



THE GREATER KYALAMI CONSERVANCY & THE GAUTENG HORSE SOCIETY



GREATER KYALAMI EQUINE SURVEY – MARCH 2013

This online survey was carried out between the 1st and 19th March under the auspices of the Greater Kyalami Conservancy (GEKCO) and the Gauteng Horse Society (GHS), the current governing body of equestrian sports in Gauteng. (<https://www.sogosurvey.com/static/Login.aspx>)

It covered the Greater Kyalami area as depicted in the map in Appendix A (attached) where the area of industrial development concern is shown in grey (west) with regards its proximity to the rural equestrian environment (equine properties shaded in pink) that makes up this area. Its purpose was to ascertain the economic value of the equestrian ‘industry’ that is being threatened by increased urban densification and now industrial creep.

From the table below, the 339 properties that are depicted in pink have a definitive equine character: either having horses on them, open equestrian club property, a legitimate farm with horses, veterinary practices or feed merchants etc.

Table 1: Survey responses

Suburb	Survey Responses	Total no of equine properties in area	% Response
Beaulieu Country Estates	30	90	33%
Glenferness	23	59	39%
Kyalami Ridge	4	17	24%
Kyalami AH	15	66	23%
Sun Valley	13	55	24%
Blue Hills AH	5	10	50%
Saddlebrook	1	17	6%
Blue Hills Country Estate	3	4	75%
Heathcliff	1	3	33%
Carlswald	5	8	63%
Crowthorne	3	10	30%
	103	339	30%

Upon analysis (table 2 below), we found that quite a number of the larger public yards, vets, farriers, equine dentists & feed merchants did not take part in the survey and this is likely as a result of the financially sensitive nature of the survey despite assurances of the protection of privacy with regards this information. This will have a material impact on the survey results as it is these larger yards or equine business activities that have greater value, more horses than average and as such these results are likely skewed towards understating the correct value of the local industry.

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Table 2: Survey result - Distribution of horse per yard or property

Number of Horses	
50 or more per yard	2
30 to 49 horse per yard	2
20 to 30 horses per yard	1
10 to 20 horses per yard	10
< 10 horeses per yard	88
Total	103

This table also emphasises the extent and recognition of the number of smaller yards as to how many people ‘keep their horses at home’ and as an indication of the dedication of the local equine enthusiast.

Given a 30% participation sample response, we believe this survey to be representative and valid and as such a factor of three will be utilised to extrapolate results despite the poor showing from the larger yards as above

1. Nature of equine activity (Q3):

In the table below, we find that the overwhelming majority of respondents were from private yards. Of the “other” category; equine physiotherapists and ‘keeping horses for personal use only’ (actually private yards) were the main reasons shown of the 14 respondents. Unfortunately the survey could not cater for multiple responses for example: the ICB (Inanda Country Base) is a private yard (<95 horses), an approved show venue, home to the Rand Hunt, Inanda Polocrosse Club and a teaching/coaching venue.

Table 3: Nature of equine activity of respondents (Q3 of survey)

Responses relate to the nature of the equine activity		
	Count	%
Private yard	73	71%
Public livery	7	7%
Teaching/coaching	5	5%
Vet	2	2%
Approved Show Venue	1	1%
Spelling-retirement services	1	1%
Other (please specify)	14	14%
Total Responses	103	

2. Land size (Q2:4):

Of the 103 respondents, two have properties of 90ha (900 000m²) and 105ha (1 050 000m²) respectively. Of the remaining 101 respondents, the average land size is **24 400m² (or 2.4ha)**.

Extrapolated to full representation it becomes apparent that **9 343 200m² or 934ha’s** is reserved for equine activity in the Greater Kyalami area as per the map’s pink highlights.

It must also be pointed out that Century Properties have bought the ‘Inanda Fields’ property (highlighted in pink with red blocks to the east of the Riversands property) as an indication of yet further disruption to this equestrian environment and potential inclusion into this proposed ‘industrial’ site

3. Value of Horses (Q4):

Table 4: Value of horses

The following response relates to the number and approximate value of horses	Average R	Value per horse R
How many horses do you own?	4.02	
How many horses are in livery?	3.93	
How many horses in total are on your property? (4.1 + 4.2)	7.95	
What is the current Rand value of your own horse/s?	424,855	105,685
What is the current Rand value of horses in livery?	342,922	87,258
What is the current Rand value of all the horses on the property? (4.4 plus 4.5)	671,340	84,445
Total Responses	103	69,148,050

