



Johannesburg Property Owners & Managers Association

Architects of Growth

**NERSA PRESENTATION**

**BY NIC BARNES**



# WHO IS JPOMA?

Today, the Johannesburg Property Owners and Managers Association (JPOMA) represents most of the credible Johannesburg Inner-City property owners and managing agents who are active in the rejuvenation of the inner city through building upgrades, conversions and effective urban and building management.

R12bn of private capital invested

Represents over 50,000 affordable housing units

Accommodates in the region of 250,000 inner city residents





# WHO DOES JPOMA ACCOMMODATE?



## AFFORDABLE HOUSING

- RENTALS BETWEEN R1,750 – R5,500
- FAMILY INCOMES OF R4,500 – R15,000,
- FILLING THE GAP BETWEEN SOCIAL HOUSING AND GAP HOUSING

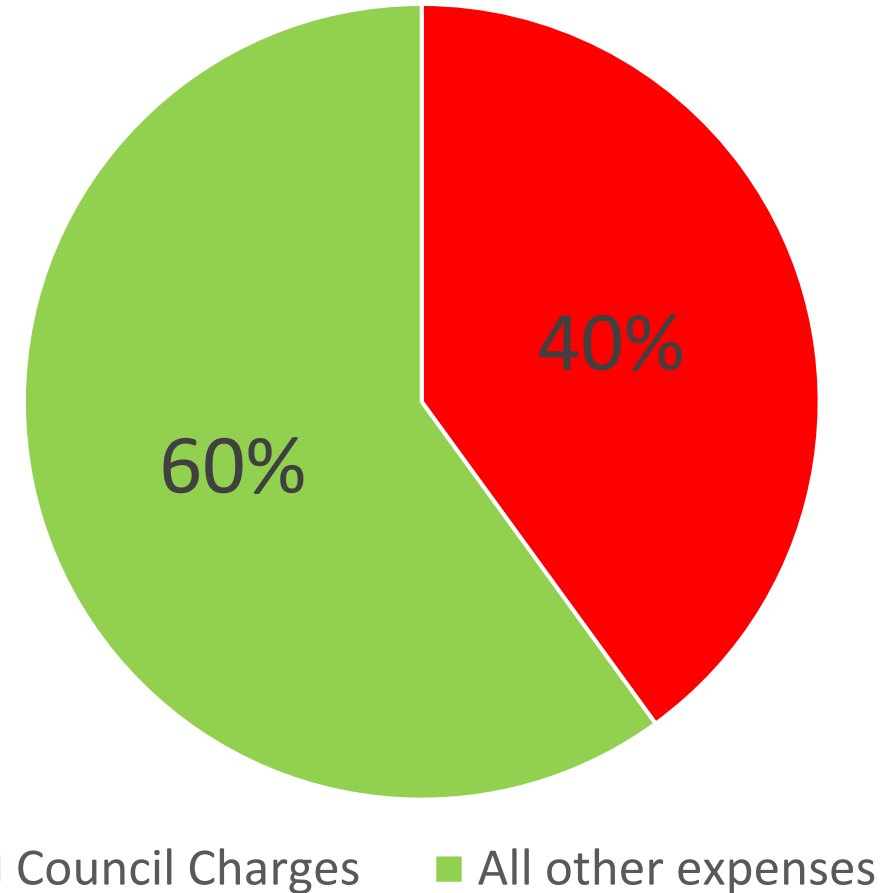


