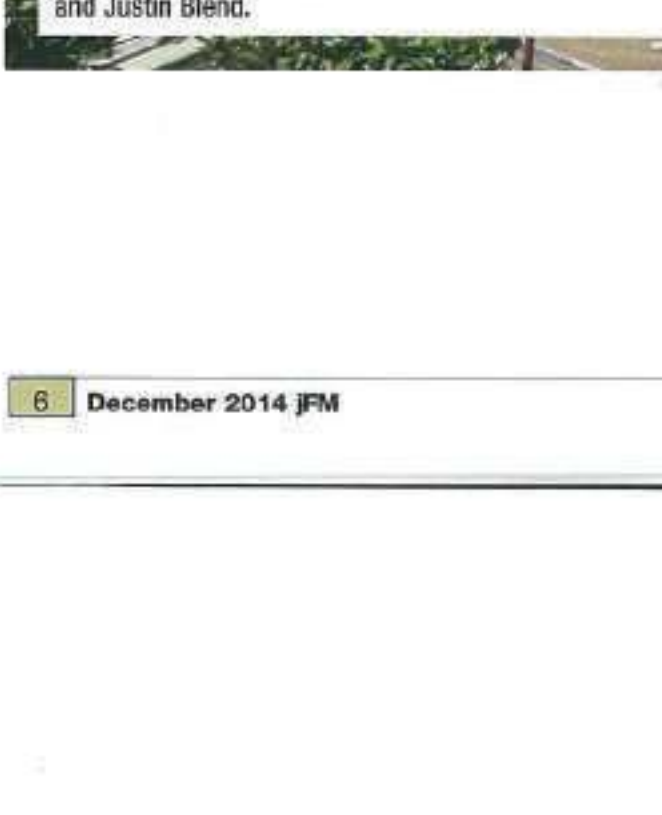
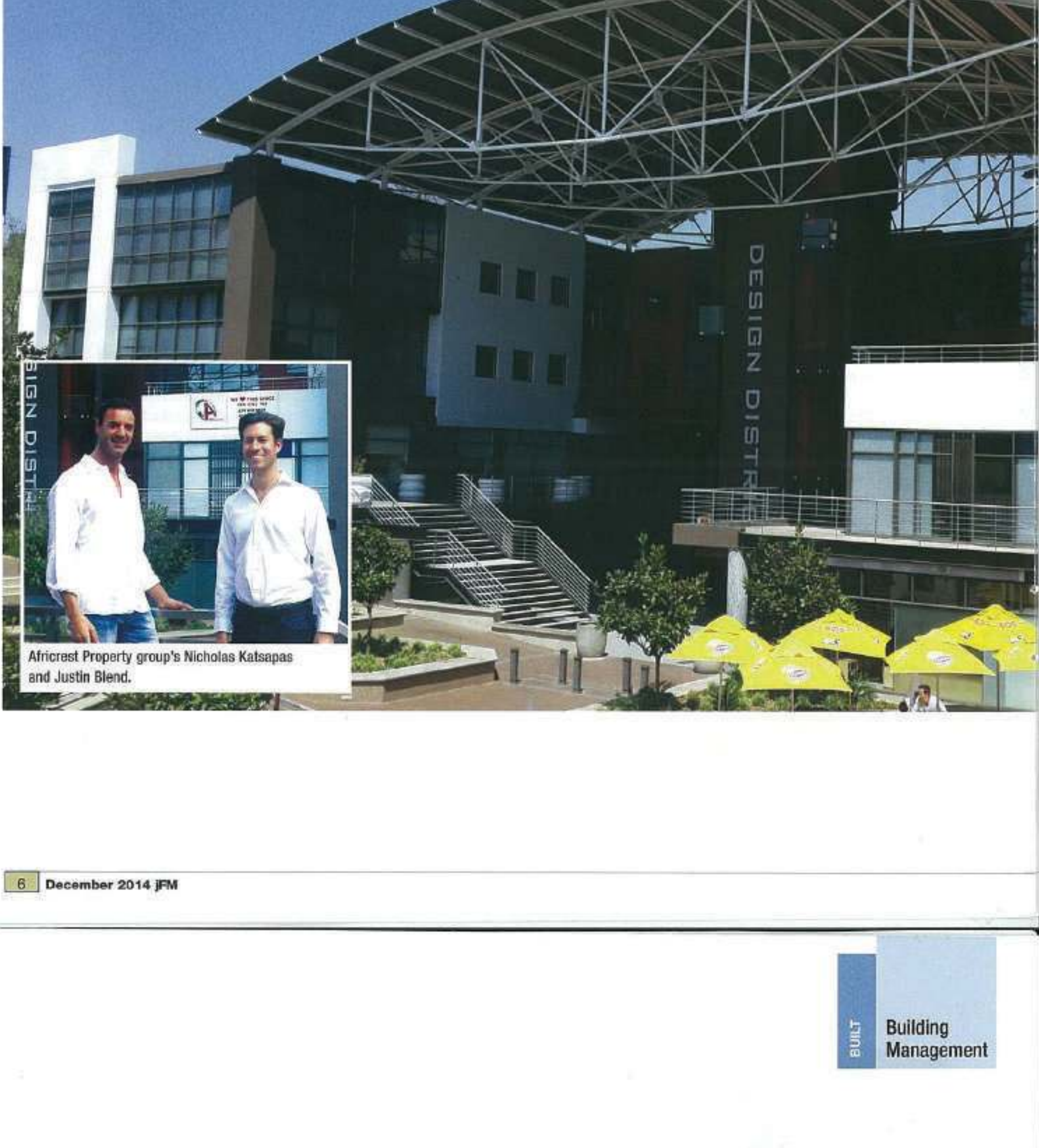


