

ON THE SPOT

Growthpoint set for a breather after big Rosebank project

Growthpoint Properties, Africa's largest real-estate group, is well on its way to completing 144 Oxford, a 38,000m² office in burgeoning Rosebank. Paul Kollenberg, Growthpoint's head of asset management for offices, spoke to Business Day about how it can change the skyline of the northern Johannesburg suburb.

Where did the idea of building such a bombastic development come from?

Well, we have watched Rosebank for years. We have invested here before, but it was not easy to predict that it would become such an exciting node so quickly. There has been a large degree of investment there including upgrades to retail centres like The Zone and Mall of Rosebank. Quite a few offices have sprung up.

We bought the land where 144 Oxford is being developed back in 2013, and gradually improved and expanded the design so that we can compete in Rosebank with this building; 144 Oxford seems to be one of the fanciest office developments to come to Rosebank in decades. If you look back to the turn of the century, Rosebank was hardly a premium office node, and definitely wasn't competing with Sandton.

This is a high-end office asset. It will draw blue-chip



ALISTAIR ANDERSON

tenants. Its position in Rosebank on Oxford Road, a well-known and busy road, is attractive and the building is highly visible. It has morphed to suit a changing market since 2013, but it remains a premium grade office development. Initially, it included a hotel, and at one point we were considering signing up a top restaurant.

We believe the final product is a top premium-grade office development, which offers some of the largest floor-plates for tenants in Rosebank. It's the largest office development offering that has space available in the node, which gives us a competitive edge.

How much of the development has been let? Which tenants are on board?

About 17000m² of office space is under negotiation. We aren't revealing who our tenants are yet, but it will be a few blue-chip tenants as opposed to one large tenant. I can say that some shared work space providers have expressed interest in 144 Oxford.

Growthpoint already has a relationship with Workshop 17

who are renting office space from us across SA.

When will 144 Oxford open?

We are on track to open in November. It's an exciting project which is going along well, designed by Paragon Architects who have helped us to create a world-class product.

How were residents involved in the project?

Growthpoint has involved residents since the beginning. It has been a healthy discussion between us and the Melrose Residents Association. We have strived to create a building that is visible for tenants, but also talks to the street and fits into Rosebank.

Can investors expect Growthpoint Properties to develop more office properties in Rosebank? Will we see speculative offices in other premium nodes come online soon?

It takes years to put developments of this size together, from buying land, thinking of concepts, doing market analysis, investment committee meetings and so on.

We probably won't develop anything on spec in Gauteng in the near future. The economic environment is just too weak right now, and we don't have the tenant supply. We will rather develop tenant-driven office buildings for the foreseeable future, at least until the economy has recovered.