



CREATING VALUE THROUGH LAND CONVERSION IN KWAZULU-NATAL

NOVEMBER 2016



 *Tongaat Hulett*





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INTRODUCTION

Tongaat Hulett's sugar mills in South Africa are supplied by more than 120 000 hectares of sugarcane land, of which some 34 percent is farmed by communal / small-scale farmers and land reform growers and just over 7 percent is owned by Tongaat Hulett. At the same time as driving ongoing rural agricultural development, the focus on the portfolio of prime land owned by Tongaat Hulett, comprising some 7 951 developable hectares, is to create stakeholder value through its conversion over time to the highest value and best land use beyond its current use.


The value being created through the land conversion and development activities continues to increase, with good progress in the important value drivers. This includes sound relationships with key stakeholders; growing demand in selected usage areas; increasing the supply of land through planning processes and unlocking infrastructure; selected bigger transactions that are de-linked from short term market dynamics and growing the range of transacting mechanisms to increase value created, with particular emphasis on transformation opportunities. The recent achievements

that led to over 3 000 developable hectares being released from agriculture through Act 70 of 1970 approvals are being consolidated through ongoing planning. Currently some 3 399 developable hectares are in various stages of EIA processes, with new impetus gained through a joint process having been finalised with the eThekweni Municipality defining how to enhance the resilience of the city through the appropriate use of this land.

Current dynamics relating to various Demand Drivers are described in detail on pages 10 to 19.

The developmental process to unlock the value of agricultural land for a higher value and best use involves a number of processes to unlock supply side levers leading to land that is shovel ready. The graphic on pages 20 and 21 illustrates the process.

The tables on pages 22 and 23 provide an update of the possible 5-year sales outcomes based on consideration of Demand Drivers, progress on the supply of shovel-ready land, recent



A wide range of stakeholders benefit substantially from Tongaat Hulett's land conversion processes. This document describes the extent and nature of these benefits and how they are maximised. Society at large is deriving increasing benefit as Tongaat Hulett continues to improve its processes to attract fixed investment to the region, achieve urban spatial integration and integrated residential neighbourhoods, and create an ever-growing range of opportunities and mechanisms to stimulate transformation in property ownership and the real estate value chain. The land conversion process creates a platform for increased public sector income generation through rates and taxes, and maximises the returns from infrastructure investment, both financially, and in terms of enterprise development, job creation and local economic development. Tongaat Hulett's shareholders are benefitting from the increased value in the land portfolio and substantial cash generation. Simultaneously, Tongaat Hulett's investments in new agricultural development are enhancing rural livelihoods. The portfolio is a living document, with updates produced on at least a six-monthly basis and is available for download at www.tongaathulett.com.

performance achieved and an assessment of the commercial approaches most appropriate for each demand driver. These outcomes - social, economic and profitability per developable hectare vary widely and are reflective of the degree of enhancement through urban planning, land use integration and density, location and the intensity of infrastructure investment. Intense exploration has commenced into the enhancement of value to be created and realised from elements of the land portfolio through developing a greater range of commercial transacting mechanisms.

The outcomes described in the tables are expected to be achieved primarily from within the 3 419 developable hectares in the areas and landholdings as tabulated on page 24 of the document.

The number of substantial transaction opportunities in various demand areas is increasing following encouraging advancements in the land conversion and development activities, boding well for near term future sales. The number of substantial transaction opportunities in various demand

areas is increasing. Intense interest in the prime property at Ridgeside has led to recent sales at record profitability and ongoing sales negotiations with a number of parties. The opening up of the Sibaya node has created new interest and opportunities. Construction works related to the early sales have now commenced and the relevance of this as a completely new development node is becoming increasingly obvious to new purchasers. Substantial interest is being experienced at Ntshongweni, west of Durban and, as infrastructure solutions are developed for further land in this area, this is likely to convert into a growing momentum in this new node. The new infrastructure currently going into the uMhlanga Ridge Town Centre western expansion into Cornubia New Town is likely to open up further short term sales potential in this area. Various interfaces with the public sector continue to be constructive and productive.

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 progress on the supply side enablers to shovel ready, including release from agriculture, planning processes and 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 release from agriculture, 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 pages 10 to 19.

Within this category, certain land assets have been featured in those areas where commercial negotiations have commenced or are likely to commence soon. These are highlighted in the table on page 24 and are individually described in pages 26 to 60 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.

EXPANDED COMMERCIAL TRANSACTING STYLES

Over the past three years, a deliberate strategy has been implemented to widen the range of commercial transacting options beyond simple sale of shovel-ready sites to include transactions that make more land available early for priority social and economic initiatives and to achieve sales of land that are de-linked from immediate demand for completed buildings, thereby achieving portfolio diversity, earlier cash conversion and activity by purchasers in attracting and addressing ultimate demand drivers.

The success achieved and experience gained has enabled a process to commence to explore intensely the application of wider commercial transacting approaches to specific demand drivers and landholdings in the portfolio to unlock particular opportunities, such as affordable housing, hotels and schools; to render various development initiatives more bankable, thereby enhancing investment in the region; and to enhance profitability per hectare where investment grade real estate is being developed on the land.

FINANCIAL OUTCOMES FROM LAND CONVERSION

Traditional land sales generate revenue, which is an outcome of choices regarding land usage and density, pricing strategy, commercial approach and timing.

Land preparation and conversion incur costs related to planning the land use, applying for the relevant planning permissions, identifying, attracting and concluding sales with purchasers across the range of demand drivers and constructing necessary



infrastructure. The difference between the revenue and the costs related to a sale in any particular landholding in the portfolio represents the operating profit generated through the sale.

The collection of the cash associated with a sale generally takes place on transfer of the land to the buyer. The timing of this cash collection varies with the nature of the sales concluded, with some larger transactions having a lead time before transfer.

Over time, profit tends to equate to cash generated. The past three years have seen profit exceeding cash flow, a trend that is currently reversing as transfers take place. Tongaat Hulett's

land conversion processes, track record, skills, relationships and concentrated, large-scale portfolio of prime land, represent a unique opportunity to create substantial value for a wide range of stakeholders.

In financial terms, this value may comprise three primary elements in various combinations, namely net cash profit on sale of an asset; capital growth in the value of the land itself, adjacent land or a building developed on that land; and recurring income deriving from rental or other periodic payments for the lease of the land and varying intensity of improvements to that land.

In each case, decisions need to be made regarding the intensity of investment on the land, from limited planning, through varying extents of infrastructural investment, to the erection of structures on the land. Further decisions are made concerning the timing of the commercial exit strategy, once again from early sale of shovel-ready land (even in appropriate circumstances, land that is not yet shovel ready); through to exit on transfer of fully serviced sub divisions (the prominent mechanism historically); exit at various stages during or after the development of building improvements on the land; continued ownership of income producing assets on the land or lease of the underlying land asset for purposes of erection of buildings by others.

The benefits and risks of various combinations of the above strategies and their application to particular landholdings and contexts is being explored.

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 or calculated to be achievable through traditional land sale approaches. The profit indication is the cash profit after costs, without any escalation or discounting for time.

URBANISATION AND DENSIFICATION

Urban areas are home to the majority of South Africa's population, while 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. Urban areas generate over 57 percent of GDP and provide more than 50 percent of the country's employment.

This growth momentum continues to increase with cities having an increasing impact on the country's future. Cities are places that provide social integration, opportunities and access to services and amenities, homes, jobs and livelihoods. The role of cities in the economic recovery and socio-economic development of the country is undisputed and policy support for sustainable and integrated urban development is increasing at all levels of government. The globally acknowledged optimal urban form is one that is compact, mixed-use and intense.

High intensity mixed-use nodes have yielded some of the highest-value real estate in South Africa over the past decade, such as the Cape Town Waterfront and Melrose Arch, while uMhlanga Ridge remains one of the largest such developments in the country over the past fifteen years.

The historical spatial design, layout and functioning of South African cities remains inefficient and still excludes many people from being able to participate in the economy, to access these opportunities and to improve their quality of life. A fundamental principle of new city development is therefore to enable and promote economic, social and spatial inclusivity, in order to increase productivity, equality, sustainability, transformation and competitiveness.

In eThekweni municipality, median projections of growth indicate the city will need to accommodate approximately a further 550 000 people by 2024, with an increase in GDP per capita of approximately 16 percent. This growth can be addressed with the appropriate spatial, land use and transportation planning. Whilst brownfield redevelopment offers potential and will constitute a source of competition, the dominant opportunity remains in the northern region where spatially isolated and dysfunctional settlements can be transformed and integrated

into the urban fabric and new urban nodes can be planned, designed and implemented. This allows for appropriate densities that create an environment that is conducive for the new GO!Durban public transportation system currently under construction in the region, that maximises the utilisation of existing infrastructural capacity, that provides for more affordable housing and for greater dynamism and inclusivity in social and economic activities.

Tongaat Hulett's land portfolio offers a number of strategic opportunities where high intensity mixed use precincts are either already being implemented or are being planned and made ready for development. These opportunities include uMhlanga Ridge Town Centre, Bridge City, Ridgeside, uMhlanga Ridge Western Expansion – Cornubia Town Centre, Sibaya and Ntshongweni.

These developments have been designed with a far greater emphasis on an all-inclusive approach to public space and to access to services, amenities and opportunities. Their intensities support public transport systems and integration with non-motorised transportation to create places that are accessible, inviting and open.

Owing to varying market conditions over time, initial developments sometimes fail to achieve the full density potential of their location. Tongaat Hulett has developed various mechanisms to accommodate earlier, lower density development to kickstart activity and thereafter create a pathway to greater intensity, complexity and integration of the urban form over time, with additional value creation from the same underlying hectares of land. These mechanisms are being applied in a number of relevant cases in the land portfolio.

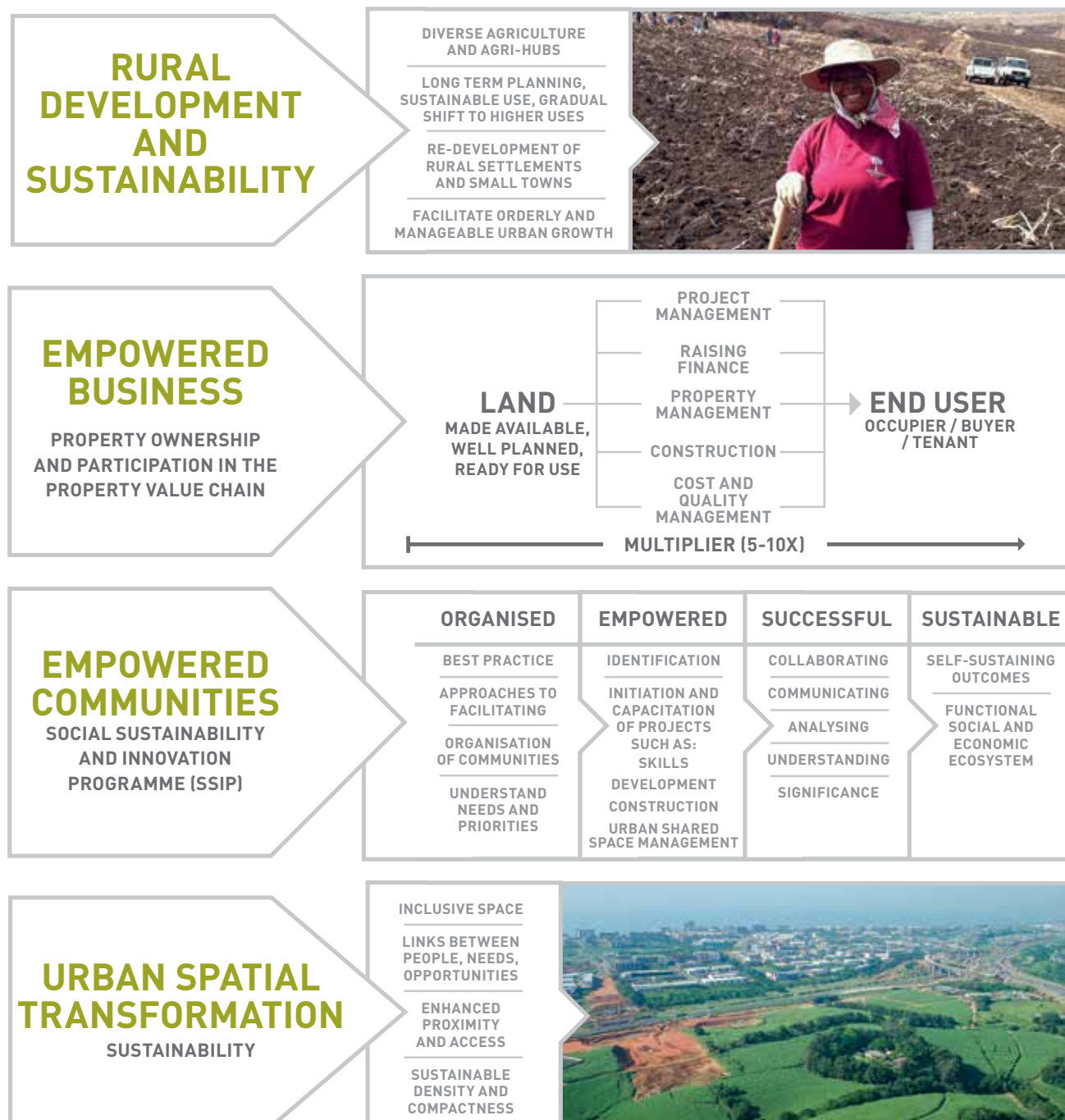


FRAMEWORK FOR INCLUSIVE VALUE CREATION, TRANSFORMATION AND EMPOWERMENT THROUGH LAND USE AND CONVERSION

The ongoing use and conversion of land by Tongaat Hulett has a major impact on the various communities that make up the citizenry of the city and region. The achievement of optimal value creation through land use and conversion is dependent on sound, open relationships with, and support from, these communities and from all spheres of government.

This reality demands, on the one hand, sound, professional and appropriate mutual communication and ongoing stakeholder interface and, on the other, a firm commitment to, and demonstrable leadership in, the transformation of the rural, urban and real estate landscape throughout the land use and conversion process.

The diagram below depicts Tongaat Hulett's land use and conversion value creation, transformation and empowerment framework and process.



ENABLER:

Sound, open, honest, two-way, constructive relationships between capacitated communities, government, Tongaat Hulett and real estate industry participants.

