

# A FORWARD-THINKING AGENCY

## THE JOBURG PROPERTY COMPANY SEEKS TO MAKE TRANSFORMATION AND ECONOMIC EMPOWERMENT ROUTINE

By Staff Writer

In 2016 the Joburg Property Company (JPC) was one of the corporates that joined SAIBPP. Gaining such a weighty member was doubtless a massive vote of confidence in SAIBPP's mission of championing transformation of the property sector. It was clearly a case of transformation values aligning perfectly.

To fully understand JPC's worth as a member, one needs to look closely at this entity's immense size and its mission. The JPC is a property agency of the City of Johannesburg (CoJ). "We are the only entity that is allowed to manage property on behalf of the City of Johannesburg. Under our custodianship we have 30 000 parcels of land, covering 77 000 hectares, valued at more than R8-billion, with a market value of R34-billion and municipal value of R8-billion," says JPC CEO Helen Botes.

In terms of the day-to-day operations, the JPC provides the following services for

CoJ's property portfolio: asset management, property development, portfolio management, and facilities management, which includes trading and public transport.

The agency uses council-owned land assets to leverage private sector investment in public infrastructure. Some of the high-profile development championed by the JPC include the Newtown Junction shopping mall, the upgrade of the University of Johannesburg Soweto Campus and the building of a new, state-of-the-art Metro Centre in Braamfontein that will house council chambers.

The JPC is literally changing the city's landscape, while helping the CoJ meet its service delivery objectives and to improve the living conditions of all residents. In terms of using property to transform the economic landscape of the city, the JPC ensures that municipal land allocated for development is serviced and, therefore, ready for proper use.

**Helen Botes** wants to make sure that the Joburg Property Company helps women-owned companies get opportunities in the property industry

Botes emphasises that the 30 000 parcels of land under the JPC's management is, first and foremost, used for basic municipal services. "As government, we can't dispose of land unless it's residual land. The land must first be used for basic municipal services. This residual land needs to be serviced and used to improve the lives of communities for amenities such as parks, schools, churches. The balance of the land is then given over for property development and property management," Botes says.

Botes stresses the importance of land to be serviced in order to realise economic returns. "Serviced land must have access to basic services such as sanitation and so on. If land is not zoned correctly, it becomes impossible to achieve economic returns. Sometimes this zoning includes a feature as basic as a road. A road links to a transport network, which, in turn, helps to grow the economy."

## DRIVING TRANSFORMATION

Like SAIBPP, the JPC is a firm believer in transformation and sustainable economic growth through unlocking opportunities for smaller players. "The property industry is far from being transformed. It's certainly not reflective of the demographics of the country. It's incumbent on government and

the private sector to transform this industry. It's our collective responsibility," Botes says. "If you look at Property Sector Charter Council statistics, not only from an ownership point of view, but also at property management and people owning their homes, a lot still needs to be done to bring about change."

The JPC is prepared to play its part. One of the ways the agency pushes for transformation is opening fields such as asset management, property management, property development, facilities management to black property practitioners. "When we seek bids for a tender, we make it clear in our specifications that we want emerging companies to come through," Botes says. "However, we don't completely leave out big companies. When dealing with big business, we push that they partner with a BEE entity or emerging black company. For example, our new CoJ council chamber is being built by Aveng Grinaker-LTA Building, an established construction company, in a joint venture with Enza Construction."

Botes says opportunities abound across the full spectrum of the JPC's work. For instance, right now the entity is implementing a land strategy that will require it to "know exactly how many properties we'll have to rezone". In this asset management field, black property practitioners can no doubt unlock opportunities. Then she mentions that JPC also

leases a number of properties for business, community services, educational programmes, and for health and safety. This is property management, another minefield of opportunities.

Within the JPC's property development sphere, property practitioners benefit from land that is already serviced – with infrastructure set up; they simply need to start building rather than spend vast sums of money preparing the land themselves.

Lastly, in JPC's facilities management space, property practitioners have a chance to help refurbish government buildings and facilities that are old and crumbling. These could be clinics, swimming pools and municipal offices. "The cost of these renovations is estimated at R12-billion over the next five years," Botes says.

Property practitioners could also do well by acquainting themselves with the CoJ's Office Space Optimisation strategy for the city's seven regions. The strategy, which seeks to provide a centralised municipal hub that supports regional municipal centres, will involve the development of new buildings and refurbishment of old structures. Again, myriad opportunities. The newly built council chamber is the first building in this programme. Other developments will be carried out in CoJ's other regions – Midrand, Randburg, Roodepoort CBD, Jabulani Soweto, Watt Street Wynberg, Turfontein and Orange Farm.

For the JPC, transformation would be incomplete without also addressing gender disparities within the property industry. "Our focus is also on women and youth. If you look at stats on the Johannesburg Stock Exchange, very few women are property players. For example, in the outdoor advertising space, a R1-billion industry, there are only two women-owned companies that we work with as CoJ. Certainly, a lot still needs to be done to change this picture," she argues.

Botes wants to see women-run companies participating fully in all the key focus areas of the JPC – asset management, property development, portfolio management, and facilities management – through changes in procurement processes that would leverage the empowerment of women. "Providing opportunities in property to women is one of the pillars that will enable us to empower women in South Africa," she states.

Lastly, the JPC has also chosen to take a transformation

route that includes education and training. "We have started internally with training. We wish to partner with institutions such as Wits University and University of Johannesburg and the property sector itself, including some of the big companies we work with. We still need to somehow raise funding for the training initiatives, but our training initiatives must go beyond the confines of JPC, and reach communities out there as well as involve more women," Botes says. "Also, the training should involve big companies that can help to coach them on how development happens. This practical knowledge is beneficial; training should not be about classroom learning only."

As head of the JPC, Botes aims to make this property agency "live and breathe" transformation and economic empowerment as part of normal business. "The industry must judge us in terms of living up to our objectives: how many companies have we transformed by sticking to these objectives, how aggressive have we been towards transformation," she concludes. ▲

