ABSTRACT: Questions surrounding property investment and the geography of property have been little researched in African cities. In this paper an examination is undertaken of the changing geography of property in the Johannesburg inner-city. Six distinct property districts in the inner-city are defined and their major property developments discerned. Ownership of the inner-city is narrowly focussed in the hands of 20 core institutional investors. Overall the problems of Johannesburg's economically declining inner-city property market are reflected in patterns of office rentals, vacancies and occupation.

Introduction

One of the least researched aspects of Africa's cities concerns issues of property investment and broader questions surrounding the geography of commercial property. As Rakodi (1994) acknowledges, this set of research questions is significant particularly in relation to patterns of property investment in the Central Business Districts (CBDs) of urban Africa. Currently, the limited literature concentrates on the developing property situation in Kenya, Zimbabwe and South Africa where investment in office and shopping developments largely is funded through the speculative investments of banks, insurance companies and pension funds (Simon 1992). The objective in this paper is to augment the sparse body of writings on property markets in urban Africa by investigating the contemporary situation of inner-city Johannesburg. The material presented here draws from a larger investigation and detailed ownership audit of the property built environment of South Africa's largest city (Rogerson 1995a). In this analysis, the present-day characteristics and problems that are associated with the changing commercial property built environment of the Johannesburg inner-city are described and reviewed.

Property districts in inner-city Johannesburg

The major part of Johannesburg inner city is owned and controlled by only 20 landholders. The leading group of institutional actors in terms of ownership are South Africa's major insurance companies, banks and mining houses. Overall, the list of key investors is headed by Old Mutual Properties, Anglo American, First National Bank, JCI, Sage, Sanlam and Standard Bank. As has been shown elsewhere (see Rogerson 1995a for maps), the detailed ownership profiles of these institutional investors shows patterns of geographical concentration in specific areas of the inner-city, more particularly in the CBD.

Especially over the last two decades, Johannesburg's CBD has evolved into a number of distinctive 'property districts', each with a specific identity. In terms of analysing the unfolding geography of the inner-city, it is important to appreciate the differentiation or grading of the property built environment into what is called A, B, C and D grade building stock. The details of this grading system are:

- A Grade: Prime space, generally not older than 15 years, prime location/high quality finishes, on-site parking (unless special circumstances pertain), air-conditioned. Market rentals near the top of the range.
- B Grade: Generally older buildings, but accommodation close to modern standards, prime location, air-conditioned, on-site parking (unless special circumstances pertain).
- C Grade: An older building but in good condition, although finishes not up to modern standards, good location, may or may not have on-site parking, unlikely to be centrally air-conditioned.
- D Grade: All remaining buildings.

Six property districts may be distinguished in terms of the built environment of the Johannesburg inner-city, namely Exchange District, Financial District,
Commercial District, Midtown District, Station District and Braamfontein (see Figure 1).

Exchange District is bounded by Bree and Pim streets to the north, Rissik street to the east and Market street to the south, with Goch street forming the western boundary (Ampros 1994a). The axis of this dynamic area is, to a large extent, the Johannesburg Stock Exchange, which has drawn a number of other major developments to the district to secure the financial community. Among major recent property developments are First National Bank’s massive Bank City project, Old Mutual Centre, Ten Sixty Six, Ernst and Young House, the JSE Annexe, and the Civic Spine. Over the last few years the Exchange District has grown rapidly; it furnishes 459,757 sqm of office accommodation, broken down by grade as follows viz., A Grade – 242,588 sqm; B Grade – 116,541 sqm; C Grade – 54,513 sqm; and D Grade – 46,115 sqm. Of the total available office space, over 75 percent is quality A or B grade space, making this district one of the prime office locations within the inner-city of Johannesburg. The most important new property developments taking place are First Place, the last of the four block complex for First National Bank, and a new office development for the Johannesburg branch of the South African Reserve Bank. Future planned development centres on stimulating a cultural district in the Newtown area which is part of a co-ordinated set of initiatives designed to revive the inner city. The Newtown re-development is planned not only to act as catalyst for regenerating Johannesburg but potentially also to be “the soul that Johannesburg has never had” (Johannesburg 1994a, p. 4).

The Financial District is bounded by Market street to the north, Rissik street to the east, Hall street and Village road to the south, and the M1 to the west (Ampros 1994b). This district houses most of the country’s major mining houses and financial institutions and also a number of insurance companies. Among major developments in recent years is the Standard Bank Centre Phase 2, the new Anglo American head offices and office developments for Investec. The Financial District has the largest amount of office space which totals 972,000 sqm. This is broken down by grade as follows: A Grade – 391,622 sqm; B Grade – 275,143 sqm; C Grade – 271,135 sqm; and D Grade – 34,100 sqm. Of the available space, over 65 percent is A or B grade space. Office space currently under construction includes expansion of Standard Bank’s head office and the new head office for the Gencor mining house. Important refurbishments which are presently taking place in the Financial District are the R90 million revamp of the Southern Life Centre and major alterations to the Investec head office in Fox street. Three major future developments are planned in the Financial District; JCI Main Place, a 70,000 sqm office park; Forum 66, a development of 18,000 sqm of prime office space; and, Westgate, a development which will include a transport system node, retail/office centre, and social/recreational facilities. To further enhance the Financial District, six city blocks between Market and Main streets are to be transformed into a historical precinct forming a semi-pedestrian mall in which the original old buildings on each side will be preserved. Most importantly, the Financial District will be strengthened by the creation of a new government precinct for the offices of the Gauteng provincial administration. The area is to be further upgraded through the integration of various government ministry buildings and the incorporation of the historic Post Office building.

The Commercial District is bounded by Bree street to the north, Albert street to the south, Delvers and Goud streets in the east, with Von Brandis street forming its western boundary (Ampros 1994c). The Supreme Court is a significant landmark in the area, and the legal profession occupies a notable segment of office space around the court. The district also contains various accounting firms, airline companies and consular offices. Further, the medical and dental professions cluster in buildings on the northern boundary. Smal Street Mall and the Carlton Centre form the retail and entertainment hub of the area, accounting for 60,000 sqm of prime retail space. Johannesburg’s only remaining five-star hotel, the Carlton, is located in this district. In total, the Commercial District has 679,021 sqm of office space, which is differentiated by grade as follows: A Grade – 287,667 sqm; B Grade – 120,067 sqm; C Grade – 114,645 sqm; and, D Grade – 156,642 sqm. Overall,