

NERSA PRESENTATION



Architects of Growth

Angela Rivers - General Manager

WHO IS JPOMA?

The Johannesburg Property Owners and Managers Association (JPOMA) represents most of the credible Johannesburg Inner-City property owners, developers, investors and managing agents. We have been active in the rejuvenation of the inner city through building upgrades, conversions and effective urban and building management since 2003.

R18bn of private capital invested.

Represents over **70,000** affordable housing units.

Accommodates in the region of **350,000** inner city residents.



WHO DOES JPOMA ACCOMMODATE?

Affordable Housing

Rentals Between R1,750 – R6,500

Family Income of R4,500 – R25,000

JPOMA members pay The CoJ approximately **R80M** per month for services and taxes.

This is **R1BILLION** per annum.

Anyone who receives a CoJ Account can become a JPOMA member



TARIFFS AND AFFORDABILITY

Social Housing	2024/2025			2025/2026		
	Post Paid	Pre Paid	Resellers	Post Paid	Pre Paid	Resellers
Rent 10% increase	1 000.00	1 000.00	1 000.00	1 100.00	1 100.00	1 100.00
Water - 12kl (including VAT) 9% increase	196.09	196.09	196.09	213.74	213.74	213.74
Water Demand Levy (including VAT) 9 % increase	41.71	41.71	41.71	45.46	45.46	45.46
Sewer - fixed rate (including VAT) 9% increase	361.88	361.88	361.88	394.45	394.45	394.45
Electricity - 320kwh (including VAT) 36% increase	1 906.32	1 099.73	975.95	2 592.59	1 495.63	1 137.49
Refuse - fixed rate (including VAT) 13% increase	131.10	131.10	131.10	148.14	148.14	148.14
Total Rental Expenses	3 637.10	2 830.51	2 706.73	4 494.38	3 397.42	3 039.28
Total Council Charges	2 637.10	1 830.51	1 706.73	3 394.38	2 297.42	1 939.28
Council Charges as % of Tenant Expenses	73%	65%	63%	76%	68%	64%
City Power Charges as % of Tenant Expenses	52%	39%	36%	58%	44%	37%

TARIFFS AND AFFORDABILITY

Affordable Housing	2024/2025			2025/2026		
	Post Paid	Pre Paid	Resellers	Post Paid	Pre Paid	Resellers
Rent 10% increase	4 051.00	4 051.00	4 051.00	4 456.10	4 456.10	4 456.10
Water - 12kl (including VAT) 9% increase	196.09	196.09	196.09	213.74	213.74	213.74
Water Demand Levy (including VAT) 9 % increase	41.71	41.71	41.71	45.46	45.46	45.46
Sewer - fixed rate (including VAT) 9% increase	361.88	361.88	361.88	394.45	394.45	394.45
Electricity - 320kwh (including VAT) 36% increase	1 906.32	1 099.73	975.95	2 592.59	1 495.63	1 137.49
Refuse - fixed rate (including VAT) 13% increase	131.10	131.10	131.10	148.14	148.14	148.14
Total Rental Expenses	6 688.10	5 881.51	5 757.73	7 850.48	6 753.52	6 395.38
Total Council Charges	2 637.10	1 830.51	1 706.73	3 394.38	2 297.42	1 939.28
Council Charges as % of Tenant Expenses	39%	31%	30%	43%	34%	30%
City Power Charges as % of Tenant Expenses	29%	19%	17%	33%	22%	18%



TARIFFS AND AFFORDABILITY

Student Accomodation (Utilities Included)	2024/2025			2025/2026		
	Post Paid	Pre Paid	Resellers	Post Paid	Pre Paid	Resellers
Rent (per student, 2 students per room)	8 000.00	8 000.00	8 000.00	8 000.00	8 000.00	8 000.00
Water - 12kl (including VAT) 9% increase	196.09	196.09	196.09	213.74	213.74	213.74
Water Demand Levy (including VAT) 9 % increase	41.71	41.71	41.71	45.46	45.46	45.46
Sewer - fixed rate (including VAT) 9% increase	361.88	361.88	361.88	394.45	394.45	394.45
Electricity - 320kwh (including VAT) 36% increase	1 906.32	1 099.73	975.95	2 592.59	1 495.63	1 137.49
Refuse - fixed rate (including VAT) 13% increase	131.10	131.10	131.10	148.14	148.14	148.14
Total Council Charges	2 637.10	1 830.51	1 706.73	3 394.38	2 297.42	1 939.28
Landlord	5 362.90	6 169.49	6 293.27	4 605.62	5 702.58	6 060.72

2015 - 2025 - PRE PAID	% Increase
Total Household Income	66%
Total Rental	25%
Total Water Increases	333%
Total Sewer Increases	171%
Total Electricity Increases	288%
Total Council Charges	283%

2015 - 2025 POST PAID	% Increase
Total Household Income	66%
Total Rental	25%
Total Water Increases	333%
Total Sewer Increases	171%
Total Electricity Increases	222%
Total Council Charges	232%



TABLE	
Rooms	1 bedroom
Area	JHB CBD
Geysers	Yes
Adults	2 - working
Children	1 - school
Elect Kwh	320
Water Kl	12

GENERAL COMMENTS AND CHALLENGES



- Most property owners will apply for Resellers Tariff and charge post paid tariff. However, the margin has become narrow over the years, therefore property owners carrying the costs of infrastructure, collections and maintenance.
- Can take months/years to get number of units registered at City Power. Property owners absorbs costs of not getting the benefit of the sliding scale being implemented.
- Tenants moving out to areas where they don't have to pay utilities. Property Owner loses on fixed costs, City loses twice: paying customer (tenant) now getting utilities for free somewhere else.
- Inner City needs to be set up as a Special Economic Zone using UDZ borders with special tariffs.
- City Power is around R600 more expensive than Eskom.

COSTS AND RISK KEEP GOING UP:

- Rates have gone up, in some cases by 150%
- Insurance companies are refusing to insure properties in the inner city or have increased premiums to unaffordable amounts.
- CID levies need to be paid in order to keep tenants safe
- Fire and Safety Compliance has increased due to current fires in the inner city
- Unnecessary legal fees to get council to do their job
- Increase security, pest control and maintenance if property is next to hijacked building

LANDLORD COSTS

Accounting and Auditing Fees

CID Levies

Cleaning Materials

Fire and Safety Compliance

Insurance

Legal Fees

Loan Repayments

Loss on income on empty units

Maintenance and Repairs (Routine and Preventative)

Office rental and utilities if applicable

Operational Costs: communal areas

Pest Control

Property Management Fees if applicable

Rates

Security

Staff Salaries

Waste Management



**'If you want to go fast go alone.
If you want to go far go together.'**

– African Proverb

**Angela Rivers (General Manager) 084 291 9087 angela@jpoma.co.za
www.jpoma.co.za**