

2024
**ANNUAL
REPORT**



Doing more with less

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OUR MISSION

JHC is committed to smart and simple rental housing solutions, a great living experience, and value for money for all who choose to live in JHC buildings and neighbourhoods, in an environment that simply works.



OUR VALUES

1. Here to stay – We have a heart, we care
2. Sikuphethe – We purposefully make a difference
3. Together we win – We are connected and collaborative
4. Straight up, no fuss – We have the courage to be honest and deliver





MESSAGE FROM OUR CHAIRMAN

It is with immense pride and heartfelt gratitude that I present the Johannesburg Housing Company's (JHC) Annual Report for the 2023/24 financial year. As we take a moment to reflect on this period, it becomes increasingly clear that, in the face of significant challenges confronting our community, JHC has continued to embody resilience, innovation, and an unwavering commitment to its core mission of providing affordable, safe, and dignified housing for the people of Johannesburg.

Resilience Amidst Challenges

The economic landscape over the past year has posed formidable challenges, including ongoing inflationary pressures, the persistent scourge of loadshedding throughout much of 2023, and the ripple effects of global market volatility that have impacted households across South Africa. These macroeconomic forces, compounded by the social and economic aftershocks of the pandemic, have escalated the demand for affordable housing. In response, JHC has risen to the occasion, unrelentingly focusing on ensuring that every resident not only feels safe within their home but is also bolstered by a supportive community network.

Challenges also remain with respect to high vacancy rates within JHC buildings, and among our inner city competitors, demonstrating an inability of many residents to afford rent, even at subsidised rates. JHC has implemented various interventions to restore our portfolio to healthy occupancy rates. Furthermore, through prudent financial management and strategic partnerships, we have ensured the long-term sustainability of our operations, while continuing to address the needs of our tenants.

Building Stronger Communities

At the heart of JHC's success is the strength of the communities we serve. We continue to invest in programmes that foster social cohesion and economic empowerment within our housing developments. In 2023/2024, we launched several community-based initiatives aimed at skills development, youth empowerment, and small business support. These programmes are essential in creating vibrant, self-sustaining communities where individuals can thrive.

Our ongoing partnerships with government entities, non-profit organisations, and the private sector have been instrumental in enhancing the well-being of our residents. These collaborations have allowed us to offer more than just housing – we are providing access to essential services, educational opportunities, and community facilities that enrich the lives of our tenants.

A Vision for the Future

Looking ahead, JHC remains committed to addressing Johannesburg's pressing housing challenges. Our strategic goals include deepening our engagement with stakeholders, enhancing the quality of life for residents, and expanding our role as a leader in the social housing sector.

As we embark on another year, we are confident that with the continued support of our dedicated staff, stakeholders, and partners, JHC will continue to deliver on its promise of providing affordable, quality housing for all.

Gratitude

I would like to extend my sincere gratitude to our board members, management team, staff, and partners for their dedication and hard work. Your commitment to the vision of JHC is what enables us to make a lasting impact on the lives of so many.

Lastly, to our tenants – thank you for placing your trust in JHC. We are honoured to serve you, and we will continue striving to meet your needs and exceed your expectations.

Together, we are not just building homes; we are building futures filled with hope, opportunity, and promise.

Sincerely,

Mr Benjamin Nokaneng
Chairman of the Board
Johannesburg Housing Company





MESSAGE FROM OUR CEO

Dear Valued Stakeholders,

As I reflect on the year behind us, I am reminded of an old saying: the same water that softens the potato hardens the egg. This is a powerful metaphor for resilience in the face of adversity—how we choose to respond to our circumstances can shape us in vastly different ways. At JHC, we have once again chosen to be like the egg—emerging from challenging waters not weakened, but stronger and more determined. We recognise that our existence is a result of the boiling water, and we remain dedicated to being the change we wish to see.

The 2023/24 financial year has been one of both trials and triumphs. South Africa, like much of the world, continues to face economic challenges, increased costs of living, and the complexities of housing inequality. Yet, it is precisely in these testing times that we see the best of human tenacity and innovation. At JHC, we successfully stabilised the business over the last financial year through various interventions, led by effective cost management.

This year, we reaffirmed our commitment to providing safe, affordable, and dignified housing in Johannesburg's inner city. We have not only maintained our high standards but have introduced innovative solutions to improve the lives of our tenants. By embracing sustainable building practices, exploring alternative energy

sources, and fostering stronger community engagement, we continue to adapt to the changing landscape while keeping our core mission in focus.

One of our greatest accomplishments this year has been the implementation of the new portfolio structure, which groups each building in one of four categories depending on its performance. This change enables us to create effective plans across various departments while also focusing on cost containment. Developed in direct response to the environment in which we operate, this initiative reflects our core values of community and shared prosperity.

None of this would have been achievable without the unwavering dedication of our team, the trust of our tenants, and the support of our partners. Together, we have proven that housing is more than just bricks and mortar; it is the foundation of stability, hope, and a brighter future for thousands of families.

Looking forward, we remain optimistic. The challenges of tomorrow may be great, but our capacity to meet them head-on is greater still. JHC will continue to innovate, seek out partnerships, and remain agile in the face of the uncertainties that lie ahead. As always, our work will be guided by our deep commitment to uplifting communities and ensuring that every person has access to a home they can be proud of.

In closing, I would like to thank our board members, staff, tenants, and partners for your continued support. Together, we will continue to build not just homes, but the resilient communities that are the heartbeat of our city.

With tenacity and optimism,

Ms Elize Stroebel

Chief Executive Officer

Johannesburg Housing Company



LIST OF ACRONYMS

B-BBEE	Broad-Based Black Economic Empowerment
BHC	Brickfields Housing Company
CBD	Central Business District
CDF	Community Development Facilitator
CEO	Chief Executive Officer
CID	City Improvement District
COJ	City of Johannesburg
CRM	Customer Relationship Management
CRUM	Citizen Relationship and Urban Management
GBV	Gender-based violence
GNU	Government of National Unity
HR	Human Resources
HSV	Housing Supervisor
JHC	Johannesburg Housing Company
JMPD	Johannesburg Metro Police Department
JPOMA	Johannesburg Property Owners and Managers Association
JSDP	Junior Soccer Development Programme
LCOF	Lutheran Community Outreach Foundation
MAM	Makhulong A Matala
NASHO	National Association of Social Housing Organisations
NID	Newtown Improvement District
NPC	Non-Profit Corporation
POPIA	Protection of Personal Information Act
SAPS	South African Police Service
SHI	Social Housing Institutions
SHRA	Social Housing Regulatory Authority
SPO	Strategy and Projects Office
TPN	Tenant Profile Network
WITS	University of the Witwatersrand
ZEP	Zimbabwean Exemption Permit



ABOUT THIS REPORT

This report provides information about JHC's business activities and performance for the period 01 July 2023 to 30 June 2024. JHC has continued the process of aligning the report to the Integrated Reporting Framework and the King IV Guidelines and will work towards achieving full compliance over the next five reporting terms.

The information reported provides assurance of the company's sustainability and its capacity to continue providing rental housing for low- to middle-income groups in the greater Johannesburg area. Also included in this report are the abridged financial statements for the year ending 30 June 2024, as approved by the Board of Directors on 25 September 2024.

Basis of preparation

The JHC Annual Report presents an accurate, balanced, and transparent view of the company's activities for the 2023/24 financial year, the effect of such activities on the company's stakeholders, as well as its ability to create value in the short, medium, and long term. It includes issues that materially impact the company's ability to create and maintain value for its stakeholders, drawing information from the company's records including the Director's Reports and inputs from the executive management team.



Forward-looking statements

The Annual Report includes various forward-looking statements, including statements that may relate to JHC's future financial position, business operation and strategy, or management plans. Forward-looking statements are based on current estimations, assumptions, and expectations for the company and are dependent on circumstances that may or may not be realised in the future. JHC does not undertake to publicly update or revise such statements, whether to reflect new information, future events, or otherwise.

Assurance

The management team has reviewed the Annual Report for the 2023/24 financial year and is satisfied that the information is, to the best of its knowledge, an accurate and true representation of the company's position.

Statement of responsibility

The JHC Board is ultimately responsible for the content in the Annual Report. The Board guides JHC in its oversight of material and potential risks and opportunities, ensures that the company is sustainable and relevant, and encourages integrated thinking, which underpins good corporate citizenship, stakeholder inclusivity, sustainable development, and integrated reporting.

“ It is often the **small steps**, not the giant leaps,
that bring about the most **lasting change.** ”

- QUEEN ELIZABETH II

SECTION 1

ABOUT JHC

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1.1. HIGHLIGHTS FOR 2023/24



Cost Management

Head office expenses finished the year 29% under budget and 14% lower than the previous financial year. These savings were intentional and achieved through several measures including the closure of our Park Station branch office, renegotiating our lease with Atterbury for the Majestic Office to secure a more favourable monthly rental, restructuring our organisation to reduce salary costs, and maintaining careful oversight of expenditures across all departments.



Building Disposals

Executive management of JHC focused on three key strategic drivers to stabilise and drastically improve JHC's performance by implementing targeted turn-around strategies and activities. This pivot in focus was critical not only to ensure the financial sustainability of the organisation, but also to enable future growth. In support of this turnaround strategy, significant focus was placed on the sale and disposal of underperforming buildings. The sale of two properties has initiated the planned disposal process. It is anticipated that suitable offers on three more buildings will be received in the new financial year.



Rent Collection

JHC teams have diligently focused on decreasing the group arrears. We began the 2023/2024 financial year with an average of 14.54% arrears (July 2023), and successfully lowered this to just below 7% during the last three months of the fiscal year, resulting in an average of 9.92% for the full financial year.



Expansion of the Newtown Improvement District

The Newtown Improvement District (NID) expanded its boundaries in June 2024 to incorporate two JHC properties, Umndeni Gardens and Carr Gardens. This expansion has created a safer and cleaner environment for JHC tenants.



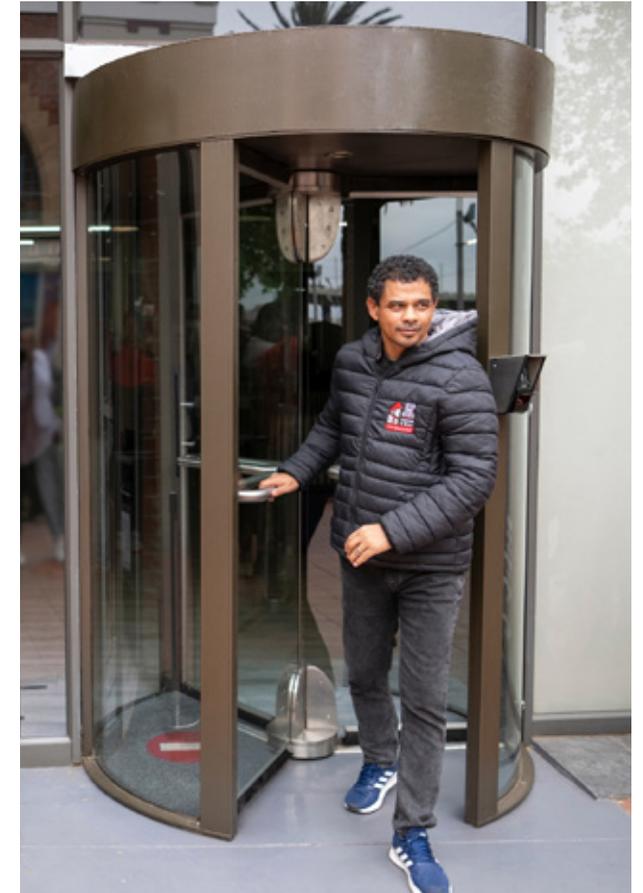
MAM - Investing in Our Tenants

MAM continued to invest in tenant retention and social development programmes. In 2023/24, we introduced several initiatives including incentives to help reduce utility usage, employment and small business support, care and subsidy campaigns, and information sessions on the Zimbabwean Exemption Permit (ZEP) program. We also invested in youth development through career days and partnerships with colleges, expanded our hydroponic gardens, and created playrooms, playgrounds, and sports programs for children and youth. Additionally, we launched health, exercise, and life skills programs for adults.



Pulse Magazine

JHC launched the Pulse Magazine in May 2024 to inform employees about key projects, achievements and developments across the organisation.



1.2. WHO WE ARE

Johannesburg Housing Company (JHC) is a leader in social housing, delivering safe, affordable accommodation to the people of Johannesburg. We operate in a difficult and complex market, however, through innovation and a commitment to the highest standards, JHC is consistently one of the largest landlords in the city.

WHAT IS SOCIAL HOUSING?

'Social Housing' refers to rental housing, subsidised by the government, and targeting low to medium income households earning between **R1 850** and **R22 000** a month.

Social Housing Regulatory Authority

JHC is a private non-governmental organisation, recognised as a Social Housing Institution under the Social Housing Act (No. 16 of 2008). To deliver our mandate, we partner with strategic stakeholders, including the National and Provincial Department of Human Settlements, to transform derelict and abandoned properties into community assets.

The organisation was founded in 1995, as South Africa was undergoing a process of intense spatial transformation. Since then, JHC has pioneered a sustainable housing model for the Johannesburg innercity and surrounding areas, catering to both long-time residents and new arrivals.

