

THE TENURE SUPPORT CENTRE (TSC)

An NPO that supports formal tenure and property rights for low-income urban households in South Africa.



FIRST, THANK YOU TO OUR SPONSORS THIS EVENING



THANK YOU

AND TO THE TSC'S CURRENT AND PAST PARTNERS

Funding partners



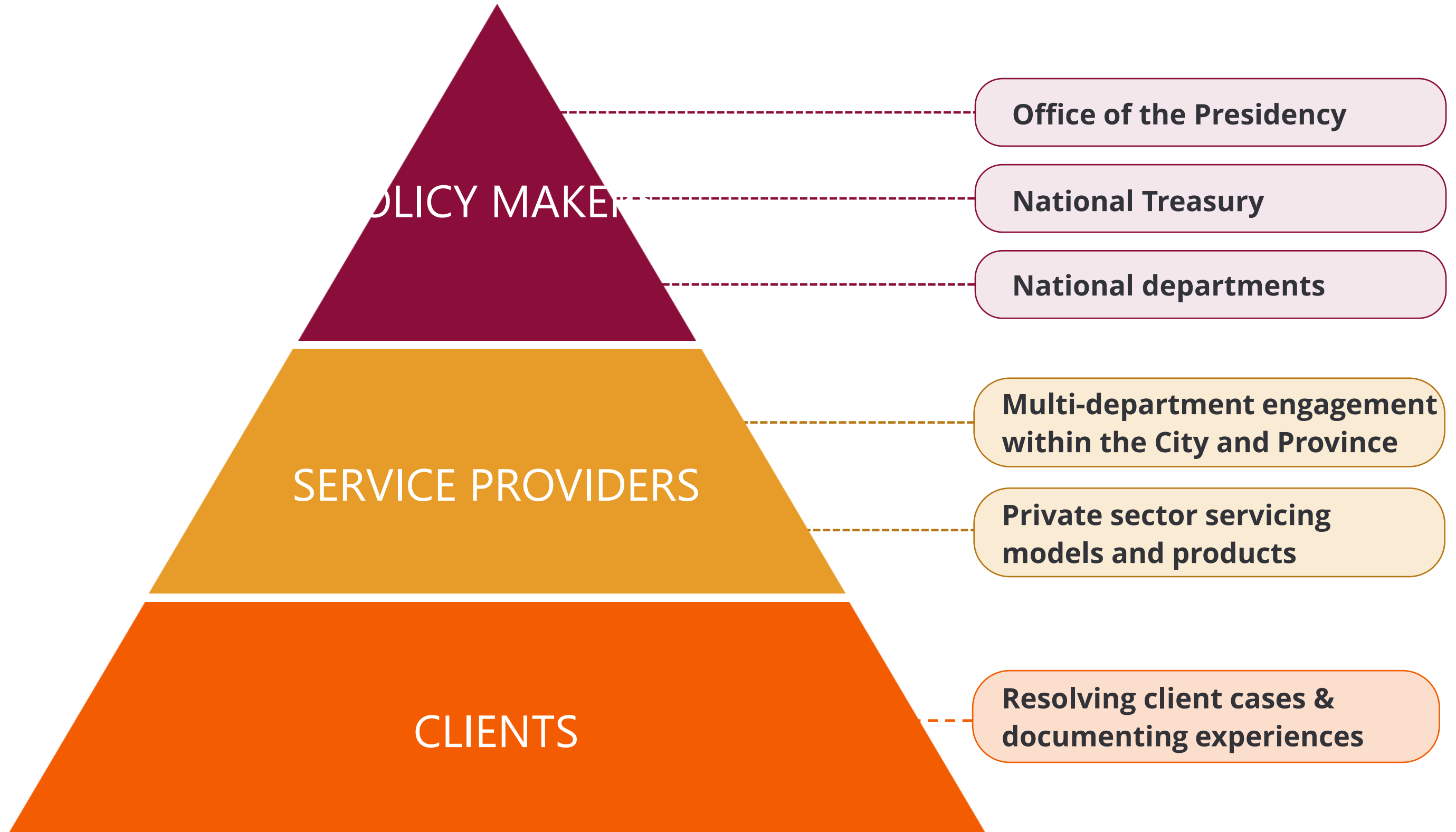
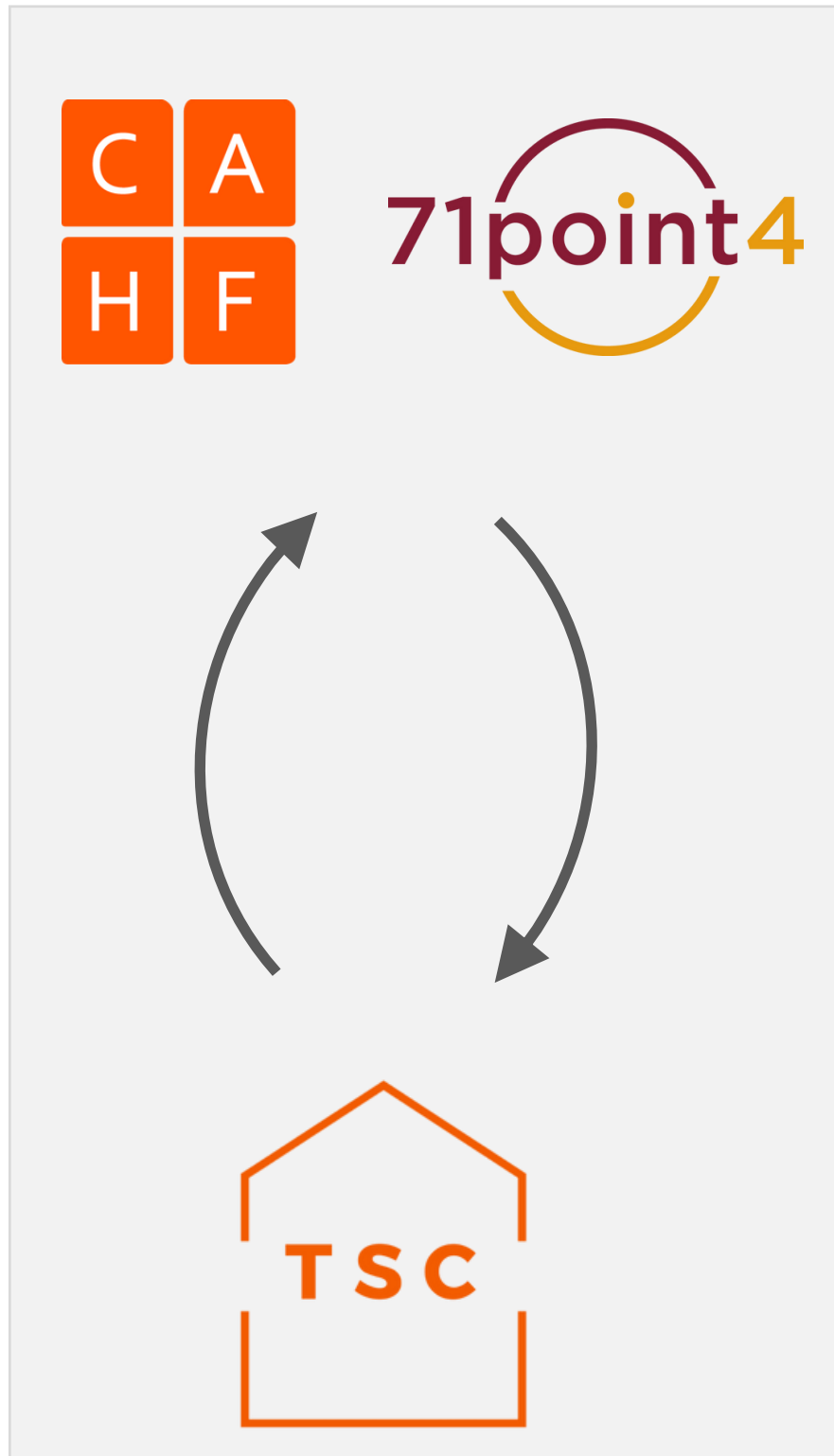
Private sector partners





