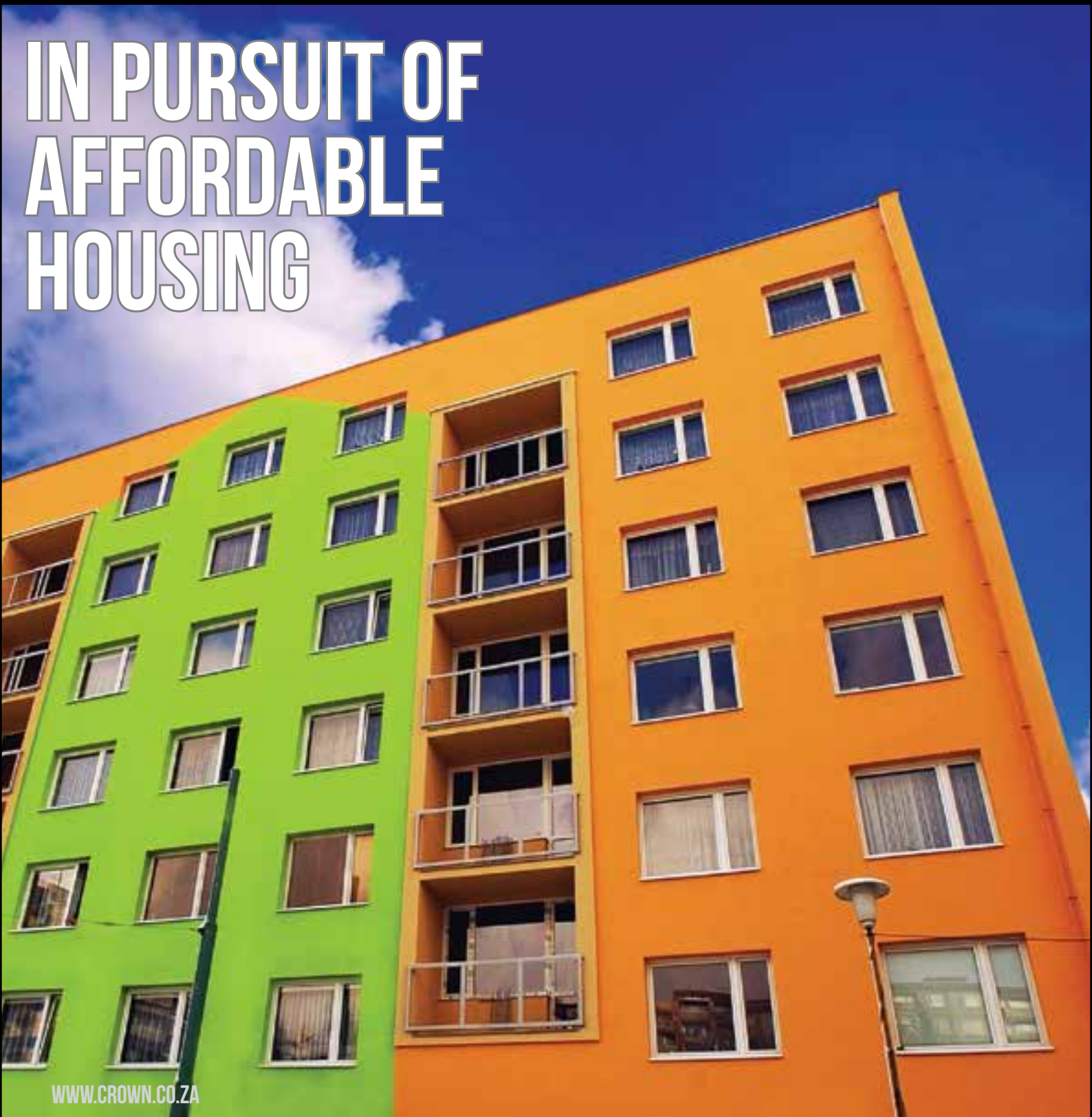


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in Southern Africa

FEBRUARY 2015

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HOUSING

in Southern Africa

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February 2015

HOUSING
in Southern Africa

ED'S NOTES

Car spotting...

Personalised number plates often speak volumes about who is in the driving seat, their demeanour, social pecking order, sense of humour, spiritual calling, passion, driving style or other idiosyncrasies.

Those who want to remain discreet or non-descript go with the generic ones allocated by the licensing departments. But some that recently caught my attention included a top of the range Land Rover adorned, Shweet; a red Toyota twin cab named, 4Fortuna, a German performance car that carved its way through the traffic aptly named Snappy; and who could resist the Toyota Combi with a heavenly number plate extolling, 025DEC.

Spotted on the Soweto Highway was a small red 4X4 with the registration plate emblazoned Bantu, one wonders if the surname was Holomisa?

In Durban a smart black top of the range car carried the name of a great Indian saint, Babaji; the spiritual sound of Aum, resonated on a sleek German model.

A flashy silver Mercedes sported, Slumdog; and road users moved out of the way for a Mercedes Benz 180 inscribed 001 FUZ, one can only assume it is a top cop's private vehicle.

A dark blue BMW displayed Ultra 4; and watching Joybug zooming around Joburg made me smile. Sue NW probably encapsulated how people feel about the North West province and it has nothing to do with the driver.

Some licence plates make the owner easily identifiable such as a white Mercedes Benz 250 emblazoned Mpho L or Audrey. With a plate extolling Blitz1, other drivers gave the car's driver room to manoeuvre; one motorist clearly has a hankering for Los Angeles and sported LAJBUG.

This plate i 8 A VW on a red Audi tickled my funny bone. But, my personal favourite was a Rolls Royce entitled, 03 Oddy. The whimsical number plate seemed far more suited to a backyard special than a plush state-of-the-art luxury brand.

Would President Jacob Zuma opt for Number One.ZA; African minerals billionaire Patrice Motsepe display The Boss; or his wife Precious chose GP, an abbreviation for her professional status.

Human Settlements Minister,

Lindiwe Sisulu could proclaim, 1,5m houses; the Oppenheims', de beers1.

Would the Minister of Justice boldly extoll, Justice4all; or professionals such as a plastic surgeon, New U; or a dietician, Fat Buster; or an equity funder select Triple AAA.

Affordable housing developer, Cosmopolitan Projects brand all their vehicles with splashes of animal print, and like the big five, they are easily recognisable and distinguishable from a distance.

What about government's money man, would Samson Moraba, from the National Housing Finance Corporation, opt for DFi1

It is really tempting to come up with a sweet number plate but with my taxi driving style, I guess that being anonymous is far better.

Enjoy the read!



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**AVERAGE CIRCULATION
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3760**

THE NHBRC MOULDS NEXT WAVE OF WOMEN GAME-CHANGERS

NHBRC WOMEN EMPOWERMENT PROGRAMME

The National Home Builders Registration Council (NHBRC) would not meet its objective of contributing to the creation of sustainable human settlements through the delivery of quality homes without 'quality' builders. This is why training and development are a key priority for the NHBRC.

This is evident in the Women Empowerment Programme (WEP) that the NHBRC introduced in 2014 in celebration of 20 years of democracy, through its partnership with the Gordon Institute of Business Science (GIBS) Enterprise Development Academy aimed at boosting leadership and business skills of women entrepreneurs in the construction industry.

This is in line with the NHBRC's strategy to be a leader in knowledge creation, technical and technological building solutions through strategic partnerships.

The pilot programme has been completed by 20 women candidates from around the country, who took part in the intensive four month training course and are now currently busy with a six months mentorship programme.

A second group of women contractors is currently undergoing similar training following the Minister of Human Settlements, Lindiwe Sisulu request that the initial number be increased as she also expects to see more women contractors playing a leading role in the rolling out of government housing. For the second intake 80 suitable candidates were identified following a rigorous selection process that involved sifting through almost 500 applications that were received.

The programme is aimed at up-skilling and empowering women in the sector with entrepreneurial support engineered to assist them to build and grow their enterprises such that these enterprises begin to contribute meaningfully to the construction industry.

The construction sector is a male dominated industry, however, women are making inroads in the industry, an encouraging

development that spurred the NHBRC, to get behind this transformation wave.

The NHBRC's idea for this programme is also based on the National Development Plan target of 11 million jobs by 2030 of which 90% of these will be created by SMMEs.

The NHBRC WEP initiative is also different from other certificate programmes offered by various academic institutions in that part of the assessment involves looking at the changes that the participants have made in their own businesses outside the classroom.

While the WEP programme offers sound academic foundation, most importantly, it challenges the delegates to critically reflect on various ways in which their newly acquired knowledge and skills will holistically empower their lives.

The NHBRC sees the programme as one of the many pillars that will see the country move towards a leveling of the playing field where individual skill, knowledge and contribution counts more than one's gender and background.

"What you know and can contribute must matter more than who you know. Our industry needs innovators to be globally competitive and we feel privileged to be part of the process of creating the next wave of women game changers," says Xoliswa Daku, Chairperson of WEP adjudication panel.

The four month academic programme entails training led by leading academics and key influencers in the industry and will be followed by a mentorship programme. The training focused on Entrepreneurship and Innovation, Business Models and Strategy Development, Financial Management, Negotiation Skills, Marketing, Operations Management.

As part of this candidates had to develop comprehensive business plans and will also be assessed for individual and company revenue growth.

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Demand exceeds supply

With sales of sectional title units escalating from R145 million in 2012 to R249 million in 2014 for units in the Cape Town Central Business District (CBD), there is currently a dire shortage of affordable stock.

According to David Rebe, CEO of Sandak-Lewin Property Trust the statistics released by the Central City Improvement District (CCID) highlights the growing demand for sectional title properties in the mother city.

Rebe says that sectional title properties in the CBD, as well as surrounding suburbs such as Gardens, Tamboerskloof, Vredehoek and Greenpoint are being sold and let quicker than ever before. As a result, property owners are cashing in on the booming rental accommodation market, as the demand allows them to maximise the rentals that they can charge.

He says the most influential driver to increase demand for property in the CBD area can be attributed to the turnaround of the volatile property market over recent years. He explains that before the global credit crisis in 2007, the buy to-let investor disappeared from the market. However, a few years later, the market started turning around again when investors realised that buying into the property



market at the downward end of an upward cycle could provide promising returns.

“As a result, more people are getting into the market, resulting in the demand exceeding the supply, thereby giving property owners selling or renting their property the power to increase sales and rental costs as they see fit.”

He adds that in some cases people have had to downscale in size in order to find accommodation which fits their budget and this has led to an increase in demand for apartments in the area.

The increase in sectional title units offers the convenience of 24 hour security, which most apartment blocks

in the CBD offers.

Rebe cites the example of Ports Edge in the Waterfront area, where Sandak-Lewin Property Trust have assisted in tenancing 100 units over the last few months. “Furthermore, we have seen at least 50 properties transferring each month in our portfolio, which was not the case two years ago. The rental market has definitely increased in pace. Now that the CBD property market is on an upward cycle and that the demand is outweighing the supply, prices are likely to continue to increase and property investors who have bought property in the CBD over the recent years are likely to reap the benefits of a good return.” ■

Rental software systems



Mike Fresen

Rentalconnect developed by the Rawson Property Group to assist its franchises with property software systems, is on track to have all 90 Rawson Rentals using the system by mid-2015.

Mike Fresen from RentalConnect said that the system offers a rental management solution, which goes beyond the usual billing and accounting functions, as it offers rental franchises a comprehensive internet-based management and support service.

This includes: the key elements of rental administration,

maintenance, inspections, general service support, calculation of commissions, reporting, payment of royalties etc.

“For example, the system will give lease agreement reminders, provide notification when payments are overdue and record inspection and maintenance checks,” says Fresen.

The system is continually being adapted to assist franchises. It enables the franchise to build capacity and efficiencies, and ultimately to grow the business and to improve the bottom line. There are over 300 buildings using Rentalconnect’s system. ■

Best governed province

Government's Management Performance Assessment Tool (MPAT) has scored the Western Cape the highest of all the South African provinces on four key indicators: Strategic Management; Governance and accountability; Human resource and systems management; and Financial management. According to Phumzile Van Damme, the Democratic Alliance National Spokesperson, the DA will continue to unite South Africans on the basis of good governance and service delivery.

