

GIDEON PROPERTY DEVELOPERS



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Industry Background

Rapid urbanisation and demographic changes, especially within emerging markets, will lead to substantial growth in the real estate industry. At the same time as the industry's opportunities grow, so too will assets invested in the sector. The digital era has all but obliterated traditional business models. To maintain relevance, organisations – and this applies equally to the real estate industry – will need to rethink their approach to how they do business. Organisations must place innovation high on the agenda. They will require a business strategy for the new digital age. "They will also need to consider new forms of leadership, as well as increased levels of collaboration, greater innovation and faster decision making than ever experienced before. This means an accelerated programme of change

In addition, organisations will need to think about how customers' expectations and needs have changed in the light of new technology such as social media. They will be required to have a deeper understanding and knowledge of their customers and how customers use their various products and services. This will also include a focus on new product concepts.

The property sector will need to contend with the continuing pressures of above-inflation increases in administered costs, such as electricity, and rates and taxes, whilst addressing the skills shortage and poor education as other areas of high priority, as well as attracting tourism and foreign investment to the country.

A growing global population, demographic shifts, and climate change have all brought sustainability to the top of the political and business agendas. Reporting on social and environmental issues has become more important than ever, as consumers, investors and other stakeholders.

The South African listed property industry has experienced substantial growth over the past decade. The sector is dominated by a few large entities, with the biggest 10 accounting for about 80 per cent of the sector's market capitalisation. There are currently 27 entities listed as REITs (Real Estate Investment Trusts) on the JSE, with more attempts to bring new entities onto the exchange. According to the South African REIT Association, REITs represent about R233 billion worth of real estate assets. South Africa is estimated to be the eighth-largest REIT market globally, with the US dominating the global REIT sector. Most South African REITs invest in commercial properties, such as shopping malls, warehouses, hotels, hospitals, and office buildings, with some investment in properties offshore.

High energy prices, climate change and government regulation are already pushing sustainability up the real estate agenda, but by 2020 their impact is expected to be far greater.



Key Future Housing demands;

- A huge expansion in cities will produce mixed results. By 2020, the 21st century's great migration to the cities will be well underway. Cities will swell across the fast-growing countries in Africa. Even the developed Western nations will be urbanising, albeit at a slower pace. But not all cities will prosper. While some will become great centres of wealth creation in a multipolar world, others are likely to fail.
- Unprecedented shifts in population will drive changes in the demand for real estate. The burgeoning middle-class populations in Africa will need far more housing. Meanwhile, the advanced economies' ageing populations will demand specialist types of real estate, while their requirements for family homes will moderate.
- The emerging markets' growth will ratchet up competition for assets. The growth of emerging countries is rapidly creating powerful new real estate players and new asset managers. As a result, there is both growing competition for real estate assets and growing competition within real estate asset management.
- 'Sustainability' will transform the design of buildings and developments, presenting opportunities and risks for real estate asset managers.
- Technology will disrupt real estate economics: Growth in online shopping will continue to reduce the need for retail space, but shorter delivery times will increase the need for warehouse space close to customers. For developers, technology advances will make eco-efficient building more practical.
- Real estate capital will take financial centre stage. Private capital will play a critical role in funding the growing and changing need for real estate and its supporting infrastructure. Just as asset managers, real estate funds and sovereign wealth funds will find the assets under their control swell, so there will be a need to finance urbanisation. Private real estate capital will become an important partner of governments. Real estate managers will also need to leverage the full range of financing possibilities to take on new types of risk, often with long-term investment horizons.

Six (6) predictions and their implications for real estate managers and the investment community:

1. Real estate managers will need to think more globally, as global investable real estate will expand substantially, especially in emerging markets.
2. Real estate managers will need to understand the underlying economics of cities.
3. Real estate managers will need to factor technology and sustainability into asset valuations.
4. Real estate managers will need to decide where and how to compete as the competition for prime assets continues to intensify.
5. Real estate managers, the investment community and developers will need to partner with the Government to mitigate risks of schemes that might otherwise be uneconomic.



6. As the nature of real estate investment changes, demanding greater global specialisation, more risks will emerge. Climate change risk, accelerating behavioural change and political risk will be key.

