

COMPANY PROFILE



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www.dijalo.co.za



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Company Particulars

Company Name: Dijalo Property Services (Pty) Ltd

Company Reg No. 1999/00088/07

Company Vat No. 4120 180 189

Ownership - 100% Black Owned

Nyangeni Saul Gumede

Hosia Kgauane Malekane

Paul Mavi Maseko

Meloko Investment Holdings (Pty) Ltd

Folang Medical Suppliers CC

Dijalo Property Services Employee Share Trust

Directors

Saul Gumede, CPM® (Managing Director)

Hosia Malekane (Non Executive Charman)

Dr Lazarus Mogudi (Non Executive Director)

Paul Maseko (Non Executive Director)

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2. COMPANY PROFILE

2.1 Background on Dijalo Group

Dijalo Property Services was established by Saul Gumede, CPM® and Hosia Malekane who have more than 30 years combined property experience.

Dijalo Property Services (Pty) Ltd is a 100% black-owned company established in 1998. The company has attracted skilled blacks, giving them opportunities to prove themselves in this industry. A key objective of the directors is to create a completely new cutting-edge South African property group; one offering a comprehensive matrix of commercial property services and products. To this end, the company has established a comprehensive portfolio of services and has registered the following subsidiary companies as delivery vehicles:

- Dijalo Asset Management (Pty) Ltd
- Dijalo Property Management (Pty) Ltd
- Dijalo Facilities Management (Pty) Ltd
- Dijalo Broking (Pty) Ltd
- Dijalo Property Development (Pty) Ltd
- Dijalo Valuation Services Management (Pty) Ltd
- Dijalo Consulting (Pty) Ltd
- Dipula Income Fund – Listed JSE

Dijalo Property Services (Pty) Ltd became an investment holding company in 2006 after transferring all business operation to its subsidiary companies.



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Dijalo Property Services holds 5% shareholding in Dipula Income Fund, a JSE listed entity which currently owns 190 properties located in nine (9) provinces valued at R2,1 Billion as at August 2011. Dipula is Black managed and is from an enterprise development initiative with Redefine, the second biggest listed property company in JSE.

Mission Statement

Dijalo Property Group's mission is to provide the best and most affordable level of integrated property/portfolio asset management and related professional property services to our client to acceptable industry standard to satisfy our clients, and not forgetting the tenants occupying the space.

Company goals and objectives

Dijalo Property Group intends offering professional and affordable Property/Portfolio Asset Management and related Professional Property Services to existing and newly secured clients. Our solutions are geared in providing a total solution to our client's fixed assets requirements.

Business Philosophy

A professional total solution's company, managed by professional property practitioners, each with many years of practical experience in his/her particular field of specialization, and committed to providing cost effective and efficient services to their clients, within the latest appropriate technology available.



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Directors' Profiles

The current Dijalo Property Services Directors are **Saul Gumede CPM®**, **Hosia Malekane**, **Dr Lazarus Mogudi** and Chairman **Paul Maseko**. The directors have more than fifty (50) years of combined blue-chip commercial property experience gained in various positions held in property companies.

As regional property manager, **Mr Saul Gumede, CPM®** was responsible for the Johannesburg office of Old Mutual Properties, managing a property portfolio of R3.2 billion. He currently chairs the Property Transformation Charter Council, chair of Pareto Limited, member of Gauteng Development Tribunal, Treasurer of Southern African Real Estate Society, past president of the South African Institute of Black Property Practitioners, which is a member of the Black Business Council and past vice-president of SAPOA.

Hosia Malekane (Non Executive Director) is a seasoned property development professional with many years of experience gained while working for some of the largest property development companies in South Africa. He has engineered the best possible physical asset solutions for the Public Investment Commissioners property portfolio under management in the North West Province on behalf of the PIC.

Dr. Lazarus Mogudi (Non Executive Director), an independent business man with various property interests in companies including Dijalo Property Services.

Paul Mavi Maseko (Non Executive Chairman), an independent business man with various property interests in companies including Dijalo Property Services.



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2.2 Dijalo's Group Property Experience and Exposure

2.2.1 *Property Asset Management Solutions, Saul Gumede, CPM®*

Asset Management Entail's amongst others:

- Strategic Research
- Property Acquisitions
- Property Disposal
- Investment Analysis
- Valuation of Properties
- Development Opportunities
- Value Enhancing Opportunities, e.g. Lease re-structuring
- Property Portfolio Performance
- Broad Budget Guidelines
- Property or Portfolio Benchmarking
- High level Management of yield, vacancies, Arrears, etc.

