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FOREWORD

Opportunities do exist

It gives me great pleasure in presenting our inaugural Africa Report. As the continent's oldest multi-disciplinary property services group it's only fitting that we take a leadership role in producing a report of this nature.

In spite of headwinds in many African economies, brought on by reduced commodity prices and a decline in demand from the Chinese economy, there are still indications of optimism in selected markets. And it's the ability to identify and quantify these opportunities that sets JHI apart from our competitors.

We have drawn on our own internal resources and partnered with leading property researcher Urban Studies to bring you a series of property reports that accurately reflects the situation on the ground in 12 sub-Saharan countries.

Urban Studies is a leading property research company that has completed over 3,000 urban and rural research studies throughout Africa and the Middle East. It delivers a unique understanding of property research in these markets and strategic insights gained from its extensive experience.

Through our team of more than 13 000 people we provide an extensive offering encompassing property management, corporate real estate services, facility management, integrated multi services and individual services. We manage more than USD10 billion in assets, from over 2 300 buildings with almost 21 250 tenants. All of this from a continental footprint of 17 countries.

What this means for you as a JHI client is; one point of contact and responsibility, one standard of excellence across the Group, cost savings, convenience, transparency, accountability and one technology platform. If you're looking to do business in Africa, we should be your first port of call.

I trust that you will gain some valuable insight from this report. Should you wish to discuss the document in greater detail please contact me or one of my team.

Sincerely
Marna van der Walt
Chief Executive Officer
Excellerate Property Services
April 2016



UNDERSTANDING AFRICA

A SHORT OR LONG PROPERTY BOOM?

BY DR DIRK A PRINSLOO
URBAN STUDIES, JOHANNESBURG SOUTH
AFRICA

The interest in the sub-Saharan Africa property market peaked in 2011, and since then has shown a downward trend. The development plans in 2014 were only one third of what they were in 2011 (Emerging Trends in Real Estate® The global outlook for 2015, pp. 26-35).

The question that arises is whether this was an African property development bubble, or whether the development drivers are still in place to continue the tempo of development in sub-Saharan Africa? The answer probably lies somewhere between these two statements. Shopping centres that opened in various African cities recently are reflecting mixed results. Some shopping centres are performing above expectation, while others are well below projected targets. Developers, retailers and investors have started to be more careful before investing in Africa.

During 2015, sub-Saharan Africa experienced its lowest economic growth rate since the 2008 global financial crisis. High growth rates of above 5% will most probably drop to below 4% in 2016. Low commodity prices, coupled with a slow-down in the Chinese market, affected GDP growth and

this is to come under severe pressure during 2016. This trend will most probably continue for the next two to three years. Local political instability, extreme weather conditions, as well as water, electricity and infrastructure problems, have had an adverse impact on current and projected GDP growth (Foresight Africa: Top Priorities for the continent in 2016. Africa Growth Initiative).

Sub-Saharan Africa GDP per capita growth increased on average 3.4% per annum from 2004 to 2014, but is now expected to drop to between 1.4% and 1.9% for 2016. Based on previous growth rates, the per capita GDP would have doubled in 20 years' time. But, based on the existing low growth, per capita income will only double in 40 – 50 years. This will have a major impact on the growth expected to happen in the middle segment of the consumer market. This sector also has a direct effect on shopping centre and residential development, which will slowdown (Foresight Africa: Top Priorities for the continent in 2016. Africa Growth Initiative).

The outstanding aspect regarding property development in sub-Saharan Africa is not to focus on the region as a whole, or specific countries with high GDP growth mainly coming off a low base, but to concentrate on individual cities where real potential exists. The best example is the fact that the economy of Nigeria only expanded by 3% in 2015 – which was below 2014's 6.2% – and reflected the lowest growth in almost two decades (Focus Economics Consensus Forecast sub-Sahara Africa, March 2016: p.52).

What are the prospects for recovery?

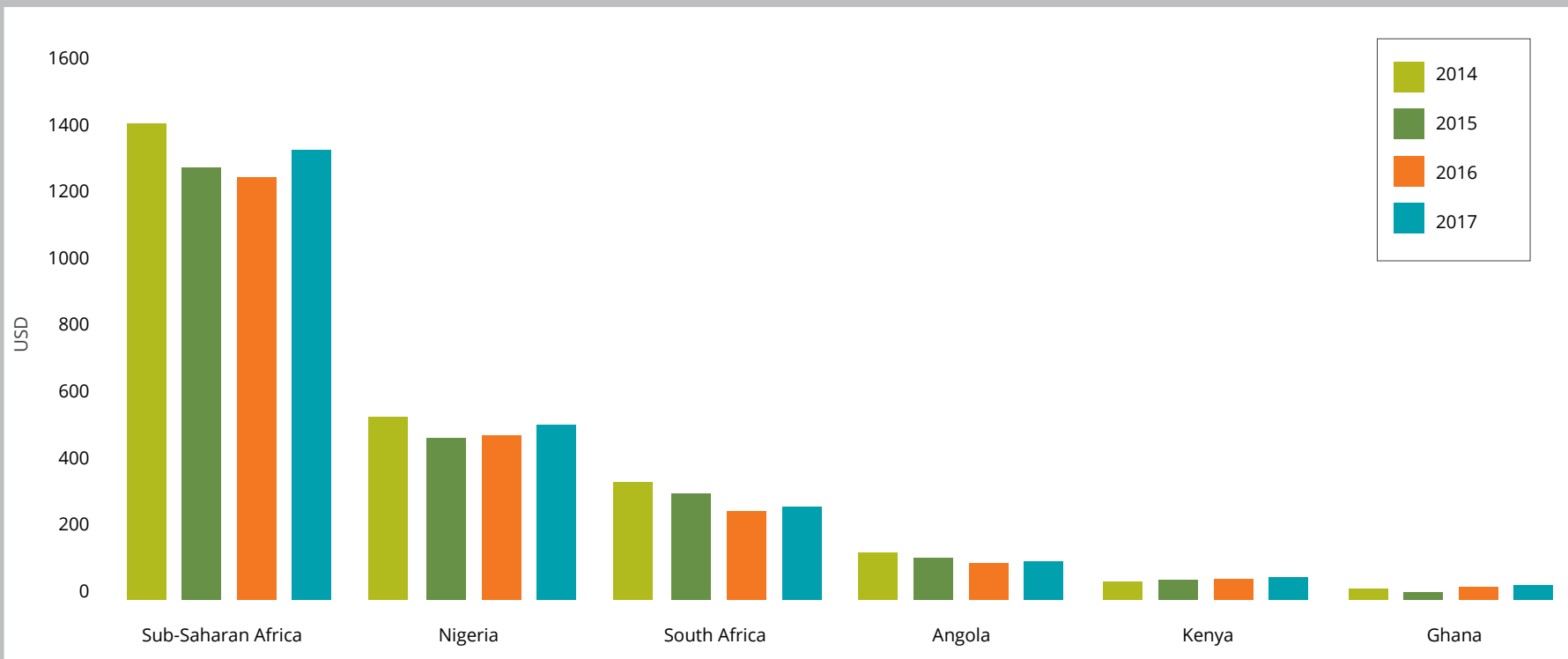
During 2008 Africa faced a global financial shock together with the rest of the world. In 2016 and 2017, however, the continent faces a triple threat from a changing global environment, including prices of main export products such as oil and metal that have dropped significantly, influenced by low demand mainly because of the slow-down in China, and further increases in interest rates influencing external borrowing costs. Climate change also plays a major role in east and southern Africa. Commodity prices slumped in 2015, hitting many African economies very hard.

There are specific countries that are more at risk than others. Oil exporters – which include Angola, Cameroon, Chad, the Republic of the Congo, Equatorial Guinea, Gabon, Nigeria, Zambia and South Sudan – will experience major problems because of fuel and mineral exports. In contrast, oil importing countries such as Ethiopia, Kenya, Rwanda and Tanzania, will help mitigate the impact of lower oil prices on the region.

Figure 1 gives an indication of the GDP of sub-Saharan Africa, as well as the five biggest markets. All countries are showing drops in GDP since 2014. A range of factors resulted in this lower growth. The most important being the low oil price, security threats, political uncertainty, regulatory uncertainties, rising costs, a sliding currency and high dollar rentals. There are a number of other risk factors, other than only population numbers and GDP growth.

FIGURE 1

GDP IN US\$ BILLIONS - THE REST OF THE SUB-SAHARAN COUNTRIES ARE ON A MUCH LOWER LEVEL



Source: Focus Economics Consensus Forecast sub-Sahara Africa, March 2016: p7.

Growth in the largest economies in the region, namely Nigeria and South Africa, is slowing down. Economies exporting the most to China are mostly commodity based and, as a result, are vulnerable to both a Chinese economy slow down and lower commodity prices.

What is needed to accelerate growth for the next five years?

In previous African market reports, eight potential drivers for property growth and development in Africa were identified. (Emerging Trends in Real Estate® The global outlook for 2015; Real Estate-Building the future of Africa; PWC March 2015). These drivers included a young population, urbanisation that will continue and the impact on the growth of existing cities, as well as the rise of new cities. The need for more retail facilities was also identified as a strong driver with substantial growth prospects. This driver has now slowed because of the underperformance of some of the newly-opened centres.

“However, new risks have emerged.”

The next development driver focused on natural resources, which has become a constraining factor. One of the most

important development drivers for sub-Saharan Africa is the supply of energy where power shortages will impact on further property development. Future technology development as a development driver will influence building practices, consumer behaviour, and the way cities operate. Some of these development drivers are still in place. However, new risks have emerged.

Africa consists of 54 different countries with low connectivity between them. There is no single answer to the question: “which countries to invest in?”. Some of the most important risks at the moment are political instability, changing government policies, social instability resulting from inequality, lack of economic diversity with an overdependence on natural resources, legal aspects such as property ownership rights and investment restrictions, the volatility of local currencies against the US dollar, the timeframe of investments, and the restrictions on possible exit strategies. Truworths (SCSC, TGIF no 327), a South African fashion retailer, has exited from Nigeria mainly because of the abovementioned risks.

The emphasis so far has been on high population numbers and high GDP growth per country. There is a need to understand the socio-economic and demographic characteristics of the population per city much better. Future opportunities will lie in specific areas in specific cities.

Retail and residential development in the most prominent cities in sub-Saharan Africa will mainly be driven by the increase in population numbers based on natural growth and an accelerated process of urbanisation, the per capita income per city, and the increase in the middle segment of the market. The biggest challenge in future is to further reduce poverty rates and to improve human development. (The Africa Technopolitan, January 2016, The Poverty of Development Strategy in Africa).

“...is the fact that up to 60% of the urban population live in slum areas with no access to basic services and infrastructure.”

The share of people in Africa living on less than USD2 a day fell from 56% in 1990 to 43% in 2012. This once again strongly varies between countries. Life expectancy at birth has risen by 6.2 years since the middle 1990s. Despite a

drop in the poverty rate, more people are poor mainly because of high population growth.

Urbanisation and urban growth will occur in the large cities of Kinshasa, Lagos and Dar es Salaam. Development in African cities is not only directed to these mega cities, but more so towards the intermediate cities that are directly associated with their surrounding environment. These are also the cities where future growth in terms of shopping centre and housing development will occur.

One of the most important problems in sub-Saharan Africa cities is the fact that up to 60% of the urban population live in slum areas with no access to basic services and infrastructure. As far as urbanisation in sub-Saharan Africa is concerned, it is expected that urban dwellers will increase from 400 million in 2010 to 1.26 billion in 2050.

