



CITY OF JOHANNESBURG

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Opening Remarks by Executive Mayor, Cllr Herman Mashaba,
during the launch of the Joburg Property Company (JPC)
Prospectus

1 April 2019

Release: Immediate

Programme Director,

City Manager, Dr Ndivho Lukhwareni,

MMC for Economic Development, Cllr Leah Knott,

All MMCs present,

Managing Director of the Joburg Property Company, Ms Helen
Botes,

Officials of the City of Johannesburg,

Distinguished Guests,

Ladies and Gentlemen,

Members of the media,

Good morning to you all.

The ongoing success of our Inner City Rejuvenation Programme continues to be a source of great pride for myself, officials of the City of Johannesburg and members of the multi-party government.

Although the project is still very much in its infancy, the overwhelming interest shown by investors and property players, such as yourselves, shows that we are truly onto something magical.

We, the people who have gathered here this morning, are thrusting ourselves to the forefront of an ambitious project that aims to reimagine the City of Johannesburg, in its entirety, as a place of opportunity.

We see a place that will once more be a City that we can live, work and play in.

Essentially, we seek to rebuild a City that we can leave for our children, and their children thereafter.

That is what today is REALLY about.

But there is another important reason why this project must succeed.

The City of Johannesburg has one of the highest housing backlogs in the country.

More than 150 000 people are languishing on the City's housing list while we contend with a backlog of some 300 000 units which must be built in order to meet demand.

With these properties undergoing development, it will allow the City to provide much-needed low-cost housing, affordable student accommodation, temporary emergency accommodation as well as cheaper rental space for small businesses.

However, as you look through the glass surroundings of these chambers, and into the distance, you can clearly see a depressed city.

Some of you may have driven through the CBD, as well as other areas of the Inner City, and you will no doubt have noticed that the Inner City has seen better days.

As you saw the dirt and the grime and the filth, I really hope that you also saw thousands of our fellow residents who are forced to live in conditions we would never dream of living in, even at our lowest moment.

Turning that situation around should inform the urgency with which we must undertake this important work.

Working with the City, you can help us transform every depressed and under-developed corner of Johannesburg.

And the City, working with the private sector, is already doing it.

We have handed over three sites to contractors to develop properties in the Inner City, as part of our ambitious Inner City Rejuvenation Programme.

Two private developers recently publicly committed a total investment of R204 million, which is set to yield 384 low-cost housing units.

This follows the advertisement of a tender, in October 2017, offering 13 Inner City properties to the public.

We are eagerly awaiting the submission of tenders for the other 81 sites that were subsequently released for development.

The response from developers has been so encouraging thus far that, recently, Council adopted a resolution to release a further 70 properties for development.

More will follow as we have already identified about 500 properties throughout the Inner City, and beyond, which have either been abandoned or hijacked.

Meanwhile, the City is looking at making good on its promise to expropriate 10 properties whose owners could not be traced by the City.

With regards to the most recent tender, the City's more than two year journey to redevelop the Inner City culminated in the awarding of Vannin Court and Beaconsfield Court, as well as vacant land at 82 Gwigwi Mwrebi Street, in Newtown, to EGS Properties and the Johannesburg Housing Company, respectively.

The properties, which are both situated in Hillbrow, and their associated buildings which are also earmarked for refurbishment, will be completed in 12 months, and as I pointed out earlier, these projects will yield 384 low-cost housing units.

These projects will create around 900 jobs during the construction phase while most of the 384 housing units to be constructed will charge a maximum rental of R900 a unit per month, excluding municipal services.

This truly speaks to the objectives of the multi-party government to ensure pro-poor development that addresses inequality and poverty, and which also creates a City that responds to the needs of its residents.

Our own efforts in the Inner City are creating the necessary confidence to allow other private sector players to make substantial investments in this crucial part of Johannesburg.

The Joburg Development Agency will soon embark on a project to re-develop a significant portion of Main Street, in the CBD, from Ghandi Square all the way to Maboneng precinct.

The Divercity Fund, created by some of South Africa's leading property development companies, last year announced a R2 billion investment into the Inner City.

The development of Jewel City, including the ABSA Towers, will include a 6 block urban precinct redevelopment, releasing 2800 affordable apartments into the market as well as extensive retail space.

