

**PORTFOLIO OF LAND FOR
CONVERSION IN KWAZULU-NATAL**
NOVEMBER 2015



 *Tongaat Hulett*



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INTRODUCTION

Tongaat Hulett has an unequalled portfolio of some 8 026 developable hectares of land in prime locations in KwaZulu-Natal. A growing momentum is being achieved in various activities that lead to value creation in and unlock from this portfolio, including strengthening demand drivers, unlocking infrastructure at key points, securing release from agriculture and other development approvals, while executing optimal sales strategies across the various parcels of land that make up the portfolio. The emphasis of these activities is on 3 736 developable hectares from which sales are expected to come within five years. Land sales derive from underlying demand for real estate for a variety of uses. These demand drivers are described in detail in this portfolio document. The table on page 16 gives guidance regarding possible sales outcomes over a five-year period, while that on page 20 details those areas where commercial negotiations have commenced or are likely to commence over the next 24 months. The conversion of the land portfolio is a key enabler of Tongaat Hulett's drive to achieve value creation for all stakeholders through an all-inclusive approach to growth and development.

Successful land management and conversion of land to its highest value use near a major city such as Durban or in an area with natural endowments such as the north coast of KwaZulu-Natal is an important opportunity for business and government to collaborate to create value for society. It is major enabler of regional competitiveness, investment, economic development, industry transformation and social delivery.

Land conversion is a collaborative exercise between multiple role-players and cannot be undertaken sustainably in the long term in isolation from successful rural development and competitive, livable cities. In KwaZulu-Natal, Tongaat Hulett has established working relationships with provincial and local authorities in the inextricably linked areas of sugar cane and rural development activities. The planting of 28 687 hectares in the past four years and partnerships with the national Department of Rural Development and Land Reform, the Jobs Fund, the KwaZulu-Natal Provincial Government, various local

authorities and the Ingonyama Trust has led to the establishment of 79 primary cooperatives, spanning 21 traditional authorities, with a principal membership of over 6 000 and the creation of some 7 175 direct new agricultural jobs. Collaboration with many of the same agencies takes place in the land conversion process around land tenure and management, land use optimization, infrastructure (including renewable energy), development of markets, empowerment and transformation initiatives and the development of sustainable urban areas.

One of the key objectives is to develop and grow the presence of black property developers, owners and service providers throughout the property value chain. The last year has seen notable progress in this regard.

This document updates that published in May 2015 and is intended to provide an updated overview of Tongaat Hulett's portfolio of prime land in KwaZulu-Natal, further progress made on key demand drivers, current dynamics and the company's overarching strategic vision and approach to land conversion activities. Details relating to conversion status, intended usage, profit and sales dynamics are provided for each of the land assets from which sales are anticipated to come over the next five years, with further emphasis on those areas where commercial negotiations have commenced or are likely to commence over the next 24 months.

It contains details of the transactions concluded in the six months to 30 September 2015, during which 65 developable hectares were sold, generating profit of R576 million, following the two previous financial years 2013/14 and 2014/15 during which sales of 259 developable hectares generating profit of R1,08 billion and 108 developable hectares generating profit of R829 million were concluded respectively.

The following table provides an overview of recent profit generated per developable hectare for a representative range of locations and land uses:

AREA	DESCRIPTION	PROFIT GENERATED (R million per developable hectare)
RIDGESIDE	Prime, high-density, urban mixed use precinct with sea views	34
UMHLANGA RIDGE TOWN CENTRE	High-density, urban mixed use precinct	25 to 39
IZINGA / KINDLEWOOD	Low-density, high-end residential	3.5 to 6.7
CORNUBIA INDUSTRIAL AND BUSINESS ESTATE	Light industrial, logistics, warehousing and business park	6 to 9.5
CORNUBIA RETAIL PARK TOWN CENTRE AND N2 BUSINESS PARK	General business, offices, retail	7 to 11.8
MOUNT MORELAND NORTH	Long-term land, far from shovel ready and without clear land use or infrastructure in place	2.4
SIBAYA NODE 1	Low to medium density, mid-market to high-end residential	8.7 to 17.7

The purpose of the document is to communicate to a wide range of stakeholders the extent to which the portfolio's scale and location, combined with optimised land use throughout the land conversion cycle, collaborative long-term strategic planning and investment in urban land-use design, infrastructure and market development, create a platform for a catalytic and transformative impact on the value to be created from the land conversion process for an extremely broad range of stakeholders. The portfolio update is intended to be a "living" document, with updates to be produced on at least a biannual basis and will be available for download at www.tongaat.com.



KEY CONCEPTS

HECTARES

Gross hectares refers to the total area of land, defined by a line around its boundary. It is a reasonably exact figure, amended only through refined detailed survey.

Within the gross hectares of a land asset, some portions are allocated for purposes other than development, including land that is environmentally important, very steep or geologically unsuitable. Deducting the areas of these 'undevelopable' portions from the gross hectare area results in an approximate area of developable hectares of land that is suitable for development.

Early assessments are made of the developable extents of all land assets and are refined as planning progresses through various stages.

CATEGORISATION OF THE LAND PORTFOLIO

Based on consideration of demand under current market conditions and interest, the anticipated timelines to shovel ready, infrastructural availability and the intended commercial approach and style of selling, the land portfolio is categorised as follows:

LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS

These are land assets located in areas that enjoy substantial policy support from government for conversion, on which processes toward shovel ready and provision of necessary infrastructure have commenced and for which it is assessed that demand exists or is expected to exist within the period based on an assessment of the various demand drivers, as described on page 5-10.

Within this category, certain land assets have been featured in those areas where commercial negotiations have commenced or are likely to commence over the next 24 months. These are highlighted in the tables on pages 16 and 20 and are individually described in pages 21 to 40 of the document.

LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND A 5 YEAR PERIOD

For land in this category, ongoing analysis is carried out on changing market dynamics, infrastructural developments and government strategies and policy to ensure the early identification of opportunities to accelerate the process of conversion. Planning processes, in collaboration with stakeholders, towards getting all these land assets to a shovel ready state are underway.

LAND ANTICIPATED TO BE SOLD BEFORE BECOMING SHOVEL READY

The need to conclude sales that make more land available early for priority social and economic initiatives is increasing. To achieve this, in certain cases it is of value to conclude sales on land that is not yet shovel ready. The most prominent instance of this currently is for the provision of government subsidised housing. 930 developable hectares have been earmarked for this purpose, of which 722 developable hectares lie within areas from which sales are expected to come within five years.

PROFIT

Profit is a product of sales revenue, which is an outcome of choices regarding land usage and density, pricing strategy, commercial approach and timing; and conversion cost. In this document, an indication of profit or of a range of profit is provided, based on current market dynamics and what is currently being achieved. The profit indication is the cash profit after costs, without any escalation or discounting for time.

URBANISATION AND DENSIFICATION

Considerations of equity, accessibility and efficiency within a context of increasing urbanisation, have led to a policy environment that encourages densification of South African cities. According to estimates by the United Nations, by 2030, 71 percent of the South African population will live in urban areas and by 2050 this figure will have increased to

80 percent. The area between Umhlanga and Ballito is planned to become an intensive corridor where densification is particularly appropriate. Owing to varying market conditions over time, initial developments frequently struggle to achieve the full density potential of their location. Tongaat Hulett has developed various mechanisms to allow for early, lower intensity development to kickstart activity and thereafter create a pathway to densification over time, with additional value creation and realisation without the need to sell additional hectares.

Strong and effective policy support for densification has potential to increase competition to “greenfield” land conversion from redeveloped and densified “brownfields” locations over time.

The densification dynamic is currently evident in both the commercial and residential precincts of Umhlanga Ridge Town Centre, precincts two and four of Ridgeside and the N2 Business Park in the Cornubia New Town, all of which are being managed to maximize the future potential value creation.

RELEASE FROM AGRICULTURE

Tongaat Hulett’s land assets in KwaZulu-Natal are predominantly situated in areas deemed agricultural in terms of the Subdivision of Agricultural Land Act 70 of 1970 and must therefore be formally released from this status to be developed for non-agricultural purposes.

Release from agriculture can only occur with the support of both the provincial and national departments of agriculture and within the parameters of the prevailing provincial and municipal strategic and spatial plans.

Tongaat Hulett’s intentions for its land assets are well aligned with the relevant municipal plans. The portfolio’s location in the primary growth and development corridors of the province places it in a good position to enjoy policy support for conversion.

Tongaat Hulett’s ongoing role in sustaining and developing the agricultural and rural economy of the province of KwaZulu-Natal is a key requirement for sustained progress in achieving the necessary approvals for release from agriculture.

This financial year has seen significant progress being made, with an additional 2 622 developable hectares having been granted Act 70 of 1970 approval, bringing the total land with such approval to 3 141 developable hectares, representing 39 percent of the total land portfolio.

SHOVEL READY

Ultimately, to develop top structures on land requires a number of planning permissions to be granted by a variety of government bodies. The key permissions include release from agriculture as well as Environmental Impact Assessments (EIA), zoning and sub-divisional approvals and Water Use Licence Applications (WULAs). A piece of land is described as shovel ready when the processes of these various approvals are sufficiently advanced that within a short space of time (generally around six months or less) and with a high level of

certainty, physical work on both infrastructure and buildings could commence. Progress towards being shovel ready is a key consideration in the ability to realise optimum value from a land asset.

The general process towards shovel ready and progress against that process across the portfolio is shown in the land conversion and development model on page 12.

INFRASTRUCTURE

The installation of necessary infrastructure is a prerequisite for the optimal use of any land. The role of investment in infrastructure as a catalyst to economic development is now recognised throughout all spheres of government in South Africa. The amplified impact of infrastructure investment in larger cities and towns and the need for new approaches to enhance this is being increasingly appreciated. This notwithstanding, the gap between municipal budgets and urban infrastructure requirements is large and investment in municipal infrastructure must balance the twin objectives of social delivery and economic growth. This complex infrastructure environment demands effective partnerships, particularly in forward planning and financing, as well as in improved project preparation to ensure viable innovative models for the implementation of large, integrated infrastructure projects.

Tongaat Hulett’s land conversion processes unlock substantial infrastructural investment. Local scale (neighbourhood) public infrastructure is generally installed by Tongaat Hulett directly and recovered through the sale of land, while medium scale (metropolitan) and large scale (regional) infrastructure invariably entail collaboration between Tongaat Hulett and various arms of government.

The principal current obstacle to metropolitan and regional scale infrastructure delivery lies in financial and organisational capacity limitations faced by government to implement the necessary investment. Tongaat Hulett is working with both the relevant local authorities and other spheres of government to assist in addressing this challenge.

Infrastructure that is revenue generating for the service provider (most often the local authority), such as electrical supply, water and sewerage, is reasonably easily funded. The bigger challenge is road infrastructure, which typically comprises some 70 percent of total infrastructural cost, is frequently the topic of jurisdictional debate between different spheres of government and does not generate pay-for-use revenue directly. Tongaat Hulett continues to seek sustainable and equitable solutions to this challenge, in collaboration with a broad spectrum of public sector role players. Progress continues to be made, with the current financial year having seen the commencement of major road infrastructure in the area of Umhlanga Ridge Town Centre western expansion into the Cornubia New Town where acceptable shared funding arrangements have been achieved, allowing for development to progress and creating a platform for further collaboration towards better, more sustainable, mechanisms into the future.



DEMAND DRIVERS

The current period has seen improving momentum in identifying and commencing the analysis of a range of drivers of demand for real estate north and west of Durban and on the KwaZulu-Natal north coast. The analysis amplifies that in many cases, the area is lagging its substantial potential to attract or address business and residential demand that would drive real estate investment and hence land take-up.

In part, the gap arises from the protracted period during which land to accommodate investment demand has been in short supply, owing to challenges in the areas of statutory processes to generate shovel ready land and of inadequate infrastructure. In this area, too, substantial momentum has developed in the period, with 3 141 developable hectares now having been released from agriculture and 50 percent of Tongaat Hulett's land portfolio now being in the final four stages of the process towards shovel ready. This is creating the opportunity for Tongaat Hulett and the region to become more proactive in attracting investment and creating new markets. Tongaat Hulett is working with a range of government agencies as well as players in the property industry to develop promising market segments. The following is a summary of the range of demand drivers for land in the region.