INTRODUCTION



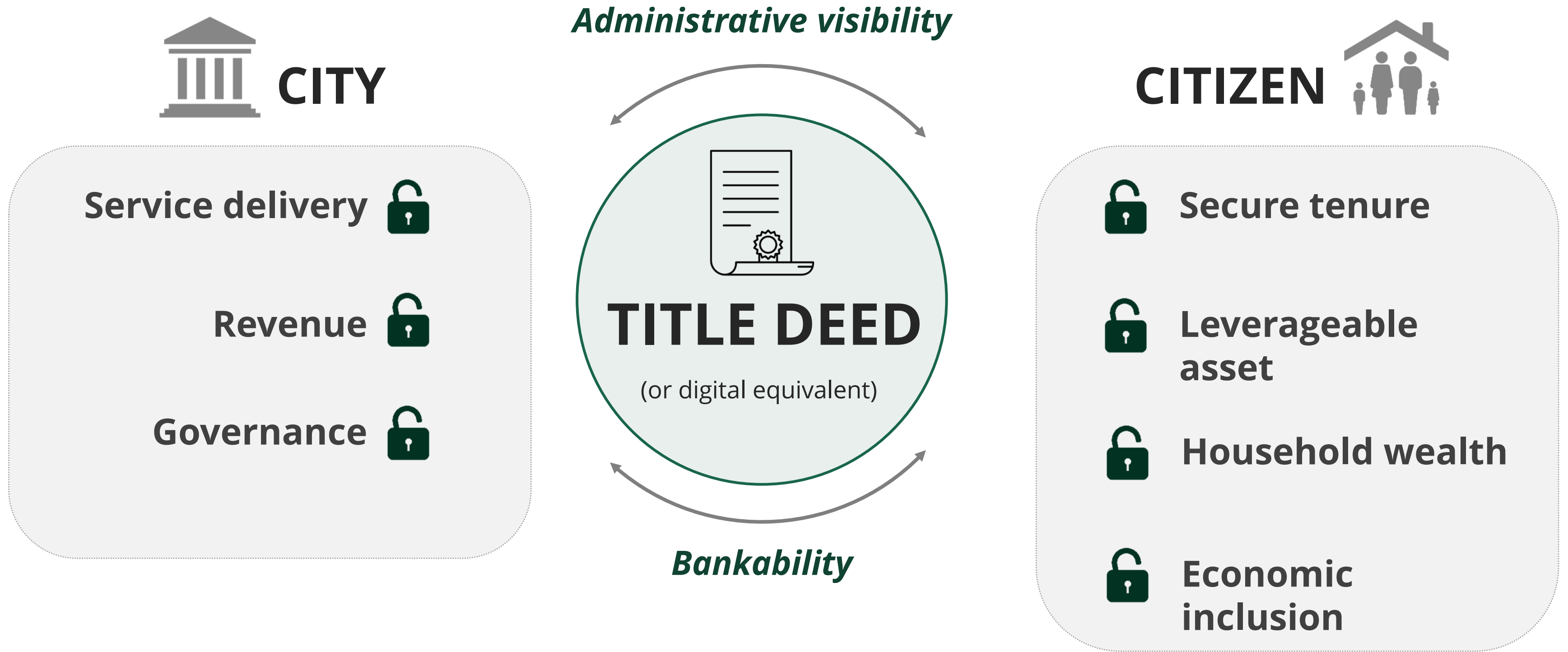


The **TSC's** learnings from the day-to-day interactions with clients are used to **co-create solutions** with public and private sector stakeholders to the challenges our clients face. These engagements are jointly-led by research consultancy, 71point4, and the Centre for Affordable Housing Finance in Africa (CAHF).

Michael Jordaan

Bankers understand better than most the power of leveraging an asset, but you don't need to be one to understand the value of owning a piece of the place you call home. The 1913 Land Act stripped anyone who wasn't white of the right to own land inside the borders of South Africa, leading to the destruction of once vibrant communities, the dislocation of entire societies and leaving most people dispossessed and unable to build real wealth. The youngest person ever made CEO of a Big Four Bank, Jordaan ran FNB for a decade before stepping down at the age of 45 to invest in high-potential South African businesses.

WHY DOES IT MATTER?



WHY DOES IT MATTER?



CITY

No ability to govern



No ability to collect revenue



No administrative visibility



No bankability

CITIZEN



Tenure secured by social (and anti social) mechanisms



Increased contestation about property ownership



Dulled incentives to invest



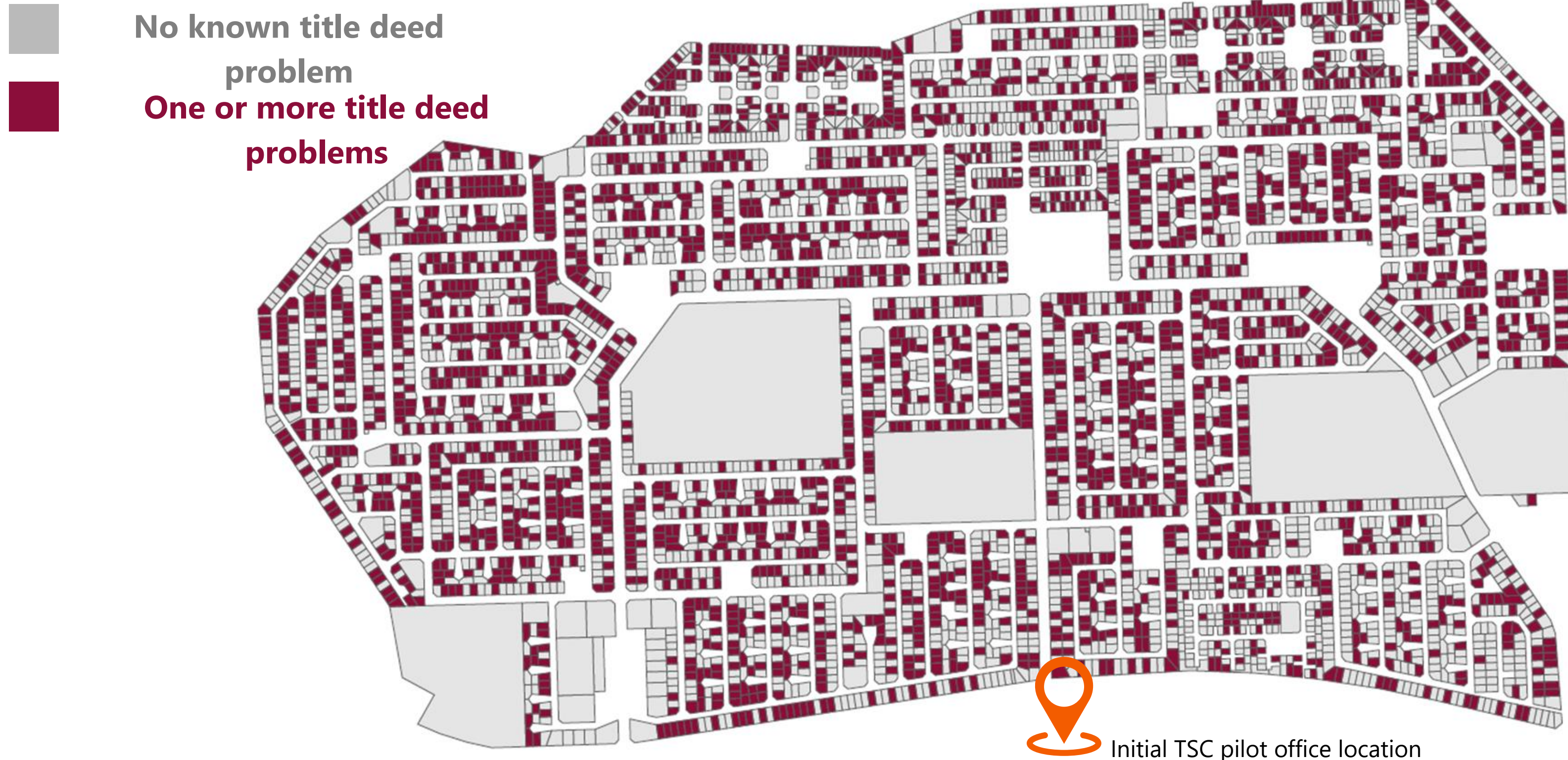
No ability to provide mortgage finance



Increased political risk

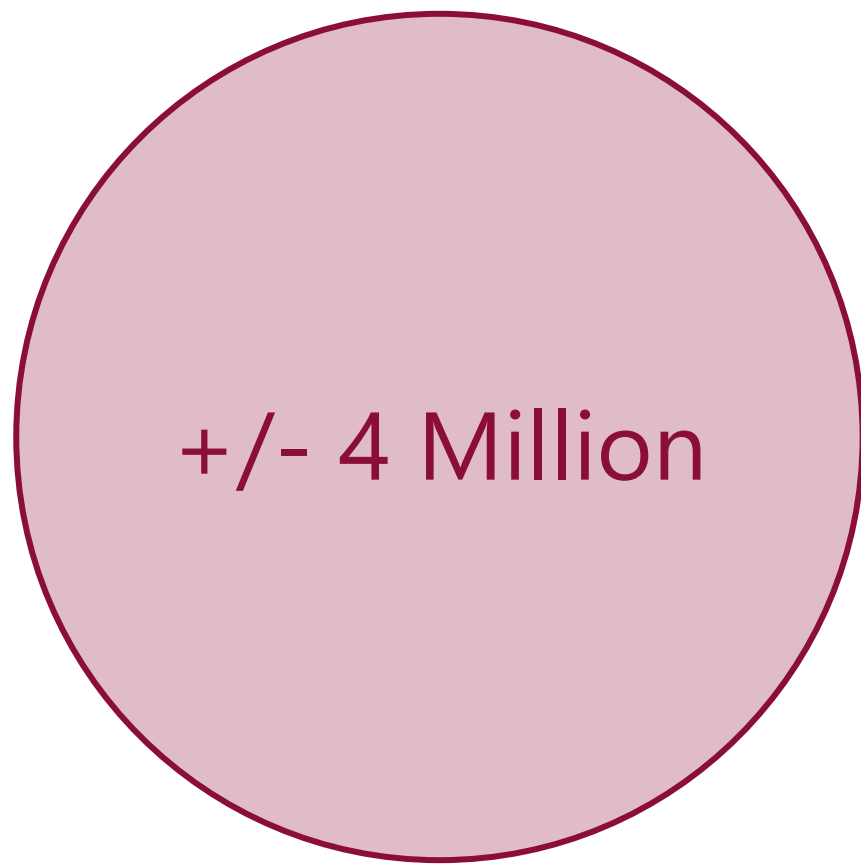


In an area of approximately 5,510 properties in Makhaza, Khayelithsa, **45% of properties have one or more known title deed problems.** The value of this dead capital is **R440 million**

