

A rallying cry from the South African real estate sector

By [Geoff Jennett](#), issued by [Catchwords](#)

19 Apr 2024

In the eye of a storm, the South African commercial real estate sector has proven to be a linchpin of our nation's economic and societal fabric. Its pulse is the pulse of South Africa.



Our sector has been pummelled by various local pressures, many resulting from the country's 'own goals', which can be frustrating and wearisome, especially when also managing through many external headwinds of high interest rates in the global markets.

As we navigate the current unpredictability of load shedding, deteriorating water supply and market fluctuations, among others, it can be difficult to maintain optimism.

However, there are signs that we can be cautiously optimistic about what lies ahead.

The consensus view is that the painful tide of rising interest rates has reached a peak and should begin ebbing from later in the year, better positioning real estate for investor confidence and attracting more capital. A fair election process is also likely to support better investor sentiment. A capital injection will fuel our sector, which is an engine for job creation and new opportunities.

Plus, the property industry is a source of good news for the troubled energy space, as we continue to make positive strides in promoting sustainable energy adoption and relieving the pressure on the national grid.

Listed property was the best-performing asset class in 2023, with the All Property Index (ALPI) returning 10.7%, outpacing government bonds at 9.7%, equities at 9% and cash at 8%. Extending this good performance record will further help restore confidence in our asset class.

However, the recent SA REIT Conference highlighted that to futureproof our sector and our investments, we must find ways to exert more influence on the external factors that pose risks to our sector, especially at the municipal level.

Property sector stakeholders and government leaders must find common ground and work together to improve our cities, towns, townships, and rural areas in South Africa. By collaborating, we can gradually arrest the decline of our municipalities and, leading on from this, bolster the return to meaningful growth in the national economy.

This joint effort is key to unlocking economic growth in the long run. It will take concerted and consistent effort, but we have an opportunity to reverse the course of one of the biggest risks to South Africa.

Our sector has proven it has the potential to enhance the quality of our collective existence in South Africa. Our dedication to transparency, straight talk, and a resilient can-do attitude drives our impact on the broader spectrum of life in South Africa.

Emira, together with our sector peers and partners, takes seriously our impacts. We are committed to fact-based solutions, learning, doing the right thing and saying it like it is. As we go forward, we are holding nothing back.

ABOUT THE AUTHOR

Geoff Jennett, CEO of Emira Property Fund

- **Johannesburg: data centre hub for big operators in South Africa** 8 May 2024
- **Growthpoint student accommodation REIT thrives, adding R1.5bn of assets in 2 years** 30 Apr 2024
- **A rallying cry from the South African real estate sector** 19 Apr 2024
- **Parkdene Boulevard redevelopment bolsters growth of Boksburg node** 12 Apr 2024
- **Growthpoint Healthcare adds Johannesburg Eye Hospital to its portfolio** 5 Apr 2024

Catchwords



Catchwords is born out of one of the original real estate and retail property marketing and communication agencies in South Africa. We think strategically, stand for simplicity and work with agility.

[Profile](#) | [News](#) | [Contact](#) | [Twitter](#) | [RSS Feed](#)

For more, visit: <https://www.bizcommunity.com>