RELEASE FROM AGRICULTURE

A thriving agricultural and rural economy is a critical requirement for the social and economic sustainability of KwaZulu-Natal. Tongaat Hulett's commitment to the agricultural sector in the country remains unstinting. This commitment continues through the investments that have been made and are being made towards enhancing rural livelihoods, creating rural jobs and transforming the agricultural economy. These investments, many in partnership with government, are focused around expanding agriculture in the province, primarily in the rural hinterland.

Currently, Tongaat Hulett's own land makes up less than 8 percent of the total land supplying its sugar mills. Some 44 percent of this supply is currently being provided by small and medium scale, land reform and communal farmers, with this quantum likely to grow in line with the investments being made into new agricultural land.

Over time, as urbanisation trends, coupled with economic growth, continue to require new development and investment, selected elements of Tongaat Hulett's land will convert to urban and other related uses including tourism.

Such conversion of land requires formal release from agriculture, currently in terms of the subdivision of Agricultural Land Act 70 of 1970. A new bill, the Planning and Development of Agricultural Bill, is being considered to replace Act 70 of 1970.

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

The portfolio's location in the primary growth and development corridors of the province, as identified in the provincial Growth and Development Plan, places it in a good position to enjoy policy support for conversion at the appropriate time, and Tongaat Hulett's agricultural custodianship of, and future plans for, its land assets are well aligned with the relevant municipal and provincial strategies.

This steady, planned conversion over time, underpinned by optimum agricultural use throughout the process, provides the foundation for sustainable urban growth and development. As urbanisation trends continue to place increasing burdens on the country's economic and urban centres, pressure for the provision of new, well-located residential, economic and social uses, together with supporting infrastructural and environmental goods and services, intensifies.

Given its land portfolio positioning in the region, Tongaat Hulett has a fundamental responsibility, working with many stakeholders, to ensure that this portfolio is available to accommodate these needs and to provide a platform for creating sustainable value for the region.

The current quantum of land within the portfolio that has formal release amounts to some 3 066 hectares, providing a powerful platform for the 5 year sales outcomes as detailed on page 22, while processes are ongoing to enable further land from the 4 885 hectares without such approval to be released to enable development planning to proceed.

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 (WULA). 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 developmental process to unlock value creation for all stakeholders on page 20.

INFRASTRUCTURE

Large-scale land conversion for urban development purposes, such as that carried out by Tongaat Hulett, demands collaboration between multiple stakeholders that generates co-ordinated actions toward infrastructural policy and strategy, planning and co-ordination, funding, procurement, implementation and operation and maintenance.



Good, but still inadequate, progress continues to be made in advancing the multiple processes that will enable infrastructure to no longer be a limiting constraint in the face of increasing attractiveness of, and demand for, real estate in the Durban and KwaZulu-Natal coastal regions.

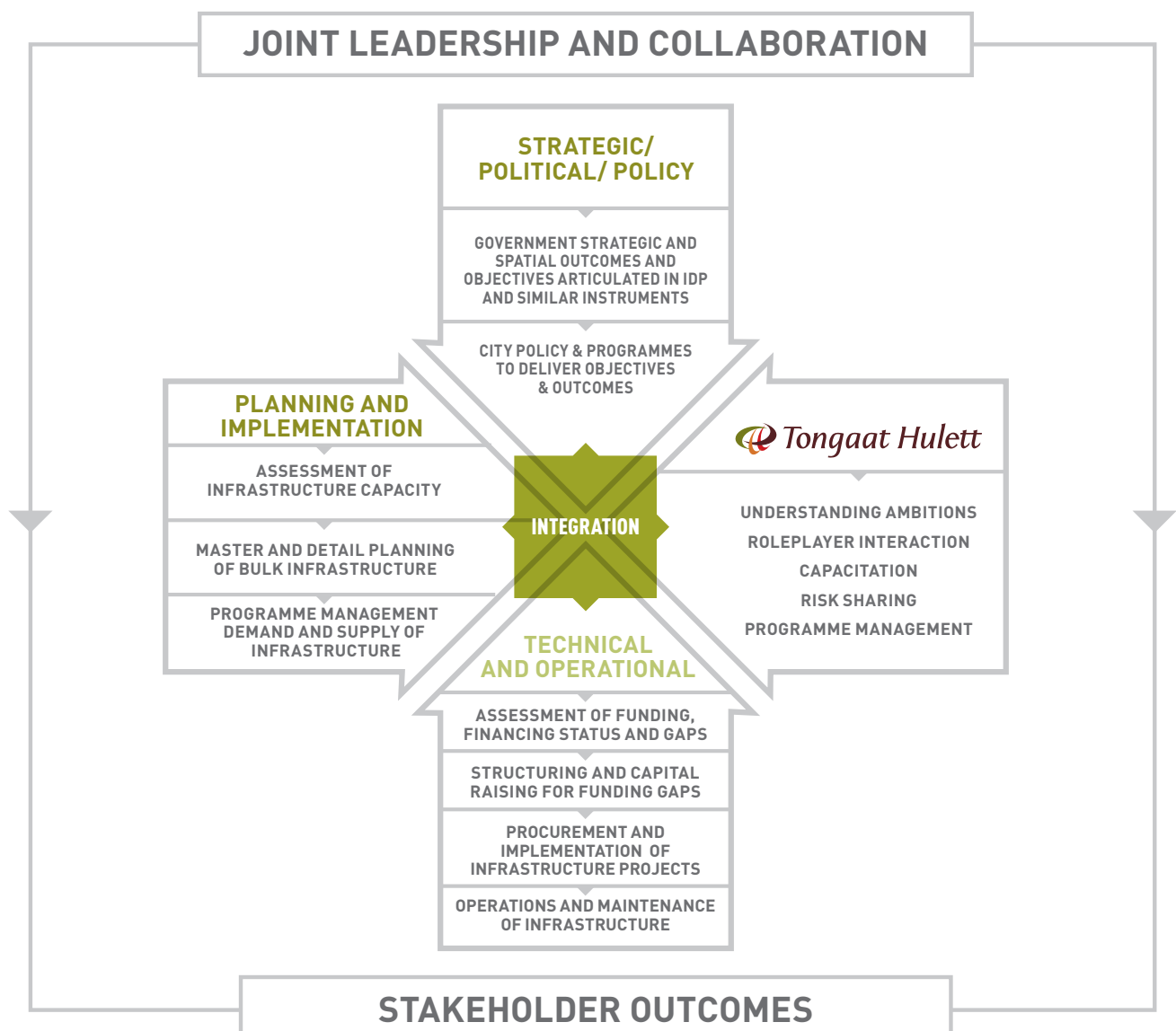
A summary of key elements of the current environment is as follows:

- Clear recognition of infrastructural investment as a driver of growth and development by all levels of government, with accelerating initiatives to respond to this.
- Increasing recognition of the central role of local government as the key enabler of infrastructure and increasing support mechanisms for execution of this role.
- Recognition of the effectiveness of infrastructural investment concentrated in growth corridors of major cities.
- Very significant recent and ongoing infrastructural investment in the region, combined with sound intent and intense efforts to ensure optimum returns on this investment.
- Increasing recognition of the integrated nature of local scale (neighbourhood) public infrastructure (that has generally been installed by Tongaat Hulett directly and recovered

through the sale of land) and medium scale (metropolitan and large scale (regional) infrastructure that generally are the responsibility of various arms of government.

- Commencement of detailed processes to formalise detailed analysis and spatial mapping depicting infrastructural availability and gaps throughout the region.
- Increasing fiscal constraints to direct infrastructural investment by government, leading to increasing recognition of the need and commitment to unlock innovative funding and financing mechanisms.
- Increasing recognition of, and appetite for, partnerships between public and private sector to unlock infrastructure investment.
- Generally inadequate organisational capacity throughout government to deal with the level of complexity and requirement for operational excellence in execution across the infrastructure investment value chain.

In response to the evolving infrastructure landscape, Tongaat Hulett is continuing to evolve its comprehensive framework for infrastructure as depicted in the diagram below:





DEMAND DRIVERS

The property market to the north of Durban continues to attract significant investor interest, including many buyers who are starting to respond to Tongaat Hulett's strategy of adopting a wider range of commercial transacting styles.

The most recent period emphasises the growing role of medium and high intensity urban mixed-use developments in underpinning many of the other demand drivers. This is consistent with emerging urban best practice and leads to a greater ability to create value for all stakeholders. The first meaningful transaction underpinning an integrated affordable neighbourhood took place in Bridge City during this period, in a high density urban mixed-use context. A further significant step within this period has been confirmation of the retirement market as a meaningful demand driver in its own right and growing insight into the size and constituent make up of this demand driver. Further consideration has led to a firmer and more appropriate distinction between the mid-market and high-end residential demand drivers.

The ongoing analysis of individual demand drivers continues to amplify that, in many cases, Durban is lagging its potential to attract or address business and residential demand that would drive real estate investment and hence land take-up. Ongoing progress in creating more shovel-ready land in the region, across different geographical localities and serving a range of markets, is expected to continue to enable underlying demand requirements to be satisfied better and to create 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 where the region has existing or potential competitive advantages.

The following is a summary of the range of demand drivers for land in the region:



MEDIUM AND HIGH-INTENSITY URBAN MIXED USE

Given the dynamics regarding urbanisation and densification described on page 5 and 6, together with the need to maximise returns from infrastructural investment, this market offers powerful solutions to the growing needs that urban areas are having to respond to and accommodate. In line with global trends, recognition of the desirability of these environments and demand for such opportunities continues to grow and can be stimulated by effective positioning, communication and delivery of successful examples. This demand is evident in the ongoing sales that have been occurring in Ridgeside, uMhlanga Ridge Town Centre and Bridge City.

Such markets deliver high-quality, investment grade real estate and offer opportunities for alternative, structured commercial transactions with large, national real estate investors and developers.

These markets have growing policy support due to their highly efficient use of land through provision of high numbers of



new homes, jobs and economic opportunities per hectare and in a socially inclusive manner, their ability to maximise available infrastructural capacities and to provide critical mass for public transport and other urban amenities. A key current focus area is to achieve the alignment of these policy objectives with often inappropriate standards applied to design and operation of elements of the infrastructure, most notably traffic infrastructure.

Opportunities within the portfolio where such markets are being, and will be, provided include uMhlanga Ridge Town Centre, Ridgeside, uMhlanga Ridge Western Expansion - Cornubia Town Centre, Bridge City, Sibaya and Ntshongweni.



PREDOMINANTLY RESIDENTIAL NEIGHBOURHOODS

The residential market can reasonably be classified into four sub markets, namely high-end, mid-market, integrated affordable and government assisted. Any of these markets can be accommodated at different densities. An accelerating and

promising trend across these markets is the emergence of more “inclusionary” neighbourhoods that blur the lines between them and create a greater mix of income groups in any given neighbourhood, generally at higher densities. Residential demand is high and growing in Durban and other major cities and Tongaat Hulett’s key strategies to unlock this demand are premised around well located land; appropriate density with emphasis on achieving medium and high densities; incorporation of an appropriate level of flexibility and mix of land use; diverse residential typologies; diverse tenure options and the establishment of organised and empowered communities.

HIGH-END RESIDENTIAL NEIGHBOURHOODS

Refinement of Tongaat Hulett’s categorisation of Demand Drivers has defined high-end residential as comprising homes at a price point of above R1, 5 million. This widens the previous definition of this market. A majority of developments historically occurring on land converted by Tongaat Hulett have been targeted at this market segment. Tongaat Hulett recently undertook a market research study looking into this market from greater uMhlanga through to Blythedale. Current site prices across these areas range from R650 000 to R15,5 million, while sectional title units range from R12 200 per square metre through to R60 000 per square metre.

Within the greater uMhlanga area, there is a significant under-supply of freehold sites in a secure environment.

Sibaya Coastal Precinct has sparked exceptional demand based on its sea views, access to uMhlanga, the Tongaat Hulett brand and the live, work, play lifestyle that it offers.



The greater Ballito area has experienced R2,14 billion in sales (1 056 sales) in the last 12 months, being a 10 percent increase from the year before. 77 percent was achieved within the secure estates in the area. Ballito's population has increased from 12 000 residents in 2005 to more than 30 000 in 2015. Currently 20 percent of buyers come from Gauteng, expected to grow to 30 percent within 5 years.

The strategy being pursued in this Demand Driver consists of increasing the returns per hectare achievable by encouraging higher intensity development and achieving higher pricing premiums on scarce, low density sites and bringing to market further opportunities within Ridgeside, Izinga, Sibaya, Ntshongweni and Tinley Manor.

MID-MARKET NEIGHBOURHOODS

Refinement of Tongaat Hulett's categorisation of demand drivers has defined mid-market residential as ranging from R800 000 to R1,5 million. This segment is characterised chiefly by mid to high density developments. These would primarily be sectional title opportunities, with price-points generally ranging from R18 000 to R20 000 per square metre in the uMhlanga area and R12 000 to R14 500 per square metre in the north coast and western areas. This segment of the market is characterised by high demand and low levels of new stock and provides opportunities for such product to be packaged going forward in the uMhlanga region, coastal region north of Ballito and in the area of urban expansion west of Durban.

In the last 12 months, the following transfers occurred within this market segment:

- Ballito area - R183 million (211 sectional title units)
- Greater uMhlanga area - R235 million (215 sectional title units), most of these being in uMhlanga Ridge Town Centre
- Upper Highway - R535 million (648 sectional title units)

The overwhelming majority of these sales were re-sales, indicating a vast shortage of new development stock within this market segment. uMhlanga Hills and Sibaya Node 4 are very well placed to accommodate this market in the short term.

INTEGRATED AFFORDABLE NEIGHBOURHOODS

Refinement of Tongaat Hulett's categorisation of demand drivers has defined integrated affordable neighbourhoods as incorporating a price range for completed residential units of between R350 000 and R800 000, catering to households with a monthly household income of approximately R12 500 to R26 000.

This market remains a priority of government, while nationally, as well as within Tongaat Hulett's land portfolio, delivery lags demand.

The latest period has seen the sale of 2 hectares within Bridge City into this market. This offers the opportunity to monitor these developments closely and develop solutions applicable elsewhere to unlock the underlying demand. Bridge City and various precincts in Cornubia constitute short-term opportunities to do so. The relocation of the airport and the ongoing and anticipated future growth of employment-generating activities around it point to an increasing need to provide for this market in the greater Tongaat area, with key players such as large employers expressing keen interest. Ntshongweni is expected to incorporate a substantial component of such neighbourhoods in due course.

