Corporate Real Estate Solutions

PRASA STRATEGIC PROPERTIES
Unlocking the Value of PRASA’s Property Assets

www.prasa.com
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1. ABOUT PRASA

- PRASA is an implementing arm of the National Department of Transport, the sole shareholder, is primarily focused on the mandate contained in the Legal Succession Act of 1989, as amended in November 2008.

The main primary objective and main business of PRASA is to:

- Ensure that rail commuter services are provided within, to and from the Republic in the public interest, and

- Provide long haul passenger rail and bus services within, to and from the Republic in terms of the principles set out in section 4 of the National Land Transport Transition Act, 2000 (Act No. 22 of 2000)
2. DIVISIONS AND SUBSIDIARIES

Corporate Structure

- **3 Divisions**
  - PRASA Tech (Rail Infra Maintenance)
  - PRASA CRES (Property Services)
  - PRASA RAIL (Rail Operations – Metrorail, Shosholoza Meyl)

- **2 Subsidiaries**
  - Autopax – key brands are Translux and City to City buses
  - Intersite Investments
3. PRASA SECONDARY MANDATE

- PRASA’s Secondary Mandate is to generate income from the exploitation of the assets acquired by it.
- In carrying out its objects and business, the Corporation shall have due regard to key Government social, economic and transport policy objectives.

Without derogating from the generality of the provisions of subsections (1) and (2), PRASA may:

- Enter into contracts and perform any legal acts,
- Acquire or alienate any moveable and immovable property or rights therein,
3. PRASA SECONDARY MANDATE (CONT.)

(CONT..)

- Borrow, lend or invest money,
- Make, draw, issue, execute, accept or endorse, discount, buy or sell financial instruments, including promissory notes, bills of exchanges, and any other type of negotiable or transferable document, and may acquire and alienate them in any other manner,
- Generally to do anything or perform any other act, whether within or outside the Republic, that may assist the Corporation in achieving its objects.
4. PROPERTY PORTFOLIO OVERVIEW

• Property portfolio management is regionalised & consists of approximately 4 700 hectares of land and 10 000 buildings

• PRASA is strategically focused on commercializing the portfolio as part of its Real Estate Strategy

Asset base under management:

- 4640 registered land parcels (4 700 Ha)
  - Total book value of R2.1 billion,
  - 10 000 buildings and structures

61% of PRASA Stations have no leasing activities and used for operational purposes only

Total stations under PRASA management:

588 for operations by Metrorail and Mainline Passenger Service (MLPS)

- 328 owned by PRASA
- 155 owned by Transnet and used by PRASA
- 105 Stations are used by MLPS as part of business acquisition
5. REAL ESTATE STRATEGY SNAPSHOT

PRASA’s Real Estate Strategy is underpinned by specific initiatives aimed at growing revenue and increasing the value of the property portfolio:

- Buying back development leases to generate additional income
- Enhance the Group balance sheet;
- Revenue generation projects employing PRASA capital;
- Investment in developments on PRASA properties and precincts with third party developers
- In carrying out its objects and business, the Corporation shall have due regard to key Government social, economic and transport policy objectives
5. REAL ESTATE STRATEGY SNAPSHOT

- As part of PRASA’s renewed focus, the property entities will be consolidated into a single entity that will be responsible for all property related functions
- Intersite Investments and PRASA CRES to be consolidated into this entity, as well as the PRASA TECH Station Modernisation Programme
6. STRATEGIC PROPERTIES PROGRAMME

• The Strategic Properties Programme as contained in PRASA’s Corporate Plan (2020-2022) is part of PRASA’s drive to commercialise its vast base of properties that it owns.

• The Corporate Plan furthermore states the organisation’s objective is to grow portfolio value through effective implementation of an aggressive property development and commercialization strategy in order to increase income from the exploitation of the secondary mandate.

• PRASA CRES has identified several buildings and land parcels across its different regions in South Africa to be developed, upgraded and/or converted into useful revenue generating facilities.
6. STRATEGIC PROPERTIES PROGRAMME

PRASA CRES has in the past few years successfully implemented the BOT (Build Operate & Transfer) model to upgrade and commercialise its buildings.
6. STRATEGIC PROPERTIES PROGRAMME

The Programme has assisted the organisation to achieve a number of its key strategic imperatives as well as contribute positively to communities where our property assets are situated. These are some of the direct advantages of the programme:

- Generate additional revenue for PRASA
- Add value to communities where PRASA’s properties are located by introducing new good and services
- Respond to current challenges like the high rate of urbanisation in cities by e.g. ensuring corridor densification and providing student accommodation etc
- Secure unused land and avert the risk of illegal occupiers
- Eliminate high cost of servicing unused PRASA Land & Buildings
- Curb criminal activity in the area and improve the general outlook
Compulsory Briefing Dates

- **Gauteng:** Monday, 6 May 2019 at 14:00. Venue: Umjantshi House, 30 Wolmarans Street, Johannesburg
- **Western Cape:** Monday, 13 May 2019 at 11:00. Venue: Prasa Cres Boardroom, 1st Floor Administration Wing, Cape Town Station
- **KwaZulu-Natal:** Wednesday, 15 May 2019 at 11:00. Venue: Durban Station – PMU Boardroom (next to bus terminals)
- **Eastern Cape:** Friday, 17 May 2019 at 11:00. Venue: Port Elizabeth Train Station (Mariska Residence Boardroom)
6. STRATEGIC PROPERTIES PROGRAMME

BID DOCUMENTS & CLOSING DATE

* Note: Site visit dates will be announced at respective briefing sessions


Closing Date/Submission Details

Closing date for all RFPs: No later than 12:00 (noon) on Wednesday, 25 September 2019

Submission of proposals:
Completed proposals should be placed in a sealed envelope marked with the reference number and description of the site and deposited in the tender box at respective PRASA Regional Offices where the briefing sessions were held.
6. STRATEGIC PROPERTIES PROGRAMME

REQUEST FOR PROPOSAL FOR THE LEASE AND DEVELOPMENT OF VACANT LAND (VARIOUS ERVENS) AT VILLERIA
6. STRATEGIC PROPERTIES PROGRAMME

Request for Proposal:
for the lease and upgrade of the Geo-strata Lab at Hatfield: