

Rosebank Management District
Reg number 1998/008836/08

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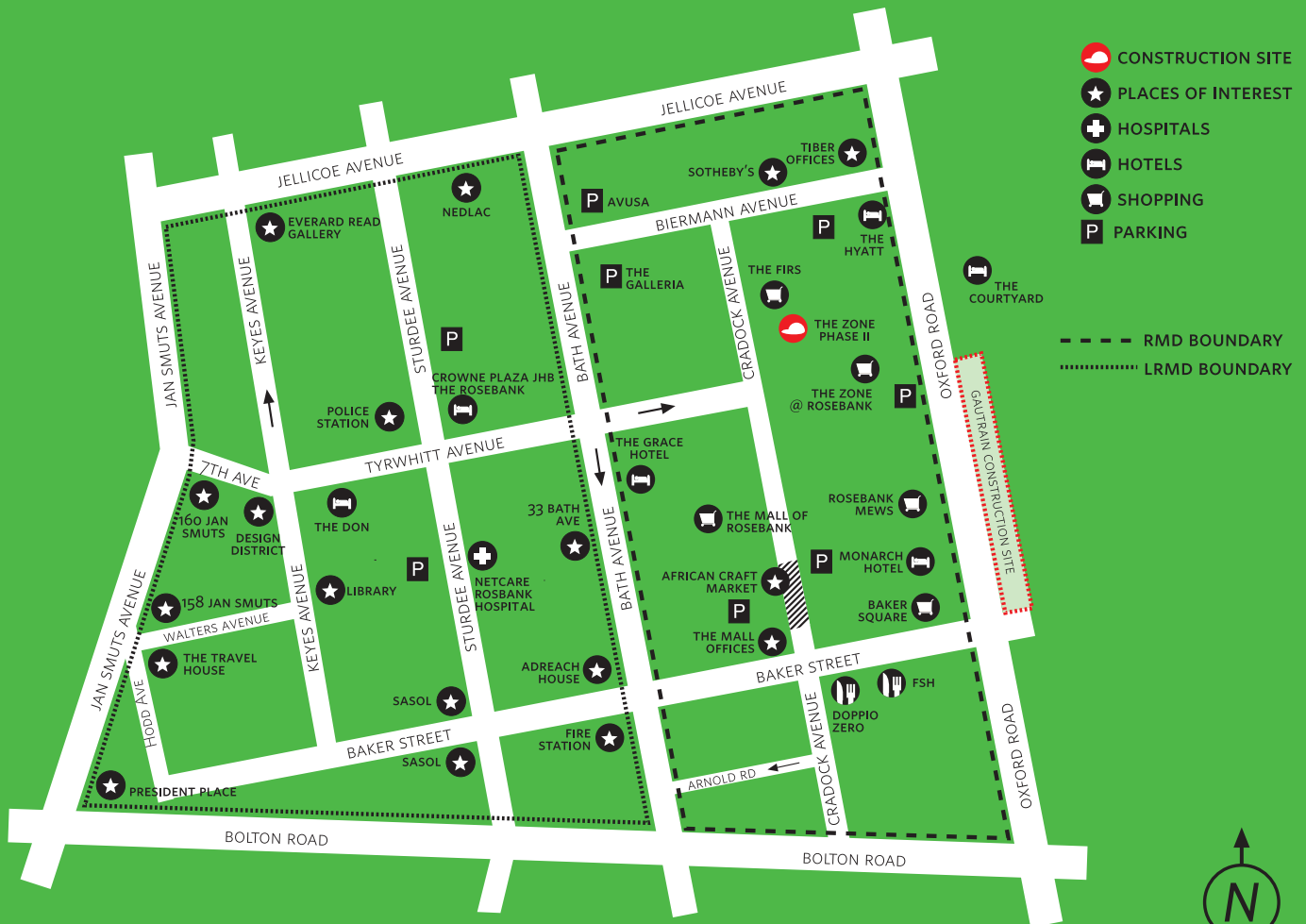
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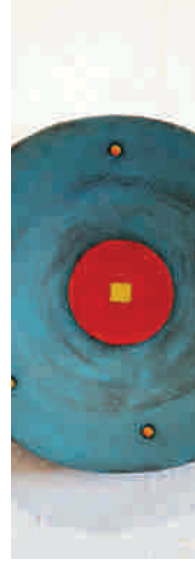


ROSEBANK
MANAGEMENT DISTRICT

ROSEBANK MANAGEMENT DISTRICT
REVIEW 2008/2009

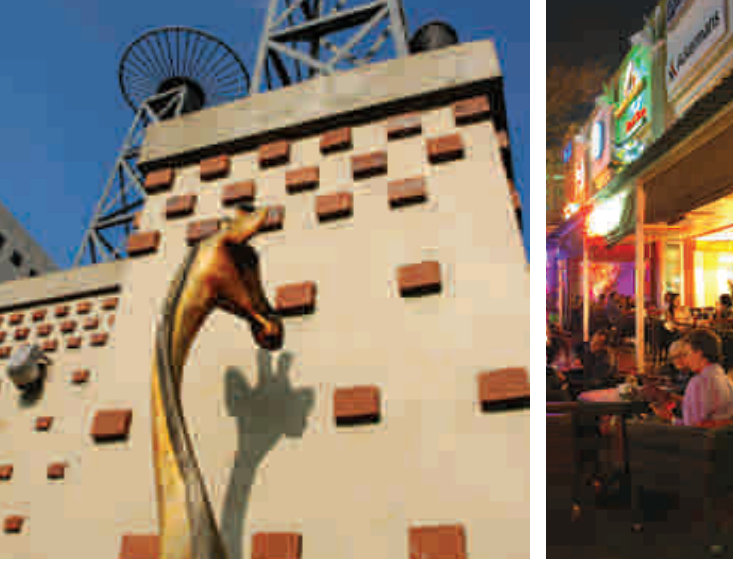


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CHAIRPERSON'S MESSAGE

We are delighted to report that after a very extensive legislative process the Lower Rosebank Management District (LRMD) was registered in December 2007, at which point the LRMD board took a decision to adopt the Rosebank Management District (RMD) look and feel. The two districts agreed to work collectively to serve all property owners and members within the extended district boundaries namely Oxford Road to the east, Bolton Road to the south, Jan Smuts Avenue to the west and Jellicoe Avenue to the north.

The main business and objectives of both Section 21 companies includes preventing urban decay through public space security and cleaning initiatives, in order to create an environment which facilitates and attracts public/private investment opportunities to enhance the district's assets.

