

# Foreign land ownership not a major issue

By [David de Waal](#)

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The motives behind Rural Development and Land Reform Minister Gugile Nkwinti's comments regarding foreign land ownership in South Africa are unclear as South Africa currently does not have a problem with foreign buyers crowding out local buyers.



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Nkwinti said the principle is that foreign nationals should not own land in the country but should rather have a long lease of at least 30 years.

Foreign buyers are usually wealthy and the location of the properties they buy are in upmarket suburbs or investments like game farms. This means there is minimal impact on prices or land availability for the general South African population.

If the minister's reasons are to draw attention away from the failure of the government's land reform programme or to actively discourage investment by foreigners in agricultural land to safeguard national food security and simplify negotiations about future land reform initiatives, it would have serious consequences for investment and the country's credit rating.

Nkwinti stated that there is no accurate figure on the value of land owned by foreigners but that foreigners are thought to own between 5-7% of South African land.

## ABOUT DAVID DE WAAL

David de Waal (CA(SA)) is CEO of Steeple.

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