housing contractors, to whom it allocates stands for development.

The SAHT was started almost two years ago with an interest-free government loan of R400m, on the understanding that a further R800m would be raised from the private sector. It became a public company and has more than a dozen major companies and financial institutions as its shareholders.

A stock issue last year generated a further R100m and total turnover in SAHT stock in the secondary capital market since December last year has been R2,6bn.

To date, it has approved projects with a total value of R730m, which are expected to result in the provision of 30 000 serviced stands and, within two years, some 37 000 houses. It hopes that 9 500 permanent jobs will be created in the next three years as a result of its labour-intensive building practices.

Conservative estimates put the housing backlog now at 700 000 units and figures from the SA Housing Advisory Council suggest that 2m homes will have to be built by the year 2000. At just R10 000 a home and 12% annual inflation, this would mean an annual investment of R4,5bn to build the 210 000 units a year necessary to meet this figure.

Meanwhile, unofficial estimates put the current number of unemployed at 4,5m and project that 9,8m people will be out of work by the end of the century.

The four projects announced by the SAHT include the release to developers of 4 500 stands in Khayelitsha, Cape, which have been serviced by the trust at a cost of R27m. Houses priced at R16 400-R20 000 will be built by 18 development agents on all the stands by 1990, taking the total investment to R80m.

The second project is the second phase of this development, where servicing will also cost around R27m and the total investment is expected to be around R88m. The whole project is being undertaken with the western

Cape provincial authority.

In the Transvaal, the SAHT has reached agreement with the province on three development projects — at Wildebeesfontein, Rietvalei and Khutsong.

At Wildebeesfontein, some 2 500 stands are to be serviced by 1992, with work on the first phase of 1 000 stands estimated to cost R4m. Some R7m in total will be spent on the 1 000-stand starter phases in Rietvalei and Khutsong, where a total of 5 000 stands are to be developed.

Developing skills

In all these projects, the trust will make use of small builders, providing them with advice and technical assistance and generating employment.

And the SAHT and the Urban Foundation's housing unit, FHA Homes, have done sterling work in eliminating much of the legal and financing red tape associated with buying a stand or a home.

But there is still a need to mobilise massive amounts of capital if the housing waiting lists are to be shortened in any meaningful way.

What is needed is for the major private housing contractors to put their own shoulders to the wheel. It's in their best interests. ■

BONDS UP AGAIN

Cape Times 11/4/88

Finance Staff

123

THE Allied and the NBS have announced increases in their home bond rates, surprising the market by acting before the expected rise in bank rate and banks' prime overdraft rates.

The Allied raised its traditional bond rate by 0.75% to 16.75%. The society also announced a deal for bond holders who might encounter difficulties in paying higher instalments.

Allied Group managing director Mr Kevin de Villiers said bond holders could ask to keep their instalments unchanged, which meant the repayment period would be extended. The facility would be granted on request only.

The NBS lifted its bond rate to 17% from 16%. In the case of both societies, the increases become effective in December on existing bonds but take immediate effect on new bonds.

Market pressure

NBS spokesman Mr Brian Short said the society was also developing a package to lessen the plight of bond holders hard-hit by higher rates.

It is understood the United and Saambou will announce increases of at least one percentage point within the next few days. The banks are expected to raise home loan rates once the Reserve Bank has lifted Bank rate, allowing them to increase lending rates across the board.

The increase in bond rates is the inevitable result of pressure in the money market. Societies have had to pay more than the prevailing bond rate of 16% on 12-month Negotiable Certificates of Deposit (NCDs), an important source of building societies' funds. One-year NCDs were quoted at 16.4% yesterday.

BRUCE WILLAN reports that the senior general manager of the Perm, Mr Jopie van Hanschooten, said yesterday that mortgages were very much a social issue but the Perm had no intention of increasing bond rates in spite of the upward pressure on interest rates.

He did, however, say that the Perm was carefully monitoring the situation and until clarity was obtained on the government's proposed economic package no decision would be taken.

The managing director of Saambou, Mr Chris Kuun, said no decision had been taken on the matter but it was being looked at. He was not able to say when rates would be increased.

World title fight



THE OPPONENTS... Mrs Cathy Mitchell, wife of the world champion, gets husband Brian Mitchell (left) together with his opponent for tomorrow's fight, Jim McDonnell.

'Nice guy', Jim meets 'great champ' Brian

From IAN HOBBS

LONDON. — It was all good-natured deception when world champion Brian Mitchell faced his cockney challenger Jim McDonnell for the first time yesterday.

"Jim's a nice guy. A good chap. He's not full of that cocky nonsense," said Mitchell who is a favourite to retain his WBA junior lightweight title tomorrow night.

Undeclared former European featherweight champion McDonnell, 28, wearing a heavy woollen track suit and hat to keep out the first biting wind of winter, lived fully up to his nickname "Gentleman Jim".

"Brian Mitchell's record speaks for itself. He's a great champion and I've the highest regard for him... and I've never been more ready."

● Reports on the world title fight will be carried in late editions of the Cape Times on Thursday morning.

● Brian in fine fettle — Back Page

Outlook bleak in housing market

Stev 4/11/88
(123)

By Norman Chandler

The housing market is likely to experience a downward spiral which will result in fewer properties being bought and sold, hundreds of repossessions, a fall in prices, and smaller estate agents in liquidation — all by the second quarter of next year.

That was yesterday's grim message from economists, credit information companies and estate agents following decisions by building societies to increase home loan repayment rates by one percent, to 17 percent, with effect from next month, and the likelihood of a further one percent rise in the new year.

It is the fourth building society increase since March 30 this year when the rate stood at 12.5 percent.

Yesterday First National Bank announced that home loans would go up by two percent from November 24 following a similar rise in the bank rate announced earlier.

Mr Paul Edwards, managing director of Information Trust Corporation, said yesterday that "there is no doubt this is going to cause a fair amount of pain, especially to those highly borrowed."

Indications of bad times ahead in the property market come from Reserve Bank statistics which showed that new loans granted by building societies dropped from a high of R908 million in March this year to R765 million in June and were now hovering at the R650 million mark — "a dramatic cutting back is on the go," says Mr Neville Berkowitz, of *The Property Economist*.

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Govt urged to support squatter housing plan

By Norman Chandler

The Government was urged this week to issue a policy statement encouraging formalised squatter camp development.

The call came from Mr Brian Longley, chief executive officer of FHA Homes — a utility company of the Urban Foundation — who said recognition of the issue was vital.

Speaking at the com-

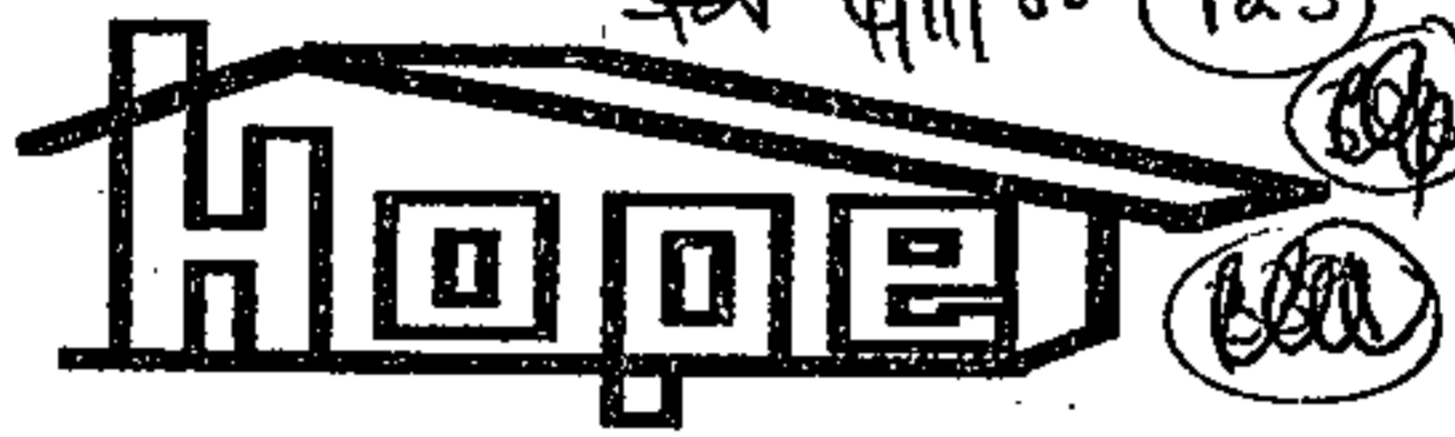
pany's annual meeting, Mr Longley said the only way to provide a solution to the problem of urban housing on a sufficient scale was "to supply families with serviced stands and allow them to provide their own forms of housing".

"With recognition, the problems of housing can be solved."

Mr Longley said the aim of his company was to make affordable housing accessible to all South Africans "through development of serviced

residential land and homes for lower and middle income urban communities".

The annual meeting heard that FHA Homes' business grew 160 per cent last year, and turnover had risen from R21 million to R55 million. The company sold 5 000 serviced residential stands and 2 150 homes. It hopes to provide services to 7 000 stands during the 1988 financial year.



Price of a roof goes up and up

There will be only one talking point at parties, round the swimming pools, and at braais across the country this weekend: the high price of having a roof over one's head.

Gloom descended over much of South Africa during the week as hundreds of thousands of householders woke up to the news that mortgage rates were going up by 1 percent.

And then came predictions of another rise on New Year's Day, which could push the rate to 18 percent.

No one — black or white — can escape it. They have to face up to the fact that consumer spending, as one expert puts it, has gone haywire.

The increase in bond rates is because building societies and banks are facing cash flow problems, and are having to satisfy stringent minimum liquidity demands from the Reserve Bank.

Foreign debt

And with South Africa's cash reserves under massive pressure because of sanctions and the repayment of foreign debt, it was inevitable that the man-in-the-street has had to meet the demand by cutting back on his credit and digging deep into his back pocket.

The ripple effect in the housing business is that estate agents, small builders and other periphery operations will all suffer.

Estate agents will suffer because they are the frontline in the sales market; small builders because householders cannot get additional bonds to add on rooms; and periphery operations because they rely on the small builders who supply householders.

The difficulty in paying home bonds will have a devastating effect on householders.

Some could find themselves in the bankruptcy courts.

Mr Paul Edwards, managing director of Information Trust Corporation — the former Dun and Bradstreet credit information company — says there will be "a fair amount of pain".

By NORMAN CHANDLER

If you own a house, watch your cash. The whiplash rebound of the new bond rates is going to make you dig deep into your back pocket.

He told The Star: "The consumer has been on a wild buying spree, a lot of which has been brought on by improved perceptions of the state of the country and a better remuneration package.

"He has increased his borrowing, as demonstrated by an alarmingly low percentage of savings to disposable income."

Consumers, says Mr Edwards, have not been heeding what he calls "strong messages from government".

And Mr Edwards is frightened out of his wits by the impact that Christmas bonuses will have — as they usually spur spending.

He says that when we wake up on New Year's Day "we will have to face the realities of the situation".

"It means there will be an adjustment of living standards. The increase in interest rates is most definitely going to have a severe impact.

"Housing prices have moved up sharply since the end of last year. Bond commitments will shoot up.

"We forecast an increase in bankruptcies."

Mr Edwards said the increase in the bond rate Bank Rate is a similar trend to that of August 1984.