Technology is disrupting the way we interact with each other and carry out business and is having a profound impact on the way in which businesses operate in today's new digital economy. If well understood, it's a tool that is helping to enhance the quality of house products, in both quality and sophistication. Worldwide, new cities are being built, while those that we have lived in for centuries are being upgraded for the future. Technology is thus forcing us to relook the way in which we construct our buildings of the future. Buildings of the future should be low-energy, sustainable, and able to respond to future changes in the climate, technology and regulation, and that is where technology is most effective to assist the industry. Buildings of the future will become 'green', where there is a convergence of technology with real estate.

The expectation of companies and communities to go digital is continually increasing. While new organisations will embrace the concept of the digital era, more established ones will need to think about how to transform their businesses. More data is being generated than ever before, and across a broad spectrum of business interactions, hiding within it potentially valuable business insights. With the proliferation of mobile devices, the attachment of physical sensors to 'things', smart appliances, energy grids, and data around web usage, the networked world is creating vast amounts of data at a significantly increasing rate.

Digital is a collective term which refers to an integrated and collaborative platform that allows consumers, suppliers, and organisations to transact using various electronic devices or technologies. It brings together emerging technologies which include social media, analytics and mobile to provide a cost-effective and convenient distribution channel for consumers to use.

The world's leading companies know that participation in social media is no longer an option but a requirement. While social media should not replace the art of traditional communication, it can enhance the overall customer experience in that it offers organisations a new way in which to engage in dialogue with customers.



Company Background

Gideon Property Developers is a level 1 BBBEE company which is 100% black owned and is firmly established in the eco-efficient building of real estate property market. Offering full turnkey construction services from design, implementation, project planning, project execution, building, contractor work, project closure and OHS compliance to handover and maintenance. In an effort to guarantee seamless delivery of turnkey projects, the company includes a collection of standardized subcontractor businesses. These businesses have a close-knit relationship with us; the company, and that we've had a long business relationship for some time, meaning even if we sub contract vital components of a project to third parties, we have a proven system to guarantee project deliverables are met. Many businesses have taken the view that sustainability is a matter of corporate philanthropy – it's all about green buildings and efforts to avert climate change – with no relevance to their organisations' core strategies. Sustainability can encompass a wide range of issues that can affect a business, from climate change to education, health, and human rights. And it involves a broad spectrum of stakeholders, from employees and communities to governments and NGOs. Gideon Property Developers believes that a sustainable company is one with strategies that benefit holistically all project stakeholders and are not one sided and beneficiary only to the company.

In South Africa, the construction industry accounts for around 8% of total formal employment and around 17% of total informal employment. It is also the third most dangerous sector for workers after the transportation and fishing industries. However, in a country beset by high unemployment and inequality, Gideon Property Developers uses its own in-house subcontractors which are registered on their database, creating informal employment along the way. Corporate reporting is an ever-evolving field as Gideon Property Developers continually strives to improve their communication with their stakeholders, thus, Gideon Property Developers' in-house subcontractor database provides more specialist roles in the industry. The quest for local knowledge, expertise and good governance relations has become increasingly important for the company, ensuring to absorb local businesses per community it works on, resulting in fewer riots as a result of community project exclusion which ultimately causes project delays. Subcontractors on the database with specialised trade per activity executed with a poor workmanship, a guarantee fee for remedial work is part of the accountability mechanism to ensure that parties adhere to the company's vision for excellent quality work. Gideon Property Developers ensures the effectiveness of different management arrangements which informs the work activities of each project undertaken and employing in-house mechanisms that manage their subcontractors' workmanship and the subcontractors' health and safety efficiency. Because accidents disrupt site activities, resulting in the loss of human life, and causing an economic effect too, causing projects to run behind schedule, and leading to cost overruns. This affects productivity and the industry's reputation as a whole, thus, this in-house documentation mechanisms and frequent biweekly audits track and demand demonstrated improvements in regard to the company's project and organizational culture performance. Hence Gideon Property Developers is associated with the following regulatory bodies; National Home Builders regulatory Counsel (NHBR) and Master Builders



Association (MBA), and its employees associated with the following internal and local professional body; the Project Management Institution of USA (PMI-USA) and the South African Council of Projects and Construction Management Professionals (SACPCMP) and the Engineering Council of South Africa (ECSA). Professionalism ensures a deployment of well-informed professionals on site who provide advisory, administrative, and technical support for effective work and project efficiency to drive continuous improvement in the organisation's performance, therefore we provide a hands-on approach through the appointment of various in-house specialists to each project.