Benchmarking Capabilities

The property related operating costs will be benchmarked against the following:

- International Property Databank (IPD)
- Dijalo is both a subscriber and user of the databank
- Asset Managing a R2.1 billion property portfolio
- The portfolio allows us the ability to compare operating cost of similar type buildings both geographically and by size
- BER database



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- The Bureau of Economic Research (BER) is used by us to facilitate cost comparison exercises.
- We are subscribers to the reputable Rode's Property Report and Douglas Parker
- The Dijalo group has a wide networking access to other property management companies and affiliated associates with resources

Dijalo Asset Management Clients

Major clients of this division are

1. Dipula Income Fund -190 properties valued at R2.1 billion
2. Magakabye – Parktown property valued at R96 Million
3. Eskom Pension and Provident Fund – Bryanston Office Park Valued R100 million
4. National Empowerment Fund – various property projects

1. *Dipula Property Fund; 2005-date*

Dijalo Asset Management (Pty) Ltd is an asset management company that is involved in the acquisition, disposal, provision of asset management services and day-to-day management of 190 properties on behalf of the listed Dipula Income Fund that listed on 17th August 2011.

Dijalo has been involved in the acquisition of the unlisted Dipula (Prior to Merger and Listing) property portfolio which was grown from zero to the current 92 properties located in 8 provinces valued at R850 million in August 2011. Dijalo was looking in the market for properties that meet Dipula's investment criteria, called for and prepared Investment Committee submission, motivated properties for acquisition to Investment Committee meetings and Dipula Board,



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sourcing of finance and finalising the funding agreements with financial institutions on behalf of Dipula. Properties acquired consist of Retail, Industrial and Offices spread over 8 provinces of South Africa

DIPULA OFFICE PORTFOLIO-

These properties are mainly located in Gauteng.

MONTROSE PLACE - Midrand



MONTROSE PLACE- Midrand



ALCOM HOUSE –RIVONIA



OLD MUTUAL BUILDING - SECUNDA





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DIPULA RETAIL PORTFOLIO –

The retail portfolio consists mainly of ABSA, FNB, Standard Bank, Nedbank, stand alone Score, Pick and Pay, Ellerines, Metro Cash and Carry, Russels and Shoprite.

FNB – FLORIDA



ABSA - KRUGERSDORP



PICK AND PAY – VOSLOORUST



STANDARD BANK - GRAHAMSTOWN





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DIPULA INDUSTRIAL PORTFOLIO DÉCOR DISTRIBUTORS- BLOEMFONTEIN



BENNIE STREET – KYA SANDS



CMH – KEMPTON PARK



AFRICAN GLASS - CENTURION





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2. Makgakabye Property Services; 2005-date

Dijalo has been appointed property advisor and asset manager for the 10 500m² office building valued at R110 million located in Parktown, Johannesburg.



3. Eskom Pension and Provident Fund: August 2010 to date.

Dijalo provides Asset Management services to the Eskom Pension Fund Office Portfolio of buildings.



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4. National Empowerment Fund 2006-date: *Dijalo is continuously been appointed to carry out property solutions which consists of market reviews, due diligence study, asset management services, valuations services, acquisition solutions, comprehensive building inspections, investment analysis and property market studies. The largest assignment done for NEF was advice to BEE structure that was acquiring a 25% stake in R250 million Shopping Centre. The relationship with the NEF is ongoing and we are continuously been appointed for similar asset management assignments for their clients who are seeking property funding from them.*





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2.2.2 Property Consulting Solutions – Saul Gumede, CPM®

- **National Department of Public Works – 2009 to date**

Sizwentsaluba VSP who has been appointed by the Department has sub-contracted Dijalo to:

- *Review and give professional input on the Property Management Trading Entity (PMTE) business case*
- *Assist in the development of sound implementation plan*
- *Provide support in the implementation plan*
- *In relation to leases, recommend best practice and systems*
- *Review and draft lease policies and procedures and*
- *Provide technical support to the lease work stream.*

- **Telkom Properties – 2000** *Appointed to advise Telkom with regards to their non-core property portfolio of 558 000m², 296 properties located in all 9 Provinces with approximately 200 tenants and leases.*

Our client has put a public tender, which we won, for a firm to advice on disposal strategies of their non-core property portfolio. Our work has resulted to the outsourcing of Telkom properties to TFMC and Rebseve.

- **National Department of Public Works Via Propnet – 2000** *Appointed Dijalo to project manage the Verification and Renewal of some 2 500 leaseholds of Offices, Residential Quarters and Land on behalf of the National Department of Public Works.*

This assignment involved management of leasing consulting team of 8 people, detail audit of all tenant files, audit of lease agreements, advice on lease renewals processes and procedures, validation of lease agreement data and information to Property Management Information System, Liaison and Corresponding with tenants with regards to lease



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renewals, etc.

