

Cape Developers Experience Delays

A number of golf estate developers in the Western Cape have apparently been waiting for more than a year to get the necessary go-ahead (or dismissal) for their projects from planning authorities. Meanwhile, holding costs on many of these multi-million rand proposed developments continue to mount. This follows the release at end-2005 of stricter development guidelines for golf and polo estates by Tasneem Essop, Western Cape MEC for environmental affairs, planning and economic development.

The developer of the R6bn Lagoon Bay project, one of the biggest planned golf and eco estates on the Garden Route near George, has been waiting for 14 months to obtain final approval for a so-called guide plan amendment. This relates to the conversion of former agricultural land for housing purposes. Lagoon Bay developer Werner Roux says the guide plan amendment was approved by the George municipality at end-2005. Fourteen months later Roux is still not sure when or even if he will get the go-ahead for the project, which will boast two 18-hole golf courses designed by Retief Goosen.

Roux says more than R100m has already been spent on planning approval applications, environmental impact studies, professional fees, marketing campaigns and deposits for the 800ha of land earmarked for Lagoon Bay.

Three-year options to buy the land from existing owners have recently lapsed and "millions" in non-refundable deposits have been lost because some landowners are no longer willing to sell. Roux says those who have agreed to extend their options have raised their asking prices.

Although many investors who have taken an option to buy property at Lagoon Bay are still hoping for a positive outcome, Roux says more than 200 investors have cancelled their deals. These deposits have been repaid.

Riaan Gous, executive director of the Arabella Group, says it's unacceptable that developers have to wait so long for decisions to be made by planning authorities. Matters are made worse because local authorities are not communicating with developers.

Arabella is still waiting for an appeal to be heard after an application to go ahead with a second phase at the Arabella Golf Course near Hermanus was dismissed more than a year ago.

By the time we went to print last week, Essop and her spokesperson had not responded to any of Finweek's questions.