



## COVER STORY

# Renico Construction: Breaking new ground on the home front

### WHAT IS NEXT IN THE HOUSING INDUSTRY?

While many industries continue to struggle in the gripping aftermath of the global economic downturn, business leaders and pundits contend that the road to meaningful recovery is directly tied to the resurgence of the housing market. Nico Louw, founder and CEO of Renico Construction (Pty.) Ltd. based in Johannesburg, believes that a revival within the housing industry will most likely have to be spurred by a recovery of lower priced properties first. It could be that the stage is already set for this potential growth. The industry continues to see an obvious shift in focus from the development of large, luxury complexes, to increased construction of housing aimed at lower income individuals. An astute businessman, Nico has been following the signs. When a parcel of land became available in the established Protea Glen township of Soweto, he bought it and vowed to turn it into a neighbourhood where people not only wanted to live, but could afford to buy. Protea Glen Estate was born.

### AFFORDABLE MEETS AFFLUENT.

But would it be just another faceless bonded market complex, where the houses look the same and barely include the basics? Absolutely not. Under Nico's direction and in partnership with the experienced Hlala Kamnandi Properties, Renico Construction is introducing a 91-unit sectional title development of a different kind. Protea Glen Estate houses will include many extra touches that are usually too expensive for the first-time home buyer. These features are significant, and extend to bedroom carpeting, tiled living areas, fitted kitchen cupboards, burglar bars, a stove, wardrobe, carport, electrified boundary wall, and mircell intercom system. The great news for home buyers is that "included" in this case does not merely mean "available." These additions really are already included in the selling price. Here are some more aspects that set Protea Glen Estates apart from other developments:

- Unique roof designs
- Low maintenance facebrick (decreased levies)
- Various colour schemes
- Feature walls
- Optimal use of floor space
- North-facing (maximum natural light, warmth in winter)

### A TRUE SENSE OF COMMUNITY.

A house by itself is just a place to stay—it is not a neighbourhood. For residents to experience a genuine sense of ownership, pride and belonging in their neighbourhood, they must have access to community resources.

Protea Glen Estate does not disappoint. Designed to be a lush environment, its communal features include:

- Environment rich with trees
- Paved walkways
- Children's playground
- Safe, centralised parking under each one's own carport
- Automated complex gate with mircell intercom system

### HOME, SWEET HOME.

When it comes to the amenities that Protea Glen Estate offers alongside the comfortable and affordable homes, it can hardly get better. Because the community base will be within the more established Protea Glen Extension 11, residents will be close enough to shops and schools that they can walk if they want to. The shopping complex is a mere stone's throw away, on Protea Boulevard. And, conveniently, the Rea Vaya bus service stops next door.

### ATTRACTIVE HOMES, ATTRACTIVE PRICES.

There is much to be said for affordable housing. Despite the volatility of the past few years, lower priced homes have held firm in proving to be reliable income-generating rental properties, even showing capital appreciation. As such, they are considered good investments. It is clear that Nico Louw, through Renico Construction, supports affordable housing built on the principles of quality. One would expect to pay a premium for quality, but the Protea Glen Estate homes are being offered at exceptionally competitive prices. They are all stand-alone, sectional title units, making them ideal for home buyers of any age.

2 Bedrooms / 1 Bathroom (transfer costs incl.)	46m <sup>2</sup>	R315 000
3 Bedrooms / 2 Bathrooms (transfer costs incl.)	59m <sup>2</sup>	R390 000

When asked how the homes can be offered at these low prices, considering that so many extras and all costs are included, Nico explains his belief that savings negotiated at supplier level should be passed on to the individual home owner. In doing this, more visually attractive homes can enter the market, not only homes with higher quality finishes. Nico states, "We are very excited about our first project in Protea Glen, and we are looking at various other options in not only traditionally poorer communities, but also to integrate affordable developments into well-known and established suburbs. The biggest problems during 2011 and onwards into 2012, and beyond, would be the lack of credit extension, slow processes in all departments with township- and plan approvals, and most of all the limited electrical capacity at this stage." Nico is very positive that all these issues will be addressed, and with Medupi coming on line early 2012, we are all looking forward to a steady recovery in the economy.



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## WANT TO LEARN MORE?

Homes will be ready for occupancy from May 2011 onwards. A show unit will be available for walk-throughs. For more information, please call Johan Louw at +2783 626 6660. You can also see a map or subscribe to a newsletter to receive the latest updates on developments in Protea Glen Estate by visiting [www.proteaglenestate.co.za](http://www.proteaglenestate.co.za) and/or [www.renicoconstruction.co.za](http://www.renicoconstruction.co.za).

### More on the Renico Group of Companies and Nico Louw, the driving force behind their success:

Nico Louw fueled his entrepreneurial spirit at the age of 16 when he bought his first investment property. After matriculating from Hoërskool Florida in Roodepoort in 1989, it didn't take him long to join a real estate agency and become deeply involved in the property business. By 1992 he was owner of one of the West Rand's top agencies, at one point employing more than 105 agents. Nico sold his business to a partner after deciding to focus mainly on property development. In 1998, Nico realised that he needed to diversify into a business where he would be compensated for the hours he put in. He started Renico Plant Hire with an old TLB.

Under leadership of a young but dedicated Nico, Renico Plant Hire grew from strength to strength as it acquired more plant. It soon became one of the leading plant hire companies in the Johannesburg North West Region, renowned for its well-trained operators and drivers. Today Renico Plant Hire owns more than 150 pieces of large earth-moving equipment and tipper trucks. You can see the machinery deployed on various sites on the Reef, including large-scale shopping centre developments, casino developments, highway upgrades, mining- and various other building projects.



Nico also formed Renico Construction (Pty.) Ltd. in 1998. Initially, the company only undertook the construction of small-scale cluster developments, but with the sectional title act allowing large-scale residential developments, Nico started to develop sectional title schemes in both the residential and commercial/ industrial markets.

Although a relatively small company in terms of management and staff structure, Renico Construction (Renico), through its alliance with various other professional entities, successfully completed various large-scale residential developments and fairly quickly achieved annual turnovers of R100 million and more.

During 2000, when Nico began to sense that the buoyant residential property market would not last forever, Renico ventured into commercial and industrial developments. Various large-scale industrial parks were successfully completed. In the past 12 months alone, Renico has completed several large-scale industrial buildings:

- 14 555m<sup>2</sup> building for Altron/Lasercom in Amalgam
- 11 540m<sup>2</sup> building for EUREKA DIY in Lea Glen
- 9750m<sup>2</sup> building for UTI/Sun Couriers in Laserpark
- 4880m<sup>2</sup> Building for Cobra Watertech in Factoria



Towards the middle of this year, Renico launched the Rockyridge Residential Estate in Weltevreden Park. Since Renico had been holding the land for some time, and was able to negotiate discounted material prices from a suppliers chain, they were able to offer townhouses (71m<sup>2</sup> in size) with 2 bedrooms and 2 bathrooms at the incredible price range of R450 000.00 to R525 000.00. All 188 units in the development were sold by mid-September.

