

## **City of Johannesburg Speech by Executive Mayor, Cllr Herman Mashaba,**

### **Keynote Address: Announcement of the awarding of 24 tenders for the development of 81 Inner City properties, with an investment value of R20 billion**

Chief Executive of the Joburg Property Company, Ms Helen Botes,  
MMC for Development Planning, Councillor Reuben Masango,  
Members of the Mayoral Committee present,  
Chairman of the Johannesburg Inner City Partnership, Ishmael Mkhabela,  
Senior Researcher at Gauteng City Region Observatory, Dr Koech Cheruiyo,  
Chief Executive of the Construction Sector Charter Council, Mr Thabo Masombuka,  
Councillors and Officials of the City of Johannesburg,  
Distinguished guests,  
Members of the media,  
Ladies and Gentlemen,  
Good morning and welcome to this great occasion.

On the 1st of December 2016, during a press conference to mark my first 100 days in office, we expressed a very bold vision of an Inner City reborn.

In those heady days following the instalment of a new multi-party government - after a historic election in which the people of Johannesburg demanded change - perhaps it would have been prudent to adopt a more measured approach to our plans for the City.

But we chose to be bold because our people demanded it.

On this platform, and numerous others, I've recited facts and figures related to the extent of our housing backlog. More than 150 000 people are still on the City's housing list while the City contends with a backlog of some 300 000 units.

The pressure brought to bear on the City to reduce this shameful reality is made worse by the fact that Johannesburg continues to experience an inward migration of roughly 3 000 people every month.

They are South Africans, like you and me, who come to Johannesburg in search of better economic opportunities. They too deserve a better quality of life. It is them who brought about the change that triggered events which have led to the milestone we are gathered here to celebrate today. Theirs' was a triumph of hope over skepticism and a fear of the unknown.

It is their desire for a new future that ushered in the beginning of a new era of change; change that will see Johannesburg once again become a catalyst for growth in South Africa.

Because When Johannesburg Works, South Africa Works.

As the multi-party government, we assume this heavy responsibility because we see our role as the economic engine of our country, capable of driving South Africa forward. We see our City as a trigger for massive economic growth and job creation.

I must admit though, those early days in office were incredibly scary. We were ambitious beyond measure.

The scale of our dreams dwarfed our combined abilities to turn them into reality, or so the sceptics were quick to remind us. But the words of the former president of Liberia, Ellen Johnson Sirleaf, provide comfort and the best indication yet, that our ambitions have not been misplaced.

In her book titled 'This Child Will Be Great: Memoir of a Remarkable Life by Africa's First Woman President', Sirleaf writes, and I quote: "The size of your dreams must always exceed your current capacity to achieve them. If your dreams do not scare you, they are not big enough." Close quote.

Well, our dreams for the Inner City are big enough and they are scary. But we are facing up to them and turning them into reality.  
Ladies and Gentlemen,

The rebuilding of our Inner City has begun in earnest.

What started out two Decembers ago only as an expression of a bold vision, is now turning into reality.

The dreams and aspirations of Johannesburg residents are taking shape. The promises of Johannesburg's multi-party government to return the Inner City to its former glory are being realised.

We declare today that our residents' dreams of accessing low-cost housing, affordable student accommodation and cheaper rental space for small businesses are taking shape and will reach fruition sooner than most would have been willing to concede.

Today, the City takes great pleasure in announcing that we have awarded tenders for 24 developments, spanning 81 properties and pieces of land. Throughout their lifespan, these 24 developments are expected to create more than 10 000 jobs. According to the high level plans

that are yet to be approved by CoJ Planning Department, there will be approximately 6500 units made up of one and two bedroom units.

There will be about 1500 student beds. The actual numbers and units will be confirmed once the detailed plans are approved with City of Joburg Planning Department.

The monthly rentals will range from R900 per month per unit excluding utilities to R4500 pm. It must be noted that the developments will deliver mixed typologies consisting of one bedrooms and two bedroom units.

In the Request for Proposals, the City insisted that, for each development, there should be a minimum non-negotiable stipulation that 20% of the total development cater for the R900 per unit per month rental category.

The developers have also had to develop student accommodation in compliance with the gazetted minimum norms and standards for student housing.

The tenders in question are intended to result in mixed use development with emphasis on affordable residential units, student accommodation and retail spaces for small businesses.

The properties are in the Johannesburg Central, Yeoville, Berea, Vrededorp, Fairview, Salisbury, Marshalltown, Wolhuter, Turffontein and City and Suburban. Work on the above developments will begin in six to eight months.

Seeing as some properties are vacant and have the correct zoning rights, construction is expected to begin in about six months. For those properties with existing tenants in them, construction is expected to begin in about 8 months.

The latter will also apply to those properties that need to be rezoned, to allow for these to be turned into mixed use developments.

