

Property boom in Cape CBD

Billions to be invested over 3 years

BULELWA PAYI

PROPERTY development in Cape Town's CBD continues to boom, with investments totalling close to R20 billion set to be spent in the city over the next three years.

There are 19 construction projects under way in the CBD, including new buildings, upgrades and refurbishments; eight are in the planning stages and seven are proposed developments.

These developments are set to pump billions of rands into the city's economy.

Rob Kane, the chairman of Central City Investment Development, said conservative estimates showed that the new builds, refurbishments and upgrades would see an investment of over R4bn, planned projects around R1.7bn and a further R2.6bn in proposed projects scheduled between now and 2020.

And a mixed-use development by Amdec, a privately owned property development and investment business, would see an additional R10bn investment.

"We've seen very strong growth over the past few years, it is steady growth and it shows clear signs of continuing at least at the same rate – if not even stronger – between now and 2020," Kane said.

Some significant developments which are in various stages of completion include the expansion of the Cape Town International Convention Centre (CTICC), the Netcare Christiaan Barnard Memorial Hospital and the Tsogo Sun hotel.

According to Bulelwa Makalima-Ngewana, the chief executive officer for Cape Town Partnership, the recent completion of the Portside building sparked a surge of new investments in the CBD.

Makalima-Ngewana said according to recent property valuations the property value of the CBD stood at over R23bn – and the current and planned projects will add to the figure.

Confidence in the tourism sector – one of the main growth industries in Cape Town – has also been strong, evidenced by Marriott international group's decision to build three new hotels in the city. Construction on these is expected to commence later this year.

The president of the Chamber of Commerce, Janine Myburgh, believed the development of transport and the popularity of loft apartments would also support the growth trend.

She said the densification of suburbs near the CBD meant that people were well placed to work in the city and busi-

nesses would take advantage of this, especially in areas such as financial services, provincial and municipal government.

To meet this high demand for residential apartments within the CBD, particularly from people who wanted to work, live and play within the "vibrant" inner city, Amdec will start construction on the R10bn project at the Culemborg precinct Foreshore, in the fourth quarter of this year.

The Harbour Arch development, which will comprise seven towers, will house residential, retail, commercial units, hotels, gyms and restaurants.

This first and largest mixed-use development of its kind in the Cape Town CBD is targeted at investors, working professionals, first time buyers, students and corporates.

Marriott will use two blocks in the precinct for its new hotels.

The CTICC's new centre will be operational from the middle of this year.

It will offer 31 148m² in floor space which will be used for conferences and exhibitions, among other uses.

Several major international conferences have been secured for the space next year and there have been bookings for 2020 and 2022.

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