Johannesburg Inner City

Performance Indicators 2006

Prepared for the JDA by

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Executive Summary: Performance Targets

This is the sixth in the series of reports regarding the JDA performance indicators. The 2001 report developed a series of performance indicators for the JDA. These were extended in the 2002 report which also set preliminary targets which should be met by the JDA. The 2006 report measures the achievements of the JDA relative to the indicators and targets which were set. The approach to developing a performance measurement system for the JDA hinges on an outcome-focused philosophy so that we are able to continually monitor what progress is being made towards achieving the vision of urban renewal and development in the Johannesburg Inner City.

- **24 Hour City** as measured by attendance at various Inner City entertainment venues (Ellis Park, Theatres, Museums etc). A 5% per annum increase was set on our 2001 base of 854,400. In 2004 we proposed an extension of this series to include additional entertainment sources in the Inner City which is reported within: the total on this series in 2004 was 1.39 million and it fell slightly to 1.37 million (although this was almost entirely due to the Johannesburg Stadium and the Standard Bank Arena – if these series were excluded the overall trend would be positive in 2005).

- Overall, **satisfaction of stakeholders** (businesses) in the Inner City regarding developments in the area. The base figure of 43.5 on our index for 2002 has seen successive improvements reaching a high of 57.5 in 2004. In 2005 there was a slight decline to 54.5 and this year we report an increase to 57.2 - *above the indicated target*.

- Satisfaction of stakeholders regarding **cleanliness** of Inner City – a 5% target was set per annum based upon the 2004 figure. Stakeholders were asked about the following statement: ‘Over the past year I have noticed an improvement in the cleanliness of the Inner City’: The 2002 baseline index was 41.1. It scored a 44.4 in 2006 compared to last year’s 44.

- **Crime**: We report two sets of indicators for this category, namely subjective perception based on our survey and objective data released by the SAPS. On the crime index, respondents were asked the following question: Over the past year I have noticed a decline in the crime rate in the Inner City: 32% agreed, 19% were neutral and 44% disagreed. It scored 43.5 on the index, down from 45.5 in 2005 but higher than the 44 in 2002 and 2003 – it has therefore not met the target set on perceptions.

  On actual statistics *crime has fallen* in the area since 1994 from a high of 26,420 reported incidents in 1994. The figure for 2005 was 22,654. While this is marginally more than 2004 at 22,318, it would seem that crime has remained static over the past three years.

- **Property market**: SAPOA December 2001 figures were set as our base and the target was to stabilise A and B vacancy rates at the base by the end of 2003 before seeing further improvements. Vacancy rates (A&B) in the CBD have been showing a rising trend since the mid 1990s. 'A' grade property vacancies in the CBD peaked late 1999 at 25.8% and has been on a strong declining trend since. The trend in 2005 has been very positive with 'A' grade property vacancy rates falling to 11.3%. This is a significant drop from the end of 2004 where it was slightly below 15%. The vacancy rates for Braamfontein 'A' grade property has been in a stable trend for the past few years at roughly 10% - but in the last year has shown a dramatic decline at one point reaching a low of 2.3% then climbing to a very satisfactory 4.9%. These rates for the CBD and Braamfontein are in line with A-grade vacancy rates in the Northern suburbs: Rivonia 5.2%, Midrand 13.5%, Sandton 0%, and Rosebank 6.4%.

As regards building plans ~ no satisfactory data on building plans has been received for 2004 or 2005.

- **RSC levies:** The data is important as these taxes are levied upon business turnover and their salary expenditure. As a result it gives an indication of trends as regards business activity and employment levels in the Inner City. On turnover there was a 14% decline in 2005 and a 4% decline in salaries in 2005 but this does not align with other results in the 2006 report and we are once again left with very unstable RSC data and apparent collection problems especially as a result of their being phased out.

- **Customer satisfaction and awareness** of the JDA and its initiatives. 41% of respondents had heard of the JDA up from under a quarter in 2002, but lower than last year. Only a very small proportion had had dealings with the JDA but of those respondents, 75% were satisfied with the service they provided. 85% were aware of the initiatives and projects planned and in process to improve conditions in the Inner City up from 34% in 2002 but down marginally on last year. Our JDA proxy scored 62.5 on the index – down from 65 in 2005 but still sharply higher than the 53 in 2002 and this *target has therefore been met*.

The results of the 2006 survey largely mirror those of 2005 and were mostly positive although there were slight declines in several categories. This is to be expected as diminishing returns set in as we discussed in the 2005 report. Interestingly when analysing the overall survey results, the most positive figures were those related to economic data which saw substantial improvement in perceptions. Questions related to their future expectations for the region elicited very optimistic results. The JDA is now facing the issue of how it can reignite excitement around new developments that the JDA is planning for the Inner City which are likely to be more incremental and less dramatic.

1. INTRODUCTION

The degeneration of the Johannesburg Inner City from the late 1970s onwards and the reasons for this are now well documented. This decline has by no means been unique to Johannesburg and indeed we have seen similar causes and effects in other major and secondary cities in the country. Likewise, it has not been unique to South Africa and all around the world local governments have struggled with the declines in their inner cities. This has led to major rejuvenation efforts and we have seen major success in many regions, perhaps most notably in North America but increasingly elsewhere.

Addressing inner city or downtown problems often involves approaches that include:[i]

- Revitalising and promoting the benefits/advantages of the inner city
- Reconnecting the inner city economically to the wider metropolitan economy
- Rebuilding access to opportunity on a metropolitan basis
- Re-defining the economic role of the inner city to the wider metropolitan economy
- Building soft and hard infrastructures across the whole metropolitan area

In Johannesburg, the process of redeveloping the Inner City has been gaining momentum. The JDA has been tasked to work with the other city agencies to realise the revitalisation of the Inner City:

> JDA is an agency of the City of Johannesburg which stimulates and supports area-based economic development initiatives throughout the Johannesburg metropolitan area in support of Joburg 2030. As development manager of these initiatives, JDA coordinates and manages capital investment and other programmes involving both public and private sector stakeholders.

This report represents an important part of the development of key performance indicators and targets for the JDA, in respect of its work in the Johannesburg Inner City, so that we are able to continually monitor what progress is being made towards achieving the vision of urban renewal and development. The approach to developing a performance measurement system for the JDA hinges on an outcome-focused philosophy. Further, we are defining outcomes as the results of an organisation – either through its direct actions or as a result of the spin-offs of its and its partner organisations' actions. This is the sixth in the series of reports regarding the JDA performance indicators for the Johannesburg Inner City. The 2001 report developed a series of performance indicators for the JDA. These were extended in the 2002 report which also set preliminary targets which should be met by the JDA. The 2003-2005 reports showed the progress that was being achieved as a result of the city's interventions relative to these performance targets. This report extends this process and shows the consolidation which has taken place over the past year.

2. JOHANNESBURG INNER CITY TREND DATA

2.1 Entertainment/Cultural Activities

An integral part of the vision for the Inner City is that it should be a 24-hour city which is vibrant and central to the city's cultural life. Ensuring the viability and growth of the various cultural and entertainment centres is thus an important element of the revitalisation efforts. Although the JDA does not have a direct responsibility for these entertainment and cultural activities, it does indirectly affect their prospects through the development and management of the Inner City environs.

This section presents the attendance statistics for various important cultural/entertainment venues throughout the Inner City.

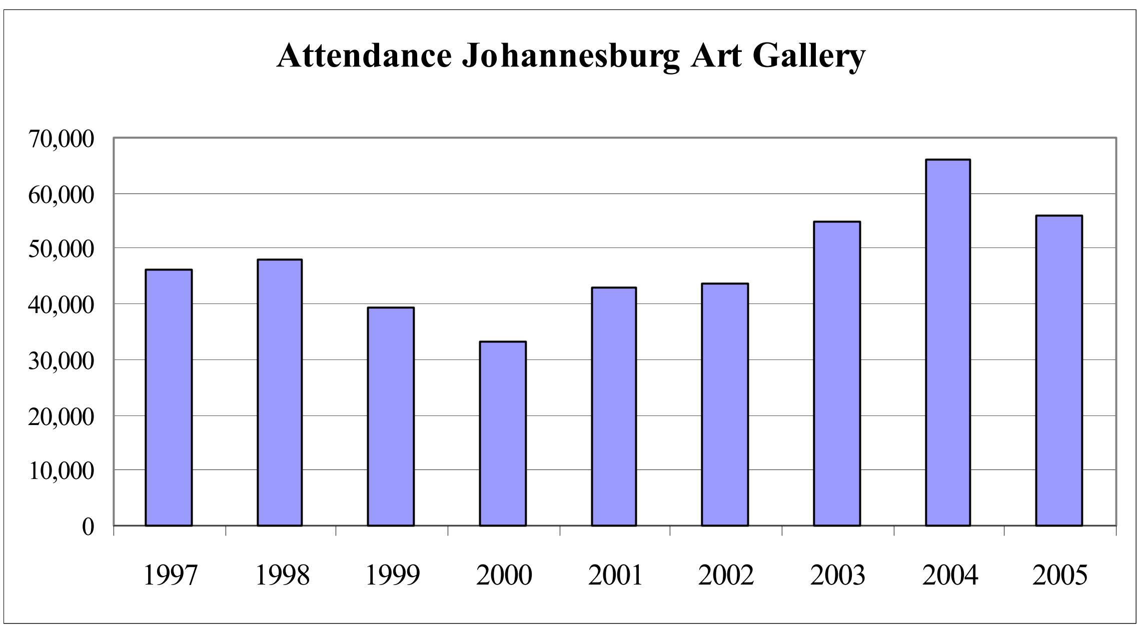
Constitutional Hill Attendance January - December 2005

	General Admission	School Groups	Group Sales	Public Programs	Venue Hire	Promo Events	Court Visitors	Total incl. Court
January	1188	1158	481	1197	265	-	1039	**5328**
February	1037	675	558	1894	645	-	1470	**6279**
March	1399	1379	469	3399	1746	51	1643	**10086**
April	1532	617	612	3131	1867	-	1236	**8995**
May	1340	3257	740	3275	437	-	1200	**10249**
June	1492	3460	603	3548	1122	43	1171	**11439**
July	1361	406	849	1594	359	-	970	**5539**
August	1785	1629	954	8200	1017	-	788	**14373**
September	1461	3366	982	7681	1325	-	932	**15747**
October	1095	536	1064	1644	1401	-	760	**6500**
November	904	570	703	1169	1601	-	752	**5699**
December	1297	69	403	515	-	-	518	**2826**
Total	**15891**	**17122**	**8421**	**36847**	**11785**	**94**	**12479**	**103060**

The attendance figure for The Constitutional Hill for 2004 was 61,019 for the period March to December 2004.

