



**UNLOCKING  
DOMESTIC  
GROWTH THROUGH  
STRATEGIC  
DEVELOPMENTS &  
PARTNERSHIPS**

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*Focusing on precincts to drive  
growth in the South African portfolio*

# AGENDA



- 1. Executive summary**
- 2. Latest property portfolio thinking**
- 3. Some successful precincts in South Africa**
- 4. Some Growthpoint precinct pipeline opportunities**

# LATEST PROPERTY PORTFOLIO THINKING

## Old portfolio thinking

### Focused on the following

- » Properties scattered within certain key Metro's with the highest potential for growth
- » Properties within key nodes within those Metro's
- » Properties within Metro's where the municipality is still functional

### Key concerns

- » Some Metro's have become dysfunctional over the last decade with Metro's in Gauteng and KZN being a major concern
- » The lack of macro economic growth having an impact on some provinces more than others



## Current portfolio thinking

### Focused on the following

- » Not having properties scattered throughout a Metro, but focusing on a couple of large precincts
- » This gives the landlord the advantage to control the whole precinct environment from a security, infrastructure, landscaping and service delivery perspective, which can result in superior growth
- » Derisking the property portfolio to some extent from the Metro's dysfunctionality

### Key concerns

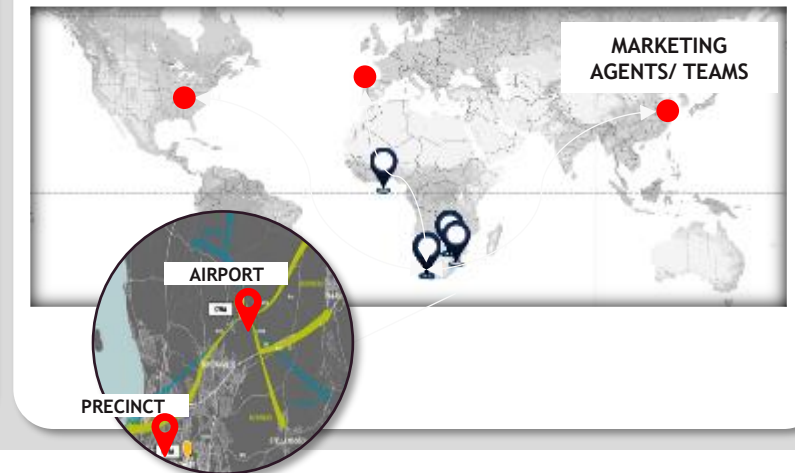
- » The lack of macro economic growth impacting some provinces more than others



## Tourist driven future portfolio thinking

### Focused on the following

- » Focusing on large precincts that have touristic appeal
- » Taking control of the surrounding environment within the precinct
- » Controlling the experience from where the tourist lands at the airport to the precinct destination further integrating into the value chain
- » This can be taken a step further by setting up marketing hubs throughout the world with marketing packages from the experience upon landing at the airport to the precinct
- » By taking this approach, the precinct owner attracts global tourists with higher spending power



# SOME SUCCESSFUL PRECINCTS IN SOUTH AFRICA

## Why precincts - 12 reasons why precincts can achieve superior outcomes

<p><b>Enhanced shareholder returns</b></p> <p>Precinct developments often lead to increased property values and higher rental incomes, providing higher returns for investors</p>	<p><b>Improved security</b></p> <p>These developments typically include comprehensive security measures, such as surveillance systems &amp; private security services, creating safer environments for residents, tourists &amp; businesses</p>	<p><b>Integrated landscaping &amp; services</b></p> <p>By taking control of landscaping &amp; essential services, precinct developments ensure well-maintained &amp; aesthetically pleasing environments, which attract more tenants and visitors</p>	<p><b>Public-private partnerships</b></p> <p>Successful precincts often result from strong collaborations between public and private sectors, driving coordinated investments and developments</p>	<p><b>Economic growth</b></p> <p>Precinct developments stimulate local economies by attracting businesses, increasing foot traffic and creating job opportunities</p>	<p><b>Sustainable development</b></p> <p>These projects often incorporate sustainable practices, such as green buildings &amp; efficient resource management, contributing to environmental conservation</p>
<p><b>Community engagement</b></p> <p>Precinct developments foster a sense of community by creating spaces where people can live, work, and play, enhancing social cohesion</p>	<p><b>Tourism boost</b></p> <p>Well-developed precincts can become tourist attractions, boosting local and international tourism and contributing to the economy</p>	<p><b>Brand identity</b></p> <p>Establishing a clear identity for a precinct helps in marketing and attracting businesses and visitors, enhancing its competitive advantage</p>	<p><b>Innovation and future readiness</b></p> <p>Precinct developments often include innovative projects and future city concepts, positioning them as forward-thinking and adaptable to future needs</p>	<p><b>Managing cost</b></p> <p>Can manage the cost within a precinct environment more efficiently</p>	<p><b>Risk management</b></p> <p>With a more focused risk management approach, the cost of insurance will be lower</p>