Proximity to public transport routes, places of work and amenities are key considerations, thus the ideal location for such neighbourhoods is in medium to high density developments (densities of 120 to 300 units per hectare are achievable and desirable) within or closely adjacent to mixed use or commercial

precincts and incorporating some element of mixed use within the neighbourhood itself.

As a priority socio-economic segment, accelerated delivery can be achieved through a combination of Tongaat Hulett's ability 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 construction companies and developers with the necessary capability and reputation, employers and financial institutions. Flexible land use and higher densities are critical to achieving scale and the better optimisation of infrastructure investment, to support a viable public transport system and transit orientated development nodes. This demand driver is an obvious case where structured, larger transactions are likely to be significant in providing solutions that meet the commercial requirements.

Formerly seen as predominantly a freehold market, the scope has widened, given recent moves by several institutional investors and private developers to build their portfolios, by developing rental stock to service those falling within this submarket, thereby widening choice and lowering affordability barriers.

Currently, delivery is constrained by the lack of end to end solutions for the demand and is unlikely to exceed 10 hectares per year. Over time, and as delivery mechanisms and partnerships evolve, 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.

PUBLIC SECTOR FACILITATED RESIDENTIAL NEIGHBOURHOODS

Various shifts have taken place in the last 6 months, requiring ongoing review of the strategy of delivering to this demand driver. The public sector remains constitutionally obliged and mandated with responsibility for the delivery of housing for the poor. Limits on the public sector's capacity to deliver, including increasingly severe fiscal constraints, have been a major shift impacting on this demand driver, together with a shift in emphasis towards land already owned by the state and in situ upgrading of informal settlements. KZN's land acquisition budget for 2015/2016 was reduced from R90 million to R15 million. This leads to a shift in focus to fewer hectares on which to develop the model with key players, maximising the state's suite of subsidies. Key focus areas are:

- Securing the larger contractors and developers with scale and experience, none of whom are presently active in Durban.
- Increasing densities - ideally tripling the current maximum density range of 50-80 units per hectare to maximise on investment in infrastructure and make public transport viable.
- Incorporating land use planning that is more flexible, permitting higher densities, reduced emphasis on motor vehicles and including non-residential uses so as to support the livelihoods of those who are not formally employed.

- Collaboration and partnerships – apart from contractors/ developers (as implementing agents) and all tiers of government (as providers of subsidies, services and regulatory authorities), other additional players required to participate in this market sector include banks and other financial institutions, employers as well as employees, unions and the communities themselves.
- Piloting remains a necessary intervention which, if done correctly, should and can be replicated on all suitable landholdings.



URBAN AMENITIES FOR RESIDENTIAL NEIGHBOURHOODS

This driver consists of social facilities such as schools, medical, neighbourhood retail, convenience retail, filling station and other facilities developed in response to, or in anticipation of, demand from growing residential neighbourhoods. The objective is to ensure that these are catered for and implemented in a value-creating manner, 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 urban amenities 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. A growing trend and acceptance has been observed of the principle of these amenities being provided within residential neighbourhoods in a mixed-use format, facilitating easy walking and access.

The level of residential take-up within Tongaat Hulett's developments has generated 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 Sibaya current areas



of interest. A process is under way 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 and tertiary 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 TVET 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. Balancing provision/access and affordability of amenities in an inclusive open neighbourhood society is a key challenge needing closer collaboration with public sector and society.

Current focus is on facilitating the entry of private education operators on selected landholdings to catalyse residential development. Structured transactions that are appropriate to the risk and investment profile of these facilities are being evaluated.



RETIREMENT DEVELOPMENTS

A retirement market research study was conducted in order to assess the retirement demand within KZN. The key insight is that there are waiting lists for retirement development throughout sectors of KZN, while the demand is expected to increase exponentially in years to come, where the Baby Boomers (born 1946 – 1964) are going to live anywhere from 10 to 25 years longer than their parents did and it is expected that, between 2000 and 2050, the number of people aged 60 and over will double.

There is a price sensitivity in the retirement market, related to price point rather than price per square metre. The two key factors behind people wanting to downsize for retirement are security and medical support and there is a significant shortage of quality retirement accommodation with medical and health facilities meeting market demands.

The research showed the importance of the health-care offering (extent and timing) in order for a retirement product to succeed and that garden and freestanding units dominate the level of demand within the upper segment of the market.

Retirement demand is very strong within the greater uMhlanga area and the North Coast, but not complemented by availability of stock, which creates an opportunity for carefully considered and competitively priced retirement opportunities across many landholdings in the portfolio. Retirement opportunities have been packaged and sold to developers within the Sibaya Node this period.

The opportunity to mix retirement with other uses and shared amenities (e.g. healthcare) at scale and in an integrated manner is a significant benefit of Tongaat Hulett's landholdings.

As a proactive initiative to promote KZN as a retirement destination, and to fast-track the sales of retirement sites to developers, Tongaat Hulett has recently launched Retire KZN, www.retirekzn.co.za.

This is a digital campaign geared at generating a database of interest in future retirement opportunities, as well as capturing on-going research data. This information will be shared with future / existing development partners and provide them with a platform to launch and market their retirement developments.



TOURISM MARKETS

Tourism is an important contributor to South Africa's GDP and economic growth. The tourism industry has been identified as a priority sector in the National Development Plan, reinforced by the National Tourism Sector Strategy, which aims to increase tourism's contribution to GDP and create meaningful employment. Increasing international tourist arrivals and increasing the incidence of domestic travel can achieve this.

Outstanding weather and a variety of attractions account for KZN's popular appeal as a prime leisure and tourist destination. KZN accounts for at least 30 percent of all domestic trips taken annually and 10 percent of annual international tourist arrivals into SA. The KZN 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 70 kilometre stretch

of coastline from uMhlanga to the Tugela 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. In addition, the announcement that Durban will be the first African city to host the Commonwealth Games, 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:

CITY HOTELS AND RESIDENCES

The majority of the hotels in uMhlanga 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.

Recently, the corporate office nodal shift to uMhlanga has resulted in this region being the preferred location for city hotels in Durban. This has fuelled a sustained growth in demand in individual corporate and leisure travel into the uMhlanga node,



resulting in the uMhlanga hotels having outperformed the South Africa hotel market in occupancy, rate and revenue per available room (REVPAR) from 2012 to 2015. In 2015, South Africa market REVPAR grew by 8 percent; uMhlanga grew by 13 percent and recorded a REVPAR premium of 18 percent to the South Africa market. For the eight months ended August 2016, the uMhlanga market recorded a REVPAR growth of 16 percent against the South Africa market 13 percent growth, and a REVPAR premium of 23 percent. This positive hotel performance has led to 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.

New uMhlanga hotel developments in the pipeline include Protea uMhlanga adding another 120 rooms in the fourth quarter of 2016 and a 206-room Radisson Blu hotel expected to open at the end of 2018. At least one developer, who has acquired land within Ridgeside Precinct 1, is considering partnering with either a local or international hotel operator to develop a 200 key contemporary lifestyle hotel.

Given the projected increase in demand for corporate office space and the area's projected economic growth, it is realistic to assume that the market can absorb an increase in hotel room inventory of between 8 - 10 percent per annum over the next 5 years.

Opportunities within Ridgeside are being explored with mixed use developers, which will likely include at least one additional internationally branded hotel.

Hotel 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 KZN or South Africa. The KZN 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. Following two years of discussions with resort operators, at least two international resort operators have expressed interest in partnering with Tongaat Hulett and an investor to develop South Africa's first beach resort at Tinley Manor. These discussions were taken to another level when representatives of Tongaat Hulett met with these resort operators at the African Hotel Investment Forum, held in Kigali, Rwanda, in early October 2016.

These resort operators are "asset light" operators and transactions are likely to require structured transacting models. The strategic objective going forward is to capture further value from surrounding land assets benefiting from proximity to and association with resort and higher pricing premiums as destination value is established in the area.



OFFICE MARKET

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 and environs [La Lucia, Mt Edgecombe and uMhlanga] comprises approximately 0,37 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. Little of the development in the greater uMhlanga node has been done by larger institutions with their relationships with large national tenants and attracting them into the node is a priority.

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 Business Process Services (BPS) facilities, for which it should be one of South Africa's most competitive locations. Large international BPS operators see considerable opportunity for KZN as a leading BPS destination due to quality of life, costs, language and other human resource advantages. Recent growth has been between 15 and 20 percent annually. Tongaat Hulett is collaborating with regional development agencies and the industry body, Business Process Enabling South Africa (BPESA), to further this competitiveness and rate of growth. KZN currently has 10,5 percent of the domestic market and 20 percent of international market share. Growing this market share is a priority for the region and its value proposition has proven to be increasingly popular over the past three to five years. The western expansion of uMhlanga Ridge into Cornubia is regarded as an excellent location for such facilities, and sales during the period in a mixed commercial zone are anticipated to yield call centre uses. Even at current market share, this sector is projected to yield demand for between 20 to 30 developable hectares of land over the next five years, and underpin nearly 17 000 new jobs. On the back of new international air route development into KSA, 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. Response to demand is currently severely restricted by a lack of shovel-ready land supported by the necessary infrastructure in Tongaat Hulett's land portfolio. This is a key area 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 demand drivers applicable to the establishment of such industrial / business park land, as indicated below

INDUSTRIAL AND MANUFACTURING

Manufacturing is a sector that remains under pressure, owing to competition from imports, vulnerability to currency fluctuations, and increasing competition presented by global value chains. There are opportunities emerging in the area of manufacturing supported by government in the form of Department of Trade and Industry (DTI) incentives, the designation of special economic zones, as well as a push towards increasing local content in government procurement.

Specific sub-sectors within manufacturing that may exhibit growth in the near future include the following:

- 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 sub-sector is also the highest employer within the manufacturing sector.
- Vehicles and automotive components: South Africa's largest automotive manufacturer is located in the region, with an established supplier base. The planned development of an automotive supplier park in the south of Durban is likely to have positive spin offs for the automotive sub-sector within the eThekweni region.

- **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. The sector was the highest contributor to Gross Value Add (GVA) within eThekweni in 2015.
- **Electronics and pharmaceuticals:** 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.

Large scale, well located industrial land is in scarce supply within the eThekweni region. Government planning frameworks are in support of industrial expansion occurring in the north, predominantly in the area surrounding the airport, which is projected to accommodate over 70 percent of planned future industrial land. Factors that will drive demand for manufacturing land include the level of government support in the form of incentives, proximity to suppliers, customers, and labour, as well as broader macro-economic conditions.

WAREHOUSING AND LOGISTICS

The logistics sector closely follows GDP trends in terms of growth and decline. The cost of logistics within South Africa is currently



12,5 percent of GDP, with a total cost of R423 billion in 2013, with warehousing being one component of this overall logistics cost. South Africa ranks 34th out of 160 countries in terms of logistics performance, according to the World Bank. The sector is likely to continue to grow, as government continues to put in place policies to stimulate exports and the productive side of the economy companies seek to maximise supply chain efficiencies, and South Africa seeks to solidify its position as a platform to access SADC markets.

Current demand for land in Durban for warehousing and logistics, together with manufacturing and industrial subsectors, is between 30 and 45 hectares per annum. 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 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 leveraging off new supply chains created by the proximity to air, rail and road infrastructure and the growing labour and skills base in the region.

BIG BOX RETAIL

Large platformed areas, particularly those with good access and exposure also accommodate 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.

A particular opportunity relates to various clusters of uses associated with the airport, combined with the good access to road, rail and port activity. Collaboration with the KZN Provincial Government, 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 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. Interest has been experienced from a number of tertiary institutions and educational service providers across a range of concepts from large campuses through to executive education and Technical and Vocational Education and Training (TVET) facilities catering for diverse technical skills linked to local industries. Such clusters have potential medium to long term benefits in accelerating a number of other demand drivers.

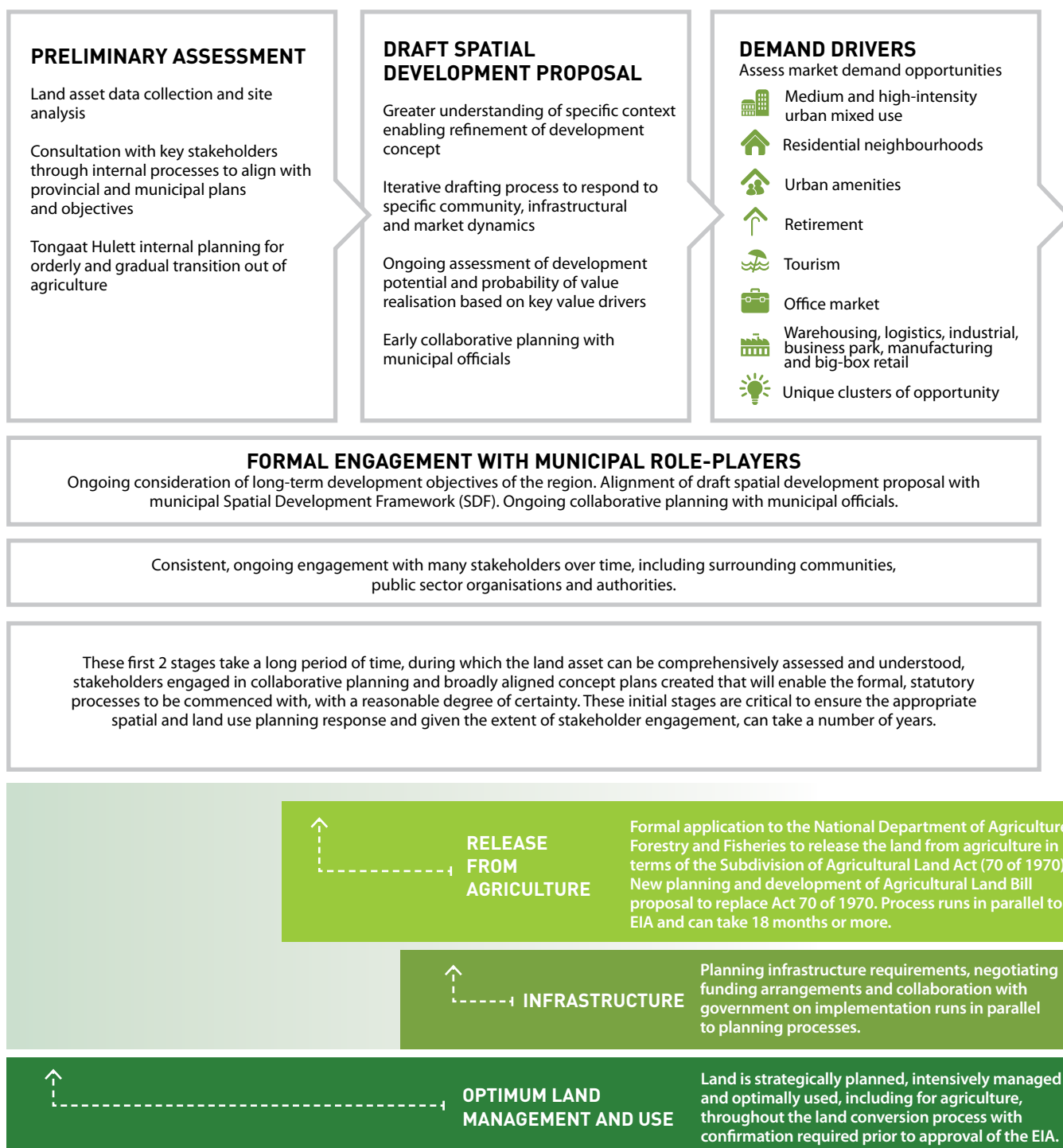
Other possible unique clusters are medical, wellness and healthcare complemented by education and medical tourism; a creative arts cluster including colleges, film studios, broadcasting technology and entertainment, combined with tourism, and; a biotech / biopharma cluster including technology, medicine, pharmaceutical research and development through to manufacturing.

