

# Balwin, Transcend announce strategic alliance on five apartment developments in Gauteng

Balwin Properties and Transcend Residential Property Fund recently revealed a strategic alliance that will see 8,900 rental apartments developed across five projects in various Gauteng nodes over the next six years.



Rob Wesselo, CEO Transcend and Steve Brookes, CEO of Balwin signing the MoU.

Balwin will be responsible for the design and construction of each development and sectional title apartment. It will also market and secure lease agreements for the apartments with prospective tenants. Transcend will then have the opportunity to purchase fully tenanted apartments in phases from Balwin. Transcend's intention is to participate in all five developments although they will be treated and reviewed independently.

The planned developments, according to Steve Brookes, CEO of Balwin Properties, are worth an estimated R6.4bn. Subject to the requisite approvals, "Green Park", comprising approximately 1,200 apartments, is the first development earmarked for the alliance. Located in Boksburg, the first apartments are expected to be delivered to Transcend in early 2018.

## Catering for a growing middle class

Rob Wesselo, CEO of Transcend, said: "This alliance is perfectly in line with our strategy to focus on a defensive asset class that delivers affordable housing rentals to a heavily underserved portion of the real estate market outside of conventional inner-city residential rental housing. Rentals will be aligned with Transcend's portfolio and are expected to range from R4,000 to R8,000 which is currently the sweet spot for a growing middle class in South Africa's urban centres."

A memorandum of understanding has been signed, as at 18 August 2017, detailing the alliance. It remains subject to the fulfilment of certain conditions including various regulatory, shareholder and other approvals to the extent required.

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