**JPOMA MEMBERS PAY THE COJ  
APPROXIMATELY R50m PER MONTH FOR  
SERVICES AND TAXES**



# JPOMA AND THE CITY OF JOHANNESBURG

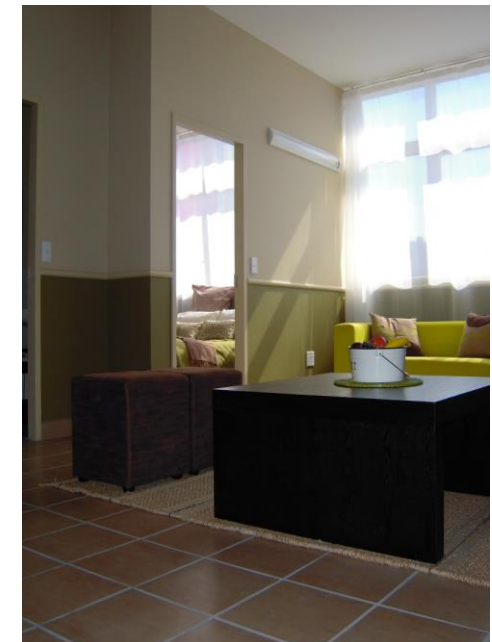
- The CoJ is our biggest trading partner, with 40% of Ops costs being paid to the CoJ
- Administer services to and collect from over 50,000 households, assuming all of the risk. We effectively operate as miniature municipalities
- After the creation of safe and functional accommodation, attention naturally turns to the built environment around the buildings
- Through CID's, we fund and supervise clean and safe services in the public areas around the buildings
- Significant community involvement; Schools, Creches, parks, security, cleaning, etc.



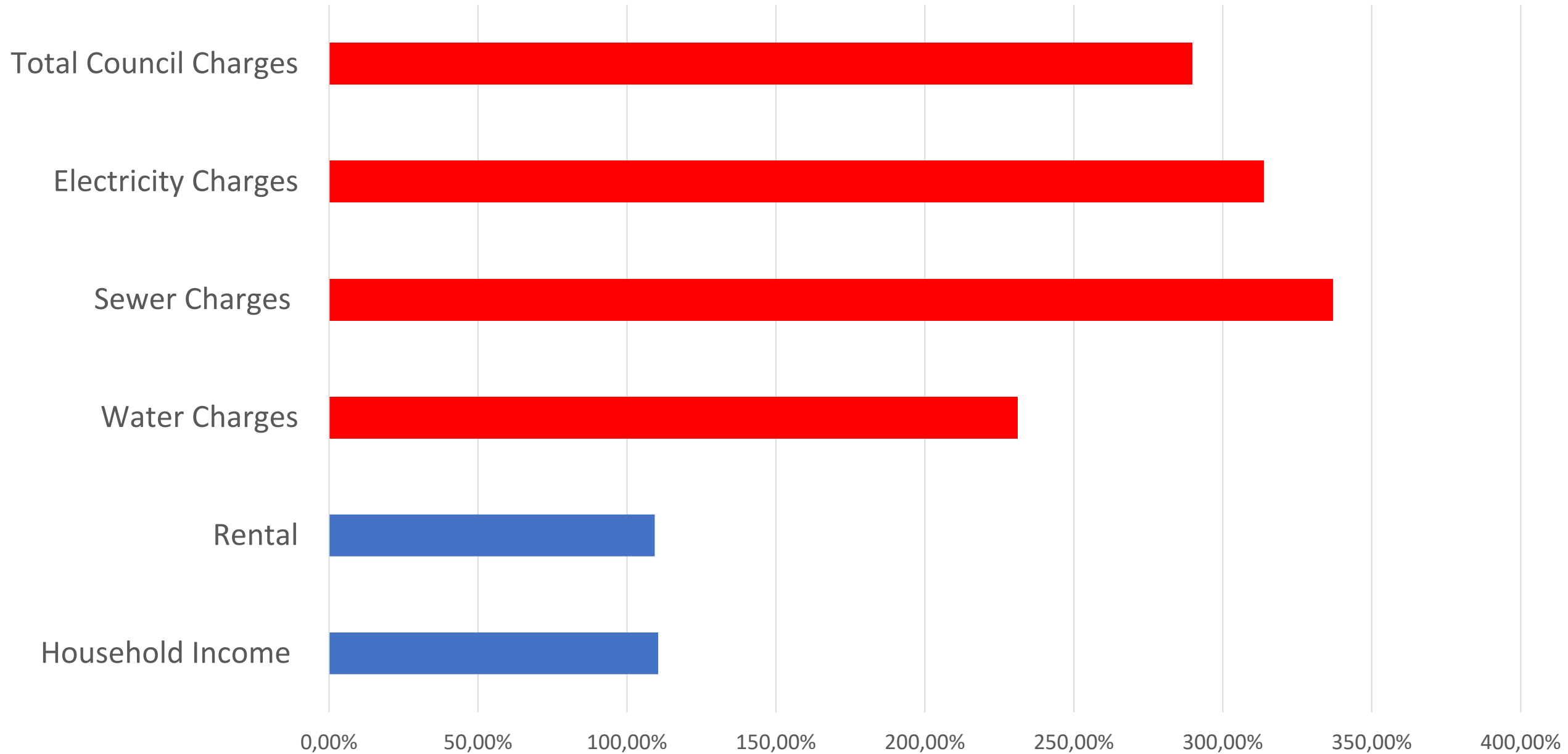
# CASE STUDY – A REAL LIFE EXAMPLE IN CBD

