

Construction and property

Large retail stores are opening in the provincial capital.



Upon completion, Second Avenue will comprise 40 000m² of retail and office space in the Westdene area.

There are many opportunities in the construction sector for small contractors to build their businesses. The provincial and municipal branches of government are intent on supporting this sector in the Free State.

The Construction Industry Development Board (CIDB), an agency of the National Department of Public Works, has a contact centre in Bloemfontein. The Free State Provincial Government and the CIDB aim to promote emerging contractors.

The provincial infrastructure programme is a major driver in the sector. For example, the provincial government is building a testing centre at Harrismith, the Lebohang Building, the Fourth Raadzaal, regional offices at Hamilton and renovating the KGI Building in Kroonstad.

Social housing

Several mining hostel conversion projects are underway in areas where mining operations have tapered off. Harmony Gold is investing R100-million in the conversion of the hostels at its Masimong mine at Welkom into apartments. The project, in partnership with the Free State Provincial Government and the Matjhabeng Municipality, is aligned to national gov-

SECTOR INSIGHT

Holdsport will open a Bloemfontein store in 2013.

- The Georgiou Group is developing the Second Avenue complex.
- Harmony Gold's community residential project delivered 461 units in 2012.

ernment's Integrated Human Settlements policy. The aim is to deliver community services together with housing. For example, the old administration block of the hostel will house shops, a post office and a restaurant. In 2012, this project delivered 461 units.

The President Steyn Hostel in Virginia is next in line for conversion. Flats will be available only

PHOTO: BOMAX ARCHITECTS

to families that do not qualify for RDP houses or bank loans.

A private non-profit company, the Free State Social Housing Company (Freshco) has undertaken to build houses in the Brandwag suburb near the University of the Free State campus. In partnership with the Free State Department of Cooperative Governance and Traditional Affairs, the Social Housing Regulatory Authority (SHRA), the municipality and the relevant national department, Freshco is targeting people earning less than R7 500 per month in the first phase. The first phase of the project has seen 402 institutional subsidies allocated.

The R251-million construction contract was awarded to JSE-listed company Calgro M3 (with Kopano Investments) and will consist of 1 050 units.

The University of the Free State has built two new residences to accommodate 500 students.

Commercial property

Business Day reported that 2012 was an 'extraordinary' year for the development of shopping centres. This trend is related to the sharp growth of an emerging middle class. Bloemfontein's Loch Logan Waterfront is the province's biggest shopping complex, with a trading area of 80 000m².

The owner of the Loch Logan complex, the Georgiou Group, has Free State roots

and control 250 buildings across South Africa with a gross lettable area valued at R16.9-billion. The group manages 1.4-million square metres and is growing its portfolio in the Western Cape and Gauteng.

The same group is behind the large new development called Second Avenue. With the completion date set for 2015, the complex will encompass 40 000m² of shops and offices on both sides of Second Avenue in the Westdene area.

Holdsport has joined Makro in announcing the development of a new store in the capital city. Holdsport's major brands are Sportsman's Warehouse and Outdoor Warehouse.

The Makro store will have 17 500m² of trading space and is designed to be a regional centre, located as it is on the axis of the N1 and N8 highways.

Nedbank Corporate Property Finance put up the R170-million in project finance for developer The Moolman Group, which has done a number of Makro stores and malls.

The Fleurdal Mall, owned by Investec Property and also located in the capital city, expanded its capacity to 25 000m² with a recent upgrade. The major shopping centre in Langenhoven Park, to the west of the city, is also being expanded with a new Woolworths and several restaurants being added.

The first phase of a new project near the airport and 6km from Bloemfontein's CBD will comprise 700 hectares of mixed-use development including a convention centre, a hospital and houses and flats.

The housing market in Bloemfontein has been stable for three years according to Rawson Properties, but the property agents predict that increasing demand will lead to price increases before the end of 2013.

Rentals between R4 000 and R10 000 per month are common for houses let to students of the university, and this is a steady market. The most active segment of the market in Bloemfontein South is in the R600 000 to R800 000 range. ■

ONLINE RESOURCES

- Construction Industry Development Board: www.cidb.org.za
- Free State Department of Public Works: www.freestateonline.fs.gov.za
- National Department of Human Settlements: www.dhs.gov.za
- National Department of Public Works: www.publicworks.gov.za
- SA Estate Agency Affairs Board: www.eaab.org.za
- SA Institute of Architects: www.saia.org.za
- SA Institute of Valuers: www.saiv.org.za
- SA Property Owners Association: www.sapoa.org.za