

FreeFACTS

No 2/2018 / June 2018 / Issue 2

Find us online at www.irr.org.za

What do the numbers tell us?

It is not an exaggeration to say that the proposed policy of Expropriation without Compensation (EWC) is one of the biggest threats yet to prosperity in post-apartheid South Africa and, as currently formulated, a threat to the rights of all South Africans.

There are a number of misconceptions around the new policy. It will affect not only the property rights of white South Africans but of all South Africans. Under the current proposals all land will be nationalised and all South Africans will lose their property rights.

One of the biggest crimes committed under apartheid was that black people lost their property rights. Conversely, one of the biggest successes of post-apartheid South Africa is the high proportion of black households that own their own homes (more than all other race groups put together). EWC would result in a situation where everyone's property rights were insecure, including black property owners.

In this edition of *FreeFACTS* the IRR provides you with data on the real picture of property ownership in South Africa. We also provide data which shows that land reform is not the pressing need that it is claimed to be – South Africans are far more concerned with the lack of jobs and poor education. Agriculture is also a small contributor to the broader economy, and it is unlikely a redistribution of land will result in any major economic boost.

The IRR is also not simply shouting from the sidelines that EWC is wrong and that there should be no form of land reform or restitution. What can happen immediately is that people living on government land in cities or tribal land in former homelands be given title. Giving people in these situations secure title will provide them with an asset, but also give them the dignity and security that comes with it.

The IRR has also suggested that instead of spending money on failing state-owned enterprises, money could be spent on creating new black emerging farmers. We have shown elsewhere how it would be possible to create 750 black farmers, with everything they would need to establish themselves, and be debt-free for at least three years. Given that there are only 30 000 commercial farmers in South Africa, these new farmers would be a significant number. This can also be a continuous, rather than once-off process.

The IRR has, since 1929, fought for the property rights of all South Africans, and will continue to do so. — **Marius Roodt**

JOIN US

The IRR is an advocacy group that fights for your right to make decisions about your life, family and business, free from unnecessary government, political, and bureaucratic interference. FreeFACTS publishes evidence that communities are better off when individuals are free to make decisions about how they want to live, be educated, work, access healthcare, think, speak, own property, and protect their communities. If you agree with the issues we stand for, welcome to the team. There are millions of people just like you who are tired of South African politicians, activists, and commentators attempting to rein in your freedom to decide. Take control and make sure your voice is heard by becoming a friend of the IRR.

**SMS YOUR NAME
TO 32823
SMS costs R1.
Ts and Cs apply.**

Property rights

Household tenure status by race and sex (actual numbers), 2016

| Tenure status | Black | | Coloured | |
|-----------------------------------------------------------|------------------|------------------|----------------|----------------|
| | Male | Female | Male | Female |
| Owned and fully paid off | 3 586 000 | 3 810 000 | 308 000 | 271 000 |
| Owned, but not yet paid off to private lender | 48 000 | 30 000 | 7 000 | — ^b |
| Owned, but not yet paid off to bank/financial institution | 294 000 | 130 000 | 100 000 | 29 000 |
| Rented | 2 307 000 | 936 000 | 174 000 | 86 000 |
| Occupied rent-free | 1 349 000 | 840 000 | 91 000 | 76 000 |
| Other/unspecified tenure status | 105 000 | 77 000 | — ^b | 7 000 |
| Total households^b | 7 689 000 | 5 823 000 | 680 000 | 469 000 |

| Tenure status | Indian/Asian | | White | | Total ^a |
|-----------------------------------------------------------|----------------|----------------|------------------|----------------|--------------------|
| | Male | Female | Male | Female | |
| Owned and fully paid off | 113 000 | 58 000 | 424 000 | 199 000 | 8 769 000 |
| Owned, but not yet paid off to private lender | 8 000 | — ^b | 27 000 | 15 000 | 138 000 |
| Owned, but not yet paid off to bank/financial institution | 58 000 | 12 000 | 332 000 | 77 000 | 1 032 000 |
| Rented | 86 000 | 23 000 | 294 000 | 191 000 | 4 097 000 |
| Occupied rent-free | 5 000 | 9 000 | 32 000 | 11 000 | 2 413 000 |
| Other/unspecified tenure status | 4 000 | — ^b | 15 000 | 5 000 | 213 000 |
| Total households^b | 274 000 | 102 000 | 1 124 000 | 498 000 | 16 662 000 |

Source: Stats SA, *General Household Survey 2016*, Statistical release P0318, 31 May 2017, Table 8.6, p131

a Figures should add up vertically and horizontally but may not, owing to rounding.

b Values too small to provide reliable estimates.