"The scenario then was an overheated economy, a rapidly expanding money supply, and diminishing foreign reserves. The result was that the economy had to be cooled.

"The impact of drastic measures — such as a hike in prime rate to 25 percent, saw business failures rocket, and individuals found themselves in bankruptcy.

"Today's scenario is similar — but worse. The country has to face severe restrictions on financing as a result of the difficulty in raising foreign loans.

Mr Neville Berkowitz, of *The Property Economist*, forecasts that April, May and June will be critical months.

"Most people may at this time be able to afford to pay their bonds, but there is no getting away from the fact that repossessions are on the increase."

Mr Lourens Badenhorst, managing director of Nationwide Real Estate, believes there will be a 20 percent cut in house sales during the next few months.

The bond rate increase would particularly hit the R75 000 to R125 000 price range in which a householder, at present, can afford a R925 monthly repayment.

Mr Badenhorst added: "Despite the new increase to 17 percent, we still believe that house financing is the cheapest way to buy an investment and the best hedge against inflation. Housing is a commodity that is a necessity."

Clear the market

He forecasts that a number of smaller estate agencies will go out of business by a turn-down in the market. "It will certainly clear out the rats and mice. Some came in when the market was buoyant and hoping for short-term riches. Those days have now gone."

Econometrix's Mr Tony Twine says a key factor in the number of houses which may be repossessed because of an inability to repay bonds would be affected by the preparedness of financial institutions to "roll over the interest burden".

"It all depends on whether or not institutional cash flows and liquid asset requirements are able to take the strain."

Mr Twine said that during the era of high interest rates in the mid-1980s, building societies had not extended bond repayment periods.

"They changed their attitude in recent years, and if it is maintained, then this could soften the blow for homeowners."



New rates will hit homeowners very hard

BRIQS

SQUARE FEET

Sawyer

4/11/88



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THOUSANDS of home-buyers who will be hard pressed to meet the soaring monthly repayments that will follow yesterday's rise in interest rates are being urged to hold "crisis talks" with building societies to avoid repossession of their homes.

By SOWETAN REPORTER

After a long delay, the Government decided to allow a 2 percent rise in rates — one of the biggest jumps in years — which will force banks immediately to raise their home rates from 16 to 18 percent. The Standard Bank was the first

to announce a 2 percent rise in lending rates as from yesterday. A 2 percent rise in rates means a home owner paying off a R60000 bond over 20 years will have to fork out an extra R86 a month. In a year, his repayments have jumped by about R245 a month from R680 — a rise of 40 percent which is far beyond salary increases.

● To page 2

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Home owners are hit

From page 123

Building societies, which raised their bond rates from 16 to 17 percent earlier this week, could have difficulty holding them at this level and may also raise them to 18 percent.

Bankers forecast the long-overdue increases before last week's election and believe this is not the end, and that rates could go up again next year.

Executives yesterday urged buyers who saw financial difficulties to "talk it over" and see if they could get relief.

Mr Bob Tucker, managing director of the Perm, said yesterday that building societies did not want to be landed with repossessions, and home-buyers should realise that if they were forced to sell, they might not be able to replace their homes later.

He said home owners could get relief by extending the period of the loan. A buyer with a R60 000 bond could save R190 a month by

extending the repayment period from 20 years to 30 years. However, this would add about R82 000 to the ultimate price of the house.

"If you are in a crisis it is worthwhile. But buyers should try and cut back elsewhere, and pay the extra to avoid losing their homes."

The NBS says it will give homeowners help wherever possible.

Where a bond was already partly liquidated, the society said it would look at possible relief by a temporary suspension of repayments. The bond could also be extended to the original period, which would bring a drop in monthly repayments.

New purchases of cars, furniture and other goods on HP will also cost more.

Homeowner in bond-age

SUCCESSIVE increases in the mortgage bond rate since January have raised the monthly repayment on a R60 000 bond by 29 percent.

And if this week's bank rate leads, as generally expected, to a further 1 percent rise in the mortgage rate to 18 percent, the overall increase in repayments since January would have been 35,9 percent.

In January, when the rate of interest on a bond was 12,5 percent, the monthly repayment on a R60 000 20-year bond was R681,60. In December, when the rate rises to 17 percent, the monthly repayment on this bond will rise to R880,20.

If, should this week's 2 percent increase in bank rate result in the bond rate going to 18 percent, it will further increase the monthly repayment to R935,80.

Building societies normally insist that the monthly repayment of a mortgage bond must not exceed 25 percent of the borrower's income.

123 DEREK TOMMEY

On this basis, a borrower in January had to earn R2 726 a month to qualify for a R60 000 bond. From December he will have to earn R3 520 to qualify for the same bond. And if the rate rises to 18 percent his earnings must rise to R3 703 a month.

At an 18 percent rate, the maximum bond a man earning R2 726 a month could get would be R44 150 — a drop of 26 percent on what he could have borrowed in January.

It means the maximum amount a man with a R20 000 deposit and an income of R2 726 can afford to pay for a house is now around R64 000, which is about 20 percent less than the R80 000 he could pay in January.

The big question facing the property market now is to what extent house prices will drop.

It seems likely that lower-price houses may be harder hit than those in the upper market.

CAPL Times 7/11/88

Steyn quits top UF job

Own Correspondent 123



Jan Steyn

JOHANNESBURG. — Mr Jan Steyn is to retire as chief executive of the Urban Foundation (UF) as from March 31 next year, but will remain as chairman of the organisation, a statement said yesterday.

The statement said Mr Steyn would remain chairman of the board of directors in an honorary capacity and would continue to play a key role in major policy areas for the foundation.

Mr Steyn will be succeeded by Mr D L van Collier, who joined the foundation as managing director in September last year.

Mr Van Collier had a long career, from 1963 to 1980, in personnel and industrial relations at Anglo American, from which he was seconded to set up the Institute for Industrial Relations.

Mr Steyn was confident the foundation would continue to increase its positive influence in South Africa.

"I look forward very much indeed to going on serving as chairman to the UF and to help to ensure that it makes the greatest contribution possible for the benefit of all South Africans," he said.

Major advantages in revolutionary building method

Plastic houses for SA

By Norman Chandler

Tomorrow's house is here today. It's the age of the plastic house and it has come to South Africa.

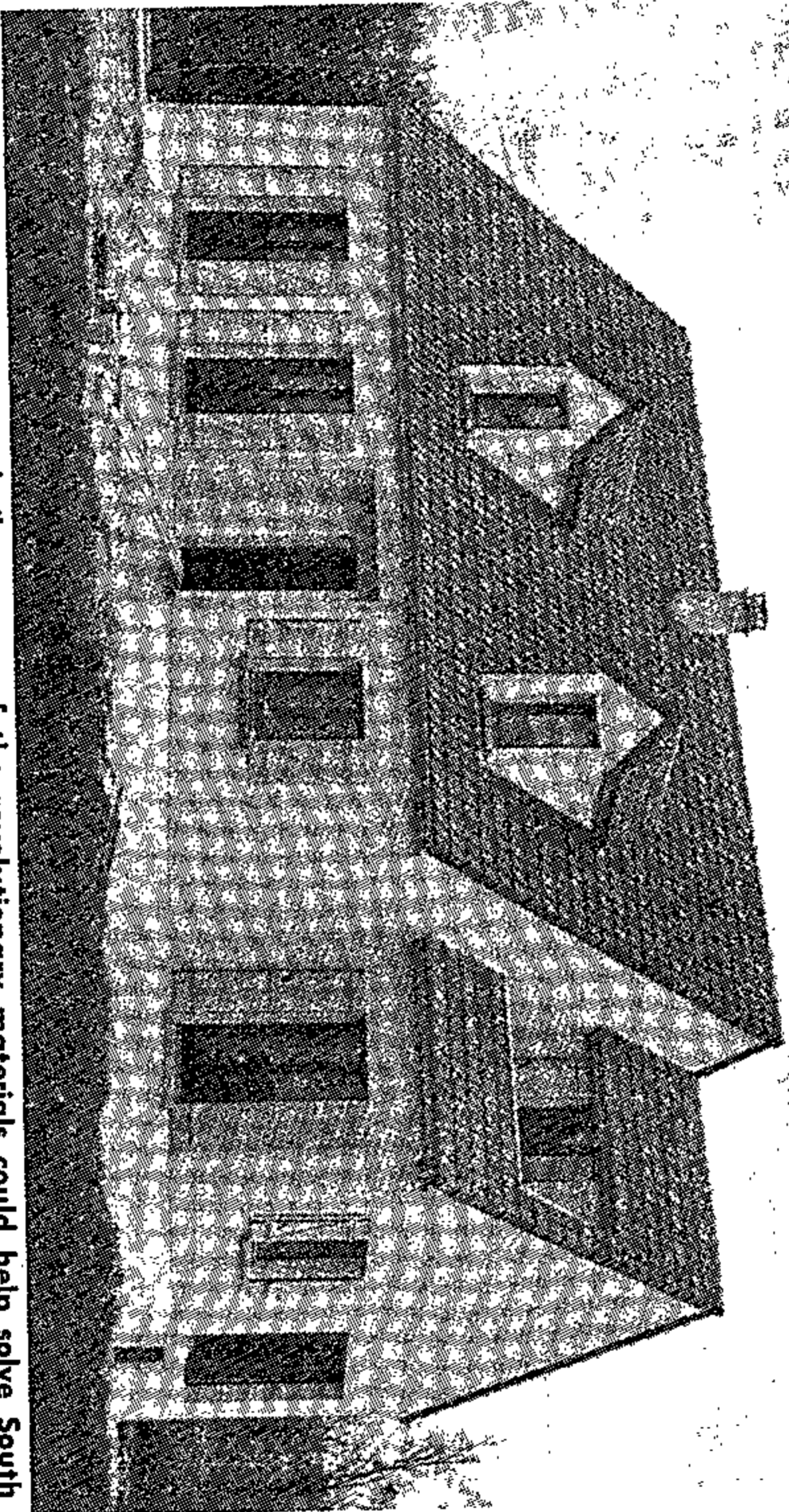
A Swiss-designed building method, using extrusion of polystyrene and which could revolutionise the country's home-building industry, is being introduced here as another way to overcome the huge housing backlog.

MORTGAGES

It is claimed that construction of a 48 sq m house using prefabricated "expanded polystyrene" walls, ceilings and roofs would cost about R8 000 (without land costs), and that building societies had already accepted the method as acceptable for mortgage loans.

Known as the "plastbau" system, it has been given the green light by a leading mining and financial house for housing at Thabong near Welkom.

Architects from Anglo American Corporation studied the system at a French factory before describing it as "well thought



The house that polystyrene built . . . use of the revolutionary materials could help solve South Africa's housing problem.

out (and) of an acceptable standard".

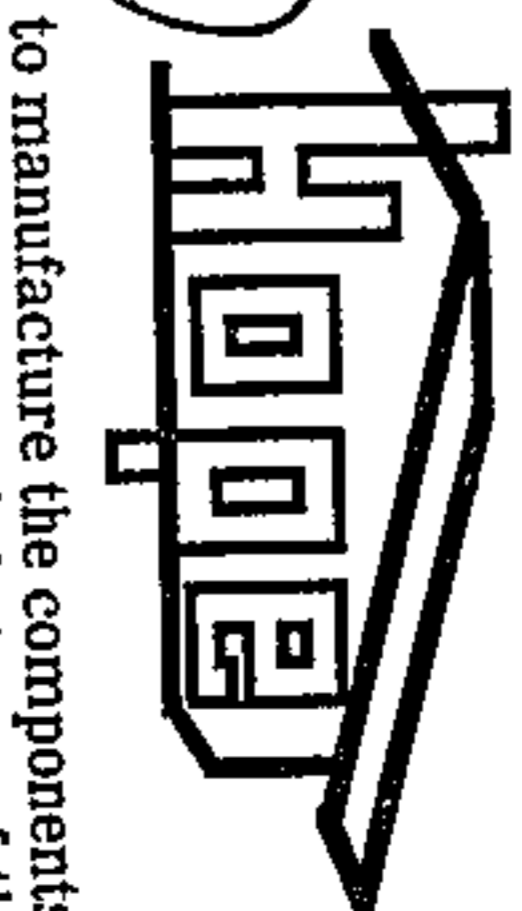
The system is in wide use in Europe, particularly in France, West Germany, Spain, Switzerland, Italy and Yugoslavia, and in the Far East and Australia for houses and for buildings up

to five storeys high.

Similar systems are under investigation in the United States, where major corporations are constructing demonstration houses to test the market. In Japan, various rooms, particularly bathrooms, are being

moulded out of plastic for quick installation.

A spokesman for Plastbau Building Systems SA, Mr Michael Childs, said that feasibility studies had been done in this country and that plans were being made to set up a factory



to manufacture the components. Mr Childs said that one of the major advantages was the saving on construction time.

"We estimate that it is possible to construct 20 to 30 houses a day."

He said that other advantages were better insulation, it did not crack, better acoustics, and the foundations and walls are put in place in one operation.

"The system is so simple: The foundation slab, the walls and the roof are prefabricated away from the site and can be carried by two people and lifted into place without the need of a heavy duty crane," said Mr Childs.

PLUMBING

"No maintenance is required, and walls are pigmented during the extrusion process with whatever colour scheme is required.

In addition, all plumbing and electrical fittings come as part and parcel of the wall so there is no extra expense involved in having these put in place after construction.

"We also maintain that our finishes are better than the conventional brick or block house, and, above all, every wall is as straight as a die."

'Budget planning is impossible'

Serious embarrassment for many home owners is arising because of the latest increase in interest rates, Mr Jan Cronje, director of the Consumer Council, said yesterday.

"At a stage when money was freely available," Mr Cronje said, "consumers were encouraged to move into debt.

"Yet the latest increase in interest rates made nonsense of even the most carefully planned budgets.

"We are seeing a repetition of what

happened a few years ago and which is proof that discerning planning is almost impossible.

Although the consumer council understands that consumer spending must be combated for the sake of the economy, the question arises as to whether it wouldn't be advisable to apply these measures exclusively to new bonds and credit agreements.

"This will enable consumers to stay within their budgets," says Mr Cronje.

Consumers are advised to negotiate for a fixed interest rate. — Sapa.

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STAT 9/11/84

Companies warned to probe housing schemes

123
8/1/88

ALAN FINE

EMPLOYERS who hurriedly negotiated unsatisfactory housing schemes for blacks have been warned they might be contributing to frustration among employees.

SPT housing consultants' Jonathan Tonkin added in an annual industrial relations review, published by Steuart Pennington and Associates, many schemes had been structured to serve the financial interests of the employer rather than needs of employees.

The result was a scheme which benefited few workers.

Tonkin said housing schemes had to address several crucial issues and even availability of land or housing was often ignored.

He added it was also essential that financing agreements provided for 100% loans because many employees were unable to provide even a 10% deposit.

Many financial institutions will not grant loans of less than R30 000 so lending criteria had to be evaluated in advance.

Employers also had to ensure the chosen financial institution considered total household income when assessing applications. Managements should also help employees when applying to the state subsidy interest scheme.

Tonkin said employers should help in financing the costs of acquiring property and, finally, give assistance with legal and administrative procedures and contract evaluation and supervision.

Failing these, said Tonkin, employers would find themselves shouldering the blame for the activities of unscrupulous housing contractors.

Housing, he said, had become a national imperative and the state was shifting the responsibility for the provision of housing to the private sector.

Employees were aware of inadequacies of the housing system and expected their employers to help with housing.

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Rental arrears reach R435m, says bureau

Political Correspondent 123

ARREARS in rentals and service levies in black areas had reached R435 million in May this year, with R333 million owing in the Witwatersrand alone, according to the Bureau of Information.

A progress report, "Counter-Revolutionary Action Plans", notes that arrears in rentals and service levies should not be ascribed to civil disobedience only.

For example, in the 1978-79 financial year arrears in black residential areas already amounted to R10,6 million.

The report describes the current arrears in the Witwatersrand area as "the result of an orchestrated campaign of civil disobedience to express displeasure at the government".

At the regional level, the West Rand (R292 million) and the East Rand (R41 million) showed the greatest arrears in rentals.

Within these two areas, Soweto (R153 million), Deep Meadow (R41 million), Lekoa (R77 million) and Tembisa (R17 million) have the greatest arrears in rentals and service levies.

Study on *care trip 1/1/88* housing *8/23* for blacks

Political Correspondent

A FURTHER 200 000 houses would have to be built at a cost of R2 700 million every year until the end of the century to eliminate the backlog in black housing, according to estimates by the Building Research Institute of the CSIR.

CSIR estimates put the current backlog at 736 000 housing units.

In 1986 the public and private sectors together were able to erect 25 000 houses.

According to the SA Housing Trust, the combined capacity of the home-building industry in South Africa is 70 000 houses a year.

From January 1 1986 to June 1988, 414 hectares were isolated for black urbanisation, ministerial approval has already been obtained for a further 12 089 hectares and about 17 203 hectares were currently the subject of investigation for that purpose.

The approved areas will accommodate about 483 000 housing units.

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Surge in the sale of homes in black areas

THE sale of houses in black urban areas has surged dramatically, according to government figures.

EDYTH BULBRING

A recently de-classified Joint Management Centre document released by the Bureau for Information records that 96 718 of the 366 984 homes in black areas identified for potential sale had been disposed of by June.

been sold by June. The least success has been in the western Cape. By June only 10,2% of the housing stock had been sold.

In the Witwatersrand area, the total number of houses available for sale in June was 217 996. Of these 49 136, or 22,5%, had been sold. Houses were selling at a rate of about 600 a month.

The Urban Foundation's Michael Morkel says the improvement is due to government's active marketing approach and an increase in the buyer's discount from 45% to 65%.

The report compares this with the position in 1986 when houses in the Wits area were being sold at about 200 a month, the result of a successful campaign against home-buying by "radical elements".

He says the labour movement, which came out strongly against home-ownership in 1986, when the rent boycott was at its peak, had softened its attitude this year and this could also account for the increase.

The most success appears to have been achieved in the far-northern Transvaal, where the document says 100% of the housing stock (14 099) had

The document, using the lowest CSIR estimate, sets the backlog in black housing outside the self-governing territories at 574 000.

Morkel says the UF's estimate is 800 000. He points to a recent statement by Constitutional Development and Planning Minister Chris Heunis that the backlog was about 702 000.

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Black housing scheme developers under fire

CONTROVERSY surrounds the focus of developers on up-market black housing schemes which fail to address the housing shortage at the lower end of the market.

One such development is the Alexandra East Bank project, perched on the hilltop overlooking the township.

The development comprises 700 houses, of which 34% are in the R38 000 to R50 000 bracket, 42% in the R50 000 to R80 000 category and 24% are at the top end of the market.



● BERKELEY

"Although the top end is a little thin, sales have gone down extremely well with Alexandra residents," says Rabie Housing Transvaal MD Ian Gibbs.

But Business & Marketing Intelligence director Jan Strauss says creat-

ARI JACOBSON

ing upper- and middle-class suburbs is ridiculous, when the real housing problem is in the R10 000 and below range.

"People who talk about the great strides being made in facilitating the housing shortage are misleading the public," says Strauss.

"Two problems need to be addressed: building societies must endeavour to finance low cost housing; and blacks have to learn to accept alternative forms of housing — not the best or nothing," he says.

Perm senior GM Hugh Maclahlan says the society has no problem financing any loan, as long as the occupant can afford to pay it back.

"Anyway, as far as we are concerned the housing problem is across the board and relative to the area," he says.

M & R housing director Gavin Hardy says up-market projects will fulfil a vital function of motivating township residents towards a better lifestyle.

Titus Gumede, an Alexandra resident

who has bought a house, supports this view: "Having something to strive for is going to change everything for us."

Alexandra Town Clerk Piet Genis says the majority of people want the council to build their houses, although free rein is given to those who wish to do it themselves.

Regulation

"The biggest problem in Alexandra is a land shortage, with no room for real expansion, as the township is surrounded by industrial sites and a motorway," says Genis.

Excessive government regulation has failed to take cognisance of the role housing can play in creating social stability.

"Providing housing for the needy can pave the road to stability and at the same time avert a revolution," says Gough Housing MD Frank Berkeley.

This view is supported by SA Housing Trust MD Joe Taylor, who sees better living conditions as the catalyst to an economic and political revival.

GERALD REILLY

PRETORIA — Blacks have paid well in excess of R100m for township houses since the scheme was first launched in 1985.

Since then nearly 99 000 houses, or around 30% of the total housing stock of 333 907 have been bought by black owners.

And in Pretoria yesterday the province's director of housing, Alex Weiss, said the increase in sales was phenomenal and the rate was increasing.

This was illustrated by the 32 000 houses sold in the 12 months to end-September this year compared with just over 9 000 for the same period a year before.

"There really has been a lift-off and all indications are that ownership among blacks will continue to accelerate," Weiss said.

Since the launch of the scheme in the Transvaal 31% of the houses, or 70 923

Blacks pay more than R100m for township houses

units, have been sold leaving a stock of just over 162 000 houses.

Prices, Weiss said, ranged between R800 and R5 000 which included ownership of the plot of between 200m² and 300m².

The prices paid merely covered the actual cost of construction. Bonds were available for potential black homeowners at building societies and other financial institutions.

"The houses are being sold at bargain prices and more and more blacks are beginning to see the sense of buying one," Weiss said.

Star 22/4/88

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'Paternalism must go'

Staff Reporter

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Transformation of the economic system through a process of inward industrialisation and development was not only necessary, but very feasible, the president of the Association of Building Societies of South Africa, Mr Bob Tucker, said in London today.



Mr Tucker

Addressing an international housing finance conference, Mr Tucker said the survival, let alone future prosperity of South Africa and its people, was as dependent on such economic transformation as it was on the transformation of the political system.

"Indeed the two are complementary and transformation of the one is not possible without transformation of the other," Mr Tucker said.

"Paternalism, separation, confrontation and authoritarianism will have to be relegated to the junk heap if the

country, its people and the values we hold dear, are to survive and prosper," he said.

"If we can establish a vibrant housing process, not only would the need for 'home' be satisfied, and the family unit be protected, but capital formation amongst previously deprived communities would commence, jobs would be created on a massive scale, the domestic market for building materials and household goods and appliances would be stimulated.