Johannesburg Art Gallery

Year	Attendance
1997	46,131
1998	47,881
1999	39,415
2000	33,213
2001	42,921
2002	43,692
2003	54,914
2004	65,865
2005	55,907



Standard Bank Art Gallery

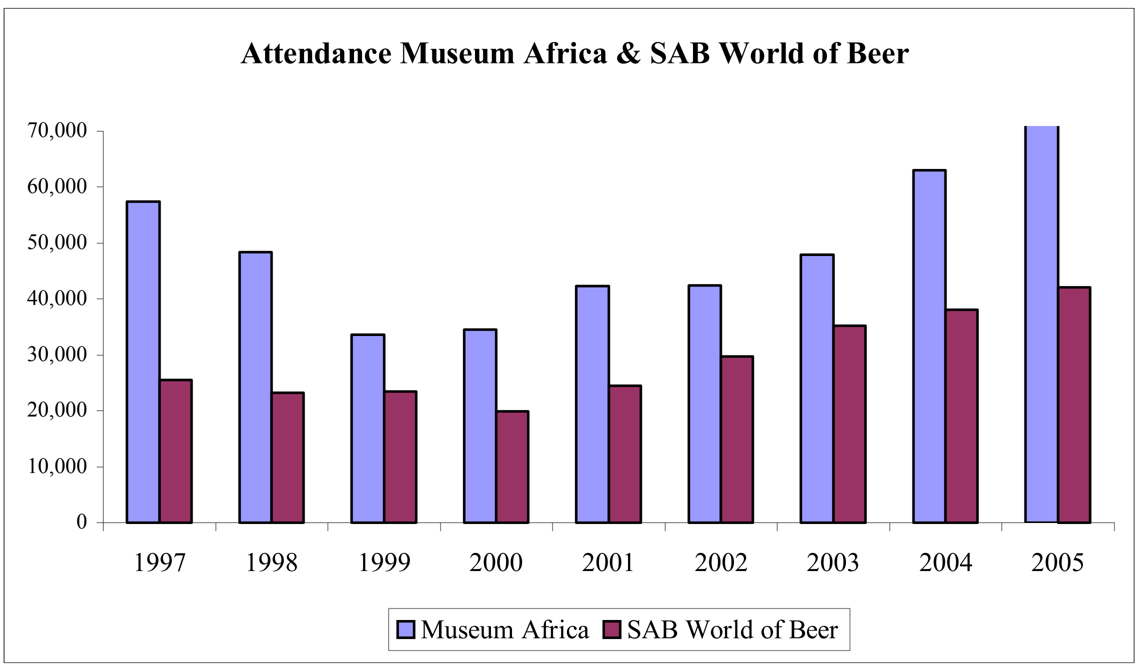
Year	Attendance
1991	5,466
1992	16,696
1993	13,783
1994	16,285
1995	23,215
1996	14,346
1997	11,765
1998	19,133
1999	18,704
2000	21,381
2001	15,867
2002	30,814
2003	15,391
2004 a	7,662
2005	20,247

a: The gallery was closed for renovation from June-December

Museums

Year	Museum Africa	SAB World of Beer	Total
1995			73,085 [a]
1996			108,440[a]
1997	57,444	25,466	82,910
1998	48,383	23,243	71,626
1999	33,592	23,412	57,004
2000	34,562	19,941	54,503
2001	42,309	24,432	66,741
2002	42,442	29,783	72,205
2003	47,882	35,187	83,069
2004	63,019	38,078	101,097
2005	74,409	42,047	116,456

a: Includes FNB Museum which closed in May 1997

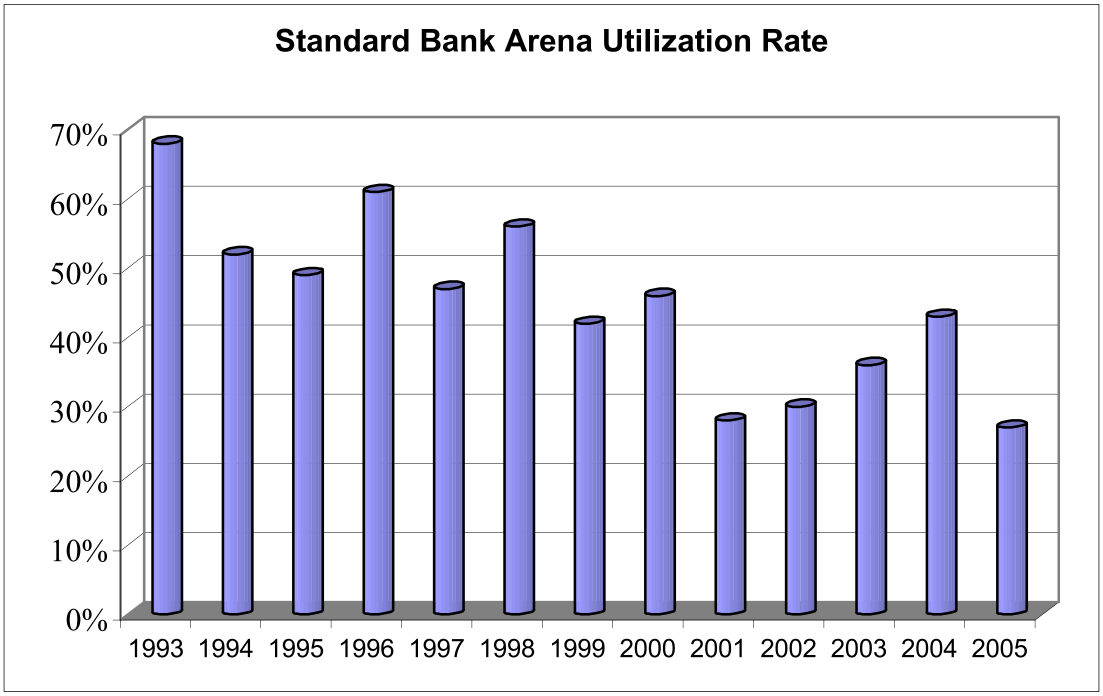


Standard Bank Arena

Year	Utilisation Rate
1993	68%
1994	52%
1995	49%
1996	61%
1997	47%
1998	56%
1999	42%
2000	46%
2001	28%[a]
2002	30%
2003	36%
2004	43%
2005	27%[b]

a: The reason for this low figure is due to the lack of any major sporting or musical events that year as well as the loss of the MTN Gladiators.

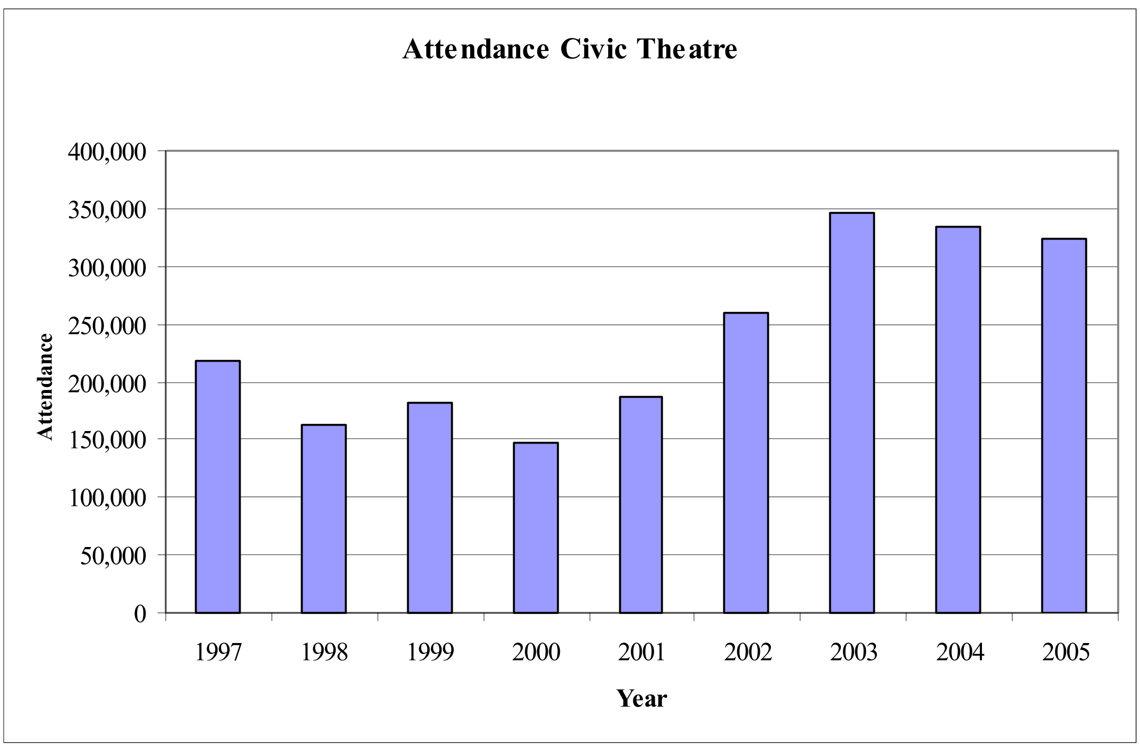
b: In 2005 it was decided to allow the Standard Bank Arena to be used for smaller events as they were struggling to find enough large events. Thus they hosted many events but at a lower utilization rate.


Standard Bank Arena Utilization Rate
70%
60%
50%
40%
30%
20%
10%
0%
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005

Civic Theatre

Year	Nelson Mandela	Tesson	Thabong	Pieter Roos	Total
1996/7	167,485	21,597	18,181	11,060	218,323
1997/8[a]	104,404	27,329	21,003	10,192	162,928
1998/9	141,021	29,707	6,887	4,148	181,763
1999/00[b]	121,026	16,196	5,577	4,305	147,104
2000/01	161,631	16,721		9,455	187,807
2001/02	177,205	30,718	49,636	1,678	259,239
2002/03	254,815	32,013	59,890	-	346,718
2003/04	255,929	20,445	58,100	-	334,474
2004/05	255,502	25,209	43,433	-	324,144

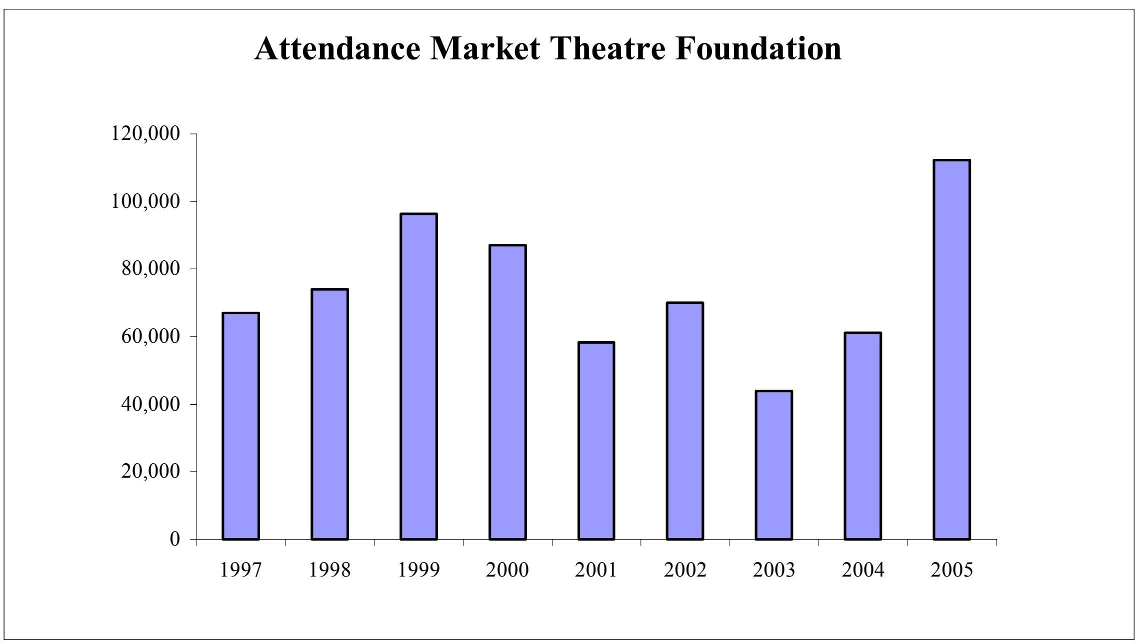
a: Figures for this year are not consistent and are as a result a calculated estimate
b: 1 July 1999 – 31 March 2000 (all others 1 July – 30 June)



Market Theatre Foundation

Year	Attendance [a]
1997	66,954
1998	74,051
1999	96,295
2000	87,037
2001	58,327 [b]
2002	70,041
2003	43,930[c]
2004	61,084
2005	112,295

a: These figures include theatre attendance, tours through the theatre, its art gallery, and visits as a result of the flea market. To give an example in 2002 the breakdown was as follows: theatre patrons 36,041; flea market 24,000; theatre tours 10,000.
b: The reason for the relatively low figure is due to renovations in the Main Theatre.
c: The reason for the relatively low figure is due to renovations in the foyer just before the opening of Moyo Restaurant and the discontinuance of the flea market.