HIGH-INTENSITY URBAN MIXED USE

Substantial elements of the portfolio have the potential to be positioned into this use over time, enabled by the policy support for densification, the established examples, particularly on Umhlanga Ridge, and the infrastructural interventions in favour of public transport currently being made in eThekweni. The principal attractiveness of this driver lies in its efficient use of each hectare of land and hence the high value created per

hectare, even when the real estate product developed (e.g. mid-market and affordable housing) is relatively modestly priced. Umhlanga Ridge Town Centre and its western expansion into Cornubia, Ridgeside, Bridge City and Sibaya Node 1 all contain elements with this typology, while further opportunities are being identified and included in planning processes. This driver is particularly well suited to structured transactions leading to the rollout of precincts by a single agency that is able to optimise both design and management of the final property.



HOUSING MARKETS

The housing market can reasonably be classified into three sub markets, namely mid-market, affordable and government subsidised. An additional market for high-end residential is more akin to tourism, leisure and coastal development and is described under that heading. Housing demand can usually be satisfied in one of either dominantly residential suburbs or in mixed use urban centres.

MID-MARKET HOUSING

Tongaat Hulett's residential land sales have historically been skewed towards this market. The market consists of higher-earning households, frequently upgrading from an existing home. In the Umhlanga region Tongaat Hulett has on average been able to meet demand, which varies with economic conditions and in a middle of the road scenario is expected to be in the order of 500 units annually, taking up an average of 25 to 30 developable hectares. Growth and development potential of this market consist primarily of continued growth and consolidation of the Umhlanga region and through the opening up of new markets in the

Ntshongweni area west of Durban and around Ballito, as well as ensuring better alignment of supply with demand through increased availability of shovel ready land with appropriate infrastructural arrangements in place.

AFFORDABLE HOUSING

There are estimated to be 285 000 households in northern eThekweni, of which 55 000 (i.e. some 20 percent) are looking for houses. This market for affordable housing consists primarily of households with a monthly household income of between R7 500 and R20 000. New household growth in eThekweni is estimated to be 15 000 annually, of which approximately fifty percent are in this earnings bracket.

This market typically can be serviced with homes of between 50 and 80 square metres as either rental or ownership or a hybrid of the two and in the price range of R350 000 to R800 000. Proximity to public transport routes, places of work and amenities are key considerations, thus the ideal location for such housing is in medium to high density developments (densities of over 120 units per hectare are achievable and desirable) within or closely adjacent to mixed use or commercial precincts. Umhlanga Ridge Town Centre has partially addressed this demand over the past few years and continues to do so, while Bridge City and various precincts in Cornubia constitute further short term opportunities. The relocation of the airport and the ongoing and anticipated future growth of employment-generating activities around the airport point to an increasing need to provide for this housing market in the greater Tongaat area. Over time, it is anticipated that this market could require more than 1 000 developable hectares at a take up rate of up to 60 hectares per annum and achieving profit that can exceed R3 million per developable hectare, while currently the number of people looking for housing exceeds the available shovel

ready land.

The delivery ambitions can be achieved with the unique ability of Tongaat Hulett to bring suitable land to the market at scale, combined with appropriate collaboration with a number of role players, including government (particularly local government), large developers with the necessary capability and reputation, employers and financial institutions.

GOVERNMENT-SUBSIDISED HOUSING

There is currently a backlog of over 400 000 housing units in eThekweni Municipality to accommodate poor households (roughly defined as those having a monthly household income of under R7 500). The backlog of housing for these households is a national priority and Government has developed, and continues to refine, a number of subsidy mechanisms to address this backlog.

The National Minister of Human Settlements has committed her department to a five-year action plan to roll out one and a half million homes for households in this category through a number of mega projects. EThekweni Municipality has a successful track record of delivery to this market, of the order of 15 000 units per year. Since 2008, Tongaat Hulett has worked in collaboration with Government at all levels to initiate Cornubia as a pilot project anticipated to yield some 15 000 units in this market in a good location and in an integrated manner. The extension of the collaboration could facilitate the roll-out of some 20 000 additional units in Cornubia North.

Based on the developing momentum in Cornubia, boosting confidence of the replicability of the model, together with the spatial strategies of the respective municipalities,

GOVERNMENT-SUBSIDISED HOUSING	REGION	LAND ASSET	DEVELOPABLE HECTARES
LAND IN KEY FOCUS AREAS FROM WHICH SALES ARE EXPECTED TO COME WITHIN FIVE YEARS	Umhlanga	Cornubia North	200
	Airport	Inyaninga West	187
	Airport	Aberfoyle	150
	West of Durban	Ntshongweni	185
	SUB TOTAL		722
LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND FIVE YEARS	Airport	La Mercy West	52
	Coastal North of Ballito	Descroizilles	48
	West of Durban	Ntshongweni	108
	SUB TOTAL		208
TOTAL			930

Tongaat Hulett has identified a further 930 developable hectares, having the potential to yield over 90 000 housing units in various locations as tabulated below for sale and development in this market. Since Government is the primary implementing agent for this housing market, it is likely that sales in these areas could take place before the land is shovel ready.

in 2022, is expected to lead to significantly increased tourism interest as well as accelerated infrastructure investment over the next few years.

Key tourism-related sub markets with their underlying dynamics are as follows:

HIGH-END CITY HOTELS AND RESIDENCES



HIGH-END MARKETS

The KwaZulu-Natal provincial government has adopted a tourism master plan that, by 2030 the province will be globally renowned as Africa's top beach destination with a unique blend of wildlife, scenic and heritage experiences for all visitors. The vision correctly identifies coastal and beach attractions as central to tourism development. The seventy kilometre stretch of coastline from Umhlanga to the Thukela River constitutes a central opportunity to pursue the vision. Tongaat Hulett is actively involved in collaboration with the Provincial and Local authorities to fast track the first phases of this development.

Durban's attractiveness to these markets has recently been boosted through the commencement of a number of new airline routes linking to King Shaka International Airport. These include Qatar Airlines, Turkish Airlines, Ethiopian Airlines, Proflight Zambia (a low cost airline linking to Lusaka), with British Airways expected to commence a route from Heathrow in December 2016. In addition, the announcement that Durban will be the first African city to host the Commonwealth Games,

The corporate office nodal shift to Umhlanga has resulted in this region being the preferred location for city Hotels in Durban. The majority of the Hotels are in the economy Hotel segment (typically defined as 3 star) with lesser representation by full service Hotels. No upscale or luxury local or international Hotel brands are present on the Umhlanga Ridge.

Umhlanga Hotels have outperformed the SA Hotel market in occupancy, rate and revenue per available room in 2015. This positive Hotel performance has been due to the sustained growth in demand in individual corporate and leisure travel. This has continued to fuel considerable interest in Umhlanga from both South African and international Hotel brands that seek to operate a fresh, contemporary, full or select service offering with quality meeting facilities, which will meet the requirements of the corporate and leisure traveller.

There is also interest being shown by local and international Hotel brands to operate Apartment Hotels or Residences. This type of Hotel is suited to the long stay corporate and



leisure traveller. They also offer branded, serviced residential investments to high-end buyers. The usage is capable of generating returns per hectare consistent with other high density, urban mixed uses. It is not likely to take up large numbers of hectares, but serves more importantly as a benchmark of amenity, brand and value for the region and surrounding land assets.

COASTAL RESORTS CATERING TO DOMESTIC AND FOREIGN MEETINGS, CONFERENCES, INCENTIVES, EXHIBITIONS AND LEISURE MARKETS

This is a lower-intensity land use than the city hotels. There is currently no truly integrated beach resort in KwaZulu-Natal or South Africa. The KwaZulu-Natal coastline has been acknowledged by global tour and resort operators as South Africa’s foremost opportunity to compete with other global beach resort destinations, provided critical mass can be achieved. Tinley Manor is currently being designed and positioned as a pilot location for this usage to act as a catalyst for more instances of this type of development on the north coast. Returns per hectare are initially expected to be modest (in line with low density residential uses) owing to low development densities and the speculative nature of the first catalytic developments. The strategic objective going forward is to capture further value from surrounding land assets benefitting from proximity to and association with resort and higher pricing premiums as destination value is established in the area.

HIGH-END RESIDENTIAL DEVELOPMENTS

This land use is one in which Tongaat Hulett has been active for some time. Brands such as Zimbali, Mount Edgecombe and Izinga have given Tongaat Hulett considerable brand

strength in this market. The strategy going forward is to increase the returns achievable per hectare through higher intensity development and higher premium pricing on scarce, low density sites. Additional markets to increase demand are being sought in the opening of new geographical locations west of Durban and north of Ballito.

During the current financial period a significant milestone has been achieved with the commencement of the first sales into this market from the Sibaya landholdings at eMdloti.

Retirement developments are a specific niched instance of this market. Trends have moved away from conventional old age homes to destinations that offer lifestyle and ease of access to amenities. Currently demand continues to outstrip supply nationally. Despite its natural attributes, the north coast of KwaZulu-Natal continues to underperform comparative to the KwaZulu-Natal midlands. Increasing the available opportunities and effective positioning of the region offers significant demand growth potential.



RESIDENTIAL SERVICES

This driver consists of social facilities such as schools, medical and neighbourhood retail facilities developed in response to demand from growing residential areas. The objective is to ensure that these are catered for and implemented, whether by public or private sector agencies. This usage is typically capable of producing returns per hectare similar to those generated by the nearby residential land use. Where possible, without losing value, the opportunity is sought to arrange for key residential services to be provided prior to or early in the process of development of the adjacent residential areas so as to act as a catalyst for the development of those areas.



The level of residential take-up within Tongaat Hulett's developments has, as anticipated, seen an increase in demand for new public and private health facilities. These include public and private hospitals, step-down facilities, clinics and community healthcare units all of which fall under the custodianship of the Provincial Department of Health. A number of these facilities have been developed over time in a somewhat ad hoc manner in Tongaat Hulett's land portfolio, with Bridge City, uMhlanga and Zimbali current areas of interest. A process is being initiated to develop a much stronger collaborative relationship with the department to facilitate joint planning for optimal delivery of such facilities to meet the current and future needs of the growing communities in the region.

Within the Cornubia and uMhlanga sub region, the demand for new schools, tertiary and executive educational facilities is intensifying. Educational facilities include public schools, private schools (also known as independent schools), early childhood development (ECD) centres and special needs schools. Primary and secondary schools are the responsibility of the Department of Basic Education (DBE), whereas the Department of Higher Education and Training (DHET) is responsible for tertiary education and vocational training, which include FET colleges, adult basic education and training (ABET) centres and higher education institutions such as universities. As with medical facilities, these too have been developed across the land portfolio in an ad hoc, reactive manner. Relationships with the key government departments are being strengthened to facilitate proactive planning for the establishment of facilities on strategically located landholdings.



OFFICE MARKET

Durban's office market is currently small and lacks dynamism. The South African Property Owners Association (SAPOA) office vacancy survey includes some 17 million square metres of office space around the country. Approximately 1,36 million square metres of this is in Durban (of which Umhlanga comprises approximately 0,29 million and Westville / Hillcrest 0,23 million), compared to 2,42 million in Cape Town, 3,68 million in Tshwane and 9,54 million in Johannesburg (of which 1,52 million is in Sandton alone). Office development in Durban has historically consisted primarily of buildings constructed for identified tenants, with little speculative development.

Durban clearly has substantial growth potential compared to other secondary office markets and should be an attractive office location, given its residential amenity and convenient link to Gauteng (under one-hour flying time).

Recently, Durban has seen substantial activity in the development of call centres, for which it should be one of South Africa's most competitive locations. Recent growth has been between 15 and 20 percent annually and Tongaat Hulett

is collaborating with regional development agencies and the industry body, BPESA, to further this competitiveness and rate of growth.

Other growth opportunities lie in positioning Durban as an attractive office location for international companies newly entering the South African market, particularly when linked to other (logistics or manufacturing) facilities and in a targeted campaign, together with regional development promotion agencies, to attract specifically targeted bigger corporate office users considering expanding or relocating elsewhere in the country.

Many of Tongaat Hulett's land assets, given their location and context, naturally offer prime office opportunities including new office nodes at Ntshongweni and within the emerging Aerotropolis around the Dube TradePort and King Shaka International Airport.



WAREHOUSING, LOGISTICS, INDUSTRIAL, BUSINESS PARK, MANUFACTURING AND BIG BOX RETAIL

The area between Durban and Richards Bay, given that they constitute the dominant sea ports serving Southern Africa, is the most attractive location for new industrial and logistics facilities in the region. This sector has historically been an important component of Tongaat Hulett's land conversion activities. Current limitations on growth primarily relate to lack of abundant shovel ready land and supporting metropolitan and regional scale infrastructure, together with concerns regarding cost of development and operating costs. All these constraints are areas of focus, wherein the solution lies in collaboration with relevant government authorities.

