LETTER: Assist homeowners

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Gail Daus-van Wyk (Forget land, get deeds) and Keith Gottschalk (Many owners sell their RDP houses) have both written about the value of title deeds for RDP home owners.

Certainly, subsidised housing delivery has been a significant contributor to land reform. Research undertaken by FinMark Trust and Urban LandMark reveals that 24% of all residential properties on SA's deeds registry were subsidised by the state. Between 1994 and 2010, 1,44 million subsidised properties had been legally transferred to beneficiaries. This is a huge transfer of property into mainly black ownership.

However, the research also found a backlog in the delivery of title deeds into the hands of the legitimate owners. Anything up to 50% of the title deeds for the subsidised houses had not been transferred to the beneficiaries, many of whom are already living in them. If these beneficiaries had received title deeds, the proportion of subsidised property on the national deeds registry would have been 38% of the total number of properties in the country.

But what do subsidy beneficiaries do with their property once they receive titles? Whether they use it, as Ms Daus-van Wyk suggests, as Hernando de Soto-style capital to raise finance for small business development, or sell it for less than the government paid, "cashing out" so to speak, as Mr Gottschalk suggests is the norm, is surely a choice that arises from the information available to people.

Our research found that most households that had received formal title deeds do invest in their housing. While some do this to improve financial value, others are simply seeking to improve comfort.

Surely Mr Gottschalk's taxpayers' value challenge is better directed at the government, which should be creating the enabling environment for a housing market to operate effectively for all residents. This would include unblocking the delayed titles to allow people to use their housing as an asset. Protecting the rights of new property owners happens best by empowering those owners, not by criminalising the resale of houses in the short term.

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