

Property, tax and SONA

By [John Jack](#)

15 Feb 2021

As is expected after a year like no other, the primary focus of the President's 2021 State of the Nation Address was the Covid-19 pandemic, and how it has ravaged the nation. While it has caused significant damage through loss of life, just as drastic has been its effect on our economy and the rising levels of unemployment.



© katherine martin – [123RF.com](#)

I appreciated the President's call for the prioritisation of economic recovery and economic reform and his description of the relationship of between the public and private sector as 'symbiotic.' As a major employer, the property industry is crucial to this economic recovery. The President called for us to come together to overcome joblessness and poverty, but that cannot happen without direct support from our government in the form of subsidies for developers and struggling businesses in both the commercial and residential property sector.

While the residential sector has seen occasional growth spikes, aided by government subsidies to certain major developers, the commercial real estate sector is floundering. 'Smart Cities', as flagged by the President in his speech, are outliers in a sector that has been dealt major blows.

As the commercial real estate sector is underpinned by all forms of business, it should be a major target for growth and support. Of particular concern is the construction industry, a major enabler of infrastructure development, that has been in decline for the last five years with many major employers forced to downsize and liquidate.

Tax is a major concern for the President. The taxes paid by the property industry and the private sector at large have always been a much-needed injection of capital to government. But there's only so much blood you can draw from a stone. A company cannot pay tax if it is not making a profit.

At the Budget Speech on 24 February, I hope to hear of the government's practical (with timelines) plan to allocate stimulus to focussed sectors allowing for their growth and expansion.

ABOUT THE AUTHOR

John Jack is the CEO of Galetti Corporate Real Estate.

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