JHC's holistic housing model places tenants first, by developing neighbourhoods that are safe, accessible and affordable. In doing so, the organisation benefits all of Johannesburg – by creating a ladder for social development, supporting inclusive growth, and revitalising innercity communities.

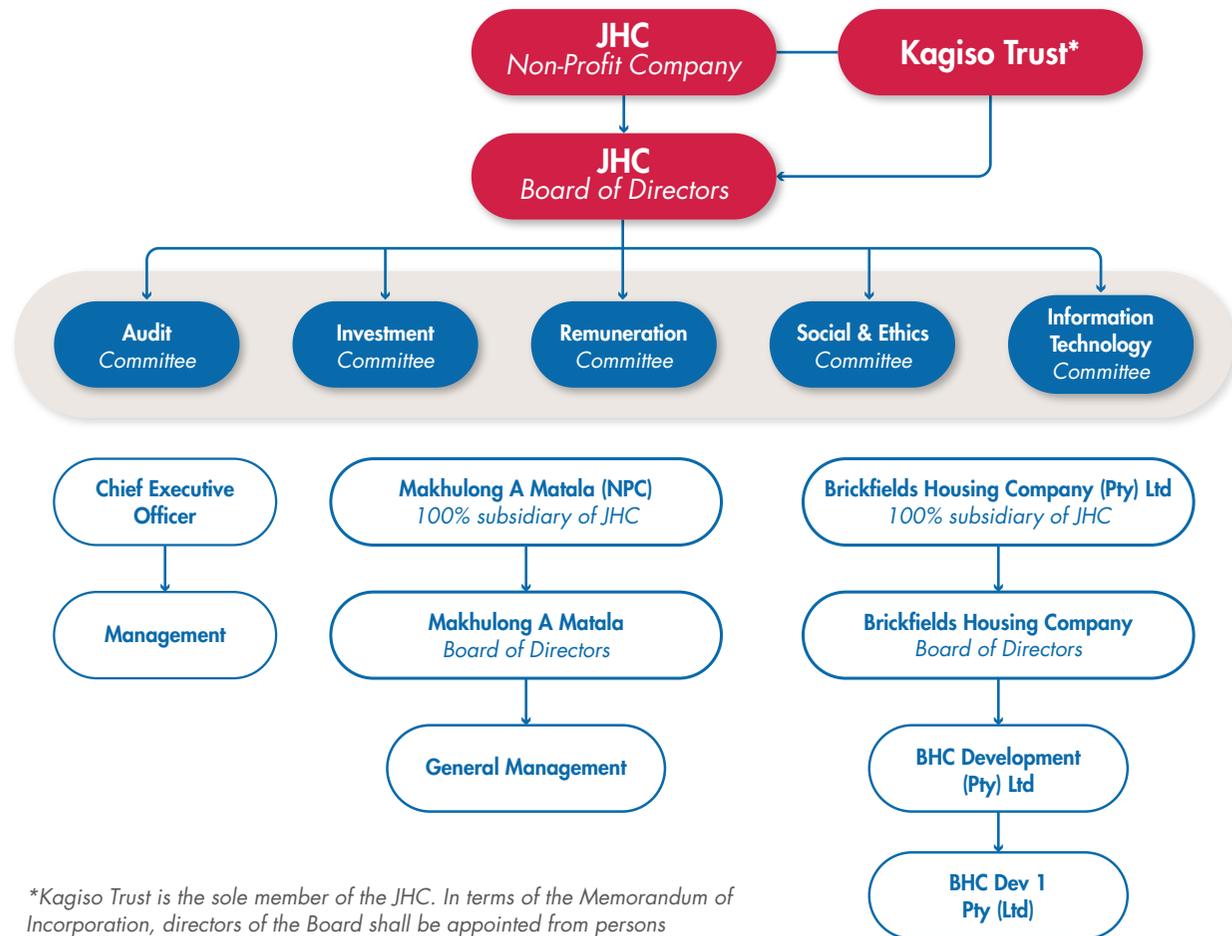


1.3. OUR GROUP STRUCTURE

The JHC Group is a non-profit company, comprising of three distinct entities – JHC, Brickfields Housing Company (BHC) and its subsidiaries and services, and Makhulong A Matala (MAM) Community Development Services (a registered NPC). While each entity has their own mandate and Board of Directors, they work collaboratively to advance the mission of the JHC Group.

Kagiso Trust serves as the sole member of JHC. According to the Memorandum of Incorporation for JHC, the Board of Directors will be appointed from individuals nominated by Kagiso Trust. The Board, in turn, appoints the JHC CEO to steward the organisation and oversee operations.

The JHC Board functions through five (5) committees - focusing on Audit, Investment, Remuneration, Social & Ethics and Information Technology (IT). These Committees have oversight of all activities, whether they are undertaken by the JHC executive and management, JHC’s community development arm, MAM, or the BHC.



**Kagiso Trust is the sole member of the JHC. In terms of the Memorandum of Incorporation, directors of the Board shall be appointed from persons nominated by the Trust.*

1.4. OUR STAKEHOLDERS

At JHC, we take a tenant-first and stakeholder inclusive approach. Our stakeholder relationships are founded on shared values, collaboration and mutual trust. In 2023/24 we continued to work with key stakeholders towards building a better, safer innercity.

OUR TENANTS

Tenants are core to our mission and the foundation on which our sustainability is built. As stakeholders, they shape our operations and the value we create for all of Johannesburg.

We continuously engage our tenants to better understand and respond to their needs, promoting a sense of ownership and belonging. At the same time, we maintain our buildings and invest in communities to create an environment where tenants can thrive.

In addition to providing smart, simple and affordable housing, JHC also supports community development through our subsidiary company Makhulong A Matala Community Development Services NPC (MAM). In 2023/24 MAM continued to deliver a range of tenant support services, which are presented in this report.

INNERCITY PARTNERS

JHC maximises our impact by participating in innercity stakeholder groups and collaborating with like-minded partners and organisations, including:

City Improvement Districts (CIDs)

JHC is represented within six innercity CIDs, the Main Marshall Improvement District, Fashion Improvement District, Legae La Rona Improvement District, Newtown Improvement District, Transport Improvement District and Hillbrow Ekhaya Improvement District. The CIDs are indispensable allies in our shared drive for urban renewal. Through collaboration with these groups, we have created healthier, cleaner, safer and better neighbourhoods, uplifting large pockets of the Johannesburg innercity.

WHAT IS A CITY IMPROVEMENT DISTRICT?

City Improvement Districts (CIDs) are defined geographical areas in which most property owners collectively fund services in addition to those normally provided by the municipality, to maintain and manage the public environment.

Gauteng Precinct Management Association

The Inner-Jozi Safety & Security Forum

The Inner-Jozi Safety & Security Forum facilitates co-operation between the municipality, private sector, faith-based organisations, and the community. It aims to eradicate crime and lawlessness, and build a cleaner, safer inner city. JHC acts as the eyes and ears of this forum by identifying critical risks and pain points in and around our buildings and communities.

Johannesburg Property Owners and Managers Association (JPOMA)

JHC is an active member of JPOMA, an advocacy group dedicated to advancing the rights and interests of property owners and managers in Johannesburg. Through JPOMA the concerns and priorities of members are elevated to the relevant authorities. This is instrumental in influencing policy decisions, regulations, and ordinances that directly impact the property industry.

Lutheran Community Outreach Foundation (LCOF)

The LCOF provides services and initiatives that directly benefit our tenants and the broader community. At JHC, we connect LCOF with tenants in need of assistance, particularly where the intervention of a social worker is required. In doing so, we meet the needs of vulnerable tenants while allowing LCOF to fulfil their social support mandate.

National Association of Social Housing Organisations (NASHO)

NASHO is an independent member-based association of social housing institutions (SHIs), Other Delivery Agents, Municipal Owned Entities and support organisations across South Africa. NASHO supports the Social Housing sector by providing information and publicity about Social Housing, research and advocacy, technical advice and assistance and developing innovative support projects.

FELLOW LANDLORDS

JHC recognises that we are not alone in our mission to provide safe and affordable housing for the people of Johannesburg. We work with fellow landlords to achieve this goal by sharing insights and resources and advancing areas of mutual interest towards continuous improvement.

GOVERNMENT

JHC works directly with all levels of government to enhance service delivery, improve safety, security and urban living standards, and advance other areas of mutual interest, including:

City of Joburg (CoJ)

JHC collaborates closely with CoJ entities, including the City's Emergency Management Services, Pikitup, Joburg Metro Police Department (JMPD), and the City's Citizen Relationship and Urban Management (CRUM) Department. JHC provides these entities with early warning on potential issues and keeps them accountable for service delivery for innercity residents.

Police Services

The JMPD and the South African Police Service (SAPS) play a critical role in safeguarding our neighbourhoods and fostering a sense of trust and community. JHC, in turn, encourages the safety and security of tenants by maintaining buildings that are well lit with perimeters monitored using security cameras.

Social Housing Regulatory Authority (SHRA)

The SHRA is a public entity, established by the Minister of Human Settlements as per the Social Housing Act, No 16 of 2008. The SHRA's mission is to ensure quality housing for lower- to middle-income households in integrated settlements.

OTHER STAKEHOLDERS

In addition to the key stakeholders described above, JHC has established partnerships with the following organisations, through which we collaborate to deliver better housing, services and quality of life. Most of this work is done through MAM, JHC's dedicated community development entity.

- Department of Social Development - delivers social development services to the people of Gauteng
- Wiits Reproductive Health Institute (VRHI) - treatment and promotion of reproductive health
- Lifeline - mental and emotional health services
- Lovelife - youth-focused HIV prevention and life skills
- Childline - advances the rights of children
- Activate - youth development and leadership programme
- Sonke Gender Justice - promotes justice and equality between women and men
- South African National Council on Alcoholism and Drug Dependencies (SANCA) - prevention and treatment of substance use disorders
- People Opposing Women Abuse (POWA) - women's empowerment to address gender-based violence (GBV)

- Ingelosi Foundation and Innovation of Excellence - dedicated to youth upliftment
- Academic Institutions - WITS, University of Johannesburg, Richfield Campus
- Community Facilities - Windybrow Theatre, Market Theatre and Sci-Bono Discovery Centre
- Corporate Sponsors – McDonald's Newtown, Pick 'n Pay Newtown, Clicks Newtown and Newtown Junction



1.5. OUR OPERATING ENVIRONMENT

As a social housing company, JHC is mandated to deliver safe, affordable housing within a complex urban and economic environment. This environment has worsened considerably over the last five years as a consequence of the COVID-19 pandemic, energy constraints (loadshedding), ineffective governance, and a weakened economy, owing in part to global economic conditions.

There are, however, bright sparks. Although it remains a challenge, the severity of loadshedding (measured in total hours without power), has decreased considerably in 2024. Furthermore, a new 'Government of National Unity' (GNU) was formed in June 2024 following a historic and peaceful election. Thus far, the GNU has demonstrated improved, albeit uneven, capacity and commitment to change. The World Bank predicts modest economic growth of 1.3% in 2024, rising to 1.5% in 2025.

The Weak Economy and its Impact on Tenants

South Africa's economy continued to experience slow and uneven growth, expanding by a mere 0.6% in 2023, capping off 15 years of weak economic performance. This slow economic growth falls far short of the expansion needed to absorb new market entrants, let alone chronic job seekers. As a result, South Africa continues to face the world's highest level of unemployment.

The weak economy, coupled with high inflation, has also created a cost-of-living crisis for most South Africans. As costs rise on everything from food to petrol and electricity, debt spirals, and many find themselves unable to meet their family's basic needs. This has greatly and negatively affected tenants' ability to pay rent, even when it is subsidised.

Infrastructure & Service Delivery in the CoJ

Johannesburg, particularly the innercity, is also directly impacted by government's capacity and funding constraints. Investment in urban infrastructure falls well below the city's needs, basic services are unreliable, and the crisis of crime and corruption are taking a toll. These challenges also have a detrimental effect on investment flows into the innercity, further constraining prospects for urban renewal.

While the national government operates under a unified model, CoJ continues to flounder under unsustainable coalitions. The result is a municipal government incapable of delivering its core mandate, let alone the myriad interventions needed for urban renewal. This includes vital investments to address fire safety, repair utilities, tackle crime, and intervene in the city's many 'hijacked' buildings.

JHC's Response

JHC strives to be a nimble organisation, capable of rapidly responding to the needs of our tenants and communities. As such, we have initiated several interventions to make housing more affordable, including interventions in utility use and pricing, rent subsidies, and reducing the burden of rental deposits. We also continue to engage with government, including SAPS, JMPD, and CoJ, to collaborate on strategies for improved security and service delivery.



