

# The Property Development Programme 2014

*After an insightful two weeks of hard work, team brainstorming and intriguing project proposals, this year's SAPOA Property Development Programme (PDP) 2014 was once again a big success*

By Martin Ferguson, HR, Education, Training and Development Manager at SAPOA and PDP Facilitator



Martin Ferguson, HR, Education, Training and Development Manager at SAPOA

The extremely popular Property Development Programme (PDP) is presented jointly by SAPOA and the Graduate School of Business (GSB) of the University of Cape Town. Running from 20 July to 1 August 2014, this intensive two-week course is South Africa's premier management programme on property finance, valuation, property law, negotiation, investment, development, marketing and management.

Delegates attending PDP find that their skills and knowledge are sharpened not only by the practical instruction and case studies, but also by the interchange of ideas with their course colleagues, resulting in an extended basic knowledge in the principles and practices of property investment, development, marketing and management.

An experienced GSB faculty, supplemented by national and international instructors, provides a strong base to the programme in the areas of financial management, group dynamics, strategic thinking, negotiation, and presentation skills and economics.

Sourced by SAPOA, the balance of the instruction and seminar leadership comes from leading figures in the industry and from a series of projects, which are undertaken on a competitive inter-team basis.

One long-term objective of the course is to promote the profitability of sponsoring companies through high-level management development. In addition, delegates build lasting business and personal relationships with course colleagues.

Participants are drawn from the many disciplines that comprise the commercial property industry, for example property development, financial, legal, architectural, engineering, quantity surveying, building planning and the brokering sectors. The calibre of participants is traditionally very high, and the standard of instruction is therefore pitched at senior and potential senior management.

With a maximum of 64 delegates selected to attend each year, the PDP course is extremely intensive, with lectures and projects running from 8.30am to 10pm, Monday to Friday. Thus it is required that delegates live in the recommended accommodation for the duration.

The learning process is stimulated through a combination of class instruction, discussion, seminars and project work. This is supplemented by periods of private preparation, during which each delegate reviews the course material provided during the past day and prepares for the coming lectures.

Participation in lectures and groups is essential for the learning process. Projects are assigned during the course, for completion by the groups. A final group project is presented to a panel of judges.

On the last evening of the course, delegates attend a dinner where they receive certificates from the GSB, and awards for the final project. An assessment of each delegate is forwarded to the sponsor and the delegate on completion of the course.

One long-term objective of the course is to promote the profitability of sponsoring companies through high-level management development. In addition, delegates build lasting business and personal relationships with course colleagues

# PDP 2014 reflections

*PDP Co-ordinator Professor François Viruly, well-known South African property economist and lecturer of Urban Economics, Property Development and Portfolio Management at the University of Cape Town in the School of Construction Economics and Management, provides insight into this year's PDP proceedings*

By Professor François Viruly

The Property Development Programme (PDP) provides a unique learning experience characterised by a combination of lectures and the application of property development concepts in a case-study environment.

In the first week of the programme, participants are taken through critical concepts associated with the different stages of the property development process. Lectures cover the inception of the development idea, urban planning, urban design, feasibility studies, and property and asset management.

In recent years, the programme has evolved, reflecting new trends such as green buildings and the challenges of undertaking developments across the African continent. The learning experience is also enhanced by the fact that participants come from different professional backgrounds in the private and public sector.

PDP offers an opportunity for delegates to integrate their existing knowledge with aspects of the development process that they may not necessarily be exposed to on a daily basis.

In the second week of the programme, participants are expected to undertake a comprehensive development feasibility study, which is done in syndicates. Every year, the PDP Organising Committee identifies a Cape Town site that offers the required level of development complexities.

The syndicates are expected to prepare a balanced and realistic feasibility study for the proposed site. In judging the completed feasibilities, the judging panel gives specific attention to a number of parameters. These include urban planning, design, market analysis, financial feasibility, the building cost programme, the bankability of the project, and the legal opportunities and constraints associated with the site.

In 2014, a decision was taken to identify a site with the independent, Cape Town-based property development company Rabie Property Group, the developers of Century City. The chosen site is located in the 30ha Ratanga Junction theme park.

Some of the challenges associated with the site included existing buildings linked to the theme park, the existence of water canals,

the expectations of the existing owners, and the need to improve accessibility to the site.

In undertaking their feasibility studies, the syndicates were asked to provide Rabie Property Group with an appropriate value for the land based on a residual land value calculation. It is worth highlighting that, on completion of the feasibility studies, the syndicates submitted land values that varied between R13-million and R193-million. The proposed total bulk, including residential and commercial uses, varied between 20 000m<sup>2</sup> and 72 000m<sup>2</sup>.

The winning team, Feroa Developments, proposed a mixed-use development with residential, retail and office uses, providing a total bulk of 38 466m<sup>2</sup>. Approximately 30 466m<sup>2</sup> was allocated to the residential component, 2 000m<sup>2</sup> was allocated to the retail component and 6 000m<sup>2</sup> was allocated to the office component. The total capital outlay was approximately R1-billion, and provided a project yield of 11,84%.

The objectives of the proposed project included the achievement of an acceptable return on the development, the creation of a vibrant urban structure, and the development of an appropriate balance between home, work and play.

The proposed urban design was based on easy access and optimal connectivity for pedestrian movement, designing within climatic constraints and enhancing energy

and resources efficiency, the prioritisation of vistas, the adaptive re-use of existing structure to form public retail space, and continuity of a green network through a series of parks and green spaces.

