Johannesburg's CBD, Braamfontein and Newtown nodes office market report shows significant evidence of inner-city renewal

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The Johannesburg CBD, Braamfontein and Newtown nodes have been undergoing a huge transformation. Developers like Olitzki Property Holdings, South Point and Johannesburg Land Company have contributed to this.

The nodes are very good in terms of accessibility with regards to highways, rail and bus transport. The major users are mining houses, banks, provincial government and trade unions.

In October 2004 an 18-square-kilometre area was designated the Urban Development Zone (UDZ) for the City of Johannesburg. It stretches roughly east-west from Fordsburg to Jeppestown and north-south from Bellevue to the M2.

It includes the inner-city zones of Newtown, Braamfontein, Hillbrow, Yeoville, Troyville and Doornfontein, as well as the Johannesburg CBD, Selby, Marshalltown and Ferreirasdorp, City & Suburban, Fairview and Benrose. This inner-city UDZ has contributed R8 billion to Johannesburg's CBD.

The UDZ tax incentive is part of a national scheme to encourage inner-city renewal across South Africa.

Under the scheme, any tax-paying individual or entity owning commercial, industrial and/or residential property within the UDZ may claim a tax allowance covering 100% of the total cost of property refurbishments over a period of five years. New property developments may claim the tax allowance over 17 years.

Johannesburg CBD

The Central Johannesburg Partnership (CJP), a private, non-profit company, working with the Johannesburg Development Agency (JDA), has been instrumental in improving the inner city by creating jobs, implementing strategic developments, campaigning for various policies and by-laws, establishing City Improvement Districts and being consultants and communicators in a number of security projects.

A City Improvement District (CID) is a defined geographic area within which property owners agree to pay for enhanced services to improve the physical and social environment of the area.

The services provided are supplementary to those provided by the local authority and usually include safety and security patrol officers, pavement cleaning, litter collection, maintenance of public space and the removal of illegal posters.

Western Johannesburg, in the Fox and Rissik streets area, has more corporate offices, for example banks and mining houses. These landlords pay their CID levies more readily and therefore improvement in this area has been more pronounced.

On the east side of the city, the CID has not been as effective as there are more private and fewer corporate owners.

The JDA has played a crucial role in these various projects, which include developing Ellis Park, Joubert Park and Gandhi Square; coordinating funding for the Braamfontein Corporate Precinct; upgrading Main Street (aided by the Johannesburg Land Company); assisting with the Joburg Art City Project; and researching the feasibility of changing an existing mixed-use precinct into a fashion and garment manufacturing node.

Another innovative project which has been developed, by private enterprise, is Arts on Main. This initiative was encouraged by the efforts of the JDA to upgrade the Ellis Park precinct.

On the eastern side of the CBD, the ABSA head office has recently been increased by an additional 50 000m² of offices. This has upgraded the area, making it safer and more attractive to an increasing number of private investors.

On the western side of the CBD is the fast-changing node known as Newtown. Newtown, linked to Braamfontein by the iconic Nelson Mandela Bridge and located near the Johannesburg city centre, is now considered the cultural hub of Gauteng and boasts a number of museums, cafes, bars and other creative industries.

The change took place gradually: a former brickworks factory made way for a railway marshalling yard, which was followed by a fresh produce market, a mill, an abattoir and a power station. The area then changed drastically when the market and power station were relocated and an influx of aspiring actors, musicians and artists moved in.

The City of Johannesburg Metro supported this change by deciding to develop the area as a cultural centre. In order to attract more creative industries, Gauteng province is busy upgrading the area. Improvements have included constructing the Nelson Mandela off-ramp and upgrading Mary Fitzgerald Square.

The latter project is being funded by the JDA at an estimated cost of R10 million and will be completed towards the end of July 2011. Atterbury Property Developments is developing a 35 000 m² retail centre at Newtown Junction called the Potato Sheds.

They are also involved in The Majestic office complex, a tenant-driven, 7 800 m² development. The Majestic Hotel is the last phase in this extensive project. No information is available at the moment on this project except that it will be on the old Transport Building site.

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