

Sweeping reforms to protect property buyers

SWEEPING reforms intended to regulate the property and building sectors, to protect the unwary against sharp practice by property owners and from cowboy builders, are expected to be unveiled soon.

New regulations targeting estate agents are expected to require any firm wishing to practice to be formally registered;

to set out conditions which must be met by would-be agents; and to institute a system of registering all sales contracts with the Land Registry to prevent any further dealing on the land or property concerned.

But a Grine solicitor closely involved in property transactions said he believed the government

was in danger of taking a sledgehammer to crack a nut in the reforms it was devising, and could end up introducing so many rules and conditions that the sector would be brought to a standstill.

Details of the new regulations have yet to be unveiled, but they have been approved by ministers

and are currently before a parliamentary committee.

The 23 provisions are believed to include the establishment of a six-strong commission to oversee estate agents' registrations; and conditions for registration, such as lodging a 100,000YTL bank

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Sweeping property reforms

Many welcome plan but some fear 'sledgehammer to crack nut'

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guarantee, having no prohibition on writing cheques, and no close relatives in the Land Registry.

Solicitor Akan Gürkan acknowledged the need to bring new controls to the sector, but said: "Every step to be taken with the good will of the government is worth supporting, but 95 per cent of all problems faced in this sector could have been eliminated through minor changes. The introduction of such a regulation is a bit unnecessary."

Mr Gürkan said most of the property-related disputes with which he dealt centred on the transfer of title deeds to a buyer, and this was one area which "must be corrected urgently". Other cases, in which a property that had been sold was later mortgaged, were already "fraud" under TRNC law — "new legislation to prevent this is a positive thing but what will happen about the cases that have already arisen? What have the police done about them?"

While millions of pounds passed through the hands of estate agents every month, Mr Gürkan asked how the new legislation would prevent them from "taking people's money and running away".

Hasan Sungur, chairman of the Estate Agents' Union, said he could not comment on the latest stage of the proposals because he

did not know what it contained.

However, legislation bringing order and quality to the real estate sector was a very good thing, he said, while cautioning that "poorly designed" legislation would kill the sector.

Mr Sungur admitted his union, with just 60 members, and the government had lost control of the sector, which currently featured some 300 firms. Even some of his own members would not be able to remain in business under the new legislation, because they did not have telephones, a fax machine, secretary or employ people who could interpret maps.

Separate legislation is also being drawn up to bring the construction sector under tighter control, and to give greater power to the authorities to halt illegal building work.

Cafer Gürcafer, chairman of the Construction Contractors' Union which framed the initial draft of the legislation, said the current lack of control meant a dangerous "over-growth" in the building industry and an inability to enforce standards.

Under the present regime, legal complaints against a contractor resulted in a lawsuit that brought a "ridiculous" fine after two or three years — by which time the builder could have finished an estate of 100 houses. Some 50-60 contractors currently had such cases outstanding against them.