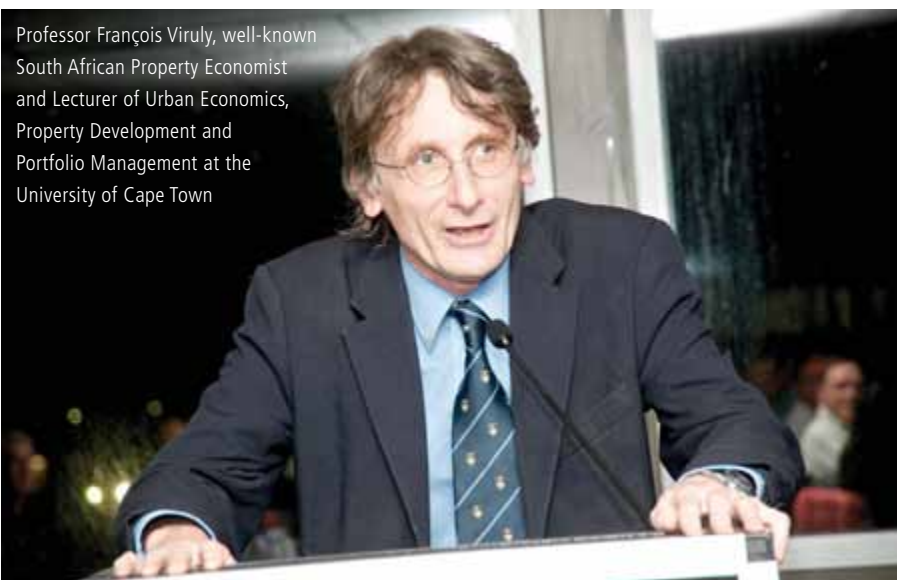
The developments proposed by the other six syndicates included a business school focused on the film industry; Bridgeway Skies (a mixed-use landmark building); Life@Century City, a high-density mixed-use development that included a five-star green hotel; up-market residential blocks; conference facilities; and modular residential units based on the use of modular units.

In 2014, PDP once again illustrated that a site can provide a broad spectrum of design and feasibility options. A common thread apparent across the different projects was that, in devising a successful project, developers must pay attention to the technical options of the site (the bulk) while at the same time considering the marketability of the project.

While syndicates often focus on the development of mixed-use developments, there is often a realisation that complexities exist in sequencing such developments correctly. Insufficient attention was often given to time required to plan the project before construction can start.

PDP continues to offer an opportunity for participants to grapple with the considerable challenges that developers face daily. Until next year!

Professor François Viruly, well-known South African Property Economist and Lecturer of Urban Economics, Property Development and Portfolio Management at the University of Cape Town



# PDP 2014 participants

## Abhulimen, Osezua

Realbanc Limited  
Project Manager

## Alberts, Stanton

Nedbank CPF  
Property Valuer

## Atlaw, Mekbib

Gerizan Trading  
Chief Executive Officer

## Bellamy, Mandy

Hypop Investments Limited  
General Manager for Somerset Mall

## Botha, Daleen

Stor-Age Self Storage  
Development Project Manager

## Bye, Ruan

Standard Bank  
Transactor: Real Estate Africa

## Byres, Kelvin

Focus Project Management  
Director

## Christelis, Peter

Christelis Group (Pty) Ltd  
Proprietor/Founder

## Clark, Sam

Mbatha Walters and Simpson (Pty) Ltd  
Regional Director

## Cronje, Ingrid

Nedbank  
Relationship Manager

## De Wit, Peter

Deloitte Inter Continental Hotels group  
Assistant Director

## Ermacora, Marco

Fortress Income Fund/Starship Props One cc  
Accountant/Asset Manager

## Grobler, Hermanus Johannes

Standard Bank Namibia  
Commercial Property Manager

## Haupt, Raynard

Rabie Property Group (Pty) Ltd  
Project Manager

## Jasper, Marty

Standard Bank  
Development Project Manager

## Javangwe, Wilson

Javangwe Advisory and Intermediary Services  
Director

## Joubert, Nicolette

Old Mutual Investment Group (Pty) Ltd  
Deal Implementation (Legal)

## Lekoetje, Potlaki

Liberty Properties  
Development Manager

## Levi, Marc

Tarloy Properties (Pty) Ltd  
Executive Director

## Mafunga, Sizwe

City of Johannesburg  
Assistant Director

## Mahlangu, Bongani

Focus Project Management  
Construction Project Manager

## Mahlangu, Vusi William

Mahlatsi Tumelo Cost Consultants (Pty) Ltd  
Financial Director

## Makubalo, Litha-lobom

Indwe Quantity Surveyors  
Director

## Malobola, Job

Transnet: Property  
Manager: Legal Services

## Mbata, Malcolm

Growthpoint Management Services  
Project Manager

## McKeown, Darroll

AECOM South Africa (Pty) Ltd  
Executive

## Mjwara, Queen

Liberty Group Properties  
Head: Commercial Leasing

## Mkhize, Luther

Focus Project Management  
Construction Project Manager

## Mlambisa, Nomonde

PRASA  
Assistant Portfolio Manager

## Moodley, Linda

Standard Bank  
Portfolio Property Leasing Manager

## Mothibeli, Itumeleng

Vukile Property Fund  
Asset Manager: Retail

## Motopi, Ann

ABSA  
Head: Building Project Management

## Naicker, Pershia

Nedbank Ltd  
Relationship Manager

## Naidoo, Krishnen

Capital Property Fund  
Asset Manager

## Ntikinca, Ndileka

Transnet  
Portfolio Manager

## Nell, Johann

Capital Property Fund  
Asset Manager

## Nene, Khanyisile Primrose

Airports Company SA  
Corporate Property Specialist

## Nicoloudakis, Astrino

Damatsa Investments (Pty) Ltd  
Director

## Nyambeni, Luambo Nicholas

Falconi Projects (Pty) Ltd  
Managing Director

## Palekar, Bilquis

Palekar & Associates (Pty) Ltd  
Architect

## Palframan, Mike

Nedbank Corporate  
Sales Manager

## Petersen, Eben

FNB Commercial Property Finance  
Credit Head





**Back row, from left** Osezua Abhulimen, Astrino Nicoloudakis, Johann Pieterse, Karel Korner, Stanton Alberts, Hermanus Johannes Grobler, Grant Wilson, Marco Ermacora, Johann Nell, Thys Steynberg, William Wallace **Fifth row, from left** Bevan Williams, Potlaki Lekoetje, Queen Mjwara, Hope Segone, Maxwell Sacks, Mandy Bellamy, Colin Young, Kelvin Byres, Krishnen Naidoo, Nicolette Joubert, Linda Moodley, Daleen Botha, Victor Sodala **Fourth row, from left** Werner van Antwerpen, Marc Levi, Peter de Wit, Ingrid Cronje, Marty Jasper, Thuli Zulu, Craig Wittstock, Khanyisile Primrose Nene, Mekbib Atlaw, Sithiwe Thubane, Litha-lobom Makubalo **Third row, from left** Adrian Read, Sam Clark, JC van Pletzen, Kamal Soonderjee, Eben Petersen, Mike Palframan, Wilson Javangwe, Peter Christelis, Joey Vieira, Sinéad Whitaker, Raynard Haupt, Mokgwetsi Phala, Ndileka Ntinkinca, Luther Mkhize **Second row, from left** Julie van Os, Ruan Bye, Itumeleng Mothibeli, Krishen Veerapen Chetty, Stanton Alberts, Bongani Mahlangu, Job Malobola, Ann Motopi, Pershia Naicker, Jeanette Seabe, Rizwaan Ismail, Bilquis Palekar **Front row, from left** Norman Griffith, Martin Ferguson, Malcolm Mbata, Chris Teague, Darroll McKeown, Nomonde Mlambisa, Vusi William Mahlangu, Sizwe Mafunga, Luambo Nicholas Nyambeni, Chris Segar, Gilbert Sunglee, Nicholas Ramsay, Professor François Viruly

