THOUGHT LEADERSHIP FROM ATTERBURY

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**Six basic building blocks for rolling out a mega development**

***Gerrit van den Berg, Western Cape head of developments, Atterbury***

South Africa is experiencing a relative boom in new warehousing space demand, notwithstanding the well documented macro challenges the country is facing. In fact, logistics, warehousing and light industrial property is going through a particularly exciting time right now, especially as all kinds of retailers continue to gear up their distribution networks driving new omnichannel strategies.

Meeting this demand in two large-scale business parks under development in Cape Town – King Air Industrial and Richmond Park – Atterbury responded to new business needs. As a result, it recently won deals with excellent companies, including Takealot, Rubicon, WeBuyCars, The Courier Guy and Morgan Cargo.

It is no coincidence Atterbury was ready for these opportunities. One of its strategies is to undertake mega-developments – mixed-use precincts and major business parks. The sheer size of these developments mean they are rolled out over many years, but they are exceptionally agile to immediate market forces and demand.

Work on these developments begins long before turning the first sod, and getting them right requires vision and putting several non-negotiable basics in place.

1. **Secure the right location**

Great locations for large-scale logistics, warehousing and light industrial development are often secured years before any construction development commences. For instance, King Air Industria, Cape Town, began construction in 2020 but the land was acquired in 2016 and the rights for this development were secured in 2018. And, its roll-out could take the next five to eight years. Atterbury won the tender to develop Richmond Park in 2008, while the long-term lease over the land was only registered in 2015. Choosing the best locations, on the best terms, in future high-demand growth areas takes more than spreadsheets and number crunching. Site identification and assembly requires the foresight and keen instinct that only come from experience.

1. **Work with the right team**

Once you have the right site, a skilled, experienced team is the key to unlocking its potential. At Atterbury, this includes our internal development team, the right partners and consultants. Because large-scale developments are usually built out over several years, or even decades, they are long-term commitments and require a long-term game plan, vision and a committed team. 2022 marks 28 years in business for Atterbury, and with this depth of experience, it has come to consider property development an art. Masterplans that are carefully considered, balanced and yet flexible are the foundation for creating developments that, as a whole, are more than their constituent parts. These properties are developed and occupied with a long-term vision, so the team must know how to ensure they are sustainable and future proofed. Having a non-ego-driven, committed team that positively challenges each other and the status quo is priceless.

1. **Foster the right knowledge**

Understanding what clients want from their new facilities but also for their business, now and in the future, makes all the difference when it comes to closing deals. Sometimes it takes even more than that listening to and understanding tenants; it takes specialist expertise to optimize a business’s total cost of occupancy and the know-how to produce solutions that can do this. With insight and the ability to guide clients in what will work for their operations and finances, it is possible to sign R100-million deals after only a few on-screen meetings. Knowing the market is a key factor to winning any deal.

1. **Build the right relationships**

The professional team is crucial for any developer. Working with the best professionals, partners and contractors ensures success from which everyone benefits. Equally important is the network of brokers serving the area, region and industry on a national and even an international basis. Keeping close to the broking community through regular conversations can provide a valuable competitive advantage. At Atterbury, our motto is “It’s a matter of association”.

1. **Make the right calls**

Rolling out a mega-development while managing risk is a delicate balancing act. It means knowing how to phase a project and anticipate the market to ensure you can act nimbly but without taking on too much risk at any one time. In this business, when decisions are made, things happen quickly and usually come with tight deadlines. You have to be development-ready, but you also have to be prudent about how early you prepare.

1. **Enjoy what you do**

Industrial, warehousing and logistics development may not seem as ‘sparkly’ as sectors like retail or offices, but it is a fascinating business once you start developing an understanding of it. It is incredible to see the passion of the tenant businesses in this field and extremely rewarding to partner with them to create a bright future and build facilities that will actively help them to reach their goals. Importantly the Atterbury team functions like a family; we work hard, love a challenge and have fun doing what we enjoy, together.

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