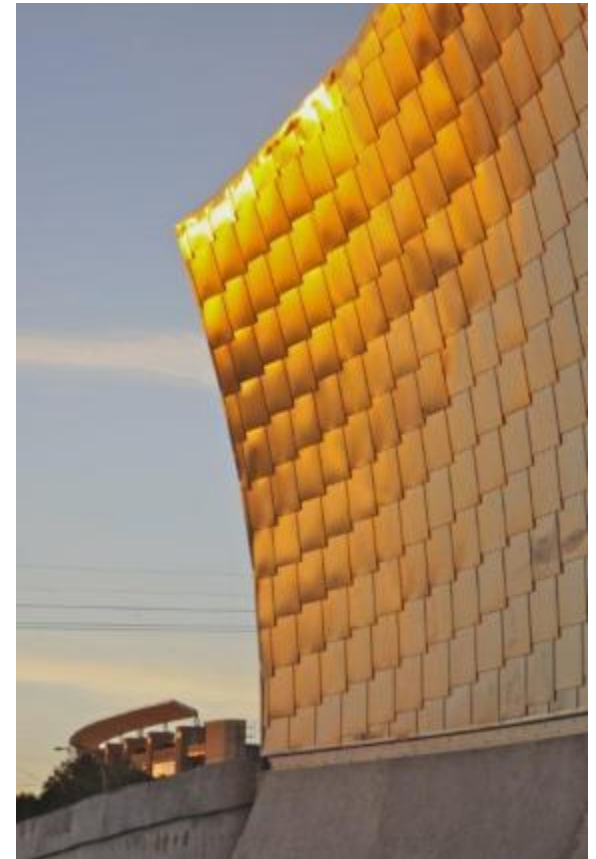


Leveraging Social and Economic Returns on Public Land: Case Studies

Alan Dinnie, City of Joburg Property Company

November 2014



ACHIEVEMENTS TO DATE

Since its inception in 2000 JPC has developed unrivalled expertise in the development of public property to create of high value, income yielding assets on public land, **throughout the city** and **across all sectors** including Office, Retail, Housing and Social facilities.

R3 Billion value of third party investment completed on public land

300 00 m² of new development completed

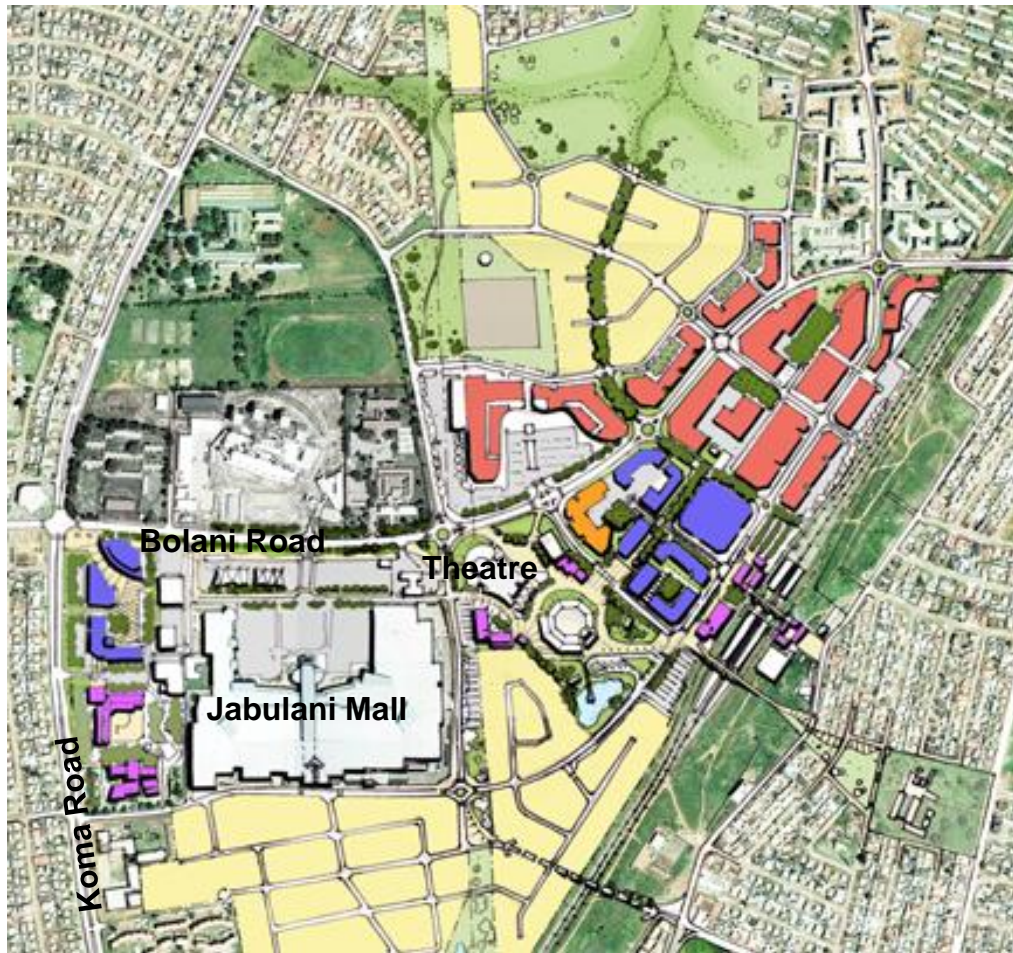
R1 Billion value of investment in marginalised areas.

