

## **Making History – Boschendal Wine Estate**

Franschhoek has been called the Valley of Visions. The first visionary was the French Huguenot Jean le Long, a somewhat vague figure who in 1685 found this beautiful piece of Cape landscape where elephants and lions roamed, and began farming here.

In 1694 the Huguenot brothers Pierre and Jacques de Villiers sought refuge in the Drakenstein Valley.

They and their descendants made Boschendal their home for 180 years and left behind a legacy of stately gabled homes, thatched cottages and a noble tradition of wine making, which remains to this day.

In 1896, Cecil John Rhodes arrived at the beautiful valley of vines to find it wrecked by vine phylloxera (a destructive pest). His idea was to switch from grapes to fruit so he bought Boschendal and 10 farms in the area, established Rhodes Fruit Farms and a canning factory and made plans to export the products via his Cape-to-Cairo railway.

Now Clive Venning is set to stamp his vision on the six historic homesteads and 2 240ha spread; a vision which won over owners, Anglo American Farms Limited (Amfarms) in 2003.

In Anglo's quest to find the right buyer it entertained bids from 142 different suitors, including branches of the Rothschild family. They were searching for a group or an individual who would meet their strict conditions of sale.

Venning honed his entrepreneurial skills repairing and selling bicycles when he was 10 years old. Five years later he entered the property market. Working as a cosmetic salesman, buying and selling auction items, and helping to build theatre sets, he raised the R2 000 deposit to buy his first house in Harare.

The house cost R10 000 (this was back in 1974) and he then arranged a rental deal that covered the mortgage. His father, who was managing director of Plessey, obliged with the necessary adult signatures. Venning went on to study fine arts at the University of the Witwatersrand, and seriously considered becoming the assistant director of Harare's art gallery. Then his business instincts kicked back in.

After years of being involved in major developments in Zimbabwe, Los Angeles, Belgium and Knysna, he now heads up Citation Holdings, and estimates that within the next 10 years it will notch up R2-billion worth of land sales and a further R1.8b worth of construction work on Boschendal.

Competition for Boschendal was tough. This was no fire sale they reportedly paid R323-million for it.

'Some individuals agreed to pay the asking price but intended turning Boschendal's manor house into a private home which would be closed to the public,' says Venning. 'Anglo said: "Thank you, but no thank you." Another developer wanted to build five golf courses, a 1 000-room hotel and some 4 000 houses. Anglo again said: "Thanks, but no thanks."

'They had winery experts who wanted only the winery. Others only the fallow land. Some groups were not keen to have black empowerment partners. I listened carefully to all this and after two years working on the project came up with my overall plan. Then I raised the money and put the deal together. It's not my style to do a development piecemeal. I like to take a blank sheet and work it through completely.'

Anglo chose his proposal, Venning says, because of a combination of factors. 'One was that we have 30 per cent black empowerment partners.

This company [Kovacs Investments 608 (Pty) Ltd] is owned by five black empowerment companies, chaired by ANC stalwart, Chris Nissen. In that consortium are 550 previously disadvantaged investors who, in turn, own 30 per cent. They (Kovacs) went to the marketplace and raised R80m. That means 70 per cent is controlled by Citation Holdings SA. The Kovacs Investment consortium includes 400 women, comrades, war veterans and members of the ANC youth league. It's a good cross-section of empowerment people.'

Venning is the chief executive officer of Citation Holdings, which is registered in Luxembourg. According to *BusinessDay*, the Citation consortium includes Charles Boswell, the South African representative of Credit Foncier de Monaco, the largest and oldest private bank in Monaco; Frank Crothers, chairman and CEO of Island Corporate Holdings, a private investment company with interests in the Caribbean, Canada and the US; Craig Symonette, chairman of the largest food wholesalers in the Bahamas and a director of the Commonwealth Bank of the Bahamas; and Juan Bacardi of Bacardi Limited and president of the Bahaman-based Bristol Cellars Limited, which specialises in the distribution and retailing of beverages.

'I have had development experience with four projects in 20 years, the last being with Keith Stewart at Pezula in Knysna. He wanted Pezula to be his last pre-retirement development, and I knew I would want to go on, so he bought me out. From my track record Anglo knew I would be committed to its project I live and breathe them till I finish. Once I've got all the planning permissions and sales in place, construction underway and everything else is in place, I sell and move on. I estimate that I will be at Boschendal for the next 10 years.