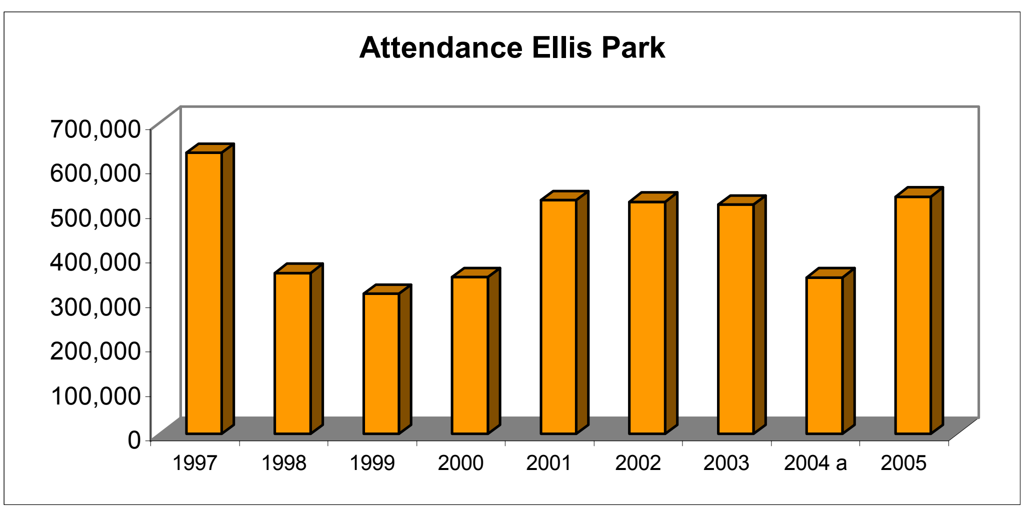
Greater Ellis Park

Year	Ellis Park	Standard Bank Arena	Johannesburg Stadium
1997	632,253		
1998	362,076		
1999	314,973		
2000	352,620		
2001	525658		
2002	522,045		
2003	515,458		
2004 a	352,211	171,600	242,888
2005	533,618	94,300[c]	13,500[b]

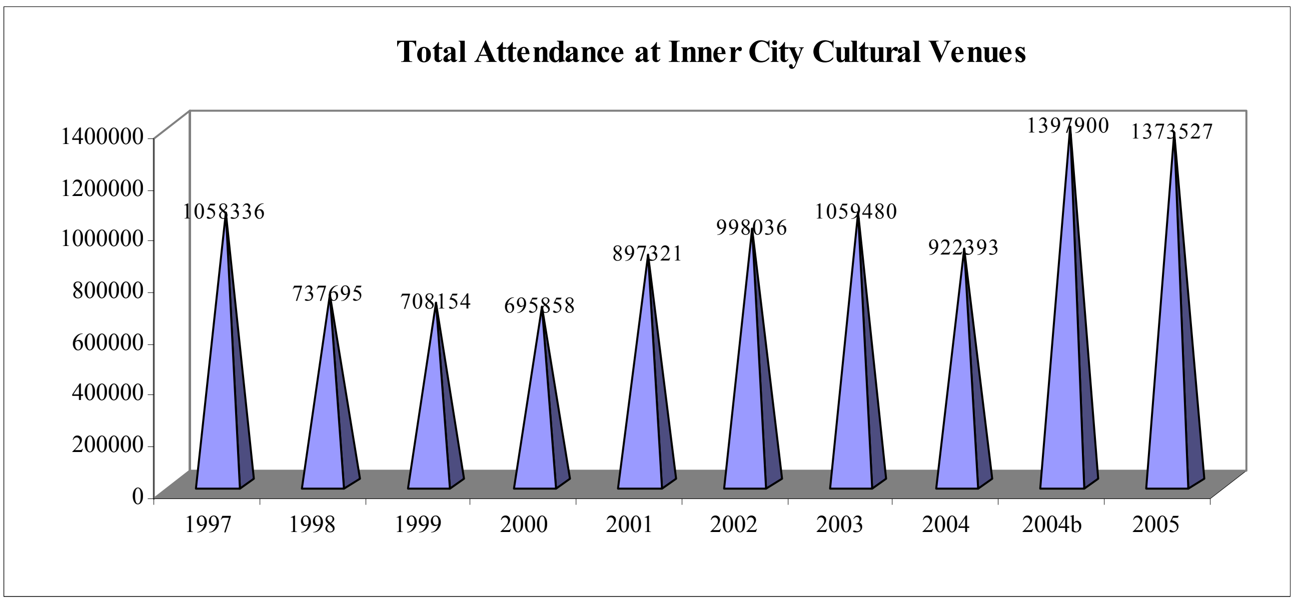
a: The reason for the decline was due to Chiefs having moved to FNB Soccer City

b: Only two events were held at the Johannesburg stadium in 2005.

c Ellis Park is again being utilized for Soccer



The figure below presents a summary of the total attendance trends at some of the most important cultural venues in the Inner City. Note that for 2004 we provide two alternative data sets. 2004a excludes the attendance at the Standard Bank Arena, the Johannesburg Stadium and Constitutional Hill so as to be consistent with previous years. From 2005 we will only use one data set to compare previous years. The 2005 figures are very encouraging if one takes into account that even with the relatively poor attendance at two of the major venues (Johannesburg Stadium and the Standard Bank Arena), the total attendance figure is still almost identical to the 2004 figure.



2.2 Property

The 2005 JHI Property Report conveys an improving confidence in the Johannesburg CBD. The report indicates that there have been numerous positive developments over the past year. A new breed of entrepreneur has emerged that is tackling projects at both the residential and commercial end of the spectrum. These entrepreneurs are taking advantage of the 'Better Buildings' programme to turn around blighted buildings with significant rates and taxes arrears. The Report again highlights some of the progress made with some of the precincts which have emerged in the Inner City. The government precinct that consists of buildings with some 150,000m^2 in floor space is taking shape. The 32 buildings that form the nucleus of the fashion district to the east of the CDB have been identified for potential investment. The Oriental Plaza in Fordsburg just West of Newtown is to receive an R100million revamp. Letting opportunities at Constitutional Hill have opened for 36,000m^2 of office and 2,000m^2 of retail space.

SAPOA December 2001 figures were set as our base and the target was to stabilise A and B vacancy rates at the base by the end of 2003 before seeing further improvements. Vacancy rates (A&B) in the CBD have been showing a rising trend since the mid 1990s. 'A' grade property vacancies in the CBD peaked late 1999 at 25.8% and has been on a strong declining trend since. The trend in 2005 has been very positive with 'A' grade property vacancy rates falling to 11.3%. This is a significant drop from the end of 2004 where it was slightly below 15%. The vacancy rates for Braamfontein 'A' grade property has been in a stable trend for the past few years at roughly 10% - but in the last year has shown a dramatic decline at one point reaching a low of 2.3% then climbing to a very satisfactory 4.9%. The increase from 2.3% to 4.9% can be attributed to 2000m^2 being vacated from one building. These rates for the CBD and Braamfontein are in line with A-grade vacancy rates in the Northern suburbs: Rivonia 5.2%, Midrand 13.5%, Sandton 0%, and Rosebank 6.4%.

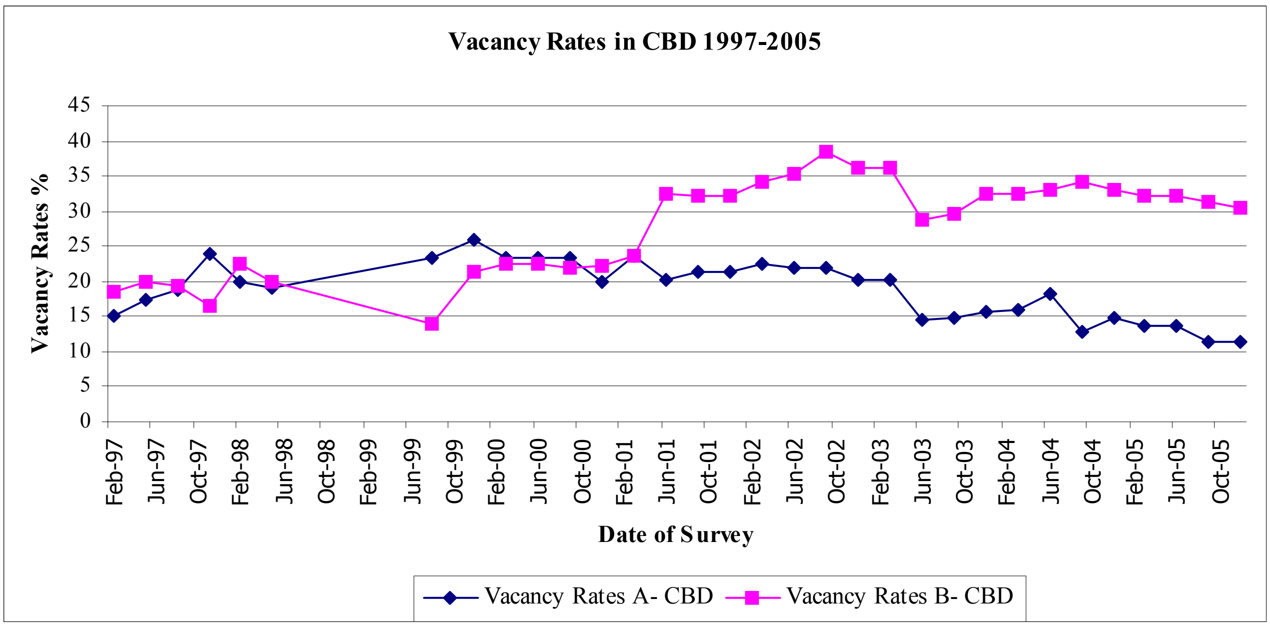
Asking median rentals for A grade property in the CBD in 2005 have increased to R34.00 from R25.25 in 2002 to R28 in 2003 and 2004. In Braamfontein these rentals have risen to a median of R57.5 per m^2 for A grade property. Inner City rentals in the Johannesburg Inner City are still very low but are beginning to rise after a long period of stagnation.

The table below presents data on the vacancy rates for the CBD and Braamfontein from 1996-2005.

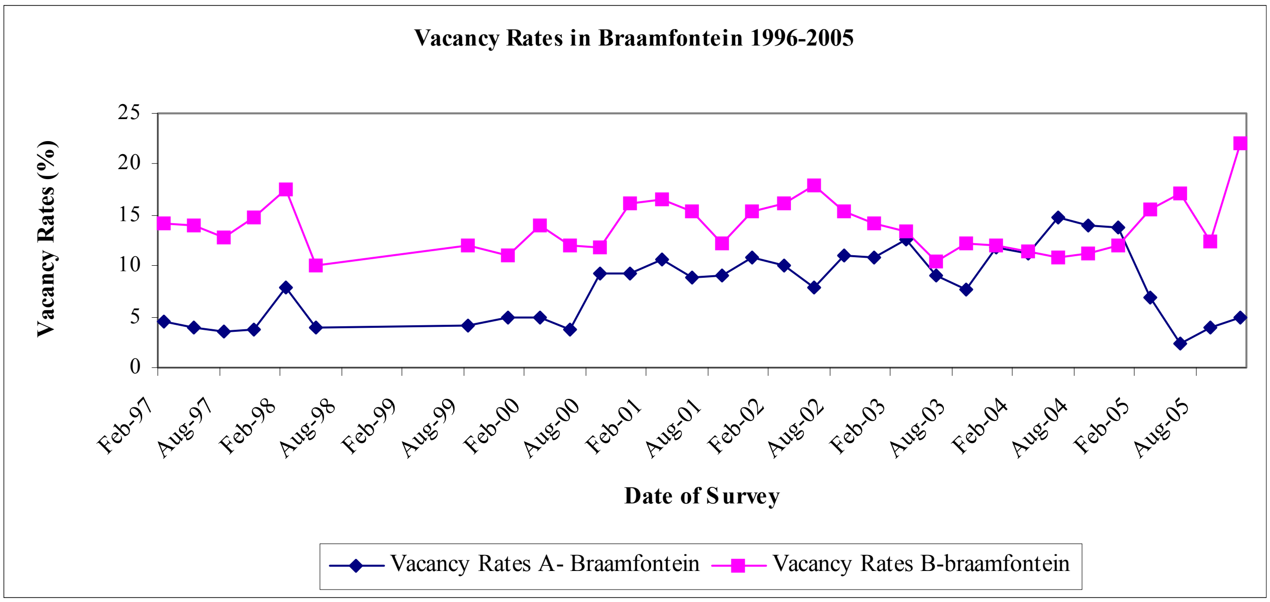
SAPOA Vacancy Rates (%) A&B Property in CBD and Braamfontein

