

GLOBAL PROPERTY TRENDS

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Africa's new darling?

Kenya

- General election jitters
- Retail Market saturated (short term) ?
- Office Market under stress (short term)?
- Capped Interest rate

• Uganda

- Closure of Nakumatt (3 x stores)
- Retail development opportunities (road infrastructure, formal retail evolving rapidly)
- Demand A grade space in prime locations (transition from lower grade property)
- Industrial : Owner/Occupied (Oil – 2020)
- Landlord /Tenant Bill proposal (to favour tenant) / Dollar based leases?

Africa's new darling?

Tanzania

- GDP growth 7.2 % (one of the highest)
- Corruption (10 000 ghost employees, 9 000 fake academic qualifications)
- Barriers to entry (land title and costs)
- Ease of doing business (Shoprite exit)
- Discovery of gas – 2016 (regulatory uncertainty)
- Positives : low inflation (5%), stable currency, political stable, direct investment
- Retail development opportunity (low income economy, smaller developments)

Ivory Coast

- Strong continued GDP growth (6.8%)
- Gap for prime grade offices in Ivory Coast
- Retail development opportunity (spending power of the consumer retail market)
- Interest from private equity and SA players (Actis / RMBWestport / Group 5)

OFFICE / RETAIL SHIFTS

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- Smaller convenience Centre, with option to phase
- Store size adjustments
- Pop up stores
- Reduce exposure to high end fashion
- Focus on food court / entertainment
- Increase marketing and tenant assistance
- Developments on hold
- Tenant Assistance (Short term rental concessions, rental reductions, loan assistance, tenant allowances, rent free period, stepped rentals, local currency lease with conditions, turnover rental only, extended payment terms, discounted upfront payments)
- Softer rentals (on renewal, newly established malls)
- Lower retail margins due to depreciation of local currency (imported goods)
- Downgrade building specs (reduce costs)

Nigeria and Ghana's real estate markets to bounce back?

Nigeria – turning the corner?

- Expected growth of 1% in 2017
- Stable oil prices and increased production
- Nafex forex trading platform to increase liquidity / Improvement forex reserves
- Convergence of official and parallel exchange rates
- Infrastructure spend - \$30 billion
- Retail / Office market under stress
- Investors still weary (take up of surplus space / forex)

Nigeria and Ghana's real estate markets to bounce back?

Ghana – post elections

- Confirmed political and democratic maturity.
- Governments pro-business policy decisions to boost business confidence
- Positive policy reforms (6% GDP growth – 2017)
- Retail market remains under stress ?
- Office market stable (corporate activity)

THANK YOU

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