The continent's urbanisation rate is also expected to reach 50% by 2037. This growth demonstrates a great need for better urban management and planning, but most important, the creation of jobs and better living conditions. In the coming decades migration towards Africa's cities will account for 90% of the population movement. (Foresight Africa. Top Priorities for the continent in 2016. Africa Growth Initiative, pp64-69).

Most Africa reports are referring to the rapid increase in the middle segment of the market. A large African middle class

is emerging, estimated in 2010 at nearly 330 million people.

“.. 80% - 90% of the GDP is earned through oil export, and most of the money has not yet filtered through to the lower and middle segments of the market.”

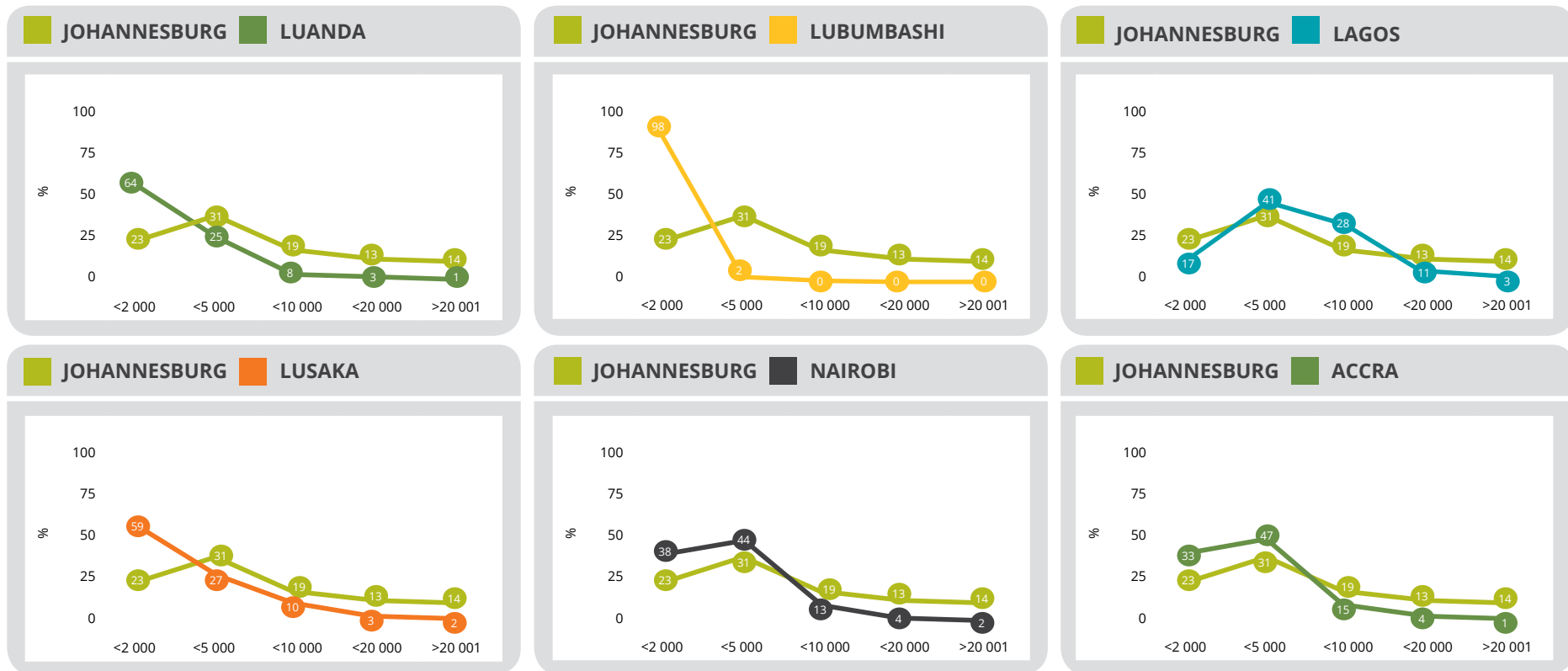
(Real Estate-Building the future of Africa; PWC March 2015). The 11 fastest-growing countries in Africa will have increased their middle class from 15 million households to 40 million households. This is a very strong oversimplification of what is happening in specific countries and specific cities. In countries like Nigeria and Angola 80% – 90% of the GDP is earned through oil export, and most of this money has not yet filtered through to the lower and middle segments of the market.

Figure 2 clearly indicates the differences between Johannesburg – where a strong middle market exists – compared to other African cities, and the strength of their middle-income segments. From these graphs it is clear that in most cities the middle segment of the market does not even exist, and will take a long time to develop into a segment that drives property development. This segment in South Africa is large in size and one of the main reasons for residential and shopping centre growth. Lagos, Accra and Nairobi are three cities with higher representation in the lower and middle sector but still with a small affluent market.

The Pan-African Media Research Organisation is in the process of developing a Pan-African Socio-Economic Status Measurement similar to South Africa's LSM classification. In the latest report released by Higgs & Swanepoel (2015, Pan African Socio-Economic Status Measures by TNS), a number of countries were rated according to a set of different socio-economic variables. The information was captured per household as well as per individual.

FIGURE 2

% OF DIFFERENT INCOME BRACKETS - JOHANNESBURG VS SIX OTHER CITIES SHOWING THE LOW REPRESENTATION OF MIDDLE AND UPPER MARKETS.

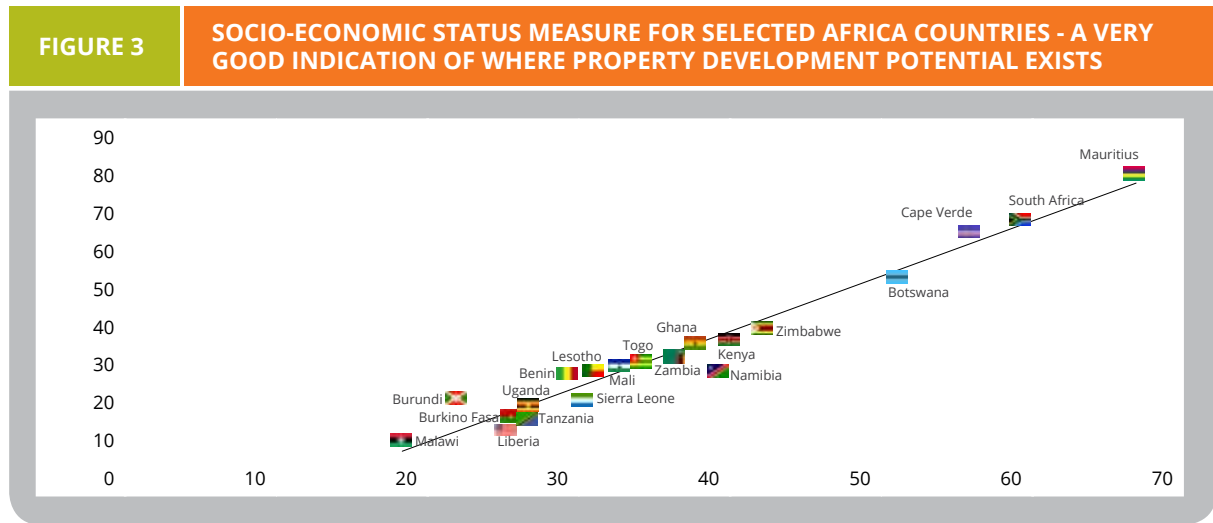


Source: RMB Global Market Research, 2014/2015 Edition: Where to Invest in Africa, pp 114-116.



Figure 3 clearly indicates countries correlating with those countries with the highest development opportunities. Rated highest at the top end of the market is Mauritius, South Africa and Botswana, and a number of countries in the middle segment including Ghana, Kenya, Namibia and Zambia. While the countries at the lower end of the market also indicated low property development potential, including Burundi, Malawi, Mali and Uganda.

In the abovementioned section different cities with potential were compared to Johannesburg. It is important to understand the level of activity in South Africa compared to other sub-Saharan African countries. The following list indicates the differences but more importantly the scale of business and associated opportunities:



TOP THREE IN AFRICA

The GDP per capita of South Africa is among the top three in Africa (Focus Economics Consensus Forecast Sub-Sahara Africa, March 2016:7).



17.3 MILLION

The office sector in South Africa consists of 17.3 million m² of A- to C-Grade office space, while the rest of Africa only has a total floor area of just more than 6 million m². (Viruly, SA Property News 26 January 2015).



COST OF LIVING

31% of South African residents live on USD2 a day, compared to Nigeria where 85% live on USD2 a day (Real Estate-Building the future of Africa; PWC March 2015).



ELECTRICITY CONSUMPTION

60% of the electricity consumption in sub-Saharan Africa is in South Africa (Power, People, Planet: Seizing Africa's Energy and Climate Opportunities. Africa Progress Report, 2015).



6TH IN THE WORLD

South Africa is ranked 6th in the world in terms of the number of shopping centres (Urban Studies, June 2015, 20 Years of Shopping Centre Success). There were 1.5 million m² of shopping centre space in various phases of development during 2014/15 of which most are, or will, be built. Compare this to the ± 900 000m² committed shopping centre space in the whole of Africa. Many proposed centres are now on hold.

It was mentioned earlier that the property boom in Africa peaked during 2011, and is currently one third of that level. A number of drivers have remained the same, while more risk drivers have emerged, as discussed above. The following comments were made by South African companies operating in Africa and highlight the need for more accurate and reliable research before venturing into foreign markets:

“...and highlight the need for more accurate and reliable research before venturing into foreign markets.”

- Truworths (SCSC, TGIF no 327) has decided to withdraw its operation from Nigeria. The main concerns were regulatory uncertainties, rising costs, logistics, USdollar-based rentals, and the challenge to move money from areas like Nigeria to South Africa.
- MassMart (Yearend Results Presentation, Dec 2015) referred to the oil dependent countries showing declines, while the other countries have stabilised at lower economic levels. Severe currency weaknesses are being experienced. Long-term potential does exist, but requires a measured long-term and cautious approach.
- Mr Price (Mr Price Interim Results Presentation, September 2015) is positive about performances in South Africa, while Africa is regarded as a long-term potential with short-term pain. Most of Mr Price's growth is from neighbouring countries such as Namibia, Botswana, Zambia and Swaziland.

- According to Real Capital Analyst, (Emerging Trends in Real Estate® The global outlook for 2015, pp. 26-35) sales of large size properties across Africa topped USD2.17 billion in 2014, and South Africa accounted for USD2 billion of that total.
- The performance of Shoprite in Africa, where the 200th supermarket was opened at the beginning of 2016, will see growth. The involvement is seen as a long-term commitment (Shoprite announcement 23 February 2016).

In conclusion, there are very specific opportunities for property development in Africa. This must be led by city-specific information and research, the economic base, population growth, the level of urbanisation, the per-capita income, the socio-economic status, and shopping behaviour and patterns of the local population. The emerging middle market is still very small in specific cities, while potential exists to tap into this particular market in particular areas of growing cities. The question whether this was a bubble, must be seen in two ways:

- Yes, the property development focus was driven by high GDP growth and large population numbers in a market that needs much more understanding and the use of accurate data sets.
- No, the property market will continue growing in those areas where the market profiles, the economic base, the political will, and fiscal calculations are in favour of developers and store owners.

Future development potential will depend on local market conditions and the correct understanding of micro-economic drivers. The macro-economic conditions of a particular country are very important but are also susceptible to world changes that could adversely influence future property development.

