

Construction Monitor

TRANSFORMATION

JANUARY 2026



NB: This page is intentionally left blank

CIDB CONSTRUCTION MONITOR – TRANSFORMATION; JANUARY 2026

NB: This page is intentionally left blank

CIDB CONSTRUCTION MONITOR – TRANSFORMATION; JANUARY 2026

1.	Introduction	1
2.	Transformation of the Construction Industry	2
2.1	Background and Context	2
2.2	A Strategy for the Transformation of the Construction Industry	2
2.3	A Transformed Construction Industry	3
3.	Transformation of the Built Environment Professions Sector	4
3.1	Black-Ownership	4
4.	Transformation of the Contracting Sector	5
4.1	Total Registration	5
4.2	Black-Ownership	5
4.3	Woman-Ownership	6
4.4	Youth-Ownership	6
4.5	B-BBEE Recognition Level	7
4.6	Contracts Awarded	7

NB: This page is intentionally left blank

CIDB CONSTRUCTION MONITOR – TRANSFORMATION; JANUARY 2026

1. Introduction

The cidb produces four cidb Quarterly Monitors annually, which focus on the following individual themes each quarter:

- Quarter 1: Supply & Demand;
- Quarter 2: Contractor Development;
- Quarter 3: Employment; and
- Quarter 4: Transformation

This cidb *Construction Monitor - Transformation* covers empowerment issues in the construction industry, focusing on data collated up to 2025Q4. The *Monitor* presents an assessment of the state of transformation of the construction industry, with a focus on the consulting engineering (or professional service providers) and contracting sectors. The *Monitor* draws largely on information obtained from the cidb *Register of Contractors (RoP)*, the cidb *Register of Projects (RoP)* and the Consulting Engineers South Africa (CESA) website.

2. Transformation of the Construction Industry

2.1 Background and Context

This *cidb Construction Monitor – Transformation* draws primarily on information obtained from the *cidb Register of Contractors*, the *cidb Register of Projects* and the *CESA Bi-Annual Economic and Capacity Survey* and membership database. This assessment of the state of transformation of the consulting engineering and contracting sectors is given in Sections 3 and 4 respectively.

Notwithstanding this, the following references dated 2012 to 2014 provide additional background and context to transformation in the construction industry:

- i) The *Construction Industry Transformation Summit* held on 23 November 2012, which was initiated by the Minister of Public Works and hosted by the *cidb*.
- ii) A workshop on the *Effectiveness of the Construction Sector Charter* held on 10 March 2014, co-hosted by the *cidb* and the Construction Sector Charter Council (CSCC).
- iii) The *CSCC Baseline Report: State of Empowerment in the Construction Sector since the Gazette of the Construction Empowerment Code in 2009 – 2013* which was released by the CSCC in April 2014.

The above references deal primarily with the state of transformation of enterprises, whereas reference to the state of transformation of the built environment professionals can be found in:

- iv) The Council for the Built Environment (CBE) *Baseline study on Transformation in the Built Environment*, published in October 2016.

2.2 A Strategy for the Transformation of the Construction Industry

Drawing largely on the outcome of the Construction Industry Transformation Summit as well as **the dti** transformation strategy, the *cidb* has developed the following conceptual framework for transformation of the construction industry:

- i) *Macro-economic / business conditions* impact on the total work available to the construction sector and the underlying business conditions within which transformation must take place. An effective transformation strategy must therefore aim to increase the total government spend and the efficiency and rate of spend.
- ii) *Access to work / participation*: Within the construction economy, enhancing transformation is dependent on black-contractors, black-Built Environment Professionals (BEPs), black-materials manufacturers and suppliers accessing work and the participation of the black-owned enterprises. An effective transformation strategy must therefore increase the participation of the black-owned enterprises in public and private sector spend through regulation, development programmes and best practice.
- iii) *Business factors*: Notwithstanding that access to work is fundamental to enhancing transformation, enhancing transformation requires support to enhance the capabilities of black-enterprises, availability of skills, access to finance, etc. An effective transformation strategy must therefore enhance

the development and sustainability of the black-owned enterprises and enhancing quality in the delivery of construction works.

- iv) *Good governance*: Transformation must be associated with the highest standards of corporate governance of all participants. An effective transformation strategy must therefore encourage transparency and good governance in the delivery of construction works.
- v) *Commitment*: Addressing transformation is not the responsibility of one entity or organization and requires the commitment from the established construction industry to transform from within, and to support the transformation of the construction sector. Amongst others, public and private sector clients have a key role to play in supporting the transformation of the construction sector through developmental support and procurement interventions.

