

*'It's great to see Cape Town's Waterfront back in local hands, and to see economic growth reflected in the increased uptake of commercial space by SA companies.'*

– Lew Geffen, Chairman, Sotheby's International Realty South Africa

### *Crowning glory*

It's all systems go for Sandton City Shopping Centre's extension, with the new roof having been put in place recently. The steel structure, which crowns the new entrance court at the south-east extension, is 40m in diameter and is designed to resemble a protea flower. 'The completion of the roof structure clearly indicates the rapid pace of the project,' says Julie Hillary, general manager, Sandton region, for Liberty Properties. 'Within nine months the development will be complete and will bring with it an added realm of unparalleled shopping variety.' The entire refurbishment will include 30 000m<sup>2</sup> of new retail space. The first phase of the project, undertaken by Liberty Properties on behalf of owners Liberty Group and Pareto, is expected to cost R1,77-billion. **+27 (0)11 408 5111, libertyproperties.co.za**



### *Non-bank lenders becoming a force in property finance*

Property investors are actively searching for alternatives to banks as a source of finance, says Gary Palmer, CEO of Paragon Lending Solutions. Cash flow and the ability to service a loan have become the main criteria for the granting of loans by the banks, with limited reliance being placed on the quality and value of assets used as collateral. In the past 18 months, Paragon Lending Solutions, a short-term, asset-based lender, has seen many deals that make perfect sense when assessed on their merits, but borrowers have been unable to obtain bank finance for whatever reason. Gary believes this has left a gap for non-bank, or second-tier, lenders to meet the short-term liquidity needs of sophisticated, asset-rich but cash-flow poor investors who may no longer have access to bank funding. Paragon Lending Solutions provides funds against the security of a commercial property for a maximum of 12 months, which allows its clients breathing space to secure long-term funding from commercial banks or to realise assets within a few months. Second-tier lenders don't compete with the banks, says Gary. 'In fact, Paragon will often finance clients until they are in a position to comply with the banks' lending criteria,' he adds. **+27 (0)21 434 0101, paragonlending.co.za**



### *Light at the end of construction tunnel*

It's no secret that the construction industry has taken a knock in recent times. However, it's not all bad news says Willem Joubert, CEO of long-established construction company, Radon Projects. 'The construction and property industries are cyclical by nature, and peaks and dips are to be expected. While conditions currently aren't all that favourable, we are confident that matters will improve before the year is out,' comments Willem. The construction industry is far from dead, as Radon can attest, having delivered a number of significant projects in 2010. Among other projects last year, Radon handed over civil and industrial building work worth R220-million to a Klipspruit mining concern, and completed its construction of a landmark R250-million hotel and conference complex in East London for Premier Hotels. Current projects include a new police station in Tembisa, a 25-megalitre reservoir in Pretoria, a water purification plant in Babelegi and renovation work on a Bloemfontein railway workshop. Radon, which employs 150 permanent members of staff, recently tipped the R200-million annual turnover mark. Prominent clients include BHP Billiton, Transnet, the Department of Public Works, the Rand Water Board and Virgin Active. **+27 (0)12 803 8761, radon.co.za**



### *Serial investor*

Nestlé SA plans on investing R505-million in the construction of two new factories. This latest announcement is in line with what Nestlé MD and Chairperson Sullivan O'Carroll calls the company's 'ongoing commitment to investment in South Africa and local economic development'. Of the funds, R244-million is to be invested in the construction of a 16 000m<sup>2</sup> factory at Babelegi in the North West. This factory will produce the Milo and Cheerios cereals, which are currently being imported. 'Local business will benefit from our moving production to South Africa, as raw materials will then be sourced locally, creating a market for local business and farmers,' says Sullivan. A further R155-million will be invested in a factory for the production of Maggi products in the same area. The developments will create over 230 permanent jobs and an estimated 300 indirect jobs during the construction phase. Potchefstroom has also been targeted for investment by Nestlé, with its recent R106-million purchase and upgrade of Specialised Protein Products, enabling it to expand into soya-based products. **+27 (0)11 514 6000, nestle.co.za**