Household tenure status by race and sex (proportions), 2016

| Tenure status | Black | | Coloured | | Indian/Asian | | White | | Total ^a |
|-----------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------------|
| | Male | Female | Male | Female | Male | Female | Male | Female | |
| Owned and fully paid off | 46.6% | 65.4% | 45.3% | 57.8% | 41.2% | 56.9% | 37.7% | 40.0% | 52.6% |
| Owned, but not yet paid off to private lender | 0.6% | 0.5% | 1.0% | N/A | 2.9% | N/A | 2.4% | 3.0% | 0.8% |
| Owned, but not yet paid off to bank/financial institution | 3.8% | 2.2% | 14.7% | 6.2% | 21.2% | 11.8% | 29.5% | 15.5% | 6.2% |
| Rented | 30.0% | 16.1% | 25.6% | 18.3% | 31.4% | 22.5% | 26.2% | 38.4% | 24.6% |
| Occupied rent-free | 17.5% | 14.4% | 13.4% | 16.2% | 1.8% | 8.8% | 2.8% | 2.2% | 14.5% |
| Other/unspecified tenure status | 1.4% | 1.3% | N/A | 1.5% | 1.5% | N/A | 1.3% | 1.0% | 1.3% |
| Total households^a | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Source: IRR calculations based on Stats SA data

a Figures should add up vertically but may not, owing to rounding.

N/A — Not available/applicable.

It is clear that the majority of homes that are owned and fully paid off, are owned by black people (particularly women). This is another unsung achievement of the post-apartheid era. In a situation where property rights are again under threat (and perhaps destroyed) all South Africans will suffer, but black women in particular.

Property rights

Household tenure status in selected townships (proportions)^a, 2016

| <i>Township</i> | <i>Owned, but not yet paid off to bank/financial institution</i> | <i>Owned and fully paid off</i> | <i>Rented</i> | <i>Unspecified</i> | <i>Total township households^b</i> |
|-----------------------------------------------------|------------------------------------------------------------------|---------------------------------|---------------|--------------------|----------------------------------------------|
| Gugulethu — Cape Town | 2.9% | 73.4% | 6.3% | 17.3% | 100.0% |
| Mitchells Plain — Cape Town | 13.6% | 57.3% | 11.2% | 17.9% | 100.0% |
| Umlazi — Durban | 4.4% | 40.1% | 4.0% | 51.6% | 100.0% |
| Springs — Ekurhuleni | 28.5% | 37.3% | 17.5% | 16.7% | 100.0% |
| Tembisa — Ekurhuleni | 3.7% | 57.9% | 17.8% | 20.6% | 100.0% |
| Tsakane and KwaThema — Ekurhuleni | 16.9% | 50.0% | 8.6% | 24.6% | 100.0% |
| Alexandra — Johannesburg | 3.9% | 72.2% | 12.6% | 11.3% | 100.0% |
| Lenasia — Johannesburg | 17.2% | 53.5% | 8.5% | 20.8% | 100.0% |
| Mamelodi — Tshwane | 10.5% | 70.5% | 0.9% | 18.1% | 100.0% |
| Soshanguve — Tshwane | 5.1% | 56.8% | 2.3% | 35.8% | 100.0% |
| Chiawelo — Johannesburg | 8.8% | 54.8% | 4.4% | 32.0% | 100.0% |
| Diepkloof — Johannesburg | 4.7% | 56.0% | 9.1% | 30.1% | 100.0% |
| Dobsonville — Johannesburg | 3.7% | 74.0% | 3.0% | 19.2% | 100.0% |
| Eldorado Park — Johannesburg | 10.7% | 69.9% | 4.0% | 15.4% | 100.0% |
| Jabavu — Johannesburg | 3.2% | 70.8% | 6.1% | 19.9% | 100.0% |
| Meadowlands — Johannesburg | 5.6% | 67.7% | 3.6% | 23.1% | 100.0% |
| Orlando — Johannesburg | 1.3% | 72.8% | 3.5% | 22.4% | 100.0% |
| Pimville — Johannesburg | 8.4% | 67.0% | 6.6% | 18.0% | 100.0% |
| Protea — Johannesburg | 25.1% | 44.6% | 9.1% | 21.2% | 100.0% |
| Zola — Johannesburg | 10.1% | 49.2% | 6.8% | 33.9% | 100.0% |
| Bophelong, Evaton, Sebokeng, Sharpeville — Sedibeng | 7.1% | 64.9% | 12.4% | 15.6% | 100.0% |
| South Africa | 17.3% | 46.8% | 20.2% | 15.7% | 100.0% |

