



a world class African city



## Joburg Property Company Prospectus

## Vision

Our vision is to provide Property Management, Property Development, Facilities Management and Property Asset Management services in order to maximise the social, economic and financial benefit to the CoJ, as well as support the delivery objectives on a cost-competitive basis.

---

## Mission

JPC is the manager of the property assets of the CoJ, responsible for maximising the social, economic and financial value of the CoJ's total property portfolio and enhancing the efficiency of its use. JPC provides Asset Management, Property Management, Facilities Manager and Property Development services, as well as interacts with the general public in respect of the property portfolio. JPC supports the achievement of the CoJ's strategic priorities, including economic and social development and the service delivery of the CoJ.

---

## Values

Our Company values provide an ethical foundation and are fundamental to our success.

- Professionalism
- Accountability
- Responsibility
- Customer Service
- Trust



## Highlights

JPC achieved 90% against performance scorecard. There has been a 100% spend of the allocated budget and a clean audit obtained.

### Social

- In the financial year (2014/2015) a total of 9 955 jobs were created against a target of 8 000, exceeding the target by 24%. In the previous financial year (2013/2014) a total of 6 429 jobs were created against a target of 2 600, exceeding the target by 40%; and
- 7 159 SMME's supported – exceeding target by 79% and more than double 2013/2014 (3 452).

### Operational

- First property transfers took place – 3 065 properties under the land regularisation programme transferred;
- 12 803 properties under the land regularisation programme identified for transfer – up 80% compared to 2013/2014 (2 459);
- 28 properties acquired along the Transit Oriented Development, Corridors of Freedom and for Housing Master Plan – exceeding target by 40% and 4 times more than 2013/2014 (7);
- Creation of structured Informal City Market in the inner city which will be a vibrant hub and tourist attraction, progressing well; and
- Office Space Optimisation programme – Council Chamber site handed over to contractor.

### Financial

- R110 million income from leases, servitude sales – exceeding the target by 36.3%;
- R477 million private sector investment secured exceeding the target; and
- R1.68 billion investment leverage on property transaction exceeding the target by 68% and up from R770 million in 2013/2014 and R345 million in 2012/2013, underpinning JPC's sustainability and subsequent future growth and job creation.



JPC provides:



Key drivers underpinning all JPC's activities are:



## Strategic Objectives

JPC aligns its strategic objectives to support the vision and mission of the City's GDS 2040. This highlights the Company's role as an economic and social property agency to achieve positive developmental outcomes. JPC's strategy reflects those of the Economic Growth, Human and Social Development, Sustainable Services and Governance Clusters, as well as various Integrated Development Plan (IDP) programmes. In synchronising the various strategic aims, JPC identified the following as strategic objectives:

- Supporting economic development;
- Supporting community development and social initiatives;
- Utilising the property portfolio to address social imperatives and priorities;
- Utilising the portfolio as a vehicle for transformation;
- Ensuring efficient, economic and effective service delivery to clients, customers and stakeholders; and
- Ensuring a professionally managed, sustainable and profitable Company.

### Strategy in action

During the year under review, JPC underwent a corporate restructuring process to better align its strategy to the GDS 2040, positioning the Company for growth and enhancing its ability to exercise its mandate effectively.



*University of  
Johannesburg,  
Soweto Campus  
Upgrade.*  
Orlando eKhaya  
Precinct

## Core Business

JPC is a dynamic, visionary property Company mandated to manage and develop the CoJ's R8.6 billion property portfolio. As a promoter of innovative solutions to the development challenges of contemporary Johannesburg, JPC utilises council-owned land assets to leverage private sector investment in public infrastructure. JPC's core business is to manage the property assets of the CoJ, maximising the social, economic and financial value of the CoJ's property portfolio, and enhancing the efficiency of its use. The Company's overarching mandate is to support the achievement of the CoJ's strategic priorities, including economic and social development, and the service delivery objectives.

## Day-to-day Operations

JPC provides the following services for CoJ's property portfolio:

- Asset Management;
- Property Development;
- Portfolio Management;
- Facilities Management which includes Informal Trading and Public Transport; and
- All ancillary services related to the above.

