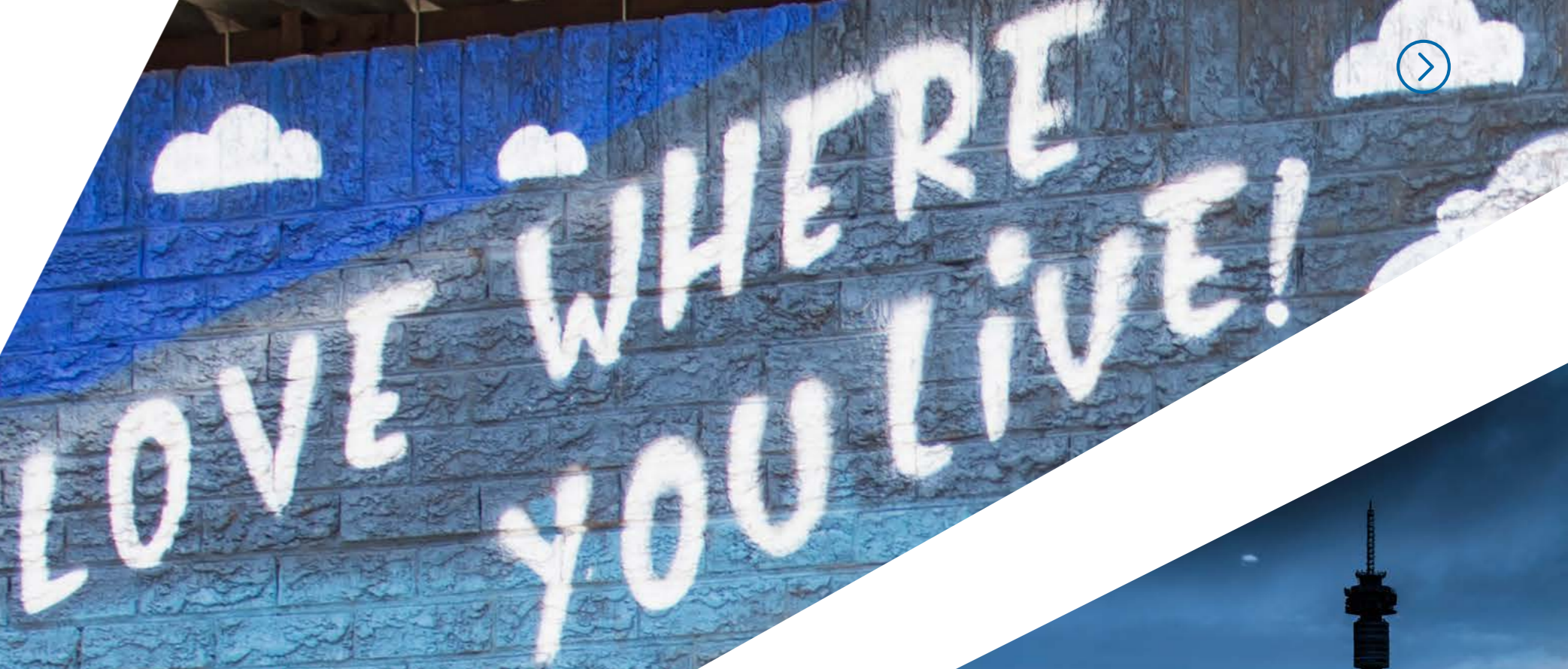



ANNUAL REPORT

2023




JHC in numbers

 **28 years** of providing homes and making a difference


 **31** residential buildings


 **4 468** residential units


 **1 686** units dedicated to Social Housing

 **1 603** new leaseholders were welcomed at JHC

 **10 656** residents within JHC buildings

 **680** Makhulong A Matala Community Development activities and events hosted to foster connections with and between tenants

 **3 234** young minds and bodies were nurtured through a variety of cultural, educational, and sports-focused activities and events

 **7 691** adult tenants acquired new skills, connected with JHC and their neighbours' and adopted healthier lifestyles through Makhulong A Matala Community Development activities


 **10 119** questions received from prospective and existing tenants who made contact with JHC through its query management service



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List of acronyms

2FA	Two-Factor Authentication
3PPM	Third-Party Property Management
B-BBEE	Broad-Based Black Economic Empowerment
CCTV	Closed-Circuit Television
CID	City Improvement District
CoJ	City of Johannesburg
CRM	Customer Relations Management
CRUM	Citizen Relationship and Urban Management
CX	Customer Experience
ICT	Information and Communications Technology
ITC	Information Technology Committee
UI	Unified User Interface
JHC	Johannesburg Housing Company
JMPD	Joburg Metro Police Department
JPOMA	Johannesburg Property Owners and Managers Association
LCOF	Lutheran Community Outreach Foundation
MAM	Makhulong A Matala Community Development Services
NPC	Non-Profit Company
NGO	Non-Government Organisation
SAPS	South African Police Service
SHRA	Social Housing Regulatory Authority
SPO	Strategy and Projects Office

About this report

This report provides the reader with information about JHC’s performance for the period 01 July 2022 to 30 June 2023. JHC values good governance and is guided by the Integrated Reporting Framework and the King IV Guidelines in drafting this report. The company will continue to work to achieve full compliance with the frameworks over the next five reporting terms. JHC, through this report, communicates the effects of its business operations on its stakeholders and provides oversight of the company’s financial performance.

Introduction

JHC presents herewith its Annual Report for the period 01 July 2022 to 30 June 2023, being its Financial Year 2022/23 (FY2022/23). The report is structured to present a balanced and comprehensive overview of the company’s activities as they relate to the financial, social, and environmental impacts resulting from its value-creating activities for the period. Included in this report are the annual financial statements for the year ended 30 June 2023, as approved by the Board of Directors on 27 September 2023.

The past year was marked by the organisation’s reconnection efforts, both internally and with our tenants, following the widespread COVID-19-enforced isolation. During this year, our teams returned to the office and our interactions with tenants were reinvigorated. This report communicates the business activities of the company for the FY2022/23, the effect of such activities on the micro- and macro- environments, as well as its ability to create value in the short, medium, and long term. The information reported provides assurance of the company’s ability to remain sustainable and its ability to continue fulfilling its mandate of providing rental housing for middle- to low-income groups in the greater Johannesburg area.

JHC is a non-profit social housing company. The company was founded to deliver affordable rental homes in Johannesburg, and has made significant strides in support of the regeneration of Johannesburg’s inner city by delivering value for money housing in the area.

Basis of preparation

This report reflects JHC’s adoption and application of integrated thinking. In determining the content for inclusion, issues that materially impact the company’s ability to create and maintain value for its stakeholders are considered. Information is drawn from the company’s records such as the quarterly reports submitted to the Board, and includes details of the operating

context, strategic performance, risks and associated mitigation measures, stakeholder engagement, and identified business opportunities. Inputs from the executive management team are also included in this report.

To the best of its ability, JHC provides an accurate and transparent account of the company’s performance for the reporting period.

Forward-looking statements

Contained in this report are various forward-looking statements. Statements may relate to the possible future financial position, business operation and strategy, or management plans. Forward-looking statements are not, at this time, considered fact as they are based on current estimations, assumptions, and expectations for the company, and are dependent on circumstances that may or may not be realised in the future. JHC does not undertake to publicly update or revise such statements, whether to reflect new information, future events, or otherwise.

Assurance

JHC’s Annual Report for FY2022/23 is compiled in accordance with the ethical values of the company and is guided by reporting best practices. The management team has reviewed the report and is satisfied that the information is, to the best of its knowledge, an accurate and true representation of the company’s position.

Statement of responsibility

The Board encourages integrated thinking, which underpins good corporate citizenship, stakeholder inclusivity, sustainable development, and integrated reporting. The Board has a clear understanding of the company’s strategy, resources, systems of control, and stakeholders. JHC is guided by the Board in its oversight of material and potential risks and opportunities. The Board ensures that the company is sustainable and relevant.



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SECTION

About JHC



About JHC

At the heart of Johannesburg's rich tapestry lies JHC, a beacon of hope, resilience, and positive change. Our story begins as a non-profit, non-governmental organisation, recognised as a sterling Social Housing Institution under the Social Housing Act (No. 16 of 2008). Since our establishment in 1995, we've been more than just a housing company - we're deeply woven into the fabric of the communities we serve, where homes symbolise trust, care, and shared dreams.

Throughout the complex landscape of Johannesburg's inner city, marked by formidable challenges, JHC has stood tall - not just as a passive observer but as an active contributor. We have become one of the largest residential landlords in Johannesburg, and have transformed once derelict, non-contributing properties into vibrant assets, bringing value to the city's economy.

At JHC, we champion international best practices in management and maintenance. Our track record in customer satisfaction, rental arrears, bad debts, and vacancy rates demonstrate our commitment to upholding such standards. This is bolstered by our innovative architectural designs, rigorous construction management, and our ethos of firm, yet compassionate administration.

Our greatest strength lies in our people. Each JHC team member exemplifies our commitment to professionalism and the social entrepreneurial spirit set forth by our Board. Our pioneering community-development efforts shine a light on urban development, addressing social disintegration and connecting communities in the diverse city.

Amidst the city's complex history, JHC emerged as a vision for regeneration and revitalisation, intent on moulding order, trust, governance, and dignity from the challenges of a transitioning democracy. Since our inception, we have positively impacted the lives of residents and contributed to the growth of the city's economy.

Our journey is one of passion, dedication, and a deep-seated desire to uplift. We have crafted, and will continue to build, a narrative of transformation; because, together, we can shape a better life for all. At JHC, we don't simply provide shelter, we create homes, connect with our tenants and build better futures.

Our mission

JHC is committed to smart and simple rental housing solutions, a great living experience, and value for money for all who choose to live in JHC buildings and neighbourhoods, in an environment that simply works.



Our Group structure



Our values



Creating value for our stakeholders

Since JHC's establishment the company has demonstrated how responsible and socially-conscious property management can create a ripple of positive change throughout the inner city and within the lives of people. We have, however, not accomplished this alone and recognise the importance of collaborating with others who share our values and objectives. We appreciate the pivotal role played by our partners and we extend our heartfelt gratitude for their unwavering support and commitment to our shared goals.

Our tenant family

Our tenants are the core of our mission and operations. Through continued investment in the upkeep of our buildings and in our community initiatives, JHC strives to provide a living environment where tenants can thrive. We actively engage with our tenants and value their feedback as a cornerstone of our decision-making process, promoting a sense of ownership and belonging among our tenants. We also offer a variety of tenant support services, such as education and training, and community engagement programmes that foster personal and professional growth.

We deliver our community development programmes through our subsidiary company Makhulong A Matala Community Development Services NPC (MAM). MAM has been instrumental in initiating and sustaining various community projects. From financial literacy and women's empowerment programs to parent-child behaviour management initiatives, MAM continues to enrich the lives of JHC tenants. Some of these projects are profiled hereafter.

Junior Soccer Development Programme (JSDP)

Participation in this programme grew from 437 to 487 members across 13 building clusters this year. Notably, girls' participation increased, particularly in the Ukhamba, Legae, and Jeppe clusters.

Anti-litter and environmental stewardship

The anti-litter campaigns benefitted 1,582 residents and included children's cleaning campaigns and balcony cleaning days to minimise fire risks.

Food gardens

The food gardens continue to provide an opportunity for tenants to access fresh organic vegetables and sell excess produce to the market. The food garden members are empowered with entrepreneurial skills to run their food gardens as business ventures. New initiatives like hydroponics systems are increasing food garden members' potential to generate profits.

Tenant life skills and social issues

MAM collaborates with the Lutheran Community Outreach Foundation (LCOF), to address social issues in our buildings. Monthly workshops for men, women, and children tackle topics like mental health, parenting, and gender-based violence. These workshops have successfully brought stability to higher-risk buildings like Ukhamba Mansions.

Playrooms and child engagement programmes

With 16 holiday programmes, indigenous games tournaments, and playrooms, MAM continues to enrich the lives of JHC's younger tenants. Programmes include Design Thinking workshops, STEM Seeds Programmes, and the Bridges of Peace programme delivered in collaboration with Play Africa.

