

Tenants left to suffer from sales

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CHANGE of ownership of residential dwellings and buildings were previously common for tax purposes.

Individual owners found it expedient to transfer ownership to a company or close corporation for various reasons until the South African Revenue Services (SARS) closed the evasive route.

Over the past few years increasing number of buildings have been sold in the inner cities, commercial and residential.

It would appear that these sales, especially residential ones, have nothing to do with SARS.

Prospective sellers and buyers are exploiting a cavernous loophole in the economic system and failure to meet ownership and rental housing needs.

Some buildings have changed ownership several times within a short period with devastating consequences for tenants.

It was previously argued that the Rent Control legislation prevented the private sector from building new dwellings.

Most countries held similar views but the abolition of the rent control

laws only intensified the exploitation of tenants.

Rentals escalated by huge percentages, evictions increased and maintenance dropped.

In South Africa, the Rental Housing Act and the provincial Tribunals operating (in five provinces) between four to five years, is one of the most liberal reforms in the rental sector.

The Rental Housing Tribunal in the Canadian province of Ontario seems to have evoked similar responses to the liberal reforms in favour of market forces: failure to stimulate the rental sector, enormous rental increases and accelerated evictions with no alternative accommodation readily available in the “rental market”.

Canada is to amend its Tenant Protect Act of 1997 and the annual increase guideline is set at 2.6% with effect from the end of January 2007. South Africa has left tenants to market forces while millions of people are in need of formal housing.

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