

Economic and business trends to focus on rural, township transformation



By [Herbert Seabelo Theledi](#)

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Despite South Africa being reduced to Covid-19 Alert Level 1, the damage caused by level 4 and 5 lockdowns in the last couple of years has created a ripple effect of job losses, financial insecurities, high crime rates and the dependency on state relief funds for historically and systematically disadvantaged people to survive. The South African unemployment rate reached 34.9% in the third quarter of 2021 and is on a perpetual rise. Government, businesses, and fellow South Africans must collaborate to decrease it.



Seabelo (Herbert) Theledi, founder and managing director, Nthwese Developments

These are the trends we expect to see in 2022:

Investment in underprivileged areas

Due to apartheid spatial planning, the historically disadvantaged are densely populated within under-serviced townships, rural areas, and dilapidated inner-city CBDs. When the pandemic ravaged the country, these are the areas with populations that suffered most from loss of jobs, financial insecurity, and limited access to safe environments for social distancing and quarantining in the event of contracting Covid-19. Companies and organisations felt the ripple effect as employees who live in the underprivileged areas could no longer commute effectively to work and guarantee daily social distancing at home to protect those they interact with daily. As a result, most economic activities were halted.

There is great pressure for government, companies, and individuals to contribute to the development of these underprivileged areas. It is the only way to ensure, in the event of another global catastrophe, there will be limited loss of lives, jobs, and economic activities.

Property sector transformation

Black people are the majority of underprivileged people in South Africa, followed by Coloured, Indian, and then White people. Therefore, the property sector must adjust to ensure it caters to the development and integration of Black people where it pertains to development and property sector job opportunities. A trend that will develop is government, industry peers and regulators will align to ensure there's an investment in 100% Black-owned and managed property development in line with objectives of the BBBEE Act, Financial Services Charter, and the Property Sector Charter.



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Creation of new shopping centres and social amenities for communities

In alignment with the trend of property sector transformation, Nthwese Developments is engaging in continuous work in construction of shopping centres in townships and rural areas. Most recently, there has been the redevelopment of the

Bushbuckridge shopping centre in Mpumalanga. Nthoese Development, in association with Sampada Private Equity and the Bushbuckridge Local Municipality, have collaborated to ensure the shopping centre was strategically developed in Bushbuckridge's CBD. This ensures the most underprivileged around Mpumalanga have access to basic goods, services, and social amenities in one central place.

If this trend rises in 2022, we will soon experience better standards of living for South Africa's most underprivileged, and a revival of the economy.

Local job creation

To mitigate the effects of the pandemic, local job creation must be prioritised. An equitable job creation trend ensures local community members benefit from all developments and construction in their areas. As part of Nthoese Development's Bushbuckridge shopping centre project, there is an investment into the construction of better roads and a new taxi rank in proximity to the shopping centre. This will yield more job opportunities. Planned construction works are estimated to create 8,941 temporary jobs during construction and 3,352 permanent jobs post-construction for underprivileged township and rural areas.

This trend must continue and expand to other parts of South Africa's townships and rural areas. It is the best way to empower the people and strengthen business operations.



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Local economic development

By prioritising the employment of local people in construction in the townships and rural areas, the local economy stands to benefit. By employing local people in construction projects and to work within the shopping centres developed in their rural areas and townships, we create a circular economic system. This means we must maintain a trend where all services during construction must be procured from local townships and rural area businesses. Being the primary beneficiaries of all developments in their communities, underprivileged people are most likely to maintain the infrastructure and grow local businesses.

Local public infrastructure development

As the trend of local economic development and construction work begins, additional township and rural municipal bulk infrastructure needs to be installed. Shopping centres must be surrounded by well-maintained public roads and taxi ranks. Most underprivileged people rely on public transport to commute. If most shopping centres and social amenities are built in inconvenient places, they are least likely to utilise them. This will decrease employment rates and economic development thus stalling any progress towards mitigating the effects of Covid-19.

ABOUT HERBERT SEABELO THELEDI

Herbert Seabelo Theledi is the founder and managing director of Nthoese Developments. He holds a Bcom Degree in Accounting and Economics from the University of the North. He founded Nthoese in 1994 and has over 20 years' experience in the real estate industry. He was instrumental in growing Nthoese's portfolio to just over R2bn, prior to the sale of half the portfolio to the JSE-listed Rebosis Property Fund.

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