2.3 A Transformed Construction Industry

Targets for the transformation of the construction industry are, in effect, established and agreed to in the Construction Sector Codes (CSCs). Notwithstanding this, as a high-level target, the cidb is using the following as a message for the cidb's vision of transformation:

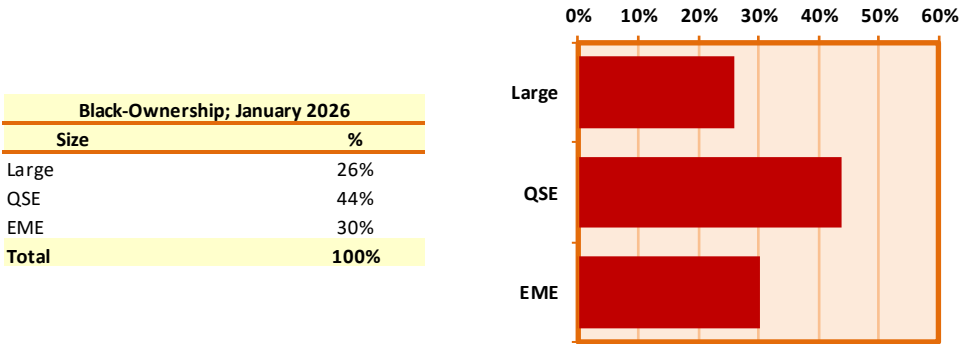
*90% or more of the capacity of the construction industry is 90% or more black-owned,
and delivers 90% or more of construction contracts by value*

3. Transformation of the Built Environment Professions Sector

Information on the state of transformation of the Built Environment Professions (BEPs) sector is drawn from the Consulting Engineers South Africa (CESA) data available from the CESA website as at January 2025. In this regard it should be noted that while CESA represents a large proportion of the engineering profession, it does not represent all built environment professionals in South Africa.

3.1 Black-Ownership

An assessment of data obtained from CESA membership (as at – January 2026), shows the percentage of companies who comply to the requirements of the Broad Based Black Economic Empowerment (BBBEE) codes for the built environment as set in the Construction Sector Codes. Listed below is the distribution of CESA members according to the size of the companies, how they rate in terms of BBBEE compliance. The black ownership of over 51% and more of Exempted Micro Enterprises (< R6 million turnover) has increased from 20% to 30% compared to January 2025. Qualifying Small Enterprises (>=R6 million and <=R25 million turnover) is has also increased from 30% to 44% as at January 2026. The number of Large (annual turnover > R25 million) enterprises is at 26%.



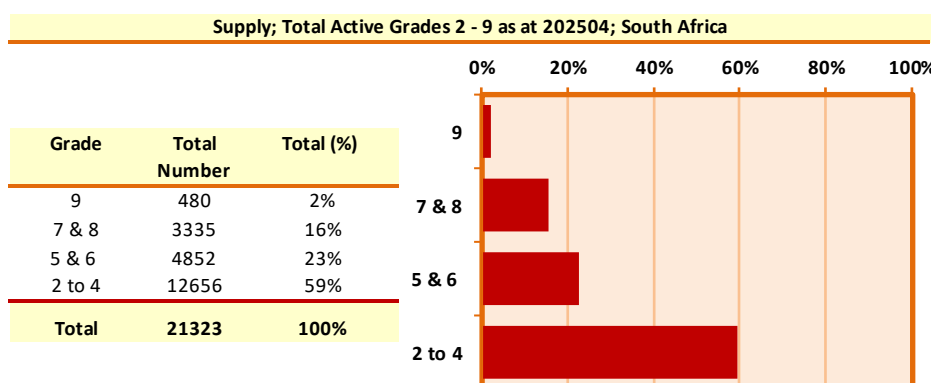
Source: CESA Membership Database, www.cesa.co.za, January 2026

4. Transformation of the Contracting Sector

Information on the state of transformation of the contracting sector is drawn largely from the cidb *Register of Contractors* and the cidb *Register of Projects*.