External play facilities

Outdoor play facilities have been installed, repaired or revamped across the JHC portfolio to provide a safe and engaging environment for children. Facilities include new gym equipment at Hlanganani, a new jungle gym at Towerhill, and modernised play areas at Ukhamba Mansions and Legae Gardens.

Utilities campaign

MAM distributed material to educate tenants on efficient utility usage, with MAM ambassadors engaging directly with high-consuming tenants in a more targeted programme. The campaign was reinforced using edutainment in the form of industrial theatre.

Adult vitality – sports and health

JHC promotes healthy communities through MAM's adult vitality programme, which includes park runs, pop up gyms, and health screenings in partnership with the Clicks Clinic in Newtown.

Tenant employment opportunities

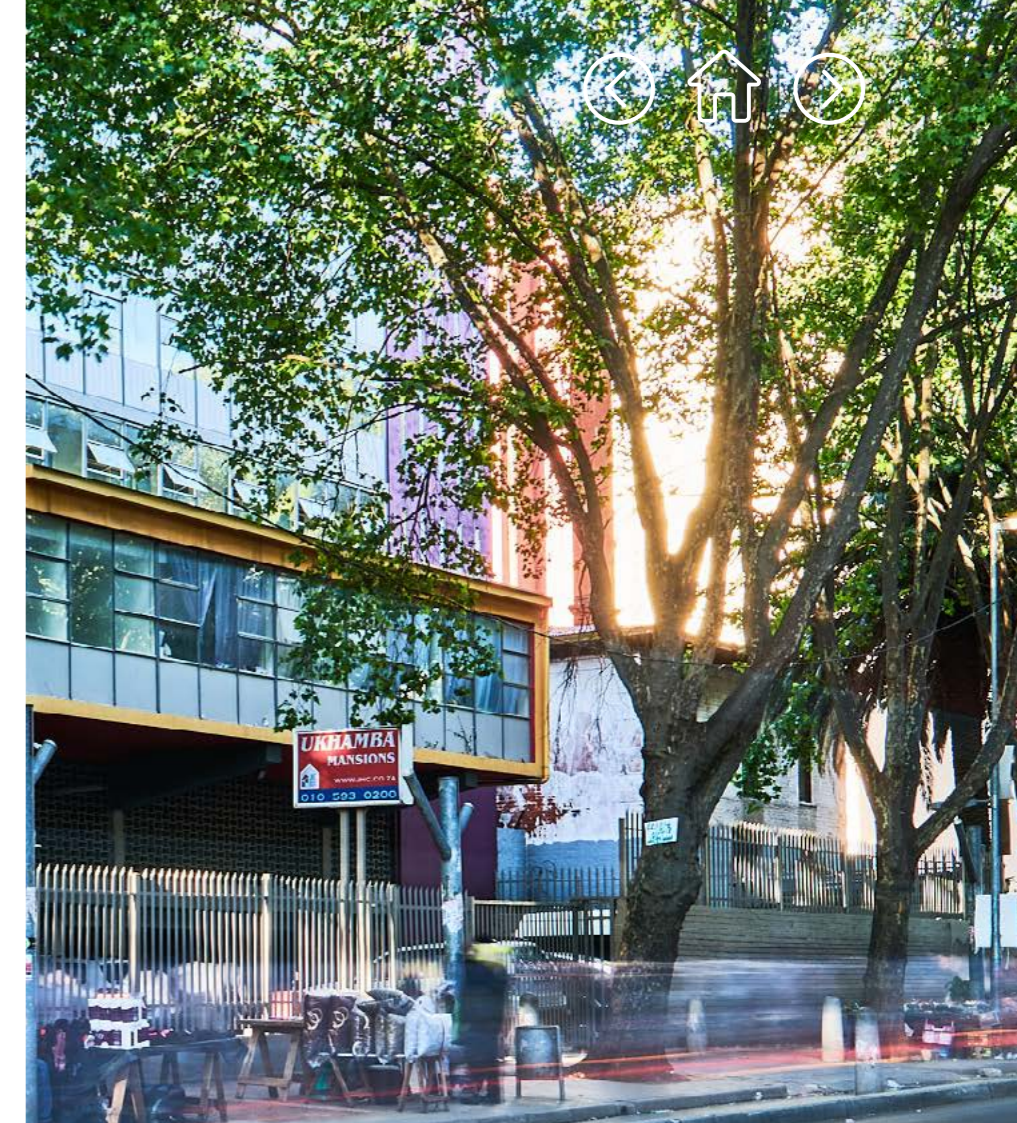
MAM connects JHC tenants to a multitude of skills development and employment opportunities. These include workshops on entrepreneurship, bookkeeping and marketing, and training in partnership with LCOF in areas of cosmetology, event decor, urban farming, catering, sewing, and pottery. Monthly flea markets and other events hosted by MAM allow tenants to generate income through their small businesses.

Tenant induction

JHC's tenant induction, facilitated by MAM, equips new tenants with all the essential information they need to integrate seamlessly into the JHC ecosystem. From understanding building regulations to getting acquainted with the wealth of community programmes offered by MAM, new tenants are given a well-rounded orientation to set them on a path of positive community involvement and responsible tenancy.

Bursaries for JHC youth

The MAM Career Day introduced JHC youth to various trade skills and educational opportunities. This was achieved in partnership with tertiary institutions like Jeppe College, JIET, Gauteng College and the Lutheran Community Outreach Foundation. Bursaries are offered to the children of JHC tenants; two recipients are currently completing their studies while a third completed his electrical engineering certificate and is now gainfully employed.



Through continued investment in the upkeep of our buildings and community initiatives, JHC strives to provide a living environment where tenants can thrive.

Beyond the programmes offered to tenants, JHC endeavours to contribute to the broader fabric of the inner city by actively participating in a number of inner city stakeholder organisations.

City Improvement Districts (CIDs)

JHC has active representatives on four key CIDs in the inner city, being the Main Marshall Improvement District, Fashion Improvement District, Legae La Rona Improvement District, and Hillbrow Ekhaya Improvement District. The CIDs have been indispensable allies in our shared drive for urban renewal. Through active collaboration with CIDs, we have created cleaner, safer and more pleasant neighbourhoods. Our combined efforts in enhancing security, cleanliness, and community wellbeing have contributed to the upliftment of large pockets of the city. We thank the CIDs for their dedication to improving the quality of life in the inner city of Johannesburg.

The Inner Jozi Safety and Security Forum

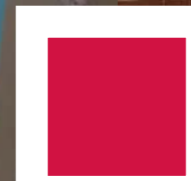
This forum facilitates co-operation between the municipality, private sector, faith-based organisations, and community. It aims to eradicate crime and lawlessness, and build a cleaner, safer inner city. JHC acts as the eyes and ears of this forum by identifying critical risks and pain points in and around our buildings and communities. This focuses the efforts and engagements of the forum when addressing issues with service delivery entities.

City of Joburg (CoJ) entities

JHC values and recognises the pivotal role of CoJ entities, and services of the Emergency Management Services, Pikitup, Joburg Metro Police Department (JMPD), and the City's Citizen Relationship and Urban Management (CRUM) department. JHC not only ensures that these partners receive early warning of potential issues but keeps them accountable to deliver on their key mandates to service the residents of the inner city. Through many joint efforts, we have been able to address several urban management challenges and contribute to making Johannesburg a more liveable, thriving, and inclusive city.

South African Police Service (SAPS)

SAPS plays a critical role in safeguarding our neighbourhoods and supporting our community initiatives. Their presence and co-operation in our neighbourhoods has not only ensured the safety of our tenants, but also has contributed to fostering a sense of trust and community. JHC, in turn, ensures that the safety and security of tenants is tightly managed within our buildings by ensuring that they are well lit and that the building perimeters are monitored using security cameras.





Johannesburg Property Owners and Managers Association (JPOMA)

JHC is an active member of JPOMA. We believe that the collective voices of landlords can achieve more. One of the primary roles of JPOMA is to advocate for the rights and interests of property owners and managers in Johannesburg. The association serves as a unified voice for its members, ensuring that their concerns and priorities are communicated effectively to the relevant authorities. This advocacy is instrumental in influencing policy decisions, regulations, and ordinances that directly impact the property industry.

Our fellow landlords

JHC acknowledges that it is not alone in its mission to provide affordable housing in Johannesburg. Collaboration with fellow landlords is key to achieving this goal. By sharing best practices, insights, and resources, we foster an environment of mutual support and continuous improvement within the industry.

Lutheran Community Outreach Foundation

LCOF plays a vital role in supporting JHC’s mission and activities by providing a range of services and initiatives that directly benefit our tenants and the broader community. We connect LCOF with our tenants who need assistance and, in doing so, allow LCOF to fulfil their social support mandate. One of the key areas in which LCOF assists us, is with cases that require intervention by social workers. JHC pays LCOF a minimal fee to assist when such cases arise so that tenants receive the critical assistance and expertise needed.



JHC stands as a testament to the power of collaboration and community-driven change. We thank our stakeholders for their continued partnership. Together, we have created value, empowered communities, and transformed lives, and we look forward to continuing this journey.





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SECTION

B

Messages from
our leadership

Message from our Chairman

As we close another year, it is with a sense of determination and optimism that I present the Annual Report for the 2022/2023 financial period. The first year of our five-year strategy has reinforced the key tenet of our core objectives that places tenants at the centre of our business, and builds a level of financial resilience within the organisation that will allow JHC to navigate the challenges to come in the years ahead. The goal of our five-year strategic plan is to establish JHC as a caring landlord and employer, supported by well-maintained, efficient, and appealing assets. We are committed to focusing on growth, and leveraging technology and data to propel us forward. I am confident that, as we enter the second year of this strategy, we are making significant progress towards achieving this objective.

JHC's position in June 2023 mirrors to an extent South Africa's macro-economic context, in that our financial performance has stabilised, but we are not yet out of the woods. Similarly, the South African economy stabilised somewhat in the first half of 2023, with real GDP showing marginal growth after contracting at the end of 2022. This was alongside an easing in the domestic consumer price inflation rate, which returned to the inflation target range of 3–6% for the first time since May 2022, and a slight dip in the official unemployment rate. But consumer confidence has dropped over the past two quarters as households continue to feel the financial strain brought about by rising living costs, while real household income growth remains stagnant. Interest rates are stable for now and are not expected to drop in the foreseeable future, with the general sentiment being that we have at least another 25 basis point hike in the pipeline as the Reserve Bank pursues its inflation targets.

Average national and provincial vacancy rates have shown strong recoveries from the highs in 2021. At a provincial level, according to TPN, the Gauteng average vacancy rate of 8.8% is above a national average of 7.27%, but these averages conceal a heavy skew towards the lower end of the rental value band that is highly relevant for our business. The TPN 2023 Q2 Vacancy Survey reveals that vacancy rates in rentals below R3,000 have more than doubled in the last quarter to 13.9%. The rental band of R3,000 to R7,000 fares better at 7.56%, but this figure is still up on the first quarter of 2023, and hides an 11% vacancy rate in the sub-category of R3,000 to R4,500 rentals. It is clear that this segment of the market is experiencing severe financial strain, while a weak market index in Gauteng suggests that supply and demand are roughly equal, placing rental escalations under pressure as landlords battle for market share.

While the battle for market share and rental revenue is a key concern for the JHC, we are working hard to keep a tight rein on our operating costs. This is increasingly difficult in an environment of rising maintenance costs and ongoing loadshedding, but it is in the area of municipal services that we face our biggest challenge. This

pertains not only to the failure of the City to deliver reliable refuse removal, sewerage, water, and electricity services to its citizens, but also to the relentless increase in tariffs that landlords unavoidably must pass on to their tenants. Furthermore, the municipal billing crisis generates incorrect billing that costs landlords millions of rands every year. The City's failure to police basic municipal by-laws precipitates neighbourhood decline, forcing private landlords to step in to do the work of the City if they are to preserve the value of their properties. In this respect, I must express my sincere gratitude to our partners in the private and NGO sector who work together with the JHC on various programmes to try to create clean, safe, and secure neighbourhoods for our tenants. It is symptomatic of the decay in government services that we must do this work, and we embrace our responsibility, as good corporate citizens, to contribute towards rebuilding our city, but I call on the CoJ politicians and officials to step up to the challenge and to play their part to bring Johannesburg, and particularly the inner city, back to the wonderful and powerful urban powerhouse that it once was.

