

PROGRESS IN THE CITY



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IN THE CITY



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Joburg



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Based on JDA Indicators for development in Johannesburg's inner city
2003¹

IN 2001, THE JOHANNESBURG DEVELOPMENT AGENCY (JDA) DEVELOPED A SERIES OF PERFORMANCE INDICATORS ON WHICH DEVELOPMENT IN THE INNER CITY IS MEASURED. PERFORMANCE INDICATORS ARE AN IMPORTANT TOOL USED ALL OVER THE WORLD TO MEASURE PROGRESS TOWARDS ESTABLISHED GOALS. THIS REPORT HIGHLIGHTS THE 2003 DATA AND COMPARES IT WITH THE PAST TWO YEARS' PERFORMANCE. IT REFLECTS THE IMPACT OF THE CITY'S URBAN REGENERATION PLAN AND THE COMBINED EFFORTS OF THE CITY, REGION 8, THE UACs AND THE PRIVATE SECTOR.

¹ This is an abridged version of a report prepared for the JDA by Professor John Luiz, School of economic and Business Science, University of the Witwatersrand.



WHAT IS JOHANNESBURG'S VISION?

The vision of the City of Johannesburg is defined in the Joburg 2030 strategy document:

"In 2030 Johannesburg will be a world-class city with service deliverables and efficiencies that meet world best practice. Its economy and labour force will specialise in the service sector and will be strongly outward oriented such that the city economy operates on a global scale.

The result of this competitive economic behaviour will be strong economic growth that will drive up city tax revenues, private sector profits and individual disposable income levels such that the standard of living and quality of life of all the city's inhabitants will increase in a sustainable manner."

WHO IS JDA?

The Johannesburg Development Agency (JDA) was established in 2001 as an initiative of the City of Johannesburg to stimulate and support area-based economic development initiatives throughout the Johannesburg metropolitan area in support of Joburg 2030.

As development manager of these initiatives, JDA coordinates and manages capital investment and other programmes involving both public and private sector stakeholders.

WHAT ARE THE INDICATORS AND HOW ARE THEY MEASURED?

The performance indicators for the inner city were developed in 2001 to enable the city and all parties involved to continually monitor the progress being made towards achieving inner city regeneration. There are six indicators. The first four reflect change in key economic statistics. The final two reflect change in perceptions by people who use the inner city:

PROGRESS SCORECARD

Indicator	Measure	Target	Current Progress	Score
KEY ECONOMIC INDICATORS				
24 Hour City	This is measured by attendance at various inner city entertainment venues (Ellis Park, theatres, museums, etc).	Increase attendance by 5% per year.	Between 2002 and 2003, attendance increased by 11,7%.	☺
Property market	This is measured by two factors: (1) Value of building plans approved; and (2) Vacancy rates in A and B grade properties. JDA uses December 2001 figures from SAPOA as its base.	The goal is to: (1) See the value of building plans steadily improve; and (2) Stabilise A and B vacancy rates before looking for improvements.	(1) Building activity has increased by 500% between 2001 and 2002. (2) A stable trend is indicated with vacancies at around 12% for two years in Braamfontein and 24% for two years in the CBD.	☺ ☺ ☹
Rentals	This is measured by the median rentals charged for A grade properties, using a December 2001 base.	The goal is to stabilise A grade median rentals by December 2003.	During 2002, median rentals in the CBD increased from R25,25 to R27 per m ² , but dropped in Braamfontein from R45 to R44 per m ² .	☹
Business activity in impact areas	This is measured by RSC levies in respect of employment.	The goal is to see this progressively increase.	Key business areas are Selby, Johannesburg, Braamfontein and Marshalltown, with Selby and Marshalltown showing increases.	☹
INDICATORS RELATING TO PERCEPTIONS				
Confidence in the inner city	JDA has developed a confidence index score. Every year the JDA interviews businesses to establish their confidence around a number of issues.	The goal is to steadily increase overall confidence, and to achieve a 10% improvement by 2004.	The overall inner city index score for the year 2003 is 46,2, up from 44,8 in 2002 (a rise of 3,1%).	☺
Overall awareness of and satisfaction with JDA	JDA does annual surveys which test this indicator.	JDA's goal is to steadily increase public awareness of and satisfaction with its efforts.	In 2003, just over half of respondents were aware of the JDA. 84% were aware of JDA initiatives.	☺ ☺

