LIFESTYLE ESTATE EVOLUTION IN SOUTH AFRICA: IMPLICATIONS FOR FINANCIAL VIABILITY AND ENVIRONMENTAL SUSTAINABILITY

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A research report submitted to the Faculty of Engineering and the Built Environment, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Bachelor of Science Urban and Regional Planning Honours.

Johannesburg, 2014
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DECLARATION

I declare that this research report is my own unaided work. It is being submitted to the degree of Bachelor of Science in Urban and Regional Planning Honours to the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination to any other University.

........................................

Sasha Jane de Beer

22 day of October 2014
ABSTRACT
In recent years, lifestyle estates have become a prominent feature in both the rural and urban areas of South Africa. This research report argues and demonstrates that there has been an evolution of lifestyle estates in South Africa catalysed by private property developer's concerns about the financial viability of these developments. The result has been the development of new types of lifestyle estates such as wildlife, country and eco-estates that do not include a golf course component. These new types of lifestyle estates are shown to be both more financially viable and environmentally sustainable than the original golf estate model that previously dominated the lifestyle estate sector in South Africa. The study comprises three main case studies, which include interviews with a property developer, estate agents and estate managers. The study also includes interviews with national financial institutions, to indicate that the findings by and large typify national lifestyle estate development trends.
ACKNOWLEDGEMENTS

I wish to thank my supervisor, Professor Alison Todes for her valuable insights, advice and constructive criticism throughout the development of my research report.

I would also like to thank the key respondents for giving up their valuable time to take part in this study and Rae Nash for proofreading this report. Thanks must also be given to the University of the Witwatersrand for the very generous Postgraduate Merit Award bursary that funded my postgraduate studies.

Finally, I wish to express my deep gratitude to my family, particularly my parents, for giving me the opportunity to have a world-class education and for the endless encouragement and support provided throughout my studies and the development of my research report.
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1. **AN INTRODUCTION TO THE STUDY**

1.1. **Introduction**

The private property market plays an important role in the South African economy by creating jobs, generating wages and revenues and contributing to the development of infrastructure. Developed by private sector property developers, lifestyle estates have become an increasingly popular form of residential development not only in South Africa, but also throughout the world.

Lifestyle estates are a type of private sector generated residential development. These developments are gated and fenced or walled around the perimeter, have numerous security checkpoints and are access controlled. This is done in an attempt to make these developments highly secure. These estates are very often characterised by sizable, high-income, detached housing, a significant amount of open, green space as well as ancillary facilities such as tennis courts, swimming pools and club houses for the use of the residents. Lifestyle estates are often themed in terms of activities that take place within the development, such as golf, equestrian, fly fishing, or simply country living. As a result of the high costs associated with living in lifestyle estates, they have largely become a residential domain exclusively for South Africa’s high-income groups. The term ‘lifestyle estate’ does not include other types of gated communities such as townhouse complexes. The differences between lifestyle estates and other types of gated communities will be discussed in greater detail in the second chapter of this report.

In South Africa, the development of lifestyle estates is typically demand-driven and profit-oriented. The demand for the product is based on three key elements: First, the product itself (lifestyle estate) and the lifestyle that the product (lifestyle estate) provides. Second, lifestyle estates provide a safe haven from the numerous safety and security issues in South Africa. Third, lifestyle estates combat the poor levels of service delivery in South Africa by providing safe and well-serviced recreational spaces, high quality suburban streets and sidewalks, as well as security measures that ensure citizens’ safety. It may be argued that these services, although usually considered the responsibility of the government (Dirsuweit, forthcoming), are not fully developed if at all provided in South Africa.
Lifestyle estates are specifically developed and designed to address these issues and are therefore developed to provide safe, secure, walkable, liveable, scenic places to reside in. These favourable aspects are complemented by a sense of exclusive community as well as the provision of a network of serviced open spaces. Therefore lifestyle estates have, for some, become a utopian and highly sought after form of living in both the rural (e.g. Raptors View, Hoedspruit, Limpopo for both first and second home residents¹) and urban (e.g. Dainfern Golf and Country Club, Fourways, Gauteng) areas of South Africa.

In South Africa at present, a wide variety of lifestyle estates exist, ranging from wildlife and eco estates, to urban and golf estates, to fishing and equestrian estates. It is hypothesized that there has been a distinct evolution from golf estates to more wildlife-based and natural-state lifestyle estates and that this evolution has taken place due to concerns surrounding the financial viability of the estates.

All estates have a number of fixed capital costs. These include purchasing the land on which the estate will be built, as well as costs relating to servicing the land (infrastructure for residential development). However, as will be seen from the case studies, particular types of lifestyle estates, such as golf estates, have much higher fixed capital expenditure and recurrent costs than other types of estates.

Golf estates have higher fixed capital expenditure due to the costs associated with the construction of the golf course, and higher recurrent costs as a result of water usage and maintenance required for the golf course. Furthermore, golf estates tend to have higher environmental costs than other types of lifestyle estates as they encourage monoculture, utilise chemical substances such as fertilizers (which are often harmful to other eco-systems), facilitate the loss of indigenous vegetation and utilise large volumes of water. Conversely, an eco-estate development, that does not include a golf course component, maintains its

¹ First home refers to a resident's primary residence. Second home refers to a resident's secondary residential property which is used for holiday and leisure purposes and is not the primary residence of the owner.
natural, indigenous vegetation, and can survive entirely on natural rainfall, would have far fewer watering, fertilizing and general maintenance costs and therefore much lower recurrent costs. The decreased costs of nature-based estates make these estates less of a capital risk for the developer. The decreased maintenance and establishment costs make the stands in the estate more affordable and therefore easier to sell. The selling of the stands consequently covers the developer’s initial fixed costs; therefore the development remains solvent and financially viable. The lack of monoculture, decrease in water usage and utilisation of indigenous vegetation also contributes to the estate’s greater environmental sustainability, making lifestyle estates such as wildlife and eco-estates more financially viable and environmentally sustainable than golf estates.

For these reasons, it is hypothesized that there has been a significant shift in lifestyle estate development trends in South Africa. The shift, which is referred to as an evolution in this report, is two-fold and is characterised by developers developing more nature-based estates in response to the financial viability issues discussed above. The second element of the evolution is related to the first: the more financially viable nature-based lifestyle estates tend to simultaneously be more environmentally sustainable than other types of lifestyle estates such as golf estates. Thus, it is hypothesized that lifestyle estates have evolved based on concerns of financial viability and environmental sustainability.

In some cases, urban planners’ initial reactions to the development of lifestyle estates are negative and highly critical. This view is usually based on a number of social and environmental arguments that will be elaborated on in the second chapter of the study. However, the demand to live in lifestyle estates remains steady throughout South Africa as well as the rest of the world (Low, 2003). The presence and development of gated communities such as lifestyle estates has increased “tremendously” since the late 1990’s in South Africa (Landman and Badenhorst, forthcoming: 1; Landman and du Plessis, 2007). As the private sector continues to develop lifestyle estates, they are fast becoming an inevitable reality in South Africa and a distinct part of both the urban and rural landscape throughout the country. This research report focuses predominantly on the financial viability of lifestyle estates and how decisions made by private sector property developers regarding financial viability may positively influence the
environmental sustainability of lifestyle estates. The focus of this research report provides a new lens and scope of vision for the assessment of lifestyle estates. It provides a critical analysis from an ‘inside’ perspective of various lifestyle estate developments, rather than add to the countless criticisms originating from the ‘outside’ perspective.

1.2 Research to date on the Topic and the Research Report in relation to the Existing Body of Work

At present, there is little literature available that directly relates to the research topic, in terms of addressing the hypothesized evolution that lifestyle estates have undergone in a response to financial viability and environmental sustainability concerns. Perhaps the only inkling of an evolution has been the brief mention of mega mixed-use lifestyle estate Steyn City (Commercial Property News, 2013). There has however, been no explicit mention of the evolution of smaller-scale lifestyle estates as a result of private property developer’s concerns surrounding financial viability and environmental sustainability.

Landman (2004, 2007) has written a great deal on gated communities but focuses predominantly on gated communities in relation to local government, the broader sustainability debate and the long-term impacts of gated communities in Gauteng. There is an immense body of international (e.g. Low, 2003; Atkinson and Flint, 2003; Low 2001; Lang and Danielsen, 1997) and local literature (e.g. Landman and du Plessis, 2007; Chipkin, 2012; Lemanski, 2004; Ballard, 2004; Hook and Vrdoljak, 2002) that explicitly discusses the social impacts that gated communities have, both inside and outside the gates. There is also a body of literature, both international and local (Sanchez et al, 2005; Ngubeni, 2007), that deals with applying the gated community model to lower-income neighbourhoods. The above literature deals extensively with planners’ perceptions of and critiques on gated communities.

There is a small body of non-academic literature that deals superficially with issues of financial viability (Auction Alliance, 2011; Commercial Property News; 2013; Kloppers, 2011). An article on Century Property Developments (The African Business Journal, undated) makes brief mention of financial viability when discussing their estates by assuring readers that their developments are
well-planned and financially viable. However, there is no reason provided as to how or why specific types of lifestyle estates are more financially viable than others. There is brief mention that destination and leisure golf estates suffered more severely during the 2008/2009 global financial crisis than those in more densely populated urban areas (Commercial Property News, 2013). There is also no mention of how concerns surrounding financial viability may have catalysed an evolution of lifestyle estate developments in South Africa.

In terms of the environmental sustainability of lifestyle estates, there is a body of both international (e.g. Wheeler and Nauright, 2006) and local literature available (e.g. Ballard and Jones, 2011; Western Cape Department of Environmental Affairs and Development Planning, 2005; Landman and du Plessis, 2007). In the international literature, golf estates lie at the centre of criticism when it comes to environmental sustainability debates. In the local literature, there has also been extensive research into the environmental impacts and trade-offs associated with golf estate development (Western Cape Department of Environmental Affairs and Development Planning, 2005; Mbeki, 2005; National Planning Commission, 2011; Landman and du Plessis, 2007). Mention has also been made of the more environmentally sustainable practices occurring in lifestyle estates such as eco-estates in South Africa (Ballard and Jones, 2011). This is highly relevant to the topic. However, no literature was found on the hypothesized evolution of lifestyle estates and the relationship between the financial viability and environmental sustainability.

Despite being criticised by some, (Atkinson and Flint, 2004; Sanchez et al, 2005; Lang and Danielsen, 1997; Low, 2001; Blakely, 1997; Ballard, 2004; Lemanski, 2004; Dirsuweit, forthcoming) lifestyle estate development in South Africa is a response to a number of socio-economic issues, and has become a reality. The research is explicitly concerned with the evolution of lifestyle estates in South Africa. The research does not deny the current international and local socio-economic critiques surrounding gated communities such as lifestyle estates. Rather, the research examines lifestyle estates in a way that has not been done before and focuses extensively on issues of financial viability and environmental sustainability, rather than social sustainability.
The purpose of this report has been to investigate the concerns around financial viability and environmental sustainability and to understand the hypothesized evolution that has occurred. The point of departure of the report is then based on an acceptance that the development of lifestyle estates is going to continue and thus lifestyle estates are going to remain a distinct part of South Africa’s urban and rural landscapes. The literature will indicate the arguably rational grounds, from a personal security perspective, on which lifestyle estates have been developed. This report aims to provide insights on how private property developers have evolved the lifestyle estate model in an attempt to make lifestyle estates both more financially viable and environmentally sustainable. In order to investigate and realise the above, the following research question and research sub-questions were posed:

1.2.1 Research Question
Have private property developers’ concerns about financial viability and environmental sustainability catalysed an evolution of lifestyle estates in South Africa resulting in the development of more financially viable and environmentally sustainable lifestyle estate models? What are the implications of this evolution for urban planners’ perceptions and future development of lifestyle estates in South Africa?

1.2.2 Research Sub Questions
a. In terms of the literature, what are urban planners’ (academic and practitioners) current perceptions of lifestyle estates?
b. Do different types of lifestyle estates vary in levels of financial viability?
c. Do different types of lifestyle estates vary in levels of environmental sustainability?
d. What are the implications of the hypothesized evolution for future development of lifestyle estates?
e. Should urban planners view lifestyle estates differently in their evolved form?

1.3 Research Methods and Methodologies:
The research for this report is predominantly qualitative in nature and includes evaluation research. Evaluation research seeks to “answer the question of
whether an intervention...” (in this case the evolution of lifestyle estates) “...has been properly implemented... [and] whether the intervention was implemented as designed” (Mouton, 2001: 158). For this study, the evaluation research seeks to determine whether the evolution of lifestyle estates has resulted in greater financial viability and environmental sustainability of the estates.

In order for this to occur, the terms ‘financial viability’ and ‘environmental sustainability’ must be defined: A lifestyle estate development may be deemed ‘financially viable’ when the development is capable of normal growth, generates sufficient income to meet recurrent costs and is profitable. There are a number of key indicators associated with determining financial viability. These are: monthly and annual levies for the purchaser (this is a recurrent cost for the purchaser), capital growth for the purchaser and relative profitability for the investor(s) and the developer.

A lifestyle estate may be deemed ‘environmentally sustainable’ (Goodland, 1995) when the development maintains or enhances bio diverse natural capital, the land is not used excessively as a source\(^2\) or sink\(^3\) and environmentally detrimental activities taking place on the land are limited. There are a number of key indicators associated with determining the environmental sustainability of a lifestyle estate. These are: diversity of indigenous flora and fauna, use of pesticides, fungicides, herbicides, insecticides and fertilizers, water usage, electricity usage and recycling practices.

According to Yin (1991: 23) in Sarantakos (1998: 211), a case study is an “empirical inquiry that investigates a contemporary phenomenon within its real-life context”. The case study research model is utilised in this study to gain “in-depth” and “direct” (Sarantakos, 1998: 216) insights into specific aspects of specific lifestyle estates. The research report consists of case studies of three lifestyle estates in South Africa: White River Country Estate in Mpumalanga which was established in 1989, Raptor’s View Wildlife Estate in Limpopo which

\(^2\) A source is a site for harvesting resources such as water. It is imperative that sources are managed sustainably to ensure that the “rates of renewables are kept within regenerative rates” (Goodland, 1995: 3).

\(^3\) A sink is a site for holding waste emissions. A sink must also be managed carefully to ensure that the assimilated capacities do not impair the environment (Goodland, 1995).
was established in 2000 and Leadwood Big Game Estate in Limpopo which was established in 2011. Jordan Properties developed the estates chosen for the case studies in 11-year intervals. This is significant as will indicate a distinct and continued thought process surrounding issues of financial viability and environmental sustainability which resulted in the developer's decision to change the type of lifestyle estate developed over a 22-year period. The data from each estate will then be used for comparative purposes to determine whether lifestyle estates in their evolved form are more financially viable and environmentally sustainable than the original typologies.

The case study research is qualitative and consists of a number of key respondent interviews. The following key respondents have been interviewed for the purposes of this research project: Trevor Jordan, the founder and Chief Executive Officer of Jordan Properties. As the original developer of White River Country Estate, Raptor’s View Wildlife Estate and Leadwood Big Game Estate, Jordan was able to provide accurate information and perspectives on each of the three estates. T. Jordan also indicated the specific thought-process behind his decisions to develop particular types of lifestyle estates rather than others.

The second set of key respondents interviewed were estate agents, namely, Hugh Preston from Pam Golding Properties and Patrick Jordan from Jordan Properties. Preston and Jordan, P. were integral in elaborating on current levies of respective estates, providing insights on current levels of demand and information as to which type of lifestyle estates are in greatest demand. Furthermore, these estate agents interact with the developers of lifestyle estates and the potential buyers of the properties in the estates and therefore are able to provide a buyer’s perspective on lifestyle estates.

The third set of key respondents were respective estate managers, namely André Colekse (White River Country Estate), Byron Wright (Raptor’s View Wildlife Estate) and Tim Parker (Leadwood Big Game Estate). As a result of White River Country Estate and White River Country Club being separate entities, the golf course manager of White River Country Club, Trevor White, was also interviewed. These individuals were able to comment extensively on the general management of each estate as well as specific aspects such as water usage,
electricity usage, recycling practices as well as landscaping and maintenance activities. Observation research and primary collection of data took place through site visits to each estate and was used to complement the above key respondent interviews.

The Jordan Properties case studies were highly valuable in indicating a specific thought-process behind the development of and subsequent evolution of lifestyle estates. However, it is important to validate this thought-process and the hypothesized lifestyle estate development trends in the broader South African context. This was also done through qualitative research in the form of key respondent interviews. The following individuals were chosen as key respondents to address this aspect of the research report: Alan Pullinger is the current Chief Executive Officer at Rand Merchant Bank and former Head of the Property Division at Rand Merchant Bank. The second key respondent was Willie Robinson, who works in the Credit Division of Rand Merchant Bank and has dealt extensively with the financing of lifestyle estate developments in the past. Pullinger and Robinson were able to validate the evolution of lifestyle estates indicated by the Jordan Properties case studies in the broader South African context, as well as discuss issues of financial viability from the perspective of a Merchant Bank and potential credit provider.

The third, fourth and fifth key respondents for this section of the report were Geoff Maud, Kate Swartz and Mark Corrigan, all of whom work in Investec’s Property Division as Property Finance Consultants. Like Pullinger and Robinson, Maud, Swartz and Corrigan were able to validate the evolution indicated by the Jordan Properties case studies in the broader South African context. Furthermore, Maud, Swartz and Corrigan were able to discuss issues of financial viability from a risk and investment perspective. These respondents were also able to elaborate specific elements of lifestyle estates that may create differential or higher risk. This perspective is valuable, as Merchant Banks such as Investec and Rand Merchant Bank provide credit to private developers as well as make equity investments in lifestyle estate developments based on the level of risk and financial viability of a potential lifestyle estate development.
1.4 Ethical Issues and Considerations:
Although none of the key respondents involved in the study can be deemed particularly ‘vulnerable’, a number of ethical considerations were still made. First, Consent Forms and Participation Information Sheets were given to key respondents prior to the commencement of the interviews. Second, the aims of the research report were communicated as wholly as possible to the respondents. Third, the use of audio recording devices was communicated openly to the key respondents. Fourth, it was accepted that some key respondents might be bound to confidentiality agreements with clients and developers; these agreements were respected and not infringed. Fifth, the key respondents had the option of remaining anonymous. It must be stated here that none of the key respondents interviewed elected this option. Sixth, information gained from the key respondent interviews has been reflected accurately and honestly.

1.5 Research Report Outline:
Chapter 1 has provided an introduction to and rationale for the study. It has also provided insights into the methods and methodologies that were used in the study. It has also been used to define key terms such as ‘lifestyle estate’, ‘financial viability’ and ‘environmental sustainability’. The remainder of the report will be structured as follows:

Chapter 2, titled ‘Contextualising the Gated Community Phenomenon Globally and Locally’, contains an extensive review of both local and international literature on gated communities such as lifestyle estates. This chapter begins by discussing planners’ current perceptions of gated communities, as well as the arguments behind their numerous socio-economic and socio-political based critiques. The chapter also elaborates on the various motivations for the development of lifestyle estates in various contexts, such as the United States and England. The review then goes on to focus on the South African context and specifically lifestyle estates. Once again, the motivations for and spatial implications of gated communities such as lifestyle estates are discussed. The review also discusses notions of financial viability and environmental sustainability in South Africa as well as related arguments and critiques. The chapter serves as integral in contextualising gated communities such as lifestyle
estates in both the global and South African context, as well as providing insights on the key concepts and arguments surrounding the phenomenon that is lifestyle estates.

The research report then delves into the three case studies presented in Chapter 3 titled, ‘Lifestyle Estate Evolution: The Jordan Properties Case Studies’. Using the research acquired from the key respondent interviews and the site visits, the findings on White River Country Estate, Raptor’s View Wildlife Estate and Leadwood Big Game Estate are presented. The chapter provides a description of the characteristics of each estate and also deals explicitly with the rationale behind Jordan’s decisions to develop particular types of lifestyle estates rather than others. This chapter demonstrates that different types of lifestyle estates have different levels of financial viability and environmental sustainability. Furthermore, the chapter indicates that there has been a distinct evolution of lifestyle estates and that the rationale for the evolution is based on financial viability and environmental sustainability concerns. Chapter 3 indicates that the evolution of lifestyle estates has resulted in the development of more financially viable and environmentally sustainable lifestyle estate models.

The following chapter, Chapter 4, titled ‘The Evolution of Lifestyle Estates in the Broader South African Context’ will demonstrate that the findings and trends confirmed in the Jordan Properties case studies are in fact national lifestyle estate development trends. This chapter will validate that there has been an evolution of lifestyle estates in South Africa based on issues of financial viability and environmental sustainability. The chapter discusses the insights gained from the key respondent interviews with Alan Pullinger and Willy Robinson of Rand Merchant Bank, as well as from Geoff Maud, Kate Swartz and Mark Corrigan from Investec. The chapter sheds light on the evolution of lifestyle estates from the perspective of merchant banks as potential credit providers and potential equity investors. The chapter also discusses why particular types of lifestyle estates are more financially viable and environmentally sustainable than others.

The final chapter of this research report, Chapter 5, is titled ‘Implications For Future Lifestyle Estate Development, Planner’s Perspectives and Concluding Remarks’. The chapter begins by discussing the implications of the findings for
future lifestyle estate development. It then goes on to discuss whether the findings of the report should change the way that urban planners perceive lifestyle estates from their original perceptions discussed in Chapter 2. Recommendations that urban planners could be giving for future lifestyle estate developments in light of the findings are also discussed. The chapter concludes the report by engaging the research questions set out in Chapter 1 and answering each in turn.
2. CONTEXTUALISING THE GATED COMMUNITY PHENOMENON GLOBALLY AND LOCALLY

2.1 Literature Review

Over and above determining how the urban planning community views lifestyle estates and on what basis their opinions are justified, there are five key concepts that need to be addressed in this study: The first and second key concepts are concerned with the varying levels of financial viability and environmental sustainability respectively of different types of lifestyle estates. The third key concept is the evolution of lifestyle estates. It will be argued that private property developer’s concerns surrounding the levels of financial viability and environmental sustainability of potential lifestyle estates have catalysed an evolution of lifestyle estates. The fourth concept of the study is concerned with what, if any, have the implications of the evolution of lifestyle estates been for the urban planning profession. This concept will question whether urban planners’ current views on lifestyle estates should perhaps be reformed or altered in light of lifestyle estates’ evolved form. The fifth and final key concept will deal with the implications of the evolution of lifestyle estate for future lifestyle estate development.

