Target on track to have half of Bhisho’s landlords to be BEE

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Eastern Cape Public Works MEC Christian Martin has moved up a gear by starting executing his target that 50% of the owners of properties leased by the Eastern Cape government would have to be black by the end of the 2009/10 financial year.

Mzoxolo Enterprises, owners of the Fig House Building in King William’s Town, is the first BEE landlord that will benefit from MEC Martin’s commitment since he has made it in March. Addressing the Department of Public Works conference on the transformation of the property industry in Port Elizabeth last month, MEC Martin said the slow transformation of the property industry is not acceptable. The MEC said he was “not happy at all with the pace and performance of transformation and the empowerment of BEE entities in the industry, especially in the Eastern Cape”. As a result he said “I want a change in the current state in terms of which 50% of our landlords should be black by the end of the 2009/10 financial year”.

Fig House - who has a rentable area of 353 square meters - house the Office of the Premier’s unit on Policy and Governance and will charge the Department Public Works R1.1 million over a three year lease period. Approximately 40 officials are currently accommodated in the building. The officials will have 11 parking bays for their utilization.
The Department of Public Works currently leases 84 premises from landlords in the Eastern Cape. In the previous Financial Year the Department spent R89 million on rental; which are to be increased to R126 million in the current Financial Year. Only 27% of landlords are BEE entities. This represents 21 black landlords, of which only two are black women.

MEC Martin said government would “begin to use our muscle to drive increasing participation by black and women-owned businesses so that they are rapidly able to gain experience in the leasing and facilities management, a critical entry point to the sector”.

He said the current state in the Eastern Cape is unacceptable and is not in line with the governments developmental objectives. The MEC’s target is a “performance output” included in the performance agreements of the property management of the Department of Public Works at Head Office in Bhisho and at regional level.

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