In the meantime, we must continue to manage our business within the current operating context. So, while we hope for a turnaround in the CoJ's service delivery, we must do all we can, playing our part, to ensure that we deliver real value for our tenants. It is only by delivering real value that we will retain our current tenants and attract new ones. That value is expressed in appealing buildings, efficient services, and a sense of connection with our customers. We have worked hard to improve on all these aspects over the past 12 months. While our vacancy rates are relatively stable compared to the previous year, they are still well above where we would like them to be, and as you will read through this report, we have employed a range of strategies to address this. Affordability remains the key criterion for our tenants and we must consistently find ways to keep their housing costs as low as possible while not compromising on quality.

This need to optimise our customer offering has been brought into sharp focus in the last quarter, and it remains our focus

as we look to the upcoming year. It has also precipitated a strategic pivot that we, the Board and management, believe is necessary if we are to make meaningful headway in achieving our objectives. This will focus efforts across the company on enhancing performance at a building level by developing bespoke solutions for specific issues, and to discard those parts of the business that are not delivering value. This pivot will not be made at the expense of the five-year strategic plan, but rather in support of it, as we implement critical interventions that will position JHC strongly for growth in the next 24 months.

I thank the JHC staff and management for their commitment and passion over the past year, and for living JHC's values in every interaction with each other and our tenants. To my Board, thank you for offering your guidance and expertise. To our tenants, thank you for staying with us – we remain steadfastly committed to providing you with a home in the city that you love.

Mr Benjamin Nokaneng

Chairman of the Board
Johannesburg Housing Company

MR BENJAMIN NOKANENG

Chairman
Johannesburg Housing Company

Message from our Chief Executive Officer

In the first year of our five-year strategic cycle, JHC has seen gradual improvements in its overall performance as operations returned to normal following the end of COVID-19 restrictions. It has been a year of reconnecting, both with each other internally as our staff returned to the office fulltime, and with our tenants as we intensified our engagements with them, ensuring that we truly understand their needs and respond adequately. This connection with each other and our tenants is critical if we are to be a healthy and resilient organisation, and if we are to deliver on our mission of providing smart and simple rental housing solutions, a great living experience, and value for money for all who choose to live in JHC buildings and neighbourhoods.

Stabilising in a challenging new reality

JHC has managed to stabilise the business over the last financial year despite the challenging economic environment in which we operate. Extensive loadshedding continues to throttle economic activity, constraining domestic growth, and increasing the cost of doing business. This ultimately raises the cost of living for all South Africans. Persistently high inflation coupled with high interest rates have consumers on their knees, limiting their spending power on goods and services, including rental housing.

Despite the tough economic conditions, JHC vacancies have stabilised over the last financial year, which means our vacancy strategies are working. The JHC vacancy average for the 2023 financial year was 12.02%, which is a significant improvement from 19.8% in the 2022 financial year. JHC arrears are also looking better than last year. JHC Group arrears closed at 12.58% (2022: 13.67%) with an average for the year of 12.97%. TPN's Q1 2023 reports that tenants on a R3,000 - R7,000 rental are 82.39% (17.61% arrears) in good standing. JHC's arrears rate is ahead of the TPN average, but we are pushing hard to reach lower averages in the new financial year.

Yet while our vacancies and arrears have stabilised, we have not been able to regain our pre-pandemic performance levels. We invested a lot of energy across the organisation to reduce vacancies. Learnings from last year's BOLT project have been applied and further creative ideas tapped to attract more tenants, and – importantly – to retain the tenants that we already have. Research shows that it is five times more expensive to attract a new tenant than to keep an existing one, making this is an obvious focus area going forward.

We are entering the new financial year having completed tenant retention workshops with every department in the JHC, and incorporated tenant retention as a key performance area for all staff members, whether tenant-facing or not.

Listening to and responding to our tenants is central to tenant retention, and to this end we worked hard on two areas this year: query resolution and direct tenant engagement. To improve our query resolution, we launched a second rapid results project (after last year's BOLT) called Everyday Heroes. This project focussed all departments on fulfilling their responsibility in the query resolution process, no matter how small. The premise is that everyone in the organisation can be a hero for our tenants by diligently and doggedly ensuring that their query is resolved to a high level of satisfaction. A legacy of this project is the Platinum Desk, a team of well-trained customer experience consultants who are given the authority and skills to expedite the resolution of tricky queries.

We also re-launched our JHC Cares sessions: live engagements with the tenants held on a building-by-building basis that allows them the opportunity to voice their concerns and questions directly with the managers and teams. These staff members are then tasked with responding to and resolving those concerns. Time and again we are reminded how effective face-to-face contact is, and how important it is for us to continually connect with our tenants.



This year I am enormously grateful for the resilience, spirit, and determination of our JHC team as we navigated challenging terrain while striving to remain true to our goal of putting our tenants first.



ELIZE STROEBEL
– Chief Executive Officer

Resilience and agility: pivoting to perform

Despite the small wins we experienced this year in the areas of query management, vacancies, and arrears, it has become clear that JHC is operating in a new, challenging reality that demands a fundamental shift in our thinking and operations if we are to return to our pre-pandemic performance levels. In the last quarter of the year, we initiated this shift, pivoting our strategic direction to bring performance at a building level into sharp focus. We have created new portfolios of buildings grouped according to their performance characteristics. These groupings allow the portfolio teams to generate bespoke solutions for building-specific issues that will stabilise, turn around, and eventually grow the business.

We have also taken decisions to remove aspects of the business that were not enhancing our performance. During the year we terminated our third-party property management activities, as we found they were not delivering an adequate return on the resources invested. We closed our Park Station customer service centre, choosing rather to focus all walk-in services at our Newtown office, and we have also begun implementing a building disposal strategy that will play out in the next financial year. In addition, we have augmented our internal Maintenance Technician team to save on maintenance costs paid to external service providers and enhance customer satisfaction with our maintenance services offered.

The tough economic environment requires that we adapt our ways of working and put in place strategies to ensure that we can protect ourselves and our tenants as much as possible from the impacts of loadshedding, worsening levels of municipal service delivery, and increasing rates and utilities costs. We have worked hard on our utilities management to ensure that our tenants pay a fair price for their consumption, and we are putting in place solutions to mitigate against the effects of loadshedding. We have also planned for the most severe case of loadshedding, a national grid failure, and in preparing for this scenario have realised multiple benefits for our tenants, at a building level, in terms of water accessibility and improved security.

Looking ahead

Our first year of implementation of our five-year strategy yielded solid results that put us on an encouraging upward trajectory. But we want and need to do more if we are to achieve our targets. I am pleased to note that we are already feeling the impact of our strategic pivot as we see the focused portfolio approach starting to deliver results. This approach has our management and operational staff grappling with issues on the ground and coming up with creative solutions that are delivering positive change on an incremental basis. At an organisational level we are interrogating our systems and processes and 'sharpening our tools' to enable a more consistent and technically-excellent level of service for our tenants.

Acknowledgements

I have been enormously grateful this year for the resilience, spirit, and determination of our JHC team as we navigated challenging terrain while striving to remain true to our goal of putting our tenants first. You have been wonderful examples of what it means to be a JHC employee, and I look forward with anticipation to what we can achieve in the year ahead.

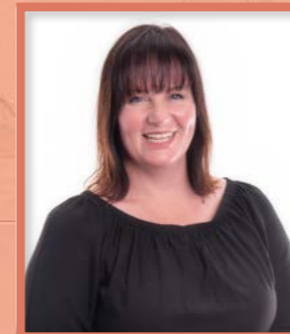
To my Exco team, thank you for your unwavering support and focus on the tasks at hand – "together we win" has never been more true. And finally, to our Board and especially our Chairman, thank you for your guidance and open-mindedness as we chart our way onwards and upwards.

I am confident that our activities in the coming financial year will prepare the way for our next exciting growth phase and look forward to taking that journey with you all.

Ms Elize Stroebel
Chief Executive Officer
Johannesburg Housing Company

“
Despite the small wins we experienced this year in the areas of query management, vacancies, and arrears, it has become clear that JHC is operating in a new, challenging reality that demands a fundamental shift in our thinking and operations if we are to return to our pre-pandemic performance levels.”

CEO's Office



Joan Stow
*Executive Assistant and
Acting Corporate
Communications Manager*





In this section:

JHC Governance

14

SECTION

Governing our
organisation

JHC governance

Good governance is not merely a compliance exercise at JHC. It is the foundation of our operations. The various Boards maintain close oversight of operations, ensuring that all strategies and actions are not only in the best interest of the company, but that they are also ethically sound and socially responsible. This section provides an overview of the governance structures and companies included in JHC's Group of companies.

Johannesburg Housing Company NPC

The Johannesburg Housing Company is a social housing company launched in 1995. We strive to tackle housing challenges in cities across the country. JHC's Board comprises 11 directors, of whom nine are independent non-executive directors and two are executive directors. The Board ensures that it meets at least once per quarter and is chaired by an independent non-executive member.

JHC Board of Directors



Mr Benjamin Nokaneng
Chairman and Founder
ART-M Investments



Ms Silindokuhle Chamane
Chief Financial Officer
Thesele Group



Mr Robert Giuricich
Retired



Mr Len Kline
Managing Director
Len Kline & Associates



Ms Bishnen Kumalo
DigiSquad
Co-founder and
Chief Executive Officer



Ms Nonkqubela Maliza
Executive Director
Corporate and
Government Affairs
VWSA



Mr Sam Mkorosi
Head of New Listings and
Internal Corporate Finance
JSE



Mr Prosper Mpofu*
Chief Financial Officer and
Company Secretary
Johannesburg Housing
Company



Mr Mzomhle Nyenjana
Chief Financial Officer
Kagiso Trust



Ms Jill Strelitz
Non-executive Director
of various non-profit
organisations



Ms Elize Stroebel*
Chief Executive Officer
Johannesburg Housing
Company

*Executive Directors

Board responsibility

JHC's Board is responsible primarily for:

- Determining the Group's strategic direction and overseeing its implementation.
- Ensuring effective risk management.
- Establishing a sound foundation and providing clear leadership for ethical and effective management and oversight.
- Encouraging optimum performance.
- The safeguarding of corporate governance within the JHC Group of companies.

The Board is further responsible for establishing a comprehensive and appropriate framework for the delegation of authority that empowers its subcommittees, the Chief Executive Officer, and management of JHC to act on its behalf.

Board subcommittees

The Board delegates certain functions to appointed subcommittees which hold, and are responsible for, specific areas of expertise. Each subcommittee is chaired by a non-executive director and operates within the mandate and delegated authority received from the Board.

Audit Committee

The members of the Audit Committee are independent non-executive directors of JHC's Board. JHC's Chief Executive Officer, Chief Financial Officer, Management Accountant, and Compliance Manager attend meetings as invitees and not as members of the committee. The appointed auditors also attend the meetings as invitees and not as members. The Audit Committee has uninhibited access to all required information and may consult with the internal and external auditors directly. The committee meets at least twice a year and operates within the limits set down in the Memorandum of Incorporation and the Companies Act.

Audit Committee members

Mr Len Kline (Chair)
Mr Sam Mkorosi
Mr Mzomhle Nyenjana
Ms Silindokuhle Chamane
Representative of JP Morgan (nominated by JP Morgan) as an observer

By invitation

Ms Elize Stroebel (Chief Executive Officer)
Mr Prosper Mpofu (Chief Financial Officer)
Ms Lindiwe Ndziba (Management Accountant)
Ms Lukhanyiso Kona (Compliance Manager)

Audit Committee responsibilities

The Audit Committee is responsible for ensuring that:

- Adequate accounting records are maintained.
- An effective system of internal and risk management control exists and is implemented.
- A risk governance strategy and policy are in place and monitored.
- The company is able to meet its present and future needs and obligations.
- Reporting by the company is comprehensive and reliable.
- The JHC Group complies with the principles of good governance.

In addition to its primary responsibilities above, the committee is further responsible for:

- Nominating the auditors for appointment.
- Confirming the independence of the auditor.
- Recommending, appointing, and overseeing the external audit process.
- Determining and approving the provision of any non-audit services to be conducted by the auditors.
- Providing comment on the company's financial statements, accounting practices, and compliance with relevant legislation, as well as its internal financial management.
- Approving the annual financial statements and recommending their adoption to the Board.
- Reviewing risk management progress, process, and effectiveness; monitoring key risks and ensuring appropriate remedial action when necessary.

