

PROVINCIAL OFFICE RENTAL ACCOMMODATION

BACKGROUND

1

Expenditure on commercial office accommodation leased in from private land lords

2

Excluded expenditure by provinces on the rental of agricultural land, offices in specialised facilities (e.g. schools, hospitals / clinics, polices stations etc.) and other ancillary functions such as storage

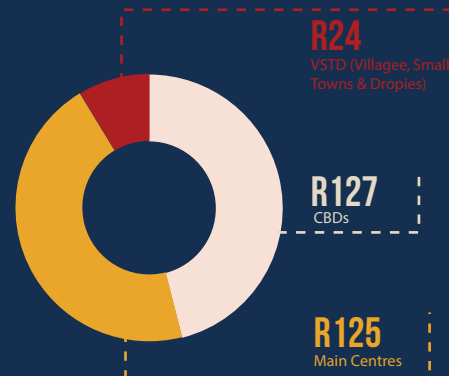
KEY TAKEAWAYS

645 KNOWN ACTIVE LEASES



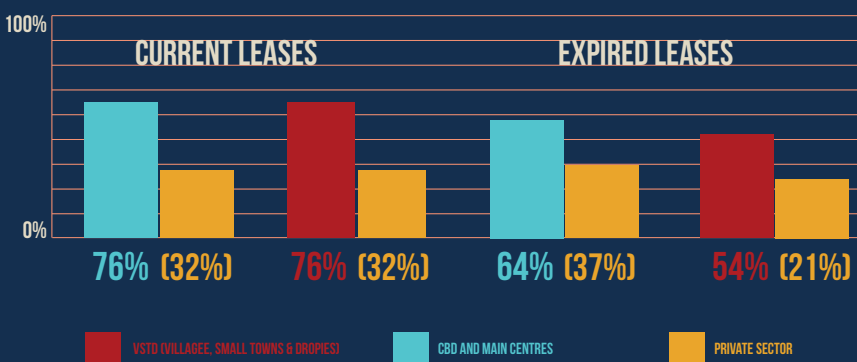
MONTHLY RENTAL COSTS

R163
MILLION
PER MONTH



SAMPLE AVERAGE (R92 PER M)

OVERPAYMENT FOR RENTAL SPACE



NEXT STEPS

LEASES MANAGEMENT SYSTEMS ARE EXCEL BASED AND HENCE ARE OFTEN OVER WRITTEN AND LACK UNIFORMITY

BAS DOES NOT CAPTURE LEASE EXPENDITURE IN A USABLE AND GRANULAR FORM

DEPARTMENTS LACK CAPACITY TO EFFECTIVELY NEGOTIATE AND MANAGE LEASES

NOT ALL LEASES ARE CENTRALISED

PROVINCES DON'T HAVE ACCESS TO ADEQUATE MARKET DATA

REDUCE THE FOOTPRINT OF LEASE IN PROPERTY THROUGH REVIEWING SPACE NORMS PER NUMBER OF STAFF IS UNDEREXPLORED