"Obviously the establishment of the necessary housing process, and it must essentially be understood as a process, depends upon much more than just finance. A fundamental change in systems, methods and above all attitudes, is required.

"Distortions resulting from the Land Act and the Group Areas Act severely inhibit the establishment of the type of process needed and must be repealed," he said.

Mr Tucker said housing in South Africa was bedevilled by a long history of privilege, prejudice and discrimination.

Upgrade informal homes, 'and don't demolish them'

BLOEMFONTEIN — SA did not need a Prevention of Illegal Squatting Bill, Urban Foundation MD D L van Coller said yesterday.

Addressing the foundation's conference here, Van Coller said what was needed was an "Informal Housing Bill" which would recognise informal housing as part of the national housing stock and promote upgrading, not demolition.

The proposed Bill would ensure access to serviced land for the poor.

The foundation estimated there were about seven-million people in informal housing and shelters in the urban areas.

"It is clear that, on the basis of affordability, most South Africans

will not enter home-ownership through acquisition of a formal house."

Professor E P Beukes, of the department of economics, Free State University, said about 75% of the total number of black households in Region C, and 45% of coloured households — Region C covers the SA and non-SA areas of the Free State — received less than, or just equal to, the minimum income required for the most basic necessities, while all whites received more than the minimum amount.

Beukes was presenting an economic profile of Region C at the conference on demography, economic opportunities and education. — Sapa.

123 Bldg 22/11/88

HELP FOR BUILDERS

THE newly-formed Professional Builders Federation aimed at easing the housing shortage in South Africa is to be inaugurated at a meeting at Crown Mines on Saturday.

The federation has been formed to provide black builders and merchants with skills and training according to the federation's public relations officer, Mr Keith Laskey.

He said the federation

Sowetan 23/11/88

By JOSHUA RABOROKO

123

would also provide operators with the advantages and support usually only available to larger companies and organisations.

"The theme of the meeting on Saturday will be the role of the emerging professional small builder in the SA housing crisis," Mr Laskey said.

Delegates from all over the country are expected to attend the inaugural meeting which will be addressed by representatives from the

Urban Foundation, the National African Federation of Chambers of Commerce, the South African Housing Trust and other organisations.

HOUSING SUBSIDIES

Sliding into sense

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FMML
25/11/88

In the face of an increasing number of sectoral appeals for housing assistance, or some form of tax rebate on existing home loans, government is apparently rethinking its housing subsidies.

The SA Housing Advisory Council, which advises the ministers of housing, is investigating the question of assisted housing as a priority issue.

The *FM* understands that, as early as January, it could recommend a sliding scale system of housing subsidy based on means tests. At the lower end, those earning between R100 and R400 a month would probably pay 2% of the interest payable on a mortgage bond, with the balance made up out of State funds.

Like the first-time buyers' subsidy now available, individual subsidies would probably be phased out over seven years.

Such a scheme has the advantage that it would put housing funds at the disposal of those who most need them, without distorting the economy through the need to keep

interest rates artificially low.

It also has the advantage that it could be administered across the board, possibly by a single housing ministry, without the political vested interests of the various housing authorities coming into play.

CSIR Building Technology economist Tobie de Vos says: "An inevitable consequence of most forms of housing subsidy is to increase the demand for housing by improving the ability of people to afford, not only a first home, but also larger and better homes."

This, he says, leads in turn to increases not only in the number but also in the size and standard of housing units. Consequently, prices and rentals rise, leading to demands for higher subsidies.

Eventually the effectiveness of the original subsidies, intended to lower the housing costs of the needy, is eroded.

This trend has been seen very clearly in recent weeks. As the bond rate rose, so did the number of appeals for special consideration under current subsidy schemes.

The Public Servants' Association wants the budget allocation for interest subsidies payable on public servants' home loans raised. It also wants the R50 000 ceiling on such loans raised to a more "realistic" level and a uniform interest rate subsidy to apply at all income levels. At present, lower income earners are subsidised down to 3% and others down to 4,5%.

The Teachers' Federal Council has requested the exemption of its members' existing loans from increases in interest rates, claiming that any positive effect of salary increases for teachers would be "seriously impaired" by higher interest charges.

At the same time, government has raised the base interest rate on which the first-time buyers' subsidy is paid from 13,5% to 16% — and says this will be adjusted upwards as interest rates continue to rise.

The subsidy has, since August 1, amounted to 33,3% of the interest payable on a bond of R65 000 or less, covering the purchase of both the stand and a new house.

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FMML
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Government has already encountered criticism of this adjustment, which effectively diminishes the curbs it hoped to place on the economy by allowing interest rates to rise in the first place.

Besides, as De Vos says: "General subsidies, such as those paid to State employees, often enable households to afford homes of a higher standard than they would otherwise occupy." He argues that general subsidies should be reduced and gradually replaced by specific subsidies which relate more directly to the ability to pay. "Specific subsidies are particularly relevant to low-cost housing finance."

Earlier this year (*Propoerty* May 27), government attempted to make it clear that it wanted expectations of increased housing standards contained. Building costs, including wage increases and material price increases, are under scrutiny in a specific effort to keep private sector developers and builders in the low-cost housing market.

It has also become apparent that the upper level of the black housing market, in the R40 000 to R60 000 range, is fast becoming saturated.

The need is to find not only economic means of delivery in the low-cost, mass housing sector, but to find effective ways to encourage the purchase of low-cost houses.

While banks and building societies are being pressed to finance homes built to Man-tag rather than National Building Regula-

tions norms, there are few potential homeowners in this market who can afford even R20 000. And in many cases, such buyers are still regarded as bad risks.

Probably the best effect of a sliding subsidy scheme, therefore, would be that the bulk of the interest on a low-income house would be guaranteed by the State — which would mean more development finance for builders, and more chance of selling their finished product. ■

Bear outlook on housings

HOUSE prices are due for a downturn — at least in real terms.

So says the latest building and construction analysis of the Bureau for Economic Research (BER) at the University of Stellenbosch.

A survey shows that by the middle of 1989 house prices will be no higher than they were six months ago — and the bad news is that the bottom of the present cycle has not been reached.

However, this finding can be viewed from another side.

Many successful property speculators consider a slump in the property market as the best possible time to make long-term investments.

Gone is the pressure of sharply rising prices, with many sellers carried away by the euphoria of seemingly ever-rising prices.

In a downturn, sellers are much more realistic and the patient bidder has ample time to conclude a successful investment deal.

Real house prices are already at low levels — as measured by the Rode House Price Index and deflated by the consumer index — despite the spurt in values since the middle of 1986.

The increase in house prices has come to a halt and the current discount of existing house prices compared to replacement costs will become even greater.

But it's not all bad, says report

The report concludes that the building industry and related professions are entering a difficult period and should prepare for it.

The survey says: "Non-residential projects are already declining and this is reflected in the tendering competition, which is on the increase, and the BER Building Cost Index, which is decelerating."

"This is now affecting the professions allied to the building industry, contractors and subcontractors."

"The short respite in the form of widening profit margins will soon be something of the past as contract price increases drop to below increases in input costs."

The relatively good news is that a survey of building costs shows expectations of an average increase in building costs during 1988 to be 18,5 percent dropping to 14,5 percent in 1989.

The bureau says non-residential contractors' order books have in all probability already stopped growing and it forecasts a contraction as soon as current projects are completed.

Non-residential subcontractors are still very busy.

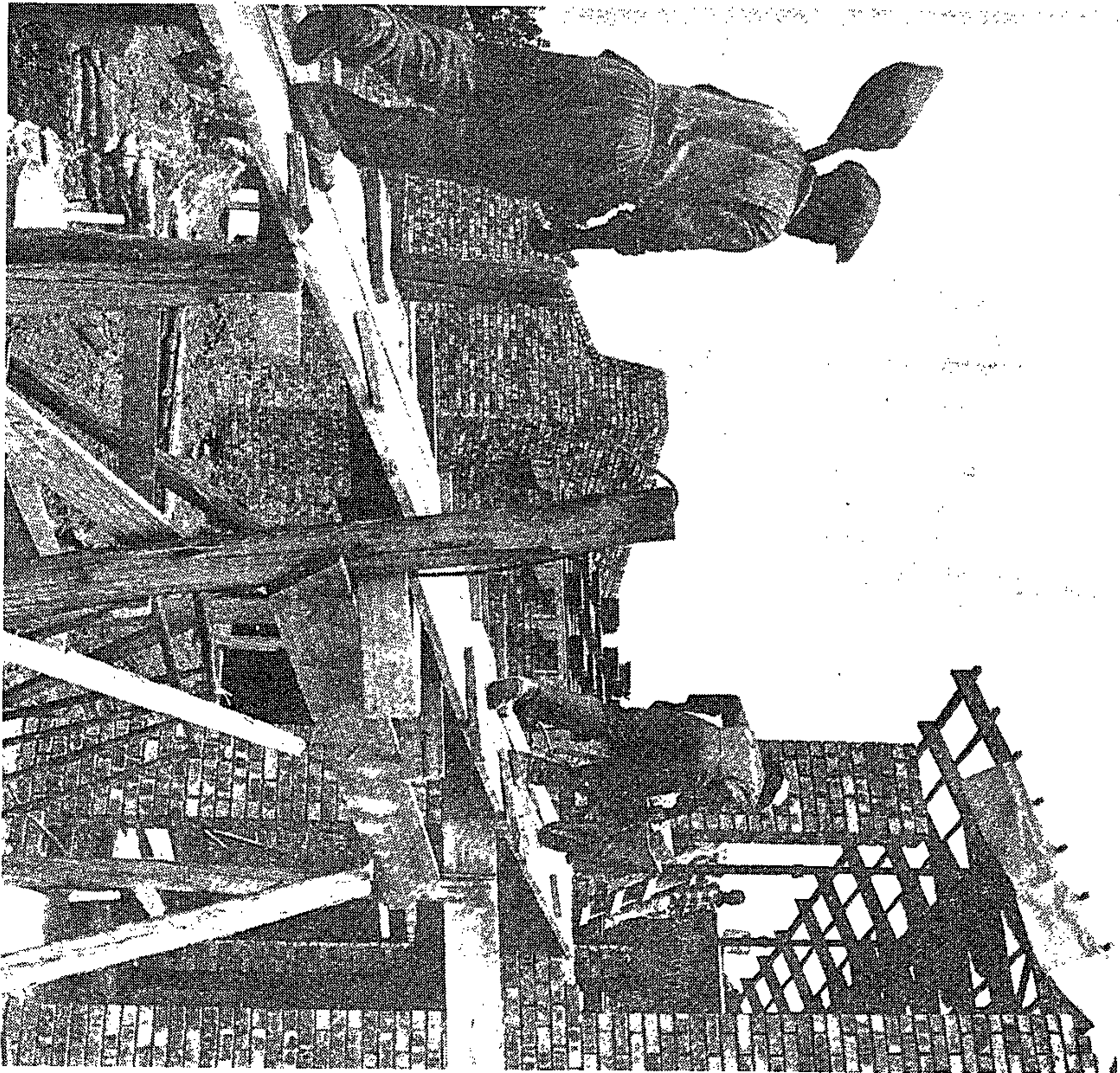
House builders in the upper end of the market face lean times, their business will lessen dramatically, and margins will be squeezed under the onslaught of ever rising interest rates, stagnant existing house prices, and escalating input costs.