The LRMD and RMD collectively, collaborate with various Joburg Metro departments to ensure service delivery commitments are met by the various service providers within the Metro. We continue to participate in the Gautrain and Bus Rapid Transit system processes and engage with the City on appraisals of the nodal plan contained in the Integrated Development Plan, the Regional Spatial Development Framework and the Region B Economic Development Plan.

According to the Rosebank Urban Development Framework (UDF), a number of interventions are required to facilitate development, which consists of a transport strategy, an infrastructure master plan, an open space strategy and a strategy for ongoing collaboration between the City and property owners. Kagiso Urban Management was mandated by both city improvement districts (CIDs) to undertake work in this regard and more specifically are in discussions with the City regarding the investigations required into the infrastructure and transport capacity of the Rosebank node to ensure that the developments proposed for the area through the UDF are viable, whilst also being in line with the requirements for Gautrain and the Bus Rapid Transit system.

Rosebank has been experiencing a property boom with many new mixed use projects under construction and a number of properties changing hands resulting in new rezoning applications for increased bulk being submitted to the city for approval. The growth in Rosebank has received extensive media coverage and there is no doubt that we are destined for very challenging times in the next few years which will alter the face of Rosebank dramatically. Notwithstanding the anticipated growth and development of Rosebank, it is the intention of the CIDs to ensure that Rosebank remains a distinctive place that successfully combines commercial, retail and residential developments within an attractive and blossoming working, shopping and entertainment experience where the pedestrian friendly environment ensures both visitors and residents alike are able to enjoy the outdoor ambience for which Rosebank is renowned.

The Lower Rosebank Management District and the Rosebank Management District would like to extend thanks to the board of directors, executive committee, security committee and marketing committee who have met regularly over the past 12 months as well as those financially involved in the management of the district. The combined efforts of all stakeholders continue to ensure that the public enjoys our welcoming, unique destination.

M PICCINI
CHAIRPERSON
ROSEBANK MANAGEMENT DISTRICT

F ROOTMAN
CHAIRPERSON
LOWER ROSEBANK MANAGEMENT DISTRICT

MANAGER'S REPORT



SAFETY AND SECURITY

Major crime in Rosebank during the period under review reduced by 22 percent compared to the previous twelve months. The close working relationships between the Rosebank Management District (RMD) public safety ambassadors (PSAs), SAPS, JMPD, and other security organisations in the node, all of whom attend the weekly SAPS meetings, combine forces to effectively monitor hot spots both inside and outside public space. They also agree on appropriate strategy to ensure that Rosebank's crime statistics are kept to the absolute minimum.

The total complement of 18 PSAs in the RMD and 14 PSAs in the Lower Rosebank Management District (LRMD) are in radio contact with the control room situated on Bath Avenue. Three armed response vehicles patrol the node to provide back up whilst also checking for any suspicious behaviour or by-law infringements. Six PSAs are also on duty at night to patrol identified hot spots supported by the three armed response vehicles. In August 2009, the RMD assigned a special squad of seven PSAs to work with two SAPS officers to remove street kids, vagrants and illegal traders from the node. This exercise has resulted in 101 arrests and the removal of 36 vagrants from the area.

With the introduction of the LRMD management initiative in February 2008, work immediately commenced on addressing the problems experienced by residents in complexes in close proximity to the nightclubs in Tyrwhitt and Keyes Avenues. For years the residents experienced noise pollution from music, patrons drinking and shouting in public, and noisy car guards. They also struggled to access their premises due to illegal parking in Tyrwhitt and Keyes Avenues. The RMD entered into negotiations with nightclub owners which resulted in their complete co-operation. Nightclub owners hired additional security to keep Tyrwhitt and Keyes clear of illegally parked vehicles and to monitor the noise levels of the car guards and public. On-street parking was restricted to the southern section of Keyes Avenue from Tyrwhitt to Baker. A street cleaner has also been employed to clean up litter and bottles on Friday, Saturday and Sunday mornings. Residents can now have a good night's sleep and are able to go for an early morning walk in a littler free environment over weekends.

The PSAs continue to play a vital role in assisting the public with enquiries and directions and in the 12 month period they attended to 27 777 enquiries in the RMD, 20 percent of which were for tourist attractions, and 26 690 enquiries in the LRMD with 23 percent being for hotels and 17 percent for transport facilities.

During the year, SAPS conducted 62 roadblocks resulting in 50 arrests for various offences including possession of stolen property. SAPS also replaced their morpho touch units with mobile connectivity devices which resulted in 47 arrests for wanted persons. Twelve SAPS reservists work flexi hours over a 24-hour period and provide support to the Rosebank SAPS officers. During the year a 'quick' response telephone connection was launched (011 778 4739) and this has proved to be an excellent initiative resulting in an overall improvement in responses to emergency situations.

In February 2008 SAPS celebrated National Police week on the rooftop of the Mall of Rosebank. The RMD worked closely with SAPS on the 'Fight against crime and child abuse' campaign which took place in June 2008. The National Police day was celebrated on the 27 January 2009 at the Mall of Rosebank.

SAPS provided additional services over the 2008 festive season which included combined roadblocks with JMPD, an increase in street patrols, and stop and search operations with SAPS personnel working flexi hours. This ensured that there was always a strong SAPS presence in the node during this period.

JMPD send a team of eight officers on a regular basis to attend to by-law enforcement issues and emergency situations which are tabled by the RMD at the monthly operations meetings. An update on JMPD activities includes a list of activities undertaken during the month and the number of tickets issued for various by-law infringements. A large percentage of tickets are for illegal parking, which is a problem in the Rosebank CBD, and hefty fines are imposed in this regard. JMPD have indicated that they will provide a tow truck from time to time to remove illegally parked vehicles in Tyrwhitt and Cradock Avenues which we hope will deter motorists who persist in parking illegally at this location.

The RMD/LRMD PSAs worked closely with JMPD to clean up Lower Rosebank which resulted in the removal of hawkers and their equipment from Lower Rosebank in May 2008.