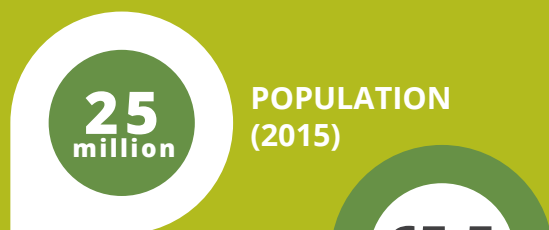


ANGOLA

The Angolan economy is set to increase by 2.2% in 2016, down from 2.6% in 2015. The oil industry makes up 36% of the GDP and 97% of exports. Low oil prices significantly impact Government revenue and the economy in general. Oil revenues are used to fund infrastructure developments which are vital for non-oil industries to grow. This in turn is slowing the economic diversification process that is crucial for longer term growth.



POPULATION



ANGOLA KWANZA (AOA) TO USD

31%
DEVALUATION
DURING 2015



PRIME INTEREST RATE

16.4%



INFLATION RATE (CPI - ANNUAL)

7.5%



GDP % GROWTH FORECAST (ESTIMATED)

2015 - 2.6%
2016 - 2.2%
2017 - 2.7%

ECONOMIC INDICATORS

Nominal GDP (USDbn) (2015 estimate) 131.6 (5th in Africa)

GDP per capita (USD) (2015 estimate) 5 240 (8th in Africa)

FDI (USDbn)(2014) 6.1

Age dependency ratio (2015)
<15 years = 47%
65 + years = 2%

Main cities population size
Luanda 6.8 million
Huambo 1.9 million

World Bank Doing Business rank (out of 189 countries) 181



PROPERTY MARKET

The main property market in Angola remains Luanda. The city is expected to grow to more than 10 million people by 2025. The influx is mainly driven by rural urban migration which will drive the low end and informal residential market along the perimeter of the city. Infrastructure development will be the major focus of investment and will continue to create property development opportunities. The commercial property market, known to be the most expensive in the world, will have to normalise as the oil sector dominance becomes less. The non-oil sectors in Luanda form a small basis of the formal real estate market. It is however expected to drive demand over the longer term as the economy becomes diversified.

Main cities and growth areas

Luanda

Luanda is the capital and largest city in Angola, and the country's most populous and important city, primary port and major industrial, cultural and urban centre. Around one-third of Angolans live in Luanda, 53% of whom live in poverty. Living conditions in Luanda are poor, with essential services such as safe water and electricity still in short supply. Luanda is one of the world's most expensive cities for expatriates. Manufacturing includes processed foods, beverages, textiles, cement and other building materials, plastic products, metalware, cigarettes and shoes/clothes.

Huambo

Huambo is a province of Angola and the second largest city in Angola after the capital Luanda. Huambo is the richest agricultural province in Angola, the principal cereal crop is

maize, the second is millet. Other crops produced in the province include beans, manioc and potatoes.

Lobito

Lobito serves as a town and municipality in Benguela Province in Angola, it is located on the Atlantic Coast north of Catumbela Estuary. It is the third largest city in the country.

LARGE INFRASTRUCTURE DEVELOPMENT

Large infrastructure currently underway includes a new Luanda International Airport project undertaken by China International Fund Limited (CIF) and the Ministry of Transport worth USD3.8 billion. The airport is designed to cater for 15 million passengers and 50 000 tons of cargo annually. The project is expected to be complete by 2017. The first two turbines of the Lauca hydroelectric dam which will cost USD4.3 billion, on the Kwanza River, with the capacity to produce 340MW each are due to start operations in July 2017. The Lauca dam is designed to have two power generation plants, one made up of six units to generate 2004MW and another with a capacity to produce 70MW. Brazilian company Odebrecht is responsible for the work. The Benguela Railway, connecting Angola's Coast on the Atlantic Ocean to Zambia, was reconstructed between 2006 and 2015 by the China Railway Construction Corporation at a cost of USD1.83 billion.



OCCUPIERS AND INVESTORS	LEASE TERMS
Tenure	1-3 years
Currency rental is paid in/linked to	USD or Kwanza
Treatment of operational cost/ service charge	Paid by tenant
Service charges for tenants account	Utilities, soft services
Service charge cost	5-15% of rent
Taxes	Urban Property Tax @15%, Stamp duty payable by tenant
Fit out period	Negotiable
Deposits	Deposit is allowable once the tenant moves in. One to two months of rent depending on the state
General Transactional costs	Agency fees paid by either party/on arrangement
Origin of legal system	Originates from Portuguese Law
Lease governed by	Land Law owns and exercises ultimate authority over all land and natural resources, LAU.
Break Clauses	Both ways - three months notice
Legal Process followed for non payment of rental	Apply to Higher Court to order the tenant to pay the accrued rent and rent due. The eviction note must be established with a summary procedure.



RENTS AND BUILDING COSTS

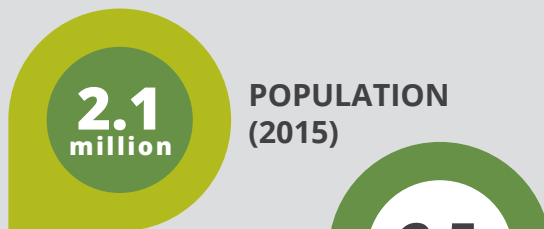
Luanda	Rents USD/m ² /month	Building costs USD/m ²
Retail	100-120	1 855
Office	100-150	1 920
Industrial	15-25	

BOTSWANA

Over the last two decades the Botswana economy has been performing well in comparison with other African countries. Infrastructure is well developed, institutions and policies are well governed and the Pula has shown more resilience compared to other African currencies. There has been a drive to diversify the economy from its dependence on diamonds and mining in general, and grow the services and tourism sectors.



POPULATION



BOTSWANA PULA TO USD

26%
DEVALUATION
DURING 2015



PRIME INTEREST RATE

9.0%



INFLATION RATE (CPI - ANNUAL)

3.1%



GDP % GROWTH FORECAST (ESTIMATED)

2015 - 2.0%
2016 - 3.8%
2017 - 4.0%

ECONOMIC INDICATORS

Nominal GDP (USDbn) (2015 estimate)	14.7 (19th in Africa)
GDP per capita (USD) (2015 estimate)	7 084 (5th in Africa)
FDI (USDbn)(2014)	0.3
Age dependency ratio (2015)	<15 years = 33% 65 + years = 5%
Main cities population size	Gaborone 0.25 million Francistown 0.1 million
World Bank Doing Business rank (out of 189 countries)	72



PROPERTY MARKET

Botswana's property market, dominated by Gaborone, has seen robust growth in recent years on the back of strong economic performance and increased FDI. Robust growth was experienced in the new CBD of Gaborone. Other developments include Commerce Park, Fairground Office Park and Kgale Mews.

Demand for office space has dropped and rentals have come under pressure in 2014 and 2015 due to the slowing economy, austerity measures and reduced FDI. Portions of the new office supply in Gaborone have not been taken up as they do not meet international occupiers' standards.

Given the small population in Gaborone, there are a number of malls with the focus in the central part of the city. Consumer spending has increased dramatically over the past few years. Recent expansions have taken or are taking place at Airport Junction, Game City and Riverwalk. The occupancy rates within these malls remain relatively high. The malls are dominated by South African brands, with the exception of the powerful local chain Choppies, and are trading well. The strong existing retail supply diminishes new retail development opportunities. This on the other hand creates acquisitions and redevelopment opportunities.

LARGE INFRASTRUCTURE DEVELOPMENT

A Trans-Kalahari railway is planned to link the coalfields in Botswana to the Walvis Bay port. Discussions are underway for a pipeline to transport water from the Zambezi to Botswana. It is estimated that this investment will be roughly USD1.6bn. A proposed expansion at the Sese power project could generate an additional 750MW of electricity.

RENTS

Gaborone	Rents USD/m ² /month
Retail	32
Office	11
Industrial	7

MAIN CITIES AND GROWTH AREAS

City	Area
Gaborone	CBD
Francistown	All



OCCUPIERS AND INVESTORS	LEASE TERMS
Tenure	1-5 years
Currency rental is paid in/linked to	Pula
Treatment of operational cost/ service charge	Paid by tenant
Service charges for tenants account	Utilities, soft services, variable service charges
Service charge cost	10-20% of rent
Taxes	12% VAT, 5% withholding taxes on rent
Fit out period	1-3 months
Deposits	Upfront payment by tenant equivalent to one or two months rent
General Transactional costs	Agency fees paid by Landlord
Origin of legal system	Roman Dutch, Customary Law
Break Clauses	Both ways - three months notice
Legal Process followed for non payment of rental	Landlord has a residual hypothec over the movable goods of the lessee on the lease premises. With confirmation of the High Court, the landlord can attach the property of the lessee in security for payment of rental and arrears. But if opposed, an action to seize the goods can take two to three years to enforce.

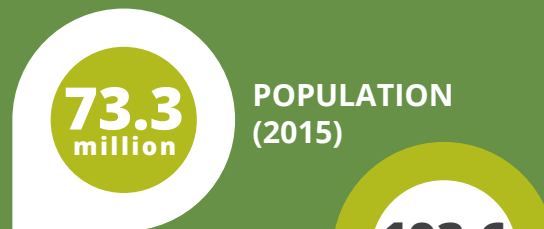
DEMOCRATIC REPUBLIC OF THE CONGO



Economically the DRC has shown excellent GDP growth over the past five years, averaging 8% per annum, driven mostly by the mining industry. The inflation rate was reduced and the Congolese Franc is one of the few currencies in Africa that has not devalued drastically against the USD over the past few years. The currency lost approximately 22% to the USD in 2015. The global slump in commodity prices and reduced demand from China will have a considerable effect on the DRC. Last year was forecast to be the lowest copper production in the past six years and many companies are starting to downsize or pull out of the country altogether. Despite all of this, GDP growth is still expected to be between 6% and 7% for 2016.



POPULATION



POPULATION ESTIMATED (2050)



CONGOLESE FRANC (CDF) TO USD

22% DEVALUATION DURING 2015



PRIME INTEREST RATE

18.7%



INFLATION RATE (CPI - ANNUAL)

2.0%



GDP % GROWTH FORECAST (ESTIMATED)

2015 - 7.5%
2016 - 6.2%
2017 - 7.5%

ECONOMIC INDICATORS

Nominal GDP (USDbn) (2015 estimate) 39.6 (15th in Africa)

GDP per capita (USD) (2015 estimate) 485 (48th in Africa)

FDI (USDbn)(2014) 3.4

Age dependency ratio (2015) <15 years = 46%
65 + years = 3%

Main cities population size
Kinshasa 9.0 million
Lubumbashi 1.8 million
Mbuji-Mayi 1.7 million
Kananga 1.1 million

World Bank Doing Business rank (out of 189 countries) 184



PROPERTY MARKET

Property and land prices keep rising in the Capital of Kinshasa, which has been classified as one of Africa's top ten most expensive cities to live in, especially in the more affluent areas. Real estate has become a notable part of the DRC's economy but there is still a need for office and formal retail accommodation that is on par with global standards. In Lubumbashi, landlords have been harder hit by the slump in copper prices. Rental reductions of as much as 30% occurred in some buildings during the latter part of 2015 and beginning of 2016.

Opportunities

Consumer products catering for a growing urbanised population, telecoms, agriculture and mining (assuming commodity prices recover).

LARGE INFRASTRUCTURE DEVELOPMENT

La Cité du Fleuve, Kinshasa, is a project where land is being reclaimed alongside the Congo River. It is estimated that the project will house as many as 250 000 people. Luano City has broken ground and will include a residential estate, office park, mall and an industrial park. Construction on Inga 3 dam, a USD73 million hydroelectric project, will be starting in 2017.