### Phala, Mokgwetsi

Arc Architectural Consultants Pretoria (Pty) Ltd  
Director

### Pieterse, Johann

Basil Read Developments (Pty) Ltd  
Development Manager

### Ramsay, Nicholas

Hodari Properties  
Asset Manager

### Read, Adrian

Growthpoint Properties Ltd  
Property Manager

### Sacks, Maxwell

Malca Properties cc  
Managing Member

### Seabe, Jeanette

Eskom  
General Manager Real Estate

### Segar, Chris

Avior Research  
Corporate Finance: Property

### Segone, Hope

Old Mutual Investment Group  
Investment Professional

### Soonderjee, Kamal

Standard Bank  
Product Manager Commercial Property Finance

### Steynberg, Thys

Standard Bank  
Deal Maker

### Sunglee, Gilbert

Currimjee Property Management &  
Development Ltd, Property Manager

### Teague, Chris

Flanagan & Gerard  
Retail Leasing & Developer Manager

### Thubane, Sithiwe

Phenomenal Developers  
Managing Director

### Van Antwerpen, Werner

Growthpoint  
Sustainable Development Management

### Van Os, Julie

Nsika Architects  
Project Architect

### Van Pletzen, JC

JD Property Developers  
Owner

### Veerapen Chetty, Krishen

Vivo Energy Mauritius Limited  
Network and Property Manager

### Vieira, Joey

Growthpoint Properties Limited  
Project Manager

### Wallace, William

Amdec  
Commercial Property Manager

### Whitaker, Sinéad

AECOM South Africa (Pty) Ltd  
Associate

### Williams, Bevan

Standard Bank  
Manager: Real Estate Finance, Structured Debt

### Wilson, Grant

AECOM South Africa (Pty) Ltd  
Associate

### Wittstock, Craig

Stratford Property Ventures  
Development Manager

### Young, Colin

Nine Cubed Group  
Managing Director

### Zulu, Thuli

Investec  
Leasing Consultant





# Developing ideas

*Here are this year's PDP team property development project proposals*

By Candace King

**R**abie Property Group (RPG) is a prominent South African property developer with a main focus in the Western Cape and, in particular, large mixed-use projects such as Century City, Westlake, Big Bay and Royal Ascot.

Its core ethos is to create urban landscapes in which people can live, work, play and shop. On top of this, the group's aim is to deliver good returns and substantial capital growth for investors.

RPG volunteered the remainder of Erf 5153, Montague Gardens, Century City, as the focal point for the project for the PDP class of 2014. Previously known as the Ratanga Islands, the property in its current state consists of a theme park located on a centre island within Century City, which has become unviable and will be discontinued.

The 2014 PDP group project objective was to make a land offer to RPG for the remaining portion of Erf 5153 based on a scheme that compliments the surrounding new Bridgeway office and convention centre precinct. This precinct, which is currently under construction, has been modelled on a new urban green building theme. The development needed to consist of complimentary uses, with no zoning restrictions applied.

Creating a sense of place was a primary goal, which directly addressed the need to

“work, play, live” within the newly built hi-tech environment. The context of surrounding buildings was an extremely important consideration in determining the uses.

## First winning team: Feroa Developments (Pty) Ltd

In keeping with the Ratanga tropical theme, and given that this is Africa, the Feroa Developments team based its name on *The Jungle Book*'s Spotted Woodpecker character. The name means to “come back again”.

The team highlighted that greening of the environment is essential to all the stakeholders of Century City, and the Spotted Woodpecker would be central to this theme. They noted that the “F” logo is free-flowing, with similar inverted lines of the shape of the two islands. The two “spots” in the logo (of the Spotted Woodpecker) are also meant to represent the two islands.

In determining the most optimal use of the bulk, the team gathered substantial market information to determine the needs of the market before any decisions were taken. Armed with their market research, they determined that the best use of the space would be for high-end residential units (30 466m<sup>2</sup>) on both Feroa West and East Islands, office space

(6 000m<sup>2</sup>) and 2 000m<sup>2</sup> of retail, together with the required parking for each site.

The team noted that the overall estimated project yield would be 11,84%, with property assets worth approximately R100-million, before taking gearing into account.

In addition, the team highlighted the following, which would be achievable: 30% equity stake in P-grade green office space valued at R58,5-million and 2 000m<sup>2</sup> of retail space valued at R40-million.

The team's development proposal set out to maximise the canal exposure and fully utilise the north-facing space, which is viewed as probably the most prime real estate in Century City. Given the excellent prospects for not only the precinct but for Century City generally, the team highlighted that the development remains an attractive one and will only enhance this prime Cape Town node.