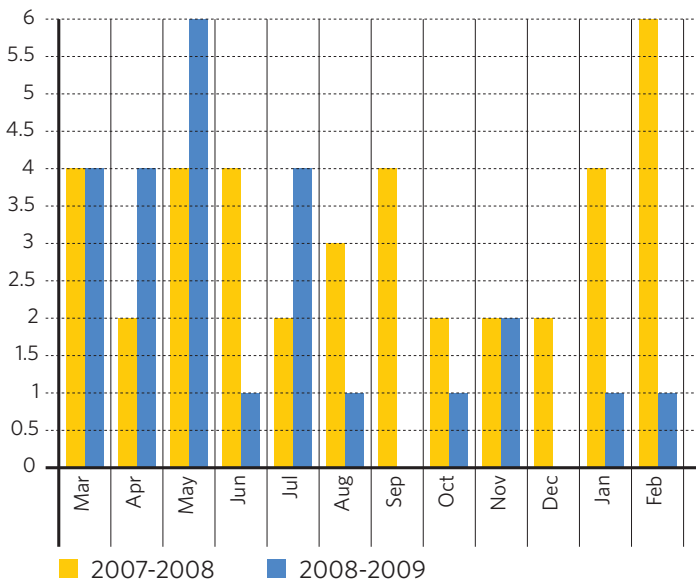


MANAGER'S REPORT CONTINUED

COMPARATIVE STATISTICS – ROSEBANK MANAGEMENT DISTRICT

(March 2007 - February 2008 compared to March 2008 - February 2009)

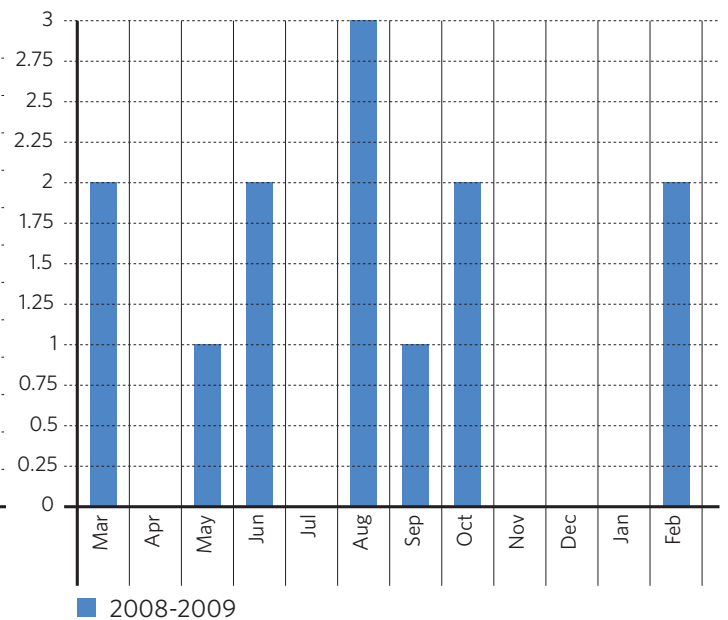
MAJOR INCIDENTS



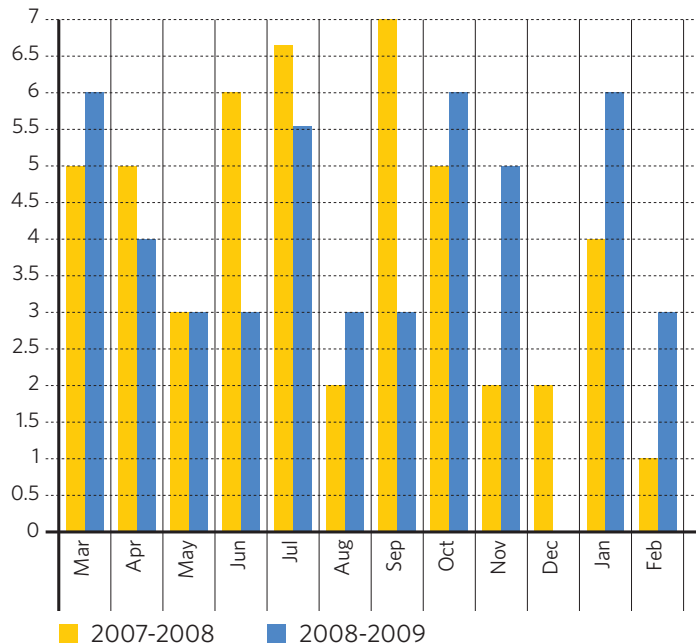
STATISTICS - LOWER ROSEBANK MANAGEMENT DISTRICT

(March 2008 to February 2009)

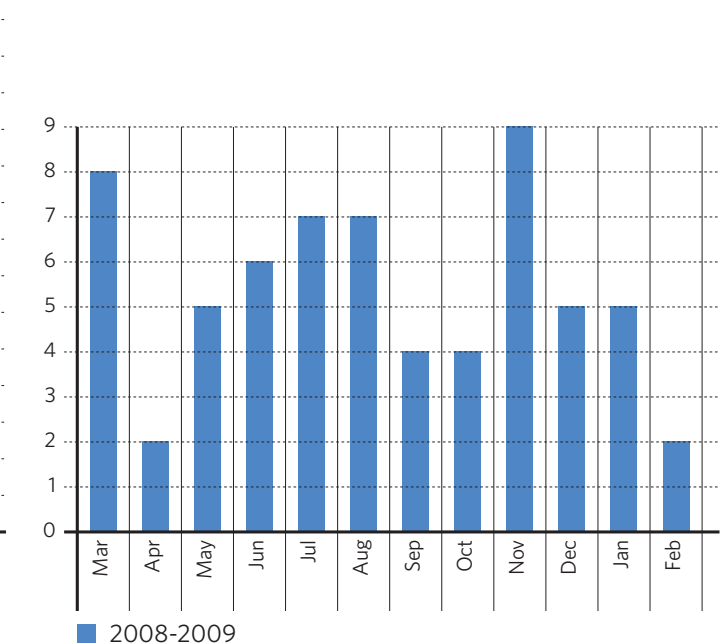
MAJOR INCIDENTS



MINOR INCIDENTS



MINOR INCIDENTS



MANAGER'S REPORT CONTINUED



CLEANING

There is a noticeable improvement in the cleanliness of Lower Rosebank since the deployment of nine cleaners in this CID. Additional dustbins from Pikitup were also placed in the district. Two half day maintenance men are tackling the smaller re-paving and root problems created by trees, which are prevalent in both upper and lower Rosebank, and which is hazardous to pedestrian movement within the node. Whilst City Parks was made aware of the problems of dying trees and exposed roots resulting in uneven paving in parts of the node, they have indicated that this issue will only be addressed once they have completed their projects in previously disadvantaged areas in readiness for the 2010 FIFA World Cup. This is due to staff shortages. RMD has taken this matter up with the Chief Executive of City Parks as immediate attention is required in order to make pavements safe for pedestrians and the elderly residents in particular.

The dust and messy roads and pavements around the construction sites in Rosebank, and the huge volumes of falling Jacaranda leaves in the autumn and winter months are challenges. The cleaning teams work exceptionally hard to overcome these challenges and to ensure that public space is kept as clean as possible under difficult circumstances. A total weight of 142 067 kilogrammes has been removed from the area. Waste removal is undertaken on a daily basis by a dedicated cleaning and maintenance vehicle used solely for this purpose.

