

Are land reform and expropriation fears justified?

As much as the heated debate about the proposed amendment of South Africa's Constitution to allow for land expropriation without compensation has dented property investment confidence among the country's middle class, much of the insecurity and fear is based on misinterpretation and a serious lack of reliable data, says Rowan Alexander, director of Alexander Swart Property.



“On one hand we have AgriSA claiming that already nearly 30% of agricultural land is black owned while others are saying that these policies, if adopted, will destroy the free market economy and local and overseas business confidence in SA,” said Alexander.

He was referring to an article in the *Mail & Guardian* by Ben Cousins, professor of the University of the Western Cape's Property Land Reform and Agrarian Studies Department, and to a talk given to Durbanville Business by Professor Nick Vink of the University of Stellenbosch's Agricultural Land Economics Department. Professor Vink is also a member of the South African Reserve Bank's Advisory Panel.

No data on the subject of land ownership

“Professor Cousins in his article made it clear that there is virtually no data on the subject of land ownership in South Africa which can be regarded as authentic and can be used in this argument, while Professor Vink emphasised that land reform is not necessarily unconstitutional.

"South Africa's constitution, in fact, makes provision for the expropriation of land and it places an obligation on whatever government is in power to pursue land reform. Ways of doing this are by restitution, redistribution and tenure reform. In Professor Vink's view, redistribution and tenure reform have so far proved ineffective.

"The emphasis, therefore, will be on restitution, i.e. the handing back or paying of compensation to disadvantaged people for land on which they formerly lived or worked. Furthermore, the focus will be on such land which is closest to the main work nodes and industrial precincts, the aim here being, among other things, to reduce the excessive time and money spent on commuting by the workforce.

"What is pertinent to the current debate is that much of the land suited to restitution belongs to the government – in Cape Town, for example, the entire Ysterplaats Aerodrome and the Goodwood Military Base, both within 10km to the CBD, while in KwaZulu-Natal and adjacent North East territories, the king and chiefs are by far the largest land owners in many of the urban areas. Finding land here for affordable housing or even for informal settlements should, therefore, not be a problem."



Targeting underutilised, abandoned land

Professor Vink, said Alexander, is of the opinion that the new government is not, as is so widely thought, intent on targeting existing property owners. Rather, they are looking primarily for owners of land in the areas described above which is underutilised, or abandoned or has derelict buildings on it - 50% of Johannesburg's CBD buildings are today said to be in this category.

"The impression I gained from Professor Vink's talk," said Alexander, "is that the government has no intention of taking over viable, productive business land or individually owned residential properties if they are in good condition."

It appears, too, he said, that the government will be trying hard to establish legal tenure/ownership for the many properties owned by black people, sometimes for several generations, for which they have no recognised documents – and therefore cannot use them as security for business or other loans. 60% of all property in South Africa is said to be in this category, said Alexander.

In addition to the above, the government, said Alexander, is expected to reform the 'feudal' system prevailing on some farms whereby a labourer is allowed to live on the land in return for giving 'free' labour – but never has a legal right to the

property in which he/she may have lived for many years.

“This system,” said Alexander, “is very close to slavery and obviously does need changing.”

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