

Property constitutes 78% of all fixed capital stock in SA - study

The Property Sector Charter Council recently released the results its latest study, highlighting the contribution of the property sector to the South African economy. The analysis in the report, *The South African Property Sector Economy Contribution*, uses the life cycle of a property, from origination to transaction and to its end cycle stage.



Portia Tau-Sekati, CEO, Property Sector Charter Council

This research continues from its 2015 report, which measured the size of the property market in South Africa at a massive R5.8tn.

A key finding of the research study reveals that the South African Reserve Bank in the same year estimated the total value of all fixed capital stock – property, machinery, transport at R7.6tn. This means property constitutes 78% of all fixed capital stock in the country.

Important total tax contribution

In 2015 total direct expenditure of the property sector was R132bn and the sector made an important total tax contribution of R62bn, showing a growth of 35% from the previous 2013 report with a R46bn tax contribution. The report also confirms a total number of 278,000 jobs in the property sector. The highest recorded levels of employment are during the transaction phase which are sustained over time versus project-based jobs. All of these figures are expected to play a significant role in the socio-economic transformation of the country.

CEO of the Property Sector Charter Council Portia Tau-Sekati says: “The property sector makes a significant contribution to the country’s economy and it is important to continually review this research. Aside from the fact that no reliable figures have existed on the size and impact of the sector before this, in a sector this big and this important as property there should be ample opportunity for transformation to take place.”

Tau-Sekati explains that detailed research is being carried out in various phases, with each phase providing a valuable understanding of the sector and ultimately enhancing the consolidated body of knowledge about the property sector that will foster a consistent understanding of the sector for measurement and evaluation.

The research was commissioned by the Property Sector Charter Council and compiled by the Stratecon Applied Economic Research.

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