VACANCY LEVELS 2023/24

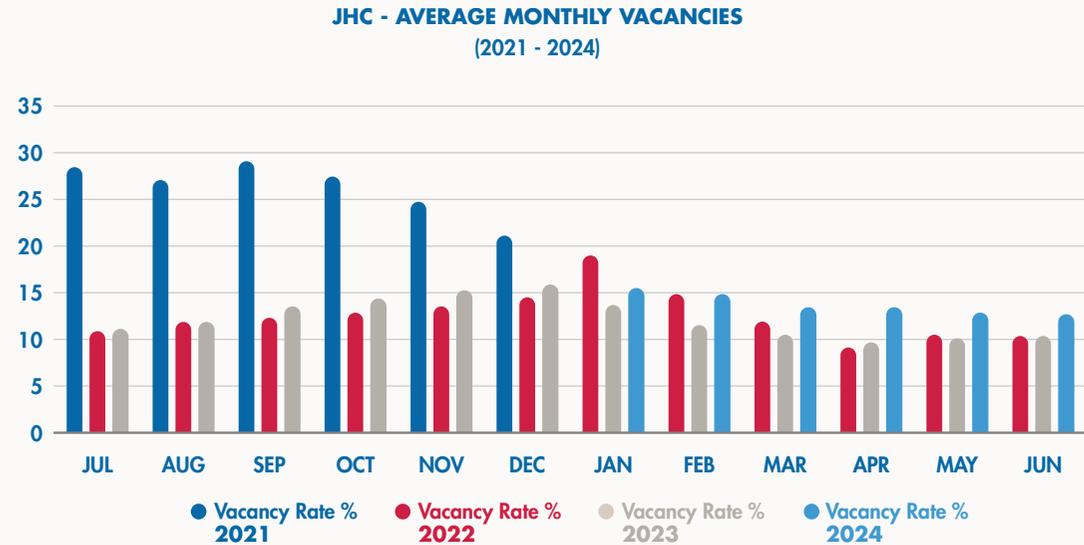
High vacancy rates continue to pose a challenge for JHC which affects all operational departments.

JHC established a vacancy target of 5.92% or lower for 2023/24. While significant improvements were achieved in certain properties the overall portfolio has experienced vacancy rates between 11% and 16% throughout the financial year. Reasons for tenant departures include affordability issues driven by the cost of rent, unemployment, and the rising cost of living, service delivery challenges, and relocations to other cities.

The tough economic conditions have had an impact on JHC group vacancies over the last financial year, as we struggled to get our vacancies below target. JHC has, however, made considerable progress over the last three financial years, coming down from a high of 19.3 % in 2021/22 and have kept our vacancies stable over the last two reporting periods. JHC’s average vacancy for the 2022/23 financial year was 12%, and the average for 2023/24 was just over 13%.

Key interventions are having a positive impact on vacancy rates. These include improved query resolution, proactive engagement with tenants who have provided notice to end their lease, and a temporary halt to rent increases in most JHC buildings in line with a rental benchmarking study. JHC is also investing in tenant recruitment and has improved the rate at which rental enquiries are translated into leases.

The following graph illustrates the average vacancy rate per month over the last three financial years 2021/22, 2022/23 and 2023/24.



“If opportunity doesn't knock, build a door”

MILTON BERLE

SECTION 2 **OUR OPERATIONS**

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2.1. PROPERTY MANAGEMENT



Boyce Maritz
Property Executive

Summary for 2023/24

The Property Management Department is dedicated to optimising the JHC experience and minimising disruptions to the lives of our tenants. To achieve this goal, we have strengthened our essential services, covering areas such as safety, security, utilities, and access control. Our staff has participated in training sessions to acquire the latest skills and knowledge, enabling them to provide exceptional service to our tenants. Furthermore, partnerships with trustworthy service providers have improved our operational efficiency, assuring tenants that we are prepared to address any challenges that may arise.

Key Achievements



Improving Occupancy Rates at the Building Level

The year began with ongoing projects at a building level, focused on tenant retention, attraction, and affordability. These included implementing a water heating solution at Ukhamba, enhancing the appearance of Umndeni Gardens by repainting the façade and installing palisade fencing to close off the road. Additionally, we replaced faulty heat pumps in Heritage View and developed a parking solution for Jeppe Oval, which involved securing parking at Jules High School. Although the impact of these interventions has been gradual, a reduction in vacancies within four of JHC's top buildings – Ukhamba Mansions, Umndeni Gardens, Heritage View and Jeppe Oval - was observed.

At the end of the year, we introduced a special holiday offer for students who typically go home for the festive season. To retain our tenants and avoid having empty units, this offer allows students to leave their belongings in their units while they're away and benefit from discounted rental rates for the months they aren't occupying the space.

Wi-Fi Rollout

In the attempt to improve occupancy rates JHC is offering unlimited, free Wi-Fi at selected buildings. An alternative solution will be explored in the next financial year for the remaining buildings.

Service Delivery to Tenants

The in-house maintenance team, consisting of technicians, maintenance administrators, and stock control personnel, is well-integrated and has become more efficient in managing workload. This improvement has led to a notable increase in the volume of work the team can handle. JHC is allocating far more maintenance issues to our internal resources for resolution than to external service providers, contributing positively to our cost management objectives.

Pop-Up Helpdesk

JHC open days are held at specific buildings to provide hands-on customer service for tenants. The Property team, along with representatives from various departments, supports these open days to address tenant queries on the spot, whether they relate to utilities, maintenance requests, or billing issues.

Newtown Improvement District

The Newtown Improvement District (NID) has successfully expanded its boundaries to incorporate two JHC properties, Umndeni Gardens and Carr Gardens, with completion achieved in June 2024. This expansion will be implemented in July 2024, building on the success of the NID. Tenants can look forward to enjoying a safer and cleaner environment as a result.

Key Challenges



Group Water & Power Outages

Buildings continue to face frequent and sometimes extended power outages, which also impact water availability, as electrical pumps are needed to distribute water to all units. Furthermore, we are dealing with decreasing water pressure and occasional water outages. Thankfully, portable water tanks are allowing tenants to collect water using containers.

The outages have added extra duties for the team. They must report each incident to the relevant CoJ utility department, notify tenants via SMS and newsletters, monitor response times, escalate issues, keep tenants updated, and manage tenant complaints. In addition, the HSVs and security guards must supervise when tenants access the water tanks.

Focus for 2024/25

Utilities Management

The management of electricity and water usage intensity (EUI & WUI) will be strengthened to meet established targets. To accomplish this, the team will provide education to cleaners, security personnel, and the MAM CDFs on the adoption of water and electricity-saving practices. In partnership with MAM, the existing tenant education materials will be improved for MAM Ambassadors to highlight the advantages of these efforts. If the budget allows, technical solutions like motion sensors, timers, and solar lights will also be explored.

The need to enhance the buildings' water and energy resilience and to secure their supply will see the addition of new boreholes. Additional backup energy for critical operating systems and common area lighting will also be implemented in identified buildings.

Additional Parking

The addition of parking at Jeppe Oval will involve transforming part of the play area into additional parking space. At the same time, we will seek approval for the closure of Mordaunt Road to create more safe street parking. This road closure will also improve the security around this side of the building.

Upgrade of Security System

The access control system software and hardware will be upgraded incrementally across the portfolio and will commence with a proof-of-concept at selected buildings. The planned addition of reliable fibre internet to the access control system will eliminate outages and render the system reliable and enhance the safety and security of tenants.



PROPERTY MANAGEMENT TEAM



Bongani Makhoba
*Property Portfolio
Manager*



Sifiso Ginindza
*Property Portfolio
Manager*



Sabelo Makhaye
*Assistant Property Portfolio
Manager*



Cyril Midaka
Property Specialist

PROPERTY MANAGEMENT PROJECTS OFFICE



Koketso Legodi
Asset Manager



Rhulani Chauke
Project Coordinator



Siyanda Zide
Project Coordinator



Thandi Binda
Stock Clerk



Bongani Khambule
Stock Controller

PROPERTY MANAGEMENT PROPERTY ADMINISTRATION TEAM



Nothando Mthembu
*Property Administration
Manager*



Faith Shabalala
*Maintenance Admin
Manager*



Lungile Mkhwanazi
*Senior Maintenance
Administrator*



Kholi Mogotsi
*Hub Back Office
Administrator*



Jerrilee Schroeder
*Hub Back Office
Administrator*



Njabulo Zulu
*Maintenance
Administrator*



Mbali Shezi
*Maintenance
Administrator*



Nomagugu Mbhense
*Maintenance
Administrator*

PROPERTY MANAGEMENT HOUSING SUPERVISORS



Edward Mokwinda
Senior Housing Supervisor



Eliot Mabunda
Senior Housing Supervisor



Nokulunga Ndlovu
Senior Housing Supervisor



Obrey Makamu
Senior Housing Supervisor



Simon Mbulawa
Senior Housing Supervisor



Tshepo Noko
Senior Housing Supervisor



Annah Matima
Housing Supervisor



Benson Mabasa
Housing Supervisor



Emmanuel Kubeka
Housing Supervisor



Jacob Bezula
Housing Supervisor



Jas Matela
Housing Supervisor



Johannes Makananise
Housing Supervisor



Joseph Ntibi
Housing Supervisor



Kabelo Maleka
Housing Supervisor



Larry Mabasa
Housing Supervisor



Molatelo Seshibe
Housing Supervisor



Monica Nthangeni
Housing Supervisor



Mzwandile Bhengu
Housing Supervisor



Promise Gcwabaza
Housing Supervisor



Samuel Madzivani
Housing Supervisor



Thulani Luthuli
Housing Supervisor



Vincent Mbatha
Housing Supervisor

PROPERTY MANAGEMENT MAINTENANCE TEAM



Simone Maphanda
Maintenance Manager



Phakamani Khumalo
Maintenance Manager



Miyanda Siamsipa
Carpenter



Refilwe Segolabeng
Electrician



Fredy Munawa
Plumber



Tsumbedzo Masindi
Maintenance Administrator



Jabulani Libimbi
Maintenance Technician



John Khori
Maintenance Technician



Makungu Hlasi
Maintenance Technician



Mlungisi Tonono
Maintenance Technician



Ntokozo Khulu
Maintenance Technician



Prince Mkwanzazi
Maintenance Technician



Sephulelo Menyuka
Maintenance Technician



Thema Moche
Maintenance Technician

PROPERTY MANAGEMENT UTILITIES TEAM



Landiwe Mnguni
Utilities Consultant



Silvia Cele
Utilities Relationship Coordinator

2.2. CUSTOMER EXPERIENCE



Lindi Malinga
Customer Relations Executive

JHC continued to engage tenants through our Customer Experience team, which is tasked with enhancing customer experience within the complex landscape of Johannesburg's innercity.

Summary for 2023/24

The Customer Experience team engaged tenants to better understand the reasons why they choose to move out of JHC buildings. A key issue raised is the quality of query resolution, which negatively impacts tenants' living experience. In response, the team underwent specialised training to enhance query management skills, focusing on more effective use of the Freshdesk system and refining customer interaction techniques. This training aims to improve query handling and foster a more positive experience for our tenants.

The year also presented challenges for the Customer Relations team due to staffing changes, economic hardships affecting tenants, and issues in the Johannesburg CBD. Internal systems, like heat pumps, and misaligned rental prices also negatively impacted customers. The teams are addressing these challenges and developing strategies for improvement in the 2024/25 fiscal year.



1,478 lease applications received in 2023/24



79.5% of lease applications approved

Key Achievements



Tenant Retention

JHC has proactively implemented a tenant retention strategy to mitigate tenant loss. The strategy is executed by the Customer Experience team, which contacts tenants as soon as they receive a notice to vacate to better understand and address their concerns. Although this initiative was implemented only in the last quarter of 2023/24, JHC has achieved positive results, retaining 11 out of 71 tenants who had issued a notice to vacate (15.5%).

Customer Service Training

The Customer Experience team focused on learning and development through face-to-face training sessions, touching on topics such as Customer Experience 101 and Tenant Induction. These sessions were well-received by the CX team, housing supervisors, MAM coordinators, CDFs, ambassadors, and sales agents.

Query Handling

During 2023/24, JHC received 14,090 queries and service requests, of which 13,218 were successfully resolved, leading to a 94% resolution rate. The improvement in query resolution is attributed to the customer experience training delivered in 2023/24.

Key Challenges



Recruitment Costs

Tenant retention is critical as it is costly to recruit and onboard new tenants. It is the Customer Relations department's priority to minimise the need for recruitment through a focus on retention, by addressing any concerns that may arise during the tenant's rental period. A survey was conducted with tenants who have already vacated the JHC buildings to gather sentiments regarding their experience with the JHC, identify areas for improvement and gather suggestions for enhancing the overall living experience within JHC properties, which will better guide our focus for 2024/25.

Focus for 2024/25

JHC will continue to emphasise the importance of training and is investing in online training modules to enhance cross-departmental understanding and process adherence. We will also continue to emphasise query management for swifter resolutions in 2024/25. Customer service training will persist in its efforts to enhance and streamline the handling of customer queries, aiming for greater efficiency and effectiveness while tackling challenges and bridging gaps in query management. The intent is to improve tenant retention.



CUSTOMER EXPERIENCE



Wende Reddy
Customer Experience Specialist



Arnold Peters
Customer Experience Team Leader



Jelodia Rooskrantz
Customer Experience Consultant



Penrose Moyana
Customer Experience Consultant



Thabo Koma
Customer Experience Consultant



Drucelian Munsamy
Customer Experience Consultant



Duduzile Mnguni
Customer Experience Consultant



Pride Oguzie
Customer Experience Consultant



Kgomotso Kgorutla
Customer Experience Consultant



Phindile Dlamini
Receptionist

2.3. SALES AND MARKETING



Lindi Malinga
Customer Relations Executive

Summary for 2023/24

JHC gathers insights and analyses data to enhance our understanding of how to attract customers, reduce vacancies, and retain tenants, while creating a place where tenants love where they live. Although we continue to battle high vacancy rates owing to move-outs, JHC has made important gains in the quality of our marketing and the conversion of leads into new tenants.

