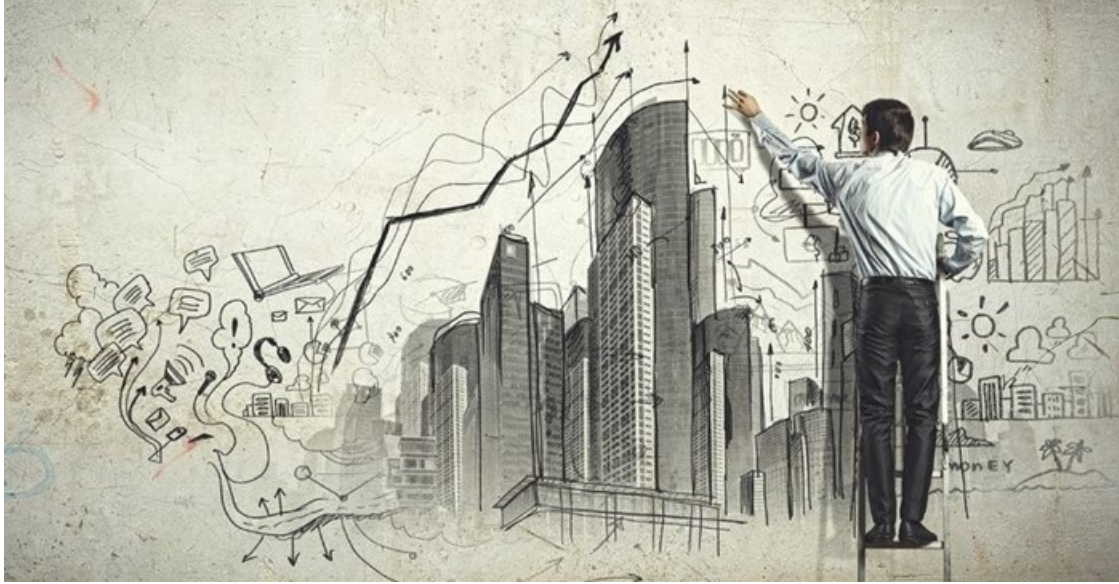


# Infrastructure is inextricable part of property development

Infrastructure planning has become an inextricable part of property investment, development and management in South Africa.



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"When embarking on new real estate developments, we cannot take for granted the existence of infrastructure needed for crucial electricity, water, roads and other services, nor can we assume that infrastructure will be provided by anyone but the private property developer," says Marna van der Walt, CEO of integrated property solutions provider, Excellerate Property Services.

While there are countries - mainly in established and developed economies - that take a forward-thinking approach to infrastructure development and planning, this is not the case in South Africa and it is even less so in many other African countries.

"When investing in a new property development, it is important to understand that you cannot wait on government to put the required infrastructure in place. For developers this means an added role - and an added cost - when doing business here. It also requires being more resourceful," says Van der Walt.

## Appealing opportunities

She adds that while South Africa, and several other countries across the African continent, such as Kenya and Ghana, represent appealing opportunities for real estate development and investment, it is important for investors have a full picture when it comes to infrastructure.

Van der Walt points to the electricity crisis in South Africa as a clear example. The power crisis is indisputably detrimental for business.

For smaller retailers especially, blackouts result in spoilt stock, the inability to trade, and heightened security risk. Generators are expensive and cannot run in some mall environments. Plus, generator power comes at a high cost - at the very least an excessive five-times that of Eskom electricity. UPS units don't support power for long, often only providing enough juice to shut down systems safely.

"While there is no clear solution for the immediate electricity crisis from government, nor a dependable plan for the future, property developers, owners and managers are having to find answers to support businesses during blackouts."

## **Examples of innovation**

Van der Walt is seeing great examples of innovation mushrooming across South Africa, from affluent Sandton to the township of Vosloorus.

"Shopping centres are turning to alternative energy sources. Many malls are switching to solar energy solutions, covering roofs in solar panels, and even using the panels for shading."

These initiatives are having big impacts. However, it isn't only electrical infrastructure that is falling short. "More and more, we're seeing neighbours working together in precincts like Sandton, Braamfontein, Illovo and Randburg. Here, different property owners are coming together and using private precinct managers provide cleaning, refuse removal, security and other services. You could say they are creating their own small municipalities," says Van der Walt.

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