

Visual International to list on AltX to spur residential development

Roy Cokayne

VISUAL International Holdings, a mixed-use residential property development company for the middle-income market, is set to be listed on AltX, the JSE's junior exchange, next month.

The firm intends to raise R33 million prior to listing on AltX through the issue of 66 million shares at 50c a share to unlock the next chapter of its growth path.

Founder and managing director Charles Robertson said yesterday that the new shares equated to 26 percent of the equity in the company. He said the remaining 74 percent would be held by the executive team and a Kuils River empowerment initiative it had established, which aligned management interests strongly with those of investors.

The capital raised would be applied to fast-track residential development plans at its flagship Stellendale Village in Cape

Town over the next two years.

He said the development was a 22 hectare mixed-use residential suburb off the Stellenbosch arterial in Kuils River, which when completed would provide about 1 500 homes priced from R400 000 to R700 000 to middle-income families.

He said Visual International had developed 440 homes at Stellendale Village, with a further 63 under construction. Further phases in the village included its integrated retirement estate.

The company would acquire about 15 percent of the apartments in the precinct and make them available to rent. It forecasts a two-year earnings a share growth of 33.5 percent.

Robertson said Visual International was a long-term opportunity focused on capital growth. The company planned to reinvest all profits in its first five years after listing without paying dividends.

It would commence dividend

payments thereafter and planned to transfer to JSE's main board at the right time.

Visual International was established in 1993 and had grown its assets to R126.5m, he said. Its net asset value was about R60m, including 80 000m² of developable bulk land that was expected to produce real estate investment of about R2 billion.

"Demand for quality housing from the growing middle-income market is strong. Our mixed-use suburbs on suitable land near jobs and infrastructure meets this demand," Robertson said.

"We are selling units at Stellendale Village faster than we are able to develop them. Listing Visual International will provide the capital needed to pick up the pace as well as reproduce our successful model in other high-growth nodes."

He said the firm was establishing development partnerships in Gauteng.