Remuneration Committee

All members of the Remuneration Committee are independent non-executive directors. The committee meets at least twice a year, and its mandate is limited by the Memorandum of Incorporation. All Board directors are entitled to access any of the information, documents, and recorded discussions of the Remuneration Committee.

Remuneration Committee members

Mr Robert Giuricich (Chair)
Ms Nonkqubela Maliza
Ms Jill Strelitz

Remuneration Committee responsibilities

The Remuneration Committee is responsible for:

- Reviewing and making recommendations to the Board on remuneration and service contract matters.
- Ensuring the development and ratification of policies and documentation related to remuneration and conditions of service.
- Approving and authorising executive salary packages and changes per individual.
- Authorising the annual salary budget.
- Authorising the annual incentive bonus.
- Balancing the mandates of the Board and the confidentiality of staff conditions of service.
- Developing and motivating remuneration and conditions of service proposals, that demonstrate the nature of the policy and the financial implications for the company, to the Board for consideration.

Investment Committee

The Investment Committee has six members, including JHC's Chief Executive Officer and five independent non-executive directors. The committee meets ad hoc, and its mandate is limited by the Memorandum of Incorporation.

Investment Committee members

Mr Sam Mokorosi (Chair)
Ms Silindokhule Chamane
Mr Robert Giuricich
Mr Len Kline
Mr Benjamin Nokaneng
Ms Elize Stroebel (Chief Executive Officer)

By invitation

Mr Prosper Mpofu (Chief Financial Officer)
Mr Matt Jackson (Development Manager)

Investment Committee responsibilities

The Investment Committee is responsible for:

- Approving new projects or programmes within the defined levels of authority prescribed in the Finance Policy.
- Approving capital expenditure within the defined levels of authority prescribed in the Finance Policy.
- Approving investments within the parameters of the Treasury Policy approved by the Board.
- Examining all investment proposals and recommending decisions to the Board.

Social and Ethics Committee

Members of the Social and Ethics Committee are independent non-executive directors of JHC's Board. JHC's Chief Executive Officer, Chief Financial Officer, and Customer Relations Executive attend meetings as invitees and not as committee members. The committee meets at least once a year and operates under the direction and scope of the Companies Act.

Social and Ethics Committee members

Ms Nonkqubela Maliza (Chair)
Mr Sam Mokorosi
Mr Mzomhle Nyenjana

By invitation

Ms Elize Stroebel (Chief Executive Officer)
Mr Prosper Mpofu (Chief Financial Officer)
Ms Lindi Malinga (Customer Relations Executive)

Social and Ethics Committee responsibilities

The Social and Ethics Committee is responsible for:

- Ensuring compliance with the formal mandate approved by the Board. The mandate is subject to an annual review by the Board.
- Developing an annual work plan including, but not limited to, oversight and reporting on JHC ethics, corporate citizenship, sustainable development, and stakeholder relationships.

Board and subcommittee meeting attendance

All meetings held are recorded and minutes approved by the relevant parties. The table below provides an overview of meeting attendance by the Board and its subcommittees.

	Audit	Board	Social and Ethics	Board	AGM	Board	Audit	Audit	Board
	28/09/2022	13/10/2022	11/11/2022	30/11/2022	30/11/2022	03/05/2023	16/05/2023	07/06/2023	28/06/2023
Guiricich, R	n/a	Yes	n/a	Yes	Yes	Yes	n/a	n/a	Yes
Kline, L	Yes	Yes	n/a	Yes	Yes	Yes	Yes	Yes	Yes
Kumalo, B	n/a	Yes	n/a	Yes	Yes	Yes	n/a	n/a	Yes
Maliza, N	n/a	Apologies	Yes	Apologies	Apologies	Apologies	n/a	n/a	Apologies
Mokorosi, S	Yes	Apologies	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Chamane, S	Yes	Yes	n/a	Yes	Yes	Yes	Yes	Yes	Yes
Mpofu, P	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Nokaneng, B	n/a	Yes	Apologies	Yes	Yes	Yes	n/a	n/a	Yes
Nyenjana, M	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Strelitz, J	n/a	Yes	n/a	Yes	Yes	Yes	n/a	n/a	Yes
Stroebel, E	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

JHC Executive Committee

JHC management is responsible for the implementation of the Group's approved strategy in the daily operations of the business. The roles and responsibilities of each executive function are provided in the respective work profiles and contracts.

Executive Committee members

Ms Elize Stroebel (Chief Executive Officer)
 Mr Prosper Mpofo (Chief Financial Officer)
 Ms Lindi Malinga (Customer Relations Executive)
 Mr Boyce Maritz (Property Executive)
 Mr Tumi Pambo (Information Technology Executive)
 Mr Lungisani Ntuli (MAM General Manager)

Brickfields Housing Company (Pty) Ltd

Brickfields Housing Company (BHC) was established within the JHC Group in 2002, as a special purpose vehicle to develop the Brickfields housing complex in Newtown – comprising Brickfields, Legae, and Phumulani. Heritage View is also part of the Brickfields portfolio. BHC is a wholly-owned subsidiary of JHC. It operates under its own Board of Directors, who are appointed by the JHC Board.

BHC Board of Directors

Mr Len Kline (Chairman)
 Mr Benjamin Nokaneng
 Mr Robert Giuricich
 Mr Mzomhle Nyenjana
 Ms Elize Stroebel (Chief Executive Officer)
 Mr Prosper Mpofo (Chief Financial Officer, Company Secretary)

BHC 3PPM Services (Pty) Ltd

BHC 3PPM was established within the JHC Group, under the Brickfields Housing Company umbrella, to diversify JHC's portfolio. BHC 3PPM Services enables JHC to take on the management of non-owned buildings – providing property management services to landlords. A Board resolution was passed on 4 November 2022 to deregister BHC 3PPM because a decision was made to cease offering third-party property management services.

BHC Development (Pty) Ltd

BHC Development was created to facilitate future development projects at the JHC. The BHC Development Board has the power to appoint its own directors based on recommendations from the JHC Board as the overall holding company.

BHC Dev 1 (Pty) Ltd

BHC Dev 1 is a subsidiary of BHC Development and was established as a special purpose vehicle to house JHC's new development in the Selby area. The BHC Dev 1 Board has the power to appoint its own directors based on recommendations from the JHC Board as the overall holding company.

BHC Dev 1 Board of Directors

Ms Elize Stroebel (Chief Executive Officer)
 Mr Prosper Mpofo (Chief Financial Officer)

Makhulong A Matala Community Development Services NPC

Makhulong A Matala (MAM) is a registered non-profit company and public benefit organisation. It was established with the intent of strengthening JHC's focus on social development and sustainability. Its status enables donors who provide funding to MAM to deduct the sum of their donations from their taxable income. MAM operates under its own Board of Directors, who are appointed by the Board of JHC.

MAM Board of Directors

Mr Len Kline (Chair)
 Ms Sarah Maphoto-Papi
 Mr Taffy Adler (resigned 30 November 2022)
 Mr Sam Mokorosi
 Ms Nompumelelo Mabece
 Ms Shirley Moulder
 Ms Lindi Malinga (Customer Relations Executive)
 Ms Elize Stroebel (JHC Chief Executive Officer)

Makhulong A Matala says goodbye to Taffy Adler



In November 2022, Makhulong A Matala Community Development Services NPC (MAM) bid farewell to its longest-serving Board member. Taffy Adler, the former Chief Executive Officer (CEO) of JHC (serving from 1995 to 2009), resigned from the MAM Board after a 19-year tenure. During his service as a Board member, Taffy exhibited exceptional wisdom, unwavering commitment, and an infectious passion for community development.

Taffy, as the inaugural CEO of JHC, deserves recognition as the architect of community development within JHC and the social housing sector in South Africa. What initially began in 1999 as a modest department within JHC evolved in 2003 into a fully-fledged company, playing an integral role in JHC's tenant management approach. The MAM model that Taffy envisioned and successfully established with Lindi Malinga (Community Development Officer and later General Manager of MAM) is widely regarded by many in the rental housing industry as the quintessential blueprint for effective community development in this context. Numerous landlords have subsequently endeavoured to replicate the operations and achievements of MAM in their own environments.

When Taffy departed from JHC in 2009, he consciously chose to remain a director of MAM. In his own words, "I was emotionally unable to sever my ties with MAM. The development aims and objectives of MAM represent, to me, the essence of JHC and, indeed, the objectives of Social Housing. I wanted to stay connected to these values. As I have often stated, values take precedence over all other factors in organisational and personal terms."

We extend our heartfelt gratitude to Taffy for his years of dedicated service to JHC and MAM. We remain profoundly grateful for the countless lives he has touched through his unwavering commitment to the goals of social housing in the Johannesburg inner city. His legacy is not merely one of successful leadership, but also one of compassion and a deep-seated belief in the significance of community development in weaving a tightly knit social fabric within JHC's buildings. His vision and dedication continue to serve as a source of inspiration.



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SECTION

Our operations



Boyce Maritz
Property Executive

Property Management

Despite the lingering effects of the COVID-19 pandemic on JHC's operations, JHC remains committed to providing safe, sustainable, and quality housing. In this section, we provide insights into the operational activities, strategies, and initiatives undertaken during the reporting period.

Various areas of business collaborated on the activities and demonstrated the JHC commitment and passion to continuously enhance the tenant experience.

Operational update

In our quest to provide homes that are not only secure and sustainable, but also of the highest quality, our operational teams keep their finger on the pulse. This is seen in the decisions and strategies adopted over the past year.

We strive to ensure that our residents face minimal disruption in their daily lives. With this objective in mind, we have further fortified our essential services, from safety and security to utilities and access control. Staff attended training sessions to equip them with the latest skills and knowledge, so that they may deliver a superior service to our tenants. In addition, collaborations with reliable service providers enhanced our operational efficiency, giving tenants peace of mind that plans are in place should any challenges arise.

Building strong relationships with our tenants is central to our operations. The JHC Cares initiative stands as a testament to our commitment in this regard. Management and staff from various operational functions for example Property Accounts, Maintenance, Utilities, Customer Experience, Community Development and Property Management attended these evening sessions with tenants. By facilitating meetings at various locations, we've maintained open channels of communication with our tenants. These dialogues have been invaluable, allowing us to address concerns, gather feedback, and continually enhance the tenant living experience.

Sustainability is a guiding principle at JHC, which is evident in our targeted water and electricity conservation initiatives. In addition to environmental considerations, we take tangible steps to ensure the longevity of our infrastructure through asset maintenance and upgrade projects and in doing so blend sustainability with functionality.

Fewer upgrades and maintenance activities were undertaken during the reporting period when compared to the years before. This is a result of budget constraints, but JHC is confident in its current upward trajectory and has in place a corrective maintenance plan that will see regular upgrades and maintenance resumed. Our property management and asset maintenance plan prioritised the following:

- **Expanding our in-house maintenance capabilities** with the addition of three technicians to our team and an electrical intern in partnership with the Social Housing Regulatory Authority (SHRA). By sourcing specialised services and keeping them in-house, we not only expedite electrical repair works but also enjoy a substantial cost saving by reducing the need to contract external services. During the latter part of the review period, the maintenance team surpassed the service providers on both count and cost of jobs completed.
- **Proactive periodic inspections of facilities** to identify potential maintenance needs early on, facilitating timely intervention and minimising major disruptions. Tenant feedback loops also enabled us to address maintenance needs promptly.
- **Asset upgrades and preventative maintenance** to minimise the chances of equipment failures, reduce maintenance costs, reduce equipment downtime and extend the lifespan of assets.

Our portfolio of projects included:

- Bulk water check meter project.
- Earthing and lightning protection tests.
- Building and preventative maintenance projects including waterproofing assessments, main door upgrades, plastering, root treatments, gutter cleaning, and backup lighting installation.
- Unit refurbishment programme that includes ceramic tiling for floors and bathrooms, addition of bathroom accessories, wall and ceiling repainting, ceiling damp-proofing, LED light fitting replacements, built-in cupboard installations, and kitchen backsplash fittings. While our target for FY2022/23 was 467 units, we proudly exceeded this and completed 599 across 14 buildings.

