

PROPERTY360

AUCTIONS

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CITY BUDGETS

Construction industry is facing a serious storm of setbacks



BUREAUCRATIC stagnation, unwieldy policies, procurement processes and activist objections are daily costing the Western Cape property development and construction industries millions of rand.

This is at a time when the sector has already seen a number of companies close their doors with the resulting haemorrhaging of jobs and skills, says Deon van Zyl, chairperson of the Western Cape Property Development Forum (WCPDF).

With an economy growing at less than 1% annually, and urbanisation now said to be in the region of 2% per year in Cape Town, there are several factors that exacerbate the already precarious position.

Highlighting some of these, Van Zyl says: "The City of Cape Town has underspent on its capital budget, sending back money to treasury that should have been spent on infrastructure.

"A large amount of administrative resources is wasted on generating administrative penalties, delaying land use applications that should be fast-tracked to facilitate investment.

"Add to that the recent revaluation of property which clearly is not reflecting market valuation reality and the message is clear: the penny has not yet dropped with either political or bureaucratic worlds of the reality out there. It can no longer be

business as usual.

"We must stop working against investment in the Cape."

The situation is deemed to be so serious, the WCPDF is combining these challenges on the programme of its upcoming annual conference, to be held at the Century City Conference Centre in May under the theme "The Perfect Storm: Investment and jobs or bureaucracy and stagnation".

The conference will see keynote speakers from the top echelons of the banking industry, local and provincial government, economic agencies, academic institutions as well as the private sector combine to debate the issues and find a way forward says

Van Zyl.

"The time has come to deal with this critical situation in the same way local and regional government in the Western Cape recently dealt with the drought – in a 'war room' approach that puts all public and private sector players into one room to come up with unified solutions to try to stem the tide before it reaches a stage from which the sector and the economy it supports will take years if not decades to recover."

The conference will further address misperceptions around the property and construction industries that these industries are only about private sector development, Van Zyl added.

PRECARIOUS The province's property and construction industry is facing myriad challenges that only joint efforts between the public and private sector can address.