- **Portnet – 1999** *Dijalo was appointed to give strategic advice on the standard lease agreement of the National Ports Authority that will be used to enter into lease agreements with all their tenants.*
- **Business Partner's Property Portfolio managed on behalf of Department of Trade and Industry- 2000.** *Dijalo was appointed to advice and assist with the disposal of DTI Peripheral Properties.*

This assignment involved the disposal of Industrial Parks and a Shopping Centre to existing tenants. This involved negotiations with tenants, negotiation with Industrial Park Tenant Associations, advice on valuation, funding, etc.

- **Johannesburg Metropolitan Council – Establishment of Property Management Agency for Newtown Cultural Precinct - 1999** *Dijalo was appointed to Advice JHB Council via John Spiropoulos's Egoli 2000 strategic programmes.*

This assignment involved strategic property advice, Property Structures and operations, Management and staff complements and skills, advice on computer systems, advice on property management and leasing procedures, identification of all Newtown properties, compilation of building inspection reports, audit of all lease agreements, advice on lease agreement and structuring of certain strategic leases, etc

- **Khula Enterprises – 2001** *Dijalo was appointed to advice on establishment of Property Management Division.*

This assignment involved the analysis of their property portfolio, property portfolio organogram and management structure, skills required, key performance indicators for management of an outsourced property management portfolio, advice on property management contracts, etc.



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- ***National Department of Public Works – Strategic Advisor and Internal Project Manager for the Fixed Asset Management Multi Skilled Consultancy Team. 1999 - 2002***

Dijalo was one of the consortium companies that were appointed as Strategic Advisor regarding their R120 Billion property portfolio. The advice included amongst others, Dijalo's main consortium companies in this 18 months contract were- Africon, Deloitte and Touché, WipCapital, RMB Properties, Turner and Townsend and Macquarie Africa- an Australian company. Each company had its own direct delivery and was also part of the team that will approve all deliverables to the client.

Dijalo's direct deliverables were:

- *Compile a property portfolio analysis of the entire national property portfolio per Province, per User Department, etc.*
 - *Advice on Property Management and Facilities Management*
 - *Advice on Property Management Policies and Procedures*
 - *Advice on systems and procedures regarding management of State Tenants. This resulted to the implementation of a debtors system.*
 - *Advice on Strategic BEE Policy Document*
 - *Input in broader teams deliverables.*
- ***Gateway International Airport – Property Portfolio Restructuring and Strategic Advice 2004***

Dijalo was appointed to advice on the strategic and operational activities of a property portfolio, Lease audit and drafting lease agreements advice,



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skills audit and requirements for the portfolio, property management systems advice, Detail debtor's management and rental collection policies and procedures.

○ ***National Department of Public Works on JV with Sizwe Ntsaluba (CA) September 2009 to February 2010.***

Dijalo was involved in the development of a Business Case for the establishment of a Trading Entity as approved by National Treasury (NT) in March 2006 in terms of Section 1 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) read with Treasury Regulation 19. The approval of such entity was subject to the following conditions:

- The Trading Entity must operate a set of accounts (separate from the Department of Public Works (DPW) accounts) with its own Paymaster-General's bank account.
- Financial control measures/issues are in place.
- The Accounting Officer of DPW must formulate a policy and reporting framework for the Trading Entity. The policy must also provide for the generating of quarterly reporting and monthly management systems to track both commitments and cash.
- Likewise, a proper set of delegations must be operational by 1 April 2006 specifying the responsibility for each of the departmental key account managers.
- All people and institutional arrangements must be put in place as soon as possible but not later than 31 March 2006.
- During the first year of operation of the Trading Entity (1 April 2006), DPW must seek approval from NT to establish a Property Management Trading Entity. This must be done by 1 April 2007 and must comply with all the conditions for trading entities contained in Treasury Regulation 19.



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- **Johannesburg Fresh Produce Market – 2003 and 2005**

Dijalo was appointed to advise on the strategic and operational activities of a property portfolio, Lease audit and drafting lease agreements advice, skills audit and requirements for the portfolio, property management systems advice, facilities management, debtor's management and rental collection policies and procedures.





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**2.2.3 Property Valuation Solutions – CEO Mongodi Pitso, Professional
Associated Valuer (Reg No. 5872), B.Sc. Reading UK, M.Sc. UFS**

Dijalo Valuation Services (Pty) Ltd provides the following valuation types:

- Property Type
 - Residential Property
 - Office Property
 - Retail Property
 - Industrial Property
 - Agricultural Farming
 - Development Progress Assessment
 - Progress Payments
 - Specialised Property
 - Petrol and Filling Stations
 - Game Farms and Reserves
 - Hotel and Lodges
 - Development Land
- Valuation Purpose
 - Open Market Valuation
 - Insurance Valuation
 - Buying and Selling
 - Security
 - Financial Auditing & Asset Tax Registration
 - Late Estate and Expropriation
 - Rates and Taxes
- Key Clients
 - Standard Bank
 - First National Bank



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- Liberty Life Properties
- Dipula Property Fund
- Land Affairs
- Regional Land Claims Commissioners

2.2.4 Property Management Solutions- CEO Peter Gray, 20 years of Property and Facility management experience with blue chip companies.