The insignificance of the top end of the white housing market is reflected in the official statistics that house plans passed for blacks constitute 40 percent of the total. However, these official figures are estimated to understate the true black housing position, which in the BER view could represent up to 70 percent of all housing activity at the moment.

"As long as this 70 percent, plus half of the housing construction for coloureds and Indians, can keep on growing, albeit at a lower rate than during the past few years, then the house construction industry might weather the recession in good shape."

Builders at the lower end of the housing market might salvage themselves by moving down to the bottom end of the scale — although margins will be under constant pressure as they have been for the past few years.

All this must be disappointing, says BER, especially to the non-residential building industry which has just survived one of its worst recessions.



GOING UP: But the building sector and home prices are heading in the opposite direction.

HOME LOANS

123

All square

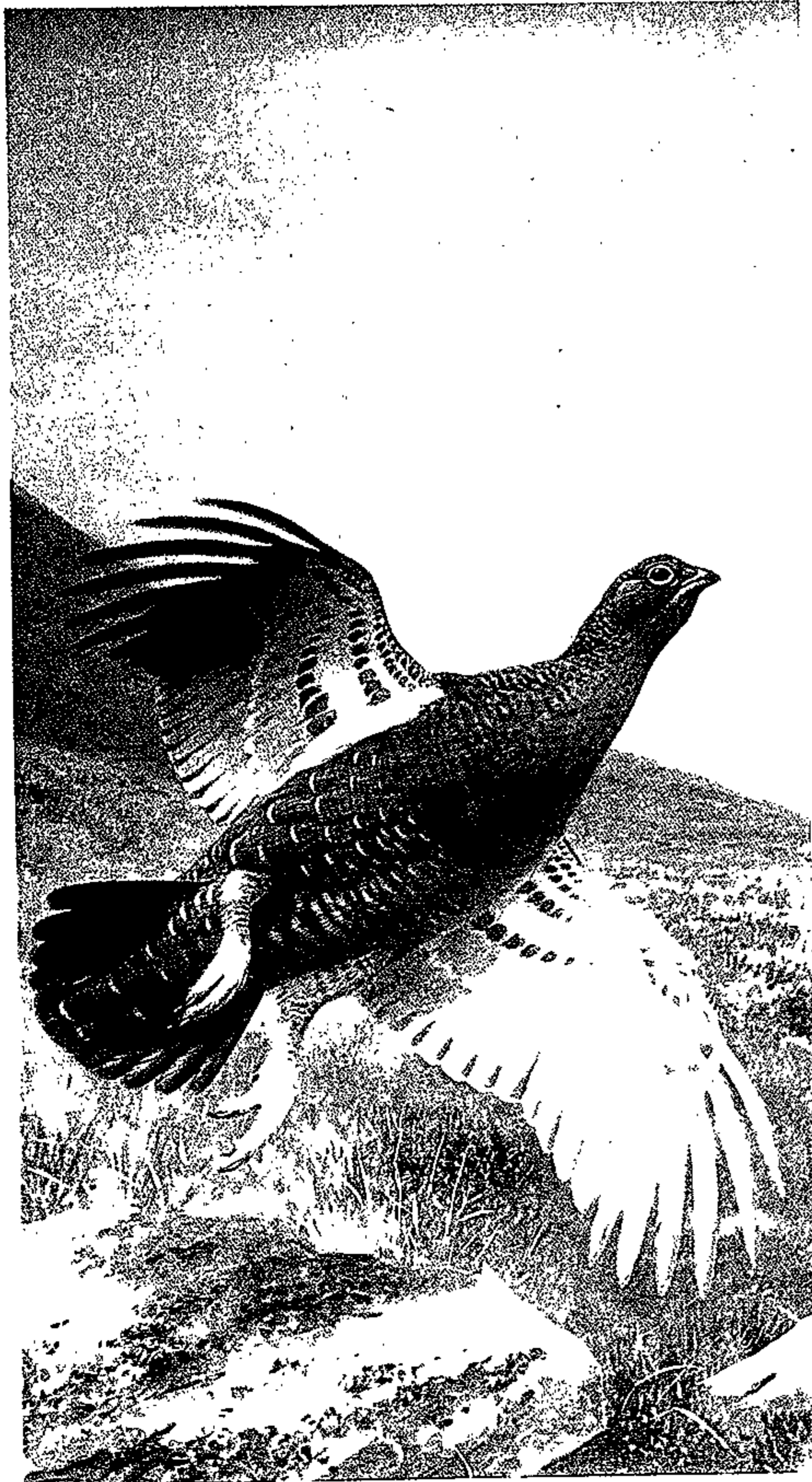
Now building societies no longer have to fight their way up a sharp yield curve to find funds, they can compete on equal terms with banks. The outflow of liquidity during 1988 has raised the cost of short-term money, increasing cost of banks' (largely short-term) funding, eliminating the disadvantage of the longer-term building society books.

So for the first time since banks made their assault on the home loan market at the end of 1986, societies can offer bonds at competitive rates.

Two years ago, with liquidity high in the money markets, banks saw the opportunity to break into the home loan market with mortgages funded by cheap short-term money. They were driven by the fall-off in corporate business, as cash-flush companies short-circuited the banking system to deal directly with each other (disintermediation).

With both motive and means to cut into retail business of building societies, Standard Bank made a determined marketing thrust, undercutting building society mortgage rates of 15% by 2,5 percentage points. First National (which had made an aborted attack on the market some years earlier) followed, while several societies attempted to close the gap by dropping to 14%.

Trust Bank, Volkskas and Nedbank then entered the market. Between them, the five major banks were a serious challenge to the



360 FMAIL 2/12/88

principle. "Only if a scheme is funded can there properly be a promise-in-advance."

Crucial is the meaning of "funded." While it is theoretically possible to fund a State scheme, the difficulty is to maintain the integrity of the accumulated fund, without which the concept of funding is "nonsense."

Said Fabian: "The fund must be a real fund invested in real assets *additional* to those that would otherwise have been created. For, if the income of the fund is used as it arises to meet current expenditure, and so-called investments are nothing more than government paper receipts, then the productiveness of the fund is a fiction."

SA's State fund now sits with this dilemma. But there is a solution that, according to Fabian, "requires difficult political decisions. Consumption must be reduced and large numbers of workers switched from consumption to capital industry."

"The State could run a funded scheme for a small section of the community, but not the whole community — unless there was a wave of resolution among its citizens comparable to that evoked by war."

So nobody should be impressed by any partial funding of the liabilities of the State fund — unless the assets are real assets.

Fabian noted the recent statement of a senior government official that the deficit of the fund is not a problem — it is simply a matter of "making a book entry"; in other words the fund is credited and the national debt is debited. This, said Fabian, is patently incorrect, given that the State fund has to have real assets to have a real future.

"The true costs of the fund are the costs of providing real benefits for real people that will have to be paid in due course in hard cash. Even a book debt will require servicing — an aspect that was not mentioned (by the government official). It also has to be redeemed one day, unless we are again to meet it on the never-never."

"The problems," said Fabian, "have arisen partly because government officials decided to stop taking actuarial advice, so they did not know what benefits were costing."

This has changed, of course, but the problems are a long way from being solved. Fabian said that the best conceptual way of finding a solution is by recognising that equity is more important than the letter of the law. It will need tremendous political will. ■

SHORT-TERM INSURANCE

Marginal dip

In 1987, short-term insurers' solvency margins — the crucial ratio of free reserves to net premium income (NPI) — fell to 43,1% from 45,3%, according to a survey of 20 insurers by Quest Consulting Group.

Margins of two companies, Sentra- boer and Stangen, were below 15% (see table), though they have since improved. Sentra- boer's rose from 10,4% to 24,4% after receiving an R8,8m capital injection (from 1987's

R6,2m), while Stangen in- creased its capital base to R12,5m from R6m. This is ex- pected to bring its solvency margin to 20%-25% from 1987's 10,4%.

Margins, according to Wil- lem Heckroodt, assistant regis- trar, short-term insurance, also improved during 1988. The dip in 1987 was largely due to ab- sorption of AA Mutual's busi- ness after its liquidation, says Heckroodt. This brought an in- creased flow of premium in- come without an equivalent rise in net assets.

He cites two other reasons for the decline during 1987: the ris- ing value of insurance cover due to inflation, and a 7,5% devalu- ation of assets as a result of the fall in equity values in October.

Solvency margin requirements will rise next year, following recommendations in April by the Melamet Commission of Inqui- ry into AA Mutual.

Quest chairman Denzil Curgenvin pin- points three recommended changes:

□ Reserves for claims incurred but not re- ported are to be increased to 7% of NPI from an average of 4%-4,5%. "This was not a fixed

DOWN IN 1987

*Solvency margins (%) Dec 1986-87

COMPANY	'87	'86	% change
Aegis	39,4	38,0	1,4
Allianz	26,0	27,9	(1,9)
All	32,4	32,1	0,3
Auto & General	51,7	47,8	3,9
Concord/Cigna	25,8	15,3	10,5
Commercial Union	40,6	47,1	(6,5)
Federated	45,2	34,0	11,2
General Accident	23,5	37,3	(13,8)
Guardian	43,3	43,8	(0,5)
Hollard	30,0	21,8	8,2
IGI	25,7	16,8	8,9
M & F	91,0	89,0	2,0
NEG	53,5	59,6	(6,1)
President	19,1	10,9	8,2
Protea	75,6	89,4	13,8
Santam	23,7	21,9	1,8
Sentra- boer	10,4	11,5	(1,1)
SA Eagle	41,6	60,0	(18,4)
Stangen	10,4	14,5	(4,1)
Market average	43,1	45,3	(2,2)

* Calculated per Insurance Act formula
Source: Quest Consulting Group

requirement in the past and varied from company to company," he says;

□ A catastrophe reserve of 2% a year, for five years, is to be introduced to build up a 10% annual catastrophe reserve; and

□ The method of calculating unexpired pre- mium reserve is to be changed. Companies will be permitted to subtract commission but not expenses from all premiums received. ■

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societies. They were soon taking a larger slice of new business — in each of the first three quarters of 1988 banks granted mortgage loans more than 1,5 times the value of building society loans.

October and November, however, may have seen some shift in lending patterns. Already Saambou has experienced a fall-off in redemptions, says GM Hennie Prinsloo, which he attributes to a drop in cancellations as fewer loans are switched to banks.

