



13 December 2010

## **Investigation into the delays in issuing title deeds to beneficiaries of housing projects funded by the capital subsidy**

**Purpose:** to carry out an investigation into the primary reasons why there are prolonged delays in issuing title deeds to beneficiaries of housing projects funded by the capital subsidy and to write a publishable newspaper article summarising the issues.

### **1 Background**

There have been a number of studies carried out in the past decade highlighting the phenomenon of the low rate at which title deeds have been issued to beneficiaries of housing projects. There has been high level speculation as to the reasons behind this phenomenon as well as a number of localised studies that have pinpointed precisely where the blockages lie in relation to particular projects. Useful examples include the *Township Residential Property Markets* study by Shisaka (2004), *The Struggle for Home Ownership in New Crossroads* by Urban LandMark (2010, author Josette Cole), Resource Report 7: Secondary Markets by Banking Association SA (2005, author Kecia Rust) and a report commissioned by the City of Cape Town into speeding up title deeds (2010) covered at [http://www.sacities.net/2010/oct19\\_capetown.stm](http://www.sacities.net/2010/oct19_capetown.stm). The Affordable Land & Housing Data Centre now also provides a useful means by which to understand some of the dimensions of the delays and blockages.

Urban LandMark is an organization aimed at driving change both in the governance of urban land by the public sector and the ways in which the private sector uses urban land as an economic asset. The purpose of this change is to 'make urban land markets work better for the poor'.

It is widely agreed that issuing title deeds alone will not solve the problems of weak and dysfunctional urban land markets at the lower end of the price range. Nevertheless the failure to issue title deeds to housing beneficiaries is a grave impediment to achieving the goal of an efficient and fair market for the urban poor. Understanding – and ultimately resolving – the reasons why the rate at which title deeds are issued is so low is not the answer to all the urban land market's problems but it is an essential part of that answer.

It is also generally agreed that there are multiple factors which explain why title deeds are not issued or are issued after lengthy delays. We need to get a clearer idea of what these are as well as the relative importance of each of them in order to be able to devise a strategy for tackling the problem.

While there is considerable agreement on the existence of the problem there has not been a single report focused on this issue, giving a national overview of questions that include, but are not limited to, the proportion of beneficiaries that receive title deeds, the timeframes that apply when

they are received, the number of beneficiaries that do not receive title deeds at all and the relationship to the pre-emption clause

## **2. The brief**

Urban LandMark wishes to appoint a service provider to carry out a clear, focused investigation into what key stakeholders (government officials in all three spheres as well as the housing institutions, developers, NGOs) and experts believe is the reason behind the delays and blockages in issuing title deeds to housing beneficiaries. This is not a primary investigation but an interrogation of expert opinion. It must also extend beyond any one region or province, although if regional/provincial peculiarities are identified they must be highlighted.

## **3. The deliverables**

There are two deliverables:

1. The investigation described above must be distilled into a report that includes recommendations on efforts to resolve the current problem as well as the historical backlog as well as recommendations for how Urban LandMark could usefully take up this issue in the future.
2. The key findings of the report must be conveyed in a crisp, readable newspaper article of around 1000 words that can be submitted to national newspapers for publication. The purpose behind this article must be to highlight the problem, the causes of the problem and way in which it can be tackled.

## **4. Timeframes**

The consultant is expected to complete this work within two months from the signing of the contract.

## **5. Urban LandMark management**

The consultant will report to the Governance Theme Coordinator (Stephen Berrisford).

## **6. Submission of proposals**

Proposals must be submitted to Urban LandMark ([lerato@urbanlandmark.co.za](mailto:lerato@urbanlandmark.co.za), copied to [stephen@berrisford.co.za](mailto:stephen@berrisford.co.za) or by fax to 012 342 7639) by 12 noon on Wednesday 19<sup>th</sup> January 2011. Each proposal must contain an outline of the proposed approach to the work, as well as the CV(s) of the consultant(s) who will do the work, their BEE status, a valid Tax Clearance Certificate as well as a complete price quotation. Evidence of successfully completed similar projects will be very important.

The proposals must provide a clear outline of the proposed methodology and demonstrate the capability of the consultant(s) to carry out the work within the project timeframes.