'As well as good financial partners, I came up with the right concept for a low-impact development which will not really change the face of Boschendal at all, with a 30 per cent BEE shareholder, 10 per cent of our land being given to the local community trust plus five per cent of all our land sales proceeds.'

Boschendal stretches from the foot of the Groot Drakenstein to the foot of the Simonsberg mountains, a verdant and almost empty valley, apart from 280 houses and 174 labourers cottages, 80 managers houses and six historic homes. One of these is the thatched cottage that Cecil John Rhodes built for himself two kilometres from the manor house. Rhodes chose the site as it was higher up the valley and more suited to a man with chest trouble. He died in 1902 before he had the chance to live in it.

Venning plans to retain the character of the valley by not building golf courses, mass houses or big shopping malls. Instead, he's proposing bigger and fewer sub divisions, known as 'Founders' Estates', ranging in size from 20-40ha. On these 20 farms only one house and relevant buildings will be permitted on a footprint of 0,8ha.

Buyers wanting something smaller can buy the farm buildings and cottages on the 25 farming villages scattered over the estate and convert them. Any alterations or rebuilding, however, must be within the footprints of the existing 260 houses and outbuildings on the estate.

'One day we may have people living in homes, which were once tractor houses, stables, granaries or even a church. We will enhance this village atmosphere with cobbled streets, maybe a horse trough or two and a white wall around everything.'

The first phase of the subdivision of the Founders' Estates should be through this month. The balance of the property must go through an environmental impact assessment (EIA) before it can be rezoned for a 350-unit retirement village, a 50-room boutique hotel and a commercial centre alongside the railway line. This, Venning believes, could take another 12 to 18 months.

A feature of the Founders' Estates and farm yard villages is that the agricultural land will be leased back to Boschendal to be managed as one 1 000ha unit for 99 years.

'The owners can enjoy the lifestyle of living in an agricultural rural setting and savour the fruits of the land, without the headaches of working it.

'They will also own one per cent of the winery and each year we will show them the 22 different wines we produce and give them the chance to have their names on any of the bottles. (The estate produces 300 000 cases per year.)

'Another benefit for the Founders is that they will own one per cent of the Cecil Rhodes cottage to use as a guesthouse.'

Uplifting the local community remains integral to the development of Boschendal and is being tackled in different ways. The first step was when Anglo American gave new homes in the new village of Lanquedoc to the 600 families living on the farm homes. The project cost more than R50m.

The communities of Lanquedoc, Kylemore, Pniel, Johannesdal and Groot Drakenstein, which constitute the Dwars River Valley, will benefit from 270ha of agricultural, conservation and residential land received from the Boschendal Treasury Trust.

'We will help them build approximately 500 houses on the residential land. We will also be putting into the Trust a five per cent levy on all land sales. We estimate this will raise in excess of R100m cash for the Trust over the next 10 years.

'Also, we are entrenching into the title deed that half a per cent of every resale goes into the Trust to bring in an additional R2m a year in perpetuity. If you bought a plot at Boschendal tomorrow for R2m you would have to write out a cheque for R100 000 to the local community and the rest to us. If you then built a house and sold it for R4m, half a per cent of the money would go to the Trust.'

Other things being done for the community are to give them a two-kilometre stretch of Dwars River with land on both sides, which will link the five communities. They will have access to a 230ha stretch of agricultural and nature reserve incorporating the old silvermines and ruins on the Simonsberg mountains dating back to 1750.

To ensure that transformation and empowerment is carried through on the estate, Venning appointed a transformation manager, Charles Quint.

The historic homestead, as well as the restaurant and historic buildings on the werf, will be put into a trust yet to be established for the nation in perpetuity.

In addition to that memorable time when he went to Boschendal aged seven, Venning vividly recalls his thoughts when he was there five years ago.

'I lay on the grass as I had done when I was a boy and looked around me and thought to myself that Boschendal was an institution owned by an institution and could never be bought. 'Now, for the first time in 320 years, the property has been sold and at long last members of the public can now own a piece of Boschendal.