

# Motseng's leading lady

*We speak to the tenacious and irrepressible Ipeleng Mkhari, Chief Executive Officer of Motseng Investment Holdings, about her bold BEE company's property development division and her thoughts on the construction sector's overall performance and transformation*

By Candace King



Ipeleng Mkhari, Chief Executive Officer of Motseng Investment Holdings

Chief Executive Officer of Motseng Investment Holdings and SAPOA Board Member Ipeleng Mkhari is a pioneering entrepreneur and an asset to the property industry.

She established Phosa Iliso CCTV, the first black woman-owned and managed CCTV business, and subsequently co-founded the Motseng Investment Holdings Group in 1998 with Sandile Nomvete, Chief Executive Officer of Delta Property Fund.

Mkhari has been responsible for various aspects of the Motseng Investment Holdings Group, including business development, shared services, key account management, international growth strategies and principal investment initiatives.

She holds a BSocSci degree from the University of Natal and completed the Executive Development Programme at Wits in 2004. She serves on the boards of all Motseng Investment Holdings' subsidiaries, KAP Industrial Holdings, Delta Property Fund and SAPOA, and St John's Diocesan School for Girls.

In 2008, Mkhari was named one of CEO magazine's "Most Influential Women in Business". She was also named the "Cosmopolitan Mover of the Year" and was a finalist in the Entrepreneur Business Woman of the Year in 2006. She is an Archbishop Tutu Fellow.

**Q** Tell us about Motseng's property development portfolio.

The Motseng Group has been involved in property management and project management for more than 10 years. During this period, Motseng has participated in select development schemes. In 2013, Motseng embarked on a targeted strategy to expand its development activities as part of its property investment strategy.

**Q** What are Motseng's current leading property development projects?

Motseng has three neighbourhood retail developments in traditional township environments in South Africa, as well as leading public/private developments in government accommodation. The projects include the 10 320m<sup>2</sup> Umlazi Station Precinct Development in Durban; the 12 923m<sup>2</sup> Highlands Gateway Mall in Lesotho; and the 8 712m<sup>2</sup> Alexandra Township mixed-use development, comprising office and retail space, in Johannesburg.

**Q How are these projects economically and socially contributing towards their surrounding areas?**

Key to Motseng's development and investment strategy is a targeted focus on the following: sustainable commercial development in townships; job creation; preferential procurement of local and black-owned entities; and enterprise development partnerships.

**Q What are your thoughts on the current construction and development sectors in the property industry?**

The construction and development sectors have experienced very strong growth in recent years. However, since the post-2010 challenges in the construction industry, there has been a significant decline. The area of potential growth is still the government infrastructure spend.

**Q What are the sector's biggest challenges?**

Overall, the sectors will be affected by the economic downturn in South Africa. It remains a difficult trading environment for developers and construction firms, and the intra-dependency between these sectors is critical for the robust growth of each sector. While we have seen the growth of new retail and industrial property developments, one cannot ignore the challenges experienced by all.

**Q How best can these challenges be resolved?**

The reality is that capital follows value – and this comment is as true in the property sector as it is in other sectors in the South African economy. There are no real quick-fix solutions to the economic challenges we face, and as developers and construction firms continue to look for opportunities, one cannot ignore the fact that all are seeking quality opportunities, which are more costly to cultivate.

**Q Do you think that the sector is changing in terms of having more women and BEE players?**

I think there are definitely sections of the sector focused on developing and supporting women and BEE players. However, the challenges of sustainability, experience and technical exposure are still real obstacles. In the construction sector specifically, it's incredibly difficult to develop BEE and women contractors – there is also the challenge of identifying high Construction Industry Development Board-rated black contractors who are able to develop larger property schemes.

**Q How best can the public and private sector join forces in developing the country?**

I find that there are a few public sector agencies attempting to actively promote black and black female construction firms and developers. Serious real opportunities exist in active public-private partnership (PPP) engagements between public and private sector players. However, the gestation periods of some of these development and construction opportunities are also prohibitive.

**Q Where do you wish to see the construction and development sectors in the near future?**

I certainly think that there needs to be further partnership at stakeholder level between industry and relevant government agencies. These sectors are very capital-intensive, so the barriers to entry are quite stark.

**Q What are Motseng's future plans in terms of property development?**

Motseng's plans are to provide a strong pipeline for its own property investment portfolio and property service businesses, and to continue to partner with the public sector in its quest to develop its own stock through successful PPPs.

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### More on Motseng Investment Holdings

**M**otseng Investment Holdings is a diversified investment holding company, with investment and operations in property through the property investment and property services boutiques, as well as diversified strategic investments. The company strives to become the premier black-owned investment group in southern Africa, and to have a universal reputation for its investment acumen and industry professionalism.

Motseng Investment Holdings is invested in a wide portfolio of listed and unlisted

companies with key holdings in the property sector. Its investments are targeted at – but not limited to – infrastructure, property-related diversified industrials, transport, energy, services, manufacturing, telecommunications and financial services-related industries.

With a historic focus on property, Motseng Investment Holdings has diversified its offering by creating 10 investee companies to provide comprehensive and professional service delivery.