4.1 Total Registration

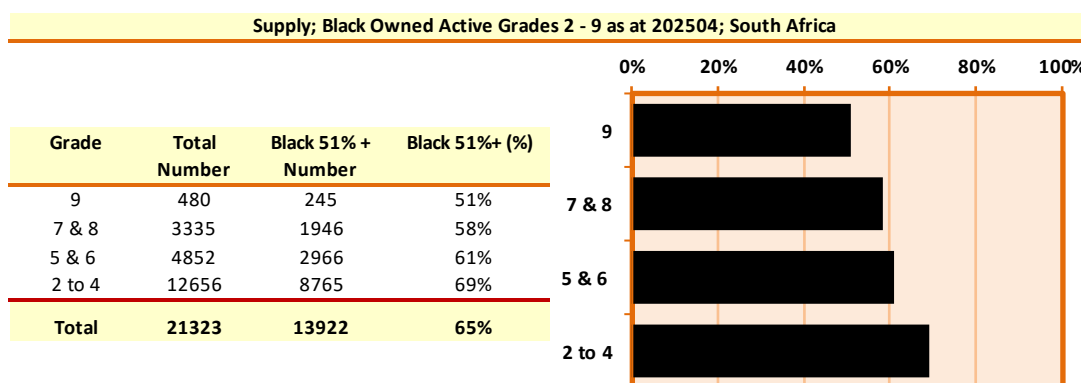
Details of the distribution of the total number of registrations in Grades 2 to 9 as at 2025Q4 on the cidb Register of Contractors (RoC) for South Africa are shown in the following table and graph.



4.2 Black-Ownership

Details of black ownership of cidb registered contractor enterprises (i.e not registrations) is given below for South Africa for the following 51% or more share ownership.

The grade listed in the table below corresponds to the highest grade for an enterprise across all registrations for the enterprise.



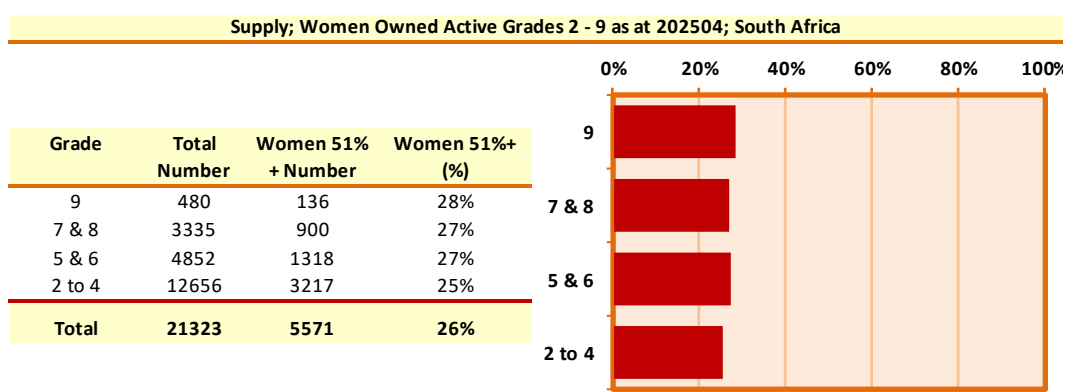
From the assessment below, it is seen that the state of transformation decreases with increasing cidb Grade (size of company). Specifically, for ownership of 51% and above, Black owned contractors in Grade 9 are 51% in 2025Q4 (Note that the Grade 9 contractor enterprises include public listed companies and wholly owned subsidiaries, for which black-ownership other than directors is excluded. The impact of excluding public listed and international companies on the profile is however small.) Black ownership in Grades 2 to 8 is between around 60% to 70% on the RoC

4.3 Woman-Ownership

Details of woman-ownership of cidb registered contractor enterprises (i.e not registrations) is given below for South Africa for the following share ownership of 51% or more.

The grade listed in the table below corresponds to the highest grade for an enterprise across all the registrations for the enterprise.

From the assessment below, it is seen that the state of transformation decreases with increasing cidb Grade (size of company) – but change with Grade is not pronounced as is observed for black-ownership. Specifically, for ownership of 51% and above, it is seen that woman-ownership amounts to around the average of 27% of all contracting enterprises.

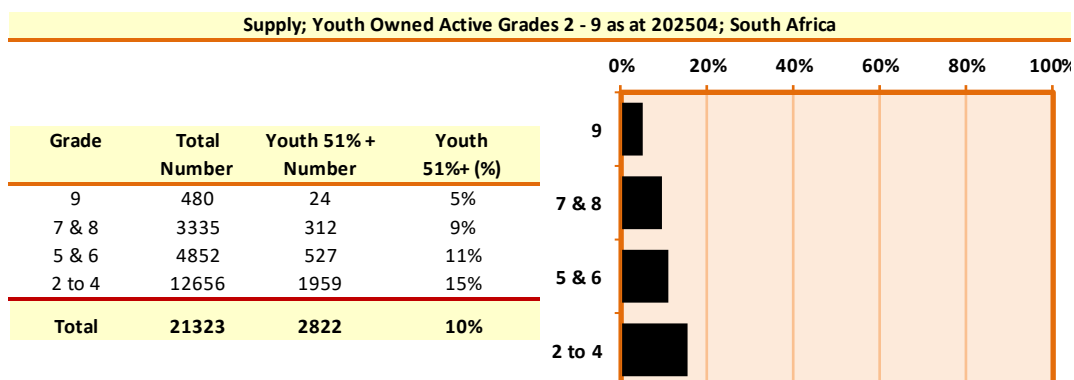


The history profiles of woman ownership of 51% and above for contracting enterprises for the period 2025Q4 on average 26%, the least Women Owned contractors are in Grade 7 to 9 is 2025Q4 is 28%. Women Ownership in Grades 2 to 6 is 26% on average.

