

Greater private sector support needed for transformation in property sector

The latest Property Sector Market Size report by the Property Sector Charter Council shows that the sector in South Africa is estimated to be valued at R5.8tn. Within the sector, fewer than 10% of real estate investment trusts (REITs) are black originated funds.



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According to the South African Institute for Black Property Practitioners (SAIBPP), it is of paramount importance to prioritise the inclusive growth and radical transformation of the property sector and non agri-land while ensuring security of tenure, delivering on social priorities and creating an opportunity for the average South African to be an active participant in the mainstream economy through title deed ownership.

According to SAIBPP, 47% of land in South Africa is privately owned by non-black owners versus 22% which is currently classified as “black-owned”, including communal and private ownership. 21% is owned by the state. The value of urban zoned land (i.e. excluding rural and agricultural) equates to R520bn split between municipalities, national government, private owners and commercial owners.

“Although there has been some success in, for instance, delivering social housing and issuing title deeds, the demand far outweighs the supply and support from the private sector is much-needed,” says Vuyiswa Mutshekwane, CEO of SAIBPP. “Social cohesion, an alignment to the financial services sector and support from the private property sector is required to achieve inclusive growth, radical transformation and to ensure that all policies are underpinned by sound economic principles and skills. At this year’s convention, we will be taking a closer look at inclusive growth and radical economic transformation within the property sector, and focus on what the national policy should achieve with respect to this,” she concluded.