

## **Impala's ambitious housing project well on track to deliver 1 559 new homeowners**

A new life will dawn for almost 1 600 Impala Platinum employees and their families, as the company's ambitious R400million housing project in Rustenburg nears completion.

This three-year project, now in its final year of implementation, entails the construction of more than 1500 houses, comprising of two and three bedroom houses. .

Nearly 1,000 families have moved into their new homes in Sunrise View, a development officially launched by the Minister of Human Settlements, Mr Tokyo Sexwale on 7 October 2010.

Impala Platinum Holding Limited's CEO David Brown observed that, "This housing project was initiated to strengthen the company's approach to human resource management, and is in line with commitments made by the company regarding the Mining Charter. We are deeply committed to developing and improving the quality of life of our employees, and our strategy and vision is to create and foster a sense of community within these new housing developments, and to engender a sense of belonging on the part of the people who live here."

The enormous housing shortage in South Africa has been aggravated by a high rate of urbanisation and an influx of work seekers into mining centres such as Rustenburg. This is further exacerbated by the fact that large numbers of employees in the mining industry come from neighbouring countries and rural provinces. Impala recognised that it had a responsibility to address the broader accommodation needs of its employees. As a consequence, in 2007, the Impala Board directed management to implement an accommodation strategy that focused on converting hostels into residences and the introduction of a home ownership option for staff in the "GAP" market.

A survey undertaken by the company among employees, in conjunction with feedback from organised labour paved the way for the new approach.

Impala's Leon van Schalkwyk, who has led the housing project, says that the company's ambitions have been clear. "We are not just building houses; we are developing homes. To facilitate the process we have to develop affordable home-ownership options to enable employees to invest in an asset, and one which will appreciate in value. So, we are not just looking at providing much sought-after housing and accommodation but ultimately also the amenities that make up the fabric of our society - schools, clinics, shopping centres and places of worship. And the company benefits too as this housing project helps us to attract and retain skilled personnel."

The most significant manifestation of this strategy has been an ambitious programme to develop a housing estate in Sunrise View in the Boitekong area, a suburb of Rustenburg. This was planned and undertaken in close co-operation with the local municipality, although Impala undertook the necessary town planning, infrastructural development and servicing responsibilities.

Hand-in-hand with the construction of the development, Impala has implemented a comprehensive campaign called Legae Pele, meaning 'first home' to facilitate home-ownership for employees. The campaign focuses on aspects like marketing, sales, communication, financing and subsidies.

Extremely favourable financing terms were negotiated with a preferred financial institution on behalf of employees. This financing source was blended with internal funding allowing for affordable monthly mortgage repayments. Further to this Impala has ensured that all transactional costs have been limited. This low cost financing, combined with an excellent value for money acquisition price of a unit, has ensured that every Impala employee can afford to acquire a unit in Sunrise View.

Impala points out that all 1 559 housing units have now been constructed at Sunrise View, ahead of schedule and on budget. This equates to 99 336m<sup>2</sup> of residential housing, which is no mean feat for a company whose primary purpose is mining! These units, comprising two- and three-bedroom houses, are selling at R225 000 and R265 000 respectively, which is 25% less than market value. Currently the two and three-bedroom units are situated on fully serviced stands with freehold title. The units are of excellent quality and boast solar assisted geysers. The infrastructure such as tarred roads, and high density street lights has been completed and the whole suburb has been planted with mature indigenous trees, on stands and on street verges.

Continues Van Schalkwyk, "Given the significant capital expenditure involved in this project, it was key that this project should also contribute to economic development in the area by supporting and promoting local construction companies and sub-contractors, by creating jobs and facilitating the transfer of skills. A training programme led by Impala provides formal training in areas such as bricklaying, paving and tiling. Informal on-the-job training has been ongoing throughout the project. Furthermore, all new homeowners have received financial literacy training which has in turn resulted in more responsible spending patterns."

Sunrise View is a powerful example of responsible social investment by a leading South African company. Impala's willingness to invest in the well-being of its employees has resulted in a pioneering housing programme, which sets an example for government and other corporates.