DEVELOPMENTAL PROCESS TO UNLOCK VALUE CREATION FOR ALL STAKEHOLDERS

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 multi-faceted process requiring the support of a diverse range of stakeholders and, when well executed, generates significant social and economic benefits for a wide range of these stakeholders.

STEPS TO COMMENCEMENT OF CONSTRUCTION OF BUILDINGS AND INFRASTRUCTURE THAT ULTIMATELY DELIVER A RANGE OF SOCIO-ECONOMIC OUTCOMES

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.



SOCIETAL STAKEHOLDERS

NATIONAL GOVERNMENT

PROVINCIAL GOVERNMENT

MUNICIPAL GOVERNMENT

OTHER PUBLIC SECTOR PARTNERS

LOCAL COMMUNITIES

BROAD BASED BEE PRIORITY GROUPS
IN PROPERTY SERVICES, DEVELOPMENT
AND OWNERSHIP

END USERS FOR PROPERTIES IN
VARIOUS MARKETS

INVESTORS IN DIRECT PROPERTY
IN KWAZULU-NATAL

SOCIO-ECONOMIC OUTCOMES

- Attraction of fixed investment to the region
- Urban spatial integration linking communities, jobs and amenities
- Integrated inclusionary residential neighbourhoods
- Investment in new / additional agricultural development and enhanced rural livelihoods
- Sustained public sector income generation through rates, taxation and user charges
- Catalysing local socio-economic development
- Job creation, skills transfer and enterprise development during construction phase
- Creation of permanent jobs
- Organised and empowered communities
- Co-ordinated and efficient infrastructure roll-out
- Efficient return on infrastructure investment
- Provides property solutions that enable new markets to be developed

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

Current EIA approvals of 406 hectares with a further 3399 hectares in an EIA process

FINAL DETAILED PLANNING / SPATIAL PLANNING AND LAND USE MANAGEMENT ACT (SPLUMA) 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 SPLUMA

203 developable hectares are currently in this stage

SHOVEL READY

Alignment with relevant planning frameworks and legislation achieved

Release from Agriculture achieved

EIA and SPLUMA sufficiently far advanced with support from key stakeholders

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

312 developable hectares are currently shovel ready or beyond

FINAL APPROVAL AND COMMENCEMENT OF CONSTRUCTION OF BUILDINGS AND INFRASTRUCTURE

Approval in terms of SPLUMA

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

18 - 24 MONTHS

8 - 12 MONTHS

3 MONTHS

3 MONTHS

3 066 developable hectares have Act 70 of 1970 approval which represents 39 percent of the Land Portfolio.

TOTAL

7 951 ha









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

RANGE OF POSSIBLE FINANCIAL AND ASSOCIATED SOCIO-ECONOMIC OUTCOMES UNLOCKED THROUGH LAND CONVERSION ACTIVITIES

Consideration of planned progress in moving land towards shovel ready, with the necessary metropolitan and regional scale infrastructure, in accordance with the developmental process shown on pages 20 and 21; and in conjunction with growing; and taking advantage of the potential Demand Drivers described on

pages 10 to 19; and an assessment of the sales approaches most appropriate for each demand driver, 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.

RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES

Range of possible 5-year sales outcomes			As communicated at May 2016				Developable hectares sold in the 6 months to September 2016	Sales outcomes			
Demand driver			Range of developable hectares		Range of profit per developable hectare			Range of developable hectares		Range of profit per developable hectare	
			From	To	From	To		From	To	From	To
	Medium and High Intensity Urban Mixed Use ¹		75	120	22.0	39.0	2	46	90	22.0	42.0
	Predominantly residential neighbourhoods	High-end residential neighbourhoods ²	65	120	6.0	12.0	3	95	180	5.5	18.0
		Mid-market neighbourhoods	125	175	3.5	7.5	-	75	110	3.1	8.5
		Integrated affordable neighbourhoods	50	250	2.5	3.8	2	50	200	2.5	5.4
		Public sector facilitated residential neighbourhoods	150	450	2.0	2.4	-	80	240	2.2	3.0
	Urban Amenities for Residential Neighbourhoods		60	115	3.8	6.0	-	60	100	3.0	13.0
	Retirement ³		-	-	-	-	6	25	65	3.8	12.0
	Tourism Markets ⁴	City hotels and residences	6	16	12.0	25.0	-	6	13	13.0	26.0
		Coastal resorts catering to domestic, charter markets	10	50	3.5	5.0	-	12	48	3.8	6.0
	Office Market		20	50	6.0	15.4	-	13	28	9.0	29.0
	Warehousing, logistics, industrial, business park, manufacturing and big-box retail		100	300	5.0	9.5	6	100	200	4.8	9.4
	Unique Clusters of opportunity		25	100	4.0	7.5	-	25	75	7.0	12.0

Notes on updated definitions and articulation of Demand Drivers:

1. Previously high intensity mixed use, now evident that there is a wider range from medium through to high intensity.
2. High-end residential definition widened and calibrated to market insights. Included with other residential uses, rather than with tourism uses.
3. Previously included in unique clusters of opportunity. Now evident that this is a meaningful demand driver in itself.
4. Tourism markets were previously joined with high-end residential and designated as high-end markets.

Based on considerations of the Demand Drivers, the progress on the supply of shovel-ready land, past achievements of land transactions and an assessment of the sales approaches most appropriate for each Demand Driver, the following possible range of developable hectares sales outcome which have been identified over the next 5 years, will create significant socio-economic outcomes over time for a wide array of stakeholders.

The high level assessment of these outcomes is based on research and empirical evidenced-based forecasting which is conservatively estimated and shown for each of the Demand Drivers in the table below. These socio-economic outcomes are typically unlocked over a number of years following sales.









The Total Real Estate Investment Value is an indication of the collective market value of all land and buildings on completion of construction activities for each Demand Driver and is estimated in current-day terms. The data shows that the portfolio has a potential to generate a **Total Real Estate Investment Value of between R33 billion and R73 billion** from transactions concluded within the 5 year period.

Municipal rates income is generated across the real estate value chain throughout the development cycle. The table below shows an estimation of the rates income generated by the various Demand Driver uses once the buildings have been completed and occupied and hence represents a conservative estimation as other income within the development cycle is omitted. The cumulative rates income to local governments is therefore likely to be in the range of **R548 million to R1,2 billion per annum** once developments have been built.

Development activity, by its very nature, provides an ideal environment to create jobs, transfer skills and facilitate enterprise and supplier development as it stretches over the full real estate value chain. This applies to both construction activity (construction jobs) which occurs both at the infrastructure installation phase and the top-structure construction phase and operational activity (permanent jobs) which commences once the buildings are completed and occupied.

The sales outcomes forecasted over the next 5 years have a potential to **create between 40 000 and 88 000 permanent jobs**.

RANGE OF SOCIO-ECONOMIC OUTCOMES THAT WILL BE UNLOCKED OVER TIME FOLLOWING THE SALES

	DEMAND DRIVER		Range of Developable Hectares		Total Real Estate Investment Value (R million)		New Municipal Rates generation (R million per annum)		Permanent Jobs generated in above ground development	
			From	To	From	To	From	To	From	To
	Medium and High Intensity Urban Mixed Use		46	90	7 038	13 770	143	279	8 211	16 065
	Predominantly residential neighbourhoods	High-end residential neighbourhoods	95	180	5 653	10 710	50	96	1 938	3 672
		Mid-market neighbourhoods	75	110	1 913	2 805	17	25	526	771
		Integrated affordable neighbourhoods	50	200	1 700	6 800	15	61	340	1 360
		Public sector facilitated residential neighbourhoods	80	240	1 088	3 264	-	-	544	1 632
	Urban Amenities for Residential Neighbourhoods		60	100	3 672	6 120	50	83	12 240	20 400
	Retirement		25	65	1 913	4 973	39	101	5 100	13 260
	Tourism Markets	City hotels and residences	6	13	867	1 879	18	38	1 632	3 536
		Coastal resorts catering to domestic, charter markets	12	48	1 275	5 100	26	103	2 448	9 792
	Office Market		13	28	1 061	2 265	21	46	2 652	5 712
	Warehousing, logistics, industrial, business park, manufacturing and big-box retail		100	200	5 000	10 000	131	262	4 000	8 000
	Unique Clusters of opportunity		25	75	1 913	5 738	39	116	1 275	3 825
	Total socio-economic value to be unlocked over time following the sales		587	1 349	33 091	73 442	548	1 209	40 906	88 025

AREAS FROM WHICH THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME - AS AT 30 SEPTEMBER 2016

	AREA	Page ref	Developable hectares		Demand Driver
DURBAN TO BALLITO	URBAN GROWTH AND CONSOLIDATION - UMHLANGA REGION		465	2 605 developable hectares from a total of 4 365	
	Ridgeside Remaining Precinct 1	26	7		
	Ridgeside Precinct 2	27	31		
	uMhlanga Ridge Town Centre - Commercial	28	1		
	uMhlanga Ridge Town Centre - Residential	29	3		
	Izinga	30	63		
	Kindlewood	31	10		
	uMhlanga Ridge Town Centre Western Expansion - Cornubia Phase 2		178		
	uMhlanga Ridge Town Centre Western Expansion - Cornubia New Town	32	25		
	N2 Business Park	33	2		
	uMhlanga Hills	34	43		
	Marshall Dam Residential	35	12		
	Marshall Dam Town Centre	36	82		
	Integrated Residential (Blackburn Extension)	37	14		
	Cornubia North		172		
	Integrated Affordable Neighbourhood and Business Precinct	38	172		
	COASTAL / LIFESTYLE / LEISURE / HIGH-END RESIDENTIAL		383		
	Zimbali Lakes	39	48		
	Sibaya Node 1	40	23		
	Sibaya Node 5	41	76		
	Sibaya Node 2 & 3	42	134		
	Sibaya Node 4	43	103		
	AIRPORT REGION BUSINESS AND RESIDENTIAL		1 725		
	uShukela Drive - Airport Linked Industrial, Retail and Logistics	44	49		
	Amanzimnyama - Office / Business / Industrial and Logistics Park	45	345		
	Compensation East - Industrial and Manufacturing	46	73		
	Compensation Western Expansion - Industrial and Manufacturing	47	152		
	iNyaninga East - Industrial / Logistics / Manufacturing	48	550		
	iNyaninga West	49	187		
	Aberfoyle	50	231		
	Lindokuhle	51	52		
	Dudley Pringle - Residential and Urban Expansion of oThongathi (Tongaath)	52	86		
	Bridge City	53	7		
	REMAINING SITES ON NEARLY COMPLETED DEVELOPMENTS	54	25		
WEST OF DURBAN	URBAN EXPANSION WEST OF DURBAN		467	467 developable hectares from a total of 1 086	
	Ntshongweni - Residential Infill / Consolidation	55	57		
	Ntshongweni - Retail and Urban Core	56	64		
	Ntshongweni - Logistics and Business Park	57	161		
	Ntshongweni - Integrated Residential	58	185		
COASTAL NORTH OF BALLITO	COASTAL NORTH OF BALLITO		347	347 developable hectares from a total of 2 500	
	Tinley Manor South Banks	59	270		
	Tinley Manor North Banks – Resort	60	77		
GRAND TOTAL			3 419	3 419 developable hectares from a total of 7 951	

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME

■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE

DETAILED SHEETS FOR EACH OF THE AREAS FROM WHICH THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME



Areas from which sales in the range of possible 5-year sales outcomes are expected to come

Areas where sales or negotiations have commenced or are about to commence



DEMAND DRIVERS ICON OVERVIEW



HIGH-INTENSITY
URBAN MIXED USE



PREDOMINANTLY
RESIDENTIAL NEIGHBOURHOODS



URBAN AMENITIES FOR
RESIDENTIAL NEIGHBOURHOODS



RETIREMENT



TOURISM



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

7

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

Intense interest in the prime property has led to recent sales at record profitability.

Currently dealing with multiple negotiations covering a variety of uses including hotels, offices, residential and mixed use concepts.

LAND USE



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

KEY SOCIO-ECONOMIC OUTCOMES

- Durban's best opportunity for an iconic development precinct to match other examples nationally.
- Sales to date represent real estate investment between R5 and R7 billion.
- Future sales are anticipated to unlock a further R2.5 to R3 billion in real estate investment.
- Total estimated municipal rates on completion exceeds R200 million per annum.

PROJECT STATUS

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



AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
 AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
 FEATURED LAND ASSET
 SALES ACHIEVED IN REPORTING PERIOD

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
- Ideal location for prime high-end retirement

LAND USE



- High-end residential
- Medium intensity mixed use
- Hotels, hospitality and other tourism
- Limited office and retail uses
- Retirement

Currently dealing with multiple enquiries across all the anticipated Demand Drivers. Both individual sales and larger, structured transactions are being explored.

