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Building purchase enhances GEMS' sustainability

The Minister of Public Service and Administration, Mr Senzo Mchunu today officially opened the new office building for the Government Employees Medical Scheme (GEMS). The new office building, named Vutomi GEMS House (Vutomi is a Tsonga word for Life), signals an era of enhanced sustainability for the Scheme, both financially and environmentally. This is due to its 5 star Green Office Design rating.

GEMS acquired the new building within the Menlyn Maine Green Precinct in Tshwane, adding a notable asset to the Scheme’s balance sheet as part of its investment strategy.

“Before we purchased this building, the Scheme was paying monthly rental on office space. While this suited our needs at the time, we were mindful of the fact that significantly better value could be obtained for the Scheme and its members if GEMS were to own a building to house our head office,” says Dr Stan Moloabi, Principal Officer of the Government Employees Medical Scheme (GEMS).

“The purchase of the building does represent a significant initial capital outlay, however in terms of the building’s value as a Scheme asset and the rental fees we are now saving, it makes financial sense and better serves our members. This is because the rental costs we were previously paying could not offer us the long-term financial return that a building purchase provides in investment terms,” he observes.

“To put the cost of the investment in context, it is worth noting that the cost is less than the value of member claims processed by GEMS in just two days.”

A key advantage of the new building, which staff members of GEMS head office moved to in November 2018, is that its environmental features resonate with the Scheme’s vision of sustainability.

According to the developers, Menlyn Maine Green Precinct is the first “Green City” in South Africa and the building GEMS now owns has achieved a 5-Green Star Office Design rating, in terms of the Green Building Council of South Africa’s requirements. Certification of the building’s overall environmental rating is in progress and is nearing completion.

“The precinct provides a healthy working environment for GEMS staff members, with easy access to open green spaces that not only lend an air of tranquility to the area but also offer opportunities for our team members to exercise during work breaks, which promotes wellness and productivity,” noted Dr Moloabi.

Dr Moloabi adds that GEMS’ investment in the building is assisting the Scheme to position itself for the future, considering policy changes unfolding in healthcare funding.

“This is a significant step forward for GEMS, both in terms of furthering our investment strategy to safeguard the financial health of GEMS for our members and in improving the Scheme’s envisaged role in the future of healthcare funding,” Dr Moloabi concludes.

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