MEET THE FIXERS

Africrest Properties has leapt into the psyche of the city with its definitive and imaginative way of morphing old buildings in to sparkling new legacies. Terry Owen reports.



Africrest Property group's Nicholas Katsapas and Justin Blend.

6 December 2014 JFM

BUILT Building Management

QUICK TAKES

- Breathing new life into old buildings
- Bullish about Rivonia, Wynberg, Braamfontein
- Finding consistent consultants and contractors difficult
- Ingenuity the keyword

Africrest Properties is an innovative leader in the redevelopment of C-Grade commercial properties to A-Grade spaces. With a keen eye for potential, the company believes that with vision and dedication a C-Grade property can be restored into a landmark, making it a valued property and an asset to its surroundings.

Africrest Properties acts primarily as a commercial property re-developer and commercial property investor.

The company prides itself in being able to structure dynamic deals in order to suit tenants' needs. The portfolio comprises of office, retail and light industrial properties. Tenants include large corporates, medium sized companies, educational institutions, call centres, NGOs and retailers.

Current and past major tenants include- Standard Bank, FNB, ADVTECH, NBC Holdings, Educator and StarTech, Dominos Pizzas, Cashbuild, Chicken Licken, Damelin, Universal Music, Fox Television Channels.

The above tells the story of Africrest and the passion of owners Justin Blend and Nicholas Katsapas, although it couldn't possibly be put into words. Their effect on the psyche is immediate – and the entrepreneurship spirit so tangible you can almost taste it.

Breathing new life into buildings

What heightened my interest in the company was hearing that these two "breathe new life into old buildings". As buildings are my passion, it obviously didn't take long to get me moving to organise an interview with the Africrest guys. As luck would have it, Nicholas got held up at another meeting so I was unable to meet him. This lends itself for the perfect opportunity to revisit the guys once their current project is complete. More of that later...

As an aside, I was offered a bowl of the most delicious salad I've ever had. Definitely a first at an interview, and just served to add to the warmth and excitement I felt at their offices.

This was a great entree to hear what followed. Taste buds tingling, I listened enthralled to the story about how rejuvenating old buildings has spurred these two guys on to make a great success of what has become so much more than just a job, or a treadmill of projects that once completed became meaningless. No sir, not with these two.

"Some are willing to pay top premiums because money is no object; others work on a very limited budget," says Blend. "Whatever that is, we have to make the most of what we have available and deliver a stunning job. A client may ask us to be the most cost-effective you can possibly be in making something really ugly look wonderful. That may be a bit of a tall order, but you have to work within that ambit."

This was the third meeting with them but their quote was way over budget. The place for the signage was the turret on top of the centre, but my point was would you actually be able to see the turret. The architects and builders said you would be able to but I did a thorough check and discovered that it could only be seen about 30m from the center, so it would be pointless. If it could have been visible about 600m away, that would have been a different story, it might have been worth spending that kind of money. We spend a lot of time on each project to find the most cost-effective way of doing things."

Sought-after "fixers"

Indeed. This is the kind of attitude and time involved in checking and re-checking that has made them one of the most sought-after "fixers" in the business.

"We started our journey in Braamfontein, buying up buildings when they were still cheap in that area at that time," says Blend. "People thought that we were crazy to be buying there, but now we wish that we had bought more!" We cut our teeth there because we were buying abandoned buildings and had very limited budgets on rehabilitating them. Watching those buildings take new shape, new life was so incredible. I knew



Not for Sale to Persons Under 18

Photo: Courtesy of Africrest Properties



Kopano House- Braamfontein



Swans, Building 4 and Building 5 – Braamfontein

Blend leaps right in and tells me that they work with varying budgets, but whether big or small, always aim to do the most with what they have. Ingenuity is the keyword here. The objective is to always, without fail, deliver the goods.

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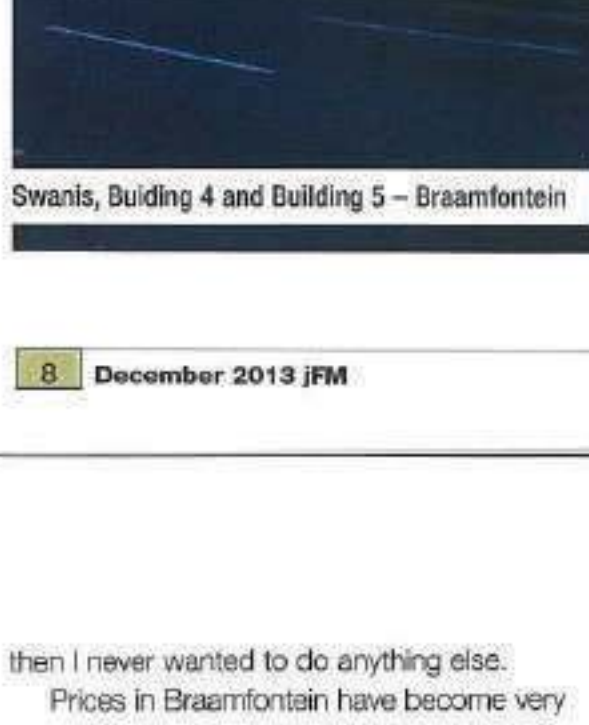
something really ugly look wonderful. That may be a bit of a tall order, but you have to work within that ambit."

Their current project is the revamping of the Rivonia Junction and Blend tells me that they had just been in a meeting with the signage people for over two hours.

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Swans, Building 4 and Building 5 – Braamfontein



Swans, Building 4 and Building 5 – Braamfontein

then I never wanted to do anything else. Prices in Braamfontein have become very expensive in the last few years. "Before you had low price but large room for error. Now, rentals haven't moved much but the prices of property have and that room for error has shrunk dramatically."

The guys have also been buying quite a lot in Rivonia. "We are very bullish about Rivonia. In the office space, for some reason tenants aren't keen on it. Anyway, there's a lot of people that want to be close to Sandton but not actually in it (mainly I suspect due to the awful traffic) so Rivonia is perfect. Rents are also a lot cheaper here."

Blend says that they are bullish about Wynberg too, where they have some buildings, which talk a slap bang in the middle of their ethos of having fancy offices without the fancy address! I see some of the work they have done here, and I am in awe. Who would have thought that you would find such places in Wynberg, which has always had a kind of run-down air to it?

One of the projects in Wynberg, a 3 200m² office completely stripping the buildings and doing a "brand new" make-over on it.

On the facilities side, they work with consultants on airconditioning, elevators, space planning, and the myriad other tasks that fall within the FM portfolio. Upgrading HVAC systems has always been a big issue for them, and they are grateful for the expertise they have on hand with consultants.

Open-plan workspaces

"After we have been given a report of the state of play of a particular facility, we send the jobs out on tender and will supply the work to a number of contractors. Some of the buildings are so old, extensive work needs to be done. Also, in line with the modern way of working, offices are demolished to make way for big open-plan spaces as the work areas. They also keep in mind having areas where staff can meet, relax and have a cup of coffee."

One of the big bugbears, though, in all of this exercise is finding the right people to work with – and believe me, I have heard this from numerous people in property.

"We find the greatest difficulties are with the contractors and consultants. They all seem to start off pretty well, many of them are small units and in the beginning you'll get the owner coming to meetings and showing great interest. Then, because he's good and getting busier, all of a sudden he can't make meetings anymore and will send a foreman along. He gets bigger and his prices go up as well."

"So, we're constantly in a cycle of finding someone that is really good and the pattern will repeat itself. We are constantly trying to find someone who is consistent! There are a core group of contractors and consultants we like to work with, but they are not always available. That's the problem."



