

# Mostyn Park X1

Read on for exciting opportunities from Renico Construction at Mostyn Park X1 between Kya Sand and Cosmo City Industrial Estate.

For years Hans Strijdom was the corridor from the Randburg central business district to Lanseria, and onwards to Hartebeespoort, Brits, Rustenburg and the platinum corridor. During 2008 Hans Strijdom was renamed Malibongwe Drive, and with the N1 upgrade for the Soccer World Cup in 2010, Malibongwe's role as major feeder route (spinal route) to the N1 motorway was realised.

As Malibongwe was always a single-lane road from the older Kya Sand industrial area through to Hartebeespoort dam, the upgrade to a dual carriageway up to Lanseria airport was completed in 2010. This was to cope not only with the traffic demand along this main arterial route, but also with the additional traffic that the now well-developed Cosmo City and Lanseria International airport would yield.



**Nico Louw**

Nico Louw from Renico Construction realised in 2006 that any business development along main arterial routes would be in high demand. He investigated the area and found that Cosmo City's Industrial Park development, and an industrial park named Lanseria Corporate Estate, were well advanced in planning. "There were plans by Amari to develop a 1 500 ha track of land

in a mixed-used fashion to be known as Cradle City around Lanseria. Upmarket residential developments of Blair Atholl and Monaham Farm were well advanced," adds Louw.

Louw went on to identify and secure a 27 m ha portion of agricultural land bordering onto the older Kya Sand, and immediately proceeded to get all township and environmental approvals. At this time Northriding's Northlands Industrial Park, Northlands Deco Park and Northlands Production Park were already in high demand due to their proximity to the fast developing north-western

region of Johannesburg and their location on the corner of Malibongwe and Witkoppen Road.

The new township, Mostyn Park X1, was approved late 2008. Today it is the in-fill area between the older Kya Sand and Cosmo City Industrial Estate, making the area from Witkoppen along Malibongwe towards Lanseria a prime commercial and industrial node, with desirability increasing daily for land being close to the N14 Krugersdorp/Pretoria link road. "At present the N14 is also not tolled, an issue around which there is much enquiry from businesses that use road freight or have a desire to be accessible from not only the N14 but also N1 interchanges," says Louw.

"With the onset of the 2008 recession, these enquiries on tolling and the area became muted, specifically enquiries from owners and investors wanting to invest in or buy new premises. In addition, the general activity in the economy slowed down.

"Renico Construction nevertheless proceeded to develop generic warehouses with offices and soon had names like Steinbuild, Moret Mining, Ice House and other users occupying 1 500 m<sup>2</sup> buildings either as owners or tenants."



**Moret Mining building**

Louw elaborates that as Bentel Group commenced earthworks on its new 21 000 m<sup>2</sup> regional shopping centre on the corner of Helen Road and Beyers Naude Drive opposite Cosmo City in

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2010, the activity in the area started to recover. “Renico completed various large-scale warehouses for Allied Electronics Corporation Limited (Altron) for its Lasercom division, UTi, BATSA, Eureka DIY Solutions and Cobra during 2008, 2009 and 2010,” says Louw.

“Renico decided to commence with the speculative construction of a new 22 500 m<sup>2</sup> warehouse with offices in Mostyn Park X1 during 2011 as from Renico’s experience it is clear that large users prefer to see what they will be getting prior to signing any new leases.”



**Renico Construction’s speculative construction of a new 22 500 m<sup>2</sup> warehouse with offices in Mostyn Park X1 during 2011. The hybrid structure was manufactured and erected by Robor**

During 2011 Renico completed a new 7 845 m<sup>2</sup> warehouse and office block for Hitech Industrial on Erf 12 Mostyn Park, and is currently busy building a new 8 335 m<sup>2</sup> distribution warehouse for West Pack. Renico is also busy with a speculative 7 550 m<sup>2</sup> warehouse that would be suitable for either a tenant or prospective owner to occupy mid-2012.