In addition to their normal duties the total number of 16 cleaners in the Rosebank 'box' removed 1 823 illegal posters from the node and have been busy with gardening activities which includes weeding, tilling of the soil, and watering plants donated by property owners which were planted on the Bolton and Jellicoe traffic islands. Netcare Rosebank Hospital recently donated three 'Fever' trees in recognition of Arbor month. These have been planted on the Bolton Road traffic island and are also being watered regularly by the cleaning teams.

The LRMD/RMD cleaning crew tackled the re-painting of the kerbs during the year and monthly clean up blitzes are undertaken by a squad of five cleaners. These are provided free of charge to ensure that Rosebank is well maintained at all times according to expected standards.

VISIBLE SERVICE DELIVERY

Constant staff movements in the City's utilities and agencies departments necessitates regular visits to the various departments by our Operations Manager in order to re-establish and maintain relationships with council officials. Good working relationships with the City are vital to ensure that maintenance items reported to the City are timeously addressed. Changes in staff and the resultant lack of knowledge of referencing and reporting systems has had an impact on service delivery. The RMD has re-submitted comprehensive lists to all departments both through the Region B visible service delivery monthly meetings

and directly to the call centres concerned. The tenacity shown by the operations team has produced some excellent results and we are now experiencing a relatively short turnaround time with faults being rectified within the promised timeframes.

There was a lot of activity during the year with major phone companies trenching and laying new fibre optic cables. Pavements, flower beds, and portions of streets were dug up time and again as each new service provider re-opened recently covered trenches to lay their cables. Final reinstatement to expected standards was a slow process. The RMD convened meetings with JRA, Joburg Water, and the subcontractors concerned. At these meetings standards were prescribed and reinstatement was only accepted once the property owner had signed off at the final inspection.

Re-stripping of the roads was also undertaken in early 2009 and once again the quality of paint used is below standard. The RMD is taking up this issue with JRA. City Power commenced with re-cabling certain sections to address the street lights which were constantly out of order due to faulty cabling. City Power has given us an undertaking that all street lights in the node will be working perfectly by October 2009.

JRA have ordered the street names which will be erected on street poles in future and not painted on kerbs. These are expected to be erected later in the year.

Environmental Health has issued notices to owners to refrain from discharging water onto the streets at certain locations. This issue will be closely monitored not only for health reasons but also from a maintenance point of view as constantly flowing water down the gutters erodes the road surfaces.

MARKETING

Marketing initiatives were limited during the year. The board agreed that budgeted marketing expenses should only be utilised on special projects to create awareness of Rosebank and to promote the fact that Rosebank is still in business in spite of the node looking somewhat like a construction site. The board also agreed to work towards a new look and feel for the node to depict not only what Rosebank is currently but what it will become once new developments, and increased densities as set out in the Urban Development Framework, become a reality.

A few marketing projects were, however, undertaken during the 2008/09 financial year including the compilation of an electronic version of the 'Rosebank Directory' which was posted to the website in early 2009, and an advertising campaign in the local Gazette in the run up to the 2008 festive season.



MANAGER'S REPORT CONTINUED

The 2008 edition of the 'Panoramic View to Rosebank' was published in June 2008 and proved to be so popular that a second print run was undertaken to cope with demand.

The 2007/08 Annual Review tabled at the Annual General Meeting in January 2009 was also a most successful publication and is proving to be a very valuable marketing tool. We are receiving many requests for additional copies from property owners and hotels in the node to hand out to overseas delegations and visitors to Rosebank.

During the year the board agreed to re-build the website to improve navigation and to make it more user-friendly and work on this project is in progress.

The distribution list for the monthly electronic newsletter continues to grow and now stands at over 900 subscribers.

A new logo has now been approved for Rosebank and more information is available in a separate section of this review.

ROSEBANK INFRASTRUCTURE AND OPEN SPACES

A number of initiatives proposed as part of the council approved Rosebank Urban Development Framework (UDF) have been investigated on behalf of the RMD and LRMD. More specifically there has been extensive contact and interaction with the City of Johannesburg's City Parks in order to obtain buy-in to the proposed Rosebank open space framework that is envisaged as a possible way in which to optimise all the open space (both private and public) in a manner that will promote pedestrian movement throughout the node whilst utilising these open spaces more effectively. A final presentation will be given on 2 October 2009 and more formal feedback regarding City Park's buy-in will be made available after such time.

Additionally it has been established that due to severe budget constraints of council, not all the necessary infrastructure investment can take place along the timeframes that may be required. Budget constraints also mean that current backlogs will not be addressed and nor will the support be provided for the proposed densification of the Rosebank node as per the development guidelines set out in the Urban Development Framework. To this end, Kagiso Urban Management has done extensive research regarding potential alternative financing models that could potentially be put in place to address transport and infrastructure challenges in the node. Council has indicated their willingness to consider this sort of interaction, but more information regarding the magnitude of investment is required in order to compile a more detailed and specific approach to the challenge.

Kagiso Urban Management is sourcing appropriate service provider quotes in order to possibly undertake various investigations into the infrastructure and transport interventions that are required in the node.

The issue of upgrading the existing public health care clinic has also been receiving attention from council and this project has been included in the 2009/2010 Integrated Development Plan. This project has been identified for implementation over the next three years and follow-ups are required with the relevant responsible departments in order to monitor action taken in this regard.

Council processes are cyclical in nature and there are a number of policy documents that are reviewed on an annual basis in order to adjust the council focus and budget availability. Two such documents that were reviewed by Kagiso Urban Management on behalf of the RMD/LRMD included the Region B Regional Spatial Development Framework and the Region B Economic Development Plan. Constant interaction with council ensures that the Rosebank Management District is aware of the priority areas where council will be making investment, but it also provides an opportunity to identify possible partnership potential for the benefit of the node.

Interaction with council is constant and it is important to cultivate a good strong working relationship that can withstand movement of people within different departments to ensure the benefit to the Rosebank node is always promoted.