5. Walter Sisulu Square of Dedication, Kliptown, Soweto; 2006-date.

Owned by the Johannesburg Property Company we provide Property Management, Facilities Management and event marketing on behalf of the JPC. The site consists of: Offices, Retail, Events Hall, Hotel, and open entertainment area.





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6. **30 Wellington, Parktown; 2005 –date.** Owned by Magakabye Property Services, the office building currently occupied by The National Ports Authority. We provide Property Asset Management, Valuation Services, Property Management and Facilities Management services.



7. **Hampton Park South, Bryanston; 2004-date.** Owned by ESKOM Pension and Provident Fund the office park is multi tenanted. We provide Property Management and Facilities Management services at the office park.





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8. **Sci-Bono Science Discovery Centre; 2006-2010.** *This special use building in Newtown owned by the Johannesburg Development Agency. We provide property management services to Sci-bono.*



9. **Transnet Retirement Fund Property Trust; 2001-2006.** *Dijalo managed the primarily East Rand based specialist industrial property portfolio on behalf of the Transnet Property Division for five years. Dijalo provided property and facility management services.*

10. **Public Investment Commissioners; 2000-2005.** *Dijalo managed the PIC property portfolio located in the North West Province, and completed essential refurbishment work on the 47 000 m² regional shopping centre in Mmabatho known as Megacity, with the aim to improve the return on investment for the owners.*



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Megacity Shopping Centre - Mmabatho



11. Old Mutual Properties Property Portfolio; 2000-2006. *Dijalo managed a commercial property portfolio of some thirty (30) properties located in the Johannesburg CBD, Parktown, Rivonia, and Randburg on behalf of Old Mutual Properties. Dijalo provided property management and leasing services.*

12. ABSA Property Portfolio; 2003-2006. *We were the managers of ABSA's PIP property portfolio located mainly in Gauteng and Limpopo Provinces. The services were primarily rental collections.*

13. Dipula Property Fund – 2005-2006 *We were appointed the managers for the Dipula Property Fund which has an initial property portfolio of some*



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twenty (20) properties located in Gauteng, Kwa-Zulu Natal and the Free State. The services provided were property and facilities management. Dijalo Property Services own 51% of Dipula.

14. Various individual and small client buildings

*Mdladla Shopping Centre, Mamelodi East,
Leondale Shopping Centre,
Roodekop and
Fox Street, Johannesburg CBD*

○ **Denel Property Group - 2004**

Dijalo was appointed to carry out comprehensive building inspections on the Eloptro, Kentron and La Forge Denel owned sites. The inspection reports that were submitted covered all aspects of the condition of the properties and provided information as well as budgets to repair and maintain the buildings.

2.2.5 Property Development Facilitation Solutions

We offer a coordinated approach to development facilitation that embraces all the functions needed to create a sound, operational and performing investment while minimizing the investment risk.

We were co-developers with RMB Properties in the development of Phase1 and 2 of the MTN campus in 14th Avenue, Constantia Kloof, Johannesburg.



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New Campus for MTN, Phase 1, Constantia Kloof.



New Campus for MTN, Phase 2, Constantia Kloof.





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2.3 Staff Compliment

Dijalo employs twenty (20) full time staff, excluding staff on contract.

2.4 Professional Affiliations

Memberships include:

- Estate Agency Affairs Board
- Institute of Real Estate Management - USA
- South African Institute of Black Property Practitioners
- SAPOA: Our staff serve on a number of committees
- SA Institute of Valuers
- South African Council of Shopping Centers

2.5 Information Technology Systems

Dijalo Property Management (Pty) Ltd acquired the MDA Property Management System software in October 2008 for the management of clients' accounts.

Dijalo Valuation Services Management (Pty) Ltd uses an Argus Valuation System for property valuation assignments especially for portfolio valuations.

3. CONCLUSION

We believe our Strength relative to our Competitors is as follows;

- Executive directors are involved in the day to day running of company.
- The directors have extensive knowledge and experience of business. (Their combined director's property experience is more than 50 years).
- The company is on its 14th year of operation. It has long proven track record.
- We have a flat management structure.
- It is easy to control and influence few staff than in a large organization.
- There is no room for staff to perform below their expectation, as their peers, supervisors and management will notice this quickly.



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- Our personnel are educationally equipped to grasp concept faster as more than 80% had a post matric qualification.
- We believe we have assembled a good team of performing PDI's.