



URBAN PROPERTY FUND

NEWS RELEASE

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Divercity's Joburg inner-city Jewel City development begins

Divercity Urban Property Fund has turned the first sod of the Jewel City redevelopment in Joburg CBD.

The initiative is a major investment in Joburg and will have a total development value of over R1.2bn once complete.

Jewel City has been closed to the public for decades. It spans six city blocks that were the former heart of the diamond and precious metals trade in Joburg. By redeveloping its existing buildings and constructing new buildings of over 40,000sqm, Divercity is converting it into the heart of a thriving, modern inner-city neighbourhood.

The revitalised Jewel City will reopen to the public as a vibrant mixed-use precinct. It will be amenity-rich with a school, clinic, gym, parking and convenience retail as well as fast food and restaurants. It will also include 20,000sqm of commercial space, 1,200 new residential apartments in its first phase and up to 1,000 in its second phase.

The development will also create significant employment in the city; an estimated 1,279 temporary jobs and 1,384 permanent jobs. In addition, it will contribute to the municipal and national tax base.

In the next 18 months, Divercity will launch more than 75,000sqm of new residential space in Joburg, in Jewel City and its surrounds, with more than 2,200 apartments in total; 80%-plus of this falling within the rental cost range defined as social housing by the Social Housing Regulatory Authority of South Africa.

Divercity's major shareholders and stakeholders, Atterbury Property, Ithemba Property and Talis Property Fund as well as its cornerstone investors RMH Property and Nedbank Property Partners, attended the ceremony where the first sod was turned by Mayor of Johannesburg Herman Mashaba, Joburg's MMC for Development Planning Reuben Masango and non-executive director of Atterbury Property Fund Phuti Mahanyela.

Mashaba said he is excited about the project. "This is a catalyst for igniting the City of Johannesburg. We are a city with a housing backlog of 300,000 and 160,000 of our people are looking for accommodation. One in three people in Johannesburg is unemployed and if Johannesburg isn't

working, South Africa has no chance of succeeding... This project is very important, not just for Johannesburg but also for South Africa, it's important for Africa."

Mashaba added: "This is an opportunity for us to provide affordable accommodation for our people, to provide student accommodation, and create opportunities to unleash the entrepreneurial potential of our people, and we, as government, have a role to play as a facilitator... You have a government that is ready to work with you. We can turn the city around... We can't build it overnight, but this is a beginning. We are ready to do business... I thank all from Divercity from the bottom of our hearts. This was what South Africa needed. I hope that your investment, your initiative, will trigger other investors to identify the City of Johannesburg as the biggest real estate opportunity in the world today."

Mahanyela spoke at the landmark event on behalf of Divercity, Ithemba and Atterbury. "It is so important to see development and redevelopment right here in our cities. It helps to undo apartheid-era spatial divides and move towards more inclusive environments. Divercity invests exclusively in inner-city environments with a focus on affordable homes and delivering this in better-to-reach precincts close to job opportunities and amenities; creating an environment that is wholesome for the people who live and work here. Divercity, as a founding principal and a core fund objective, is committed to the transformation agenda of South Africa."

Besides creating an inclusive world-class 'live, work, play' precinct, the Jewel City project will enhance the area. It will be fully pedestrianised with a people-friendly walkway along Fox street. Its pedestrian walk links it with two other Divercity projects; to its west, the new Absa Towers Main redevelopment and, to its east, new residential developments in vibey Maboneng.

With the reconstruction of Jewel City underway, its first tranche of retail, commercial and residential space will be ready by October next year. Completion of the precinct will in 2020.

Recently launched, Divercity is an investment fund backed by the experience of some of South Africa's leading property investors and developers. It is set to renew and re-energise the country's urban centres with its unique focus on inner-city precinct development that combines commercial buildings with affordable residential space to create inclusive and diverse neighbourhoods. Its strong business case is also transformative in a uniquely South African sense. Divercity launched with a R2bn portfolio of prominent commercial and affordable residential assets, which will grow to over R4bn on completion of its latest development projects.

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Contact person: Zahn Hulme, Head of Marketing

Tel: 012 471 1600

For more information, or to book an interview, please contact Mahlatse Bojanyane on 011 783 0700 or on 083 453 6668 or email Mahlatse@marketingconcepts.co.za.