Date of Survey	Vacancy Rates A - CBD	Vacancy Rates B - CBD	Vacancy Rates A – Braamfontein	Vacancy Rates B – Braamfontein
February 1997	15.1	18.4	4.5	14.2
May 1997	17.4	20	3.9	14
August 1997	18.8	19.3	3.6	12.7
November 1997	23.8	16.5	3.7	14.7
February 1998	19.9	22.5	7.9	17.6
May 1998	19.2	20	3.9	10.1
August 1999	23.4	14	4.1	12
December 1999	25.8	21.5	4.9	11.1
March 2000	23.4	22.4	5	13.9
June 2000	23.4	22.4	3.8	12
September 2000	23.3	21.8	9.3	11.8
December 2000	19.9	22.2	9.3	16.1
March 2001	23.6	23.6	10.6	16.6
June 2001	20.1	32.4	8.8	15.4
September 2001	21.4	32.1	9.1	12.2
December 2001	21.5	32.3	10.8	15.4
March 2002	22.5	34.2	10.0	16.1
June 2002	21.9	35.2	7.8	18.0
September 2002	21.8	38.5	11.0	15.3
December 2002	20.2	36.2	10.9	14.2
March 2003	20.2	36.2	12.6	13.4
June 2003	14.6	28.8	9.1	10.5
September 2003	14.8	29.5	7.7	12.2
December 2003	15.8	32.6	11.8	12.1
March 2004	15.9	32.6	11.3	11.4
June 2004	18.2	33.1	14.8	10.8
September 2004	12.8	34.1	13.9	11.3
December 2004	14.7	33	13.7	12
March 2005	13.8	32.3	6.9	15.5
June 2005	13.8	32.3	2.3	17.1
September2005	11.4	31.4	3.9	12.5
December 2005	11.3	30.6	4.9	22.1

The figure below graphically illustrates the vacancy trends for A and B grade property in the CBD since 1997 which shows a stable and improving trend. Indeed in the CBD there is a remarkable improvement in A grade property from over 25% vacancy rates in 1999 to 11.3% in 2005. B grade property has improved from a high of 38% in 2002 to a stabilising 30.6% over the past year.



The figure for Braamfontein is presented below and shows A grade property rates declining dramatically over the last year. Whilst B grade property showed a major increase over the last quarter. The reason for this can be attributed to 18,000m^2 that was vacated in three major buildings.



2.3 Building Plans

As regards building plans ~ no satisfactory data on building plans has been received for r 2004 or 2005.

2.4 RSC Levies

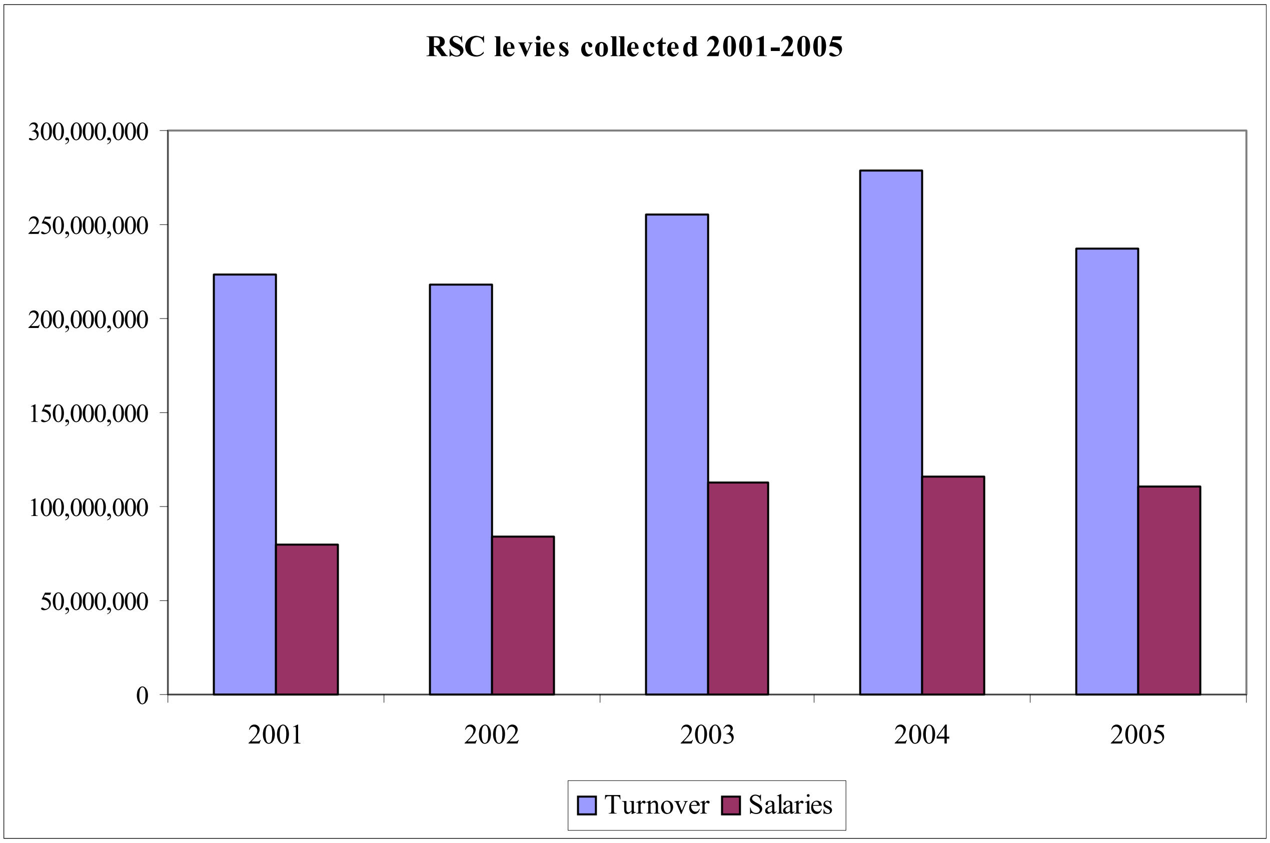
The table below presents the data for the RSC (Regional Services Council) levies for the Inner City. The data is important as these taxes are levied upon business turnover and their salary expenditure. As a result it gives an indication of trends as regards business activity and employment levels in the Inner City. It should be cautioned, however, that RSC levies are notoriously volatile. Nevertheless, it remains a useful guide.

The data received proved to be especially unpredictable so instead we have resorted to using RSC levies for Region 8 as the proxy for the Inner City. The Inner City makes up the bulk of Region 8 and is therefore a viable proxy. On turnover there was a 14% decline in 2005 and a 4% decline in salaries in 2005.

RSC Levies 2001-2005 for the Inner City

Year	**Turnover**	**Salaries**
2001	223,463,882.13	79,763,748.98
2002	218,413,911.49	83,513,648.33
2003	255,255,652.46	112,559,498.15
2004	278,465,269.35	116,240,965.76
2005	237,125,452.56	111,068,078.53

The figure below demonstrates the rise in RSC levies between 2002 and 2005.



2.5 Crime statistics

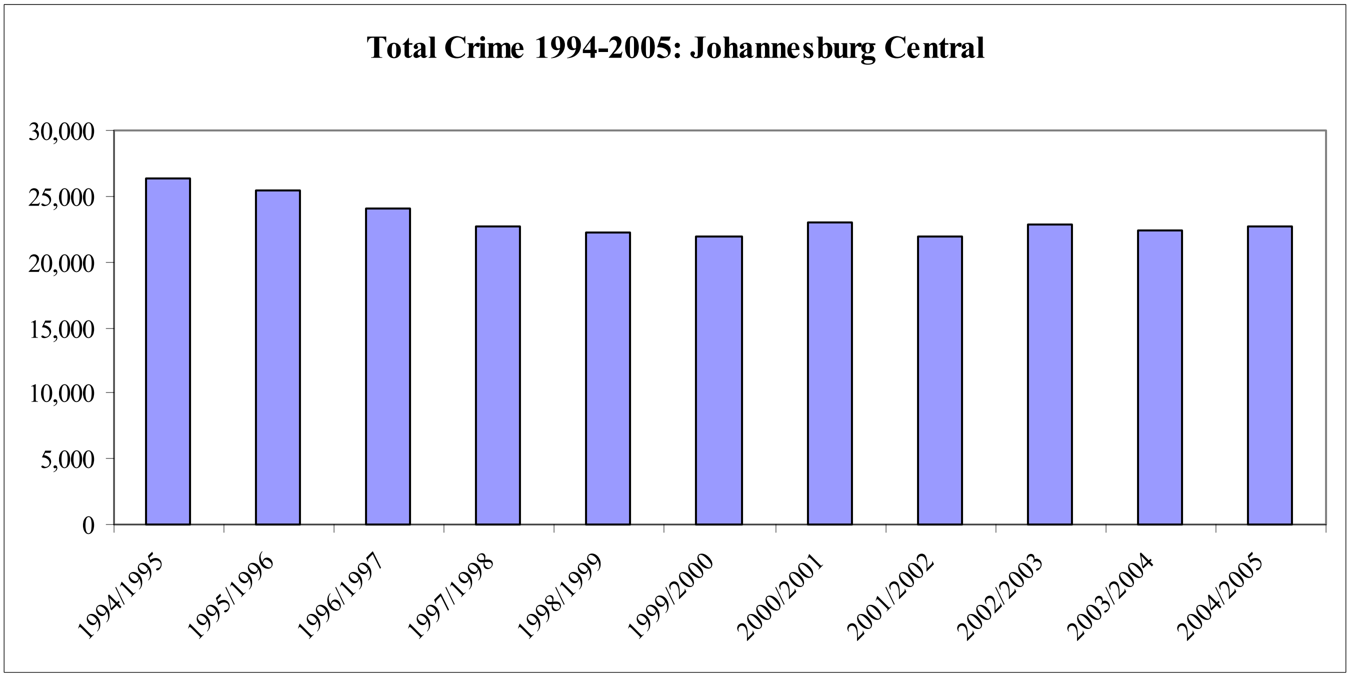
When we examine the data provided by the SAPS we see that crime has fallen in the area from a high of 26,420 cases reported in 1994 to 22,654 for 2005. While this is marginally more than 2004 at 22,318, it would seem that crime has remained static over the past three years.

