

Property Sector Charter

Lasting transformation and progress in the property sector

This year has been an eventful one for the Property Sector Charter Council (PSCC). The council, which monitors and evaluates transformation in the South African property sector, has embarked on several collaborative projects that expand its scope significantly. At its annual seminar held on 11 July, the PSCC released its 2019 State of Transformation of the Property Sector report, and announced a new intervention for addressing transformation challenges in the sector as well as several other exciting initiatives



“ Being Chairman of the PSCC will allow me to give back to the industry, to contribute to the process of making meaningful changes in transformation, and to help drive change to address the gaps that exist ”

“The quality of our engagement with the many participants in the property sector this year has shown a tremendous improvement,” says newly appointed PSCC Chairman Dr Sedise Moseneke. “Overall, we are seeing more collaboration in almost every area. This is important for us to work effectively and synergistically as a sector. We are very encouraged, because it allows us all to do more.”

State of Transformation report

PSCC Chief Executive Officer Portia Tau-Sekati presented the findings of the 2019 State of Transformation report, which shows a mixed picture of the sector’s B-BBEE performance over the past year. Transformation remains a key element of the overall economic transformation in the country, especially given the contribution that the sector makes to South Africa’s overall GDP. Yet progress towards certain transformation milestones is still limited and slow.

The 2019 report is based on two pieces of legislation: the 2012 Property Sector Code, and the 2017 Amended Property Sector Code. The report reveals that the property sector is at Level 5 in terms of its transformation B-BBEE recognition level, dropping from Level 4 in the 2018 report. Although this is not the best performance, it was a reasonable effort considering the changes in recognition levels that took effect during the year – these could have resulted in the sector dropping to Level 6 had no exertion been put behind this and had changes to legislation not taken place.

“Although it is encouraging to see the continued transformation efforts in the sector, progress in certain areas has been slow,” says Tau-Sekati. “We believe that the situation is still less than ideal.”

Analysis based on key elements of the 2012 Property Sector Code reveals that the Ownership score, which has an overall weighting of 20 points on the scorecard, shows that the industry improved overall from a score of 16,67 to 17,04 weighting points – a change from 83% to 85% in this category. “While this is encouraging, funding models still need to be further considered and reviewed, as the long nature of the process translates into limited progress,” Tau-Sekati explains.

Encouraging results were seen in the category of Employment Equity, where the industry showed an improvement from a very poor 33% in 2018 to a 49% performance achievement against target in the 2019 report.

In the areas of Skills Development and Management Control, results were much the same as last year, with the industry’s performance in these areas being rated at 65% and 56% respectively. “We are pleased that even in the areas of the scorecard where performance is poor, the overall direction is still positive,” says Tau-Sekati. “However, much more needs to be done.”

The report forms one of the cornerstones of the PSCC’s work, since the PSCC is the industry body responsible for measuring and monitoring transformation. It is widely