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CSG CIRCULAR No. 01 OF 2024 TO ALL SURVEYORS-GENERAL, REGISTRARS OF DEEDS, PROFESSIONAL LAND SURVEYORS/ ARCHITECTS/ CONVEYANCERS SUBJECT: PERCENTAGE CHANGE IN PARTICIPATION QUOTAS

1. Concern

The wording of this subsection 24(6)(d) of the Sectional Titles Act 95 of 1986 is still causing uncertainty amongst practitioners. It is mainly accrued to the fact that the section requires determination of a deviation/change in percentage where the variable itself is expressed as a percentage.

2. Mathematical Considerations

A **percentage change** is a way to express a change in a variable. It represents the relative change between the old value and the new one.

For example, if a house today is worth R100 000 and the year after its worth goes up to R110 000, the percentage change of its worth can be expressed as

$$\frac{110000 - 100000}{100000} = 0.1 = 10\%.$$

It can then be said that the worth of the house went up by 10%.

More generally, if V_1 represents the old value and V_2 the new one,

Percentage change =
$$\frac{\Delta V}{V_1} = \frac{V_2 - V_1}{V_1} \times 100.$$

When the variable in question is a percentage itself, it is better to talk about its change by using <u>percentage points</u>, to avoid confusion between <u>relative difference</u> and <u>absolute</u> <u>difference</u>.

Note you would need to use an <u>absolute value</u> for V_1 in the denominator regarding values with V_1 being a negative and V_2 being positive, as well as V_1 being negative, and V_2 being greater than V_1 but still negative.



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3. Application

If the participation quota of a section was 25,0000% (V1) and after the extension of the section it has a participation quota of 30,0000% (V2) then:~

Percentage change = ((30,0000% - 25,0000%) / 25,0000%) X 100 = (5,0000% / 25,0000%) X 100 = 0,2% X 100 = 20%

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