

## Construction in Western Cape on the up

At the recent MBAWC's Annual General Meeting, Craig Bain, Immediate Past President of the Master Builders Association of the Western Cape (MBAWC), elaborated on developments in the province that have helped to sustain the building sector over the past year.



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"Cape Town has been fortunate that its CBD has not experienced the significant decline witnessed in cities like Johannesburg and Durban and continues to be a destination of choice. This has resulted in the construction of a number of new high-rise office blocks as well as residential accommodation in the city centre. Furthermore, the extensions to the CTICC have now commenced in earnest and will result in a conference facility that will be virtually double its present size," said Bain.

### Development at the Waterfront

He went on to say that, "The adjacent V&A Waterfront has continued to develop with a number of new hotels, office blocks and a high-rise residential block under construction. The new Zeitz Museum of Contemporary Art Africa (Zeitz MOCAA) is also being constructed within the structure of the old grain silos and at a cost in excess of R500m. These developments are certainly a vote of confidence in the future of our city."

"High levels of building activity persist on the Atlantic Seaboard and at Century City where a number of large commercial developments are under construction at the moment," added Bain.

Bain praised the Western Cape Government and the City of Cape Town for continuing to award a significant number of projects in the health, education and housing spheres to the local construction industry.

### National infrastructure roll-out

Regarding the national government's R847bn infrastructure roll-out, Bain said, "This does not seem to have gained much traction. The recent publicity appears to be focused on the long-delayed coal-fired power stations in the north of the country and more recently on the proposed nuclear power stations. Our region could be the beneficiary of one or more of the nuclear power stations as the current site at Koeberg and another coastal site near Bredasdorp are earmarked at this stage. Whether our local industry will get to participate or whether we will see an influx of contractors from either Russia or

China remains to be seen."

Bain concluded by saying, "Although most of our members and the contracting fraternity at large seem to have reasonable order books and sufficient projects on hand, this remains a very competitive industry with tight tendering and low margins remaining the order of the day. Our industry seems to be fixed in a low-margin mind-set and one wonders what sort of volumes of work would be required to raise profit margins to a level that that adequately compensate contractors and subcontractors for the risks that they expose themselves to in their daily business operations."

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