



## CREATING VALUE THROUGH LAND DEVELOPMENT IN KWAZULU-NATAL

NOVEMBER 2017





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# OVERVIEW AND SUMMARY

COLLABORATION WITH MANY STAKEHOLDERS CONTINUES TO YIELD PROGRESS, CONSOLIDATING THE PLATFORM FOR INCREASED MOMENTUM IN THE BROAD-BASED VALUE TO BE CREATED THROUGH LAND DEVELOPMENT.

Tongaat Hulett's sugar mills in South Africa support farming on over 128 000 hectares of sugarcane land, of which some 32 percent is farmed by communal, small-scale farmers and land reform growers, while just over seven percent is owned by the company. Tongaat Hulett simultaneously drives rural development in the cane catchment area of its sugar mills and urban social and economic progress through actively carrying out land development in key growth nodes and corridors.

Over the past five years some 25 000 hectares of new cane land has been planted, mainly in communal areas; over the past three years 322 developable hectares have been sold through land development projects, generating large social and economic benefits in the area north of Durban.

PRIVATE SECTOR  
INVESTMENT CURRENTLY  
UNDERWAY FROM  
PREVIOUS SALES

**R6,2**  
BILLION

YEAR TO DATE  
LAND SALES

**68** HA  
(2016: 19HA)

NEW PRIVATE SECTOR  
INVESTMENT FOLLOWING  
SALES THIS PERIOD

**R5,6**  
BILLION

The table on page 6 gives details of sales expected over the next five years, being in the range of 630 to 1 179 hectares. These sales are expected to come from the 3 315 hectares of prime developable land near Durban and Ballito tabulated on page 7, out of the portfolio of some 7 641 developable hectares.

**Currently 3 593 developable hectares have been approved for release from agriculture and 1 246 hectares have EIA approval for development, with a further 1 272 hectares in an EIA process**



The platform for increased impetus in value creation through land development is solid. Currently 3 593 developable hectares have been approved for release from agriculture (Act 70 of 1970 approvals) and 1 246 hectares have EIA approval for development, with a further 1 272 hectares in an EIA process.

Significant progress has been made in consolidating and formalising collaboration with key stakeholders including clients, communities near current and proposed developments and local and provincial authorities. Planning processes are expected to open up new development areas around King Shaka International Airport; around Ballito; and at Ntshongweni west of Durban.

**Planning processes are expected to open up new development areas around King Shaka International Airport; around Ballito; and at Ntshongweni west of Durban**

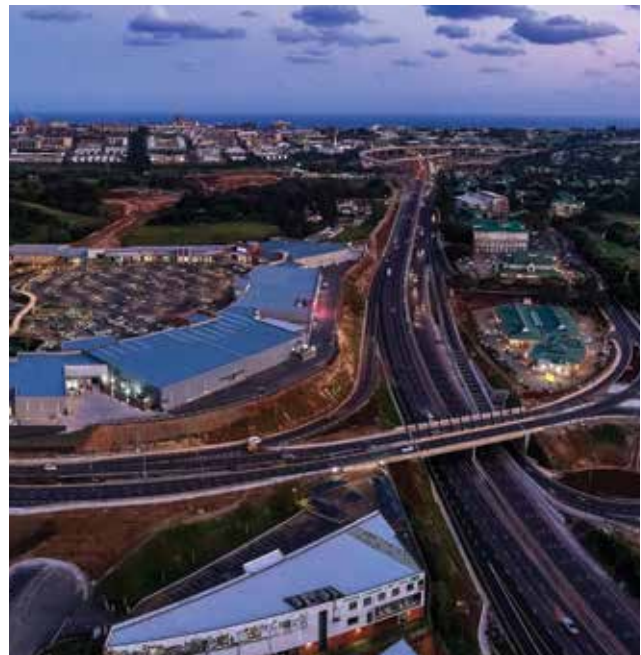
The focus on Demand Drivers is achieving a step up in momentum in targeted market sectors and with key clients. Integrated affordable residential neighbourhoods, retirement developments, schools and other amenities and unique clusters of activity related to a new tertiary education campus have all responded to the attention paid to specific Demand Drivers. Five major national organisations who previously had, at most, very limited exposure in Durban, purchased land in the past six months.

A number of large-scale infrastructural projects in the region are progressing well and approaching completion. These include major road and interchange upgrades around uMhlanga, major elements of the Go!Durban regional public transport system and regional sewer and water supply infrastructure.

Transactions are being pursued that are structured to unlock particular Demand Drivers and deliver transformation of ownership and participation in the real estate value chain.

**Negotiations with prospective buyers are ongoing and currently involve some 135 developable hectares with profit potential in excess of R1,5 billion over time**

These are tabulated on page 7 and include diverse Demand Drivers, primarily in the growth corridor north of Durban. Increasing interest is also being expressed in the areas of Ntshongweni to the west of Durban and the airport region.



RECENTLY COMPLETED BUILDINGS INCLUDE THE 65 000m<sup>2</sup> CORNUBIA MALL AND MMI HOLDINGS CORPORATE OFFICE

## MAJOR INFRASTRUCTURE COMPLETED OR NEARING COMPLETION IN THE REGION

### MAJOR ROAD INFRASTRUCTURE

- N2/M41 Interchange
- Flanders Drive Interchange on the M41 providing access into Cornubia
- First phase of Dube East through Cornubia Business Hub into uMhlanga Hills
- First phase of Heleza Boulevard from M4 into Sibaya Node 1
- Portion of Ridgeside Drive for Precinct 1 in Ridgeside
- P577 linking Bridge City to Pinetown

### GO! DURBAN INFRASTRUCTURE

- Bridge over the N2 linking Cornubia (from Bridge City and ultimately the Airport) to uMhlanga Ridge
- Phase 1 (C3 route) linking Bridge City to Pinetown

### WATER / SEWER BULK INFRASTRUCTURE

- Cornubia gravity sewer for Business Hub, N2 Business Park, Town Centre and uMhlanga Hills
- Cornubia Water Reservoir cell 1 to service the above mentioned developments
- Sibaya Node 1 gravity sewer
- Sibaya water pipeline to service all nodes



## PRIVATE SECTOR INVESTMENT CURRENTLY UNDERWAY FROM PREVIOUS SALES

### RIDGESIDE

- Three office developments and two major new mixed use developments totaling over 110 000 square metres of floor area

### SIBAYA

- Four high end residential developments and a major retirement development

### UMHLANGA RIDGE TOWN CENTRE

- Gateway Theatre of Shopping expansion
- Nine developments underway covering residential, commercial and mixed use activities totaling 90 000 square metres of floor area

### BRIDGE CITY

- 500-bed provincial hospital
- CalgroM3 350 affordable housing units

## THIS NEW PRIVATE SECTOR INVESTMENT WILL GENERATE

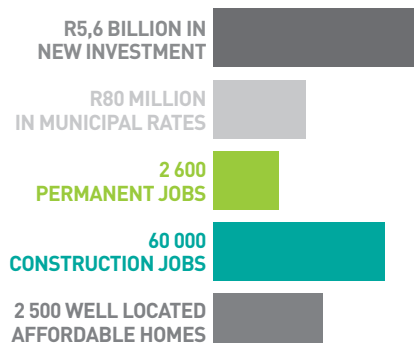
**R6,2 BILLION**  
IN NEW INVESTMENT

**R90 MILLION**  
IN MUNICIPAL RATES

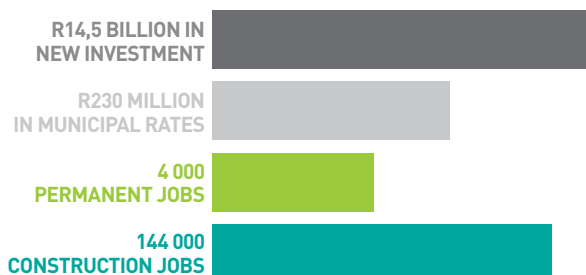
**4 300**  
PERMANENT JOBS

**70 000**  
CONSTRUCTION JOBS

### NEW PRIVATE SECTOR INVESTMENT FOLLOWING SALES IN THIS PERIOD WILL LEAD TO THE FOLLOWING SOCIO-ECONOMIC IMPACTS



### AREAS WHERE NEGOTIATIONS ARE CURRENTLY UNDERWAY WILL UNLOCK THE FOLLOWING



### CASE STUDY: ITHUBA CONSTRUCTION CENTRE OF EXCELLENCE

The iThuba programme, part of Tongaat Hulett's Socio-Economic Sustainability and Innovation Programme links present and future demand for skills, products and services to community potential to supply in a sustainable and long term manner.

The formalization of the iThuba programme that commenced in July 2017 followed extensive engagement with developers to determine the collective demand for local labour and local economic opportunity for community members and enterprises.

The Centre assesses skills levels of both individuals and enterprises and places them in targeted skills training programmes with ongoing mentorship and intervention in order to attain certification and access sustainable opportunities.

SINCE JULY 2017:



**1228**  
PEOPLE ASSESSED  
**369**  
PEOPLE TRAINED  
**218**  
PEOPLE EMPLOYED

**20** ENTERPRISES ASSESSED  
**20** ENTERPRISES TRAINED  
**20** ENTERPRISES EMPLOYED

each enterprise employs a further 3-20 people

**ITHUBA**













# RANGE OF OUTCOMES GENERATED THROUGH LAND DEVELOPMENT ACTIVITIES OVER THE NEXT FIVE YEARS

The following table provides an update of the range of sales anticipated over the next five years based on an assessment of demand across the various Demand Drivers, progress in moving land to shovel ready status, availability of metropolitan and regional scale infrastructure and selection of the transaction approach most appropriate for each set of circumstances.

## ANTICIPATED RANGE OF SALES OVER FIVE YEARS

DEMAND DRIVER		AS COMMUNICATED AT MAY 2017				DELOPABLE HECTARES SOLD in the six months to 30 SEPTEMBER 2017	AS AT NOVEMBER 2017				
		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	48	118	19,2	42	4	48	118	19,2	42	
	Predominantly residential neighbourhoods	High-end residential neighbourhoods	92	186	5,6	16,7		96	196	5,3	17,2
		Mid-market neighbourhoods	56	90	3,2	6,6		63	102	3,6	6,4
		Integrated affordable neighbourhoods	91	199	2,5	5,8	35	93	198	2,5	6,8
		Public sector facilitated residential neighbourhoods	80	240	2,2	3		85	136	2,2	3
	Urban Amenities for Residential Neighbourhoods	41	61	3,2	6	6	59	62	3,2	6	
	Retirement	49	59	3,8	12	17	48	66	3,8	12	
	Tourism Markets	City hotels and residences	4	5	12,5	15		4	5	12,5	21
		Coastal resorts catering to domestic, charter markets	15	42	3,5	6		15	42	3,5	6
	Office Market	12	22	7,5	21,5		12	22	7,5	22,1	
	Warehousing, logistics, industrial, business park, manufacturing and big-box retail	94	233	4,8	9,5		87	181	4,8	9,4	
	Unique Clusters of opportunity	25	56	5	12	6	20	51	5	11,3	
TOTAL		607	1 311			68	630	1 179			

Land development activities enable considerable investment by others, with associated socio-economic multipliers. The investment generated over a period following conclusion of the transactions tabulated above will generate opportunities for new well-located affordable and public sector facilitated homes, new municipal rates revenue in eThekweni and iLembe municipalities, employment in construction activities and permanent jobs in the resulting homes and enterprises.

The land development activities over the next five years are expected to be achieved primarily from within the 3 315 developable hectares in the areas and landholdings tabulated on the following page.