Crime Statistics: Johannesburg Central 1994-2004

Crime Category	April to March										
	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05
Murder	147	146	134	116	155	130	124	123	191	90	103
Rape	209	172	185	218	179	191	188	228	164	160	151
Attempted murder	200	157	147	135	93	114	90	101	164	146	118
Assault with the intent to inflict grievous bodily harm	500	568	729	702	746	802	986	801	916	846	1099
Common assault	1,267	1,154	920	860	760	758	897	1,234	1,206	1,390	1527
Robbery with aggravating circumstances	3,023	2,471	1,688	1,631	1,838	1,939	2,126	2,039	2,567	2,327	2509
Common robbery	1,043	1,902	2,000	1,962	1,995	1,920	2,180	1,559	1,431	1,306	1545
Indecent assault	24	16	26	24	9	14	22	19	39	59	46
Kidnapping	40	33	61	40	32	43	54	42	12	14	22
Abduction	37	17	7	27	15	17	6	28	84	58	82
Neglect and ill-treatment of children	9	5	5	9	0	3	2	5	16	40	58
Culpable homicide	29	30	27	20	38	22	23	21	26	18	21
Public violence	1	3	2	6	6	3	3	1	1	3	3
Carjacking (Sub Category of Robbery Aggravating)	-	-	504	352	216	179	192	165	172	166	132
Truck hijacking (Sub Category of Robbery Aggravating)	-	-	172	138	116	99	69	24	7	8	9
Bank robbery (Sub Category of Robbery Aggravating)	-	-	13	16	15	16	17	19	1	3	4

Robbery of cash in transit (Sub Category of Robbery Aggravating)	-	-	3	1	1	1	0	0	2	2	4
House robbery (Sub Category of Robbery Aggravating)	-	-	-	-	-	-	-	-	60	62	42
Business robbery (Sub Category of Robbery Aggravating)	-	-	-	-	-	-	-	-	278	244	238
Arson	34	12	20	18	16	24	18	22	20	17	20
Malicious damage to property	746	827	857	776	781	720	712	693	699	633	702
Crimen Injuria	190	162	112	144	123	131	154	156	160	177	184
Burglary at residential premises	127	397	223	223	158	103	108	209	300	290	214
Burglary at business premises	2,257	1,991	1,715	1,512	1,526	1,445	1,105	1,036	1,076	902	624
Theft of motor vehicle and motorcycle	2,977	2,423	2,422	2,445	1,825	1,459	1,589	1,302	1,414	1,196	1,251
Theft out of or from motor vehicle	2,562	2,936	2,605	2,225	2,167	1,517	1,346	1,362	1,091	1,053	1,026
Stock theft	0	0	0	0	0	0	0	0	0	0	0
Illegal possession of firearms and ammunition	53	75	91	86	76	83	72	79	84	75	59
Drug related crime	508	304	281	226	90	176	141	134	60	81	128
Driving under the influence of alcohol or drugs	240	142	151	132	70	61	50	64	47	52	70
All theft not mentioned elsewhere	5,116	5,130	4,890	4,757	5,048	5,332	6,288	6,691	6,884	6,975	6,980
Commercial Crime	3,241	2,923	2,705	2,592	2,917	3,180	2,785	2,172	2,192	2,344	2,212
Shoplifting	1,840	1,480	1,397	1,365	1,272	1,445	1,628	1,642	1,498	1,581	1,471
TOTAL	**26,420**	**25,476**	**24,092**	**22,758**	**22,283**	**21,927**	**22,975**	**21,971**	**22,862**	**22,318**	**22,654**

The figure below presents the total crime data for Johannesburg Central between 1994 and 2005 and shows a steadily declining trend that plateaus in the last few years.


Total Crime 1994-2005: Johannesburg Central
30,000
25,000
20,000
15,000
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3. Inner City Survey

Objective: This section presents the results from a survey that was conducted on businesses operating in the Inner City. The purpose of the research was to gain an understanding of perceptions of the Inner City by businesses operating in the area. This was done in an effort to monitor the perceived success of the JDA's interventions in the study area.

Methodology: The survey was conducted during April 2006. Trained students were sent out to designated areas within the Inner City (both within and outside the improvement districts), to administer the questionnaires. Roughly 150 questionnaires were completed in this manner. The data from the surveys was then captured and analysed.

In 2003 we were requested to highlight the Cultural Arc development zone stretching from Braamfontein to Newtown. In this 2006 survey we once again separate the results of the Cultural Arc from the rest of the Inner City. This is an important development area for the JDA and hence we present these results juxtaposed to the rest of the CBD. Three sets of results are therefore available: the results for the Cultural Arc, the rest of the CBD, and then a combined set for the Inner City as a whole. The results were similar and thus we will only highlight the differences and treat the full sample as our yardstick.

Limitations of methodology:

- Whilst every effort was made to ensure that the questionnaire was completed by the intended person (Senior Manager or Owner), in a few questionnaires it may have been completed by a less informed person.
- The respondents may not always have given the survey the necessary effort and attention that it required which may have led to some poor responses.
- Convenient sampling has some shortcomings in terms of representativity.
- The Inner City was defined in this study as the Johannesburg CBD area, Newtown, and Braamfontein.

3.1 Business Confidence

The first part of the questionnaire develops a business confidence index for the Inner City. The results in 2006 are compared to earlier years so as to detect a trend in business confidence in the area. We have also isolated the Cultural Arc within the Inner City (Newtown and Braamfontein) and so we are able to provide results both for the whole Inner City and for the Cultural Arc. The latter results are presented only where they meaningfully differ from the Inner City.

The overall Inner City index score for the year 2006 is 57.2 which is up from 54.5 in 2005. The index scores for 2003 and 2004 where 50.3 and 57.5 respectively. For the Cultural Arc alone we get an index score of 66.5, which is well up on the 59.4 for 2005 and also above the 2004 score of 62.9. Thus the overall confidence in the Inner City has improved slightly over the past year and is close to previous highs. Below we examine the disaggregated index so that we can better determine what areas have lead to the improvement for 2006.

The responses to the following questions were as follows:

- Over the past year I have noticed an improvement in the management of the Inner City: 44.7% agreed and 11.4% were neutral. It scored a 53.3 up from 49.4 in 2005 on the scale. The Cultural Arc scored 64.7, which is also up on the 2005 statistic of 61.6.

- Over the past year I have noticed an improvement in the cleanliness of the Inner City: 36% of the respondents agreed with this statement, 12% were neutral and the rest disagreed. It scored a 44.4 compared to last year’s 44 on the scale. The Cultural Arc scored a 61.8 compared to 61.4 in 2005.

- Over the past year I have noticed an improvement in the orderliness of the Inner City: 30% disagreed compared to 50% in 2002. It scored 49.4 on the scale compared to 46.6 in 2005, 55.5 in 2004 and 45.4 in 2003. Cultural Arc scored 62 as opposed to 57.2 in 2005.

- Over the past year I have noticed a decline in the crime rate in the Inner City: 31.5% (down from 35%) agreed, 19% were neutral and 44% disagreed. It scored 43.5 on the scale, down from 45.5 in 2005. Cultural Arc scored 50.4 up from 49.6.

- Over the past year my resolve to remain based in the Inner City has risen: just under 53% agreed with this statement, 17% were neutral and 23.6% disagreed. It scored a 58.4 compared to 56.4 last year. The Cultural Arc scored 68.1.

- Over the past year I have become more positive/optimistic about the Inner City: 55% agreed, 21% were neutral and only 21% disagreed. 60.9 on our scale, which is slightly down from 61.3 in 2005 and in line with 60.3 in 2004. 71.1 (64.4 in 2005) for the Cultural Arc.

- Over the past year my business turnover has risen: 25% disagreed compared to 33% in 2005. 54.7 on the scale up on 50.2 for 2005 and much higher than the 41.4 in 2003. Cultural Arc score of 65.7 is a substantial increase from 49.6 in 2005.

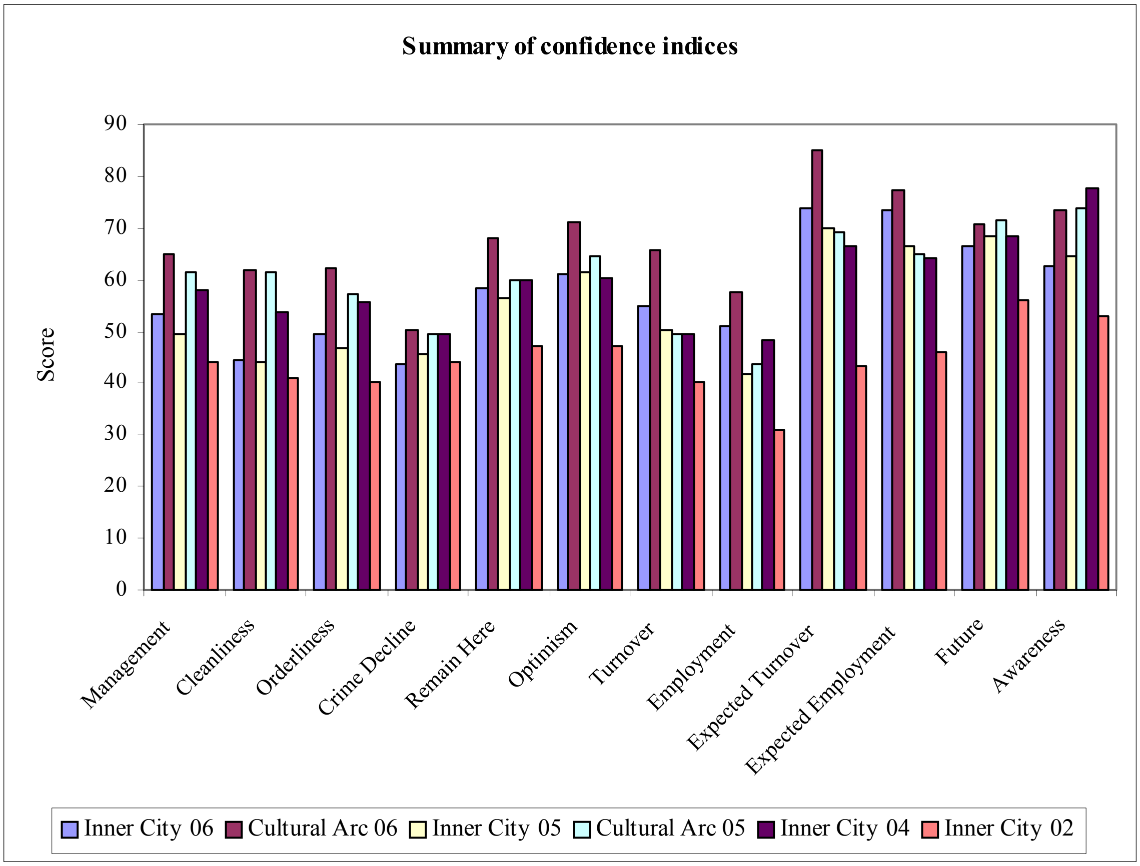
- Over the past year my employment levels have risen: 32.9% (20% in 2005) agreed whilst 25% disagreed. The score on the scale was 50.8, which is well up on the 41.7 for 2005 and a slight improvement from 48 in the previous year. Cultural Arc 57.5 (43.5 in 2005).

- Over the coming year I expect my business turnover to rise: a significant 68.6% agreed with this statement compared to 35% in 2003. It scored our highest result of 73.8 compared to 69.8 in 2005, 66.6 in 2004 and 58.4 in 2003. Cultural Arc 82.1 (68.9 in 2005).

- Over the coming year I expect to increase my employment levels: 69.3% of the respondents agreed, scoring 73.4 on the scale – up from 66 in 2005, 64 in 2004 and 46 in 2002. The Cultural Arc scored 77.3 (64.9 in 2005).

- Over the coming year I am optimistic that things will improve (crime, grime etc) in the Inner City: 59.3% of the respondents agreed whilst only 11.5% down from 17.6% in 2005 disagreed. It achieved 66.6 on the scale – slightly down on the previous year but up from 56 in 2002. The Cultural Arc scored 70.8.

- Finally, we have an awareness proxy. It is made up of six questions related to the awareness of improvement districts, perceived success of these districts, and awareness of the JDA and its projects. It scored 62.5 on the scale – down from 65 in 2005, 77.6 in 2004 but still sharply higher than the 53 in 2002. Cultural Arc 73.3.