Census 2011 shows that 99% of households in the Western Cape have access to piped water, 93,4% have access to electricity and 90,5% have access to flush toilets. This is the highest access in the country.

Van Damme says, "President Jacob Zuma will recall that, by the time the ANC reached their final year in government in the Western Cape, not a single Department was able to achieve a clean audit. Under the DA,



Western Cape government departments and entities achieved 18 clean audits and five unqualified audits. This is a much better performance than any other province and it demonstrates that the DA is serious about clean and effective governance."

In total, 76% of the provincial budget is spent in poorer communities, with the Western Cape also achieving the highest proportion of households receiving free basic services.

"Voters have endorsed this good governance by strengthening the DA's electoral mandate in each election since we took office. We accept that these numbers sit uncomfortably with the ANC, including the fact that they are in a province where due diligence needs to be followed in securing a venue for their event." She concludes, "This is a province where there are no favours and everyone has to do everything by the book." ■

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Cape Town's new data portal



Cape Town takes another step towards becoming the first digital city in Africa, with the launch of its Open Data Portal. The City's Executive Mayor, Patricia de Lille celebrated the portal going live saying, "The City's contribution to the World Design Capital 2014 legacy is to make the cities data available to the public and in today's economy, access to data is instrumental in becoming competitive." Cape Town joins other iconic cities who have launched their portals, such as New York, London and Helsinki.

De Lille says, "The City is making its data available to all, free of charge and in a useable format. This will enable innovation, as entrepreneurs are empowered to use the data to create new applications. As a city that believes in transparency, making this data available will empower residents to hold us accountable and governing more transparent."

An Open Data Steering Committee has been tasked with monitoring the implementation of the policy. Various city directorates are represented on

the committee and the nine members will meet quarterly to approve the data sets that will populate the portal, as well as requests for additional data sets.

Initial data uploaded includes the city's budget, location and boundaries of all district parks, community centres, cemeteries, transport routes, MyCiTi bus stations, and information about tenders that have been awarded.

Existing sources of information that have been added to the portal at the outset include the following:

- Economic Areas Management Programme (ECAMP) data
- Geographic Information Systems (GIS) viewers
- Service Level Agreements
- Statistical reports and underlying data

The population of additional data sets will take place incrementally and the city envisions that hundreds of data sets will be available over time.

"We have made every effort to ensure that the data is available in

various formats. In addition, the portal has been designed to customise to any device that can access the internet, including cell phones with internet connectivity (not only smart phones). Data can therefore be downloaded to cell phones as well," says de Lille.

She adds, "We would like to encourage developers and builders to request the data they would like to see via the portal. This can be done by clicking on the 'Suggest a data set' tab on the Open Data Portal homepage (<http://ctcs.capetown.gov.za/OpenDataPortal/Default>). The user needs to provide: name, email address and other details requested. We will check whether the data is available and then notify the user, indicating how long it will take to compile and post the data to the site. The portal also has a feedback function. Making public sector data available will allow us to tap into the creativity of business and society. It will assist us in building a better city and allow us to truly make progress possible together." ■

New Human Settlements member

Councillor Benedicta Van Minnen will take over as the City of Cape Town Mayoral Committee Member for Human Settlements. Former Human Settlements committee member, Siyabulela Mamkeli, will assume the role of Mayoral Committee Member for Health. According to Executive Mayor of Cape Town, Patri-

cia de Lille, "Van Minnen has demonstrated a keen understanding of community needs in her former portfolio. Her move to Human Settlements will help us drive our mission to create integrated communities adequately served by social amenities and services. Mamkeli developed a detailed understanding of the social require-

ments needed to foster inclusiveness in his previous portfolio, making him an ideal contender for the Health Directorate." Both portfolios are essential components of building an inclusive city. "It is healthy for governments to refresh their leadership with small changes in the interests of executing their mandate." ■

Eskom's increased power cuts

Shadow Minister of Public Enterprise, Natasha Michaels says that national energy provider, Eskom, is killing the country's economy. Eskom has failed to maintain our power stations with devastating effects, and is on the brink of bankruptcy says Michaels, who points out that it is due to the self-confessed neglect by Eskom of its own maintenance plans, that South Africa now finds itself at the mercy of increased power cuts.

CEO Tshediso Matona has stated that government's policy failure and Eskom's lax maintenance schedule are to blame for the current problems facing the national energy provider.

Until Eskom's monopoly over South Africa's electricity generation and distribution is ended, the current electricity crisis will continue. If Eskom continues with business as usual the following will occur:

Eskom will continue to come, cap in hand, to Treasury, i.e. to allocate cash bailouts and government guarantees. The devastating cycle of load-shedding will continue to ruin our economy and kill jobs, Infrastructure



will continue to age, fall into disrepair and collapse, adding more pressure to the national grid. "The introduction of independent power producers is more critical than ever and together with other sources of electricity, such as renewables, will play a larger part in our plans. The only solution to South Africa's energy crisis is in adding more producers to the grid, who can pick up the slack Eskom leaves as its power stations remain on the blink. We are in a grave energy crisis and Eskom must begin rectifying the years of neglect and dereliction of duty," says Michaels.

Eskom has announced that the power system is constrained, putting the country into a state of rotational load shedding.

Acting Chief Executive of Eskom,

Dan Marokane says, "Stage One of load shedding allows for up to 1000 MW to be shed off the grid; Stage Two allows for up to 2 000 MW to be shed; while Stage Three of load shedding allows for up to 4 000 MW to be shed."

The power utility has called on consumers to switch off non-essential appliances such as geysers, air conditioners and pumps to reduce electricity demand. Energy users around the country have already experienced Stage Two load shedding. The utility has advised consumers to check the load shedding schedules, which are available on the Eskom website (<http://loadshedding.eskom.co.za>).

Consumers can also contact the customer call centre on 0860 037 566, while municipal customers are urged to contact their local authorities. ■

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- Lower carbon footprint when compared to other materials

Transport centre receives 4 400 calls daily

The Transport Information Centre (TIC), hosted at the City of Cape Town's Transport Management Centre in Goodwood, is the nerve cord for all transport-related queries and complaints in the city.

The centre operates 24x7 and the operators handle an average of 132 000 calls a month or 4 400 every day. In spite of this high number of incoming phone calls, at least 90% are answered within 15 seconds or less. Even on the busiest day of the year – 16 December 2014 – when the TIC answered nearly 9 000 calls within a 24-hour time period, the average waiting time was just 12 seconds for each caller.

Generally speaking, Mondays and Fridays are the busiest weekdays at the TIC and Saturdays are the busiest days of the month, with the highest call volumes between 8 am and 4 pm.

'The TIC is pivotal in ensuring that we are a well-run city. The centre's performance is outstanding and the call centre operators must be applauded. It takes a special type of person and some stamina to do this job, especially if one considers that the operators have only three seconds breathing space between calls,' said the City's Mayoral Committee Member: Transport for Cape Town, Brett Herron.

Callers can be assisted in any of



the province's three official languages, Afrikaans, English or isiXhosa and according to the TIC's customer statistics, most prefer English. The majority of calls relate to queries about public transport timetables, routes, fares and service disruptions across all modes of scheduled public transport in the city – MyCiTi bus service, Cape Metrorail, Golden Arrow Bus Services and Dial-a-Ride. Transport for Cape Town (TCT) is also responsible for the city's road network of 10 629 km. Residents therefore report potholes and faulty traffic lights or

lodge complaints pertaining to road maintenance and storm water with the TIC call centre operators. Using Google Maps, the call centre operators are able to locate the nearest TCT area depot, which then passes the report onto the responsible crew to resolve the complaint or to fix the pothole. Herron says, "TCT relies on city residents to be our eyes and ears on the ground, be it on a MyCiTi bus or in a private vehicle on our road network. We can only improve our service and our roads if you tell us about the shortcomings." ■



Shortage of student accommodation

With the Department of Higher Education acknowledging that there is a significant lack of student accommodation, Minister Blade Nzimande says plans are underway to build additional capacity at tertiary institutions. According to Craig McMurray, CEO of Respublica,

one of South Africa's leading developer of student accommodation, governments allocation of R1,6 billion for student accommodation, together with universities funding of approximately R700 million, will only be sufficient to deliver an additional 9 000 beds by 2016. "This is not even

enough to accommodate one third of the new student enrolments, let alone deal with the backlog. Considering the limited resources from government and universities, it is imperative that all parties engage far more meaningfully with the private sector to help alleviate the shortage." ■

DTI solar-geyser rules

The solar geyser manufacturing industry has claimed that the Department of Trade and Industry's (DTI) local content rules for solar geysers are too stringent and have resulted in 4 500 jobs being lost in the industry.

According to Democratic Alliance Shadow Minister for Trade and Industry, Geordin Hill-Lewis, this is a serious matter since the local content programme is designed to encourage South African manufacturing and create jobs.

Hill-Lewis says, "These claims must be investigated to determine if the DTI's local content rules are harming local industry. The industry has argued that restrictive and irrational government procurement rules

have resulted in an impasse between industry and government, as supply has become nearly impossible due to the stringent local content threshold. A recent survey by the Sustainable Energy Society of South Africa (SESSA) has estimated that least 4 500 jobs have been lost."

In July 2013, the Department of Trade and Industry classified low pressure solar water geysers as a 'designated product' under government procurement rules, which in effect requires that each component of the geyser consist of 70% local content.

The industry says that this local content prescription is too high, and that in fact it essentially disqualifies all South African manufacturing companies from producing and providing geysers for government's mass installation programme. With government's installation target of one million solar geysers installed in low cost housing by March 2015, these



subsequent delays, job losses and local content issues are unresolved.

"In light of the energy crisis we are currently facing, and the ability of this programme to significantly reduce the pressure on the national grid, any hindrances must be swiftly addressed and resolved," says Hill-Lewis. ■



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IN PURSUIT OF AFFORD



AFFORDABLE HOUSING

There is much to celebrate thanks to the outstanding results of FNB's affordable housing book, which has passed the R15 billion mark. In terms of volumes this represents 100 000 deals and a market share that hovers between 23% and 24%.

Since FNB's new CEO of Housing Finance, Lee Mhlongo, took over the affordable housing portfolio from seasoned banker Marius Marais, Lee has been on a steep learning curve getting to grips with the sector's challenges and operations. Housing in Southern Africa chatted to Lee about his views on the sector, the challenges and strategy for 2015.

On the current state of the affordable housing sector, Lee says, "On a practical level, this is defined as housing that costs less than R600 000. We have found that this end of the market typically moves in line with the country's GDP." He explained that if South Africa is doing well, this is reflected and almost matches the affordable housing demand and when the country's GDP declines, so does demand in this sector of housing." In the medium term, prospects of 1,5% does not bode well for the sector and raises a challenge of how we respond in a difficult environment and get people into homes responsibly. But we are up to the challenge."

Affordable housing is constantly evolving and Mhlongo works tirelessly to maintain the bank's affordable housing growth and has a target of rolling out 100 000 deals within the next five years. In terms of regional market share, there is no denying that FNB is very strong in Gauteng, followed closely by KwaZulu-Natal, but Lee says that the bank lagged

behind in Cape Town. This has now been corrected and they are making steady progress in the Western Cape.

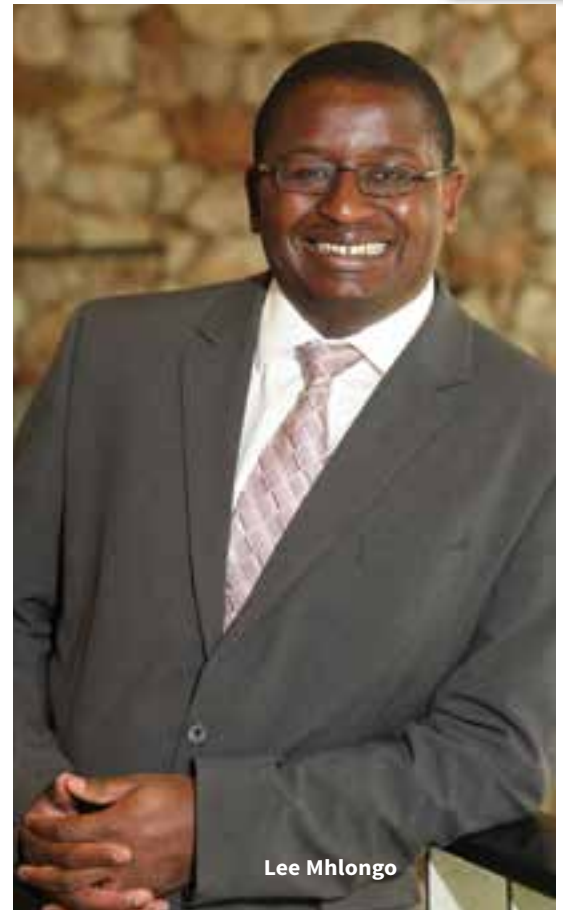
Government's Finance Linked Individual Subsidy Programme (FLISP) for the Gap housing market was originally viewed as a lifeline for those householders who earned too much to qualify for a fully subsidised BNG government house and too little to qualify for a mortgage bond. The FLISP was meant to bridge the financial gap and enable householders to finance their own homes and qualify for mortgage bonds.

