

# **SHAC!**

22 LOWER MAIN RD 7925 OBSERVATORY  
CAPE TOWN SOUTH AFRICA  
TEL +27 (0)21 447 8281 FAX: +27 (0)21 447 1140  
BOVAIN CELL +27 (0)82 896 4022  
REG. NO. 2006/005998/08  
E-MAIL: [info@sibama.com](mailto:info@sibama.com)  
[www.sibama.com](http://www.sibama.com)

28<sup>th</sup> June 2013

Ms Phumla Nyamza  
Portfolio Committee on Rural Development and Land Reform  
Third Floor  
90 Plein St  
Cape Town  
8001

BY EMAIL

Dear Ms Nyamza

## **Written Submission: Deeds Registries Amendment Bill**

Thank you for the opportunity to comment.

I have no particular comment on the bill as it stands. However, I have taken this opportunity to submit what I feel would be a simple addition to this bill which would have far-reaching positive implications for urban South Africans, particularly those living in so-called RDP units.

### **The "Problem"**

Since the transition the state has delivered significant RDP housing. In this sector there is a build-up of title uncertainty. The reasons for this are multiple; however the keys ones are: title emergence (the state has never delivered a title), and the cost and complexity of the formal transfer process.

I enclose a detailed paper. In summary the costs of formal transfer are high and the process complex. Communities have therefore developed an informal system of transfer, so-called "chair-to-chair" (police affidavit, SANCO).

While this process works it creates its own set of problems, including: occupants do not show as owners and remain eligible for state housing provision, municipalities cannot collect rates and services from absent owners, divorced women and inheritor rights are lost, asset-backed finance cannot be raised. Finally, properties in an informal transfer transact at a significant discount (in Cape Town R30k versus R80k).

### Proposed Solution

This current bill adds a segment that in summary provides for the following process:

- a) The local authority is empowered to open up a register of residentially zoned property under 500m<sup>2</sup> in size and R200k in local authority valuation.
- b) Any occupant is able to register licence ("ownership") of an erf with the local authority for a fee (not more than R500).
- c) This licencing is transferable between parties on registration with the local authority and payment of the same fee.
- d) Where any dispute occurs the local authority is the deciding authority.
- e) Where there is no claimant the local authority is entitled to decide on the licensee.

### Summary

The process would be very similar to that of car registration or a driving licence. In effect the local authority would build and maintain a database.

The immediate benefits are as follows:

- i) The property value is reflatd.
- ii) Simple transactions can occur effectively.
- iii) A secondary market is created.
- iv) Women and inheritor rights are put in place.

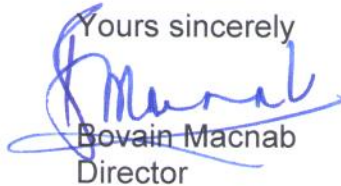
- v) The local authority has a responsible party whom it can hold to account for anti-social behaviour or service levies.
- vi) Licence holders are excluded from the "waiting list" / state provision (the potential saving per unit registered for the treasury is R150k, the states all-in cost of RDP unit provision).

### Conclusion

I urge the committee to consider this addition to the bill. In my view the impact on emerging urban property markets, overwhelmingly black African, will be immediately and significantly positive. The saving to the state will also be immediate and significant.

Where the committee feels the need, I am willing and interested in making in addition a verbal submission in order to clarify any points or answer any questions. The attendees in this submission would also potentially include: my fellow trustees, Steve Kahanovitz of the Legal Resources Centre, and Jens Kuhn of the City of Cape Town; all of whom have helped in some aspect formulate the thinking in this submission, for which I take sole responsibility.

Yours sincerely



Bovain Macnab  
Director