Year	Household Income	Rental	Water Charges	Sewer Charges	Electricity Charges	Total Council Charges
2008	5,944	1,981	107.59	66.33	132.08	306.00
2009	6,360	2,150	117.97	75.61	157.16	350.74
2010	6,805	2,322	128.18	86.20	189.52	403.90
2011	7,281	2,530	140.89	98.27	235.00	474.16
2012	7,791	2,695	155.44	112.52	317.24	585.20
2013	8,337	2,911	167.98	123.56	358.48	650.02
2014	8,920	3,144	181.79	134.57	378.16	694.52
2015	9,545	3,412	205.16	153.41	406.72	765.29
2016	10,213	3,617	225.22	174.73	432.72	832.67
2017	10,928	3,798	291.08	196.05	442.60	929.73
2018	11,692	3,988	328.95	256.50	475.20	1,060.65
2019	12,511	4,148	356.32	289.85	546.48	1,192.65
2020	13,387	4,355	384.50	327.52	628.45	1,340.48
2021	14,324	4,573	415.26	370.10	722.72	1,508.08
<b>Total Increase 2008 - 2019</b>	<b>110.49%</b>	<b>109.34%</b>	<b>231.18%</b>	<b>336.99%</b>	<b>313.75%</b>	<b>289.76%</b>
<b>Total increase 2008 -2021</b>	<b>140.98%</b>	<b>130.80%</b>	<b>285.97%</b>	<b>457.99%</b>	<b>447.18%</b>	<b>392.84%</b>

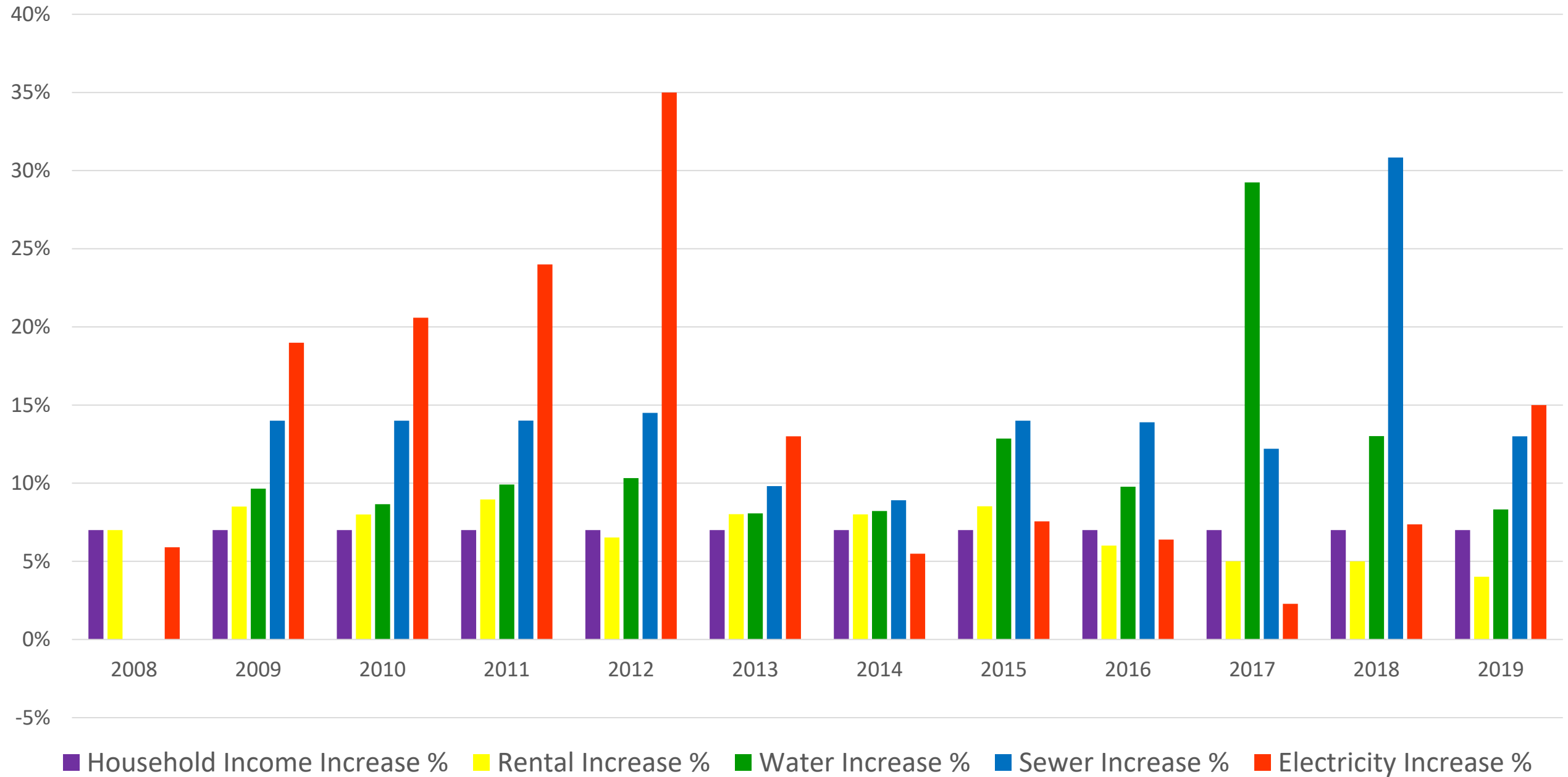
TABLE	
Rooms	1
Area	JHB CBD
Geyers	Yes
Season	Winter
Adults	2 - working
Children	1 - school
Elect Kwh p/m	400
Water Kl p/m	22



