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Boschendal considered for World Heritage Status

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The news that the new owners, trading under the company name Canombys, have altruistic motives has been welcomed by conservationists who have fiercely resisted aspects of the proposed redevelopment of the heritage site.

Boschendal, an amalgamation of 19 farms originally assembled by Cecil John Rhodes, is being considered for Unesco World Heritage Status as a cultural landscape.

Towards the end of last year, JSE-listed IFA Hotels & Resorts disposed of its 37,33% stake in Boschendal to Canombys for an effective R80m. Mining house JCI's remaining 62,7% shareholding was subsequently diluted, affording the new owners a controlling 51% stake.

Canombys snatched the property out from under the nose of another SA billionaire living abroad, insurance scion Dick Enthoven, who, after a lengthy due diligence process, was trying to knock down IFA's stake to R65m, according to a Boschendal source.

"The new owners see Boschendal as a legacy piece of real estate that has been declining over a number of years," says JCI CEO Peter Gray.

"Their vision is to get Boschendal back [to where it was in its halcyon days] and have it as a legacy property for South Africans to enjoy."

Gray refuses to name the family, saying only that they wish to remain "low profile" to avoid being approached all the time. "It's still early days," he adds. "It will become quite public once they have a clear vision."

To avoid parcelling up the farm, the shareholders have taken a joint decision not to proceed with phase 1 - the sales of the remaining Founders' Estates (16 tracts of farmland of 21ha-44ha each, originally priced from R16m to R37m).

"In the past the reason for selling them was to bring in cash, but the necessity to generate cash quickly has gone away because we've had a capital injection," says Gray.

The new owners still want to proceed with phase 2, a mixed-used development proposal that has yet to be submitted for approval, but Gray says it too may be diluted.

Plans for an equestrian centre, retirement complex and commercial/retail node will probably remain, says Gray. There is also support for the creation of a small boutique hotel but it is unclear whether the most contentious part of the plan, various residential villages, will go ahead.

The Franschhoek Valley Conservation Trust (FVCT) originally objected to Boschendal's initial phase 2 proposals, along with the Cape Institute of Architects and L'Ormarins wine estate (owned by the Rupert family).

"I hope it's true that they're altruistic," says FVCT vice-chairman Siegfried Schafer. "It's good news if the estate's not broken up and if the development plans are going to be watered down, but then I don't see how it will make

financial sense. How will they make any money other than on property sales?"

He also wants to know whether the new owners are obliged to honour the commitments made to the Boschendal Treasury Trust, whose beneficiaries include the neighbouring disadvantaged communities of Pniel and Groot Drakenstein.

The previous shareholders committed to give the trust 5% of every first property sale on Boschendal and 0,5% of all resales in perpetuity. The money was to be spent on health, education, skills development for farm workers and agricultural, heritage and environmental support projects.

Former Boschendal CEO Clive Venning says his plans to develop 7% of Boschendal would have raised R4,5bn, generating R225m in cash for the community. A large chunk of this will no longer materialise. Also, the property sales were designed to generate sufficient home owner levies to allow Boschendal, which is currently loss-making, to become financially sustainable.

"If they no longer undertake this development, the new owner will have to finance the running costs and no matter how rich you are, you don't want to keep pouring R20m/year into the estate," he says.

Schafer is more worried about the neighbouring communities: "We always warned the communities that Boschendal was painting a very rosy picture of the future for them," he says. "They promised them millions of rand and had those communities in their pockets. Today these people are very disappointed."

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