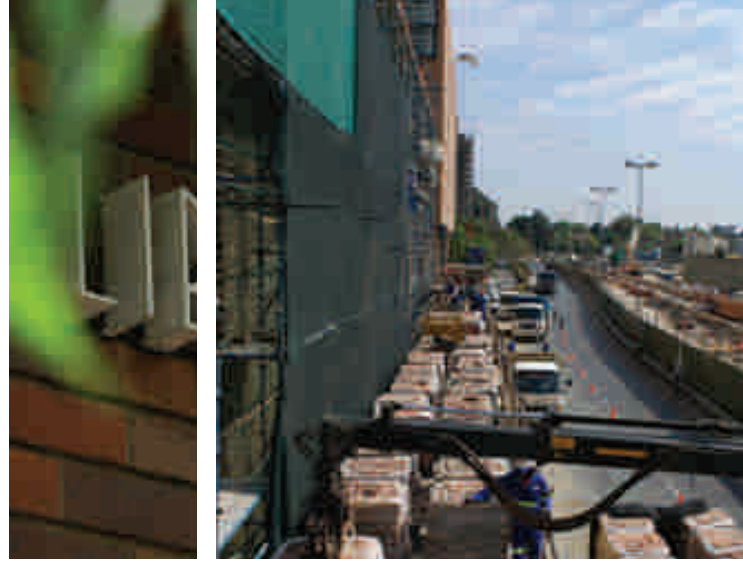
TAKING CARE OF OUR PEOPLE

The Rosebank Homeless Association (RHA) has officially been in existence for seven years and is extremely fortunate to have an active team working together to assist the needy in Rosebank. No major fund raising events took place during the year but the finances still remain in good standing.

As before, the Zinto Zinhle project continues to be the main area of focus. Several machinists have been working for a number of years from premises in Rosebank which were generously made available by Old Mutual Properties. Although the premises were sold earlier in the year, the new owners have allowed the project to continue to operate from the adjacent property, Rosebank Park North, and thanks are extended to Intshebe Properties for their assistance in this regard.

The sewing team continues to make a wide variety of goods which are on sale at the various churches in and around Rosebank, as well as at the Roof Top Market who has made a permanent stall available at no charge. The Mall of Rosebank also allows the sewing team to sell their wares once a month for two days, which is proving to be a

MANAGER'S REPORT CONTINUED



most successful outlet. The talented team leader, Sizwe Phungula, has now completed his studies. He did extremely well and is now running the project whilst also working on his own designs. Sizwe's beautiful silk quilt was raffled during the year.

The broader business community in Rosebank continues to help in so many ways either financially or in kind. The RMD sponsors one day of salary costs of the administrator, and the community continues to fill the collection boxes in the Mall of Rosebank week after week throughout the year with clothes and blankets. These are distributed by the Rosebank Catholic Church and by St Martins Church to the needy.

Sincere thanks are extended to all those companies and the Rosebank community who continue to support the RHA and to members of the committee for their help and support.

FAREWELL TO WARD COUNCILLOR IAN OLLIS AND WELCOME TO GORDON MACKAY

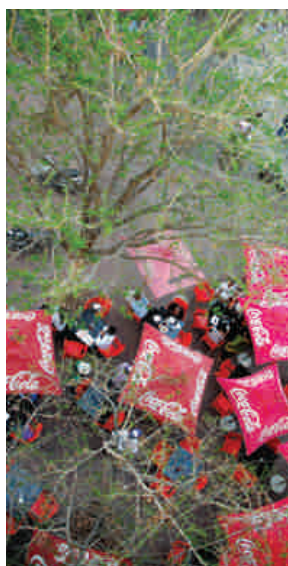
Former Ward 90 DA councillor Ian Ollis was elected to Parliament earlier this year. Although Ian Ollis is no longer the Ward 90 councillor, he has not left the area. Ian has been appointed to the Sandton Constituency, consisting of ward 90, 91, 102, 103, 109 and 32. These wards include Rosebank, the eastern part of Randburg, Sandton, Illovo, western and northern Alexandra and Wendywood through to the Midrand CBD,

including the Midrand taxi rank. Ollis said: "It is a vast area and is larger than the Sandton Constituency used to be. It's a diverse constituency as it includes upper class, middle class and many disadvantaged people. It will be a challenge, but I am excited to be appointed to an area that I have lived in for over 20 years and am looking forward to it." The RMD would like to extend thanks to Ian Ollis for his 'hands on' approach and considerable assistance over the years and would like to wish him luck in his new venture.

The RMD/LMRD welcomes his successor, DA candidate Gordon Mackay, who was elected the new councillor for ward 90. "Our ward has benefited from the outstanding work of my highly committed predecessors Judy Stockill and Ian Ollis, who created a benchmark for service delivery in particularly difficult circumstances. I look forward to continuing their work to make sure that residents in our ward live in a clean and functional environment."

CONCLUSION

Managing public space is a challenge particularly in a rapidly developing and flourishing node such as ours. The RMD/LRMD management team wish to extend thanks to the various service providers, other security organisations, the local authorities, SAPS and JMPD, and all stakeholders who collectively work towards its objectives for the benefit of the Rosebank node.





GAUTRAIN AND BRT UPDATE

GAUTRAIN UPDATE

DID YOU KNOW? *A total of just under 150 kilometres of track needs to be laid for the Gautrain route. It is projected that at the end of September 2009 35% of the track will be laid.*

Excavation of Gautrain's 15km tunnel between Park Station and Marlboro Portal is complete. This 15km underground route of Gautrain stretches from Johannesburg Park Station, under the Johannesburg Hospital, Parktown Ridge, Rosebank, Sandton and Marlboro where it surfaces at the Marlboro Portal. A portion of three kilometres of the tunnel between Park Station and Rosebank Station has been excavated using a high-technology tunnel boring machine. The remainder of the tunnels are being done by traditional drill and blast technology.

In order to excavate the tunnel in the most efficient manner, tunnelling progressed from several access shafts and tunnel portals simultaneously. As construction reached its peak, teams worked on 10 tunnel fronts, 24 hours for seven days a week. While emergency access shafts are being built for rescue purposes, they have also served as points from which to excavate the tunnel. The largest section of the tunnel was excavated through conventional drilling and blasting which is commonly used inside South Africa's mining environment.

In Mushroom Farm Park, Sandton, a temporary shaft was used to provide access for tunnel construction in both northern and southern directions simultaneously. As tunnelling is completed, backfilling of the shaft is currently in progress as well as the dismantling and removal of site establishment facilities.

The single-track rail tunnel between Park Station and Sandton Station features seven emergency shafts. These shafts will provide emergency services' personnel access to the tunnels below. At the bottom of certain of these shafts will be safe havens where passengers can gather in case of an emergency.

At Rosebank Station, the concourse slab is complete and the roof slab and platforms are approaching completion. Construction of the technical and operational rooms is in progress, with brickwork, plastering, painting and plumbing ongoing at both platform and concourse levels.