The subcontractor approach is one of the company's mechanisms to help provide job opportunities and be able to run multiple projects efficiently with a standardized working method whilst providing training to subcontractors. Gideon Property Developers ensures many incentives for subcontractors to get involved in the company's management key activities that ensure continuous improvement and project efficiency. The company provides quality checklists that serve as training manuals which is a priority to ensure technical support to site personnel. This mechanism is key as it drives the surety that there are no critical deficiencies in the management of subcontractors, and the method of mechanism does away with the absence of a uniform basis of work execution. Gideon Property Developers aims to transform the construction industry, by changing the way multidisciplinary project teams collaborate at every stage of the asset lifecycle to deliver significant efficiency and cost-saving benefits. As familiarity and maturity increase within the company, the company's vision is set to influence a new generation of construction professionals and the high-profile projects they shape.

Executive Experience

Gideon Property Developers' management have been in the built environment well over eight (8) years and have worked with different construction companies and did developments such as commercial, industrial, and residential buildings. Gideon Property Developers aims at being an expert in the property development industry and built environment, providing unique, professionally, and well-crafted houses with a modern conducive feel to it and are unique within the property development industry and built environment and also infrastructure development.



Company Services

Primary Projects

- Acquisition of Land
- Townhouse Developments
- Affordable House Developments
- Estates House Developments
- Acquisition of Auctioned Houses
- Flipping of Houses
- Student Rentals

Secondary Projects

- Informal settlements "RDPs"
- Subsidised affordable RES 3 houses
- Subsidised affordable houses

Subsidised affordable rentals all from the following clients;

- Social Developments
- Human Settlements
- Public Works
- Other State and Private client Construction Projects



Green Developments

Installation of;

- PV Solar Systems
- Solar Geyser Installation
- Garden Irrigation Systems
- Water Reticulation
- Water Treatment Plants
- PV Solar Plants

Future Primary & Secondary Projects

- Shopping malls
- Warehouses
- Hotels
- Hospitals, and
- Office buildings

Our core principles tie in with our brand promise, which is graced to deliver a quality and unique solution, on time and within budget.

Contracts are overseen by senior management with directors getting personally involved to ensure the best level of service. This ensures that regular quality control is implemented, and clients are kept current with the project status nor project progress and are always up to date and satisfied with the work being done. Gideon Property Developers uses advance program management solutions that include detailed planning to achieve delivery of projects, active senior management involvement in projects, and the use of technology to improve communication and site efficiencies. We pride ourselves in a professional project administration. The company aims to get an ISO 9001 accreditation which will ensure standardization of our internal policies and procedures. Current systems include Jira software and MS Projects software and business analytics with excel.



Company Experience

1. Low Cost Housing-RDP Projects



- Reference Phetole Rampedi-072 371 6666



- Project Value- R7 000 000.00

2. Madiba Park Residential houses





- Reference Ramadimetja Security (Chris Mathabatha) –079 960 3214/076 448 8115
- Project Value-R1 050 000.00

3. Woodhill Townhouses





- Reference Ramadimetja Security (Chris Mathabatha) –079 960 3214/076 448 8115
- Project Value-R4 500 000.00



4. Woodhill Townhouses



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- Reference Ramadimetja Security (Chris Mathabatha) –079 960 3214/076 448 8115
- Project Value-R22 000 000.00

5. Poultry Farm



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- Reference John Kganedi-082 753 2827/081 263 7232
- Project Value-R2 500 000.00



6. World Restoration Mega-Church Building Project



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- Reference Pastor Stanys Moliki-083 510 8029
- Project Value-R40 00 000.00

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