The land preparation and zoning is similar for a wide range of uses, however there are a number of separate demand drivers for such industrial / business park land as follows:

Land for large-scale general industrial (as opposed to light industrial and business parks) is in scarce supply and is being created at Compensation. This could accommodate manufacturing concerns. While this sector is currently under pressure, there is considerable government emphasis on the sector and sub markets with potential around Durban include:

- Clothing and textiles, leather and footwear: The sector is undergoing positive structural change within the region through the development of fast fashion opportunities with national retailers. The sector is also a key driver of employment within the economy.
- Vehicles and automotive components: South Africa's largest automotive manufacturer is located in the region, with an established supplier base. Automotive manufacturing is a key driver of employment within the region, with significant economic multipliers through the value chain, in respect of logistics and services.

- **Chemicals:** The chemicals sector is heavily concentrated in the province, and is reliant on the logistics infrastructure that the province offers in respect of access to the port and road infrastructure.
- **Food processing and beverages:** Manufacturing in this sector is one of the largest employers locally, and there is opportunity for encouraging supply expansion into Africa. Development of the food processing and beverages sector suggests opportunities to create significant economic multipliers in the region.
- **Electronics:** Recent major investments in the province may encourage further inflows of foreign direct investment, which in turn would create opportunities for the development of the supply base through the achievement of scale economies.

Currently logistics and warehousing operators appear to favour the western corridor (on the N3 route between Durban and Gauteng) to opportunities to the north of Durban. A priority objective is to accelerate the processes towards shovel ready for land at Ntshongweni that is the best located land on the western corridor for this use. To the north of Durban, key activities are to enhance competitiveness through enhanced infrastructure, high quality well-located housing to underpin workforce competitiveness and collaboration with state entities on effectiveness of air, road and rail accessibility. Consolidation of the sector is driving demand for larger parcels of land. Tongaat Hulett is well-placed to accommodate this requirement, particularly at Compensation.

This type of land, particularly where located in proximity to residential and urban areas, also accommodates large destination and “big box” retail facilities and showrooms. This remains an area for further growth, including the introduction of international operators increasing their footprint in Africa and the provision of retail facilities serving a broader African market with air and highway accessibility. Similar locations are potentially attractive for the self-storage sector, which is a niched real estate use showing interesting prospects for expansion in South Africa.



UNIQUE CLUSTERS OF OPPORTUNITY

The size and location of Tongaat Hulett’s land assets allow for experimentation with certain niched uses and for clustering of complementary uses at scale. The most obvious of these is the various clusters of uses associated with the so-called “Aerotropolis” or “airport city”, combined with the good access to road, rail and port activity. Collaboration with Dube TradePort, the municipalities and other regional development agencies is continuing to develop this opportunity.

The clustering of high-tech uses, incubators, innovation and technology parks, opportunities such as a large-scale multi-campus tertiary educational facilities serving national, regional and international markets and research and development facilities are being considered and have potential to attract new end users and complement other, more traditional land uses.



**DEMAND DRIVERS
ICON OVERVIEW**

-  HIGH-INTENSITY URBAN MIXED USE
-  HOUSING MARKETS
-  HIGH-END MARKETS
-  RESIDENTIAL SERVICES
-  OFFICE MARKET
-  WAREHOUSING, LOGISTICS, INDUSTRIAL, BUSINESS PARK, MANUFACTURING AND BIG BOX RETAIL
-  UNIQUE CLUSTERS OF OPPORTUNITY



POSSIBLE 5-YEAR SALES OUTCOMES

Consideration of varying levels of success in moving land towards shovel ready, with the necessary metropolitan and regional scale infrastructure, in conjunction with growing and taking advantage of the potential demand drivers described above, including sales of larger portions of land where the buyer will take a number of years to fully develop that land, leads to the following possible sales outcomes.

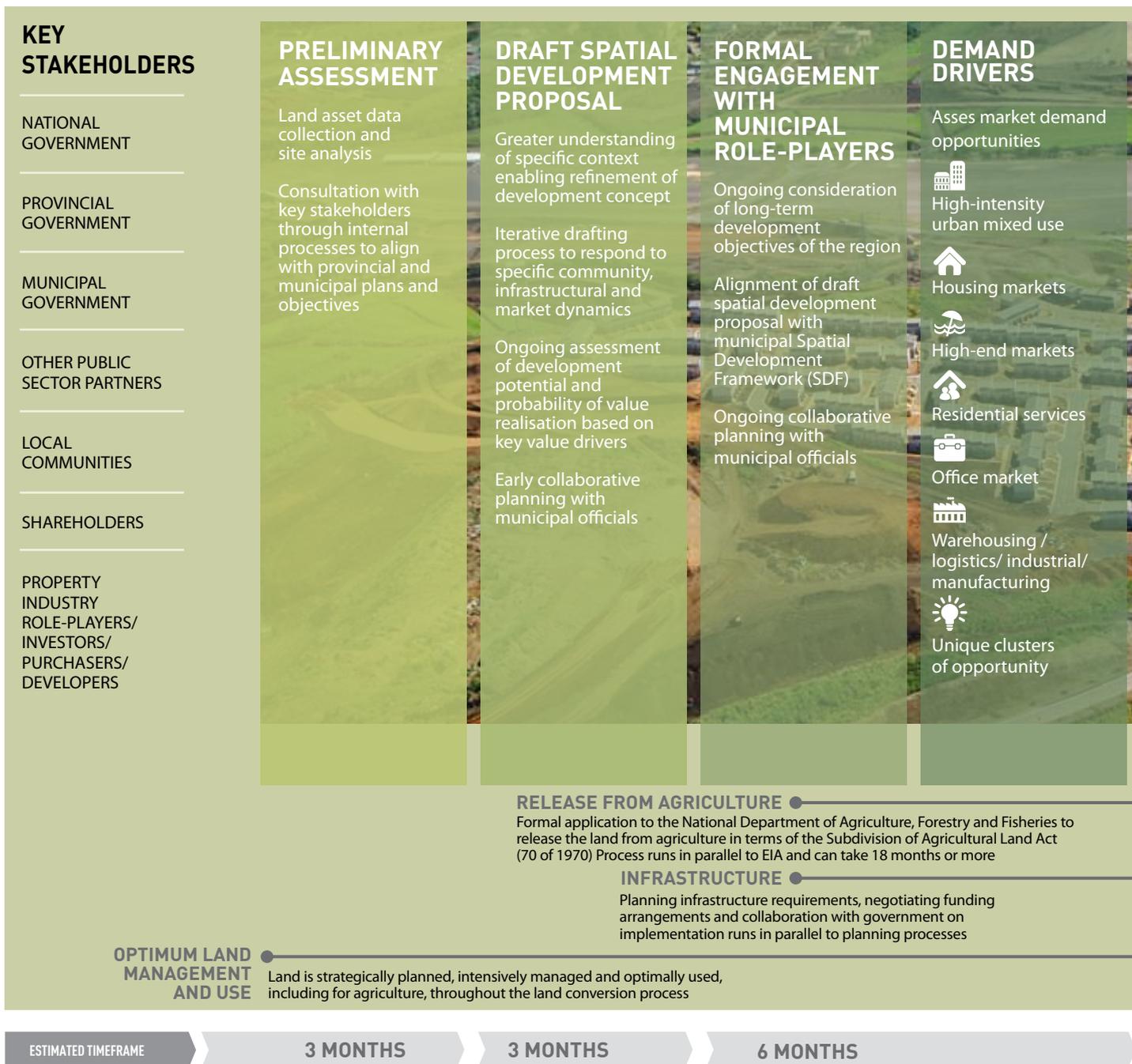
DEMAND DRIVER		RANGE OF DEVELOPABLE HECTARES		RANGE OF PROFIT PER DEVELOPABLE HECTARE	
		from	to	from	to
	High-intensity urban mixed use	80	135	22,0	39,0
	Mid-market housing	125	175	3,5	7,5
	Affordable housing	50	150	2,5	3,8
	Government-subsidised housing	200	722	2,0	2,4
	High-end city hotels and residences	6	16	12,0	25,0
	Coastal Resorts catering to domestic, charter and incentive markets	10	50	3,5	5,0
	High-end residential developments	20	50	6,0	9,0
	Residential services	15	66	3,8	6,0
	Office market	8	50	6,0	15,4
	Warehousing, logistics, industrial, business park, manufacturing and big box retail	120	350	5,0	9,5
	Unique clusters of opportunity	4	100	4,0	7,5

LAND CONVERSION AND DEVELOPMENT MODEL

Tongaat Hulett’s approach to land conversion and development is informed by the company’s broad strategic objective of value creation for all stakeholders through an all-inclusive approach to growth and development. Converting agricultural land for urban development is a complex process requiring the support of a diverse range of stakeholders and includes the continued investment into rural livelihoods through agricultural and rural development.

STEPS TO COMMENCEMENT OF CONSTRUCTION OF BUILDINGS AND INFRASTRUCTURE

The following schematic provides an overview of the broad processes, including generic timing, which have to take place before land is ready for development. This is illustrative only and the process varies depending on the context of each unique land asset.





ENVIRONMENTAL IMPACT ASSESSMENT (EIA)

Formal statutory process required for any greenfield development administered by the Provincial Department of Economic Development, Tourism and Environmental Affairs

Extensive consultative process which can take about two years or longer depending on the circumstances

FORMAL SUBMISSION OF PLANNING AND DEVELOPMENT (PDA) APPLICATION

Engagements based on responses from stakeholders through the EIA process, including surrounding communities and public sector role-players

Receipt of formal municipal comments on development proposal details, including land use, development controls, rezoning and subdivision

Finalisation of detailed zoning and layout plans and submission in terms of PDA

SHOVEL READY

Alignment with relevant planning frameworks and legislation achieved

Release from Agriculture achieved

EIA and PDA sufficiently far advanced with support from key stakeholders

Clear programme for sales process and development activation based on key value drivers

FINAL APPROVAL AND COMMENCEMENT OF CONSTRUCTION OF BUILDINGS AND INFRASTRUCTURE

Approval in terms of PDA

The land can be formally transferred to a purchaser to commence development

OUTCOMES

ENHANCING RURAL LIVELIHOODS THROUGH INVESTMENT INTO AGRICULTURAL DEVELOPMENT

JOB CREATION

GREEN SPACE

RESIDENTIAL AND HOUSING

COMMERCIAL AND INDUSTRIAL DEVELOPMENT

BULK INFRASTRUCTURE

SUSTAINABLE VALUE CREATION

TOTAL

8 026 ha

50% OF TOTAL LAND ASSETS CURRENTLY IN THESE STAGES OF THE PROCESS

3 141 developable hectares have Act 70 of 1970 approval which represents 39% of the Land Portfolio

886 developable hectares subject to gazetted land claims, all of which were owned by Tongaat Hulett prior to 1913

24 MONTHS

8 MONTHS

1 MONTH

3 MONTHS

4 YEARS

As reported at 31 March 2015 - Land from which sales were expected to come within 5 years

AREA		Developable hectares	
DURBAN TO BALLITO	URBAN GROWTH AND CONSOLIDATION - UMHLANGA REGION	1 014	3 050 developable hectares from a total of 4 491
	Ridgeside Remaining Precinct 1 and 2	42	
	Ridgeside Precinct 4	20	
	Umhlanga Ridge Town Centre	8	
	Izinga / Kindlewood	111	
	Umhlanga Ridge Westerly Expansion - New Town Phase 1 (Retail)	0	
	Umhlanga Ridge Extension - Cornubia New Town Phase 2	202	
	<i>Umhlanga Ridge Town Centre Western Expansion</i>	49	
	<i>N2 Business Park</i>	2	
	<i>Umhlanga Hills</i>	43	
	<i>Marshall Dam Residential</i>	12	
	<i>Marshall Dam Town Centre</i>	39	
	<i>Consolidating Urban</i>	43	
	<i>Integrated Residential</i>	14	
	Cornubia Industrial	7	
	Cornubia North	624	
	<i>Integrated Residential</i>	200	
	<i>Medium Density Residential</i>	100	
	<i>Consolidating Urban</i>	85	
	<i>N2 Business Park</i>	69	
	<i>Industrial</i>	170	
	COASTAL / LIFESTYLE / LEISURE / HIGH-END RESIDENTIAL	276	
	Zimbali Lakes	48	
Sibaya Node 1	49		
Sibaya Node 5	76		
Sibaya Node 4	103		
AIRPORT REGION BUSINESS AND RESIDENTIAL	1 725		
uShukela Drive - Airport Linked Industrial, Retail and Logistics	49		
Amanzimnyama - Office / Business / Industrial and Logistics Park	345		
Compensation (East) - Industrial and Manufacturing	73		
Compensation Western Expansion - Industrial and Manufacturing	152		
iNyanninga East - Industrial / Logistics / Manufacturing	550		
iNyanninga West, Lindokuhle, Aberfoyle, Dudley Pringle - Residential and Urban Expansion of oThongathi (Tongaath)	556		
REMAINING SITES ON NEARLY COMPLETED DEVELOPMENTS	35		
WEST OF DURBAN	URBAN EXPANSION WEST OF DURBAN	481	481 developable hectares from a total of 1 100
	Ntshongweni - Residential Infill / Consolidation	57	
	Ntshongweni - Retail and Urban Core	78	
	Ntshongweni - Logistics and Business Park	161	
	Ntshongweni - Integrated Residential	185	
COASTAL NORTH OF BALLITO	COASTAL NORTH OF BALLITO	270	270 developable hectares from a total of 2 500
	Tinley Manor South Banks – Resort	270	
GRAND TOTAL		3 801	3 801 developable hectares from a total of 8 091