Whatever may have happened in the past

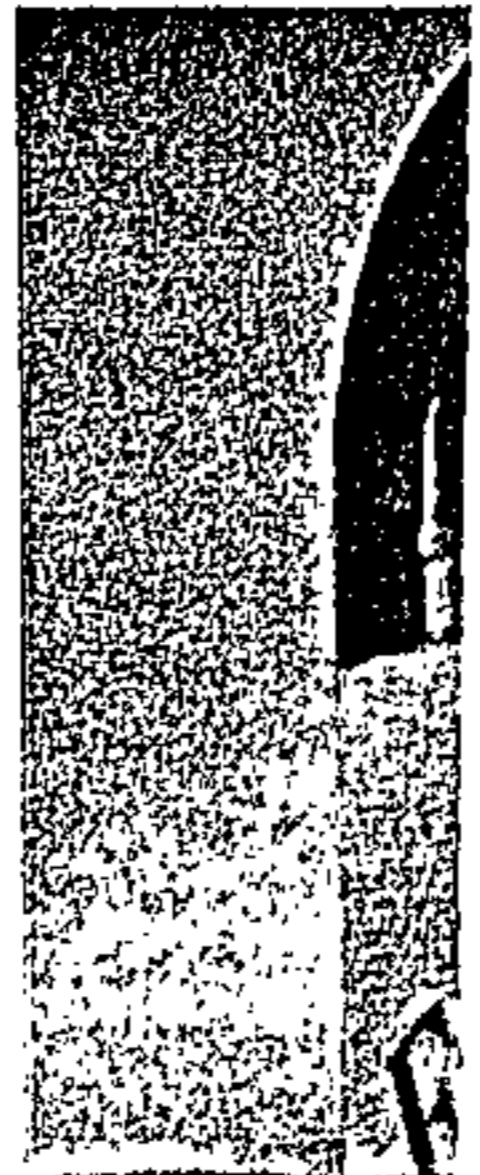
quarter, December could prove a turning point, as recently announced rate increases come into force. By then, at least two banks will be charging 18%, while rates of all but one society will be no higher than 17%.

The gap may be fortuitous rather than intended, as societies' rate increases were announced before the recent two percentage point increases in Bank and prime rates (to 14,5% and 18%). Banks, on the other hand, made announcements on mortgage rates after the larger than anticipated move in the

two key lending rates. So societies may yet announce further increases, bringing them into line with the banks.

However, if the yield curve, already virtually flat, turns negative, they will have the advantage of cheaper money stashed away in their longer-term books and may well be able to undercut the banks.

All the institutions, of course, will be facing problems inherent in this phase of the economic cycle. As cheap loans become expensive, some householders will fall into ar-



rears and properties in possession will mount.

With the ceiling on loans lifted in 1986, from 80% of purchase price to 90%, lenders' exposure is greater and, as a result, losses potentially higher should the coming recession prove as serious and intractable as that of 1984-1986. To keep these to manageable proportions, institutions are prepared, where possible, to extend the term of the loan.

This of course costs the client interest.

"We always make this absolutely clear," says Natal Building Society's Trevor Olivier. "A R100 000 loan at 17% will cost R440 100 over 25 years and R513 260 over 30 years."

An alternative would be to reduce capital owing but most people either can't do this or prefer to keep a measure of liquidity.

It will be a trying time for borrowers and lenders alike. And, whatever the relative advantage of funding structures, all institutions will be competing for a shrinking market as cost of loans slow down property sales.

Own Correspondent

PORT ELIZABETH. — If passed, the Illegal Squatting Amendment Bill — to be debated in the President's Council this week — will lead "with absolute certainty" to situations similar to what are now occurring in Boksburg under the Separate Amenities Act.

"Places like Boksburg will run riot demolishing houses," said Mr Geoff Budlender, director of the Legal Resources Centre.

He was replying to a question at the Human Rights Conference in Port Elizabeth on Saturday.

The government, Mr Budlender said, had created the legislation which would now be "used in ways it doesn't like".

He said in terms of the bill, all powers would rest in the hands of local authorities.

He predicted that the

Legal director warns on illegal squatting bill

CAPE TOWN 6/12/88

legislation would "enable the Conservative Party to run riot in urban and rural areas".

"You are going to find vast numbers rendered homeless with no recourse at all."

"The government will express shock and horror and astonishment."

The bill, he said, was "frightening" because it represented the wrong attitude to urbanisation, which had led to a huge demand for housing in South Africa.

He said it sought to smash houses rather than to let those that had been built remain. What

was needed was to make large areas of serviced land available for housing development.

In reply to another question, Mr Budlender said there was a need for the private sector to take a "broader and longer" view of trade unions to protect human rights in the long-term.

He was referring to the "attitude of a large portion of the private sector to the Labour Relations Amendment Act", which he said would weaken the unions. It would be a backward step after the "significant development" of the unfair labour practice.

Home subsidy 'misses target'

ARI JACOBSON

MIS-TARGETED government housing subsidies have allowed about 70% of SA's population to live beyond their means, says the Urban Foundation's housing manager Mike Morkel.

"While subsidies are applicable to all in the real sense, no houses are being built at the bottom end of the market and so no subsidisation is forthcoming," says Morkel.

The system, he says, enables the relatively comfortable to get a first-time home-buyer's subsidy.

"We need to reorientate subsidies so that the cost of land and basic infra-structure is lowered," says Morkel.

SA Housing Trust MD Joe Taylor supports Morkel's view, saying a proper channel is required to reach those in dire straits.

"At the moment subsidies are sub-

siding, construction companies' profits.

Development

The argument against the present system of subsidisation is reinforced by Association of Building Societies chief Bob Tucker.

He says the subsidisation system promotes building development and "is certainly not any form of support for the needy".

Tucker says only R2m in subsidies reached the poor last year. About R400m was needed.

But chief director of Land Affairs and Housing, Leon Classen, is adamant, however, that the state is serving the lower rungs of the market.

"The provision of infra-structural services accompanied by loans for the purchase of certain material often works out to be more than the first-time home loan subsidy," he says.

Morkel says in addition to the need to restructure subsidies, it has become essential to look at a variety of rudimentary ways to satisfy the needs at the lower end of the market.

He says two major problems have to be dealt with: blacks have to become less dependent on others to make their housing decisions for them, and they must match their aspirations for housing with their wealth.

Local black councils were compounding the problem by providing top grade infrastructure at unaffordable costs, says Morkel.

Buying a house is 35% cheaper than building

IT IS now 35% cheaper to buy an existing house than to build a similar one, says the United.

In its latest quarterly housing review, the United says building a medium-size house now costs about R116 000.

To buy the same house would cost about R86 000.

It says the differential is due to a continuous rise in building costs, which are increasing by

about 13% a year.

House prices increased in the quarter to October by an average of 4%, or 16% on an annualised basis.

Compared to the same quarter last year, prices increased by 13%.

The United says the average price for a small house is about R70 000.

The average price for a larger home increased from R120 000 in the second quarter to

R124 000 in the third.

Johannesburg registered the highest average increase with 19%, followed by Pretoria (17%) and the Eastern Cape (6%).

Prices were stable in Natal, the Western Cape and most of the Transvaal.

In the Free State and Northern Cape, however, prices fell by 8% and by 5% on the East Rand. — Sapa.

Smaller houses are the market trend — United

870
7/12/88 By Frank Jeans (123)

The demand for smaller houses is on the increase as medium and larger homes became "less affordable", said the United Building Society in its *Housing Review*.

House prices rose by an average of 13 percent during the third quarter of this year, according to the United.

The average cost of a medium-

size home is about R89 000, while the mean price for small houses is R70 000.

Average price for larger homes has risen to nearly R124 000

An indication of the spiralling building costs is also seen, with the United reporting that the construction of a medium-size house today would be about R116 000, while an existing house of the same size would be valued at R86 000.

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B/deny 7/12/88

Need for financing of cheaper houses

ARI JACOBSON

NO MECHANISM has been created to bridge the gap between housing demand and financing at the bottom end of the market, says Bifsa chief Neil Fraser.

"At the lowest levels minimal profits are causing leading institutions to shy away from the real housing shortage," he says.

The Urban Foundation's Mike Morkel says the land availability problem of a few years ago has been superceded by a lack of finance.

The lack of finance in the R20 000-and-below category has forced the SA Housing Trust to take matters into its

own hands, says its MD Joe Taylor. Khayalethu Home Loans, a subsidiary of SA Housing Trust, has been formed to plug the financing gap at the bottom-end of the market.

Standard Bank deputy GM: housing loans Terry Power says the bank has come to the assistance of the Housing Trust by offering its administrative and collection services.

"However, a concerted effort by the private and public sectors is urgently

needed to solve the housing problem," he says.

Perm deputy MD Brian Kenney says it is also imperative that employers show more initiative.

First National deputy MD Barry Swart says the risks and administration at R20 000 and under, puts into a precarious position banks which are motivated by profits.

"Yet a united front of financial institutions and life offices can finance this type of housing through a bond purchase scheme," he says.

● See Page 4

BUY NOW, PAY LATER

MANY prospective homeowners have been deterred from buying by recent interest rate rises, but soaring building costs could justify present purchases, writes *UDO RYPSTRA*.

In January 1981, the building cost index of the Bureau for Economic Research of the University of Stellenbosch, based at 100 in 1975, stood at 205.

Now it stands at around 430, meaning that in the past eight years the cost of building a home has more than doubled.

According to the United Building Society, existing homes were about 22% cheaper than new homes during the first quarter, and increasing in value by an average of 13% a year.

The gap between new and existing housing costs was narrowing until the shock interest rate increases.

Most homeowners have seen their interest rates jump from 12,5% earlier this year to 18%.

On the average bond of R50 000, instalments increased from R563 to R772. That is R209 a month extra — a severe dent in any middle class family budget.

Seduced

Many buyers were seduced by banks into spending more than they could afford on housing. Some took 100% bonds and now face a severe cash squeeze.

Bifsa forecasts building costs will rise by more than 20% this year, lending credence to the claim by estate agents that purchasing a home is a hedge against inflation.

There's no doubt, however, that real mortgage interest rates around 5% make home ownership that much less attractive.

No relief is in sight, as inflation and interest rates are expected to make bigger inroads. According to the BER's latest report (November), the inflation rate has been on a downward trend since the beginning of 1986, when it peaked at 20,7%.

But now the rate is expected to bottom out at 12,4%. The BER expects the inflation rate to average at 13,5% for 1988 and 15,8% for next year.

The BER also expects a further 1,5% increase in the prime overdraft rate towards the end of the year.

Forecast

The BER's current outlook for private residential investment is less optimistic than its previous forecast and it now anticipates a growth of 5,1% in real terms for 1988 and zero growth for 1989.

Nevertheless, the private residential market experienced a marked economic recovery since mid-1987, mainly as a result of in-

creased salaries and wages in the private sector, relatively low interest rates and the free availability of housing finance.