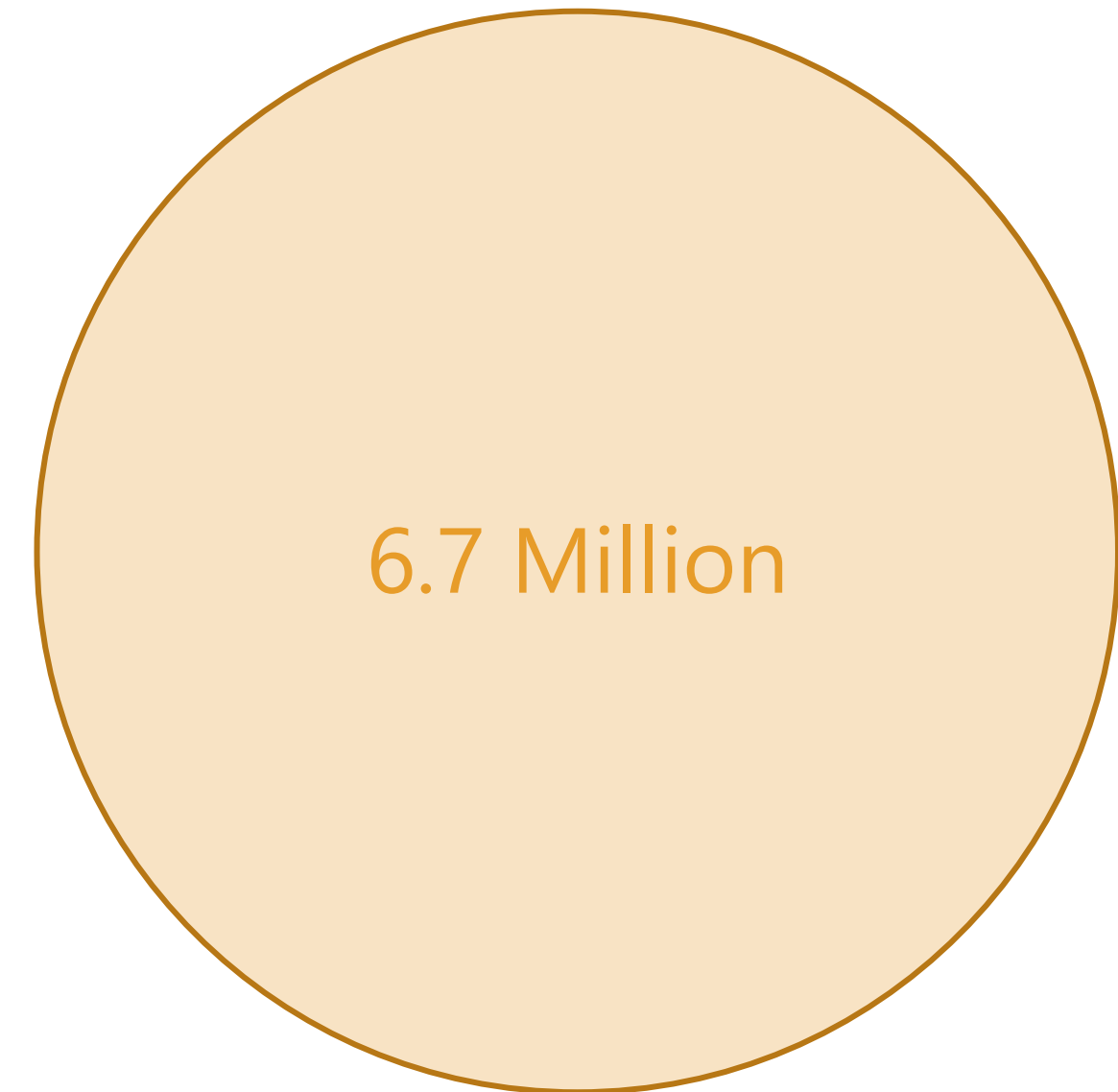


HOW BIG IS THE PROBLEM NATIONALLY?

Properties built by government and given to poor households



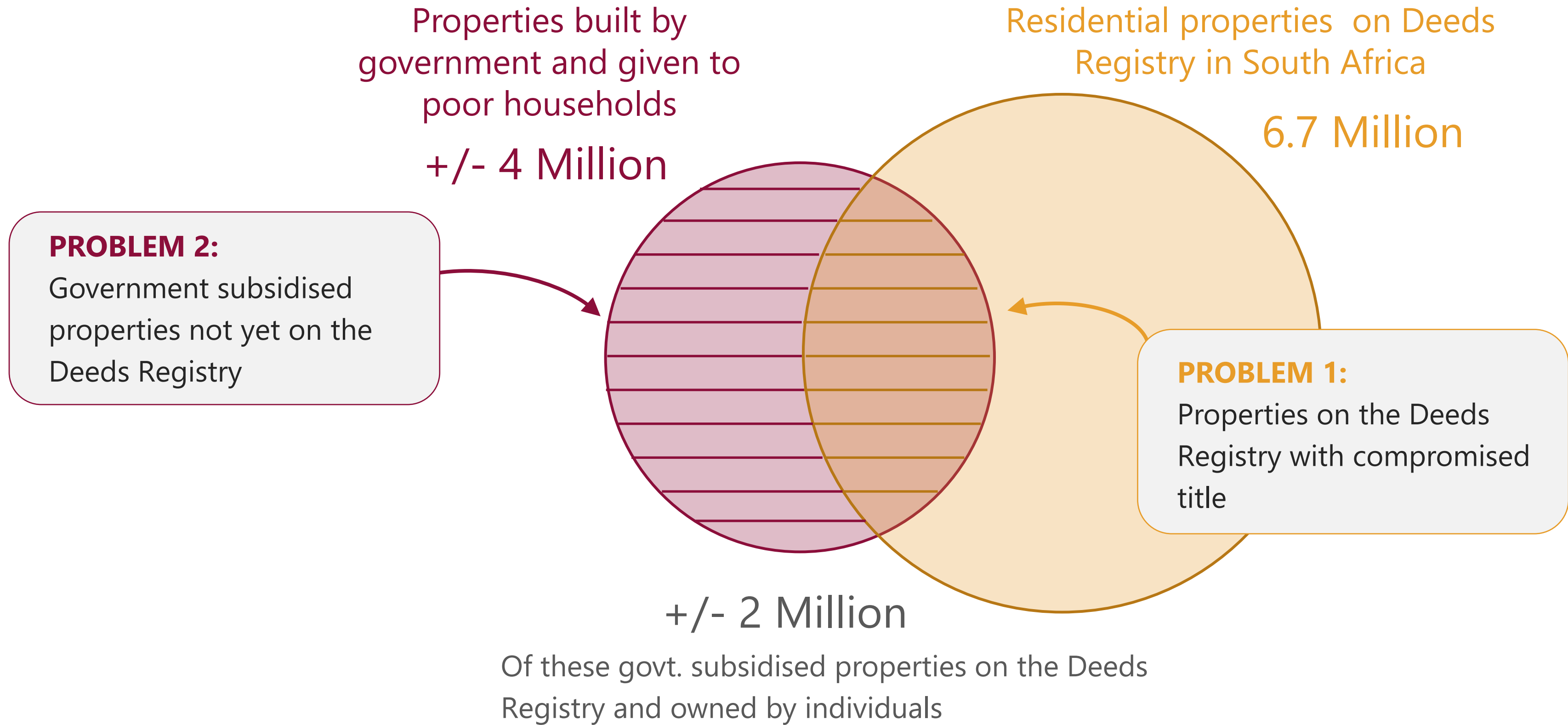
Residential properties on Deeds Registry in South Africa