# INCOME, RENTAL AND COUNCIL INCREASES 2008 - 2019



# % INCREASES FOR COST OF LIVING PER ANNUM



# CASE STUDY – CBD VS OTHER NEIGHBOURHOODS

## Electricity Usage

	Area	No of people in household	Electricity Kwh Monthly Usage	Electricity Kwh Daily Usage	Electricity Kwh Average usage per day per person
Affordable Housing Tenant (1 Bedroom Flat)	CBD	3	400	13.33	4.44
Nthombi (2 Bedroom Flat)	CBD	6	630	21.00	3.50
Princess (2 Bedroom Flat)	CBD	4	535	17.83	4.46
Peter	Greenside	4	930	31.00	7.75
Angela	Orange Grove	9	1020	34.00	3.78
Nic	Parkview	6	1500	50.00	8.33



# THE COST OF LIVING IN JOHANNESBURG

In **2008** electricity made up 2.22% of a tenants household income

In **2018** electricity made up 4.06% of a tenants household income

Projected that electricity will make up 5.05% of tenants household income in **2021**

In **2008** utility charges made up 5.15% of tenants household income

In **2018** utility charges made up 9.07% of tenants household income

Projected that utility charges will make up 10.53% of tenants household income in **2021**

Household income has increased by **110.49%** over the last **10** years

Rents have increased by **109.34%** over last **10** years

Water has increased by **231.18%** over last **10** years

Sewer has increased by **336.99%** over last **10** years

Electricity has increased by **313.75%** over last **10** years



# THE PROBLEM WITH ESKOM

- The group's debt has increased by as much as 800% to over R400 billion over the last 10 years, while its energy capacity and sales have been reduced by 5%.
- The National Union of Metalworkers of SA (Numsa) and the National Union of Mineworkers (NUM) acceded to the settlement proposal the utility made a month ago of 7.5% increases for 2018 and 7% for 2019 and 2020.
- A three-year wage agreement signed between Eskom and recognised unions will cost the cash-strapped utility R3.9bn in total, Eskom has said, but there is no clear indication of how it will pay for the increases.
- Corruption and mismanagement that consumers are expected to pay for.
- Relying on outdated energy sources instead of supporting renewable energy solutions.

