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State to blame for fewer flats to rent

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THE reason for the shortage of flats to rent is not as obvious as Keith Knowler (*Daily News* May 13) would have us believe. The effects of apartheid housing policies will take years to undo, and it will be a while until the shortage of rental flats is properly addressed.

Local authorities did not prevent the illegal conversion of residential accommodation that whittled away the existing housing stock. In recent years, the policy to sectionalise flats owned by the government has further reduced rental accommodation.

While many landlords have provided rental accommodation, these are often pegged at exorbitant rental levels, with little or no maintenance. In sectional title blocks, certain landlords have found a lucrative market by allowing overcrowding, using strong-arm tactics to collect rentals and causing their flats to fall into disrepair.

Add to this the culture of non-payment of levies, and the result is the rapid breaking down of sectional title scheme, to the detriment of people who have invested their life savings. This has created another "disincentive" element for new developers. Developers are, however, in the business of making money and previously the property lobbyist blamed the now defunct rent control legislation as the main obstacle.

The lobbyists who were representatives of commercial property, succeeded in getting large numbers of dwellings, particularly flats, to be phased out of rent control during the periods 1978 to 1980.

Studies in the US showed that there was no direct link between rent control and the non-interest by the private sector to build rental flats. Similar arguments used by South African developers and property interest groups were used several decades in the US, even after the demise of rent control laws.

The Organisation of Civic Rights (OCR) lobbied for change in legislation and recognition for the need to have rental accommodation. The OCR, through partnerships since the mid 1980s with international groups and the South African national housing ministry from 1995, placed the responsibility with the government at the first instance.

It was agreed that rent control be abolished and the rights and duties of landlords and tenants be regulated on the basis of fairness and equity.

A new, comprehensive legislation was negotiated, culminating in the Rental Housing Act. 50 of 1999, that included mechanisms to stimulate private sector development and the subsidisation of rentals by the government. This act is perhaps one of the progressive steps to encourage the private sector, but the ultimate responsibility rests with the government.

Public-private partnership, as well as the abolition of the rents legislation, tax rebates and the urgent introduction of the subsidy, are some of the ways to encourage the private sector's involvement.