



LAND CONVERSION AND DEVELOPMENT
INVESTOR REPORT NOVEMBER 2018

 *Tongaat Hulett*



UNLOCKING GREATER VALUE FROM A SOLID PLATFORM

Tongaat Hulett is an active player in KwaZulu-Natal's rural and urban economy. It supports agricultural development across the province, and uses all its land productively throughout the land conversion cycle. It carries out its activities in close collaboration with the public sector, communities and other businesses, generating substantial socio-economic impact.

Private sector investment currently underway on land previously sold amounts to R7,5bn, supporting 52 000 construction jobs*, with 5 700 permanent jobs* to be sustained as projects are completed.

Tongaat Hulett's development activities are supporting a comprehensive, embedded social programme; are yielding increasing numbers of opportunities for well-located, affordable neighbourhoods, and are enabling transformation of ownership and participation in the real estate value chain.

The planning processes are opening up new development areas around King Shaka International Airport, Ballito, and Ntshongweni west of Durban, expanding the geographic market spread beyond the currently dominant greater uMhlanga area.

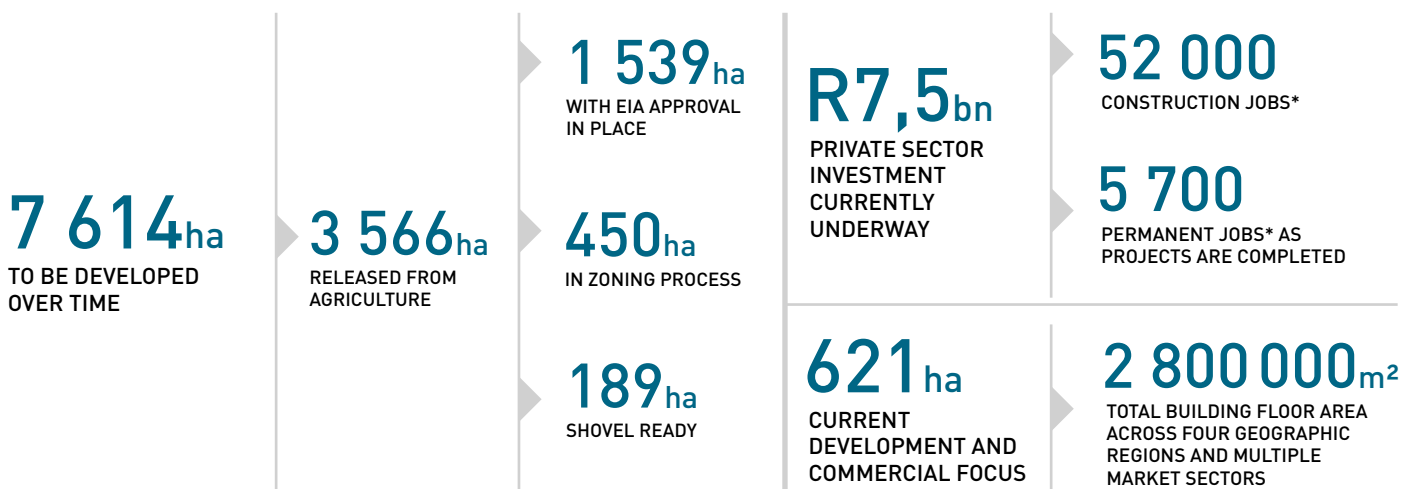
Within the portfolio of 7 614ha of land located in one of South Africa's primary growth corridors and earmarked for development over time, land released from agriculture stands at 3 566ha, 1 539ha have EIA approvals in place, of which 450ha are in zoning processes and 189ha are shovel ready. The shovel ready land will ultimately accommodate 1 300 000m² of total new building floor area.

Informed by planning and infrastructural progress and market enquiries, development and commercial focus is currently concentrated on 621 developable hectares of land across all four geographic market areas, representing 2 800 000m² of total new building floor area.

A range of commercial transacting mechanisms are being deployed to maximise and accelerate the value creation potential of these priority areas.

Mike Deighton
Executive
Land Conversion and Development

CURRENT PORTFOLIO STATUS



DEFINITIONS:

ha: Developable hectares
 GLA: Gross Lettable Area / total building floor area
 EIA: Environmental Impact Assessment
 * Construction jobs are calculated as FTE (full time equivalents) based on spend on both infrastructure and top structure development.
 Permanent jobs are calculated using empirical data on employment densities for a range of defined economic sectors.