Key Achievements



Leads
5,229 digital leads generated in 2023/24

While not every lead results in lease agreements, they do foster engagement and enhance awareness of the JHC brand. Leads were generated using street pole advertising in key locations and print ads in publications that resonate with our target audience. Mall, taxi rank and Black Friday activations were also organised to increase brand awareness. We further contracted 30 taxis for JHC branding on a 3-month campaign, targeting key markets in the Johannesburg CBD.

Zero Deposit Programme

Several promotions were implemented in 2023 to lower the barriers for tenants entering the rental market. After several iterations, JHC adopted the Zero Deposit product, which gives tenants the option to pay a small monthly deposit waiver fee instead of a lumpsum up front. This product enables tenants to move in without the burden of the cash deposit, while protecting JHC in the event that the tenant leaves with money owed.

Key Challenges



Tracking of Efforts

The Marketing team has executed multiple brand awareness and promotional campaigns, along with vacancy drives. However, tracking leads from start to finish has proven challenging. Implementation of the Customer Relationship Management tool (CRM) in 2024/25 will enable JHC to track and report on leads more effectively.

Focus for 2024/25

The Marketing team will continue reviewing rental rates to ensure that rentals remain correctly positioned.

A Customer Relationship Management Tool (CRM) will be implemented to enhance our ability to track and report leads. This will help us identify which of our marketing efforts are most effective in converting leads into lease agreements.



SALES & MARKETING



Lydia Nekhunguni
*Letting And Marketing
Manager*



Obakeng Molobi
*Sales and Marketing
Manager*



Lebo Seekane
*Marketing and Digital
Coordinator*



Mpho Ntumulang
*Letting and Marketing
Administrator*



Thando Mgeju
*Letting and Marketing
Administrator*



2.4. COMMUNITY DEVELOPMENT THROUGH MAKHULONG A MATALA (MAM)



Lungisani Ntuli
MAM General Manager

Makhulong A Matala Community Development Services (MAM) is an NPC, registered in 2003 and wholly owned by JHC. The entity, whose name means 'greener pastures' in seSotho, is responsible for working directly with tenants, communities, and stakeholders in the innercity areas where JHC operates.

In 2023/24 MAM was tasked with several strategic objectives to create cohesive, responsible and progressive communities and align with JHC's tenant retention strategy. Additionally, MAM invested time and resources in the social aspects of housing, including the development of improved amenities such as jungle gyms and the delivery of parenting workshops designed to foster stronger family relationships across different buildings.

MAKHULONG A MATALA (MAM) AT WORK

Makhulong A Matala turns houses into homes, buildings into communities and areas into neighbourhoods. MAM plays an educational role within JHC - teaching people the best ways to live respectfully and responsibly in a community environment.

MAM operates in four areas: youth and child development, adult development, neighbourhood development, and tenant support services.

By creating safe buildings, neighbourhoods and affordable flats, MAM is successfully building communities and improving occupancy rates.

Summary for 2023/24

Utilities Saving Campaign

JHC launched a campaign to educate tenants on the use of heat pumps, executed through on-going collaboration between different departments. These efforts have successfully reduced tenants' utility costs.

Tenant Employment Opportunities

MAM is committed to creating sustainable employment opportunities for tenants. In 2023/24, MAM organised various initiatives including monthly flea markets, the Qhakaza Food Festival, and participation in the Back to the City Festival to help generate job opportunities. Progress has been made on a small business funding model in partnership with Spoon Money (PTY) Ltd, a micro-lender supporting small businesses with loans and savings. The entrepreneurship programme not only addresses entrepreneurs' funding challenges but also offers upskilling in business management, including areas such as planning, marketing, and bookkeeping.



Fire Incidents

Fires within JHC buildings and neighbourhoods pose a significant and unacceptable risk to our tenants and our property portfolio. In 2023/24 MAM partnered with the CoJ Emergency Management Services (EMS) to intensify fire safety campaigns across the JHC portfolio.

Tenant Engagement

Tenant engagement is crucial for JHC in addressing queries and service issues. In 2023/24 MAM, in collaboration with Property Management and other departments, organised JHC Cares and Open Days. These events provided tenants with a platform to express their concerns and ask questions. All queries were resolved, highlighting the significance of effective tenant query resolution for enhancing tenant satisfaction and retention.

Zimbabwean Exemption Permit (ZEP) holders

Migrants comprise a significant proportion of JHC's tenants and thus their ability to remain, legally, in South Africa is important to the sustainability of our portfolio. In 2023/24 MAM held cluster sessions in partnership with the Lutheran Community Outreach Foundation (LCOF), to clarify permit requirements and help Zimbabwean Exemption Permit (ZEP) holders apply for waivers and immigration documents. A joint session, facilitated by Luma Law in June 2024, has assisted eligible tenants in submitting their applications to the Department of Home Affairs.

Youth Development

Youth development, through education and programme delivery, is a key pillar for MAM. In 2023/24 a survey was conducted for input to create a youth development strategy. MAM has also entered a partnership with the Ingelosi Foundation to host a youth conference presenting the survey findings and electing leaders for the development and delivery of youth programmes.

Hydroponics Farm

MAM established a second hydroponics farm at our Towerhill location, transforming an old container garden to help members earn extra income and support the project's sustainability. This initiative also promotes food security for tenants and the wider innercity community.

Education & Play

To encourage academic excellence, MAM hosted a Spelling Bee for grades 3 to 7, with its first competition held in March in partnership with the Windybrow Arts Theatre in Hillbrow. MAM also launched a coding and robotics programme in Newtown, collaborating with Discovery Sci-Bono and the JHC IT Department. The addition of Lego and Duplo has transformed playrooms into creative hubs, inspiring children to express their imaginations.

Sports Programmes

Sports programmes including chess, soccer, and netball, were implemented in the neighbourhoods where JHC operates, providing youth with opportunities to play, learn and build skills. In alignment with JHC's five-year strategy, MAM has developed a pathway for a soccer squad through the Innercity League. The squad is registered for the U15 category, competing against experienced players from various clubs.



Adult Vitality Programmes

The adult vitality programme remains popular among tenants, with MAM innovating to keep participants engaged in healthy lifestyles. The partnership with Hillbrow SAPS offers regular gym sessions, while collaboration with Quad-Care Health Clinic provides health screenings to promote wellness.



Social Issues and Life Skills Programme

MAM addressed various social issues at different buildings during 2023/24. This included child neglect, damage to property, theft, tenant conflicts, death, attempted suicide, suicide, and domestic violence. The life skills programme addressed social issues in communities, led by MAM with sessions for men, women, youth, and children, including puppet shows for younger audiences. This programme was offered in collaboration with organisations including the Lutheran Community Outreach Foundation (LCOF), the South African National Council on Alcoholism and Drug Dependencies (SANCA), and People Opposing Women Abuse (POWA).

Key Achievements



Utilities saving campaign

- Conducted one-on-one interviews to educate high consuming tenants on efficient utility use
- Rewarded tenants with reduced consumption at Lethabong and Heritage View
- Achieved a significant reduction in consumption at Heritage View

Tenant Employment Opportunities

- Introduced a night market at Umndeni Gardens to support small businesses
- Conducted a business planning workshop and training on profit and loss for small business owners
- Partnered with Spoon Money (Pty) LTD to provide soft loans to support small businesses

Tenant Engagement

- Hosted JHC Cares campaign sessions and open days at various buildings to resolve queries
- Hosted cluster sessions for 149 ZEP holders for waiver and relevant permit applications, assisting 42 tenants with valid cases to apply for permits
- 22 applications were approved for the JHC Subsidy Campaign
- Inducted 751 out of 867 tenants who moved into JHC buildings

Youth Development

- Hosted a career day with tertiary education partners and radio stations
- Partnered with Richfield College Newtown, resulting in six students registering for courses
- Three candidates completed their courses

Hydroponics Farm

- Continued sustaining eight food gardens
- Added a hydroponic system at Towerhill
- 233 tenants benefitted (43 direct members, 179 indirect beneficiaries)

Playrooms and Playgroups

- Hosted 20 holiday programmes at various buildings
- Introduced a robotics project at Brickfields for Newtown children
- Installed a new jungle gym at Legae, Brickfields, Phumulani, Jeppe Oval and Hlanganani
- Established an outdoor gym at Heritage View

Sports Programmes

- Increased participation from 487 to 499 children for the Junior Soccer Development Programme
- 141 girls participated in sports programmes
- Increased from 8 JS DP Alumni Teams to 22

Adult Vitality Programmes

- Hosted two parkrun activities for Lake Success, Rondebosch, Cresthill, Sylvadale, Elangeni, Lethabong, Taylors and Landrost tenants
- Partnered with various stakeholders for health screenings during the adult vitality event, including Pick n' Pay Newtown
- Hillbrow pop up gym activities organised by SAPS

Social Issues and Life Skills Programme

- Shifted focus towards youth with a new survey, formative assessments and leadership programmes
- Social incidents decreased significantly
- Hosted girl workshops, women empowerment events and introduced a Teen Boss entrepreneurship programme in partnership with the Ingelosi Foundation
- Hosted a successful Boys Conference with the Department of Social Development and Sonke Gender Justice on GBV and gender sensitisation
- Organised sports days, graffiti workshops and puppet shows to address social issues creatively
- An Anti-Litter campaign was sustained at nine buildings with children leading cleaning initiatives at three buildings

Key Challenges



There has been a low turnout of ZEP holders at information sessions, partly attributed to the multiple deadline extensions issued by the Department of Home Affairs and ongoing court cases. The MAM team has also needed to reschedule events because of loadshedding and occasionally encountered frustrated tenants.

The introduction of multi-dwelling sewer charges by the CoJ led to dissatisfaction among tenants, causing them to be reluctant to engage in MAM programmes.

Finally, the severity of behavioural issues among children reported at the facilities varied widely. These concerns included playing outside late at night, engaging in sexual experimentation, bullying, and the use of illicit substances.

Focus for 2024/25

In the year ahead, MAM will continue to focus on delivering programmes and enabling better living conditions for all tenants in JHC properties. Priorities for 2024/25 include:

- Enhancing learning through literacy and mathematics programmes through the MAM after-school programme.
- Delivering relevant and impactful projects, informed by the tenants' needs.
- Improving MAM brand awareness and online presence to consistently and reliably share information.
- Collaborating with the funding institutions on impactful community development initiatives such as rooftop gardens, after-school, and sports programmes.

Makhulong A Matala (MAM)



Patricia Msebele
Community Development
Manager



Ethel Munyai
Community Development
Manager



Donald Makape
Community Development
Coordinator



Ipeleng Mokgosinyane
Community Development
Coordinator



Mosa Bodibe
Community Development
Coordinator



Phyllis Masango
Community Development
Coordinator



Vinolia Hlahla
Community Development
Coordinator



Phumzile Sibiya
Programme and Board
Coordinator

2.5. INFORMATION TECHNOLOGY



Tumi Pambo
IT Executive

At JHC, our dedication to using technology to better serve our stakeholders has reached new heights and continues to be a central focus of our five-year strategy. Throughout this reporting year, despite budget limitations that restricted project delivery, we have made substantial progress in improving and securing our IT infrastructure while maximising our IT capabilities. This strengthens our ability to understand and engage with our tenants.

Summary for 2023/2024

The IT department had 11 projects planned for 2023/24 focusing on better tenant engagement, tenant retention and security. Eight projects have been implemented or are on-going and on-track, while one project is on hold and two projects were cancelled due to a shift in focus.

Key Achievements



Tenant Profile Network (TPN) Monitoring Service

The TPN Monitoring Service helps to reduce tenant turnover, by improving the prediction of tenant churn by using credit bureau data from the TPN Credit Bureau. The project was added during the financial year as a replacement for the cancelled Tenant Feedback Repository project.

CRM – Guest Card Integration

The JHC's Customer Relations Management (CRM) system, procured in 2021/22, was initially used as a standalone system. This project sought to integrate the system with TPN for credit checks with JHC's Property Management Software to reduce data recapturing and ensure data quality. This contributes towards the streamlining of the tenant onboarding experience.