From 1 April 2015 to 30 September 2015 - Land sale and portfolio activity

AREA		H1 (to 30 September 2015)		
		Reassessment ¹ (hectares)	Sold (hectares)	Profit per dev ha (R million)
DURBAN TO BALLITO	URBAN GROWTH AND CONSOLIDATION - UMHLANGA REGION			
	Ridgeside Remaining Precinct 1 and 2 ¹	-42		
	Ridgeside Remaining Precinct 1	11		
	Ridgeside Remaining Precinct 2	31		
	Ridgeside Precinct 4			
	Umhlanga Ridge Town Centre ¹	-8		
	Umhlanga Ridge Town Centre - Commercial	1		
	Umhlanga Ridge Town Centre - Residential	7	3	39.0
	Izinga / Kindlewood ¹	-111		
	Izinga	83	4	5.7
	Kindlewood	28	16	4.0
	Umhlanga Ridge Extension - Cornubia New Town Phase 2			
	<i>Umhlanga Ridge Town Centre Western Expansion</i>		24	7.5
	<i>N2 Business Park</i>			
	<i>Umhlanga Hills</i>			
	<i>Marshall Dam Residential</i>			
	<i>Marshall Dam Town Centre</i>			
	<i>Consolidating Urban</i>			
	<i>Integrated Residential</i>			
	Cornubia Industrial		1	6.4
	Cornubia North			
	<i>Integrated Residential</i>			
	<i>Medium Density Residential</i>			
	<i>Consolidating Urban</i>			
	<i>N2 Business Park</i>			
	<i>Industrial</i>			
	COASTAL / LIFESTYLE / LEISURE / HIGH-END RESIDENTIAL			
	Zimbali Lakes			
	Sibaya Node 1		16	11.3
	Sibaya Node 5			
	Sibaya Node 4			
	AIRPORT REGION BUSINESS AND RESIDENTIAL			
uShukela Drive - Airport Linked Industrial, Retail and Logistics				
Amanzimnyama - Office / Business / Industrial and Logistics Park				
Compensation (East) - Industrial and Manufacturing				
Compensation Western Expansion - Industrial and Manufacturing				
iNyanninga East - Industrial / Logistics / Manufacturing				
iNyanninga West, Lindokuhle, Aberfoyle, Dudley Pringle - Residential and Urban Expansion of oThongathi (Tongaath)				
REMAINING SITES ON NEARLY COMPLETED DEVELOPMENTS²		1	8.0	
WEST OF DURBAN	URBAN EXPANSION WEST OF DURBAN			
	Ntshongweni - Residential Infill / Consolidation			
	Ntshongweni - Retail and Urban Core			
	Ntshongweni - Logistics and Business Park			
Ntshongweni - Integrated Residential				
COASTAL NORTH OF BALLITO	COASTAL NORTH OF BALLITO			
	Tinley Manor South Banks – Resort			
GRAND TOTAL		0	65	8.9

¹ Finer-grained detail given for Ridgeside, Umhlanga Ridge Town Centre and Izinga / Kindlewood

² Sale of land in Bridge City

At 30 September 2015 - Land from which sales are expected to come within 5 years

AREA		Page ref	Dev hectares	
DURBAN TO BALLITO	URBAN GROWTH AND CONSOLIDATION - UMHLANGA REGION		966	2 985 developable hectares from a total of 4 426
	Ridgeside Remaining Precinct 1	21	11	
	Ridgeside Precinct 2	22	31	
	Ridgeside Precinct 4	42	20	
	Umhlanga Ridge Town Centre - Commercial	23	1	
	Umhlanga Ridge Town Centre - Residential	24	4	
	Izinga	25 & 42	79	
	Kindlewood	26	12	
	Umhlanga Ridge Extension - Cornubia New Town Phase 2		178	
	Umhlanga Ridge Town Centre Western Expansion	27	25	
	N2 Business Park	28	2	
	Umhlanga Hills	29	43	
	Marshall Dam Residential	30	12	
	Marshall Dam Town Centre	43	39	
	Consolidating Urban	43	43	
	Integrated Residential	31	14	
	Cornubia Industrial	32	6	
	Cornubia North		624	
	Integrated Residential	33	200	
	Medium Density Residential	43	100	
	Consolidating Urban	43	85	
	N2 Business Park	43	69	
	Industrial	43	170	
	COASTAL / LIFESTYLE / LEISURE / HIGH-END RESIDENTIAL		260	
	Zimbali Lakes	34	48	
	Sibaya Node 1	35	33	
	Sibaya Node 5	36	76	
	Sibaya Node 4	44	103	
AIRPORT REGION BUSINESS AND RESIDENTIAL		1 725		
uShukela Drive - Airport Linked Industrial, Retail and Logistics	37	49		
Amanzimnyama - Office / Business / Industrial and Logistics Park	44	345		
Compensation (East) - Industrial and Manufacturing	38	73		
Compensation Western Expansion - Industrial and Manufacturing	45	152		
iNyanninga East - Industrial / Logistics / Manufacturing	45	550		
iNyanninga West, Lindokuhle, Aberfoyle, Dudley Pringle - Residential and Urban Expansion of oThongathi (Tongaath)	46	556		
REMAINING SITES ON NEARLY COMPLETED DEVELOPMENTS	39, 40 & 46	34		
WEST OF DURBAN	URBAN EXPANSION WEST OF DURBAN		481	481 developable hectares from a total of 1 100
	Ntshongweni - Residential Infill / Consolidation	47	57	
	Ntshongweni - Retail and Urban Core	47	78	
	Ntshongweni - Logistics and Business Park	48	161	
	Ntshongweni - Integrated Residential	48	185	
COASTAL NORTH OF BALLITO	COASTAL NORTH OF BALLITO		270	270 developable hectares from a total of 2 500
	Tinley Manor South Banks – Resort	49	270	
GRAND TOTAL			3 736	3 736 developable hectares from a total of 8 026

Areas where commercial negotiations have commenced or are likely to commence over the next 24 months

At 30 September 2015 - Land where sales are anticipated to commence beyond 5 years

AREA		Dev hectares	
DURBAN TO BALLITO	URBAN GROWTH AND CONSOLIDATION - UMHLANGA REGION	0	1 441 developable hectares from a total of 4 426
	COASTAL / LIFESTYLE / LEISURE / HIGH END RESIDENTIAL	547	
	Sibaya Coastal growth and consolidation	336	
	Ballito / Zimbali Expansion into eThekweni	211	
	AIRPORT REGION BUSINESS AND RESIDENTIAL	894	
	Durban to Airport Expansion and Consolidation	279	
	Consolidation of region to east of Airport	615	
	REMAINING SITES ON NEARLY COMPLETED DEVELOPMENTS	0	
WEST OF DURBAN	URBAN EXPANSION WEST OF DURBAN	619	619 developable hectares from a total of 1 100
	Consolidation of Urban Core	82	
	Lifestyle Residential	429	
	Integrated residential expansion and recreational precinct	108	
COASTAL NORTH OF BALLITO	COASTAL NORTH OF BALLITO	2 230	2 230 developable hectares from a total of 2 500
	Northern Expansion of Tinley Manor	388	
	Coastal Consolidation of Far North	1 794	
	Northern residential expansion of Compensation area	48	
GRAND TOTAL		4 290	4 290 developable hectares from a total of 8 026







LAND CONVERSION PORTFOLIO

Areas where commercial negotiations have commenced or are likely to commence over the next 24 months

At 30 September 2015 - Areas where commercial negotiations have commenced or are likely to commence over the next 24 months

AREA		Page ref	Dev hectares	Demand driver
DURBAN TO BALLITO	URBAN GROWTH AND CONSOLIDATION - UMHLANGA REGION		366	
	Ridgeside Remaining Precinct 1	21	11	
	Ridgeside Precinct 2	22	31	
	Umhlanga Ridge Town Centre - Commercial	23	1	
	Umhlanga Ridge Town Centre - Residential	24	4	
	Izinga	25	5	
	Kindlewood	26	12	
	Umhlanga Ridge Extension - Cornubia New Town Phase 2		96	
	<i>Umhlanga Ridge Town Centre Western Expansion</i>	27	25	
	<i>N2 Business Park</i>	28	2	
	<i>Umhlanga Hills</i>	29	43	
	<i>Marshall Dam Residential</i>	30	12	
	<i>Integrated Residential</i>	31	14	
	Cornubia Industrial	32	6	
	Cornubia North		200	
	<i>Integrated Residential</i>	33	200	
	COASTAL / LIFESTYLE / LEISURE / HIGH-END RESIDENTIAL		157	
	Zimbali Lakes	34	48	
	Sibaya Node 1	35	33	
	Sibaya Node 5	36	76	
	AIRPORT REGION BUSINESS AND RESIDENTIAL		122	
	uShukela Drive - Airport Linked Industrial, Retail and Logistics	37	49	
	Compensation (East) - Industrial and Manufacturing	38	73	
REMAINING SITES ON NEARLY COMPLETED DEVELOPMENTS		13		
<i>Bridge City</i>	39	9		
<i>Other nearly completed developments</i>	40	4		
GRAND TOTAL			658 developable hectares	

This table should be read together with the possible 5-year sales outcomes on page 11. When commercial negotiations commence in any particular area, they could be for either some or all of the hectares listed.

DEMAND DRIVERS ICON OVERVIEW



HIGH-INTENSITY URBAN MIXED USE



HOUSING MARKETS



HIGH-END MARKETS



RESIDENTIAL SERVICES



OFFICE MARKET



WAREHOUSING, LOGISTICS, INDUSTRIAL, BUSINESS PARK, MANUFACTURING AND BIG BOX RETAIL



UNIQUE CLUSTERS OF OPPORTUNITY

RIDGESIDE REMAINING PRECINCT 1

Durban to Ballito area
Umhlanga region | Ridgeside

11

DEVELOPABLE
HECTARES

MEDIAN PROFIT
PREMIUM VALUE
COMMERCIAL SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIAL SENSITIVE



OPPORTUNITY

- Prime location in highly sought-after region with scarcity of available sites
- Two-year comprehensive process has led to significant interest for multiple uses

LAND USE



- High-intensity urban mixed use
- High-end residential
- High-end city hotels and residences
- Premium-grade corporate offices and high-end retail

MAP



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS

■ FEATURED LAND ASSET
★ SALES ACHIEVED IN FULL YEAR REPORTING PERIOD

Good progress has been made, after a 2-year comprehensive process, in understanding how to unlock optimal value from this prime land and the adjacent precinct 2 of Umhlanga Ridgeside. A single sale of both precincts together, with the current commercial and residential mix, is not likely to be the optimum route and a multiple sales approach will now be embarked upon, benefitting from the significant interest created to date.