HIGHLIGHTS FOR THE PERIOD

PLANNING APPROVALS	UMHLANGA HILLS	Enables: 1 400 affordable houses and a 2 000 learner educational facility
	NTSHONGWENI URBAN CORE	Enables: Commencement of 85 000m ² <i>Mall of the West</i> . Unlocks urban core for high intensity mixed use development
	IZINGA KINDLEWOOD	Enables: Packaged products to be taken to market for educational and residential opportunities
	USHUKELA	EIA approval enables: Final planning application to be submitted. Unlocks logistics, warehousing and industrial opportunities as part of Durban Aerotropolis Master Plan
MAJOR TRANSFERS OF PROPERTIES	PARKSIDE, URTC	Middle income residential development within URTC
	ENIGMA, RIDGESIDE	90-unit exclusive, high-end residential estate
	RIDGE 8, RIDGESIDE	5 000m ² premium grade corporate office, already fully let
	EVERGREEN VILLAGE, RIDGESIDE	640 retirement units. First retirement village to be launched in KZN for Evergreen (Amdec and PSG owned)
	CORNUBIA TOWN CENTRE	78 000m ² commercial catalytic investment in Cornubia by black-owned institutional investor

REGIONAL HIGHLIGHTS

Opening of R1,1bn Mt Edgecombe N2 interchange, providing significant capacity for future growth and development in the region

Completion of Durban Aerotropolis Master Plan, a 50-year framework for new development

GO!Durban C3 corridor completed and C9 under construction

Commencement of BA direct flight into Durban from London

New municipal mayoral advisory body formed, Team Durban, with representation by a Tongaat Hulett Executive announced

R420m investment by ACSA into airside and other upgrades following strong passenger growth and increasing airline connectivity