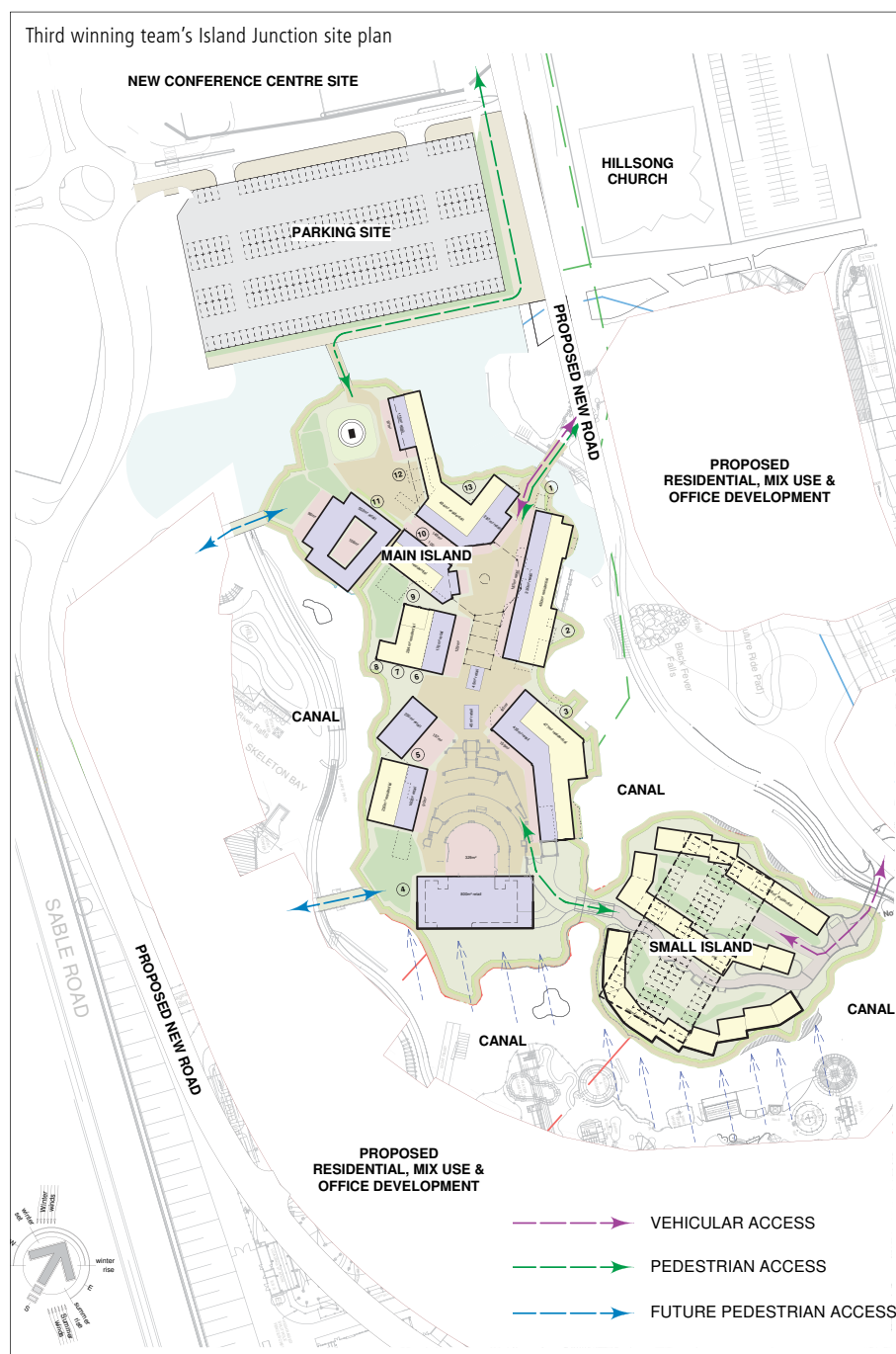
## Second winning team: Bridgeways Islands Development

The team presented the development of three up-market residential blocks totalling 10 003m<sup>2</sup> (saleable area) and consisting of three floors of up-market residential units with parking within the buildings erected in the southern location. The residential component of the development is known as Bridgeway Islands, and has exclusive entry into the node from a new road that will be constructed by RPG.

The northern side of the island will undergo a refurbishment of the existing structures within the existing Ratanga area to create an essence of nostalgia and soul. The 4 774m<sup>2</sup> (GLA) will create restaurants and a small complementary office component. This new retail and entertainment area will have the vision of celebrating all cultures alongside a vibrant water-canal area known simply as The Canals.

The Canals will link to the current parking site area that will be connected by a new large pedestrian bridge. The parking area site will be developed to create 7 650m<sup>2</sup> (GLA) of A-grade office space, 400m<sup>2</sup> (GLA) of retail space, and a new parkade of 18 000m<sup>2</sup> offering 625 covered bays.





This 8 050m<sup>2</sup> (excluding the parkade) development will be known as Bridgeways Connect, given its close location to the new Century City Convention Centre (CCCC). Two hundred and fifty bays will be allocated for use in terms of an existing lease that's in place. There will also be a small convenience retail component on the ground floor of this property.

An offer of R129-million will be made to RPG by the Bridgeways Islands Development (BID) investors for the remaining portion of Erf 5153, Century City, previously known as the Ratanga Islands. The BID development

will maximise the residential use on the islands while still maintaining an element of authentic entertainment.

A sense of place and theatre will be created at The Canals that will ensure the area will become an attractive alternative to the V&A Waterfront. Bridgeways Connect will also ensure the sustainability of the CCCC and add a significant amount of covered parking to the Bridgeway precinct.

The BID will thus support the endeavours of RPG in its pursuit of excellence in developing Century City into a landmark property to be enjoyed by Capetonians and international travellers alike.

### Third winning team: Island Junction (Pty) Ltd

The team proposed that it had identified a viable commercial opportunity that will not only deliver good returns and capital growth but also be in line with RPG's Director Greg Deans' mantra of creating places for people.

The team believed that it had identified a missing service at the Century City precinct – a service that will benefit the Century City community as a whole, and not just the residents who choose to live or work there.

The team's decision for this type of development was taken after thorough research on the market was conducted. The development idea was the result of a thorough discussion of what the team felt the target market wanted, as well as an examination of the broader context, which focuses on the current economic environment.

The team proposed a mixed-use development with a unique blend of retail, offices and residential offerings. The aim is for the development to have a market-type European feel to it to bring people together.

In terms of the development, the team proposed a focus on repurposing some buildings that are currently on site in order to save costs and achieve the authentic and sustainable feel the team thought the target market would be attracted to. From the financial side, the team aimed to sell off about 40% of the newly built residential units and hold the remainder for rental income purposes.

The land use mix would include a single anchor tenant and smaller retail offerings as line shops, all totalling approximately 3 300m<sup>2</sup>; small unit office accommodation of about 2 200m<sup>2</sup>; the retaining of selected existing conference facilities totalling 1 400m<sup>2</sup>; mid- to high-end residential apartments for sale and rental totalling 13 500m<sup>2</sup>; as well as parking provisions to service the above. The total development cost was R252 126 186 (excluding VAT).