RENTS AND BUILDING COSTS

Kinshasa	Rents USD/m ² /month	Building costs USD/m ²
Retail	30	800-1 000
Office	30	1 000-1 200
Industrial	5	400-600

MAIN CITIES AND GROWTH AREAS

City	Area
Kinshasa	Gombe
Lubumbashi	
Mbuji-Mayi	



Valeriya Anufriyeva / Shutterstock.com

OCCUPIERS AND INVESTORS	LEASE TERMS
Tenure	5 years
Currency rental is paid in/linked to	Linked to USD, payable in CDF or USD
Treatment of operational cost/ service charge	Billed separately
Service charges for tenants account	Maintenance, water, electricity, levies, security, landscaping, cleaning
Service charge cost	Levy charges USD2-4m ²
Taxes	20% by tenant and 2% by landlord
Fit out period	One month before the leasing contract commences
Deposits	3-6 months deposit
General Transactional costs	IRL TAX - 22% (withholding tax of 20%; 2% tax on landlord) - Rental payments are subject to a 20% withholding tax. The property owner is liable, but tax is withheld by the tenant. Embassies, non-profit organisations and churches are exempt.
Origin of legal system	Belgian
Lease governed by	DRC Law No. 004/2002
Break Clauses	Fixing of damages, repairs and restoring building to its original state - cost to tenant.

GHANA



The economy of Ghana is currently experiencing slower growth than it did in 2013/2014. The downturn can be attributed to sharp currency depreciation, high inflation, high debt levels, and a drop in the prices of major export commodities including gold, cocoa and oil. Business confidence is currently at very low levels with the biggest concern being the supply of electricity. Expectations are that the economy will rebound in 2017.



POPULATION



POPULATION ESTIMATED (2050)

52.6 million



GHANA CEDI TO USD

39%
DEVALUATION DURING 2015



PRIME INTEREST RATE

26%



INFLATION RATE (CPI - ANNUAL)

17%

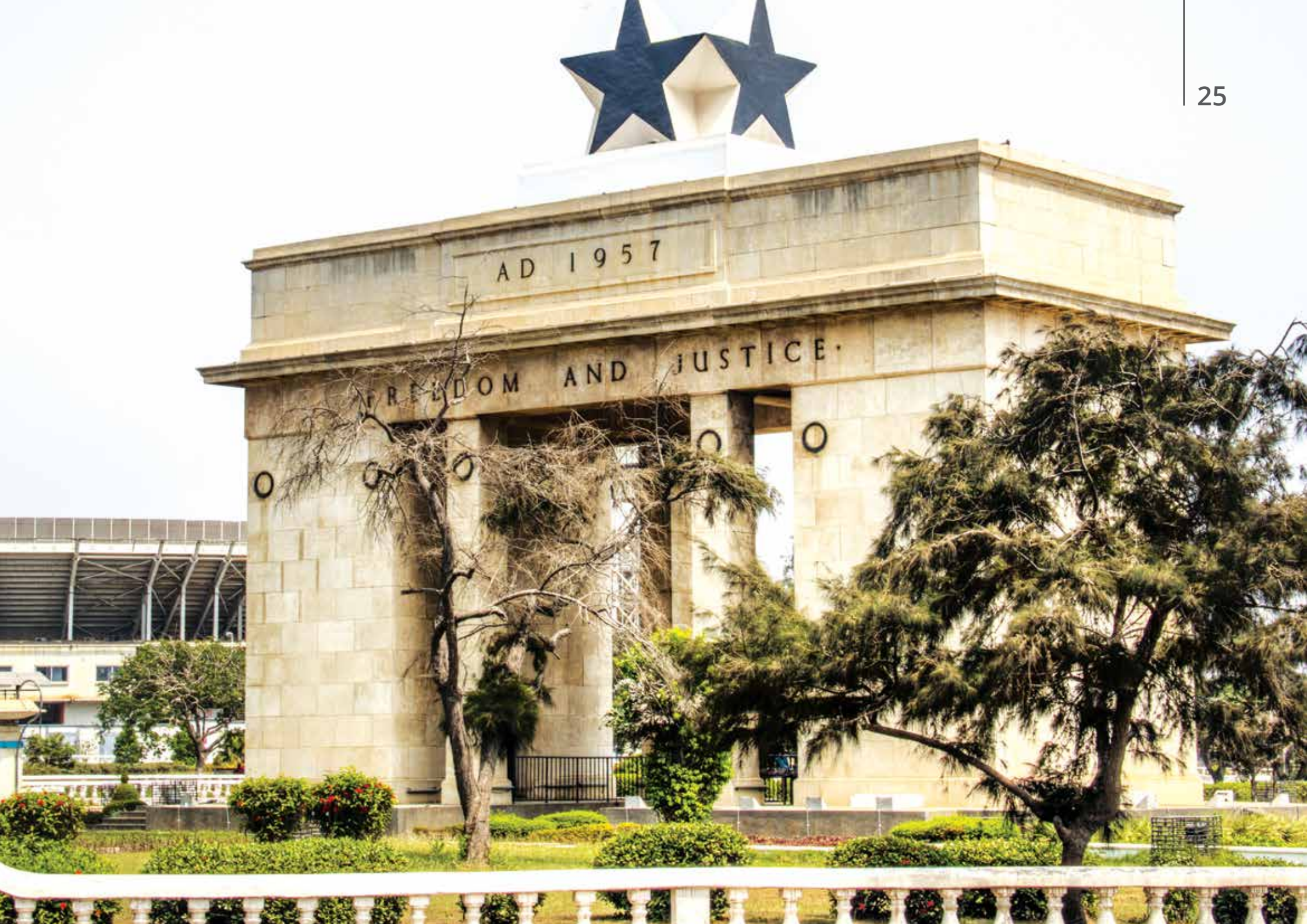


GDP % GROWTH FORECAST (ESTIMATED)

2015 - 4.0%
2016 - 4.5%
2017 - 6.0%

ECONOMIC INDICATORS

Nominal GDP (USDbn) (2015 estimate)	35 (13th in Africa)
GDP per capita (USD) (2015 estimate)	1 312 (24th in Africa)
FDI (USDbn)(2014)	3.1
Age dependency ratio (2015)	<15 years = 39% 65 + years = 5%
Main cities population size	Accra 2.6 million Kumasi 2.0 million
World Bank Doing Business rank (out of 189 countries)	114



PROPERTY MARKET

RETAIL

The Accra retail market has seen significant growth over the past few years. This is spurred mostly by growing interest of international brands to expand or enter the market. After a fairly stagnant period, formal retail developments have in recent years picked up momentum following the opening of the Accra Mall in 2007, the first modern fully-enclosed mall in Ghana. While existing malls boast occupancy rates of near 100%, trading conditions remain tough as personal disposable income comes under pressure due to high inflation, additional government taxes, power outages, erratic water supply and spending cuts imposed by Government.

The sector still remains dominated by the informal retail sector where convenience and price rule. Major foreign retailers presently operating in the country include South African brands such as Edgars, Foschini, Woolworths, Game, Mr Price and Shoprite. The recent increase in enthusiasm by international brands and developers has led to an increase in the development pipeline with approximately 175 300m² of formal retail space to be completed within the next 24 months in Accra, Tema, Kumasi and Takoradi. However, the economic landscape has changed significantly over the past 12 months with both developers and retailers now compelled to critically re-assess their business models.

The past 24 months saw a supply increase of approximately 55 000m² with the completion of Achimota Retail Centre (15 000m²), West Hills Mall (27 700m²) and The Junction Shopping Centre (11 597m²). Accra

Mall (20 300m²) is currently being extended to more than 23 000m² with additional clothing stores and a formalised food court. In Accra, effective demand was on par with supply in 2014 with asking rentals being slightly above market rates. Demand is expected to remain stable, however, this may vary from city to city depending on first move advantage and the ability of the landlord to provide sustainable rental levels. Rental levels are expected to remain stable, however, the USD-based rentals are straining retail businesses which rely on Cedi income streams. The outlook remains cautious, albeit that the number of developments in the pipeline continues to grow.

OFFICES

This sector is currently driven by the oil and gas industry, and financial and services companies (foreign and local) looking to establish offices in Accra. Many of the bigger corporates that require head office space usually adopt an owner/occupier strategy and construct their own buildings. Most still prefer to have offices in established major commercial hubs in Accra, Kumasi and Takoradi due to accessibility to established nodes and other amenities. The outlook for the next 12 months remains weak due to the global and local economic slowdown. The anticipated additional supply of almost 150 000m² of offices over the next 2-3 years, could result in an oversupply of A-Grade space should the economy not improve. Challenges and risks associated with this sector include the tedious nature of processing title deeds, land litigation over title deeds and currency risk.

INDUSTRIAL

The industrial sector's growth was slow with very little activity which can be attributed to weak macroeconomic conditions. However, this is expected to improve. New developments include the development of 40 acres of land in Tema into a logistics and industrial park by Agility. Accra, Kumasi and Takoradi are the main industrial nodes with the north and south industrial areas, Spintex Road, Tema Community 1 and Tema Industrial in Accra remaining the hub of industrial activity. Kumasi did not experience much of an increase in demand and supply, however, this trend is unlikely to change in the near future. Takoradi remains the most vibrant industrial market outside Accra with the main areas occupied by the cocoa, oil and gas industries.

An increase in supply is envisioned with some properties located along the Takoradi/Agona Road cleared for development, along with a number of industrial and logistic parks expected to be developed within the main industrial areas as activity increases in the sector.

LARGE INFRASTRUCTURE DEVELOPMENT

Hope City, a USD10 billion development on the outskirts of Accra aims to be the largest tech hub in West Africa. Blue Energy's USD400 million solar city. Sankofa gas project, worth USD700 million, is expected to produce gas as early as 2018.



MAIN CITIES AND GROWTH AREAS

City	Area
Accra	Airport, Airport Residential and Ridge
Kumasi	Nhyiaeso, Dayame, Asasamanso
Takoradi	Beach Road, Chapel Hill, Airport Ridge

RENTS AND YIELDS

Accra	Rents USD/m ² /month	Building costs USD/m ²	Yields
Retail	43	1 100	7.5-8%
Office	32	1 300	8-10%
Industrial	10	900	12%

OCCUPIERS AND INVESTORS

LEASE TERMS

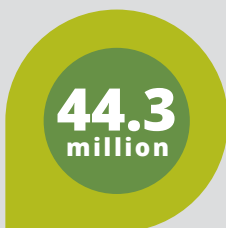
Tenure	3-5 years (office) and 5-10 years (retail)
Currency rental is paid in/linked to	Linked to USD. Paid in GHC or USD
Treatment of operational cost/service charge	Billed separately
Service charges for tenants account	Cleaning services, security, MEP maintenance, common area electricity, waste management, pest control.
Service charge cost	Retail (USD6-9) Office (USD3.75-6) per m ²
Taxes	VAT applicable to tenants
Fit out period	2 months
Deposits	Commercial (a quarter's rent)
General Transactional costs	Admin costs on new leases and stamp duty
How is space measured	Net internal area
Origin of legal system	English (British)
Lease governed by	The Rent Act (1963)
Break Clauses	Either party can exercise the option with notice period of three months
Legal Process followed for non payment of rental	Demand notices sent at first instance. Legal action ensues for recovery of rent and costs of legal process.

KENYA

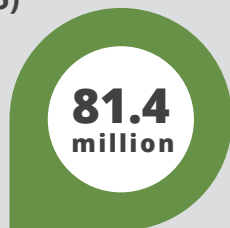
Kenya has been dubbed as one of Africa's key growth centres and is poised to become one of the fastest growing economies in East Africa. The growth is driven by low energy costs, increased exports and regional integration, investment in infrastructure, agriculture, manufacturing, and an improved business environment. Kenya is experiencing sound economic growth with the GDP expected to rise to 5.7% in 2016.