KEY SOCIO-ECONOMIC OUTCOMES

- This landholding extends Durban's offering as a lifestyle and investment destination. Total fixed investment in the precinct is expected to exceed R10 billion
- A number of inclusionary residential units have been incorporated in co-operation with the municipality to enable people working in the area to live here
- Ridgeside ensures the upgrading and sustainability of over 40 hectares of coastal forest and open space

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	✓ The mix uses can be modified to match specific development concepts of buyers.
Infrastructure considerations	No constraints anticipated.



■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
 ■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
 ■ FEATURED LAND ASSET
 ● SALES ACHIEVED IN REPORTING PERIOD

UMHLANGA RIDGE TOWN CENTRE Commercial

Durban to Ballito area
uMhlanga region
uMhlanga Ridge Town Centre

<1 DEVELOPABLE
HECTARES

MEDIAN PROFIT
PREMIUM VALUE
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

These last remaining sites are being intensively marketed to developers and end users. Multiple enquiries are being followed up with potential for the development of office, BPS and hotel uses.

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 finalising processes to optimise the value created. Urban designers and traffic engineers have been engaged to unlock this potential.

KEY SOCIO-ECONOMIC OUTCOMES

- uMhlanga Ridge Town Centre is a successful pilot for the country of a high intensity, integrated, mixed use urban new town
- The area is being evaluated as a case study of successful urban development to unlock future collaboration



PROJECT STATUS

Release from Agriculture	✓
Shovel ready	✓
Infrastructure considerations	No constraints anticipated. Installation of the GO!Durban transport system will further enhance attractiveness of the sites and the potential to densify. GO!Durban bridge over the N2 currently under construction.

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

UMHLANGA RIDGE TOWN CENTRE Residential

Durban to Ballito area
uMhlanga region
uMhlanga Ridge Town Centre

<3 DEVELOPABLE
HECTARES

MEDIAN PROFIT
>R60 MILLION



OPPORTUNITY

- Affordable and mid-market medium to high-density residential in developing town centre
- Limited available opportunities and increasing scarcity
- Sales concluded over the past year in this area, which is close to fully serviced, are generating substantial cash during the 2016/17 financial year

LAND USE



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

The limited development opportunities in uMhlanga are 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 demand for mid-market and high-end neighbourhoods.

KEY SOCIO ECONOMIC OUTCOMES

- Yield of over 4 500 homes in an integrated, inclusionary precinct catering to a mixed range of affordability
- An integrated urban development where homes, jobs and amenities are within walking distance of each other
- High intensity development, where infrastructure investment has been highly leveraged

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	✓ Majority of developable bulk sold - application for additional residential units well advanced.
Infrastructure considerations	No constraints anticipated. Installation of the GO!Durban public transportation system will further enhance the value and attractiveness of this development.



■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

IZINGA CURRENT & FUTURE PHASES

Durban to Ballito area
uMhlanga region
Izinga

63 DEVELOPABLE
HECTARES

MEDIAN PROFIT
R295 MILLION
(RANGE R265 - R504 MILLION)

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



OPPORTUNITY

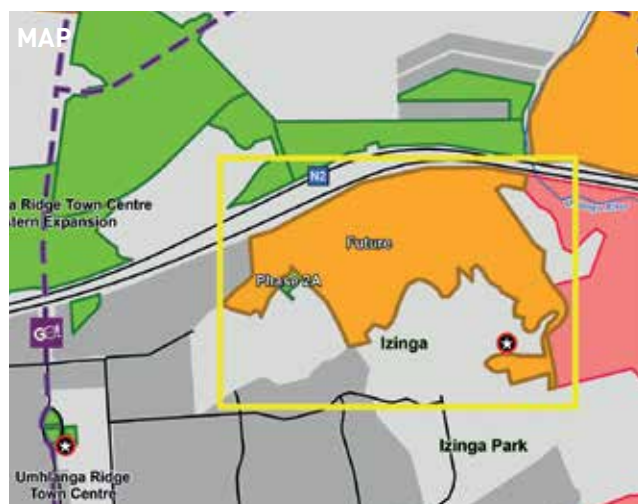
- Builds on established brand, infrastructure and amenity
- Business education facility to be established complements existing amenities
- Possibility to increase intensity of land use through new applications

The last remaining sectional title development sites (3 developable hectares) are currently in sales processes and are expected to yield cash profit of approximately R5.5 million per developable hectare

LAND USE



- Mid-market to high-end residential
- Medium density, well located with substantial amenities



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 further educational amenities will be considered for their impact on value.

KEY SOCIO ECONOMIC OUTCOMES

- Yield of high value, high amenity residential neighbourhood that is integrated with surrounding communities
- Recent collaboration with Toyota will lead to the development of a business school focusing on scarce manufacturing and industrial skills. Construction planned to start mid-2017

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	Amended and enhanced rights to be sought through amended EIA application.
Infrastructure considerations	No constraints anticipated. Major infrastructure and amenities completed.

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

KINDLEWOOD

Durban to Ballito area
uMhlanga region
Kindlewood

10 DEVELOPABLE
HECTARES

MEDIAN PROFIT
>R40 MILLION

**MEDIAN PROFIT
PER HECTARE**
>R4 MILLION



OPPORTUNITY

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

This development is approaching completion, creating scarcity and allowing for premium pricing. A retirement development has proven very successful, indicating further opportunities for this Demand Driver.

LAND USE



- Mid-market to high-end residential
- Low to medium density, well located with substantial amenities
- Retirement development

KEY SOCIO-ECONOMIC OUTCOMES

- The development has delivered a residential neighbourhood substantially integrated across a diverse demographic profile
- The development has yielded a significant open space system, successfully rehabilitated and sustainably maintained

MAP



PROJECT STATUS

Release from Agriculture	✓
Shovel ready	Additional residential units being applied for to allow for densification and retirement use.
Infrastructure considerations	No constraints anticipated. Major infrastructure and amenities complete.

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
 ■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
 ■ FEATURED LAND ASSET
 ● SALES ACHIEVED IN REPORTING PERIOD

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 INDICATED FOR INTENDED MIX OF LAND USES



OPPORTUNITY

- 3 new interchanges providing major new access infrastructure currently under construction
- Situated on GO!Durban public transport route where construction is underway
- Construction of Cornubia Retail Park underway, acting as a catalyst to development

LAND USE



- High-intensity urban mixed use
- Prime mid-market and affordable residential neighbourhood
- Premium and A-grade offices and Business Process Services (BPS) facilities
- Opportunity for city hotels
- High-intensity transit oriented development based on road and public transport accessibility
- High visibility and accessibility showroom and destination retail

With the new infrastructure currently under construction increasing interest is being expressed for a range of urban uses that could lead to further sales in the short term. A flexible transaction approach is being adopted that will cater for sales of individual sites, various sub-precincts or the entire land asset.

KEY SOCIO-ECONOMIC OUTCOMES

- Major impact in linking surrounding communities
- Sales to date include significant black economic empowerment transactions
- Anticipated to yield over 3 000 well located, affordable and mid-market high density residential units
- Projected annual municipal rates of over R250 million



PROJECT STATUS

Release from Agriculture	✓
Shovel ready	✓
Infrastructure considerations	<p>Further expansion of GO!Durban transit route is required to realise the full potential of the development.</p> <p>The scale of the development is testing the collaboration processes with public sector to co-ordinate all services.</p>

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
 ■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
 ■ FEATURED LAND ASSET
 ● SALES ACHIEVED IN REPORTING PERIOD

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



OPPORTUNITY

- Most of this precinct has been sold to a developer who is about to commence construction activities

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 over time as densification takes place in the area.

LAND USE



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

KEY SOCIO-ECONOMIC OUTCOMES

- Mixed commercial land use, in close proximity to existing and planned residential neighbourhoods, estimated to yield 2 200 permanent jobs on completion
- Estimated increased municipal rates of R70 million annually



PROJECT STATUS

Release from Agriculture	✓
Shovel ready	✓
Infrastructure considerations	<p>No constraints anticipated.</p> <p>Construction of new interchange on M41 has commenced, together with bridge and partial interchange off N2 to link with uMhlanga Ridge Town Centre.</p> <p>Mechanisms for collaboration with government are being explored to unlock road and electrical infrastructure needed for this and nearby land.</p>

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

UMHLANGA HILLS

Durban to Ballito area
uMhlanga region
Cornubia New Town

43 DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIALLY SENSITIVE
IN THE RANGE INDICATED FOR
INTEGRATED AFFORDABLE AND
MID-MARKET NEIGHBOURHOODS



OPPORTUNITY

- High-quality, affordable to mid-market, well-located residential, with high amenity
- Accessibility improving with new roads and interchanges currently being constructed
- Walking distance from new Cornubia shopping centre, opening in September 2017

LAND USE



- Affordable to mid-market, medium to high-density residential, with associated urban amenities
- Transit-oriented development possibilities
- Private affordable education serving surrounding residential

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

Developers are being introduced to the opportunity, indicating strong demand for the proposed form of residential developments.

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

Current proposals are for the Commonwealth Games athletes village to be built on land close to this.

KEY SOCIO-ECONOMIC OUTCOMES

- Expected to yield some 4 000 well located and affordable homes on completion
- Opportunity to create a high-density residential neighbourhood designed to integrate optimally with GO!Durban public transport system

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 Town Centre as part of the GO!Durban public transport route. Further expansion of the GO!Durban transit route and electrical supply infrastructure are required to realise full potential of the development.



■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

MARSHALL DAM RESIDENTIAL

Durban to Ballito area
uMhlanga region
Cornubia New Town

12 DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIALLY SENSITIVE
IN THE RANGE INDICATED FOR
INTEGRATED AFFORDABLE TO
MID-MARKET NEIGHBOURHOODS



OPPORTUNITY

- High-quality, affordable, well located medium to high-density residential, with high amenity

Engagements are on-going with developers and Institutional investors / funds who have shown interest in this site.

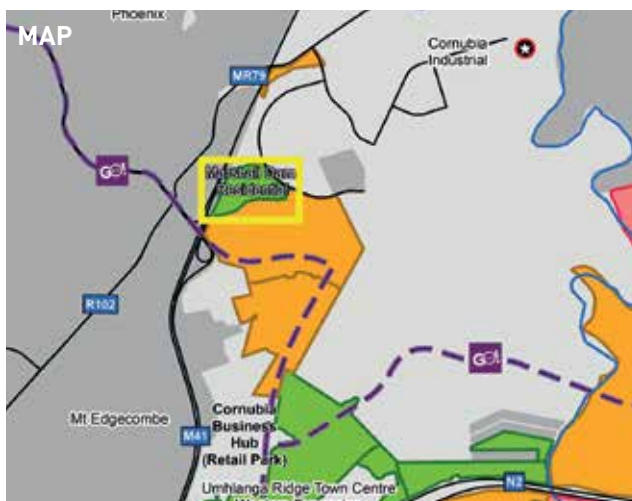
LAND USE



- Affordable to mid-market neighbourhood, medium to high-density residential
- High amenity value associated with the unique location adjacent to the Marshall Dam

KEY SOCIO-ECONOMIC OUTCOMES

- Being positioned to yield 1 000 affordable and mid-market homes in an integrated neighbourhood



PROJECT STATUS

Release from Agriculture	✓
Shovel ready	✓
Infrastructure considerations	Value of the land will be enhanced by improved road linkage to the GO!Durban route and major road network. Timing of proposed road linkages currently uncertain.

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

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 - R16 MILLION)



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

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

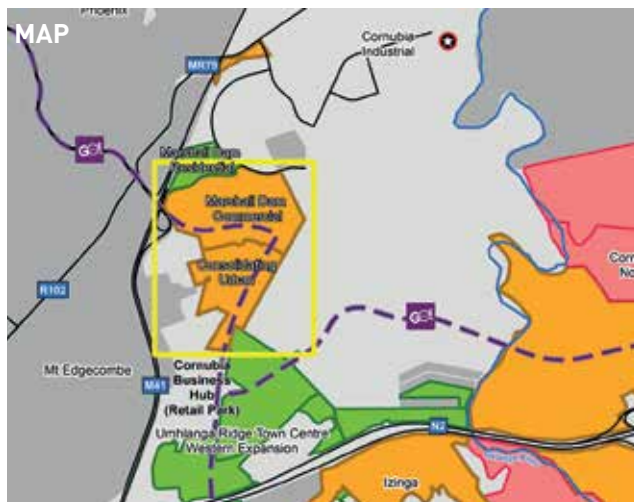
LAND USE



- Affordable to mid-market, neighbourhood, medium to high-density residential neighbourhood
- Range of high intensity mixed urban uses arising from expansion of uMhlanga Ridge Town Centre and location on major public transport route
- Unique opportunity based on amenity value associated with the unique location adjacent to the Marshall Dam

KEY SOCIO-ECONOMIC OUTCOMES

- This development will fully integrate living and working opportunities within a walking distance
- The nature and intensity will ensure that the public transportation system is leveraged fully



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. Timing of the proposal road linkages currently uncertain.

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

INTEGRATED RESIDENTIAL (CORNUBIA)

Durban to Ballito area
uMhlanga region
Cornubia New Town

14 DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

MEDIAN PROFIT
PER HECTARE

COMMERCIALLY SENSITIVE
IN THE RANGE INDICATED FOR PUBLIC
SECTOR FACILITATED AND INTEGRATED
AFFORDABLE NEIGHBOURHOODS



OPPORTUNITY

- High-quality, high-density affordable to mid-market, well-located residential with high amenity
- Adjacent to high-end residential suburb (Izinga) and N2 Business estate expected to see development commence by late 2017

LAND USE



- Affordable to mid-market neighbourhoods, medium to high-density residential, with associated urban amenities
- The opportunity to include a greater mix of uses into a residential neighbourhood is being evaluated

Engagement has commenced with large portfolio investors and developers for a potential residential 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.

KEY SOCIO-ECONOMIC OUTCOMES

- Upgrading and integration of the existing neighbouring informal settlement will form part of the development plan, thereby improving the lives of over 2 500 families living in the area currently, and facilitate a truly integrated inclusionary, mixed-use neighbourhood
- The development of an affordable residential neighbourhood immediately adjacent to new employment opportunities being created



PROJECT STATUS

Release from Agriculture	✓
Shovel ready	EIA approved. Detailed planning well advanced.
Infrastructure considerations	Collaboration required to unlock infrastructure required to enable affordability of residential product.

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

CORNUBIA NORTH

Integrated affordable neighbourhood and business precinct

Durban to Ballito area
uMhlanga region
Cornubia North

172

DEVELOPABLE HECTARES

MEDIAN PROFIT PER HECTARE
CURRENTLY BEING ASSESSED. EXPECTED IN THE RANGE INDICATED FOR AFFORDABLE TO MID-MARKET RESIDENTIAL AND BUSINESS PARK.