Incident management

JHC's commitment to incident management reflects in its swift responses, stakeholder communication, and forward-thinking preventive strategies. Every incident, while challenging, has been an opportunity for us to better our systems, ensuring our tenants

enjoy a safe, secure, and serene living environment. The past year has presented a host of challenges, to which we have responded quickly and responsibly, and implemented further mitigation measures where necessary. In particular, our focus has been on the following:

Fire incidents

Four fire incidents occurred during the reporting year. While the causes varied, and the fires were promptly contained the incidences could have posed significant safety threats to our tenants. Thanks to quick responses and effective contingency plans, damage was minimal, and tenant safety was upheld. Collaborative efforts with local security teams, timely maintenance of fire safety equipment, and rapid tenant communication played pivotal roles in efficiently managing these incidents.

Investigations were undertaken to ascertain the causes of the incidents and potential lapses. Feedback sessions with tenants identified areas for further safety training and equipment enhancements. Beyond the immediate response, fire safety drills have been amplified, and the installation of advanced fire detection systems are under review.

Security

Whenever security breaches were identified or concerns about tenant safety and property integrity were raised, we strategically reshuffled our security personnel to optimise both vigilance and responsiveness. JHC continues to invest in advanced security systems, including enhanced closed-circuit television (CCTV) surveillance and access control measures.

Through meetings with tenants, we gathered feedback that informed necessary security enhancements. Tenants were also educated about security protocols and best practices, so that they may proactively and confidently care for their own safety.

JHC addresses critical concerns regarding safety around our buildings with the security cluster of SAPS and JMPD through the City Improvement Districts (CIDs), in which we are key stakeholders. In addition, monthly operations meetings are held with the security cluster where cases are tracked, and hotspots are flagged.

Operating within the city

The level of service provided by the CoJ has worsened during the last quarter. Buildings have experienced days without water or electricity, leading to tensions with our tenants. The reasons for these outages vary, and may include reservoir maintenance,

accidental supply cut-offs, failure to restore services post-maintenance, or lingering issues following loadshedding. Depending on the circumstances, JHC responded, for example, by providing bottled water or mobilising backup generators to restore power to critical areas to allow security systems and emergency lighting to remain in operation. Tenants were kept informed as information became available. These updates were well received as they eased concerns and offered timelines for restoration.

Utility management

Managing utilities efficiently is incredibly important to JHC, not just for operational efficiency but also to ensure tenant comfort. Effectively managing utilities also helps our tenants with financial planning and prudence, considering the negative impacts of high utility costs. Over the past year, our utilities management team has faced many challenges including incorrect billing by CoJ and prolonged water and electricity outages. The teams, however, also gained various key learnings and implemented many improvements, including:

- **Establishing a rigorous monitoring system** to track utility consumption across our properties. Monthly reports help identify patterns, anomalies, and areas of potential savings and proactively address them.
- **Energy conservation initiatives** like the installation of geyser blankets at properties, tenant education and targeted engagements with high-consuming tenants. These measures not only conserve energy, but also result in tangible cost savings for both JHC and its tenants.

In conclusion, JHC's utilities management is a testament to our dedication to excellence, tenant comfort, and sustainability. By blending technology, data, and best practices, we are setting benchmarks in efficient utilities management for the property sector.

Looking ahead

The Property Management team remains committed to enhancing the tenant experience in the coming year. We will continue to collaborate with other functions within the organisation through the newly established portfolios. These portfolios are implementing focused interventions that address specific issues identified in our buildings, and these interventions are already starting to bear fruit. Engaging with tenants will be essential for addressing the issues that are most important to them. To this end, our JHC Cares programme, along with other tenant engagement platforms, will remain at the forefront of our operational strategy.

Property Portfolio Managers



Sifiso Ginindza
Property Portfolio
Manager



Bongani Makhoba
Property Portfolio
Manager



Cyril Midaka
Assistant Property
Portfolio Manager



Sabelo Makhaye
Assistant Property
Portfolio Manager

Housing Supervisors



Tshepo Noko
Senior Housing Supervisor



Eliot Mabunda
Senior Housing Supervisor



Nokulunga Ndlovu
Senior Housing Supervisor



Obrey Makamu
Senior Housing Supervisor



Simon Mbulawa
Senior Housing Supervisor



Edward Makwinda
Senior Housing Supervisor

Property Administration team



Nothando Mthembu
Property Administration
Manager



Faith Shabalala
Senior Maintenance
Administrator



Jerrilee Schroeder
Hub Back Office
Administrator



Kholi Mogotsi
Hub Back Office
Administrator



Benson Mabasa
Housing Supervisor



Annah Matima
Housing Supervisor



Emmanuel Kubeka
Housing Supervisor



Jacob Bezula
Housing Supervisor



Jas Matela
Housing Supervisor



Johannes Makananisa
Housing Supervisor



Njabulo Zulu
Maintenance Administrator



Nomagugu Mbhense
Maintenance Administrator



Mbali Shezi
Maintenance Administrator



Joseph Ntabi
Housing Supervisor



Kabelo Maleka
Housing Supervisor



Keitumetse Chauke
Housing Supervisor
(until 16 November 2022)



Larry Mabasa
Housing Supervisor



Marks Bila
Housing Supervisor
(until 31 May 2023)



Molatelo Seshibe
Housing Supervisor



Monica Nthangeni
Housing Supervisor



Mzwandile Bhengu
Housing Supervisor



Promise Gcwabaza
Housing Supervisor



Samuel Madzivani
Housing Supervisor



Thulani Luthuli
Housing Supervisor



Vincent Mbatha
Housing Supervisor

Projects Office team



Koketso Legodi
Project Manager



Rhulani Chauke
Project Co-ordinator



Siyanda Zide
Project Co-ordinator

Property Maintenance team



Simone Maphanda
Maintenance Manager



Phakamani Khumalo
Maintenance Manager



Decide Makondo
Maintenance Technician
(until 30 June 2023)



Fredy Munawa
Plumber



Jabulani Libimbi
Maintenance Technician



Miyanda Siamsipa
Carpenter



Thema Moche
Maintenance Technician



Refilwe Segolabeng
Electrician



Mlungisi Tonono
Maintenance Technician



Ntokozo Khulu
Maintenance Technician



Sephulelo Menyuka
Maintenance Technician



Themba Mtembu
Maintenance Technician
(until 29 July 2022)



Tsumbedzo Masindi
Maintenance Technician





Tumi Pambo
IT Executive

Information Technology

At JHC, our commitment to leveraging technology to better serve our stakeholders has never been stronger, and remains a core output of our five year strategy. During this reporting year, while budget constraints limited the number of projects that could be completed, we have made significant strides in enhancing and securing our IT infrastructure and leveraging IT capabilities. This enhances our ability to understand and connect with our tenants.

The JHC IT division invested significant effort and resources to enhance JHC's IT security in this financial year. This included the introduction of two-factor authentication (2FA) across all staff workstations as well as at a system level. A service provider was appointed to mitigate against cybersecurity breaches by implementing penetration testing as well as end-user cybercrime awareness training for our staff.

Our endeavour to create a Unified User Interface, known as 1UI, stands out as a highlight of our systems integration efforts during FY2022/23. Envisioned as a one-stop platform that streamlines access to all our applications, the 1UI will put consolidated information at our staff's fingertips, better enabling them to deliver a seamless and consistent service to our tenants. While its full potential is still in the works, the groundwork for a successful total implementation has been laid.

The introduction of a Customer Relations Management (CRM) tool marked a pivotal shift in our lead management. By centralising and improving our tracking capabilities, we can ensure a more dynamic and responsive sales process, allowing us to be more in tune with our potential clients.

JHC's IT trajectory over the past year has been marked by an approach of leveraging our existing resources as effectively as possible while remaining committed to the five year objective of using technology and data to drive JHC forward. The year ahead will see us build on this by reinforcing data integrity and using data to support our tenant retention strategies.

IT team



Esona Masiza
Technical Business Analyst



Geoffrey Jiti
Business Analyst



Pasana Mbonane
IT Systems Analyst



Moipone Miya
Junior Business Analyst



Thapelo Moutlane
IT Administrator



Thabang Phasiwe
IT Project Administrator
(Intern)



Lukhanyiso Kona
Compliance Manager

Compliance

JHC's compliance function strives to embed compliance behaviours that move beyond formalities and box-ticking, towards a genuine culture of exemplary governance.

Policies and procedures

JHC's policies and procedures are closely monitored to ensure that they adhere to the applicable regulations and are enhanced by our provision of expert legal guidance. In the year under review several policies were updated to ensure that these policies align with the legislative universe in which JHC operates, to mitigate key risks which might impact JHC and to reflect changes within JHC's internal business environment.

Data protection

JHC's focus on the Protection of Personal Information Act (POPIA) underlines our dedication to data privacy and the security of proprietary and personal details. As a landlord, we recognise that complying with POPIA is not just about good governance; it's about honouring the confidence our tenants have in us. JHC continuously identifies and monitors potential POPIA risks, and implements mitigation measures where needed. We prioritised POPIA training and development this year, conducting online and face-to-face training with both new and current team members to ensure that our best practices are deeply embedded in the organisation, and particularly in those departments that handle significant personal data. We also put in place cyber liability insurance to enhance our risk mitigation framework for the protection of personal and confidential information within JHC.

Embracing diversity and supporting B-BBEE

As an industry leader in the Social Housing sector, JHC is mindful of its responsibilities as a good corporate citizen and focuses on the social and economic welfare of its staff and tenants, as well as the empowerment of qualifying beneficiaries. We obtained a Level 4 rating in FY2022/23 and are committed to improving this in the coming year. Various factors have negatively impacted our skills development score and we will continue to explore additional strategies across the Specialised Property Sector Code to improve our B-BBEE rating - positively contributing to transformation in this sector.

Our proactive approach to risk management

Risk management is an integral part of all JHC policies and procedures, and is built into our operational fabric. Our risk management methodology ensures that each business area prioritises the identification, assessment, evaluation and control of all key risks. In doing so, preventative measures can be put in place to mitigate further risks impacting JHC and its subsidiaries. Risk Management is overseen by the JHC Audit Committee to ensure that good governance and strategic focus is achieved.

The risk register has changed post the COVID-19 environment. JHC management has evaluated the risks imposed on the business and have rated them accordingly. Following the pandemic, JHC continues to monitor risks associated with the worsening macro-economic environment, which is impacted by interest rate hikes, load shedding and rising utilities costs. Risks associated with the COVID-19 pandemic which are no longer applicable have been removed and a range of emerging risks which are relevant to the current JHC environment have been included.

Compliance team



Prudence Ngwenya
Document and Knowledge
Management Administrator



Mamosa Nonyane
Compliance Specialist



Thanyani Mudau
Legal Specialist



Human Resources

Reconnecting with each other in the physical workspace while continuing to optimise how we collaborate across virtual platforms has been a hallmark of this post-COVID-19 year. JHC frontline and back-office staff have returned to the office to provide face-to-face support for tenants and ensure effective, efficient service delivery, while an element of the hybrid office remains in place to optimise working arrangements for staff.

Building a collaborative team

We believe that it is critical for staff to collaborate if JHC is to thrive. Two years of remote and hybrid working had created a level of disconnect between teams, and strategies were needed to re-invigorate the tight-knit culture that personifies JHC. The HR team has implemented a range of activities to foster collaboration, including role clarity workshops to provide a deeper understanding of each team's function, responsibilities, processes, and ways in which they interact with other departments across the organisation.

Employee wellness insights

The JHC wellness staff assistance programme launched in 2021, continues to provide value to staff and their families. The HR department continues to monitor utilisation, focusing on services most frequently used by staff. The mental health trends summary helps the organisation understand how staff are feeling and if there are concerns to be addressed. JHC closely monitors these trends and provides both general and specific support to staff. One of the biggest benefits of the employee assistance programme is that JHC staff can access direct support, either online or in person, without having to use medical aid funds.

Recruitment and staff retention

Recruitment is key to ensuring that we have the capacity to meet our operational and strategic objectives. During the year under review, 13 permanent staff joined JHC: nine new staff members were appointed, two staff members were promoted, three contract staff were appointed as permanent staff, one intern was absorbed into the IT department, and a second intern was appointed in the IT department.

