



About the Tower Block auction

Frequently Asked Questions

1. What is the City auctioning?

The City's Property Management Department intends to auction bulk development rights on a portion of Erf 270, for approximately 25 000m² of usable bulk, over a 99-year lease opportunity. The site is located next to the Cape Town International Convention Centre, located in the Cape Town Foreshore Precinct of the Central Business Area, with spectacular views over Table Bay Harbour.

The site is located at the corner of Heerengracht and FW de Klerk Boulevard, on portions of Erf 270 and remainder Erf 192 Roggebaai.

2. What does the development opportunity consist of?

It consists of the following components that will be leased concurrently:

- Building rights on a portion of Erf 270 for the Tower Block development with a footprint of about 1 650 m²
- Existing (that is, constructed) 294 parking bays in CTICC 2 basement parking (B -1) on Erf 270
- A portion of adjacent remainder Erf 192 to develop required parking bays for the Tower Block, in extent of approximately 6 130 m².

This includes an initial lease period of 60 years with a renewal option of 20 years and further 19 years, effectively providing a 99-year lease opportunity.

The portion of remainder Erf 192 is to provide the parking required for the Foreshore Tower on portion of Erf 270.

The full development opportunity of Erf 192 is to be explored, *and any* achievable bulk realised over and above the parking for the Tower Block will have to be paid for, and also planned and designed during the design stage of the parking to ensure integration.

3. When will the auction take place?

14 March 2024.

4. How much investment is the future Tower block development expected to bring to Cape Town?

It is anticipated that it could attract about R1 billion in investments from private property developers for the construction of the Tower and associated amenities.

5. What is the land currently zoned as? Based on this, what can the land be used for?

Erf 270 Roggebaai has a split zoning of General Business 7 (GB 7) and General Business 6 (GB 6).

Erf 192 Roggebaai is zoned Transport 2: Public Road and Parking (TR 2).

The highest and best use for the property is considered mixed use typologies based on the demand and the primary uses allowed. This includes primary uses such as a multi-level office, hotel and leisure.

6. What is the land currently being used for?

The property is vacant.

7. What is the City envisioning for this land?

The City is non-prescriptive of the use as long as it is in line with its zoning and development rights while ensuring that the development on this Foreshore Tower property will complement the existing operations at the CTICC.

8. Why is the City auctioning a lease for this piece of land?

A lease will ensure better use of prime land in the CBD, and simultaneously provide land for commercial property development catalysing economic growth and creating employment opportunities.

9. Why is this a 99-year lease opportunity?

This is to ensure a bespoke development, which is highly capital intensive where a 99 year lease will ensure a return on investment for the potential developers. The period also allows the City to generate revenue for the City that will be used for service delivery in Cape Town.

10. How will leasing this land benefit Cape Town and its residents?

Investment in the development of the subject property will bolster the City's economy with massive social-economic spin-offs contributing to the Metro's GDP, create employment opportunities, and be a productive asset. This is so because a bespoke development will be established which complements the CTICC's offering, further enhancing attractions to international conferences which in all, bolsters the City's fiscus to provide basic services to our citizens, and simultaneously helping to reduce unemployment.

11. What will the City use the funds for that are generated from the monthly rental?

The revenue generated from the lease of this property will be used to augment fiscus of the City for service delivery.

12. What process has the City followed to inform its decision to lease the land?

The City undertook a feasibility study for the development of Erf 270, concurrently with the planning for the CTICC2 expansion around 2014, where the opportunity for a Tower Development was identified.

In terms of the legislation and policies that governs the management of public land, it has been determined that the subject property is not required for municipal basic services. In line with the highest and best use of the property, a development partner is deemed appropriate to realise the development of this nature.

13. Where can the public find out more information about the upcoming auction?

For more information on the specifications of the upcoming auction, visit High Street Auctioneers website: highstreetauctions.com