# AREAS FROM WHICH THE ANTICIPATED LAND DEVELOPMENT SALES OVER THE NEXT FIVE YEARS ARE EXPECTED TO COME - AS AT 30 SEPTEMBER 2017

## AREAS WHERE NEGOTIATIONS WITH PROSPECTIVE BUYERS ARE ONGOING

Page	AREA	DEMAND DRIVER	Developable Hectares	Hectares under current negotiation
39	Ridgeside		17	14
40	Cornubia - Town Centre		25	25
41	Cornubia - Blackburn Extension		14	14
42	Sibaya - Nodes 1 & 5		43	15
43	Bridge City		6	2
44	Umhlanga Ridge Town Centre - Commercial		1	1
45	Umhlanga Ridge Town Centre - Residential		3	3
46	Kindlewood		9	9
47	Cornubia - uMhlanga Hills		14	14
48	Sibaya - Node 4		103	18
49	Tinley - North		77	20
TOTAL			312	135

## AREAS WHERE ENQUIRIES ARE BEING RECEIVED AND NEGOTIATIONS ARE EXPECTED TO COMMENCE

50	Ntshongweni - Retail and Urban Core		64
51	Cornubia - N2 Business Park		2
52	uShukela Drive		49
53	Compensation - East		73
54	Remaining Sites on nearly completed developments		22
55	Sibaya - Node 6 - Phase 1		20
56	Ntshongweni - Logistics & Business Park		161
57	Inyaninga - East - Affordable Housing Precincts		93
58	IZinga - Future Phase		60
59	La Mercy - West - Phase 1		50
TOTAL			594

## AREAS FROM WHICH REMAINING SALES ARE EXPECTED TO COME OVER THE NEXT 5 YEARS

61	Cornubia - Marshall Dam Town Centre and Consolidating Urban		82
61	Cornubia North - Integrated Affordable Neighbourhood and Business Precinct		172
62	Sibaya - Nodes 2 & 3		134
62	Amanzimnyama		345
63	Compensation - West		152
63	Inyaninga - East - Logistics & Business Precinct		457
64	Inyaninga - West		187
64	Aberfoyle		231
65	Lindokuhle		52
65	Dudley Pringle		86
66	Ntshongweni - Residential		57
66	Ntshongweni - Integrated Residential		185
67	Tinley - South		270
TOTAL			2 410

**GRAND TOTAL 3 315**



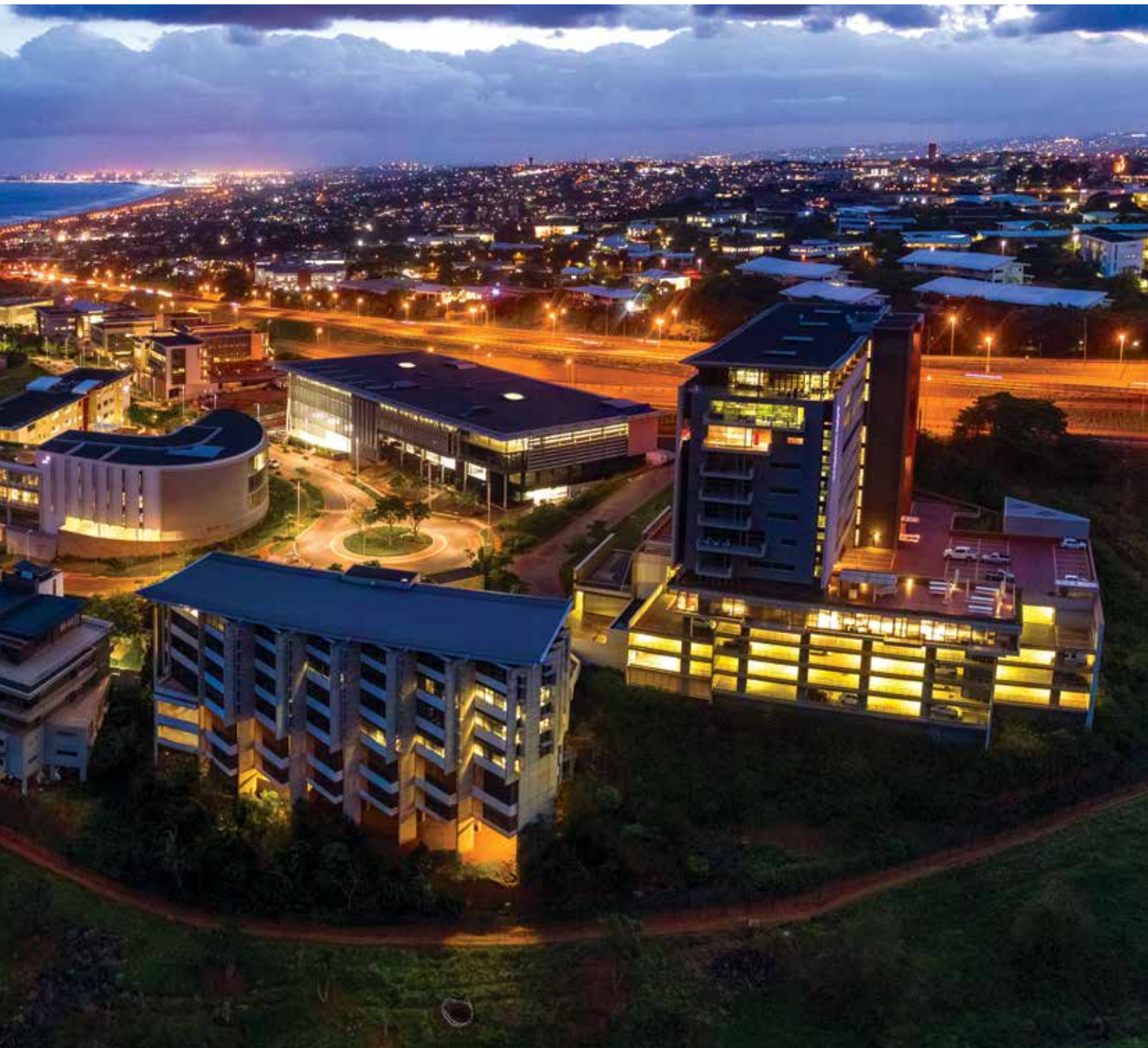
FEATURED  
ASSET

# RIDGESIDE

The last prime ocean-view, greenfield development opportunity in the uMhlanga region. Completed private sector real estate investment totals R3,5 billion with a further R1,7 billion currently under construction.







Ridgeside hosts many corporate regional head offices including FNB, Vodacom, ENS, Investec, Nedbank, Illovo, AECOM and Cox Yeats. A 55 000 square metre mixed-use development transaction was also recently concluded in Precinct 1 will include further regional head offices.

Construction has recently commenced on the uMhlanga Arch mixed-use development, which includes The Hilton Garden Inn, high-end residential apartments and corporate office space. Combined with The Skye and other new office buildings, development currently under construction totals over 100 000 square metres.

Ridgeside has attracted a new national player; the Amdec Group. Its Evergreen Lifestyles retirement brand is soon to invest in a major development in Precinct 2.



FEATURED  
ASSET

# SIBAYA COASTAL PRECINCT

One of the fastest growing, most active developments in the region following the first land sales taking place in September 2015, there is currently R2,5 billion under construction.







Four high-end residential developments are under construction following strong end-user demand; Ocean Dune, Coral Point, Pebble Beach and Signature. The first retirement development in Sibaya, Shoreline, launched with great success and is now breaking ground.

The wave of residential demand has given rise to the full value chain of education facilities being confirmed within the development. This includes a primary school, a secondary school and most recently, a tertiary institution – a significant milestone for the province.

Sibaya's development ethos has been entrenched through the establishment of a Conservation Trust aimed at protecting, rehabilitating and maintaining the 600 hectares of natural ecology, a new asset for the broader community.



FEATURED  
ASSET







# BRIDGE CITY

Creating a new heartbeat in the Inanda, KwaMashu, Phoenix and Ntuzuma subregion through a successful public-private joint venture, linking infrastructure and amenities to existing settlements.

An established 48 000 square metre shopping centre lies at the core of Bridge City, incorporating a multi-modal transportation platform linking to the rest of the city. With business and town centre precincts, a regional magistrates court, 500-bed government hospital and 350-bed private hospital, momentum is continuing. Calgro M3 is making headway into development of the first affordable housing product in the portfolio.

Bridge City is a key node in the municipality's GO!Durban integrated rapid public transport network. As the first phase of the network is nearing operational status, Bridge City is easily accessible from the N2 with further road infrastructure linking directly to Pinetown and the N3. Development of the second phase of GO!Durban, linking to Cornubia and uMhlanga Ridge, is to commence in early 2018.



FEATURED  
ASSET

# CORNUBIA BLACKBURN EXTENSION

Stitching dignity back into communities through  
holistic planning and programmatic execution.







Collaborating with the municipality, the community and a wholly black owned developer, Blackburn Extension is a forerunner in a bottom-up, integrated development planning and execution approach.

Several years of groundwork through Tongaat Hulett's Social Sustainability and Innovation Programme has laid the platform for shared value creation.

Considering the shared value-creation opportunities where existing poor communities are situated close to well-located development land, this featured asset seeks to provide a sustainable solution, developing Blackburn into an integrated component of Cornubia, contributing to the upliftment of the area as a whole.



FEATURED  
ASSET

# CORNUBIA TOWN CENTRE

With a prime location and the completion of major infrastructure, the precinct is poised for development as an extension of the uMhlanga Ridge Town Centre and opens up a sustainable new urban opportunity.







Bordered by major national, provincial and municipal arterial routes and accessed from three interchanges, the strategic positioning of this development naturally offers opportunity for a variety of market sectors, including business process outsourcing, affordable, mid-market and high-end residential, office and business, in a high-intensity, integrated, mixed-use format.

This unique accessibility will be further enhanced with the rollout of the GO!Durban integrated rapid public transport network over the next few years.

With the adjacent Cornubia Mall now open, key pieces of regional infrastructure either complete or nearing completion and services in the precinct under construction, the precinct is attracting intense interest for development. It is ideally suited for a structured transaction mechanism that will facilitate transformation and increase development activity.







## HIGHLIGHTS AND OUTCOMES

Land and property development activity, by its very nature, provides an ideal environment to create new jobs, develop skills and facilitate enterprise and supplier development over the full real estate value chain. This applies to both construction activity (construction jobs) during infrastructure delivery and building construction as well as to operational activities (permanent jobs) which commence once buildings are completed and occupied.

In addition to the jobs impacts, the development activities facilitate significant new investment into the region which then leverages ongoing economic multipliers. The Total Real Estate Investment Value is an indication of the collective market value of land and buildings on occupation of buildings within each of the Demand Drivers and is estimated in current-day terms.

From a municipal perspective, development activities lead directly to substantial incremental rates and user charges that significantly boost the municipal fiscus.







**BUILDINGS UNDER CONSTRUCTION ARISING FROM PREVIOUS LAND SALES ARE CURRENTLY GENERATING THE FOLLOWING SOCIO ECONOMIC IMPACTS**

**R6,2 billion** In new investment  
**R90 million** Annual municipal rates  
**70 000** construction jobs  
**4 300** permanent jobs

**TRANSACTIONS CONCLUDED IN THIS PERIOD WILL LEAD TO THE FOLLOWING SOCIO-ECONOMIC IMPACTS AS THE DEVELOPMENTS TAKE PLACE**

**R5,6 billion** In new investment  
**R80 million** Annual municipal rates  
**60 000** construction jobs  
**2 600** permanent jobs

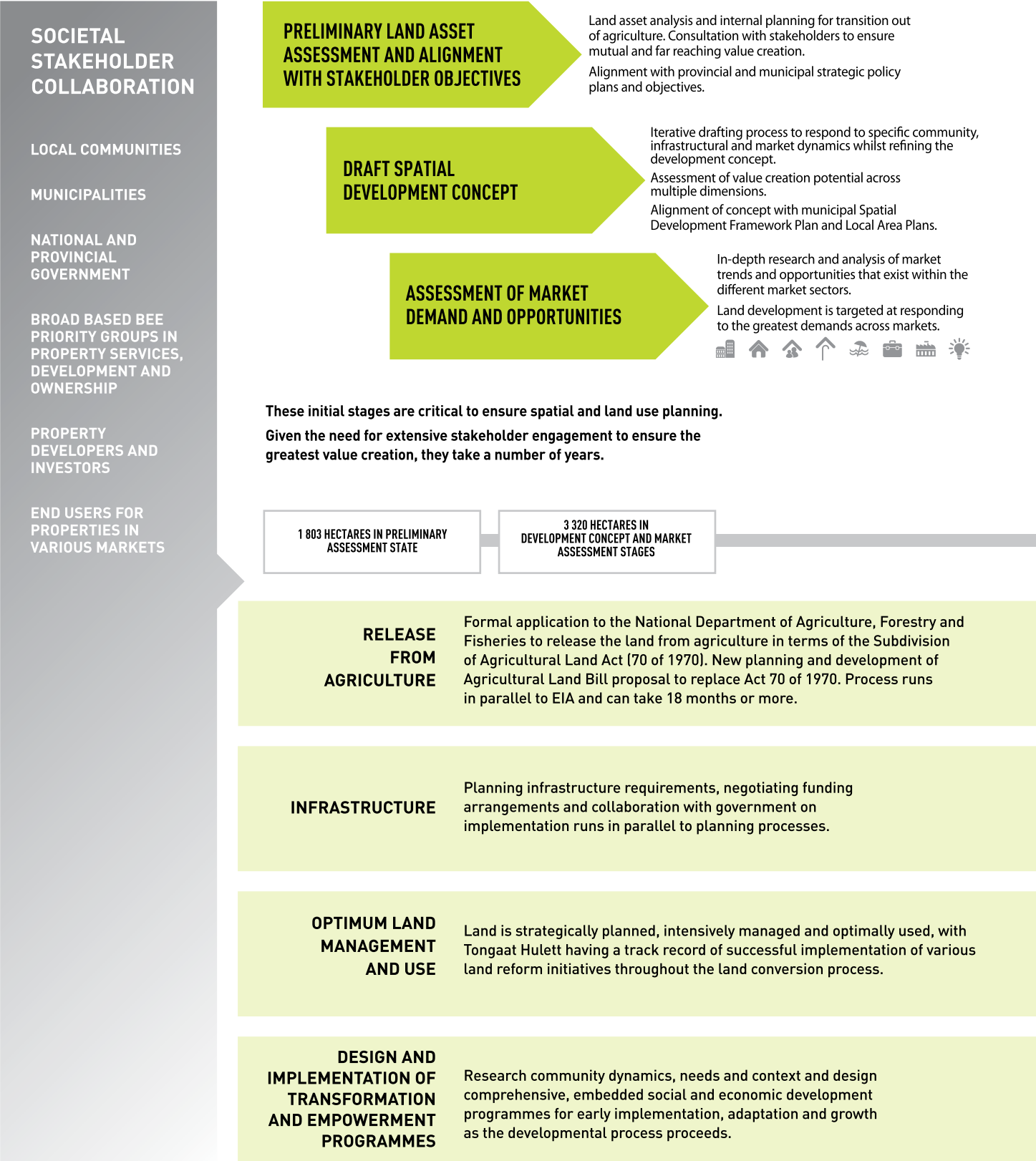
The following table provides an indication of the range of socio-economic outcomes that will be unlocked over time following sales in the various areas over the next 5 years.

