

Call for residential relocation to be allowed

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THE National Property Practitioners Council (NPPC) has called for residential and commercial relocations to be permitted in Level 4 of the lockdown.

Currently, the housing market has ground to a standstill with tenants – unable to relocate and honour lease agreements and transfers that were due to take place – in limbo.

The NPPC requested that relocations be permitted where rental contracts have expired or deeds transfer of ownership has been effected, provided such proof is available and a permit granted.

NPPC chairperson Vuyiswa Mutshekwané said the council made this call after the real estate sector and some related services were not identified in the permitted goods, services and movement schedule under lockdown Level 4, and were currently categorised as Level 2.

The NPPC has also called for the real estate sector to be reclassified as a Level 4 industry via a written submission to the proposed Risk Adjusted Strategy for Economic Activity, in which key sectors of the economy will be phased in during Level 4.

About 70% to 80% of the real estate industry faces disaster if trading remains paused – and its members find themselves in this dire situation after a month of the anti-Covid-19 national lockdown.

Just how badly the industry is suffering is contained in this submission. Laying bare its devastation, the real estate sector contends that if it is not allowed to start operating by Friday, not only would it suffer economic fatalities and its 5% contribution to the GDP be lost, but so too would industries relying on it to function be hard-hit.

The residential property market is already projected to contract by 40% in 2020, which would result in a total economic loss of R15.7 billion to the GDP.

Employees have already left the industry and the belief is this “will now rapidly accelerate”, with property practitioners at high risk of liquidation and destitution, as they have been without an income after the closure of the deeds office, said Mutshekwané.

It is proposed that the deeds office open for selected services in Level 4; however, the NPPC has requested clarity on whether this will include property transfers.

The construction industry fares no better. A submission made on Monday by Horizon Capital managing director, David Sedgwick, states: “Continued closure of the construction sector would cause further harm to an industry and sector already on its knees... If the industry is barred from operating under Level 4, we fear there may be no jobs to go back to when we reach Levels 2 and 3.”

Recommendations have also been made by industries as to how the sector could implement virus risk-mitigation strategies.