+/- 2 Million

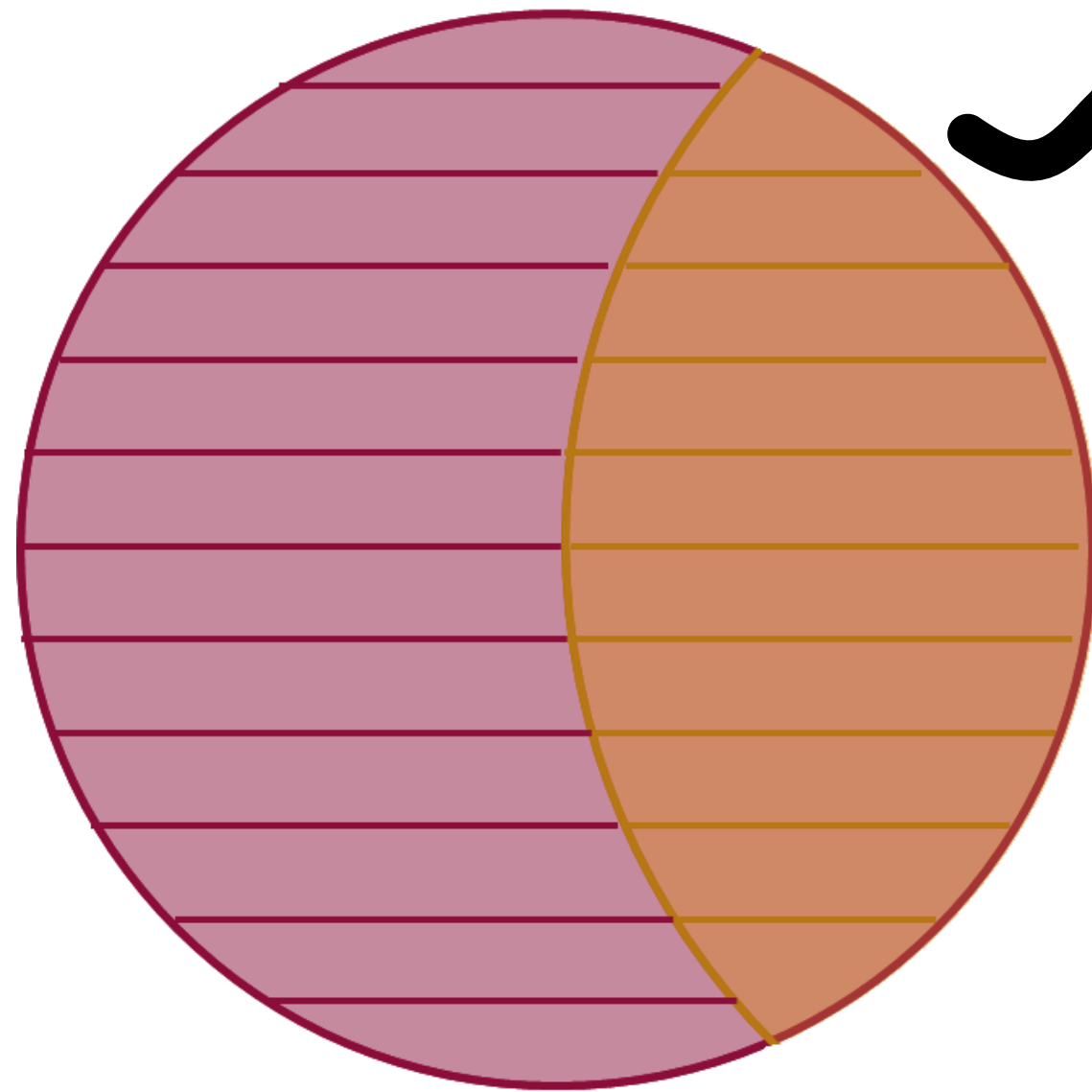
Of these govt. subsidised properties on the Deeds Registry and owned by individuals

HOW BIG IS THE PROBLEM NATIONALLY?

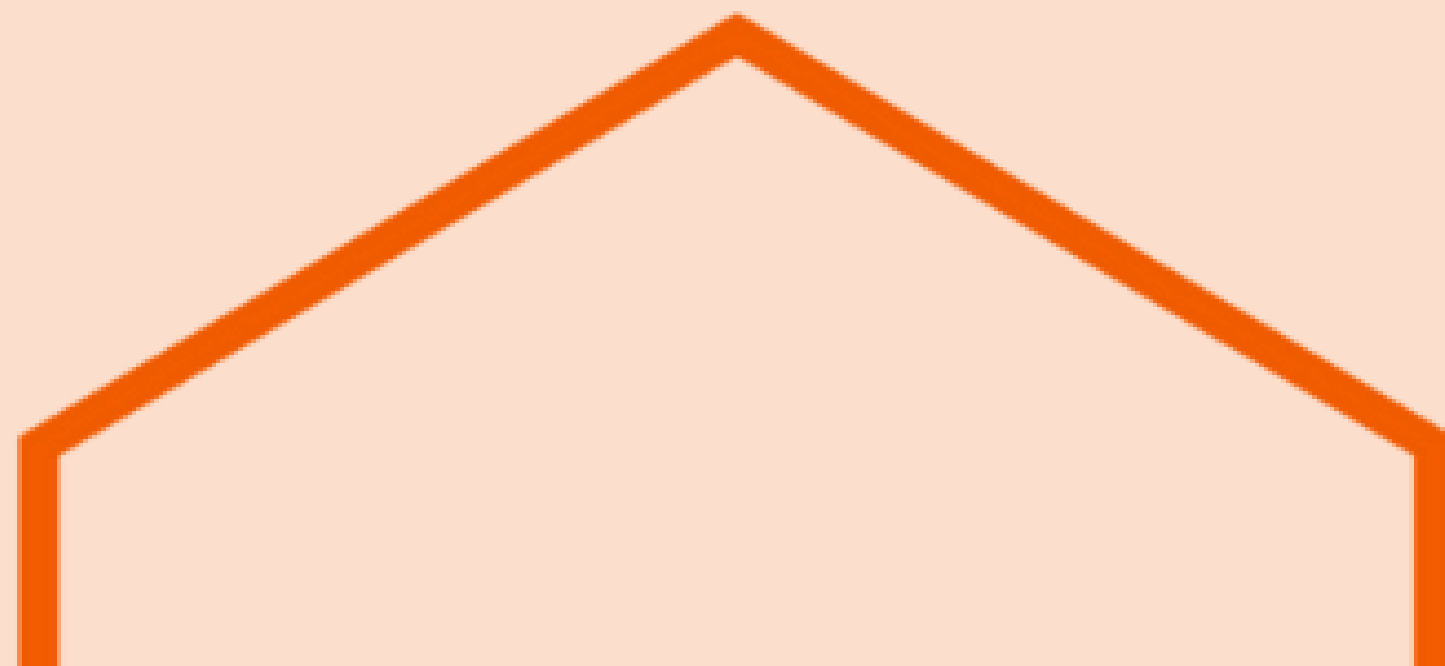


HOW BIG IS THE OPPORTUNITY NATIONALLY?

Properties in formally demarcated areas with no / compromised title
+/- 1.6 Million



R 320 billion



PROPERTIES ON THE DEEDS REGISTRY WITH COMPROMISED TITLE





BUYER

SELLER

CONVEYANCER
DEEDS OFFICE

FORMAL

R 12,820*



PLAIN
VANILLA
TRANSFER

UP TO
R17,135

R4,315



! SELLER IS
DEAD

RATES IN
ARREARS
?



PLAIN
VANILLA
TRANSFER

! SELLER IS
DEAD

UP TO
R11 720+
(depending on arrears)

R2,710



! NEED A
WAIVER

R6,586



! LOST TITLE
DEED

R2,424



! ERROR ON
TITLE DEED

INFORMAL

NONE

NONE



Note: Costs include Transfer fees (R9 510), Postage and petties (R1 350), Rates clearance certificate (R630), Fee for submitting transfer duty (R118), FICA identification & verification (R350), Deeds Office registration fee (R682), Deeds Office search fee (R180)



BUYER

SELLER

CONVEYANCER
DEEDS OFFICE
MASTERS OFFICE

FORMAL



R 15,037

UP TO R19,352

R4,315



PLAIN VANILLA TRANSFER

! SELLER IS DEAD

RATES IN ARREARS ?



