

Virgin Active's R3.7m Green Point lease signed, sealed, delivered

The battle for The Point Gym precinct on Cape Town's Green Point Common, which started with a fiercely contested public lease auction in June, has concluded with the successful signing of a R3.7m-a-month agreement between Virgin Active and the City of Cape Town.



Source: Supplied.

This was confirmed today by Greg Dart, director of High Street Auctions that conducted the lease auction on behalf of the City of Cape Town.

But while the signage on the flagship fitness centre may not be changing, the new lease means a service-delivery budget boost of more than R39m for Mother City residents in the next year alone.

Dart says the lease agreement was signed by both the City and Virgin Active after the 24 August announcement by mayor committee member for economic growth, Alderman James Vos, that the Council had approved the auction's top bid.

"The hammer fall amount of R3.7m at the auction was for the equivalent of one month's rental of the premium site that Virgin Active had occupied for 23 years with substantially lower lease terms.

"The price achieved demonstrates that leases can be auctioned off successfully. The process is unequivocally powerful, transparent and more importantly, is fiduciary-compliant in a free and competitive market process.

"High Street Auctions is immensely proud of this partnership with the City of Cape Town that has delivered a potent new revenue stream which will benefit residents for decades."

In his statement on 24 August confirming the Council's acceptance of the winning bid, Alderman Vos noted that the revenue generated from the lease of the property had out-performed expectations.



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“The lease of the facility is proof of the City’s commitment to drive accelerated inclusive economic growth and prioritise redevelopment of immovable property assets via a competitive auction process that allowed all interested parties to bid equitably for such opportunities.

“And in this case, the demand and subsequent offer far out-performed the City’s expectations. The City’s smart real-estate approach to releasing City-owned property to get the best economic and social value out of its assets that are not required for municipal purposes is working. The revenue generated from the lease of this property will be used for service delivery throughout the city.

“I commend everyone involved in bringing this opportunity about and I wish the bidder every success, and Capetonians much pride and joy when using the renewed flagship footprint in the years to come.”

Dart says the new lease covers an extensive portion of Green Point Common.

“The outdoor facilities spread over 4,264m² include a swimming pool, tennis courts, a volleyball court and an open-air gym all accessible from some 200 parking bays.

“The indoor health and leisure centre covers a further 4,300m² that includes sections for weight training, a cardio circuit, a riding studio, a wattbike centre, a functional training floor, squash courts, a mind and body studio, fitness class areas, a heated indoor lap pool, saunas and steam rooms, a health-food restaurant, wi-fi chill zones, expansive change/shower facilities and an access-controlled children’s care space.

“We wish the winning bidder much success going forward.”

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