Due to the fact that people who live on equine properties are likely to own horses of greater value because of their close sporting involvement than those who live elsewhere (in JHB) and place their horses in livery (rent space to keep their horses), there was a need to differentiate these values. While the average price for horses may appear high, it must be noted that there are very many imported and locally bred horses of exceptionally high value competing at the highest levels. (See supporting letters from SAEA and GHS upon request)

Extrapolated – this places the **total value of horses in the area at approximately R207.4m** (R84 445k x 7.95 x 103 x 3) and the **total number of horses at 2 456** (7.95 x 103 x 3)

4. Value of Equine related building improvements (Q5)

Table 5: Value of property and Equine related improvements

This response relates to the current value of equine related physical building improvements	Average	Extrapolated
Latest municipal (2013) valuation of your property?	4,269,239	1,319,194,851
Value of stables?	329,875	101,931,375
Value of staff quarters?	244,915	75,678,735
Value of arenas?	179,383	55,429,347
Value of paddocks?	235,766	72,851,694
Value of surgery/workshops and other immovable property etc	72,143	22,292,187
Value of jumps and other movable objects specific to equine activity?	56,133	17,345,097
(Did not answer)	1	
Total Responses (103)	1,118,216	345,528,435

It must be noted that while not all respondents have arenas (62) or surgeries/workshops (23), the high value of a few creates a sizable relative value on average.

It suffices to say that the **specific equine related value added** (highlighted in light green and excluding the municipal capital valuation) to properties that is at risk to development is considerable (**R345m**) given that it is unlikely to be utilised in any development plan going forward.

To this, the rates collected on R1.3bn (+/- R85m/a) is significant enough that the city should consider this constituency as relevant in its own right and bearing in mind that many high end properties did not respond to the survey (Table 2) which could make this amount significantly higher

5. Equine related income (Q6)

Table 6: Income derived from equine related services

This response relates to income (only) derived for the service providers (from Q3)		Extrapolated
	Average	
What income do you receive for liveryes?	102,041	31,530,669.00
What income do you receive for show entries?	673	208,040.43
What income do you derive from coaching?	16,733	5,170,395.03
What is your income as a vet, farrier or dentist? (total practice)	2,970	917,831.97
What income do you receive from equine related rent or leasing?	6,884	2,127,007.68
Other income?	29,962	9,258,375.42
(Did not answer)	2	
Total Responses (103)	159,265	49,212,320

As an average, this set of responses is remarkable given that 71% of respondents have private yards and 39 out of the 103 (38%) stated that they received any income from livery fees. However, on average this high livery figure suggests the extent of equine service that the Kyalami area provides to those that live in the city and keep their sport horses in the area - a total of **1 214** horses or 49% of all horses.

It must be noted that Midfeeds – the single largest distributor of feed in the area did not take part in the survey which amongst others large equine service providers has likely resulted in a skewing of these figures towards the lower end.

In other words, roughly 117 local residents derive an income or make a living from the equine industry of R49m or R421 000.00/a each (excluding employees)

6. Equine related expenses (Q7)

As per the above response on income derived from equine related industry, expenses are expressed below in table 7 where it must also be remembered that 71% of respondents are ‘private yards’ and as such a relatively accurate cost per horse (excluding labour - \$7 later) can be derived

Table 7: Equine expenses

This response relates to the expenses or costs for all service providers (from Q3).			
Responses	Average	Per horse	Extrapolated
What do you spend on show entries?	11,259	1,584	3,479,031
What are the annual costs related to care and maintenaceof the property?	88,719	12,478	27,414,171
What do you spend on feed?	88,174	12,401	27,245,766
What do you spend on bedding?	26,548	3,734	8,203,332
What do you spend on vets?	31,916	4,489	9,862,044
What do you spend on farriers?	23,727	3,337	7,331,643
What do you spend on dentists?	5,662	796	1,749,558
What do you spend on trainers?	29,967	4,215	9,259,803
What do you spend on clothing & tack?	21,356	3,004	6,599,004
What do you spend on equine related rent or leasing?	6,020	847	1,860,180
What do you spend on advertising or marketing?	2,388	336	737,892
(Did not answer)	6		
Total Responses (97)	335,742	47,220	103,742,424

That each equine property spends on average **R335 742 per annum** or **R47 220 per horse** (excluding labour) on the sport is a significant economic indicator as to the GDP value of the equine sector towards the area

7. Labour statistics (Q8)

Grooms are normally considered to be unskilled whereas in reality they are actually skilled in the care of horses. For the sake of ‘local’ understanding, the survey distinguished between unskilled (grooms) and skilled (e.g. veterinary nurses, FEI coaches etc). At a value of 2.7, the “unskilled” staff per property provides a conclusion of a groom being employed for every 2.6 horses