Progress

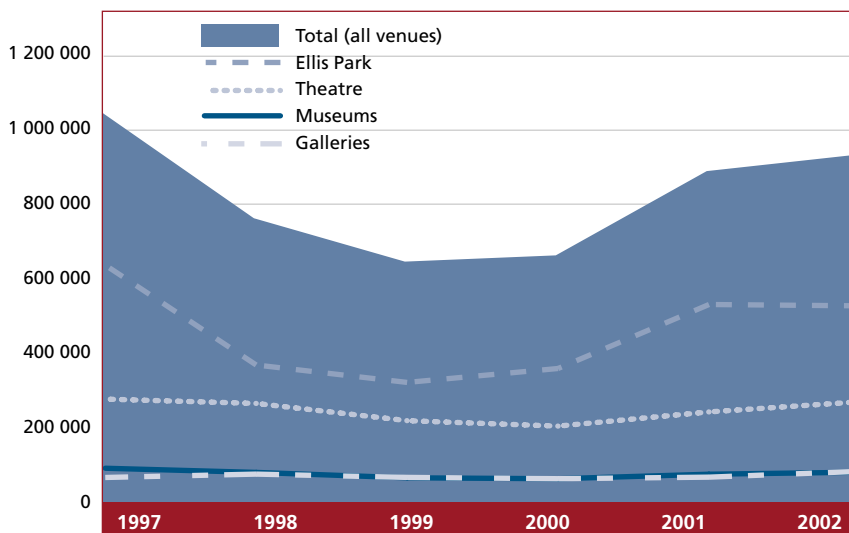
2003

KEY ECONOMIC INDICATORS

Indicator 1: *Is Johannesburg becoming a 24-hour city?*

Consistent data has been collected from the inner city's entertainment venues since 1997. Following a slump in 1999/2000, attendance at art galleries and museums has been rising gradually². Attendance at the various inner city theatres has varied, though the overall trend has been on the increase, with 2002 figures up 15,5% from the 1997 figures.

Attendance at all cultural and sporting activities is still down 11% from 1997 figures, though since 2000, figures have been steadily increasing, by 35% between 2000 and 2001, and by 5% between 2001 and 2002. Clearly sporting (attendance at Ellis Park) draws the most attendance, followed by the theatre and then museums and galleries.

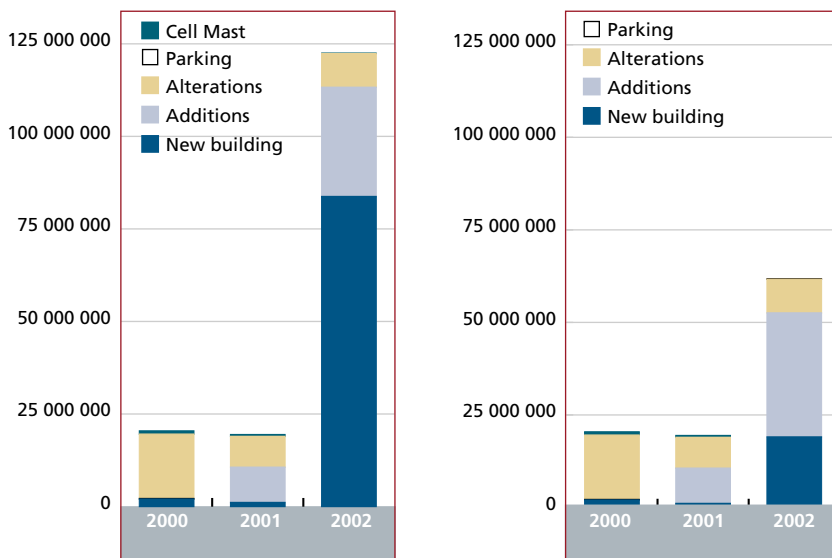


In 2003, 954 344 people visited the various inner city entertainment venues – an increase of 11,7% on the previous year, and well in excess of the target.

