# Tenure and Property Rights in New Crossroads: a ‘tandpyn’ that won’t go away

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# Overview

1. Background
2. Locating New Crossroads
3. Process and outcomes: 2003-2008
4. Insights and lessons
5. Action plans

# Introduction

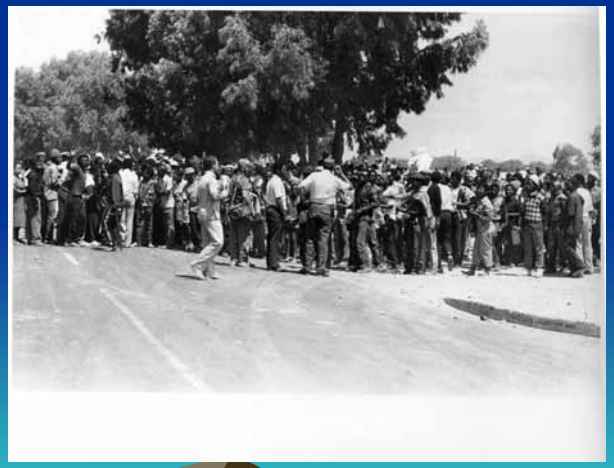
- Ongoing political commitment to poverty reduction and redress of historical injustices in post 1994 South Africa
- Significant quantifiable achievements (education, health, housing, land reform, basic service delivery)
- Land and housing viewed as interventions in relation to asset poverty alleviation
- 9,9 million people received housing and 1,4 million beneficiaries of land reform
- Unable to demonstrate qualitative change or improved quality of life for citizens (15 Year Review)
- Intended and unintended consequences of policy/legal interventions – "home ownership"

# New Crossroads

- Established 1980 - 1979 Koornhof “deal”
- Reluctant to relocate – division, unaffordable rentals
- Three phase development – Phase 1 New Crossroads (1731 brick houses); Phase 2 – land adjacent to Terminus Road (now KTC); Phase 3 – limited upgrade of former Old Crossroads site (now Crossroads)
- KTC Land invasions, Khayelitsha, turbulent 1980s
- Sense of ownership of land and houses; injustice/broken promises; mistrust of local government administration

# Koornhof deal leads to new housing

# Overtaken by the 1980s



# Case Study: methodological steps

- Literature review
- Revisit survey findings and document activities and outcomes (2005 - 2007)
- New research (2008/09)
- Presentation of Case Study (March 2009)
- Workshop (June)

# Findings of Community-based survey (2003)

- 3 month data collection process
- Voluntary sample (910:1731 houses)
- Community venues: hired photocopier, household case files
- Production of maps, trends and GIS analysis, reports (Xhosa/English)
- Report back workshops to identify action steps

## Meaning and status of rights transferred

- Tenure security very important to New Crossroads, symbol of belonging and citizenship in the Western Cape
- Muddled top-down “titling” process from 1996 onwards: different registration documents and legislation (Grant of Leasehold, Deed of Transfer) by different local government administrations
- 475:1731 houses rental stock (Section 11)

## Investments and repairs linked to tenure right

- Big unresolved issue
- Houses in bad repair when transferred
- Council obligations, limited capacity
- Owners and tenants roles and rights
- Maintenance tied to service arrears
- No follow up from Council side
- Limited investment – affordability and lack of certainty re ownership status

## Property valuations and housing market

- Informal sales long tradition in Cape Town
- Evidence of illegal occupations
- Conflicts re transfer of houses (death of owner/informal sales /absentee owners)
- Some residents charged for rates instead of rental and vice versa (confused picture)
- Some houses appeared to be incorrectly valued in 2000 (most valued between R50-R80 000)

## High service, rental, rates arrears

- Most households interviewed had arrears, especially high water bills - between R5000 – R7000 (2003)
- Unable to get to bottom of arrears
- High levels of stress in community
- Council identifies non-payment as a critical challenge across the City at the time