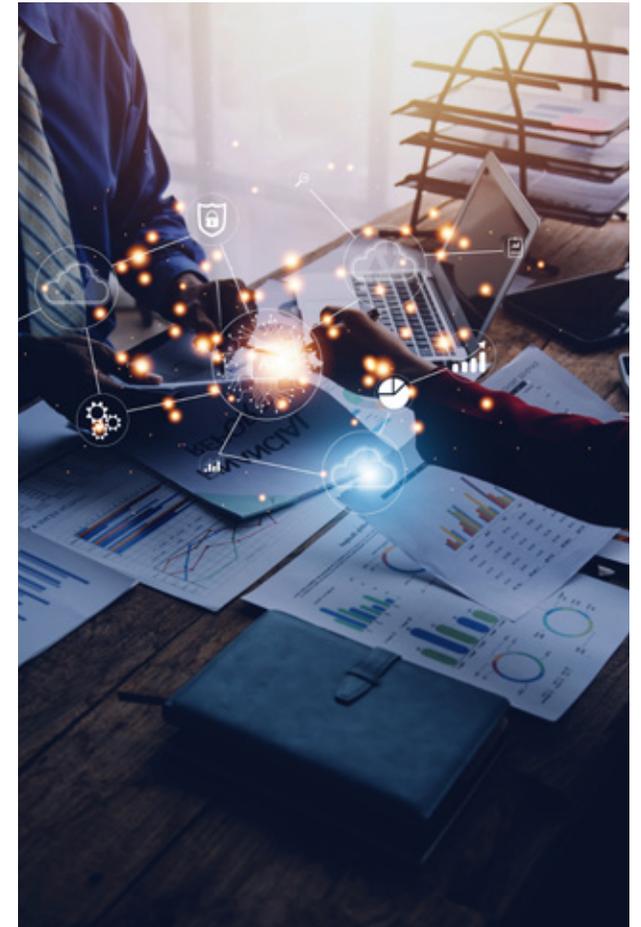
JHC Mobile App

The JHC mobile app aims to improve self-service options for tenants, decreasing the number of queries that require staff attention. Initially, the plan was to leverage an existing product, however, after careful consideration of the costs and the functionality limitations it was decided that JHC will develop a bespoke solution internally.

- Ongoing system and cyber security assessments to improve JHC's security posture.
- Further development of JHC's mobile app, focusing on new features to improve user experience.
- Expansion of self-service options by introducing additional channels for tenant engagement.
- Ongoing initiatives aimed at reducing IT expenditures and managing costs effectively.

Focus for 2024/25

The IT Department will focus in the upcoming fiscal year on customer satisfaction and tenant engagement, realised through the following key projects:



IT



Juanita Prinsloo
Data Manager



Esona Masiza
Technical Business Analyst



Pasana Mbonane
IT Systems Analyst



Geoffrey Jiti
Business Analyst



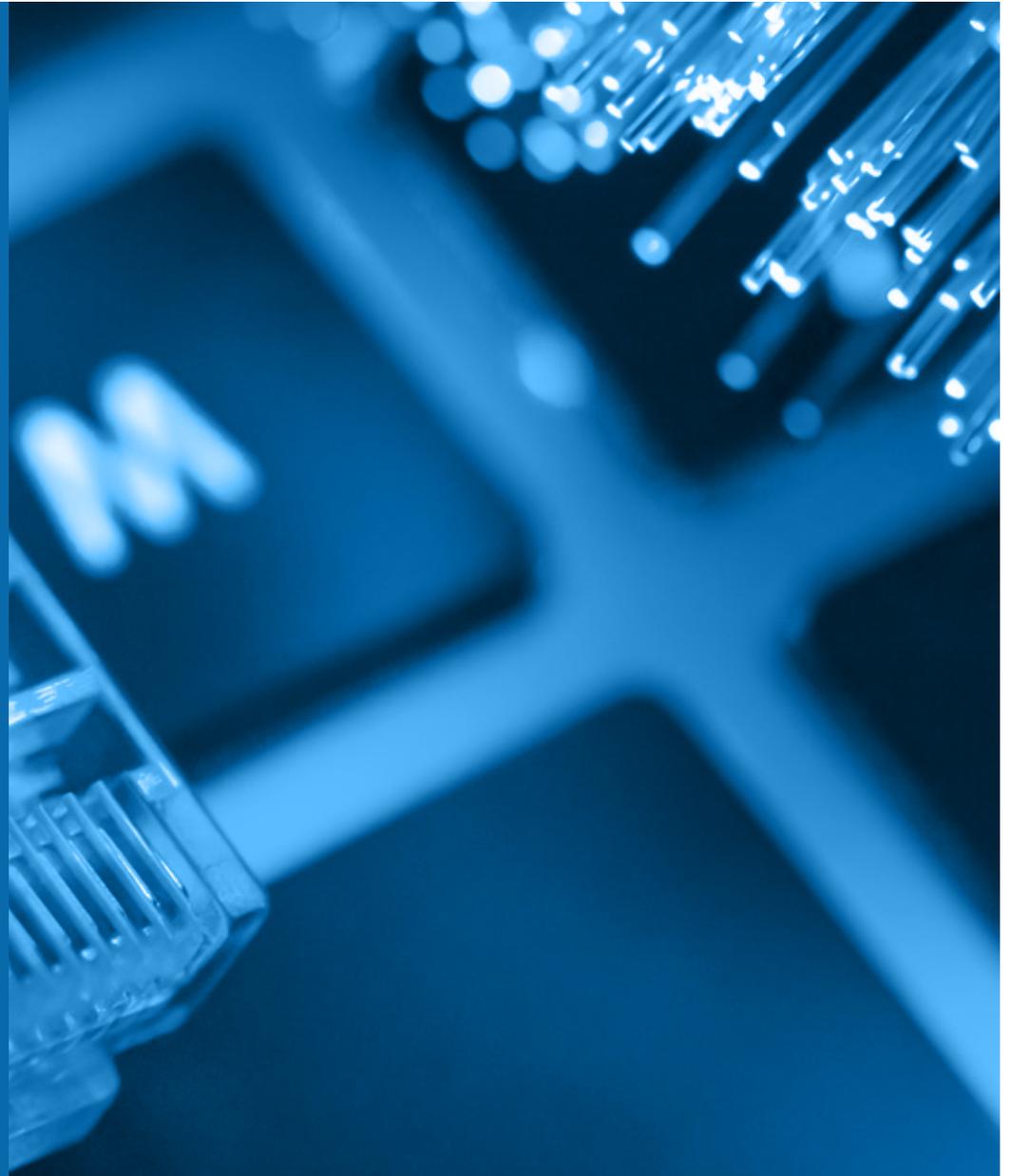
Moipone Miya
Junior Business Analyst



Thapelo Moutlane
IT Administrator



Thabang Phasiwe
*IT Asset and Desktop
Administrator*



2.6. HUMAN RESOURCES

JHC spent the last year streamlining our human resources, informed by a rigorous organisational design review. This process has left JHC with a leaner, stronger team that is better prepared to meet operational requirements. At the end of June 2024, JHC had reduced its staff count to 94 employees. Investments were also made to enhance our workplace culture, which is founded in collaboration, open communication and collective problem-solving.

Recruitment and Staff Retention

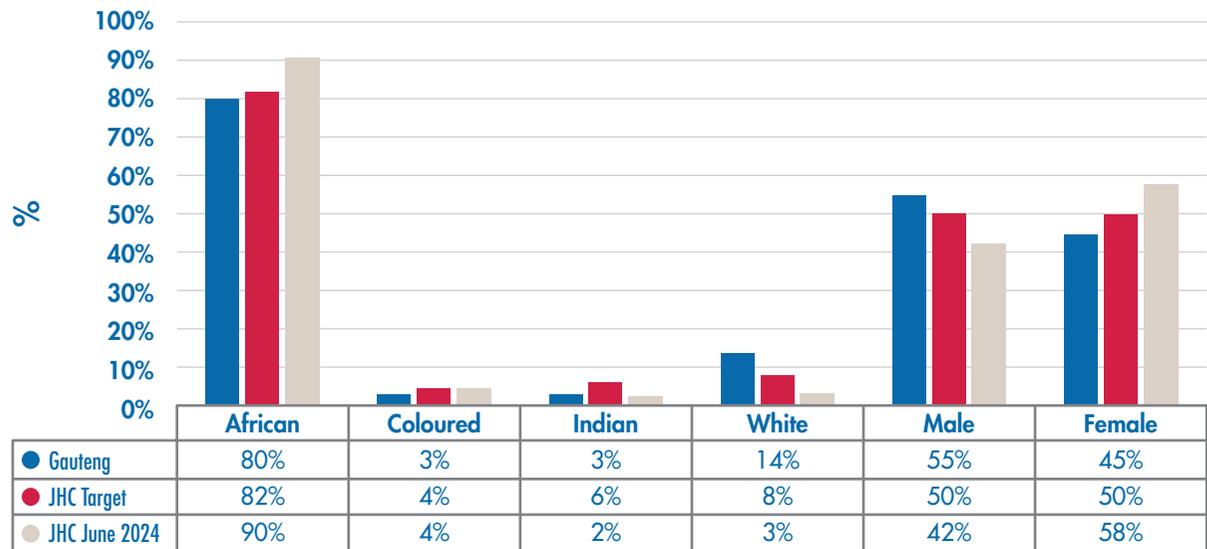
JHC continued to recruit for key positions, specifically where resignations were received. In 2023/24, 13 new staff members were appointed, three were promoted, three contract staff were appointed permanently, and one intern was absorbed into the IT Department. In addition to these promotions, staff retention strategies included departmental check-in sessions, Employee Wellness and Assistance Programmes, and interventions in response to employee feedback. These interventions included site visits to JHC properties which provided employees with a personal view of their work and its impact on tenants and the community.

Employment Equity

JHC has a completely transformed staff profile and performs well against its targets. As at 30 June 2024, JHC had met or exceeded targets for most groups.



The following graph illustrates JHC's employment outcomes by population group and gender, relative to targets and Gauteng averages. As shown, JHC met or exceeded targets for African, Coloured and female employees.



Pulse Magazine

Pulse Magazine was launched in 2024 for JHC employees. The magazine provides information on key projects, achievements and important developments, and encourages collaboration across different departments.

Employee Wellbeing

Wellness Events

JHC hosted its first post-COVID wellness event in July 2023. The Discovery Health team delivered general health check-ups for all staff and LifeWorks administered HIV/AIDS tests. The event was very well attended.

A hiking club was launched in May 2024, with 10 staff members taking part in a hike at the Kliprivier Nature Reserve. The hikes are continuing monthly, providing staff with an opportunity for outdoor exercise and team building.



Employee Assistance Programme

The Employee Assistance Programme continued to provide general and specific support to staff and their families. This support can be accessed directly, either online or in person, without requiring medical aid.

In 2023/24, various workshops were held to help employees grow in their work environment and in their personal lives. Topics included resilience and stress management, relationship management, reducing co-dependency, and raising healthy children through divorce.

Training

JHC is committed to upskilling employees, despite difficult financial circumstances. From July to December 2023, JHC invested in training for 18 employees, with one employee completing his master's degree and one trainee accountant completing her certification.



July to December 2023

18 - Employees received training
R238,836 - Invested in training

HR Supported Events in 2023/24



The HR Department attended the Makhulong Career Day and presented the JHC Tenant Bursary for trade qualifications. The team outlined the skills gaps and opportunities in the market and highlighted the entrepreneurial opportunities that come with being an artisan.



The HR Department participated in the Makhulong Community Development Facilitator (CDF) training programme, providing information and guidance to the CDFs on CV writing and interview preparation.

HR



Itumeleng Mokonyama
Human Resource Business Partner



Prudence Ngwenya
Human Resource Administrator

2.7. CEO'S OFFICE



Elize Stroebel
CEO

2.7.1. Strategy & Projects Office

Summary for 2023/24

JHC's Strategy and Projects Office (SPO) plays a key role in strategy development, programme monitoring and project management support. The focus of the SPO over the reporting period has transitioned towards reporting rather than programme management, resulting in a subtle change in the SPO's orientation. This was due to the shift in focus in the organisation's strategy away from strategic activities towards the three key strategic drivers of increasing asset value, increasing tenant retention and investigating alternative energy solutions.

The SPO focused on monitoring performance and providing monthly updates on the three key strategic drivers for 2023/24, and also tracked progress on the remaining goals from our 5-year strategy. These

goals included improving our infrastructure and tech skills to support a technology-driven future, ensuring all calls are captured, planning and carrying out building upgrades, adding community spaces and amenities to our buildings, improving utility efficiency, and making the customer experience more empathetic. Most of these activities were successful, with targets either fully met or close to being met.

A key function of the SPO is to facilitate the development of the strategic plan. This was a focus for the second half of the year, as insights and research findings were gathered to inform the strategy. To develop the strategy, the SPO facilitated a series of strategy workshops that engaged staff, the management team, Exco and the Board.

Although project delivery remains a core function, the number of cross-functional projects requiring SPO support reduced in 2023/24. Nevertheless, the SPO provided project management and delivery support on 14 projects and activities, including the rental survey, rent-setting, the Zero Deposit implementation, closure of the Park Station office and the take-on of the newly-acquired erf 606 in Newtown.

Key Achievements



A more collaborative organisational culture

The strategy development process was initiated in response to requests from JHC staff for greater involvement in shaping the organisation's strategic objectives. A series of workshops began with all staff members, progressed to the management team, and then included Exco, facilitating a bottom-up approach to idea generation that is evident in the final strategy. Communicating the

strategy to staff in segments through JHC Pulse Magazine is an ongoing experiment; while its success is still to be determined, it is providing an opportunity to delve deeper into the strategic focus areas and objectives.

Key Challenges



Several JHC projects have faced challenges due to budget constraints. This includes the fibre internet initiative, which was put on hold because of budget constraints. Additionally, the deposit waiver project encountered a slow start, with several missteps causing resistance to the product. This required significant effort and resources to address, however, we have gained valuable insights from this experience that will be beneficial if we launch similar products in the future.

Focus for 2024/25

The upcoming year will emphasise programme management, with a focus on tracking and monitoring strategic activities. We will consistently report on this progress, along with key financial performance indicators and efficiency in utilities recoveries. As JHC faces ongoing challenges with high vacancy rates, the SPO will assist the business in finding solutions and implementing strategic changes to restore JHC to a sustainable financial state.

