

# Land reform panic unnecessary, Seeff welcomes clarity and support

 By [Stuart Manning](#)

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There is no doubt that there is great concern about land reform amongst ordinary South Africans and especially property owners and buyers. At the same time, there is a huge amount of noise in the media and public discourse around this, often sending mixed messages.



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In light of this, the Seeff Property Group has welcomed the clarity provided by President Ramaphosa in various media reports and in a recent parliamentary sitting that there will be no wide-scale land grabs of any kind. He made it clear that there will be no nationalisation and that property rights will be protected, and that illegal land grabs will not be tolerated.

The president again reiterated that expropriation will be done in a planned manner in pursuance of economic growth. This was also again echoed in the very important recent meeting between the president and UK Prime Minister Theresa May and during his visit to China.

There is no need for consumers to fear that their houses will be taken, or that it is pointless to invest in property. In fact, far from it. The president has been very clear that SA has learnt from the experiences of other countries (including Zimbabwe), in terms of what has worked and what has not, and will not make the same mistakes.

## No intention to erode property rights

The president has also given the assurance that the governing party does not intend to erode property rights, but rather to ensure that the property rights of all South Africans are strengthened. It should also be noted that ratings agencies and other international commentators including the IMF have all urged clarity on land reform which is seen as a vital step to future prosperity and stability.

Following US President Donald Trump's tweet regarding land expropriation, the Seeff Group is urging buyers and investors to be wary of the noise, misinterpretation and misinformation. This is causing unwarranted and unnecessary fear and concerns among consumers about whether they should be investing in property when in fact, it is an excellent time to buy.

There has been no indication that expropriation will affect ordinary residential property, far from it. Ramaphosa is on record as stating that the intention is to unlock the economic potential by looking at unused land, derelict buildings, purely speculative land holdings, or circumstances where occupiers have strong historical rights and title holders do not occupy or use their land, such as labour tenancy, informal settlements and abandoned inner-city buildings.

While agricultural land is a stated target for expropriation, recent developments, pledges of co-operation and undertakings following high level meetings with various agricultural bodies and stakeholders are welcome.

## **Banking sector committed to land reform**

Additionally, South Africans and foreigners should rest assured that SA's interested parties are keeping an eye on developments and are setting up high level meetings and making representations as needed, all in the interest of the country, the people and property. This includes the Banking Association of South Africa (BASA), and its managing director, Cas Coovadia, is on record confirming that the banks continue granting property loans including in the agricultural sector and that the banking sector is also committed to land reform.

Without downplaying the seriousness of the matter, South Africans need to be reminded that SA is in a much stronger position than what Zimbabwe was. We have a strong constitution and Chapter Nine institutions and civil rights organisations. SA is also a party to international treaties which require the protection of property rights and we should take encouragement from all of these factors.

While the economic and political challenges remain an obstacle for the property market, it is important to remember that there is still plenty of activity. Regardless of the state of the economy and market, there will always be people who need to buy and sell for a range of reasons. Deeds office data shows that thousands of sales transactions are still concluded each month and it is important to filter out the negative noise.

The important take-out is that while there are challenges, there are opportunities aplenty. Timing the market is impossible, so it is best to work with what we know. There is very little to indicate that there will be any dramatic upward shift in the economy and property market this year, but for as long as people need a roof over their heads, there will be buyers, and with that, opportunities to sell. We certainly would urge buyers not to waste time waiting for a better time to buy.

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