In the same period JHC lost eight staff members, three of whom were dismissed as a result of disciplinary action, while the remaining five were resignations. This represents a staff turnover rate of 5.8% which is below the good practice norm of approximately 10%.

Investing in training for our staff ensures that we have the internal capability to deliver on our objectives. We offer support for both short-term skills programmes and longer-term bursary studies for staff. A total of 45 staff

members were trained between July 2022 and June 2023. Twenty-two of these staff members are bursary recipients studying towards a formal qualification. A total of R300,125.30 was spent on skills training and R585,719.53 on bursary-related training.

JHC continues to drive internship and learnership programmes and is in the process of developing a learnership policy to accommodate young individuals who cannot afford to further their studies thus cannot get employment because they have no qualification and work experience. This learnership approach supports the individuals to build their practical skills and improve their qualifications while working for JHC. The learnership and internship programmes opportunities are extended to our tenants, creating an additional avenue for us to deliver value to and connect with them.

Management profile and employment equity

In April 2023, amendments to the Employment Equity Act came into effect. As such, we have amended our targets and made policy updates where applicable. JHC also conducted an analysis of its diversity and equity targets against the Real Estate Sector's proposed benchmarks. The analysis revealed that JHC has met most targets, but that it has encountered challenges in meeting the benchmarks for female staff at senior management and professional staff levels. Given that there are only two positions (CEO and CFO) in senior management, this skews the representation, reflecting a male dominance.



Fawzia Ballim reaches a milestone

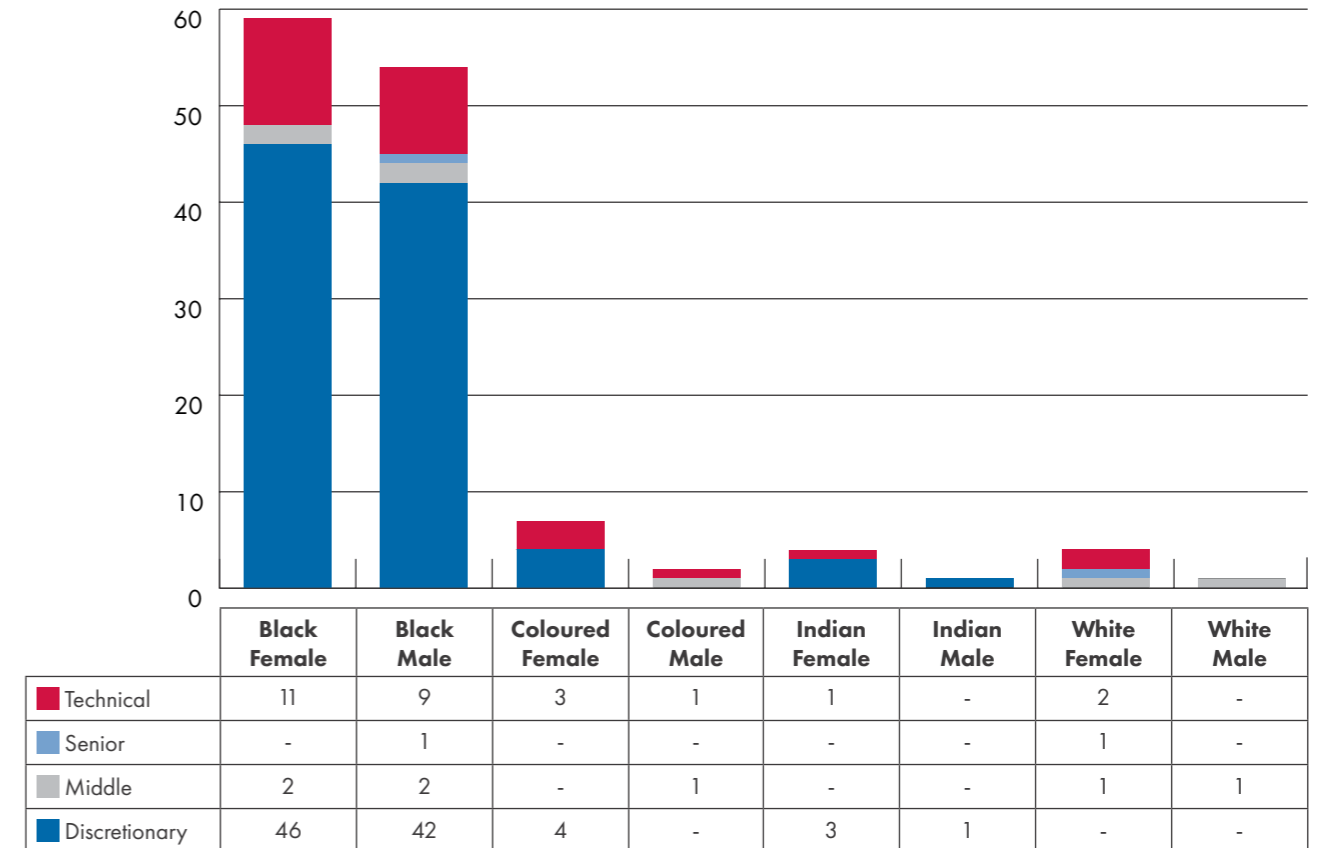
Much like JHC's tenants, our employees have come to regard JHC as their home. Therefore, it comes as no surprise that many of our employees boast impressive records of long-term service. However, this also means that, on occasion, we must bid a regretful farewell to our devoted employees who have reached retirement age.

This year, we celebrated a remarkable milestone as one of our colleagues with 22 years of service reached this exciting point in their career. Fawzia Ballim first stepped through the doors of JHC in 2000, assuming the role of JHC's Bookkeeper. Quickly, she became an indispensable part of JHC's team and was in later years promoted to the position of Accountant and then Finance Manager, a role she held until her retirement.

Throughout her tenure, Fawzia was recognised by her colleagues for her quiet but unwavering strength, which she exhibited both professionally and personally, her remarkable empathy and compassion for tenants and colleagues, as well as her impeccable ethical conduct. Fawzia has left an enduring imprint on JHC and the lives of her colleagues. She has effectively redefined going the extra mile as the new standard, and her commitment to always doing what is right and ethical continues to resonate through the staff she diligently mentored, inspiring them to uphold the same ethical and professional standards.

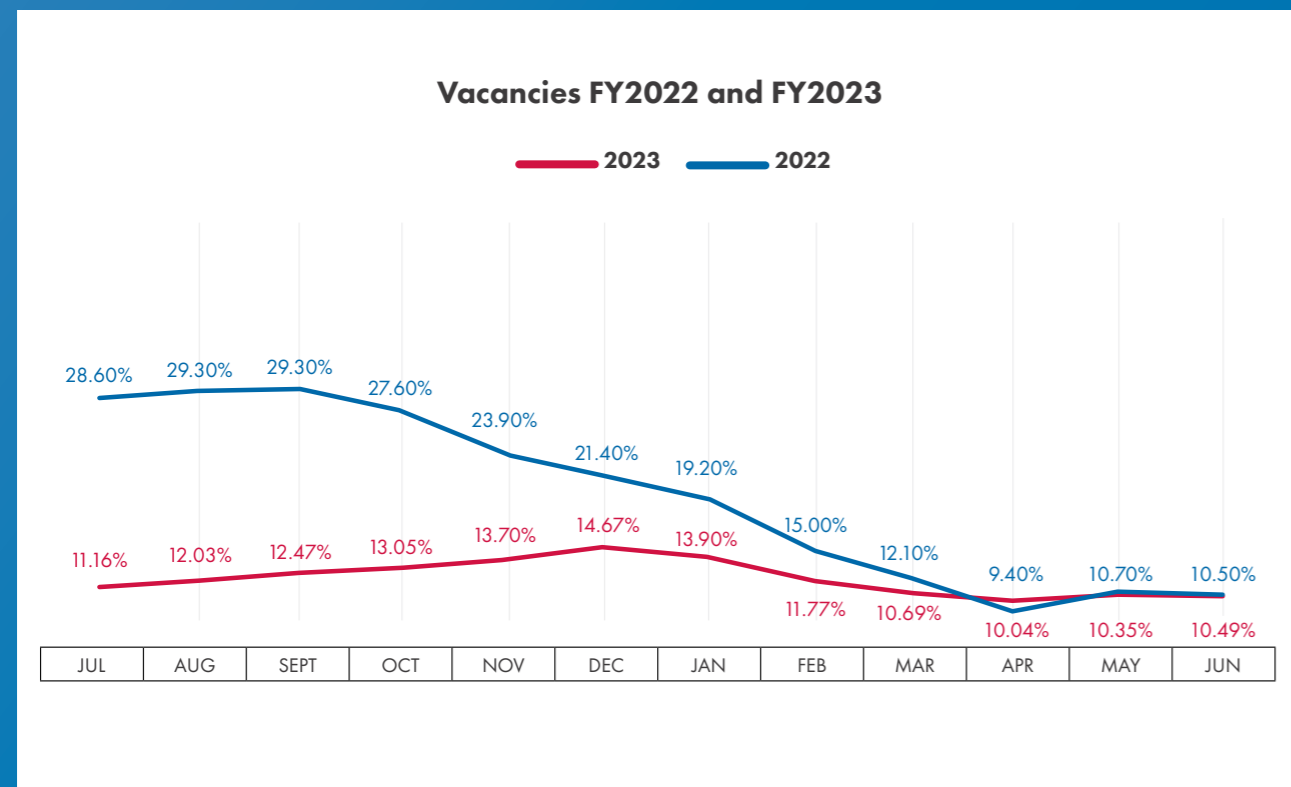
Employment equity

The employment equity profile of our team is shown below.



Addressing vacancy rates

Higher than normal vacancy rates are a reality of the inner city rental housing landscape that JHC has had to grapple with since the onset of COVID-19. The vacancy rate across our residential properties has fluctuated between 10% and nearly 15% through the financial year, starting at 11.16% in July 2022 then rising to 14.67% in December, before dropping again to 10.49% in June. The peak in December is typical of the residential rental market during the holiday season. Our summer promotion, launched in December 2022, began bearing fruit in February 2023. Of the 419 tenants who took up the summer promotion offer, 346 remained at the end of June. This helped to hold the year-end figure at 10.49%, fractionally down from the 2022 year-end result.



By focusing on a multifaceted approach (combining property improvements, targeted marketing, collaborative partnerships, and tenant-centric strategies), JHC has exhibited a robust and responsive approach to addressing vacancies. Our efforts underline our commitment to not just filling spaces but also fostering vibrant, thriving communities within our properties.

New Developments

The past year has seen JHC navigating a challenging economic environment marked by rising interest rates, subdued economic growth, and limited progress on the employment front. This has impacted the pace and scale of our new development projects, yet, even against this complex backdrop, JHC has kept its eye firmly on the future. We have continued to focus on acquisitions, securing development rights for the holdings in our development pipeline, and advancing funding applications for new developments.

JHC has continued to advance its work for the development pipeline. We are exceptionally thankful for the in-principle support received from the SHRA and Provincial Government for our proposed new Heritage View West development. We made good progress in the town planning work needed to pave the way for new development rights for various land holdings in our development pipeline, including the TEBA precinct and the Brickfields South assembly in Newtown. Together, the latter two development precincts potentially offer 3,000 new units combined and up to 30,000 m² of supportive mixed-use facilities. As we move into the new financial year, our focus will remain on securing new development rights to ensure that JHC is ready to execute on its growth plans when the time comes to do so. As we look to future developments, we note the emerging risks of significant economic extortion practices at construction sites and have started putting in place contingency measures to mitigate against them.

A second focus area for New Developments was the formulation of the JHC Efficient Buildings Framework. The framework has reviewed JHC's existing management practices against best practice and specifically introduces Energy Usage Intensity and Water Usage Intensity calculations as a pilot management tool to help JHC lower its consumption. This will guide us in setting realistic yet ambitious energy, water, and waste management targets not only in our existing portfolio, but also in our new developments, where we are better positioned to set new benchmarks in line with green building legislation such as the National Treasury Green Finance Taxonomy and the CoJ's Green Buildings Policy.



Matt Jackson
Development Manager

Our Strategy and Project Office

In its second year of operation, the Strategy and Projects Office (SPO) has continued to cement its role in programme management and project delivery, while still supporting the business through the preparation of the 2023/2024 strategy.