PROJECT STATUS

Release from Agriculture	✓	
Shovel ready	✓	An application is being considered to modify the mix of uses to optimise value
Infrastructure considerations		No constraints anticipated



RIDGESIDE PRECINCT 2

Durban to Ballito area
Umhlanga region | Ridgeside

31

DEVELOPABLE
HECTARES

MEDIAN PROFIT
PREMIUM VALUE
COMMERCIALLY SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIALLY SENSITIVE



OPPORTUNITY

- Prime location in highly sought-after region with scarcity of available sites
- High-end residential in prime address with all amenities

LAND USE



- High-end residential
- Hotels, hospitality and other tourism
- Limited office and retail uses

Good progress has been made, after a 2-year comprehensive process, in understanding how to unlock optimal value from this prime land and the remaining portion of the adjacent precinct 1 of Umhlanga Ridgeside. A single sale of both precincts together, with the current commercial and residential mix, is not likely to be the optimum route and a multiple sales approach will now be embarked upon, benefitting from the significant interest created to date

MAP



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS

■ FEATURED LAND ASSET
★ SALES ACHIEVED IN FULL YEAR REPORTING PERIOD

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	✓ An application is being considered to modify the mix of uses to optimise value
Infrastructure considerations	No constraints anticipated

UMHLANGA RIDGE TOWN CENTRE - COMMERCIAL

Durban to Ballito area
Umhlanga region |
Umhlanga Ridge Town Centre

<1

DEVELOPABLE
HECTARE

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

MEDIAN PROFIT
PER HECTARE
>R30 MILLION



OPPORTUNITY

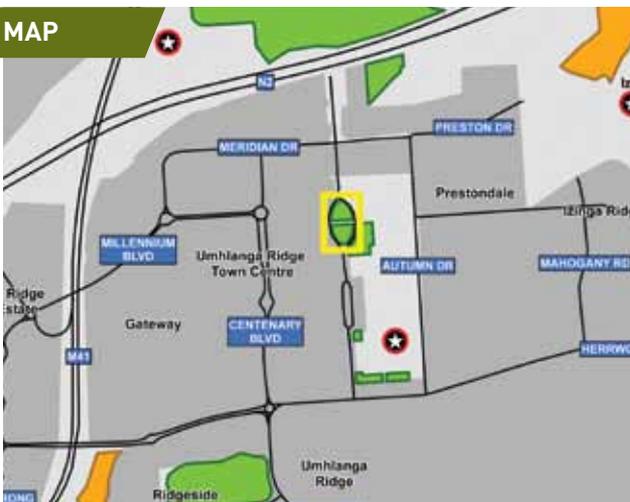
- Prime location. Last sites in highly sought-after region
- Location directly on GO!Durban route and future bus station

LAND USE



- High-intensity urban mixed use
- Prime mid-market to high-end residential
- Prime site for a city hotel, with residences
- Premium-grade corporate offices

MAP



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS

■ FEATURED LAND ASSET
● SALES ACHIEVED IN FULL YEAR REPORTING PERIOD

These sites form part of the Umhlanga Ridge Town Centre. The sites are being intensively marketed to developers and end users. A number of enquiries are being pursued.

Umhlanga Ridge Town Centre has achieved a critical mass where further densification over time is likely and desirable. Tongaat Hulett has completed a first valuation of this potential and is commencing processes to optimise the value created.

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	✓
Infrastructure considerations	No constraints anticipated Installation of the GO!Durban bus station will further enhance attractiveness of the sites



UMHLANGA RIDGE TOWN CENTRE - Residential

Durban to Ballito area | Umhlanga region
Umhlanga Ridge Town Centre

4

DEVELOPABLE
HECTARES

MEDIAN PROFIT
>R100 MILLION

MEDIAN PROFIT
PER HECTARE
>R25 MILLION



OPPORTUNITY

- Affordable and mid-market medium to high-density residential in developing town centre
- Limited available opportunities and increasing scarcity

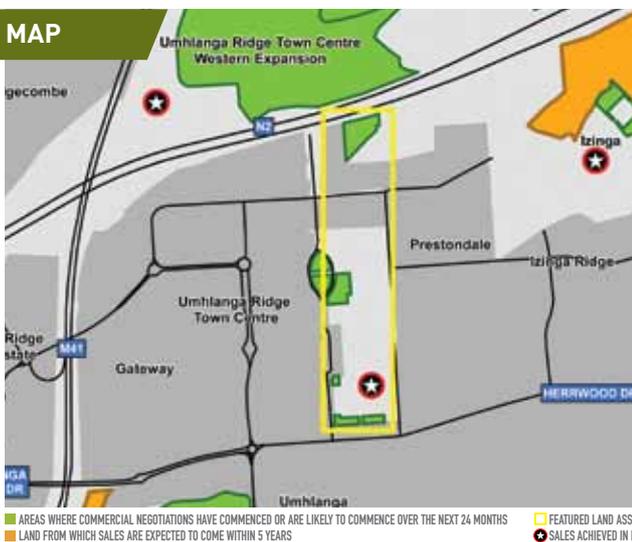
LAND USE



- Residential precinct in high-intensity mixed use area
- Prime mid-market residential

The limited development opportunities in Umhlanga is driving demand for remaining sites. Sites are being actively taken to market to allow developers to assemble development schemes to capitalise on the surrounding town centre development, the public transportation systems and increasing scarcity of affordable and mid-market housing.

MAP



PROJECT STATUS

Release from
Agriculture



Shovel
ready



Majority of developable bulk sold – additional residential units being applied for

Infrastructure
considerations

No constraints anticipated

Installation of the GO!Durban public transportation system will further enhance the value and attractiveness of this development

IZINGA - CURRENT PHASES

Durban to Ballito area
Umhlanga region | Izinga

5

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R27.5 MILLION

MEDIAN PROFIT
PER HECTARE
R5.5 MILLION



OPPORTUNITY

- Increasingly scarce high-quality residential living close to all amenities

LAND USE



- High-end residential
- Medium density, well located with substantial amenities

All single residential sites in Izinga have been sold out. The remaining sites in current phases of Izinga represent the last sectional title development opportunities in a high-value established area. The sites are being marketed to achieve premium values.

MAP



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS
■ LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND 5 YEARS
 FEATURED LAND ASSET
★ SALES ACHIEVED IN FULL YEAR REPORTING PERIOD

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	✓
Infrastructure considerations	No constraints anticipated Major infrastructure and amenities completed



KINDLEWOOD

Durban to Ballito area
Umhlanga region | Kindlewood

12

DEVELOPABLE
HECTARES

MEDIAN PROFIT
>R48 MILLION

MEDIAN PROFIT
PER HECTARE
>R4 MILLION



OPPORTUNITY

- Increasingly scarce high-quality residential living close to all amenities

This development is approaching completion, creating scarcity and allowing for premium pricing. A recent sale for retirement purposes have positioned as attractive for this use, allowing further densification.

LAND USE



- High-end residential
- Low to medium density, well located with substantial amenities

MAP



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS
■ FEATURED LAND ASSET
★ SALES ACHIEVED IN FULL YEAR REPORTING PERIOD

PROJECT STATUS

Release from
Agriculture



Shovel
ready



Infrastructure
considerations

No constraints anticipated

Additional residential units being applied for to allow densification and further retirement uses

UMHLANGA RIDGE TOWN CENTRE WESTERN EXPANSION - CORNUBIA NEW TOWN

Durban to Ballito area
Umhlanga region | Cornubia New Town

25

DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

MEDIAN PROFIT
PER HECTARE
PROFITABILITY TO BE IN RANGE
EXPECTED FROM HIGH-INTENSITY
URBAN MIXED USE



OPPORTUNITY

- Strategically located at N2/Gateway Interchange
- Primary access off Cornubia Boulevard
- Commencement of construction of Cornubia retail park, together with the recent sale of some 78 000m² mixed commercial bulk will act as a catalyst to development

LAND USE



- High-intensity urban mixed use
- Prime mid-market housing
- Premium and A-grade offices and Business Process Outsourcing (BPO) facilities
- Opportunity for city hotels
- High-intensity transit oriented development based on road and public transport accessibility

MAP



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
 ■ FEATURED LAND ASSET
 ★ SALES ACHIEVED IN FULL YEAR REPORTING PERIOD

Marketing will commence soon to position the opportunity with end users, developers and investors. A flexible approach is being adopted that will cater for sales of individual sites, various sub-precincts or the entire land asset.

PROJECT STATUS

Release from
Agriculture



Shovel
ready



Infrastructure
considerations

Construction of new interchange on M41 has commenced, together with bridge and partial interchange off N2 to link with Umhlanga Ridge Town Centre as part the GO!Durban route.



N2 BUSINESS PARK

Durban to Ballito area
Umhlanga region | Cornubia New Town

2

DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

MEDIAN PROFIT PER HECTARE
COMMERCIALLY SENSITIVE

MEDIAN PROFIT ON
ADDITIONAL BULK

Potentially R160 million for
no further hectares sold



OPPORTUNITY

- Most of this precinct has been sold to a developer who is actively developing concepts and sourcing end users
- Collaboration with the buyer offers opportunities for further value creation

LAND USE



- Warehousing, logistics, industrial, business park, manufacturing and big box retail
- Wide range of office uses

The commercial approach to this land asset is twofold. The remaining site in the precinct is unique in this location and is positioned for revenue maximisation - several enquiries have been received. The zoning permissions and infrastructure allow for increased intensity of use on the area already sold. Tongaat Hulett is collaborating with the buyer to accelerate the take-up of the additional potential.

MAP



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS

■ FEATURED LAND ASSET
● SALES ACHIEVED IN FULL YEAR REPORTING PERIOD

PROJECT STATUS

Release from
Agriculture ✓

Shovel
ready ✓

Infrastructure
considerations

No constraints anticipated

Construction of new interchange on M41 has commenced, together with bridge and partial interchange off N2 to link with Umhlanga Ridge New Town Centre

UMHLANGA HILLS

Durban to Ballito area
Umhlanga region | Cornubia New Town

43

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R280 MILLION

MEDIAN PROFIT
PER HECTARE
R6,5 MILLION



OPPORTUNITY

- High-quality, affordable, well-located residential, with high amenity
- Accessibility improving with new roads and interchanges currently being constructed

LAND USE



- Affordable to mid-market, medium to high-density residential, with associated residential services
- Transit-oriented development possibilities

MAP



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS
■ LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND 5 YEARS

■ FEATURED LAND ASSET
★ SALES ACHIEVED IN FULL YEAR REPORTING PERIOD
■ SALES BEFORE SHOVEL READY

Options are being evaluated to sell as five separate precincts, one development or a series of developments.

Several potential developers have been shown the opportunity.

Negotiations are progressing to secure a high-quality educational facility as an early driver of value in the precinct.

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	EIA approved Detailed planning well advanced
Infrastructure considerations	Construction of new interchange on M41 has commenced, together with bridge and partial interchange off N2 to link with Umhlanga Ridge New Town Centre as part of the GO!Durban public transport route



MARSHALL DAM RESIDENTIAL

Durban to Ballito area
Umhlanga region | Cornubia New Town

12

DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALY SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIALY SENSITIVE



OPPORTUNITY

- High-quality, affordable, well-located residential, with high amenity

LAND USE



- Affordable to mid-market, medium to high-density residential
- Unique opportunity based on amenity value associated with the unique location adjacent to the Marshall Dam and Commonwealth Games potential

This site was included in Durban's successful bid as the location for an athletes' village. The opportunity has also attracted considerable interest for well located, high amenity affordable to mid-market residential. Commercial processes in this regard are being held back until final resolution of Commonwealth Games requirements, expected by January 2016.

MAP



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS
■ LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND 5 YEARS
■ FEATURED LAND ASSET
● SALES ACHIEVED IN FULL YEAR REPORTING PERIOD
■ SALES BEFORE SHOVEL READY

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	✓
Infrastructure considerations	No constraints anticipated Value of the land will be enhanced by improved road linkage to the GO!Durban route and major road network

INTEGRATED RESIDENTIAL (CORNUBIA NEW TOWN)

Durban to Ballito area
Umhlanga region | Cornubia New Town

14

DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIALLY SENSITIVE



OPPORTUNITY

- High-quality, affordable, well-located residential, with high amenity
- Adjacent to high-end residential suburb (Izinga) and N2 Business estate expected to see development commence in 12 to 18 months

LAND USE



- Affordable to mid-market, medium to high-density residential, with associated residential services

Engagement has commenced with large portfolio investors and developers for potential housing development to accommodate demand arising from growing employment in the area, including rental and home ownership options. A flexible approach is being adopted to cater for sales of various sub-precincts or the entire land asset.

MAP



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
 ■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS
 ■ LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND 5 YEARS
 ■ FEATURED LAND ASSET
 ★ SALES ACHIEVED IN FULL YEAR REPORTING PERIOD

PROJECT STATUS

Release from
Agriculture



Shovel
ready

EIA approved
Detailed planning well advanced

Infrastructure
considerations

No constraints anticipated



CORNUBIA INDUSTRIAL

Durban to Ballito area
Umhlanga region | Cornubia Industrial

6

DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIALLY SENSITIVE
AT THE HIGHER END OF THE
RANGE INDICATED FOR THIS
LAND USE

OPPORTUNITY

- Last available site in established, growing business estate

LAND USE



- Warehousing, logistics, industrial, business park and manufacturing



Remaining hectares consist primarily of a single, large site. The site is being marketed based on the increasing attractiveness of the location as the remainder of the estate continues to be built.

