



HEAD PMTE Sets Bold Course For Asset Optimisation, Inspired by Brazil's Capital Model.



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As the custodian of state immovable assets, the Department of Public Works and Infrastructure (DPWI) continues to seek innovative pathways to revitalise South Africa's public infrastructure landscape. The recent participation of the Minister and DPWI delegation in the BRICS Urbanisation Forum in Brasilia came at a critical moment offering valuable insight into how Brazil has successfully leveraged public sector investment and strategic partnerships to transform its capital city into a model of modern, functional infrastructure. For DPWI, the visit reinforced the urgency of accelerating the "Optimisation of State Immovable Assets" strategy to drive infrastructure-led growth, reduce reliance on costly private leases, and reposition public assets as engines of economic development.

Brasilia stands as a shining example of modern architecture, urban planning, and functional infrastructure. Its success mirrors the goals outlined in South Africa's "Optimisation of State Immovable Assets" strategy an ambitious plan by the Property Management Trading Entity (PMTE) to attract over R100 billion in investment, address underutilisation of state assets, and stimulate economic growth through Public-Private Partnership (PPPs).

South Africa and Brazil share similar developmental profiles both are regional economic powerhouses with upper-middle income status, robust industrial bases, and a pressing need to modernise infrastructure. However, where Brazil has harnessed PPPs to drive progress, South Africa has struggled with delayed projects, underperforming assets, and ballooning lease costs spending R5.9 billion annually on private leases while prime state buildings sit vacant.

PMTE's revised approach, inspired by Brasilia's success, includes plans to roll out over 35 PPP projects in the next Medium Term Expenditure Framework. These include Refurbish-Operate-Transfer (ROT) and Build-Operate-Transfer (BOT) models aimed at revitalising state-owned properties for office, residential, student, and mixed-use developments. The scale of the portfolio valued at over R140 billion positions PMTE to become a revenue-generating, self-sustaining entity targeting R1 billion in annual lease income or equity returns.

To support this shift, PMTE will establish a dedicated PPP advisory unit and reengineer its ICT infrastructure to rebuild credibility with stakeholders. Addressing legacy issues such as late payments, poor governance, and stalled projects is critical to restoring confidence and accelerating delivery.

Issued by Chief Directorate: Communications & Marketing

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