Guiding and monitoring JHC's programme of strategic activities and projects was a core focus of the SPO throughout the year; this contributed to the JHC delivering well on our planned strategic activities. Out of 39 activities, 28 were successfully completed. Budget constraints required that we put eight activities on hold, largely in the technology development space where significant financial investment would be needed. Only three activities were started but not completed due to the departure of JHC's Customer Experience (CX) Manager; these activities all relate to customer service training and will be a key strategic activity in the year ahead.

The SPO continues to support the delivery of numerous projects through its project management function. The projects undertaken are those that are either strategic or cross-functional in nature and therefore lack an obvious department-level project manager. Key projects managed in the year were the 3PPM building handovers, the Everyday Heroes query management project, the Park Station office closure, and the formulation of JHC's response plan for an extended power outage. The SPO also facilitated the tenant retention workshops in the last quarter of the year for the Customer Experience department.

The year ahead will see the SPO shift direction slightly towards coordinating data-driven reporting on the JHC's strategic outputs while continuing to deliver project management services for the organisation, helping our project teams to remain connected, collaborative and highly productive.



Juanita Prinsloo
Strategy Manager



Colleen Orsmond
Strategic Project Manager



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SECTION

Engaging our tenants



Sales and Marketing



Lindi Malinga
Customer Relations Executive

Tough economic conditions and fierce competition in the inner city rental housing market the past year presented a challenging work environment for our Sales and Marketing team. While our vacancy rate experienced slight fluctuations (see page 23 in this report), we were able to leverage our marketing initiatives, including the highly successful Summer Promotion, to attract new tenants. Generating increased brand awareness was a core focus of the Sales and Marketing team this year, whether through on-the-ground activations, on-air promotions, or digital presence.

The Sales and Marketing team hosted numerous vacancy drives throughout the year; in total approximately 10,000 flyers were distributed by our letting agents and staff members in the inner city, with an additional 2,500 distributed in the Cosmo City area. Further activations were held at inner city taxi ranks to increase brand awareness among commuters, including those currently residing on the outskirts of the city. These activations dovetailed with JHC advertisements on Hillbrow FM, a local radio station to reinforce awareness of JHC's offering. Our brand recognition was further promoted through sponsoring various city activities like ABSA's Run Your City road race, the CoJ's inner city clean-up campaign and the Cotton Festival.

A key goal for the year was to boost JHC's digital and social media presence. We used various platforms to enhance the tenant and user experience, raise brand awareness, and increase satisfaction to encourage brand advocacy among our tenants. The improvements to our website yielded significant results, with a 95% year-on-year increase in website traffic from Q1 of 2022 to Q1 of 2023. Additionally, we saw a 180% rise in conversions over the same period. Through monthly updates of optimised content, we have positioned JHC as an industry expert in rental property, which has subsequently improved our search rankings and SEO performance.

Looking ahead, JHC faces fierce competition, especially from competitors who are willing to run indefinite promotions, making it prohibitively expensive to compete.

In the upcoming year, the Sales and Marketing team will be focussing on optimising its sales processes using the full capabilities of the CRM system to track the tenant's journey from lead generation, to conversion and retention. We will collaborate with the CX frontline team responsible for leasing to improve lead conversion and to engage with prospects that didn't convert to understand the reasons behind their decision not to stay with JHC. Our objective is to hone our marketing tactics and refine our sales processes to create a seamless and compelling experience for all tenants and prospective tenants across all touchpoints on the sales journey.

Sales and Marketing team



Tarryn Naidoo
Sales and Marketing Manager
(until 24 March 2023)



Lydia Nekhunguni
Letting and Marketing
Manager



Lebo Seekane
Letting Consultant



Thando Mgaju
Letting and Marketing
Administrator



Customer Experience

Our Customer Experience consultants play a key role in connecting with our tenants, from early in the tenant journey through the leasing process to resolving queries that, if not effectively resolved, can negatively impact our tenants' day-to-day experience. In the past year we have invested in tools and systems to help us better understand our tenants and improve our ability to serve their needs. While our counterparts in the Sales and Marketing team work hard to attract new tenants, we recognise the need to work equally hard to retain existing tenants by ensuring that they 'love where they live'.



Lindi Malinga
Customer Relations Executive

Several projects were completed this year that have given us insight into our tenants and their journey as JHC residents. The predictive churn model identifies factors that indicate potential reasons for tenants to churn, and by tracking these factors, we can proactively engage with those tenants to find solutions that will enable them to stay. We also mapped the tenant emotional journey against JHC's values as a tool for our customer-facing staff to empathise with tenants when engaging with them and apply the appropriate behaviours based on our value system. Finally, with the support of our IT and MAM colleagues, we conducted a tenant segmentation exercise across all buildings to understand our tenants' priorities, preferences and behaviours and how these might inform our offerings and services to them.

We have implemented a range of projects to review and streamline our systems and processes so that we can optimise our level of service to our customers. The query standardisation project created a single document that outlines how different types of queries should be resolved, who is involved and the timelines or service level agreements (SLAs). This document also associates the different queries with the relevant phase on the tenant emotional journey to guide the appropriate behaviours when responding to the queries. The Everyday Heroes project reminded our staff

that query resolution is everyone's responsibility and helped to galvanise all areas around fast and effective solutioning to tenant problems. The Platinum Desk was created through this project to exemplify service excellence in query resolution. Highly motivated CX consultants were identified and given the training and delegations of authority needed to resolve difficult queries within strict SLAs. The Platinum Desk contributed to much improved performance levels and has entrenched rigorous principles and standards of query management that have now been adopted throughout the CX team. This extends to the contact centre call handling, which improved from 65% in the previous year to between 85% and 90% this year. We expect that enhancements in our call centre system functionality towards the end of the year will improve our handling rates even more in the next year.

Our customer service training, CX101, was severely delayed due to competing strategic priorities and the departure of the CX Manager in December 2022. The newly appointed Customer Experience Specialist will prioritise this area, with plans to roll out training to all customer-facing staff in the 2023/2024 financial year. This training aims to bolster the tenant retention strategies each department identified in the previous quarter.

Customer Experience team



Mosa Bodibe
Receptionist



Phumzile Sibiya
Customer Relations Administrator



Carlene Petersen
Customer Experience Manager
(Until 29 December 2022)



Wende Reddy
Customer Experience Specialist



Arnold Peters
Customer Experience Team Leader



Lebo Mathata
Customer Experience Team Leader



Drucelian Munsamy
Customer Experience Consultant



Duduzile Mngun
Customer Experience Consultant



Kgomotso Kgorutla
Customer Experience Consultant



Olivia Ngobeni
Customer Experience Consultant



Penrose Moyana
Customer Experience Consultant



Pride Oguzie
Customer Experience Consultant



Thabo Koma
Customer Experience Consultant



Makhulong a Matala – Making a difference

As our eyes and ears on the ground, our MAM community development managers, co-ordinators, and facilitators support JHC’s operations and the achievement of our strategic objectives as they connect with our tenants on a daily basis, embodying our value: “We have a heart, we care”.

In addition to facilitating numerous community programmes, the MAM team plays a critical role in tenant retention, picking up queries as they are raised and channelling them to the appropriate departments for resolution. They also assist the housing supervisors to educate tenants around house rules and acceptable behaviours in our buildings. In this respect, the tenant induction programme offered by MAM is invaluable, as it orientates new tenants to the ‘JHC way of life’, through our tenant handbook, orientation sessions and follow-up engagements. By helping tenants to start off on the right foot, we improve their JHC experience from the moment they move into the building. A total of 1,058 new tenants received the induction training in FY2022/23, and having noted that the number of house rule transgressions amongst new tenants was much lower than by older tenants, the MAM team decided to launch a tenant induction refresher course to remind existing tenants of the house rules.

In the past year, MAM has been extremely active, facilitating 680 activities that traverse sports, education, food gardens, entrepreneurship, and life skills training (see right). Notable achievements include the development of a multi-faceted utilities campaign. The basic campaign distributed educational material on how to reduce utilities consumption to the whole JHC portfolio and presented utilities education via industrial theatre. The MAM team also engaged directly with several Ukhamba tenants with particularly high utilities bills to help them reduce their consumption and save money as a result. Of these tenants, those who managed to reduce their consumption the most were invited to the Taffy Cup as special guests.

JHC tenants can access a range of activities and programmes facilitated by MAM. These include:

- Junior soccer development programme
- Anti-litter campaign
- Food gardens
- Tenant life skills
- Playrooms and playgroups
- Chess development programme
- Utilities campaign
- Adult Vitality - sports and health
- Tenant employment opportunities
- Tenant induction
- External play facilities
- Bursaries for JHC kids

MAM facilitates meaningful connections with our tenants through the JHC Cares campaigns, tenant inductions and through the numerous activities like Heritage Day events and Christmas Carols. As we see a rising number of social incidents including gender-based violence, our MAM facilitators play an invaluable role in supporting our tenants and improving the social fabric within our buildings.

MAM team



Patricia Msebele
Community Development Manager



Ethel Munyai
Community Development Manager



Grenda Ngwarai
Community Development Coordinator



Ipeleng Mokgosinyane
Community Development Coordinator



Donald Makape
Community Development Coordinator



Vinolia Hlahla
Community Development Coordinator

CHANGING OF THE MAM GUARD

Having joined the JHC in 1999, as its first community development officer, Lindi Malinga championed the establishment of MAM in 2003 and continued to build it into the organisation that it is today. Lindi handed the MAM baton to Lungisani Ntuli as the new MAM General Manager in January 2023. This enabled her to focus more on leading the Customer Experience department and building the sales, marketing and customer services functions. Lungisani joined the JHC as a community development manager in 2008, and in the years that followed became a stalwart of the MAM operations. We wish both Lindi and Lungisani well as they take on new challenges!

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SECTION

Our financial performance



Message from our Chief Financial Officer

The unfolding of JHC Group's financial year 2023 has not only been a tale of resilience but also of notable progress and promise. While we navigated various challenges, our resolve to improve, and commitment to our vision, have been unwavering.

Financial overview

The current financial year was the first full year post COVID-19 lockdown regulations, and the Group's FY2022/23 financial performance improved due to more stable vacancies and arrears. The Group generated a net profit before fair value adjustment and tax of R2.7m for the year, contrasting the R36.8m loss of 2022. After considering fair value adjustment losses, the net loss stands at R28m, a significant improvement from the R92,4m loss of the previous year. Revenue rose to R273.1m, up 11% from last year's R245.6m, testament to the Group's recovery and robust financial performance. The challenges of the year were manifold, from addressing higher vacancies, containing repair and maintenance costs, and grappling with high utility costs coupled with loadshedding implications. Despite these, the determination to uphold our financial integrity never waned. In the current year, the total building expenditure exceeded the budget by 3%, however, total building expenses were down by 19% from the prior year. It is essential to note that the current year was presented with a few unforeseen elements and necessary investments for future stability, such as enhanced security measures; as such, the overspend against budget is seen as necessary. The 19% drop from last year is indicative of management's commitment to efficiently managing our buildings.

Our focus on managing bad debts, which currently stands at approximately 80% above budget, has intensified. With a strengthened approach to debtor management and continuous monitoring, we anticipate a favourable turnaround. We are exploring innovative solutions, including a lease insurance product to mitigate these risks, ensuring that our financial foundation remains robust. While our cash balance this year has been impacted by the aforementioned challenges, we've adeptly made use of our reserves to ensure seamless operational continuity.

Vacancy situation and market insights

We have observed significant improvements in our vacancy rates. Despite being marginally behind the national average of 7.27%, given the ongoing adverse market conditions, this improvement signifies a pivotal step forward. The post-COVID-19 financial year showed stable vacancies and arrears, averaging 12% and 12.9% respectively, with FY2023 manifesting an improved financial performance for the Group. The TPN Vacancy survey report (2023 Q1) projected a positive shift towards the rental market due to rising interest rates and the uncertainty surrounding further hikes; this is encouraging news for our business. This, together with our tenant retention initiatives, places us in a favourable position to further improve our occupancy rates.