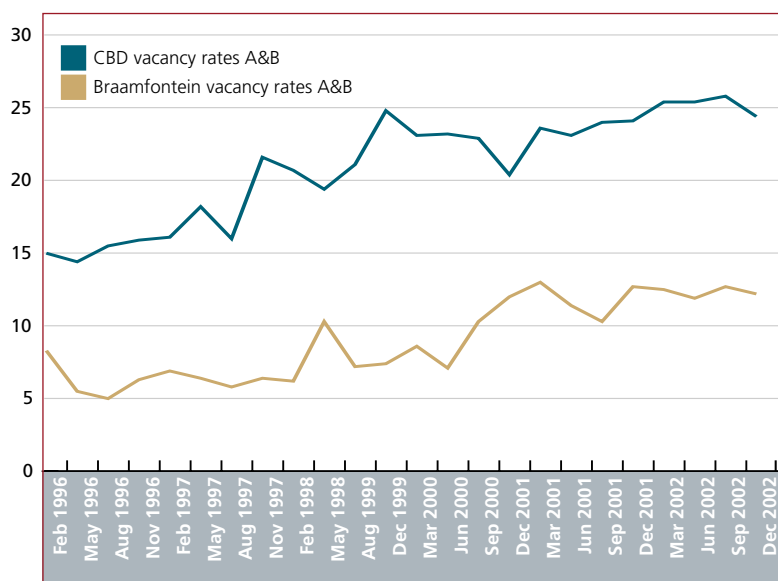
² The Standard Bank Gallery has been exceptionally popular, rising from 1991 attendance levels of 5 466 to a 2002 high of almost 31 000 visitors.

Indicator 2: Is the inner city property market improving?

Building activity (plans approved and work completed) has escalated dramatically between 2001 and 2002, with an increase of 500% for the period. The first of the two graphs below shows the breadth of building activity. The second isolates real private building investments (by not including the development of new public buildings or cell masts), and shows an increase of just over 200% between 2001 and 2002.



Vacancy rates (A&B) in the CBD and Braamfontein have been showing a rising trend since the mid 1990s and now seems to have stabilised in the CBD around 24% and in Braamfontein around 12%. This is encouraging given the number of property nodes where vacancy rates for A&B property grades lies at 20% or above – Hyde Park/Dunkeld, Melrose/Waverly, Parktown and Rivonia. The latest JHI Property Report states that leasing activity in the Johannesburg CBD has been fairly strong over the past year with government and empowerment/emerging companies finally beginning to drive demand, albeit for smaller spaces. Brokerage activities in the area report that at least 60% of new leases are signed by emerging black businesses.

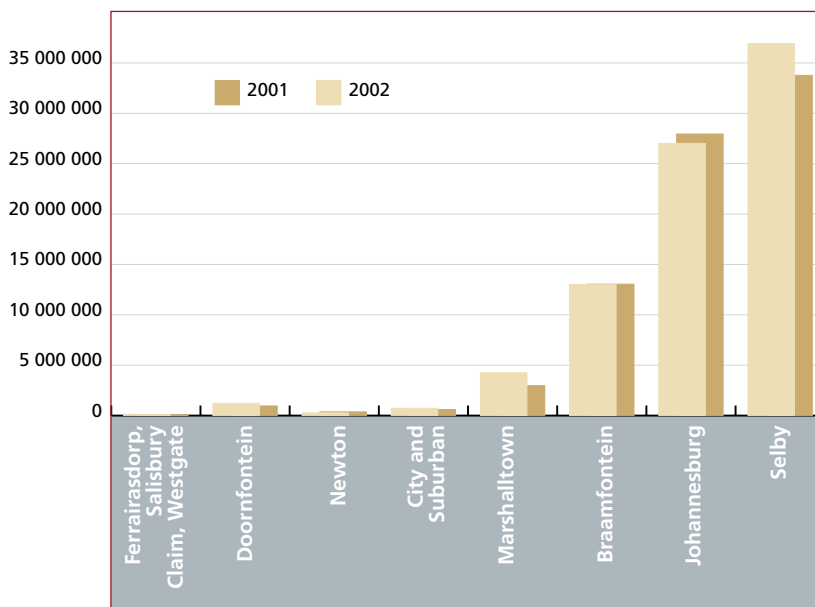


Indicator 3: Are rentals stabilising in the inner city?

The target was to stabilise A grade median rentals by December 2003 with our base set at December 2001. During the course of 2002, median rentals increased from R25,25 to R27 per m² in the CBD, but dropped in Braamfontein from R45 to R44 per m², indicating a stable trend.