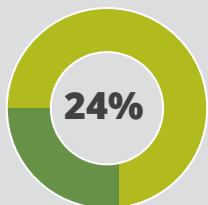
POPULATION



POPULATION (2015)



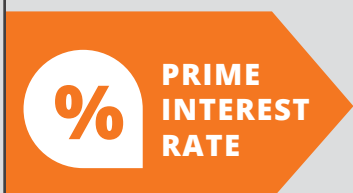
POPULATION ESTIMATED (2050)



URBANISED POPULATION (2015)



15%
DEVALUATION DURING 2015



15.5%



8%



2015 - 5.3%
2016 - 5.7%
2017 - 5.8%

ECONOMIC INDICATORS

Nominal GDP (USDbn) (2015 estimate) 61.2 (8th in Africa)

GDP per capita (USD) (2015 estimate) 1 377 (25th in Africa)

FDI (USDbn)(2014) 0.65

Age dependency ratio (2015)
<15 years = 41%
65 + years = 3%

Main cities population size
Nairobi 3.9 million
Mombasa 1.2 million
Kisumu 1.0 million

World Bank Doing Business rank (out of 189 countries) 108



PROPERTY MARKET

Kenya's vision is to become a middle income economy by 2030. The country's economic development growth plan, Vision 2030, is supported by infrastructure development and sustainable economic growth. The real estate sector is a key beneficiary of Vision 2030. The sector has seen significant growth in demand within the residential, office, retail and hospitality sub-sectors. Land prices have increased significantly in the main cities of Kenya.

NAIROBI MARKET

Retail

Demand for retail space in Nairobi has been increasing steadily as a result of an increase in disposable income and rising consumer demand. Shopping malls in all major cities and towns continue to increase in popularity. There is currently approximately 250 000m² of shopping centre space in Nairobi itself. The retail sector is showing good growth as demand for formalised retail continues, especially from the growing middle-income market. As a result of the growing demand there is an additional 200 000m² of shopping centre space in the development pipeline in Nairobi. The most noticeable developments being: Two Rivers (62 000m²), The Hub (29 000m²) and Crystal Rivers Mall in Athi River (24 000m²).

Offices

The Nairobi office market currently consists of approximately 1.63 million m² and is continuing to

experience strong growth. The growth in new office supply is dominated by the Westlands/Parklands, Waiyaki Way and Upper Hill nodes. The more decentralised areas of Karen, Thika Road and Gigiri have also experienced good development growth over the past couple of years. The demand for office space is set to increase as Nairobi is increasingly seen as a regional business hub for international businesses.

Industrial

The industrial market in Nairobi has for the most part been low key but increase in demand is slowly being seen especially along Mombasa Highway. The development of the USD1 bn Konza Technological City, as well as the planned textile city in Athi River, could inject new life into this sector. Of note is the signing up of PVH and VF Corporation into the Athi River textile project.

LARGE INFRASTRUCTURE DEVELOPMENT

Construction of a new USD3.9bn oil pipeline between Uganda and the Indian Ocean to allow for easy transport of crude. Standard gauge railway spanning 609 kilometres to cost USD3.8 bn, due to be completed in 2017. The Lamu Port Southern Sudan Ethiopia Transport (LAPSSET) corridor project, at a cost of USD26bn, is currently being negotiated. SkyPower is set to build a one-gigawatt solar power plant over five years at a cost of USD2.2bn. Tarmacking of 10 000km of new roads across the country (USD3.2bn worth of contracts have been issued). The African Development Bank to possibly lend as much as USD100m to the Kenya Airports Authority for the construction of a new terminal at the Jomo Kenyatta Airport with a capacity of 20 million passengers per year. Total cost of the project estimated at USD770 million.



MAIN CITIES AND GROWTH AREAS

City	Area
Nairobi	Upperhill, Westlands, Waiyaki Way, Thika Road
Mombassa	Nyali, Shanzi, Tudor
Eldoret	CBD, Elgon view
Nakuru	CBD, Mlimani

RENTS AND YIELDS

Nairobi	Rents USD/m ² /month	Building costs USD/m ²	Yields
Retail	35-40	1 005	9%
Office	12-17	1 300	7-8%
Industrial	8-10	900	7-8%

OCCUPIERS AND INVESTORS

LEASE TERMS

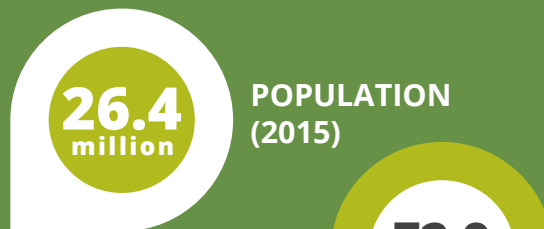
Tenure	6 years. Due to regulatory restrictions anything less than this is a protected tenancy rather than a lease and is governed by a rent tribunal.
Currency rental is paid in/linked to	Rent is usually paid in KES but some Landlords invoice and collect in USD.
Treatment of operational cost/ service charge	Service charges are billed separately and reconciled at year-end following an independent audit.
Service charges for tenants account	Electricity, water, garbage, generator fuel, security, cleaning, rent and rates, insurance, property management fees, repairs and maintenance, lifts and escalator maintenance, and common area lighting.
Service charge cost	Service charge for retail ranges from USD2.7/m ² for retail space and USD2.70-USD3/m ² for office space.
Taxes	Withholding Tax and VAT are common.
Fit out period	Usually 2 months for space greater than 185m ² and one month for smaller space.
Deposits	Deposit is equivalent to 3 months rent and service charges for the last term of the lease.
General Transactional costs	Stamp Duty costs for lease registration as well as legal fees and disbursements paid to lawyers.
How is space measured	Net internal area
Origin of legal system	This is based on English Law and Common Law.
Lease governed by	Rent Restriction Act, Cap 296, The Landlords and Tenants (Shops, Hotels and Catering Establishments) Act Cap 301 and the Distress for Rent Act, Cap 293 Laws of Kenya.
Break Clauses	Kenya commercial leases do not have break clauses within the document as it creates room for the creation of a Protected Tenancy. However, there can be mutual discussions on lease termination between either party with monetary compensation for breaking the lease.
Legal Process followed for non payment of rental	There is a legal process that is governed by the Distress for Rent Act, Cap 293 as well as procedures to be followed by auctioneers which is also governed by the Auctioneers Act. Non payment would be handled by the approved tenant's lawyers.

MOZAMBIQUE

The Mozambique economy has experienced strong growth of between 6-8% over the past decade, however, it should be noted that this is from a low base. The outlook for Mozambique remains positive with GDP growth expected at 5.6% in 2016, primarily driven by investment in mega-projects and infrastructure. Gas reserves and the development of infrastructure has taken much longer than expected. Government's mismanagement of finances and foreign Euro-Bonds means a severe lack of forex which influences the exchange rate, business confidence and rental levels.



POPULATION



ECONOMIC INDICATORS

Nominal GDP (USDbn) (2015 estimate)	16 (21st in Africa)
GDP per capita (USD) (2015 estimate)	555.8 (41st in Africa)
FDI (USDbn)(2014)	4.9
Age dependency ratio (2015)	<15 years = 45% 65 + years = 3%
Main cities population size	Maputo 2.6 million (including Matola)
World Bank Doing Business rank (out of 189 countries)	133



PROPERTY MARKET

Mozambique's retail sector was traditionally characterised by high-street and informal retail but this has started to change with various smaller developments being built in Maputo, Beira, Nacala, Tete and Pemba. The 50 000m² Mall of Mozambique is expected to break ground in 2016 and will likely become a catalyst for growth in the Matola area. The existing shopping centre supply in Maputo is approximately 100 000m². Potential exists for additional retail development in the broader Maputo area. This is clear by the number of retail developments planned for Maputo. The commercial property sector is most mature in Maputo. Rentals, denominated in USD, have increasingly come under pressure with the devaluation of the Metical.

Office development is dominated in the Maputo CBD area and especially in the Central C node.

LARGE INFRASTRUCTURE DEVELOPMENT

Gas related infrastructure development mainly linked to the northern region of Mozambique. More than 180 trillion cubic feet reserves of Liquefied Natural Gas (LNG) mainly in the Rovuma gas fields. Mozambique could earn USD5.2 billion per annum by 2026 and will be the third largest gas exporter globally. More hydroelectric power stations at Cahora Bassa planned.

RENTS AND BUILDING COSTS

Maputo	Rents USD/m ² /month	Building costs USD/m ²
Retail	28-38	1 300
Office	25-37	1 400
Industrial	8-12	850

MAIN CITIES AND GROWTH AREAS

City	Area
Maputo	CBD, Costa De Sol
Pemba	
Nacala	
Tete	



OCCUPIERS AND INVESTORS	LEASE TERMS
Tenure	1-5 years
Currency rental is paid in/linked to	USD
Treatment of operational cost/ service charge	Paid by tenant
Service charges for tenants account	Utilities, soft services
Service charge cost	5-15% of rent
Taxes	Urban Property Tax @15%, Stampduty payable by tenant
Fit out period	1-3 months
Deposits	Three months upfront payment of deposit which includes the first months rent.
General Transactional costs	Agency fees paid by either party/on arrangement
Origin of legal system	Portuguese Civil Law and Customary Law
Lease governed by	Land Registry
Break Clauses	Both ways - three months notice

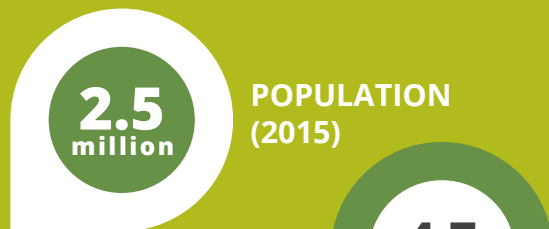
NAMIBIA



The Namibian economy is set to grow at 5.6% this year, from an estimated 6% in 2015. The economy is driven by wholesale and retail trade (13%), public administration (11.5%), mining (8.9%), real estate and business services (8%), and manufacturing (8%). The completion of a number of mines will add significantly to the economy over the medium to long term. The expansion of the Walvis Bay Port will also positively impact the economy. The current drought however will negatively impact the economy considering that agriculture contributes substantially to job opportunities. The real estate sector is expected to continue to perform well as underlying growth drives property investment.



POPULATION



NAMBIAN DOLLAR (NAD) TO USD

34% DEVALUATION DURING 2015



PRIME INTEREST RATE

10.25%



INFLATION RATE (CPI - ANNUAL)

4.8%



GDP % GROWTH FORECAST (ESTIMATED)

2015 - 6%
2016 - 5.6%
2017 - 5.7%

ECONOMIC INDICATORS

Nominal GDP (USDbn) (2015 estimate)	12 (28th in Africa)
GDP per capita (USD) (2015 estimate)	5 450 (10th in Africa)
FDI (USDbn)(2014)	0.4
Age dependency ratio (2015)	<15 years =35 % 65 + years =4 %
Main cities population size	Windhoek 400 000
World Bank Doing Business rank (out of 189 countries)	101



PROPERTY MARKET

Office

Demand for A- and B-Grade office buildings remains high, especially from the public sector. It should be noted that rentals might come under pressure in the medium term with the construction of buildings for most industries.

Demand for office space away from the CBD has increased due to parking constraints and general access into the CBD. The decentralised nodes are also attractive as some occupiers wish to own their properties.

Retail

Namibia as a whole has experienced a considerable increase in retail development in the last three years that will continue for the foreseeable future. Recent developments include The Grove Mall, Wernhill Park expansion, Maerua Mall expansion, and the Aus Valley expansion.