2.7.2. New Developments

In 2023/24, in accordance with JHC's overall strategy for cost containment, efforts were primarily directed towards the disposal of the identified buildings, while minimising expenses related to the development pipeline.

Summary for 2023/2024

Activities related to the preparation of the development pipeline, including projects such as Heritage View West and Brickfields South, were paused in December 2023 with a view to resuming these projects once the company is ready to focus on new developments.

Despite the pause in town planning activities, JHC continues to work slowly yet steadily on the Brickfields South land assembly. BHC took transfer of Newtown erf 606 in March 2024, maintaining an existing tenant and securing two more tenants for the vacant spaces in late June alongside additional revenue from an outdoor advertising contract.

The departure of the anchor tenant from Selby 121 or "Teba" created revenue challenges through the year, and while the warehouses are almost fully tenanted, it remains a challenge to secure commercial tenants for the vacant office space. We are actively pursuing various strategic initiatives to boost revenue in the short-term and are continuing with the township establishment application to enable greater flexibility in how we leverage the value of the property in the future.

Building Disposals

Ten buildings were identified for disposal at the start of the 2023/24 financial year. By the close of the year, we successfully completed two building sales and are

optimistic about securing additional offers on other properties early in the upcoming financial year.

Our well-maintained buildings have generated positive interest from prospective buyers. Five buildings require authorisation for disposal from SHRA because they received institutional grant funding, and we have submitted our disposal authority application to SHRA. The application process required JHC to consult with other social housing institutions in the innercity, and this exercise revealed a healthy interest in our buildings which bodes well for the sales process once the disposal authorisation is received.

Key Achievements



Property Developments

BHC has successfully taken over Newtown 606, with erf 171 cleared. Demolition permits have been secured for erven 167 and 172, allowing the Brickfields South land assembly to move forward.

Properties Disposal Process Launched

The sale of Dorchester Mansions and Shonalanga has initiated the planned disposal process. It is anticipated that suitable offers on three more buildings will be received in the new financial year.

JHC also submitted a disposal authority application for five subsidised buildings to SHRA, and secured confirmation of an intention to acquire two of those properties from an inner city stakeholder.

Key Challenges



Town Planning Activities Paused

Town planning activities linked to the development pipeline have been paused. This may delay progress when we

are prepared to move forward with development, but the preparatory work that has already been done will enable a quick resumption of these activities.

Challenges Surrounding Building Disposals

Market conditions have made it difficult to sell our buildings at our asking price. The SHRA disposal authority application process is a potentially lengthy one, which limits our ability to engage meaningfully with potential buyers in the short term.

Focus for 2024/25

While progress on the building disposals has not been as fast as we would have wished, we reached the end of the 2023/24 year with a clearer sense of the way forward. There are plans to increase letting revenue at Teba and the township establishment process has restarted. We expect to sell three more buildings in the next financial year with more expected within the first half of 2024/25, and we are slowly but surely securing the Brickfields South land for future development. The focus in the coming year will remain strongly on the disposals and improving revenue streams for Teba.



Joan Stow
Executive Assistant



Matthew Jackson
Development Manager



Colleen Ormond
Strategy and Projects
Manager

“ Nature has given us all the pieces required to achieve **exceptional wellness and health**, but has left it to us to put these pieces together. ”

- DIANE MCLAREN

SECTION 3 GOVERNANCE

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The JHC Group of Companies is led by a various Boards, overseeing the Johannesburg Housing Company (JHC), Brickfields Housing Company (BHC) and Makhulong A Matala (MAM). These Boards collaborate to maintain good governance over the JHC Group and operational oversight for each entity, while also ensuring they are ethically sound and socially responsible.

3.1. JHC – Board of Directors

JHC Board Responsibilities

JHC’s Board is responsible primarily for:

- Determining the Group’s strategic direction and overseeing its implementation,
- Ensuring effective risk management,
- Establishing a sound foundation and providing clear leadership for ethical and effective management and oversight,
- Encouraging optimum performance, and
- Safeguarding corporate governance within the JHC Group of companies.

The JHC Board is further responsible for establishing a comprehensive and appropriate framework for the delegation of authority that empowers its subcommittees, the CEO, and management of JHC to act on its behalf.

Members of the Board

The JHC Board comprises 12 directors, of whom ten are independent non-executive directors and two are executive directors. The Board meets at least once per quarter and is chaired by Non-Executive Director, Mr Benjamin Nokaneng.



Mr Benjamin Nokaneng
Chairman & Non-Executive Director
Chairman and Founder ART-M Investments



Mr Mzomhle Nyenjana
Non-Executive Director
Chief Financial Officer Kagiso Trust



Ms Silindokuhle Chamane
Non-Executive Director
Chief Financial Officer Thesele Group



Mr Sam Mokoros
Non-Executive Director
Head of New Listings and Internal Corporate Finance at the Johannesburg Stock Exchange



Ms Bishnen Kumalo
Non-Executive Director
Co-Founder & CEO DigiSquad South Africa



Ms Precious Mulaudzi
Non-Executive Director
Founder and Director of Manubi Contractors & Consulting Services



Mr. Robert Giurich
Non-Executive Director
Former chairman of Giurich Coastal Projects and former Executive Member of the Master Builders Forum (retired)



Ms Nonqubela Maliza
Non-Executive Director
Executive Director Corporate and Government Affairs VWSA (Volkswagen)



Ms Jill Strelitz
Non-Executive Director
Director of Novo Impact Fund and The New Housing Company and TUHF21, Non-Executive Director of Umastandi, TUHF Foundation



Ms Viwe Landu
Non-Executive Director
Founder and CEO of Lenhle Quantity Surveyors



Ms Elize Stroebel
Executive Director
CEO, Johannesburg Housing Company



Mr Prosper Mpofu
Executive Director
(resigned October 2023)

JHC Executive Committee

JHC management is responsible for the implementation of the Group's approved strategy in the daily operations of the business. The roles and responsibilities of each executive function are provided in the respective work profiles and contracts.

The JHC Executive Committee includes the following members:

- Ms Elize Stroebel (Chief Executive Officer)
- Ms Thato Makhapha (Acting Chief Financial Officer)
- Ms Lindi Malinga (Customer Relations Executive)
- Mr Boyce Maritz (Property Executive)
- Mr Tumi Pambo (Information Technology Executive)
- Mr Lungisani Ntuli (MAM General Manager)

3.2. BHC – Board of Directors

Brickfields Housing Company (BHC) was established within the JHC Group in 2002, as a special purpose vehicle to develop the Brickfields housing complex in Newtown – comprising Brickfields, Legae, and Phumulani and, more recently, Heritage View. Clarence Court also forms part of the BHC portfolio.

BHC is a wholly owned subsidiary of JHC. It operates under its own Board of Directors, who are appointed by the JHC Board.

Members of the Board

The BHC Board comprises five directors, including four non-executive and one executive director. The Board meets quarterly and is chaired by Mr Robert Giuricich.

Board Members:

- Mr Robert Giuricich (Chairman)
- Mr Benjamin Nokaneng
- Mr Mzomhle Nyenjana
- Ms Viwe Landu
- Ms Elize Stroebel

3.3. MAM – Board of Directors

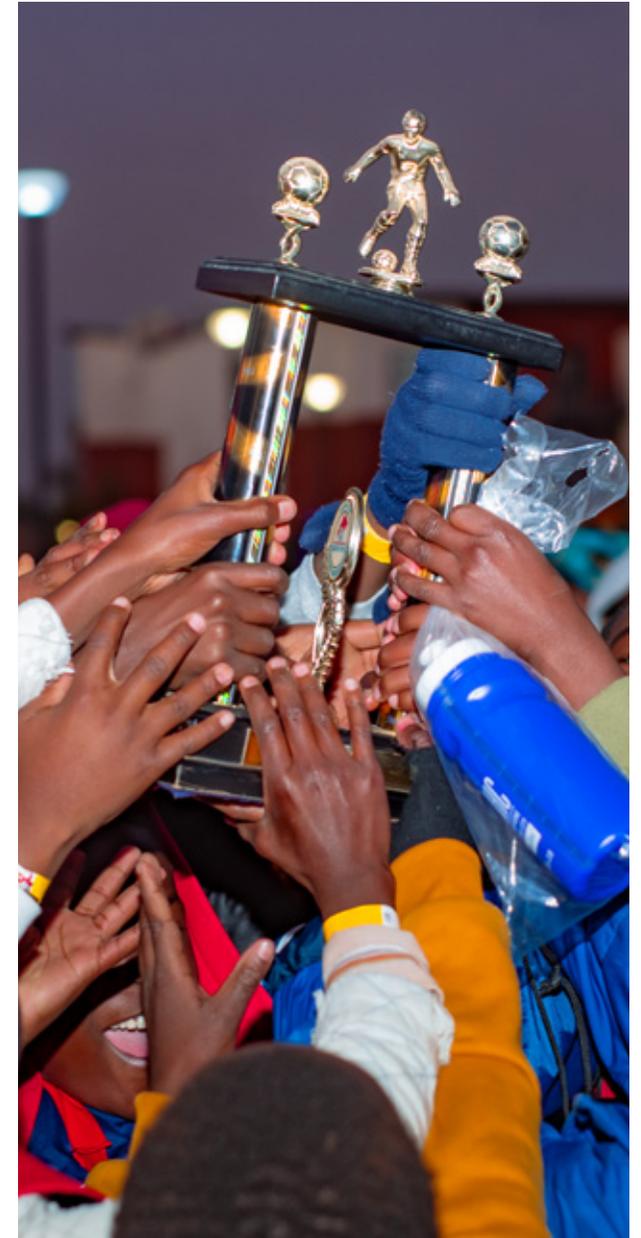
Makhulong A Matala (MAM) is a registered non-profit company and public benefit organisation. MAM was established to strengthen JHC's focus on social development and sustainability. Its status enables donors who provide funding to MAM to deduct the sum of their donations from their taxable income. MAM operates under its own Board of Directors, who are appointed by the Board of JHC.

Members of the Board

The MAM Board comprises eight directors, including seven non-executive and one executive director. The Board meets quarterly and is chaired by Mr. Sam Mkorosi.

Board Members:

- Mr Sam Mkorosi
- Ms Shirley Moulder
- Ms Nompumelelo Mabece
- Ms Sarah Maphoto-Papi
- Ms Evelyn Mabhuu
- Ms Nonkqubela Maliza
- Ms Elize Stroebel
- Mr Lungisani Ntuli



3.4. Board Sub-Committees

The JHC Board delegates certain functions to appointed sub-committees which hold accountability for and expertise in certain areas. Each sub-committee is chaired by a non-executive director and operates within the mandate and delegated authority received from the Board.

AUDIT COMMITTEE

The Audit Committee is comprised of four independent non-executive directors of JHC's Board and is chaired by Mr Mzomhle Nyenjana, CFO of the Kagiso Trust. The JHC's CEO, CFO, Management Accountant, and Compliance Manager as well as the appointed auditors attend meetings as invitees and not as committee members.

The Audit Committee has uninhibited access to all required information and may consult with the internal and external auditors directly. The Committee meets quarterly and operates within the limits set down in the Memorandum of Incorporation and the Companies Act.

Audit Committee Responsibilities

The Audit Committee is responsible for ensuring that:

- Adequate accounting records are maintained,
- An effective system of internal and risk management control exists and is implemented,
- A risk governance strategy and policy are in place and monitored,
- The company is able to meet its present and future needs and obligations,
- Reporting by the company is comprehensive and reliable, and
- The JHC Group complies with the principles of good governance.

In addition to its primary responsibilities above, the Committee is further responsible for:

- Nominating the auditors for appointment,
- Confirming the independence of the auditor,
- Recommending, appointing, and overseeing the external audit process,
- Determining and approving the provision of any non-audit services to be conducted by the auditors,
- Providing comment on the company's financial statements, accounting practices, and compliance with relevant legislation, as well as its internal financial management,
- Approving the annual financial statements and recommending their adoption to the Board,
- Reviewing risk management progress, process, and effectiveness, and
- Monitoring key risks.

Members of the Audit Committee

- Mr Mzomhle Nyenjana (Chairperson)
- Mr Samuel Mokorosi
- Ms Silindokuhle Chamane
- Ms Bishnen Kumalo

REMUNERATION COMMITTEE

All members of the Remuneration Committee are independent non-executive directors. The Committee meets at least twice a year, and its mandate is limited by the Memorandum of Incorporation. Committee members are entitled to access any of the information, documents, and recorded discussions of the Remuneration Committee.

Remuneration Committee Responsibilities

The Remuneration Committee is responsible for:

- Reviewing and making recommendations to the Board on remuneration and service contract matters,
- Ensuring the development and ratification of policies and documentation related to remuneration and conditions of service,
- Approving and authorising executive salary packages and changes per individual,
- Authorising the annual salary budget,
- Authorising the annual incentive bonus,
- Balancing the mandates of the Board and the confidentiality of staff conditions of service, and
- Developing and motivating remuneration and conditions of service proposals that demonstrate the nature of the policy and the financial implications for the company, to the Board for consideration.