Indicator 4: To what extent has business turnover increased in the inner city?

Between 2001 and 2002, RSC salary levies have been generally stable, with a slight increase. Key business areas are Selby, Johannesburg, Braamfontein and Marshalltown, with Selby and Marshalltown showing increases in salaries. An increase in salaries levied is also suggested for Doornfontein.



INDICATORS RELATING TO PERCEPTIONS

Indicator 5: Is confidence in the inner city improving?

JDA has developed a "confidence index" that provides a score between 1 (low) and 100 (high), based on respondents' positions on certain questions. The overall inner city index score for the year 2003 is 46,2, up from 44,8 in 2002 (a rise of 3,1%). This improvement is consistent across the various categories that make up the index indicating a greater confidence in 2003 on all fronts.

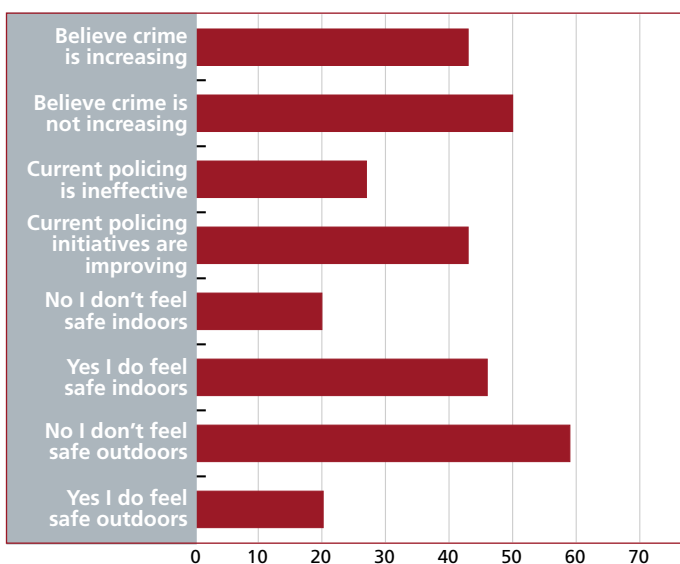
Within the inner city, the Cultural Arc is an important development area, stretching from Constitution Hill through Braamfontein to Newtown. Isolating a confidence index for the Cultural Arc shows public responsiveness to JDA's development efforts: in 2003, the overall confidence index for the Cultural Arc was 48,9. Confidence regarding the Cultural Arc is consistently higher than for the whole of the inner city.

Confidence factor (a): Is business satisfied with the cleanliness of the inner city?

Confidence that the inner city is becoming cleaner has risen by 20,7% in the past year. More than half of respondents said that the overall cleanliness of the inner city was better than across the rest of Johannesburg. Only 17,6% said that it was worse. The main problem appears to be litter on pavements and kerbs, followed by illegal posters and graffiti. Just over a third believes that street and pavement lighting is inadequate. The majority believe that refuse removal has improved over the past year.

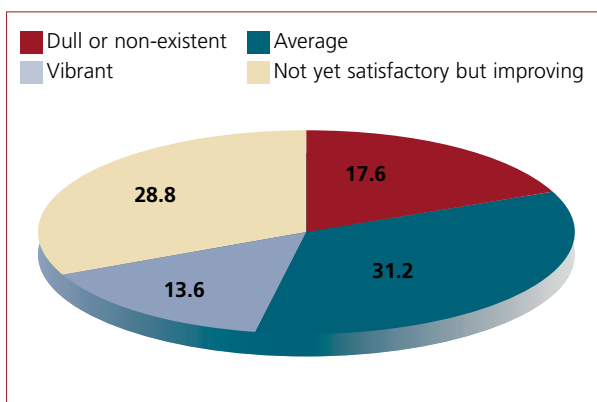
Confidence factor (b): How have perceptions of crime changed?

Crime remains a problem in the inner city, with two-thirds of respondents saying they do not feel safe outdoors. Most respondents, however, said that crime was being better managed in the city's improvement districts, and 70% said they felt safer in these areas. Overall, 54% of respondents said they thought security was better in the inner city than in the rest of Johannesburg.



Confidence factor (c): What are the impressions of city life?