At some point we have all wished that the FLISP subsidy could facilitate

'The removal of the R300 000 cap on Gap housing has been welcomed because it opens up the subsidy to a lot more customers, and we would like to see that portfolio grow significantly.'

and galvanise delivery of housing in the sector. But herein lies the difference between the FLISP being an empowerment tool and another government initiative that has failed to achieve its housing promise as it did not quite work out as planned.

With so much focus on the FLISP subsidy, Lee says, "The National Housing Finance Corporation (NHFC), government's Development Finance Institution have had challenges in rolling out the FLISP subsidy programme nationally." We asked Lee whether there is a way to improve the subsidy system so that it flows seamlessly; improves capacity building; and if deals were lost due to the bank



Lee Mhlongo

waiting for FLISP subsidy approvals?

"We have a very small FLISP portfolio but recently we have been working with the NHFC to streamline our FLISP offering. The removal of the R300 000 cap on Gap housing has been welcomed because it opens up the subsidy to a lot more customers, and we would like to see that portfolio grow significantly."

On funding rental models, Lee explains that this is a collaborative effort with rental stock forming part of FNB Commercial's portfolio. "Working with the commercial team allows us to identify good clients who want to convert from rental to ownership, and although this relationship is in its infancy, we are steadily growing it."

The previous Financial Sector Charter (FSC) target for affordable housing exceeded government's allocated expectations. FNB has set its sights on providing R8 billion for the affordable housing sector. He added that this will be a challenge but so far the bank is well on its way to its 2018 target. "Currently we are sitting at 43% and although there is still a long push to go, we are confident that we will meet that target." The FSC deals will add a further R4,5 billion to FNB's affordable housing book.

Continued ►►►

Lee's team invests an equal level of commitment to optimising housing opportunities including employer assisted lending, as well as Incremental Lending for upgrades and expansions. FNB has the appetite but the challenge is to ensure that there is building conformity and that the building regulation standards are met."

A pilot project is currently underway to evolve incremental building and to make housing more affordable to the public. He says, "Usually within a month of acquiring a property, the owner builds perimeter walls and within two months additional units and living quarters or garages have been added. We suspect that these additional structures are neither approved nor inspected by the National Home Builders Registration Council (NHBRC). There is a strong need for the public to be informed as to what is required to meet the building

"Consumers tend to overreach their budget and apply for a property far beyond their means in terms of affordability."

codes. This would ensure the quality of the structure and in the event of something going wrong, what can be done by the statutory bodies." Consumers are often unaware of the regulatory requirements and he notes that the short answer is to educate the consumer to do the right thing for their own wellbeing. The awareness of statutory bodies by home owners is still relatively low.

FNB owns a large stake in the retail sector and we asked Lee if there are plans to offer special deals with supply chain groups for end users in the affordable space, or developers and builders in this market?

"We are trying to cast a net as wide as possible to find some sort of mechanism that leverages bulk acquisition in our retail sector, such as lighting and solar initiatives, which will benefit consumers as this would offer a win/win for the retailer and the homeowner. We are going to consolidate the best practices offerings that are mutually beneficial for the retailer and more importantly for the consumer, so that their housing needs are looked after."

There are a number of major projects of scale rolling out across the country such as KwaZulu-Natal's



biggest integrated human settlement, Cornubia, which will provide 28 000 houses for 120 000 people on the 1 300 ha greenfield site. In Gauteng's Midvaal, Savanna City will offer 18 000 housing opportunities across a range of housing typologies on the 1 400 ha site. Both large scale projects will roll out over the next 10 years. At Cosmo City, in Johannesburg, FNB was the first commercial bank to come on board and provide home loans.

Lee points out that there is no exclusive arrangement in providing home loans, and most of the banks are comfortable spreading the risk. "We are always willing to participate in new projects as they come up."

While some commercial banks are capitalising on foreign government investment to provide end users with subsidies for solar products, FNB is considering the Edge Tool used by the International Finance Corporation (IFC), a division of the World Bank. "This tool will measure the energy

efficiency of our projects. With a concept pilot project of 200 units in the affordable housing sector in Gauteng, the units will conform to the Edge standard and we believe that there is an opportunity to expand it to scale nationally."

Are there opportunities for growth in the affordable housing sector?

Lee says, "As difficult as our economic situation is when we look at a macro number, GDP of 1,5% average - somewhere there are exceptional performers, whilst others are pulling back. The challenge is to find sectors that have strong growth and sustainability. In our line of work we typically have a 20 year commitment. We are quite buoyant about the affordable housing space - there is some work that we still have to do and various sector players also need to contribute. For example, the cost of new housing stock is still unaffordable for that market segment. If we look at the process involved such as registering bonds over these properties, the



costs are comparable with the top end of the market. This needs to be addressed as this cost has not been factored in for the Gap and affordable housing market.”

Lee goes on to explain that we need to do things more efficiently and with a lot less cost, in order to benefit this sector.

On interest rates, general sentiment anticipates between 1% and 1,5% interest rate hikes within the next two years. “It is important to note that there are ways in which customers can mitigate the impact of interest rate increases. By choosing a fixed rate for three to five years, will help consumers weather a current uncertain interest rate environment.”

‘The www.fnb.mobi smart bond is a tool which can be used to go through the application process and then go shopping, rather than finding out if they qualify mid-way through the process. This way is more empowering.’

In terms of scorecards and the fact that the majority of South Africans have impaired credit records, we asked Lee have there been any improvements in the approval rates? “We have found that two in ten consumers have impaired credit records as they have not recovered from bad judgements and they will be declined outright. Whilst the majority, six out of ten consumers apply for prop-

erties that are just too expensive for what they can afford at this point in time. Two out of every ten consumers still have impaired credit records but have held steady and not incurred more

debt.”

FNB offers consumers a tool that they can

complete to see if they will qualify for a home loan. The www.fnb.mobi smart bond is a tool which can be used to go through the application process and then go shopping, rather than finding out that they do not qualify mid-way through the process. This way is more empowering.”

Lee is passionate about consumer education, “As a finance institution we compete rather aggressively but one thing that we need to keep in mind is the need to educate our customers. Lack of information or sharing, will potentially jeopardise a consumer’s wellbeing.

It is important that the consumer understands the entire process from mortgage originator to the role of the real estate agent etc.

What ownership entails includes: basic maintenance, the National Home Builders Registration Council building requirements and codes for all additions, such as garages, additional extensions, walls, free standing buildings etc. The implications of having a bond on the property.

“As banking institutions we tend to focus on the happier side. There is however an unfortunate sad side when people fall into difficulties. They need to know what options they have and what it could mean for their overall financial wellness. Consumer education needs to happen on an ongoing basis. If we educate consumers, the market will benefit from it,” concludes Lee.

When Lee talks about consumer education, he has a deep sense of commitment toward consumers, which is certainly not just platitudes or political correctness in a bid to gain market favour or share. ■



RESIDENTIAL GROWTH

According to John Loos, Household and Property Sector Strategist Market Analytics and Scenario Forecasting at First National Bank Home Loans, economic events look set to be more positive in 2015, compared with 2014, with the drop in global oil and food prices looking set to drive consumer price inflation sharply lower and household real disposable income growth higher.

These events are expected to lead to further residential market strengthening and mildly higher house price inflation this year. "But our forecast of a strong increase in residential building completions will have little to do with further residential demand strengthening in 2015, and more to do with prior years' demand growth and the steady build-up of existing home supply constraints over the past three years."

He explains, "We believe that the time has come for the residential development sector to supply new stock to the market at a significantly faster rate, and as such forecast 2015 m² of residential completions to grow by 21,6%."

The mood in the residential property industry is a generally positive one, and so it should be. The market is far from booming, but has shown a nice solid performance over the past three years since 2012. Rising demand has gradually mopped up 'excess supply', and a noticeably increasing percentage of estate agents participating in the FNB Estate Agent Survey have been pointing to shortages in residential units for sale.

This improving balance between supply and demand has, in turn, driven some positive house price inflation in real terms

over the past three years (refers to where house price inflation exceeds Consumer Price Inflation). And looking forward into 2015, the spectacular

A noticeable growth rate in the level of new residential building completions is expected to be the highlight in 2015.

oil price fall emanates from major global investment in various forms of energy production capacity, notably oil and shale gas.

The FNB interest rate forecast is for the South African Reserve Bank (SARB) to lift its policy repo rate gradually higher from the current 5,75% to 6,5% by year-end, taking prime from 9,25% to 10%.

The reasoning behind this mild rate hike at a time when inflation looks set to fall through the floor, comes from the SARB's desire to normalise rates gradually upward from what are believed to be abnormally low levels by South African standards.

Even if SARB increases rates slightly this year, the positive

Therefore, from an estimated 1,5% in 2014, we forecast an acceleration to 2,5% in real disposable income growth this year. Forecasters are inclined to underestimate the impact of both strong negative as well as

positive shocks, and this oil price slump is certainly big enough to be classified as a shock.

The downside risks to the growth fore-

casts, however, remain the same two as highlighted previously - South Africa's electricity supply reliability and capability, as well as the ability of labour relations to hold up better than in 2014. For the time being, though, it all appears to look more positive than

back in the first half of 2014,

'The mood in the residential property industry is a generally positive one.'



when strike action disrupted output significantly.

The expectation of stronger real household disposable income growth in 2015 compared with 2014, leads to a forecast of further increase in residential demand. "However, we would expect the pace of demand

impact of lower inflation in not only boosting economic growth, but also in translating into higher real disposable income growth, is expected to sustain further growth in housing demand.

IN 2015

‘The expectation of stronger real household disposable income growth in 2015, compared with 2014, leads to a forecast of further increase in residential demand.’

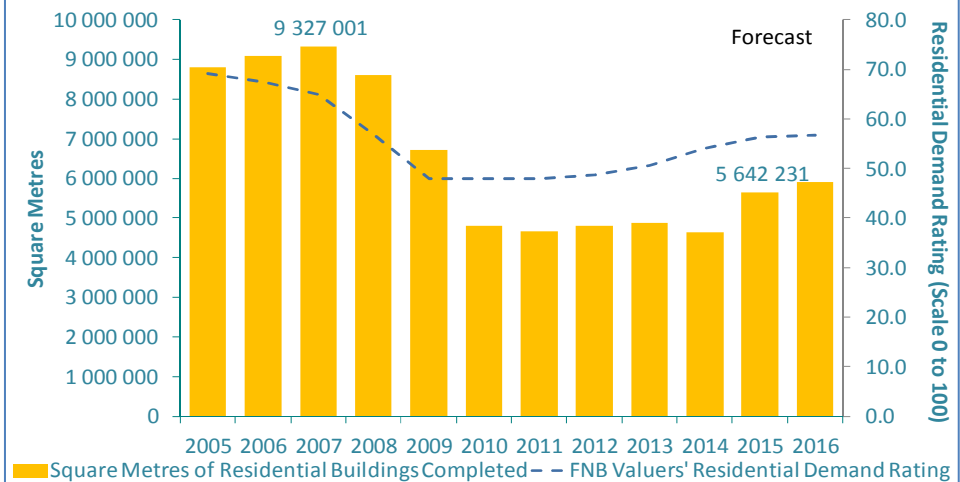
growth to perhaps be slower than in 2014 should the SARB indeed persist with interest rate normalisation. The reasoning behind a slower rate of growth in demand is the expectation of a mild deterioration in residential affordability as our average house price growth forecast moves up a notch from 7,2% in 2014 to 8,7% for 2015. We expect to exceed average employee remuneration forecast at a lowly 5,3% for 2015.”

