

Executive Summary

Supplementary to the full Case Study

Title deed issuance in low-income areas - complex problems exposed

A Case Study in the iLembe District of
KwaZulu-Natal, South Africa

May 2023

Prepared by the Vuthela iLembe LED Support Programme which aims to improve the economic future of iLembe district residents through sustainable economic growth of the local economy and the creation of higher, better and more inclusive employment and income-generating opportunities.

During the 2023 State of the Nation Address, President Cyril Ramaphosa announced that government will “take steps to unlock massive value for poor households by expediting the provision of title deeds for subsidised houses”. He went on to explain that the current backlog in processing title deeds is over 1 million houses, which amounts to an estimated R242 billion in assets that should be in the hands of South Africa’s poorest households. As well as eradicating this backlog, government has committed to making the title deed system more effective and more accessible.

Two pilot projects implemented in the KwaDukuza and Mandeni Local Municipalities by the World Bank Group and service provider GeoAfrika, as part of the Vuthela Programme, have highlighted the significant challenges that government can expect in implementing this resolution, and have provided recommendations on interventions and legislation changes to facilitate the issuance of title deeds to owners, particularly in low-income areas.

What the pilot also showed, was the significant interest by owners of low-income properties in acquiring title deeds for their homes. Despite the interest, the challenges are enormous and often costly to address. These challenges start with the fact that owners of government housing programme homes were not issued with their title deeds at the time of the house being handed over.

Over time, many of these homes have been sold informally and beneficiaries have passed away intestate.

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Furthermore, many of these housing projects have had extensive encroachments and uncontrolled building, the requirement of new Spatial Planning and Land Use Management Act (SPLUMA) applications, environmental consent requirements, general plan amendments, beneficiary administration, unregistered servitudes, illegal occupations, etc. Again, a time consuming and costly exercise to address, particularly after the significant passage of time that has passed since the houses were originally approved and built.

The study recommendations focused on two areas: the first largely focused on specific interventions that should be addressed by government and other stakeholders, and the second focused on recommended legislation changes. The focus of this Case Study is on the former recommendations. Those related to legislation will be shared on the Enterprise iLembe website. 🔥