Inside the tunnel bored by the Tunnel Boring Machine (TBM), casting of the invert slab is complete and walkway construction is in progress. Construction of the cut and cover sections at either end of the station, which link the station box to the tunnels, is ongoing. At the parkade structure, located on corner of Oxford Road and Baker Street, foundation piling is ongoing and column construction has commenced.

Tunnelling of the emergency access Shaft E5 (Dunkeld, Rosebank) towards Sandton Station – the only section of tunnel being excavated from this shaft – is now complete. Breakthrough of this 2 283 metre long section into the tunnel below Shaft E7 was successfully achieved on 2 July 2009. Civil works within this section of the tunnel, as well as in the safe haven at the bottom of shaft E5, are ongoing.

PROGRESS AS AT END AUGUST 2009

ROSEBANK STATION TO SHAFT E2 (TBM) 2 885 metres (complete)
ROSEBANK STATION TO SHAFT E5 745 metres (complete)

BRT UPDATE

Bus Rapid Transit is a world class transport system being used in developing countries very similar to South Africa, to combat congestion and provide better public transport. The new bus system was launched in Johannesburg on 1 September 2009 and is currently servicing an Inner City circular route, and an Ellis Park to Thokozo Park trunk route.

The Parktown to Rosebank to Sandton route was planned to be in place by September 2009. However, due to residents' objections and an online petition over the last eight months the construction of the Bus Rapid Transit (BRT) Rea Vaya in Oxford and Rivonia roads has been put on hold until after the 2010 FIFA World Cup.

The construction from Victoria Road in Parktown to Sandton and Sunninghill would have narrowed the road to one lane either way - diverting traffic into the suburbs. Even plans to widen Oxford Road would not necessarily resolve the problem as properties along the road would have to be expropriated, a process that will cost the City countless millions. The delay will give the City and residents time to find a solution to suit everyone.

ROSEBANK NODAL PROPERTY REPORT



PROPERTY MARKET OVERVIEW

While it has been an uncertain time for the property market in general, the commercial sector has managed to hold its own and retain investor appeal. According to the Broll Property Report 2008/2009 while yields may come under pressure, commercial property should continue to show solid income growth due to limited availability of good quality and well located properties. Gauteng in particular is undergoing huge infrastructural upgrades with Gautrain and Rea Vaya, as well as ancillary road and traffic improvements. The commercial property sector is well aware of the opportunities presented by these projects and the effect these emerging nodes will have on commercial and office rentals in the next year. Those key nodes in proximity to the new public transport will obviously be a priority for business.

The renewal of the Johannesburg CBD has resulted in an increasing interest in office space in areas where extensive urban upgrades have taken place. Combined with attractive rental rates of R80-R100 p/m², when compared with some decentralised nodes such as Rosebank, where rates range between R90 and R100 p/m², the Inner City presents strong competition. The Broll report also indicated that it is anticipated that reduced consumer spend due to interest rates will result in lagging performance of the retail sector when compared to the industrial and office sectors. However, the additional risks and lead times on new developments will reduce supply and increase demand for existing buildings and expectations for office space are for continued growth.

Overall vacancies are higher than previous years according to the SAPOA/IPD Vacancy Report. These uncertain times mean that landlords need to be more flexible regarding their rent and lease arrangements as tenants will be looking to areas which offer value for money and access to transport.

KEY FACTORS IMPACTING ON CURRENT SENTIMENT OF PROPERTY MARKET:

- *Volatile global financial market conditions*
- *Finance – the credit crunch driven by the sub-prime crisis*
- *Increasing inflation around the globe*
- *Slowing SA economic growth*
- *Electricity shortages.*

THESE FACTORS IMPLY INCREASED RISK WHICH SHOULD DRIVE INVESTORS TO SEEK GREATER RETURNS.

Broll Property Report 2008/2009

PROPERTY FUNDAMENTALS THAT ARE UNLIKELY TO CHANGE:

- *Limited zoned land in desirable locations*
- *Limitations upon municipalities to provide infrastructural services*
- *Time lag of development*

PROPERTY ECONOMISTS ARE PREDICTING THAT THE SUPPLY OF NEW PROPERTIES WILL BE LIMITED IN THE SHORT TERM AND THAT DEMAND FOR NEW SPACE WILL NEED TO BE SUPPLEMENTED BY THE RE-DEVELOPMENT OF OLDER SPACE – SO CALLED BROWNFIELD DEVELOPMENTS.

THESE FACTORS IMPLY INCREASED RISK WHICH SHOULD DRIVE INVESTORS TO SEEK GREATER RETURNS.

Broll Property Report 2008/2009

PRICING OF INVESTMENT PROPERTY WILL BE DEPENDENT ON THE FOLLOWING:

- *Levels at which the listed sector can buy without diluting their earnings*
- *Liquidity of investors*
- *Demand from foreign investors*
- *Value placed on escalating income*
- *Cost and availability of finance*
- *Demand for space and subsequent impact on rentals.*

Broll Report 2008/2009

THE ROSEBANK NODE

This is a very exciting time in the lifecycle of the once leafy and comfortable Rosebank suburb. Rosebank's skyline is one of cranes and on the ground there is an enormous amount of construction taking place, over and above Gautrain. But what development is actually taking place and what is still in the planning stages. Rosebank's Urban Development Framework, approved in June 2008 by the City of Johannesburg, emphasises the redevelopment of the area into a balanced mixed-use precinct. It also makes provision for the development of buildings up to 20 storeys, changing the existing six storey skyline forever as the increase in height restrictions lead to the mushrooming of high-rise office, residential and hotels. The framework states that due to the importance of legibility of the area within the city skyline, the Rosebank box will make provision for a number of well-located stands on which development may rise to 20 storeys. These will be defined around the station entrance and will



ROSEBANK NODAL PROPERTY REPORT CONTINUED

help to orientate movement towards it on both global and pedestrian scales. This collective of high rises will form a new landmark within the node.

KEY DEVELOPMENTS

Rosebank is rapidly becoming the city's third high rise business centre after Sandton and the original CBD, as South Africa's biggest developers prepare for the launch of Gautrain and the city's Bus Rapid Transit system in 2010/11. The area is experiencing substantial urban renewal, spurred on by the construction of the Gautrain Station and a number of new projects are currently under construction by Tiber, Old Mutual Properties and Standard Bank Real Estate Investments. Hyprop has increased its investment in the node and a few old residential complexes have been auctioned off and rezoning applications for increased bulk for these properties have been submitted to the City for consideration.

