

Sexwale courts new housing partners

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Human Settlements Minister Tokyo Sexwale on Thursday invited the private sector to partner with the government in its plan to roll out 600 000 new housing units for the neglected middle income housing market.

Speaking at the annual convention of the South African Property Owners Association (Sapoa) in Cape Town, Sexwale seemed to be upping the ante in the plan to provide housing for middle income earners who do not qualify for government subsidy and have also been shunned by the banks.

This plan is pillared by the R1bn guarantee fund President Jacob Zuma announced last year, under which the government would stand as guarantor for people banks might not consider for housing finance.

“These are people with middle income and it is our duty to deliver homes for them,” Sexwale said.

They include a significant portion of the country’s key careers including teachers, policemen, nurses and a large number of blue collar workers. These earn too much to qualify for a government housing subsidy and too little for housing finance.

Sexwale seemed prepared to apply pressure on financial institutions to play in this market with a suggestion that he planned to jump-start a regulation which his department has neglected.

The Home Loans and Mortgage Disclosure Act was designed to monitor the level of housing finance banks provided in historically redlined areas.

This act has not been used to any effect since it was promulgated in 2000.

Sexwale said it was his duty to ensure that banks complied with this law that required them to submit their annual housing finance activity to the department.

Sexwale also gave the reassurance that South Africa’s property rights were secure but warned that these rights would have to be broadened. The constitution secured property rights and “cannot be changed on a whim”.

Sexwale’s comments come amid signs that previously marginalised groups are losing patience with the country’s property rights laws and their ability to address racial imbalances.

Last year, the Black Management Forum hosted a constitutional symposium where the option of amending the property clause was discussed.

The ANC Youth League’s calls for nationalisation and more aggressive land redistribution have also grown bolder.

This appears to have unnerved certain sections of the private sector. Leon Louw of the Free Market Foundation said at the convention that South Africa was slipping on economic freedom indicators.

Sexwale warned the apartheid gap, where many people could not share in the ownership rights the constitution provided, haunted South Africa. Many people remained homeless as is evident from the prevalence of informal settlements. "Nothing can make people more undignified than homelessness," Sexwale said.