Source: IRR calculations based on Eighty20 data

a Applies to houses or brick structures on a separate stand or yard. Excludes all informal dwellings and formal backyard dwellings.

b Figures should add up horizontally but may not, owing to rounding.

This would indicate that there are many people who have fairly secure title to their property in the former 'townships'. It is not clear whether homeowners are so defined because they were given title by a local authority or because they have finished paying off a bond. It is likely that it is a mix of the two. Nearly half of all households in former townships fully own their homes. In a situation where property rights were less secure, these homeowners' title could also be under threat.

Property rights

Population of 16 selected economic regions, 1996-2016

| Region ^a | Total | | | Change 1996-2016 | |
|----------------------------------------|-------------------|-------------------|-------------------|-------------------|--------------|
| | 1996 | 2006 | 2016 | Number | Proportion |
| Johannesburg | 2 714 406 | 3 628 649 | 4 938 105 | 2 223 698 | 81.9% |
| Cape Town | 2 531 506 | 3 303 735 | 4 124 519 | 1 593 013 | 62.9% |
| eThekweni (Durban) | 2 913 010 | 3 324 553 | 3 819 967 | 906 957 | 31.1% |
| Tshwane (Pretoria) | 1 882 086 | 2 397 854 | 3 235 094 | 1 353 008 | 71.9% |
| Ekurhuleni | 2 109 016 | 2 733 186 | 3 453 603 | 1 344 587 | 63.8% |
| Nelson Mandela Bay (Port Elizabeth) | 982 648 | 1 085 205 | 1 263 279 | 280 631 | 28.6% |
| Rustenburg | 331 636 | 463 137 | 631 237 | 299 601 | 90.3% |
| Buffalo City (East London) | 735 320 | 766 899 | 848 328 | 113 008 | 15.4% |
| Mangaung (Bloemfontein) | 652 879 | 718 993 | 842 447 | 189 568 | 29.0% |
| Emalahleni (Witbank) | 249 933 | 340 396 | 439 984 | 190 051 | 76.0% |
| Govan Mbeki (Secunda) | 220 621 | 257 881 | 317 752 | 97 131 | 44.0% |
| Mbombela (Nelspruit) | 507 682 | 605 681 | 707 269 | 199 587 | 39.3% |
| Metsimaholo (Sasolburg) | 109 436 | 131 331 | 168 288 | 58 851 | 53.8% |
| Steve Tshwete (Middelberg, Mpumalanga) | 141 506 | 178 812 | 261 684 | 120 179 | 84.9% |
| Thabazimbi ^b | 60 791 | 73 012 | 99 952 | 39 160 | 64.4% |
| Emfuleni (Vereeniging) | 623 136 | 663 306 | 740 967 | 117 832 | 18.9% |
| South Africa | 40 583 573 | 47 390 909 | 55 653 654 | 15 070 081 | 37.1% |

Source: IHS Global Insight Southern Africa, *Regional eXplorer (2.5q)*; Statistics South Africa, *Census 1996; Mid-year Population Estimates, South Africa, 2007; Community Survey 2016*

a Names in brackets indicate the main town/city.

b A mining area in the Waterberg district of Limpopo.

The growth in South Africa's urban areas has been far higher than in South Africa as a whole. This would indicate that people are increasingly moving to the country's cities, in the hope of securing a better future for themselves and their children. South Africa is about two-thirds urbanised and this trend is likely to continue. Rural development must not be neglected, but cities will be the focus of South Africa's future.