Members of the Remuneration Committee

- Mr Robert Giuricich (Chairperson)
- Ms Nonkqubela Maliza
- Ms Jill Strelitz
- Ms Bishnen Kumalo
- Ms Precious Mulaudzi

INVESTMENT COMMITTEE

The Investment Committee has six members, including JHC's Chief Executive Officer and five independent non-executive directors. The Committee meets ad hoc, and its mandate is limited by the Memorandum of Incorporation.

Investment Committee Responsibilities

The Investment Committee is responsible for:

- Approving new projects or programmes within the defined levels of authority prescribed in the Finance Policy,
- Approving capital expenditure within the defined levels of authority prescribed in the Finance Policy,
- Approving investments within the parameters of the Treasury Policy approved by the Board, and
- Examining all investment proposals and recommending decisions to the Board.

Members of the Investment Committee

- Mr Sam Mokorosi (Chair)
- Ms Silindokhule Chamane
- Mr Robert Giuricich
- Mr Benjamin Nokaneng
- Ms Precious Mulaudzi

SOCIAL AND ETHICS COMMITTEE

Members of the Social and Ethics Committee are independent non-executive directors of JHC's Board. JHC's CEO, CFO and Customer Relations Executive attend meetings as invitees and not as committee members. The Committee meets at least once a year and operates under the direction and scope of the Companies Act.

Social and Ethics Committee Responsibilities

The Social and Ethics Committee is responsible for:

- Ensuring compliance with the formal mandate approved by the Board. The mandate is subject to an annual review by the Board.
- Developing an annual work plan including, but not limited to, oversight and reporting on JHC ethics, corporate citizenship, sustainable development, and stakeholder relationships.

Members of the Social and Ethics Committee

- Ms Nonkqubela Maliza (Chairperson)
- Mr Sam Mokorosi
- Mr Mzomhle Nyenjana
- Ms Viwe Landu

IT COMMITTEE

Members of the IT Committee are independent non-executive directors of JHC's Board. Permanent invitees are also required to attend IT Committee meetings. These include the CEO, CFO and IT Executive. Additional invitees receive invitations to report on matters and contribute to discussions as and when required. The Committee meets quarterly and is governed by JHC's Memorandum of Incorporation regulating the meetings and proceedings of directors and committees.

IT Committee Responsibilities

The IT Committee is responsible for:

- Developing an annual work plan to maintain JHC's information technology infrastructure and recommending strategies for JHC to take advantage of the changing short-, medium-, and long-term information and communications technology (ICT) landscape.
- Monitoring JHC's information technology activities, having regard to any legislation, legal frameworks, and prevailing codes of best practice.

Members of the IT Committee

- Ms Bishnen Kumalo (Chairperson)
- Ms Silindokhule Chamane
- Mr Mzomhle Nyenjana
- Mr Benjamin Nokaneng
- Ms Viwe Landu

3.5. Risk Management

JHC's company-wide risk management approach emphasises strong interdepartmental collaboration to address the full spectrum of organisational risks. Aligned with principles of risk, control, and governance, JHC is committed to continuously improving compliance, proactively managing risks, and upholding high standards of governance.

The Board has approved a strategically aligned risk register with related key risk indicators to ensure that the organisation's risks are effectively managed. Management reviews risk quarterly, with the Audit and Risk Committee (ARC) of the Board conducting annual reviews to verify that adequate risk mitigation measures are in place.

Risk management also encompasses compliance management, focusing on legal requirements, health and safety, environmental regulations and data protection. This comprehensive approach ensures that the organisation adheres to all relevant laws and standards, mitigates operational risks, and fosters a safe and compliant workplace for employees and stakeholders.

3.6. Compliance

The JHC Compliance function seeks to embed good governance in all aspects of our operations. The following is an overview of our compliance approach and functions for the 2023/24 financial year.

Policies and Procedures

JHC's policies and procedures are closely monitored to ensure that they adhere to the applicable regulations and are legally sound. In the year under review, several policies were updated to ensure that they align with the current legislative framework, mitigate key risks which might impact the JHC and reflect changes in the JHC's internal business environment.

The following policies were reviewed during the reporting period:

- Asset Management has been approved and replaces the current Building Management Policy.
- HR Policy has been approved and will be communicated via Exco later in 2024.

Data Protection

JHC's focus on the Protection of Personal Information Act (POPIA) underlines our dedication to data privacy and the security. As a landlord, we recognise that complying with POPIA is not just about good governance; it's about maintaining the trust of our tenants. JHC continuously identifies and monitors potential POPIA risks and implements mitigation measures where needed.

There were no reported data breaches and thus no fines and penalties imposed by the Information Regulator during the year under review. Cybersecurity awareness training was rolled out to all staff on 18 April 2024 through the KnowBe4 platform. Most staff completed training by the end of the financial year with the Department striving for a 100% completion rate.

The Department undertook a review of the JHC POPIA Policy in 2023/24. The Compliance Department was entering review discussions with the JHC Chief Information Officer (CIO) at the end of the reporting period.

Disclosures and Whistleblowing

JHC conducts business with integrity and strives for ethical and effective leadership. The JHC structure, business, operations and disclosure practices have been strictly aligned to corporate governance policies including the protection of whistleblowers through the JHC Protected Disclosures and Whistleblowing hotline. JHC focuses on promoting equality, preventing unfair discrimination and reducing corruption.

JHC directors and staff are required to disclose and declare any conflict of interests. The Compliance Department has continued with its campaign to encourage the reporting fraudulent activities including corruption and irregular misconduct via the Vuvuzela Hotline. There were no reports of fraud and corruption received via the Vuvuzela Hotline during the reporting period.

Diversity and B-BBEE

JHC demonstrates diversity within its various Boards and employee base, reflecting South Africa's varied demographics and encompassing a range of skills and experiences. Our 2022/23 B-BBEE verification was finalised during the reporting period and a certificate was issued on 24 June 2024. JHC's B-BBEE rating has improved significantly from a Level 4 to a Level 2.



B-BBEE Rating

2022/23 - Level 4
2023/24 - Level 2

JHC remains committed to continuously improving our B-BBEE score and advancing transformation in the sector. Key focus areas will include implementing initiatives to assist in improving on skills development as well as exploring additional strategies across the Specialised Property Sector Code to improve the B-BBEE rating and contribute positively to the transformation in the sector.

COMPLIANCE



Lukhanyis Kona
Compliance Manager



Mamosa Nonyane
Compliance Specialist



Kholofelo Matshaba
Legal Specialist



Thanyani Mudau
Legal Specialist



Debbie Johnson
Supply Chain Manager



“ **Setting goals** is the **first step** in turning the invisible into the visible.”

- TONY ROBBINS

SECTION 4

OUR FINANCIAL PERFORMANCE

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MESSAGE FROM OUR CHIEF FINANCIAL OFFICER

Resilience remained a recurring theme over the 2023/24 financial year. Despite a persistently tough economic environment, JHC's operating profit and collections improved in 2023/24. I am furthermore confident that measures implemented throughout the financial year will drive continuous improvement in JHC's financial performance as we look ahead to 2024/25.

Overview of Results

The Group generated a net profit before fair value adjustment and tax of R15,4 million in 2023/24, up from R2,7 million the previous year. After considering fair value adjustment losses amounting to R89,8 million, the Group reported a net loss after tax for the year of R62,2 million (2023: R28,4 million). Group revenue increased by 4.0% year-on-year to R284,4 million (2023: R273.2 million).

The Group's average vacancies increased to 13.95% in 2023/24, up from 12.03% the prior year. Although vacancies did decline sharply towards the end of the financial year, this followed a series of fluctuations leaving JHC unable to achieve its budgeted vacancy rates. One area of clear improvement, however, is the

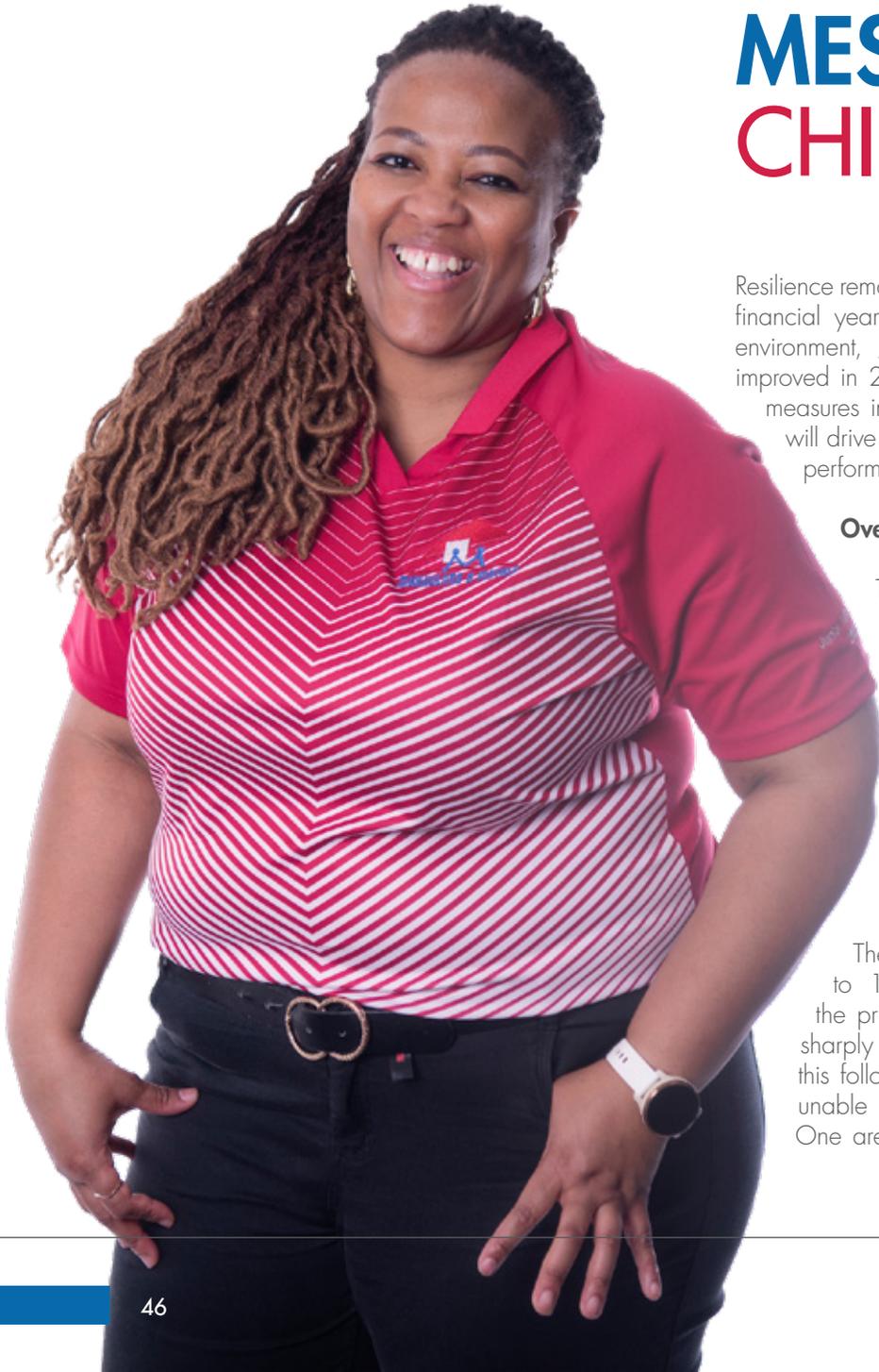
positive turnaround in our average arrears rate which fell to 9.92%, down from 12.98% the previous year.

Management does not anticipate a significant drop in the demand for affordable housing in Johannesburg and are confident in the market over the medium to long term. Based on forecasts and available cash resources, management have no reason to believe that the Group will not be a going concern in the foreseeable future.

Market Insights

South Africa continued to face a tough economic climate in 2023/24. Rising interest rates, high inflation, and a weak economy culminated in a cost-of-living crisis. The economy also suffered as a result of record loadshedding, with almost 6,950 hours of power cuts in 2023, more than doubling the loadshedding incurred in 2022.

The Rode Report for Q4 2024 reported a vacancy rate averaging 6.7% nationally, down from 7.9% the previous quarter. Flat rentals across Gauteng grew by 2% year on year in the first quarter of 2024, according to data from StatsSA. Nevertheless, the increase in demand has had little impact on rental rates, which remained mostly flat. In this respect, JHC Group is aligned with the market, implementing rental reductions and retaining flat rental rates across many properties in 2023/24.



Challenges & Risks

The vacancy rate continued to pose a significant challenge throughout 2023/24. Vacancies are mainly driven by affordability, which is further impacted by high inflation and interest rates as well as high utility charges. Nevertheless, the drop in vacancies towards the end of the financial year is encouraging and reflects JHC's efforts to retain tenants and improve recruitment.

JHC has been actively selling investment property in the market, however, due to the status of the market JHC anticipates losses on these sales. Nevertheless, these buildings have been assessed and are not well-aligned to the company's forward-looking strategy and therefore are not sufficiently contributing to overall performance.

Key risks heading into 2024/25 include continued downward pressure on tenant affordability. Utilities costs continue to increase, and unresolved utilities queries are expected to have an ongoing impact on operational costs. JHC Group has commenced with utility strategies to address these challenges.