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		Total Construction Employment (FTE's)	
			From	To	From	To	From	To	From	To	From	To
	Medium and High Intensity Urban Mixed Use		48	118	7 344	18 054	73	180	8 568	21 063	60 838	159 937
	Predominantly residential neighbourhoods	High-end residential neighbourhoods	97	196	4 922	9 991	39	79	1 969	4 995	41 797	98 895
		Mid-market neighbourhoods	63,6	102	1 352	2 168	11	17	446	715	23 933	40 989
		Integrated affordable neighbourhoods	92,5	198,5	3 145	6 749	25	54	629	1 350	38 861	101 235
		Public sector facilitated residential neighbourhoods	85	136	1 156	1 850	-	-	578	925	7 375	12 828
	Urban Amenities for Residential Neighbourhoods		58,5	61,5	2 984	3 137	36	37	11 934	12 546	33 907	37 195
	Retirement		48	66	2 448	4 488	44	80	539	741	20 714	33 386
	Tourism Markets	City hotels and residences	4	5	578	723	10	13	1 088	1 360	3 483	4 608
		Coastal resorts catering to domestic, charter markets	15	42	1 594	4 463	29	80	3 060	8 568	10 530	29 889
	Office Market		12	22	918	1 683	16	30	2 448	4 488	7 425	15 537
	Warehousing, logistics, industrial, business park, manufacturing and big-box retail		87	181	4 350	9 050	101	210	3 480	7 240	42 908	96 697
	Unique Clusters of opportunity		20	51	1 275	3 251	23	58	4 080	10 404	7 326	21 550
Total socio-economic value to be unlocked over time following the sales			630	1 179	32 064	65 605	406	839	38 818	74 395	299 097	652 747



# DEVELOPMENTAL PROCESS TO UNLOCK VALUE CREATION FOR ALL STAKEHOLDERS

Tongaat Hulett acts as a developmental partner, creating value for all stakeholders throughout the land use, planning and development cycle.





## ENVIRONMENTAL IMPACT ASSESSMENT (EIA)

18-24 MONTHS

Extensive formal consultative process assessing the projected development's impact on the social, economic and natural environment of the region.

## FINAL DETAILED PLANNING AND SPLUMA APPLICATION

6-12 MONTHS

Responding to stakeholder comments and issues through the EIA process and role-player and market input on land use, density and subdivision.

Finalisation of detailed zoning and layout plans in terms of the Spatial Planning and Land Use Management act (SPLUMA).

## ACHIEVEMENT OF 'SHOVEL READY' LAND

3 MONTHS

EIA approved and SPLUMA sufficiently far advanced to enable construction to commence within a short period of time.

Clear sales and development execution programme based on market demand.

## FINAL APPROVAL AND COMMENCEMENT OF CONSTRUCTION

3 MONTHS

All approvals in place to enable transfer of land to purchaser ahead of commencement of construction.

1 272 HECTARES IN EIA PROCESS  
833 HECTARES WITH EIA APPROVAL,  
READY FOR PLANNING APPLICATION  
WHEN APPROPRIATE

289 HECTARES IN  
DETAILED PLANNING  
AND SPLUMA  
APPLICATION

84 HECTARES  
SHOVEL READY

40 HECTARES WITH  
FINAL APPROVAL  
FOR CONSTRUCTION  
TO COMMENCE

Following the recent release of Tinley North Resort  
3 593 developable hectares have Act 70 of 1970 approval  
(47 percent of the portfolio)

**Recently completed infrastructure includes:**  
Flanders Drive Interchange, Cornubia Business Hub  
civil infrastructure, Cornubia primary water and sewer  
infrastructure, Sibaya primary water and sewer  
infrastructure and Sibaya Node 1 Heleza Boulevard

Following the degazettement of the Tinley North land claim,  
developable hectares subject to gazetted land claims  
have reduced to 225, all of which were owned by  
Tonga Hulett prior to 1913

Current activities underway include the iThuba  
Programme and local empowerment, skills development  
and leadership capacity programmes at Blackburn Village

## SOCIO ECONOMIC OUTCOMES

Urban spatial transformation  
linking communities, jobs and  
amenities

Integrated, inclusive  
residential neighbourhoods

Local employment and  
transformation through job  
creation, skills transfer and  
enterprise development during  
construction phase and beyond

Creation of permanent jobs

Investment in new/additional  
agricultural development and  
enhanced rural livelihoods

Empowering communities  
through local social and  
economic development

Co-ordinated and efficient  
infrastructure roll-out with  
maximised return on  
investment

Attraction of fixed investment  
into the region

Sustained public sector income  
generation through new,  
additional rates, taxes  
and user charges

Property solutions that enable  
new markets to be developed









## SUPPLEMENTARY INFORMATION





# 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:

### AREAS WHERE NEGOTIATIONS WITH PROSPECTIVE BUYERS ARE ONGOING

Areas comprising a total of 312 developable hectares contain 135 developable hectares over which negotiations with prospective buyers are ongoing, with profit potential in excess of R1,5 billion over time.

These reflect diverse current demand, with a predominance of high intensity mixed use but including affordable residential and unique clusters of opportunity.



The nature of the transactions being negotiated is selected to suit the demand sector, optimise value created and achieve transformation objectives and accelerated investment into the region. Geographically, these negotiations include Ridgeside, Sibaya Nodes 1, 4 and 5, Bridge City, Cornubia Town Centre and Blackburn Extension, uMhlanga Hills and Tinley North.

### AREAS WHERE ENQUIRIES ARE BEING RECEIVED AND NEGOTIATIONS ARE EXPECTED TO COMMENCE

In addition to the areas where negotiations are currently underway, enquiries continue to be received across the land portfolio covering some 594 developable hectares. Enquiries cover a wide range of Demand Drivers including high intensity mixed use, warehousing, logistics, industrial and business park, unique clusters of opportunity and integrated affordable residential.

Geographically, these opportunities cover the portfolio from Ntshongweni, west of Durban, the Airport Region, Sibaya Coastal Precinct, Cornubia and iZinga.

### AREAS FROM WHICH REMAINING SALES ARE EXPECTED TO COME OVER THE NEXT 5 YEARS

Some 2 410 developable hectares make up the balance of the 3 315 developable hectares from which sales are expected to come over the next five years. This is land located in areas that enjoy substantial government policy support for conversion, on which the various processes towards shovel ready have commenced and are progressing well, where processes are underway to ensure the availability of necessary infrastructure and where it is assessed that demand from one or more of the Demand Drivers will occur.

### AREAS WHERE SALES ARE ANTICIPATED BEYOND A 5-YEAR PERIOD

For land in this category, ongoing analysis is carried out on changing market dynamics, infrastructural developments, social and economic context and opportunities 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, at the appropriate time, are underway.

## EXPANDED COMMERCIAL TRANSACTING STYLES

Recognising that successful land conversion is inherently a collaborative partnership with a range of stakeholders and that each set of circumstances is unique and requires a fit-for-purpose solution, a deliberate strategy continues to be implemented to widen the range of commercial transacting options beyond simply the sale of shovel ready sites to include transactions that address specific requirements best.





The key objectives of land conversion are to create wide stakeholder value by fostering investment and economic activity through unlocking targeted Demand Drivers and to deliver specific progress in transformation of ownership and participation in the real estate value chain.

Particular elements of the strategy where progress is being made are:

- Creating opportunities for developers and uses that require scale and a longer development pipeline that will span multiple years and often large or sometimes multiple land opportunities
- Achieving portfolio diversity where other skills, relationships, empowerment credentials and financial capabilities can be brought in alongside those of Tongaat Hulett, thereby achieving accelerated and enhanced achievement of desired outcomes
- Achieving greater value for shareholders through increased returns per hectare of land, earlier cash conversion and reduced development cost commitments
- Energising and enabling greater activity by collaborating parties in attracting and addressing ultimate Demand Drivers
- Unlocking particular opportunities such as affordable housing, mixed-use precincts and various unique clusters that benefit from specific land solutions to enhance their success
- Rendering various development initiatives more bankable, thereby accelerating investment in the region
- Achieving transformation and empowerment objectives spanning the property development and investment value chain

The strategy continues to evolve and offer increasing opportunities where land, combined with Tongaat Hulett's processes, underpinned by the land assets, become the catalyst for increasing volumes of bankable, transformative real estate development and investment projects.

## 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.



Tongaat Hulett's land development processes, track record, skills, relationships and concentrated, 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 are being explored.

In this document, where an indication of profit, or of a range of profit, is provided, it is 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.

## APPROVAL FOR RELEASE FROM AGRICULTURE

The conversion of land from agriculture to other uses requires formal approval for 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 Land Framework Bill, is being considered to replace Act 70 of 1970.

Release from agriculture involves both the provincial and national departments of agriculture and takes place within the parameters of the prevailing provincial and municipal strategic and spatial plans.

Tonga Hulett's steady, planned conversion process over time, in line with both provincial and local government's strategic and spatial plans, underpinned by its leading role in developing agriculture in KwaZulu-Natal (some 25 000 hectares of new agriculture in the form of sugar cane have been planted over the past five years) and optimum agricultural use throughout the process, provides the foundation for sustainable urban growth and development and thereby for the requisite policy support.

## SHOVEL READY

Collaboration leading to bankable, shovel ready real estate development and investment projects involves planning permissions 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. 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 create meaningful stakeholder value from a land asset.

## INFRASTRUCTURE

Large-scale land conversion for urban development purposes requires collaboration between multiple stakeholders to coordinate infrastructural policy and strategy, planning, funding, procurement, implementation, operation and maintenance.

Progress continues to be made in multiple processes to enable this collaboration, thus ensuring that infrastructure ceases to constrain delivery to satisfy demand for real estate investment in the Durban and KwaZulu-Natal coastal regions.

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

- Increased pressure to unlock infrastructural investment and thereby the associated local employment, enterprise development opportunities and service delivery
- Recognition of the central role of metropolitan municipalities as drivers of growth and the need for support mechanisms to enable efficient infrastructure funding and delivery in the execution of this role
- Recognition of the effectiveness of infrastructural investment concentrated in growth corridors of major



cities, planned in an integrated manner, and implemented incrementally

- Increasing acknowledgement of the need for effective collaboration between multiple role-players to facilitate the requisite integrated planning and incremental implementation
- Significant recent and ongoing infrastructural investment in the region, combined with sound intent and intense efforts to ensure optimum returns on this investment
- Progress in processes to formalise the scoping and packaging of bankable infrastructure investment projects that appropriately address the strategic objectives of various partners
- Increasing fiscal constraints to direct infrastructural investment by government, leading to increasing recognition of the value of programme management processes that enable closer matching of the supply and demand dynamics of infrastructure services, together with innovative funding and financing mechanisms; increasing opportunities for increased private sector participation



## JOINT LEADERSHIP AND COLLABORATION IN INFRASTRUCTURE VALUE CHAIN





## DEMAND DRIVERS

Final demand for space to accommodate a variety of land uses continues to dictate the pace of real estate investment in the Durban area, alongside the supply of shovel ready land and the provision of large-scale infrastructure.