Existing literature shows that there are a variety of theories and debates regarding lifestyle estates in both the South African and international contexts. The first point for discussion is a more extensive classification and definition of the term ‘lifestyle estate’. A lifestyle estate is a type of gated community. Atkinson and Flint (2005: 875) define gated communities as “walled or gated residential developments that restrict public access”. Landman and Badenhorst (forthcoming: 4) define gated communities as “a physical area that is fenced or walled off from its surroundings, either prohibiting or controlling access to these areas by means of gates or booms”. In Landman and Badenhorst’s (forthcoming) definition, office parks and shopping malls may also be defined as a form of gated community. It must be stated that this report does not concern these retail and commercial developments and is primarily focussed on residential gated communities, specifically lifestyle estates.
Low (2003) argues there are three distinct typologies of gated communities: lifestyle gated communities, elite gated communities and security zone gated communities. According to Low (2003) ‘lifestyle’ gated communities are usually developed in the form of retirement communities and golf estate developments and that the primary concern here is privatization and improved provision of services. ‘Elite’ gated communities are primarily concerned with “emphasising status and prestige”, creation of “enclaves for the wealthy” and the development of an “executive” and homogenous community (2003: 24). Security zones on the other hand, are usually characterised by access control of particular streets through barricading as well as the erection of a perimeter fence in some instances. The purpose of a security zone is to reduce crime as well as generate “exclusion and separation from the rest of society” (Low, 2003: 24).

In South Africa, there are countless examples of the ‘security zone’ gated community, one of which can be seen in Figure 2.1 of Dulwich Road in Bryanston, Johannesburg. Other examples of “security zones” in Johannesburg are the gated townhouse complexes such as the one shown in Figure 2.2. Examples of ‘Elite’ and ‘lifestyle’ gated communities are less obvious in the South African context. As per Low’s (2003) classification, and for the purposes of this argument, it is arguable that in South Africa, ‘elite’ and ‘lifestyle’ have synthesized into what is commonly known as a ‘lifestyle estate’. This synthesis is made on the following basis: Lifestyle estates in South Africa are characterised as walled, highly secure, access-restricted, low density residential and leisure developments with free-standing, freehold title residences. These developments house both first-home (primary residence) and second-home residents (secondary, leisure) residents (Jones and Rando, 1974). The well-serviced, highly maintained and highly-secure (and therefore costly) nature of lifestyle estate developments has resulted in these developments becoming enclaves for South Africa’s wealthy, which contributes to Low’s (2003) notion of the ‘elite’ gated community.

Another key characteristic of South Africa’s lifestyle estates is that most encompass a distinct theme, which promises the residents a particular lifestyle. These themes range from golf estates, such as Eagle Canyon in Honeydew, Gauteng as seen in Figures 2.3 and 2.4, to equestrian estates such
Figure 2.1 Dulwich Road Security Zone Dulwich Road in Bryanston, Gauteng, is an example of what Low (2003) terms a ‘security zone’. As can be seen from the photograph, a previously public road has been fenced and gated in an attempt to reduce crime in the road, resulting in the street becoming a private domain. (Source: de Beer, 2014)

Figure 2.2 Townhouse Complex Security Zone Townhouse developments such as this one, located in Bryanston, Gauteng, also constitute a ‘security zone’ gated community (Low, 2003). The presence of security guards, who enforce access restriction, as well as high walls and gates provide security for residents from crime as well as separate them from the rest of society. (Source: de Beer, 2014)
Figure 2.3 Eagle Canyon Golf Estate Lifestyle estates provide their residents with a particular type of lifestyle based on the theme of the development. Eagle Canyon Golf Estate in Honeydew, Gauteng, seen in the above photograph, epitomises a life of luxurious, golf estate living. (Source: de Beer, 2014)

Figure 2.4 Typical Lifestyle Estate Housing Typology Lifestyle Estates in South Africa are arguably a synthesis of Low’s (2003) “elite” and “lifestyle” gated communities. This photograph indicates the sizeable, high-income, low-density, freestanding residences (in Eagle Canyon Golf Estate) that often characterise lifestyle estates in South Africa. The costs associated with living in such an environment have enabled lifestyle estates to become a domain for the wealthy. (Source: de Beer, 2014)
as Blue Hills Equestrian Estate in Witpoort, Gauteng. These are just two examples of lifestyle estate themes that exist in South Africa at present. Other themes include wildlife estates, big game estates, country estates, urban estates and fishing estates. Therefore, Low’s (2003) notion that ‘lifestyle’ gated communities consist merely of golf courses and retirement villages is too limited a description of the lifestyle estate phenomenon in South Africa. Despite these inconsistencies, South African lifestyle estates can undoubtedly be classified as a form of gated community and perhaps, as mentioned previously, more specifically, a combination of Low’s (2003) ‘elite’ and ‘lifestyle’ gated communities.

The emergence of the notion of ‘gated communities’ is not an exclusively modern phenomenon. Lemanski (2004: 102) explains, “historically, the pre-modern city constructed walls and gates to exclude undesirables and thereby minimize fear”. Low (2003) seconds this point and emphasises that walling and gating served as an essential defence mechanism in many ancient and medieval settlements to “protect inhabitants and their property” (Low, 2003: 13). This bears striking resemblance to what can be considered the core value of gated communities around the globe today; personal and property security. Over and above the search for safe and secure residential surroundings is a yearning for a distinct sense of community, identification with others and an aesthetic “niceness” (Low, 2003: 9). There is no doubt that the themed nature of lifestyle estates in South Africa aesthetically detaches residents from a particular environment (often an urban environment), and engulfs them into another, more desirable environment. The first inklings of notions of aesthetic detachment to better environments can be seen in Ebenezer Howard’s (1902) work on the Garden City movement.

The Garden City movement emerged as a response to industrial cities and towns being “so foul, so squalid, so ill-drained, so vitiated by neglect and dirt” and predominantly characterised by foul air, murky skies and slums (Howard, 1902: 43). Despite these downsides to urban living, the ‘town’ still housed the best employment and social interaction opportunities (Howard, 1902). The ‘country’ on the other hand, encompassed the beauty of nature and fresh air but had limited employment and social interaction opportunities. Based on these premises, Howard (1902) proposed a third category, termed “town-country” (Howard, 1902:
46). The ‘town-country’ essentially encompassed the benefits of both the ‘town’ and ‘country’, such as the beauty of nature, no smoke, no slums, bright homes and gardens, social interaction opportunities and easy access. Within these garden city notions, there is also a distinct emphasis on public facilities, with particular emphasis on greenbelt recreational spaces. Essentially, garden cities aimed to:

“…make the country more attractive to a workday people than the town…at least the standard of physical comfort higher in the country than in the town; to secure in the country equal possibilities of social intercourse”

- Howard, 1902: 45

This statement encourages something of a detachment from city living through aesthetic alteration in a similar way to lifestyle estates in South Africa. However in this case, the concept has been privatised and arguably distorted for the benefit of the rich, which is a far cry from Howard’s (1902) original, much more public-oriented and inclusive concept. Lifestyle estates, despite being situated in close proximity to urban environments in some cases, have few hints of the urban surroundings within the estate. The mention of increased ‘social intercourse’ emphasises the desire for a sense of human interaction and community. Although lifestyle estate affiliations will argue that a sense of community does exist in these residential developments, other authors (Low, 2003; Atkinson and Flint, 2004; Lang and Danielsen, 1997) inherently oppose this notion. Nevertheless, although garden cities were not gated or specifically the domain of the wealthy, notions of a desire for a green lung and some sense of idealised community can be seen in today’s lifestyle estates. See Figure 2.5. The desire for security and consequentially the erection of walls and gates in ancient and medieval settlements (Low, 2003) can also be seen in lifestyle estates development today. See Figure 2.6.

As mentioned previously, lifestyle estates and other types of gated communities have become a worldwide phenomenon and have become prominent in “Latin America, China, the Philippines, New Zealand, Australia…Indonesia, Germany, France…Eastern Europe, Egypt, Lebanon…Saudi Arabia…along the Spanish coastline and Côte d’Azur” (Low, 2003: 16) and of course, in South Africa. This
Figure 2.5 Luxurious Utopian Living Environments  Dainfern Golf and Country Club, Fourways, Gauteng aesthetically detaches its residents from the chaotic realities of urban living through the provision of aesthetically pleasing, ‘green lung’, open spaces. (Source: de Beer, 2014)

Figure 2.6 Fortress Neighbourhoods  Indicating the highly secure perimeter walls surrounding Dainfern Golf and Country Club. Like medieval and ancient settlements, these walls provide both personal and property security for residents. The walls also physically and psychologically detach residents from the greater region. (Source: de Beer, 2014)
review will now discuss the motivations behind the development of gated communities internationally, specifically in the United States of America and England.

2.1.1 Gated Communities: United States of America

“Defended' territories exist in cities such as gang ‘turf', ethnic enclaves, gentrified neighbourhoods and areas of religious significance, gated communities provide a force for exclusion in new and different ways to earlier forms of residential patterning”

- Atkinson and Flint, 2004: 876

Defended territories in cities are not a new phenomenon in the United States. However, defended territories such as gated communities are arguably having greater spatial and social impacts than other types of defended territories (Atkinson and Flint, 2004). This premise is heightened by the growing prominence of gated communities in the United States (Lang and Danielson, 1997). In 1997, it was estimated that 4-8 million people in the United States were living in gated communities, that one third of all new homes in the United States are in gated residential developments (Architectural Record, 1997 in Low, 2001: 46) and that nearly “40% of new homes in California are behind walls” (Blakley and Snyder, 1997 in Lang and Danielson, 1997: 868). Despite the fact that these figures do not deal solely with lifestyle estate developments and include the other types of gated communities, they distinctly emphasize the prominence of the gated community phenomenon in the United States.

Originally, gated communities were built predominantly for leisure purposes and particularly for retirees (Low, 2001). Today, gated communities have diversified and expanded their purpose significantly which has led to these residential developments targeting a much broader market (Low, 2001). Motivations behind the development of gated communities in the United States are the following: First, Lang and Danielsen (1997: 867) argue that “people choose to reside in gated communities because they believe that such places reduce risk, ranging from the mundane (e.g. unwanted social exchanges) to high stakes (e.g. declining home values)”. Like medieval towns, gated communities provide a
promise of defence for their residents. Low (2001) argues that a perceived increase in crime seems to catalyse people moving to gated communities. The use of the word ‘perceived’ here is essential as Low (2001: 47) argues that increased media coverage has catalysed “hysteria about urban crime” which has resulted in a somewhat exaggerated “culture of fear”. This fear creates something of an anti-urban sentiment, which provides opportunity for those with the financial means to “tap into our moral insecurities and supply us with symbolic substitutes” (Glassner, 1999: xxviii in Low, 2001: 47), which has ultimately manifested in the development of gated communities.

The second motivation behind the significant emergence of gated communities, such as lifestyle estates, in the United States is a “desire for community and intimacy” and to facilitate “avoidance, separation, and surveillance” (Low, 2001: 48). The claim that gated communities provide a greater sense of community is based on the assumption that people who reside in gated communities share a great deal in common; specifically a financial status (Pivo in Lang and Danielsen, 1997). It is also argued that a distinct sense of place is created in gated communities, which contributes to giving residents a particular identity (Bacow in Lang and Danielsen, 1997). The provision of safe, usable recreational grounds within gated communities, along with this sense of place and identity all contribute to developing a distinct sense of community within gated communities.

The third and final motivation behind the development of gated communities in the United States concerns the element of control. There is no doubt that when an individual purchases a home in a gated community, he or she is buying into a very particular, well-defined lifestyle (Lang and Danielsen, 1997). This purchased lifestyle is strictly controlled and managed by the governance structures within gated communities in an attempt to protect the development and its residents from “dystopian images of future city changes and public social relations” (Atkinson and Flint, 2004: 889). These micro-governance structures also provide direct access channels for service delivery (Lang and Danielsen, 1997). Essentially this results in gated communities providing their residents with a great deal more stability and control than the ever-changing, uncertainty-ridden, ‘outside’ urban environment.
Despite their seemingly positive traits of secure, community living with accessible governance structures, gated communities in the United States have become targets for criticism (Sanchez et al., 2005, Lang and Danielsen, 1997). First, the gating and walling of residential communities plays a significant role in the development of what Mike Davis (1992 in Low, 2001: 46) terms the “fortress city”. Fortressing mechanisms such as walls, gates and the presence of security guards “delineate status…rather than signify a collective understanding among equals” (Lang and Danielsen, 1997: 870). Ultimately, this results in the encoding of “class relations and residential (race/class/ethnic/gender) segregation more permanently in the built environment” (Low, 2001: 45). This is highly problematic for notions of social and spatial justice, and promotes what can be termed “one-way justice” as Blakely (1997) explains:

“I want to turn right, but all of a sudden I can’t. The people who live there can turn left or right, go wherever they want, but I’m restricted in my movement because of them”

- Blakely in Lang and Danielson, 1997: 885

Blakely’s account of gated communities addresses another key concern. It is fair enough to accept that one of the key demands and appeals behind gated communities is their ability to provide residents with a sense of physical and psychological protection (Lang and Danielsen, 1997). However, this security is acquired at the expense of the other people’s experience of the built environment. The presence of gated communities also triggers other social- and spatial-ills. Previously in the United States, land along major roadways was reserved for low-income housing. Noise and air pollution, as well as other downsides related to living next to a major roadway, decreased potential values for residential development, and thus made the land more affordable. However, private property developers have realised that through the construction of high walls, these undesirable characteristics of roadside land can be diminished, making this a prime location for the development of gated communities (Pivo in Lang and Danielsen, 1997).

Although this is an American critique, a similar phenomenon is occurring in the urban areas of South Africa such as Johannesburg. Landman (2003) in Dirsuweitz (forthcoming) estimated at least 18 “security villages” (lifestyle estates) existed on
Johannesburg’s periphery, with more to be developed, no doubt. This results in private property developers rapidly acquiring land on the urban edge for these residential developments. Pivo (in Lang and Danielsen, 1997) argues that in some cases, the development of lifestyle estate pockets of wealth in peripheral areas results in the spatial distance between the rich and poor actually decreasing. An example of this is evident in the case of the Jackal Creek lifestyle estate development in Johannesburg, a high income gated community, which neighbours, and indeed overlooks, Zandspruit, an impoverished informal settlement seen in Figure 2.7 and 2.8. Another example can be seen in the close proximity of Dainfern Golf and Country Estate and Steyn City to Diepsloot⁴, which can be seen in Figure 2.9.

Another criticism surrounding gated communities in the United States relates to safety and security and specifically the issue of crime. It has already been established that the “use of urban fear discourse reinforces residents’ claims for their need to live behind gates and walls because of dangers of “others” that lurk outside” (Low, 2001: 45). However, many argue that the “safe haven” provided by gated communities in the “chaotic metropolis” (Lang and Danielsen, 1997: 869) is merely a marketed illusion. Lang and Danielsen (1997) also argue that this ‘perceived’ security “lulls” residents into a false sense of security and complacency. Although Blakely (Lang and Danielsen, 1997) admits that fewer crimes against people occur, such as muggings, and that less vehicle theft occurs because of the gates, the levels of crime in gated communities are not very different from the levels of crime outside the gates.

“There’s a gated community in Southern California…with a population of 30 000 people and a crime rate higher than in other cities of 30 000”
- Blakely in Lang and Danielsen, 1997

The final criticism regarding gated communities in the United States of America relates to the notion of community. There are two key arguments here: The first argument relates to the development of a sense of community within gated

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⁴ Diepsloot is a large, low-income settlement that comprises of both formal and informal dwellings.
Figure 2.7 Rich and Poor Proximity – Jackal Creek Golf Estate and Zandspruit Informal Settlement A satellite image indicating the close proximity of Jackal Creek Golf Estate, a luxury lifestyle estate development, to Zandspruit, an impoverished informal settlement in Roodeport, Gauteng. The image indicates Pivo’s (Lang and Danielsen, 1997) argument that in some cases, as a result of lifestyle estates being developed on the periphery, the spatial distance between the wealthy and poor decreases. (Source: de Beer, 2014 derived from Google Earth, 2014)

Figure 2.8 Unequal Neighbours High-income homes in Jackal Creek Golf Estate overlooking the impoverished Zandspruit informal settlement. (Source: de Beer, 2014)
Figure 2.9 Rich and Poor Proximity II – Dainfern Golf and Residential Estate, Steyn City and Diepsloot

A satellite image indicating the close proximity of Dainfern Golf and Residential Estate and Steyn City, luxurious lifestyle estate developments, to Diepsloot in Gauteng. The image is another example of Pivo’s (Lang and Danielsen, 1997) argument that in some cases, as a result of lifestyle estates being developed on the periphery, the spatial distance between the wealthy and poor decreases. (Source: de Beer, 2014 derived from Google Earth, 2014)
communities. Pivo (in Lang and Danielsen, 1997) argues that developers take great care to market this particular element of gated communities. According to the literature, the reality is however, that not much 'community' exists within gated communities and that most communication between neighbours is done through intermediates such as security guards and lawyers (Lang and Danielsen, 1997 and Atkinson and Flint, 2004). The second argument and criticism relating to the notion of community involves the relationship between those inside and outside the gates of gated communities. Lang and Danielsen (1997: 867) argue "a sense of community within gated communities comes at the expense of a larger identity with the region outside". This statement evokes somewhat of a sense of sadness: the sense of community in the greater region has been sacrificed and compromised for a sense of community within the walls, that largely does not exist. Low (2001) argues that through the halting of public access, gated communities create barriers for social interaction as well as decrease tolerance among different groups, which does not contribute to the social sustainability of society.

2.1.2 Gated Communities: England

As can be seen, gated communities in the United States have been subject to severe criticism on socio-economic grounds. These criticisms are not isolated to gated communities in the United States but are also so in England. Research conducted by Atkinson and Flint (2004) suggests that in 2004, 1 000 gated communities existed in England. These gated communities are generally small and properties inside the gates are very expensive to acquire. These estates therefore house wealthy individuals. Gated communities in England are motivated similarly to their counterparts in the United States. First, they are said to provide "total and absolute security" (Atkinson and Flint, 2004: 879) from crime. Second, through "living amongst fellow professionals" (Atkinson and Flint, 2004: 880), notions of community and trust are created. Third, residents of gated communities in England place a great deal of emphasis on privacy and encompass an "apparent desire to avoid day-to-day incivilities and random social contact" (Atkinson and Flint, 2004: 880). The privacy motivation appears to be somewhat unique to England and was not as prominent in the United States literature.
Although slightly different in nature and wholly different in geographical contexts, gated communities in the United States and England share a number of similar criticisms. First, gated communities contribute to a lack of permeability, an increase in the privatisation of space and generally drastically affect the “character of the local streetscape” (Atkinson and Flint, 2004: 881). Second, like gated communities in the United States, gated communities in England are also criticised for promoting segregation and for facilitating the “withdrawal of certain groups into spatially fixed enclaves” (Atkinson and Flint, 2004: 887). Third, the notion of a sense of community inside the gates is once again highly disputed as Atkinson and Flint (2004: 881) explain: “although [gated communities] are usually portrayed commercially as sites for fostering internal cohesion, we found...examples of internal conflict” such as the existence of cliques. Fourth, although a secure lifestyle supposedly provides greater freedoms for residents, Atkinson and Flint (2004) criticise the governance structures within gated communities for actually decreasing and restricting the freedoms of gated community residents:

“The freedoms associated with [gated communities] are simultaneously undercut by the socio-legal covenants and rules of contracts signed upon moving in for the [gated community] management boards and local community structures about acceptable conduct”

- Atkinson and Flint, 2004: 881

Therefore, with greater freedom as a result of enhanced security comes decreased freedom in other areas of residential life. The final issue surrounding gated communities in England is a policy concern. Atkinson and Flint (2004) argue that the development of gated communities is on the rise in England, despite embodying characteristics that contradict current policy. At present, development policy in England promotes ideas of mixed-use development, sustainability, revitalised public spaces, social contact, tolerance and political engagement (Atkinson and Flint, 2004). It is clear to see why some might argue gated communities do not conform to these values due to their segregatory and homogenizing nature.

Thus far, this literature review has investigated the key themes and debates surrounding gated communities such as lifestyle estates in the United States and
England. The review will now delve into the key themes and debates surrounding gated communities, particularly lifestyle estates, in South Africa.

2.1.3 Gated Communities: South Africa

Lifestyle estates are a common feature on the South African post-apartheid landscape (Low, 2003; Landman and Badenhorst, forthcoming)). Built on an “architecture of fear” (Chipkin, 2012: 6) and highly criticised by some for facilitating social exclusion, these estates are largely considered an idealised and utopian form of living (Hook and Vrdoljak, 2002) in South Africa. The development of lifestyle estates in South Africa is a direct response to socio-economic issues. High rates of poverty and unemployment have resulted in both high and “horrific increases” (Lemanski, 2004: 104) in crime rates throughout the country.

“In 2002, South Africa was rated in a worldwide review of crime statistics as having the highest incidence of violent crime”

- Dirsuweit, forthcoming: 2

This essentially prevents South Africans from feeling that their homes are safe environments where they can let their guards down (Ballard, 2004). Despite figures indicating that violent crime rates in South Africa have begun to decrease, the “production and consumption of fortressed spaces has increased, if not become voracious” (Dirsuweit, forthcoming: 3). This is a clear indication that in South Africa, fear of crime and security concerns are still rife. The state’s response and related planning strategies to mitigate the security concerns in the country have been far surpassed by the private sector, who have tapped into the immense demand for safe and secure residential environments. Everyday-citizens have also taken matters into their own hands (Lemanski, 2004) in an effort to protect themselves (Landman, 2002) and develop safe and secure residential environments. This inclination is arguably highly pragmatic (Ballard, 2004). South Africa can be considered a context ridden with crime. According to Dirsuweit (forthcoming) statistics in 2012 indicated that 46 people are murdered in South Africa per day. This coupled with a lack of action by and faith in (Dirsuweit, forthcoming) the South African Police force does indeed prompt a need and desire for more defensive architecture (Ballard, 2004). The development of lifestyle estates as well as other types of gated communities in
South Africa is a spatial manifestation of this fear of crime and desire for safe and secure residential environments.

Over and above being a mechanism for generating safe and secure residential environments and therefore personal and physical security (Landman and du Plessis, 2007), lifestyle estates have become a mechanism by which those who have the financial means can generate the following: First, social order and legality (Chipkin, 2012) which ultimately contributes to the development of what Landman and du Plessis (2007: 18) term “socio-cultural security”. This term refers to the “safety from bad influences, disagreeable social norms and unaccepted cultural influences” (Landman and du Plessis, 2007: 18). Second, lifestyle estates provide higher quality service delivery than what the state provides (Dirsuweit, forthcoming) such as safe, serviced public spaces. This contributes to what Landman and du Plessis (2007: 18) term “lifestyle security” which assures residents “access to a specific way of life in a private and protected environment”. The demand for these features has led to the increasing development of lifestyle estates in South Africa. According to the Financial Mail (2013), the increasing development of lifestyle estates has resulted in a shift in preference from living in high-income suburbs such as Camps Bay and Clifton in Cape Town, to more decentralised, peripheral lifestyle estate developments (e.g. in Fish Hoek, Cape Town) which offer the same level of luxury, but greater security and environmental benefits and a particular lifestyle.

Like gated communities in the United States and England, the critiques surrounding gated communities in South Africa are largely based on social concerns. For some (Hook and Vrdoljak, 2002), gated communities such as lifestyle estate developments do not epitomise ideas of inclusive and integrated living.