There has been a considerable drive to supply shopping centres to other regions, this includes Otjiwarongo Square, Tsumeb Mall, Rundu Mall, Okahandja Mall, Dunes Mall Walvis Bay and Quashamba in Ondangwa.

Generally vacancy rates are very low and the returns experienced have been satisfactory. However, with the possibility of rising interest rates and concerning debt levels for individuals there might be some pressure on the retail sector over the next couple of years. Retail offerings are largely driven by South African companies including MR Price Group, Foschini Group, Edcon Group, Shoprite, Pick n Pay, Food Lovers and Spar, and Namibia family-owned Woermann & Brock.



Industrial

The sector has enjoyed steady-to-strong rental growth in recent years, which has encouraged investment and development activity, but this is restricted due to the scarcity of serviced land.

Recent industrial developments or plots include Lafrenz Northern Industrial Prosperita and proposed Walvis Bay Industrial.

Residential

There is high demand for residential property and limited supply. The current housing supply does not sufficiently meet the demand pressures emanating from population growth/urbanisation increased numbers of single family households, and the growing student and elderly populations. There is a big gap in the market for low-to-medium cost housing, despite the increased prevalence of sectional title ownership. This has resulted in a massive drive by Government to look at funding low-cost housing, and the project will be implemented over the next five years.

LARGE INFRASTRUCTURE DEVELOPMENT

Projects include the USD91 million Neckertal Dam in Keetmanshoop, a USD65 million government office park in Windhoek, USD64 million power plant in Walvis Bay along with an expansion of the port valued at USD195 million, and the extension of the B1 road from Windhoek to Okahandja valued at USD2.2 million.

Generally, Namibia's capital Windhoek has one of the highest cost-per-capita in terms of residential property in the world.

Opportunities

Major government spend in terms of offices and proposed office parks. Surge in retail developments across Namibia. Residential/commercial brokerage.

MAIN CITIES AND GROWTH AREAS

City	Area
Walvis Bay	Port infrastructure and property
Windhoek	Property

RENTS AND YIELDS

Windhoek	Rents USD/m ² /month	Building costs USD/m ²	Yields %
Retail	24	USD780/m ²	13-16
Office	14	USD780/m ²	12-14
Industrial	5	USD520/m ²	10-13

OCCUPIERS AND INVESTORS

LEASE TERMS

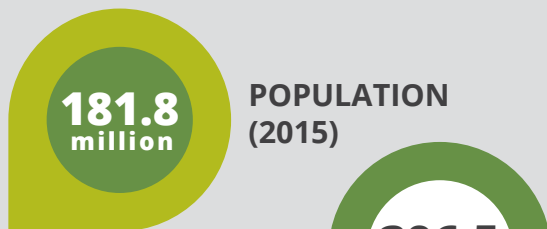
Tenure	3 years
Currency rental is paid in/ linked to	Namibian Dollar (N\$)
Treatment of operational cost/service charge	Billed separately
Service charges for tenants account	Rates and taxes, water, refuse, air conditioning, operational costs, electricity
Service charge cost	For retail and commercial state the avg cost per m ²
Taxes	Any taxes applicable (withholding tax) on tenant or landlord
Fit out period	1-2 months
Deposits	1-6 months, credit score dependent
General Transactional costs	Stamp Duty, lease fee of USD98
How is space measured	SAPOA
Origin of legal system	Roman Dutch
Lease governed by	Estate Agency Act 112 of 1976
Break Clauses	No break clauses
Legal Process followed for non payment of rental	Process governed by the lease. Letter of Demand sent if rental is not paid seven working days after the 1st of the month. If rental is not settled within 14 days and no arrangement for payment made, the deposit is appropriated and legal proceedings instituted.

NIGERIA

For the first time in 25 years, the GDP was rebased resulting in Nigeria becoming the largest economy in Africa at USD511 billion. Agriculture, the film industry and other service sectors now contribute a large percentage to the GDP, with real estate accounting for 8.7% in 2015. A fast growing population, rising middle class and a large youth population also support current and future growth prospects. Nigeria's economy is expected to grow by 3.7% in 2016 slightly up from the estimated 3.1% in 2015. The drop in oil price strained the economy, as up to 70% of government revenue and 95% of foreign exchange revenues are linked to oil. Consequently, the volatility and uncertainty led to the devaluation of the Naira to NGN200 per USDollar at the end of 2015. Political instability and insurgency in the north are also placing strain on the general economic outlook. Nevertheless, the long-term outlook for Nigeria is still robust given the strong demographics and oil price rebound prospects.



POPULATION



ECONOMIC INDICATORS

Nominal GDP (USDbn) (2015 estimate)	511 (1st in Africa)
GDP per capita (USD) (2015 estimate)	2 860 (16th in Africa)
FDI (USDbn)(2014)	4.7
Age dependency ratio (2015)	<15 years = 43% 65 + years = 3%
Main cities population size	Lagos 12.4 million Abuja 2.6 million
World Bank Doing Business rank (out of 189 countries)	169



PROPERTY MARKET



The real estate sector has shown good growth having contributed 8.7% to GDP in 2015, growing from 2% in the years prior to the GDP rebasing. The rebasing exercise pushed even more investment interest towards Nigeria in all sectors. Domestic and international institutional investors such as insurance companies, private equity firms and sovereign wealth funds have expressed an interest in developments and acquisitions. However current sentiment suggests that the majority of the institutions are downsizing their planned investments into the Nigerian market.

The devaluation of the Naira and poor sentiment will result in poor/low consumer spending in the short to medium term, which will present difficulties especially for the retail

market. The office sector however will be less influenced as market prices are currently being affected by the increased supply of quality office developments coming onto the market.

Retail

Retail developers in Abuja and Lagos are taking location, tenant mix and size into greater consideration. Although some developers would like to develop malls larger than 25 000m², there are currently not enough tenants to fully occupy these malls. This is set to change as new retailer interest in Nigeria (apart from South Africa) is increasingly seen from brands and franchisees from the Middle East and Europe. However import restrictions, foreign exchange policy, USD-based rentals and the devaluation of the Naira are contributing to the current negative sentiment in the local retail market.

Lagos, Abuja, Port Harcourt and other cities in the south-east are key hubs for retail centres. Although Port Harcourt is the oil and gas hub, the region has been largely neglected as it has not seen retail expansion similar to Abuja and Lagos. Jabi Lake Mall in Abuja is set to become a major entry point for retailers for many new global luxury brands given the mall's stylish design and Abuja's higher buying power.

Office

Victoria Island, Ikoyi and Ikeja are the top three popular office nodes in Lagos State. Victoria Island is the commercial capital of Lagos State, with most international

LARGE INFRASTRUCTURE DEVELOPMENT

ROADS:

- Orile- Badagry Expressway
- Lagos-Ikorodun Expressway
- 4th Mainland Bridge
- Asoge Street to Ijeshatedo
- Ibeshe Road and Network of roads including link bridge at Agiliti

ESTATES:

- Ilubiri low cost Estate

MALLS:

- Tejuosho shopping Complex
- Falomo Shopping Mall

and domestic blue chip companies' head offices based in this location. Multiple new commercial developments are in various planning stages in the second-tier cities where developers are keen on making an entry as quickly as possible.

Industrial

This sector has good potential with demand outstripping supply. Most are owner-occupiers, typically developing or acquiring their own properties. There is demand for industrial spaces in key nodes which will be further enhanced once express ways and access roads such as the Lagos-Badagry and Lagos-Ibadan routes are completed.

MAIN CITIES AND GROWTH AREAS

City	Area
Lagos	Ikeja, Ikoyi, Lekki, Victoria Island
Abuja	
Port Harcourt	

RENTS AND YIELDS

Lagos	Rents USD/m ² /month	Building costs USD/m ²	Yields %
Retail	40	4 109	10-12%
Office	30	3 625	10%
Industrial	18	2 012	10%

OCCUPIERS AND INVESTORS

LEASE TERMS

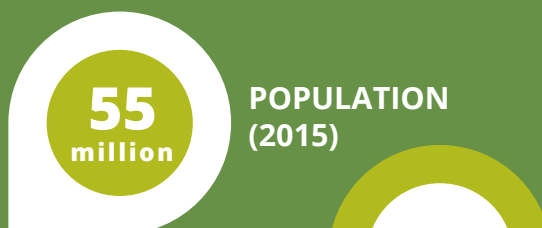
Tenure	2-5 years
Currency rental is paid in/linked to	Generally quoted in Naira or USD
Treatment of operational cost/service charge	Billed separately
Service charges for tenants account	General maintenance, security, cleaning, maintenance of generators and other plant, insurance, statutory rates and building management fees
Service charge cost	Various
Taxes	Property taxes are applied to both the landlord and the tenant. These taxes are composed of Ground Rent and Land Use charges which are the responsibility of the landlord, and Tenement Rates which the tenant is responsible for.
Fit out period	2-3 months
Deposits	3 months rent in advance
General Transactional costs	Brokerage 5-10% of total lease costs, Legal fees 5-10% of the rental.
How is space measured	Most A-Grade retail developments in Nigeria are measured according to the guidelines set out by the South African Property Owners Association (Sapoa) Method of Measuring Floor Areas in Commercial and Industrial Buildings. Essentially, this covers the entire floor, excluding major vertical penetrations of the floor such as stairs, pipe shafts and vertical ducts. Although office guidelines are set by the Nigerian Institution of Estate Surveyors and Valuers, there are no such guidelines that exist for retail developments, as such, most of the concepts and designs for Nigerian malls are completed by South African companies who apply the Sapoa method.
Origin of legal system	English
Lease governed by	Lease agreements are governed by and subject to all applicable laws and regulations of the Federal Republic of Nigeria and its courts shall have exclusive jurisdiction in all legal actions and proceedings. In Lagos, leases are subject to the Lagos State Tenancy Law 2011, however, this legislation excludes Victoria Island, Ikoyi, Ikeja Government Reserved Area (G.R.A) and Apapa. In Abuja leases are subject to the Recovery of Premises Act Cap 544 (LFN) Nigeria 1990. Normal legal due processes are followed in cases of non payment.
Break Clauses	Very rare and only used in long-term leases. Both landlord and occupant can invoke the break clause..

SOUTH AFRICA

The South African economy increased by 1.3% in 2015 and growth for 2016 is expected to be less than 1%. The finance, real estate, and business services sector contributes 22% to the GDP, up from 14% in 1996. The growth in this sector is expected to continue to be driven by the main metropolitan areas and especially Gauteng. The Gauteng economy contributes an estimated 10% of the total African economy.



POPULATION



POPULATION ESTIMATED (2050)

65.2 million



SOUTH AFRICAN RAND (ZAR) TO USD

34% DEVALUATION DURING 2015



PRIME INTEREST RATE

10.25%



INFLATION RATE (CPI - ANNUAL)

6.1%



GDP % GROWTH FORECAST (ESTIMATED)

2015 - 1.3%
2016 - 0.8%
2017 - 1.7%

ECONOMIC INDICATORS

Nominal GDP (USDbn) (2015) 315 (2nd in Africa)

GDP per capita (USD) (2015) 6 365 (7th in Africa)

FDI (USDbn)(2014) 14

Age dependency ratio (2015) <15 years = 30%
65 + years = 6%

Main cities population size
Johannesburg 4.4 million
Cape Town 3.7 million
Ethekwini 3.4 million
Ekurhuleni 3.1 million

World Bank Doing Business rank (out of 189 countries) 73



PROPERTY MARKET

The value of commercial property in South Africa is estimated at USD52 billion with the listed property market capitalisation at about USD27 billion. Construction activity is evident in most of the main urban nodes in South Africa. Approximately two million m² of shopping centre supply is currently in the development pipeline with the majority of the development in Gauteng. A number of South African property companies have expanded operations into Africa and will continue to invest in attractive cities and nodes in sub-Saharan Africa.