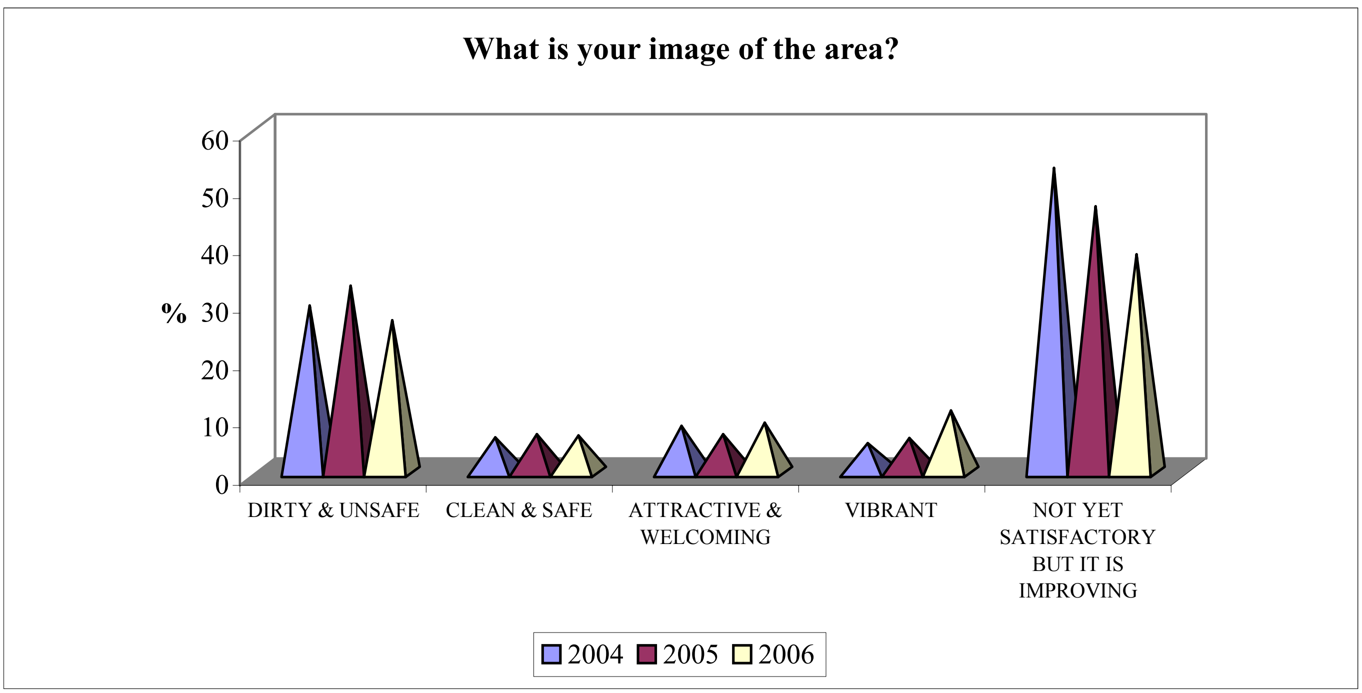


Summary of confidence indices 2002-2006

Index	Inner City 06	Cultural Arc 06	Inner City 05	Cultural Arc 05	Inner City 04	Inner City 04	Inner City 02
Management	53.3	64.7	49.4	61.6	58.0	58.0	44.1
Cleanliness	44.4	61.8	44.0	61.4	53.6	53.6	41.1
Orderliness	49.4	62.0	46.6	57.2	55.5	55.5	40
Crime Decline	43.5	50.4	45.5	49.6	49.3	49.3	44
Remain Here	58.4	68.1	56.3	59.7	59.7	59.7	47
Optimism	60.9	71.1	61.3	64.4	60.3	60.3	47
Turnover	54.7	65.7	50.2	49.6	49.4	49.4	40
Employment	50.8	57.5	41.7	43.5	48.1	48.1	31
Expected Turnover	73.8	85.1	69.8	69.0	66.6	66.6	43.1
Expected Employment	73.4	77.3	66.3	64.9	64.0	64.0	46
Future	66.6	70.8	68.3	71.6	68.3	68.3	56
Awareness	62.5	73.3	64.5	73.6	77.6	77.6	53

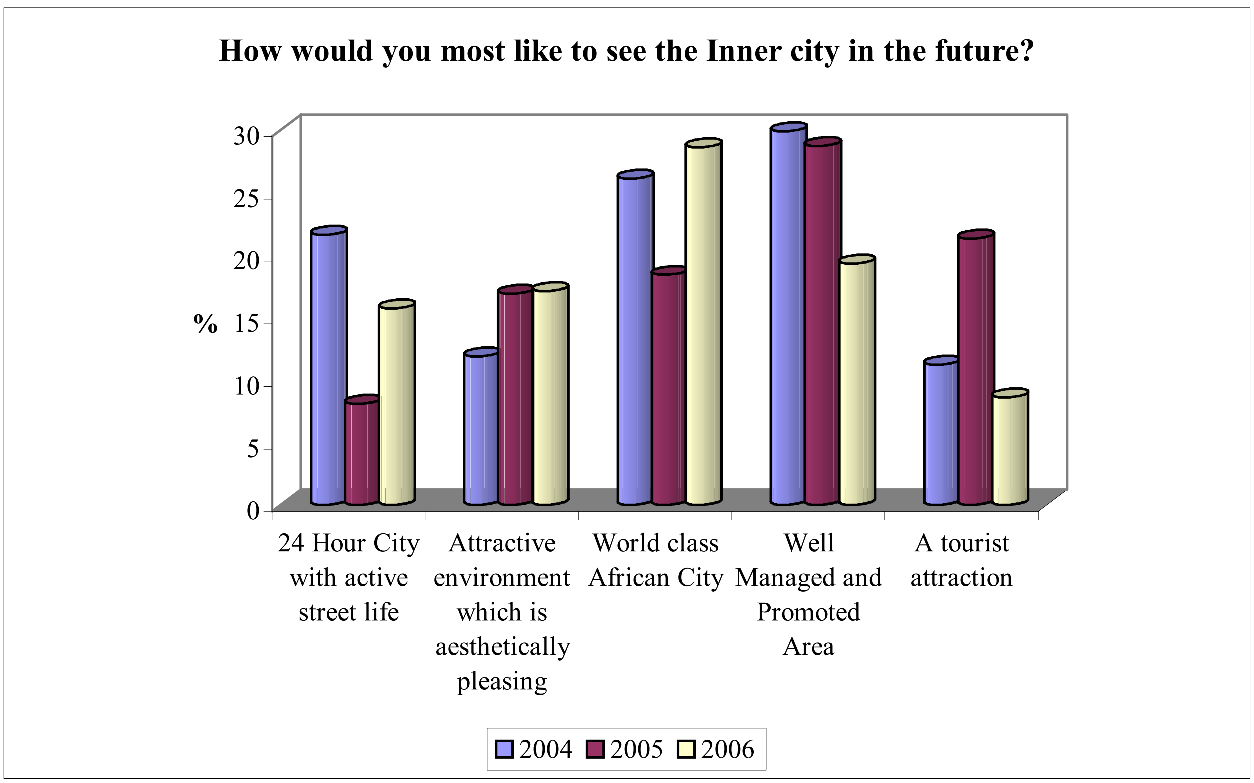
3.2 City Life

- 26.4% stated that their image of the Inner City was of 'dirty and unsafe' (compared to 32% last year and 80% in 2002), whilst 37.9% described it as 'not yet satisfactory but it is improving' (38.3% in the Cultural Arc) and 10.0% described it as vibrant.



- 33% were of the opinion that there was not enough entertainment available in the Inner City whilst 21% argued that it was not yet satisfactory but it was improving. 78.6% (up from 67% in 2005) stated that the variety of shops and facilities was adequate. Respondents indicated that they would like to see more shops and entertainment attractions that would make the inner city more vibrant. When asked what shops and entertainment they would like to see in the Inner City, the most frequent responses were: sport centres, music academies, child entertainment centres, restaurants, supermarkets, gymnasiums and cinemas and theatres. 38% stated that night activities/facilities in the Inner City were either average or non-existent another improvement from 54% in 2005.

- Perhaps most interesting were the responses to the question: ‘how would you like to see the Inner City in the future as there were some changes from 2005: 28.6% a ‘world class African city’, 19.3% would like to see a ‘well managed and promoted area’ and 17.1% an ‘attractive environment that is aesthetically pleasing.



3.3 Economic Conditions

Businesses were asked a number of open-ended questions related to the general business environment in the Inner City. Their responses are listed below.

1. What single attribute of the Inner City do you feel has the most **positive** effect on your business? The most frequent responses were as follows:

- The colleges and student population – especially prominent in Braamfontein responses
- Competitive business environment
- Inner city size-can accommodate everyone
- Accessibility and convenience: transport hub and Bree taxi rank
- Large shopping market and customer base

2. What attributes of the Inner City do you feel have the most **negative** effect on your business? This year the responses were less varied than in previous years and revolved around two issues:

- Crime and grime (still the most frequent response)
- Unmanaged informal traders
- Congestion
- Taxi driver behaviour

3. What **public sector improvement** would most add to the economic value of the Inner City? They were asked to rank their top seven suggestions. The most frequent responses were in the following order – similar to last year.

- Greater security presence
- Upgrading of existing buildings
- Cleaner public environment
- Additional parking
- Provision of public toilets
- Promotion and marketing

4. What single attribute do you feel **draws** most people to the Inner City?

- Availability of services and facilities, variety of stores, centrally located, price differences compared to the malls.
- Businesses in Inner City
- Government buildings
- Transportation hub
- Large residential population
- Tertiary students especially in Braamfontein

5. Why are you **located** in the Inner City? Same responses as in 2004:

- Cheaper rent and services
- Large customer base
- Family history

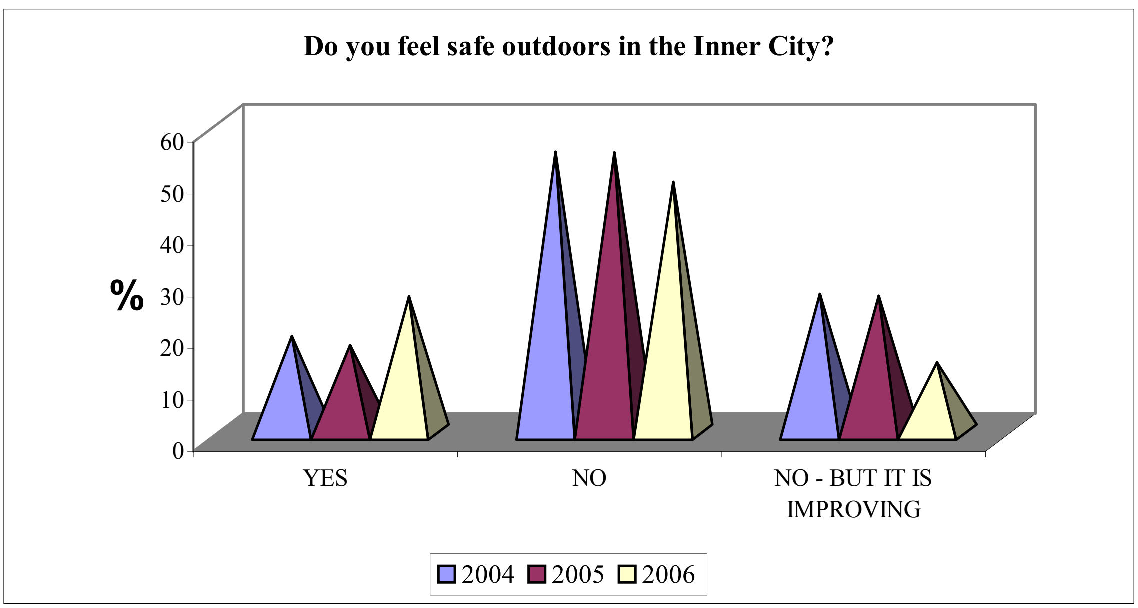
- Easy access
- Clean streets
- Good business prospects
- Economic stability

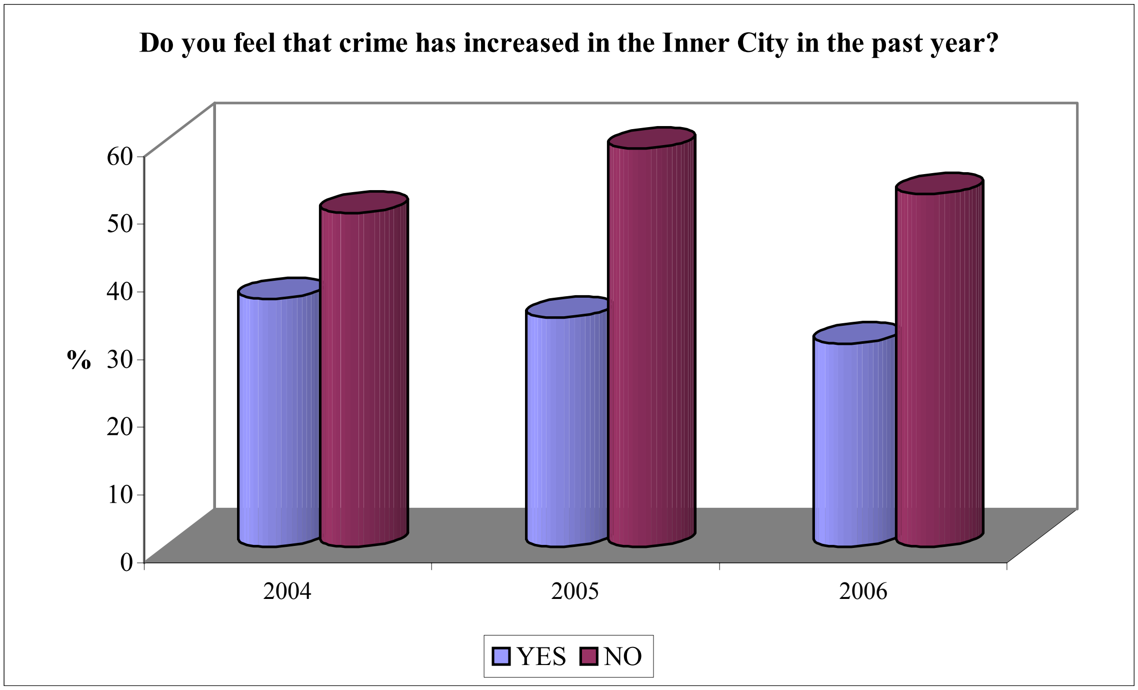
Media coverage: Respondents were asked whether they felt that media coverage of the Inner City was accurate? 29% felt that it was not accurate whilst 24% felt that it was improving and 20% believed that it was accurate.