76 Juta St. Braamfontein



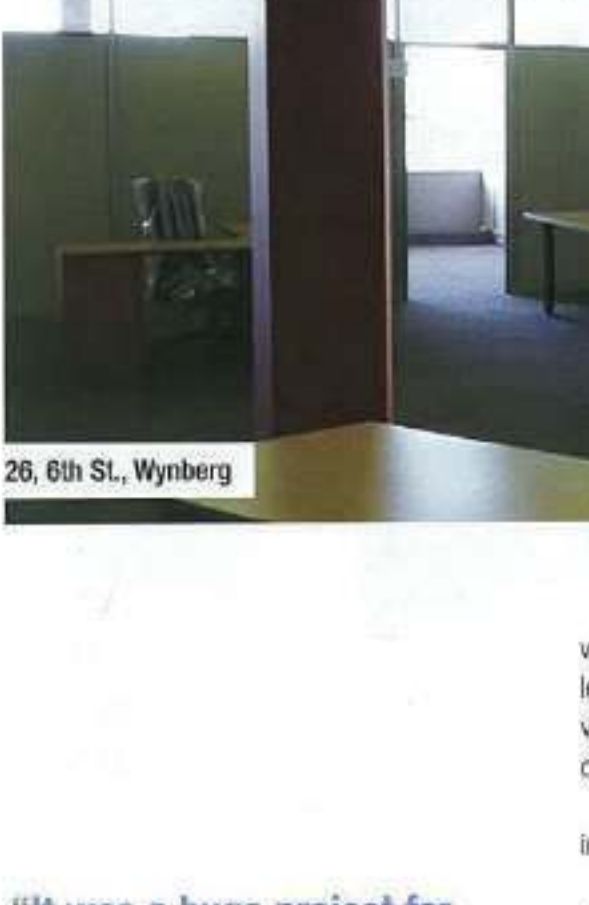
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"We will work with a project manager who tenders out each aspect of the job – like plumbing, painting, glass, aluminium. We find this is the most cost-effective way of getting jobs done. Again, finding a good project manager is also not easy. We struck it lucky with the Rivonia project and found a great person to work with. We do quite a lot of work there at night and believe me, we watch every cent. That's how we've built a sound and trustworthy foundation."

The Rivonia project is not a big money spend, but I am assured the whole centre will look and feel very different to how it is at present.



26, 6th St., Wynberg



26, 6th St., Wynberg

"It was a huge project for us, but one we could really look back on with pride. In a way, these are living legacies for Johannesburg. We are thrilled that we are able to make a difference to the city we both love so much!"

"We're going from having mild steel everywhere, which gives it an old-fashioned look, to glass, stainless steel, a triple volume ceiling eating area and a very unique floor tile design. The centre feels very old and tired, but not for very much longer!"

Another of their projects was the Design Centre in Rosebank.

"We also did the NBC building in Braamfontein, which was a 10 000m² job. It was basically empty and after stripping, we only had the facade left. Here we went to town and a full-on refurbishment. The company was ecstatic about the job, and the fact that what they were paying for rates and taxes in Sandton was what they paid as their total rent in Braamfontein – it was a huge saving for them."

"It was a huge project for us considering it was one of our first, but one we could really look back on with pride. In a way, these are living legacies to love for Johannesburg. We are thrilled that we are able to make a difference to the city we both love so much!"

Afterword

Alistair Anderson of the Business Day Online wrote the following:

"PRIVATE property group Africrest Properties has almost completed the rejuvenation of its creative hub known as Design District in Rosebank, Johannesburg, located on the corner of Tynwill and Keyes avenues.

"Africrest focuses on purchasing existing buildings that need attention from a development, redevelopment or management perspective."

Nicholas Katsapas and Justin Blend are the main entrepreneurs at Africrest.

"Mr Blend said on Monday he was impressed by how quickly the Design District had attracted tenants considering it had taken Africrest less than a year to revamp."

"The building has already attracted major international companies. Recently leases with Fox International Channels Africa, the television network, and Universal Music have been concluded," he said.

"Other tenants included TV channel Traco, SA Fashion Week and the Loerie Awards."

"It is energising to (be in) a building where all your neighbouring tenants are in a creative space, music, television, fashion," said Randal Abrahams, MD of Universal Music.

"Working with Africrest Properties has been a pleasure and the move has gone smoothly considering the very tight time frames and the building's revamp," he added.

Having a testimonial such as this bears witness to the skill, ability and passion of the Africrest team. If I had my way, they would be in the Hall of Fame already. ■

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