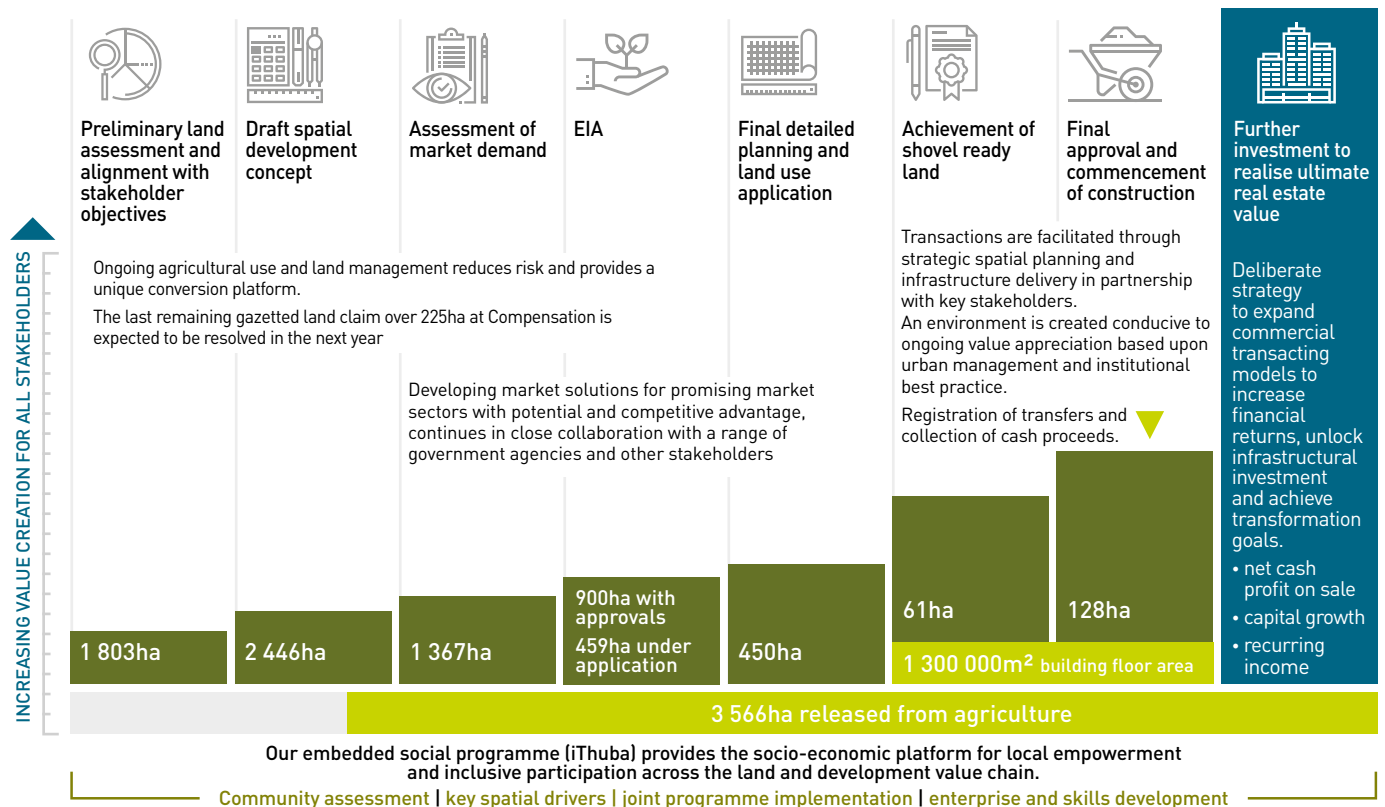
DEVELOPMENTAL PROCESS

STAKEHOLDER VALUE CREATION THROUGH AN ALL-INCLUSIVE APPROACH TO DEVELOPMENT

STRATEGIC FOCUS

Our strategic focus is led by a comprehensive analysis of each component of the land portfolio, identifying the value potential that each asset holds for a variety of stakeholders and accelerating value creation and realisation.

- Transformation and empowerment levers
- Collaboration with other stakeholders
- Bringing together inherent value drivers and market opportunities
- Enhancing the region's positioning and competitiveness
- Excellence in development planning and execution





GREATER UMHLANGA REGION

▲ NORTH OF DURBAN

Over R2bn of new investment currently under construction in Ridgeside alone

DEVELOPMENT AND COMMERCIAL FOCUS:

198_{ha}

- Bridge City - 6ha
- Sibaya Coastal Precinct - 65ha
- uMhlanga Ridge Town Centre - 3ha
- Kindlewood - 9ha
- Ridgeside - 14ha
- Izinga - 62ha
- Cornubia uMhlanga Hills - 14ha
- Cornubia Town Centre - 25ha

MIXED USE

665 000m² GLA

COMMERCIAL

100 000m² GLA

AFFORDABLE RESIDENTIAL

700 units

MID-HIGH END RESIDENTIAL

4 000 units

INDUSTRIAL

4ha platform

MARKET ACTIVITY

Currently in commercial engagements on the following opportunities:

- Large scale mixed-use opportunity in Cornubia Town Centre with institutional investor
- 42 000m² commercial and mixed-use opportunities in Sibaya Coastal Precinct - Potential 140 000m²
- Various residential opportunities being explored through a transformational RFP process
- Sports Complex in Sibaya Coastal Precinct
- International film studio in Sibaya Coastal Precinct
- Affordable and mid-market residential in Bridge City, Cornubia and Izinga

MILESTONES

- Ownership transfer of three notable property transactions in Ridgeside - confirming strong market appetite
- Transfer of 78 000m² commercial rights to a black institutional investor in Cornubia Town Centre
- Sibaya Coastal Precinct sees first residents move in as civil infrastructure in Node 1 is completed
- R1,1bn N2/M41 interchange fully open as the first phase of new regional transport infrastructure that includes GO!Durban's C9 route into uMhlanga which is currently under construction
- Ridgeside Precinct 1 has R2bn in new investment construction in progress
- Main access road through Cornubia Town Centre to N2 Business Park nearing completion including link to N2 and GO!Durban bridge to uMhlanga Ridge

FUTURE PIPELINE

1 149_{ha}

- Cornubia Marshall Dam - 82ha
- Cornubia North - 624ha
- Cornubia N2 Business Park - 2ha
- Cornubia Blackburn Extension - 14ha
- Ridgeside - 2ha
- Sibaya Nodes 2&3 - 104ha
- Sibaya Node 6 - 123ha
- Sibaya Node 4 - 103ha
- Sibaya Node 5 (future rights) - 8ha
- Sibaya Node 7 - 79ha
- Remaining sites on nearly completed developments - 8ha



