

## **Amended Property Sector Code gazetted**

By: Creamer Media Reporter

The Amended Property Sector Code has been gazetted, making it legally binding to entities and organisations operating in the property sector, Trade and Industry Minister Dr Rob Davies said in a statement released at the weekend. Effective June 28, the Amended Property Sector Code, which was gazetted for public commentary towards the end of 2015, is now applicable to commercial activities in the residential and commercial industries of the property sector, as well as the value chain.

The codes are likely to accelerate an increase in ownership by black people in the sector with a black ownership target of 27% for property owning companies, higher than the 25% in the Generic Codes. "In addition, and in recognition of the fact that there is a need to make capital available in the sector to enable black-owned companies to develop and acquire properties, the amended sector code has set a target for established companies to financially support those that are at least 51% black-owned. The value of the finance to be made available is up to 2% of the total development or redevelopment spent," Davies said.

Further, the codes stimulates contribution to development and investment in marginalised areas of South Africa, with the introduction of a measurement indicator called Economic Development, which aims to bolster property development in under-resourced and marginalised areas, while in the process addressing inequalities and creating wealth among previously disadvantaged groups. The set target is 10% of all yearly investment for development or redevelopment. Lastly, Davies highlighted that while the main focus of the Amended Property Sector Code was not land reformation in South Africa, it was expected to contribute towards reversing the legacy of the Native Land Act and subsequent discriminatory policy and legislation which denied black people access to productive land and property.