MAP



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS
■ LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND 5 YEARS
■ FEATURED LAND ASSET
● SALES ACHIEVED IN FULL YEAR REPORTING PERIOD
■ SALES BEFORE SHOVEL READY

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	✓
Infrastructure considerations	No constraints anticipated

INTEGRATED RESIDENTIAL (CORNUBIA NORTH)

Durban to Ballito area
Umhlanga region | Cornubia North

200

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R440 MILLION

MEDIAN PROFIT
PER HECTARE
R2,2 MILLION



OPPORTUNITY

- Substantial backlog of high-quality, government-subsidised, affordable, well-located residential, with associated residential services

LAND USE



- Government-subsidised, affordable, medium to high-density residential, with associated residential services

The success of the Cornubia development and the commencement of development at Sibaya signal the accelerated demand for land between Umhlanga and the airport. Cornubia North is a logical expansion of Cornubia and could accommodate in excess of 20 000 well located, government subsidised and affordable homes. An early sale to a government-related entity is being sought, that will enable value to be created for all stakeholders.

MAP



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
 ■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS
 ■ LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND 5 YEARS
 ■ FEATURED LAND ASSET
 ⊙ SALES ACHIEVED IN FULL YEAR REPORTING PERIOD
 ⊙ SALES BEFORE SHOVEL READY

PROJECT STATUS

Release from Agriculture	Pending approval
Shovel ready	Framework plan under review with municipality EIA underway
Infrastructure considerations	No constraints anticipated Installation of major road, interchange and GO!Durban public transport facilities will enhance the future value of the site



ZIMBALI LAKES

Durban to Ballito area
Coastal region | Zimbali

48

DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIALLY SENSITIVE



OPPORTUNITY

- High-end lifestyle market incorporating quality residential, resort and retirement in prime location

LAND USE



- Coastal property, high-end and mid-market residential, hotel, resort and retirement

A joint venture development between Tongaat Hulett and IFA Hotels and Resorts. The commercial strategy seeks to unlock value from the complementary makeup of the joint venture partners. Sales approaches are currently being reviewed in line with enhancements to concept and mix.

MAP



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
 ■ LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND 5 YEARS
 ■ SALES ACHIEVED IN FULL YEAR REPORTING PERIOD

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	✓ Amendments to concept and mix are in progress
Infrastructure considerations	No constraints anticipated

SIBAYA - NODE 1

Durban to Ballito area
Coastal region | Sibaya

33

DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIALLY SENSITIVE



OPPORTUNITY

- Prime coastal location in sought-after region within close proximity to Umhlanga and the King Shaka International Airport

LAND USE



- High-end residential
- High-end city hotels and residences
- Resort
- High-intensity urban mixed use

Responding to a high level of local market interest, initial packages within Node 1 were put to the market with 16 hectares being taken up for high end residential. These sales are catalytic to this landholding, with construction activity to commence early in 2016.

Further sales of complementary uses are being pursued following consolidation around these early catalyst sales.

The international marketing campaign for Sibaya continues to be executed, with emphasis on Node 5.

MAP



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS
■ LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND 5 YEARS
 FEATURED LAND ASSET
● SALES ACHIEVED IN FULL YEAR REPORTING PERIOD
■ SALES BEFORE SHOVEL READY

PROJECT STATUS

Release from
Agriculture



Shovel
ready



Infrastructure
considerations

No constraints anticipated



SIBAYA - NODE 5

Durban to Ballito area
Coastal region | Sibaya

76

DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIALLY SENSITIVE



OPPORTUNITY

- Prime coastal location in sought after region within close proximity to King Shaka International Airport, eMdloti and uMhlanga.

Sales for high-end residential have been concluded in Node 1. These trigger a new high-end market near eMdloti and the commencement of infrastructure and building work. Node 5 is now well positioned to build on this momentum. An international marketing campaign is commencing, targeting sales to investors and developers who have previously expressed interest. The approach allows for sale of the entire node or combinations of a number of unique sub-precincts.

LAND USE



- High-end residential, high-end city hotels and residences, resort
- Unique cluster of opportunity

MAP



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS
■ LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND 5 YEARS
■ FEATURED LAND ASSET
● SALES ACHIEVED IN FULL YEAR REPORTING PERIOD
■ SALES BEFORE SHOVEL READY

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	✓
Infrastructure considerations	No constraints anticipated

USHUKELA DRIVE Airport linked industrial, retail and logistics

Durban to Ballito area
Airport region | Ushukela Drive

49

DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIALLY SENSITIVE



OPPORTUNITY

- Prime location in sought-after airport region with scarcity of appropriately zoned sites
- Improving air connectivity and highway exposure

LAND USE



- Warehousing, logistics, industrial, business park, manufacturing
- Destination warehouse retailing
- Unique cluster of opportunity related to airport linkage

Marketing has commenced and this opportunity is being introduced to investors, large-scale developers and selected end-users. A flexible approach will be adopted that will cater for sales of individual sites, various sub-precincts or the entire land asset. The sales strategy will leverage off the unique location of the site relative to the King Shaka International Airport and national and provincial road exposure.

MAP



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
 ■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS
 ■ LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND 5 YEARS
 ■ FEATURED LAND ASSET
 * SALES ACHIEVED IN FULL YEAR REPORTING PERIOD

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	EIA in advanced stage in collaboration with local municipality and Dube TradePort
Infrastructure considerations	No constraints anticipated



COMPENSATION EAST - Industrial and manufacturing

Durban to Ballito area
Airport region | Compensation

73

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R400 MILLION

MEDIAN PROFIT
PER HECTARE
R5.5 MILLION



OPPORTUNITY

- Increasingly scarce industrial land, well serviced by higher order roads and rail
- Large platforms of general industrial land that can accommodate manufacturing industries and large-scale logistics
- Potential for factories to be rail-served

LAND USE



- Warehousing, logistics, industrial, business park, manufacturing and warehouse retail

This land is unique in the portfolio in its suitability for large-scale manufacturing with potential to be rail-served. The commercial strategy is centred on positioning the opportunity optimally for a range of manufacturing demand drivers.

The adjacent property, Compensation West, offers similar opportunity and land use potential. Commercial processes commenced on this eastern portion could shift or expand into Compensation West, particularly if very large facilities are required. The combined landholdings offer a unique scale of manufacturing opportunity in the Durban region.

MAP



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS

□ FEATURED LAND ASSET
● SALES ACHIEVED IN FULL YEAR REPORTING PERIOD

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	EIA in advanced stage
Infrastructure considerations	No constraints anticipated

BRIDGE CITY

Durban to Ballito area
Remaining sites on nearly
completed developments

9

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R72 MILLION

MEDIAN PROFIT
PER HECTARE
R8.0 MILLION



OPPORTUNITY

- Unique location, located directly on three proposed GO!Durban routes and rail station

LAND USE



- High-intensity urban mixed use incorporating retail, offices, and housing
- Centrally located and accessible business park

A public private partnership (PPP) between the eThekweni Municipality and Tongaat Hulett.

Bridge City is experiencing increased interest from a broad range of developers. A sale comprising of 32 000m² of bulk has been concluded for the development of a private hospital.

The sales strategy leverages off the growing momentum created in the development, and the accessibility offered by the networked public transportation systems.

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	✓
Infrastructure considerations	No constraints anticipated Value of the land will be enhanced by improved road linkage to the GO!Durban route and major road network

MAP



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS

□ FEATURED LAND ASSET

★ SALES ACHIEVED IN FULL YEAR REPORTING PERIOD



OTHER NEARLY COMPLETED DEVELOPMENTS

Durban to Ballito area
Remaining Sites

4

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R16 MILLION

MEDIAN PROFIT
PER HECTARE
R4 MILLION



OPPORTUNITY

- Niche opportunity for small developers within existing development or acquisition opportunity for adjacent landholders

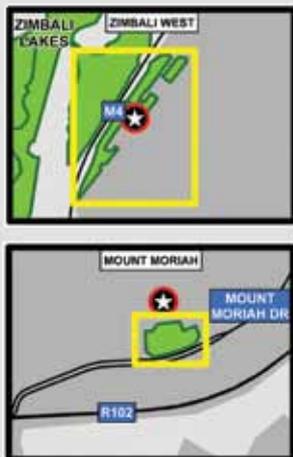
This is a diverse land asset with an array of value drivers. Bespoke commercial and marketing strategies are being employed to ensure optimal value creation.

LAND USE



- Warehousing, logistics, business park
- Wide range of office uses

MAP



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS

■ FEATURED LAND ASSET
★ SALES ACHIEVED IN FULL YEAR REPORTING PERIOD

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	✓
Infrastructure considerations	No constraints anticipated



LAND CONVERSION PORTFOLIO

Land from which sales are expected to come within 5 years

RIDGESIDE PRECINCT 4

Durban to Ballito area
Umhlanga region | **Ridgeside**

20

DEVELOPABLE
HECTARES

MEDIAN PROFIT
>R600 MILLION
(RANGE R500 - R800 MILLION)

**MEDIAN PROFIT
PER HECTARE**
>R30 MILLION
(RANGE R25 - R40 MILLION)

The sales and commercial strategy is to take the development proposal to market at the appropriate time to create optimal value from this unique and last remaining opportunity. Timing will be based on, *inter alia*, the progress and development of precincts 1 and 2.

OPPORTUNITY

- High-end, medium to high-density residential in prime location with increasing scarcity
- Other uses can be considered to optimise value

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	Land use under review Shovel ready projected for 2017
Infrastructure considerations	No constraints anticipated



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 FEATURED LAND ASSET
● SALES ACHIEVED IN FULL YEAR REPORTING PERIOD
 SALES BEFORE SHOVEL READY

IZINGA

- Future phases
Durban to Ballito area
Umhlanga region | **Izinga**

75

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R350 MILLION
(RANGE R315 - R600 MILLION)

**MEDIAN PROFIT
PER HECTARE**
R4,7 MILLION
(RANGE R4,2 - R8 MILLION)

The sales strategy, including timing and phasing of release to market, will be selected based on the achievement of enhanced development rights and assessment of market demand and supply. The inclusion of mixed uses and securing of an educational facility will be considered for their impact on value.

OPPORTUNITY

- Builds on established brand and location
- Further mid-market to high-end residential, with higher-density, additional facilities and mix of uses
- Increased interest from tertiary educational institutions is being experienced

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	✓ Revision and amendment of approved rights underway
Infrastructure considerations	No constraints anticipated



MARSHALL DAM TOWN CENTRE AND CONSOLIDATING URBAN

(Umhlanga Ridge Town Centre Western Expansion)
Durban to Ballito area
Umhlanga region | Cornubia New Town

82

DEVELOPABLE HECTARES

MEDIAN PROFIT
R965 MILLION
(RANGE R740 - R1 310 MILLION)

MEDIAN PROFIT PER HECTARE
R11,8 MILLION
(RANGE R9,0 - R16,0 MILLION)

The land asset will be marketed to take advantage of the adjacency to Marshall Dam and the location on the GO!Durban route.

OPPORTUNITY

- Strategically located on the GO!Durban route
- Envisaged nexus of a high-intensity urban mixed-use node comprising offices, retail, hotels and residential services

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	EIA approved, detailed planning to commence
Infrastructure considerations	No constraints anticipated Value of the land will be enhanced by improved road linkage to the GO! Durban route and major road network

CORNUBIA NORTH

Durban to Ballito area
Umhlanga region | Cornubia North

424

DEVELOPABLE HECTARES

MEDIAN PROFIT
R1 160 MILLION
(RANGE R1 100 - R2 970 MILLION)

MEDIAN PROFIT PER HECTARE
R5,2 MILLION
(RANGE R4,5 - R7,0 MILLION)

Cornubia North provides opportunity for further government-subsidised housing (see page 33). The adjacent uses are further affordable and mid-market housing, business park and industrial uses, together with further urban growth and consolidation along key transport routes.