PLAIN VANILLA TRANSFER

R12,850



! SELLER IS DEAD

UP TO R24,570+
(depending on arrears)

R2,710



! NEED A WAIVER

R6,586



! LOST TITLE DEED

R2,424



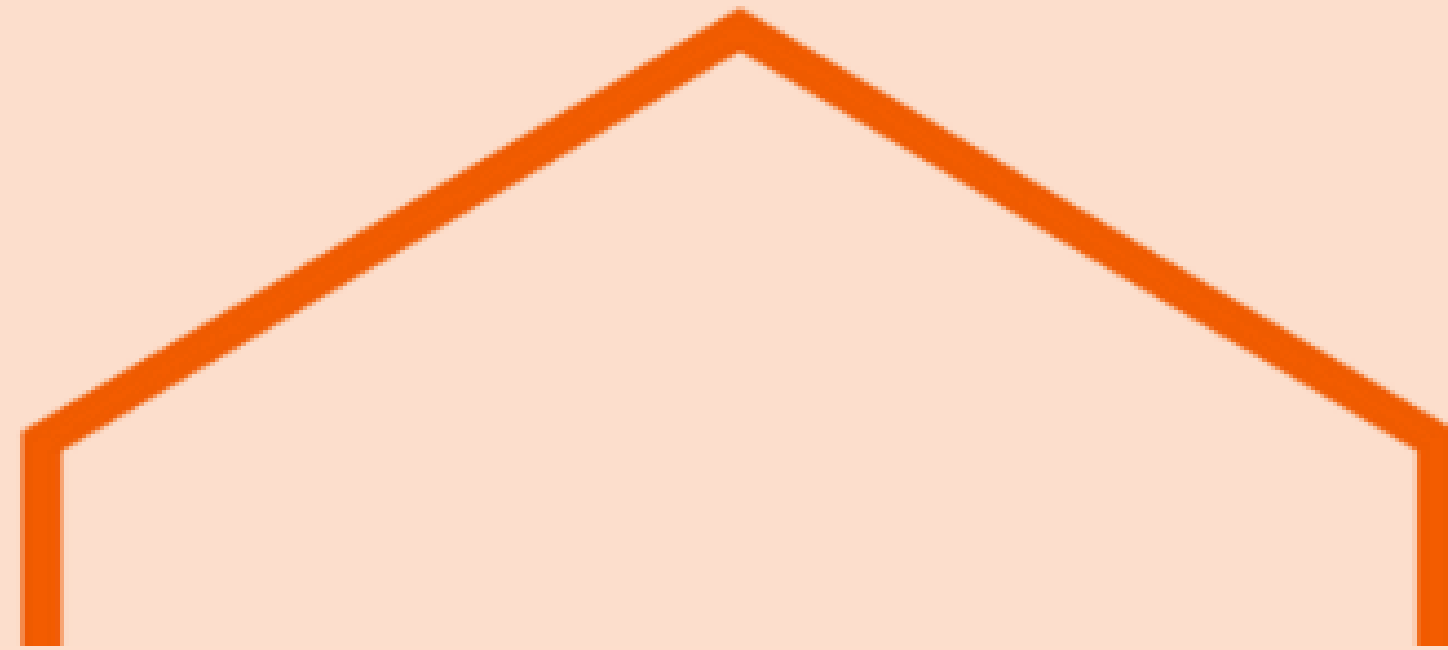
! ERROR ON TITLE DEED

INFORMAL

NONE

NONE



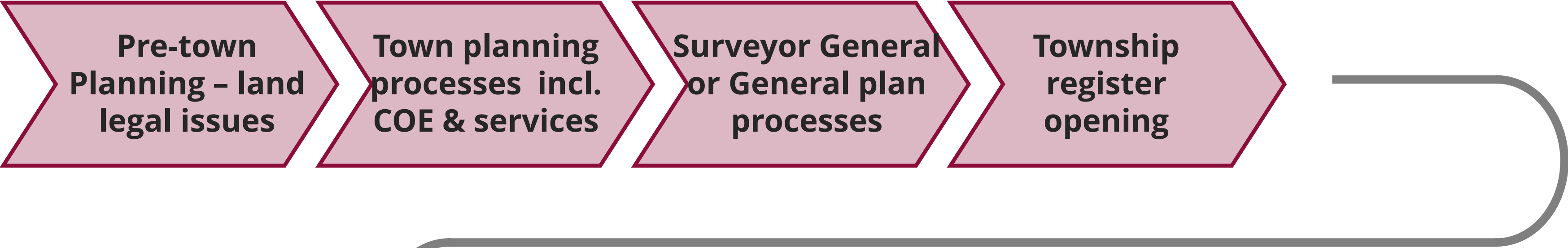


THE BACKLOG



For any beneficiary to receive a title deed, any development must have an approved general plan and fulfil all the conditions of establishment before a Township Register can be opened. **Opening a Township Register is a critical milestone before individual title deeds can be registered**

TOWNSHIP ESTABLISHMENT: BACKLOG 2



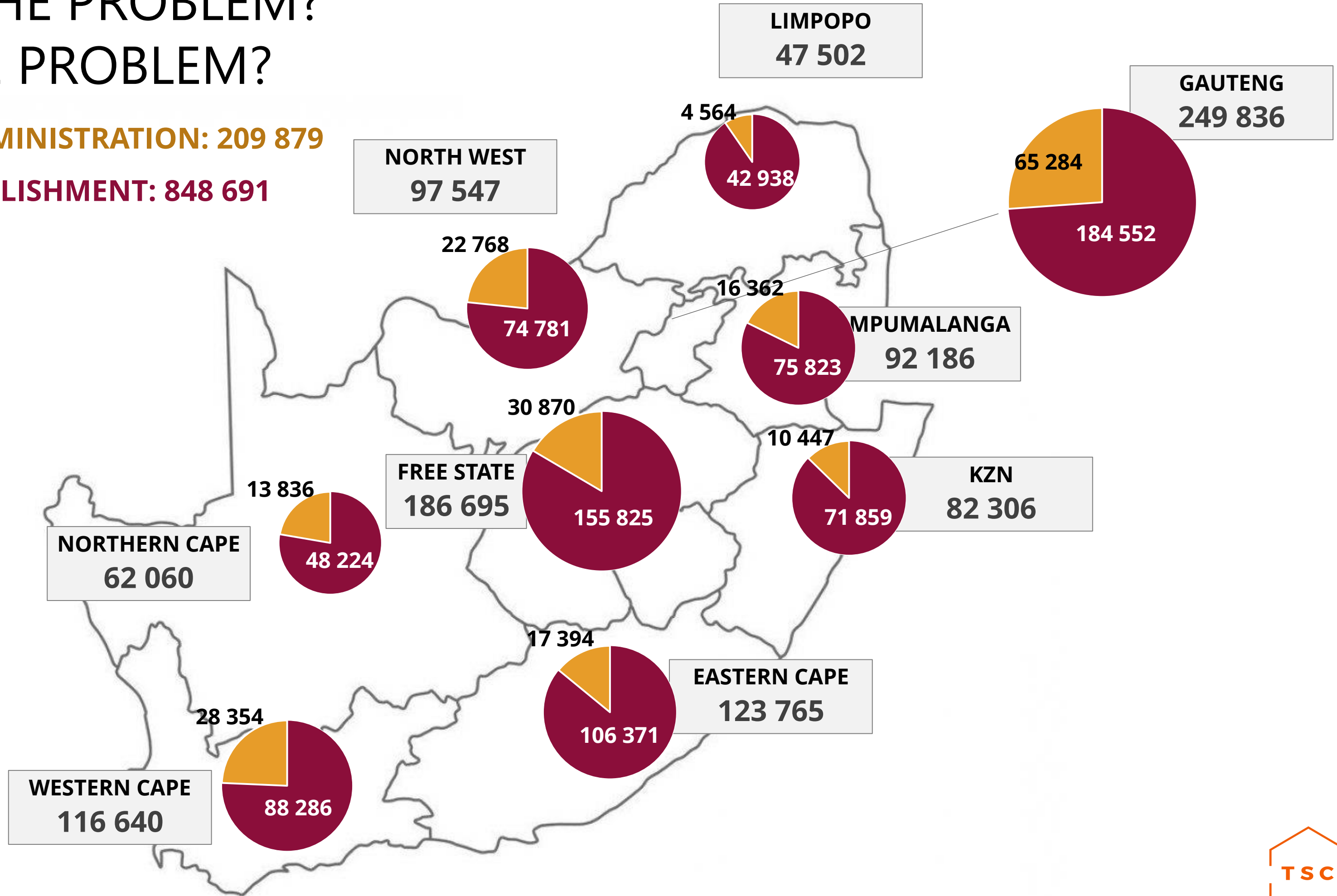
BENEFICIARY ADMINISTRATION: BACKLOG 1



HOW BIG IS THE PROBLEM? WHERE IS THE PROBLEM?