There are two relevant affordability measures - the first is the average house price/average employee remuneration index, and - the second measure is the instalment payment value on a new 100% bond on the average priced house/average employee remuneration index.

Both of these affordability measures began to show some deterioration in 2014. The former Index is forecast to rise 3,3% in 2015, while the latter is projected to rise at a faster 7,3% based on house price, employee remuneration and interest rate forecasts.

The FNB-BER Residential Contractors Building Confidence Index jumped from 58 to 69 (Scale of 0 to 100) in the final quarter,

Residential Buildings Completed - Square Metres



continuing a steadily rising trend, while third quarter 2014 m² of residential building plans passed surged to 19,2%

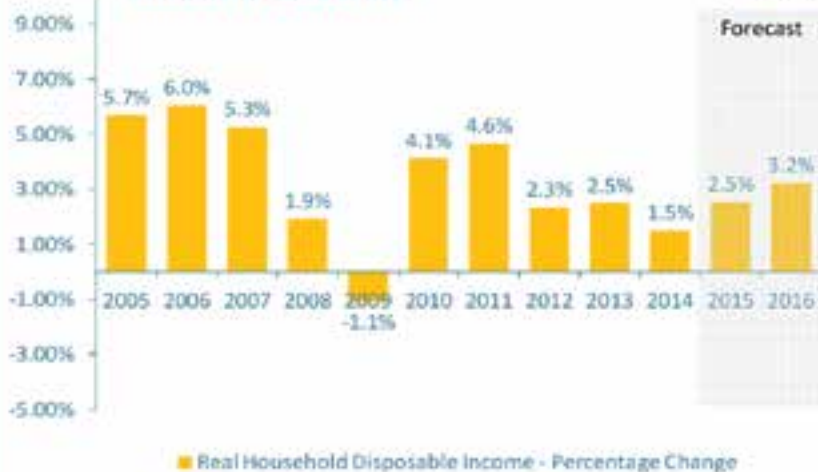
some, to give some perspective, this would still imply that 2015 building completion levels would be -39.5% below the boom time peak year of 2007, and after some years of very low levels of building activity, we finally believe that the time has come for more meaningful growth.”

He concludes, “Although we forecast further strengthening in certain other residential property numbers, including a mild increase in house price inflation, a further shortening of the average time of homes on the market, and a further rise the FNB Market Strength Index, we believe that the highlight of 2015 will prove to be a notable strengthening in the level of newly built residential units coming onto the market. This, in turn, is forecast to lead to some easing in residential supply constraints come 2016, resulting in slowing annual house price growth as we move into 2016 and beyond.” ■

year-on-year growth.

Loos says, “While this growth may sound extreme to

Real Household Disposable Income Growth





RESILIENT HOUSE PRICE GROWTH

The average value of middle-segment homes in the South African residential property market has shown relatively strong growth over the past two years up to the end of 2014.

According to Jacques du Toit, Property Analyst, Absa Home Loans, nominal price growth came to 10% in 2013 after relatively poor growth in the preceding year, with price growth of around 9% recorded in 2014. In real terms, ie. after adjustment for the effect of consumer price inflation, annual house price growth of between 3% and 4% was registered in 2013 and 2014. These price trends are according to the Absa house price indices, which are based on applications for mortgage finance received and approved by the bank in respect of middle-segment small, medium-sized and large homes.

This was despite challenging economic conditions experienced over the last two years, such as declining economic growth, low employment growth, a depreciating exchange rate and rising inflation and interest rates. All of these affected household finances. However, a situation of a normalisation of and more balanced housing demand and supply conditions are believed to have largely

contributed to the price growth. With the average nominal value of homes in December 2014 being:

- Small (80m²-140m²) R876 000
- Medium-sized (141m²-220 m²) R1 201 000
- Large (221m²-400m²) R1 837 000

Some further global economic expansion and an uptick in local demand is expected to result in the South African economy growing by a real 2,4% in 2015, after estimated growth of 1,4% in 2014. Headline consumer price inflation was below the 6% level, up to late 2014, impacted by lower food price inflation as well as declining fuel prices on the back of significantly lower international oil prices. Against this background, inflation is expected to drop to a level of 3,6% year-on-year (y/y) by mid-year, rising to 6% y/y by December. This is due to an anticipated rebound in oil and fuel prices in the second half of the year and a depreciating exchange

rate. Consumer price inflation is projected to average 4,5% in 2015, averaging over 6% in 2016. Interest rates were hiked by a cumulative 75 basis points in 2014, with the prime interest rate ending the year at 9,25%. Based on expected declining consumer price inflation in the first half of 2015, the current forecast is for the prime rate to remain unchanged till September when a 25 basis point hike is foreseen. This will curb the effect of rising inflation in the second half of the year. Interest rate forecasts a total hike of 75 basis points in 2016, in an attempt to temper inflationary pressures during next year. The prime rate is projected at 9,5% by end-2015 and 10,25% by the end of 2016.

The real value of plans approved for new residential buildings increased by 14% y/y, or R4,24 billion to R34,53 billion in January to November from R30,29 billion in the corresponding period last year. The real value of residential buildings reported as completed was marginally lower 0,7% y/y, or R158,4 million, to



R20,97 billion in January to November from R21,13 billion in the same period last year. These real values are calculated at constant 2010 prices.

The average building cost of new housing constructed averaged R5 812 per m² in the first 11 months of 2014, which came to an increase of 12,6% y/y from R5 162 per m² in the same period last year.

Building costs are affected by factors such as the cost of building material, labour, transport, equipment, land values, rezoning and developer and contractor holding costs and profit margins. Building activity with regard to additions and alterations to existing houses was weak in January to November last year, which may be a reflection of consumers experiencing financial pressure. Residential building activity will continue to be driven by economic, household finance, consumer and building confidence factors, the affordability of new housing and changing lifestyles, which will impact the demand for and supply of new housing. ■



Infrastructure

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INDUSTRIAL PAINT SUPPLIER TARGETS AFRICA

The company intends working closely with all-manner of manufacturing clients across the continent, and to use its substantial research and development capabilities to produce paints that can enhance these manufacturers' products. Whether designing coatings to protect earth-moving equipment in tropical Africa, or providing lower-cost coatings for roof sheets used in the development of low-cost housing in West Africa, the company is focused on finding the right solutions for specific applications.

In South Africa Beckers is best known for its leadership in the provision of advanced coil coatings. These are used by the country's steel and aluminium mills to provide finishes for a variety of flat sheet products that are supplied to local manufacturers to make everyday goods such as roof



Willem van Heerden

Global paint giant Beckers is turning its attention to developing a wide range of paint products especially for African conditions.

sheets, appliances, automotive and other products.

But, according to Beckers Group Managing Director, Willem van Heerden, the company's expertise spans far beyond coil coatings. Worldwide the company has also developed special coating technologies for trains, agricultural, construction, earthmoving equipment and even consumer devices such as cell phones.

"These range from coatings in making tractors more durable to even providing attractive cladding that assists architects to build greener structures to phone manufacturers to introduce trendy new designs. However, in Africa our well established network has been geared mainly to service steel and aluminium mills in sub-Saharan, East and West African regions. In order to expand our reach, we have recently also begun to mobilise our technical staff to work closely with key industrial manufacturers and assist them to enhance their product offerings."

"We have developed Beckry, a cost effective coil coating for roof sheeting in West Africa and now supply coatings for rolling stock (PRASA), as well as corrosion resistant paints for Eskom's new power stations. This shows that our technically advanced coatings can be developed for use in a wide range of

industries. The only challenge that we face now is to familiarise industry with our service offering and to introduce our specialised coatings to a wider potential client base," says van Heerden.

At present the company's strategy is to work closely with engineers, specifiers and architects, to develop solutions for their own specific requirements. With assistance from the company's global research and development centres and long-term development groups, the company is committed to working with these specialised industrial customers to develop new products and find solutions for manufacturing dilemmas.

"We are constantly working with our steel mill customers to develop flat sheet products that will give them an edge in the markets," concludes van Heerden.

Beckers is a world leader in the supply of coil coatings and has developed a variety of solutions to survive in the toughest conditions. These include corrosion, abrasion, scratch, UV resistant varieties as well as advanced antibacterial, self-cleaning and thermally reflective coatings.

For further information contact 016 428 4011, email: willem.van-heerden@beckers-group.com or visit www.beckers-group.com ■



CEMENT TECHNOLOGY

Chryso Southern Africa, the largest construction chemicals specialist in South Africa, offers a full range of cement additives to optimise different stages of the cement manufacturing process, explains Trevor Smith, newly appointed General Manager: Cement.

Smith says that cement-mill additives comprise grinding aids and activators that have been specifically developed for raw meal production, as well as for the cement grinding process itself. Using grinding aids, the productivity of a raw mill can be increased by 6% to 12% and the cement mill by 10% to 25%.

Chryso activators allow for increased use of supplementary cementitious materials (SCMs), which assist in reducing the percentage of clinker in the cement. Clinker production is the most energy-intensive part of the cement-making process. Reducing clinker content decreases carbon emissions as well as the costs associated with carbon taxes. The most common SCMs are slag, pozzolan, fly ash and limestone. Most Chryso activators are designed to work with specific SCMs, contributing to significant savings associated with lower cement production costs.

"We formulate these products with a combination of activators and grinding aids. The activators effectively react with the clinker material and/or SCMs to improve the hydration reaction of the cement in the concrete. This results in the formation of calcium silicate hydrates and other crystalline structures that give concrete its strength. Some activators provide for early strength enhancement and some for late strength enhancement, while some do both," says Smith.

"We have a range of formulations that allows us to select a specific product for a customer's application." The process begins with understanding the customer's cement manufacturing operation and the chemistry of the clinker and cement to achieve cement quality and performance, for example, an early or late strength or improved output or a combination of all three."

"Initially we will look at our broad range, then make some suggestions and follow those up with a few laboratory and plant trials. In some cases, a customer may be importing clinker from different sources from where he operates," adds Smith.

Such close working relationships often mean that Chryso Southern Africa enters into long-term partnerships with its customers. It supplies products to the precast, readymix, construction and industrial sectors. Smith points out that the company has three manufacturing facilities with the capacity to export to most countries in Africa.



Cement additives for vertical roller mills

"We have also developed innovative stock management systems to ensure that our clients do not run out of product. Initially developed in South Africa, we have now rolled these systems out into a number of Africa export. remains an important focus. The growth and development on the continent is being led by a requirement for cement at all levels, from bricks and blocks to roads, to major mining and oil and gas projects and to water and power infrastructure," concludes Smith. ■



