

# Redefine to launch industrial estate in Germiston

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Redefine Properties, a diversified real estate investment trust, will soon launch the S&J industrial estate in Germiston, as it aims to invest further into high-tech industrial real estate rather than smoke-stack factories.



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Industrial property has been a strong performing subsector of listed property. It was the top performer in 2016, with a 13.6% return, outperforming traditional frontrunner retail at 12.6%, according to the IPD South African Annual Property index.

The prime S&J site is 90% owned by Redefine Properties and 10% is owned by developer Abland. Redefine has committed R154m for the bulk infrastructure so far.

The estate, which was once part of larger Simmer & Jack owned mines, covers more than 163ha of developable land along the N3.

"Forming part of the greater bulk services project, construction on the two main roads within the estate has started. Once completed these roads will unlock 118ha of developable land, of which about 60% will be available for disposal to end users," said Redefine CEO Andrew Konig.

The project could accommodate manufacturing, logistics and included opportunities for a fuel station and retail centre.

"The acquisition meets Redefine's strategy of identifying quality property opportunities in desirable nodes, enabling the business to secure strong lease covenants," said Johann Nell national asset manager: industrial. "We have received inquiries for over 380,000m in industrial land sales and development," Nell said.

"We expect market interest to increase further once the major bulk services and roads, due for completion early in 2018 are established," he said.

Most of the new lending for the property has been for the funding of large-scale logistics, distribution and assembly facilities in industrial and activity parks, said Robin Lockhart-Ross, managing executive at Nedbank CIB Property Finance.

*Source: Business Day*

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