Population of 16 selected economic regions by race, 2016

| Region ^a | Black | Coloured | Indian/Asian | White | Total ^b |
|----------------------------------------|-------|----------|--------------|-------|--------------------|
| Johannesburg | 79.6% | 5.4% | 4.7% | 10.3% | 100.0% |
| Cape Town | 44.6% | 40.2% | 1.2% | 14.0% | 100.0% |
| eThekweni (Durban) | 76.1% | 2.4% | 15.4% | 6.2% | 100.0% |
| Tshwane (Pretoria) | 78.6% | 2.1% | 1.9% | 17.4% | 100.0% |
| Ekurhuleni | 81.5% | 2.7% | 2.2% | 13.6% | 100.0% |
| Nelson Mandela Bay (Port Elizabeth) | 63.2% | 23.0% | 1.0% | 12.8% | 100.0% |
| Rustenburg | 89.7% | 0.9% | 0.9% | 8.5% | 100.0% |
| Buffalo City (East London) | 86.8% | 5.7% | 0.8% | 6.7% | 100.0% |
| Mangaung (Bloemfontein) | 84.0% | 5.3% | 0.4% | 10.3% | 100.0% |
| Emalahleni (Witbank) | 84.5% | 1.7% | 0.9% | 12.9% | 100.0% |
| Govan Mbeki (Secunda) | 83.0% | 1.6% | 1.4% | 13.9% | 100.0% |
| Mbombela (Nelspruit) | 90.1% | 1.0% | 0.8% | 8.2% | 100.0% |
| Metsimaholo (Sasolburg) | 83.4% | 0.8% | 0.3% | 15.5% | 100.0% |
| Steve Tshwete (Middelberg, Mpumalanga) | 75.8% | 2.5% | 1.7% | 20.1% | 100.0% |
| Thabazimbi ^c | 87.4% | 0.7% | 0.3% | 11.6% | 100.0% |
| Emfuleni (Vereeniging) | 87.5% | 1.2% | 0.9% | 10.5% | 100.0% |

Source: IHS Global Insight Southern Africa, *Regional eXplorer 993 (2.5q)*

a Names in brackets indicate the main town/city.

b Figures add up horizontally.

c A mining area in the Waterberg district of Limpopo.

Property rights

| Title deeds registered for RDP ^a houses by province, 2016 | | | |
|----------------------------------------------------------------------|------------------------------------------------|-----------------------|-----------------------------------------|
| Province | Households residing in RDP ^a houses | Title deeds | |
| | | Registered since 1994 | Registered as a share of RDP households |
| Eastern Cape | 386 802 | 228 214 | 59.0% |
| Free State | 289 414 | 189 140 | 65.4% |
| Gauteng | 1 227 729 | 442 280 | 36.0% |
| KwaZulu-Natal | 559 302 | 178 018 | 31.8% |
| Limpopo | 260 976 | 51 563 | 19.8% |
| Mpumalanga | 241 801 | 94 024 | 38.9% |
| North West | 261 693 | 90 915 | 34.7% |
| Northern Cape | 105 541 | 65 732 | 62.3% |
| Western Cape | 571 997 | 266 392 | 46.6% |
| South Africa | 3 905 255 | 1 606 278 | 41.1% |

Source: DHS, *Title Restoration Project Performance Report*, Human Settlements Portfolio Committee, 30 August 2016, p4; *Community Survey 2016*, 23 June 2016, p63; Reply by the minister of human settlements to question 1818 by Mr S M Gana MP (DA), 9 September 2016

a Reconstruction and Development Programme.

Generally, the number of registered title deeds tends to be greater than the number of title deeds issued. The reasons for the anomaly include, among others, informal sales that occur prior to the issuing of title deeds, deceased estates, untraceable beneficiaries, and occupants who are not intended beneficiaries.

| Suburban property buyers by race, 2005-17 | | | | | |
|-------------------------------------------|--------------|---------------|--------------|---------------|--------------------|
| Year | Black | Coloured | Indian/Asian | White | Total ^a |
| 2005 | 24.0% | 9.0% | 13.0% | 54.0% | 100.0% |
| 2006 | 25.0% | 8.0% | 12.0% | 55.0% | 100.0% |
| 2007 | 27.0% | 9.0% | 13.0% | 51.0% | 100.0% |
| 2008 | 29.0% | 8.0% | 13.0% | 50.0% | 100.0% |
| 2009 | 28.0% | 7.0% | 12.0% | 53.0% | 100.0% |
| 2010 | 29.0% | 7.0% | 12.0% | 52.0% | 100.0% |
| 2011 | 25.0% | 8.0% | 14.0% | 53.0% | 100.0% |
| 2012 | 29.0% | 8.0% | 10.0% | 53.0% | 100.0% |
| 2013 | 31.0% | 9.0% | 11.0% | 49.0% | 100.0% |
| 2014 | 33.0% | 8.0% | 12.0% | 47.0% | 100.0% |
| 2015 | 34.0% | 7.0% | 14.0% | 45.0% | 100.0% |
| 2016 | 34.0% | 6.0% | 13.0% | 47.0% | 100.0% |
| 2017 | 34.0% | 7.0% | 12.0% | 47.0% | 100.0% |
| 2005-17 | 41.7% | -22.2% | -7.7% | -13.0% | — |