Retail

The South African retail market is performing very well. There are currently more than 23 million m² of shopping centre space in the country. Current retail development trends are: second tier retail development in the township and rural areas, extension of existing regional shopping centres and redevelopment of old convenience shopping centres. Pockets of retail saturation exist and new retail development opportunities are becoming less obvious.

Offices

The South African office market consist of 17.4 million m² and the total vacancy rate is approximately 10%. Johannesburg dominates the office supply in South Africa with a 54.5% market share. The second largest office market is Tswane with a 20% share, and Cape Town represents 13.6% of the total market. Both the demand and supply of offices in South Africa have increased by approximately 3% per annum over the past 20 years. This equates to 8.2 million m² of additional office space since 1996.

Industrial

The South Africa industrial market is performing well. Growth is dominated by distribution and warehousing with the majority of development taking place in Gauteng and to some extent Cape Town and eThekweni. The manufacturing sector currently contributes 12% to the South Africa GDP, down from 14% 20 years ago. This is indicative that the market is shifting towards distribution and warehousing with a strong growth focus further into Africa.



GROWTH NODES:

Sandton, Waterfall City, Rosebank, Menlyn, OR Tambo Aerotropolis, Cape Town CBD, Century City, Umhlanga, Bryanston

RENTS AND BUILDING COSTS

City	Rents USD/m ² /month	Building costs USD/m ²
Retail	A base rate plus 1.75-8% of tenant turnover	1 170 (major centre)
Office	P-Grade 14-18 A-Grade 10-14	1 510 (prestigious high rise)
Industrial	3-5	405-565



OCCUPIERS AND INVESTORS

LEASE TERMS

Tenure	Offices: Term is typically 3 - 5 years with fixed rentals escalating annually. Industrial: Term is 3 years +. Only the larger corporates are entering into lease agreements of 5+ years.
Currency rental is paid in/linked to	ZAR - South African Rand.
Treatment of operational cost/ service charge	Operational costs are generally built into the Gross Rental. There are however a few Landlords that bill building operating costs separately. Such BOC usually escalate on an annual basis with a fixed percentage; however some Landlords apply what is known as a variable building operating cost, which means actual operating expenditure is calculated annually and applied.
Service charges for tenants account	Typical service charges generally include: Water, Electricity, Refuse, Sewer, City Cleaning Levy charges and Rates & Taxes.
Service charge cost	This is a variable cost and will depend on various factors. Every Council has a different tariff, it depends on the KVA utilized by the tenant - this cost is a variable and will differ from property to property.
Taxes	Value-Added Tax is commonly known as VAT. VAT is an indirect tax on the consumption of goods and services in the economy. Revenue is raised for government by requiring certain businesses to register and to charge VAT on the taxable supplies of goods and services. VAT is presently levied at the standard rate of 14% on the supply of most goods and services and on the importation of goods
Fit out period	Most tenants receive a "white box" and are responsible for their own fit-outs. The Landlord ensures that the air-conditioning, flooring, walls are all clean and painted. Common practice for offices is one month's rental per annum of lease. In respect of an industrial property, the industry norm would be the tenant's responsibility; however if agreed an allowance or contribution is given by the landlord.
Deposits	Cash or Bank Guarantee - The norm in the industry is that the deposit should equal at least 3 month's rental. It is often a requirement from Landlords to also obtain suretyship from the Directors of Companies.
General transactional costs	Commercial leases are no longer registered and stamp duty no longer applies. The stamping of leases was abolished WEF 1 April 2009. New lease fees vary per Property Management Company and Landlord and range from R1 500 - R2 500 per new agreement of lease.

OCCUPIERS AND INVESTORS	LEASE TERMS
How is space measured	<p>The SAPOA Method for Measuring Floor Areas in Commercial and Industrial Buildings is the version adopted for South Africa and is based on the American National Standard / BOMA International Standard Method for Measuring Floor Areas in Office Buildings. The Usable Area is the actual occupiable area of a floor or an office suite. The amount of Usable Area on a multi-tenant floor can vary over the life of a building as corridors expand and contract and as floors are remodelled. Usable floor area is converted to Rentable Area by the use of a conversion factor (common area factor). The Usable Area of an office is computed by measuring to the finished surface side of the office side of corridor and other permanent walls, to the centre of the partitions that separate the office from adjoining Usable Areas, and to the inside finished surface of the dominant portions of the permanent outer building walls. No deduction is made for columns and projections necessary to the building.</p> <p>The Usable Area of a floor is equal to the sum of all Usable Areas on that floor. The Floor Rentable Area is the tenant's pro-rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to areas below. The Rentable Area of a floor is fixed for the life of a building and is not affected by changes in corridor sizes and configuration. The Rentable Area of floor area is computed by measuring to the inside finished surface of the dominant portions of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deduction is made for columns and projections necessary to the building. The Rentable Area of an office on the floor is computed by multiplying the Usable Area of that office by the quotient of the division of the Floor Rentable Area of the floor by the Usable Area of the floor resulting in the FR/U Ratio. The Building Common Area includes those areas of a building that are used to provide services to building tenants, but which are not included in the office area of any specific tenant. It also includes any associated common areas and is applied to the Floor Rentable Area to calculate the Rentable Area. Rent is typically paid based upon the Gross Rentable Area which includes the Floor Rentable Area plus the pro rata share of Building Common Area. Building Rentable Area + Pro Rata Building Common Area = Rentable Area. The dominant portion is that portion of the inside finished surface of the permanent outer building wall which is 50% or more of the vertical floor to ceiling dimension measured at the dominant portions. If there is no dominant portion, or if the dominant portion is not vertical, the measurement for area is to the inside finished surface of the permanent outer building wall where it intersects the finished floor.</p>
Origin of legal system	<p>South African law is a 'mixed legal system', an amalgam of different legal systems, with its origins derived from both the Continent and in Great Britain. The foundation of South African law is Roman-Dutch law, which is itself a blend of indigenous Dutch customary law and Roman law.</p>
Lease governed by	<p>Estate Agency Affairs Board. The EAAB regulates the estate agency profession through ensuring that all persons carrying out the activities of an estate agent as a service to the public are registered with the EAAB. A Fidelity Fund Certificate, which is to be renewed each year is issued as evidence of such registration and confirmation that such person is legally entitled to carry out the activities of an estate agent.</p>
Break Clauses	<p>Break clauses are a useful option for tenants and, in these tough economic times, they can be a lifeline. For example, a commercial tenant whose falling profits have rendered their rental payments unaffordable may be able to be released from the lease early. On the other hand, a landlord may seek a break clause to provide for the possibility of redeveloping the property as and when circumstances are favourable, whilst retaining the security of a tenant's covenant until such time as it is ready to do so. However, despite the great potential benefits of a break clause, it is all too often the case that those who have negotiated them then miss out on the chance to exercise their right for any one of a number of reasons. With the right planning and precautions, such failure can be avoided. Extraordinary though it may sound, one of the most common reasons for someone being unable to trigger their break clause is simply that they fail to serve the required notice in good time. It is important to understand that, in a lease, dates of this kind are applied extremely strictly. If a break notice is served even one day late, it will not be valid, and the option to break will have been lost.</p>

TANZANIA



Tanzania has seen strong growth in their GDP averaging 7% in over the last five years. This was made possible by IMF and World Bank loans and structural and economic reforms that also helped bring down inflation from as high as 20% in 2011. Growth is driven by information and communications, construction, manufacturing and other services. Tanzania has enjoyed stable and democratic politics since independence. A new president, Mr Magufuri, took office towards the end of 2015 and has made bold changes, that should further stimulate the economy. Tanzania's growth comes off a very low base and the general public is still poor, however it is increasingly seeing a growing middle class and greater urbanisation.



POPULATION



52.3
million

POPULATION
(2015)

POPULATION
ESTIMATED (2050)

129.4
million

30%
URBANISED
POPULATION (2015)



TANZANIAN
SHILLING
(TZS) TO
USD

25%
DEVALUATION
DURING 2015



PRIME
INTEREST
RATE

16.3%



INFLATION
RATE
(CPI - ANNUAL)

5.9%



GDP %
GROWTH
FORECAST
(ESTIMATED)

2015 - 6.9%
2016 - 7.3%
2017 - 7.5%

ECONOMIC INDICATORS

Nominal GDP (USDbn)
(2015 estimate) 41.3 (11th in Africa)

GDP per capita (USD)
(2015 estimate) 869 (31st in Africa)

FDI (USDbn)(2014) 1,8

Age dependency ratio (2015) 15 years = 45%
65 + years = 3%

Main cities population size
Dar es Salaam 4.5 million
Mwanza 2.8 million
Arusha 0.4 million
Dodoma 0.4 million

World Bank Doing Business
rank (out of 189 countries) 139



PROPERTY MARKET

Good economic growth on a macroeconomic level, increasing urbanisation and a greater number of foreign companies entering the market has seen strong demand for good office accommodation and more formalised retail offering, thus driving the property market. Dar es Salaam has seen the rise of the PSPF Towers and the Mizima Tower. More formalised office accommodation is being built across Dar es Salaam. Oyster Bay and Bagomoyo areas have seen the most activity over the past year.

Milimani City (19 000m²) remains the largest retail development in Dar es Salaam with various smaller malls/plazas scattered across the city. The Slipway on the Peninsula remains the most high-end retail offering in the city.

Proposed developments include a USD300 million mixed-used development to be built in Oyster Bay.

LARGE INFRASTRUCTURE DEVELOPMENT

USD14.2 billion budgeted for a new rail network to be constructed over the next five years. Construction for a new port, claimed to be the largest in East Africa, is underway in Bagamoyo. The cost is estimated at USD10 billion.

RENTS AND BUILDING COSTS

Dar es Salaam	Rents USD/m ² /month	Building costs USD/m ²
Retail	30	1 255
Offices	21	1 195
Industrial	5	

MAIN CITIES AND GROWTH AREAS

City	Area
Dar es Salaam	Peninsula, Oyster Bay, Bagomoyo Road
Mwanza	
Dodoma	



OCCUPIERS AND INVESTORS	LEASE TERMS
Tenure	1-3 years
Currency rental is paid in/linked to	Linked to USD. Paid in USD or TZS
Treatment of operational cost/ service charge	Paid by tenant
Service charges for tenants account	Electricity, water, sewerage, refuse removal and/or packing (utilities)
Service charge cost	15%-30% of rent
Taxes	Any taxes applicable (withholding tax) on tenant or landlord (18% VAT)
Deposits	Upfront deposit is equivalent to one to two months
General Transactional costs	Stampduty at 1% of annual rental by tenant
Origin of legal system	Based on English Common Law
Lease governed by	State the Act that governs, mention the Estate Agents Board or similar
Break Clauses	Both ways - typically with three or six months notice
Legal Process followed for non payment of rental	Legal eviction process can take years or decades to conclude, landlords often resort to intimidation, threats and violence to evict tenants.

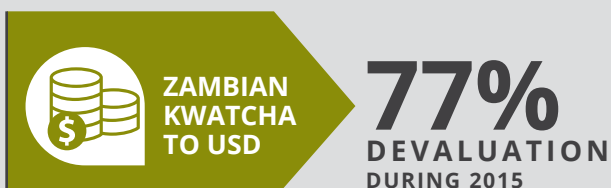
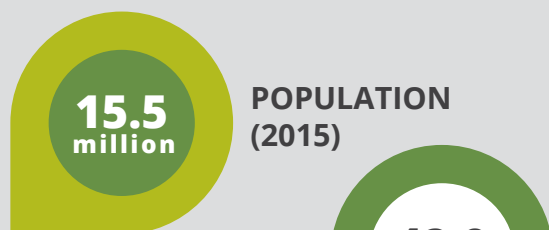
ZAMBIA



The Zambian economy was severely affected by low prices as well as decreased demand for commodities, a shortage of electricity supply and an extreme drought. Due to these factors, among others, the Kwacha lost more than 70% of its value to the US dollar in 2015. The devaluation has seen inflation climb to 18%. The Zambian economy is set to increase by 3.5% in 2016, down from 3.7% in 2015.