Durban offers a unique and compelling value proposition for a variety of markets that, combined with Tongaat Hulett's developmental process and progress being made on many fronts, indicates the potential for increasing demand and accelerating the pace of development in the region.

**Five national players, with limited current exposure in Durban have, in this period, concluded transactions committing to making significant new investments into the region across a variety of market sectors.**

The period in review saw transactions being concluded on the first meaningful integrated affordable residential projects at scale bringing further national players to the Durban Market for the first time. These transactions, on some 35 developable hectares, will yield 2 500 well-located new affordable homes. Other transactions concluded will see new urban amenities in uMhlanga Hills and Bridge City (six hectares) being developed as well as seeing the continuation of demand for high intensity mixed use development within Ridgeside and uMhlanga Ridge Town Centre.

A third new retirement offering in the uMhlanga region will also be brought to the market within the next year following the sale of 17 hectares within Ridgeside Precinct 2 to AMDEC's Evergreen Lifestyle Investments. All three retirement developments offer very different products and will provide a variety of choice for end users looking to retire in the greater uMhlanga region.

A further sale concluded in the period will see the development of a new tertiary education campus at Sibaya which will leverage further complementary uses and developments in the region.

Analysis of individual Demand Drivers continues to amplify that, in many cases, Durban is lagging its potential to attract business 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, will enable underlying demand requirements to be satisfied and to create the opportunity for Tongaat Hulett and the region, to become more proactive in attracting investment and creating new markets.

Tongaat Hulett continues to work 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.



### MEDIUM AND HIGH-INTENSITY URBAN MIXED USE

Metropolitan urban areas are home to an increasing majority of South Africa's population, providing economic activity and employment. This growth momentum continues to increase, with cities having an ever-larger impact on the country's future. Metros 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 clear 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, while the historical spatial design, layout and functioning of South African cities remains inefficient and still excludes many people from full participation in the opportunities of the urban economy. 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.

The population of Durban is expected to grow by some 500 000 people to 4,1 million by 2021, 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 previously isolated 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 maximise utilisation of existing infrastructural capacity and returns from new infrastructural investment, such as the GO!Durban public transportation system currently under construction in the region. Such areas simultaneously provide for more affordable housing, greater dynamism and inclusivity in social and economic activities, high-quality, investment-grade real estate investment and innovative structured commercial transactions that accommodate both large, national real estate investors and developers and small-scale, emerging entrepreneurial businesses.

**Tongaat Hulett's land portfolio offers a number of strategic opportunities where high-intensity, mixed-use precincts are ready for development.**

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.



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 currently include uMhlanga Ridge Town Centre, Bridge City, Ridgeside, Cornubia Town Centre, Sibaya Coastal Precinct and Ntshongweni.

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.



#### **PREDOMINANTLY RESIDENTIAL NEIGHBOURHOODS**

The four residential subsectors of high-end, mid-market, integrated affordable and public sector facilitated residential neighbourhoods are all expected to see sustained demand over the next five years to cater for the growing market needs across all income groups.

For the period in review, integrated affordable residential neighbourhoods have made up 35 hectares of the 68 total hectares sold, while mid-market and high-end neighbourhoods continue to attract demand, with the public sector facilitated precincts still underperforming their substantial potential owing

to a number of delivery challenges. Tongaat Hulett continues to partner with government to find solutions in addressing these challenges.

The sale of the integrated affordable neighbourhoods is an encouraging pointer to future potential. Tongaat Hulett's strategy to meet this demand is premised around well located land, appropriate densities with emphasis on high densities, flexible land tenure options and incorporation of an appropriate mix of other complementary land uses.

#### **HIGH-END RESIDENTIAL NEIGHBOURHOODS**

This market sector is defined as homes at a price point of R1,5 million and above for completed residential units. The success of developments in the greater uMhlanga region and in Sibaya continues to catalyse demand for further opportunities and for complementary market sectors including urban amenities. Within the greater uMhlanga area there continues to be a significant under-supply of freehold sites within a secure environment.

The strategy being pursued in this Demand Driver aims to increase the returns per hectare achievable by encouraging higher intensity development and higher pricing premiums on scarce, low-density sites.

**For the period in review, integrated affordable residential neighbourhoods made up 35 hectares of the 68 total hectares sold.**







Opportunities for high-end residential products will come from Ridgeside, iZinga and Sibaya Coastal Precinct in the short term and Ntshongweni and Tinley in the medium term.

#### MID-MARKET NEIGHBOURHOODS

Between October 2016 and September 2017, 221 properties with a total value of R291 million were transferred in uMhlanga Ridge Town Centre. Of these, 67 percent were priced between R800 000 and R1,5 million, exhibiting strong demand and take-up for good quality mid-market residential product, which currently exceeds supply.

The current rental take up rate for mid-market residential product within uMhlanga Ridge Town Centre averages 80 units per month and it is projected that the market can continue to take up to 1 000 units per annum.

The strategy around this market sector is to bring opportunities to the market to meet the substantial demand; within Cornubia Town Centre, and Sibaya Node 4 in the short term and at Compensation, Ntshongweni and near the airport in the medium term.

#### INTEGRATED AFFORDABLE NEIGHBOURHOODS

Tongaat Hulett's categorisation of Demand Drivers has defined integrated affordable neighbourhoods as incorporating a price range for completed residential units of approximately R500 000 to R800 000, catering to households with a monthly combined 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 substantially. Tongaat Hulett's primary response is to address supply side blockages.

Currently, the affordable housing sector is the highest selling residential product in the country as the affordable market continues to challenge the status quo of the country's economy reflecting a growing first-time buyer market and potentially an emerging downsizing trend. The recent commercial transactions concluded with national developers in this sector are indicative of the progress and commitment towards finding appropriate solutions to address supply blockages. Of the 68 hectares sold in this period, 35 hectares was for affordable residential neighbourhoods. These sales will unlock approximately 2 500 affordable units in Cornubia Marshall Dam and uMhlanga Hills.

**The sale of 35 developable hectares in the period will lead to the development of 2 500 well located affordable homes**

Tongaat Hulett has entered into a strategic partnership with a black-owned property developer to facilitate the release of a minimum of 1 100 affordable units within the Blackburn Precinct in Cornubia. The progress of these developments will be closely monitored to develop executable solutions for similar opportunities. Medium term opportunities at iNyaninga and Ntshongweni as future growth of employment-generating activities in these areas indicate an increasing need to provide for this market.

A strategy is currently being developed to create large scale, longer term opportunities for larger national and international developers seeking substantial development pipelines.

The sector offers opportunities to partner with key large employers to find appropriate solutions for employer-assisted housing and interest has been expressed by employers



particularly in areas close to the airport. Research is currently being conducted focusing on employees to assess the size of the opportunity.

Formerly seen as predominantly a freehold market, the scope has widened given the growing current trend 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.

The demand in this sector is likely to be restricted by availability of infrastructure. Accelerated delivery can be achieved through bringing 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 better optimisation of infrastructure investment, to support a viable public transport system and transit orientated development. This Demand Driver is an obvious case where structured, larger transactions are likely to be prominent in providing solutions.

#### **PUBLIC SECTOR FACILITATED RESIDENTIAL NEIGHBOURHOODS**

The public sector remains constitutionally obliged with the responsibility to deliver housing for the poor and political pressure for delivery remains intense. Limits on the public sector's capacity to deliver, including fiscal constraints, together with a shift in emphasis towards land already owned by the state, focus on rural housing projects on tribal land and in situ upgrading of informal settlements, constrains private sector participation and has required a shift in strategy over the past year. The focus has accordingly shifted to fewer hectares on which to develop the model, leveraging synergies between key players and maximising the state's suite of subsidies and interventions.

Key focus areas are:

- Fostering collaboration with larger contractors and developers with scale and experience.
- Increasing densities; ideally tripling the current maximum density range of 50-80 units per hectare to maximise on investment in infrastructure and render public transport viable
- Incorporating land use planning that is 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 and developers (implementing agents) and all spheres of government (providers of subsidies, services and regulatory authorities), other players required to participate in this market sector include banks and 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, which include parts of Aberfoyle, Cornubia North, Inyaninga and Ntshongweni



#### **URBAN AMENITIES FOR RESIDENTIAL NEIGHBOURHOODS**

This driver consists of social facilities such as schools, medical, neighbourhood retail, convenience retail, petrol 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. 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. There is a growing trend and acceptance of the principle of these amenities being provided within residential neighbourhoods in a mixed use format, facilitating easy walking and access.

**The demand for an affordable education product continues to increase with demand rising from middle and high income families and growing residential neighbourhoods.**

The private education subsector accommodates about 500 000 learners of a total school population of 12,5 million learners. This represents four percent of the total number of school going children in South Africa. The demand for an affordable education product continues to increase with demand rising from middle and high income families and growing residential neighbourhoods.

In the period under review, a further transaction was concluded for a new school in uMhlanga Hills. The introduction of the new schools in Sibaya and uMhlanga Hills is expected to have a positive impact on the residential real estate values and the pace of sales within the surrounding areas.





Other medium term opportunities for additional educational facilities exist in Ntshongweni and Compensation. Engagements with government on finding solutions around the provision of public education facilities has commenced.

Public and private health facilities, including 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, remain an important sub-sector. A process is under way to develop a 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.

### Sales in the past year will lead to two new schools, catering to over 4 000 learners, being developed in Cornubia and Sibaya

Research has indicated a significant opportunity to find suitable land within the portfolio for cemetery use. With pressure for burial space and the region only having two private cemeteries, there are real opportunities to bring an appropriate, differentiated and well-packaged product to market to take advantage of the growing need. This urban amenity requires very specific topographical and geological conditions to be feasible. Areas that have been identified as likely to be suitable for this use are being investigated.

The demand for petrol filling station sites has continued to increase from both oil companies and dealers. This is driven by the growing communities in the region. A number of opportunities in the portfolio have been identified and are being assessed and packaged to meet this demand.



### RETIREMENT DEVELOPMENTS

As a proactive initiative to obtain meaningful market information, promote KwaZulu-Natal as a retirement destination, and to fast-track the sales of retirement sites to developers, Tongaat Hulett launched RetireKZN.co.za - a digital campaign. The initiative has yielded a database of over 3 500 registrations interested in future retirement opportunities. The captured research data has proven effective in enabling developments to respond accurately to market requirements and the market insights are shared with both current and future development partners. RetireKZN also provides a good platform for developers to launch and market their retirement developments.

Based on the market insights during the past year, there has been an increasing interest from a number of national developers and the robust demand for developments that have been taken to market.

Strategic partnerships with key players in the retirement sector value chain are being established to continue to drive demand in this sector in the region and to develop appropriate products for the different segments within this sector. The hectares sold into the retirement sector are expected to continue to increase over the next few years. The Mount Edgecombe Retirement Village, Shoreline Sibaya, and Amdec Evergreen Lifestyle Development in Ridgeside are providing current opportunities in this space. Short term opportunities exist in Sibaya Coastal Precinct; where Ntshongweni, Compensation and Tinley Manor are being designed to meet demand in the medium term.





## 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.

South Africa's international tourism has seen a steady increase driven in part by the weakened rand. The domestic tourism market has also proven to be an important source of demand during periods of weaker international demand, making a substantial contribution to the sector's resilience and sustainability.

Outstanding weather and a variety of attractions account for KwaZulu-Natal's popular appeal as a prime leisure and tourist destination. KwaZulu-Natal accounts for at least 30 percent of all domestic trips taken annually and 10 percent of annual international tourist arrivals into South Africa.

KwaZulu-Natal's 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 Thukela River constitutes a unique 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.

**KwaZulu-Natal accounts for at least 30 percent of all domestic trips taken annually and 10 percent of annual international tourist arrivals into South Africa.**

One of the key drivers of demand in this sector is air connectivity. The KwaZulu-Natal Route Development Committee is in negotiations with further airlines to secure new services directly to Durban. The new routes are a significant determinant of destination choices by international tourists and are significant in the growth potential of tourism in KwaZulu-Natal.

Durban's sustained ability to attract international and regional conferences and events such as the International AIDS







Conference and the World Economic Forum has boosted local and international tourism and demand for hotel accommodation in the region.

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

#### CITY HOTELS AND RESIDENCES

The uMhlanga node represents four percent of the country's market, and 28 percent of the KwaZulu-Natal provincial market. This node has outperformed the national and provincial markets in terms of revenue per available room. The hotels in uMhlanga are primarily in the economy hotel segment (typically defined as three star) with lesser representation by full service hotels.