Finally, JHC is moving towards addressing the core infrastructure challenges that are facing many landlords currently such as the unreliability of water and energy services that is impacting tenant satisfaction and

operational costs and may continue to impact negatively on vacancy rates. JHC is pursuing borehole projects to mitigate this risk along with other infrastructure investments. In January 2024 two of these projects, at the Heritage View and Phumulani properties, came into effect.

Opportunities for 2024/25

The increase in rental rates within some buildings as well as the continued reduction in vacancies and arrears will have a positive impact on revenue in 2024/25. Tenant retention and revenue will also be boosted by improved processes, technology and management of utility recoveries. The Group has gained momentum in resolving council queries and is prioritising those with the greatest potential cost savings. JHC is also expected to find significant cost savings as a result of the sale of underperforming buildings.

We anticipate a stronger rental market in 2024/25 as a result of improved economic performance and governance. Furthermore, recent improvements in energy supply and security are expected to have a positive impact on tenant satisfaction, while also improving overall economic performance with a knock-on benefit for income and affordability.

Looking Ahead

JHC has made significant strides over the last two reporting periods, towards a more sustainable organisation. Looking ahead, these interventions will continue to drive improved financial performance and a return to profitability.

I am thus confident that JHC will re-emerge as a leader in social housing, delivering not only quality and affordable accommodation, but also improving tenants' quality of life. For this and for their dedication during the year under review I am grateful to the JHC Finance team, our leadership and dedicated staff.

Ms Thato Makhapha

Acting Chief Financial Officer
JHC Group

FINANCE



Lindiwe Ndziba
*Finance and Operations
Manager*



Raseeng Mohoje
Financial Accountant



Simamisa Buthelezi
*Junior Management
Accountant*



Precious Manganyi
Financial Analyst



Thembi Gamede
Bookkeeper



Nadia September
Accounts Payable Clerk



Shivana Harilal
Accounts Payable Clerk



Simangele Nzimande
Financial Administrator



Fathima Goolam Hoosen
Bookkeeper



Karabo Mamugudubi
*Trainee Accountant
(Temp)*

FINANCE - COLLECTIONS



Phumi Jali
Collections Team Leader



Tebogo Mhlanga
Collections Team Leader



Matabudi Malaka
Collections Administrator



Nozipho Ngqulunga
Collections Administrator



Olivia Ngobeni
Collections Administrator



FINANCE - PROPERTY ACCOUNTS



Jackie Tyobeka
Property Accounts Team
Leader



Mahlodi Malane
Property Accounts Team
Leader



Noxolo Malinga
Property Accounts
Administrator



Sibahle Msindo
Property Accounts
Administrator



Lebo Mathata
Property Accounts
Administrator (Temp)



4.2. DIRECTORATE AND ADMINISTRATION

Johannesburg Housing Company NPC

Company registration number:
1995/013843/08
NPO registration number:
026-005-NPO

Brickfields Housing

Company (Pty) Ltd
Company registration number:
2002/026972/07

BHC Development (Pty) Ltd

Company registration number:
2019/565290/07

BHC Dev 1 (Pty) Ltd

Company registration number:
2020/758716/07

Makhulong a Matala Community Development Services NPC

Company registration number:
2003/029904/08
NPO registration number:
041-748-NPO
PBO registration number:
930011472

BUSINESS ADDRESS

Ground Floor, Majestic Building
141 Lilian Ngoyi Street
Newtown
2001

ATTORNEYS

Cliffe Dekker Hofmeyr

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Sandton, Johannesburg
2196

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Bull & Bear House
58 Lyme Place
Lyme Park, Sandton
2196

Mervyn Smith Attorneys

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14 Nugget Street
City and Suburban
Johannesburg
2001

Shepstone & Wylie

Ground Floor, The Lodge
38 Wierda Road West
Wierda Valley
Sandton
2132

Mithembu Inc. Attorneys

1214 Paul Street
Moreleta Park
Pretoria
0044

Prinsloo Whitehead Madalane Attorneys

108 Annie Botha Avenue
Riviera
Pretoria
0084

BANKERS

Absa Bank Limited

ABSA Business Centre
Palazzo Towers West
Montecasino Boulevard
Fourways
2055

First National Bank
BankCity
Cnr Kerk and Harrison Streets
Johannesburg
2000

Nedbank Limited

100 Main Street
Johannesburg
2001

The Standard Bank of South Africa

88 Commissioner Street
Johannesburg
2001

AUDITORS

Karolia Jeena Inc.

4 Wabord Road
Parktown
2193

4.3. AUDITED RESULTS FOR THE 2023/24 FINANCIAL YEAR

Johannesburg Housing Company NPC
Company registration number: 1995/013843/08
NPO registration number: 026-005-NPO

AUDIT OPINION

Johannesburg Housing Company NPC and its subsidiaries' annual financial statements have been audited by the independent auditors, Karolia Jeena Inc. Their unqualified audit report is available for inspection at the company's registered office.

ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standards. The accounting policies used in the preparation of the annual financial statements are consistent with those used in the previous financial year, with the exception of certain mandatory changes relating to standards that became effective during the current reporting term and are relevant to the operations of the Group.



4.4. STATEMENTS OF FINANCIAL POSITION

Assets

Non-current assets

Property, plant and equipment
Investment property
Intangible assets
Investment in subsidiaries
Capital work in progress
Loans to Group companies

Total non-current assets

Current assets

Inventories
Trade and other receivables
Current tax assets
Non-current assets held for sale
Loans to Group companies
Prepayments
Cash and cash equivalents

Total current assets

Total assets

Equity and liabilities

Equity

Issued capital
Retained income

Total equity

Liabilities

Non-current liabilities

	Group		Company	
	2024	2023	2024	2023
	R'000	R'000	R'000	R'000
Property, plant and equipment	2,021,601	4,347,064	1,411,269	3,526,120
Investment property	1,313,931,405	1,391,696,136	928,900,000	987,300,000
Intangible assets	344,595	2,014,040	344,595	2,014,040
Investment in subsidiaries	-	-	18,065,885	18,065,885
Capital work in progress	3,168,560	2,981,222	-	-
Loans to Group companies	-	-	83,018,334	94,132,106
Total non-current assets	1,319,466,161	1,401,038,462	1,031,740,083	1,105,038,151
Inventories	743,120	831,899	743,120	831,897
Trade and other receivables	12,136,731	11,885,587	7,747,301	7,937,842
Current tax assets	1,235,166	884,218	37,212	145,322
Non-current assets held for sale	10,500,000	-	9,000,000	-
Loans to Group companies	-	-	182,355	197,156
Prepayments	1,152,242	1,301,664	1,152,242	1,301,664
Cash and cash equivalents	100,709,891	126,116,775	14,801,024	18,432,377
Total current assets	126,477,150	141,020,143	33,663,254	28,846,258
Total assets	1,445,943,311	1,542,058,605	1,065,403,337	1,133,884,409
Issued capital	74,419,636	74,419,636	74,419,636	74,419,636
Retained income	905,776,453	968,034,313	624,391,316	669,916,867
Total equity	980,196,089	1,042,453,949	698,810,952	744,336,503

STATEMENTS OF FINANCIAL POSITION (CONT.)

	Group		Company	
	2024	2023	2024	2023
	R'000	R'000	R'000	R'000
Deferred tax liabilities	170,095,432	182,257,577	127,379,469	134,059,028
Other financial liabilities	4,640,247	6,618,995	1,530,987	6,618,995
Loans from Group companies	-	-	29,000,000	29,000,000
Total non-current liabilities	174,735,679	188,876,572	157,910,456	169,678,023
Current liabilities				
Trade and other payables	69,975,187	61,188,266	50,679,862	50,156,715
Other financial liabilities	213,901,140	240,893,408	137,371,933	147,566,758
Lease liabilities	-	1,513,745	-	1,513,745
Loans from Group company	-	-	13,500,000	13,500,000
Conditional Government Grant	7,070,714	7,070,714	7,070,714	7,070,714
Bank overdraft	64,502	61,951	59,420	61,951
Total current liabilities	291,011,543	310,728,084	208,681,929	219,869,883
Total liabilities	465,747,222	499,604,656	366,592,385	389,547,906
Total equity and liabilities	1,445,943,311	1,542,058,605	1,065,403,337	1,133,884,409

4.5. STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group		Company	
	2024	2023	2024	2023
	R'000	R'000	R'000	R'000
Revenue	284,403,161	273,156,960	206,058,261	200,291,921
Cost of sales	(168,968,003)	(166,387,889)	(119,897,458)	(124,886,155)
Gross profit	115,435,158	106,769,071	86,160,803	75,405,766
Other income	2,343,413	727,393	5,945,215	5,757,480
Administrative expenses	(15,392,622)	(17,879,908)	(13,877,199)	(16,221,401)
Other expenses	(70,772,954)	(71,502,979)	(57,672,841)	(64,867,846)
Other gains and (losses)	(89,754,695)	(43,406,370)	(63,735,307)	(31,560,247)
Loss from operating activities	(58,141,700)	(25,292,793)	(43,179,329)	(31,486,248)
Finance income	9,703,991	10,607,591	12,101,070	13,087,173
Finance costs	(25,982,296)	(26,093,431)	(21,126,851)	(21,233,260)
Loss before tax	(74,420,005)	(40,778,633)	(52,205,110)	(39,632,335)
Income tax credit	12,162,145	12,337,448	6,679,559	11,177,633
Loss for the year	(62,257,860)	(28,441,185)	(45,525,551)	(28,454,702)

4.6. STATEMENTS OF CHANGES IN EQUITY

Group

Balance at 1 July 2022

Changes in equity

Loss for the year

Total comprehensive loss for the year

Balance at 30 June 2023

Balance at 1 July 2023

Changes in equity

Loss for the year

Total comprehensive loss for the year

Balance at 30 June 2024

Issued capital	Retained income	Total
R'000	R'000	R'000
74,419,636	996,475,460	1,070,895,096
-	(28,441,185)	(28,441,185)
-	(28,441,185)	(28,441,185)
74,419,636	968,034,313	1,042,453,911
74,419,636	968,034,313	1,042,453,949
-	(62,257,860)	(62,257,860)
-	(62,257,860)	(62,257,860)
74,419,636	905,776,453	980,196,088

Company

Balance at 1 July 2022

Changes in equity

Loss for the year

Total comprehensive loss for the year

Balance at 30 June 2023

Balance at 1 July 2023

Changes in equity

Loss for the year

Total comprehensive loss for the year

Balance at 30 June 2024

Issued capital	Retained income	Total
R'000	R'000	R'000
74,419,636	698,371,569	772,791,205
-	(28,454,702)	(28,454,702)
-	(28,454,702)	(28,454,702)
74,419,636	669,916,867	744,336,503
74,419,636	669,916,867	744,336,503
-	(45,525,551)	(45,525,551)
-	(45,525,551)	(45,525,551)
74,419,636	624,391,316	698,810,952

4.7. STATEMENTS OF CASH FLOWS

Net cash flows from/ (used in) operations

Interest paid

Interest received

Income taxes (paid)/ refunded

Net cash flows from/ (used in) operating activities

Cash flows used in investing activities

Proceeds from sales of property, plant and equipment

Purchase of property, plant and equipment

Additions to investment property

Capital work in progress costs incurred

Movement in loans to Group companies

Cash flows used in investing activities

Cash flows used in financing activities

Loans received from Group companies

Repayments of financial liabilities

Repayment of lease liability

Cash flows used in financing activities

Net decrease in cash and cash equivalents

Cash and cash equivalents at beginning of the year

Cash and cash equivalents at end of the year

	Group		Company	
	2024	2023	2024	2023
	R'000	R'000	R'000	R'000
Net cash flows from/ (used in) operations	44,992,723	6,313,719	25,680,924	(7,943,096)
Interest paid	(25,982,296)	(26,058,225)	(21,126,851)	(21,198,054)
Interest received	9,683,938	10,572,385	12,101,070	13,051,967
Income taxes (paid)/ refunded	(350,948)	270,979	108,110	-
Net cash flows from/ (used in) operating activities	28,343,417	(8,901,142)	16,763,253	(16,089,183)
Cash flows used in investing activities				
Proceeds from sales of property, plant and equipment	292,862	-	292,861	13,600
Purchase of property, plant and equipment	{883,008}	(741,755)	{680,987}	(1,122,019)
Additions to investment property	(22,490,604)	(12,292,887)	(14,335,944)	(5,849,220)
Capital work in progress costs incurred	(187,338)	(1,012,395)	-	-
Movement in loans to Group companies	-	-	-	45,272
Cash flows used in investing activities	(23,268,088)	(14,047,037)	(14,724,070)	(6,912,367)
Cash flows used in financing activities				
Loans received from Group companies	-	-	11,128,573	(6,719,102)
Repayments of financial liabilities	(28,971,019)	(27,701,794)	(15,282,833)	(14,881,184)
Repayment of lease liability	(1,513,745)	(621,214)	(1,513,745)	(621,214)
Cash flows used in financing activities	(30,484,764)	(28,323,008)	(5,668,005)	(22,221,500)
Net decrease in cash and cash equivalents	(25,409,435)	(51,271,187)	(3,628,822)	(45,223,050)
Cash and cash equivalents at beginning of the year	126,054,824	177,326,011	18,370,426	63,593,476
Cash and cash equivalents at end of the year	100,645,389	126,054,824	14,741,604	18,370,426



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