“Citizen fear-management strategies of erecting walls and enclosing neighbourhoods have had a perverse effect, leaving both public and private spaces devoid of Jacob’s natural surveillance (and thereby less safe), and making use of a perverted form of Newman’s “defensible space” to facilitate tribal territorialism that serves to increase fears and deepen segregation”

- Lemanski, 2004: 107
The South African Human Rights Commission (2005: 5 in Dirsuweit, forthcoming) has also raised concerns about gated communities stating that they “…cause social division, dysfunctional cities and lead to further polarisation of our society”. The issue of residential segregation and polarisation is of much historic significance in South Africa as a result of the apartheid regime. In relation to lifestyle estates, the issue of residential segregation is twofold: First, Ballard (2004) argues that gated communities in South Africa, such as lifestyle estates, are a ‘white’ strategy to find comfort zones in post-apartheid South Africa. The implication of this is essentially racial segregation, which resembles spatial patterns of the apartheid regime. Only now, in the post-apartheid era, “citizens rather than the government…[use] fear to justify sociospatial exclusion” (Lemanski, 2004: 110).

The second type of segregation that lifestyle estates emphasise and facilitate is economic segregation. The security devices employed at lifestyle estates, such as security guards, high walls, electric fencing, cameras and security beams are all capital intensive and are paid for by residents through monthly levies. This cost limits individuals of certain income groups (lower-middle) from residing in lifestyle estates. Thus lifestyle estates have very much become the domain of South Africa’s high-income groups. This is problematic for notions of social justice in South Africa as fear of crime is prominent across all socio-economic groups, rich and poor, however only some can afford to protect themselves against it (Lemanski, 2004).

Another critique similar to those of gated communities in the United States and England concerns the notion of ‘community’. As in the United States and England contexts, the general consensus is that attempts to generate notions of ‘community’ within the walls of lifestyle estates, comes at the expense of those who dwell outside the walls (Ballard, 2004; Lemanski 2004; Dirsuweit, forthcoming). In gated communities, quests for community result in highly homogenous social environments being developed (Lemanski, 2004). This homogeneity is problematic in “excluding difference and limiting social mixing, thus increasing paranoia and mistrust between groups” (Lemanski, 2004: 108). All of the above critiques are somewhat problematic for a country where the
constitution is characterised by phrases such as “diversity”, “social justice” and “equality” (Republic of South Africa, 1996).

Although lifestyle estates appear to have a number of socio-economic downsides, these developments are in line with South Africa’s development policy in certain ways. One of the main components of South Africa’s macro-economic policy in the era of globalization is to attract foreign investment (Landman, 2002). Due to limited budgets, the South African government relies heavily on the private sector to implement development. Both of these points are present in the National Development Plan (2011: 27) where “growth, investment and employment” and “collaboration between the private and public sectors” are listed as ‘key ingredients’ for South Africa’s success. As a result of the private property sector being predominantly concerned with profit generation, this results in developments, such as lifestyle estates, which are arguably not highly socially inclusive or socially just. Nevertheless, these developments play a vital part in the South African economy and do have some positive outcomes: First, they increase capital stock, even if this increased capital stock only benefits those inside the gates of the lifestyle estates (Landman and du Plessis, 2007). Second, although once again not evenly distributed, lifestyle estates drastically improve access to services, infrastructure and secure living for a number of South Africans (Landman and du Plessis, 2007). Third, these developments undoubtedly generate a number of employment opportunities (security guards, gardeners and maintenance workers, estate managers, clubhouse staff, caddies etcetera).

Another interesting aspect to consider in terms of gated communities is whether some variation of the secure lifestyle estate model can be applied to less affluent communities to expand the many benefits that lifestyle estates have to offer (Commercial Property News, 2013). The South African government debated this notion and proposed to develop and enforce a policy that would “compel developers of upmarket residential properties to set aside 20% of their upmarket residential developments to accommodate affordable housing” (Ngubeni, 2007: 3). As expected, the private sector property developers, and surprisingly local municipalities responded to this proposal with concern (Ngubeni, 2007). The joint concern of both parties was that the inclusion of an affordable housing
component in upmarket lifestyle estate developments would decrease the values of the other properties in the estates. This is problematic for developers, as it would decrease the property values and therefore their profit margins on the stands. This in turn would affect the rates and taxes contributions of residents to the respective municipality. Thus, according to Ngubeni (2007) a paradoxical dilemma exists with the concept of including affordable housing in upmarket gated communities: There is a distinct need to address the affordable housing backlog in South Africa as well as promote social integration. The state faces issues of a limited tax base and therefore limited funds, which hinders its ability to address the housing backlog. It is then, only rational to propose that the private sector contribute to addressing this backlog by including affordable housing in their developments. This would also encourage social integration in lifestyle estates. However, this is simultaneously detrimental to the estate property values and in turn the municipality (a lower sphere of government), as their rates and taxes income will be negatively affected. Although the policy has not been legislated, inclusionary housing is still sometimes a point of negotiation between municipalities and developers.

Interestingly, in the United States, gated communities for middle- and lower-income group renters are already in full operation. Like society’s high earners, lower income groups also wish to defend themselves from “crime, drugs, vandalism and disregard for public or private property” (Sanchez et al., 2005: 281). Dirsuwiet (forthcoming) concurs with this and argues that fear of crime is highly prevalent in the lower income groups of South Africa. Over and above addressing security and safety concerns, gated communities offer middle- and lower-income group renters in the United States access to amenities that they would otherwise not have access to, such as swimming pools (Sanchez et al., 2005).

Environmental Sustainability, Financial Viability and the Diversification of Lifestyle Estates in South Africa

The popularity of lifestyle estates in South Africa has resulted in estates no longer being confined to a particular type or particular area, which has resulted in their impact being largely differential (Landman, 2004). As Rivett-Carnac (2009) points out, different development models have different effects on society, local
economic development and the environment. Lifestyle estates are no longer confined to golf estates, and manicured greens have now been traded in for indigenous vegetation in an attempt by developers to increase the affordability and the environmental sustainability of their developments (African Business Journal, undated). This point is significant as it makes reference to the hypothesized evolution of lifestyle estates in South Africa. Based on these developments in the lifestyle estate sector, developers have utilised tourism as a key gateway to getting their lifestyle estate developments approved.

The tourism industry is “labour intensive” and as a result stimulates the growth of small businesses (National Planning Commission, 2011: 131). Therefore, tourism is widely politically supported in South Africa (Rivett-Carnac, 2009). As a result, applications that seemingly contribute to tourism infrastructure, such as the development of accommodation (National Planning Commission, 2011), are more likely to be approved. This has had numerous implications, which will be discussed using the example of Whale Rock in the seaside town of Plettenberg Bay. There is no doubt that lifestyle estate development and tourism can, in theory, complement each other through the provision of safe, enhanced environments. However, it is arguable that the developer reaps more benefits than anyone else from this relationship. Although, holidaymakers who own houses in estates such as Whale Rock are technically tourists, their houses are definitely not run as tourism businesses. This has resulted in comparatively fewer employment opportunities than expected (Rivett-Carnac, 2009).

Sustainable development can be defined as “the relationship between humans and their social and biophysical environment that is fundamentally different from the exploitative and adversarial relationship that has driven recent human development efforts” (Landman and du Plessis, 2007: 18). The United Nations World Commission on Environment and Development (1987 in Newman, 1999: 219) describes sustainable development as development that “minimises [the use of the] environments resources and reduces the impact on environmental sinks using processes that simultaneously improve the economy and the quality of life”. Sustainable development contains three pillars: society, economy and environment. In the Cocoyoc Declaration issued in 1974 by United Nations Environmental Program it is stated, among other things, that sustainable
development involves meeting peoples’ basic needs within environmental limits while limiting impact and consumption in a partnership with nature (Landman and du Plessis, 2007). Thus far, the literature has focussed on the ‘society’ pillar of sustainable development. It has become apparent that there are numerous critiques surrounding the social sustainability of gated communities such as lifestyle estates (Lang and Danielsen, 1997; Atkinson and Flint, 2004; Lemanski, 2004; Ballard, 2004; Dirsuweit, forthcoming). This research report however focuses predominantly on the other two pillars of sustainable development, namely economy (specifically financial viability concerns, which form part of the broader economic sustainability debate) and environment (specifically environmental sustainability concerns).

The financial viability of lifestyle estates is an essential part of the argument of this research report as well as an essential aspect of any development. The 2008/2009 global financial crisis led to stricter lending criteria and the repossession of various lifestyle estate projects at various stages of completion by South African banks. Commercial Property News (2013) argues that the 2008/2009 global financial crisis had an intense impact on the purchasing of holiday homes such as destination leisure golf estates, which “came under considerable pressure” as a result. This ultimately resulted in investors and developers being able to buy projects at decreased rates (Auction Alliance, 2011). It is argued that South African golf courses are proving to be more financially resilient than golf course estates in the United States (Commercial Property News, 2013). However, there are a few specifications for this success: Golf estates have been most successful in densely populated suburban environments. As mentioned previously, remote, as well as holiday and destination golf estates suffered more severely during the 2008/2009 global financial crisis (Commercial Property News, 2013). Commercial Property News (2013) also emphasises the importance of market timing in the development of successful lifestyle estates.

In terms of environmental sustainability, lifestyle estates (particularly golf estates) are often seen as a suitable avenue for development (Wheeler and Nauright, 2006). This is based on the fact that lifestyle estates are largely viewed as a less intense form of development that will provide positive recreational use and sound
environmental management (Wheeler and Nauright, 2006). Golf estates are often cognitively linked to nature and are usually developed in very scenic environments (Wheeler and Nauright, 2006). This however, is not always the case and the “rapid increase in the number of such (golf) developments” (Western Cape Department of Environmental Affairs and Development Planning, 2005: 1) has generated significant concern regarding issues of environmental sustainability.

Natural capital refers to natural resources and services provided by ecosystems such as sources, sinks and renewable resources that contribute to processes such as climate regulation and the carbon cycle which ultimately enable life cycles to continue in a natural and balanced way (Landman and du Plessis, 2007). The construction of golf courses and estates specifically, involves a number of extensive changes to the natural environment, including massive earthworks, clearing of indigenous vegetation, altering drainage patterns for the construction of dams, developing extensive irrigation systems, planting of exotic grass and extensive landscaping (Jones and Rando, 1974). Over and above being highly capital intensive, these activities ultimately lead to the destruction of natural land, changes in topography and hydrology (which may result in gullying and erosion), use of fungicides, insecticides, herbicides and pesticides (Nauright and Wheeler, 2006) and loss of biodiversity (Western Cape Department of Environmental Affairs and Development Planning, 2005). This results in a loss of natural capital.

Golf estates are also criticised for utilising vast volumes of water (a finite resource) and for visually impacting environments (Western Cape Department of Environmental Affairs and Development Planning, 2005; Landman and du Plessis, 2007). Ballard and Jones (2011: 22) provide a harsh critique of the golf courses that characterise golf estates, stating that golf courses are “notoriously thirsty, require chemicals and depend on fairways and greens of exotic grass types”. Landman and du Plessis (2007: 21) criticise golf estates for “accumulating natural capital stocks” in terms of water through the construction of artificial lakes. Despite the source of the water, be it municipal or borehole water, golf estates ultimately end up depleting natural capital stocks both inside and outside the gates (Landman and du Plessis, 2007). The extensive supply of water needed for
golf estates is a significant concern as South Africa can be considered a “water-stressed country” (Landman and du Plessis, 2007: 21). All of the above activities contribute to golf estates being both environmentally detrimental and environmentally unsustainable.

It is hypothesized that concerns over the financial viability and environmental sustainability of golf estates, have prompted an evolution of lifestyle estates in South Africa whereby different typologies of lifestyle estates are being developed. As a result, there has been a shift from golf estates, to more natural-based estates that are considered to be more environmentally sustainable. The United Nations 7th Millennium Development Goal reads “integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources” (United Nations, 2014). This current global attitude is arguably one of the key driving forces behind the development of eco-estates, nature-estates and wildlife estates alike. Closer to home, the rebranding of gated communities to more environmentally sustainable developments has slightly improved their, typically very low, social credibility (Ballard and Jones, 2011). Over and above providing their high-income residents with security, exclusivity and open space, these relatively new types of lifestyle estates provide users with an even greater detachment from urban life and an opportunity to “reconnect with nature” (Ballard and Jones, 2011: 1). This type of estate has gained immense popularity over the last couple of years in South Africa (Harrison et al, 2008 in Landman and Badenhorst, forthcoming). Motivations behind the demand for and success of this type of estate will be discussed in later chapters, however Ballard and Jones (2011:4) suggest that one reason is that in a post colonial context, whites “enlist nature” in an attempt to feel more at home.

One key question frequently raised during this research process is whether eco-estates are as ‘eco-friendly’ as they are marketed to be. First, unlike golf estates, it is hypothesized that the use of pesticides, fungicides, insecticides, fertilizers, and other chemical substances drastically decreases in eco-estates, that “gardens will be used by insects, birds and animals” and that “ecological processes will occur… such as composting, carbon absorption and oxygen production” (Ballard and Jones, 2011: 7). Second, it is hypothesized that no, or very little alien vegetation will be planted and that indigenous vegetation planted
will be similar to that of the surrounding natural vegetation, which can survive entirely on annual natural rainfall. This should decrease watering costs as well as hinder the growth of water-thirsty alien vegetation.

“These more ecological treatments of gardening can be contextualised within the long held disquiet amongst conservationists of humanity’s role as “improvers of nature” and the romantic longing for unaltered nature (Williams 2005, 78).”

- Ballard and Jones, 2011: 8

Ballard and Jones (2011: 20) state “developers are therefore harnessing the indigenous brand to achieve a variety of different kinds of landscapes, ranging from approximations of what the land might have looked like before human alteration, to the production of scenes that replicate distant places”. This statement is significant for two of the three case studies that will be discussed in later chapters, where overgrazed farmland has been converted for conservation and lifestyle estate development purposes and is in the process of being restored to its pre-agriculture, natural state. However, Harrison et al. (2008:168 in Landman and Badenhorst, forthcoming) argues that it is “doubtful that the construction of large gated estates, with poor access by workers, high levels of class separation, and which are dependent on transport by motor car, can be seen as sustainable development”.

There are a few more important debates relevant to all peripheral urban and rural lifestyle estate developments: In an address at the opening of the Brickfields Housing Development in Newtown in 2005, former South African president Thabo Mbeki argued that in order to develop a non-racial and non-sexist society, pro-rich residential developments must stop. Mbeki (2005) stated:

“We have, among others, an urgent challenge of bringing to a stop the pro-rich housing development strategies that ensure that the best located land that is close to all the best facilities is always available to the rich; a situation where the best land is allocated especially to create gated communities and golf estates, while the poor can only access dusty semi-developed land far away from modern infrastructure”
Mbeki (2005) is not the first to raise this concern. The ‘Rapid Review of Golf Course and Polo Field Developments’ (2005) Report focuses on the detrimental effects that lifestyle estates such as golf estates can have on both the urban and rural settlement forms of the Western Cape. Although it is not extensively stated, these criticisms can also be applied to other types of lifestyle estates in South Africa. The Rapid Review (Department of Environmental Affairs and Development Planning, 2005) raises the following concerns: First, agricultural land is being redeveloped into lifestyle estates which is resulting in a loss of arable agricultural land, which may impact the region’s farming potential (agriculture is considered an important component of the Western Cape economy). Landman and Badenhorst (forthcoming) also raise this issue in the context of Johannesburg where large residential estates such as lifestyle estates infringe the availability of high-potential agricultural land on the urban periphery. Second, there is a concern that lifestyle estates such as golf estates have the ability to adversely affect areas of scenic beauty through the presence of high walls and fancy entrances. Third, the Western Cape is home to one of the world’s six plant kingdoms, the Cape Floral Kingdom (fynbos), which encompasses a number of endangered and critically endangered natural habitats. Large-scale developments, such as a golf estate, may threaten some of this habitat and result in the loss of biodiversity in the region. All of the above aspects have the ability to drastically affect the sustainability and ethical credibility of any type of lifestyle estate in South Africa.

The last debate to be discussed surrounding lifestyle estates in general, concerns the issue of urban sprawl. As a result of the socio-political history of South Africa and events such as colonisation and the apartheid era, many cities have experienced much urban sprawl. The continued development of low-density developments such as lifestyle estates on the urban periphery is continually contributing to urban sprawl. This is problematic as sprawling cities are often viewed as a highly inefficient and unsustainable urban form associated with numerous environmental downsides (Turok, 2011). Urban sprawl ultimately leads to increased levels of auto-dependence (Landman, 2004) in a city. In the case of South African cities, it can be argued that to a great extent a formal, safe, reliable and efficient public transport system does not exist. Thus, over and above auto-dependence, most South African cities are dominated by private auto-
dependence. This has a number of negative implications: First, the high levels of auto-dependence lead to increases in traffic congestion. Turok (2011) argues that this has the potential to decrease the efficiency of the country’s economy. Second, increased congestion and auto-dependence is regarded as highly unsustainable as it generates air pollution through increased carbon dioxide emissions (CO₂) and relies entirely on a finite resource – oil. Third, the costs of providing bulk infrastructure to peripheral lifestyle estates are immense. Water and sewage systems may have to be expanded and upgraded to reach the sometimes peripheral locations of lifestyle estates and to cater for the new population. Roads also have to be widened and upgraded to facilitate the increased volumes of traffic and congestion associated with the lifestyle estates and related developments (schools and shopping centres). The construction and widening of roads may also lead to the clearing of trees and vegetation and further loss of natural capital. (Landman and du Plessis, 2007) This further heightens the air pollution problems associated with high levels of auto-dependence and has the potential to change the microclimate of the area (Landman and du Plessis, 2007).

Fourth, the peripheral location of some lifestyle estates makes getting to work an expensive and time-consuming task for people who work in lifestyle estates such as domestic workers, caddies, gardeners and general staff. Fifth, the development of lifestyle estates in peripheral areas results in informal settlements being further displaced to more decentralised areas, further away from work, education and health opportunities. Sixth, it is important to note that the continued development of low-density, peripheral developments such as lifestyle estates will ultimately inhibit population densities that could, in the future, support a viable, functional, formalised public transport system.

2.1.4 Concluding Thoughts
“Since the transition to democracy in 1994, South Africa’s urban landscape has been transformed by the advent of gated communities” (Ballard and Jones, 2011: 2). Ballard’s and Jones’ (2011) comment lacks one important realisation; gated communities are not only transforming the urban landscape, but the rural landscape of South Africa too. This phenomenon is not unique to South Africa
and is currently growing rapidly all over the world. Blakely in Lang and Danielsen (1997) state that:

“...as planners we somehow took a fork in the road where we allowed people who were in the private development business to call themselves community developers...These walls and gates are almost a symbol of our own failure to do what we have been employed to do, and that is to build not places, but communities, social structures...we lost our fascination with people. And being around developers a lot, they know how to market. We’d better learn how to market, or we’ll lose our way”

- Blakely in Lang and Danielsen, 1997: 889

This statement is significant in that, unlike the criticisms made by some planners about gated communities, this statement recognises the rationale behind and demand for gated communities such as lifestyle estates. Low (2001) argues that many residents of gated communities express that if they would to move homes, they would always choose to live in a gated community over a regular suburban neighbourhood. This, coupled with the rapid rate at which gated communities, such as lifestyle estates, are being developed globally, implies that gated communities will remain an integral part of urban landscapes worldwide. In the South African context, lifestyle estates are without a doubt contributing to the transformation (Landman, 2004) of the South African residential landscape and are likely to attract investors in the short and medium term (Rivett-Carnac, 2009).
3. LIFESTYLE ESTATE EVOLUTION: THE JORDAN PROPERTIES CASE STUDIES

3.1 Introduction

The purpose of Chapter 3 is to demonstrate the following: First, the chapter will demonstrate that different types of lifestyle estates encompass varying levels of financial viability. Second, the chapter will demonstrate that different types of lifestyle estates have varying levels of environmental sustainability. Third, the chapter will demonstrate that there is a positive correlation between the financial viability and environmental sustainability of lifestyle estates. The fourth, and perhaps most crucial aspect the chapter indicates is that concerns surrounding financial viability and environmental sustainability resulted in Trevor Jordan of Jordan Properties evolving his lifestyle estate developments to different typologies. The estates examined were White River Country Estate, situated in Mpumalanga, Raptor’s View Wildlife Estate and Leadwood Big Game Estate, both of which are situated in Limpopo. Figure 3.1 and Figure 3.2 indicate the location of the three estates in relation to each other.

The structure of this Chapter will be as follows: Sections 3.2, 3.3 and 3.4 provide a detailed description of each estate. Section 3.5 compares the estates in terms of financial viability and environmental sustainability. In this section of the chapter, insights gained from the original developer of the estates, Trevor Jordan, are discussed. This section compares and then defines the three estates on the basis of financial viability and environmental sustainability. Section 3.6 concludes with a discussion on the evolution of lifestyle estates in relation to the Jordan Properties case studies.
Figure 3.1 Case Study Location Map Maps indicating the location of White River Country Estate, Raptor’s View Wildlife Estate and Leadwood Big Game Estate in South Africa. Note that Raptor’s View Wildlife Estate and Leadwood Big Game Estate are located in the Blue Canyon Conservancy. (Source: de Beer, 2014 derived from Jordan Properties, 2014)
Figure 3.2 Leadwood Big Game Estate, Raptor’s View Wildlife Estate and the Blue Canyon Conservancy Maps indicating the location of Raptor’s View Wildlife Estate and Leadwood Big Game Estate in relation to the Blue Canyon Conservancy. (Source: de Beer, 2014 derived from Jordan Properties, 2014)
3.2 White River Country Estate

Jordan Properties developed White River Country Estate in 1989. The estate is situated in White River, Mpumalanga, approximately a 20-minute drive from Nelspruit. The estate essentially comprises two separate yet integrated developments: White River Country Estate and White River Country Club. White River Country Estate surrounds White River Country Club, which boasts an 18-hole golf course. Although these two developments are technically and legally separate entities, spatially, they appear as one golf estate development. White River Country Estate is marketed as a country and golf estate, a detachment from the hustle and bustle of nearby Nelspruit, which is currently experiencing growth. It seems to offer a lifestyle not dissimilar to, for example, Dainfern Golf and Residential Estate in Johannesburg. The roads on the estate are paved and distinct landscaping activities are apparent (See Figures 3.3 and 3.4).

