Meltwater
Outside Insight

Publication: Mercury - Main
Title: Macpherson orders probe into state homes
Publish date: 21 Jul 2026
Page: 6

Reach: 7593
AVE:R 16571.83
Author: HOPE NTANZI

ASSESSMENT

Macpherson orders probe into state homes

HOPE NTANZI
hope.ntanzi@iol.co.za

PUBLIC Works and Infrastructure Minister Dean Macpherson has ordered an investigation into 6 238 state-owned residential properties occupied by government officials.

Macpherson said the state should not continue carrying the cost of residential properties unless there is a clear operational need for them.

He has instructed the department's Director-General, Sifiso Mdakane, to assess the properties and develop a strategy for disposing of those no longer required.

The assessment will determine who occupies each property, why it was allocated, whether it is still needed, and whether properties should be retained, repurposed or sold.

Of the 6 238 state-owned residential properties, 3 626 are located in KwaZulu-Natal, compared with 566 in the Western Cape and 407 in Gauteng.

The Department of Public Works and Infrastructure recorded that an estimated R39.6 million was spent from its day-to-day maintenance budget during the 2025/26 financial year. However, the available expenditure information relates to only 108 of the properties.

Macpherson has requested that Mdakane submit a report within 30 days, including a detailed assessment of the KwaZulu-Natal properties, the departments they have been allocated to, their intended purpose, operational need and the status of current occupants.

The report will also identify properties occupied by officials of the Department of Public Works and Infrastructure and determine whether the same allocation criteria, governance requirements, rental provisions, housing entitlement checks and tax treatment applied to other departments have been followed.

The assessment will further examine whether state-owned residences are being leased in line with the Government Immovable Asset Management Act, the Public Finance Management Act and National Treasury regulations. It will also determine whether rentals charged are market-related and whether deviations were properly approved.

Macpherson said the state should reconsider owning thousands of residential properties for government officials, particularly where officials already receive housing allowances, subsidies or other housing-related benefits as part of their remuneration packages.

"It is my view that the state should not own more than 6 000 residential properties for government officials, particularly when many officials already receive housing allowances, subsidies or other housing-related benefits as part of their remuneration packages," Macpherson said.

"Unless there is a clear and compelling operational reason for the state to retain a residential property, it should be sold.

"The default position cannot be that the state indefinitely carries the maintenance, rates and other costs of thousands of residential properties while the public fiscus remains under immense pressure," he said.

Macpherson said the assessment was aimed at establishing whether the properties continued to serve a legitimate public purpose and whether surplus assets should be released from the state's portfolio.

"We need to establish who is occupying each property, the basis on which it was allocated and whether it still serves a legitimate public purpose," he said.

"Where properties are underutilised, unnecessary or no longer required for government operations, they should be released from the state's portfolio through a transparent and legally compliant disposal process," Macpherson added.

He said selling properties that were no longer needed would reduce unnecessary expenditure and allow government to focus resources on infrastructure and assets that directly support service delivery.