

Property bills in the works set to significantly impact the industry

A new set of bills expected to be passed by parliament this year will fundamentally impact South Africa's R6tn property industry, as it seeks to give the public greater avenues for recourse, sets stricter guidelines for estate agents and provides for improved transparency.



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Property Practitioners Bill

According to the Government Gazette published on the 31st May 2018, notice was given by the Department of Human Settlements of its intention to introduce in parliament the Property Practitioners Bill. The Bill is currently before parliament.

The Property Practitioners Bill will replace the Estate Agency Affairs Act, 1976 (Act No. 112 of 1996), which is 40 years old (considered outdated by the government).

With the new Bill, public complaints can be directed to an independent ombuds office, which is to be established. The Bill will also seek to regulate the conduct of estate agents, bond brokers, home inspectors, property managers and developers.

Mike Greeff, CEO of Greeff Christie's International Real Estate, weighs in on the impact of the Property Practitioners Bill 2018.

“The Bill is intended to replace a 40-year old piece of legislation and comes with many benefits. The new Bill will establish a Property Practitioners Regulatory Authority and provide for the appointment of the board of that regulatory authority.

“The Bill also aims to set up a Property Practitioners Ombuds Office and provide for other matters related to the workings of the Ombuds Office. The Bill aims to provide better, more transparent regulation of a R6tn industry. It is a responsible step taken by the government to better accommodate the increasingly dynamic needs of the real estate industry.”

Electronic Deeds Registration Systems Bill

Another piece of legislation that will affect the way the real estate industry functions is the Electronic Deeds Registration Systems Bill. At present, The Deeds Registries Act, 1937 (Act No. 47 of 1937), and the Sectional Titles Act, 1986 (Act No. 95 of 1986), provides for registration processes to take place manually.

However, a need exists for a fully electronic Deed Registration System (e-DRS) to provide, amongst other things, for a faster and more efficient process of the registration of ownership of land. The e-DRS aims to provide for the effective registration of large volumes of deeds and to enhance the accuracy of the processes relating to the examination and registration of deeds.

The core focus of this Bill would be to streamline the deeds registration process using the latest technology/software to handle large volumes of deeds. The other benefit would be decreasing the time required for the registration to take place.

The impact of this Bill on the property sector would be far-reaching as property in rural areas can now be registered with almost the same efficiency as property within the city centre.

“These pieces of legislation will all have significant impact on the real estate sector and will change the landscape of the industry. With all these pending changes, it is advisable to seek professional advice during all property dealings,” says Greeff.

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