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THE KEY PROPERTY DEVELOPMENT AND CONSTRUCTION INDUSTRY TOUCH POINTS FOR THE YEAR AHEAD

A number of significant touch points have emerged from the recent annual conference of the Western Cape Property Development Forum (WCPDF), held on 26 and 27 May at the Cape Town International Convention Centre.

With record numbers of private and public sector delegates attending, the event saw the WCPDF bring the full spectrum of the property development and construction industry back together in a room post-pandemic. As a result, under the conference theme of “From surviving to thriving in the built environment”, several key strands for both the industry and investment in the Western Cape as a whole have been clearly identified for the year ahead.

- **Investment in the Western Cape is about more than just Cape Town:** While Cape Town will remain the economic powerhouse of the Western Cape for the foreseeable future, the potential for investment in areas outside the Mother City was growing fast. In a session led by Premier Alan Winde, the Executive Mayors of Drakenstein, Overstrand, George, Saldanha Bay and Stellenbosch pitched strong investment messages, with each municipality now competing to make its own region as easy as possible in which to do business, and understand the challenges that faced the private sector in decision making.

Says Deon van Zyl, WCPDF Chairperson: “These municipalities are taking on the policy and procedure blocks that have plagued the industry for many years and working hard to find solutions. Hearing, in particular, of each municipality’s commitment towards proactive investment in infrastructure has been music to the industry’s ears.”

- **Micro-developers will play a significant role in solving affordable housing:** One of the highlights of the event was the acknowledgement of the role that entrepreneurial micro-developers were now playing to solve the affordable housing crisis, and the innovative ways in

which they were financing their developments, due to the still-evident lack of recognition from traditional banks.

“This even though the sector is now among the highest yielding in terms of returns,” notes Van Zyl. He however commended organisations such as financial institution TUFH and developers Concor Developments – both of whom were now successfully venturing into the affordable housing market.

He noted that TUFH had spotted the opportunity to finance underutilised buildings in inner cities, thus also laying a future path for current micro-developers to follow as their businesses grew, while Concor had partnered with the Western Cape Government to develop the much-admired new Conradie Park development in Cape Town.

“Both of these have set examples to be taken very seriously by the broader community of financial institutions,” says Van Zyl. “Micro-developers themselves are also seeking legitimacy and compliance with the public sector, and this must be nurtured and encouraged.”

He therefore also commended the work being undertaken by the Development Action Group (DAG), which had just released a study in partnership by the HSRC to recommend government incentives for micro-developers.

“This has to date been seen as an informal sector which is now moving towards formality. It is looking to the formal sector for advice and guidance and, as the WCPDF, we will now drive a commitment from larger-scale developers to act as mentors to upcoming developers.”

- **Procurement remains the industry’s biggest crisis:** While the conference praised the work of those in the public and private sector stepping to the fore to tackle red tape, there was clearly still much to do to create an investment friendly region and country.

“It often begins and ends, at government level, with procurement. Our concern is that this is a tipping-point crisis which the person in the street has not yet grasped, and we struggle as an industry with getting this message across and raising the awareness and pressure to have it resolved across all tiers of government,” noted Van Zyl.

Referring to the coverage that the R17-billion SANRAL debacle had recently received in the media, Van Zyl noted that the challenges around tender cancellations, delays and fraud had been ongoing for years.

The issue had in particular been acknowledged during the conference by Dr Miriam Altman, a private consultant leading the development of the National Infrastructure Plan (NIP) for 2050. In a presentation on the infrastructure procurement reforms needed, she noted that while both the National Development Plan and NIP2050 acknowledged the problem, no solutions had yet been tabled.

“Procurement is a crisis that has already causing major injury to the construction sector, not to mention every person living in this country,” noted Van Zyl. “And it is the reason why so much of our infrastructure is falling apart, or why public housing projects such as those in District Six in Cape Town never see the light of day.”

- **Civil Society needs to step forward and everything needs to be counted:** One of the strongest messages delivered at the WCPDF, was the need for industry – and civil society in general – to no longer wait for permission.

Summing up this point, Van Zyl noted: “Civil society has an obligation to engage constructively with decision makers. But if no action is forthcoming, then civil society also has an obligation to call those responsible to account. We need to become a demanding society; and we need accountable leadership. And, likewise as an industry, we can no longer afford anonymity; we must make ourselves heard.”

To this end, Van Zyl praised both keynote speaker, Dr Imtiaz Sooliman (Founder, Gift of the Givers) as well as presenter Wayne Duvenage, the CEO of Organisation Undoing Tax Abuse (OUTA), both of whom had outlined how their organisations had successfully mobilised around civic challenges and against government regulations.

It was equally important for civil society to hold individual politicians accountable against their mandates, a point raised during the conference by Jacques Moolman, President of the Cape Chamber of Commerce and Industry. Moolman was outlining “scorecard” being developed by the Chamber, against which municipal and regional governments could be rated by their

taxpaying base – a key feature of which was measuring real outcomes against deliverables. What had a government (or politician) promised and budgeted for and what – in real numbers and expenditure – had it actually produced?

“We are simply talking about accurate, ongoing data collection here,” stated Van Zyl. “To measure is to know and many of our municipalities and provinces are not truly measuring effective outcomes.”

Simply being frustrated as civil society was no longer good enough, added Van Zyl, and could never be a solid basis for holding leadership to account.

“We need the facts and figures, and without real numbers, you cannot plan and you cannot budget. It was refreshing for the Capetonians at the conference to hear Deputy Mayor Eddie Andrews acknowledge that there was much work to be done in this regard, and that delivery systems - not least of which is bulk infrastructure provision - needs to become the new ‘sexy’.”

The WCPDF had therefore also undertaken to make the accumulation and sharing of industry data a key focus for the next year, said Van Zyl: “We want to be able to state in confidence, at least in the Western Cape, what our industry is worth to the economy, in investment and jobs. And we hope that the municipalities in our province are finally willing and able to collaborate on the sharing of such data, and will see the value of this for the region as a whole.”

For more information on the Western Cape Property Development Forum (WCPDF), please visit:

<https://www.wcpdf.org.za/>

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