The estate comprises 320 stands and houses a mixture of primary (first-home) and secondary (leisure) residents. Primary residents are predominant and comprise 85% of the estates’ residents. Second-home, leisure residents make up the remaining 15% of residents on the estate. The second-home residents are both South African and international (Colekse, 2014; de Kock, 2014). According to Property 24 (2014), a vacant stand of approximately 1333m$^2$ – 1500m$^2$ in size on White River Country Estate costs from R 500 000.00 – R 950 000.00. The price is heavily influenced by the location of the stand within the estate. Stands that are situated on the golf course have higher prices (R 950 000.00 for 1500m$^2$) whereas stands that are further from the golf course are slightly smaller and cheaper (R 500 000.00 for 1333m$^2$). For comparative purposes the size of the smaller, cheaper stands have been converted into hectares. Thus, for R 500 000.00, one can acquire a 0.1333-hectare vacant stand at White River Country Estate. The estate is characterised by freehold title ownership and residents construct their own freestanding houses in line with the building regulations and themes of the estate. The monthly levies for residents are R 2140.00 and rates and taxes are an additional R 1100.00 (Property 24, 2014), making the monthly cost of living in the estate R 3240.00. According to the estate’s general manager, André Colekse and the estate’s Environmental and Maintenance Manager, Eddie de Kock, White River Country Estate (the residential component, excluding the golf course) does not artificially irrigate and relies solely on natural rainfall. The
Figure 3.3 White River Country Estate Interior A street view in White River Country Estate indicating the manicured landscaping and paved roads. The scene is not dissimilar to Dainfern Golf and Residential Estate in Johannesburg seen below in Figure 3.4. (Source: de Beer, 2014)

Figure 3.4 Dainfern Golf and Residential Estate Interior A street view taken inside Dainfern Golf and Residential Estate indicating, like White River Country Estate, manicured landscaping and paved roads are features in the estate. (Source: de Beer, 2014)
wildlife on the residential estate is indigenous and exists naturally on the estate (it was not introduced). In the past, herbicides were used along the estate’s perimeter fence as a bush clearing mechanism. The herbicide killed the grass growing in close proximity to the fence, which ultimately resulted in erosion taking place. This has resulted in the estate no longer using herbicides. In terms of power source, the estate is ‘on the grid’ and is provided with electrical energy by Eskom. The estate does engage in recycling practices in joint efforts with Uplands Preparatory School and College, which neighbours the estate. Furthermore, organic waste is turned into compost and used throughout the estate.

Trevor White manages the golf course component of the White River Country Estate, which technically falls under the White River Country Club entity. The following information was obtained from White (2014) about the maintenance of the golf course: First, the golf course is irrigated on a daily basis by an Irritrol computerised system. This is essentially a highly advanced, large-scale and computerised irrigation system (see Figure 3.5). In summer months, the golf course utilises approximately 21 million litres of water per month, which costs approximately R 14 000.00 a month. In the winter months, the golf course utilises approximately 14 million litres of water per month, which costs approximately R 10 000.00 per month (White, 2014). If one classifies six months of the year as ‘summer’, and the other six as ‘winter’, one can estimate that the estate uses approximately 126 million litres of water in ‘summer’, which costs approximately R 86 000.00. The same calculation can be done for the ‘winter’ months of the year, which would equal 84 million litres of water being used at an estimated cost of R 60 000.00. Therefore, based on White’s (2014) figures, it can be estimated that in one year, the golf course utilises approximately 210 million litres of water at an estimated cost of R 146 000.00. The source of this water is a borehole. The vast consumption of water on this estate is viewed by some (Cavill-Taylor, 2014; Preston, 2014) as highly problematic considering the semi-arid nature of South Africa. Second, White (2014) confirmed that the golf course utilises fertilizers, pesticides, herbicides and fungicides. He did not specifically identify brands of these chemical substances. He did, however, argue that there have been no obvious negative effects of using these substances. Like the estate, the golf
Figure 3.5 White River Country Estate Golf Course and Irrigation Scheme Indicating the Irritrol irrigation system at work on the golf course at White River Country Estate. The golf course constitutes an “entirely transformed” (McCleland and Deall, 2007) area of the estate. (Source: de Beer, 2014)

Figure 3.6 White River Country Estate Natural Terrain Indicating one of the remaining “untransformed” (McCleland and Deall, 2007) areas on White River Country Estate. These areas are significant as they house a great deal of the indigenous natural fauna and flora on the estate. (Source: de Beer, 2014)
course utilises electrical energy from Eskom and also engages in recycling practices.

According to a Terrestrial Ecology Assessment of White River Country Estate and Golf Course done by McCleland and Deall of Ecorex Environmental Consultancy completed in 2007, the following can be established about White River Country Estate’s environmental situation: The estate is situated along one of the White River’s tributaries and is located in the Legogote Sour Bushveld biome. This type of vegetation originally covered approximately 353 814-hectares in the area; however 58% of this vegetation has now been converted for cultivation and forest plantation purposes (Rouget et al., 2004 in McCleland and Deall, 2007). This has resulted in this biome being deemed ‘endangered’. This occurs when a biome has “lost more than 40% of [its] original extent and [is] exposed to partial loss of ecosystem function” (McCleland and Deall, 2007: 2).

The vegetation on White River Country Estate and Golf Course is classified as “moderately untransformed” to “entirely transformed”. The golf course area in the estate would be deemed as “entirely transformed” – see Figure 3.5. Areas such as the floodplain grassland, granite outcrops, Syzygium Riparian Thicket (characterised by tall, evergreen trees and dense shrubs and creepers), the Phragmites-Typha Wetlands (vegetation community along the drainage lines) are the only remaining “untransformed” areas in White River Country Estate and Golf Course. In this “untransformed” vegetation, an example of which is seen in Figure 3.6, there are 34 conservation-important species, 17 of which are shrews. There are also 18 red data species on the estate: 10 different types of shrews, the Hottentot Golden mole, the African Marsh Rat, the Gambian Epaulleted Fruit Bat, the Spotted-necked Otter, the Half-collared Kingfisher, the Broad-tailed Warbler, the African Finfoot and the Wilheim’s Flat Lizard. The area is classified in terms of the Mpumalanga Biodiversity Conservation Plan as “Important and Necessary” for meeting Mpumalanga’s biodiversity targets (McClealand and Deall, 2007: 2).

3.3 Raptor’s View Wildlife Estate
Jordan Properties developed Raptor’s View Wildlife Estate in 2000, 11 years after White River Country Estate. This estate is located in Hoedspruit, Limpopo
and falls into what is commonly known as the ‘Kruger Park Region’. Raptor’s View boasts the title of the first wildlife lifestyle estate in the world (Jordan, T., 2014) and consists of 304, 1-hectare stands set in 1000-hectares of African bushveld. Of the 304 stands on the estate, 190 stands have been developed and have houses on them. The most striking feature about the estate is that the 190 houses on the estate are not at all visible from the main roads within the estate. This is the result of the dense natural vegetation that inhabits the estate. This results in one feeling wholly engulfed in a natural environment (See Figure 3.7). Unlike White River Country estate (and many other lifestyle estates in South Africa), the roads within Raptor’s View are not tarred or paved and remain as dirt tracks (See Figure 3.8). The estate is home to a variety of plains game species, which are considered non-dangerous. There is also a resident leopard (Panthera pardus) and occasionally wild dogs (Lycaon pictus) are seen on the estate.

According to Pam Golding estate agent Hugh Preston, there are two key driving forces behind individuals’ demand to live in Raptor’s View Wildlife Estate: The first is a desire for security. This insight is in line with Landman’s (2002) argument that the key driving force behind lifestyle estate development in South Africa is people’s efforts to protect themselves. This is achieved at Raptor’s View Wildlife Estate through stringent access control, the presence of security guards and an electrified fence that “[keeps] the animals in [and] keeps the bad guys out” (Preston, 2014) - see Figure 3.8. Anthony Cavill-Taylor (2014), who runs the Raptor’s View homeowner’s association estimates that the estate spends R 250 000.00 a month on security measures, and stated that “some people might call it an overkill; I just call it being cautious”. The second key driving force behind the demand to live in Raptor’s View, according to both Preston and Cavill-Taylor is the lifestyle associated with the estate. The estate provides people with an escape from the "rat race" (Cavill-Taylor, 2014), peace and solitude as well as an opportunity for people to wake up in the morning and “hear the birds singing and the warthogs grunting” (Preston, 2014).

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5 Plains game refers to any wild animal other than those termed ‘dangerous game’ and thus excludes animals such as elephant, lion, leopard, buffalo and hippopotamus. (Republic of South Africa, 2004)
The thick natural vegetation of Raptor’s View Wildlife Estate makes seeing a residence in the densely populated estate a challenging task. The result is that the resident becomes wholly engulfed in a natural bushveld environment. (Source: de Beer, 2014)

Unlike White River Country Estate, the roads in Raptor’s View Wildlife Estate are not paved and remain dirt tracks. This limits road maintenance and repair costs in the estate and thus decreases levies for residents. Furthermore, unlike many lifestyle estates in urban areas, a game fence surrounds the estate, rather than a wall. (Source: de Beer, 2014)
Another important aspect of the estate is who lives in it. Cavill-Taylor (2014) noted that the estate was previously dominated by a second-home recreational community (Jones and Rando, 1997) of both South African and international residents. However, in recent years, a shift has occurred and a primary residence (first-home) community, particularly families, now dominate Raptor’s View. This shift may be attributed to two things: First, the growth of Hoedspruit as a global eco-tourism destination, which generates many tourism-related job opportunities in the area. Second, the shift can be attributed to the presence of a nature-based, private school in the estate, ‘Southern Cross’. The high quality of education at Southern Cross enabled families living in the urban areas of South Africa, to migrate to Hoedspruit for a more rural lifestyle without sacrificing the quality of education for their children, which is typically better and more plentiful in urban areas. The school, like the estate, was developed and established by Trevor Jordan of Jordan Properties. The development of a secure environment and the presence of non-dangerous plains game enable resident children to cycle to school – another somewhat unique aspect to the lifestyle that Raptor’s View provides.

Vacant stands in Raptor’s view can be purchased from R 300 000.00 – R 600 000.00. A two-bedroom house, on a 1-hectare stand can be purchased for approximately R 1 200 000.00 (Preston, 2014). The current monthly levies for the estate are R 1360.00, however utilities such as electricity, water and refuse removal are not included in this amount (Preston, 2014). Cavill-Taylor (2014) elaborated on the components of the R 1360.00 levy: On average wildlife management and road maintenance costs the estate between R 35 000.00 – R 40 000.00 per month which approximates to a cost per stand of R 115.13 – R 131.57 per month. As mentioned previously, security costs the estate R 250 000.00 per month, which approximates to R 822.37 per stand per month. Preston (2014) approximated that the cost of living in Raptor’s View per month based on the cost of levies plus utilities equated to R 2500.00.

Preston (2014) and Cavill-Taylor (2014) both argued that the residents of Raptor’s View have a dedicated interest in issues of environmental sustainability: “wildlife has precedence, wildlife comes first, you cannot be a conservation-oriented lifestyle estate if you do not put wildlife first” (Cavill-Taylor, 2014). The
board of the estate, with 27 years of collective experience in the environmental field, ensure that these interests and views are maintained and acted upon through various projects and regulations in the estate: First, in order to maintain the natural environment of the estate, there are strict regulations and restrictions on which trees can and cannot be cut down around homes. If trees of a certain girth are cut down, residents will be issued with a R 5000.00 – R 10 000.00 fine. Second, at the time of the interview rainwater collection projects and incentives for residents to install solar geysers were about to be launched (Cavill-Taylor, 2014).

The Raptor’s View Wildlife Estate manager, Byron Wright (2014), elaborated on a number of important activities currently taking place on the estate: As a result of the majority of vegetation on Raptor’s View being indigenous and natural (Savanna Biome, Granite Lowveld vegetation), the estate does not require artificial watering and survives entirely on natural rainfall. However, residents are allowed to plant small, indigenous gardens, which are limited to a 20-metre radius on every stand. These gardens do sometimes require watering. The wastewater on every stand is dealt with by means of a septic tank and grey water system. Residents often water their indigenous gardens with the grey water from these systems.

As mentioned previously, the estate is home to a number of plains game species. There are no large herbivores on the estate at present. Based on this, Wright (2014) does not believe that the animals play a significant role in maintaining the vegetation of the estate. In fact, due to the successful breeding rates of the game, the estate is at risk of becoming overgrazed and consequently eroded. Based on this premise, culling6, “the forcible removal of animals” (Cavill-Taylor, 2014), as well as controlled wildlife stocking occurs on the estate. Pets are not allowed on the estate.

As at White River Country Estate, herbicides have also been used at Raptor’s View Wildlife Estate in an effort to clear vegetation under the perimeter fences. The clearing acts as a firebreak. This is essential in an estate filled with thatch

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6 Culling refers to the reduction and controlling of the population size of, in this case, animals by forcible removal through game capture or hunting (Merriam-Webster, 2014).
houses and a great deal of veld in general. Herbicides have also been used to treat the stumps of cut-down trees in bush clearing projects. These bush-clearing practices are part of one of the most significant environmental projects taking place on the estate at present.

The land on which Raptor’s View Wildlife Estate is situated was previously overgrazed cattle farms. This has resulted in an infestation of pioneer species⁷ (Cavill-Taylor, 2014). Massive efforts are being made by the board of Raptor’s View to “turn back the clock” (Cavill-Taylor, 2014) in an attempt to restore the land to its former natural, healthy state. The first phase of this project aims to “turn back the clock” 30 years and the second phase of the project will “turn back the clock” another 100 years. This will be achieved through the utilisation of selective herbicides⁸ in a highly controlled and specifically targeted manner. For example, painting the stumps of the cut-down alien trees with herbicides. Wright (2014) stated that there have been no negative effects on the environment as a result of these activities and that the end result has always been positive.

As at White River Country Estate, Raptor’s View Wildlife Estate utilises electrical power from Eskom. However, in an attempt to reduce electrical energy use, many residents engage with alternative and more efficient forms of energy, such as solar and gas geysers, gas stoves as well as solar and battery power (Wright, 2014). The estate recycles and separates waste into paper, plastic, glass and tin. The waste is then taken local recycling depot (Wright, 2014)

3.4 Leadwood Big Game Estate (2011)
Leadwood Big Game Estate is 984-hectares in size and is situated within the 15 000-hectare Blue Canyon Conservancy in Hoedspruit. As can be seen in Figure 3.2, the estate neighbours Raptor’s View Wildlife Estate. The presence of four of the Big Five (Lion, Leopard, Elephant and Black and White Rhinoceros) is the key differentiating factor between Leadwood Big Game Estate and Raptor’s View

⁷ Pioneer species refer to a “species that is an early occupant of newly created or disturbed areas”. These plants are “a member of the early stage communities in ecological succession” (English Encyclopedia, 2014).
⁸ Selective herbicides control or kill specific weeds and/or plants without affecting or damaging other surrounding vegetation.
Wildlife Estate. The presence of four of the Big 5\(^9\) plays a significant role in creating a highly unique environment, which makes the development likely to increase in capital growth. This, according to Patrick Jordan (2014), makes Leadwood Big Game Estate the “best investment” in terms of lifestyle estates. Leadwood Big Game Estate consists of 94, 1-hectare stands. Thus the development is significantly smaller (if measured in terms of the number of potential homes) than both Raptor’s View Wildlife Estate and White River Country Estate. Leadwood Big Game Estate is a fairly new development (established in 2011) and at present only 8 houses have been constructed on the estate. Like Raptor’s View Wildlife Estate, Leadwood Big Game Estate does not resemble a typical Johannesburg lifestyle estate (See Image 3.9).

The roads on Leadwood Big Game Estate are gravel and the vegetation on the estate is indigenous, natural veld, specifically described by the estate's manager Tim Parker (2014) as Marula and Combretum veld, which forms part of the Savannah Biome (Wright, 2014). In typical lifestyle estate fashion, Leadwood Big Game Estate offers its residents a number of things as described by estate agent Patrick Jordan (2014): First, Leadwood offers its residents better security through access control, as well as the presence of a highly secure, electrified and Big 5-proof fence. As a result of the presence of Black Rhinoceros (\textit{Diceros bicornis}) and White Rhinoceros (\textit{Ceratotherium simum}) on the estate and the current extremely high rates of rhino poaching in South Africa, security has been taken one step further. At the time of writing, 658 rhinos had been poached in South Africa in 2014 (Save the Rhino, 2014). In efforts to avoid poaching activities occurring at Leadwood, anti-poaching units constantly monitor the conservancy to ensure that intruders, such as poachers, are not inside the conservancy. Second, the estate offers its residents a unique lifestyle, not only by providing an opportunity to get out of the smog, traffic and noise of the city (Jordan, P., 2014), but also to interact with four of Africa’s Big 5 on a day-to-day basis. As Patrick Jordan (2014) stated, “traffic in the morning is an elephant or a rhinoceros”.

\(^9\) Big 5 refers to Lion, Leopard, Buffalo, Elephant and Rhinoceros (Black and White). The term was originally used by hunters to describe the most dangerous animals to hunt in Africa.
Like Raptor’s View Wildlife Estate, Leadwood Big Game Estate does not resemble a typical Johannesburg lifestyle estate but offers all same key amenities such as security and a green lung. As in Raptor’s View Wildlife Estate, the thick natural bush on Leadwood Big Game Estate completely camouflages all the houses from the main roads in the estate. (Source: de Beer, 2014)
Levies and capital growth play a crucial role in potential buyers’ decisions when buying into a lifestyle estate (Jordan, P., 2014). The property prices on Leadwood Big Game Estate are as follows: a vacant, 1-hectare stand on Leadwood Big Game estate starts at R 1 200 000.00 and escalates to R 1 800 000.00. This is significantly more than one would pay for a vacant stand at Raptor’s View Wildlife Estate. It is important to note that these prices get the owner a freehold title on their 1-hectare piece of Leadwood Big Game Estate, and not a share in a share-block scheme. The buyer then constructs their own freestanding house in line with the building regulations and themes of the estate.

At present, 50% of the owners at Leadwood Big Game Estates are primary (first-home) residents who work in the tourism and wildlife sector in Hoedspruit. The other 50% of owners are South African and international second-home residents. The monthly levies at Leadwood are R 1100.00, which is lower than the levies at Raptor’s View Wildlife Estate and White River Country Estate. This price does not include utilities such as water, electricity and refuse removal. Let us therefore assume that the average resident at Leadwood pays similar rates to a Raptor’s View resident for utilities: R 1140.00 (approximated by estate agent and resident of Raptor’s View, Hugh Preston, 2014). Therefore the total monthly costs for residents in Leadwood would approximate to R 2240.00.

The following has been established about the general maintenance and environmental situation of the estate from insights gained from Leadwood Big Game Estate’s General Manager, Tim Parker (2014): First, as a result of the vegetation being both natural and indigenous, the estate grounds are not irrigated in any way and vegetation survives entirely on natural precipitation. Second, residents are not encouraged to have gardens or lawns on their 1-hectare properties because these usually require watering. As mentioned, approximately 50% of the current residents at Leadwood are primary residents and because of this, they tend to want small gardens (Parker, 2014). These small gardens are watered from boreholes. The other 50% of Leadwood’s residents are secondary (second- and third-home) residents who generally do not want to pay for the maintenance associated with an unnatural garden, and therefore do not plant gardens on their stands. Third, like Raptor’s View and White River Country Estate, Leadwood acquires electrical energy from Eskom, making it an ‘on the
grid’ development. However, the estate does encourage alternative forms of energy such as solar energy, which may reduce residents’ electrical energy usage by approximately 50%. Fourth, the estate engages in recycling practices. Sorted waste can be taken to the estate gates where a recycling company then collects it.

Fifth, Leadwood is currently addressing a bush encroachment problem. Tim Parker (2014) explained that, like Raptor’s View Wildlife Estate, Leadwood Big Game Estate is developed on land that was previously used for cattle farming, which has precipitated a bush encroachment problem. Decades ago, natural fires caused by lightning strikes played an integral part in rejuvenating grass growth and limiting woody plant growth in the area. Then people began to farm cattle in the Hoedspruit area. This had a number of implications: First, the erection of fences resulted in the halting of the seasonal animal migrations from the Kruger National Park area. Second, when natural fires started, farmers, without the knowledge of the benefits that fires have on grazing land, made every effort to put the fires out for fear that the fire would destroy the cattle’s grazing land. The grass rejuvenation processes triggered by the occurrence of fires was therefore unable to occur. Third, cattle are grazers and therefore have a significant impact on the grass and not the trees. Hence, without the fires to rejuvenate the grass growth and excessive grazing by cattle, grass growth decreased and woody plant bush encroachment began to occur. The resulting predominance of trees then soaks up all the water and sunlight, leaving areas of natural veld to further degenerate. As at Raptor’s View Wildlife Estate, the management team at Leadwood Big Game Estate is making efforts to revert the land to its pre-cattle state. This is done through mechanical bush clearing, (utilisation of chainsaws, brush cutters and physical removal of the problem pioneer plants) as well as the utilisation of selective herbicides. This herbicide is painted on the stumps of cut-down woody plants in an attempt to control their growth to ensure that non-endemic species that are removed via bush clearing do not re-grow. According to Parker (2014) there have been no negative effects from the utilisation of the selective herbicide.
3.5 Comparative Levels of Financial Viability and Environmental Sustainability of White River Country Estate, Raptor’s View Wildlife Estate and Leadwood Big Game Estate and the Developer’s perspective

Utilising the information from the key respondent interviews (Preston, 2014; Wright, 2014; Jordan, P., 2014; Parker, 2014; Colekse, 2014; de Kock, 2014) together with other sources (Property 24, 2014; Ecorex, 2007) about White River Country Estate, Raptor’s View Wildlife Estate and Leadwood Big Game Estate, a comparative table has been compiled (See Table 3.1).

It is at this point that the estates must be compared in terms of financial viability and environmental sustainability in an attempt to demonstrate that newer lifestyle estate models have differential levels of financial viability and environmental sustainability than the original golf estate model. The definitions of financial viability\(^\text{10}\) and environmental sustainability\(^\text{11}\) were included in section 1.4 of this report, titled Research Methods and Methodologies. The key indicators associated with financial viability and environmental sustainability respectively will now be used to determine which lifestyle estate, out of the three case studies – White River Country Estate, Raptor’s View Wildlife Estate, Leadwood big Game Estate – is the most financially viable and environmentally sustainable lifestyle estate typology/model.

To add greater depth to this discussion, the insights gained from the interview with Trevor Jordan, the Chief Executive Officer of Jordan Properties and the original developer of White River Country Estate, Raptor’s View Wildlife Estate and Leadwood Big Game Estate, will be presented. T. Jordan’s insights are

\(^\text{10}\) A lifestyle estate may be defined as financially viable when it is capable of normal growth, generates sufficient income to meet recurrent costs and is profitable. The key indicators associated with determining the financial viability of each estate are, the monthly levies for residents (which is a recurrent cost for the purchaser), the capital growth of the property from a purchaser’s point of view and the relative profitability of the development (in this case a lifestyle estate) for the developer or investor.

