

# THE JOHANNESBURG LAND COMPANY (PTY) LIMITED

[REG No: 2001/029666/07]

70 FOX STREET • JOHANNESBURG  
PO BOX 61140 • MARSHALLTOWN • 2107  
TELEPHONE +27 11 832 1744 • FACSIMILE +27 11 833 7497

**Attention: Mr. Xolani Nxumalo**  
**Deputy Director Informal Trading**  
**SMME Development and Support Directorate**  
**Department of Economic Development**  
**City of Johannesburg**

By email: [xolaninx@joburg.org.za](mailto:xolaninx@joburg.org.za)

27 August 2014

Dear Sirs

## **Re: Submissions Concerning Informal Trading**

We have been advised by members of the CID, Central Improvement District, that the City of Johannesburg has called for submissions regarding informal trading within the Inner City. We are further advised that it appears that the City of Johannesburg may underestimate the economic contribution of the office sector to the Inner City.

Assuming the above to be accurate, we wish to comment as follows:

1. According to the Sapo ( South African Property Owners Association) Office Vacancy Survey April 2014, the Johannesburg CBD and Newtown offer nearly 500,000m<sup>2</sup> more office space than Sandton does and has an overall occupancy of approximately 360,000m<sup>2</sup> higher than Sandton. It is also the largest office location in the country. A summary is tabled below for ease of reference.

Location	Total Rentable Area m <sup>2</sup>	Vacancy (m <sup>2</sup> )	Occupancy (m <sup>2</sup> )
CBD & Newtown	1,993,009	347,441	1,645,568
Sandton & Environs	1,497,524	212,187	1,285,337
<b>Difference</b>	<b>495,485</b>	<b>135,254</b>	<b>360,231</b>

2. In today's times, an estimate of approximately 12m<sup>2</sup> per person is a useful measure for determining the number of people this occupation could represent. For the CBD & Newtown, it will be approximately 137,130 office workers on a daily basis versus 107,111 office workers in Sandton.
3. Based on the above, the CBD and Newtown still accommodates a significantly large office worker population and by implication the largest in the country.
4. The CBD currently plays host to the head offices of Absa, Anglo American, AngloGold Ashanti, BHP Billiton South Africa, First National Bank, Standard Bank and Zurich Financial Services as well as the Gauteng Provincial Government, to name a few. Some of these are recent developments undertaken in the last ten years, including the Absa Campus, AngloGold Ashanti, Newtown Junction project, and the Zurich South Africa Head Office signaling confidence by these companies in the CBD.

Worldwide Zurich has a market capitalization of approximately R500 billion – almost half that of South Africa's annual fiscal budget!

5. Currently the municipal tariff for office premises is approximately 3 times that of residential. In fact, the tariff for commercial use is one of the highest charged by the City of Johannesburg.

DIRECTORS: A R FLEMING (CHAIRMAN) • R J KOEVORT (CHIEF EXECUTIVE OFFICER) • B J DOWDEN • H A FLEMING •