Retail giant Edgars recently announced plans to stay in the Inner City. Their store on Pritchard Street will undergo massive renovations, for the next 12 to 18 months, with plans of turning it into one of the company's flagship stores.

This means Edgars has decided to show faith in the Inner City and choosing to stay.

This is morale boosting news for us but we also know that the development we are aiming for in the Inner City must translate to development elsewhere in the City.

In other words, the development that is being initiated in the Inner City must be replicated in other important nodes of Johannesburg, such as Randburg, Roodepoort and even in Soweto.

These areas must be brought back to life through massive investment.

And we can only do this by creating business opportunities for you to invest in.

That is why the Joburg Property Company (JPC) identified six filling stations, to be leased on a long-term basis (up to 50 years) to stimulate entrepreneurial development and job creation long into the future.

The filling stations are in Doornfontein as well as Orlando West, Mapetla, Meadowlands and Dobsonville in Soweto.

These filling stations are classified as non-core assets and are not required to provide municipal services.

Previously disadvantaged local entrepreneurs and SMMEs will be targeted through these projects and will be able to approach lending institutions to fund their businesses.

Through the Randburg Civic Precinct project, we will create a mixed-use development encompassing retail space, a public transport interchange facility, a clinic and public library.

We aim to attract R1.8 billion in investment and create almost 5000 jobs.

More jobs are expected to be created with the Watt Street Interchange mixed-use development precinct. In all, 3600 jobs will be created from an investment of R1.2 billion.

Rosebank, which is experiencing a development boom similar to Sandton, is earmarked for a R400 million investment which will create 2000 jobs and yield a 12 storey residential development with 250 units.

Slowly but surely, we are restoring confidence in the Inner City as well as other important nodes and building it where none existed before.

Slowly but surely, we are fulfilling our promise of turning Johannesburg into a construction site that will create thousands of much-needed jobs.

As always, I invite you to partner with us, not only to extract value from these initiatives, but to put value back into the City.

Ladies and Gentlemen,

As enticing as these initiatives may be, we know that some of you may be concerned about safety, not only in the Inner City, but in the City broadly.

As an entrepreneur myself, I know that safety plays an important role in determining whether you invest in a particular area or not.

For that reason, we allocated funding in our adjustment budget of 2017 to recruit an additional 1500 JMPD police officers.

We are counting down the days to when our new police officers will hit the streets of Johannesburg, to maintain law and order and keep all of us safe.

These JMPD officers will, amongst other duties, work with the Anti-Hijacking Unit within our Group Forensics and Investigating Unit (GFIS) to intensify the number of raids conducted on suspected hijacked buildings.

This significant investment in our public safety efforts will certainly bear fruit as we will be doubling the number of JMPD officers that will be in active service.

To further strengthen the attainment of the Rule of Law, the City continues to look to its five municipal courts to ensure that cases brought before them are resolved speedily.

Perhaps as a quick reminder, I should say that the City has municipal courts currently situated in Johannesburg, Meadowlands (Soweto), Roodepoort, Randburg and Midrand.

These courts are fully operational and staffed with clerks, prosecutors and magistrates.

Work continues to be put into improving the skills of the City's law enforcement officials in an effort to bolster this aspect, so as to improve the overall quality of cases that are brought before our courts.

Lastly, infrastructure development is one of the main preoccupations of our multi-party government.

From repairing potholes and resurfacing roads to installing storm water drainage systems to repairing entire bridges, the City is determined to get that work done.

We know that this kind of work comes with serious inconveniences, as seen by the shutting down of crucial parts of the M2 Freeway, but faced with a choice between life and possible injury or even death, we chose to avoid the possibility of suffering the latter.

As a responsible City, we simply could not put our residents' lives to chance.

As we launch this prospectus today, I hope that you will gain a greater appreciation of the magnitude of the work we are undertaking to restore Johannesburg back to its former glory.

This must happen while we create enticing business opportunities for the private.

And the ultimate price for us is jobs; jobs that will lead to the overall improvement of the lives of the most deserving of our fellow residents.

In closing,

I would like to thank the members of our coalition government, the IFP, ACDP, COPE, UDM and Freedom Front Plus for their continued support in bringing change to the residents of our City.

Though not a member of our coalition, my thanks also goes to the EFF, who vote with us on an issue by issue basis, for their efforts in helping to bring services to our residents.

I thank you.