\(^\text{11}\) A lifestyle estate development may be deemed environmentally sustainable if it maintains or enhances bio diverse natural capital, the land is not used excessively as a source or sink and environmentally detrimental activities taking place on the land are limited (Goodland, 1995). There are a number of key indicators that inform whether or not a development is environmentally sustainable, these are: diversity of indigenous fauna and flora, use of pesticides, herbicides, fungicides, insecticides and fertilizers, water usage, electricity usage and recycling practices.
<table>
<thead>
<tr>
<th>Estate</th>
<th>Year</th>
<th>Vacant Stand Price</th>
<th>Stand Size (Hectares)</th>
<th>Number of Stands in Estate</th>
<th>Monthly Levy and Rates and Taxes</th>
<th>Total Cost per month (Levy + Rates and Taxes)</th>
<th>Watering – liters used per annum and cost per annum</th>
<th>Vegetation and Maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td>White River Country Estate</td>
<td>1989</td>
<td>R 500 000.00</td>
<td>1333 m² = 0.1333 ha</td>
<td>320</td>
<td>L: R 2140.00</td>
<td>R 3240.00</td>
<td>Computerized irrigation system used on the golf course: 210 000 liters = R 146 000.00 per annum. Ranges from moderately untransformed to entirely transformed (golf course). Pesticides, herbicides, insecticides, fertilizers and fungicides are used for maintenance purposes. Some negative effects noted from use of herbicides.</td>
<td></td>
</tr>
<tr>
<td>Raptor's View Wildlife Estate</td>
<td>2000</td>
<td>R 300 000.00</td>
<td>1 ha</td>
<td>304</td>
<td>L: R 1360.00</td>
<td>R 2500.00</td>
<td>n/a – relays wholly on natural precipitation. Residents are allowed small indigenous gardens, which are often watered using grey water. This does not form part of the estate cost.</td>
<td></td>
</tr>
<tr>
<td>Leadwood Big Game Estate</td>
<td>2011</td>
<td>R 1 200 000.00</td>
<td>1 ha</td>
<td>94</td>
<td>L: R 1100.00</td>
<td>R 2240.00</td>
<td>n/a – relays wholly on natural precipitation. Residents are not encouraged to have gardens around their homes as gardens require watering. Small gardens are watered using borehole water. Indigenous, natural vegetation. Like Raptor’s View Wildlife Estate, efforts are being made to repair the land to its pre-overgrazed, natural state. Selective herbicides are being used in these efforts.</td>
<td></td>
</tr>
</tbody>
</table>
significant: First, he has a wealth of experience in the development of residential and leisure lifestyle estates. A timeline of T. Jordan’s developments can be seen in Figure 3.10. Second, as can be seen from the timeline in Figure 3.10, T. Jordan has developed an array of different typologies of lifestyle estates ranging from Big Game Estates to Fishing Estates. His insights indicate that his choice to develop certain typologies of lifestyle estates rather than others was based on concerns surrounding the financial viability and environmental sustainability of each potential estate.

<table>
<thead>
<tr>
<th>Year</th>
<th>Estate Name</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>N’tsiri Game Reserve</td>
<td>(50 units – share block scheme), Limpopo</td>
</tr>
<tr>
<td>1983</td>
<td>Ingwelala Game Reserve, Big 5</td>
<td>(210 units – share block scheme), Limpopo</td>
</tr>
<tr>
<td>1988</td>
<td>Lake Longmere Country Estate</td>
<td>(25 units), White River, Mpumalanga</td>
</tr>
<tr>
<td>1989</td>
<td>White River Country Golf Estate</td>
<td>White River, Mpumalanga</td>
</tr>
<tr>
<td>1990</td>
<td>Finsbury Flyfishing</td>
<td>(25 stands), Lydenburg, Mpumalanga</td>
</tr>
<tr>
<td>1999</td>
<td>Vilanculos Coastal Wildlife Sanctuary</td>
<td>(54 residential stands + 120-bed lodge), Mozambique</td>
</tr>
<tr>
<td>2000</td>
<td>Raptor’s View Wildlife Estate</td>
<td>Kruger Park Region, Limpopo</td>
</tr>
<tr>
<td>2005</td>
<td>Wild Rivers Nature Reserve</td>
<td>(31 residential stands + 16-bed commercial lodge), Limpopo</td>
</tr>
<tr>
<td>2011</td>
<td>Leadwood Big Game Estate</td>
<td></td>
</tr>
</tbody>
</table>

Figure 3.10 Developer’s Timeline A timeline indicating various residential and leisure lifestyle estates developed by Jordan Properties under the leadership of Trevor Jordan. (Source: de Beer, 2014 derived from Jordan Properties, 2014)

3.5.1 White River Country Estate: High Capital Risk, Low Environmental Reward

Trevor Jordan (2014) attributes the growth of lifestyle estates in South Africa to security concerns that have resulted in the development of a mechanism (lifestyle estates) whereby security costs are shared among a number of people (residents). The development of golf estates, a lifestyle estate typology that T. Jordan (2014) believes was largely copied from the United States of America and Europe, emerged in South Africa on the basis of security concerns. White River Country Estate was one of T. Jordan’s (2014) earliest residential developments and will remain the only golf estate developed in his career. The reason for this became clear when T. Jordan (2014) explained his reasoning behind the development of White River Country Estate: The White River Golf Course was previously a 9-hole course with no residential development around it. T. Jordan purchased the land surrounding the golf course and then approached the golf club. He offered to donate another 9-holes to the golf club, which would result in the golf course being developed into an 18-hole golf course. Although the
proposed residential component would remain a separate entity to the golf course, the development would aesthetically appear as a golf estate development.

White River Country Club accepted T. Jordan’s proposal. This resulted in a mutually beneficial situation: The golf club attained a bigger, better golf course with minimal costs, which in turn increased membership as well as increased the satisfaction of the golfers. On the other hand, T. Jordan had secured a well-located piece of land in close proximity to Nelspruit and White River (both of which were and still are experiencing growth) and surrounding a golf course. T. Jordan (2014) argued that he could sell golf course stands for less than his competitors because he, unlike other golf estate developers, did not have to recover the costs of constructing a golf course from scratch. This was an integral factor in White River Country Estate’s successful development. Unlike other golf course development models which T. Jordan (2014) insists “[do] not work”, the opportunity that existed in the case of White River Country Estate was different: T. Jordan (2014) did not have to pay maintenance costs for the golf course on top of the property development costs, which dramatically decreased T. Jordan’s capital risk for the development.

The presence of a 9-hole golf course, which was and still is managed and owned as a separate entity, resulted in T. Jordan doing a property development rather than, like typical golf estates, a property development as well as a golf course development. This was significant for a number of reasons: If a developer constructs a golf estate (golf course development and property development) from scratch, the initial capital cost outlay is “enormous” (Landman, 2004: 35). Jones and Rando (1974: 65) estimated that in the United States of America in 1973, the typical total cost of constructing a golf course was $ 550 000.00. A breakdown of this cost can be seen in Table 3.2. This cost is based on “a site that has no rock, minimal drainage problems, and gently rolling terrain... no major liabilities (rock, swamp, and severe contours) which would markedly increase the cost of construction” (Jones and Rando, 1974: 64). Taking into account the United States inflation rates over the last 40 years (US Inflation Calculator, 2014) and current Dollar Rand exchange rates, the estimated cost of
Table 3.2 Golf Course Costing Table detailing the breakdown of the costs associated with the development of a golf course in the United States of America. (Source: Jones and Rando, 1974)

<table>
<thead>
<tr>
<th>Cost Description</th>
<th>Cost Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clearing &amp; Grubbing</td>
<td>$500</td>
</tr>
<tr>
<td>90 Acres @ $500</td>
<td>$45,000.00</td>
</tr>
<tr>
<td>Cut &amp; Fill</td>
<td></td>
</tr>
<tr>
<td>Scraper: 90,000 c.y. @ $50</td>
<td>45,000.00</td>
</tr>
<tr>
<td>Dragline: 10,000 c.y. @ $75</td>
<td>7,500.00</td>
</tr>
<tr>
<td>Topsoil handling: Lump Sum</td>
<td>10,000.00</td>
</tr>
<tr>
<td>Drainage</td>
<td></td>
</tr>
<tr>
<td>Lump Sum</td>
<td>40,000.00</td>
</tr>
<tr>
<td>Features</td>
<td></td>
</tr>
<tr>
<td>Greens with bunkers:</td>
<td></td>
</tr>
<tr>
<td>18 @ $8,000.00 (7,000 sq. ft.)</td>
<td>144,000.00</td>
</tr>
<tr>
<td>Practice Green:</td>
<td></td>
</tr>
<tr>
<td>1 @ $8,500.00 (10,000 sq. ft.)</td>
<td>8,500.00</td>
</tr>
<tr>
<td>Tons: 19 @ $2,000.00</td>
<td>38,000.00</td>
</tr>
<tr>
<td>Fairway Bunkers:</td>
<td></td>
</tr>
<tr>
<td>20 @ $500.00</td>
<td>10,000.00</td>
</tr>
<tr>
<td>Fairway &amp; Rough Development and Grasing</td>
<td>55 Acres @ $900.00*</td>
</tr>
<tr>
<td>Automatic Electric Irrigation System</td>
<td></td>
</tr>
<tr>
<td>Lump Sum</td>
<td>130,000.00</td>
</tr>
<tr>
<td>Pumping Plant</td>
<td>20,000.00</td>
</tr>
<tr>
<td><strong>Total Basic Construction Cost</strong></td>
<td>550,000.00</td>
</tr>
</tbody>
</table>

*All greens, tee, and bunkers are graded by Contracor performing this work accounting for variations in average as set forth under clearing and grubbing.

Table 3.3 Cost Conversion Table detailing the calculations that determined that the cost of constructing a golf course in South African Rands as of 2014 is R 30 784 530.93. (Source: de Beer, 2014, derived from US Inflation Calculator, 2014 and X-Rates, 2014)

<table>
<thead>
<tr>
<th>Year</th>
<th>Ave. Inflation Rate Per Annum</th>
<th>Cost adjusted for Inflation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973</td>
<td>6.20%</td>
<td>$860,000.00</td>
</tr>
<tr>
<td>1974</td>
<td>11.00%</td>
<td>$810,500.00</td>
</tr>
<tr>
<td>1975</td>
<td>9.10%</td>
<td>$668,055.50</td>
</tr>
<tr>
<td>1976</td>
<td>5.80%</td>
<td>$704,688.72</td>
</tr>
<tr>
<td>1977</td>
<td>6.50%</td>
<td>$750,491.36</td>
</tr>
<tr>
<td>1978</td>
<td>7.60%</td>
<td>$807,528.70</td>
</tr>
<tr>
<td>1979</td>
<td>11.30%</td>
<td>$898,779.44</td>
</tr>
<tr>
<td>1980</td>
<td>13.50%</td>
<td>$1,020,114.67</td>
</tr>
<tr>
<td>1981</td>
<td>10.30%</td>
<td>$1,125,186.48</td>
</tr>
<tr>
<td>1982</td>
<td>6.20%</td>
<td>$1,194,948.04</td>
</tr>
<tr>
<td>1983</td>
<td>3.20%</td>
<td>$1,233,186.38</td>
</tr>
<tr>
<td>1984</td>
<td>4.30%</td>
<td>$1,286,213.39</td>
</tr>
<tr>
<td>1985</td>
<td>3.60%</td>
<td>$1,332,517.07</td>
</tr>
<tr>
<td>1986</td>
<td>1.90%</td>
<td>$1,357,834.90</td>
</tr>
<tr>
<td>1987</td>
<td>3.60%</td>
<td>$1,406,716.95</td>
</tr>
<tr>
<td>1988</td>
<td>4.10%</td>
<td>$1,464,392.35</td>
</tr>
<tr>
<td>1989</td>
<td>4.80%</td>
<td>$1,534,683.18</td>
</tr>
<tr>
<td>1990</td>
<td>5.40%</td>
<td>$1,617,556.07</td>
</tr>
<tr>
<td>1991</td>
<td>4.20%</td>
<td>$1,685,493.43</td>
</tr>
<tr>
<td>1992</td>
<td>3.00%</td>
<td>$1,736,058.23</td>
</tr>
<tr>
<td>1993</td>
<td>3.00%</td>
<td>$1,788,139.98</td>
</tr>
<tr>
<td>1994</td>
<td>2.60%</td>
<td>$1,834,631.62</td>
</tr>
<tr>
<td>1995</td>
<td>2.80%</td>
<td>$1,866,001.30</td>
</tr>
<tr>
<td>1996</td>
<td>3.00%</td>
<td>$1,942,581.34</td>
</tr>
<tr>
<td>1997</td>
<td>3.20%</td>
<td>$1,987,260.71</td>
</tr>
<tr>
<td>1998</td>
<td>1.60%</td>
<td>$2,019,056.68</td>
</tr>
<tr>
<td>1999</td>
<td>3.20%</td>
<td>$2,063,476.13</td>
</tr>
<tr>
<td>2000</td>
<td>3.40%</td>
<td>$2,133,634.32</td>
</tr>
<tr>
<td>2001</td>
<td>2.80%</td>
<td>$2,193,376.08</td>
</tr>
<tr>
<td>2002</td>
<td>1.60%</td>
<td>$2,228,470.10</td>
</tr>
<tr>
<td>2003</td>
<td>2.30%</td>
<td>$2,279,724.91</td>
</tr>
<tr>
<td>2004</td>
<td>2.70%</td>
<td>$2,341,277.49</td>
</tr>
<tr>
<td>2005</td>
<td>3.40%</td>
<td>$2,420,860.92</td>
</tr>
<tr>
<td>2006</td>
<td>3.20%</td>
<td>$2,498,349.11</td>
</tr>
<tr>
<td>2007</td>
<td>2.80%</td>
<td>$2,568,302.89</td>
</tr>
<tr>
<td>2008</td>
<td>3.80%</td>
<td>$2,665,868.39</td>
</tr>
<tr>
<td>2009</td>
<td>0.40%</td>
<td>$2,665,234.80</td>
</tr>
<tr>
<td>2010</td>
<td>1.60%</td>
<td>$2,697,718.56</td>
</tr>
<tr>
<td>2011</td>
<td>3.20%</td>
<td>$2,784,045.55</td>
</tr>
<tr>
<td>2012</td>
<td>2.10%</td>
<td>$2,842,510.51</td>
</tr>
<tr>
<td>2013</td>
<td>1.50%</td>
<td>$2,885,148.17</td>
</tr>
</tbody>
</table>

2014: R 30 784 630.93

US Dollar South African Rand Exchange Rate
$1 = R10.67
20.09.2014
developing a golf course as of 2014 is R 30 784 530.93\(^\text{12}\). A table detailing the calculations of this cost can be seen in Table 3.3. Although these costs might vary in the South African context in terms of labour and other costs, this figure has been presented to indicate the immense capital expenditure associated with the construction of golf courses. When costs such as these are combined with the costs of the property development component of the lifestyle estate, it is easy to understand why luxury golf estates such as Highland Gate Golf and Trout Estate in Dullstroom can cost up to R 150 million to develop (Kloppers, 2011).

A typical golf estate development is usually structured as one entity – the golf course and the residential component are combined (Jordan, T. 2014). An example of this is the Highland Gate Golf and Trout Estate mentioned above. As a result of this, the developer also has the financial responsibility of maintaining the golf course until the development can sustain itself – another financially intensive task which includes irrigation costs, the purchasing of machinery and the employment of grounds men. It is estimated that it takes 35 000 rounds of golf per annum for a golf club to breakeven on its recurrent costs\(^\text{13}\). It is only from 40 000 rounds of golf per annum that a golf club becomes profitable (Jordan, T. 2014). This is a direct result of the maintenance costs and recovering of capital construction costs associated with the golf course. It is clear from the figures that the development of a golf course carries with it high fixed capital risk as well as high recurrent costs. In order to minimize this risk the developer aims to recover his costs through the residential component of the estate by increasing stand prices and levies (Jordan, P., 2014). T. Jordan estimates the maintenance costs of a golf course at approximately R 3 000 000.00 per annum. If an estate has 300 residences, the golf course maintenance component of their levy equates to R 10

\(^{12}\)According to United States inflation rates over the last 40 years obtained from US Inflation Calculator, $ 550 000.00 equates to $ 2 885 148.17 as of 2013. This figure, converted into South African Rands using an exchange rate of R 10.67 (X-Rates, 20 August 2014), the development costs associated with a golf course equate to R 30 784 430.93.

\(^{13}\)The recurrent costs associated with a golf course and club includes the maintenance of the grounds (irrigation, fertilizers, pesticides, herbicides, insecticides and other chemical substances) as well as relevant machinery and staff employment that are required. Other recurrent costs include the maintenance of the clubs facilities such as the clubhouse, change rooms and pro-shops. These facilities all require staff as well as access to electricity and water to function properly. The golf course recovers these costs by selling rounds of golf. It is estimated that the golf club must sell 35 000 rounds of golf per annum to cover these costs. Only once the club has sold 40 000 rounds of golf does it begin to make a profit (Jordan, T. 2014).
000.00 per annum (Jordan, T., 2014). This is perhaps the biggest financial downside of residing in a golf estate: higher monthly levies to compensate for the increased costs and financial risk associated with the golf course.

Over and above the golf course development costs, the developer still has to develop the residential component of the estate. This results in an extremely capital intense, high-risk development. As T. Jordan (2014) explains: “you cannot build a top class course and put a residential estate around it and expect it to work”. An example of this is seen in the case of Dainfern Golf and Residential Estate in Johannesburg explained by T. Jordan (2014): The development started off as a themed development (colours and styles of walls, gutters, windows and building materials are standardised throughout the estate) with high costs as a result of the residential development and the golf course development being one entity. As a result of the high costs and stringent building controls, the stands in Dainfern were not selling. Consequently, the developer had to relax the themed nature of the estate and stringent building controls in order to sell the stands, which then allowed residents to build houses to their taste.

Based on this premise faced by previous golf estate developers, T. Jordan structured White River Country Estate in a different way. He determined that approximately only 50% of people living in golf estates actually played golf, and the majority of people had only bought into golf estates for the “green lung, open space and security” (Jordan, T. 2014). Furthermore, T. Jordan (2014) expressed the view that golfers do not want to play the same course time and time again. Based on these observations, T. Jordan could not rely on the potential residents of White River Country Estate to play enough golf to cover the establishment and recurrent costs of the golf course. It can also be argued that it is unreasonable to get residents, who do not even play golf, to cover the recurrent costs of the golf course through increased monthly levies. In addition, as the developer, T. Jordan did not want the risk associated with the capital expenditure and maintenance of the golf course while waiting for membership to increase and for the stands to be sold.

Therefore, T. Jordan donated the new 9-holes golf course to the White River Country Club and thus avoided the costs of maintaining the golf course while
membership increased. He then developed White River Country Estate as a separate entity, which meant that residents did not incur any of the capital risk or maintenance costs associated with the golf course through levies. Furthermore, T. Jordan could offer the stands at a much lower price compared to other golf estates because he did not carry any risk associated with the golf course and also had fewer costs to recover. The presence of a very reputable primary school next-door to the estate, Uplands School, was another key driving factor, and T. Jordan was influential in establishing the high school section of Uplands School. This shifted the marketability of the estate from leisure and second-home buyers to primary (first-home) buyers.

Based on the above, and referring to Table 3.1, which was shown at the beginning of this section, the following can be established about the financial viability and environmental sustainability of White River Country Estate: In terms of financial viability, there is no doubt that the development of a golf estate is a high cost and high-risk capital investment. However, the way that T. Jordan structured White River Country Estate dramatically decreased the risk of the development. The first stands (0.1333 ha) at White River Country Estate sold for R 55 000.00. Today, these same stands are selling for R 500 000.00. The estate has therefore experienced capital growth. However, as can be seen from Table 3.1, the stands on White River Country Estate are considerably more expensive for a much smaller piece of land than in both Raptor’s View Wildlife Estate and Leadwood Big Game Estate. The development of White River Country Estate as a separate entity to White River Country Club has resulted in the estate being able to generate sufficient income through levies to cover recurrent costs. The high cost of the levies can be attributed to the vegetation and landscaping on the estate, which is indigenous, but is far more manicured and maintained than the other two estates and, of course, security. Another key cost which is included in the levy is maintenance of the paved roads within White River Country Estate. It is evident that in comparison to the other two other estates investigated; White River Country Estate has the highest levies, highest maintenance costs and highest property prices.

In terms of environmental sustainability, the findings related to White River Country Estate correlate to the literature in the second chapter of this report: The
presence of the golf course has resulted in the clearing and destruction of natural vegetation, possible changes in topography and hydrology as well as the use of various chemical substances to maintain the golf course. These observations are all in line with Nauright and Wheeler’s (2006) and Ballard and Jones (2011) insights. The golf course component of the estate is by no means a ‘natural’ form of vegetation and encourages monoculture. It can therefore be argued that the estate as a whole has contributed to a general loss of the bio diverse natural capital of the land (Western Cape Department of Environmental Affairs and Development Planning, 2005).

Furthermore, as can be seen in Table 3.1, the golf course at White River Country Estate requires millions of litres of water per annum and is, as per the literature, “notoriously thirsty” (Ballard and Jones, 2011). The use of borehole water for these large quantities of water is resulting in the reduction of natural capital stocks (Landman and du Plessis, 2007). These activities are problematic in a country that can be classified as “water-stressed” (Landman and du Plessis, 2007). The use of unspecified pesticides, fertilizers, fungicides and herbicides, coupled with the above provides an array of activities taking place on the land that are not environmentally sustainable despite reportedly having no negative effects. The estate, like the other two case studies is classified as ‘on the grid’ and utilises electrical power generated by coal burning which is generally considered as highly unsustainable. The presence and conservation of some indigenous, natural fauna on the estate and on-going recycling practices are perhaps the only two positive aspects in terms of the environmental sustainability of the estate. Other than these two positive aspects, the environmental sustainability levels of White River Country Estate are low in comparison to the other two estates.

Based on the above analysis of the indicators in relation to White River Country and Golf Estate, the following can be concluded about the financial viability and environmental sustainability of the estate: Most golf estates are structured as one entity which makes them capital intensive, high risk developments with high recurrent costs for the residents. Based on this, it is understandable that golf estates situated in less densely populated areas which were more leisure-oriented suffered more severely during the 2008/2009 global financial crisis.
(Commercial Property News, 2013) and that in general, these developments are much higher risk. As has been explained, White River Country Estate is structured differently. Although the golf course is run as a separate entity to White River Country Estate, the costs of living (levies) in the estate are considerably higher than the other two case studies. This is a direct result of the manicured landscaping, paved roads and related maintenance costs. These costs shrink the market for potential buyers as the estate becomes less affordable for residents and consequently a higher risk for the developer. In comparison to the other case studies in this report, it is arguable that White River Country Estate is the least financially viable estate in comparison to Raptor’s View Wildlife Estate and Leadwood Big Game Estate. Moreover, it is clear that the estate is also the least environmentally sustainable out of the three case studies.

