

# Black property ownership is vital to peace

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How appropriate that the first conference I chaired in Women's Month happened to be one hosted by an organisation headed by black women! For a moment, my focus shifted from the elections in Rwanda and Kenya, as I found myself amidst black property professionals at the Annual Convention and Property Indaba of the SA Institute of Black Property Practitioners (SAIBPP).

Dr Zweli Mkhize, as keynote speaker, summed up the relative underexposure of this 21-year-old structure. SAIBPP was created to facilitate the participation of black people in the property economy. Yet its president Nkuli Bogopa and chief executive Vuyiswa Mutshekwanane made it clear that not much has changed.

Africa commands 20% of the earth's land mass but is home to about 15% of the global population. This ample land can, among others, promote agriculture, optimise mining and generate wealth for Africans in the world's most powerful economy: real estate. Alas, in South Africa and the continent, this remains beyond the locals' reach.

ICT and financial services might be fashionable in this era of the Internet of Things. Mobile telephony might have allowed developing economies to leapfrog their developed counterparts by moving from primitive health care to telemedicine, from being unbanked to M-Pesa and from shanty schools to e-learning, but property owners still rule the world. Without land and property, no mining, agriculture, fibre-optic cabling or tourism can happen.

Speaker after speaker at the SAIBPP Convention decried the failure of this sector to transform. Mashilo Pitjeng, MD of TseboREAL Asset Management, presented a grim picture of transformation in the property sector - not happening.

Quoting the latest report by the Property Sector Charter Council, Pitjeng, he highlighted that "the sector in South Africa is estimated to be valued at R5.8 trillion", but less than 10% of real estate investment trusts (REITs) are black-originated funds.

The report flagged the fact that only 7.95 million hectares of the total 123 million hectares had been transferred to black people by 2013; with 47% of land still "privately owned" by non-black owners versus 22% which is currently classified as "black-owned", including communal land and private ownership.

Add to this the fact that commercial banks still impose conveyancers on private property buyers that are rarely black, and places like Alexandra remain underdeveloped - a mere walk across the M1 from Sandton, Africa's richest square mile - and the situation reeks of a brewing socio-political implosion.

Although the Minister of Public Works, Nathi Nhleko, added his weight to the sentiment of the convention, black property practitioners remain marginalised. Nhleko committed to redirect as much as possible of his department's asset base and R4bn in annual rental spending to black businesses, but secretary general of the Black Business Council, George Sebulela, later emphasised the importance of paying service providers on time.

While political parties vie for power, nothing craves expediency more than the transformation of the economy in general, but particularly real estate.

Land reform is not a mere political lever and deserves a better sense of urgency than it has enjoyed. Among the chief drivers behind the formation of the South African Native National Congress (now ANC) was the build-up towards the promulgation of the Land Act of 1913. This statute forced black South Africans into cheap labour on farms and in budding cities. Among the creations of this act of economic exploitation and exclusion of black South Africans was Alexandra Township.

Proclaimed then as what was termed a "native township", Alexandra was named after the wife of a farmer called Papenfuss. Then it was located safely away from the city centre. Greater Alexandra Chamber of Commerce President Mpho Motsumi gave a harrowing account of how this reserve watched Sandton grow to affluence across the M1, thanks to workers from its insalubrious living conditions, while it remained underdeveloped.

The convention did not, and could not, solve the problem of the exclusion of black people from the property industry, but its voice should not be ignored - or war is imminent.

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