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**RAUBEX HOUSING FORMS PARTNERSHIPS WITH LEADING DEVELOPERS
TO TARGET AFFORDABLE HOUSING MARKET**

Raubex Housing is looking to partner with leading property developers in its pursuit of the lion's share of the affordable housing market. The company falls under the Infrastructure Division of the Raubex Group, along with L&R Civil, Raudev and Raubex Infra. Established in 2012 the wake of the increasing demand for quality services and expertise in the housing solutions market, Raubex Housing is emerging as a key player in the affordable housing market.

It is currently delivering a R280 million, 476 house contract at Kathu for Kumba Iron Ore. Raubex Housing cut its teeth in the housing sector when it partnered with OCC Developments to build upmarket townhouses in Fourways, Johannesburg. The success of that initial venture brought the company to the attention of major developer Valumax for a 300 affordable house scheme in Tembisa, Johannesburg in September 2012. "There were very few affordable housing schemes going up especially in this period, as the banks were only starting to ease their lending restrictions to new homeowners," Badenhorst says.

An equally successful venture was the partnership with Similan Properties for the Karino Lifestyle Estate development in Nelspruit, which is affiliated with Old Mutual Properties, as was a similar venture with International Housing Solutions (IHS) in Witbank. Badenhorst comments that a particular advantage of Raubex Housing is that it has access to the financial muscle of the entire group as well as its related companies for civil and infrastructure work. "The major benefit is that we can tap into all these resources and funding in order to be able to offer a full turnkey service. This has allowed us to pick up recurring clients who then essentially negotiate our next contracts."

Raubex Housing's continued success is due to its quality brickwork and block and lintel slabs up to a maximum height of four storeys. The company did venture into the luxury end of the housing market with four high end apartments in Craighall, Johannesburg that ended up retailing for about R8 million apiece, but this is not its forte. "We are production based. We know how to set up a

factory and then mass produce houses.” Badenhorst says this is all down to the strong teams it is able to assemble on site.

“We have a system in place whereby we can assist local labour to become sub contractors. We take in single bricklayers for example and deploy them in teams. When we move into areas like Tembisa we are very open towards the locals. We inform them that we are there to build houses and how we are going to go about it and then we invite them to witness the process as we build the first 20 to 50 units.” Badenhorst adds that there is a shortage of high volume contractors that can deliver at the rate of 1 000 houses a year, which is contributing to a bottleneck in the industry.

“I would say that housing’s biggest challenge is the provision of bulk services within the metropolises. Four to five years ago town planning professionals were bullish on completing a rezoning within a year; now it is impossible to get one through within 24 months. There are still properties ripe for development, but the inevitable backlog and subsequent shortage of land to develop is coming. That will unfortunately change the face of the housing industry, which will have to resort to building multi storey structures because Greenfield sites are going to become so scarce and expensive. You will probably have to go into existing areas and demolish older buildings as it is going to become increasingly difficult to provide bulk services for Greenfield sites in future,” Badenhorst says.

He remains bullish about the future of the housing industry in South Africa. “The credit crunch made people examine their financial situation more astutely and now that the global economic situation has started to normalise, more and more attention is being focused on housing. Combined with the emerging urban middle class, there has definitely been a mindset change and hopefully this translates into an increased demand for housing. Having said that it has to be the right product at the right price and there are not many developers capable of achieving that.”

RAUBEX HOUSING OVERVIEW SHORT PIC 01: Barend Badenhorst, Managing Director of Raubex Housing, which falls under the Infrastructure Division of the Raubex Group.

RAUBEX HOUSING OVERVIEW SHORT PIC 02: The biggest challenge facing the housing industry at present is the provision of bulk services within the metropolises, says Barend Badenhorst, Managing Director of Raubex Housing.

RAUBEX HOUSING OVERVIEW SHORT PIC 03: The growing urban middle class has resulted in an increased demand for housing, with Raubex Housing positioned ideally to supply the right product at the right price.

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