The 22 510 m<sup>2</sup> warehouse situated on Erf 23 Mostyn Park was designed by Almero Retief from Entity Architects, with engineering done by Tony Aimer and C-Plan. The hybrid steel structure was manufactured and is being erected by Robor. All fire prevention systems, including the sprinklers with pump and tank systems, are being installed by Cross Fire



**Hitech Industrial’s warehouse and office block constructed by Renico Construction**



**Artist impression of Renico Construction’s new 8 335 m<sup>2</sup> distribution warehouse for West Pack**



**Completion of the 22 510 m<sup>2</sup> warehouse situated on Erf 23 Mostyn Park by Renico Construction**

Management, and all smoke ventilation systems are being installed by Ventríte International.

Earthworks were completed by Renico Plant Hire, and all construction is managed by Renico Construction and its team of professionals.

Erf 23 Mostyn Park will be a 22 510 m<sup>2</sup> warehouse/distribution centre that could either be bought, or let, on a

negotiable lease. Some of the salient features of this generic warehouses include 42 116 m<sup>2</sup> of fully walled site with tarred access on two sides, nine metre eaves at the lowest point, mechanical fire vents, one MVA (1 440 amps) of power capacity, and the latest technology in terms of energy efficiency and stormwater management. "Could this be your business warehouse or new corporate address?" asks Louw. Enquiries can be made at [www.renicoconstruction.co.za](http://www.renicoconstruction.co.za), or by calling Andre du Plessis on 011 475 0491 or 082 710 0060.

## Emira's performance

**Emira Property Fund's final distribution was 110,68 cents per participatory interest (PI) for the year end 30 June 2012. This is a reduction of 2,5% on the distribution for the previous comparable period, which is in line with the prospectus forecast made in the fund's December 2011 interim results and reflects the underlying competitiveness of the property letting market – particularly in the office letting market.**

Notwithstanding that, the fund paid out a total of R557,4 million in distributions, which equates to 110,68 cents per PI, and the fund now carries a net asset value of 1 153 cents per PI.

In response to the underlying weakness of the property market, the fund's managers have taken some aggressive action to improve the quality of the Emira property portfolio. There has been an active sell-off of properties considered non-core to the business; the acquisition of some quality new properties and selected refurbishments where value can be added. Additional resources have also been added to Emira's property asset management team.

A total of 15 properties were transferred out of the fund or sold unconditionally during the period under review for a total of R402,3 million. They included Crocker Road Industrial Park, Flexitainer, Ciro's House, Umhlanga Centre, Dresdner House, Hurlingham Office Park, Linkview, a unit at Georgian Place, Century Gate, Starsky House and Gift Acres were all transferred out of the fund for a total of R266,4 million, while two further properties – Mutual Mews and 33 Heerengracht – were transferred from the fund after the financial year end.

In addition, Midrand Business Park and Montana Value Centre have also been sold unconditionally at a premium to book value.

On the acquisition side Emira board approved the acquisition of a new 13 782 m<sup>2</sup> A-grade office building being developed by Eris Property Group on the corner of Corobay Avenue and Aramist Avenue, in Menlyn Pretoria, for R311,5 million. The development of the building, which is 70% pre-let to KV3 Engineers for 10 years and has a one-year gross rental warranty on the balance of the vacant space from completion from the developer, was already substantially completed at 30 June 2012 and is expected to yield 9% in the first year. Emira has also acquired two additional A-grade office buildings – Corporate Park 66 which is a 13 566 m<sup>2</sup> multi-tenanted office building situated in Centurion, Pretoria. It was acquired on 30 May 2012 at a cost of R214 million and an expected forward yield of 9,4%. In Turnberry Office Park, Bryanston, in which Emira already owns an existing building, the fund acquired another 2 800 m<sup>2</sup> A-grade office development called Amadeus Place, on 27 June 2012 at a cost of R41 million. It is expected to return a forward yield of 9,6% and has taken the fund's exposure in this high quality office park to R79,6 million.