BENEFICIARY ADMINISTRATION: 209 879
TOWNSHIP ESTABLISHMENT: 848 691

OCTOBER 2024

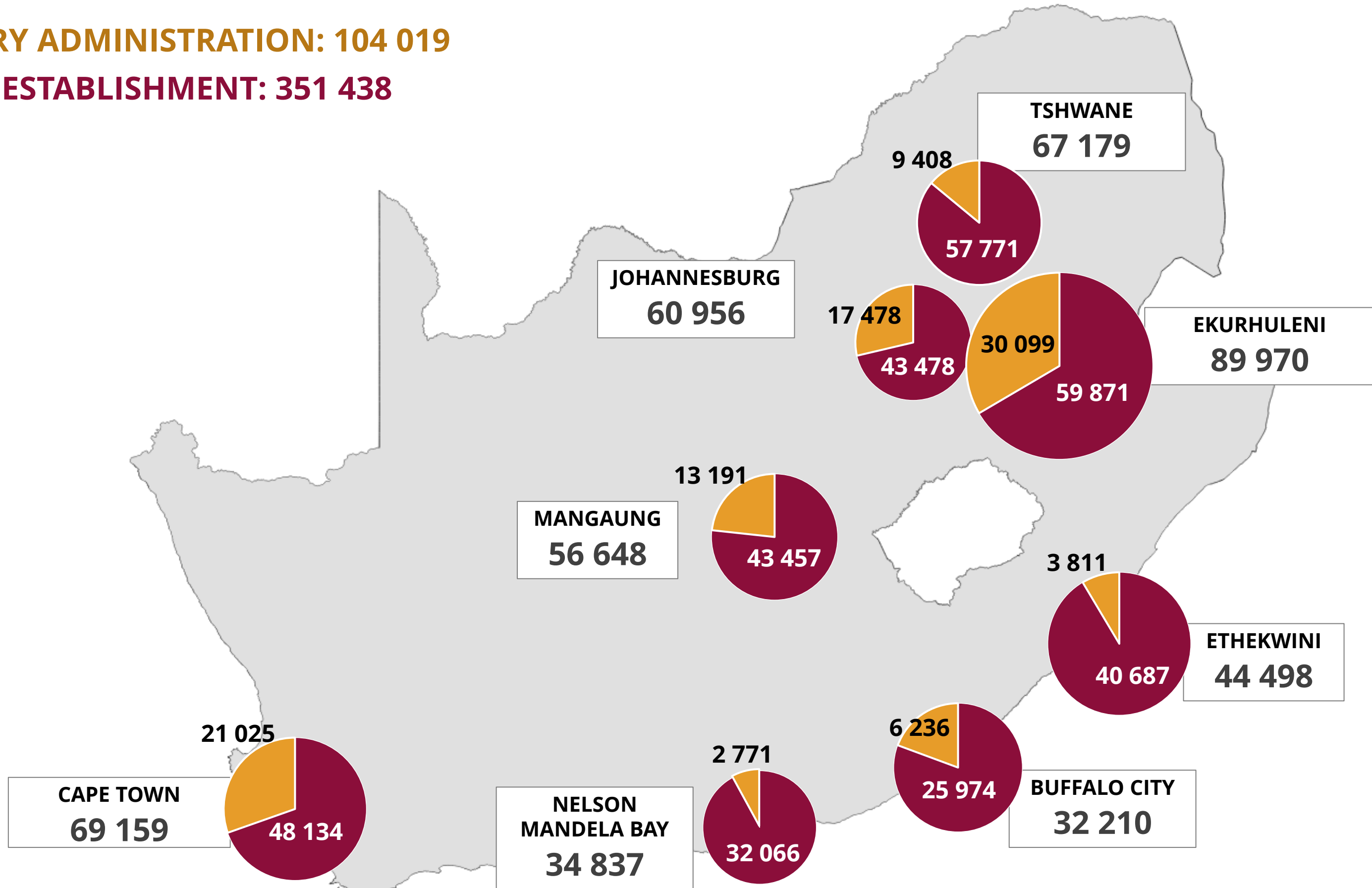


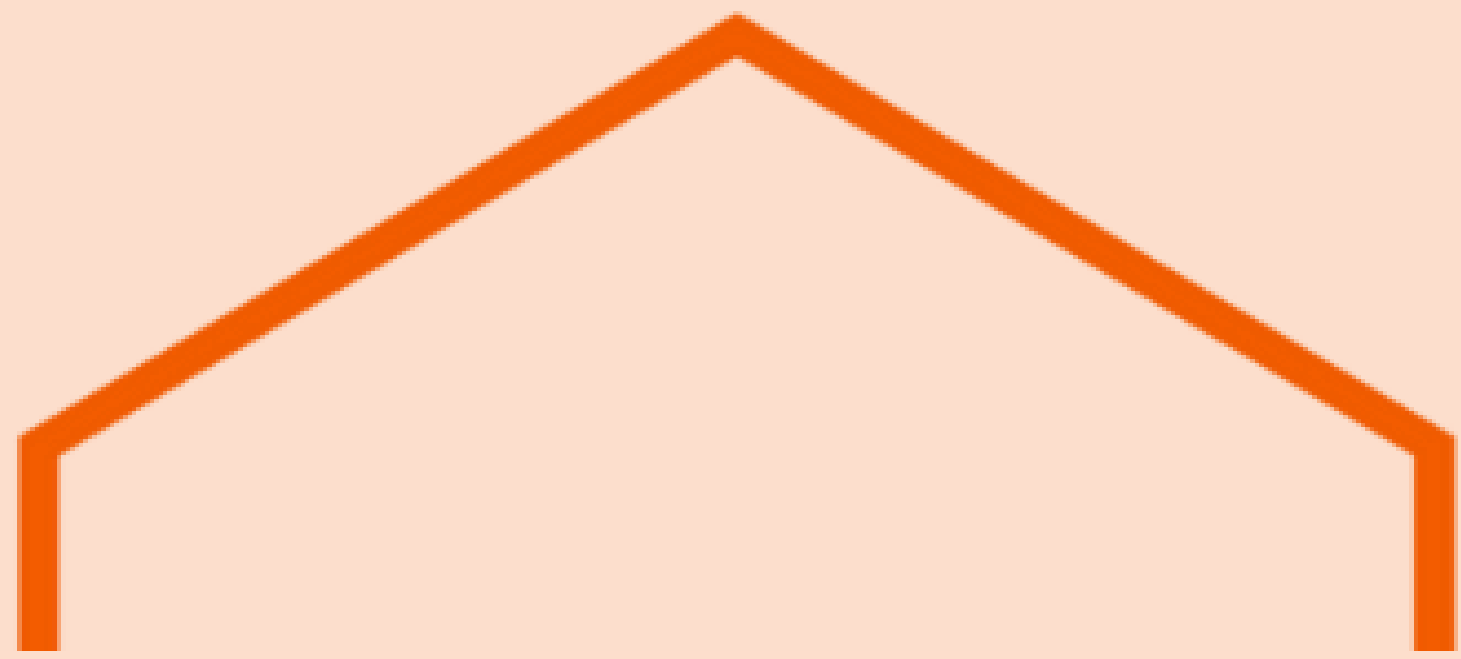
WHERE IS THE PROBLEM? A METRO VIEW

BENEFICIARY ADMINISTRATION: 104 019

TOWNSHIP ESTABLISHMENT: 351 438

OCTOBER 2024





THE OPPORTUNITY



FORMALISATION

Bring back properties onto the registry that have transacted informally

PRESERVATION

Keep registered properties registered

REGULARISATION

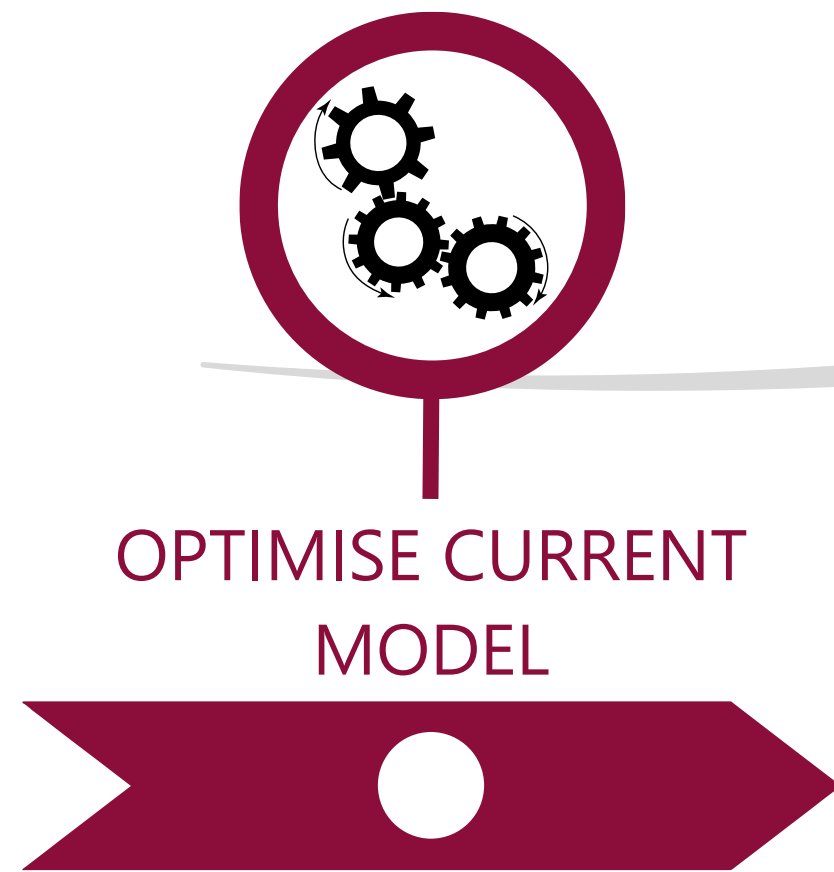
Backlog 1: Transfer subsidy properties in the deeds office still owned by the state to their rightful owners

