

Stopping urban decay of Pretoria - wrecking or renovation

By [Jan Oelofse](#)

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Despite the efforts of dedicated officials, who have visions of creating a world-class capital city, the strengths and potential of the Pretoria CBD are not being capitalised on and this strategic location faces the threat of urban decay.

Of concern is how long the city's aging buildings will still meet the requirements of government. Can this be regarded as an excellent city and how does it compare with emerging cities in other African countries, such as Nigeria? While numerous symptoms are cited as reasons for this state of affairs, the crux of the problem is not being addressed.

The only new developments of note, which have taken place in the CBD over the past 20 years, are the new national library and the basic education department buildings, coupled with the recently completed revamp of the central government offices in Church Street. The old Home Affairs and South African Agricultural Union buildings and central government offices on the corner of Church and Bosman streets have been significantly upgraded, while cosmetic upgrading of lesser buildings has been undertaken prior to leases being entered into regarding office accommodation for government departments.

Council buildings still not repaired

In 1987, the west wing of Munitoria (Tshwane City Council building) was destroyed, eradicating 50% of the Council's operating space and since then a number of redevelopment proposals for the new Tshwane Metropolitan headquarters have been announced but not yet implemented. In April 2011, it was announced that development of the new head office would commence before the end of the year, however to date this has not been implemented. The cost of this development becomes more expensive with each passing year.

The absence of new developments has resulted in the stagnation of this very important national landmark, with a gradual migration away from the precinct resulting in vacant buildings with little demand for the space. In an effort to prevent buildings from going to ruin and to protect their investments, property owners have converted a number of office buildings into residential units, to cater for the demand for such accommodation. Although this has reduced the over-supply of office space to some extent, it has not created any new developments.

Retail demand still strong

On a positive note, in contrast to the weak and deteriorating office vacancy situation, the demand for retail space is relatively strong. However, the investment in buildings cannot rely on the retail component alone to make it viable, so spending on maintenance of buildings is kept to a minimum and the deterioration of the buildings continues.

The demand for office space comes mainly from government, as the private sector has largely moved to decentralised nodes. Due to lack of development and space in the CBD, government departments are following suit, resulting in a fragmentation of departments.

Surveys indicate high vacancies in B, C buildings

An office vacancy survey of the CBD, conducted by SAPOA in the third quarter of 2010, revealed that of total A, B and C grade office space of 532 604sqm, 5.1% ie 27 331 sqm was vacant.

However, a recent office survey by the company of 34 major buildings, comprising mainly B and C grade space, tells a different story. The total vacancy in these buildings amounts to 110 794 sqm, which in relation to the total space of 532 604 sqm comprises a 20.8% vacancy. Included in this is the Middestad building, which has in excess of 20 000 sqm available space.

The magnitude of the situation becomes evident, when reviewed individually. Two of the buildings each have approximately 11 500 sqm of vacant space; three buildings have available space between 7 000 and 8 300 sqm; one building has 5 500 sqm available; six buildings offer between 2 000 and 2 500 sqm and 18 buildings can provide office space of 1 000 sqm or less.

Significant amounts of money will need to be spent on these B and C grade buildings in order to bring them into an acceptable state for letting. Of note is that what is considered B grade space in the CBD is materially different from B grade buildings in the decentralised nodes, where the quality and economic use of space is of a higher standard, due to the age difference of the buildings.

Rentals still low

Asking rentals for the CBD vacant space varies from R60 to R95 per square metre. By comparison, the following are average rentals for A and B grade buildings in decentralised areas: Brooklyn R114 and R100 per square metre, respectively; Centurion R120 and R86; Hatfield/Hillcrest R120 and R89; Highveld Technopark R131 and R75; and Menlyn R112 and R90. In addition, asking rentals for new developments in the east now vary between R135 and R163 per square metre - the latter being asked in Menlyn.

In stark contrast to the stagnation in growth in the CBD, the major decentralised nodes experienced a combined growth of approximately 185 000 sqm over the past five year period, without taking into account the proposed new developments in Menlyn and its surrounds.

Reluctance to develop

Why is there a reluctance to redevelop the buildings in the CBD to create a capital city worthy of South Africa and a leader in Africa?

Tax concessions have been approved for developments in the CBD. Tshwane town planning officials published an excellent document, 'The Inner City Development Strategy', as a development guideline for the CBD, which was adopted for implementation by the council around 2005.

All the planning has been done, as the Department of Public Works undertook various strategic studies in 2000 to determine the availability of office space and project government space requirements over a 20-year period.

It launched the Re Kgabisa initiative in 2005, which involves the improvement of over 40 government departments and agencies' premises, representing in excess of 1.2 million square metres of space. In addition, while a substantial amount of work has already been undertaken, implementation is anticipated to take another 10-14 years to complete.

Out with the old

The upgraded properties mentioned above are part of this initiative; however, the efficiency of the old buildings is to be questioned.

A useful exercise would be to determine the cost of the current fragmentation of the municipal council functions, located in various buildings across Pretoria and that of several major government departments, which are suffering the same conditions, versus the cost of co-ordinated development to house consolidated government departments.

Rentals are the most obvious costs, however the costs related to fragmented departments are about duplication of services, functions, rental charges, security and inefficiencies in systems, as opposed to new, well-planned accommodation providing efficient, modern working conditions.

Old buildings are simply becoming older and more inefficient, just postponing the inevitable move, while new buildings will extend the usefulness and efficiencies of the CBD for a further 20-40 years.

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