*Thought Leadership Piece*

*For Immediate Release*

**Reflecting on the SONA 2024: Key points of interest impacting property**

*On Thursday, 8th February 2024, President Cyril Ramaphosa delivered the final State Of the Nation Address (SONA) for the 6th democratic administration. Reflecting on the past five years, the president highlighted areas of recovery, rebuilding and renewal – with much effort placed toward navigating South Africa through great challenges and rallying social partners to collectively address pressing issues. Stefan Botha, Director of Rainmaker Marketing, shares what he believes are pivotal points of interest and opportunities for collaboration, investment, and innovation within the private sector.*

**South Africa’s Growing Green Sector**

Over the last few years sustainability and the green sector has been a hot topic at the SONA. In the property development space we have seen a vast difference in how developers like the Devmco Group, Collins Residential, Feenstra Group and Hibiscus Retirement Villages are now building with the intentional integration of green design principles, alternative energy sources and back-up systems as a standard feature.

In this year’s SONA, President Ramaphosa highlighted the potential for job creation within the renewable energy sector, emphasising the abundance of solar, wind, and mineral resources available. Regulations have been changed to allow municipalities to procure power independently. Five municipalities are in various stages of the procurement process.

With local municipalities such as the City of Cape Town and the Stellenbosch Municipality launching initiatives that partner with the private sector to enable them to sell back green energy to the municipalities, the growth towards sustainable green energy can be exponential.

I believe private investors can look forward to tapping into a variety of innovative investment models that the government will open up to fast-track the process of transmission infrastructure. This revolves around a commitment that was made to build 14,000km of new transmission lines to accommodate renewable energy over the coming years.

**Addressing Water Supply Challenges**

The trend of mixed-use precincts talks to the growing need to bridge the divide between municipalities and the private sector to solve sustainability and other basic services shortfalls. A current example is how the burgeoning precinct of Riverfields in Ekurhuleni is actively working with the relevant public sectors to find ways of alleviating the challenges linked to basic service delivery as well as improving security in this growing node.

President Ramaphosa announced in this year’s SONA that The Department of Water and Sanitation aims to enhance water resource management by initiating infrastructure projects to diversify water sources and secure water supply. Although bulk water projects are under construction across South Africa, there is still a long way to go. That’s why I find it particularly important that the private sector play an active role in all these efforts. Investing in water-efficient technologies, implementing conservation strategies, and promoting sustainable business practices is not just environmentally responsible but also financially prudent for businesses.

Successful partnerships include that of Siza Water located in Ballito in Kwazulu-Natal. They have been entrusted to supplying water services to Ballito and surrounding areas since 1999, as part of its 30-year Private Public Partnership. As a service provider of the iLembe District Municipality, Siza Water has been serving its communities for more than two decades with excellence.

**Unlocking international e-commerce**

The SONA further highlighted that a Freight Logistics Roadmap to increase efficiency and competitiveness is being implemented together with industry partners. Reforms at Transnet have opened the market to other rail operators while rail infrastructure remains in state hands. A private-sector partner was identified to invest in and manage a container terminal at the Durban ports.

By getting our ports and rail “back on track” so to speak, we not only alleviate pressure from our ailing road infrastructure, but international imports and warehousing that stimulates e-commerce is unlocked. In the last few years, the industrial property sector has boomed thanks to the increase of mega warehousing. This can be grown even further if the strain on our imports are relieved and international investors and traders see the potential of industrial warehousing. We look forward to seeing great progress on this front.

With projects that we are involved in, such as the Riverfields precinct in Kempton Park, we have seen that there is huge demand in industrial spaces near ports and airports that are zoned for development. Riverfields is home to renowned blue-chip tenants such as Takealot, Foschini, DSV, John Deere, DB Schenker, Sanvick Mining, Aerial Health Services and DHL. In addition, a new facility for Shoprite and The Foschini Group are also underway.

**Collaboration with developers is key to Infrastructure Development and economic growth**

Another pertinent point raised in the SONA was how the Infrastructure Fund has been established as a blended finance facility for infrastructure. Infrastructure SA has been set up to coordinate a massive public infrastructure build. The value of projects currently in construction is over R230 billion, including energy, water infrastructure and rural roads projects.

In addition to an extensive commitment from government, the development by private developers serves a vital role in the further enhancement and investment into new roads, bridges, upgrades and extensions, as their developments continue to grow neighbourhoods and blur the lines that divided communities. The relationships where municipalities and local counsellors embrace the power of progress and work together with developers, are key to unlocking thousands of jobs, additional infrastructure improvements and the overall welfare of a region. It is of critical importance for the overall economic success of a city, province and ultimately the country that local municipalities work with property investors to escalate progress.

**Looking ahead**

There are some positive undertakings resulting from this year’s SONA but implementation will be key going forward. The private sector has been incredibly strong in showing their commitment to the growth of our country, but it’s only with the support, positive collaboration and performance from the public sector that we will make substantial and significant progress across the country.

**ENDS**

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**Notes to the editor:**

***About the Author - Stefan Botha:***

Stefan is 100% committed to re-defining the scope of property development research and marketing throughout Southern Africa and started his career with a BCom in Marketing at Stellenbosch University, followed by his honours in Marketing and Tourism at the University of Cape Town. He is now the Director and Founder of Rainmaker Marketing who are the leaders in property development marketing, having won multiple international awards for their pioneering turnkey marketing solutions locally and internationally.

With 18 years of experience within the Property Development Marketing Industry and 200 strategies to date, Stefan has worked with clients throughout SA (Gauteng, Western Cape, KZN, Mpumalanga and Limpopo), Mauritius, Kenya and in the USA and Portugal. Stefan and has team have achieved amazing results from many of the developments they have worked with and Rainmaker Marketing is synonymous with innovation, skilled resources, collaboration and long-standing client relationships.

***About Rainmaker Marketing:***

Rainmaker Marketing is a global property and lifestyle marketing agency that provides a turn-key solution for property developers and urban planners. Through their strong work ethic, refined skills, intense knowledge of property and creativity, Rainmaker Marketing continues to be at the forefront of property marketing.

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