

OUTLOOK

Reshaping the landscape

With International Housing Solutions' (IHS) SA Workforce Housing Fund in place since April, the company has been actively seeking exciting investment opportunities in housing projects.

There's been no shortage of prospects, says business development director Phia van der Spuy. However, IHS has stringent investment criteria, and is selective in choosing partners. "We prefer to partner companies that have a proven track record in their field; that understand the fine nuances of their target and geographic market; and that have sound growth prospects."

IHS also assesses potential investments on their size, location and market; on total project costs, budget and cash flows; as well as current project status and required approvals.

"We never lost sight of our mid-income target market. After all, our goal is to meet their housing needs by increasing housing supply."

The first of these, the Greatermans Building, is located in Johannesburg's inner city, and serves the growing demand for rental stock in this area. Van der Spuy says the building comprises 419 units, which have been converted into compact studio apartments and two-bedroom apartments, averaging between 20 m² and 45 m² in size. The conversion is expected to be completed during the first quarter of 2009. IHS's partner in this project is Afhco, a developer that has amassed considerable experience in downtown Johannesburg.

Renney Plit, chief operating officer at



Phia van der Spuy
Not losing sight of
target market

the Afhco group, says the organisation is "very excited about the relationship with IHS, and the Greatermans project. Besides the delivery of affordable housing, the building is situated in the gateway into the city from the east, and will be restored to its former glory".

IHS's other large project is Spring Valley, located in Witbank. This is set to

be a truly groundbreaking initiative, not just because of its size — the land measures 220 ha — but also in terms of the range of amenities included in the development. Says Van der Spuy: "The expansion of the mining industry and the rise of the coal industry in Witbank make this a key strategic development area, as earmarked by the Local Municipal Spatial Development Framework Plan. It's an excellent site."

Spring Valley will be developed as a township, presenting 2 400 housing opportunities, complete with business opportunities, clinics, churches, schools, a crèche, open spaces and sporting facilities. Completing a development of this magnitude will take five years, Van der Spuy says. The role of IHS in Spring Valley is to provide development equity; the company will provide financing for both land and top-structure developers. The company has joined forces with two partners, Bigen Africa and Diluculo Property Trading, an Absa-owned entity, to bring the project to fruition.

Van der Spuy says it is IHS's aim to bring on stream a further five projects in the first part of this year. As such, the company is exploring opportunities around the country, and has pinpointed a number of potential sites: two possible Cape Town projects have caught the company's attention, along with a George site and two other possibilities in the Eastern Cape.

"We are exceptionally pleased with the momentum that has been generated," Van der Spuy says. "The fund is in place; we have the right infrastructure, a skilled and passionate team, and a very strong pipeline. The future is looking bright." ■