The developed site area totals 28 913m<sup>2</sup>, with a total developed bulk of 35 714m<sup>2</sup>.

The team's fully developed bulk is in the region of 20 000m<sup>2</sup>.

The team's internal rate of return was 19% with a residual land value of R100-million.

# Leaders of the PDP pack

*This year's PDP 2014 team leaders speak about their role, and share their thoughts about the property development landscape*

By Candace King Photographs by Mark Pettipher



**Mike Palframan**

First winning team leader

Sales Manager: Eastern Cape

Nedbank Corporate Property Finance

## Q How were you selected as the leader of your team?

This was an interesting dynamic, given that we had a number of individuals who were strong “coordinators”, as opposed to shapers, implementers and specialists (as per the initial team roles discussed on day one of the PDP course) within the group. I think it progressed naturally as we discussed each other's strengths and roles within the team. As it happened I was also the “ideas man”, and I think the team was happy for me to run with ideas I put forward. I was able to then shape what we put forward.

## Q How did you feel about leading your team?

I loved it, and did not feel like I was leading. There were a few wise heads to bounce ideas off. We agreed from the beginning that we were going to have fun and that was what we ended up doing! We never ran out of energy or passion, which is what I promised the team.

It was not daunting; the team gelled really well. When everyone buys into the ideas and is on the same page, it makes leadership easy. Although we did have a few specialists in the group, what we didn't do was send everyone off to work on their specialist portions for a few days, then assimilate and consolidate the information. We made sure that the experience was a learning curve for everyone, and all parties understood why we took the decisions that we took. The only daunting part was the initial realisation that we did not have a quantity surveyor in our team, but chose to accept it and press on without one. We were able to leverage off the quantity surveyors in other teams, for which we were grateful.

## Q As a team leader, what qualities should you have to direct real development projects in the industry?

To some degree, I really do believe in surrounding yourself with good people who are specialists in their area. We somehow had these qualities in our team dynamic. I come from the banking world, so I have a broad view of what is involved in putting a development together. I was fortunate to have been able to take a step out of that role for this exercise, and to use more creative energy in other roles. It was great to understand the intricacies involved in the development game.

## Q What was your greatest challenge as team leader?

A few small challenges: trying to convince certain team members that, although some of the ideas were more fun than serious, we needed to sell our development to the other teams as well – so the presentation of our ideas had to be done well. The single biggest challenge was getting hit with some initially unbudgeted-for expenses when running our feasibilities. The impact these have on returns is astounding and requires improvisation (within reason!). The final challenge was to condense a half-hour presentation into fifteen minutes ... but we managed!

## Q What are your thoughts about the property industry and the current development landscape?

It's a great industry to be part of. You realise that there are very accomplished professionals who are eager to learn. In terms of the current development landscape, I question when the momentum will slow down. As a banker with Nedbank Corporate Property Finance, I have seen unprecedented growth in funding over the past few years and (by and large) very little slow-down in this industry since the financial crisis of 2008. I find it interesting that, regardless of where we are in the property cycle, you still have nodes that continue to “pump”. The Century City assignment itself revealed high demand for good residential units within this particular node – and yet after the global financial crisis, growth in new residential units across the board has generally been somewhat limited.



**Craig Wittstock**

Second winning team leader

Project Manager: Stratford Property Ventures

## Q How were you selected as the leader of your team?

There was no formal process – but upfront, as a group, we needed someone who would primarily coordinate and organise. This role was fulfilled by myself and Colin Young. The group went through an initial process of defining roles and assigning tasks, with each member effectively becoming the leader of their own space. Following this, the role of the team leader/s effectively involved evaluating progress, reassigning tasks, and the overall organisation. This was made easier by the significant input received from the team members, who all contributed individually to the leadership of the team.

## Q How did you feel about leading your team?

Our group members were mature with strong personalities – each competent in his or her area. With this mature and strong culture as the backbone, the team had many professional debates, which fostered an open and honest working relationship, and made leading the team exciting and rewarding. Was it daunting? No. Considering our group members and the great dynamic we had in the team, the task was a valuable, insightful experience.

## Q As a team leader, what qualities should you have to direct real development projects in the industry?

You need to understand the development process, which will enable you to manage it more effectively and identify associated risks. You also need to understand the market and what clients want. You must be able to collectively administrate, coordinate and



organise the many specialist fields within the development process that each form an integral part of the development supply chain.

### Q What was your greatest challenge as team leader?

The real challenge in this environment is the limited time available. Time management was therefore critical.

### Q What are your thoughts about the property industry and the current development landscape?

Generally, the market is somewhat flat, even subdued, with only certain areas showing strong activity (for example, Sandton). But there are real opportunities in the industrial market. One of the biggest challenges developers face at the moment is the lengthy time frames taken by council with regards to, but not limited to, plan approvals and bulk service connections. The protracted processes inhibit projects commencing timeously and negatively affect the industry's supply chain.



**Darroll McKeown**

Third winning team leader

Executive, Programme and Project Management: Africa

AECOM South Africa (Pty) Ltd

### Q How were you selected as the leader of your team?

We took time to get to know each other as a group during the first day of the programme. I remember this as a particularly intensive day – not only were we trying to absorb as much information as possible about the task that had been set for us, we were simultaneously privately assessing the colleagues we had been grouped with for the demanding week ahead.

We didn't formalise the leader selection process as such, but it became clear over the course of the afternoon where each team member's preferences and capabilities lay. Ironically, my first statement to the team was that although this was my area of expertise, I was happy for somebody else to take the lead, as I knew I would also have to take on the role of quantity surveyor for the team (we didn't have a practising Pr.QS). I believe a small core of us performed as a leadership group, which the rest of the team was happy

to take direction from and report into. My role became that of overall project manager. My goal was to make sure each member was able to bring his or her full strengths to the fore when it was appropriate and necessary, while always being very aware of the extremely tight deadlines and the high standards of quality and accuracy that we would be held to in our final submission and presentation.

