



Province of the  
**EASTERN CAPE**

MINISTRY OF FINANCE, ECONOMIC  
DEVELOPMENT, ENVIRONMENTAL AFFAIRS  
& TOURISM

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Friday, 23 September 2022]

**No. 41 - 2022] FOURTH SESSION, SIXTH LEGISLATURE**

**LEGISLATURE OF THE PROVINCE  
OF THE EASTERN CAPE**

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**INTERNAL QUESTION PAPER**

Note:

1. Questions for oral reply will be printed in full in the Question Paper for the day for which they have been set down for reply.
2. \*Indicates a question for oral reply.

**QUESTIONS FOR WRITTEN REPLY**

FRIDAY, 23 SEPTEMBER 2022

**830. Mr M B Bhanga to ask the MEC responsible for Economic Development, Environmental Affairs and Tourism:**

*With reference to the Eastern Cape Development Corporation (ECDC) industrial units/factories / commercial properties:*

- (1) How many of these units has his Department established in total;
- (2) where are each of the units located;
- (3) what is the trade purpose of each of the units;
- (4) what was the cost of building and/or establishing the units;
- (5) what are the current monthly operational costs of each of the premises;
- (6) which of the premises are currently (a) being utilized and (b) vacant;

- (7) of the buildings that are currently vacant, (a) since when have they been vacant and (b) can he kindly provide the reason as to why they are not being utilized and (c) whether any of the premises have been vandalized; if so, can he kindly provide the relevant details in this regard;
- (8) which of the premises have been reported to his Department as (a) being unsafe, (b) having no water, (c ) having no electricity and (d) having no ablution facilities;
- (9) whether his Department has put any plans in place with a view to refurbish any of the units; if so, (a) which units, (b) how much has been set aside for the refurbishment of each unit and (c) what was the criteria used in deciding which unit to refurbish;
- (10) whether any tenants have not paid rent; if so, (a) who are the tenants, (b) which units, (c) how much is the monthly rental and (d) how much is owed in total by each tenant;
- (11) (a) what is the turnaround strategy to make these units economically viable, (b) when his Department anticipates the strategy will be implemented and (c) when is its expected completion date?

#### ECDC Reply to Questions

1. How many of these units has his Department established in total;

Answer:

*The ECDC has 319 industrial units and 750 commercial units.*

2. where are each of the units located;

Answer:

*The distribution of units is as follows:*

- *Mthatha – 386 units*
- *Butterworth- 283 units*
- *Buffalo City Metropolitan Municipality- 387 units*
- *Enoch Mgijima Municipality- 13 units*

3. what is the trade purpose of each of the units;

Answer:

*Commercial units provide rental space for small, medium and large commercial businesses and the industrial units provide factory rental space for small, medium and large scale industrial tenants*

4. what was the cost of building and/or establishing the units;

Answer:

*The cost to establish these units is not available as they were constructed by previous Ciskei and Transkei development agencies. Current market value is estimated at R1,03 billion.*

5. what are the current monthly operational costs of each of the premises;

Answer:

*Current monthly operational costs for these units is in the order of R 10 680 500*

6. which of the premises are currently (a) being utilized and (b) vacant;

Answer:

*A total of 618 units were occupied as at the end of September 2022 and the remaining 451 units were vacant.*

7. of the buildings that are currently vacant, (a) since when have they been vacant and (b) can he kindly provide the reason as to why they are not being utilized and (c) whether any of the premises have been vandalized; if so, can he kindly provide the relevant details in this regard;

Answer:

*Vacancy of buildings vary from month to month and it is not possible to give an exact answer for how long each of the 451 vacant sites have been vacant. The reasons for vacancies varies from there being no demand to being in a condition where they cannot be occupied due to vandalism. Vandalism has occurred mostly in Dimbaza, Butterworth and Fort Jackson industrial parks. Vandalism includes the removal of roof sheeting, side sheeting, fittings and in some cases the structural steel elements of the buildings.*

8. which of the premises have been reported to his Department as (a) being unsafe, (b) having no water, (c) having no electricity and (d) having no ablution facilities;

Answer:

*Properties that have been illegally invaded are reported in the ECDC annual report and on a quarterly basis to DEDEAT.*

9. whether his Department has put any plans in place with a view to refurbish any of the units; if so, (a) which units, (b) how much has been set aside for the refurbishment of each unit and (c) what was the criteria used in deciding which unit to refurbish;

Answer:

*The ECDC has developed a property refurbishment program with a required budget of R546 million. The first phase includes the refurbishment of 32 commercial and industrial sites located in Mthatha, Butterworth, BCMM and the Enco Mqijima Municipalities. A total of R 208,971 million will be allocated to these refurbishments. These properties were identified for their high income earning potential,*

*strategic locations with high visibility and in areas where demand for quality rental property is high.*

10. whether any tenants have not paid rent; if so, (a) who are the tenants, (b) which units, (c) how much is the monthly rental and (d) how much is owed in total by each tenant;

Answer:

*The ECDC has a commercial property management system that tracks rental performance per property per tenant. The POPI Act prevents the disclosure of individual tenant information without their consent so this information for who tenants are and how much they owe the ECDC cannot be disclosed. The overall view of current rental billings and collections for quarter 2 of the current financial year indicates total billing at R 58,552 million and collections at R 42,876 million.*

11. (a) what is the turnaround strategy to make these units economically viable, (b) when his Department anticipates the strategy will be implemented and (c) when is its expected completion date?

Answer:

*The ECDC developed its Property Modernization Strategy in 2021. This includes rationalizing the portfolio to improve efficiency, refurbish the portfolio to improve productivity and to invest in the portfolio for future growth. This strategy is underway at present and is expected to be completed in 3 years i.e. by the 2024/25 financial year.*