R200 Million worth of social facilities delivered

10 000 temporary jobs created and measured in developments

R30 Million average annual rental collections from properties.

CASE STUDY: JABULANI CBD

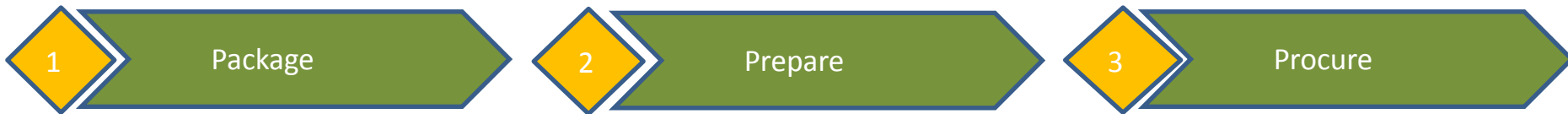


The Jabulani CBD is a 36ha precinct, comprising of ten separate development sites, will ultimately deliver approximately **200 000m²** of new development with a value of about **R3Billion**. The development will include:

- 18 000m² of new retail
- 30 000m² of offices, hotels and other commercial uses
- 3 500 mixed income residential units.
- A 3.5 hectare cultural precinct including the Soweto Theatre

The high density, pedestrian orientated development will feature a high quality public environment including pedestrian pathways, street furniture and public art, focused on a central public park.

DEVELOPMENT FACILITATION PROCESS



1. Package

Selection for development

Site investigation :

- Physical
- Legal
- Social
- Economic

Development Proposal & Feasibility

Alienation approval (Section 14(2) of MFMA)

Output

Property Plan

2. Package

Development Rights (Zoning ,
Environmental, Heritage, Services,

Improvement (Services, Public
Environment Upgrade)

Marketing including place branding.

Tenant/ End user assembly

Output

Development Ready Properties

3. Procure

Public RFP (Request for Proposals) in
accordance with SCMP

- Specified deliverables
- Two stage evaluation (functionality & price)

Development Lease Agreement

- 30-60 year term
- Improvements revert to land at no cost
- Performance timeframes
- Transformation requirements
- Project deliverables

Output

Contracted Development Partner

CASE STUDY: JABULANI CBD



The development is being delivered in partnership with the Jabulani Development Company a joint venture which is led by Inkanyeli Projects PTY LTD) who were appointed in accordance with a development agreement which was concluded in December 2008 after the conclusion of a public tendering process. Development rights for the precinct were finalised by JPC in 2009 and the first construction activities started in June 2010.

The development of the precinct is now well underway and to date over **R400 Million** has been invested in the precinct, **R32 Million** of which has spent on local labour and contractors. Over **900 jobs** have been created to date.

CASE STUDY: JABULANI CBD



First professional performing arts venue in any former township. A statement about the realisation of the vision of transformation. Delivered by innovative land deal where finances were leveraged from the private sector developer. The theatre is the focus of R3billion development of the Jabulani CBD.