Adapting to a new environment

Our pre-COVID-19 five-year strategy was aimed at expansion and at broadening JHC's horizons. However, recognising the need to pivot in a post-COVID-19 world, we have recalibrated our approach. In line with our 2023/2024 strategy JHC will be selling part of our non-performing portfolio. Nine buildings at a value of R130 m have been identified for sale and the disposal process has commenced. This sale is expected to result in significant future savings, and it is crucial to understand that this decision is aimed at fortifying our core business and further entrenching our position in the market.

Rental escalations in the rental market are recovering steadily, and tenants' commitment to paying their rental on time with rental escalations has improved over the past two years. JHC reintroduced rental escalations of 6.5% after three years of no rental escalations on 1 July 2023. The rental escalations have been well received by our tenants; we have not seen any significant changes in our vacancies related to rental increases and based on this we are confident that this will positively contribute to JHC's growth trajectory.

The trials of the reporting year were indeed significant. They have also been instrumental in shaping our renewed strategy and vigour. At JHC, we see each challenge as an opportunity to evolve and improve our service to our stakeholders. It is with thanks to your continued trust, together with our unwavering commitment, that we take an optimistic view of the journey ahead.

We are confident that we will not only return to our position as a leading social housing rental company, but will surpass even our own expectations, so that we may deliver an improved quality of living to those whom we serve.

As an organisation, we pledge the following:

As we forge ahead, JHC is more than just a housing rental company; we are a beacon of positive impact in the communities we serve. Our trajectory is clearly on the ascent, and we are favourably positioned to re-establish our legacy as a transformative and successful housing entity.

With gratitude and confidence in our shared future.

Prosper Mpfu CA (SA)
Chief Financial Officer
JHC Group

PROSPER MPOFU CA (SA)
Chief Financial Officer
JHC Group

Finance team



Fawzia Ballim
Finance Manager
(until 31 December 2022)



Thato Makhapha
Finance Manager



Lindiwe Ndziba
Management Accountant



Simamisa Buthelezi
Junior Management Accountant



Karabo Mamugudubi
Trainee Accountant Temp



Nadia September
Accounts Payable Clerk



Shivana Harilal
Accounts Payable Clerk



Thembi Gamede
Bookkeeper



Fathima Goolam Hoosen
Bookkeeper

Collections team



Phumi Jali
Collections Team Leader



Tebogo Mhlanga
Collections Team Leader



Matabudi Malaka
Collections Administrator



Nozipho Ngqulunga
Collections Administrator



Jelodia Rooskrantz
Collections Administrator



Ntsebeng Motlaung
Collections Administrator



Prince Mkwanazi
Collections Administrator

Property Accounts team



Jackie Tyobeka
Property Accounts Team Leader



Mahlodi Malane
Property Accounts Administrator



Noxolo Malinga
Property Accounts Administrator



Sibahle Msindo
Property Accounts Administrator



Lesego Leshaba
Property Accounts Intern
(until 24 March 2023)

Utilities team



Gauta Mofokeng
Utilities Manager
(Until 28 October 2022)



Silvia Cele
Utilities Relationship Coordinator



Simangele Nzimande
Utilities Financial Administrator



Landiwe Mnguni
Utilities Consultant

Supply Chain Management team



Debbie Johnson
Supply Chain Manager



Bongani Khambule
Stock Controller



Thandi Binda
Stock Clerk

Directorate and administration

Johannesburg Housing Company NPC

Company registration number:
1995/013843/08
NPO registration number:
026-005-NPO

Brickfields Housing Company (Pty) Ltd

Company registration number:
2002/026972/07

BHC Development (Pty) Ltd

Company registration number:
2019/565290/07

BHC Dev 1 (Pty) Ltd

Company registration number:
2020/758716/07

BHC 3PPM (Pty) Ltd

Company registration number:
2020/158127/07

Makhulong a Matala Community Development Services NPC

Company registration number:
2003/029904/08
NPO registration number:
041-748-NPO
PBO registration number:
930011472

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2132

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0044

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0084

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Absa Bank Limited
ABSA Business Centre
Palazzo Towers West
Montecasino Boulevard
Fourways
2055

First National Bank
BankCity
Cnr Kerk and Harrison Streets
Johannesburg
2000

Nedbank Limited
100 Main Street
Johannesburg
2001

The Standard Bank of South Africa
88 Commissioner Street
Johannesburg
2001

AUDITORS

Karolia Jeena Inc.
4 Wabord Road
Parktown
2193

Results for the year

Johannesburg Housing Company NPC

Company registration number: 1995/013843/08

NPO registration number: 026-005-NPO

Audited opinion

Johannesburg Housing Company NPC and its subsidiaries' annual financial statements have been audited by the independent auditors, Karolia Jeena Inc. Their unqualified audit report is available for inspection at the company's registered office.

Accounting policies

The annual financial statements have been prepared in accordance with International Financial Reporting Standards. The accounting policies used in the preparation of the annual financial statements are consistent with those used in the previous financial year, with the exception of certain mandatory changes relating to standards that became effective during the current reporting term and are relevant to the operations of the Group.

Statements of financial position

Figures in R	Group 2023	Group 2022	Company 2023	Company 2022
Assets				
Non-current assets				
Property, plant and equipment	4,347,064	6,592,005	3,526,120	5,285,094
Investment property	1,391,696,135	1,419,600,001	987,300,000	1,013,000,000
Intangible assets	2,014,040	3,683,484	2,014,040	3,683,484
Investments in subsidiaries	-	-	18,065,885	18,065,885
Capital work in progress	2,981,222	5,164,960	-	-
Loans to Group companies	-	-	94,132,106	94,132,106
Total non-current assets	1,401,038,461	1,435,040,450	1,105,038,151	1,134,166,569
Current assets				
Inventories	831,897	682,105	831,897	682,105
Trade and other receivables	11,885,587	14,605,711	7,937,842	8,969,052
Current tax assets	884,218	1,244,297	145,322	145,322
Loans to Group companies	-	-	197,156	242,428
Prepayments	1,301,664	1,826,732	1,301,664	1,826,732
Cash and cash equivalents	126,116,775	177,326,011	18,432,377	63,593,476
Total current assets	141,020,141	195,684,856	28,846,258	75,459,115
Total assets	1,542,058,602	1,630,725,306	1,133,884,409	1,209,625,684
Equity and liabilities				
Equity				
Issued capital	74,419,636	74,419,636	74,419,636	74,419,636
Retained income	968,034,313	996,475,458	669,916,867	698,371,570
Total equity	1,042,453,949	1,070,895,094	744,336,503	772,791,206

Figures in R	Group 2023	Group 2022	Company 2023	Company 2022
Liabilities				
Non-current liabilities				
Deferred tax liabilities	182,257,577	194,684,123	134,059,028	145,236,661
Other financial liabilities	6,618,995	69,353,334	6,618,995	30,302,928
Lease liabilities	-	1,660,640	-	1,660,640
Loans from Group companies	-	-	29,000,000	-
Total non-current liabilities	188,876,572	265,698,097	169,678,023	177,200,229
Current liabilities				
Trade and other payables	61,188,263	80,719,631	50,156,715	64,106,105
Other financial liabilities	240,893,408	205,867,451	147,566,758	138,764,009
Lease liabilities	1,513,745	474,319	1,513,745	474,319
Loans from Group companies	-	-	13,500,000	49,219,102
Conditional Government Grant	7,070,714	7,070,714	7,070,714	7,070,714
Bank overdraft	61,951	-	61,951	-
Total current liabilities	310,728,081	294,132,115	219,869,883	259,634,249
Total liabilities	499,604,653	559,830,212	389,547,906	436,834,478
Total equity and liabilities	1,542,058,602	1,630,725,306	1,133,884,409	1,209,625,684

Statements of profit or loss and other comprehensive income

Figures in R	Group 2023	Group 2022	Company 2023	Company 2022
Revenue	273,156,960	245,624,356	200,316,916	182,189,121
Building expenditure	(166,387,889)	(182,849,577)	(124,886,155)	(141,823,077)
Gross profit	106,769,071	62,774,779	75,430,761	40,366,044
Other income	727,393	998,330	5,757,480	5,611,554
Administrative expenses	(17,879,908)	(17,763,183)	(16,221,401)	(15,796,006)
Other expenses	(71,502,979)	(73,811,119)	(64,892,841)	(65,805,906)
Other gains and (losses)	(43,406,370)	(69,649,491)	(31,560,247)	(61,429,344)
Loss from operating activities	(25,292,793)	(97,450,684)	(31,486,248)	(97,053,658)
Finance income	10,607,591	9,261,027	13,087,173	9,098,792
Finance costs	(26,093,431)	(18,168,456)	(21,233,260)	(13,934,361)
Loss before tax	(40,778,633)	(106,358,113)	(39,632,335)	(101,889,227)
Income tax credit	12,337,448	13,965,120	11,177,633	12,897,373
Loss for the year	(28,441,185)	(92,392,993)	(28,454,702)	(88,991,854)

Statements of changes in equity

Figures in R	Issued capital	Retained income	Total
Balance at 1 July 2021 - Group	74,419,636	1,088,868,451	1,163,288,087
Changes in equity			
Loss for the year	-	(92,392,993)	(92,392,993)
Total comprehensive income for the year	-	(92,392,993)	(92,392,993)
Balance at 30 June 2022	74,419,636	996,475,458	1,070,895,094
Balance at 1 July 2022 - Group	74,419,636	996,475,458	1,070,895,094
Changes in equity			
Loss for the year	-	(28,441,185)	(28,441,185)
Total comprehensive income for the year	-	(28,441,185)	(28,441,185)
Balance at 30 June 2023	74,419,636	968,034,313	1,042,453,949

Figures in R	Issued capital	Retained income	Total
Balance at 1 July 2021 - Company	74,419,636	787,363,423	861,783,059
Changes in equity			
Loss for the year	-	(88,991,854)	(88,991,854)
Total comprehensive income for the year	-	(88,991,854)	(88,991,854)
Balance at 30 June 2022	74,419,636	698,371,569	772,791,205
Balance at 1 July 2022 - Company	74,419,636	698,371,569	772,791,205
Changes in equity			
Loss for the year	-	(28,454,702)	(28,454,702)
Total comprehensive income for the year	-	(28,454,702)	(28,454,702)
Balance at 30 June 2023	74,419,636	669,916,867	744,336,503

Statements of cashflows

Figures in R	Group 2023	Group 2022	Company 2023	Company 2022
Net cash flows from / (used in) operations	6,313,719	(8,431,740)	(7,943,096)	(18,962,266)
Interest paid	(26,093,431)	(18,168,456)	(21,233,260)	(13,934,361)
Interest received	10,607,591	9,261,027	13,087,173	9,098,792
Income taxes refunded	270,979	731,246	-	-
Net cash flows used in operating activities	(8,901,142)	(16,607,923)	(16,089,183)	(23,797,835)
Cash flows used in investing activities				
Proceeds from sales of property, plant and equipment	-	-	232,660	-
Purchase of property, plant and equipment	(741,755)	(883,780)	(1,122,019)	(743,550)
Additions to investment property	(12,292,887)	(47,896,154)	(5,849,220)	(14,877,876)
Capital work in progress costs incurred	(1,012,395)	(184,740)	-	-
Movement in loans to Group companies	-	-	45,272	(168,329)
Cash flows used in investing activities	(14,047,037)	(48,964,674)	(6,693,307)	(15,789,755)
Cash flows (used in)/from financing activities				
Loans received from Group companies	-	-	(6,718,083)	20,219,102
Repayment of other financial liabilities	-	(16,171,399)	-	(12,325,247)
Proceeds from other financial liabilities	(27,701,794)	135,000,000	(15,274,169)	25,000,000
Repayments of lease liability	(621,214)	(1,012,532)	(621,214)	(1,012,532)
Cash flows (used in)/from financing activities	(28,323,008)	117,816,069	(22,613,466)	31,881,323
Net (decrease)/increase in cash and cash equivalents	(51,271,187)	52,243,472	(45,395,956)	(7,706,267)
Cash and cash equivalents at beginning of the year	177,326,011	125,082,539	63,593,476	71,299,743
Cash and cash equivalents at end of the year	126,054,824	177,326,011	18,197,520	63,593,476

“ Families, single parents and their children, young working couples, professionals, blue-collar workers, students, and the elderly have all made JHC buildings their homes because of our commitment to providing Johannesburg residents with comfortable, affordable housing. ”



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