

Finance Minister urged to keep personal and property taxes unchanged

 By [Samuel Seeff](#)

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Ahead of Finance Minister, Enoch Godongwana's budget presentation this week, Samuel Seeff, chairman of the Seeff Property Group has urged the minister to keep personal and property taxes unchanged as a minimum.



Source: Supplied. Samuel Seeff, chairman of the Seeff Group.

We would also urge the minister not to tamper with Transfer Duty and Capital Gains Tax. These are already quite high. If anything, says Seeff, there should be tax relief rather than further burdens placed on the already overburdened consumers, home owners and property buyers.

As a reminder, Seeff says there was a notable downward impact on the property market when transfer duty and CGT were previously targeted for hikes. Instead of increasing the taxes earned by the government, it resulted in lower sales volumes above R5m, and reduced the transfer duty taxes earned by government.

And, says Seeff, you have to sell many more properties at R1m compared to a single R10m transaction for government to earn the same level of property taxes.

A well-functioning property market is vital to the overall health of the economy. The housing market is a significant contributor to the economy as we witnessed during the property boom of 2020-2022.

Since then, the market has come under tremendous pressure due to the higher than necessary interest rate, resulting in lower sales volumes. The gains of 2020-2022 were effectively wiped out, and with that, resulting in lower transfer duty taxes for government.

Seeff says the country needs an urgent kickstart out of the current economic lull and, while we understand the pressure on the minister, we would very strongly advocate for a pro-growth budget.

Property market dynamics

The economy is weighed down by negative sentiment, and without a growing economy, we will not see a growing property market which will naturally mean higher property taxes for government along with the additional economic multiplier benefits.

There is a high desire for home ownership, and with the muted price growth and mortgage lending conditions which are still at the best levels since the Global Financial Crisis of 2008, conditions are favourable for buyers.

Mortgage-loan conditions remain favourable for buyers and supportive of the market. Approval rates remain favourable and deposit requirements at the lowest levels in over a decade.

Qualifying buyers are even able to secure rate concessions, something that was quite unheard of just three to four years ago, he adds. First-time buyers can still secure 100% to 105% bonds (the latter inclusive of costs) on top of zero transfer duty below R1.1m, but Seeff says the market would like to see the base transfer duty exemption rate increased.

ABOUT SAMUEL SEEFF

Samuel Seeff is chairman of the Seeff Group.

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