

MEDIA RELEASE

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DEVELOPMENT AND CONSTRUCTION INDUSTRIES SUFFER WHILE ACTIVISTS CALL FOR DESPERATELY-NEEDED AFFORDABLE ACCOMMODATION

With the construction industry already in crisis, partly due to lack of movement on government projects, multiple objections lodged by Cape Town-based activist group Ndifuna Ukwazi on land use applications is already costing the Western Cape thousands of jobs and impacting billions in development investment.

The Western Cape Property Development Forum (WCPDF) has been inundated by calls from members, including developers and property professionals, to mediate on multiple objections to land-use applications lodged by activist group Ndifuna Ukwazi.

According to WCPDF Chair, Deon van Zyl, the organisation has been made aware of 18 objections already lodged, but it suspects that there may be many more. Some of these objections and appeals have been lodged outside of the prescribed statutory time frames but have been condoned by the Cape Town Municipal Manager.

The Forum has estimated that the recent objections, quantified in developments terms, could provide in excess of 4 200 construction jobs in the short to medium term assuming that all applications conformed to the City's planning policies, says Van Zyl: "We are aware of R13.2 billion of development applications current under the objections with appeals lodged. This equates to more than R5.bn of construction work and potential revenue lost to the City of more than R200 million in property tax, application fees and development contributions in one year alone. Ironically, the actions of Ndifuna Ukwazi are costing the Cape Town economy an estimated R5.8m per day – money that should be directed to the exact cause highlighted by Ndifuna Ukwazi itself.

"The WCPDF has been engaging with the concept of affordable housing for well over a year. We believe that Ndifuna Ukwazi is highlighting a critical shortcoming in Cape Town in terms of the need to seriously

address gentrification and social integration; both topics that have received scarce attention and priority from all three tiers of government post 1994.”

Van Zyl says that the WCPDF has been acclimatising its members towards the idea that some form of inclusionary and affordable housing policy will need to be developed and that private developers will have no choice but to embrace it: “It is the natural progression in a country like ours, particularly where government seems to be failing in the provision of inner-city housing, that the private sector will have to, at least in part, take up the challenge where it can. Or, at the very least, be brought into the policy-making process where we can provide expertise and insight into finding solutions that will work for all parties. Unfortunately, the scale of the unintended consequences of these activists’ objections is having a severe impact on the industry in a time when the economy can scarcely afford delays.”

It is, in fact, in the formation of the government policy itself that the fault lies, believes Van Zyl: “The fault is not with the construction industry or the developers, nor with Ndifuna Ukwazi who are highlighting a critical societal need. The economy and job market are being penalised for local government’s inability to get its own ‘house’ in order and develop the necessary practical policy frameworks which also includes development rights and municipal infrastructure specification.

“The industry is already suffering under a plethora of legislation and policies and is further hamstrung by the time it takes to obtain development and building plan approvals. We cannot just add another theoretical policy to the bureaucratic gauntlet that industry needs to traverse daily. It is critical that we approach inclusionary housing with a practical understanding of development processes and funding models. We need to find that money through efficiencies, time saving and reduction in costly over-specification by officials who drive purist agendas. There is no magical pot of money in the private sector that can solve government inefficiencies.”

The Forum believes there is an urgent need for government to speed up processes and find ways of directing public funding to the private sector which specialises in practical delivery. Adds Van Zyl: “And not just tax the private sector because of the failures of government.

“The actions of Ndifuna Ukwazi come at a time when the economy is under severe strain, and unemployment is a national crisis. The civil and construction industries are haemorrhaging and scarce skills are being lost; the exact same skills that are required to construct the desperately-needed housing.”

In a press release issued in July, the Forum took the City of Cape Town to task for failing to award the Foreshore Freeway Precinct project, a project which had apparently been hamstrung by the City

seemingly having failed in its own procurement requirements. Says Van Zyl: “Just this project alone could have injected huge investment into Cape Town and provided critical infrastructure and construction jobs.”

Issued on behalf of the Western Cape Property Development Forum (WCPDF) by:

Deon van Zyl, Chairperson

Contact: chairman@wcpdf.co.za

Landline: 021 461 0411