AIRPORT REGION

Durban Aerotropolis master plan completed

DEVELOPMENT AND COMMERCIAL FOCUS:

117 ha

uShukela - 49ha
oThongathi AeroDistrict (formerly referred to as iNyanninga) Residential - 68ha

MANUFACTURING AND LOGISTICS

46ha platform

INTEGRATED, AFFORDABLE AND MID-MARKET RESIDENTIAL

2 600 units

COMMERCIAL

30 000m² GLA

URBAN AMENITY

2 000 pupil school

MARKET ACTIVITY

Currently in commercial engagements on the following opportunities:

- Long term, large scale opportunities in uShukela and Compensation with an institutional investor
- Special Economic Zone designation is being explored to increase product competitiveness in uShukela
- Various housing, retail and commercial opportunities being negotiated in oThongathi AeroDistrict



MILESTONES

- Infrastructural solutions being implemented as a key component of the Durban Aerotropolis
- New direct British Airways flight from London now operational, providing access to over 700 destinations
- Regional positioning and branding being consolidated by all stakeholders
- EIA approvals on all 117ha, together with a further 894ha

FUTURE PIPELINE

2 516 ha

- Compensation - 225ha
- Lindokuhle - 52ha
- La Mercy - 615ha
- Aberfoyle - 231ha
- Amanzimnyama - 345ha
- Dudley Pringle - 86ha
- Mt Moreland South - 279ha
- oThongathi AeroDistrict - 669ha
- Remaining sites on nearly completed developments - 14ha



GREATER HILLCREST (NTSHONGWENI) REGION

◀ WEST OF DURBAN

New regional shopping centre
Mall of the West launched

DEVELOPMENT AND COMMERCIAL FOCUS:

44ha

Ntshongweni Retail and Urban Core

MIXED USE

430 000m²GLA

MARKET ACTIVITY

Currently in commercial engagements on the following opportunities:

- Ntshongweni Retail and Urban Core - 50 000m² mixed-use GLA with several parties
- Office and residential packages being assembled for market engagement
- Strong logistics and commercial interest in future phases



MILESTONES

- Declared as a Catalytic Project by both KZN Province and eThekweni Municipality
- All development rights in place for the retail and urban core
- Construction of new 85 000m² regional shopping centre - *Mall of the West* to commence in early 2019
- Commitment from eThekweni Municipality to bulk infrastructure required to unlock first phase

FUTURE PIPELINE

1 042ha

- Retail and Urban Core Future Rights - 20ha
- Mixed Use Precincts - 82ha
- Lifestyle and Integrated Residential - 614ha
- Logistics & Business Park - 161ha
- Integrated Residential, Recreational and Environment - 108ha
- Residential Infill - 57ha



BALLITO AND SURROUNDS REGION

International resort operator secured for beach resort development

DEVELOPMENT AND COMMERCIAL FOCUS:

262_{ha}

Tinley North Resort - 20ha
Tinley South - 242ha

TWO RESORT HOTELS

500 keys

RESIDENTIAL

4 500 units

COMMERCIAL

35 000m²_{GLA}

MARKET ACTIVITY

Currently in commercial engagements on the following opportunities:

- International resort operator formally committed to 20 ha resort opportunity in Tinley North
- Opportunity for complementary shared ownership models and high-end residential developments adjacent to the resort in Tinley North
- Various negotiations on Tinley South opportunities



MILESTONES

- EIA approval on 242ha Tinley South
- EIA on Tinley North resort well advanced
- 2019 will see the opening of the fourth new school in the area, demonstrating strong residential growth

FUTURE PIPELINE

2 286_{ha}

- Tinley - 368ha
- Westbrook - 422ha
- Descroizilles - 48ha
- Zinkwazi / Thukela - 1 448ha



www.tongaat.com
www.thdev.co.za



031 560 1900
305 uMhlanga Rocks Drive
KwaZulu-Natal

 *Tongaat Hulett*



To view a fly over of the property portfolio as at November 2018:
www.thdev.co.za/tongaat-hulett-development-portfolio

