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Jewel City becomes mixed-use precinct

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Moneyweb

Divercity Urban Property Fund is eyeing further investments in the Joburg CBD, as well as into an all-new urban renewal project in the Randburg CBD.

The unlisted fund, which is a joint venture between property groups Atterbury and Ithemba Property with financial backing from RMH Property and Nedbank Property Partners, is planning to invest about R1 billion in the next phase of its Jewel City development. Its Randburg plan is still on the drawing board.

That's the word from Divercity CEO Carel Kleynhans, speaking ahead of Jewel City's official opening on Heritage Day (24 September) next week.

"We've invested about R1.8 billion already, which has gone into the redevelopment of Jewel City into a managed mixed-use precinct as well as the transformation of the once vacant Absa Tower Main building, just down the road.

"Divercity launched redevelopment construction on these inner-city projects almost two years ago and we have delivered despite the impact of the Covid-19 lockdown," he said.

"In fact, we even came under budget as we initially planned to invest R2 billion.... However, this is just the first phase. We're planning to invest around R1 billion more into Jewel City's next phase," he added.

The Jewel City precinct, which covers six city blocks, was once home to Joburg's diamond trade and was owned by JSE-listed Redefine Properties. However, with the decline of the CBD, the precinct has virtually been locked up and closed to the public for decades.

Divercity's partners joined forces in 2018 to purchase the precinct from Redefine and have turned the old office buildings and warehouses into a secure inner-city neighbourhood.

Jewel City now includes about 1 500 residential units, 10 000 square metres of office space as well as outlets such as Shoprite, Clicks, Pep, Roots Butchery, Roots Grill, McDonald's and Chicken Licken. Significantly the project included the construction of two new residential blocks.

Rian Reyneke, CEO of Ithemba and a board member of Divercity, during a tour of the precinct on Tuesday said that one of the new residential towers was 13 storeys high. This represents the single biggest new residential development in the city centre in over a decade.

"It is called the Onyx and has 660 units. The building was only opened in August due to the Covid-19 lockdown.... About 66 units are currently let and we are expecting to sign another 60 or so this month," he said.

"Residential letting has been impacted by the pandemic. However, we are confident that most of the units will be taken up considering the integrated environment we are creating here. It will pick up with the official opening of Jewel City next week," he added.

Reyneke believed Jewel City's redevelopment has special significance.

"We are turning the precinct into a true neighbourhood, with pedestrianised safe streets and many of the amenities people need. We have even managed to secure [JSE-listed] Curro to open a small primary school here."

"Over 400 trees have been planted in the precinct and we have landscaped streets and CCTV security."