## Asset Management

### Land Strategy

Implementation of the Land Strategy is underway. During the year, a process of stakeholder engagement was initiated with representatives of various CoJ departments and MOEs, which comprise JPC's tenant base. The aim is to gain an in-depth understanding of their service delivery objectives and ascertain their land requirements as well as their future plans, which support these objectives. Stakeholder consultations were held with Johannesburg Social Housing Company, Development Planning, Johannesburg City Parks and Zoo, Health Department, Transportation Department, Environment and Infrastructure Services, Johannesburg Development Agency, Community Development and City Power.

### Physical Verification of CoJ Properties

The physical verification of immovable assets is an ongoing strategic approach, underpinning the Land Strategy, that seeks to optimise land as a vital resource in achieving the City's objectives. This is key to Asset Management, as it provides a fundamental understanding of assets at different strategic levels, including the current use, condition, remaining life span and the lifecycle as well as the optimal use.

29 742 Properties were inspected and uploaded, representing the entire CoJ property portfolio at the time the project was undertaken.

Representatives of the Extended Public Works Programme (EPWP) who visited the field agents on site to assess progress were impressed with the innovation that JPC has brought to the project. In addition they commended the experience and practical work enhancement the project has created for field verification agents. The project utilises various tools, notably, in the automated phase, the recently completed JPC Arc Viewer geodatabase and reporting tool. The geodatabase is a live tool linked to the site inspection device. All data captured in the field is uploaded in real time. It is tailored to provide conclusive field data in a manner that is responsive to users. The scale of this asset project has brought the expertise of built environment specialists and university graduates under one roof.

### Considerations for Asset Verification

To enable the city to achieve its economic, social and transformational goals and objectives there is a need to analyse the impact of movements in the portfolio. For rendering effective service delivery, consideration is given to:

Land Strategy	The property acquisition must be aligned with the principles of the land strategy.
Economic Growth and Job Creation	The type of the investment and jobs to be created in acquiring the property.
Spatial Development Framework	The property is in line with the land use and planning requirements. The type of the bulk services required.
Corridors of Freedom	The acquisition supports the corridors of freedom.
IDP and Flagships Projects	The acquisition enables the City to fulfill its service delivery imperatives in line with the IDP.
Economic and Social Returns	The acquisition is required for social objectives of CoJ.

### The Importance of Land Strategy

Land Strategy is important to the City of Johannesburg, and one of its priorities is to address the issue of land ownership. It is through its implementing agency the JPC that this issue of land is realised. The scope and definition of the Land Strategy for the City is shaped by the following parameters or guidelines:

- Land as a resource – in pursuit of City objectives;
- Management of City-owned land (management of holding costs, release, disposal, acquisition) in pursuit of key City objectives;
- Strategy in relation to other state-owned land (how to influence the release/ acquisition/use) – in pursuit of key City objectives;
- Strategy for vacant land (purchasing development rights, acquisition);
- Strategy for underutilized land (purchasing development rights, acquisition, release);
- Strategy for brownfields land (purchasing development rights, acquisition, and release).



*"The device will assist us to capture everything and anything related to our properties. This will guide our thinking and ultimately shape the way forward." – Koleka Nolutshungu*

With the asset viewer tool available to provide concise information on City owned property and the developments. The categories of the 29,742 land parcels the CoJ owns are categorised in these six categories:

**Category A: Blue Chip Accounts**

**Category B: Mixed Use/Key Accounts**

**Category C: Social Economic Development Accounts**

**Category D: Developmental Accounts**

**Category E: Service Delivery Accounts**

**Category F: Property Development Accounts**

### Facilities Management

The GDS 2040 Strategy requires JPC Facilities Management to prioritise sustainable human settlements towards the eradication of poverty; and building and growing an inclusive economy. The department also plays a critical role towards the City's goal of financial sustainability and resilience.