The sustained growth in the office market in uMhlanga has resulted in this region being the preferred location for City Hotels in Durban and has fuelled growth in demand in individual corporate and leisure travel into the uMhlanga node. According to STR Global, in 2016, the uMhlanga Hotels recorded an occupancy of 71,4 percent, a slight increase from 2015. The node's Average Daily Rate was also and the highest in the country achieving R1 274, a 11,2 percent increase from the previous period.

The domestic corporate market is the second largest segment in domestic tourism with 75 percent of this demand concentrated in the uMhlanga node linked to the high level of corporate activity. Ballito is also emerging as a corporate node but the corporate market in this area tends to stay in smaller guesthouses due to the absence of corporate centric supply in Ballito. The average room rate growth was 11 percent, which resulted in an 11 percent growth in revenue per available room compared to 2015.

The sustained positive performance in uMhlanga has continued to fuel interest in the area from both South African and international hotel brands that seek to operate a fresh, contemporary, full or select service offering with quality meeting

facilities that cater for both corporate and leisure travellers.

The outlook for the sector remains positive, as the recent growth experienced in international and domestic tourism is set to continue through to 2018. Furthermore, given the projected increase in demand for corporate office space and the area's projected economic growth, it is realistic that the market can continue to absorb an increase in hotel room inventory of between eight to ten percent over the next five years.

The primary short term opportunities are situated on the expansion of the uMhlanga Ridge Town Centre into Ridgeside and Cornubia, which are both mixed use high-intensity precincts. Research undertaken indicates that over and above the recent announcement of a 200 bed premium branded hotel in the uMhlanga Arch mixed use development and the 206 keys Radisson Blu Hotel, uMhlanga has capacity to support additional hotel room inventory within the next three to five years. Longer term opportunities exist in Tinley Manor and Ntshongweni.

**In 2016, the uMhlanga Hotels recorded an occupancy of 71,4 percent, a slight increase from 2015. The node's ADR was also and the highest in the country achieving R1 274 - a 11,2 percent increase from the previous period**

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

Coastal resorts are a lower-intensity land use than the city hotels. There is currently no truly integrated beach resort in KwaZulu-Natal or South Africa. The KwaZulu-Natal coastline has been identified 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 North is being designed as a pilot location for an integrated coastal resort to act as a catalyst for more instances of this type of development on the North Coast. Research in this sector has indicated that the market conditions are favourable for the entry of an international resort in the region and Tinley is considered one of the best locations for this use. Negotiations with an international resort operator that has expressed interest in developing South Africa's first 20 hectare beach resort at Tinley are well advanced.

Resorts as a Demand Driver are likely to require a structured capital investment model. The strategic objective is to create enhanced value in surrounding land assets benefiting from proximity to and association with the resort and higher pricing premiums as destination value is established in the area.





## **OFFICE MARKET**

Prime office space continues to outperform in the eThekweni region and key nodes remain stable, despite economic uncertainty. For the past decade, growth in Durban's office market has been low, averaging 2,4 percent per annum, however over the past five years the growth rate has increased to around 3,5 percent per annum with a take-up of approximately 40 000 square metres per annum. This is attributed largely to KwaZulu-Natal becoming more attractive for Business Processing Outsourcing uses owing to its competitiveness with domestic and international players in this sector.

The uMhlanga/La Lucia area is currently the largest decentralised office node in Durban. The area offers 370 000 square metres of office space with a vacancy rate averaging between five and seven percent. Despite the restrained economic environment, demand for premium grade office space in prime locations is still robust and supply lags demand, with little to no speculative development activity. The planned expansion of the Bus Rapid Transit (BRT) system to Umhlanga is expected to further drive demand in the future, as corporate occupiers migrate to locations of greater convenience and quality.

A strategy to attract large corporate occupiers to Durban is being pursued. The objective is to develop a unique value proposition for Durban as a preferred location for large corporate occupiers and multinationals. A focus on new market entrants rather than relocating of existing headquarters presents a greater opportunity for Durban to attract major corporate occupiers into the region. Opportunities exist in the business processing outsourcing subsector where new market entrants are proactively being targeted to locate their facilities in Durban.

In addition, strategic partnerships with the City are being established to develop Durban's unique value proposition for this sector jointly, improve access to new markets and to develop competitive incentive policies that will attract investments. Rental premiums and low vacancy rates in prime

locations indicate that tenants are willing to pay a premium for quality, well located spaces. The short supply of this product is likely to drive rental rates upwards and lead to increased demand as new office nodes are opened at Sibaya Coastal Precinct, Cornubia Town Centre, 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 an 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 restricted 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.

## **INDUSTRIAL AND MANUFACTURING**

The manufacturing sector has continued to show constrained growth during the period in review. With GDP projected to grow by only 0,6 percent in 2017, 1,3 percent in 2018 and 1,9 percent in 2019, new take-up of land is expected to remain slow. Durban's key location as a gateway for the country's trade activity and the strong demand for limited space in the area around the King Shaka International Airport and Dube TradePort points to the potential for rapid recovery when macro conditions turn. The long term potential of this sector in the region is largely linked to the port activities and the primary logistics corridors of the N2 and N3 and efficient linkages to the ports and major domestic and neighbouring markets will become key drivers of value creation in this sector. The current demand for land





for manufacturing and industrial uses is still constrained at 30 hectares per annum. The interest from industry continues to be predominantly on the N3 corridor between Durban and Gauteng where significant industrial activity is planned. Opportunities within Ntshongweni therefore have significant potential given that it is the best located land on the western corridor to unlock demand in this area.

On the northern corridor, the proximity to the airport and Dube TradePort will be leveraged to drive demand for industrial and manufacturing uses in this area. uShukela, Compensation, Amanzimnyama and iNyaninga are located within good proximity to King Shaka International Airport's trade activities and present real opportunities for unique mix of greenfield industrial developments to cater for a range of manufacturing subsectors.

Possibilities of integrating residential uses with light industrial uses are being explored in Compensation. Residential uses are envisaged to catalyse industrial demand in this area as it will bring labour and skills closer which has previously limited growth in the industrial sector particularly north of Durban.

### WAREHOUSING AND LOGISTICS

Durban is experiencing increased interest in logistics facilities. As the centres of trade activity in Durban, the Durban Port and increasingly the King Shaka International Airport have continued to be key drivers of demand for industrial and logistics space in the region.

Demand for land is likely to grow with policy support for exports, companies seeking to maximise supply chain efficiencies, and South Africa seeking to solidify its position as a platform to access SADC markets. The expansion of international retailers into the South African market is also expected to continue to contribute positively to demand for industrial warehousing and logistics services.

Building plans passed in 2016 provide a short-term indication of the future direction of growth in this subsector. There is

**There is significant development anticipated in the Outer West, being the location of choice for major warehousing and distribution centres, leading to a growing market interest in Ntshongweni.**

significant development anticipated in the Outer West, being the location of choice for major warehousing and distribution centres. Opportunities in the portfolio catering to the warehousing and logistics sector have been identified along the N3 corridor linking the Durban sea port to Gauteng and surrounding economies. Located on the SIP2 economic hub along the N3 corridor with proximity to the port, Ntshongweni is well positioned to strengthen eThekweni's logistics, distribution and warehousing capacity.

On the northern corridor, opportunities exist in the medium term within iNyaninga which is positioned as a unique multi-modal facility offering seamless integration of sea, air, road and rail to strengthen the logistics capabilities in the region and serve southern and sub-equatorial and intercontinental markets. The logistics sector closely follows GDP trends in terms of growth. 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 34 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, while companies seek to maximise supply chain efficiencies, and South Africa seeks to solidify its position as a platform to access SADC markets.

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, and Durban in particular.



### UNIQUE CLUSTERS OF OPPORTUNITY

The size and location of Tongaat Hulett's land assets allow for experimentation with 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 KwaZulu-Natal 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 is being considered and there is currently interest in establishing a Business Process Outsourcing (BPO) park in the region. Research conducted by provincial government indicates that there is a need for a 10 000 seater (1,5 square metres to 2 square metres per seat) BPO Park to unlock underlying demand for well-located BPO facilities that meets the requirements of this market. eThekweni offers a cost



competitive BPO value proposition due to lower office rental, telecommunication and labour costs which are approximately 30 percent lower than Cape Town and Johannesburg. The current focus is to work with government partners to develop BPO incentives and to jointly develop the city's BPO value proposition to drive demand in this sector.

**A particular opportunity relates to various clusters of uses associated with the airport, combined with the good access to road, rail and port activity.**

The recent sale for a private tertiary education institution in Sibaya is expected to catalyse economic activity and real estate development in the region. This is envisaged to drive other complementary markets such as student accommodation and research and development facilities. 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.










## DETAILED SHEETS FOR AREAS:

- WHERE NEGOTIATIONS WITH PROSPECTIVE BUYERS ARE ONGOING ON 135 DEVELOPABLE HECTARES (Pages 39 - 49)
- WHERE ENQUIRIES ARE BEING RECEIVED AND NEGOTIATIONS ARE EXPECTED TO COMMENCE (Pages 50 - 59)

### NAVIGATION

-  Areas where negotiations with prospective buyers are ongoing or are expected to commence
-  Areas from which remaining sales are expected to come over the next 5 years
-  Areas where sales are anticipated beyond 5 years

### DEMAND DRIVER ICONS



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

Greater uMhlanga

17 DEVELOPABLE HECTARES

NEGOTIATIONS UNDERWAY: 14 HECTARES

### OVERVIEW

Recent large-scale transactions confirm the substantial value offering of Ridgeside. Final infrastructure well advanced within Precinct 1. The remainder of Precinct 2 provides a further opportunity for a large, single transaction at values commensurate with the high intensity mixed-use value expectations.

### DEMAND DRIVERS



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

### COMMERCIAL TRANSACTIONS

Two significant transactions recently concluded with national players. A mixed use package of over 50 000 square metres of bulk in Precinct 1 and 17 developable hectares in Precinct 2 for a new retirement development by AMDEC's Evergreen Lifestyle Investments. Primary short term opportunity lies in the balance of Precinct 2 which is ideally located and suitable for a mixed use development, similar in scale to Melrose Arch or Harbour Arch in Cape Town, and where detailed concepts are being worked on in collaboration with potential purchasers.

### SOCIETAL VALUE CREATION

Ridgeside precinct 1 will deliver to the market one of the most iconic development precincts, with the realisation of the integrated mixed use concept. Current development activity within this precinct will deliver R2,5 billion in gross investment value, and more than 1 100 permanent jobs. 14 000 construction jobs will be generated.

### DEVELOPMENT PROGRESS

Infrastructure installation contract is currently underway. Completion is scheduled for the first half of 2018. Construction representing over R1,7 billion in real estate investment by private sector has commenced.







## CORNUBIA TOWN CENTRE

Greater uMhlanga

25 DEVELOPABLE HECTARES

NEGOTIATIONS UNDERWAY: 25 HECTARES

### OVERVIEW

With the Cornubia Mall now open, key pieces of regional infrastructure now complete or nearing completion and with services under construction, the precinct is ripe for development and ideally suited for an alternative, structured single transaction.

### DEMAND DRIVERS



- High-intensity urban mixed use
- Prime mid-market and affordable residential neighbourhood
- Premium and A-grade offices and BPO 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

### COMMERCIAL TRANSACTIONS

Investment packaged opportunity being completed as engagement with selected national institutional investors continues around a single, structured transaction.

### SOCIETAL VALUE CREATION

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. Expected to generate over 8 000 permanent jobs with a total investment value of over R12 billion.

### DEVELOPMENT PROGRESS

Main arterial through precinct under construction to link the upgraded Flanders Drive interchange to the N2 and GO!Durban bridge to uMhlanga Ridge Town Centre. Primary service infrastructure in place.







## CORNUBIA BLACKBURN EXTENSION

Greater uMhlanga

14 DEVELOPABLE HECTARES

■ NEGOTIATIONS UNDERWAY: 14 HECTARES

### OVERVIEW

Formal collaboration agreement with wholly black owned development company providing for the detailed community based layout planning that is underway and including adjacent municipality owned land.

### DEMAND DRIVERS



- Affordable neighbourhoods, medium to high-density residential, with associated urban amenities

### COMMERCIAL TRANSACTIONS

Transaction pending completion of detailed planning and layout finalisation together with feasibility.

### SOCIETAL VALUE CREATION

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 facilitating a truly integrated inclusionary, mixed-use neighbourhood. The development of an affordable residential neighbourhood immediately adjacent to new employment opportunities being created.

### DEVELOPMENT PROGRESS

EIA Approved. Detailed layout plan ongoing. Extension of and linkage into services currently being installed for N2 Business Park.







## SIBAYA NODES 1 & 5

Greater uMhlanga

43 DEVELOPABLE HECTARES

NEGOTIATIONS UNDERWAY: 15 HECTARES

### OVERVIEW

Significant market interest continues in Nodes 1 and 5 with a number of very successful developments under construction. Recent conclusion of a large-scale transaction for a private tertiary institution will add further impetus to the value proposition of the asset.