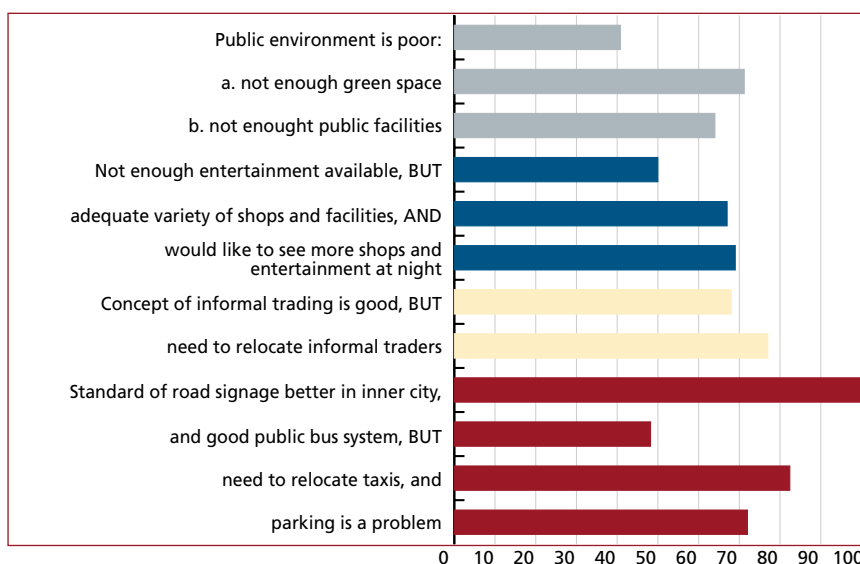
Impressions of the inner city and city life are improving. Only 17,6% describe the street life in the inner city as "dull or non-existent", compared with 40% in 2002.



The city's image has improved substantially: while 80% characterised the inner city as "dirty and unsafe" in 2002, this figure dropped to 36% in 2003. Over half said that the city, while not yet satisfactory, was improving. Almost 90% said that it would be useful to have public events that attract people to the area.

Confidence factor (d): Is business satisfied with developments in the inner city?

Business satisfaction is improving, as noted by the general rise in the confidence index across all categories. Significantly, many more businesses expect an improved turnover in the next years. There has also been a fairly substantial rise in the optimism among respondents. Respondents offered the following impressions:



Respondents were asked to rate the most positive and negative developments in the inner city in the past year, and to identify issues that they believe need urgent attention.

The most positive development in the inner city

- CCTV surveillance cameras (most mentioned)
- Newtown Precinct, including Nelson Mandela Bridge and Metro Mall
- Gandhi Square
- City Improvement Districts (CIDs)
- General effort being put into ensuring a better physical environment

The most negative development in the inner city

- Too many hawkers (most mentioned)
- Crime
- Taxi loading and parking zones
- Empty buildings and shops (often with illegal residents)
- Closure of some chain stores and banks

Issues needing urgent attention

- Crime (most frequent response)
- Manage the hawkers and taxis
- Improve buildings and shop fronts
- Demolish rundown buildings and convert them into parks (manage illegal residents)
- Grime
- Attract big business back
- Beautify inner city

Indicator 6: *How aware are people of the JDA and are they satisfied with its work?*

Public awareness of the JDA has improved dramatically:

- *Just over half of respondents had heard of the JDA – this is more than double the previous year.*
- *84% were aware of the initiatives and developments that are planned – up from 34% in 2002.*

Of the 11% who had been somehow involved with the JDA, 61,5% were satisfied with the service they had been given. This was up from 57% in 2002.

Across the board, there has been a very real improvement in the public perception of the city's City Improvement Districts:

- *Almost 75% were aware of the City Improvement Districts, up from only 50% in 2002. Most believe the CIDs are making a valuable contribution.*
- *70% feel safer in the CIDs compared with the rest of the inner city, up from 52% in 2002.*
- *72% believe the public environment is better maintained in the CIDs, compared with 56% in 2002.*

Consistently, across all six performance indicators, improvements are evident. When asked about their vision for the future, most respondents highlighted elements already included in the city and the JDA's plans: 27,2% would like to see a "well managed and promoted area"; 22,4% expect a "world-class African city"; 20% expect a "tourist attraction"; 16% an "attractive environment, aesthetically pleasing", and 10% would like to see a "24-hour city with active street life".