3.5.2 Raptor’s View Wildlife Estate: The Affordability Factor and Improvers of Nature

“Non-golf estates are always cheaper than living in a golf estate”¹⁴ (Jordan, T., 2014). The African Business Journal (undated) argued that trends indicate that manicured gardens and greens were being traded in for indigenous vegetation by lifestyle estate developers in an attempt to increase affordability and environmental sustainability of their developments. Raptor’s View Wildlife Estate is a convincing example of this. T. Jordan developed Raptor’s View in 2000 with the aim of developing “an affordable estate around wildlife” (Jordan, T. 2014). His original target market for the estate was people living in Hoedspruit whose profession involved working with wildlife such as vets, individuals involved in game capture, couples managing lodges and game rangers. These professions typically are not in the high-income bracket. For example a couple managing a lodge may earn a combined income of approximately R 20 000.00 a month

¹⁴ St Francis Links: R 2800.00
Dainfern Golf Estate: R 2950.00
De Zalze Winelands Golf Estate: R 2402.00
Steenberg Golf Estate: R 5000.00
Woodhill Golf Estate R 1850.00

The above figures are the monthly levies of various golf estate developments in South Africa according to an article written by David Steynberg for Real Estate Magazine (Issue 15, October 2014). As can be seen from the figures, these levies are considerably higher than that of Raptor’s View Wildlife Estate and Leadwood Big Game Estate. The figures reinforce T. Jordan’s (2014) argument that the costs of living in a golf estate are often much higher than living in other types of lifestyle estates.
Thus, there were two key development goals for Raptor’s View: the first goal was to make the estate affordable to people who would generally find living in lifestyle estates financially unattainable. Second, it was highly important to make the development environmentally sustainable.

In an attempt to realise this vision, the concept of Raptor’s View was based on a higher density to what T. Jordan (2014) would typically do on a lifestyle estate. T. Jordan (2014) initially hypothesized that one-third of the houses in the estate would sell to first-home residents based in Hoedspruit, while the remaining two-thirds would sell to second- and third-home residents. The presence of a nature-based school, Southern Cross, next-door to Raptor’s View and the lack of ‘dangerous’ game on the estate expanded T. Jordan’s market to include families with children in the area, as well as families from other areas in South Africa (Jordan, T., 2014). When the Raptor’s View Wildlife Estate opened in 2000, the vacant stands were priced at approximately R 100 000.00 per hectare and according to T. Jordan (2014) the stands “flew like wildfire”. His original estimates were correct and 100 of the 300 stands were sold to Hoedspruit locals.

In terms of the financial viability of the estate, the following can be determined: First, Raptor’s View has thrived since inception and has experienced a great deal of capital growth. According to estate agent Patrick Jordan (2014), Raptor’s View Wildlife Estate’s property values grew by 100% each year within the first 5 years of the development. See Table 3.4.

Table 3.4: Raptor’s View Wildlife Estate Capital Growth Table indicating the first five years of property value growth for a single 1-hectare stand in Raptor’s View. (Source: de Beer 2014 derived from Jordan, P., 2014)

<table>
<thead>
<tr>
<th>Year</th>
<th>Approximate Price of 1-hectare vacant stand in Raptor’s View Wildlife Estate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 0 (2000)</td>
<td>R 100 000.00</td>
</tr>
<tr>
<td>Year 1 (2001)</td>
<td>R 200 000.00</td>
</tr>
<tr>
<td>Year 2 (2002)</td>
<td>R 300 000.00</td>
</tr>
<tr>
<td>Year 3 (2003)</td>
<td>R 400 000.00</td>
</tr>
<tr>
<td>Year 4 (2004)</td>
<td>R 500 000.00</td>
</tr>
<tr>
<td>Year 5 (2005)</td>
<td>R 600 000.00</td>
</tr>
</tbody>
</table>
Since inception, Raptor’s View Wildlife Estate has sold twice over, meaning that 700 sales have taken place on the estate (Jordan, T., 2014). From a developer's perspective, Raptor’s View has been the most successful lifestyle estate development as a result of the rapid manner in which the stands sold out (Jordan, T., 2014). T. Jordan (2014) attributes the success for the development to it being “pitched” correctly in terms of affordability and market timing; the importance of which Commercial Property News (2013) also emphasised. Second, the estate generates sufficient income to cover recurrent costs through relatively affordable levies (as seen in Table 3.1), while having extra funds to engage in projects such as the bush encroachment project as discussed earlier in this chapter. The reason why Raptor’s View levies are significantly lower than White River Country Estate is because of the dramatically decreased levels of maintenance that need to take place on the estate. Roads are dirt and therefore cost far less to maintain than the paved roads in White River Country Estate. The main cost that dominates the levies is security (Cavill-Taylor, 2014). The affordability factor of Raptor’s View is significant. In Chapter 4 it will become apparent from interviews with Alan Pullinger and Willy Robinson (2014) that more affordable lifestyle estates tend to be more resilient to economic downturns as a result of being more financially viable and sustainable.

In terms of environmental sustainability, Raptor’s View Wildlife Estate is more environmentally sustainable than White River Country Estate. Through the conservation of the area as well as the bush-clearing project taking place, the estate is not only maintaining the bio diverse natural capital of the area (Goodland, 1995), but is also enhancing it. This allows the residents and developer of Raptor’s View to be deemed in Ballard and Jones’ (2011:8) words, “improvers of nature”. Furthermore, it is arguable that developments such as Raptor’s View Wildlife Estate contribute to the success of the United Nation’s 7th Millennium goal, which encourages sustainable development, and the reversal of the loss of environmental resources (United Nations, 2014).

Due to the lack of irrigation on the estate, the land is not being used excessively as a source for harvesting and utilising natural water stocks (Goodland, 1995). It can be argued that detrimental activities taking place on the land, if any, are very limited. There is great diversity in terms of both fauna and flora and the fauna
generates a small income for the estate (Cavill-Taylor, 2014). This also contributes to the financial viability of the estate. Although the estate uses a selective herbicide to combat the bush encroachment problem, the use of this substance will ultimately lead to the restoration of the natural environment and thus cannot be viewed as problematic for the environmental sustainability of the estate. Although the estate relies predominantly on electrical energy from Eskom at present, which is arguably an unsustainable source of power, efforts are being made to shift to more sustainable forms of energy such as solar and gas through incentivising. This promises an even more environmentally sustainable and financially viable (for the residents) future for the estate.

Based on the above analysis of the indicators in relation to Raptor’s View Wildlife Estate, the following can be concluded about the financial viability and environmental sustainability of the estate: The affordability factor that Raptor’s View encompasses is perhaps the estate’s best asset and contributes significantly to the development’s potential resilience. Furthermore, it can be argued that the affordability factor of the estate slightly eases potential “class separation” (Harrison et al., 2008: 168 in Landman and Badenhorst, forthcoming) in the estate. The affordability also significantly broadens the market for the development, which results in the development being considerably lower risk for the developer than the other two case studies. In terms of the three case studies it is arguable that this development is the most financially viable for primary (first-home) residents. In terms of environmental sustainability, the estate is environmentally sustainable and has resulted in the rehabilitation and improvement of the land on which it is situated, unlike most large-scale residential developments.

3.5.3 Leadwood Big Game Estate: The Best Investment, Improvers and Protectors of Nature

T. Jordan (2014) developed Leadwood Big Game Estate with the aim of developing a high-value investment for the estate’s potential residents. T. Jordan (2014) stated, “the secret about value is Big Game, and that’s why [Leadwood is] unique in world terms”. The nature of Leadwood Big Game Estate, particularly a freehold title opportunity and the presence of four of the Big 5, makes the estate highly unique and difficult to replicate. The estate forms part of the 15 000-
hectare Blue Canyon Conservancy, which the residents of Leadwood Big Game Estate have the opportunity to purchase traversing rights over.

Part of the uniqueness of Big Game estates can be attributed to the following: Unlike Big Game Estates, Golf estates can be developed relatively easily throughout South Africa in both rural and urban areas. It is also arguable that the same can be said for plains game estates such as Raptor’s View Wildlife Estate as plains game animals do not require extensive space to survive. T. Jordan (2014) explained that if he had been able to acquire the land that Dainfern Golf and Residential Estate in Johannesburg is developed on today, prior to development, he would have developed the land into a plains game estate rather than a golf estate. However, Big Game animals require a great deal of space to survive. This is the key factor that makes this type of estate difficult to replicate in more developed areas of the country as the acquisition of such vast areas of land in more urban areas would dramatically increase development costs of the estate. As a result of the extensive space that Big Game estates require, these estates tend to be slightly more isolated than other lifestyle estates, which arguably results in increased security (Jordan, T., 2014). T. Jordan (2014) also argued that the presence of Big Game on Leadwood acts as a further security measure.

In terms of the financial viability of Leadwood Big Game Estate the following has been determined: First, in comparison to Raptor’s View Wildlife Estate, the stands at Leadwood Big Game Estate are considerably more expensive. This is because Leadwood has fewer stands and because of the uniqueness of the development. This gives the developer an opportunity to demand a higher price (Jordan, T., 2014). Second, although the presence of Big Game may shrink the buyers’ market of Leadwood in terms of families with young children, Big Game simultaneously expands the market to an international level. Third, although it is too early to determine the capital growth of Leadwood Big Game Estate, T. Jordan’s (2014) hypothesis that Leadwood will “outgrow” plains game estates such as Raptor’s View Wildlife Estate is based on the success he has had with similar developments in the past, namely N’tsiri and Ingwelala, developed in 1980 and 1983 respectively (see Figure 3.11). Both of these developments are more leisure estate-oriented and therefore predominantly house second home
residents. These developments also differ from Leadwood Big Game Estate in that they are structured as share block schemes rather than freehold title.

However, as investments and in terms of capital growth, these properties have been “unbelievable” (Jordan, T., 2014) for purchasers. In 1980 stands at N’tsiri sold for R 20 000.00. Today, these same stands sell for R 3 500 000.00 – R 6 500 000.00. The uniqueness of these types of developments in world terms provides them with a constant flow of market interest both locally and internationally. If Leadwood follows similar capital growth patterns, it will no doubt experience a great deal of growth in the future, making the development a promising investment for both the developer and potential residents.

Fourth, although the prices of the stands are more expensive than Raptor’s View, but possibly better value than White River Country Estate (based on the size of the stands), the levies of R 1100.00 per month, excluding rates and taxes, are relatively more affordable when compared to the other estates. T. Jordan (2014) elaborated on the costs that comprise the levies: unlike golf estates, once a wildlife or big game estate is up-and-running there are very few maintenance costs. The animals in the estate feed themselves on the natural vegetation – “nature looks after itself” (Jordan, T., 2014) and the dirt roads are maintained by dragging tires over the roads. The biggest cost that makes up the R 1100.00 per month levy at Leadwood Big Game Estate is security. However, in Leadwood, the presence of Black and White Rhinoceros in the current climate of severe rhino poaching has resulted in the need for increased anti-poaching security measures. T. Jordan (2014) stated that if it were not for these security costs, the levies per month for Leadwood Big Game Estate would be no more than R500.00

Fifth, another key element for defining ‘financial viability’ dealt with determining whether the development was profitable or not. A key element of this, in the cases of both Raptor’s View Wildlife Estate and Leadwood Big Game Estate, is the monetary value of the game on the estates. In order to maintain the correct carrying capacity\textsuperscript{15}, some animals may have to be removed from the estate each year. This is done through the capture and removal of game, where it is then sold

\textsuperscript{15} Carrying Capacity refers to the size of the population that can be supported from the available resources and services of the ecosystem (Sustainable Measures, 2010).
at an auction. These activities generate funds for wildlife estates without relying on volumes of people and therefore generates a profit more easily than the 40 000 rounds of golf that a golf course needs per year to turn a profit.

In terms of environmental sustainability, Leadwood Big Game Estate and Raptor’s View Wildlife Estate are generally on par. Like Raptor’s View, Leadwood Big Game Estate not only maintains its bio diverse natural capital, it also enhances it through the bush encroachment project. Therefore residents and the developer of Leadwood can too, be deemed as “improvers of nature” (Ballard and Jones, 2014). Through the nature conservation attitude on the estate, the diversity of fauna and flora is maintained. The protection of Black and White Rhinoceros on Leadwood is particularly significant in that it not only contributes to the environmental sustainability of the area, but also in its own small way contributes to South Africa’s environmental sustainability. It can therefore be argued that Leadwood Big Game Estate contributes to achieving the United Nations 7th Millennium Goal of engaging in sustainable development and reversing the loss of environmental resources (United Nations, 2014). The lack of irrigation and non-use of fertilizers, fungicides, pesticides and insecticides on the estate means that it is not used excessively as a source or a sink and detrimental activities taking place on the land are limited, if not non-existent. As in the case of Raptor’s View Wildlife Estate, it is arguable that the use of selective herbicides in a highly controlled manner on Leadwood Big Game Estate does not decrease the environmental sustainability of the estate. Recycling practices on the estate do take place and the encouragement of alternative forms of energy further contribute to the environmental sustainability of the estate.

Based on the above analysis of the indicators in relation to Leadwood Big Game Estate, the following can be concluded about the financial viability and environmental sustainability of the estate: The increased stand prices at Leadwood Big Game Estate, that make it unaffordable for the vast majority of South Africa’s population, makes it somewhat less financially viable and perhaps a higher risk development than Raptor’s View Wildlife Estate. However, in terms of an investment for capital growth, Leadwood is perhaps the most promising of the three case studies, especially if trends are similar to those experienced at N’tsiri and Ingwelala. As mentioned, in terms of environmental sustainability,
Leadwood Big Game Estate and Raptor’s View are largely on par and both can be deemed far more environmentally sustainable than White River Country Estate.

3.6 The Jordan Properties Case Studies: the Evolution of Lifestyle Estates and Concluding Thoughts

It is clear that according to the definitions provided in the first chapter of this research report, each type of lifestyle estate examined in the case studies has differential levels of financial viability and environmental sustainability. The commentary given by Trevor Jordan (2014) indicates that these three lifestyle estates were developed with the two fundamental aspects in mind: First, the financial viability of the estate, which is somewhat obvious as a professional developer develops property to make a profit. Second, is a distinct concern for environmental sustainability. As can be seen from the case studies, there seems to be a positive correlation and relationship between financial viability and environmental sustainability. Whilst no academic literature thus far has been found to substantiate this consideration in lifestyle estates, this research indicated that capital-intensive, higher risk and therefore less financially viable lifestyle estate developments such as golf estates tend to be simultaneously less environmentally sustainable. In contrast, the more affordable, less capital-intensive, lower risk lifestyle estate developments such as Raptor’s View Wildlife Estate tend to not only be more financially viable, but simultaneously more environmentally sustainable than golf course based developments. It is based on this now confirmed relationship that the original hypothesis of this research report was made; that there has been a distinct evolution of lifestyle estates in South Africa, based on concerns of financial viability and environmental sustainability.

There is no doubt that lifestyle estates have evolved. The first lifestyle estates in South Africa were golf estates, a development concept taken from Europe and the United States (T. Jordan, 2014). Today a variety of typologies exist. Two such examples of new typologies can be seen in the above case studies. The literature agrees with the notion that lifestyle estates have evolved. Low (2001) argues that gated communities such as lifestyle estates have diversified and expanded their purpose in an attempt to target a broader market. The result has been that lifestyle estates are no longer confined to a particular type or area.
Rivett-Carnac, 2009). Raptor's View Wildlife Estate is a good example of this. It can be argued that the affordability factor that was created through the development of a new typology of lifestyle estate distinctly broadened the estates target market. Harrison et al., (2008: 168, in Landman and Badenhorst, forthcoming) argues that there has been a “growing fashion for eco-estates of various kinds”. This also indicates a shift away from the former golf estate typology.

When asked about the hypothesis, T. Jordan (2014) agreed that there has been an evolution of lifestyle estates in South Africa. As mentioned, the first prominent lifestyle estates in South Africa were golf estates, only because they provided three immensely demanded services: “a green lung, open space and security” (Jordan, T. 2014). Since then, developers have realised that a golf estate is not the only way to provide these three essential demands for potential lifestyle estate residents. The provision of these three components can be done far more affordably and environmentally sustainably through the development of different typologies of lifestyle estates. For example, plains game estates such as Raptor’s View Wildlife Estate. T. Jordan (2014) stated that from a developers perspective he would not develop another golf estate again as a result of this typology being “oversupplied”, “high risk” requiring “lots of maintenance” and of course, being environmentally unsustainable. Over and above this, in T. Jordan’s (2014) experience it has become increasingly difficult to obtain authorisation from local authorities to develop golf estate developments because of the associated environmental downsides. T. Jordan (2014) explicitly emphasises that in order for a golf course estate to be successful from a developer’s point of view, the developer has to acquire the golf course for free or have someone to subsidize the course’s development and maintenance. It is based on issues such as these that the new development of golf estates is somewhat rare today (Jordan, P., 2014 and Jordan, T., 2014).

On the other hand, since the development of Raptor’s View Wildlife Estate (2000) and Leadwood Big Game Estate (2011), both of which were the first of their kind in South Africa, T. Jordan (2014) has seen multiple “copies” of these two typologies, especially in the Hoedspruit area. Estate agent Patrick Jordan (2014) agreed with the notion of the evolution and commented that fewer golf courses
are being developed, whereas more nature-based estates are on the rise. Similar notions of this have been seen in other parts of South Africa. Waterfall Estate in Midrand, Gauteng has been developed without a golf course component, and has maintained more natural vegetation making it comparably more affordable than would have been the case if there were a golf course in the development. This will be discussed in greater detail in the following chapter.
4. THE EVOLUTION OF LIFESTYLE ESTATES IN THE BROADER SOUTH AFRICAN CONTEXT

4.1 Introduction
Chapter 3 of this report demonstrated the following in relation to the Jordan Properties case studies: First, different types of lifestyle estates have varying levels of financial viability, which makes some lifestyle estates more financially viable than others. Second, different types of lifestyle estates have varying levels of environmental sustainability, making specific types of lifestyle estates more environmentally sustainable than others. Third, there seems to be a positive correlation between levels of financial viability and environmental sustainability. Golf course estates, which tend to be capital intensive, high risk, less financially viable developments, tend to simultaneously have low levels of environmental sustainability, for example, White River Country Estate. In contrast, wildlife estates, such as Raptor’s View Wildlife Estate, have shown to be less financially intensive and lower risk developments, making them more financially viable. The findings from the research conducted also indicated that this type of lifestyle estate tends to be more environmentally sustainable. The result has been that developers’ attempts to make lifestyle estates more financially viable have simultaneously resulted in the estates becoming more environmentally sustainable. Fourth, and perhaps most importantly, Chapter 3 indicated that concerns of financial viability and environmental sustainability resulted in Trevor Jordan developing types of lifestyle estates that differ from the original golf estate model that previously dominated the lifestyle estate scene in South Africa. This indicated that in South Africa, lifestyle estates have evolved as a result of concerns surrounding financial viability and environmental sustainability.

The aim of Chapter 4 is to further develop the above findings and trends by validating them in the broader South African context. The aim is to indicate that these trends are not isolated to the Jordan Properties case studies and that the findings are in fact national private sector property market development trends. This section of the report focuses predominantly on issues surrounding the financial viability of lifestyle estates and is key in validating the evolution of lifestyle estates in South Africa. This section of the report reveals insights gained
from two independent financial institutions: Rand Merchant Bank and Investec. Both of these institutions have provided credit and funding to developers for lifestyle estate development. The institutions are also, in some cases, equity investors in completed lifestyle estate developments. For these reasons, these two institutions are unequivocally concerned with the financial viability of lifestyle estates. Rand Merchant Bank and Investec are national and international financial institutions and thus encompass a wealth of knowledge on property development trends at a national and international scale. Five key respondents provided insights for this section of the report: First, Alan Pullinger, the current Chief Executive Officer at Rand Merchant Bank and former head of Rand Merchant Bank’s Property Division. The second key respondent, Willy Robinson, works in the Credit Division of Rand Merchant Bank. The third, fourth and fifth key respondents were Geoffrey Maud, Kate Swartz and Mark Corrigan, all of whom currently work at Investec in the Property Finance Division as Property Finance Consultants.

Chapter 4 is structured as follows: Section 4.2 discusses the key issues of financial viability from the perspective of merchant banks, potential credit providers and potential equity investors. Section 4.3 discusses the impact that the 2008/2009 global financial crisis had on lifestyle estates in South Africa. Section 4.4 discusses the evolution of lifestyle estates in South Africa from the perspective of merchant banks, potential credit providers and investors. This section highlights why the development of the golf-oriented lifestyle estates is becoming less common and discusses lifestyle estates in their evolved form. The chapter concludes with section 4.5, which discusses the findings of the chapter in relation to the hypothesis of this research report.

4.2 Key Issues of Financial Viability from Merchant Banks’, Potential Credit Providers’ and Potential Equity Investors’ Perspectives

Due to the large scale of lifestyle estate developments, private property developers are not always able to fund an entire lifestyle estate development by themselves. As a result, the developer seeks a source of outside funding. Banks such as Rand Merchant Bank and Investec have served as key institutions for providing funding in the form of credit to enable private developers to develop lifestyle estate developments. Both Rand Merchant Bank and Investec have
financed a number of lifestyle estates and continue to offer private property developers financing opportunities for these kinds of developments (Pullinger and Robinson, 2014; Maud, Swartz and Corrigan, 2014). As a result of “troubles” (Maud, Swartz and Corrigan, 2014) experienced in the past when financing lifestyle estates, particularly as a result of the 2008/2009 global financial crisis, both institutions have developed strict and rigorous lending criteria which are used to determine whether the bank will provide finance to a private developer or not. These criteria will be discussed in relation to the respective institutions.

4.2.1 Rand Merchant Bank Lifestyle Estate Lending Criteria

Rand Merchant Bank typically finances lifestyle estate development by providing the senior debt for the development and in some cases will fund developments by becoming an equity investor in the development (Pullinger and Robinson, 2014). According to Pullinger and Robinson (2014), Rand Merchant Bank has developed three core criteria, which determine whether or not it will finance a lifestyle estate development. These criteria, which became much stricter after the 2008/2009 global financial crisis, are utilised to determine whether a proposed lifestyle estate development will be financially viable.

The three core principles are as follows: First, Rand Merchant Bank examines the developer. The developer’s experience and track record is examined in relation to the type of development that the developer is proposing. This is to ensure that the developer has the relevant capabilities for successfully implementing the proposed development. Another aspect that is extensively examined is the financial ability of the developer as a potential sponsor. In terms of this aspect Robinson (2014) emphasised that the developer must have “deep pockets”. This is essential to ensure that should the development “wobble”, the developer has extra capital available to “prop up” and “support” the development (Pullinger and Robinson, 2014). Since the 2008/2009 global financial crisis, Rand Merchant Bank has also ensured that the developer provides greater equity in their development. Thus the developers fund more of the development costs themselves. This results in developers requiring and obtaining less credit from banks. This decreases the financial risk for the bank and decreases the risk of Rand Merchant Bank having to become a forced equity investor and shareholder in the development if the developer is unable to pay the credit back.
The second core principle of Rand Merchant Bank's criteria concerns the location of the potential lifestyle estate. This is important as the location of the estate ultimately contributes to determining whether the development will house first-home (primary) or second- and third-home (leisure) residents. The type of residents to whom the estate is marketed creates differential risk among lifestyle estate developments: First-home, primary residence-oriented estates are often situated in densely populated areas where many employment opportunities and other services such as schools and hospitals exist. The increased population and the fact that people need a place to permanently reside increases the target market for more centrally located lifestyle estates. The location of the development therefore results in decreased risk. In contrast, lifestyle estates that are more remotely located often do not have a dense and rapidly expanding population or many employment opportunities. This results in the lifestyle estate becoming more of a second-home, leisure and recreational residential opportunity. However, not many people in South Africa can afford a second-home used only for recreational and leisure purposes. Therefore the target market for decentralised lifestyle estates aimed at the leisure residents is dramatically smaller than the target market for first-home residents. This makes second-home leisure lifestyle estate developments higher risk developments than first-home lifestyle estate developments. Since location determines the type of residents that the estate will target, the location of a potential development plays a crucial role in determining the risk of the proposed development.