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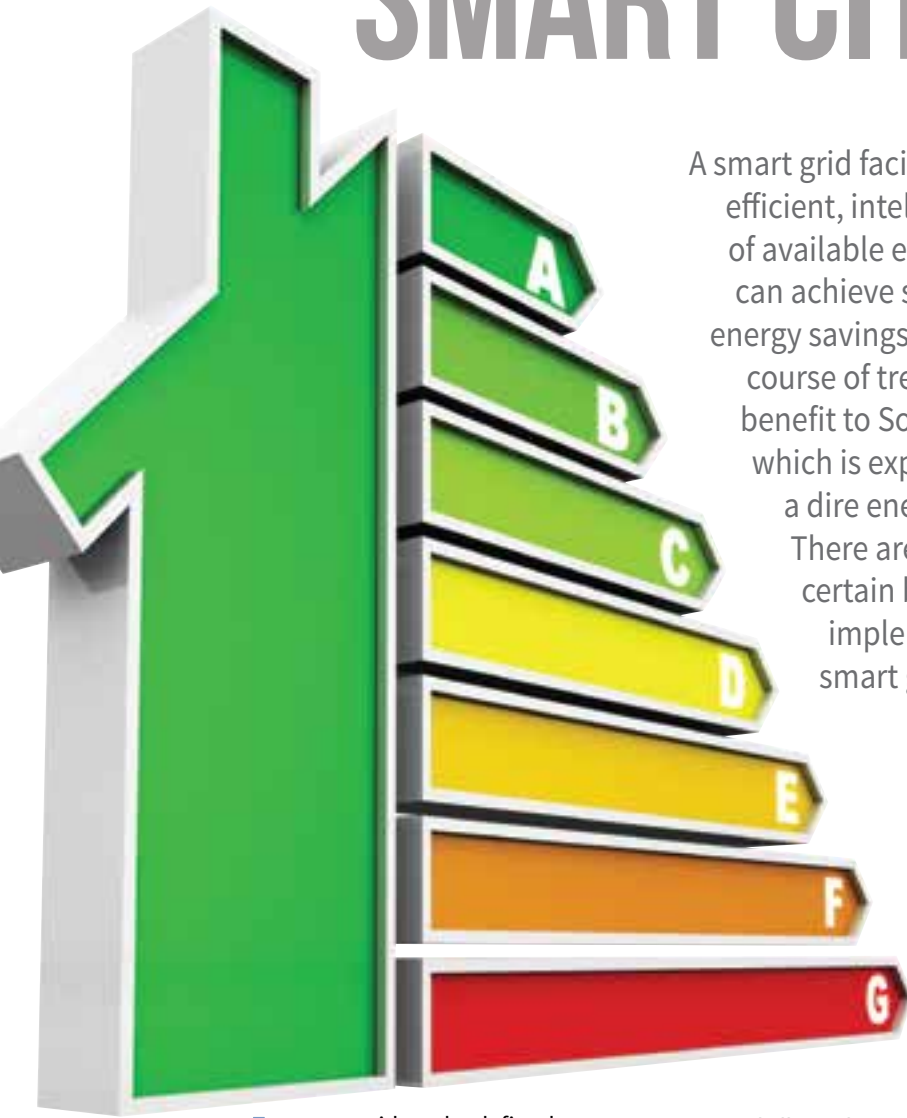
THINK GREEN INSULATION					
Rval (m ² K/W)	Thickness (mm)	Length (mm)	Width (mm)	K-Value (W/mK)	Density kg/Cubic M
1.08	40	10 000	1 200	0.03618	14.9
1.25	50	10 000	1 200	0.040	16.53
1.88	75	8 000	1 200	0.040	15.06
2.50	100	7 000	1 200	0.040	15.55
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SMART CITIES, SMART



A smart grid facilitates the efficient, intelligent use of available energy and can achieve significant energy savings. This is of course of tremendous benefit to South Africa which is experiencing a dire energy crisis. There are however certain barriers to implementing a smart grid in the country.

Renewable energy eg. solar and wind, then started to contribute to the grid. This however did not make the grid a smart grid but a grid with some green energy suppliers.

“Today a smart meter is used to provide information and enable customer control and knowledge of energy usage. This type of data allows the energy consumer to know the amount of electricity being used, when it is used and by which appliance. The smart grid brings about a whole new industry of technology, intelligence and efficiencies previously unknown,” says Cronje.

This year, Johannesburg City Power announced the roll out of 55 000 smart meters. It should be noted that the smart meter is only one constituent, albeit a vital constituent of the smart grid.

“In discussing the barriers to implementing a smart grid, it is important to note that we are not building a smart grid or smart city from the ground up in South Africa,” says Cronje. “We have inherited cities and a grid that we need to morph into the most sustainable solution.”

A smart grid can be defined as an evolved grid system which has been expanded through the addition of intelligence that manages electricity demand in a sustainable, reliable and economic manner.

According to Jaco Cronje, Operations Director for EES Africa. “The

smart grid allows the integration of all types of power generation, including renewables. Smart grids are an integral part of smart cities.”

The grid was originally designed for the supply of low-cost abundant energy sourced far away from where it was required by consumers.



METERS, SMART GRIDS

Major barriers include:

- Contrary to what a large percentage of the public appear to believe, smart meters and smart grids do not lead to increased energy costs. It has been unfortunate that the roll out of this key component has coincided with electricity increases.
 - Financing can present challenges. It should be remembered though that this presents opportunities for venture capitalists to embrace the developing smart grid and capitalise on opportunities that did not exist before.
 - Policies, regulations and the roadmap of the smart grid need to be clearly communicated. Some cities in South Africa have found this to be a challenge and therefore embarked on rolling it out with little communication. Other cities have really embraced the opportunity and are leading by example.
- Data privacy and cybersecurity need to be taken into account. Information obtained by the smart meter provides any marketer with valuable insight into consumers, without the consumers explicitly allowing such information to be made available. A further risk is that such data would need to be secured through various levels of barriers from hackers and fraudulent activities.
- Regulations and frameworks can stifle the market, and this can be prohibitive as it may stifle ingenuity which is needed for the smart grid to grow in its early stages. Once the early stages have been implemented, it is then appropriate for the different vendors and mechanisms to inter-operate.
- In designing and implementing smart grids, energy industry

players need to ensure both products and installation techniques are of adequate quality to ensure the solution outlasts the deployment period.

- Connectivity requirements must be met so that data can be obtained and made available for use. Connectivity can be achieved through various technical mechanisms.
- Skills shortages can be a problem as the creation of the smart grid and smart cities is a reasonably new initiative.

Complete stakeholder buy-in is essential for the successful roll-out of smart grids in South Africa. Integral to this is connectivity and communication between all industry players including government; Eskom and Independent Power Producers (IPPs); vendors such as municipalities; and consumers or the end users.

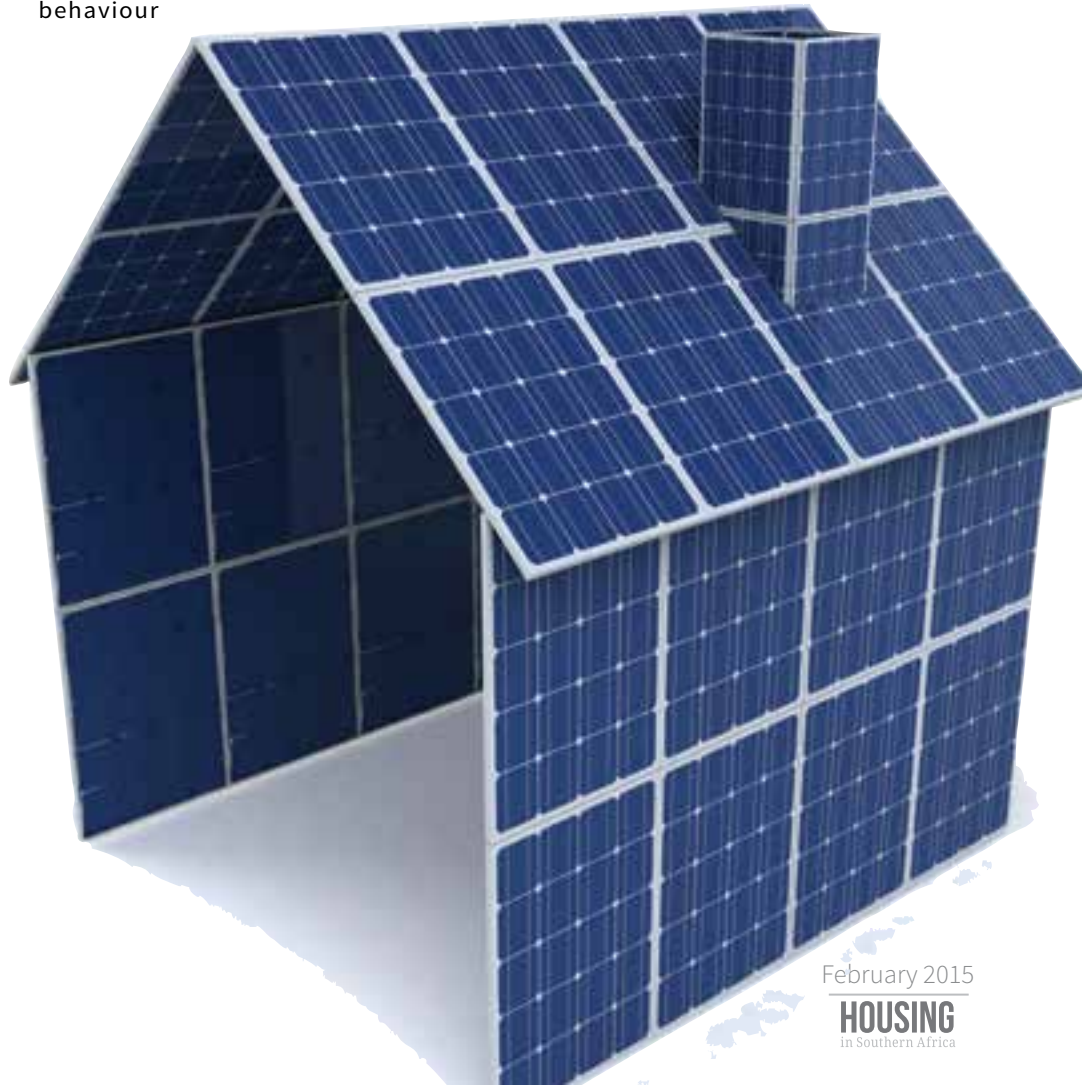
Regulations need to be put into practice to encourage this behaviour

ie. Ingenuity in the early phases followed by ongoing implementation in accordance with specific processes and protocol.

Cronje also advises that roll-out plans should consider a staggered approach. "Residential, small business and industrial implementation should be segmented, starting in the residential market and then moving into business and finally industry. This allows large amounts of data to be processed without influencing the industrial energy consumers."

The National Empowerment Fund (NEF) is providing funding to venture capitalists. "Smart data management informs industry players what the viable procedures and trends are that should be followed, resulting in optimum efficiency in energy management," concludes Cronje.

For further information go to www.eeslive.com ■



AFFORDABLE SOLUTIONS

Winde says, “The awards play a pivotal role when it comes to the acknowledgement of those who have committed their careers to push for sustainable development and economic growth in our province.”

The challenge attracted 130 competition entries and three overall winners were chosen from 21 finalists in the three categories.

In the Structural Home category – USE-IT’s Compressed Earth Blocks (CEBs) Construction

An innovative process that uses a 30% blend of builder’s waste rubble and available clay-bearing soils in the manufacture of Compressed Earth Blocks (CEBs). Building sustainable homes with the lowest carbon footprint, CEBs are 3-5 times stronger than concrete blocks, cheaper, ten times more thermally efficient and environmentally-friendly.

In the Comfortable Home category – Lumkani

Lumkani is a low-cost fire detector and alert system designed for low-income households. In the event of fire, the system not only alerts the inhabitants where the fire has started, it uses transmission mechanisms to trigger neighbouring devices within the system up to 100 metres from the source of the fire. Lumkani can also provide the nearest fire station with the GPS location of the fire allowing for proactive early response.

In the Connected Home category – Cityspec

This open source mobile inspection tool helps civil society organ-

The Better Living Challenge, a design award competition showcasing green and affordable solutions, is a collaborative effort to push the province’s 110% Green initiative with the Department of Economic Development and Tourism, says Western Cape Minister of Economic Opportunities, Alan Winde.

isations and community workers to monitor and administer basic service delivery in informal settlements. This mobile app allows community workers to log reports in the field, take photos and capture GPS data automatically.

A grand prize of half a million rand’s worth of support services has been awarded to each of these winners to help enable them to upscale and take their solutions to market – facilitating the concept-to-market value chain for innovative and affordable home improvement solutions. Although the Better Living Challenge is specifically aimed at lower LSM groups, the award-winning innovations can apply across various communities.

In addition to the above, two Student Awards were made. The winning solutions were Brigado (a brick-making kit designed by Tshwane University of Technology student Rotenda Gene Nevhotalu) and Embracing Informality (an architectural development plan submitted by Lawden Holmes from the University of Cape Town). Both these awards were made in the Structural Home Category and each received a R40 000 cash prize.

In order to ensure that the compe-

tion was judged fairly, the outcome was determined by a combination of scores from a panel of judges (60%); community votes (30%); and a public voting component (10%). Final scores were independently audited by KPMG. The judging panel consisted of 14 prominent industry leaders with expertise in renewable energy, sustainability, green architecture, community development, product development, business investment, as well as product and industrial design.

The announcement of the winners ushers in the next phase of the competition – the market access phase – where the winners’ solutions will be supported to market. The Better Living Challenge was launched over a year ago, and is a 110% Green initiative. Aimed at boosting the green economy and at the same time, the challenge addresses housing issues in low-income communities. 110% Green is steered by Jenny Cargill, who is a special advisor to the Premier of the Western Cape, in the office of the Premier. In response to the announcement of the winners, Jenny Cargill said:

“We would like to congratulate all the participants of the Better Living Challenge and particularly the winners, who have demonstrated exceptional skills and expertise in their efforts to encourage positive change to better the lives of others.”