The previous two years around 40% of respondents felt that media coverage was inaccurate and there is therefore evidence that media coverage of the Inner City is improving and is increasingly reflecting the perceptions of the business community in the Inner City itself.

3.4 Safety and Security

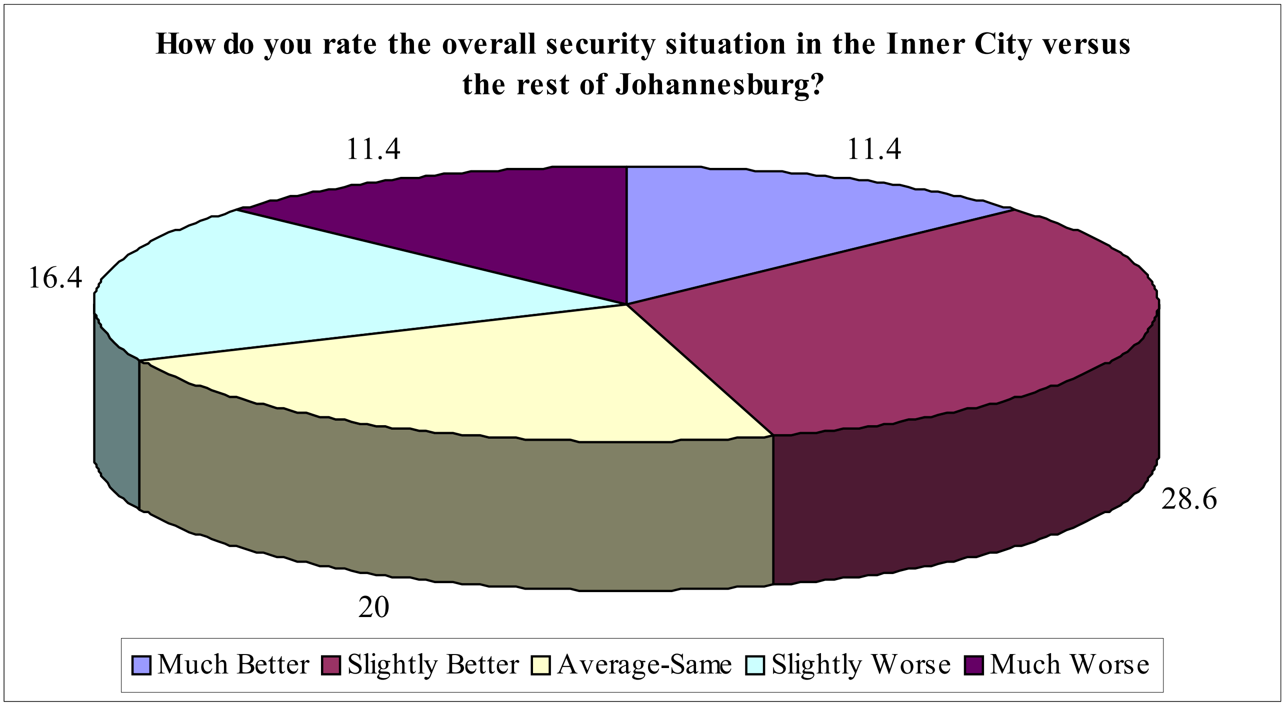
- 48.6% do not feel safe outdoors in the Inner City (lower than the 54.4% in 2005) although they pointed out that they felt quite safe in the CID areas with only 24% saying they did not feel safe in CID areas. 56% do feel safe in doors, while 25% do not feel safe indoors (this is vast improvement on 2005). 30% felt that crime had increased (down from 34% in 2005 and 37% in 2004) whilst 52% did not believe that to be the case. There is therefore a recognition that despite the fact that crime remains a problem for them that it has not increased and this is borne out by the crime data itself which has remained static.





- 41% (down from 51% in 2005) maintained that current policing initiatives were not effective, 22% (up from 11% in 2005) that they were effective, whilst 28.6% felt that they were improving.

- Since crime is a citywide phenomenon we believed that it would be interesting to see what relative perceptions were of crime in the Inner City versus the rest of Johannesburg and the responses were very informative. 40% of respondents felt that security in the Inner City was better than the rest of Johannesburg (58% in the Cultural Arc), 20% felt it was the same, and 28% felt it was worse.

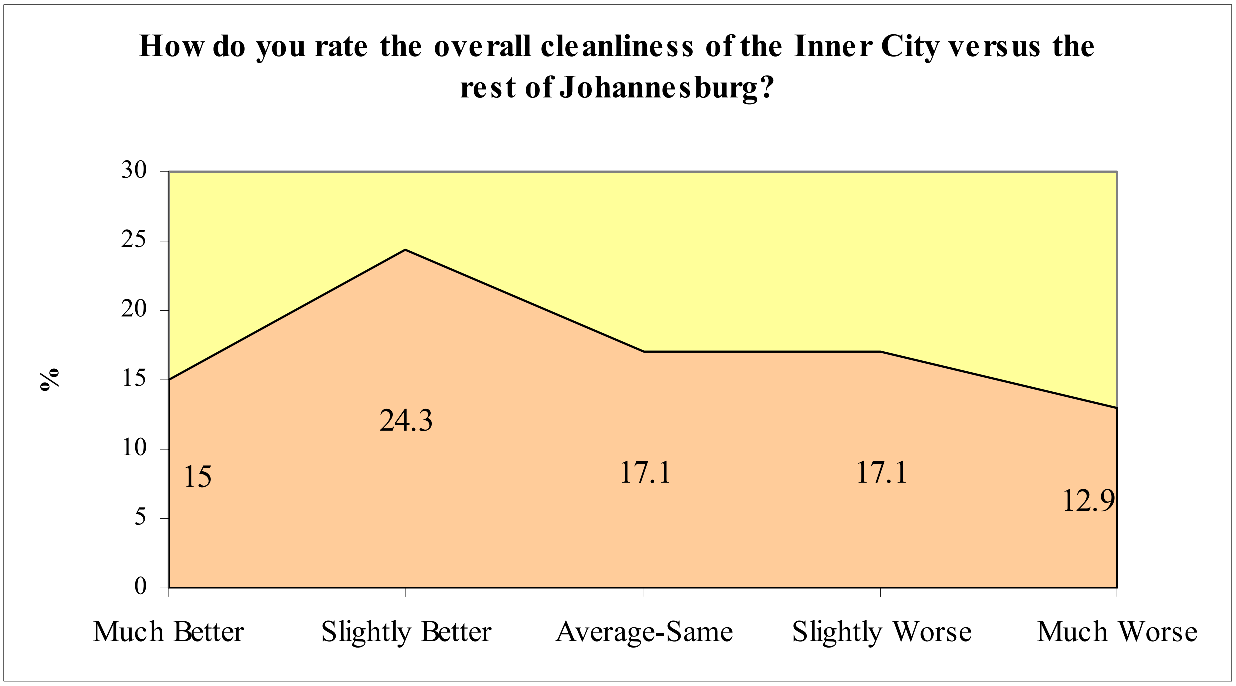


3.5 Appearance

- 25% assert that street and pavement lighting is inadequate in the Inner City (7% in the Cultural Arc), a further 21% argue that it is still inadequate but getting better and 33% believe it is adequate.

- 45.7% state that litter on pavements and kerbs is a problem (down from 52.5% in 2005 and 68% in 2004), whilst 15.7% say it is a problem but getting better and 18.6% say it is not a problem. For the Cultural Arc the respective figures are 28%, 33% and 18%. 44% assert that refuse removal has improved over the last year – 65% in the Cultural Arc.

- Respondents were asked to rate the overall cleanliness of the Inner City versus the rest of Johannesburg and 37.3% (35.3% in 2005) stated that it was better (57% in the Cultural Arc), 20.6% about the same, and 34.6% that it was worse.



3.6 Informal Trading

- 45% of respondents supported the concept of informal trading in principle which is again down on all previous years, but a large 18.6% of respondents left the question blank. Indeed as we reported previously, more and more respondents cited hawkers as a big negative in the Inner City. Many blaming them for crime and grime problems in the inner city. Over 59% felt that the relocation of informal trading to designated areas would have a positive impact on the Inner City. The reasons for the latter belief included: cleaner pavements, freer walkways, less crime, more hygienic and cleaner environment, increased visibility and more attractive shop windows.

3.7 Transportation

- 68% reported that parking is a problem in the Inner City, which is slightly down on the previous year and could be the result of the increased parking facilities in the area. But 70% in the Cultural Arc see it as a problem, down from 76% last year.

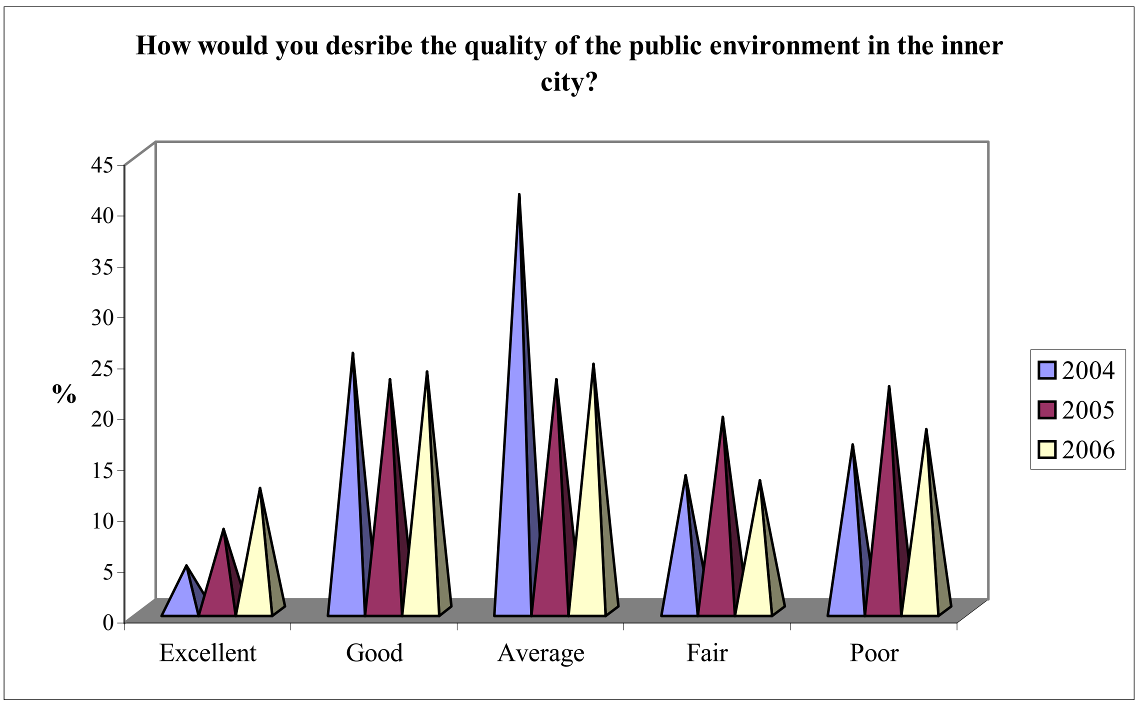
- 83.6 (up from 72% in 2005) state that the relocation of taxis to formal taxi ranks will have a positive impact on the Inner City.

