

# Equipping Black property leaders to take their place in the SA economy

By [Bathobile Chime](#)

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Black property leaders with knowledge and skills should be given more opportunity to participate in the South African economy. The weighting of access to commercial land and opportunities is disproportionate and needs intentional participation by all.



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South Africa's real estate market is a close-knit industry; there are several diversity challenges which need to be addressed across the listed property sector, corporate real estate services and the development space. The *2021 State of Gender Diversity in the Listed Real Estate Sector* report found that 13 out of 28 real estate investment trusts had 100% male executive directors. Transformation and gender diversity are still important agenda items that need to be addressed in the sector today.

## Access to markets

Black businesses have organised themselves and are ready for opportunities but often they don't get invited to the table in the form of private sector bids, or the bids are exclusionary in design. There is a need for Black businesses to be given fair opportunities to pitch for the work – this a major challenge for Black practitioners in the property game. While corporate relationships exist, once practitioners go out on their own, opportunities dry up because they may not have the extensive company experience and backing of a large company profile.

In general, people work with those who they have relationships with, and breaking into the circle is challenging. The industry needs to be encouraged to be more inclusive. Legislation exists at supplier and procurement level, yet individuals and companies find ways around this.

People will argue that it is about mitigating financial and performance risk of working with new entrants, however, the way to deal with this is to enforce mandatory SMME participation on bids in terms of scope delivery and financial participation. Lead firms need to ensure delivery accountability as part of promoting making the industry more diverse and inclusive.

The pool of capable Black people with skills exists – the market needs to acknowledge that and get comfortable with allowing them to participate. We, as practitioners in the industry, need to participate in influencing policy that affects how these opportunities come to market.

## Access to land

There is also a need for Black property practitioners to participate in the ownership part of the property value chain. They have done the hard yards in the property services business and need a graduation path to asset ownership with fewer barriers.

Their deep knowledge and experience must be recognised as a bigger part of the capital they bring to the table when credit committees consider funding applications.

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### Access to funding

For SMMEs, landing more lucrative contracts is difficult without funding and guarantees in place. A lack of access to capital stifles growth. There is a need for financial institutions to grant access while at the same time do some hand-holding, big sister-style arrangements. If a business doesn't have the financial muscle or mechanisms in place to grow, they won't break out of their shell.

What is needed is more mentorship and partnerships between bigger businesses working with smaller businesses to do skills transfers and training. Traditionally in the property industry, the same handful of companies are the ones winning the majority of the projects. A sharing of knowledge and skills transfer initiatives to the youth is essential to ensure that the property industry remains a major contributor to the South African economy.

### Incentivising behaviour change

Government and corporate South Africa needs to do more to incentivise a change in procurement behaviour. We need a larger supplier base and more people having access to opportunities which will open up the industry, giving small to medium-sized businesses an opportunity to grow.

A change in mindset, collaboration and partnerships is called for.

### ABOUT THE AUTHOR

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