The Better Living Challenge is project-managed by the Cape Craft + Design Institute (CCDI), on behalf of 110% Green. Erica Elk, Executive Director at the Cape Craft & Design Institute commented: “We heartily congratulate the winners and would like to extend praise to all the finalists and exhibitors that participated in the Better Living Challenge. The enthusiastic public response to the recent Showcase has affirmed the need for affordable green solutions.





We look forward to the next phase of the project, which will involve further assisting the winners with market access.”

Better Living winner

The Better Living Challenge awarded USE-IT's Compressed Earth Blocks (CEBs) Construction as the winner in the Structural Home category. USE-IT's CEBs Construction is an innovative process that uses a 30% blend of builders' waste rubble and available clay-bearing soils in the manufacture of CEBs. Building sustainable homes with the lowest carbon footprint, CEBs are between three to five times stronger than concrete blocks, cheaper, and 10 times more thermally efficient and environmentally-friendly.

USE-IT was established in 2009, as a Section 21 Company, through the eThekweni Waste Materials Recovery Industry Development Cluster's Economic Development Unit. The aim of the eThekweni Municipality NGO initiative is to research, identify and implement key waste beneficiation opportunities that will divert waste from landfill, while creating sustainable and economically viable projects resulting in green job creation.

USE-IT aims to create a vital link

between the public and private sector. The primary objective is to unlock the opportunities in waste collection and to then channel this resource into value-added initiatives that multiply the economic, social and environmental benefits to create sustainable cities.

Although USE-IT is a relatively new organisation it has the capacity and expertise with a professional team who have a wealth of experience in waste management and waste beneficiation.

Expertise extends to project research, development and implementation, project management, financial management, training, capacity building and community and SMME development in all aspects of waste sector projects and sustainable development.

USE-IT has an existing track record in several aspects of project development and implementation in electronic waste, glass projects, plastics beneficiation, organic composting and fertiliser production, alternative green energy projects, rubber recycling projects, waste-to-art projects, CEB projects and community partnerships.

Sustainable green building CEBs includes: using local soil to make blocks; using spoil from cut and fill and waste rubble; at least three times stronger than concrete blocks; fully certified and tested (Agrément, SABS,

CIDB, NHBC); cheaper and stronger than conventional building; greater thermal efficiency; waterproof; simple building method; skills development and job creation; low embodied energy and carbon savings; and healthy green living lifestyle. ■



COOL CLAY



BRICKS

Warm, earthy tones of Corobrik's Bergendal Satin Light face brick is punctuated by vibrant blocks of colour to ensure that the Heideveld Primary School designed by Meyer & Associates Architects and Urban Designers will inspire young South Africans!

A panel of broad vivid yellow, orange, green and white stripes at the front entrance is the only clue that Heideveld Primary School in Heideveld, Western Cape is not your average government learning institution.

As part of the Department of Education's Accelerated School Infrastructure Delivery Initiative (ASIDI) the Western Cape government was assigned the task of completely renovating the 40 year old school. The renovation took almost two years.

Commenting on the complexities and logistics of the site, Meyer & Associates Director, Tiaan Meyer explained, "Integral to the project was the demolition of the old existing structures to prepare the site for the new school buildings." However, pupils and teachers needed to be accommodated in new temporary buildings before contractor, Basil Read, could start the new building

taking into account the harsh natural environment of the Cape Flats, "Corobrik Bergendal Satin Light face brick was a good choice of product and ideally suited to the modern, uncluttered design of the school. Its attractive warm colour, low maintenance and durability will ensure that the school will endure and remain an exciting place of learning."

In total Corobrik supplied: 438 000 ROKlite plaster bricks; 208 000 Bergendal Satin Light FBS face bricks; 16 500 73 mm Wheatstone Pavers PB and 26 000 50 mm Wheatstone Dark Pavers PB.

Simplicity was key to the design and minimalist perimeter blocks are broken and contrasted by creative elements, which have specific functions and significance, including a timber canopy entrance and screen walls with circular opening detail all coded in bright colours.

The buildings are traditionally

73mm Wheatstone Pavers and 50mm Wheatstone Dark Pavers compliment the Bergendal Satin Light face brick finish of the buildings and were used in all internal courtyards and external paved areas.

Climate control and sustainable principles played a large part in the design of the facility with most of the classrooms enjoying north/south orientations. The upper floors of the classroom blocks provide generous overhangs over the north facing windows cutting out direct sunlight. The eastern and western facades are articulated with perforated brightly coloured vertical sunscreens in deep recesses. Borehole water is stored in water tanks and the water is used for all the ablution facilities. The face brick and off-shutter concrete meets the need for a high quality low maintenance sustainable facility.

Van Niekerk says, "The durability, resistance to fire and natural sound proofing qualities as well as the earthy palette and textures of the clay face brick walls significantly reduces maintenance costs."

To a community historically stripped of its sense of value, the creative design of the new school attempts to give back a sense of dignity and pride. Van Niekerk summed up the project by stating: "We are extremely honoured to be part of a collaborative effort which has resulted in an environmentally sustainable school with a unique design aesthetic that will stimulate and encourage students far into the future."

In 2013 a further two Corobrik factories received ISO 9001 accreditation with another three receiving the accreditation this year, bringing to 11 the number of factories with certification. The ISO 14001 accreditation is an environmental management system to assist companies maximise their environmental impact. Last year one factory received the accreditation, and the total number of factories with this accreditation are now five. A further five factories will receive accreditation in 2015 and the balance in 2016. ■



operations. The upgrade included: 23 new classrooms; four Grade R classrooms; four specialist classrooms, a computer lab; a media centre; art and music room; and a new school hall, which accommodates a kitchen; with an administrative building offices and staff room and offices on the perimeter of the space.

Christie van Niekerk, Corobrik Manager Western Cape, said that

arranged around quads or enclosed covered courtyards that offer protection prevailing south easterly winds and rain. And, although the inclusion of quads and courtyards are a traditional element of many South African schools, there's nothing institutional about these spaces at Heideveld Primary. The school has brightly coloured staircases, circular benches and striking signage. Corobrik's

RESIDENTIAL RECOVERY



Dirk Meyer

Corobrik Managing Director Dirk Meyer says that added to infrastructural spending there has been a 15% increase in sales due to a modest recovery in the residential market. In the first three months of the current financial year, the group has sold more bricks into dwellings than in the past few years.

“While growth is slow, it is steady and we are confident that there is sufficient building activity in the market for Corobrik to successfully gain an improved shareholding in the walling and paving arenas. A key to 2015 will be growing organically as the group implements internal capital projects aimed at competing for more market share,” he says.

Meyer’s comments come as the industry recovers from some of the worst years experienced; particularly after the 2010 World Cup Soccer.

While experiencing a slow resurgence in residential and building activity, the Western Cape has picked up significantly. Meyer says several projects that had been suspended, were back on track and developer activity in this area, which had halted following the economic slump and a resultant glut of residential stock, was also showing recovery.

“Many of those properties were built as second homes or as speculative ventures and, when this money dried up, the stock had to be slowly absorbed into the market. The uptick in residential demand has seen this supply accommodated and now developers that survived the slump are robustly building units,” he says.

Despite the economic downturn,

Brick manufacturer Corobrik is upbeat on prospects for 2015 following an increase in government infrastructural spending since the May general election.

Meyer says the group has secured market share in the past few years on the strength of the Corobrik brand; experience and expertise on products, quality and services. A national distribution network has also worked in their favour as it meant architects; specifiers and developers could work with a single client.

Corobrik is currently working on a project where the architect is in Pretoria, the developer in Stellenbosch and the building in the Eastern Cape - a dynamic Meyer says is best-suited to a national supplier.

The group currently has a small share of the walling market and is actively seeking to grow its presence in that arena. Meyer comments that Corobrik did not view itself as ‘being in the brick market’, but in the walling and paving market, meaning if there was a wall with various other building materials, there were opportunities for the group to supply bricks.

In July last year, Corobrik appointed Musa Shangase as the National Commercial Manager and he became Commercial Director in January 2014. Shangase is specifically tasked with extending Corobrik’s reputation and influence in the public sector to achieve preferred status as a reliable

supplier of superior quality clay and concrete masonry materials.

Corobrik has identified four entities, namely government, the building material suppliers, contractors and end-users or beneficiaries, as being the significant players in them being able to achieve their goal for greater influence in the public sector.

Government facilitates building and construction of schools, hospitals, clinics, houses and roads; building material suppliers supplies the materials to contractors building facilities on the government’s behalf and communities receiving quality houses and schools.

“Each entity has a role to support one another so the chain will not break,” says Shangase. Meyer says in the past year Shangase has played a significant role in taking Corobrik’s sustainable argument to decision-makers, particularly in securing government contracting work.

Meyer concludes his optimism for the future success of the company, now in its 112th year of operation. “We manufacture quality clay bricks and pavers, offering a sustainable value product which will help to drive growth of market share in the walling market. ■



Kaytech seals leaks

Specialist geotechnical engineers Melis & Du Plessis were tasked with sealing leaks at the Quion Rock Dam in Knorhoek Valley, between Stellenbosch and Paarl, Cape Town.

The geotechnical engineers specified Kaytech's top quality Geosynthetic Clay Liner (GCL), EnviroFix X800 to solve the problem.

The proudly South African manufactured product, EnviroFix, is designed for lining water and waste containment sites. It is produced by needling a uniform layer of sodium bentonite, a naturally occurring clay mineral, between two durable outer layers of geotextile. When sodium bentonite, with a structure comprising charged platelets, comes into contact with moisture, it swells considerably. If this occurs under confinement, it forms a lining with a low permeability equivalent to that of approximately one metre of compacted clay.

With these clay-constructed farm dams situated on the slopes of the imposing Simonsberg Mountain, their steep embankments posed a problem if the conventional layerworks approach was adopted. Since the consultants were already familiar

with the time-saving and easy installation of EnviroFix, it was a simple choice to make.

EnviroFix was laid onto a well compacted, smooth surface and covered with Kaytech's recommended minimum cover thickness of 300mm on the floor of the dams, and a 150 mm clay cover layer on the slopes of the dams. The additional confinement required on the slopes was made up with a layer of 200-250mm size riprap, placed on top of the GCL/clay lined embankments for protection against erosion and wave action. Since this angular riprap had sharp edges, a specific protection geotextile was placed beneath it. Consultants had no hesitation in specifying Kaytech's bidim A8, which is stronger and more robust than bidim A7 but easier to install and more economical than the heavier bidim A10.

Manufactured by Kaytech from 100% recycled polyester Polyethylene terephthalate (PET), bidim is a non-woven, continuous filament, needle

punched geotextile. With its simple installation, environmentally friendly bidim is extremely cost-effective and, due to its inert characteristics, will extend the life and maintain the integrity of a liner system long after the required design lifespan has ended. Kaytech began incorporating recycled PET bottles into its nonwoven production in the mid-80s. Kaytech simply melts the granulated bottles, crystallises the polymer and spins it directly into filaments. The good properties built into the raw materials are retained and the resultant filaments have the strength and durability demanded by civil engineers. Over the past decade, Kaytech has converted and recycled more than 18 million kilograms of polyester (rPET) into bidim and other civils products.

Power Construction, part of the national company Power Group, was awarded the contract to install EnviroFix X800 and by the end of the project, Dams A and B had been lined with 36 000 m² of the clay liner. In total, Power Construction installed 34 000 m² of bidim A8 (750g/m²) inside the dams, allowing sufficient retention of soil underneath the riprap. Over 472 222 recycled PET cooldrink bottles were used in the manufacture of the 34 000 m² of bidim supplied to this project.

For more information on Kaytech products and systems, visit www.kaytech.co.za ■





SA PROPERTY SAFE HAVEN FOR INVESTORS

Quality commercial and industrial properties in South Africa will continue to boast yields comparative to most other investment classes in the near future.

This is despite the market remaining as flat as it has over the past five years, says Gerrie van Biljon, Executive Director at Business Partners. The company oversees a property portfolio of almost R1 billion.