DIGITISATION

Backlog 2: Create a tokenized solution for properties in un-proclaimed townships

FORMALISATION AND PRESERVATION

- GROW THE TSC



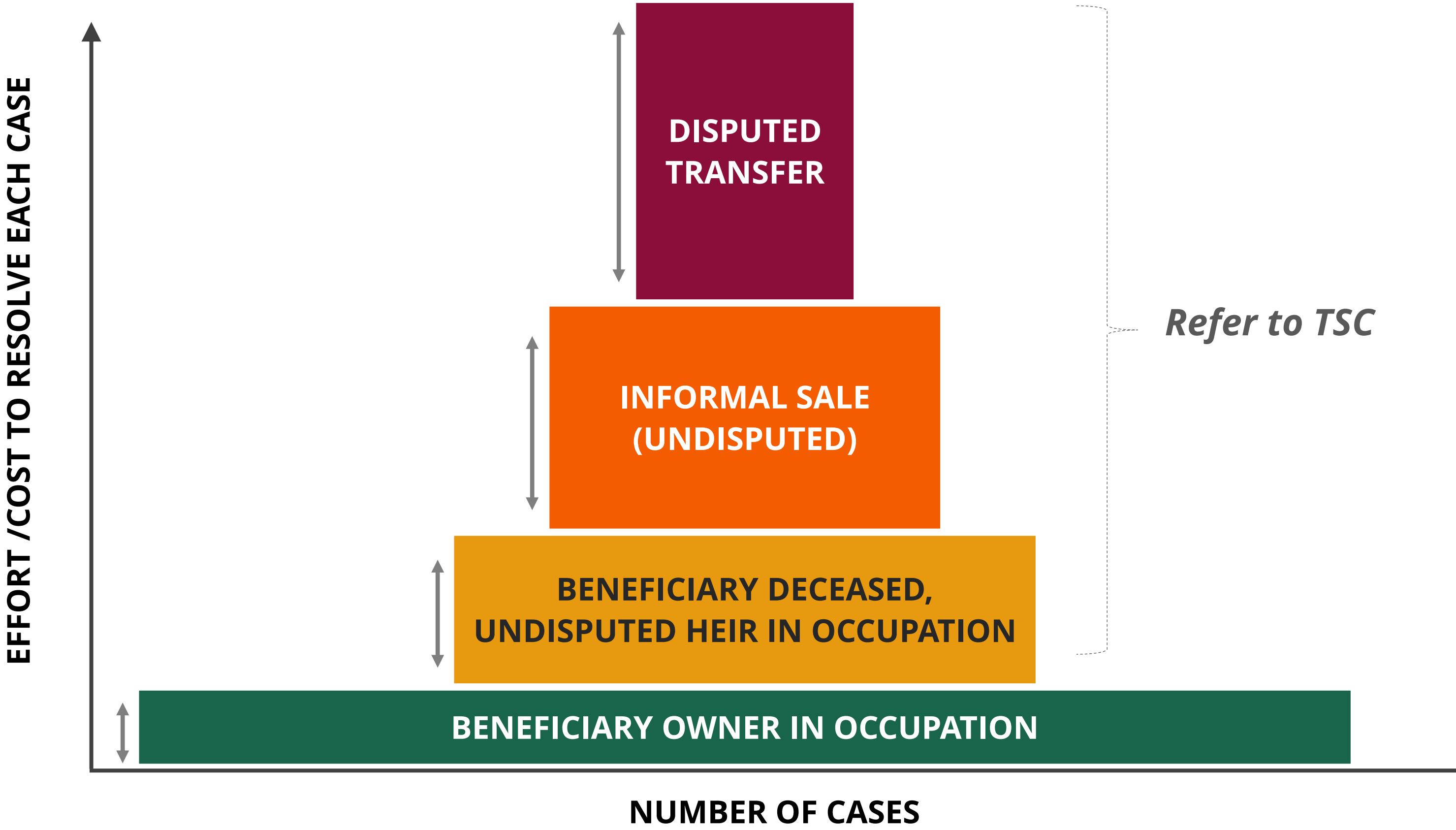
- Social media campaign
- Bank branch
- WhatsApp
- STBB with in-house dedicated resources
- Case management system



- Expanded social media presence
- Bank branches across the country
- WhatsApp
- Online / Mobile
- In-house conveyancer (cross-subsidy model)

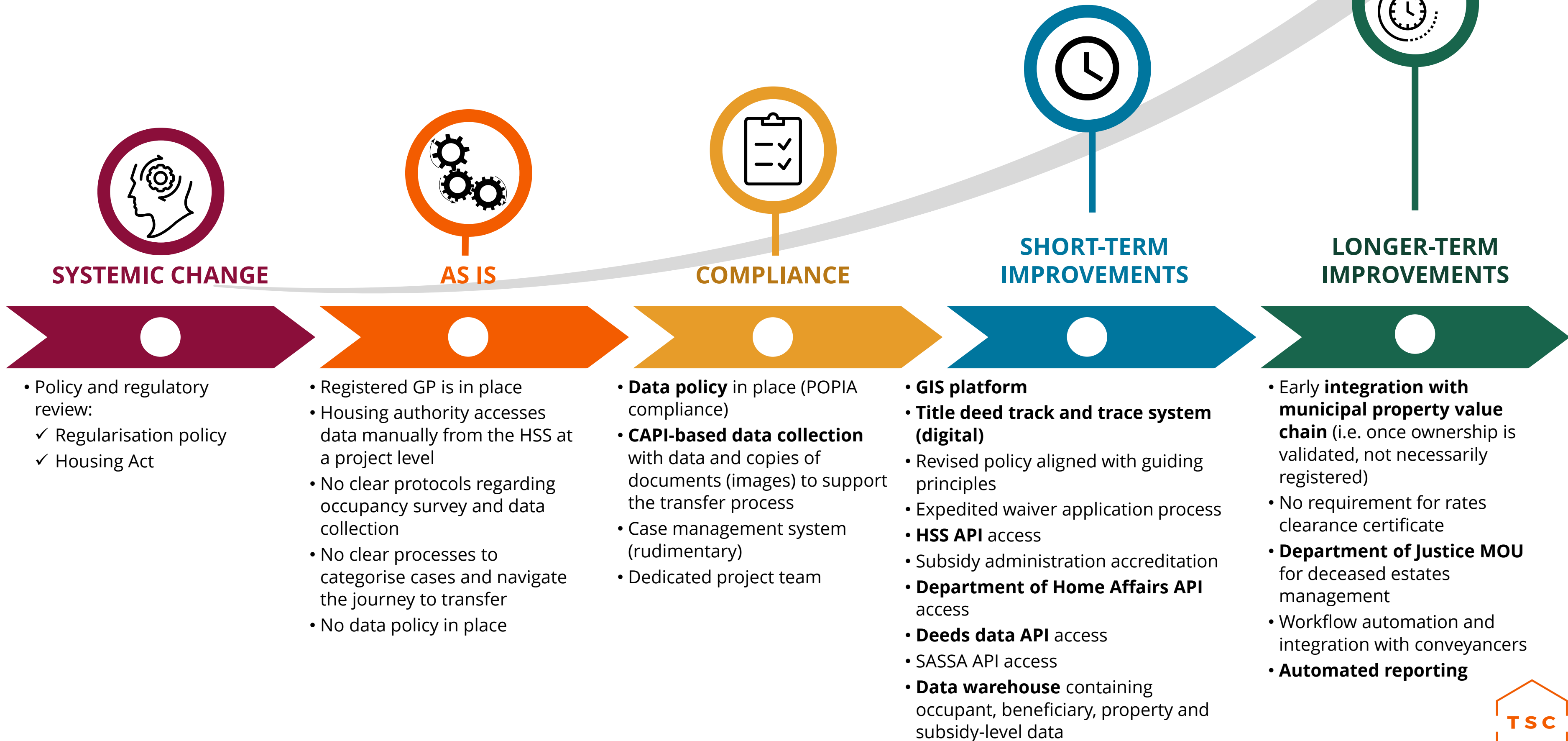


REGULARISATION (BACKLOG1) – PICK THE LOW HANGING FRUIT QUICKLY



THIS WILL REQUIRE GOOD SYSTEMS AND PROCESS

But we are wasting our time if there is no sensible policy in place



DIGITISATION

Big changes for ID and passports in South Africa coming



South Africa plans to create unique identities for its citizens and issue instant visas as it digitizes its economy.

The South African Revenue Service, the central bank and the Department of Home Affairs are working toward a unique digital identity, the tax authority's boss Edward Kieswetter said at an event last week.

Former finance minister Trevor Manuel—speaking at the same event—pointed to India's Aadhaar card as an example of a successful digital system.

Aadhaar is a unique 12-digit identifier that digitally stores the residential, contact, and biometric details of an Indian citizen.

