

# High Street Auctions director cites challenges for property sector revival

SA Reserve Bank Governor Lesetja Kganyago's announcement that the repo rate remains unchanged at 8.25% is unsurprising but disappointing, according to High Street Auctions Director Greg Dart.



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"February's dismal inflation figures left little wiggle room for the Monetary Policy Committee (MPC).

"Under the circumstances its decision was as depressing as it was responsible, but what's unfortunate is that South Africa's macro-economic realities have been unhealthy for so long that short of waving a magic wand, the government hasn't given the MPC much to work with.

"Consumer inflation reached 5.6% last month – far above the 4% to 4.5% middle ground the central bank wants."

Dart says the nation's power crisis remains the largest barrier to local and international investor confidence, while inflicting severe damage to the economy.

"The Reserve Bank governor noted on Wednesday, 27 March 2024, that SA's struggling economy performed worse than expected in the fourth quarter of 2023, expanding by just 0.1%. He estimated that load shedding shaved 1.5 percentage points off GDP last year, leaving us with a dismal annual growth rate of just 0.6%.

“These aren’t conditions in which the property sector will flourish.

“Many investment decisions are likely to be delayed until after the election, when investors will have a clearer picture of the country’s economic future.”

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