- 68% (dramatically up from 30% in 2005) of respondents claimed that the standard of road signage (street names, road markings, signs) in the Inner City was better that the rest of Johannesburg, another 17% felt it was about the same and 6.4% (down from 23.5% in 2005) felt it was worse.

3.8 Public Environment

- 46% argued that there were not enough public facilities (information points, public toilets, bus shelters, public seating etc.) in the Inner City.24% felt there were not enough facilities but that it was improving The most frequent response was the need for public toilets. Public seating, public phones and more parks were also mentioned.

- 30.8% described the quality of the public environment (paving, building quality and maintenance, landscaping) as poor or fair. This is significantly down from 41% in 2005. In the Cultural Arc this figure was 20% (25.5% in 2005). 47.9% asserted that there were not enough natural elements in the Inner City (such as trees, flowers etc.) and another 18.6% answered 'no – but it is improving.'

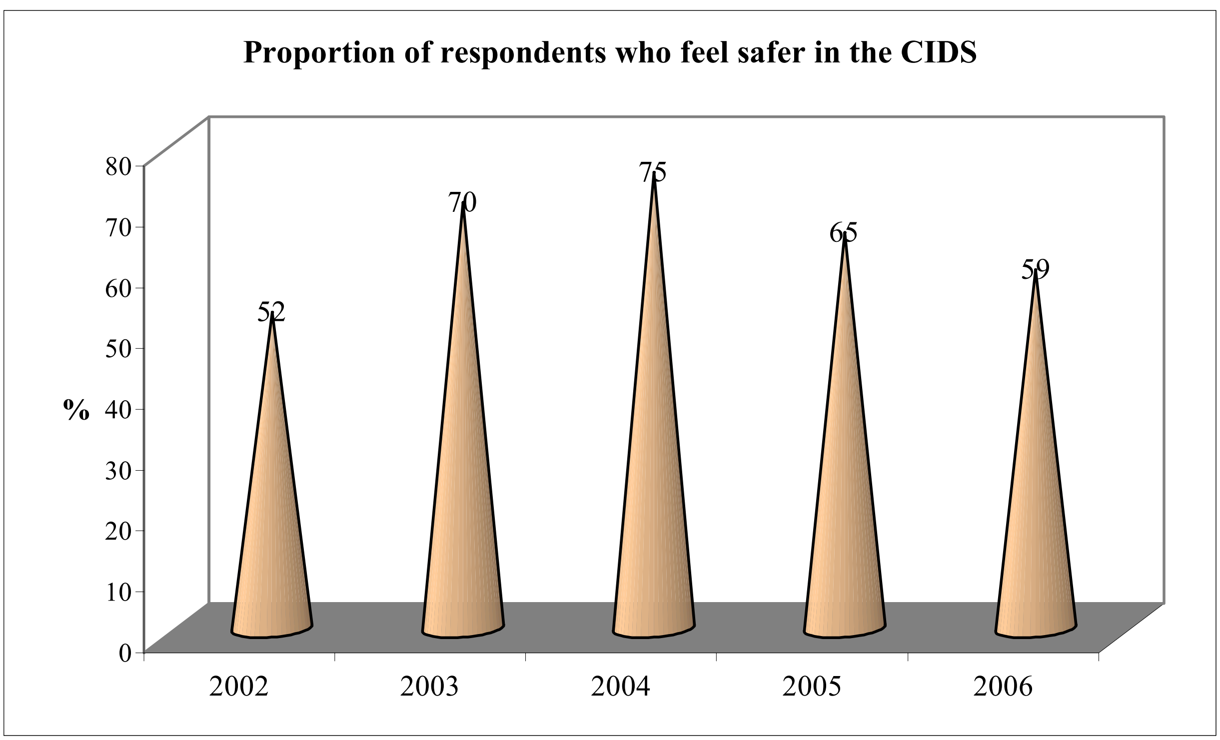


3.9 City Improvement Districts

- 51% of the respondents were aware of the City Improvement Districts (the same as last year). In the Cultural Arc awareness was at 60%.

- 66% of those who answered this question (90% in the Cultural Arc) stated that the CIDS were making a real positive difference in the Inner City. This is up on last year with the cultural arc improving from 75%.

- 59.3% felt safer in the CIDS as compared to the rest of the Inner City (down from 65% in 2005). In the Cultural Arc the proportion was 71%.

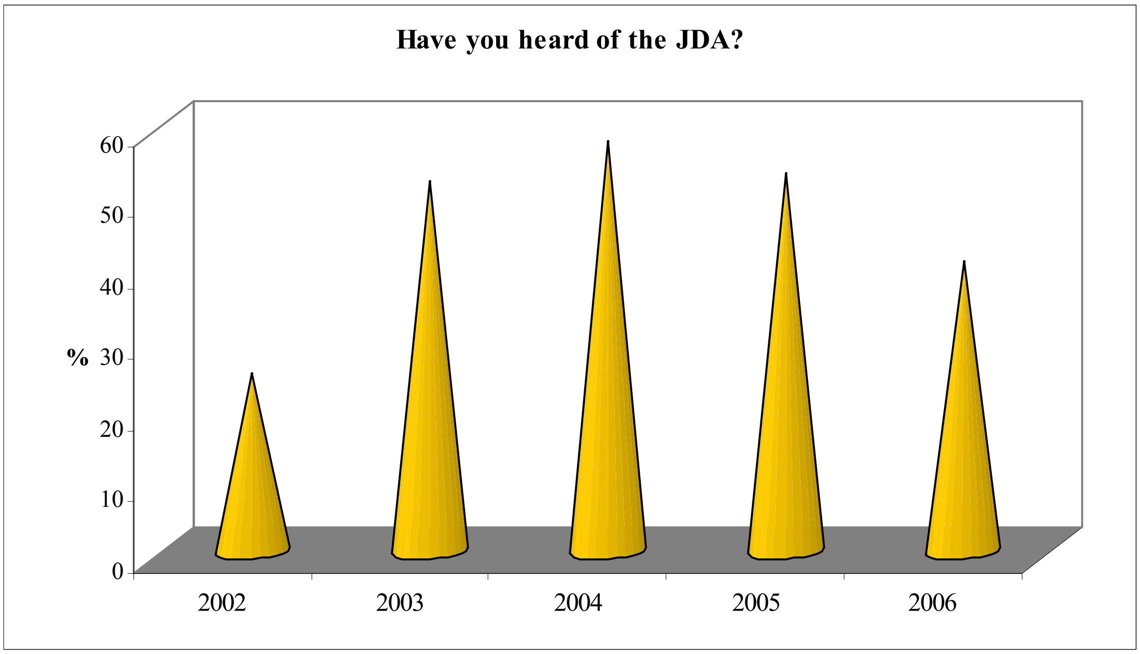


- 63% assert that the public environment is better maintained in the CIDS which is similar to 2005. In the Cultural Arc the proportion was 77%.

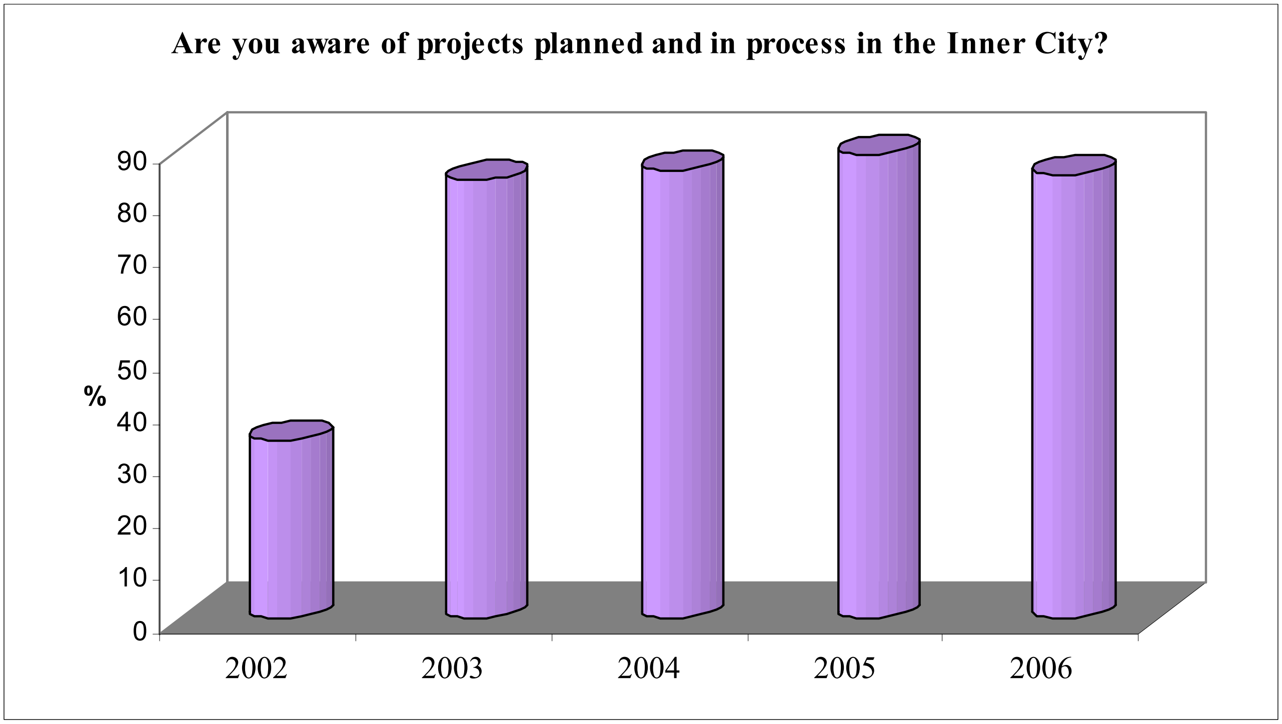
The CIDS are well supported by those that are aware of the districts and are seen as positive catalyst to improvement in the inner city.

3.10 Johannesburg Development Agency

- 40.7% of respondents had heard of the JDA which is down from 2005 at 53%.



- 85% were aware of the initiatives and projects planned and in process to improve conditions in the Inner City (e.g. Constitution Hill, Newtown projects etc) up from 34% in 2002 and slightly down on last year's 89%.



- Only a very small proportion had had dealings with the JDA but of those respondents, 75% were satisfied with the service they provided.

3.11 Conclusion of survey

Lastly respondents were asked three open-ended questions about developments in the Inner City. There most frequent responses are recorded below – much the same as last year:

1. What has been the most positive development in the past few years?
    - The Mandela Bridge

- Newtown
- Removal of hawkers in Braamfontein
- Cleanliness in the cultural arc
- Metro Mall
- Gandhi Square
- Street markings and names
- Constitutional Hill (mentioned by respondents in Cultural Arc)
- The Bree Street and Noord Taxi Rank
- Metro police more visible
- Street lights
- Increase in residential property
- Upgrading pavements

2. What has been the most negative development in the past two years?
    - Illegal traders
    - People cutting hair on the pavement
    - Crime and grime
    - Not enough parking
    - Proliferation of Malls in other areas due to safety

3. What does the JDA need to address most urgently in the Inner City? Many of the responses are the same as previous years:

- Create designated areas for informal trading
- More frequent cleaning with larger volumes of people visiting the CBD
- Upgrading of old buildings
- More visible policing
- More public toilets
- More street cameras
- Improve taxi rank

The results of the 2006 survey largely mirror those of 2005 and were mostly positive although there were slight declines in several categories. This is to be expected as diminishing returns set in as we discussed in the 2005 report. Interestingly when analysing the overall survey results, the most positive figures were those related to economic data which saw substantial improvement in perceptions. Questions related to their future expectations for the region elicited very optimistic results. The JDA is now facing the issue of how it can reignite excitement around new developments that the JDA is planning for the Inner City which are likely to be more incremental and less dramatic.

[i] Manyindo et al, 2000