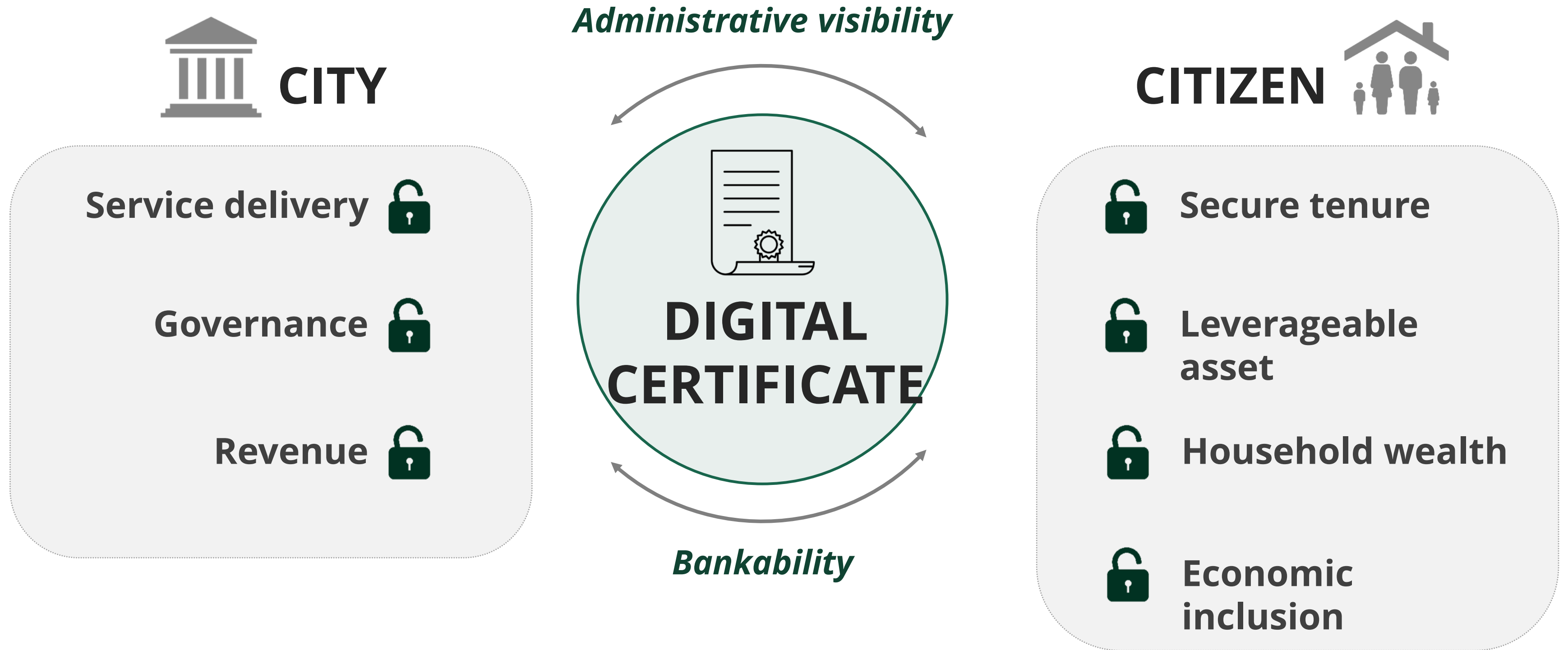
Identities can be authenticated with fingerprints or iris recognition at a machine at designated centres. Once authenticated, things like state subsidies can be transferred directly to a bank account linked with the same Aadhaar number, taking care of effective delivery and correct targeting of an individual.

However, Kieswetter suggested this kind of system could also extend beyond just payments.

Any transaction with the government—whether applying for tenders or having certification such as tax compliance—could be attached to the UID to ensure that the various government branches could know exactly who they were dealing with, leaving less room to hide.

Manuel said that this system was rolled out to India's 1.4 billion citizens in short order—so getting something done for South Africa's 60 million population should be even faster.

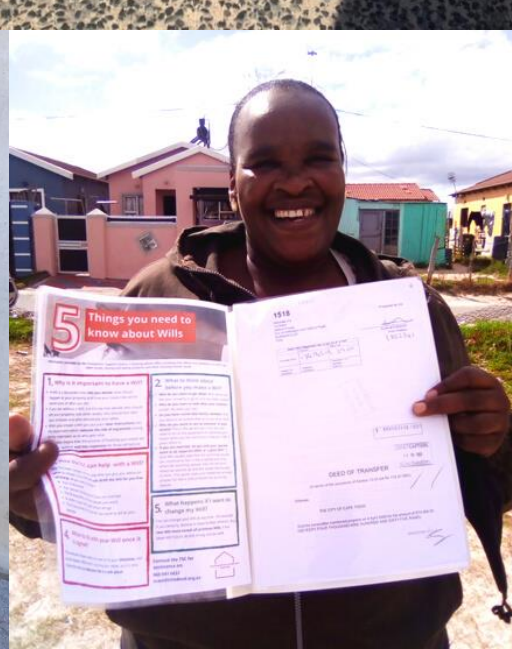
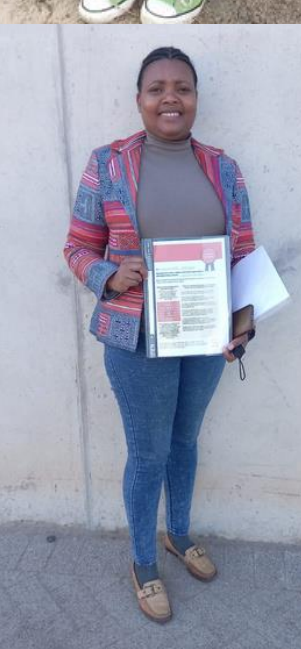
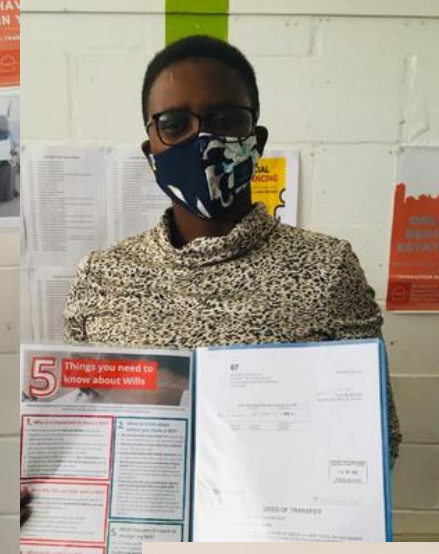
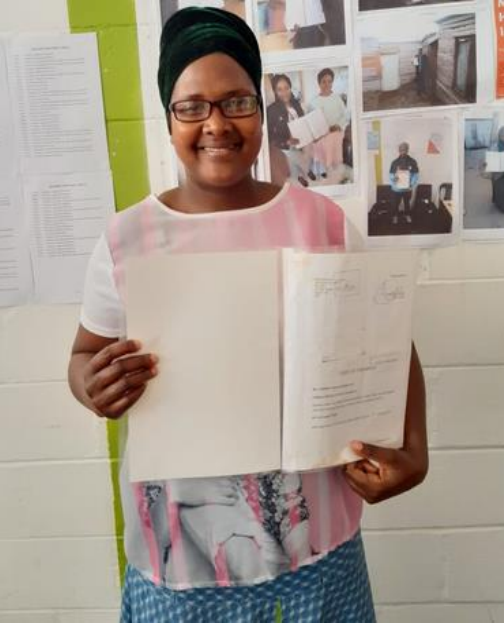
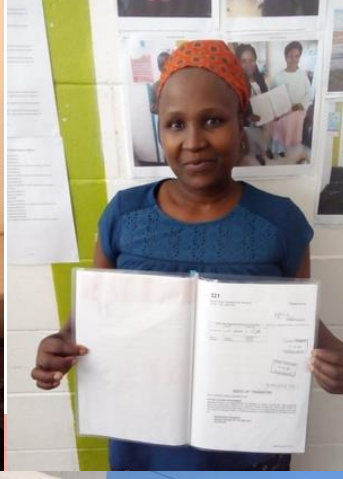
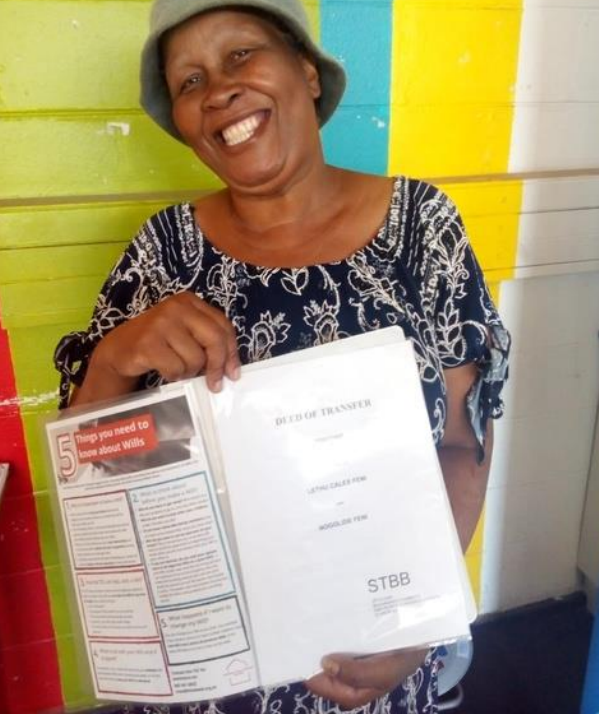
DIGITISATION (BACKLOG 2)





THE END







THANK YOU!

Follow the Tenure Support Centre