### Q How did you feel about leading your team?

We were faced with the challenge of melding a team of 10 individuals from four different countries, with different skills bases, into a professional and effective unit, and to finish a task in four days that hand-picked professional teams can take up to 12 months to finish in the real world. It was a daunting task. Having said that, I felt we had the nucleus of a very strong development concept; we just had to deliver all the requisite parts to make our submission as complete and accurate as possible. The other major challenge in the PDP context is that you are effectively developing your design, costing and finance models in parallel. In the real world, the stages are at least slightly offset so design can inform the costs and flow into the valuation. A result of this is that you run several permutations, most of which you discard as the end product becomes clearer and you are left with your formed proposal. It's a very revealing process, and the dynamics are a concentrated version of everything that transpires on a real scheme.

### Q As a team leader, what qualities should you have to direct real development projects in the industry?

Humility is a key attribute for any leader. That doesn't mean weakness – it means having the insight to recognise that every team member has an inherent value to add to the process, and allow them the opportunity to do so. To balance this, a leader needs to always have an eye on the end vision and the time, quality and cost constraints that limit to that vision. It's difficult sometimes to cut ideas short when you realise it's no longer constructive to stay in that phase of the project – but it must be done, and the leader has to identify when this moment has been reached.

Courage is also key in the real world because, ultimately, the leader must have the character to make decisions and must stand by them even if they prove later to have been errors. I also firmly believe that no leader can be effective if they are not working at least as hard as the rest of the team. An absentee leader who "checks in" periodically will not engender the loyalty and trust of his team.

A leader should make the effort to understand all aspects of the team's work and output. His/her role is not to be an expert in everything but to be interested and involved in all aspects. How else can he or she be sure that every output going into the proposal is actually adding value to the whole?

### Q What was your greatest challenge as team leader?

On the PDP project our biggest challenge was time – or lack thereof. For example, the time afforded to upfront optioneering is so limited that I think some of the teams may have felt forced to pursue concepts they didn't have full belief in. This can be demoralising. We had formulated a strong mixed-use concept for our development, so our next biggest challenge was doing justice to the potential it held. If we failed anywhere, I think it was that we didn't quite complete our thinking around the last of the three sites, and we put forward an uninspiring block on that particular piece of land. Having said that, I think we optimised our time allocation on the things that added value to our submission. We developed a robust, inspiring design, and a thorough cost estimate. This gave us a strong foundation on which to build our valuation and funding model. I felt it important that we leave ourselves enough time at the end to spend on sensitivity checks; this is where we were able to tweak different usage ratios and income scenarios along with our funding structure to find the most sound business framework.

### Q What are your thoughts about the property industry and the current development landscape?

The development industry in South Africa and throughout Africa is still very entrepreneurial and embryonic, in my view. Both of these are very positive things, as the blank slate of opportunity is there for the industry to form into a progressive example of how to create functioning urban spaces and uplifting, empowering rural nodes. On the negative side, there is currently such a broad range in scale and quality across all sectors. There are developers making money at both ends of the scale and, ethically, I think we have a long way to go before we can say that all developments in the country are putting the real needs of long-term social and economic growth at the top of their priorities list. Health and safety is still very often undervalued in the pursuit of profit, as is the sustainability of the built environment. I believe there is a relatively broad sweet spot in the development industry, where all commercial and social factors can be addressed – provided all role-players recognise and value each other.



# A team effort

*With PDP 2014 having already come and gone, the team members of the first winning group share their thoughts on this year's programme as well as their winning proposed development*

By Candace King, Photographs by Mark Pettipher



The winning team (from left): Tony Gebhardt (PDP 2014 sponsor and judge), Hamlyn Gebhardt Quantity Surveyors; Mokgwetsi Phala, Arc Architectural Consultants Pretoria; Luther Mkhize, Focus Project Management; Peter Christelis, Christelis Group (Pty) Ltd; Bongani Mahlangu, Focus Project Management; William Wallace, Amdec; Ndileka Ntinkinca, Transnet; Mike Palframan, Nedbank Corporate Property Finance; Eben Petersen, FNB Commercial Property Finance; Jeanette Seabe, Eskom; Krishnen Naidoo, Capital Property Fund; Kumesheee West (GSB Acting Director), University of Cape Town



## Mike Palframan, team leader

*Sales Manager: Eastern Cape  
Nedbank Corporate  
Property Finance*

### Q How does it feel to be a part of the first-place team of PDP 2014?

Absolutely thrilled! What a good team! We were very excited about what we managed to accomplish. I think we were the dark horse in the competition – we surprised a few of the other groups with what we came up with.

### Q Why do you think your project won first place?

I think there were a number of original ideas that we were able to translate into a great-looking document, coupled with an excellent presentation. We were also able to showcase the talents of our brilliant architect, Mo Phala. I think that, in terms of the project brief, we not only achieved acceptable returns with our development, but we were also able to convince the judging panel of the value that our green development would add to the Century City precinct. Personally, I feel justice prevailed – this was a group of individuals who really

gelled well together and worked as a cohesive unit throughout, with everyone contributing in some way. We agreed upfront that we were going to have fun. This, I believe, showed in the presentation. The group dynamics were a true life lesson for me.

### Q What were your best moments during PDP – and the most challenging things you faced?

Being announced as the winners was a very special moment, which even beat the relief of handing in our proposal paper ahead of the challenging deadline. I also found it more of a challenge than I expected to sell my fun ideas around the name and presentation to some of the group members – although eventually we all bought into them.

### Q Where would you like to see your proposed development venture going forward?

It would be great if the shareholders of Rabie Property Group and future developers of the site considered using some of what we put out. Our mixed-use development lends itself perfectly to this high-value Century City precinct. Tongue in cheek, I'm thinking about copyrighting the logo, development name, and my marketing catch-phrase, "a cut above the canals"!

### Q What are your overall thoughts on this year's PDP?

I enjoyed every minute of it. I met really good, intelligent individuals and made some life-long bonds. The long hours and time away from home (13 days!) was time well spent listening to excellent speakers. SAPOA is to be commended for what it put together with this course.



## Bongani Mahlangu

*Construction Project Manager:  
Focus Project Management,  
a Division of the Crowie  
Property Group*

### Q How does it feel to be a part of the first-place team of PDP 2014?

I'd like to relive the moment when Martin said, "And the winning team is ... Group 2". It still feels great to be the winner of PDP 2014 – it was a great experience and a good space for industry players to mingle and share thoughts.

