

NEW LISTINGS

Betting on a housing recovery

Opportunities for JSE investors to share in the spoils of the residential property market are still few and far between.

Cape-based developer and former filmmaker Charles Robertson hopes to fill the gap by listing his company, Visual International, on the AltX within the next 4-6 weeks.

The company was co-founded by Robertson, who holds a master's degree in economics and a doctorate in education, in 1993. Robertson has been involved in the development of among others the NI City shopping centre in Cape Town and Boschenmeer Golf Estate in Paarl.

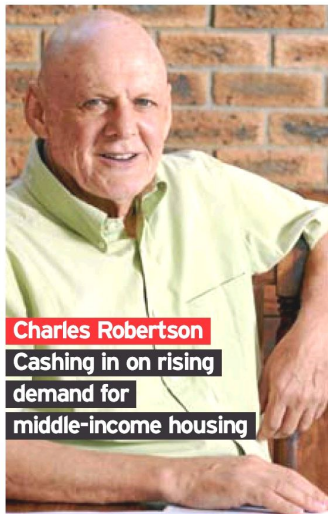
In recent years, the company has shifted its focus to the middle-income housing market with a particular focus on mixed-use lifestyle developments where properties would typically sell for between R400 000 and R700 000.

Visual International's flagship development is Stellendale Village, a 22 ha residential suburb just off the Stellenbosch arterial in Kuils River on Cape Town's

northern outskirts. 440 homes have already been developed at Stellendale, with a further 63 under construction.

Robertson says Stellendale will ultimately provide 1 500 housing opportunities, including a retirement estate, a retail and office component and a private school.

Robertson says a successful



Charles Robertson
Cashing in on rising demand for middle-income housing

listing will help to fast-track development plans at Stellendale Village over the next two years and allow the company to reproduce its mixed-use model in other high-growth nodes around SA.

“The timing for a listing such as ours is opportune as we believe SA will see a strong rebound in housing sales over the next few years, particularly to buy-to-let investors who want to cash in on the growing demand for rental accommodation among middle-income households.”

Robertson says they are selling units at Stellendale faster than they are able to develop them. However, a large number of sales are going to buy-to-let investors, as middle-income households are battling to obtain mortgage loans.

“More and more would-be first time homeowners are being forced to rent as they simply cannot afford the 10%-20% cash deposits required by the banks. We believe this is a growing trend that will make the mid-

dle-income rental housing market an increasingly important asset class in SA.”

Robertson says given the shortage of new, quality residential stock priced below R700 000, developers in this sector of the market are well placed for strong capital growth over the next 3-5 years.

Visual International aims to raise R33m prior to listing on the AltX through the issue of 66m new shares at 50c/share. The new shares equate to 26% of the shares in the company, with a 74% stake held by the executive team and an empowerment initiative.

The company currently has assets of around R126,5m, which spans about 80 000 m² of developable bulk. Robertson says they are targeting investors who are looking for a long-term, capital growth play. As such, no dividends will be paid out for the first five years after listing.

Visual International will be the fifth new property-focused listing to make its JSE-debut since mid-2013. The others are commercial property developer Attacq and income paying Tower Property Fund, Investec Australia Property Fund and Accelerate Property Fund.

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