POPULATION



ECONOMIC INDICATORS

Nominal GDP (USDbn) (2015 estimate)	19.9 (17th in Africa)
GDP per capita (USD) (2015 estimate)	1 292 (20th in Africa)
FDI (USDbn)(2014)	2.5
Age dependency ratio (2015)	<15 years = 46% 65 + years = 3%
Main cities population size	Lusaka 2.8 million
World Bank Doing Business rank (out of 189 countries)	97



PROPERTY MARKET

Office Market

Lusaka has several new buildings under construction, such as the 6 000m² Society House on Cairo Road, as well as a number of new office blocks on Thabo Mbeki Road. Due to the volatility of the US Dollar against the Kwacha, and rentals being charged in US Dollars, the demand for office accommodation has been low over the last six months. Landlords have started accepting softer deals. In the Copper Belt, especially Ndola and Kitwe, there is a shortage of A-Grade office space. ReKay's Centre is completing 2 000m² of office space.

Retail Market

There is a healthy demand for retail space from both local and national retailers across Zambia. Cosmopolitan Shopping Centre has just opened in Mkeni, Lusaka. Twin Palms Centre is undergoing expansion and a new centre, Waterfall, on Great East Road near the Airport is well under way.

In Ndola, the ReKay Centre has almost been completed and is 80% tenanted. A new shopping centre is being planned near Ndola Golf club, which has been 60% pre-let. In Kitwe, the Freedom Park centre has been purchased by NAPSA and plans are underway to complete that centre. There are opportunities for retail expansion in smaller towns, such as Kitiwe, Kafue, Chirundu, Kabwe, Kalumbila, Solwezi and Chingola.

Industrial Market

The industrial area in Lusaka has poor road infrastructure and opportunities have arisen for expansion on the Kafue Road. A new development, York Park, has completed the first warehouse and has opportunities for custom-built warehousing or factories to be built as turnkey projects. Land can be purchased for companies to build within the development guidelines and specifications. There is currently a shortage of quality warehouse and factory space in Lusaka.

RENTS AND BUILDING COSTS

Dar es Salaam	Rents USD/m ² /month	Building costs USD/m ²
Retail	35	1 115
Offices	22	1 445
Industrial	7	733

MAIN CITIES AND GROWTH AREAS

City	Area
Lusaka	Kafue Road, Mkeni, Chelston to Airport area
Kitwe	
Ndola	
Kabwe	

LARGE INFRASTRUCTURE DEVELOPMENT

Lusaka sanitation project worth USD65 million is underway. Road maintenance and rehabilitation is underway, project value is estimated to be more than USD75 million. Lusaka Transmission and Distribution Rehabilitation Project. Irrigation Development and Support Project. Road Rehabilitation And Maintenance Project Phase II. Cosmopolitan Shopping Centre.



OCCUPIERS AND INVESTORS	LEASE TERMS
Tenure	The average Lease is 4 years and 11 months. Leases of five years and longer fall under property transfer of Leasehold, and are subject to Property Transfer Tax.
Currency rental is paid in/linked to	Zambia is a dual currency economy. Rental can be billed in either USD or ZMW by landlord and tenant agreement. Rent can be paid in either USD or ZMW, usually at the exchange rate of the day of payment.
Treatment of operational cost/ service charge	Traditionally operational cost/service charges were built into rental rate per m ² . However, more landlords are reverting to method of separating base rent and operations cost.
Service charges for tenants account	Security, cleaning, pest control, landscaping, fire protection services and R&M of mechanical equipment, including generator operating costs.
Service charge cost	Average cost is USD5 p/m ²
Taxes	WHT (withholding) of 10% of gross rent is payable by tenant on both commercial and residential properties. VAT (16%) is payable on commercial, retail and industrial only by tenant and landlord. Parastatals and churches are exempt from both these taxes.
Fit out period	30 days for small and medium business and up to 90 days for national retailers.
Deposits	3 months rental for commercial and residential.
General Transactional costs	Leases between 1 year and 5 years have to be registered with the Ministry of Lands at 2% of first year value of the lease. Leases longer than 5 years are deemed to be transfer of property rights and are subject to 5% of the annual value of the lease. Registration of lease responsibility is shared between tenant and landlord. No stamp duty applies. Average conveyancer cost for registration of lease is ZMW1,250 per lease.
How is space measured	Generally - the SAPOA method
Origin of legal system	English common law applies in Zambia
Lease governed by	The Landlord Tenant (Business Premises) Act Chapter 193 of the Laws of Zambia
Break Clauses	According to the Act the tenant can, irrespective of signed Lease conditions, terminate the lease with written notice period of six months. The landlord can only terminate the lease if: a) He redevelops the property; b) The buildings are to be demolished for whatever reason. In either case, the landlord has to give the tenant six months written notice.
Legal Process followed for non payment of rental	Registered bailiffs are appointed by Zambia High Court and have the Court approved mandate to lock premises and seize assets. Therefore first recourse available to the landlord after all normal collection procedures has failed, the landlord can appoint a registered bailiff to lock the premises and seize the tenant's assets. The bailiff can then remove the assets and auction them on behalf of the landlord Second recourse is to instruct the landlord's lawyer to commence legal action by summons etc. This is very costly and time consuming legal procedure.

ZIMBABWE



Zimbabwe has experienced a significant slowdown after an initial growth period from 2009 to 2012 following the adoption of the US Dollar. Official figures show a GDP growth of 3-4% but there is little to no evidence to support this. Independent data shows a slowdown of between 2% and 5%. A rapidly growing informal sector and deindustrialisation has led to capacity utilisation estimated at 36.3%. It is also estimated that over 80% of the working population is engaged in the informal sector. A high proportion of the Zimbabwean diaspora works in South Africa so the weakening of the Rand significantly affects the remittances sent back to Zimbabwe, a large amount of which are used to fund trading in the informal sector. Zimbabwe's economy is heavily dependent on mining and agriculture but foreign ownership laws and lack of policy consistency has not created an environment conducive for business. Currently Zimbabwe imports most of what it consumes, together with a combination of high imports, low exports and very low foreign direct investment has resulted in a liquidity crisis.



POPULATION



17.4
million

POPULATION
(2015)

POPULATION
ESTIMATED (2050)

37.5
million

URBANISED
POPULATION (2015)

33%

%

PRIME
INTEREST
RATE

18%



INFLATION
RATE
(CPI - ANNUAL)

-3.29%



GDP %
GROWTH
FORECAST
(ESTIMATED)

2015 - <2%
2016 - NO DATA
2017 - NO DATA

ECONOMIC INDICATORS

Nominal GDP (USDbn) (2015) 14

GDP per capita (USD) (2015) 816

FDI (USDbn)(2014) No data

Age dependency ratio (2015)
<15 years = 43 %
65 + years = 3%

Main cities population size
Harare 1.6 million
Bulawayo 0.7 million

World Bank Doing Business
rank (out of 189 countries) 155



PROPERTY MARKET

Office

Downsizing and the drastic growth of the informal sector has led to a downturn in the demand for office space. Vacancy rates in the CBD are in excess of 30% and it is unlikely that rentals will increase in the next 12 months. On existing leases, rentals have been reduced by at least 15% during 2015. Rentals for office space are on average between USD8 and USD10 per m² per month.

Retail

Demand for retail space is still reasonably high in the CBD and upmarket suburbs considering the increased trading outside the formal sector. Suburban shopping centres, especially in the medium to high density areas, are struggling with vacancy rates between 10% and 15%. Foreign brands are taking up space for example; Choppies, Pick n Pay, Food Lovers, Ocean Basket, Mugg and Bean, and KFC. All of which have grown their footprint significantly over the past 24 months. Rentals for retail space average around USD25 per m² per month depending on size and site. A 10 000m² shopping mall will open later this year in Borrowdale. A 25 000m² mall is planned for Bulawayo and a 40 000m² mall is planned for the northern suburbs of Harare, but neither has broken ground.

Industrial

The industrial market has seen accelerating deindustrialisation in the past three years as it becomes less viable to produce locally than to import. There are high vacancies in the traditional industrial areas of

Southerton, Workington and Graniteside, and there is a shift towards less congested and newer areas such as Msasa, Ruwa and Pomona. There is a preference for more efficient modern units as opposed to renting older units that are not specifically designed for the intended use. So vacancies remain high and rentals have reduced. Monthly rentals in Harare lie between USD3 and USD4 per m² per month and significantly lower in outlying and smaller towns.

Residential

The residential property market is slowing significantly as very few properties are trading hands. Low disposable incomes are resulting in rentals being reduced to fill vacancies or retain quality tenants. Mortgage finance remains beyond the reach of most Zimbabweans as interest rates are still very high (more than 20%). Rental for a 3-4 bedroom executive house is approximately USD1500 per month.

Opportunities

A few small policy changes could result in increased investor confidence and significant foreign direct investment. There are an estimated four million educated people living in the diaspora, a large percentage of whom wish to return home. The government, currently experiencing very low tax revenues as a result of the majority of the economy being in the informal sector, is very open to public private partnerships which can be profitable for the investor. With foreign direct investment and increased activity in the formal sector, and deposits in the

LARGE INFRASTRUCTURE DEVELOPMENT

Large infrastructure developments currently underway include the new airport road, a new airport terminal and wide-body runway in Victoria Falls. The planned upgrade of the main North-South Highway linking South Africa and Zambia via the capital city. The East-West highway upgrade was recently completed and dualisation of the main Harare and Bulawayo highway is due to start soon pending funding. The government has a number of solar and thermal power stations due to start in order to reduce the shortfall in electricity supply, and major refurbishments of the existing power plants are under way.

banks, the interest rates will decrease. There is a large gap in the housing market that needs to be filled for first-time buyers.

With Zimbabwe trading in US Dollars, property developers or investors are offered currency stability unrivaled in the rest of Africa. Another opportunity lies in the gap caused by very little significant investment in infrastructure over the past 15 years despite a growing population.

There is an urgent need for structural reforms to improve the business environment and to encourage foreign investment. Labour and retrenchment costs need to be reviewed and urgent infrastructure upgrades are required to provide consistent power and water supply to enable industry and agricultural production to be competitive in the region.

RENTS AND YIELDS

Harare	Rents USD/m ² / month	Building costs USD/m ²	Yields
Retail	25	1 300	23
Office	10	1 000	12
Industrial	4	300	16



Anton_Ivanov / Shutterstock.com

OCCUPIERS AND INVESTORS

LEASE TERMS

Tenure	3-5 years, 10 years on leaseback
Currency rental is paid in/ linked to	US Dollars
Treatment of operational cost/service charge	Billed seperately
Service charges for tenants account	Water, electricity, security, insurance, cleaning, landscaping
Service charge cost	USD4-6/m ² tbc
Taxes	Property Taxes (Rates) and VAT
Fit out period	Two to three months
Deposits	1-3 months rental
General Transactional costs	10% of monthly rental - lease cost
How is space measured	International Property Measurement Standard (REIZ)
Origin of legal system	Roman Dutch
Lease governed by	Rent Regulations SI 32 of 2007 tbc
Break Clauses	Relocation, Redevelopment, Breach/Expiry

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