### DEMAND DRIVERS



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

### COMMERCIAL TRANSACTIONS

Main short term opportunities where negotiations are in progress include a commercial package and student accommodation opportunities in Node 5.

### SOCIETAL VALUE CREATION

Enhances Durban's coastal tourism offerings. Upgrades and ensures future sustainability of a unique coastline and coastal forest. Collaboration with development value chain to ensure meaningful opportunities and localisation of jobs generated. Total projected private sector investment within the node of R17 billion. Expected to create 4 000 permanent jobs.

### DEVELOPMENT PROGRESS

Services for Node 1 nearly complete, rolling into Node 5. Four top structure developments under construction representing over R2,5 billion in new investment. Conservation Trust formally established to manage rehabilitation and future use of 600 hectares of natural assets.







## BRIDGE CITY

Greater uMhlanga

6 DEVELOPABLE HECTARES

NEGOTIATIONS UNDERWAY: 2 HECTARES

### OVERVIEW

Maturing development with all infrastructure complete and municipality's first phase of its GO! Durban IRPTN network nearing operational status with direct linkage to Pinetown. Development of the second phase to Cornubia and uMhlanga Ridge to commence in early 2018.

### DEMAND DRIVERS



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

### COMMERCIAL TRANSACTIONS

Significant new social housing development proposed by a wholly owned black developer in advanced stages of finalisation.

### SOCIETAL VALUE CREATION

The delivery of Calgro M3's new affordable residential development into Bridge City is a significant milestone towards the vision for Bridge City as an integrated mixed use precinct. The development of Bridge City, has facilitated the delivery of a number of key amenities, into what was previously an underserved area. Enabled public investment in amenities and residential in a high-quality, well located, well managed, new urban precinct.

### DEVELOPMENT PROGRESS

Service infrastructure completed. Hospital construction well advanced with the first affordable housing development set to see construction commencing shortly.







## UMHLANGA RIDGE TOWN CENTRE COMMERCIAL

Greater uMhlanga

1 DEVELOPABLE HECTARE

NEGOTIATIONS UNDERWAY: 1 HECTARE

### OVERVIEW

Superbly located in the heart of the town centre with real iconic status potential. The last remaining sites available for sale.

### DEMAND DRIVERS



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

### COMMERCIAL TRANSACTIONS

Negotiations on a large scale mixed use development ongoing.

### SOCIETAL VALUE CREATION

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.

### DEVELOPMENT PROGRESS

All infrastructure in place. Close to R1 billion investment under construction. GO!Durban's N2 bridge including N2 access and links into Cornubia progressing well.







## UMHLANGA RIDGE TOWN CENTRE RESIDENTIAL

Greater uMhlanga

3 DEVELOPABLE HECTARES

NEGOTIATIONS UNDERWAY: 3 HECTARES

### OVERVIEW

Only three small land parcels remain in the ever growing high density residential precinct of the uMhlanga Ridge Town Centre.

### DEMAND DRIVERS



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

### COMMERCIAL TRANSACTIONS

Negotiations on all three remaining parcels are proceeding around largely high-density, mid-market residential opportunities as well as a potential high density retirement offering.

### SOCIETAL VALUE CREATION

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.

### DEVELOPMENT PROGRESS

All infrastructure in place. Over R500 million in investment under construction.







## KINDLEWOOD

Greater uMhlanga

9 DEVELOPABLE HECTARES

NEGOTIATIONS UNDERWAY: 9 HECTARES

### OVERVIEW

Last remaining phase of the highly successful Kindlewood Residential Estate.

### DEMAND DRIVERS



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

### COMMERCIAL TRANSACTIONS

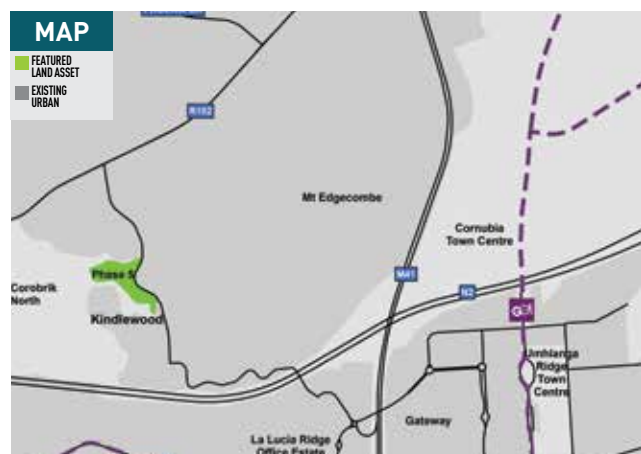
Multiple engagements in play on this opportunity with focus on value optimisation.

### SOCIETAL VALUE CREATION

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.

### DEVELOPMENT PROGRESS

All infrastructure in place. Mount Edgecombe Retirement Village construction progressing well.







## CORNUBIA UMHLANGA HILLS | Greater uMhlanga

14 DEVELOPABLE HECTARES

NEGOTIATIONS UNDERWAY: 14 HECTARES

### OVERVIEW

Its superb location opposite the new Cornubia Mall on the municipality's GO!Durban IRPTN network has resulted in nearly 70 percent of the precinct being sold in a short space of time for affordable housing and urban amenity uses. There is also substantial interest in the remainder of the precinct.

### DEMAND DRIVERS



- Affordable medium to high-density residential, with associated urban amenities
- Transit-oriented development possibilities
- Affordable education serving surrounding residential
- Retirement

### COMMERCIAL TRANSACTIONS

29 Developable hectares sold over the last period on two large affordable housing opportunities by listed national developer and an affordable national branded school. Two remaining packages also for affordable housing under negotiation to wholly owned black developers.

### SOCIETAL VALUE CREATION

Umhlanga Hills will facilitate the ultimate delivery of more than 2 000 affordable residential units into the Greater uMhlanga Region. The delivery of this high density transport oriented development, will further ensure the viability of eThekweni Municipality's integrated rapid public transport network (Go! Durban). This is in line with the municipality's vision for the development of the city. The sale of the school site will facilitate the delivery of an affordable private school into the region.

### DEVELOPMENT PROGRESS

Adjacent infrastructure complete including the upgraded Flanders Drive interchange and Dube East providing access to the new Cornubia Mall and into the precinct.







## SIBAYA NODE 4

Greater uMhlanga

103 DEVELOPABLE HECTARES

NEGOTIATIONS UNDERWAY: 18 HECTARES

### OVERVIEW

The next logical phase following the extensive sales in Nodes 1 and 5, Node 4 offers a number of alternative opportunities with ease of access and high visibility to national and provincial road networks.

### DEMAND DRIVERS



- Affordable and mid-market to high-end residential
- Urban amenities
- Office
- Retirement

### COMMERCIAL TRANSACTIONS

Prime retirement opportunity being negotiated with a number of retirement developers.

### SOCIETAL VALUE CREATION

Expected to generate 4 504 permanent jobs and total investment of over R6 billion.

### DEVELOPMENT PROGRESS

Infrastructure currently being installed for Nodes 1 and 5 will unlock Node 4.







## TINLEY NORTH

Ballito and Surrounds

77 DEVELOPABLE HECTARES

NEGOTIATIONS UNDERWAY: 20 HECTARES

### OVERVIEW

Prime seafront land adjacent to an expansive beach area ideally suited for a resort type development. An international resort operator has formalised its desire to operate a new, international beach resort on the site.

### DEMAND DRIVERS



- Coastal resort catering to domestic and international tourism markets

### COMMERCIAL TRANSACTIONS

International resort operator committed to the opportunity. Engagements with appropriate developers and investors underway

### SOCIETAL VALUE CREATION

Anticipated to act as a catalyst for accelerated tourist related development on the KwaZulu-Natal north coast. Increase in tourism will catalyse ancillary economic activities. Mutual efforts in collaboration with the KwaZulu-Natal Provincial Government present the opportunity to solicit national and international brands looking at opportunities to establish themselves in KwaZulu-Natal.

### DEVELOPMENT PROGRESS

Infrastructural assessments completed and to be finalised through the development rights processes.







## NTSHONGWENI RETAIL AND URBAN CORE

Greater Hillcrest

64 DEVELOPABLE HECTARES

### OVERVIEW

A Municipal Catalytic Project driven by provincial Department of Economic Development, Tourism and Environmental Affairs. Anchored by a future regional shopping centre opening in 2021, the precinct offers significant opportunities for high intensity mixed use and commercial uses along very similar lines to the uMhlanga Ridge Town Centre and Gateway Theatre of Shopping.

### DEMAND DRIVERS



- High-intensity urban mixed use
- Urban amenities
- Business park
- Offices
- Various residential markets in an urban setting

### COMMERCIAL TRANSACTIONS

With the formal launch in September of a new regional shopping centre to anchor the precinct, opportunities for structured transactions around mixed use and commercial packages are being formalised for engagement with the market.

### SOCIETAL VALUE CREATION

This land asset is expected to see a total investment of over R12 billion, generating 132 000 full time equivalent construction jobs and 14 000 permanent jobs, and rates generation of R206 million per annum.

### DEVELOPMENT PROGRESS

Formal endorsement received from both Provincial Department of Economic Development, Tourism and Environmental Affairs and eThekweni Municipality. Released from Agriculture with EIA Approval. Zoning process in final stages. Multi stakeholder steering committee facilitated by the Department of Economic Development, Tourism and Environmental Affairs continuing to drive infrastructural solutions to unlock the precinct.







## CORNUBIA N2 BUSINESS PARK

Greater uMhlanga

2 DEVELOPABLE HECTARES

### OVERVIEW

Last remaining opportunity along the N2 commercial corridor with construction of adjacent platforms nearly complete by Fortress Income Fund/Giuricich.

### DEMAND DRIVERS



- Warehousing, logistics, industrial, business park, manufacturing and big box retail

### COMMERCIAL TRANSACTIONS

Strong market interest pending formalisation of consolidation of adjacent property to optimise commercial opportunity.

### SOCIETAL VALUE CREATION

Mixed commercial land use, in close proximity to existing and planned residential neighbourhoods.

### DEVELOPMENT PROGRESS

All rights in place. Construction of primary road that will provide access well advanced, linking to the uMhlanga Ridge Town Centre, N2 and M41.







## USHUKELA DRIVE

Airport Region

49 DEVELOPABLE HECTARES

### OVERVIEW

Superb location adjoining the airport, with incredible exposure to the N2 and ease of access from International Trade Avenue that links Dube TradePort to uShukela Drive and the N2.

### DEMAND DRIVERS



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

### COMMERCIAL TRANSACTIONS

Remains a key short term opportunity within the Aerotropolis, specifically with the excess demand for Dube TradePort's TradeZone 2.

### SOCIETAL VALUE CREATION

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 rates. Will see new investment of over R6 billion from building construction activity.

### DEVELOPMENT PROGRESS

Released from Agriculture. EIA being undertaken in collaboration with Dube TradePort being accelerated. Infrastructural requirements positioned within the Durban Aerotropolis Strategy and Master Plan.







## COMPENSATION EAST

Airport Region

73 DEVELOPABLE HECTARES

### OVERVIEW

Extensive amount of flat land with direct access to the R102 available for general industrial uses together with potential for integrated affordable residential neighbourhoods as part of a mixed use industrial precinct.

### DEMAND DRIVERS



- Manufacturing, warehousing, logistics, industrial, business park and warehouse retail
- Offices
- Residential with associated amenities

### COMMERCIAL TRANSACTIONS

Product offering being expanded to include affordable neighbourhoods as part of an integrated industrial park development.

### SOCIETAL VALUE CREATION

Addresses scarcity of large industrial sites suitable for large scale manufacturing and logistics around Durban. Anticipated to be a significant employment centre for KwaZulu-Natal facilitating private sector investment of R7,5 billion and R170 million in annual rates generation, plus 4 000 permanent jobs. Opportunity for diversity of employment and enterprise potential in the region.

### DEVELOPMENT PROGRESS

Released from Agriculture with EIA Approval. Zoning application being finalised for formal submission. Infrastructural solutions in place in collaboration with the Ilembe District Municipality and KwaDukuza Municipality, pending development execution.







## REMAINING SITES ON NEARLY COMPLETED DEVELOPMENTS

22 DEVELOPABLE HECTARES

### OVERVIEW

Small, ad hoc portions of remaining land within completed developments offering niche opportunities for developers or acquisition by adjacent landholders.