# SOME SUCCESSFUL PRECINCTS IN SOUTH AFRICA

## Mixed-use and industrial type precincts

### Century City - Cape Town

» Founded - 1990s Canal Walk opened 2000

#### Key advantages

- » Modern Urban Precinct: Century City is now a bustling hub of activity, known for its convenience and amenities
- » Amenities: It offers a variety of options for living, working, shopping, hotels, outdoor spaces, and a nature reserve, including the award-winning Intaka Island
- » Rabie Property Group: The development continues under Rabie Property Group, although the shopping centre is owned by Hyprop and Ellerine



### V&A Waterfront - Cape Town

» Modern development founded - 1988

#### Key advantages

- » Modern Urban Precinct: V&A Waterfront is known for attracting tourists
- » Amenities: It offers a variety of options for living, working, shopping, hotels and outdoor spaces
- » Current owner Growthpoint and GEPF



### Waterfall - Johannesburg

» Founded - 2006

#### Key advantages

- » It is known for its advanced infrastructure, including a robust fiber optic network
- » The development emphasises sustainability, with numerous green star rated buildings
- » It features major attractions like the Mall of Africa owned by Attacq, a large shopping & entertainment destination
- » It is being continually expanded, with large investments being made into further development



# SOME SUCCESSFUL PRECINCTS IN SOUTH AFRICA

## Mixed-use and industrial type precincts

### Melrose Arch - Johannesburg

» Founded - 1990s Construction started early 2000

#### Key advantages

- » Melrose Arch is a vibrant, upscale precinct in Johannesburg, South Africa, known for its modern architecture, luxury shopping, fine dining, & high-end office spaces
- » Popular for its trendy atmosphere, it attracts both locals and tourists looking for a sophisticated urban experience
- » The area is also home to several hotels, making it a hub for business and leisure
- » Owned by Amdec Group and Liberty amongst others



### Plumbago - Johannesburg

» Founded - 2012 & spans 25 hectares

#### Key advantages

- » Situated near the R21 freeway and just minutes away from O.R. Tambo International Airport
- » The park is specifically designed to cater for logistics, freight forwarding, and light industrial corporate companies who seek to strategically locate their business
- » Amenities: Comprehensive security measures including access control, CCTV surveillance, and 24-hour monitoring
- » Owned and developed by JT Ross



### Northfield (Riverhorse Valley) - Kzn

» Founded - 2018 & spans 100,000m<sup>2</sup>

#### Key advantages

- » Northfield Business Park is located in the Riverhorse Valley precinct, north of Durban
- » This strategic location offers excellent connectivity for logistics and industrial operations
- » The park features contemporary design elements tailored for logistics warehouses & associated offices
- » Owned and developed by JT Ross



# SOME GROWTHPOINT PRECINCT PIPELINE OPPORTUNITIES

## Mixed use precinct opportunity

### Longkloof

**Development** »New mix use precinct in Cape Town

**Size** »Total 26 797m<sup>2</sup> GLA (7 880m<sup>2</sup> bulk available)

**Investment** »Growthpoint recently opened the Canopy hotel in the Longkloof precinct

**Ownership** »Opportunity exists to increase the precinct with partners surrounding the precinct

**Maturity of project** »The precinct is small in comparison to others  
»Opportunities are being actively explored to increase the size of the precinct