# Going nowhere slowly: 2004-2006

- Unstable institutional /political environment
- Unclear housing policy/strategy
- Inter-dept and multi-sector challenges
- City officials questioning mandates
- No political will – Municipal Manager; Task Team did not materialize; no response from ANC Whip
- Overtaken by N2 Gateway (delivery vs security of tenure/ informal versus formal housing
- Deeds Office involved but frustrated re lack of cooperation between Deeds Office and City
- But, digging deeper into issue (UCT)

# Spirit of no surrender: 2007-2008

**Context**

- A changing political and institutional context post 2006 local government elections in Cape Town
- The Municipal Property Rates Act (MPRA) impetus to city-wide valuations
- Renewed push from NCRA and Section 11
- Tenure insecurity and fears of eviction persist
- Lessons learnt from two meetings with mayor
- Opportunity to document and revisit – ULM commissions New Crossroads case study

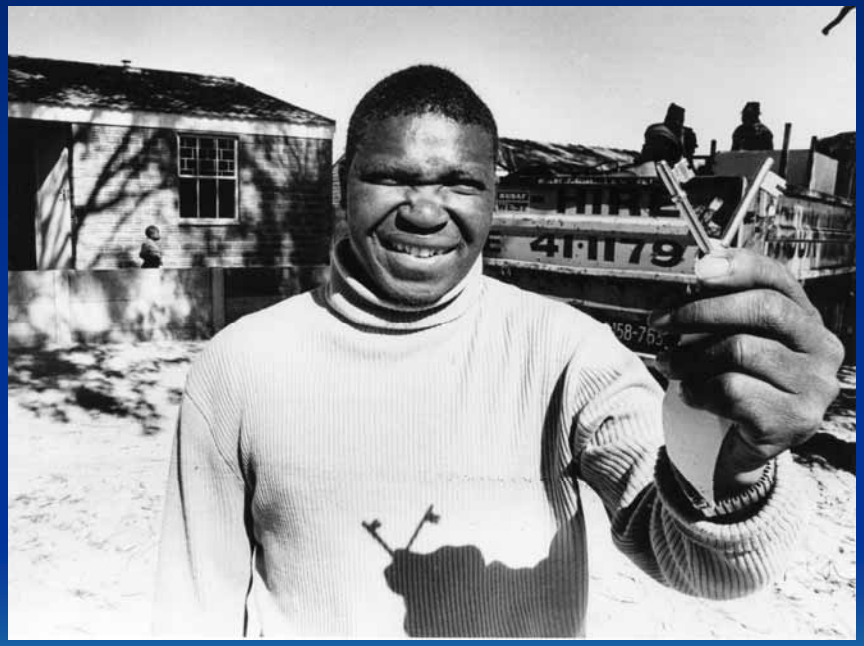
# Some old, some new findings

- City assumptions versus citizen have divergent understandings on valuations and rates
- Limited understanding means minimal engagement
- Properties in New Crossroads valued largely above R88 000 (+ rebate)
- New Crossroads “indigent” and insecure home-owners
- Comparative data (Old Crossroads) reveals similar picture (RDP houses) and limited objections to 2006 valuations in former BLA areas
- High and escalating levels of municipal debt in New Crossroads linked to property illiteracy, confusing accounts, poor citizen-government inter-face and communication

# Some lessons

- History matters in a South African context
- Assets delivered from above can become a liability for the poor if not accompanied by an educational process
- The way in which an asset gets delivered is as important as the asset delivered
- The negative impact of an unstable institutional and political environment on citizens, especially the poor
- The creation of a largely “indigent” group of home-owners post 1994 (9,9 million who accessed subsidies)
- Rights and responsibilities of becoming a rate-payer not understood by post 1994 emerging home-owners
- City land administration in a muddle post 2000
- The scale of the challenge – former BLA areas, RDP houses etc

# Five priority action areas

- Resolving issue of un-surveyed land (Section 11)
- Clarifying tenure rights – leasehold versus ownership across New Crossroads
- Addressing the mounting municipal debt
- Mobilizing resources and support to take forward a planned Active Citizenship Pilot Project and local office
- Expanding action-research beyond New Crossroads

# Breaking news – City finally becomes a strategic partner and sisombulula!