Source: First National Bank (FNB), *FNB Estate Agents Survey*, email communication with John Loos, 28 June 2017

a Figures should add up horizontally but may not, owing to rounding.

The number of black homeowners has been rising rapidly in suburban areas - areas reserved for white people under apartheid. Transformation of our suburban areas is well under way, and this is due to free transactions in the open market. This trend is likely to continue.

Property rights

Proportion of agricultural land owned by government and previously disadvantaged individuals, 2016

| Province | Total agricultural land | Land potential as a total of land |
|---------------------|-------------------------|-----------------------------------|
| Eastern Cape | 48.3% | 54.1% |
| Free State | 7.9% | 18.7% |
| Gauteng | 39.1% | 23.6% |
| KwaZulu-Natal | 73.5% | 76.1% |
| Limpopo | 52.0% | 64.7% |
| Mpumalanga | 39.7% | 44.7% |
| North West | 45.3% | 36.8% |
| Northern Cape | 6.4% | 12.3% |
| Western Cape | 4.9% | 11.3% |
| South Africa | 26.7% | 46.5% |

Source: Source: AgriSA, *Land Audit*, November 2017

South Africa's agricultural land accounts for about 76% of the country's total land area. Of that land, over a quarter is owned either by the government or by previously disadvantaged individuals (compared to less than 15% in 1994). At the same time, much of this is speculation, as people are not required to state their race in land or property transactions. Nevertheless, it is clear that there has been much transfer of land since 1994.

Is there 'land hunger' in South Africa? What should the top two priorities for the government be?

| | All South Africans | Black South Africans |
|--------------------------------|--------------------|----------------------|
| Creating more jobs | 35% | 38% |
| Improving education | 27% | 26% |
| Fighting crime | 26% | 26% |
| Fighting corruption | 22% | 17% |
| Fighting drugs, drug abuse | 20% | 22% |
| Speeding up service delivery | 16% | 18% |
| Building more RDP housing | 16% | 19% |
| Fighting illegal immigration | 12% | 14% |
| Improving healthcare | 7% | 7% |
| Fighting racism | 5% | 4% |
| Speeding up affirmative action | 1% | 1% |
| Speeding up land reform | 1% | 1% |

Source: Institute of Race Relations, *Holding the Line, Reasons for Hope*, 2018

It is clear that jobs and education are the top priorities for all South Africans, including black South Africans. Only one percent of black people want the government to speed up land reform. Employment and education are much more important priorities for the vast majority of South Africans.

Agriculture: As a proportion of GDP and as a proportion of total employment

| Year | As a proportion of GDP | As a proportion of employment |
|------|------------------------|-------------------------------|
| 2006 | 2.9% | 6.7% |
| 2007 | 3.0% | 5.3% |
| 2008 | 3.0% | 5.6% |
| 2009 | 2.9% | 7.4% |
| 2010 | 2.6% | 4.7% |
| 2011 | 2.5% | 4.5% |
| 2012 | 2.4% | 4.7% |
| 2013 | 2.3% | 5.1% |
| 2014 | 2.4% | 4.4% |
| 2015 | 2.3% | 5.6% |
| 2016 | 2.4% | 5.3% |

Source: Institute of Race Relations, *South Africa Survey 2018*

Agriculture as a proportion of the South African economy has declined, and remained stagnant for some time. In addition, the proportion of people working in agriculture fluctuates, but is also fairly stagnant. The agricultural sector remains important but it will not create the jobs and investment that South Africa needs. Policy should focus on employment (particularly in cities) where more than two-thirds of South Africans live today.