



For immediate release

THE SOUTH AFRICAN INSTITUTE OF BLACK PROPERTY PRACTITIONERS SUPPORTS LAND REFORM FOLLOWING SONA

15 February 2017: The South African Institute of Black Property Practitioners supports the call at the recent State of the Nation Address (SONA) for land reform, and expediting the transformation of the property sector. The organisation does however caution that this will require actionable programmes and clear time-based implementation strategies to guarantee success.

The recent SONA by President Zuma highlighted a number of important economic policy shifts and pronouncements. The term "radical economic transformation", as reiterated several times during the SONA, is firmly entrenched in our day-to-day political rhetoric. It is key to note that without the support of a solid implementation strategy and measurable targets, it is unlikely that we will see results in either the short or medium term.

The South African Institute of Black Property Practitioners (SAIBPP) is encouraged by the pronouncements on and the commitment to prioritise the transformation of the property sector by reviewing the Property Practitioners Bill, which addresses land reform and expediting access to housing. Notably, private residential property ownership accounts for only half of the value of the property sector. The commercial sector still remains frighteningly untransformed, with less than 10% being black-owned, managed and controlled.

Currently less than 10% of the buildings occupied by government departments are black-owned, managed and controlled, resulting in 80% of government lease spend going to BBBEE-compliant but untransformed companies. Of the 40-plus JSE listed property funds, still, less than 10% are black originated and managed. This state of affairs is truly unacceptable 22 years into our democracy given the abundance of skilled and capable black property professionals (many of whom make up our membership).

The only way to catalyse black ownership in the property sector and grow the industry is for government, as a key stakeholder in the sector, which is valued at approximately R6-trillion to urgently cease lease renewals for untransformed companies and replace these with long term leases for black-owned, managed and controlled (OMCs) property funds and new entrants. This will send a strong message that government is pro-transformation – a necessary catalyst for the transformation of the property sector.

SAIBPP is also calling for government to commit to increasing total procurement spend to at least 50% for black-owned, managed and controlled companies within the next 2-3 years. This will have a positive impact on the entire property industry value chain, stimulate black industrialisation and create sustainable jobs. “As black people, we can no longer accept being treated like political benchwarmers, perpetually being ‘enterprise development candidates’ and ‘up-skilled’ but never given real access to opportunities. We have the skills and the experience and we are ready.” says SAIBPP President, Nkuli Bogopa.

“SAIBPP is also committed to seeing the adoption of the Property Incubation Programme within the Department of Public Works that will give new entrants access to the property industry and encourage growth and competitiveness,” she says.

Making land available to previously marginalised groups, black people, women and youth, is key to ensuring equitable redistribution and growth of our sector and the economy at large. To this end, SAIBPP supports the call for land reform and the re-tabling of the expropriation bill to facilitate access to land for human settlements and for commercial development in townships and urban centres (by black owned and managed companies).

We continue to work closely with the relevant government departments and our members to ensure that these objectives are swiftly implemented and achieved.

Ends.