In close proximity to the new Rosebank Gautrain Station, is The Firs and Hyatt redevelopment and expansion by Investec. Investec has invested R500 million into the Rosebank node with its acquisition and redevelopment of The Firs shopping centre, offices and The Hyatt hotel. The redevelopment is bringing 4 100 m² of speciality retail and restaurant space on stream, along with 8 200 m² of premier offices. All this is enhanced by the luxury of 244 rooms, 15 suites and exceptional service of The Hyatt Regency Johannesburg. The AAA-grade offices at The Firs are already 60% let and have attracted the likes of Standard Bank as a major tenant.

Showcasing a modern, light and open design, a key attraction of the redevelopment is the restaurant piazza at the heart of The Firs. Rosebank dining institutions, The Grill House and Katzy's, provide the gateway for the new piazza where they are joined by the likes of equally-iconic Doppio Zero - all showcased in a modern, light and open design. The restaurant piazza provides customers with an enhanced upmarket dining experience and a variety of menu options.

Tiber's beautiful new R150 million AAA-grade office tower set to be complete mid 2010, will also contribute to creating landmarks for the area. The office block comprises six storeys of offices spanning some 6500m² and three levels of parking, one below ground, providing 250 bays in total. Located on the corner of Oxford and Jellicoe roads in Rosebank, this building is ideally situated to benefit from the nearby Gautrain Station.

JSE retail property fund Hyprop Investments has acquired two commercial properties in close proximity to the Rosebank Mall, namely Nedbank Gardens in Bath Avenue and Cradock Heights on the corner of Cradock and Tyrwhitt Avenue, investing R150 million in the node bringing its total investment in Rosebank to R1.3 billion.

Nedbank Gardens office park currently comprises three office buildings together totalling 15 700m² of gross lettable area (GLA) on a 14 000 m² site and any redevelopment will be a joint investment by Hyprop and Intaprop (Pty) Ltd. Cradock Heights, also a commercial property, has a GLA of 4 745 m². A rezoning application has been submitted to the council to increase the available bulk to approximately 35 000 m². The opportunities presented by the redevelopment of these two properties are to both unlock the value in the Mall, as well as the node itself.

Redefine Income Fund and Standard Bank Real Estate Investments are also key participants in the redevelopment of Rosebank. They recognised the potential of Rosebank a number of years ago and assembled a site encompassing 30 Baker Street, Lindsay Saker and the Rosebank Arena for future redevelopment. This will be a 125 000 m² mixed use development which could be worth up to R450m. The aim is to create more office, residential, retail and parking space to take advantage of the Gautrain and the expected commuter traffic. The plan is to turn the site into a pedestrian boulevard with some restaurants and other leisure facilities.

The Old Mutual Property Group's (OMIGPI) R850 million mixed-use property development adjacent to The Zone@Rosebank shopping centre, which it also owns, is well underway and the hotel will be completed in April 2010. Phase one included the demolition of four Old Mutual properties, namely Admirals Court, Rosebank Boulevard, Oxford Corner and Knightsbridge, to make way for retail space, a 160-room hotel, a five-level parking garage and studio offices. The demolitions followed a R20,6 million refurbishment at the The Zone@Rosebank. A key part of the refurbishment is a reconfigured entrance to the underground parking from Oxford Road to allow for two entry lanes instead of one.

There are a few smaller developments in various stages of completion, including the Rose office complex on Jellicoe Avenue, 8 Jellicoe which was recently sold as a partially completed building and the Everard Read gallery extension on the corner of Keyes and Jellicoe.

Developments on hold include the redevelopment of the Galleria and Mutual Square. Rowmoor Investments, owners of the Galleria, plan to develop 10 storeys of 37 340 m² of which 1 000 m² will be residential, 8 floors will be offices, and there will be a small retail component on the ground floor. The Mutual Square redevelopment is looking at increasing from three to five storeys with 6 354 m² of retail, 4 500 m² of offices.

ROSEBANK NODAL PROPERTY REPORT CONTINUED



ROSEBANK HOTELS

Rosebank with Gautrain and BRT, coupled with its central location and leafy, pedestrian friendly atmosphere, is the ideal location for hotels – and there is no shortage of hotels with something for everyone from the well-heeled international traveller to local business people needing a comfortable bed and a tasty continental breakfast. The Grace, The Don and The Courtyard have been around for many years. More recently The Hyatt Regency and The Crowne Plaza Johannesburg – The Rosebank have just been redeveloped and the Monarch opened its doors last year. So Rosebank can boast a total of six very different hotels.

The Grace in Rosebank is a sophisticated boutique styled hotel with only 73 rooms. An enclosed sky bridge links The Grace Hotel Johannesburg to the Mall of Rosebank, perfect for the avid curio shopper, while the unique 4th floor garden terrace and pool deck offers refuge for those who prefer to bask in the African sunshine or sip a refreshing cocktail alongside the pool. The Don is located a short walking distance from the Rosebank CBD and offers a comfortable stay to both business travellers and tourists. The Courtyard has 83 units and is situated on Oxford Road opposite the developing site of Gautrain's Rosebank Station. The Hyatt Regency has been refurbished along with the Firs redevelopment and offers 244 rooms, 15 suites and exceptional service.

The Monarch is a R64 million luxury 15-suite boutique hotel at 167 Oxford Road and is a project of independent developers RB Monarch. The site was chosen because of its heritage significance. It was originally the Rosebank post office built in the early 1930s and the façade of the building was retained while the interior was transformed into an exclusive luxury five-star-plus hotel. The hotel is run as a traditional hotel with a 100-seater 'fine dining' restaurant open to the public for lunch and dinner.

The Crowne Plaza Johannesburg – The Rosebank, one of Johannesburg's leading hotels, reopened in August 2008 after a R250 million facelift that has created a chic, stylish yet professional facility with vibe and energy. The refurbishment sees the return of the Crowne Plaza brand to South Africa after a long absence. The hotel is ideally situated in the heart of Rosebank in Johannesburg and offers superb accommodation, a fine restaurant known as the Butcher's Block, quality state of the art conferencing facilities and the most exceptional day spa.

The hotel will be linked to the InterContinental Hotels Group (IHG) and its Crowne Plaza Hotels & Resorts brand. The Hospitality Property Fund (HPF), through the Hospitality Hotel Management Company that manages the hotel, has a franchise agreement with IHG that saw the hotel branded as a Crowne Plaza.

All 318 rooms at the hotel have been refurbished with the lobby and entrance being recreated to cater to all five senses with the use of

vibrant colours, mood lighting, textured fabrics and ambient, subtle music. The Rosebank's new look and feel is supported by innovative technology. The grooving Circle Bar is the hub of this innovation, where specially-selected music is played and unique visual effects are shown on giant screens encircling the bar. The music and lighting is themed according to the time of day to create an all-encompassing ambience for relaxation and recreation. The large open foyer is a pastiche of styles including flavours of Africa and Asia - but the overall mood is one of luxury and opulence.