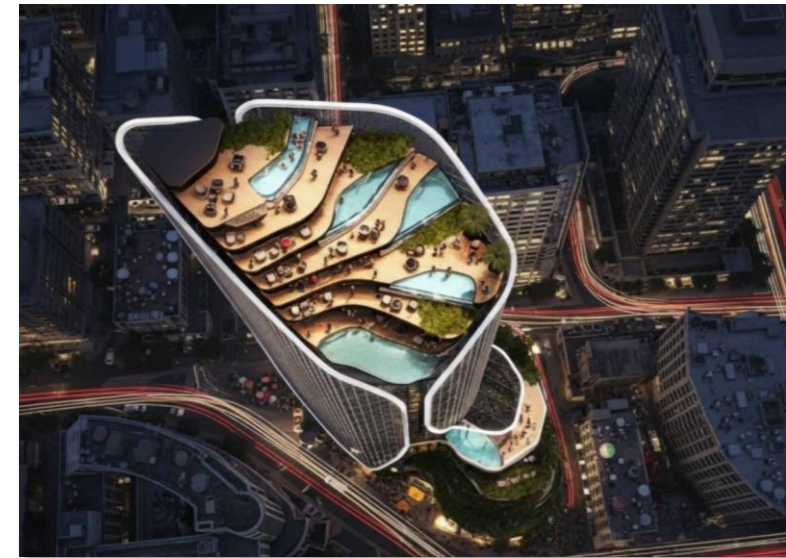


# SOME GROWTHPOINT PRECINCT PIPELINE OPPORTUNITIES

## Mixed use precinct opportunity

### Cape Town Foreshore (Site B & Wharf Site)

<b>Development</b>	»Developing a mixed-use precinct in an affluent area of Cape Town
<b>Size</b>	»TBC
<b>Investment</b>	»JV arrangement between two partners
<b>Ownership</b>	»Sun International and Growthpoint
<b>Maturity of project</b>	»Agreements still being finalised »Site B and Warf Street designs well advanced
<b>Some key stats</b>	»The fully developed precinct has the potential to reach more than R8.8bn value in GAV (including existing buildings) »The split between JV partners is still being determined



# SOME GROWTHPOINT PRECINCT PIPELINE OPPORTUNITIES

## Mixed use precinct opportunity

### Sandton Summit

- Development** »Developing a new mix use precinct in Sandton
- Size** »Other than Discovery Building it is envisaged that there is still 367 233m<sup>2</sup> in bulk to be developed in the precinct  
»Total value using R35 128 per m<sup>2</sup>, R12.9 billion
- Investment** »Growthpoint would be selective in approving opportunities
- Ownership** »GRT and partners
- Maturity of project** »The launch of the Olympus residential development has been very successful, and construction will begin with a development cost of c.R1.2bn for both phases  
»The rest of the precinct is under review to unlock future potential



# SOME GROWTHPOINT PRECINCT PIPELINE OPPORTUNITIES

## Specialised industrial precinct opportunity



### Cape Winelands Airport

- Development** »Developing a new international airport
- Size** »Other than infrastructure estimated total lettable area at this stage is 367,600m<sup>2</sup>
- Investment**
  - »Main infrastructure circa R8.2 billion
  - »Other development opportunities (industrial/logistics, retail, office, hotel, cargo & general aviation) estimated R16bn - R20bn
- Ownership** »CWA - GRT would have right of first refusal to co-invest in property
- Management** »Growthpoint concluded agreements on Oversight (Phase 1), Development, Asset and Property Management for the precinct

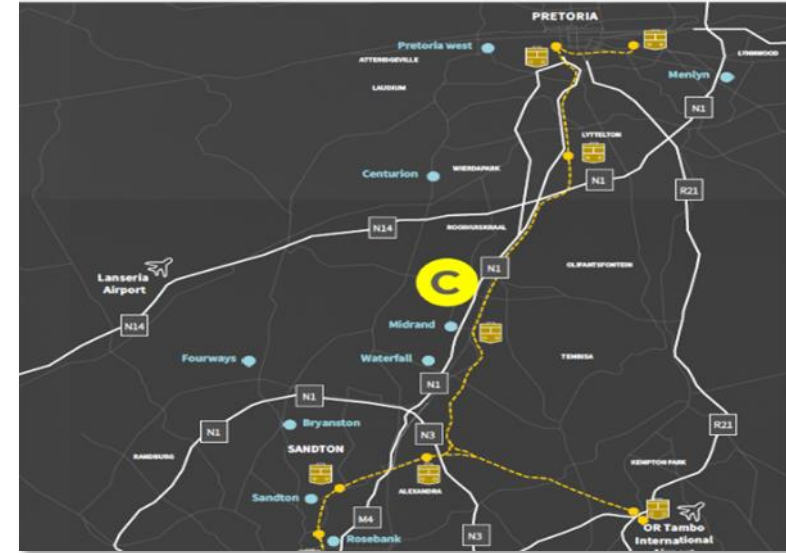


# SOME GROWTHPOINT PRECINCT PIPELINE OPPORTUNITIES

## Specialised industrial precinct opportunity

### Samrand

- Development** »Developing a new mix use precinct in Sandton
- Size** »c.58,000m<sup>2</sup> GLA already developed and c.110,000 m<sup>2</sup> bulk still to be developed (excluding Bakers and NTT buildings)
- Investment** »R0.5bn already invested remaining build c.R1.4bn (excluding Bakers and NTT buildings)
- Ownership** »Growthpoint Properties
- Maturity of project** »Various building have been constructed within the precinct.



# SOME GROWTHPOINT PRECINCT PIPELINE OPPORTUNITIES

## Further precincts opportunities

### Pipeline & conclusion

- » Given Growthpoint's focus on precinct opportunities in the last six to twelve months, a significant pipeline of opportunities has been developed
- » Other than the opportunities highlighted in this presentation there are four other major precinct opportunities / transactions that Growthpoint is aiming to close with sizes between R3bn - R5bn each when fully developed
- » Due to the sensitivity in the transactions, it cannot be disclosed at this stage





**THANK YOU**



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