### DEMAND DRIVERS



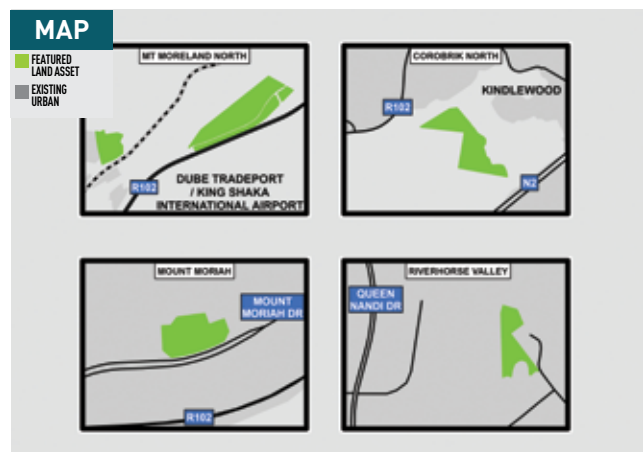
- Residential
- Industrial

### COMMERCIAL TRANSACTIONS

Small, remaining portions of land within existing built up developments available to be acquired and immediately developed on. To be sold on an 'as is' basis.

### SOCIETAL VALUE CREATION

The remaining sites act as opportunities for densification, small development and integrating neighbouring land uses.







## SIBAYA NODE 6 - PHASE 1 | Greater uMhlanga

20 DEVELOPABLE HECTARES

### OVERVIEW

The most northern precinct of Sibaya located between the M4, uMdloti estuary and coastal town of eMdloti, this asset offers a wide range of commercial, business, residential and ancillary opportunities with ease of access and high visibility together with extensive ocean views.

### DEMAND DRIVERS



- Residential
- Urban amenities
- Offices
- Unique clusters of opportunity

### COMMERCIAL TRANSACTIONS

First phase of the node to be based upon supporting infrastructure to adjacent tertiary institution with potential for future expansion of the tertiary opportunity.

### SOCIETAL VALUE CREATION

Supporting and complementing investments underway in Sibaya Node 5.

### DEVELOPMENT PROGRESS

EIA application about to commence. Potential to link to Node 5 infrastructure.







## NTSHONGWENI LOGISTICS & BUSINESS PARK

Greater Hillcrest

161 DEVELOPABLE HECTARES

### OVERVIEW

Located within the next development node to the west of Durban, some 30 kilometres from the Durban port along the Durban-Gauteng SIP2 logistics corridor, this precinct offers substantial sought after logistics, warehousing and business opportunities.

### DEMAND DRIVERS



- Warehousing, logistics, industrial, business park, manufacturing
- Destination warehouse retailing

### COMMERCIAL TRANSACTIONS

Significant market interest with potential for large structured transactions.

### SOCIETAL VALUE CREATION

The development will play a key role in the SIP2 corridor from Durban to Gauteng, strengthening the logistics capacity due to easy national freeway access. Substantial new employment opportunities within a region currently experiencing high unemployment. Total investment with building construction activities of R10 billion, with 70 000 construction jobs and 6 500 permanent jobs created.

### DEVELOPMENT PROGRESS

Released from Agriculture with EIA progressing well. Multi stakeholder steering committee facilitated by the Department of Economic Development, Tourism and Environmental Affairs continuing to drive infrastructural solutions to unlock the precinct.







## INYANINGA EAST AFFORDABLE HOUSING PRECINCTS

Airport Region

93 DEVELOPABLE HECTARES

### OVERVIEW

Providing for the natural extension of oThongathi for largely affordable residential and commercial opportunities.

### DEMAND DRIVERS



- Residential
- Urban amenities

### COMMERCIAL TRANSACTIONS

High demand for affordable residential product in the region in support of the airport development.

### SOCIETAL VALUE CREATION

The delivery of quality affordable residential precinct of 4 500 homes in an area where it is much needed.

### DEVELOPMENT PROGRESS

EIA approved. Detailed planning underway ahead of formal zoning process. Infrastructural requirements positioned within the Durban Aerotropolis Strategy and Master Plan. Includes potential to link into existing infrastructure of oThongathi.







## IZINGA FUTURE PHASE

Greater uMhlanga

60 DEVELOPABLE HECTARES

### OVERVIEW

Providing for the extension of the successful iZinga brand based around a range of residential typologies and products as well as urban amenities.

### DEMAND DRIVERS



- Residential
- Urban amenities

### COMMERCIAL TRANSACTIONS

High demand for social and urban amenity uses as an extension to the suburb of iZinga. A number of prospective developers and end users being engaged with.

### SOCIETAL VALUE CREATION

Opportunity for additional urban amenity in support of surrounding growing iZinga, together with new employment opportunities.

### DEVELOPMENT PROGRESS

EIA to be amended to provide for additional units and uses to optimise potential. Available infrastructure capacities in close proximity.







## LA MERCY WEST - PHASE 1 | Airport Region

50 DEVELOPABLE HECTARES

### OVERVIEW

Unique geotechnical and soil conditions suitable for use as a memorial park or cemetery. One of a limited number of such opportunities within the region.

### DEMAND DRIVERS



- Unique clusters of opportunity

### COMMERCIAL TRANSACTIONS

Significant shortage of supply in the region for cemeteries with the opportunity for a large, structured transaction with national players. Also offers a transformation opportunity in property ownership and development.

### SOCIETAL VALUE CREATION

The response to a regional need in a market of critical undersupply.

### DEVELOPMENT PROGRESS

EIA application in the process of commencing. Proposed use requires limited infrastructure with capacity in close vicinity.









## DETAILED SHEETS FOR AREAS FROM WHICH REMAINING SALES ARE EXPECTED TO COME OVER THE NEXT 5 YEARS

### NAVIGATION

-  Areas from which remaining sales are expected to come over the next 5 years
-  Areas where sales are anticipated beyond 5 years

### DEMAND DRIVER ICONS



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





## CORNUBIA

### MARSHALL DAM TOWN CENTRE AND CONSOLIDATING URBAN

Greater uMhlanga

82 DEVELOPABLE HECTARES

#### OVERVIEW

The precinct is situated in the heart of Cornubia along the municipality's GO! Durban IRPTN route linking Bridge City and the airport to uMhlanga and the city centre. It is perfectly positioned for high intensity mixed use, residential and commercial uses.

#### DEMAND DRIVERS



#### DEVELOPMENT PROGRESS

EIA approved. Detailed planning ongoing. Construction of Cornubia Boulevard running through the precinct and the GO!Durban route from Bridge City and the Airport, to commence early in the new year.

#### SOCIETAL VALUE CREATION

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



## CORNUBIA NORTH

### INTEGRATED AFFORDABLE NEIGHBOURHOOD AND BUSINESS PRECINCT

Greater uMhlanga

172 DEVELOPABLE HECTARES

#### OVERVIEW

Ease of access from the existing N2/Sibaya Interchange together with high exposure to the N2 highway provide compelling reasons for business and commercial uses in support of integrated residential development along the main arterial linking uMhlanga to the airport, that will include one of the municipality's GO! Durban IRPTN routes.

#### DEMAND DRIVERS



#### DEVELOPMENT PROGRESS

Released from agriculture. EIA underway. Located on the GO!Durban route linking the airport to uMhlanga and the city centre. Direct access to the existing Sibaya interchange on the N2.

#### SOCIETAL VALUE CREATION

Potential to accelerate fixed investment in this priority urban corridor through business park, commercial and integrated residential uses. Allows for the extension of the existing successful Cornubia collaboration to establish significant scale and impact.







## SIBAYA NODES 2 & 3

Greater uMhlanga

134 DEVELOPABLE HECTARES

### OVERVIEW

Situated between the Sibaya Casino and Ohlanga estuary, expansive rolling hills with breathtaking ocean and estuary views offer prime residential opportunities.

### DEMAND DRIVERS



### DEVELOPMENT PROGRESS

Work ongoing on development concept to respond to market opportunities. Infrastructure to service Node 1 opens up the precinct.

### SOCIETAL VALUE CREATION

Significant opportunity to add unique real estate offering and regional environmental and recreational asset.



## AMANZIMNYAMA

Airport Region

345 DEVELOPABLE HECTARES

### OVERVIEW

With high exposure to the N2 north of the airport and ease of access, this precinct is superbly located and accessible for business, logistics and industrial uses.

### DEMAND DRIVERS

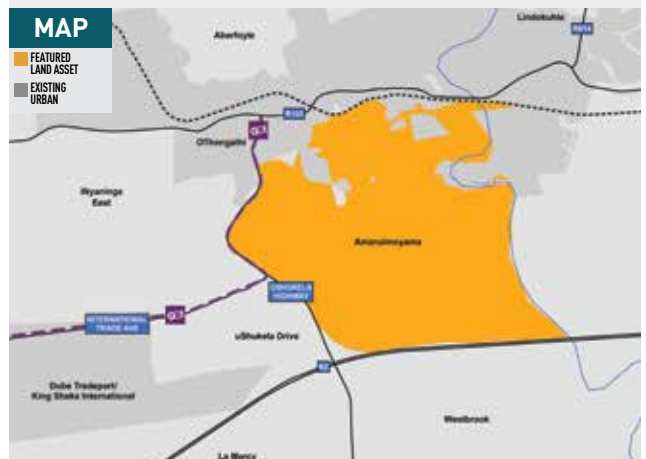


### DEVELOPMENT PROGRESS

Formal development rights processes to proceed at appropriate stage in collaboration with provincial and municipal authorities.

### SOCIETAL VALUE CREATION

The large and interconnected green linkages will provide environmental, educational and recreational opportunities supported by integrated social programmes. Significant potential for new employment opportunities.







## COMPENSATION WEST

Airport Region

152 DEVELOPABLE HECTARES

### OVERVIEW

Extensive amount of flat land with direct access to the R102 available for general industrial uses. No other opportunities in the region for large, platformed, single use industrial properties.

### DEMAND DRIVERS



### DEVELOPMENT PROGRESS

Released from agriculture, EIA approved. Zoning application being finalised for formal submission. Resolution of land claim expected soon.

### SOCIETAL VALUE CREATION

The only land to be zoned 'general industrial' in the region which permits heavy industry developments to be rolled out in support of the National Development Plan. Opportunity to enhance the economic sectoral diversity of the region with significant employment opportunities.



## INYANINGA EAST LOGISTICS & BUSINESS PRECINCTS

Airport Region

457 DEVELOPABLE HECTARES

### OVERVIEW

Located between the north-south rail line and R102 regional road network, this precinct offers a unique opportunity for a multi modal logistics hub with direct linkages to DubeTradeport and to the Durban and Richards Bay harbours.

### DEMAND DRIVERS



### DEVELOPMENT PROGRESS

Released from agriculture, EIA approved. Development details being worked on in collaboration with key stakeholders.

### SOCIETAL VALUE CREATION

This development plays a key role in stitching together the existing established nodes of Verulam, oThongathi and the airport, thereby providing greater economic integration and substantial new employment and economic opportunities.







## INYANINGA WEST

Airport Region

187 DEVELOPABLE HECTARES

### OVERVIEW

Situated on the western slopes of iNyaninga this precinct offers opportunities for a range of residential neighbourhoods and associated urban amenities.

### DEMAND DRIVERS



### DEVELOPMENT PROGRESS

Released from agriculture, EIA approved. Detailed development concept being worked on with key stakeholders.

### SOCIETAL VALUE CREATION

This development has the potential to yield approximately 10 000 residential units. Supporting the adjacent commercial and industrial growth nodes within the broader aerotropolis area.



## ABERFOYLE

Airport Region

231 DEVELOPABLE HECTARES

### OVERVIEW

Strategic location to the immediate west of the commercial centre of oThongathi with proposed direct access onto the future Western Bypass regional arterial road and into oThongathi centre. Suited for a wide range of commercial and residential uses.

### DEMAND DRIVERS



### DEVELOPMENT PROGRESS

Concept framework completed in line with Aerotropolis Master Plan. Formal development rights processes to proceed at appropriate stage in collaboration with provincial and municipal authorities.

### SOCIETAL VALUE CREATION

Has the potential to deliver over 6 000 residential units across a range of affordability, tenure and typologies.







## LINDOKUHLE

Airport Region

52 DEVELOPABLE HECTARES

### OVERVIEW

Natural infill development providing well located land for government subsidised and affordable residential opportunities.

### DEMAND DRIVERS



### DEVELOPMENT PROGRESS

Released from Agriculture. EIA underway. Approval of the adjacent municipal identified catalytic project, King's Estate, likely to facilitate unlocking of infrastructural services and stimulate demand in the area.

### SOCIETAL VALUE CREATION

Has the potential to deliver up to 4 000 units across a range of affordability, tenure and typologies, providing much needed residential solutions to support the adjacent commercial and industrial/logistics growth nodes.