OPPORTUNITY

- Limited business park stock in Cornubia creating market interest in this area.
- First phase to be accelerated around the existing N2 interchange at Sibaya to build on demand for additional business park development along the N2.
- Opportunity for a large-scale integrated affordable neighbourhood pilot scheme with large developers.

LAND USE



- Warehousing, business park, big-box retail
- Wide range of office uses
- Mixed, integrated inclusionary residential neighbourhoods with residential amenities

Cornubia North provides opportunity for further affordable and mid-market residential neighbourhoods, business park and industrial uses, together with further urban growth and consolidation along key transport routes.

KEY SOCIO-ECONOMIC OUTCOMES

- Has the potential to accelerate fixed investment in this priority urban corridor through an early start on business park uses
- Allows for the extension of the existing successful Cornubia collaboration to establish significant scale and impact
- Enhances linkages between the current Cornubia development and the emerging Sibaya Node



PROJECT STATUS

Release from Agriculture	Pending approval.
Shovel ready	Framework plan under review with municipality.
Infrastructure considerations	<p>High-level planning well advanced.</p> <p>Located on the planned primary GO!Durban link between uMhlanga and the airport.</p> <p>Existing interchange at Sibaya provides the critical infrastructure to accelerate the development.</p>

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

ZIMBALI LAKES

Durban to Ballito area
uMhlanga 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

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 across the asset base of the joint venture.

LAND USE



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

KEY SOCIO-ECONOMIC OUTCOMES

- Zimbali has attracted foreign direct investment and yielded the first Fairmont Hotels and Residences in South Africa
- Significant investment in leisure amenities including sports and beach facilities with public access
- The joint venture has contributed directly to KwaDukuza municipality social upliftment programmes.



PROJECT STATUS

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

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
 ■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
 ■ FEATURED LAND ASSET
 ● SALES ACHIEVED IN REPORTING PERIOD

SIBAYA - NODE 1

Durban to Ballito area
Coastal region
Sibaya

23 DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

MEDIAN PROFIT
PER HECTARE
IN THE RANGE INDICATED FOR
HIGH END RESIDENTIAL AND MEDIUM/
HIGH INTENSITY URBAN MIXED USE



OPPORTUNITY

- Prime coastal location in sought-after region within close proximity to uMhlanga and the King Shaka International Airport
- Substantial momentum established, development visually commenced, with many early market successes

LAND USE



- Mid-market and high-end residential
- High-end city hotels and residences
- Medium to high-intensity urban mixed use
- Retirement



This first node of Sibaya is now in the implementation phase, with physical construction having commenced, creating new interest and opportunities.

Since the launch of specific packages to the market in September 2015, 26 developable hectares have been sold to developers who have had very successful sales of their respective developments.

The sectors where sales have occurred include high-end residential and retirement, together with complementary retail.

The remaining area of Node 1 will largely comprise medium to high intensity mixed use sector.

KEY SOCIO-ECONOMIC OUTCOMES

- Enhances Durban's coastal tourism offerings
- Upgrades and ensures future sustainability of a unique coastline and coastal forest

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	✓
Infrastructure considerations	Physical services and infrastructure construction commenced in September 2016. Completion is expected by the end of July 2017.

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

SIBAYA - NODE 5

Durban to Ballito area
Coastal region
Sibaya

76 DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIALLY SENSITIVE
IN THE RANGE INDICATED FOR
HIGH END RESIDENTIAL
DEVELOPMENT



OPPORTUNITY

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

Based on sales achieved in Node 1 and the associated infrastructure installation, strong market interest in Node 5 has lead to a high likelihood of transactions being achieved in the short term.

LAND USE



- Mid-market and high-end residential, high-end city hotels and residences, resort
- Unique clusters of opportunity
- Urban amenities
- Retirement

KEY SOCIO-ECONOMIC OUTCOMES

- Opportunity to accommodate various unique clusters of uses that enhance Durban's attractiveness and competitiveness
- The development will enhance the attractiveness of the existing eMdloti village in multiple dimensions
- A meaningful early component of Durban's emerging aerotropolis plans



PROJECT STATUS

Release from Agriculture	✓
Shovel ready	✓
Infrastructure considerations	Servicing of Node 5 can commence quickly and efficiently now that Node 1 is under construction.

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
□ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

SIBAYA - NODES 2 & 3

Durban to Ballito area
Coastal region
Sibaya

134 DEVELOPABLE
HECTARES

MEDIAN PROFIT
CURRENTLY BEING ASSESSED

MEDIAN PROFIT
PER HECTARE
CURRENTLY BEING ASSESSED



OPPORTUNITY

- Well located, gently sloping land with extensive estuary and ocean views surrounded by pristine natural environment

With bulk infrastructure construction underway for Node 1, opportunities to unlock this node are significantly enhanced. Opportunities to integrate portions with the planned expansion of the Sibaya Casino are being considered in conjunction with a number of stakeholders.

LAND USE



- High-end residential
- City hotels and residences
- Urban amenities

KEY SOCIO-ECONOMIC OUTCOMES

- Major positive impacts, currently being scoped and framework developed



PROJECT STATUS

Release from Agriculture	Application to be prepared in conjunction with provincial and municipal authorities.
Shovel ready	Detailed concept plan being initiated from within an existing overall framework plan.
Infrastructure considerations	No constraints anticipated.

AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
 AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
 FEATURED LAND ASSET
 SALES ACHIEVED IN REPORTING PERIOD

SIBAYA - NODE 4

Durban to Ballito area
Airport region
Sibaya

103 DEVELOPABLE
HECTARES

MEDIAN PROFIT

R502 MILLION
(RANGE R464 - R927 MILLION)

MEDIAN PROFIT PER HECTARE

R4,9 MILLION
(RANGE R4,5 - R9 MILLION)



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
- Urban amenities to serve the existing community, together with new development in Nodes 1 and 5

LAND USE



- Mid-market to high end residential
- Urban amenities
- Office
- Retirement

With Sibaya Node 1 now under construction, bringing bulk infrastructural services to Sibaya, and the EIA application well advanced, it is likely that the interest that is being shown in the node could lead to land transactions in the next 12-18 months. Given the nature of this interest, opportunities exist for a range of commercial transactional approaches being adopted.

KEY SOCIO-ECONOMIC OUTCOMES

- The high visibility and accessibility of this landholding makes it an ideal location to attract new investment of a diversified nature into the region
- This development node allows for a highly co-ordinated approach in optimising the rollout of infrastructure to ensure an efficient return on infrastructure investment



PROJECT STATUS

Release from Agriculture	✓
Shovel ready	EIA well advanced.
Infrastructure considerations	Infrastructural requirements have been confirmed with detailed planning completed.

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
 ■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
 ■ FEATURED LAND ASSET
 ● SALES ACHIEVED IN REPORTING PERIOD

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**
IN THE RANGE INDICATED FOR
WAREHOUSING, LOGISTICS,
BUSINESS PARK, MANUFACTURING
AND BIG-BOX RETAIL



OPPORTUNITY

- Prime location in sought-after airport region with scarcity of appropriately zoned sites
- Improving air connectivity and highway exposure
- Planning being undertaken in collaboration with Dube TradePort

LAND USE



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

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

Sub-sectors such as retail distribution, electronic goods, pharmaceuticals, manufacturing and speciality retail are initial focus areas.

KEY SOCIO-ECONOMIC OUTCOMES

- Leverage and enhancement of government-led initiatives related to the airport and Dube TradePort
- Creation of 60 000 full-time equivalent construction jobs and over 4 000 permanent jobs in a region with current high unemployment

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	EIA in advanced stage in collaboration with Dube TradePort. Rezoning application in pre-submission stage.
Infrastructure considerations	No constraints anticipated. Engagements ongoing with service providers to ensure timeous implementation.



■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

AMANZIMNYAMA

Office / Business /
Industrial and
logistics park

Durban to Ballito area
Airport region
Amanzimnyama

345 DEVELOPABLE
HECTARES

MEDIAN PROFIT

R1,66 BILLION
(RANGE R1,55 - R2,76 BILLION)

MEDIAN PROFIT PER HECTARE

R4,8 MILLION
(RANGE R4,5 - R8 MILLION)



OPPORTUNITY

- Demand for warehousing, logistics, industrial, business park, manufacturing, big box retail and offices in the emerging Aerotropolis
- Unique sense of place creates the possibility of planning a niche office development in support of the airport city

LAND USE



- Warehousing, logistics, industrial, business park, manufacturing and warehouse retail
- Offices
- Unique clusters of use based on site characteristics and airport proximity

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 in the Aerotropolis.

KEY SOCIO-ECONOMIC OUTCOMES

- This development has the potential to yield R25 billion in fixed property investment with significant job creation, both during and post-construction
- The large and interconnected green linkages will provide environmental, educational and commercial opportunities supported by integrated social programmes



PROJECT STATUS

Release from Agriculture	Application to be prepared for submission in conjunction with provincial and municipal authorities.
Shovel ready	Framework being reviewed in collaboration with provincial and municipal stakeholders in support of the aerotropolis and municipal local area plan initiatives.
Infrastructure considerations	High-level planning underway. Engagements with service providers to progress in line with planning process.

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

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
- Forms a strategic hub for expansion of airport-linked industrial into the area around Ballito

LAND USE

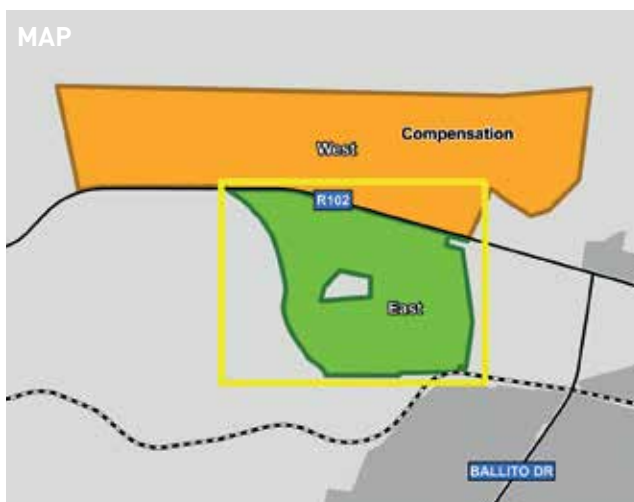


- Manufacturing, warehousing, logistics, industrial, business park and warehouse retail
- Well-located, affordable to mid-market residential integrated with industrial development

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.

KEY SOCIO-ECONOMIC OUTCOMES

- Potential for integrated industrial development, including substantial accommodation and associated amenities
- Addresses scarcity of large industrial sites suitable for large scale manufacturing and logistics around Durban



PROJECT STATUS

Release from Agriculture	✓
Shovel ready	EIA approval expected within 6 months. Zoning application in pre-submission stage.
Infrastructure considerations	Service level agreements in the process of being negotiated with service providers.

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

COMPENSATION WESTERN EXPANSION

Industrial and
manufacturing

**Durban to Ballito area
Airport region
Compensation**

152 DEVELOPABLE
HECTARES

MEDIAN PROFIT

R836 MILLION
(RANGE R760 - R988 MILLION)

MEDIAN PROFIT PER HECTARE

R5,5 MILLION
(RANGE R5 - R6,5 MILLION)



OPPORTUNITY

- 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
- Potential for a combined industrial and high-density residential node

LAND USE



- Warehousing, logistics, industrial, business park, manufacturing and warehouse retail
- Well-located, affordable to mid-market residential integrated with industrial development



The development approach will be to create significant value, together with end-users and investors/developers in identified markets that value proximity to the airport, accessibility and large, flat, platformed land. Commercial processes on the East could very well be extended to the West as expansion requirements need to be accommodated.

KEY SOCIO-ECONOMIC OUTCOMES

- The only land to be zoned 'general industrial' in the region which permits heavy industry developments to be rolled out in support of the NDP
- Could generate over 10 000 jobs on a permanent and sustainable basis with the ability to draw skilled and semi-skilled labour from the surrounding communities

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	EIA approval expected within 6 months. Zoning application in pre-submission stage.
Infrastructure considerations	Service level agreements in the process of being negotiated with service providers.

This landholding is subject to gazetted land claim, undergoing processes to achieve resolution.

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

INYANINGA EAST

Industrial / Logistics /
Manufacturing

Durban to Ballito area
Airport region
iNyaninga

550 DEVELOPABLE
HECTARES

MEDIAN PROFIT

R2,75 BILLION
(RANGE R2,5 - R4,1 BILLION)

MEDIAN PROFIT PER HECTARE

R5 MILLION
(RANGE R4,5 - R7,5 MILLION)



OPPORTUNITY

- Lying on major access infrastructure (road and rail) and between the airport and the town of oThongathi, this location offers unique opportunities for multi-modal logistics and manufacturing, as well as urban consolidation

Two precincts within Inyaninga East are being considered for early release. Firstly, a logistics platform adjacent to the rail line is being planned and a collaborative process is underway with government stakeholders to understand the nature of the opportunity better. Secondly, planning for an affordable residential precinct is underway, to address pent up demand in the greater oThongathi area.

LAND USE



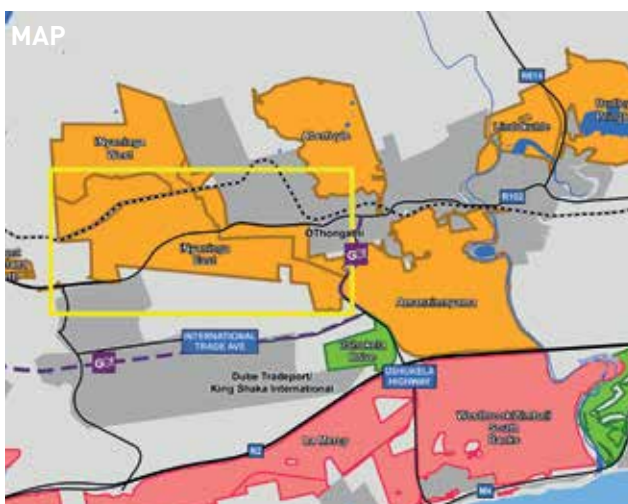
- Warehousing, logistics, industrial, business park, manufacturing and warehouse retail
- High-intensity urban mixed use
- Offices
- Broad range of residential uses, with associated amenities

KEY SOCIO-ECONOMIC OUTCOMES

- This development plays a key role in stitching together the existing established nodes of Verulam, oThongathi and the airport, thereby providing greater economic integration
- Estimated R45 billion fixed investment into the local economy is expected to create 40 000 permanent and sustainable jobs with local municipal rates revenue exceeding R1 billion annually

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	EIA in advanced stage.
Infrastructure considerations	High-level planning of bulk services well advanced. Engagements with service providers progressing in line with the planning process.