All in all, the properties awarded as part of these 24 tenders hold an investment value of approximately R20 Billion.

Ladies and Gentlemen,

The City of Johannesburg is yet to come across a development of this size.

There is simply nothing comparable to it, especially if one takes into consideration similar projects that have been attempted in partnership with the private sector. This is also shaping up

to become the biggest volume of property that has been awarded for development, at one go, in the history of the City.

This project also lends itself to becoming the biggest mixed use development with a special focus on affordable residential units and student accommodation. But this project is also important for one other reason; it will play a massive role in our efforts to bolster Johannesburg's economy.

You may remember that we have committed ourselves to raising Johannesburg's economic growth rate to 5% by 2021, minimum, and the Johannesburg Inner City Rejuvenation Programme is earmarked as a catalyst to drive us towards that goal.

In September 2017, the City Council approved the Inner City Plan, which is a long-term development program that seeks to address spatial, social, and economic inclusion in our City - a project that will see more and more residents living, working, and enjoying life in the city.

In order to realize a minimum 5% economic growth within the City by 2021, we are ensuring that the Inner City boasts an enabling environment for small businesses to flourish and create permanent jobs.

In return, we intend to attract investment of between R16 Billion and R20 Billion annually into rebuilding our Inner City and converting it into a construction site. But we know that without the private sector and external investment, we cannot succeed.

We operate off the clear understanding that our relationship with business requires government to pave the way for the private sector to unleash its potential and its balance sheet in our City, where profits can be made and jobs created.

As you can already see, this project is already taking off.

Recently, the City 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.

This was followed up by a Council resolution to approve a further 71 properties, to bring to 84 the total number of properties that were up for grabs.

We are eagerly awaiting the submission of tenders for a second batch of a further 70 properties that Council recently approved for offer to the private sector.

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.

And while we intend using the Inner City Rejuvenation Programme to bolster the economy of the City of Johannesburg, we also intend to make it inclusive. We all know the history of our country, particularly our economic history which was and is still premised on exclusion.

Therefore, no public representative worth their salt would dare talk economic growth and jobs without putting the issue of transformation at the forefront.

As the City of Johannesburg, we are determined to build an inclusive economy and as such, genuinely Broad Based Black Economic Empowerment (BBBEE) will be our only yardstick in determining how we achieve this goal, particularly in relation to this project.

Therefore, we will give preference to companies with the best triple-BEE credentials. However, we are clear that we do not want the fly-by-nights of the past, trading off political connections rather than an ability to handle projects.

This is an ambitious and historic project that we are undertaking and, as such, we want companies that will succeed based on know-how, and not know-who. While on the subject of transformation, we also need to radically transform our skills base as a country.

Particular attention needs to be paid to our shrinking base of artisans. That is why we have taken it upon ourselves to train 100 young people as artisans, as a pilot project.

We may be a long way off but we intend to do everything in our power, including using as many of our projects as possible, to take as many people as possible off the City's unemployment line, especially the youth who account for 40% of the City's unemployed.

For this, we need a strong partnership with the private sector.

That is why we are creating conditions necessary for increased investment in our City. A multi-disciplinary fast-track committee is making inroads into producing an environment which is easier to do business in Johannesburg. Times for approving building plans, rezoning applications, applying for service connections and the like are beginning to drop to record lows.

It is all about changing red-tape into red-carpet for our business community. And part of making all of this a reality is to put in place City employees who are capable of discharging their duties efficiently and effectively.

For this, we continue to conduct a city-wide skills audit to ensure that all our employees, officials and senior managers are in the right positions to produce better results for the City.  
Ladies and Gentlemen,

I know that many of our stakeholders remain concerned with public safety in the Inner City. We are too.

That is why I am happy to once again announce that the City will welcome a contingent of 1500 new police officers to the ranks of the JMPD.

They will be ready to patrol our streets at the end of October, to maintain law and order and keep us safe, particularly in the Inner City. The significant investment in our public safety efforts will double the number of JMPD officers in service.

The multi-party government is working extremely hard to rebuild Johannesburg into a City that Works, and part of making that a reality is to restore the Rule of Law.

In this regard, the City looks to its five municipal courts to ensure that cases brought before them are resolved speedily, especially those having to do with by-law infringements.

Our municipal courts are located in Johannesburg, Meadowlands (Soweto), Roodepoort, Randburg and Midrand. These courts are fully operational and staffed with clerks, prosecutors and magistrates.

Still on law enforcement, we intend to make the Inner City one of the safest places to invest.

The Inner City has become known for being a haven for building hijacking syndicates but those days are coming to an end. We have established an anti-hijacking unit, within Group Forensics and Investigation Services, to combat these syndicates.

To date, the anti-hijacking unit has returned almost 100 buildings to their rightful owners.

In closing, I wish to say that 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, indicates that we are truly onto something truly transformational.

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.

I thank you.