



a world class African city

City of Joburg Property Company SOC Ltd.

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www.jhbproperty.co.za

Date: 25 August 2025

To: Hon. MEC P.J. Mamabolo

From: Acting Chief Executive Officer, Joburg Property Company (JPC): Musah Makhunga

FORMAL RESPONSE TO LEGISLATURE QUESTIONS: ORANGE GROVE PROPERTIES – ITEM NO.COFTA204

1. Background & Context

The City of Joburg Property Company (JPC), acting on behalf of the City of Johannesburg's Development Planning Department, was mandated to acquire strategic properties along the Louis Botha Corridor / Orange Grove precinct under the Corridors of Freedom initiative, aligned to the Bus Rapid Transit (BRT) programme and Nodal Review densification strategy. The intention was to support integrated human settlements, economic upliftment, improved public transport access, and upgraded municipal services.

2. Legislature Questions & Responses

(i) Properties Acquired by JPC Since 2012

- Number of Properties Acquired: 55 properties
- Purpose: Acquisition undertaken to enable land assembly for mixed-use, high-density development supporting the BRT Orange Grove / Louis Botha Corridor.
- Mandate: Acquisitions executed on instruction from the City of Johannesburg Development Planning Department.

(ii) Total Expenditure & Average Purchase Price

- Total Expenditure: R79,147,190.00
- Average Purchase Price per Property: $R79,147,190 \div 55 \text{ properties} \approx R1,438,131.64$ per unit
- Funding Source: City's Capital Budget allocated to the Corridors of Freedom Programme.
- Financial Oversight: All acquisitions were undertaken in compliance with the Local Government Ordinance, 17 of 1939 and other related legislation and independently valued by certified professionals to ensure fair market value.

(iii) Illegal Occupations

- Number of Properties Illegally Occupied: 22 properties
- Location: Concentrated along the Louis Botha Corridor and within the Orange Grove Precinct.
- Impact: Illegal occupation has constrained planned redevelopment, compromised safety, and contributed to urban decay.



Non-Executive Directors: Simon Motha (Chairperson)
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Ntombikayise Tini | Thapelo Mashamaite |
Tshepang Thatelo | Yolisa Ngxabazi | Moeketsi Rabodila |

Executive Directors: Musah Makhunga (Acting Chief Executive Officer)
Mfanafuthi Zondo (Acting Chief Financial Officer)

Company Secretary: Gontse Dlamini
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(iv) Measures Taken to Address Illegal Occupation

JPC, in collaboration with internal and external stakeholders, has undertaken the following measures:

a) Occupancy Audits

- A comprehensive audit of all 55 properties is currently underway.
- Estimated Completion: 30 September 2025.
- Objective: To verify occupation status, consolidate property records, and guide legal processes

b) Legal Action Initiated

- Appointment of Attorneys: JPC caused the CoJ Group Legal to appoint Mchunu Attorneys to initiate eviction applications. The attorneys served the final notices to vacate on the illegal occupants in 2017.
- Final Notices Served: Issued via the Sheriff of the Court in September 2017 in line with the Prevention of Illegal Eviction Act (PIE Act).
- Evictions Delayed: the eviction applications could not be issued, pending the conclusion of Group Forensic and Investigation Services (GFIS) investigations into alleged various criminal activities, including fraud and trespassing

c) Property Consolidation & Rezoning

- 7 of 16 Erven within the Orange Grove block have been successfully consolidated.
- The City's Planning Development Department is finalising the balance, with completion expected by 30 August 2025.
- This process is necessary to enable compliant redevelopment and integrated human settlements.

(v) Internal Investigations into Alleged JPC Officials Misconduct

An investigation was conducted jointly by GFIS, resulting in the following findings:

Aspect Investigated	Findings	Outcome
Alleged staff involvement in illegal subletting	Two employees implicated	Disciplinary action undertaken and completed
GFIS Investigation Report	Dated 12 April 2018	Confirmed unauthorised occupation by one employee
Collection of rentals without authority	Final GFIS report pending; JPC yet to receive closure on certain cases	Awaiting COJ-GFIS
Disciplinary action results	One employee dismissed; second employee resigned.	Completed



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Follow-Up Actions:

JPC continues to work with GFIS to finalise unresolved matters and strengthen internal controls to prevent recurrence.

(vi) Revenue Loss from Unpaid Municipal Rates

- The Orange Grove properties were acquired on behalf of the City for redevelopment purposes.
- As these properties will remain under City ownership during consolidation and rezoning, the City cannot levy rates against itself.
- Revenue Loss: No direct financial loss on rates revenue has occurred, but redevelopment delays have deferred potential future income streams from:
 - Property taxes
 - Municipal service charges
 - Economic upliftment through formalized business activity.

(vii) Measures to Protect Law-Abiding Residents & Surrounding Communities

JPC recognises the adverse effects of illegal occupation, dumping, and crime on law abiding residents. While enforcement falls outside JPC's mandate, coordination is ongoing with relevant City departments to stabilise the precinct:

Department / Entity	Role	Current Interventions
Public Safety (JMPD)	Law enforcement, anti-crime operations	Increased patrols and compliance inspections
Group Forensics & Investigations (GFIS)	Prosecution of illegal subletting syndicates	Cases referred for criminal action
Pikitup	Waste collection and illegal dumping response	Targeted clean-up campaigns
Development Planning	Nodal review, densification approvals, and rezoning	Enabling compliant urban regeneration
Environmental Health	Monitor and mitigate public health risks	On-site inspections and enforcement

Future Initiatives:

- Integrated Task Team Deployment: Co-led by Development Planning, Public Safety, and GFIS.
- Community Engagement Forums: Planned in collaboration with ward councillor to update affected residents on redevelopment timelines and progress.



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3. Strategic Way Forward

The successful redevelopment of the Orange Grove precinct remains critical to the Corridors of Freedom vision and the City's spatial transformation objectives. Immediate next steps include:

- Finalisation of the occupancy audit (Sept 2025).
- Completion of erven consolidation (Aug 2025).
- Strengthening legal action against unlawful occupation in collaboration with COJ Legal and Mcunu Attorneys.
- Leveraging inter-departmental partnerships to restore safety, service delivery, and investment confidence in the precinct.

4. Conclusion

JPC remains committed to delivering on its mandate of effective property management, urban renewal, and strategic asset optimisation.

Electronically signed

Musah Makhunga
Acting Chief Executive Officer
Joburg Property Company (JPC)
Date: 25 August 2025



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