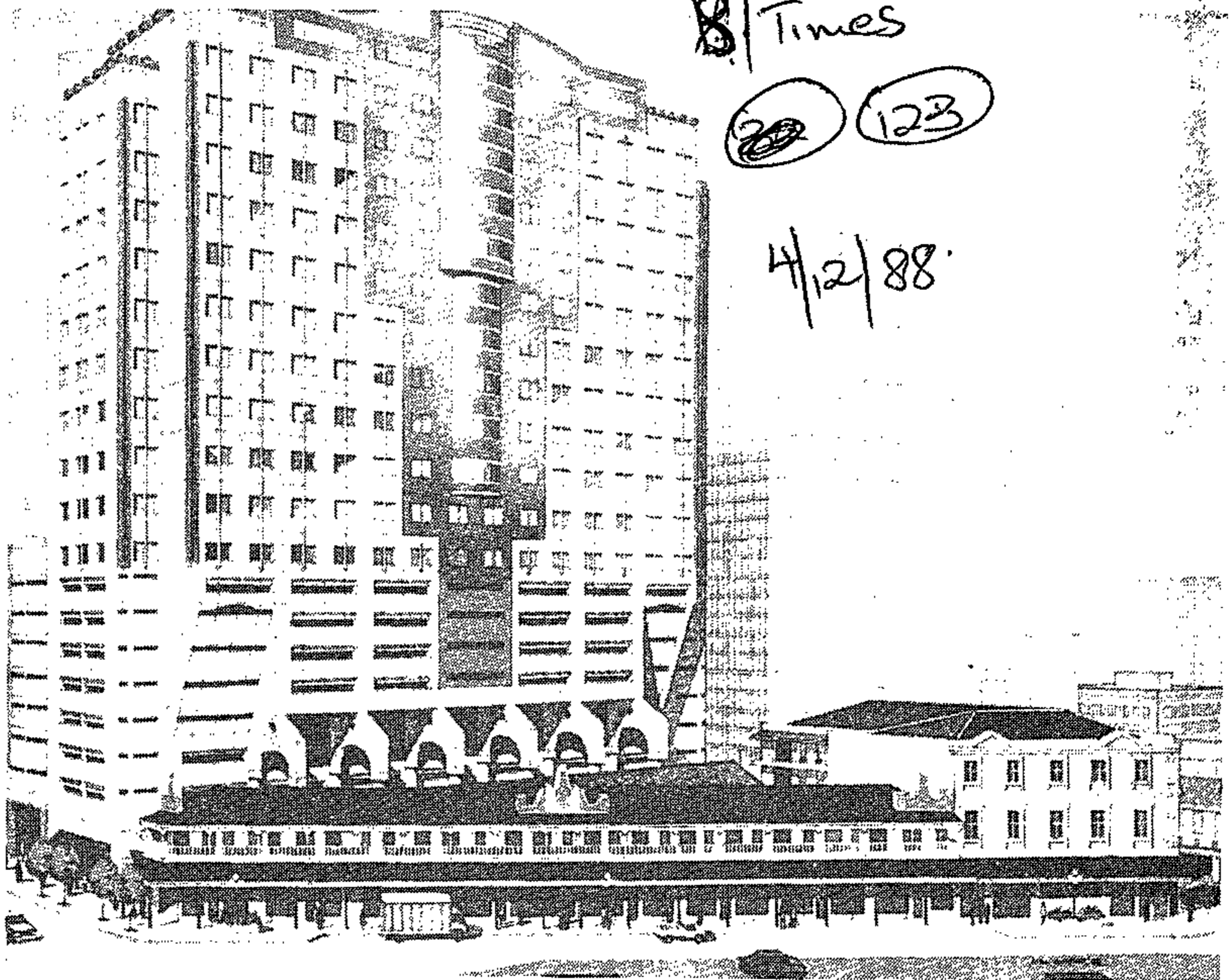
Bifsa expects the growth rate in residential investment to be about 8% for this year, but is more pessimistic than the BER for next year, when it expects a growth rate of only 4%.

On the non-residential side, building cranes have been towering over South Africa's major cities again this year, but are likely to disappear slowly as work in hand is completed.

Construction activity was sluggish during 1987, when a negative growth rate of 4,3% was recorded.

Business picked up during late 1987 and this year with new investment in non-re-

Soaring building costs could justify entering the housing market now



CITY DEVELOPMENTS CONTINUE: This artist's impression shows Diagonal Street, Johannesburg.

sidential buildings manifesting itself largely in the form of additions, alterations and refurbishment of existing buildings, such as is happening in Johannesburg's financial district.

In addition, the trend towards decentralisation continued, especially in greater Johannesburg, where the exodus to the northern suburbs is continuing, and in the Cape Peninsula, where businesses are moving to both the southern and northern suburbs.

Drop

Real domestic fixed investment in buildings declined marginally in 1987 after a sharp cumulative drop of 23% during the previous two years.

But as Bifsa reported earlier this year, investment in buildings as a ratio of total gross domestic fixed investment has increased, currently hovering between R7 500-million and R8 000-million.

Bifsa believes the spending has reached a turning point and will decline gradually until it reaches a nadir in the second half of 1990.

But the downswing is expected not to be as severe as the one in 1984/1985.

The first signs of the downturn are already visible. The business confidence of architects and quantity surveyors is normally a first indicator of what lies ahead. The latest survey by the

BER reports an anticipated downturn in its previous survey has started and there are a lot less projects at sketch stage than a year ago.

Projects at bills of quantities stage are also reported to be much fewer than the third quarter of 1987, when they were at their best.

Satisfied

The number of contracts awarded has also been following a downtrend since the first quarter of this year, when they were at their highest.

Contractors are still reporting that they are satisfied with business, but the BER warns that the underlying growth rate seems to have deteriorated and prospects look bleak.

'Black townships owe R475-million'

AKUS 8/12/88 123

The Argus Correspondent

JOHANNESBURG. — The Bureau for Information has released a document claiming that a number of black townships owe about R475-million in rent and service charges.

According to the document, townships on the Witwatersrand alone owe more than R360-million.

It said a concerted effort would have to be made to re-

cover the money, but did not elaborate.

Among the townships ranking high on the list of deficits was Mamelodi with R14-million. But this amount was disputed by the mayor, Mr Z B Ndlazi, who said it was much less.

"We do not even know where they got the figures because neither my council or town treasurer was consulted".

Mr Ndlazi said his council was preparing a statement on the figures.

The breakdown of amounts owed by each region is: Eastern Province R42-million; Orange Free State R20-million; Northern Cape R9-million; Eastern Transvaal R8-million; Natal R2-million; Western Transvaal R2-million; Northern Transvaal R17-million; Far Northern Transvaal R239 166;

and the Witwatersrand area R361-million.

Soweto takes the lead among townships in arrears with R167-million. Lekoa owes R82-million, Diepmeadow R46-million and Mamelodi R14-million.

The bureau said the arrears on the Witwatersrand were the result of a civil disobedience campaign to express displeasure at the government.

Bleeding pockets for house-owners

5/ Times 11/12/84
123

PEOPLE tempted by low interest rates to buy property are bleeding.

Monthly mortgage repayments on an R80 000 loan have increased by more than 22% — or R200 — since the beginning of this year.

This is the effect of the rise in mortgage rates — from 12,5% last January to 16% by the end of October — says the United Building Society's quarterly housing review.

Prospects

Repayments on a similar loan will have risen by another R60 a month by the end of the year because most financial institutions have given notice that mortgage rates will be increased to at least 17%, says the review.

It forecasts that interest rates will remain under pres-

Business Times Reporter
sure while economic conditions require a restrictive monetary policy stance in the next few months.

"If deposit rates rise sharply in this environment, a further rise in mortgage rates in the near future cannot be ruled out."

Prospects are not bright for house-price increases to outstrip inflation next year.

The cooling of the economy and higher mortgage repayments will have a dampening effect on the property market.

"As the inflation rate is likely to average 15%-16% over the next year it is unlikely that the percentage increase in house prices will outstrip the rate of inflation."

At the same time building costs will continue to rise because of higher labour costs

and price increases for materials. This will strengthen the move to building smaller houses.

House prices increased by an average 13% year-on-year in the third quarter of this year.

The average price of a medium-sized house is now about R89 000, says the United. Small houses cost about R70 000, but the average price of larger ones moved from R120 000 to R124 000 in the third quarter.

Differential

The price differential between new and existing houses widened in the three months.

The review says it would cost about R116 000 to build a new medium-size house while a similar existing house would sell at R86 000 — a 35% differential compared with 22% at mid-year.

HOUSE PRICES

Still a good buy

123
From ML
16/12/88

House price rises have overtaken the inflation rate and while this is likely to be only a temporary phenomenon, home ownership must still be a good investment for those who can afford it.

However, fewer people can afford a home of their own. Those that can are doing so by buying smaller dwellings — something that has been predicted would have to happen if SA is ever to meet its housing needs.

This emerges from quarterly statistics released by the United. They show that while on a year-on-year basis home prices increased 13%, this year's third-quarter increase was 4% (16% on an annualised basis).

Given that most people, when they buy, have only a 20% stake in the property means that a 10% rise in property value will gear the improvement in the property owner's investment to 20%. In monetary terms that means a potential 50% increase in the bond holder's yield for every 10% rise of property value (a buyer's R20 000 mortgage deposit on a R100 000 home would turn to R30 000 if the buyer sold the dwelling for 10% more at R110 000).

It also emerges from the United figures that the gap between new and established house costs is widening. A new medium-sized home costing in the region of R116 000 compares with R86 000 for the equivalent established dwelling — a 35% price differential, compared to 22% in the second quarter.

United attributes the growing disparity to rising building costs (increasing at 13%/year).

"As a result," says United, "medium and large dwellings are becoming less affordable,

and more than 50% of mortgage loans granted in respect of new homes are for units smaller than 140 m²."

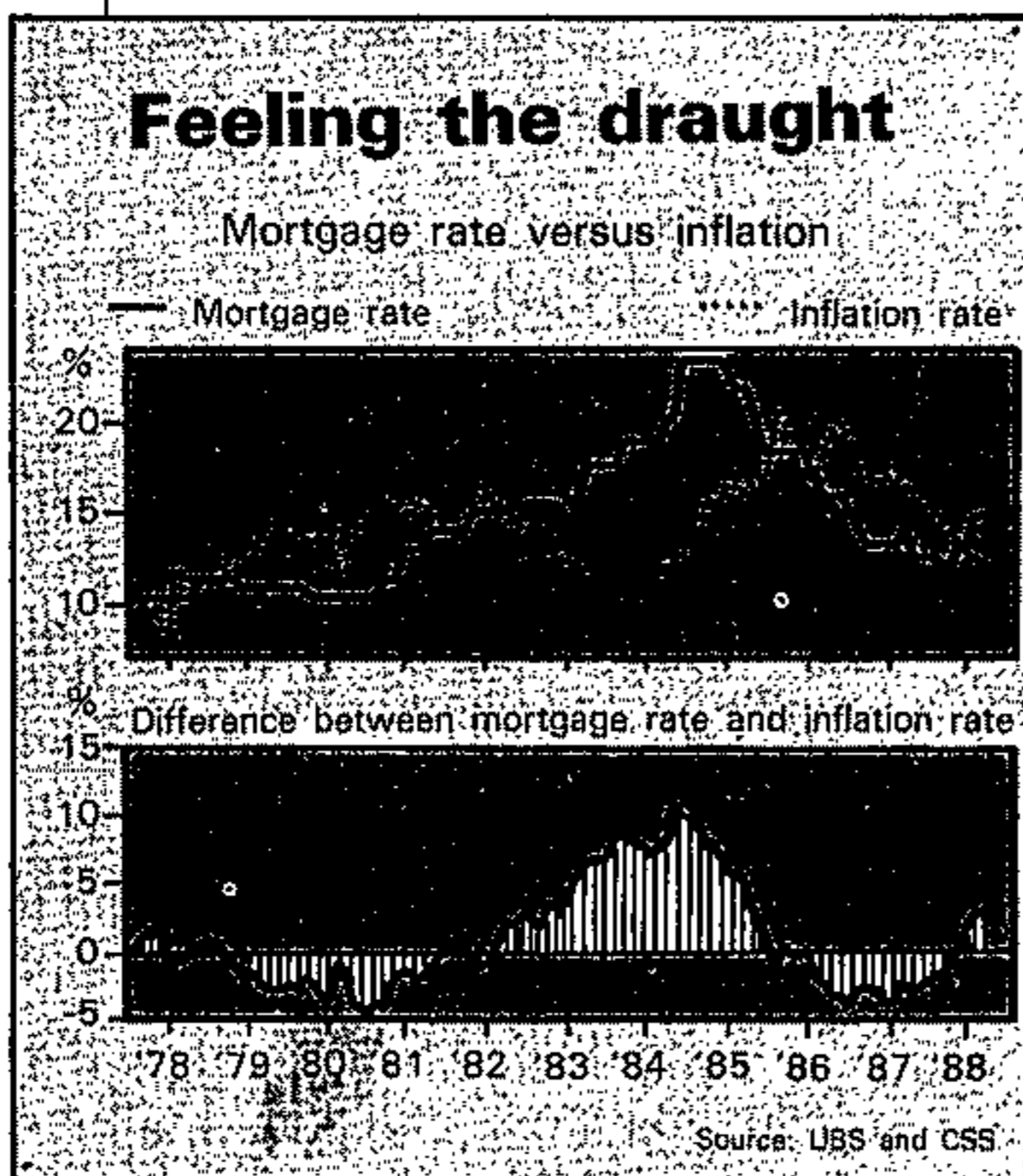
What the United does not say is that if the average building cost is 13% and the builders have said that material costs are rising by an annual average of more than 20% then it means the contractors are probably pinning down tender prices in order to win work.

