

Growthpoint adds R150 million development to Gauteng

Mining opportunities in its Gauteng properties, Growthpoint Properties has launched a programme of client-driven industrial property development and redevelopment valued at R150 million.



These include extending the Avon Justine building, developing at Allen Road, Elandsfontein, redeveloping for ICR Electrical in Sandton and building at Meadowbrook, Germiston.

Engelbert Binedell, Growthpoint Properties Industrial Division Head, says, "Industrial property continues to deliver good performance. Despite the difficult economic conditions, the company's industrial properties are essentially full. Working with our clients, both longstanding and new, we are presently developing and redeveloping about 15 000 sqm of industrial space in Gauteng creating tailor made premises to facilitate their growth needs. It has a pipeline of 75 000 sqm of industrial development in the province.

"Even though the prevailing sentiment is negative, manufacturing data is flat and limited industrial property purchase opportunities exist because of high demand and unrealistic seller expectations, Growthpoint can roll out redevelopments and developments to meet demand. We are in a unique position to mine opportunities in our existing portfolio."

Developments - Avon Justine

At Growthpoint Industrial Estate in Meadowdale, it is extending the Avon Justine building by 2080 sqm, to 13 869 sqm. The new space will provide the client with a new aerosol room, built to international specifications and added storage and warehousing space.

Due for completion in May 2013, the R15 million extension considers the environment and the client's bottom line by including energy efficient lighting.

Perhaps the greatest challenge for this development project is that client will continue operating throughout the construction process. Leon Labuschagne of Growthpoint Properties Development Division, says, "Extensive planning will ensure minimal disruption to operation during the development."

"The extension is an exciting project that creates a win-win for both property owner and client. The development helps the client meet its business needs and increases the value of our property portfolio," says Zubeida Mather, portfolio manager of Growthpoint's industrial team.

She adds that Growthpoint Industrial Estate, with its excellent position and access, continues to be a prime industrial address. "This industrial park has shown steady growth and only 40 000 sqm of bulk remains available for development."

Developments - TSS Tools

At Allen Road, Elandsfontein, the company is developing a R17 million warehouse, office and showroom spanning some 1800 sqm for power tool designer and developer TSS Tools. A new client for the company, it needed a functional property with good exposure, which is what the company is building in this established industrial node with good access to major highways.

Besides creating a purpose-built quality industrial property for TSS Tools, it is also redeveloping an underperforming asset. "This enabled us to secure a five-year lease at market rentals," says Mather. In keeping with its energy efficient drive, the company will add low energy lighting to this project, which began in January 2013 and will be complete before the end of the year. It also has 5000 sqm of developable bulk available on an adjacent property for another tenant-driven project.

Developments - ICR Electrical

On the corner of Bowling and South Roads in Sandton, the company is redeveloping a 1453 sqm portion of the premises for ICR Electrical, one of the largest electrical service organisations in South Africa with extensive expertise covering all aspects of the electrical construction industry.

"From this high-profile position at our redeveloped Commerce Corner, the client will enjoy excellent visibility and easy access both to the N1 and N3 highways. Commerce Corner provides it with a central location that also benefits from convenient access," says Joanne Scott of Growthpoint's industrial property team.

The company is investing R13 million in the redevelopment to improve this asset and meet the needs of its client.

Developments - Grundfos

In Meadowbrook, Germiston, the company is developing a R100 million state-of-the-art facility for multinational group Grundfos, one of the world's leading pump manufacturers. The new building will span 10 000 sqm, with expansion possibilities. On one of the most prominent sites in Gauteng, the tailor-made structure will be ready for occupation in May 2013.

The facility comprises 2500 sqm offices and 7500 sqm high-tech, high spec warehousing for the client's South African business. It will be a groundbreaking green building, applying sustainable development practices. The remaining phase, which can accommodate another 7500 sqm, is already gaining strong interest.

"Growth, consolidation, modernising, positioning and cost savings through energy efficiency are among the top needs of many industrial companies right now. By working with our clients, we can provide them with buildings that meet these needs," concludes Binedell.