4.4 Youth-Ownership

The third and final targeted group in terms of transformation is the youth owned contractors of cidb registered contractor enterprises (i.e not registrations) is given below for South Africa for the following 51% or more share ownership.

The grade listed in the table and graph above corresponds to the highest grade for an enterprise across all the registrations for the enterprise.



From the assessment above, it is seen that the state of transformation decreases with increasing cidb Grade (size of company) – but change with Grade is not pronounced as is observed for youth-ownership. Specifically, for ownership of 51% and above, it is seen that youth-ownership remains at around 10% in the period 2025Q4 in Grades 2 to 9.

4.5 B-BBEE Recognition Level

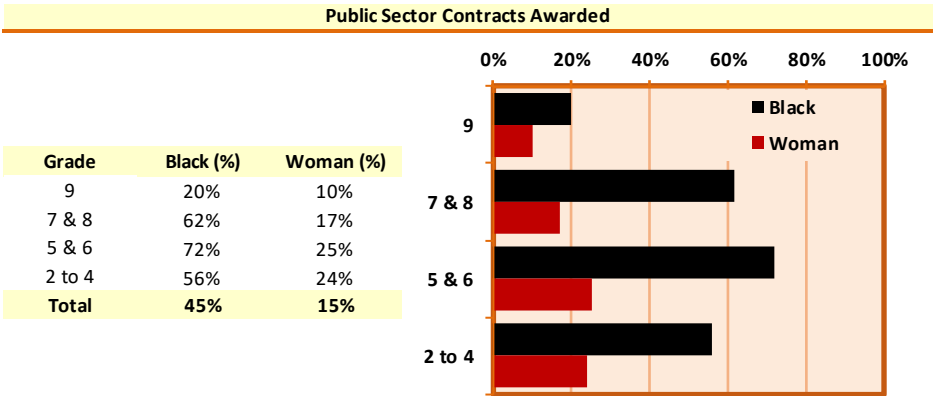
Note that the Preferential Procurement Regulations (2017) allows for pre-qualification criteria for the procurement of infrastructure, namely:

4. (1) if an organ of state decides to apply pre-qualifying criteria to advance certain designated groups, that organ of state must advertise the tender with a specific condition that only one or more of the following tenderers may respond:
- (a) a tenderer having stipulated minimum B-BBEE status level of contributor

The above information can be used to guide the setting of B-BBEE Level eligibility levels. Note that the cidb endorses all actions to enhance transformation in the construction industry, and endorses the use of B-BBEE as an eligibility criteria for infrastructure procurement. However, it should be noted that using excessively restrictive B-BBEE Levels as eligibility criteria could excessively restrict the market, which can result in price increases and also in non-responsive tenders and procurement delays.

4.6 Contracts Awarded

Estimates of the value of public sector contracts awarded to black-and woman-owned contractor enterprises during the period 2025Q3 are shown below. (Please Note: the information presented below is extrapolated from the cidb's Register of Projects – RoP)



Overall, it is seen that black-and women owned contractors (51% and more) are accessing an average of around 45% and 15% of public sector awards respectively – which is significantly lower than the cidb’s transformation vision of 90% of contract awards. Of particular concern is that the percentages of work accessed in Grade 9 (i.e the higher value contract awards) is low.

NB: This page is intentionally left blank

Gauteng Provincial Office Pretoria

cidbgp@cidb.org.za

Western Cape Provincial Office Cape Town

cidbwc@cidb.org.za

Eastern Cape Provincial Office Bisho

cidbec@cidb.org.za

Northern Cape Provincial Office Kimberley

cidbnc@cidb.org.za

Free State Provincial Office Bloemfontein

cidbfs@cidb.org.za

KwaZulu-Natal Provincial Office Durban

cidbkzn@cidb.org.za

Limpopo Provincial Office Polokwane

cidblimpopo@cidb.org.za

Mpumalanga Provincial Office Nelspruit

(Mbombela) *cidbmpumalanga@cidb.org.za*

North West Provincial Office Mahikeng

cidbnw@cidb.org.za

cidb contact number: 086 100 2432 Anonymous

Fraud Line: 0800 11 24 32

email: cidb@cidb.org.za

www.cidb.org.za