**QUESTION FOR WRITTEN REPLY**

**NATIONAL ASSEMBLY**

**“1965. Mr R W T Chance (DA) to ask the Minister of Small Business Development:**

**(1) With reference to the correspondence from Small Enterprise Finance Agency (SEFA) (details furnished), what is the basis of SEFA’s allegation that Gauteng Province Industrial Parks Association (GAPIPA)/Orlando West Industrial Property Association (OWIPA) instructed its (a) members and (b) tenants to boycott the payment of rentals at the industrial parks it owns;**

**(2) with reference to her reply to question 314 on 20 April 2017 and the ongoing negotiations with regard to the ownership of industrial parks between the SEFA and GAPIPA/OWIPA, (a) what amount has SEFA allocated for a service provider to empower GAPIPA/OWIPA executives, members and tenants with skills on (i) property management and (ii) ownership and (b) for what period will this service be contracted for;**

**(3) will she furnish Mr R W T Chance with statements of accounts for each of the SEFA-owned or SEFA-managed Gauteng industrial parks for the past 12 months, indicating the collective rentals payment history of tenants in each park; if not, why not; if so, by what date?”**

 **NW2177E**

**REPLY:**

1.(a) & (b) Members of GAPIPA/OWIPA are part of the tenants of the Industrial Parks. All GAPIPA tenants lease agreements expired more than 5 years ago and there has been resistance to renew and enter into new lease agreements. As a result, SEFA is currently only collecting on average only 20% of rentals from GAPIPA tenanted properties.

 At a meeting with SEFA management, GAPIPA agreed to enter into lease agreement subject to the agreement by SEFA management to sell and transfer the properties to tenants.

 In an attempt to resolve the dispute, the board of SEFA approved a framework to sell the properties to the tenants at fair value with an option for SEFA to fund the sale transactions using an Instalment Sales Agreement. However, the tenants refused the offer to buy the properties at fair value and demanded a free transfer.

2. No budget has been set aside and budgeted and no service providers have been appointed. It is one of the considerations being made provided the budget allows and that GAPIPA/OWIPA Executives agree to this proposed intervention including the terms of the proposed sale.

3. Due to Landlord and tenant confidentiality agreements, SEFA is not in a position to provide the requested information. SEFA recommends that Honorable Mr Chance to engage directly with the tenants for such information.