Title deed delays fail goals of upliftment

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SOUTH Africa is losing the opportunity to raise billions of rands as collateral on government-provided housing to nearly 1.5 million households since 1994.

Urban LandMark, an NGO dedicated to making urban land markets work for the poor, said delays in township proclamation were the major factor undermining the transfer of title deeds to beneficiaries of housing subsidies.

The Human Settlements Ministry has reported that out of the almost 3 million houses – generically called "RDP houses" – or serviced sites – provided by the government in the years since 1994, only 1.44 million were formally registered on the deeds registry.

This means that 1.5 million housing subsidy beneficiaries have not received the deeds to their properties.

Local Government Research Centre director Clive Keegan said the knock-on effect of this was that those who were did not have title deeds were unable to raise collateral finance on their properties.

"This could be used to improve their dwellings. Where they have title they are able to acquire households goods and also make use of capital borrowed against their properties to start small businesses," Keegan said.

He said in half of the households their ability to use their property to project themselves out of the working class into the middle class was lost.

Urban LandMark researchers Girly Makhubela, Lucille Gavera and Lerato Ndjwili-Potele also made the point that "poor households cannot fully benefit from the ownership of a property and use it properly as an asset and to improve their financial circumstances".

They noted that while there had been much emphasis on the poor building quality of many subsidised houses, "scant attention is being paid to the potentially more harmful long-term effects of not transferring registered title to subsidy properties".

The Human Settlements Department provides small low-cost houses on a stand to qualifying individuals with limited income.

The major cause was a failure by developers – both in the government and the private sector – to finalise the establishment and proclamation of new areas being developed for subsidised housing.

The department said many beneficiaries of housing had not collected their title deeds even though they had been processed. Urban LandMark said this could be the result of a lack of understanding of the importance of the deed.

Among municipalities that were tackling the legal problems were Johannesburg, Overstrand and Tshwane (Pretoria).

In Pretoria, about 8 000 title deeds had been registered but not issued.

Urban LandMark said metro and large municipalities should establish dedicated teams that focused on the township proclamation and establishment process.

Urban LandMark noted that the Municipal Systems Act provided that a registrar of deeds could only register the transfer of a property upon submission of a certificate issued by a municipality.