Table 8: Labour statistics

This response relates to staff remuneration and costs		Per horse	Extrapolated
Responses	Average		
How many skilled (or professional) staff do you employ?	0.77	0.11	238
What is your salary bill per annum for skilled staff?	77,100	10,844	23,823,900
How many unskilled staff do you employ? (grooms etc)	2.70	0.38	834
What is your annual unskilled staff wage bill?	91,779	12,908	28,359,711
What (if any) are your annual costs re rations?	12,354	1,738	3,817,386
How many of your staff "live-in"?	2.27	0.32	701
What are your indirect costs (eg water & lights etc) with regards live-in staff?	18,625	2,620	5,755,125
How many extended family members of staff live on your property?	1.50	0.21	464
(Did not answer)	5.00	0.70	1,545
Total Responses	199,858	28,109	61,756,122

From the above, there are **1 072** people in the area directly dependent upon the equine industry for their livelihood and a further **464** who 'live-in' with their husbands or wives on the property of their employer (total **1 536**) (Again, this is likely understated given the number of large yards that did not participate in the survey (see table 3)

It must be noted that this survey did (and could) not provide statistics on the amount of rural jobs or number of downstream livelihoods relating to the feed industry (grain and “grass” farmers, transporters and animal feed producers) that supply this equine industry.

From paragraph 6, a cost per horse was calculated at R47 220. When we now add the staff combination, we get a cost of **R75 329 per horse per annum**.

8. Equestrian Discipline (Q9)

The following question allowed for multiple answers in order to reflect those persons or yards that might be multi-disciplined. Of the other category, the answers we predominantly vaulting, disabled riding and drag hunting.

57.36% of all respondents take part in the three main equine disciplines of show jumping, dressage & eventing (3-phase).

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Table 9: Equine discipline participation

What equestrian discipline are you (& your yard) predominantly active in		
Responses	Count	%
Showjumping	61	23.02%
Eventing (3 phase)	33	12.45%
Dressage	58	21.89%
Polo	2	0.75%
Polocrosse	2	0.75%
Western Riding	2	0.75%
Gymkhana	2	0.75%
Endurance	1	0.38%
Showing	23	8.68%
Riding for pleasure - hacking	62	23.40%
Other (please specify)	16	6.04%
Total Responses	265	

9. In the event of...

Respondents were asked what their response would be in the event of the City and Province allowing road, urban densification and industrial development to continue in this area unabated.

71% of respondents would move out of Johannesburg for the sake of the sport even if they may keep some of their business interests (25%) in the City.

Of the 11% ‘other’ respondents, only half of them (5) felt that they would like to try to maintain and develop their lifestyle and sport within whatever parameters the City had to throw at them.

Table 10: Response to development plans

Response to potential event of further highway development, urban densification or commercial or industrial development destroying the rural equine ethos of the greater Kyalami		
	Count	%
Move further out to another area that is supportive of your sport but keep your business interests in Gauteng	26	25%
Give up riding altogether	15	15%
Move your business and equestrian interests to another City or Province that supports and recognises your interests & values	47	46%
Other (please specify)	11	11%
(Did not answer)	4	4%
Total Responses	103	

10. Summary

In summarising, where horses are considered a tradable commodity, and not considering the normal need for a home for all respondents (capital valuation), we can safely assume that the equine community has invested approximately **R 767 637 008** in its sport or recreational activity.

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Please see accompanying letter from Kyalami Equestrian Park (KEP) as to the value (R50m) of that sporting specific facility that should be added (**R817,6m**) that is not catered for in the averaging calculations as per paragraph 4.

Table 11: Summary

Para	Economic Pointer	Total Greter Kyalami	Per Equine Property (339)	Per Horse (2 456)
4	Capital value of properties (average)	1,319,194,851	4,269,239	600,455
3	Value of Horses (average)	207,397,704	671,340	84,445
4	Equine improvements to property (average)	345,528,438	1,118,216	140,656
5	Value of income derived (average)	49,212,320	159,265	20,033
6	Value of costs incurred (average)	103,742,424	335,742	42,232
7	Labour costs (average)	61,756,122	199,858	25,139
Sum Total of Equine Value - Ex Capital		767,637,008	2,484,421	312,506

For any queries, please contact Andrew Dicks – andrew@ilizwe.co.za



Appendix A – Equine coverage in relation to the planned Riversands Industrial site

