

News on infrastructural development welcomed

Commenting on the Budget's emphasis on investment in infrastructural development - including transportation networks, as well as education, job creation and housing development is to be welcomed, says Dr Andrew Golding, CE of the Pam Golding Property group.

"It is positive news that there is increased provision for low-income housing, with allocations made for the upgrading of informal housing in metropolitan municipalities and mining towns, as well as medium-density rental housing in urban areas. It is also positive to note recognition of the fact that in today's rapidly urbanising society, there is a growing need for housing, municipal services, schools, clinics, public transport and commercial development.

"Also encouraging is an increase in state spending on urban public transport. As has been evident, in addition to providing a vital service for commuters, the implementation and roll-out of the Gautrain network has proven an important driver of commercial development as well as impacting positively on the demand for housing in these nodes."

He says the announcement that tax relief is proposed to assist businesses which provide their employees with housing assistance or home loans is good news, as today's aspirant home buyers are faced with stringent criteria in applying for mortgages, coupled with the need to be able to provide a deposit and cover all relevant costs associated with the acquisition of a home.

"While the personal tax relief of R7 billion is some assistance to cash-strapped consumers, who are faced with dramatically increasing electricity tariffs and other rising costs such as fuel and food, of concern is the further increase in the national fuel levy by 30.5 cents per litre, which represents a significant increase in the face of recent fuel price hikes - which in turn will exacerbate rising inflation.

"Having said that, against a backdrop of ongoing global economic uncertainties, South Africa's economic policy has consistently achieved a stable economy, despite the numerous challenges faced, and the Minister of Finance is to be commended on this.

"From a group perspective, in addition to the above, we welcome recognition in the Budget Speech of the opportunities presented for investment in Africa and other emerging markets, as we continue to expand our operations beyond South Africa's borders. In addition to our existing offices in Africa in Zambia, Botswana, Kenya, Swaziland and Zimbabwe, we now have two offices in Namibia with a third in the pipeline in Walvis Bay, and are continuing to look further afield to find real estate partners in East and West Africa, including possibilities in Tanzania and Angola, as we remain bullish and optimistic about the Africa region.

"For the year to date, the group has experienced an increase in enquiries and activity in South Africa's residential

marketplace. While access to credit remains a key hurdle to property purchase, there is an increasing appetite among a younger generation of homebuyers to save and acquire their own homes. This is coupled with a broad range of value-for-money options available in regions and areas around the country. Signs of increased movement in the marketplace are demonstrated by the fact that some areas, which have proven sought after even through challenging times, are experiencing a shortage of stock," concludes Dr Golding.

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