The third core principle of Rand Merchant Bank's criteria concerns the banks “exit strategy” (Pullinger and Robinson, 2014). The bank provides credit to developers on the basis that the developer will pay the credit back with interest. When the developer pays Rand Merchant Bank the credit and interest back, Rand Merchant Bank can successfully “exit” the development. The developer recovers the credit and interest costs by selling stands on the estate. In the past, property developers and institutions such as Rand Merchant Bank relied “too heavily”
(Pullinger and Robinson, 2014) on presales\textsuperscript{16}. Capital from the presales then covers the credit debt and interest provided by Rand Merchant Bank.

This results in the bank receiving its credit and interest as soon as possible. Robinson (2014) estimates that the developer needs to sell approximately 60\% - 70\% of the stands on the estate to recover the credit and interest costs owed to Rand Merchant Bank. The money made from the remaining 30\% - 40\% of the stands will serve as the developer's profit. However, as a result of the presales strategy being relied on “too heavily”, Rand Merchant Bank now also examines the market extensively to determine who would potentially buy into the development should the presales taper off.

4.2.2 Investec Lifestyle Estate Lending Criteria

Like Rand Merchant Bank, Investec has a set of strict lending criteria that is used to determine whether or not it will provide credit to a private developer for a lifestyle estate development. Maud, Swartz and Corrigan (2014) elaborated on Investec's criteria as follows: First, like Rand Merchant Bank, Investec extensively examines the track record of the developer to determine the level of the developer's experience. Typically, if a developer is a first-time developer and therefore has no track record, credit will not be provided. Maud, Swartz and Corrigan (2014) stated that in many cases proposed developments have been “too big for the developer”. As a result, a successful track record and a great deal of experience are essential. Second, in order for the developer to become an Investec Property Client, he or she must have a net asset value\textsuperscript{17} minimum of R 40 000 000.00. This ensures a level of surety for a proposed development.

Third, all proposed lifestyle estate developments undergo a strict “vetting process” by Investec's quantity surveyors, property valuators and urban planners to further ensure the feasibility of the proposed development. There are minimum valuation conditions that must be met to gain access to credit. Like Rand

\textsuperscript{16} Presales refer to buyers purchasing stands “off-plan” before the development as been completed. The advantage of purchasing a stand “off-plan” is that the buyer does not have to pay transfer costs on the property.

\textsuperscript{17} Net asset value refers to a developer's or company's value of assets, less the company's liabilities (obligatory costs). If a developer has assets worth R 50 000 000.00 and liabilities of R 10 000 000.00, the developer's net asset value is R 40 000 000.00. This is capital that is available and can be used if necessary.
Merchant Bank, Property Finance Consultants Maud, Swartz and Corrigan (2014) emphasise that in order for credit to be given, it is essential that Investec “feel comfortable with the level of security” provided by the developer in order to protect the bank from possible risk and loss. Furthermore, because of the high risk associated with all developments, Investec may consider taking an equity share and therefore a profit share in the proposed development. This would shift Investec’s financier and credit provider role to one of equity investor and sponsor. The financial viability and ultimate success and profitability of the development then becomes even more important to the bank as it now has a stake in the development.

If the criteria are met, Investec may provide credit to the private property developer. However, credit will only be provided for 70% of the development costs. This strategy is the same as Rand Merchant Bank's and ultimately results in the property developer having to provide greater equity for the development, which would in turn decrease Investec's risk. Fourth, like Rand Merchant Bank, Investec is very much concerned with its “exit strategy” (Pullinger and Robinson, 2014). Investec relies on presales to recover the credit debt from the developer. Maud, Swartz and Corrigan (2014) explain that the net proceeds from the presales (the gross sales prices less Value Added Tax, estate agents commission and transfer costs) should be a sufficient amount to cover the debt. Furthermore, as explained in section 4.2.1, this enables Investec to recover its cost before the developer is able to make any profit on the remaining unsold stands.

As can be seen from sections 4.2.1 and 4.2.2 the development and therefore existence of lifestyle estates today is highly dependent on the potential levels of financial viability of the estate.

4.3 Lifestyle Estates and the 2008/2009 Global Financial Crisis
During the economic boom period that took place in 2005, 2006, 2007 and the beginning of 2008, the development of lifestyle estates, particularly golf estates, was the “flavour of the month” (Pullinger and Robinson, 2014). Private property developers realised that there was a demand for safe, secure living environments with the presence of a green lung and saw the development of golf estates to
meet these demands as “easy business” and an “opportunity to make money” (Pullinger and Robinson, 2014). Speculative buyers in newly constructed golf estates were plentiful. Instead of a buyer purchasing one stand, he or she would purchase three, one of which would be kept for themselves, the other two of which would be sold at a later stage in order to turn a profit (Pullinger and Robinson, 2014; Jordan, P., 2014). According to Pullinger and Robinson (2014), these speculative buying activities created a “bubble” in the lifestyle estate market, which made the demand for lifestyle estates seem higher than it actually was. This ultimately led to an error in supply and demand calculations, which was then exacerbated by the 2008/2009 global financial crisis.

According to Robinson and Pullinger (2014), during the years leading up to the 2008/2009 global financial crisis, many golf estates were being planned and constructed throughout South Africa as both primary residence and secondary residence, leisure opportunities. The number of South Africans who could afford second or third homes for leisure purposes, as well as the number of potential offshore investors was largely over calculated (Robinson, 2014). This resulted in the supply of lifestyle estate stock exceeding the demand for the product. When the 2008/2009 global financial crisis hit, this situation worsened. As a result of speculative buyers buying more than one stand in a development, a false sense of security had been created. Suddenly, the buyer that had previously purchased five stands in a lifestyle estate development could no longer afford to pay off five bonds or five sets of levies every month (Jordan, P., 2014). These buyers, who now wanted to be sellers, found it very difficult to sell the other four stands in their possession because no one could afford to purchase them. This resulted in the property prices in the estates decreasing significantly and rapidly (Jordan, P., 2014). The banks had also dramatically reduced their provision of end user18 finance, which meant that loans for purchasing homes were much harder to come by. As a result of this “dry up in liquidity”, sales dropped dramatically (Maud, Swartz and Corrigan, 2014). Lifestyle estate developers were therefore no longer able to amortise their debt and many lifestyle estates collapsed. This resulted in the funding institution, such as Rand Merchant Bank and Investec, reposessing the estate and therefore becoming forced equity investors. This is

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18 End user refers to the final user of the development. End users are therefore potential buyers and residents.
not something banks such as Rand Merchant Bank and Investec want, as it means that until they sell off the asset (lifestyle estate), they become responsible for its maintenance and holding costs.

Lifestyle estates negatively affected by the 2008/2009 global financial crisis were not confined to one particular typology (Maud, Swartz and Corrigan, 2014). Jordan, P. (2014) stated that in Hoedspruit, and nearby areas some plains game and big game estates, not Raptor’s View Wildlife Estate or Leadwood Big Game Estate, collapsed during the 2008/2009 global financial crisis. However, Maud, Swartz and Corrigan (2014) argue that golf estates were probably the type of estate worst affected during the global financial crisis. Pullinger and Robinson (2014) concur with this and stated that the golf estate segment was “hit quite hard” by the crisis. There are three reasons for this: First, it can be argued that this was a result of this type of estate being predominant, so plentiful and oversupplied in the market (Pullinger and Robinson, 2014). Second, it can be argued that many golf estate developments were aimed at the second-home and leisure market, which made them largely unaffordable to the majority of South Africa’s population (Maud, Swartz and Corrigan, 2014). This resulted in a decrease in sales, which inhibited developers from amortising their debt. This in turn resulted in the banks having to repossess the estates. From a different perspective, when the 2008/2009 global financial crisis hit, many people tried to sell their second- and third- leisure-oriented homes (Pullinger and Robinson, 2014). However, because of the widespread lack of liquidity throughout South Africa, these homes did not sell which resulted in the banks foreclosing on these properties. Third, as a result of the high development costs associated with golf estate developments and consequently the higher property prices associated with these estates, stands in golf estates were more expensive than other lifestyle estates (Maud, Swartz and Corrigan, 2014). This made them unaffordable for even the first-home, primary residential market, which once again, inhibited sales. Maud, Swartz and Corrigan (2014) did however argue that first-home primary residence-oriented lifestyle estates were not as dramatically affected by the 2008/2009 global financial crisis as the leisure lifestyle estate sector.
The 2008/2009 global financial crisis has had many implications for the future development of lifestyle estates: First, banks have developed much stricter lending criteria (discussed in section 4.2.1 and 4.2.2) which ensure increased developer equity investment, by the banks only funding approximately 70% of the development costs (Maud, Swartz and Corrigan, 2014). The criteria also ensures that the developer can provide financial surety for the development, should it start to “wobble” (Pullinger and Robinson, 2014). The strict vetting processes that a potential lifestyle estate development undergoes ensure that a demanded, financially sound and viable product is developed. This ensures that the bank will have a successful exit from the development. All of these procedures decrease potential credit providers’, risk associated with lifestyle estate developments. Pullinger and Robinson (2014) hope and hypothesize that these stricter lending criteria will somewhat slow the development of new lifestyle estates so that supply and demand figures for these developments can be regulated through the use of existing stock rather than new development.

Pullinger and Robinson (2014) also argue that as a result of how poorly golf estates performed and were affected by the 2008/2009 global economic crisis, the sentiment surrounding golf estates has become somewhat negative. It can be argued that this, coupled with concerns surrounding financial viability and environmental sustainability has resulted in the evolution of lifestyle estates in South Africa, as described below.

4.4 The Evolution of Lifestyle Estates in South Africa
Pullinger, Robinson (2014), Maud, Swartz and Corrigan (2014) all agreed with the hypothesis of this research report that there has been an evolution of lifestyle estates in South Africa. These key respondents also demonstrated that this evolution is a direct result of concerns surrounding the financial viability and environmental sustainability of lifestyle estate development.

4.4.1 A decrease in the development of the Golf Lifestyle Estate Model
Maud, Swartz and Corrigan (2014) stated that in recent years, the development of golf estates in South Africa has decreased. Pullinger and Robinson (2014) went as far as to argue that golf course development has come to an “absolute grinding halt”. These arguments are based on the following: First, many golf
estates in South Africa continue to target second-home, leisure markets (Maud, Swartz and Corrigan, 2014). These types of leisure developments do not generate any income for their owners. Following the global financial crisis, banks were no longer willing to finance “non-income generating assets” (Maud, Swartz and Corrigan, 2014). Second, it can be argued that the market for golf estate developments is oversupplied in terms of the number of estates in particular locations (Maud, Swartz and Corrigan, 2014). This has led to the supply and demand figures for lifestyle estates being “completely out of sync” (Pullinger and Robinson, 2014). It is therefore not in any banks interest to finance a development where market demand is largely saturated.

Third, Maud, Swartz and Corrigan (2014) estimate that developers typically pay R 80 000 000.00 for the land on which an estate will be built, as well as an additional R 80 000 000.00 – R 100 000 000.00 for the development and construction of the signature golf course on the estate. Over and above these costs are costs related to boundary walls, gatehouses, clubhouses and servicing of the land. This demonstrates the capital-intensive nature of golf estate developments. The developer of the estate then relies on sales to recover these costs and amortise their debt with the respective bank. When the sales “fell off a cliff” (Maud, Swartz and Corrigan, 2014) after the 2008/2009 global financial crisis, it became impossible to recover these costs and banks were forced to repossess the estates. Examples of golf estates that collapsed as a result of the 2008/2009 global financial crisis are Highland Gate Golf and Trout Estate in Mpumalanga, Mossel Bay Golf Estate in the Western Cape, Clarens Golf and Trout Estate in the Free State, Sitari Fields Golf Estate in the Western Cape and Cotswold Downs in Kwa-Zulu Natal (Kloppers, 2011). Mossel Bay Golf Estate and Highland Gate were both financed by Investec and Investec repossessed both estates when the original developing company, Pinnacle Point Group, could no longer afford to amortise the debt it owed to Investec (Kloppers, 2014). It is likely that many banks are still in possession of these failed developments today. Thus it is both unlikely and illogical for banks to finance new golf estate developments when they are currently in possession of numerous completed and semi-completed developments, for which they pay holding costs. Pullinger and Robinson (2014) agree with this and argue that to a large extent, banks have stopped financing golf estates. As a result of the high development costs
associated with golf estate developments, it is unlikely that many developers will be able to finance these developments out of their own pockets.

Fourth, as argued earlier by Trevor Jordan (2014), it is becoming increasingly difficult to obtain environmental authorisation from authorities for golf estate development. This is as a result of the low levels of environmental sustainability associated with these types of developments. Maud, Corrigan and Swartz (2014) concur with this observation and also argue that new golf estate developments struggle to gain access to water rights. Moreover, golf estate developments are generally highly contested and lobbied against by environmental groups because of the large volumes of water required to maintain a golf course (Maud, Swartz and Corrigan, 2014). This indicates a widespread concern for issues of environmental sustainability surrounding lifestyle estates.

Although there is very little new golf estate development in South Africa at present, it is also important to determine how existing golf estates are coping. Pullinger and Robinson (2014) argue that “with a bit of luck and a bit of funding” golf estates oriented around first-home, primary residential markets are “surviving”. Pullinger (2014) argues that the golf estate model works predominantly on the volume of people using the facilities. This volume is essentially responsible for covering maintenance and establishment costs. Pullinger (2014) agreed with T. Jordan (2014) that not all residents in golf estates play golf. The estate therefore relies on non-residents to attain the volume of people, and approximately 35 000 rounds of golf to cover the costs of the golf course. Therefore, golf estates situated in more densely populated areas tend to fare better and be more resilient than those situated in more remote areas. However, by allowing access to non-residents, it can be argued that the security of the estate becomes compromised. This may displease residents. Pullinger (2014) uses the example of Dainfern Golf and Residential Estate situated in Johannesburg to demonstrate the above argument. The estate has the population density to generate enough volume to recover costs as a result of the estate being situated in a densely populated urban area. Pullinger (2014) argues that the estate “does okay” but not “exceptionally well”. Pullinger (2014) also made reference to Steyn City, a mixed-use lifestyle estate, or “city” as some may call it, currently being developed in northern Johannesburg. The estate is
privately funded by Douw Steyn, and is set to contain a golf course. However, the development will have 11,000 units on it, which will contribute to providing the golf course with the volume it needs to financially sustain itself. Pullinger (2014) argues that with this captive market (the residents of the 11,000 units) the estate “might do okay”. It is however important to note that the developer of the estate, Douw Steyn, who has been named the 158th richest person in Britain (Shevel, 2013) and is known for his notoriously lavish lifestyle, may not be as concerned with recovering the R 6 billion development costs as other developers might be. Maud, Swartz and Corrigan (2014) state that this particular developer has the ability to absorb the costs of the golf course himself.

Another argument raised by Pullinger and Robinson (2014) is that many golf clubs such as Woodmead Golf Estate, Parkview Country Club and Houghton Golf Estate, all of which are situated in Johannesburg, are “not making money hand over fist” and are having a “tough” time financially. According to Pullinger and Robinson (2014), this is a result of the general decrease in rounds of golf being played for two reasons: First, many people are struggling to find the time in their busy schedules to play golf. Second, the golfing industry is suddenly competing immensely with other leisure sports such as mountain biking. This is dramatically affecting the second-home, leisure-oriented existing golf estates, which Pullinger and Robinson (2014) describe as in “dire straits” and “not even getting off the ground” in some cases.

One last aspect that must be discussed in relation to golf estate development in South Africa concerns an insight from T. Jordan (2014) and the case of Highland Gate Golf and Trout Estate, which was mentioned earlier in this section. Highland Gate Golf and Trout Estate was originally developed by Pinnacle Point Group and was financed by Investec (Kloppers, 2011). The development cost of the estate was R 150 million (Kloppers, 2011). Investec then repossessed the estate when the development “collapsed” following the 2008/2009 global financial crisis (Maud, Swartz and Corrigan, 2014). Since then, Century Property Development, a development company that has become quite significant in the lifestyle estate sector of South Africa in recent years, has purchased Highland Gate Golf and Trout Estate. Century Property Development is now marketing the golf estate, a somewhat unusual development in South Africa today considering the above
arguments. This raises a number of issues, all of which related to an insight provided by Trevor Jordan (2014). T. Jordan (2014), as noted in Chapter 3 of this report, said that in order for a golf estate development to “work” it must be less capital intensive and a lower risk development. For this to occur, the golf course component of the estate has to be pre-existing or funded another way. Highland Gate Golf and Trout Estate is a good example of this. Pinnacle Point Group, the original developer, would have developed most of the infrastructure on the estate, as well as the golf course component prior to the estate being repossessed by Investec. Repossed estates are often sold by banks at a significantly lower price than what the estates are actually worth. This is because the bank does not want to continue paying holding costs on repossessed estates for long periods of time. This means that when Century Properties purchased Highland Gate Golf and Trout Estate, they purchased a near-complete estate with an already developed golf course, probably at a reasonable price. This dramatically decreased Century Properties’ capital expenditure costs and therefore the financial risk associated with the development. This arrangement also drastically decreases the costs that Century Properties has to recover which gives the development a more promising future. It must however be stated that this lifestyle estate still targets the second-home, leisure market and is situated in a remote location. Therefore, as the above arguments have demonstrated, when it comes to predicting the development’s success, the development still carries a high level of risk.

4.4.2 Lifestyle Estates in their Evolved Form

Thus far, this chapter has demonstrated that new development of arguably South Africa’s first type of lifestyle estates, golf estates, is decreasing. This occurrence is based on issues of financial viability (particularly in the leisure market), which were then exacerbated by the 2008/2009 global financial crisis, the saturation of the market for these types of estates as well as concerns surrounding their environmental sustainability (Maud, Swartz and Corrigan, 2014; Pullinger and Robinson, 2014). Robinson (2014) argued that because of the “troubles” associated with golf estates, which were experienced following the 2008/2008 global financial crisis, many people no longer want to live in golf estates because of the costs associated with them. However, South Africa’s population continues to increase and demands for secure environments with a green lung remain
(Pullinger and Robinson, 2014). This section will illustrate how lifestyle estates have evolved in relation to the lessons learnt about financial viability from the 2008/2009 global financial crisis, as well as in relation to concerns surrounding environmental sustainability.

Maud, Swart and Corrigan (2014) concur with the hypothesis of this research report that the evolution of lifestyle estates has seen many more wildlife, eco, country and other lifestyle estates that do not include a golf course element developed in recent years. Maud, Swart and Corrigan (2014) argue that this trend is true for both the primary, first-home oriented lifestyle estates as well as the second-home, leisure oriented estates. Wildlife, eco and country estates tend to be more affordable as a result of the exclusion of the costs associated with the construction and maintenance of a golf course component. This was demonstrated in the Jordan Properties case studies in Chapter 3 of this report. The Jordan Properties case studies also indicated that plains game wildlife estates, such as Raptor’s View Wildlife Estate, tend to have differential costs to big game estates, such as Leadwood Big Game Estate. This was attributed to additional costs incurred by big game estates such as anti-poaching efforts as well as the estate having far fewer stands, making it more exclusive and expensive per unit area of land. Pullinger (2014) argues that another additional cost of big game estates, which makes them more expensive than plains game estates, is that animals that serve as prey (e.g. antelope) for the big predators such as lions and leopards may need to be restocked as they are consumed at a rate that exceeds the natural reproduction rate. This cost can however be managed through carefully balancing the ratio of predators to prey. At Leadwood Big Game Estate, the lions are sterilised to prevent overpopulation and thus the need for restocking of prey for the lions has been eliminated (Jordan, T., 2014). Plains game estates however, do not incur this replacement cost as heavily as big game estates as big predators are not prevalent.

Thus, eco and wildlife estates oriented around plains game require much less capital expenditure, making the cost recovery process more manageable (Maud, Swart and Corrigan, 2014). The sales prices are therefore more affordable for the end user, which increases the market pool for the development and therefore decreases the risk of the development for the developer and its financiers.
Pullinger (2014) also argued that wildlife and eco-estates are more environmentally sustainable.

Affordability has become an important factor to consider since the 2008/2009 global financial crisis. The Living Standards Measure measures affluence levels in South Africa by dividing the population into 10 different income bands (Analytix, 2014). Lifestyle estates that target different income bands have “different volatility profiles” in a recession (Pullinger, 2014). At the top end of the spectrum, lifestyle estates that are expensive and that are “elite, premium product[s]” collapsed during the recession. Pullinger (2014) gives the example of Blair Atholl Estate, a golf estate in Johannesburg. Many golf estate developments tend to fall into this “premium product” (Pullinger, 2014) bracket. This is a result of the estates being capital intensive both upfront and recurrently and thus being highly expensive for the end user. In contrast, the more affordable, less expensive lifestyle estates maintained their demand throughout the recession and were not as negatively affected (Pullinger, 2014). It can be argued that Raptor's View Wildlife Estate is an example of this as the development held its value and maintained its demand throughout the 2008/2009 global financial crisis (Jordan, P., 2014) and was therefore not negatively affected.

Another trend, seen in recent years, which demonstrates an evolution of the lifestyle estate model, is the development of mixed-use lifestyle estates such as Waterfall Country Estate in Midrand (Maud, Swartz and Corrigan, 2014). This mixed-use, primary resident-oriented estate developed by Century Property Development meets many needs of potential residents as it provides access to schools, retail opportunities and office space. Like most lifestyle estates, the estate also has many security features. Maud, Swartz and Corrigan (2014) argue that over and above security, the presence of schools is becoming increasingly important in lifestyle estate development. It was argued in Chapter 3 of this research report that T. Jordan's development of schools next door to two of his developments (White River Country Estate and Raptor's View Wildlife Estate) played a big part in both developments' success. Pullinger (2014) argues that Waterfall Country Estate, where new phases of the development are sold out upon release, has done “exceedingly” and “unbelievably well” as a result of its location and mixed-use, affordable nature. Pullinger (2014) contrasted the
success of Waterfall Country Estate to golf estate developments in South Africa: Serengeti Golf and Wildlife Estate, which was developed in 2006 is situated in eastern Johannesburg, still has numerous stands available and is “struggling”. Blair Atholl Estate, also situated in Johannesburg, still has numerous stands available and Pullinger (2014) stated that this particular estate has been so unsuccessful that he doubts it is even being marketed anymore.