### Q Why do you think your project won first place?

We had a tight-knit group with quite a diverse background in terms of our careers – but we



had one common goal: to sell our idea to the panel. We used the information gathered throughout our lecture weeks to put together our proposal. Based on key information, we managed to come up with a scheme that spoke to the panel and married well with Century City's vision. We had the best-looking scheme, produced by underdogs of this year's PDP!

### Q What are your overall thoughts on this year's PDP?

It was a great platform to converse on issues that affect our built environment as a whole. There were valuable inputs from all speakers. I wish I could come back next year.

### Q What were your best moments during PDP – and the most challenging things you faced?

The best moment was being named PDP 2014 champs. I think Professor Viruly is vital to this programme and should be retained. The most challenging moments happen when one feels like the group is no longer aligned to the goal, and seeing that the vision has distorted.

### Q Where would you like to see your proposed development venture going forward?

I would like to get a call from the funders informing me that I should be lead project manager for the proposed development. That would be a dream come true.



**Peter Christelis**  
Christelis Group (Pty) Ltd

### Q How does it feel to be a part of the first-place team of PDP 2014?

I'm extremely proud of the accolade. We were competing against syndicates with exceptionally strong intellectual resources and experience. Despite this competition, we capitalised on the unique strengths of our individual members, and were able to present and deliver a first-class proposal to the Rabie Property Group.

### Q Why do you think your project won first place?

Although it's an academic exercise, the proposed development was practical and simple. Via thorough research, we identified the perfect type of development for the site with maximisation of bulk being a priority for us. We attributed realistic financial variables to our feasibilities, enabling us to calculate a reasonable offer price for the value of the land.

Furthermore, we implemented some innovative features, which set us apart from our competitors.

### Q What are your overall thoughts on this year's PDP?

The 2014 PDP met my every expectation of a course widely praised by its alumni and property industry participants. Its intense and all-encompassing modules were presented by dynamic leaders of their respective fields, and emphasised and highlighted the growing trends and innovation in the local and global property industry. The opportunity to meet and network with senior individuals from all sectors of the industry was invaluable. Thank you to the Graduate School of Business of the University of Cape Town and SAPOA for hosting such a beneficial and successful programme.

### Q What were your best moments during PDP?

The PDP course is held at the UCT Graduate School of Business campus at the V&A Waterfront. Its close proximity not only offered us access to its retail and recreational offerings, but also exposed us to one of our country's prime real estate landmarks. This was a highlight.

### Q Where would you like to see your proposed development venture going forward?

It would be great to see elements of our project implemented at the site and incorporated into the Bridgeways precinct. We look forward to receiving an invitation to the launch of the development!



**Ndileka Ntikanca**  
Acting Regional Manager:  
Central Region  
Transnet Property

### Q How does it feel to be a part of the first-place team of PDP 2014?

Great, confident and heroic.

### Q Why do you think your project won first place?

I think it was because we took it seriously, and were real and practical about what was expected of us.

### Q What are your overall thoughts on this year's PDP?

It required a lot of hard work that has never before been required during a training intervention.

### Q What were your best moments during PDP – and the most challenging things you faced?

The best was working with the type of people that I worked with in the team. Even if we had differences of opinion, no-one took it personally – everyone was fully committed and egos were forgotten. The most challenging was the fact that we had little or no recreational time. We also got very little sleep, especially during the project week.

### Q Where would you like to see your proposed development venture going forward?

I would like to see it going up on the same site and being undertaken for real!



**William Wallace**  
Commercial Property Manager  
Amdec Group

### Q How does it feel to be a part of the first-place team of PDP 2014?

First, I'd like to say that I was honoured to be selected to participate in the course. The course itself was superb, as was the level of students (many of whom were from beyond South African borders – some hailing from Nigeria, the UK and Mauritius) and calibre of lecturers. I therefore feel incredibly honoured to have won first place, and see this as a wonderful validation of my road to success in the industry. It signifies to me that I have reached a level of maturity and experience in the field.

### Q Why do you think your project won first place?

The project ticked a lot of the boxes, which I think ultimately led to it being viewed so positively. I feel much of its success can be attributed to the exposure I've had to the development of the iconic Melrose Arch precinct. This provided me with the ability and vision to look at a mixed-used node in the way I did. I was also very mindful that the position of the development on the water added huge value, offering great views and a superb ambience. This allowed for the creation of a high-end development of this kind.

### Q What are your overall thoughts on this year's PDP?

This was an excellent course in every way. From the lecturers to the participants, all were exemplary – and also very enjoyable.

The content was relevant and of good value. The setting was also beautiful; the old prison at the V&A Waterfont and the Clock Tower building are in themselves world-class facilities.

### Q What were your best moments during PDP – and the most challenging things you faced?

My best moment was winning first place! The group to which I was allocated was also wonderful; our individual strengths were varied and we pulled together well.

The course was fairly demanding, and at times I felt emotionally drained. The challenge was to maintain diplomacy in a team when each member was being stretched to capacity on every level.

I'm a Western Province long-boarder. I truly enjoy competitive sport and have competed in many triathlons so, in a way, I could relate to this course as another "endurance event". It was really both a mental and social challenge!

### Q Where would you like to see your proposed development venture going forward?

With my experience as a commercial property broker, I strongly believe that this development would be viable – and a sought-after residential scheme. It would be phenomenal if a company as reputable as the Rabie Property Group implemented the model and design.



**Krishnen Naidoo**  
Asset Manager  
Capital Property Fund

### Q How does it feel to be a part of the first-place team of PDP 2014?

From all the other professionals in the various teams, I think that it is a great achievement. I was ecstatic that our team won.

### Q Why do you think your project won first place?

I think that we were one of the teams that decided to maximise the bulk and increase the profits. I also think that we came up with a spectacular design and a feasibility that was realistic, and the judges were impressed with our presentation.

### Q What are your overall thoughts on this year's PDP?

I think that it was well organised. Martin and Shireen were extremely accommodating, while the lecturers were professional in their various fields of expertise. The course was informative – but also quite demanding, especially during the second week.

### Q What were your best moments during PDP – and the most challenging things you faced?

The best moment was when we were announced as winners. The most challenging was the 24-hour period before we had to submit the proposal – we put in a lot of effort.

### Q Where would you like to see your proposed development venture going forward?

I think we were on the right track for the proposed site (Ratanga Junction). I would like to see Rabie going ahead with the scheme – or with something similar.



