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# Black market highlights RDP cracks

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Johannesburg - Poor service delivery and rigid laws are luring the beneficiaries of the state's housing roll-out to trade their properties on the black market.

According to research conducted by think-tank Urban Landmark, over the last five years 11% of all RDP properties were unofficially traded by owners who were barred from selling their houses due to a mandatory lock-in period.

RDP beneficiaries are not allowed to sell their properties within eight years from the date of occupation.

Over half of these were transactions for between R5 750 and R17 000.

"Eight years is a long time," said Kecia Rust, coordinator of housing finance at non-governmental group FinMark. "It makes it incredibly difficult for a household to use [an RDP house] as a financial asset and get lending against it."

According to Rust, the area allocation of houses often fails to match recipients' needs.

"[The black market] is an indication of failure on the part of the delivery system - they're either targeting the wrong people or building houses in the wrong areas."

Rust said people accept the house, but rent it out and live in an informal settlement closer to work.

Urban Landmark's Mark Napier said there is also anecdotal evidence that title deeds are often not transferred.

"Sometimes the delay is caused by the fact that a township first has to be established to register a property, which can take time," said Napier. "And if sales are made on the black market, title deeds are not exchanged."

It's a massive system to administer, Napier said. In the 2008/2009 financial year the human settlements department completed 239 533 RDP units, with an estimated 1.5 million people having been housed in the last 15 years.

"There are little blockages all along the value chain," said Napier. "[This] adds to it becoming a dysfunctional market."

Napier said government often send letters to owners of homes situated in areas which have not been surveyed or registered. These letters then take the form of proof of ownership, allowing a more informal, efficient market to transact.

"Instead of making it a black market, government can recognise the people's occupancy rights," said Napier.

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