Van Biljon believes that the South African property market is less exposed to shocks in the global economy than for example, the stock markets. “Any of the imminent setbacks to the global economy, such as the raising of the close-to-0% interest rates of the developed world, or the tapering off of America’s policy of quantitative easing, will reflect immediately in the JSE indices, but not necessarily in property values.”

He says that the fact that there are very few bargains to be found in South Africa’s commercial property sector – particularly manufacturing and retail space – despite the economy’s sluggish crawl back from the recession, proves the market’s status as a solid investment in difficult times.

“Business owners have been under pressure since the property boom ended in 2008, most have either

exited the market or now have their affairs in order. Investors also tend to hang onto their property investments rather than dispose of them in order to invest in low bearing return categories. The consequence of this is that capitalisation rates remain virtually unchanged: meaning the price of commercial and industrial properties did not take a major dip, unlike the residential market where prices fell.”

Owners of non-premium office blocks are therefore unlikely to get the rental escalations for 2014 that they would like, as the high level of vacancies places tenants in a strong negotiating position.

He says that the anaemic economy will continue to pull down rental escalations for commercial and industrial properties in the year ahead. “Tenants are increasingly opting for shorter leases, and landlords are struggling to attain a 10% rental increase owing to the strong bargaining position of tenants. This, he says, is a far cry from the 9% to 14% increases they could apply a few years back. If such weak escalations continue, they are likely to put pressure on the

long-term value of property.”

Of more immediate concern for property owners is the increase in the cost of maintaining and managing properties, such as wages for cleaning staff and security guards, maintenance services, municipal property rates and electricity charges.

“These costs are difficult to control, but have a major impact on the return on investment that a property brings to a portfolio. Under such difficult circumstances, it becomes even more important for an investment property to be well managed to maintain its value. Business owners and investors, who are too distracted to pay attention to their properties, are well advised to appoint professional property managers.”

The interest rate is another risk factor to consider as, should it go up, property values will stagnate as the investment becomes less affordable and attractive. Van Biljon says that given the risks, investors should consider buying with a co-investor, in order to spread exposure to risk.

“Business Partners has co-invested in many retail and industrial complexes in addition to purchasing such property outright. As it is difficult to time the market, property must therefore be seen as a long-term investment,” concludes van Biljon. ■

R10BN LANDMARK MALLS DEAL



Old Mutual and Pareto announce a deal for full ownership of landmark malls valued at R10 billion.

Old Mutual Life Assurance Company South Africa (Old Mutual) and Business Venture Investments represented by Pareto have entered into an asset swap transaction involving major shopping precincts, Menlyn Park in Pretoria and Cavendish Square in Cape Town.

The asset swap will mean that Pareto will acquire the 50% of Menlyn Shopping Centre from Old Mutual and the latter will acquire the 50% share of Cavendish from Pareto, with the net consideration payable in cash.

The iconic shopping centres have

been equally owned by Old Mutual and Pareto for five years and there have been developments in both centres, with Menlyn currently undergoing a development upgrade. These assets represent approximately R10 billion worth of prime retail property.

Peter Levett, Managing Director of Old Mutual Property, which manages the properties, said the asset swap was mutually beneficial for both companies and that the decision was based on ensuring optimal growth in their respective property portfolios.

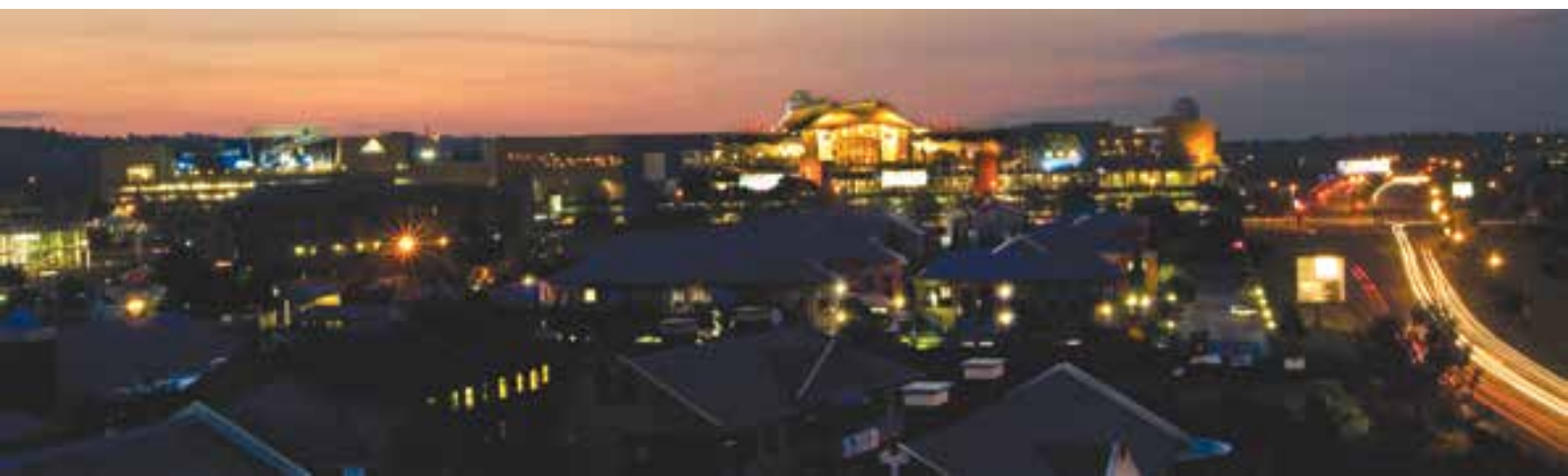
“We are very pleased with this value-enhancing transaction, which gives us outright ownership of a key retail centre, Cavendish. This will enable us to access additional development opportunities within our portfolio. Our ability to reinvest the net cash proceeds in new develop-

ments will further boost value in our strong portfolio of retail, office and industrial assets, representing a total of R20 billion,” says Levett.

Marius Muller, Chief Executive Officer of Pareto, comments: “We are thrilled that this transaction will see Pareto becoming the outright owner of another regional shopping centre. Menlyn Park Shopping Centre is an ideal fit for Pareto’s portfolio, especially as its current R2 billion redevelopment project reflects Pareto’s strategy of adding value to our assets.”

“Pareto acquired other key landmark retail in Gauteng and the Free State,” says Muller.

The transaction is subject to Competition Authority approval and other conditions associated with a transaction of this nature. ■





Kaytech recently signed a distributorship agreement with Concrete Canvas to supply Geosynthetic Cementitious Composite Mats into the South African civil engineering industry, including road and rail applications.

Concrete Canvas is used specifically for the lining of culverts, channels, slope protection, and remediation of existing concrete structures. Concrete Canvas is part of a revolutionary new class of construction materials called Geosynthetic Cementitious Composite Mats (GCCM). It is a flexible, concrete impregnated fabric

that hardens on hydration to form a thin, durable, water proof and fire resistant concrete layer. Essentially, it's concrete on a roll. Concrete Canvas allows concrete construction without the need for plant or mixing equipment. Simply position the mat and just add water.

It consists of a 3-dimensional fibre matrix containing a specially formulated dry concrete mix. A PVC backing on one surface of the mat ensures that the material is completely waterproof. The material is hydrated either by spraying, or by being fully immersed in water. Once

set, the fibres reinforce the concrete, preventing crack propagation and providing a safe plastic failure mode. It is available in two thicknesses: CC5 and CC8, which are 5 mm and 8 mm thick respectively.

The benefits include: It can be laid at a rate of 200m²/hour, up to 10 times faster than conventional concrete solutions. It is available in shorter rolls that are manageable by hand for applications with limited access.

The concrete is pre-mixed so there is no need for mixing, measuring or compacting, just add water.

The speed and ease of installation means that it is more cost-effective than conventional concrete, with less logistical complexity.

Concrete Canvas is a low mass, low carbon technology, which uses up to 95% less material than conventional concrete for many applications.

It is waterproof and the PVC backing on one surface of the GCCM ensures that the material has excellent impermeability. The strong fibre reinforcement prevents cracking, absorbs energy from impacts and provides a stable failure mode. The durable product offers double the abrasion resistance as standard OPC concrete, has excellent chemical resistance and will not degrade in UV. The flexible product has good drape characteristics and will closely follow the ground profile and fit around existing infrastructure. ■

Construction boom in Mthatha

The vibrant Eastern Cape city of Mthatha has been undergoing a massive upgrade with the injection of R5 billion to rehabilitate the city's infrastructure.

This includes the transformation of the Mthatha Airport, a new terminal building and runways, a two lane bridge to ease traffic congestion around the city streets, and the opening of the 60 bed Mthatha Hospital.

The former Transkei capital situated midway between Durban and East London is the gateway to the world famous Wild Coast. As the key economic hub in the region, the city supplies goods and services to 15 neighbouring towns.

The new BT Ngebs Mall opening in April 2015 will offer 58 808m² of retail space, 1 975 parking bays and will service 390 000 households in the region including Flagstaff, Mvezo and Libode.



According to Zuki Khumalo from Pam Golding Properties Mthatha, "There is still a huge residential stock shortage and that has really pushed up house prices, particularly in popular suburbs such as Northcrest, Ikwezi and Mbuqe Extension. However, from 2015 this will be alleviated with a number of developments rolling out in the Gap housing and middle-income market. At the recently

completed 49 residential units at The Palms in Ncambedlana, prices range from R489 000 for a 40m² unit, R545 000 for 50m² and R598 000 for a 62m² unit. Another new development, Fernhill, will offer 88 units for the Gap and affordable market, in Ncambedlana. The project was launched in 2013 and construction and services are underway. "There is a huge demand for rental stock." ■

MYCITI WINS ACCOLADES



The City of Cape Town welcomes the findings of an independent survey which has recognised the City's MyCiTi bus network as a leader in the field of African public transport systems, says Mayoral Committee Member of Transport, Brett Herron.

The Siemens African Green City Index refers to the investment in the MyCiTi Bus Rapid Transport (BRT) network which is being rolled out to historically under-served areas throughout the metro. As a result, Cape Town is among the top cities in the Index for the length of superior forms of transport such as Metro or BRT lines. The city's superior public transport system measures 0,11 km per square kilometre, compared with the Index average of 0,07 km.

The continued expansion of this network is crucial to both the empowerment of previously disadvantaged communities and to ease the pressures brought by rapid urban development.

The report makes specific mention of the historically underserved West Coast region, the prevalence of minibus-taxis and private vehicles and the poorly maintained rail system. Herron says, "It is with these challenges in mind that the City chose to roll out the service first to the West Coast region, particularly the previously isolated areas of Dunoon and Atlantis. The expansion of the service between the economic centres of Cape Town, Claremont and Wynberg

and the informal settlements in the Metro South-East is also a necessary development."

According to Herron, the population of the city is growing by 3,7% annually. This demands an equal percentage of additional economic growth and public spending in a time of heightened fiscal awareness. A balanced approach to sustainable urban development is non-negotiable.

It is therefore encouraging that the report rates other key City domains, such as land use, waste management including reducing, reusing and recycling waste, environmental governance, air quality and water as being above average.

The City's land use practices, in particular, have been rated well above average – making Cape Town the only African city to achieve this rating.

The report lauds the City's measures to contain urban sprawl and the balance that it is seeking between necessary urban development and sustainability best practice. The report also recognises that the City has some of the most robust environmental policies among cities included in the Index, including the

Energy and Climate Change Action Plan. Cape Town has the most green space according to the Index, and has a robust set of policies in place to protect these areas. The report mentions that the city has an estimated 289 m² of green space per person – about four times the Index average of 74 m².

Over the years, the City has invested more than R250 million in 68 public spaces in an effort to create innovative and inclusive community-friendly areas for the residents of Cape Town. The city's previously disadvantaged communities have been the recipients of the majority of this investment.

More than R35 million has been earmarked for the public urban space programme in the next two years. This will include the commencement of projects such as the upgrades to the Pavilion Precinct in Strand, the Pampoenkraal heritage site in Durbanville, and the Langa Station southern forecourt.