**Mokgwetsi "Mo" Phala**

Director  
Arc Architectural Consultants  
Pretoria (Pty) Ltd

### Q How does it feel to be a part of the first-place team of PDP 2014?

Being awarded first prize was a breath-taking experience – the cherry on the top for a hard-working team of individuals who never left the "prison cell" at the Breakwater Campus. It's as though we became voluntary prisoners, captivated by the will to want to learn and teach each other in the process. The zest to want to understand, participate and contribute, and the zest for innovation, creativity and positive energy displayed an experience that has shaped us and is one of the greatest prizes that one can receive to survive in our ever-challenging yet exciting property industry.

### Q Why do you think your project won first place?

The response to the brief presented a solution that is ambitious yet firmly grounded in terms of forecasting and reading of the markets, and responding to the needs apparent in our economical landscape.

The innovative solution prioritised the public while making place, creating human spaces, and most importantly unleashing the inherent value of the land and the commercial opportunity it presents for the developer.

### Q What are your overall thoughts on this year's PDP?

It was amazing to have been given an opportunity to practise what we had been taught with a real-life situation and spatial problem. It's a humbling experience. After two weeks of being exposed to the workings and backbone of the property development process presented by a distinguished panel of knowledgeable experts, and spending countless hours with 60-odd other professionals within the student body, one can only imagine the mental stimulation and opportunities this has created and will continue to foster.

### Q What were your best moments during PDP – and the most challenging things you faced?

My best moment was the realisation that I was clueless with regards to certain fundamentals of property development – this became a challenge that was overcome at the end of a stimulating and enriching learning process. Making new friendships with people from all over the world while learning was great, and it goes without saying that working with a fantastic group of professionals to deliver a winning proposal was a pleasure. I'm grateful for the opportunity.

### Q Where would you like to see your proposed development venture going forward?

The opportunity to further assist the Rabie Property Group in realising the project in the future in some way or another would be the greatest of pleasures – one that would be unprecedented and would certainly set a benchmark that speaks volumes in our property industry and the South African built environment.



**Luther Mkhize**

Construction Project Manager  
Focus Project Management,  
a Division of the Crowie  
Property Group



### Q How does it feel to be a part of the first-place team of PDP 2014?

It was exciting to learn that we had been placed first. While the work was being done, we did not really expect to make it to the top but the effort was more on fulfilling the work at hand. Perhaps by default, we did our best to fulfil the task. For me particularly, it was a great honour. I did not see the win coming, albeit the presentation was quite beautiful.

### Q Why do you think your project won first place?

The design was breath-taking; Mo is a legend! We had a solid grounding with the diverse members of the team and this was foundation enough to inspire willingness in everyone. The housekeeping was attended to very early in the formation of the club, and so the ill fate (of varying nature) suffered by some of the other teams was of no bearing to our team.

### Q What are your overall thoughts on this year's PDP?

I would recommend that anyone thinking of taking the course do so, without a doubt. Having had the opportunity to be sponsored by my employer, I feel like a bonus has come in early!

The course is very appropriate – you catch on quickly because of the discussions and especially the presentations, as facilitators make it possible to be a part of the discussions and ultimately the presentation itself. I was able to chip in and share what I know for further learning – and, most importantly, to paint a picture for everyone so that even for those in different fields of work a level field is created.

### Q What were your best moments during PDP – and the most challenging things you faced?

I would say my best moment was the part when the whole team presented. Standing in front of the crowd was really exciting and fulfilling. Once you're done with the presentation, you really feel like a different person.

The challenging and really testing times were at that same moment, when we realised that the time for the presentation was limited. Making that choice of ensuring that each team had something to say was really testing; for some unknown reason everyone wanted to say something ... especially something that they had only just been exposed to.

We really did not know much about the topics we spoke on!

### Q Where would you like to see your proposed development venture going forward?

I think the project can be developed exactly the way we proposed it to be. That is an ideal situation. The market is available and if that is what the land owner has in mind in terms of property development, then why not make a profit out of it! As long as we do not forget where we come from – let's ensure that Feroa Islands does not completely wipe out the memories and history of Ratanga Junction.



**Eben Petersen**

Credit Head: Commercial  
Property Finance  
FNB Commercial Property Finance

### Q How does it feel to be a part of the first-place team of PDP 2014?

It's a great feeling, and a crowning moment to long hours of teamwork. All presentations had their merits. The adjudication panel must have had lots of healthy debate.

### Q Why do you think your project won first place?

Century City is an icon on the local property landscape, with the Bridgeways precinct having several exciting projects on the go. Ratanga Junction is a prime location but a challenging site – as we learnt while getting stuck into the project. We thought our concept was aligned with market demands and extracted full potential from the site. Our design focused on green building principles, following into a “green lung” to keep breathing vibrancy into the development. As the Rabie Property Group pointed out, market alignment would not be enough – we not only needed to be sensitive to the site but also to create people spaces.

### Q What are your overall thoughts on this year's PDP?

The level of property expertise of participants is impressive. The course is well structured and directed, and the presenters are topic experts. The combination of diversely skilled teams, presentations and practical application presents a fertile learning opportunity.

### Q What was your best moment during PDP?

Seeing the team pull together to finalise our proposal in the early hours of the morning after spending way too many hours in a “prison cell” was a definite highlight for me!

### Q Where would you like to see your proposed development venture going forward?

It would be an honour if the Rabie Property Group decided to actualise our project.



**Jeanette Seabe**

General Manager: Real Estate  
Eskom

### Q How does it feel to be a part of the first-place team of PDP 2014?

I feel very proud. Winning meant that there was something that we did better than the other teams.

### Q Why do you think your project won first place?

Our project won because it covered most of the areas and applied most of the lessons that we had learnt during the coursework.

### Q What are your overall thoughts on this year's PDP?

It was hectic and very challenging. Personally, I feel that there was not enough time for us to engage the lecturers on some of the pertinent issues. I think that the course should possibly allow for pre-work (in preparation for the lectures). It would also be great to have refresher courses at a later date.

### Q What were your best moments during PDP – and the most challenging things you faced?

The project preparation period was incredibly challenging. We had very tight deadlines – but I really enjoyed working with my teammates during that period. The long hours that we had to put in were very draining.