■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

INYANINGA WEST

Durban to Ballito area
Airport region

187 DEVELOPABLE
HECTARES

MEDIAN PROFIT

R393 MILLION
(RANGE R374 - R748 MILLION)

MEDIAN PROFIT PER HECTARE

R2,1 MILLION
(RANGE R2 - R4 MILLION)



OPPORTUNITY

- Collaboration with relevant stakeholders to deliver an integrated government assisted, affordable to mid-market neighbourhood to enable expansion of oTongathi and address aerotropolis residential demand
- This neighbourhood will support the broader development of the iNyaninga integrated industrial, commercial and residential precinct

LAND USE

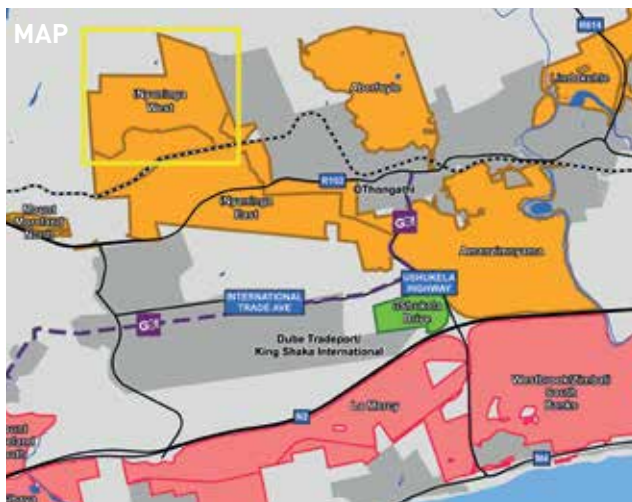


- Mixed and integrated residential neighbourhoods and urban amenities

The commercial strategy will be designed around collaboration with the full range of residential sector role players, to deliver an integrated and inclusionary residential neighbourhood.

KEY SOCIO-ECONOMIC OUTCOMES

- This development has the potential to yield approximately 10 000 residential units
- This will provide residential solutions to support the adjacent commercial and industrial growth nodes within the broader aerotropolis area



PROJECT STATUS

Release from Agriculture	✓
Shovel ready	EIA underway.
Infrastructure considerations	High-level planning of bulk services well advanced for the iNyaninga Precinct. Engagements with service providers will progress in line with planning process.

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

ABERFOYLE
Durban to Ballito area
Airport region

231

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R580 MILLION
(RANGE R462 - R809 MILLION)

**MEDIAN PROFIT
PER HECTARE**
R2,5 MILLION
(RANGE R2 - R3,5 MILLION)



OPPORTUNITY

- Collaboration with multiple stakeholders to deliver a range of inclusionary residential options, from public sector facilitated through to mid market
- Respond to market demand and preferences
- Ideally located as future northern expansion of oThongathi town

The commercial strategy will be designed around engagement with government and other residential sector partners to deliver a range of accommodation in an integrated urban environment.

LAND USE



- Mixed and integrated residential neighbourhoods and associated amenities

KEY SOCIO-ECONOMIC OUTCOMES

- Has the ability to deliver over 6 000 residential units across a range of affordability, tenure and typologies in close proximity to the oThongathi town centre.



PROJECT STATUS

Release from Agriculture	Application to be made in due course.
Shovel ready	Concept planning about to commence.
Infrastructure considerations	The key consideration is a proposed western bypass road to oThongathi. Engagement with authorities is commencing.

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

LINDOKUHLE

Durban to Ballito area
Airport region

52 DEVELOPABLE
HECTARES

MEDIAN PROFIT
R135 MILLION
(RANGE R104 - R156 MILLION)

**MEDIAN PROFIT
PER HECTARE**
R2,5 MILLION
(RANGE R2 - R3 MILLION)



OPPORTUNITY

- Collaboration with multiple stakeholders to deliver a range of inclusionary residential options, from public sector facilitated to affordable

The commercial strategy will be designed around engagement with government and other residential sector partners to deliver a range of accommodation conveniently located relative to existing and new employment opportunities and urban amenities.

LAND USE



- Mixed and integrated residential neighbourhoods

KEY SOCIO-ECONOMIC OUTCOMES

- Has the ability to deliver up to 4 000 units across a range of affordability, tenure and typologies
- This will provide much needed residential solutions to support the adjacent commercial and industrial/logistics growth nodes

MAP



PROJECT STATUS

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

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

DUDLEY PRINGLE

Durban to Ballito area
Airport region

86 DEVELOPABLE
HECTARES

MEDIAN PROFIT
R301 MILLION
(RANGE R215- R430 MILLION)

**MEDIAN PROFIT
PER HECTARE**
R3,5 MILLION
(RANGE R2,5 - R5 MILLION)



OPPORTUNITY

- Collaboration with a range of stakeholders to deliver a unique integrated residential neighbourhood
- Ideally located as a southern expansion of Ballito linking to northward expansion of oThongathi
- Dudley Pringle Dam offers unique amenity opportunity

LAND USE

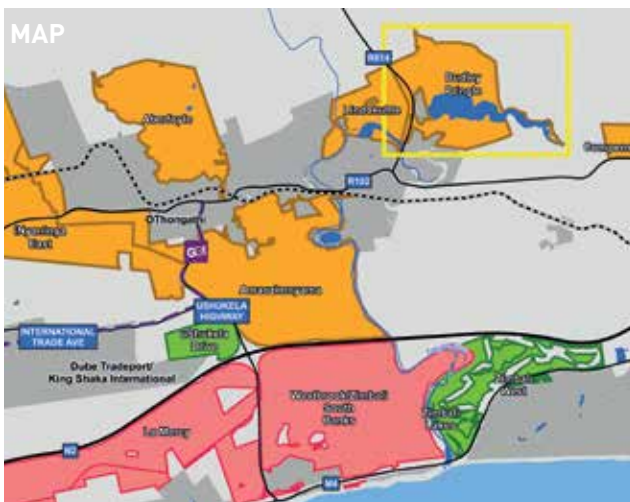


- Mixed and integrated residential neighbourhoods
- Tourism and other unique clusters of opportunity based on the amenity of the Dudley Pringle Dam

Location on the municipal boundary between eThekweni and KwaDukuza/Ilembe, unlocks potential for synergistic joint planning and development collaboration, including neighbouring landowners.

KEY SOCIO-ECONOMIC OUTCOMES

- Has the ability to deliver up to 3 000 homes in a uniquely integrated community
- Intensifying interim use of the Dudley Pringle Dam will generate further local tourism and provide an enhanced amenity to local communities and the tourism sector



PROJECT STATUS

Release from Agriculture	✓
Shovel ready	EIA application being formulated. Development framework being aligned with municipal strategic spatial concept plans.
Infrastructure considerations	High-level planning relatively well advanced. Engagements with service providers will progress in line with planning process, dependent on western bypass and city planning.

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

BRIDGE CITY

Durban to Ballito area
Remaining sites on nearly
completed developments

7

DEVELOPABLE
HECTARES

MEDIAN PROFIT

R67 MILLION
(RANGE R56 - R84 MILLION)

MEDIAN PROFIT PER HECTARE

R9.6 MILLION
(RANGE R8 - R12 MILLION)



OPPORTUNITY

- Unique location, located directly on three GO!Durban routes under construction, rail station in operation, and major M25 arterial highway access

LAND USE



- High-intensity urban mixed use incorporating retail, offices, residential, urban amenities, regional state hospital and regional magistrates court
- Centrally located and accessible business estate

Critical mass has been achieved. Ongoing marketing is underway. Sales are increasing following further progress of major infrastructural construction.

KEY SOCIO-ECONOMIC OUTCOMES

- A formal joint venture with eThekini Municipality, the development has delivered a positive financial return
- The development is a leading example nationally of an integrative development in a former marginalised region
- Private investment in a 48 000 square metre shopping centre and a 32 000 square metre private hospital, bringing amenities and jobs to a former township area
- Enabled public investment in amenities and residential in a high-quality, well located, well managed new urban precinct



PROJECT STATUS

Release from Agriculture	✓
Shovel ready	✓
Infrastructure considerations	No constraints. Value of the land has been enhanced by improved linkage to the GO!Durban public transport route, PRASA rail line and major road network.

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

OTHER NEARLY COMPLETED DEVELOPMENTS

Durban to Ballito area
Remaining Sites

25 DEVELOPABLE
HECTARES

MEDIAN PROFIT
R72 MILLION

**MEDIAN PROFIT
PER HECTARE**
R2,9 MILLION



OPPORTUNITY

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

These are diverse land assets 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
- Various residential neighbourhoods

KEY SOCIO-ECONOMIC OUTCOMES

- The remaining sites act as strategic niche opportunities for densification, small developers and integrating neighbouring land uses.

MOUNT MORIAH

RIVERHORSE VALLEY

MOUNT MORELAND NORTH

ZIMBALI WEST

KINDLEWOOD SOUTH

PROJECT STATUS

Release from Agriculture	Partly.
Shovel ready	In various states - generally to be sold 'as is'.
Infrastructure considerations	No constraints anticipated.

West of Durban Ntshongweni

MEDIAN PROFIT
R220 MILLION
(RANGE R200 - R400 MILLION)

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



- Low to medium-density residential for mid to high-end markets, incorporating neighbourhood retail and conferencing opportunities
- Retirement as a particular niche market

Interest is being shown for mid market neighbourhoods and retirement with the commercial strategy focusing on single transaction opportunities.

- High-end and mid-market residential
- Unique clusters of opportunity such as conferencing
- Urban amenities for residential neighbourhoods
- Retirement

- This development will extend Durban's offering as a lifestyle, investment and retirement destination in its outer west area
- The open space system offers the opportunity for social activity and community-oriented programs that could benefit the surrounding communities



Release from Agriculture	
Shovel ready	<p>Framework planning aligned with local municipal spatial plans.</p> <p>EIA has commenced.</p>
Infrastructure considerations	<p>High-level planning well advanced.</p> <p>Engagements with service providers will progress in line with planning process.</p>

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
★ SALES ACHIEVED IN REPORTING PERIOD

NTSHONGWENI

Logistics and Business Park

West of Durban
Ntshongweni

161 DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIALLY SENSITIVE IN THE
RANGE INDICATED FOR WAREHOUSING,
LOGISTICS, BUSINESS PARK,
MANUFACTURING AND BIG-BOX RETAIL



OPPORTUNITY

- Warehousing, logistics, industrial, business park, manufacturing and big box retail within the SIP2 economic hub along the N3 corridor
- Represents the closest large-scale industrial/logistics greenfield development opportunity to Durban port

LAND USE



- Big Box retail
- Business park
- Logistics
- Warehousing

Mechanisms to accelerate rights and infrastructure, linked to the new regional retail opportunity, are being implemented. High demand and various enquiries have been fielded for this, with potential for over half of this within a two year period once shovel ready and infrastructure constraints are addressed.

KEY SOCIO-ECONOMIC OUTCOMES

- The development would play a key role in the SIP2 corridor from Durban to Gauteng, strengthening the logistics capacity due to easy national freeway access
- The development has the potential to create in excess of 6 000 permanent and sustainable jobs and create an additional rates revenue of some R200 million annually



PROJECT STATUS

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

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
 ■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
 ■ FEATURED LAND ASSET
 ● SALES ACHIEVED IN REPORTING PERIOD

Integrated Residential

185 DEVELOPABLE
HECTARES

R463 MILLION
(RANGE R370 - R740 MILLION)

R2,5 MILLION
(RANGE R2 - R4 MILLION)



- The opportunity is ideally located for a catalytic, large-scale integrated residential development and processes are underway to position the opportunity with relevant stakeholders

This will be amplified as processes towards the development of the town centre precinct and logistics and business park precinct progress.

- Public sector enabled, affordable and mid-market residential
- Integrated affordable neighbourhoods

- This precinct has the potential to deliver between 10 000 and 15 000 units of well located, quality residential opportunities for a diverse range of typologies, affordabilities and tenure options
- The scale, nature and spatial planning will ensure that this precinct will be well integrated into the broader Ntshongweni development

A map of the study area in northern Malawi, showing districts such as Assegay, Mzimba, Nkhoswezi, and Nkhoswezi. The map highlights several regions: Mzimba District North, Mzimba District South, Nkhoswezi District North, Nkhoswezi District South, and Nkhoswezi District East. A yellow box indicates the specific study area located within the Nkhoswezi District North region. Major roads are labeled with numbers like 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894,

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 FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
- AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
- FEATURED LAND ASSET
- ★ SALES ACHIEVED IN REPORTING PERIOD

TINLEY MANOR SOUTH BANKS

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 MILLION)



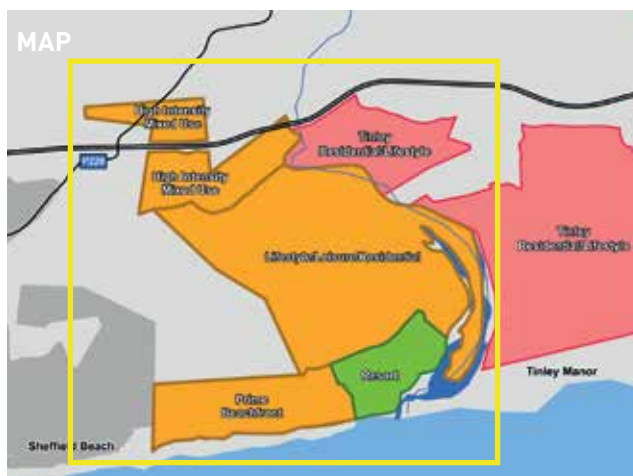
OPPORTUNITY

- Unique coastal property for high-end residential, resort and tourism
- Collaborating with the KZN Provincial Government to generate a catalytic opportunity for resort tourism investment
- Good progress has been made in profiling this land asset in terms of its attraction to internationally branded hotels and resorts
- Discussions with empowerment equity partner on the resort node ongoing

LAND USE



- Coastal resort
- High-end and mid-market residential
- Office
- Retirement
- Urban amenities



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

KEY SOCIO-ECONOMIC OUTCOMES

- Presents diversified development opportunities along the northern coastal belt which would be anchored by the development of an integrated coastal resort, potentially the first such development in South Africa
- Mutual efforts in collaboration with the KZN Provincial Government present the opportunity to solicit international brands looking at opportunities to establish themselves in KZN. Currently engaging with an international hotel brand on the resort opportunity
- The integration of a broad range of residential opportunities into the development node further enhances the establishment of a vibrant and sustainable community

PROJECT STATUS

Release from Agriculture	✓
Shovel ready	EIA at advanced stage.
Infrastructure considerations	High-level planning underway. Collaboration processes with public sector have commenced and will be vital to unlocking this asset's potential.