OPPORTUNITY

- Build on the momentum of strategies established in Cornubia to accelerate development, while optimising density and usage to increase value
- A first phase could be accelerated around the existing N2 interchange at Sibaya

PROJECT STATUS

Release from Agriculture	Pending approval
Shovel ready	Framework plan under review with municipality EIA underway
Infrastructure considerations	High-level planning well advanced Engagements with service providers will progress in line with planning process



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS
■ LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND 5 YEARS

■ FEATURED LAND ASSET
● SALES ACHIEVED IN FULL YEAR REPORTING PERIOD
■ SALES BEFORE SHOVEL READY



WITHIN 5 YEARS

SIBAYA

- Node 4
Durban to Ballito area
Coastal region | Sibaya

103

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R502 MILLION
(RANGE R464 - R927 MILLION)

**MEDIAN PROFIT
PER HECTARE**
R4,9 MILLION
(RANGE R4,5 - R9,0 MILLION)

The timing, phasing and release of this development will be managed to ensure that the opportunity for value extraction is optimised. Consideration will be given to the progress on development of Nodes 1 and 5 and the take-up and demand of similar residential opportunities in Izinga. It is likely that a flexible approach will be adopted for the commercial strategy to ensure that a broader pool of investors/developers are catered for.

OPPORTUNITY

- Medium to high-density residential catering for mid-market to high end, together with opportunities for a new office precinct located midway between Umhlanga and the airport
- Residential amenities to serve the existing community, together with new development in Nodes 1 and 5

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	EIA underway
Infrastructure considerations	High-level planning well advanced Engagements with service providers will progress in line with planning process



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS
■ LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND 5 YEARS
■ FEATURED LAND ASSET
● SALES ACHIEVED IN FULL YEAR REPORTING PERIOD
■ SALES BEFORE SHOVEL READY

AMANZIMNYAMA

Office / Business / Industrial and logistics park
Durban to Ballito area
Airport region | Amanzimnyama

345

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R1 064 MILLION
(RANGE R1 035 - R2 760 MILLION)

**MEDIAN PROFIT
PER HECTARE**
R4,8 MILLION
(RANGE R4,5 - R8,0 MILLION)

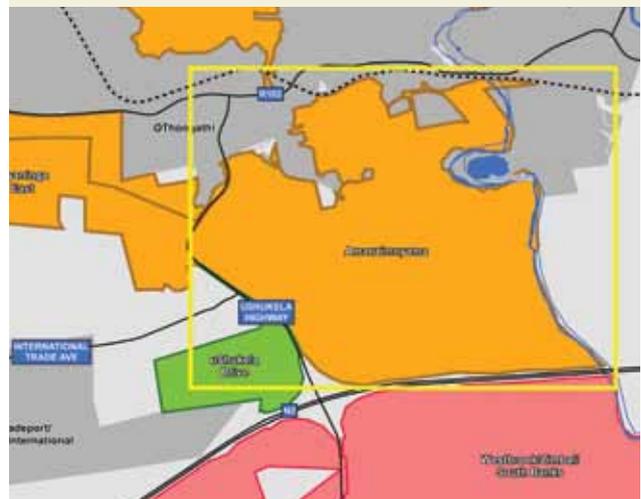
The sales and commercial strategy will be crafted to ensure that the phasing and timing of release of this development is aligned to the growing demand for this product in the Aerotropolis.

OPPORTUNITY

- Demand for warehousing, logistics, industrial, business park, manufacturing, big box retail and offices in the emerging Aerotropolis

PROJECT STATUS

Release from Agriculture	Application being prepared for submission in conjunction with provincial and municipal authorities
Shovel ready	Framework planning at advanced stage
Infrastructure considerations	High-level planning underway Engagements with service providers to progress in line with planning process



COMPENSATION WESTERN EXPANSION

Industrial and manufacturing
Durban to Ballito area

152

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R836 MILLION
(RANGE R760 - R988 MILLION)

MEDIAN PROFIT PER HECTARE
R5,5 MILLION
(RANGE R5 - R6.5 MILLION)

The commercial approach will be to market the development opportunity with prospective end-users in identified markets towards realising significant value due to the proximity to the airport, accessibility and scarcity of large, flat, platformed land. Commercial processes on the East could very well be extended to the West as expansion requirements need to be accommodated.

OPPORTUNITY

- Increasingly scarce industrial land between 20-40 hectares on a single platform, well serviced by higher-order roads and close to the King Shaka Airport
- Rail served industrial sites are a possibility

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	EIA at advanced stage
Infrastructure considerations	No constraints anticipated



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS
■ LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND 5 YEARS

■ FEATURED LAND ASSET
● SALES ACHIEVED IN FULL YEAR REPORTING PERIOD
■ SALES BEFORE SHOVEL READY

INYANINGA EAST

- Industrial / Logistics / Manufacturing
Durban to Ballito area
Airport region | Inyaninga

550

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R2 800 MILLION
(RANGE R2 500 - R4 125 MILLION)

MEDIAN PROFIT PER HECTARE
R5 MILLION
(RANGE R4,5 - R7,5 MILLION)

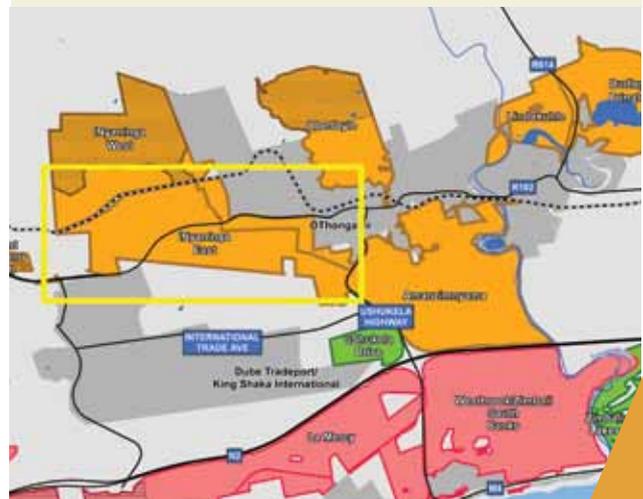
The commercial strategy, timing and phasing of release of land assets will be assessed in line with market demands, rights application processes and infrastructure installation. The timing, phasing and release of neighbouring developments by other parties in the emerging Aerotropolis will also be assessed to ensure that value is created for a wider stakeholder base.

OPPORTUNITY

- Multiplicity of land use, comprising warehousing, logistics, industrial, business park, manufacturing, high-intensity urban mixed use, offices and a range of residential densities and incomes

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	EIA in advanced stage in collaboration with local municipality and Dube TradePort
Infrastructure considerations	High-level planning well advanced Engagements with service providers will progress in line with planning process



WITHIN
5 YEARS

INYANINGA WEST, LINDOKUHLE, ABERFOYLE & DUDLEY PRINGLE

Durban to Ballito area | Airport region

556

DEVELOPABLE HECTARES

MEDIAN PROFIT
R1 300 MILLION
(RANGE R1 112 - R2 224 MILLION)

MEDIAN PROFIT PER HECTARE
R2,3 MILLION
(RANGE R2,0 - R4 MILLION)

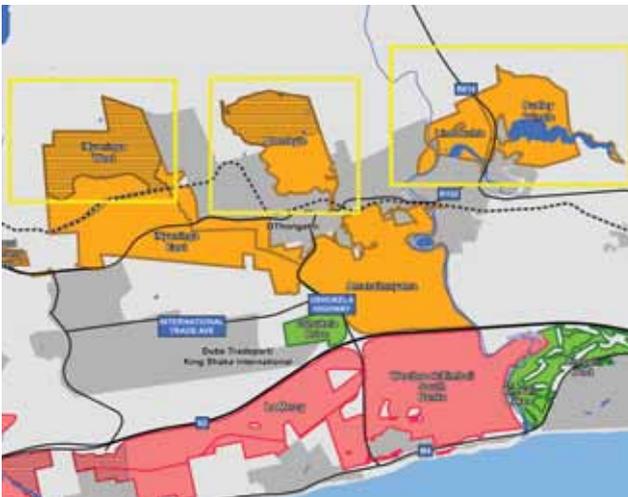
The commercial strategy will be designed around engagement with government and other housing sector partners to jointly deliver accommodation for the subsidised, affordable and mid-market segments.

OPPORTUNITY

- Collaboration with relevant stakeholders to deliver government-subsidised, affordable and mid-market housing, to enable expansion of oTongathi and Aerotropolis housing needs

PROJECT STATUS

Release from Agriculture	Mostly released, portions being processed
Shovel ready	EIA underway
Infrastructure considerations	High-level planning well advanced Engagements with service providers will progress in line with planning process



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
 ■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS
 ■ LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND 5 YEARS
 FEATURED LAND ASSET
 ● SALES ACHIEVED IN FULL YEAR REPORTING PERIOD
 SALES BEFORE SHOVEL READY

REMAINING SITES

on nearly completed developments
Durban to Ballito area

21

DEVELOPABLE HECTARES

MEDIAN PROFIT
R56 MILLION
(RANGE R42 - R109 MILLION)

MEDIAN PROFIT PER HECTARE
R2.7 MILLION
(RANGE R2.0 - R5.2 MILLION)

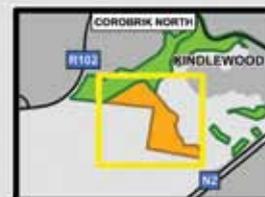
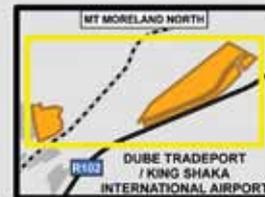
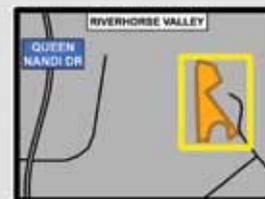
These are diverse land assets with an array of value drivers. Bespoke commercial and marketing strategies are being employed to ensure optimal value creation.

OPPORTUNITY

- Niche opportunity for small developers within existing developments or acquisition opportunity for adjacent landholders

PROJECT STATUS

Release from Agriculture	Application being prepared or released
Shovel ready	Likely to be sold in existing form
Infrastructure considerations	No constraints anticipated



NTSHONGWENI

Residential infill and consolidation
West of Durban | Ntshongweni

57

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R220 MILLION
(RANGE R200 - R400 MILLION)

**MEDIAN PROFIT
PER HECTARE**
R3,9 MILLION
(RANGE R3,5 - R7,0 MILLION)

The commercial strategy will be developed around the uniqueness of the site, the pent-up demand for low to medium-density residential estate and the timing of the development approvals and infrastructure installation.

OPPORTUNITY

- Low to medium-density residential for high-end markets, as infill development within Hillcrest
- Retirement as a particular niche market

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	Framework planning aligned with local municipal spatial plans
Infrastructure considerations	High-level planning well advanced Engagements with service providers will progress in line with planning process

NTSHONGWENI

Retail and urban core
West of Durban | Ntshongweni

78

DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

**MEDIAN PROFIT
PER HECTARE**
COMMERCIALLY SENSITIVE

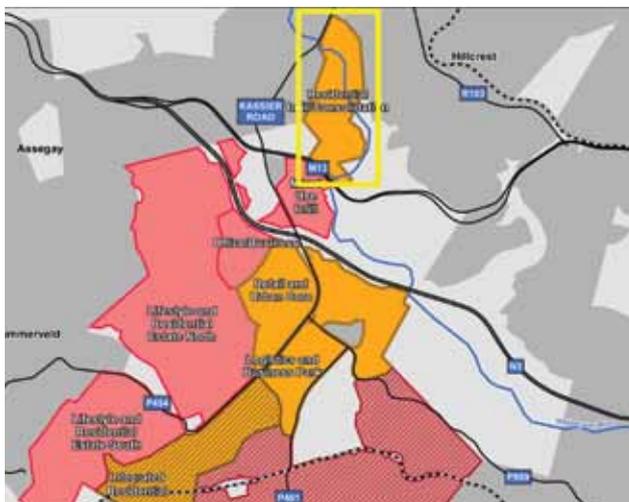
The commercial strategy will be crafted taking into account the market demand, timing of development approvals and infrastructural installations. To date, there has been strong market interest in this region. It is envisaged that the shopping centre will play a catalytic role in this development's trajectory.