WHAT MAKES ROSEBANK SO ATTRACTIVE TO INVESTORS

ROSEBANK AS A NODE AND SUBURB HAS GONE THROUGH INCREDIBLE TRANSFORMATION OVER THE PAST FIVE YEARS IN TERMS OF REINVESTMENT.

- *European street-cafe atmosphere whilst retaining an African flavour*
- *Street life and authentic urbanism*
- *Greatly reduced crime levels due to the RMD/LRMD*
- *Modern transport hub with BRT and Gautrain*
- *Increased height restrictions*
- *Growth node*
- *Upliftment of the retail, commercial and hospitality space*
- *Nominal rentals are improving*

SAPOA OFFICE VACANCY SURVEY

In terms of office vacancy as per the SAPOA surveys undertaken in the third quarter of 2008 (September) and second quarter of 2009 (July), in the area bounded by Bolton Avenue, Jan Smuts Avenue, Oxford Road and Jellicoe Road, including sundry buildings in Parkwood and Parktown North along the major arterial roads, area available to lease increased by 13 344 m² on 5 273 m² available in September last year. This is due to 6000 m² of C-grade space coming onto the market.

Minimum gross asking rentals stayed the same in A-grade at R95 p/m² gross asking rentals, and the maximum asking rentals in A-grade increasing by R30 p/m² to R125 p/m² per gross asking rentals. Refer to tables on next page.



ROSEBANK NODAL PROPERTY REPORT CONTINUED

JULY 2009

Building Grade	Rentable Area (m ²)	Area for lease (m ²)	Current %	Previous Months in %			Gross Asking Rentals - Rand / m ²		
				3	6	9	MIN	MAX	MED
A	98 282	2 588	2.6	2.6	2	2	95	125	100
B	182 178	4 756	2.6	3.4	1.9	2.7	80	101	90
C	14 950	6 000	40.1	0	0	0	-	-	-
TOTAL	295 410	13 344	4.5	3	1.8	2.3			

SEPTEMBER 2008

Building Grade	Rentable Area (m ²)	Area for lease (m ²)	Current %	Previous Months in %			Gross Asking Rentals - Rand / m ²		
				3	6	9	MIN	MAX	MED
A	100 782	1 996	2	2	2.2	5.4	95	95	95
B	176 532	3 277	1.9	2.7	2.6	5.6	90	95	92.5
C	21 100	0	0	0	23.5	1.8	-	-	-
TOTAL	298 414	5 273	1.8	2.3	4.3	5.3			

GLOSSARY OF TERMS

BUILDING GRADE

- Grade A: not older than fifteen years or which has had a major renovation; high quality modern finishes; air conditioning; adequate on-site parking; market rental near top of the range in location; quality access to/from an attractive street environment; safety and security.
- Grade B: Generally older buildings with accommodation and finishes close to modern standards as a result of refurbishments, air-conditioned with on-site parking.
- Grade C: Buildings with older style finishes, services and building systems. It may or may not be air-conditioned or have on-site parking.

RENTABLE AREA

This covers the entire floor, excluding major vertical penetrations of the floor such as stairs, lift shaft, flues, pipe shafts and vertical ducts which serve more than one floor of the building.

It includes additional services such as stairs, dumb waiters and lifts which exclusively serve a tenant occupying offices on more than one floor.

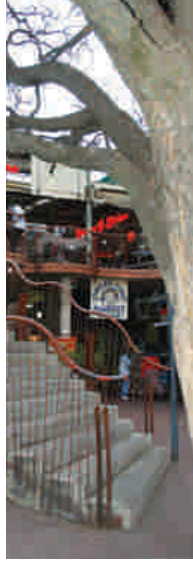
GROSS ASKING RENTAL

The full rental being asked including operating costs and municipal costs excluding parking, VAT, electricity/water consumption and internal cleaning.

The statistics only reflect actual occupation even though major leases may have been signed.

Information from various sources including: Broll SA Property Market Report 2008/2009 Rosebank Urban Development Framework / www.joburg.org.za/SAPOA/various_press_articles.

Despite Rosebank being a bit like a building site at the moment the infrastructure projects and property developments augur well for the future of the node. According to many property economists and commentators areas located directly around future Gautrain Stations are attracting great interest when it comes to property development, especially speculative offices, retail and mixed-use property developments. Rosebank's future growth certainly looks rosy.



REBRANDING OF ROSEBANK

Place-marketing, a division within Kagiso Urban Management, was awarded the rebranding contract for the Rosebank Management District. The positioning statement used to guide the rebranding process was:

To Jozi-locals and tourists in search of something artistic and off the beaten track, Rosebank offers a leafy, managed node that caters to the art community and businesses alike. Rosebank is a unique mixed-use precinct with galleries in the art strip, various business and entertainment including dining, cinema nouveau and retail. The precinct is located in the heart of a leafy old suburb, giving it a quiet feel. The soon to be completed Gautrain will ensure that residents, local and international visitors will have unhindered access to this precinct.

The specification for the new logo was for it to be light and modern, using the existing blue and yellow but introducing a touch of green. The design team was told that the new logo had to communicate both a managed precinct but also a friendly, welcoming, pedestrian friendly, mixed-use node. It also had to be useable and effective both on a letterhead in black and white, as well as in a large colour format on a car wrap, for example. According to Kagiso Urban Management's Place-marketing division "The new logo for Rosebank seeks to encapsulate both the leafy green suburb as well as the business area at the centre of the district." The logo had to differentiate Rosebank as a mixed-use space, a green node, Gautrain and Rea Vaya transport hub, and an arts precinct.

The designer of the new logo believes that the corporate image talks to the fact that Rosebank is a unique green area in Joburg that will

be serviced by the new public transport systems in Gauteng, making it accessible to tourists, business and shoppers. The new CI will not just use the logo but will also make use of photographs from the precinct. These will be a combination of texture shots and details of the precinct. This will give visitors a feel of the place as well as giving information about what the precinct holds – open skies, walkable pavements, creativity, business, shopping, fun and lots of entertainment.

The development of the new logo took longer than anticipated as we wanted the right look and feel which represents not only the Rosebank node as it is today, but what Rosebank will be in five to ten years time when many new mixed use developments will be completed and increased residential densities will be a reality in this busy multi-modal hub. Lush green open spaces linking upper and lower Rosebank, and tree lined streets will encourage pedestrians and visitors to walk in our unique space and enjoy the outdoors.



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