

Property Ownership's Big Leap

Rising number of black entrepreneurs entering market, establishing sustainable estate agencies

Strong growth in the black property market, with black first-time home buyers fast catching white first-time property owners in terms of volumes, points to a rising number of black entrepreneurs entering the property market and establishing sustainable, black-owned and staffed estate agencies, says Leapfrog Property Group executive director Kura Chihota.

A case in point is the recent opening of the black-owned and staffed Rondebosch East and Khayelitsha Leapfrog agencies, which notched up sales in the region of R3m in their first two months of operation.

"If anyone takes a long-term view and is looking for growth, surely the growing and increasingly affluent black middle class has to be the driver of most future real estate sales?," Chihota asks.

"Coming off a low base, the number of black title deed holders has grown at a rate over 50% in the 14 years since 1994 to represent 10% more (1,81-million) than the total white population (1,76-million), according to Lighthouse Risk Management research."

Many progressive, historically white agencies have already bought into the Leapfrog vision and have "made the leap" to embrace the change.

Chihota believes these agencies represent the ultimate empowerment model insofar as the owners, among other things, participate in the best technology and operational systems possible and receive all the training support necessary to operate their business efficiently and profitably.

As SA's only black-owned franchise real estate company, Leapfrog has, from the outset, pursued broad-based black economic empowerment as it firmly believes that "the more everybody has, the more everybody will eventually have".

"By embracing diversity and including those who have been excluded before, collectively we can substantially contribute to the sustainability and growth of the industry, while our agents and franchisors — through the unique Leapfrog business model — can build up a considerable asset," says Chihota.

While Leapfrog's black estate agents already account for 27% of its complement, the industry average stands at 5%-8% (registered at the Estate Agencies Affairs Board), as most established players in the residential property market have not adapted to the changing market, hence they are way off the property charter's mark.

"As South Africans, we are generally not very good at submitting our tax returns on time, or buying Sasol shares or renewing our licences before the deadline — we're always doing things at the last minute," says Chihota. "The Property Charter process, however, is far too important to leave its implementation until the last of the five years allowed for it.

"Leapfrog Property Group franchisees have a ready platform to understand and implement the property charter — and do better business.

"There is substantial, annual progress towards the targets set out in the charter by Leapfrog in terms of ownership, staff profile and opening branches in previously disadvantaged areas."