The city's management of its 16 reserves has also been recognised. The management of the natural environment also holds great economic potential. A City-commissioned study has shown that the tourism potential alone associated with the recreational use and inherent value of Cape Town's parks, nature reserves, beaches and other open spaces suggested an industry worth over R2,9 billion. ■

Lafarge South Africa, the local presence of the international Lafarge Group, recently paid tribute to the company's six local winning teams as well as its global winning team in recognition of their performance during the 2014 annual Global Lafarge Awards.

The global awards programme was designed to promote and transfer best practices and processes within the group. Lafarge South Africa won in the global Capital Allocation category – for its Moregrove Quarry, executed under team leader Peter Willemse. The project was chosen as one of the six international winners out of 170 top project submissions from 35 countries.

Ken MacLean, Country CEO of Lafarge South Africa says, "Winning this global award shows that commitment to the success of our company, through hard work and creative initiatives, is recognised at the highest level. It means that we have the ability to compete against any other country in the world!"

Moregrove Quarry's award-winning project addressed the problem of the high fines content of its stone, which was limiting sales of asphalt sand. After an investigation, it was found that the quarry's air separator had the ability to remove much of the fine sand particles. The Asphalt sand's quality was improved and a profitable outlet for the recovered fines in the manufacture of bricks, blocks and other precast concrete products was determined.

The project's benefits include:

- Successful reduction in fines -0.075mm from 16% to 10%.
- The fines are separated and can be blended with another product (-4.75mm) to produce a blend which is in high demand from a brick and block precast producer.
- The improvement in fines quality was cost effective.
- Low maintenance solution.

This proactive thinking resulted in R8 million revenue per year and an



Lafarge South Africa's award winning team

increase in asphalt sand sales.

The judges of the award submissions praised the quality of this year's entries, saying they were high impact, results driven programmes.

The six winners of the final global Lafarge Awards were:

- Category: Capital Allocation – Winning Country: South Africa; Initiative: Innovative fines management gives better returns and has opened up a new business opportunity
- Category: Health & Safety – Winning Country: Morocco; Initiative: Aimed to promote strong, committed H&S leadership at all levels. Conducted programmes that promoted responsibility and accountability among managers in the field. Safety knowledge and risk analysis skills were enhanced.
- Category: Cash flows and EBITDA – Winning Country: France; Initiative: Facing a declining and increasingly competitive market, Lafarge France did a total review

GLOBAL WIN



of its operation to reduce variable and fixed costs, while also steering cement price negotiations.

- Category: Managers' Leadership – Winning Country: India; Initiative: Implemented WAVE (Women Adding Value & Excellence) to create a more inclusive workplace. A variety of programmes contributed to India achieving a higher maturity index and a greater sense of belonging amongst female employees.

Special Sub-categories

- Category: Energy Consumption – Winning Country: United Arab Emirates; Initiative: Comparing poorly against competitors, the Fujairah cement plant implemented a power mastery plan and is on track for a 5% reduction in energy costs.
- Category: Inventories reduction – Winning Country: Serbia; Initiative: Aiming to reduce inventory levels by 20%, Serbia achieved a

31% reduction by tuning all material stocks to meet realistic sales forecasts.

The South African entries for the global final phase of the competition included: Lafarge Lichtenburg H&S Team; Team Leader: Conrad van der Westhuizen; Initiative: Electronic Visible Felt Leadership (VFL) System enhances impact on safety; Category: Health and Safety; Lafarge Readymix Projects;

Team leader: Dave Miles; Initiative: Electronic Proof of Delivery (EPOD) saves time and cost; Category: Cash flows and EBITDA; Lafarge Moregrove Quarry;

Team Leader: Peter Willemse; Initiative: Innovative fines management gives better returns; Category: Capital Allocation; Lafarge Aggregates Continuous Process Improvement;

Team leader: Peter Deering; Initiative: Introduction of best operating practices enhances production and cuts costs; Category: Managers' Leadership.

Special sub-categories

- Lafarge Ninians Quarry
- Team Leader: Stewart Chislett; Initiative: Proactive maintenance reduces energy costs; Category: Energy Consumption
- Lafarge Blue Rock Quarry
- Team leader: Andre van Heerden; Initiative: Unique Light Duty Vehicle loading scheme gives quicker stock turnover; Category: Inventories reduction

Communications Manager of Lafarge South Africa, Chantál Stewart, who was responsible for rolling out and managing the Lafarge Awards in South Africa says: "The success of the global winners was shared and celebrated internationally and locally. The awards are a valuable source of inspiration for new local initiatives and benchmarking our own projects against the rest of the Lafarge world."

Lafarge places innovation at the heart of its priorities, working for sustainable construction and architectural creativity to help build better cities around the world: more beautiful cities that are better connected, have more housing and are more compact and durable. These Global Awards honour and recognise the innovation of its employees who work so hard to meet the high standards set by Lafarge ■

Quality SABS approved materials

By making use of South African Bureau of Standards (SABS) approved products, contractors are ensuring that only quality products are being used in the construction and building sectors, says David Tromp, Managing Director of Damax Kahn & Kahn. The construction sheeting company specialises in plastic sheeting for foundations, walls and roofing and waterproofing. "We also have an extended product range of other items usually required on a construction site," says Tromp.

If quality SABS approved products are not used, it can have an impact on the integrity of the building.

Kahn & Kahn supplies a variety of sizes, colours and grades of construction sheeting.

Products include; aluminium tape, masking tape, drop sheets, woven polypropylene bags, joining accessories, barrier tape, orange barrier netting, and sisalation (an SABS approved aluminium-based roof insulating material).

Tromp says that SABS approved materials provide added benefits. "New energy saving legalisation is being implemented in South Africa. In order to adequately comply with these codes, it will become



increasingly important to use SABS approved materials, such as sisalation, which ensures ongoing energy savings."

Tromp points out that the company's products are used for health and safety on site. "Our orange barrier netting is used to barricade potentially dangerous areas. If a person falls into a hole, the netting will allow them to climb to safety. It can be used on open trenches, manholes and

around road repair areas. Other applications include covering electrical in-ground cabling as a visual warning to stop digging as well as to provide queuing areas at public events."

Tromp added, "We have supplied plastic sheeting for use in construction to Zimbabwe, Mozambique and Malawi. We are confident that we can continue to expand on our success in the African marketplace in the foreseeable future," he concludes. ■

New hope for building sector

The FNB/BER Building Confidence Index released in December, showed the highest level of confidence among building industry players since the beginning

of 2008 and according to the Index, confirmed that the building sector was now in the midst of a revival. The Index jumped up 15 points during the past quarter with main contractors' confidence 13 index points higher and sub-contractors' confidence up by three index points.

Tumi Dlamini, Executive Director of MBSA says the confident outlook of contractors approached for the final quarter of 2015 Index showed that, although the industry still faced formidable challenges, the small reprieve experienced in the third quarter of the Index was gaining momentum. "There is now certainly potential for a much improved 2015. With this indication of higher hopes for the future, we expect that 2015 could be a turnaround year for the industry with an increase in building activities around the country. MBSA is also further encouraged by the

fact that renewed confidence is now permeating across the rest of the building value chain, with the sub-contractors' confidence also having risen. Retailers have also benefitted from this recovery."

Dlamini said for an industry that had traded under extremely difficult conditions in 2014, with low margins and significantly decreased building activities throughout the country, the Index's findings came at an opportune time just before the industry's end-of-year shutdown. "Based on the urgency that we have seen from government to deliver the long-awaited infrastructural projects from its budget allocation of R847 billion, MBSA hopes that 2015 will be a year of growth. A re-energised and focused commitment by government to deliver on these vital infrastructure projects will augment the gains now reported in this Index." ■



Compact plant equipment

Lambson's Hire will continue to make the latest products available to its customers as it strives to remain ahead of the rapid technological development in the construction equipment industry, says CEO, Devin van Zyl.

One area of focus will be the ongoing expansion of the company's Compact Plant Division and, according to van Zyl, the company aims to be at the forefront of progress and will continue to create speciality divisions. "This will allow us to acquire expertise in specific fields, which we can pass on to our customers, as well as increase our service levels to the optimum. Our approach focuses on specialised equipment for niche sectors of the building and construction and maintenance sectors," he says.

Lambson's Hire has an industry-wide reputation for unparalleled customer service. Skilled personnel are on hand to offer advice on the technical specifications of the equipment. The company familiarises itself with the specific requirements of contractors and related professionals and stocks a comprehensive range of equipment to ensure that all the customers' needs are met.

The compact plant range comprises: 9 m single and double axle diesel-powered mine spec tower lights (4 x 1 000 W metal halide); 9 m diesel-powered

Maxi-Lite tower lights (6 x 1 250 W metal halide); 7 m trailer-mounted diesel-powered tower lights (4 x 400 W metal halide); 1.6 t ride-on rollers, which can also be hired with a 1 600 kg load capacity trailer as a roller/trailer combo for easier manoeuvrability on site; 2.7 t ride-on rollers; 1.6 ton hydrostatic swivel-tip 2 x 4 dumpers; 3 ton hydrostatic swivel-tip 4 x 4 dumpers; 3.5 ton excavators; 12, 14 and 17 m trailer-mounted boom lifts; 12 m 4 x 4 diesel rough terrain lifts; skid steers; mini wheel loaders and road brooms.

"Since we aim to provide the most appropriate machinery for every job, we cater for both small and large applications," van Zyl says.

Lambson's Hire operates a centralised workshop staffed by fully trained mechanics in Benrose, Johannesburg. "Major repairs and servicing is carried out



Devin van Zyl

at our facility, or on site by adept field service technicians, while the branch network essentially oversees and conducts trouble shooting and the more basic maintenance work functions.

Looking to the future, van Zyl concludes that Lambson's Hire has experienced a marked increase in the demand for compact plant, which has seen this range expand significantly as a result. All equipment is fully compliant with the regulations of the Health and Safety Act. Lambson's Hire has a Level 4 BBBEE accreditation and has been operating in South Africa since 1980.

For further information contact Lambson's Hire on 011 627 7700 or go to www.lambsonhire.co.za ■



Trailer-mounted diesel-powered tower lights



Ride-on rollers



Hydrostatic swivel-tip dumpers



Heavy lifting

Torre Industries is adding Elephant Lifting Equipment to the Plant and Equipment Division of its group of companies, along with SA French, Manhand and Kanu Equipment.

The ultimate aim is to combine SA French and Elephant Lifting Equipment under the umbrella brand 'Torre Heavy Lifting', which will allow Torre to offer a total lifting solution from consumables to tower cranes to its customers across Africa.

The acquisition was announced on the Johannesburg Stock Exchange on November 20, 2014 and Competition Commission approval is expected early 2015. SA French and Elephant will continue to trade under their own names for the foreseeable future, however integration between the two entities commenced as at January 1, 2015.

Elephant Lifting Equipment is headquartered in Centurion and has branches in Durban and Pemba, Mozambique, as well as a manufacturing facility in Pretoria West. Its products include EOT cranes, monorails, electric chain hoists, chain and lever blocks, winches and wire rope pulling machines, lifting and spreader beams, mechanical grabs

and clamps, slings (chain, polyester and steel wire rope), shackles and rigging accessories.

"For every tower crane we supply, new or used, there is probably another 20% of the total value of the crane that we can offer in add-on services," said Quentin Van Breda, Managing Director, SA French. "The acquisition will allow us to offer a genuine one-stop shop for tower cranes, from slings to shackles, concrete buckets and pallet forks, for example. We can now even offer foundation bolts and spreader beams in-house."

SA French offers both European and Asian versions of the Potain tower crane range. It has been recognised as an Elite Dealer by Potain of France, which means a guarantee of 80% availability of spare parts on first call. "We have not dropped below 85% over the past three years," says Van Breda. SA French's hoist range includes Orbit and Torgar brands, while it also offers Dieci telescopic handlers and self-loading mixers. It has a rental fleet of 20 cranes and 27 telescopic handlers and hoists.

Recent new-crane sales include a MC235 conventional crane and two MCT205 topless cranes for the WBHO/Tiber Bonvec JV, who are building the new Discovery Health head office in Sandton, Johannesburg. SA French also sold two new MC125 cranes to M&T Developments. Repeat customer Trencon Construction

acquired a MC125 crane for a university in Kimberley, following its purchase of an IGO 50 self-erecting crane a year ago, in addition to an MC205 crane that is still active on the KPMG extension project off Empire Road in Johannesburg. ■

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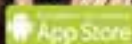
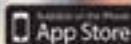


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