OPPORTUNITY

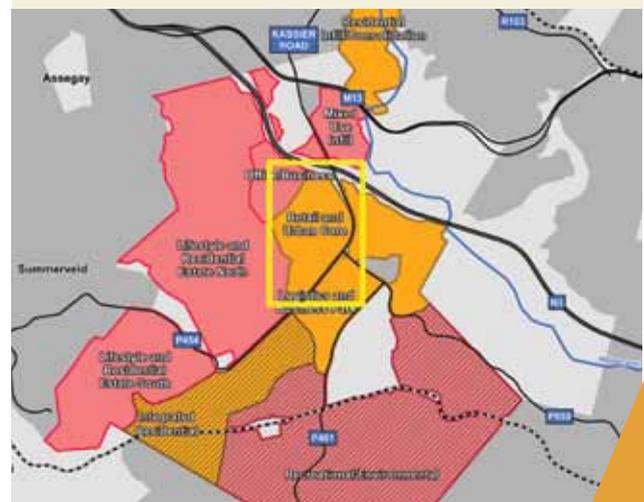
- High-intensity urban mixed use incorporating regional shopping centre as new sub-regional economic hub along N3 corridor

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	Framework planning aligned with local municipal spatial plans EIA at advanced stage
Infrastructure considerations	High-level planning well advanced Engagements with service providers will progress in line with planning process



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
 ■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS
 ■ LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND 5 YEARS
 ■ FEATURED LAND ASSET
 ● SALES ACHIEVED IN FULL YEAR REPORTING PERIOD
 ■ SALES BEFORE SHOVEL READY



WITHIN
5 YEARS

NTSHONGWENI

Logistics and Business Park
West of Durban | Ntshongweni

161

DEVELOPABLE
HECTARES

**MEDIAN PROFIT
COMMERCIALLY SENSITIVE**

**MEDIAN PROFIT
PER HECTARE
COMMERCIALLY SENSITIVE**

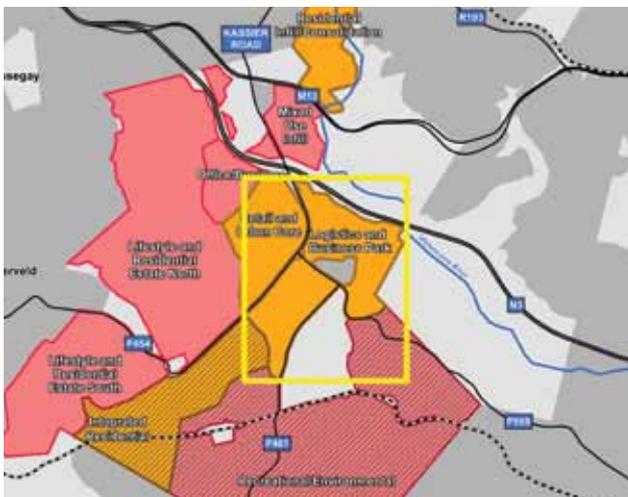
The success of other developments on the N3 corridor west of Durban is leading to increased interest in a business park at Ntshongweni, which is the most attractive site on this corridor. The central strategy is to accelerate the process to shovel ready to enable the demand to be satisfied.

OPPORTUNITY

- Warehousing, logistics, industrial, business park, manufacturing and big box retail within the new economic hub along the N3 corridor

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	Framework planning aligned with local municipal spatial plans
Infrastructure considerations	High-level planning well advanced Engagements with service providers will progress in line with planning process



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
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 ■ SALES BEFORE SHOVEL READY

NTSHONGWENI

Integrated Residential
West of Durban | Ntshongweni

185

DEVELOPABLE
HECTARES

**MEDIAN PROFIT
R463 MILLION
(RANGE R370 - R740 MILLION)**

**MEDIAN PROFIT
PER HECTARE
R2,5 MILLION
(RANGE R2 - R4 MILLION)**

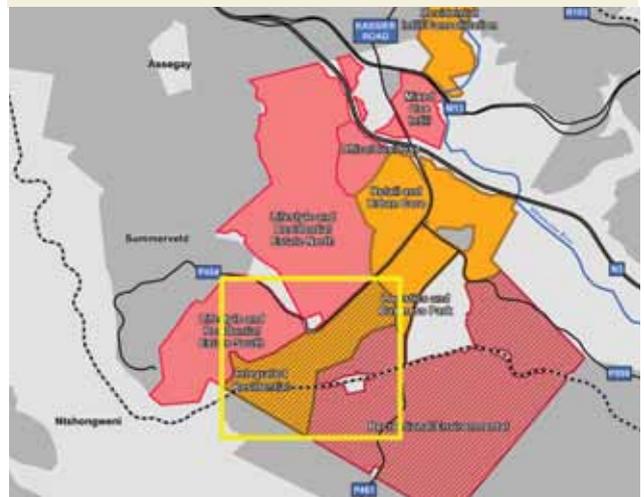
There is evident demand for housing in this area, based on continuous growth in adjacent areas and increasing enquiries.

OPPORTUNITY

- The opportunity is ideally located for a catalytic, large-scale integrated residential development. Processes are commencing to position the opportunity with relevant government agencies

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	Framework planning aligned with local municipal spatial plans
Infrastructure considerations	High level planning well advanced Engagements with service providers will progress in line with planning process



TINLEY MANOR SOUTH BANKS

- Resort

Coastal North of Ballito | Tinley Manor

270

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R1 560 MILLION
(RANGE R1 270 - R2 430 MILLION)

**MEDIAN PROFIT
PER HECTARE**
R5,8 MILLION
(RANGE R4,7 - R9,0 MILLION)

This development consists of three distinct areas each with a unique focus. The resort phase (comprising international hotels and tourism opportunities) sits on prime beachfront land, the residential phase will comprise varying density lifestyle residential accommodation and the mixed-use component will provide office, retail and residential services.

OPPORTUNITY

- Unique coastal property for high-end residential, resort and tourism

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	EIA at advanced stage
Infrastructure considerations	High-level planning underway Engagements with service providers to progress in line with planning process



■ AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
■ LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS
■ LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND 5 YEARS
 FEATURED LAND ASSET
● SALES ACHIEVED IN FULL YEAR REPORTING PERIOD
 SALES BEFORE SHOVEL READY

WITHIN
5 YEARS

LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND 5 YEARS

The commercial strategies in an ever changing environment are being positioned to allow for the development opportunities that are likely to occur beyond five years. Emerging opportunities to drive demand and value are being taken as they emerge, together with the development approval processes and infrastructural requirements to optimise eventual returns. Opportunities for value realisation at an earlier stage are continuously assessed. The following table summarises the broad factors relevant to each of these land assets:

GROWTH NODES	DEVELOPABLE HECTARES	OPPORTUNITY
 <p>SIBAYA COASTAL GROWTH AND CONSOLIDATION</p>	<p>336</p>	<p>These land assets will see the growth and consolidation of the emerging Sibaya economic hub within an attractive natural environment and outlook and will incorporate high-end markets, hotels and resort opportunities.</p>
 <p>BALLITO/ZIMBALI EXPANSION INTO ETHEKWINI</p>	<p>211</p>	<p>Incorporating high-end markets, high-intensity urban mixed use, office and warehouse, logistics, industrial and manufacturing uses, this development will provide the infill gap between the Ballito/Zimbali's southern expansion and the Umhlanga and Airport area's northern expansion.</p>
 <p>UMHLANGA TO AIRPORT EXPANSION AND CONSOLIDATION</p>	<p>279</p>	<p>This land asset represents an infill between the northern expansion of Cornubia and the southern expansion of King Shaka International Airport and Dube TradePort with envisaged uses incorporating offices, high-intensity urban mixed use, warehouse, and logistics, industrial and manufacturing.</p>
 <p>CONSOLIDATION OF REGION TO EAST OF AIRPORT</p>	<p>615</p>	<p>The emerging Aerotropolis will require this land asset to incorporate high-end markets, office and warehouse, logistics, industrial and manufacturing, government-subsidised, affordable and mid-market housing and associated residential services.</p>
 <p>NORTHERN EXPANSION OF TINLEY MANOR</p>	<p>388</p>	<p>This land asset will incorporate high-end markets, high intensity urban mixed use, office, affordable and mid-market housing and represents the logical growth and expansion of Tinley Manor.</p>

LAND CONVERSION PORTFOLIO

Land where sales are anticipated to commence beyond 5 years

GROWTH NODES	DEVELOPABLE HECTARES	OPPORTUNITY
 <p>COASTAL CONSOLIDATION OF FAR NORTH</p>	1 794	These land assets will incorporate high-end markets and tourist-related activities due to unique beachfront and/or wildlife locations.
 <p>NORTHERN RESIDENTIAL EXPANSION OF COMPENSATION AREA</p>	48	This land asset offers the potential opportunity for government-subsidised, affordable and mid-market housing and associated residential services.
 <p>URBAN EXPANSION WEST OF DURBAN</p>	619	Natural growth and consolidation of the Ntshongweni retail and urban core is centred around the N3 and M13 regional road networks, with opportunities for high-intensity urban mixed use and offices.
<p>Consolidation of urban core</p>	82	
<p>Lifestyle residential</p>	429	
<p>Integrated residential expansion and recreational precinct</p>	108	This offers longer-term integrated residential opportunities within a broader recreational and environmental precinct in close proximity to existing peri-urban settlements.

**BEYOND
5 YEARS**

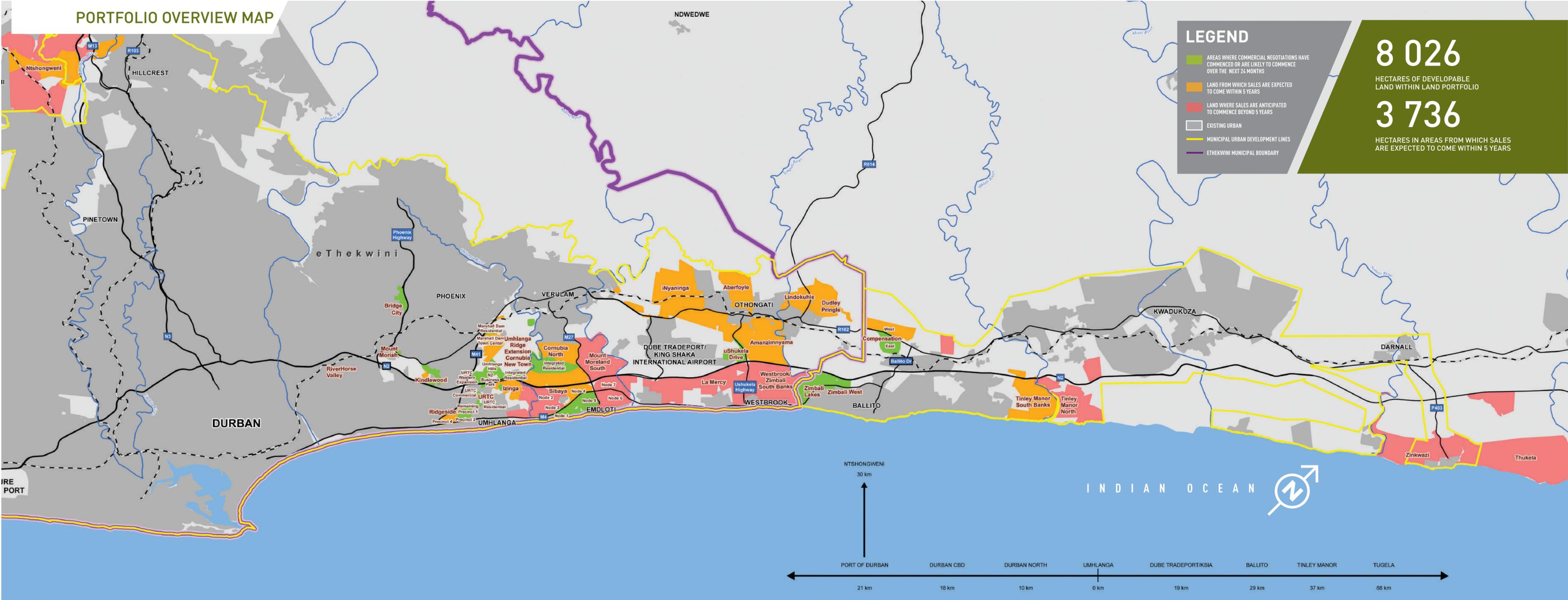
PORTFOLIO OVERVIEW MAP

LEGEND

- AREAS WHERE COMMERCIAL NEGOTIATIONS HAVE COMMENCED OR ARE LIKELY TO COMMENCE OVER THE NEXT 24 MONTHS
- LAND FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS
- LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND 5 YEARS
- EXISTING URBAN
- MUNICIPAL URBAN DEVELOPMENT LINES
- ETHEKWINI MUNICIPAL BOUNDARY

8 026
HECTARES OF DEVELOPABLE LAND WITHIN LAND PORTFOLIO

3 736
HECTARES IN AREAS FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS





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