Whilst Rand Merchant Bank and Investec supported the hypothesis that there has been an evolution of lifestyle estates in South Africa based on issues of environmental sustainability and financial viability and that certain types of lifestyle estates are more financially viable than others, both institutions still approach lifestyle estate development proposals with much caution (Maud, Swartz and Corrigan, 2014; Pullinger and Robinson, 2014). Maud, Swartz and Corrigan (2014) argue that location as well as security and service provision play a distinct role in determining the financial viability of a potential lifestyle estate development. Maud, Swartz and Corrigan (2014) use the example of Val de Vie, a highly exclusive golf estate situated in the Paarl Franschoek Valley in the Western Cape. The estate is located near two schools, Bridge House and Paarl Boys High School as well as the University of Stellenbosch (Val de Vie, 2014). According to Maud, Swartz and Corrigan (2014) the estate has prospered and because of its location is a financially viable development. In contrast, they argue that a wildlife or eco-estate in the remote Karoo would be somewhat less financially viable, as a result of its location. Based on this, from a potential financier’s point of view, each potential development, no matter the type, must undergo the same strict vetting process.

Thus far, very little mention has been made about retirement villages in this report. This is due to the fact that retirement villages were not considered as a type of lifestyle estate as per the definition of lifestyle estate for this report. However, Rand Merchant Bank considers retirement villages to be a “niche market” that is in high demand and currently “taking off” within the lifestyle estate sector (Robinson, 2014). Based on this, a few findings on this particular type of “niche market lifestyle estate” will briefly be discussed. Financial viability is highly important when it comes to retirement villages. These developments house residents who are generally non-income generating (Robinson, 2014). Based on
this, in order to be successful, these developments must be affordable. This is done through the developer minimizing his or her capital expenditure costs. It is therefore an immense rarity for one to find a golf course located within a retirement village as the presence of a golf course would drastically increase the price of living in the retirement village for the end user. This would make the retirement village a much higher risk and less financially viable development for the developer than a retirement village without a golf course. Robinson (2014) provided an example of a retirement village in Hillcrest, Kwa-Zulu Natal. The development had originally provided fancy, expensive facilities such as a cinema, bowling green and heated swimming pool. The estate became too expensive for end users and as a result, the development collapsed.

4.5 Concluding Thoughts
The purpose of this chapter has been to validate the trends and findings of the Jordan Properties case studies in the broader South African context. These trends were the following: Lifestyle estates have varying levels of financial viability. Concerns surrounding these issues of financial viability catalysed the evolution of lifestyle estates in South Africa. The result has been the development of new typologies of lifestyle estates that are both more financially viable and environmentally sustainable.

Simply put, the insights provided by members of Rand Merchant Bank and Investec demonstrated the following: First, the financial viability of an estate ultimately determines its existence. Second, the capital-intensive nature and related financial viability of golf estates inhibited many golf estates from surviving the 2008/2009 global financial crisis. As a result of this, the development of golf estates, which were arguably the first and most dominant type of lifestyle estate in South Africa, has come to an “absolute grinding halt” (Pullinger, 2014). Despite this, a national demand for safe, secure living environments with some form of green lung has remained. In an attempt to meet these demands, private property developers have evolved the lifestyle estate model to be more financially viable. This has resulted in the development of new lifestyle estate typologies, examples of which are wildlife, country and eco-estates. These have shown to be not only more financially viable but simultaneously more environmentally sustainable.
Therefore, the hypothesized trends that were proposed at the beginning of this research report have been confirmed in the Jordan Properties case studies as well as validated in the broader South African context. Lifestyle estates have evolved through the development of new typologies as a result of concerns surrounding financial viability. Different types of lifestyle estates encompass different levels of both financial viability and environmental sustainability. Lifestyle estates in their evolved form have demonstrated to be more financially viable than the original golf course model, and simultaneously more environmentally sustainable. It is for these reasons that new golf estate development in South Africa is no longer a common occurrence.
5. IMPLICATIONS FOR FUTURE LIFESTYLE ESTATE DEVELOPMENT, PLANNER’S PERSPECTIVES AND CONCLUDING REMARKS

5.1 Introduction

Now that the findings from the Jordan Properties case studies have been confirmed in the broader South African context, the implications of these findings must be discussed. Section 5.2 of this chapter will discuss the implications of the findings for future lifestyle estate development in South Africa. Section 5.3 will discuss whether urban planners should perceive lifestyle estates differently in their evolved form, from the original perceptions discussed in Chapter 2 of this report. Section 5.4 will conclude this research report and will re-consider and answer the original research questions posed in Chapter 1.

5.2 Implications for Future Lifestyle Estate Development

Low (2001:52) argues, “once a person lives in a gated community, they say that they would always choose a gated community again”. Based on this one has to ask the question of whether the development of lifestyle estates in South Africa is going to continue. The answer is yes; it is highly likely that the development of lifestyle estates in South Africa is going to continue. Arguably the most predominant reason for this is the current socio-economic climate in South Africa, which has resulted in immense personal safety and security concerns. Ballard (2004) argued earlier in this research report that the demand for and consequential development of lifestyle estates as a response to these concerns is highly pragmatic. It can be argued that it is unreasonable to begrudge the demand for and consequential development of lifestyle estates in South Africa as from personal experience, for some, residing in a lifestyle estate is simply a last resort to securing a safe residential environment for themselves and their family.

The first lifestyle estate model in South Africa, golf estates, (Jordan, T., 2014) has in recent years been shown to be largely inadequate in terms of financial viability and environmental sustainability. As was indicated in Chapter 4 of this report, post 2008/2009 global financial crisis, the potential development of lifestyle estates in South Africa is determined wholly on the estate’s potential
financial viability. For this reason, the new development of golf estates has become less common. However, as Chapter 3 of this report indicated, lifestyle estates that do not contain a golf course component tend to be more financially viable than those that do. For these reasons, in recent years, the development of various types of wildlife estates, eco-estates, country estates and mixed-use estates has begun to increase in South Africa. As a result of these estates not having a golf course component, they tend to be more affordable and thus were more resilient during the 2008/2009 global financial crisis. Chapter 3 of this report also indicated that lifestyle estates that do not have a golf course component tend to be more environmentally sustainable. Environmental sustainability is becoming increasingly important on a global scale in efforts for more sustainable development.

The above has the following implications for the future development of lifestyle estates in South Africa: The capital intensive nature of golf estates, coupled with now stricter lending criteria of funding institutions, the exclusive and expensive nature of golf courses and the associated low levels of environmental sustainability of golf estates, suggests that it is unlikely that many more golf estates will be developed in South Africa. However, other types of first-home oriented lifestyle estate, such as wildlife, country and mixed-use estates can be expected to continue to develop in South Africa. The research has indicated that these types of estates tend to be more financially viable. These types of estates also tend to be less capital intensive to develop, which will ultimately secure greater levels of affordability for the end-user of the estate and make the estate more resilient to future economic downturns.

The research has also indicated that lifestyle estates in their evolved form tend to be more environmentally sustainable than the former golf estate model as well as having great conservation potential. Big Game estates such as Leadwood, are currently playing an integral role in protecting large endangered species such as the “critically endangered” Black Rhinoceros (Diceros bicornis), increasingly threatened White Rhinoceros (Ceratotherium simum) and the “vulnerable” lions (Panthera leo) (Endangered Wildlife Trust, 2012). The research of this report however has indicated that despite being a valuable foreign investment opportunity, this type of estate tends to be more exclusive and cannot be easily
replicated in urban areas. This is as a result of the large expanses of essentially undeveloped land required by this type of estate. Plains game estates (such as Raptor’s View Wildlife Estate), and country estates can however be more easily replicated in urban areas as they do not require as much extensive space as Big Game Estates. These types of estates have also shown to be more affordable than big game estates and golf estates for the end-user. Both country and plains game estates generally maintain a great deal of their natural, indigenous vegetation. These areas have the potential to play an important role in the protection and conservation of smaller species such as the Blue Duiker (Philantomba monticola) and Pangolin (Manis temminckii), both of which are listed as “vulnerable species” by the Endangered Wildlife Trust (2012). Mixed-use lifestyle estates could potentially delineate areas, perhaps the residential areas of the estate, to also maintain natural vegetation and thus house and conserve a number of threatened small fauna species.

Therefore, it is likely that lifestyle estates will continue to be developed as a distinct part of South Africa’s rural and urban landscapes. These developments will continue to offer South Africans comparatively safe, secure residential environments. It is, however, more than likely that future lifestyle estates will be developed in a manner that is fundamentally different from the original golf estate model in terms of levels of financial viability and environmental sustainability.

5.3 Implications for Planner’s Perspectives on Lifestyle Estates in their Evolved Form

Chapter 2 of this research report discussed the various social critiques made by urban planners on gated communities such as lifestyle estates. It was argued that gated communities such as lifestyle estates promote class, racial, ethnic and economic segregation (Lang and Danielsen, 1997; Atkinson and Flint, 2004), impact the collective identity and hinder the sense of community within a region (Lang and Danielsen, 1997; Ballard, 2004; Lemanski, 2004; Dirsuweit, forthcoming) as well as promote the polarisation of society (Human Rights Commission, 2005 in Dirsuweit, forthcoming).

Over and above these socio-economic critiques, the literature also indicated the following about the financial viability and environmental sustainability of the
original golf course model: First, golf estates worldwide generally struggled to withstand the 2008/2009 global financial crisis (Commercial Property News, 2013). Second, it was argued that the original golf estate model that dominated South Africa is highly environmentally unsustainable in terms of initiating large-scale changes to natural environments, using chemical substances such as herbicides, pesticides, fungicides and insecticides and consuming vast quantities of water (Jones and Rando, 1974; Western Cape Department of Environmental Affairs and Development Planning, 2005; Landman and du Plessis, 2007; Nauright and Wheeler, 2006). Critiques were also made on the basis of lifestyle estates being developed on agriculturally viable and valuable land (Western Cape Department of Environmental Affairs and Development Planning, 2005).

However, this research report has demonstrated that lifestyle estates in their evolved form encompass somewhat better traits and opportunities than the original golf estate model. This begs the question as to whether urban planners, who originally contributed to the numerous critiques surrounding gated communities such as lifestyle estates, should perhaps reconsider and alter their original perceptions.

In terms of social sustainability, it can be argued that the affordability factor associated with lifestyle estates in their evolved form, has to some extent, decreased the socio-economic segregation previously associated with lifestyle estate developments. Lifestyle estates such as Raptor’s View Wildlife Estate are ultimately enabling lower income groups, which would previously not have been able to afford to live in lifestyle estates, a safe, secure environment to reside in. Although lifestyle estates such as Raptor’s View Wildlife Estate still foster some level of economic segregation (this estate does not cater for the vast majority of low-income earning South Africans), it can be argued that the prevalence of crime in South Africa and the basic human instinct to protect oneself, outweighs this negative outcome in many people’s minds. In the South African climate of crime, the demand for the lifestyle estate product simply cannot be begrudged or ignored. More affordable lifestyle estates, such as Raptor’s View, have also shown to be more resilient to economic downturns. More exclusive and unique lifestyle estates such as Leadwood Big Game Estate, of which 50% is dominated
by international residents, have been shown to be valuable avenues for foreign investment.

Over and above being more financially viable, lifestyle estates in their evolved form are also more environmentally sustainable than the original golf estate model. These estates have great potential value for conservation efforts and the protection of endangered species. In terms of being developed on agricultural land, the cases of Raptor’s View Wildlife Estate and Leadwood Big Game Estate have indicated the ability of lifestyle estates to engage in important land regenerative processes. As mentioned earlier in this report, the United Nations 7th Millennium Development Goal states a distinct need to “reverse the loss of environmental resources” (United Nations, 2014). Based on the above, it can be argued that lifestyle estates, in their evolved form, hold potential as gateways to meeting this goal.

However, this is not to say that all high value agricultural land should be made available for lifestyle estate development. Furthermore, it is important to note that there are still general environmental downsides associated with lifestyle estate development: These low-density developments facilitate urban sprawl, which arguably contributes to the development of an unsustainable urban settlement form. The often decentralised location of these developments encourages auto-dependence, which is arguably an unsustainable form of movement. There are also the aesthetic issues such as how the erection of high walls and gates may affect the character of the streetscape (Atkinson and Flint, 2004).

Although the development of lifestyle estates may never fully be justified or accepted in terms of social sustainability arguments (e.g. Atkinson and Flint, 2004; Sanchez et al, 2005; Lang and Danielsen, 1997; Low, 2001; Blakely, 1997; Ballard, 2004; Lemanski, 2004; Dirsuweit, forthcoming), this research report has indicated the potential value of lifestyle estates in their evolved form. Newly developed, evolved, lifestyle estates have been shown to be valuable in providing financially viable, affordable (to a certain extent), well-serviced, safe, secure living environments with an environmentally sustainable and valuable (in terms of conservation and protection) green lung component.
As with all components of the urban environment, there are upsides and downsides. Lifestyle estate development in South Africa is going to continue. A small token for some is that newly developed lifestyle estates are likely to be comparatively more financially viable and environmentally sustainable than the original golf estate model. The purpose of this report was never to dispute the numerous social critiques surrounding gated communities such as lifestyle estates. Rather, the purpose of the report was to examine lifestyle estates from a different perspective. In light of this, one can ask the question of whether urban planners should perceive lifestyle estates in their evolved form differently. The reality is that the socio-economic critiques and downsides that surround gated communities such as lifestyle estates cannot and should not be ignored. However, the potential value of opportunities that lifestyle estates in their evolved form could provide should also be appreciated and supported.

Public-sector urban planners may benefit from the findings of the report in terms of acquiring knowledge to make informed decisions on lifestyle estate development applications. The findings may also contribute to knowledge for the development of relevant regulatory policy. For example, policy could ensure that new lifestyle estate developments dedicate some land for conservation and protection purposes and that a certain percentage of the development must maintain or enhance its natural, indigenous vegetation. The issues surrounding the provision of bulk infrastructure could also be curbed through the development of relevant policy and regulations. For example, municipalities could limit the supply of electricity provided to lifestyle estates by only providing 60 amp, single-phase electricity for each house. This ensures limited use of electricity. If residents want greater voltage, they must engage in alternative forms of energy such as solar or gas power. In the future, the 60 amps could be reduced to 40 amps, which would further force higher income groups (who can afford to engage with such technology) to engage in alternative energy sources. Municipalities could also enforce a different approach to sewer waste management. Instead of upgrading sewer lines to cater for lifestyle estate developments, municipalities could pass regulations that force lifestyle estates to engage with on site self-processing sewer systems. Sewage is then treated and processed on each stand.
by septic tanks, a Calcamite Bio-mite system\textsuperscript{19} or Biobox\textsuperscript{20} where it is then expelled as grey water. This water could then be stored in tanks on each stand and used for garden irrigation. Some variation of the above recommendations have already been implemented in Leadwood Big Game Estate and Raptor’s View Wildlife Estate. The benefits of green technology, which is advancing at a rapid rate, holds immense opportunity for lifestyle estates and should without a doubt be utilised to make lifestyle estates more self-sustaining and more environmentally sustainable. Policy should be developed to ensure practices such as the above are included in the design of future lifestyle estates.

For urban planners working in the private sector, the insights are valuable for planners advising property developers on the history of lifestyle estates in South Africa and what works in terms of financial viability and environmental sustainability.

5.4 The Scope of the Research Report and Concluding Remarks

The research question for this report was: Have concerns of financial viability and environmental sustainability catalysed an evolution of lifestyle estates in South Africa resulting in the development of more financially viable and environmentally sustainable lifestyle estate models? What are the implications of this evolution for planner’s perceptions and future development of lifestyle estates in South Africa?

In answering this question, several research sub-questions were posed. The first sub-question was; what are urban planners’ current perceptions of lifestyle estates? The second chapter of this report aimed to contextualise the gated community and specifically lifestyle estate phenomenon in both the global and local contexts. It also dealt extensively with the arguments behind some urban planners’ perceptions of gated communities and lifestyle estates. The findings of this section indicated that often, lifestyle estates are not held in high esteem in the urban planning profession. This view is based on numerous socio-economic arguments, which were discussed at length.

\textsuperscript{19} A calcamite Bio-mite tank system is a waste water plant that processes and treats sewage on site (Africa’s Finest, 2013).

\textsuperscript{20} A biobox is also system that treats wastewater. The ‘biorock’ model has the ability to process up to 100 people’s waste without utilizing any electricity (Biobox, 2014).
The second research sub-question posed was; do different types of lifestyle estates vary in levels of financial viability? This question was dealt with extensively in Chapter 3. Chapter 3 consisted of a comparative analysis of three lifestyle estates, White River Country Estate (1989), Raptor’s View Wildlife (2000) Estate and Leadwood Big Game Estate (2011), all of which were developed by Jordan Properties. The findings of this chapter indicated that different types of lifestyle estates do, indeed, have varying levels of financial viability. It was determined that golf estates are capital intensive developments, with high recurrent costs, making them high risk developments that have shown to have limited resilience during economic downturns. This makes golf estate developments, such as White River Country Estate, somewhat less financially viable than other typologies of lifestyle estates, such as Raptor’s View Wildlife Estate. Raptor’s View Wildlife Estate was shown to be less capital intensive in its establishment costs, had lower recurrent costs, which made it more affordable and consequently a lower risk development for the developer. As a result of the above, the estate was able to better withstand an economic downturn. The findings also indicated the potential of uniquely African lifestyle estates such as Leadwood Big Game Estate as a mechanism to attract foreign investment. Through the insights gained from members of Rand Merchant Bank and Investec, Chapter 4 then confirmed the finding, that different types of lifestyle estates have differential levels of financial viability, in the broader South African context. These key respondents also provided confirmation that more affordable lifestyle estates tend to be more resilient during economic downturns.

The third research sub-question was; do different types of lifestyle estates encompass differential levels of environmental sustainability? This was also dealt with extensively in Chapter 3. The findings from the Jordan Properties case studies indicated that different types of lifestyle estates do, indeed, have differential levels of environmental sustainability. The Jordan Properties case studies indicated that golf estate developments have considerably lower levels of environmental sustainability than other types of more natural, indigenous vegetation-based lifestyle estates such as plains game and big game estates. A relationship between levels of financial viability and environmental sustainability was also demonstrated: lifestyle estates that tend to be more financially viable, such as Raptor’s View Wildlife Estate, tend to simultaneously be more
environmental sustainable. In contrast, golf estates, which tend to be less financially viable lifestyle estate developments, also tend to be less environmentally sustainable.

The above three research sub-questions ultimately led to answering the first part of the main research question of this report: Have concerns of financial viability and environmental sustainability catalysed an evolution of lifestyle estates in South Africa, resulting in the development of more financially viable and environmentally sustainable lifestyle estate models? Insights gained from Jordan Properties Chief Executive Officer, Trevor Jordan, indicated that T. Jordan’s (2014) decisions to develop particular typologies of lifestyle estates rather than others were fundamentally based on concerns surrounding the potential financial viability and environmental sustainability of a lifestyle estate. It was based on these concerns that T. Jordan (2014) chose to move away from the golf estate model and toward more natural-based, wildlife-oriented lifestyle estates. In Chapter 4, members of Rand Merchant Bank’s and Investec’s Property and Credit Divisions validated these findings and development trends in the broader South African context. The key respondents from these funding institutions demonstrated that since the 2008/2009 global economic crisis, the financial viability of lifestyle estates has become increasingly important (Pullinger and Robinson, 2014; Maud, Swartz and Corrigan, 2014). Today, the development and existence of a lifestyle estate depends wholly on its extensively examined potential level of financial viability. This coupled with stricter lending criteria and the requirement of increased developer equity (Pullinger and Robinson, 2014; Maud, Swartz and Corrigan, 2014) has had numerous implications for lifestyle estate development in South Africa.

It is for these reasons that private-sector property developers have chosen to move away from developing capital intensive, high-risk developments, such as golf estates (which are also environmentally unsustainable). As a result, the development of golf estates is no longer common practice in South Africa. Instead, more nature-based, less capital intensive, lower risk lifestyle estate developments are becoming more popular among private property developers. Hence, an evolution of lifestyle estates has indeed taken place. The research has demonstrated that this evolution is a direct result of South African private
property developers’ concerns surrounding issues of financial viability. The result has been private property developers developing more financially viable lifestyle estate developments. Over and above being more financially viable, lifestyle estates in their evolved form have also shown to be simultaneously be more environmentally sustainable and valuable for conservation and protection efforts. The evolution of lifestyle estates has therefore resulted in private property developers developing lifestyle estates that are much more financially viable and environmentally sustainable than the original golf estate model.

The fourth and fifth research sub-questions then dealt with answering the second part of the main research question: What are the implications of this evolution for urban planner’s perceptions and future development of lifestyle estates in South Africa? The fourth research sub-question discussed the implications of the findings for the future development of lifestyle estates. The implications of the findings for future lifestyle estate development in South Africa were discussed in section 5.2 of this chapter. The discussion indicated that the development of lifestyle estates in South Africa is going to continue to serve as an integral mechanism for providing safe, secure living environments for South African citizens. However, lifestyle estates today, in their evolved form, are likely to be developed in a far more financially viable and environmentally sustainable manner than before. It was argued that the potential conservation and protection value that lifestyle estates in their evolved form hold for fauna and flora species should also be tapped into.

The fifth research sub-question discussed the implications of the above for urban planner’s perceptions of lifestyle estate development in South Africa. It was argued and emphasised that the demand for and consequential development of lifestyle estates in South Africa should not be begrudged, as for many the reasonable basic human instinct to protect themselves and their family from violent crime, far outweighs the outcome of class segregation. It was argued that although the social downsides associated with lifestyle estates cannot be ignored, the benefits and potential opportunities associated with lifestyle estates in their evolved form, such as affordable, safe, secure living environments, conservation and protection opportunities, must also be appreciated. This section also made recommendations on how planners could develop and enforce policy
that would combat some of the concerns surrounding lifestyle estates as well as ensure more environmentally sustainable ‘green’ activities on lifestyle estates.

This research report has examined lifestyle estates in a different way to which they have been discussed and examined before. The report has provided insights on and demonstrated the evolution of lifestyle estates that has taken place in South Africa in recent years. It has been argued that the development of lifestyle estates is likely to continue in South Africa. As a result of this, the research presented is valuable for two reasons: First, the research is valuable for private property developers as it provides insights that may inform potential developers on issues of financial viability and environmental sustainability as well as how to make lifestyle estates both more financially viable and environmentally sustainable. The work has also shown to be valuable for urban planners working in the public and private sectors. The lifestyle estate phenomenon in South Africa is clearly a highly complex discussion. There will always be upsides and downsides for any built environment phenomenon – lifestyle estates are a good example of this. It can be argued that the development of lifestyle estates is not a sustainable long-term solution to developing integrated, equitable, safe, secure, well-serviced residential spaces in South Africa. However, until the socio-economic issues facing South Africa are addressed and dealt with, it can at least be said that the nature of the financial viability and environmental sustainability of lifestyle estates has improved. Private sector property developers and urban planners in both the public and private sectors should ensure that such developments are even more financially viable and environmentally sustainable in the future.
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