

The face behind **Renico**

From the tender age of 16, it was clear that Nico Louw, current CEO of Renico Construction, had an entrepreneurial spirit. He discovered the Alienation of Land Act and realised that it would be possible for him to invest in property despite the fact that his age precluded him from securing a bond through any financial institution.

"In 1987 the economic climate was challenging as property owners battled to sell property," says Louw. "I seized the opportunity to secure a property as an investment by purchasing it on an Alienation of Land Act agreement from one of today's captains of industry."

Once it became obvious that Louw always made his monthly payments punctually, the "captain" sold him a second property and, shortly thereafter, he bought his first investment apartment in Horizon View on the West Rand. These ventures served Louw well over the years as his interest in property grew. He soon realised the advantages of securing property when prices were low and allowing it to pay for itself in the years following – a principal Warren Buffet loosely refers to as the time value of money.

Louw matriculated in 1989 and spent a short period at university before deciding that the property business was where he really wanted to be. He immediately joined a real estate agency where he initially sat at show houses for other agents on weekends. In 1990, he became a candidate agent while studying for the estate agents board exams, which he passed at the age of 19. This enabled him to become an estate agent in his full right and he was soon selling properties – long before he was able to secure finance and buy property for himself under normal sales agreements.

In 1992 Louw started his own real estate company in Roodepoort where he could really express his interest to the full and, in his unique way, his love for the property market. The business grew to employ 120 agents, operating through six branch offices. He took in a partner to handle the sale of second-hand properties and sectional title units and this enabled him to concentrate on the development and marketing of new residential projects. During this time Louw completed his Diploma in Advanced Property Practice. He sold his share in the business to his partner at the end of 2003.

In 1998 Louw realised that he needed to diversify into a business based on remuneration per hours worked. He proceeded to start Renico Plant Hire with an old TLB. This machine was rented out to local builders and developers on an hourly rate. Renico Plant Hire grew from strength to strength as it acquired more plant and soon became one of the leading plant hire companies in the north-west of Johannesburg. Today Renico Plant Hire owns in excess of 200 pieces of large



Nico Louw

earthmoving equipment and tipper trucks that are deployed on various sites throughout South Africa and Namibia. They have played a crucial role in the development of large-scale shopping centres, casinos, highway upgrades, mining, and renewable energy projects.

Property development, and the seemingly slow and unchaotic way in which some developers went about their business frustrated Louw. Ever ready for a challenge, he felt sure that he could develop properties at the same pace and of at least the same quality as any of the developers he knew at the time, paying for the services of professionals in the field as and when he needed them. Renico Construction was formed in 1998. Initially the company only undertook the construction of small-scale cluster developments, but with the Sectional Title Act allowing large-scale residential developments, Louw started to develop sectional title complexes.

Although then a relatively small company in terms of management and staff structures Louw formed alliances with various professionals in the industry and Renico Construction had soon completed several large-scale residential complexes, catering mainly for the first-time buyer and the investment market. It was not long before it achieved an annual turnover of R100 million and more. While still catering extensively for this market, the company has now extended its market to include affordable, well-constructed houses for those in the lower income bracket while also building for those interested in housing of a more affluent nature.

In the year 2000, feeling that the buoyant residential property market would not last forever, Louw realised the need to diversify and the company ventured into commercial and industrial developments. Various large-scale industrial parks were completed. Some were constructed specifically for

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various clients, some sold to businesses and institutions on completion and some have been retained as investments and leased to tenants. Through subsequent years land has been acquired, areas proclaimed, services installed and more warehouses, offices and factories have been constructed for sale or rental.

In 2007 Nico acquired a quarrying and crushing company, operating in the Muldersdrift area of Krugersdorp, which alleviated the frustrations felt by many construction companies in obtaining supplies of building materials.

The company also manufactured bricks – another great advantage to the group. With the acquisition of crushers and screens, environmental issues were addressed, enabling the recycling of used building material from demolitions and developments. Today, the original quarry is no longer active and the site is in the process of being returned to its original state since it has become a licensed landfill site used exclusively for building rubble, while the manufacture of bricks continues.

The link between the four main company divisions has proved invaluable to Renico Construction since full control is maintained of demolition, any earthworks required and construction, enabling the company to undertake several

developments and redevelopments extremely efficiently and generally complete them well ahead of scheduled dates.

By the end of 2014 Renico Construction's turnover had grown to a figure in excess of R700 million. The Renico Group today comprises various companies in the fields of construction, plant hire, property investment, quarrying and crushing, civils and earthworks and affords employment to more than 380 people.

Management and reporting structures are sound and staff development and safety concerns are addressed with continual staff training.

Louw gives generously to charities and organisations that serve the local communities and motivates many of his suppliers, to whom he is extremely loyal, to do likewise. He supports Gateway Village for physically and mentally challenged youngsters from Gateway School as well as Gateway Home for the Aged.

Many other local organisations also receive assistance as and when required such as sponsorship for fund raising, the clearing of land or warm clothing.

Louw is passionate about the industry, the Renico "family" of dedicated staff and the environment. He remains the "hands on" driving force behind the companies, instilling that same passion in those who work with him. ●

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