

We're talking in the right direction, but actions speak louder than words

By [Carl Coetzee](#)

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While it is hardly news that what is desperately needed in South Africa is economic growth and a dramatic increase in the employment rate, it was nevertheless reassuring to have President Cyril Rhamaphosa address these issues and flag them as a key priority in his State of the Nation address last night.



Image source: [GovernmentZA/Flickr](#)

Restoring investor confidence by tackling corruption and government debt through realistic and attainable measures is foundational to demonstrating to ratings agencies and investors that we are serious about sustainable change and a better, more stable future for all.

The question around land expropriation without compensation (ewc), or rather the lack of a clear policy on the matter, has been plaguing the country and it was a pity the president did not use this opportunity to offer clarity around this contentious issue, other than that “government stands ready... to table an Expropriation Bill that outlines the circumstances under which expropriation of land without compensation would be permissible”.

The overall health of the economy, consumer confidence, and employment growth in particular are key factors influencing the health of the real estate market. As such, we're pleased by government's plans to create more employment and opportunities for the youth in particular, which is sure to set us on the right path.



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Social housing

Social housing remains a priority, which is why the president's commitment to building rental accommodation for low-income

families is encouraging. Positive for the property sector is the estimation that this could leverage as much as R9bn in private investment for the construction of some 37,000 rental apartments.

Student accommodation, similarly, is set to leverage at least R64bn in private investment with government spending an additional R64bn on the same.

Smart-city development

It will be interesting to track the development of the smart-city currently in development in Lanseria. Over the next decade, the president said, between 350,000 and 500,000 people will call it home. Set to be both 5G ready and “a leading benchmark for green infrastructure continental and internationally”, we are ready and excited to embrace new ways of thinking about how we live.

However, we remain concerned about the economic burden Eskom and other state-owned entities place on the fiscus and, by extension, the consumer. A vast portion of the population is already struggling to make ends meet, leaving little room for them to pay rent, save for a deposit on a property or be in a favourable position to qualify for a bond.

Each of the president’s plans and promises are admirable and have the potential to bring about the changes and the growth we so desperately need in South Africa, but it remains to be seen how it will play out in practice.

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