The main objective of JPC Facilities Management is to ensure efficient functionality of the CoJ built environment by integrating its people, places, processes and technology. Facilities Management involves the management and the maintenance of corporate buildings, maintenance of Public Conveniences and taxi facilities and other CoJ owned facilities. Facilities Management provides continuous improvement of services through research and innovation.



*Examples of public convenience facilities proposed*

### Property Development

The Property Development unit seeks to maximise social, economic and financial returns on the portfolio of public land by transforming high potential vacant land into high yielding property assets through the property development process.

In the last financial year an investment of R477 million of third party development on Council-owned properties was realised. This investment resulted in the creation of 1 747 jobs and the support of 433 SMMEs during construction.

Significant achievements by the unit in the last year include:

The **Office Space Optimisation (OSO)** programme which will leverage the delivery of Council offices to catalyse the development of the Corridors of Freedom and establish a rational framework for municipal offices and service delivery throughout the City.

Projects undertaken:

- Phase 1 City Hall Precinct (OSO)
- Phase 1 Randburg City Precinct (OSO)
- Watt Street Interchange City Precinct (OSO)
- Newtown
- Kgoro Gateway
- Jabulani CBD
- Rosebank Linear Park and Rosebank Square
- Melville 27 Boxes
- Rissik Street Post Office



NEWTOWN  
Junction

The 40 000m<sup>2</sup>  
Newtown Junction  
retail development.  
Newtown



## Property Management

The Property Management Social department has three components, namely Acquisition, Social and Municipal Portfolios, with functions that range from land acquisitions registration of servitudes, social development and access to community facilities such as sport and recreation centres, libraries, churches and clinics.

In terms of land acquisition, the portfolio has allocated city owned land for economic development. The Municipal Portfolio has acquired and registered servitudes and rights on behalf of the City for the provision of basic municipal services for infrastructure such as water reticulation, electricity supply, roads, transportation routes, sanitation, clinics, fire stations and libraries.

The Social Portfolio handles lease management with regards sports and recreation facilities and social facilities such as: early childhood development centres, feeding schemes, training and media centres, hospice and skills development centres. These leased facilities have attracted investment in the upgrading of the City-owned facilities by the tenants.

There is a need to ensure the development of a sustainable and quality living environment for all which can be achieved by ensuring the existence of defined public open spaces functioning as ecological, social and institutional structuring elements contributing directly to the preservation of the City's heritage. Consequently promoting and facilitating the provision and access to required social community facilities and services.



*Mpumelelo Clinic*

## Outdoor Advertising

Outdoor advertising refers to all types of advertising that reaches consumers whilst they are "outside the home", whether on premise or third party. Whereas on premise signage is a constitutional right, it is still regulated and requires planning approval. Third party signage is not an automatic right and thus easier to regulate. However, all forms of outdoor advertising have value as they inherently need exposure from public roads funded by the public hence they should all contribute to the signage revenue pool of the city.

The proliferation of outdoor advertising signs and other forms of advertising medium has increased substantially over the past five years. The JPC conducted an audit of sites, the results show that billboards represent only about 4% of the total number of the various forms of outdoor advertising evident in the City. This has confirmed the view that street pole signs and other smaller format signs remain. Other mediums included:-construction wraps, signs flat against buildings and bridges, on premise signs (corporate branding) both on private and public land, litterbins, street names and suburban signs, temporary event posters, newspaper headline posters, street pole signs, community notice boards, sponsorship advertisement on CoJ land and facilities, public transport shelters.

In addition to the above, other temporary signs include estate agents boards, developers' boards and mobile trailers. It is noteworthy to mention that advertising signs on both public and private land have gone bigger and brighter.





**City of Joburg**  
Property Company SOC Ltd

---

1st Floor  
Forum II  
Braam Park  
33 Hoofd Street  
Braamfontein  
2017

PO Box 31565  
Braamfontein  
Johannesburg

Tel: +27 010 219 9000  
Fax: +27 010 219 9400  
clientservicingunit@jhbproperty.co.za

**[www.jhbproperty.co.za](http://www.jhbproperty.co.za)**