

Homes market will shrug off Zuma confidence vote

 By [Ronald Ennik](#)

16 Aug 2017

The state president's widely expected survival of yet another parliamentary vote of no confidence in him should have little or no material impact on South Africa's generally flat-lining residential property market.



© dodohawe – [123RF.com](#)

There is no question that a majority vote against President Zuma would have triggered a welcome uptick in sentiment, which is the market's key driver. And it would have added traction to a home buy/sell momentum that, until now, has been pretty languid in virtually all market spheres.

This excludes, of course, the homeowner 'semigration' to Cape Town phenomenon, which now appears to be losing steam.

Encouraging resilience

Until now, the sheer resilience that residential property has shown in the face of bland market conditions has been encouraging, to say the least. All the more so when taking into account the negative circumstances into which the South African economy, together with the nation's consumers, have so far descended.

The wide scale of the country's social, political and economic regression is illustrated by the more than 120 Zuma-

appointed cabinet ministers and deputy ministers that have come and gone – along with reportedly over 100 directors general – since the start of the current presidency in 2009.

As a group, these top-end public servants have seemingly continued to be shuffled, re-shuffled, and recycled – a process that suffocates personal ambition and progress. It also fosters inefficiency, and prevents government departments from building and sustaining momentum in the services they provide.

State capture

Superimposed on this strategy – if, indeed, it is a strategy – is the reportedly R100bn that has to date been siphoned out of the national economy by the so-called 'state capture' process.

As the revelations continue to roll out, the tentacles of the pervasive 'capture' of state capital will inevitably be seen to have spread even wider. This reflects badly on the leadership of the country.

A market turnaround

That is why history is now repeating itself. Civil society is once again closing its ranks – in much the same way as it did in the fight against Apartheid – in order to combat the state capture plague.

The point is that these negative circumstances are not causing the market to descend into a black hole. In fact, the opposite is emerging. The 'close call' of the confidence vote shows a hardening, and a coming together, against the forces undermining South Africa's progress. And there are even some signs of a market turnaround beginning to emerge.

The fact is that the country's residential property market always presses on regardless. In the process, it continues to reinforce the fact that property is a primary need; that a roof over your head is, and remains, a fundamental necessity.

The market is, nevertheless, looking for signs to lift. A successful confidence vote would have hastened a turnaround. However, I do believe a 'coming together' has started. It has not only stabilised the residential property market, but is also contributing to signs of an improvement.

ABOUT RONALD ENNIK

- Ronald Ennik is the founder and CEO of Ennik Estates.
- Is the 'sweet spot' for home buying now upon us? - 25 Jan 2019
- Has 10 years of zero growth damaged fundamental belief in property? - 22 Oct 2018
- Pricing a property is not an exact science - 15 Oct 2018
- How to increase the value of your home without overcapitalising - 31 Aug 2018
- How 'dominant agent syndrome' poses a threat to sales values in an area - 23 Aug 2018

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>