## **National Assembly**

**Question no 2343**

**1 Mr. M S F de Freitas (DA) to ask the Minister of Transport:**

 With regard to the properties owned by the Passenger Rail Agency of South Africa (PRASA) in each province in the past three financial years to date, (a) what number of properties does PRASA own, (b) which properties have been (i) purchased and (ii) sold in each month, (c) what was the value of each property that was sold, (d) what was the sale price of each property, (e) which properties were upgraded, maintained and/or renovated in each month, (f) who resides in the specified properties, (g) what are the lease arrangements and terms and conditions with regard to each property? NW2678E

1. **REPLY**
2. **What number of properties does PRASA own:**

N/A

1. **Which properties have been**
2. **Purchased**

In the period in question PRASA has not acquired any Properties however in pursued of the Secondary Mandate for Revenue Generation, we acquired mainly Commercial Properties out of our Development Leases.

1. **Sold in each month**

It is not PRASA’s strategy to sell property and only one property (vacant land) has been sold in the period in question, February 2023 for an amount of R18m, known as Remainder of Erf 79204 And Erf 79208 Diep River, Cape Town

This was a portion of land next to Diepriver station that will be developed into upmarket residential units by a 3rd party, Itakane Developers and as the scheme is based on sectional title sales of the unit, the sale of the property was approve in terms of PRASA Asset Disposal Policy and approval in terms of Section 54 of the PFMA.

1. **What was the value of each property purchased**

In the context of the Properties, there is no value attached as nothing has been purchased over the past years.

1. **What was the sale price of each property**

In the context of the Properties, there is only one property sold at R18m

1. **Which properties were upgraded, maintained and/or renovated in each month**

There were no Residential Units that were Maintained, upgraded or Renovated over the last three years safe for the property situated at No 18 Mill Street, Newlands, Cape Town (Guest House).

The property was upgraded for a specialised purpose of Generating Revenue

1. **Who resides in the specified properties**

The commercial components of both portfolios are occupied by private tenants on commercial basis mainly as retail activities being conducted and for office usage.

The Residential Component of the portfolio (378 leases) are mainly occupied by private residents and about 43 residential properties by PRASA staff with relationships strictly on commercial terms.

We have herewith attached a separate Listing of the occupiers of the Residential Properties that are active in our Property Management System. **See the Excel Sheet attached.**

1. **What are the lease arrangements and terms and conditions with regard to each property**

The Residential Leases are all completed individually in terms of our leasing procedures with each respective tenant using the Residential, Lease Contract Template.

The lease arrangements on all the occupiers of the PRASA’s portfolios are on commercial terms.

This comprises of the description of the Property and its Extent including the Area as well as any pertinent components of the property like the tenure of the contract.

The agreement also describes the Tenants being charged Market Related Rentals and Escalations.

Rentals valuations are conducted by appointed qualified Real Estate Valuers to determine the applicable market rates.

Monthly Rentals are charged on all approved tenants in occupation of the PRASA properties.

Recoveries are also charged as additional billings in respect to the Electricity and water usages where meters are installed.

Conditions of the Properties are listed in the contract after every pre-occupation and pre-vacation assessment processes.

The Tenants Obligations as well as PRASA Obligations in terms of the Maintenance of the Property will also be clearly indicated in the lease agreements.