However, if there is an improvement in the building market then overall building costs will rise dramatically, further increasing the differential between new and established homes.

But that doesn't seem likely in the shorter term. United points out that mortgage rates, being more likely to rise than fall in the short term, together with the cooling of the economy, will have a dampening effect on the property market.

Says United: "As the inflation rate is likely to average 15%-16% over the next year it is unlikely that the percentage increase in house prices will outstrip the rate of inflation.

"During the same period building costs will continue rising because of higher labour and materials costs and this will strengthen the move towards the building of smaller homes."



Watchdog over building methods has vital role

123

Star 19/12/88

In a year in which the focus has been on housing our people, many building methods have been put forward as a way to overcome the great housing shortage. Innovative building methods are the responsibility of the little-known Agrément Board of SA, and in this report NORMAN CHANDLER explains the workings of this important body.

Thousands of builders are taking a well-earned rest after a hectic year constructing houses and office blocks, but that doesn't mean many thousands of other people have put on hold their complaints about shoddy building methods.

Some construction companies have this year come in for criticism about building methods they have used, while others are accused of using inferior materials which, say house-owners, result in repairs having to be done — usually at the owner's cost.

Owners, and probably many of the people for whom homes are being built, will continue to gripe about shoddy building methods — toilets that don't flush, wall cracks, window frames and doors that sit askew, and poor finishing.

But they can take heart. There is an organisation in Pretoria which is the watchdog for methods and materials — the little known, at least to the general public, Agrément Board of SA.

The board's role is to evaluate innovations in the building field. It includes building systems — such as timber-frame housing or precast concrete systems now being used in the mass-housing field — and building ma-



The Agrément Board's building innovation certificates could transform the lives of people living in these sorts of dwellings.

123
Star 19/12/88

materials such as paint, waterproofing, piping, fittings and building blocks. If the innovation is suitable for local conditions, it is granted an agrément certificate, which also outlines the levels of performance that can be expected and which aspects of the national building regulations are satisfied by the innovation.

There are two series of certificates — the agrément certificate, which comes in three parts covering evaluation and confirmation of particular building methods; and the Mantag (an acronym for Minimum Agrément Norms and Techni-

cal Advisory Guide). Some of the country's top building companies hold the 47 agrément certificates that have been issued to date. The certificates cover a wide selection of products used in the construction industry.

A Mantag is intended to provide guidance for everyone regarding the provision, regulation and use of types of houses and structures — and has been found to be ideal for the rapid housing construction scheme being undertaken in SA.

To obtain a Mantag certificate entails plenty of hard work on the part of would-be building innovators — and even

then, a local authority could refuse authorisation for a house to be built using the innovation for which the certificate had been obtained.

Innovators seeking a Mantag have to provide full specifications of materials, manufacture, erection procedures, drawings and, if possible, layouts of dwellings.

"The Agrément Board says that houses built in accordance with a Mantag will be fit for habitation (including safety and health regulations).

"It must be noted that, in general, the criteria are intended to permit a lesser level of performance than would be ex-

pected from buildings erected in terms of the national building regulations," the board says.

The board has provided The Star with specifications for three typical Mantag certifications aimed specifically at the low-cost market.

One of the best-known is the Zenzele building system, for which a certificate is held by the Cape Provincial Council for the construction of what it terms "single-storey simple houses."

This system calls for earth floors, treated timber poles, roof sheeting, a foundation of hollow concrete blocks or cement and soil blocks, and walls

of steel mesh filled by a soil/clay mixture, and plastering of walls.

A Mantag has been issued for the Pretoria-developed Steyn building system, which is of walls constructed of corrugated cardboard to which wire mesh is fixed. Both sides are plastered, and the rest of the house is of conventional materials.

Panel Proud Homes, of Cape Town, holds a Mantag for a house in which the walls are of polystyrene placed between steel sheeting, suitable for detached single-storey houses. These houses may not be suitable for the coastal and temperate interior areas.

Watchdog over building methods has vital role

Star 19/12/88

In a year in which the focus has been on housing our people, many building methods have been put forward as a way to overcome the great housing shortage. Innovative building methods are the responsibility of the little-known Agrément Board of SA, and in this report NORMAN CHANDLER explains the workings of this important body.

Thousands of builders are taking a well-earned rest after a hectic year constructing houses and office blocks, but that doesn't mean many thousands of other people have put on hold their complaints about shoddy building methods.

Some construction companies have this year come in for criticism about building methods they have used, while others are accused of using inferior materials which, say house-owners, result in repairs having to be done — usually at the owner's cost.

Owners, and probably many of the people for whom homes are being built, will continue to gripe about shoddy building methods — toilets that don't flush, wall cracks, window frames and doors that sit askew, and poor finishing.

But they can take heart. There is an organisation in Pretoria which is the watchdog for methods and materials — the little known, at least to the general public, Agrément Board of SA.

The board's role is to evaluate innovations in the building field. It includes building systems — such as timber-frame housing or precast concrete systems now being used in the mass-housing field — and building ma-



The Agrément Board's building innovation certificates could transform the lives of people living in these sorts of dwellings.

terials such as paint, waterproofing, piping, fittings and building blocks.

If the innovation is suitable for local conditions, it is granted an agrément certificate, which also outlines the levels of performance that can be expected and which aspects of the national building regulations are satisfied by the innovation.

There are two series of certificates — the agrément certificate, which comes in three parts covering evaluation and confirmation of particular building methods; and the Mantag (an acronym for Minimum Agrément Norms and Techni-

cal Advisory Guide).

Some of the country's top building companies hold the 47 agrément certificates that have been issued to date. The certificates cover a wide selection of products used in the construction industry.

A Mantag is intended to provide guidance for everyone regarding the provision, regulation and use of types of houses and structures — and has been found to be ideal for the rapid housing construction scheme being undertaken in SA.

To obtain a Mantag certificate entails plenty of hard work on the part of would-be building innovators — and even

then, a local authority could refuse authorisation for a house to be built using the innovation for which the certificate had been obtained.

Innovators seeking a Mantag have to provide full specifications of materials, manufacture, erection procedures, drawings and, if possible, layouts of dwellings.

The Agrément Board says that houses built in accordance with a Mantag will be fit for habitation (including safety and health regulations).

"It must be noted that, in general, the criteria are intended to permit a lesser level of performance than would be ex-

pected from buildings erected in terms of the national building regulations," the board says.

The board has provided The Star with specifications for three typical Mantag certifications aimed specifically at the low-cost market.

One of the best-known is the Zenzele building system, for which a certificate is held by the Cape Provincial Council for the construction of what it terms "single-storey simple houses."

This system calls for earth floors, treated timber poles, roof sheeting, a foundation of hollow concrete blocks or cement and soil blocks, and walls

of steel mesh filled by a soil/clay mixture, and plastering of walls.

A Mantag has been issued for the Pretoria-developed Steyn building system, which is of walls constructed of corrugated cardboard to which wire mesh is fixed. Both sides are plastered, and the rest of the house is of conventional materials.

Panel Proud Homes, of Cape Town, holds a Mantag for a house in which the walls are of polystyrene placed between steel sheeting, suitable for detached single-storey houses. These houses may not be suitable for the coastal and temperate interior areas.

Schachat warns of buffeting in store for homebuilding industry

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The homebuilding industry, after a comparatively good year, could be heading for another buffeting on the back of rising bond rates and declining sales.

Certainly, the setback, which began to settle in during the final quarter of this year, could be aggravated by a further rise in rates. Some sources believe they could hit the 20 percent level.

This bearish view of prospects for homebuilding comes from the scion of the industry, Mr Riley Schachat, in his year-end message as chairman of the National Association of Home Builders (NAHB).

While he is heartened by the 45 percent surge in the value of building plans passed at the end of the third quarter of this year over the same time in 1987, Mr Schachat makes the point that the recovery was from a very low base in mid-1986.

"During the final quarter of 1988 conditions have changed rapidly," he says.

"Orders and sales have declined significantly since amended rules for the first-time home

buyer subsidy scheme were introduced.

"In addition, the substantial rise in interest rates, signs of escalating inflation and indications of building cost rises approaching 20 percent a year, have had a steadily eroding effect on the market."

Another adverse effect is the cost of services for township development — a trend which must have a marked impact on future land prices.

Mr Schachat has no doubt that all these factors, along with many other pressures on family incomes, have had material impact on home ownership.

Indeed, information from members of the association's executive committee indicate that the decline in demand stretches across the total spectrum of the market, with particularly severe consequences for the middle-to-lower income groups.

"Because of the low margins on which the industry operates in these sectors, high turnovers are needed to ensure viability and many builders in this market segment are consequently



Mr Riley Schachat

under constant pressure," says Mr Schachat.

Referring to talks the industry has had with Ministers Amie Venter and David Curry, the NAHB hopes to see the removal of general perceptions that the industry is over-committed, that profits are high, that stand prices and costs of services can be slashed overnight and that the industry and homeowners can easily adapt to rapidly increasing interest rates.

"Fortunately, the Government, itself a major borrower, appears to be equally concerned about high interest rates," says the chairman.

"However, in many quarters it is still forecast that rates might go as high as 20 percent."

On the plus side, Mr Schachat sees improvement in the longer term as a result of the following:

- A significant body of opinion that the economy will move fairly rapidly through the current adjustment phase and that it will show greater relative strength than is generally accepted in the months ahead.
- Prospects of peace in the south-western region of Africa.
- Gold shows promise of forming a base around current level.
- Exploitation of natural resources will play an increasingly important and positive role in the economy.
- There are welcome signs of increased fixed investment in productive capacity.
- Demand pressures in the housing field will escalate because of natural population growth, urbanisation and improved immigration figures.
- Increased exports and accelerated import replacement.

Standard raises
home loan rate

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Standard Bank is to increase its home loan interest rate by 0.75 percent to 17.75 percent from February 1.

Concessionary interest rates of 16.75 percent and 17.25 percent will continue to apply to Prestige Plan clients whose home loans are with Standard.

Says Terry Power, deputy GM, home loans: "It remains our constant object to maintain a competitive stance in the home loan market. Our home loan rate has at no time exceeded the average rate charged by major building societies."