

**PRESS RELEASE**

**Thursday 16 May**

**CONFERENCE ADDRESSES CONCERNS BEHIND FAILING PROPERTY INDUSTRY**

A record number of registered delegates turned up for the first day of the 6<sup>th</sup> annual conference of the Western Cape Property Development Forum (WCPDF), held on 16 and 17 May 2019, at the Century City Conference Centre in Cape Town.

Speaking in his opening address, WCPDF chairperson, Deon van Zyl, noted that not only was there representation present from all quarters of the private property development and construction sectors, but also - for the first time since the inception of the conference – a strong presence from both municipal and provincial government, as well as from financial institutions.

“I believe this speaks to the gravity of the current situation that the property development and construction industries find themselves in,” said Van Zyl “as well as the fact that the steady deterioration of our industry is now being felt across many economic platforms.”

Elaborating on the theme of this year’s conference – *The Perfect Storm: Investment and jobs or bureaucracy and stagnation* – Van Zyl compared the industry a year ago to where it was today, listing a number of factors that have contributed to the “storm”. These included the significant drop in both property sales and prices; pushbacks on commercial rentals; the length it now took for consultants, contractors and subcontractors to be paid and the unsustainable discounts that these professionals were offering, just to bring in work; and the unaccountable decision-making processes and red tape that were being encountered and which were subsequently strangling the industry.

Commenting on the recent election results, Van Zyl noted that: “The electorate has spoken. Society is telling us to ‘drain the swamp’ by rooting out corruption and the inefficiencies in the system that are holding back economic growth and service delivery.

“We are fortunate in the Western Cape that the levels of corruption and self enrichment that we see in national newspapers has, largely, not taken place locally. We are reasonably clean, or so we think. But a plethora of red tape, together with too much bureaucracy, is an excellent breeding ground for corruption, and I am saying that

it will be the inevitable route to which our industries will turn, if red tape is not dealt with in a surgical manner at this critical point in time.”

Kickstarting this process of activating the economy was the template the WCPDF used to determine the programme for this year’s conference, from keynote speakers such as Cas Coovadia (Managing Director of The Banking Association South Africa) and Minister Beverley Schäfer (Western Cape Government’s Provincial Minister of Economic Opportunities), to presentations such as *Can the public and private sectors work together?* (delivered by the HSRC’s Professor Ivan Turok, Executive Director, Economic Performance & Development) and *Reducing Red Tape – the ease of doing business with government* (John Peters, Chief Director: IEDS, Department of Economic Development, Western Cape Government).

Speaking about the outcomes expected of the conference, Van Zyl noted that there were also a number of robust panel discussions to be held, from which it was hoped a path forward could be determined. These included a frank discussion around the future economic outlook for the province (chaired by Tim Harris, CEO of Wesgro) and the challenges behind procurement procedures within the City of Cape Town (chaired by Dr Len Mortimer, senior extraordinary lecturer, School of Public Leaders at the University of Stellenbosch).

Commenting on the fact that the public sector was finally starting to acknowledge the crisis in the industry, Van Zyl said he was heartened by the fact that a large number of City and Provincial officials were attending.

“We have already challenged the Premier Elect, Alan Winde, to establish an economic war room to facilitate formal engagement between government and the private sector, with the sole purpose of addressing bureaucratic and process bottlenecks. And we are pleased to announce that Minister Schäfer has agreed to take up this challenge, alongside Wesgro, which has already started to facilitate engagement between ourselves, government officials and the financial institutions.

“Considering that property and the real estate industry falls within the largest sector contributing to the local economy, namely finance & business services which hold a 35% share of the Western Cape economy and construction accounting for 4% of the provincial economy, it is only a matter of time before these figures register the knock-on effect of the crisis in our industries.”

**THIS RELEASE IS ISSUED BY THE WESTERN CAPE PROPERTY DEVELOPMENT FORUM**

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