■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
● SALES ACHIEVED IN REPORTING PERIOD

TINLEY MANOR NORTH RESORT

Coastal North of Ballito
Tinley Manor

77 DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALY SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIALY SENSITIVE IN
RANGE INDICATED FOR COASTAL
RESORTS



OPPORTUNITY

- Unique opportunity for an international brand integrated coastal resort, based on intent expressed by an international operator

This unique landholding incorporates 1,5 kilometres of pristine beach, a safe swimming area and a registered skiboat launch site. It has attracted the attention of an international resort operator and planning is underway towards unlocking a new integrated beach resort.

LAND USE



- Coastal resort catering to domestic and international tourism markets

KEY SOCIO-ECONOMIC OUTCOMES

- New international resort operator potentially attracted to South Africa
- Anticipated to act as a catalyst for accelerated beach resort development on the KZN north coast.



PROJECT STATUS

Release from Agriculture	Groundwork for application being done.
Shovel ready	Preparatory work for EIA submission underway.
Infrastructure considerations	To be clarified as detailed development concept is prepared.







■ AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME
■ AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
■ FEATURED LAND ASSET
✱ SALES ACHIEVED IN REPORTING PERIOD



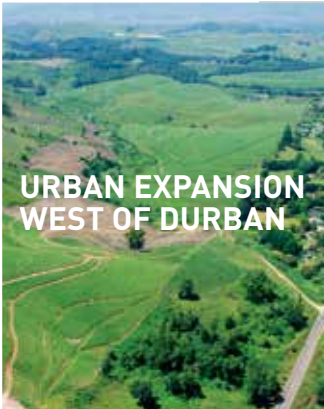
LAND WHERE SALES ARE
ANTICIPATED TO COMMENCE
BEYOND 5 YEARS



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:

 <p>CORNUBIA NORTH</p>	<p>452</p>	<p>Situated within the heart of the emerging aerotropolis, this land asset represents the natural extension of Cornubia. It will offer a range of integrated residential neighbourhoods with associated urban amenities together with industrial and commercial opportunities.</p>
 <p>SIBAYA COASTAL GROWTH AND CONSOLIDATION</p>	<p>202</p>	<p>These land assets will see further 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. Catalysed by the development momentum of earlier phases and planned expansion of Afrisun's Sibaya Casino and Entertainment Kingdom.</p>
 <p>BALLITO/ZIMBALI EXPANSION INTO ETHEKWINI</p>	<p>211</p>	<p>Incorporating high-end markets, high-intensity urban mixed use, office, hotel and resort and warehouse, logistics, industrial and manufacturing uses, this development will provide the infill gap between the Ballito/Zimbali 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, integrated residential neighbourhoods, 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. Exposure and access from the N2 freeway are key drivers of usage and value.</p>
 <p>NORTHERN EXPANSION OF TINLEY MANOR</p>	<p>311</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. The successful conclusion of agreements leading to the establishment of an integrated beach resort is likely to catalyse acceleration of these developments.</p>

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 public sector facilitated, integrated, affordable and mid-market residential and associated urban amenities.
 <p>URBAN EXPANSION WEST OF DURBAN</p>	619	<p>Consolidation of urban core (82 developable hectares) 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> <p>Lifestyle Residential (429 developable hectares) This is a natural extension of the Summerveld equestrian and high-end residential environment with a mix of densities and typologies.</p> <p>Integrated residential expansion and recreational precinct (108 developable hectares) This offers longer-term integrated residential opportunities within a broader recreational and environmental precinct, in close proximity to existing peri-urban settlements.</p>

At 30 September 2016 - Land where sales are anticipated to commence beyond 5 years

	AREA	Developable hectares	
DURBAN TO BALLITO	URBAN GROWTH AND CONSOLIDATION - UMHLANGA REGION	452	1 759 developable hectares from a total of 4 365
	Cornubia North	452	
	COASTAL / LIFESTYLE / LEISURE / HIGH-END RESIDENTIAL	413	
	Sibaya Coastal growth and consolidation	202	
	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 1 086
	Consolidation of urban core	82	
	Lifestyle residential	429	
	Integrated residential expansion and recreational precinct	108	
COASTAL NORTH OF BALLITO	COASTAL NORTH OF BALLITO	2 153	2 153 developable hectares from a total of 2 500
	Northern expansion of Tinley Manor	311	
	Coastal consolidation of far North	1 794	
	Northern residential expansion of Compensation area	48	
GRAND TOTAL		4 532¹	4 532 developable hectares from a total of 7 951

1. Total includes portions of hectares from the land assets.

**AREAS FROM WHICH THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES
WERE EXPECTED TO COME - AS AT 31 MARCH 2016**

AREA		Developable hectares	
DURBAN TO BALLITO	URBAN GROWTH AND CONSOLIDATION - UMHLANGA REGION	927	2 942 developable hectares from a total of 4 384
	Ridgeside Remaining Precinct 1	8	
	Ridgeside Precinct 2	31	
	Ridgeside Precinct 4	0	
	uMhlanga Ridge Town Centre - Commercial	1	
	uMhlanga Ridge Town Centre - Residential	4	
	Izinga	64	
	Kindlewood	11	
	uMhlanga Ridge Extension - Cornubia New Town Phase 2	178	
	uMhlanga Ridge Town Centre Western Expansion	25	
	N2 Business Park	2	
	uMhlanga Hills	43	
	Marshall Dam Residential	12	
	Marshall Dam Town Centre	39	
	Consolidating Urban	43	
	Integrated Residential	14	
	Cornubia Industrial	6	
	Cornubia North	624	
	Integrated Residential	200	
	Medium Density Residential	100	
	Consolidating Urban	85	
	N2 Business Park	69	
	Industrial	170	
	COASTAL / LIFESTYLE / LEISURE / HIGH-END RESIDENTIAL	256	
	Zimbali Lakes	48	
	Sibaya Node 1	30	
	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	
	iNyaninga East - Industrial / Logistics / Manufacturing	550	
	iNyaninga West, Lindokuhle, Aberfoyle, Dudley Pringle - Residential and Urban Expansion of oThongathi (Tongaath)	556	
	REMAINING SITES ON NEARLY COMPLETED DEVELOPMENTS	34	
WEST OF DURBAN	URBAN EXPANSION WEST OF DURBAN	467	467 developable hectares from a total of 1 086
	Ntshongweni - Residential Infill / Consolidation	57	
	Ntshongweni - Retail and Urban Core	64	
	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		3 679	3 679 developable hectares from a total of 7 970

SALES CONCLUDED FROM 1 APRIL 2016 TO 30 SEPTEMBER 2016

AREA		H1 (to 30 September 2016)		
		Reassessment (See note 2 to 5) hectares	Sold (hectares)	Profit per developable hectare (R million)
DURBAN TO BALLITO	URBAN GROWTH AND CONSOLIDATION - UMHLANGA REGION			
	Ridgeside Remaining Precinct 1		1.4	44.3
	Ridgeside Precinct 2			
	uMhlanga Ridge Town Centre - Commercial			
	uMhlanga Ridge Town Centre - Residential		0.7	28.3
	Izinga		0.9	5.3
	Kindlewood		0.6	4.1
	uMhlanga Ridge Town Centre Western Expansion - Cornubia Phase 2			
	uMhlanga Ridge Town Centre Western Expansion			
	N2 Business Park			
	uMhlanga Hills			
	Marshall Dam Residential			
	Marshall Dam Town Centre			
	Consolidating Urban			
	Integrated Residential (Blackburn Extension)			
	Cornubia Industrial		6.1	10.0
	Cornubia North ⁴			
	Integrated Residential ⁴	-200		
	Medium Density Residential ⁴	-100		
	Consolidating Urban ⁴	-85		
	N2 Business Park ⁴	-69		
	Industrial ⁴	-170		
	Integrated Affordable Neighborhood and Business Precinct ⁴	172		
	COASTAL / LIFESTYLE / LEISURE / HIGH-END RESIDENTIAL			
	Zimbali Lakes			
	Sibaya Node 1		7.0	14.0
	Sibaya Node 5			
	Sibaya Node 4			
	Sibaya Node2 ³	96		
	Sibaya Node 3 ³	38		
	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			
	iNyaninga East - Industrial / Logistics / Manufacturing			
	iNyaninga West, Lindokuhle, Aberfoyle, Dudley Pringle - Residential and Urban Expansion of oThongathi (Tongaath) ²	-556		
	iNyaninga West ²	187		
	Lindokuhle ²	52		
	Aberfoyle ²	231		
	Dudley Pringle ²	86		
	REMAINING SITES ON NEARLY COMPLETED DEVELOPMENTS¹		2.0	10.3
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			
	Tinley Manor North (portion of) ³	77		
GRAND TOTAL⁵		-241	18.7	14.4

¹ Sale of land in Bridge City

² Finer-grained detail given for Inyaninga West, Lindokuhle, Aberfoyle and Dudley Pringle

³ Additional assets brought into the land identified for sale within 5 years. Sibaya Nodes 2 and 3 and portion of Tinley Manor North

⁴ Cornubia North assets reassessed and reprioritised in light of current public sector appetite for housing and infrastructure delivery. Net move of 452 developable hectares to land where sales are expected to commence beyond five years.

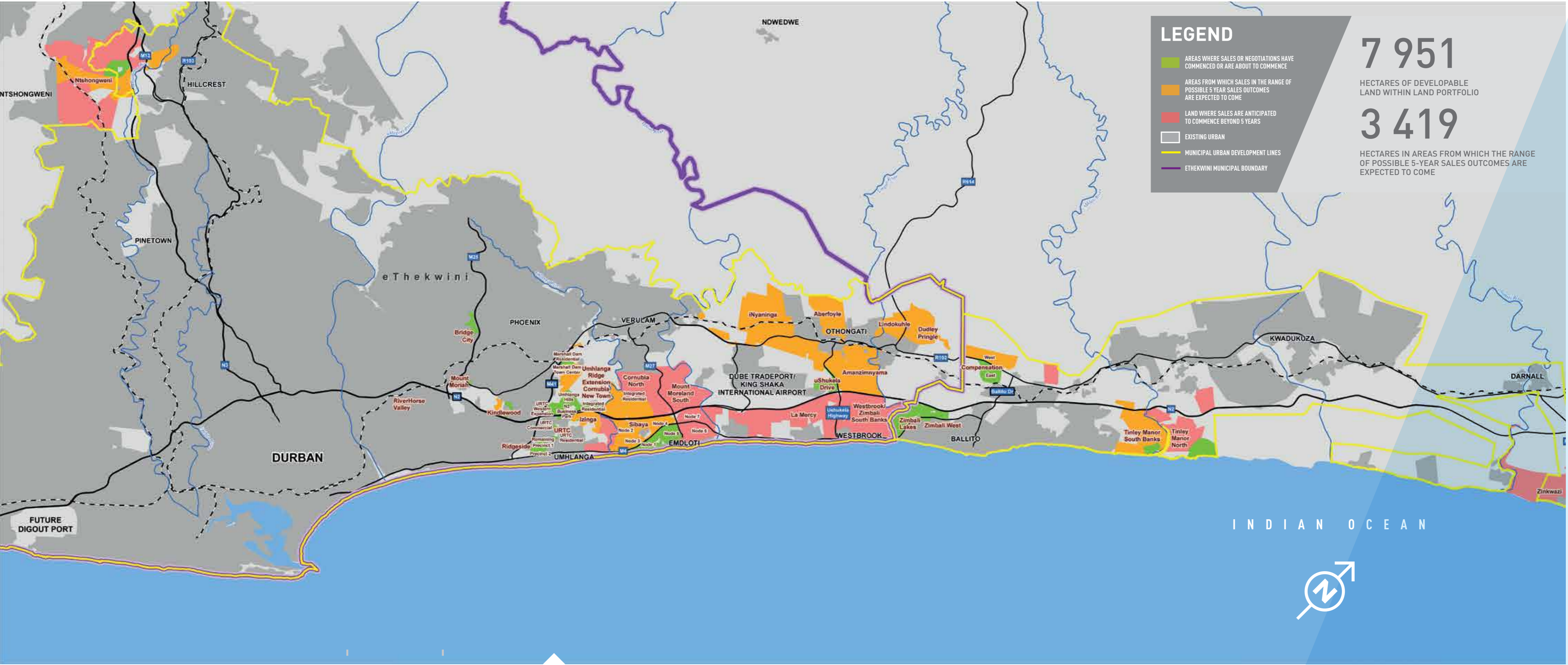
⁵ Overall impact of all reassessments is a shift of a net 241 developable hectares into land where sales are expected to commence beyond five years.



PORTFOLIO OVERVIEW MAP

NTSHONGWENI
31KM

PORT OF
DURBAN



LEGEND

- AREAS WHERE SALES OR NEGOTIATIONS HAVE COMMENCED OR ARE ABOUT TO COMMENCE
- AREAS FROM WHICH SALES IN THE RANGE OF POSSIBLE 5 YEAR SALES OUTCOMES ARE EXPECTED TO COME
- LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND 5 YEARS
- EXISTING URBAN
- MUNICIPAL URBAN DEVELOPMENT LINES
- ETHEKWINI MUNICIPAL BOUNDARY

7 951

HECTARES OF DEVELOPABLE LAND WITHIN LAND PORTFOLIO

3 419

HECTARES IN AREAS FROM WHICH THE RANGE OF POSSIBLE 5-YEAR SALES OUTCOMES ARE EXPECTED TO COME

PORT OF DURBAN
21KM

DURBAN CBD
18KM

DURBAN NORTH
10KM

UMHLANGA
0KM

DUBE TRADEPORT / KSIA
19KM

BALLITO
29KM

TINLEY MANOR
37KM

TUGELA
68KM