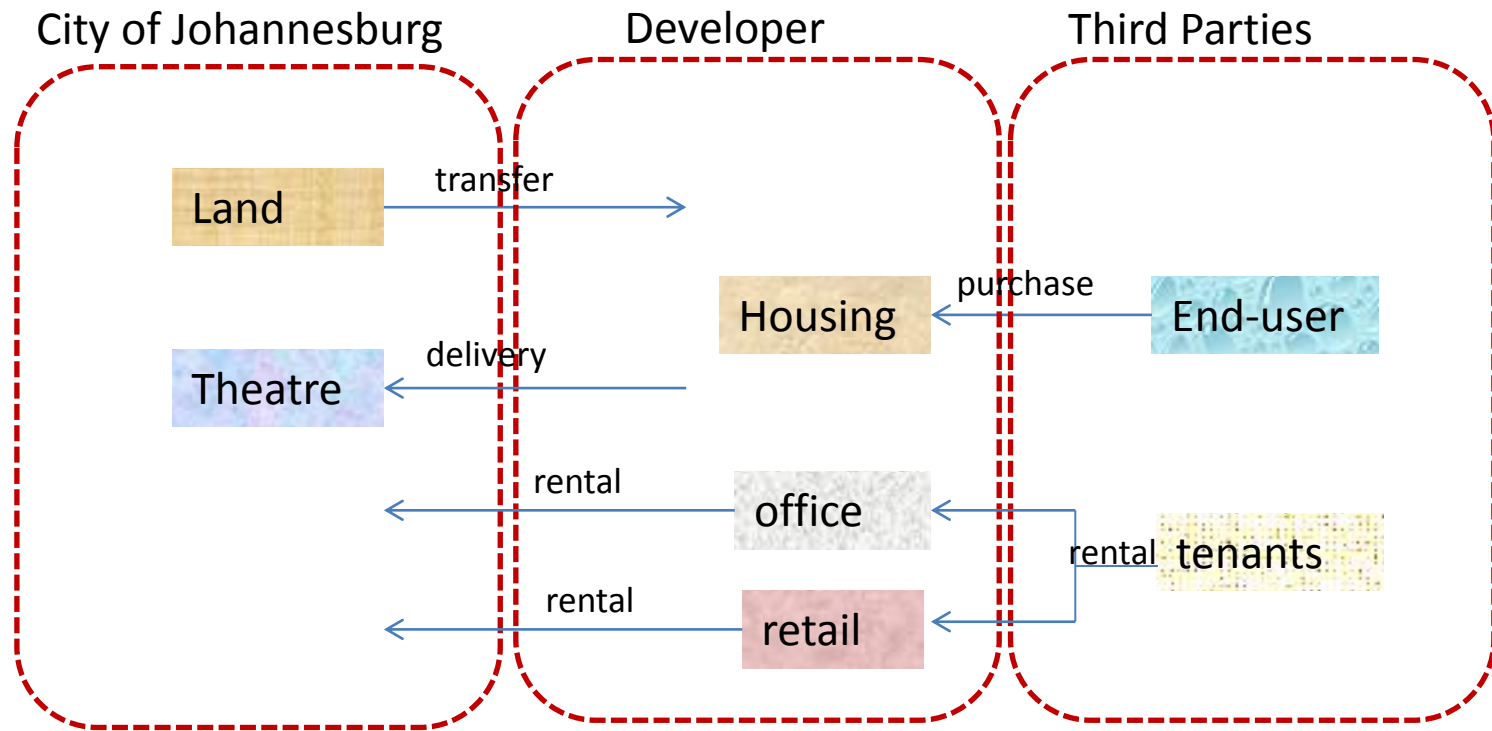
Year of Completion : 2012

Estimated Present Value :R150M

Lease Term : N/A owned by COJ

CASE STUDY: JABULANI CBD

Deal Structure: Development Agreement

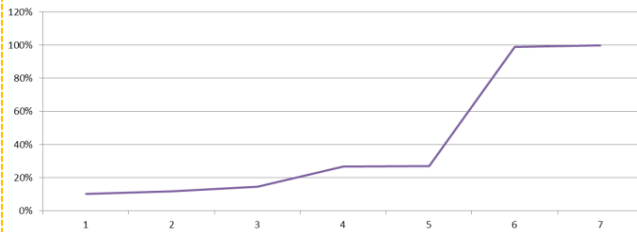
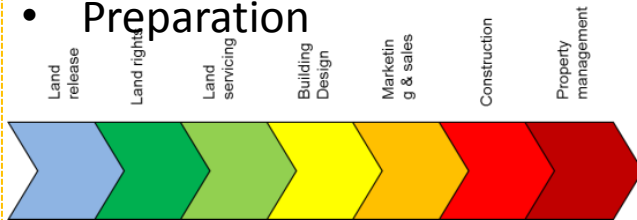


CASE STUDY: JABULANI CBD

Creating Value

- Transactable land

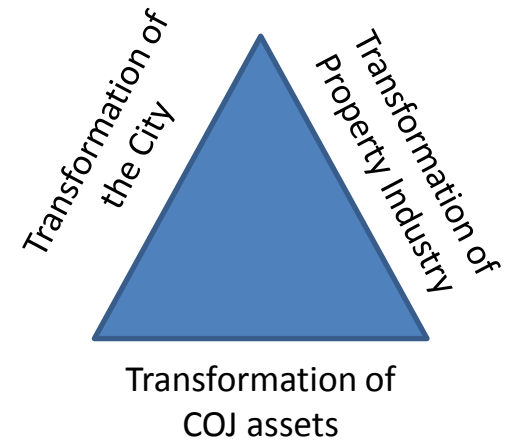
- Preparation



- Meeting demand

Leveraging value

- What is value?



- Maximising value
 - Commercial value
 - Design
 - Barter

CASE STUDY: BARA CENTRAL

JPC initiated a R37 Million NDPG public environment of a vibrant but highly degraded 5ha block adjacent to the “Bara” taxi rank . The interventions boosted investor confidence in the precinct, resulting in over 50 000m2 of new development in the precinct to date with an investment value of over R100 Million



CASE STUDY: FNB OFFICE FAIRLAND

70 000m² iconic FNB/ Wesbank “groundscraper” consisting of two A-grade office blocks linked by a shared facilities building. The development has won a number of national and international design awards since its completion.

Date of Completion: 2008

Lease Term: 30 years with 30 year option

Estimated Present Value: R1 Billion

Developer: Eris Properties



THANK YOU