## DUDLEY PRINGLE

Airport Region

86 DEVELOPABLE HECTARES

### OVERVIEW

Surrounding an existing 58 hectare water body offering a wide range of recreational and environmental activities providing a unique natural residential amenity.

### DEMAND DRIVERS

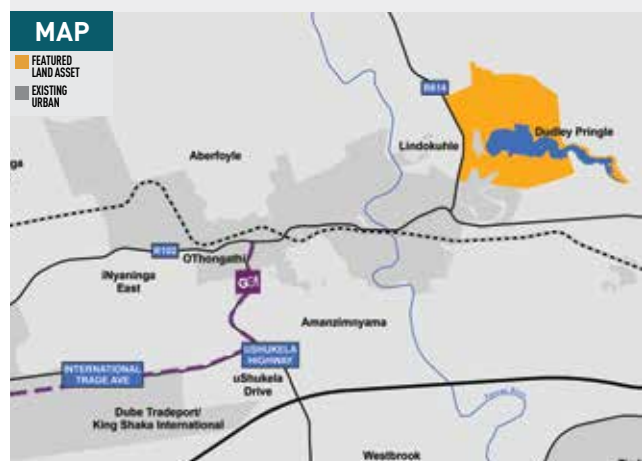


### DEVELOPMENT PROGRESS

Released from Agriculture. EIA application progressing well on concept in alignment with municipal spatial framework. Approval of the adjacent municipal identified catalytic project, King's Estate, likely to facilitate unlocking of infrastructural services and stimulate demand in the area.

### SOCIETAL VALUE CREATION

Has the potential 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.







## NTSHONGWENI RESIDENTIAL

Greater Hillcrest

57 DEVELOPABLE HECTARES

### OVERVIEW

Nestled within the Assagay Valley below Hillcrest and with its own unique amenity, this land holds substantial potential for a range of residential uses.

### DEMAND DRIVERS

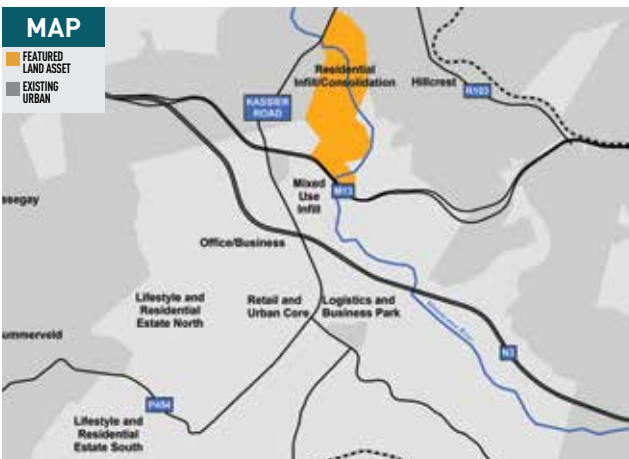


### DEVELOPMENT PROGRESS

Released from Agriculture. EIA application progressing well.

### SOCIETAL VALUE CREATION

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 to benefit the surrounding communities.



## NTSHONGWENI INTEGRATED RESIDENTIAL

Greater Hillcrest

185 DEVELOPABLE HECTARES

### OVERVIEW

In close proximity to the Retail and Urban core and the Logistics and Business Park precinct, this land is well located for an integrated residential development catering to a wide variety of residential products.

### DEMAND DRIVERS



### DEVELOPMENT PROGRESS

Released from Agriculture. Development framework pending the unlocking of the first phases of Ntshongweni.

### SOCIETAL VALUE CREATION

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 region.







## TINLEY SOUTH

Ballito and Surrounds

270 DEVELOPABLE HECTARES

### OVERVIEW

Stretching from west of the N2 to the beach, with a 2,7 kilometer coastline and adjacent to the Mhlali River estuary, this asset is perfectly positioned for a wide range of residential, resort, recreational and commercial opportunities.

### DEMAND DRIVERS



### DEVELOPMENT PROGRESS

Released from Agriculture. Decision on EIA expected soon. Infrastructure to be unlocked in line with development phasing in collaboration with KwaDukuza Local and Ilembe District Municipalities.

### SOCIETAL VALUE CREATION





Diversified development and economic opportunities along the northern coastal belt anchored by the development of an integrated coastal resort. The integration of a broad range of residential opportunities and urban amenities into the emerging sub-regional node.







## AREAS WHERE SALES ARE ANTICIPATED BEYOND 5 YEARS

The commercial strategies in an ever changing environment are being positioned to allow for 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:

AREAS	DEVELOPABLE HECTARES	OPPORTUNITY
 <b>CORNUBIA NORTH</b>	452	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.
 <b>SIBAYA NODES 6 &amp; 7</b>	182	These land assets will see further growth and consolidation of the Sibaya economic hub within an attractive natural environment and outlook and will incorporate high-end markets, hotels and commercial opportunities. Catalysed by the development momentum of Nodes 1, 4 and 5 and planned expansion of Afrisun's Sibaya Casino and Entertainment Kingdom.
 <b>WESTBROOK</b>	422	Overlooking the Tongati River with sweeping north aspect ocean, forest and estuary views, Westbrook offers opportunities for a wide range of residential and associated amenity uses, with potential for commercial and mixed use development along the N2 highway which forms the western boundary of the asset. This area is likely to experience growing demand as Ballito / Zimbali expands southward and the airport grows northwards.
 <b>MT MORELAND SOUTH</b>	279	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.
 <b>LA MERCY</b>	565	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.
 <b>TINLEY NORTH</b>	311	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.



AREAS	DEVELOPABLE HECTARES	OPPORTUNITY
 <b>ZINKWAZI / THUKELA</b>	1 448	These land assets will incorporate high-end markets and tourist-related activities due to unique beachfront location.
 <b>DESCROILLES</b>	48	This land asset offers the potential opportunity for public sector facilitated, integrated, affordable and mid-market residential and associated urban amenities.
 <b>NTSHONGWENI</b> <b>CONSOLIDATION OF URBAN CORE</b> <b>LIFESTYLE RESIDENTIAL</b> <b>INTEGRATED RESIDENTIAL EXPANSION &amp; RECREATIONAL PRECINCT</b>	619	<p><b>Consolidation of Urban Core (82 developable hectares)</b>  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><b>Lifestyle Residential (429 developable hectares)</b>  This is a natural extension of the Summerveld equestrian and high-end residential environment with a mix of densities and typologies.</p> <p><b>Integrated Residential Expansion and Recreational Precinct (108 developable hectares)</b>  This offers longer-term integrated residential opportunities within a broader recreational and environmental precinct, in close proximity to existing peri-urban settlements.</p>

#### AT 31 MARCH 2017 - AREAS WHERE SALES ARE ANTICIPATED BEYOND 5 YEARS

AREA	Developable hectares
Cornubia North - Remaining	452
Sibaya - Nodes 6&7 <sup>1</sup>	182
Westbrook	422
Mt Moreland South	279
La Mercy <sup>2</sup>	565
Tinley North	311
Zinkwazi / Thukela	1 448
Descroilles	48
Ntshongweni - Consolidation of Urban Core	82
Ntshongweni - Lifestyle Residential	429
Ntshongweni - Integrated Residential Expansion and Recreational Precinct	108
<b>GRAND TOTAL</b>	<b>4 326</b>

1. Portion of Node 6 transferred to areas where negotiations are expected to commence.

2. Portion of La Mercy transferred to areas where negotiations are expected to commence.



**AREAS FROM WHICH THE  
ANTICIPATED LAND DEVELOPMENT SALES  
OVER THE NEXT 5 YEARS WERE EXPECTED TO COME  
- AS AT 31 MARCH 2017**

<b>AREAS WHERE NEGOTIATIONS WERE UNDERWAY</b>		
<b>AREA</b>	<b>Developable Hectares</b>	<b>Hectares under current negotiation</b>
Ridgeside - Remaining Precinct 1	6	3
Ridgeside - Precinct 2	31	17
Umhlanga Ridge Town Centre - Commercial	1	1
Umhlanga Ridge Town Centre - Residential	3	3
Kindlewood	9	9
Cornubia - Town Centre	25	25
Cornubia - Umhlanga Hills	43	43
Cornubia - Marshall Dam Residential	12	12
Cornubia - Blackburn Extension	14	14
Sibaya - Node 1	22	6
Sibaya - Node 5	27	16
Sibaya - Node 4	103	62
Bridge City	6	2
Tinley - North	77	20
<b>TOTAL</b>	<b>379</b>	<b>233</b>
<b>AREAS WHERE ENQUIRIES WERE BEING RECEIVED AND NEGOTIATIONS WERE EXPECTED TO COMMENCE</b>		
Cornubia - N2 Business Park	2	
uShukela Drive – Airport linked industrial, retail and logistics	49	
Compensation- East – industrial and manufacturing	73	
Ntshongweni - Retail and urban core	64	
<b>TOTAL</b>	<b>188</b>	
<b>AREAS FROM WHICH REMAINING SALES WERE EXPECTED TO COME OVER THE NEXT 5 YEARS</b>		
iZinga - Future Phases	60	
Cornubia - Marshall Dam Town Centre and Consolidating Urban	82	
Cornubia North - Integrated Affordable Neighbourhood and Business Precinct	172	
Sibaya - Node 2 & 3	134	
Amanzimnyama – Office / Business / Industrial and logistics park	345	
Compensation - Western expansion - Industrial and manufacturing	152	
Inyaninga - East - Industrial / logistics / manufacturing	550	
Inyaninga - West	187	
Lindokuhle	52	
Aberfoyle	231	
Dudley Pringle	86	
Ntshongweni - Residential	57	
Ntshongweni - Logistics and Business Park	161	
Ntshongweni - Integrated Residential	185	
Tinley - South	270	
Remaining sites on nearly completed developments	22	
<b>TOTAL</b>	<b>2 745</b>	
<b>GRAND TOTAL</b>	<b>3 312</b>	



## SALES CONCLUDED AND REASSESSMENTS FROM 1 APRIL 2017 TO 30 SEPTEMBER 2017

AREA	H1 (to 30 September 2017)		
	Reassessment (See notes) hectares	Sold (hectares)	Profit per dev ha (R million)
Ridgeside - Remaining Precinct 1 <sup>1</sup>	-3	3,3	34,0
Ridgeside - Precinct 2 <sup>1</sup>	-14	17,0	9,5
Ridgeside <sup>1</sup>	17		
Sibaya - Node 1 <sup>1</sup>	-22		
Sibaya - Node 5 <sup>1</sup>	-21	5,8	8,2
Sibaya - Nodes 1 and 5 <sup>1</sup>	43		
Cornubia - Blackburn Extension			
Cornubia - Town Centre			
Cornubia - Marshall Dam Residential		12	2,5
Bridge City		0,3	6,0
Ntshongweni - Retail and urban core			
Umlhanga Ridge Town Centre - Commercial			
Umlhanga Ridge Town Centre - Residential		0,3	22,8
Kindlewood			
Cornubia - Umlhanga Hills		28,6	2,8
Sibaya - Node 4			
Tinley - North Resort			

### AREAS WHERE ENQUIRIES ARE BEING RECEIVED AND NEGOTIATIONS ARE EXPECTED TO COMMENCE

Cornubia - N2 Business Park			
uShukela Drive – Airport linked industrial, retail and logistics			
Compensation East – industrial and manufacturing			
Remaining Sites On Nearly Completed Developments <sup>2</sup>	22		
Ntshongweni - Logistics and Business Park <sup>2</sup>	161		
Inyaninga - East - Affordable Housing Precinct <sup>2</sup>	93		
iZinga - Future Phase <sup>2</sup>	60		
La Mercy - West (phase 1) <sup>3</sup>	50		
Sibaya - Node 6 (phase 1) <sup>3</sup>	20		

### AREAS FROM WHICH REMAINING SALES ARE EXPECTED TO COME OVER THE NEXT 5 YEARS

iZinga - Future Phases <sup>2</sup>	-60		
Cornubia - Marshall Dam Town Centre and Consolidating Urban			
Cornubia North - Integrated Affordable Neighbourhood and Business Precinct			
Sibaya - Node 2 & 3			
Amanzimnyama – Office / Business / Industrial and logistics park			
Compensation - Western Expansion - Industrial and manufacturing			
Inyaninga - East <sup>2</sup>	-93		
Inyaninga - West			
Lindokuhle			
Aberfoyle			
Dudley Pringle			
Ntshongweni - Residential			
Ntshongweni - Logistics and Business Park <sup>2</sup>	-161		
Ntshongweni - Integrated Residential			
Tinley - South			
Remaining sites on nearly completed developments	-22		
<b>GRAND TOTAL</b>	<b>70</b>	<b>67,3</b>	<b>6,5</b>

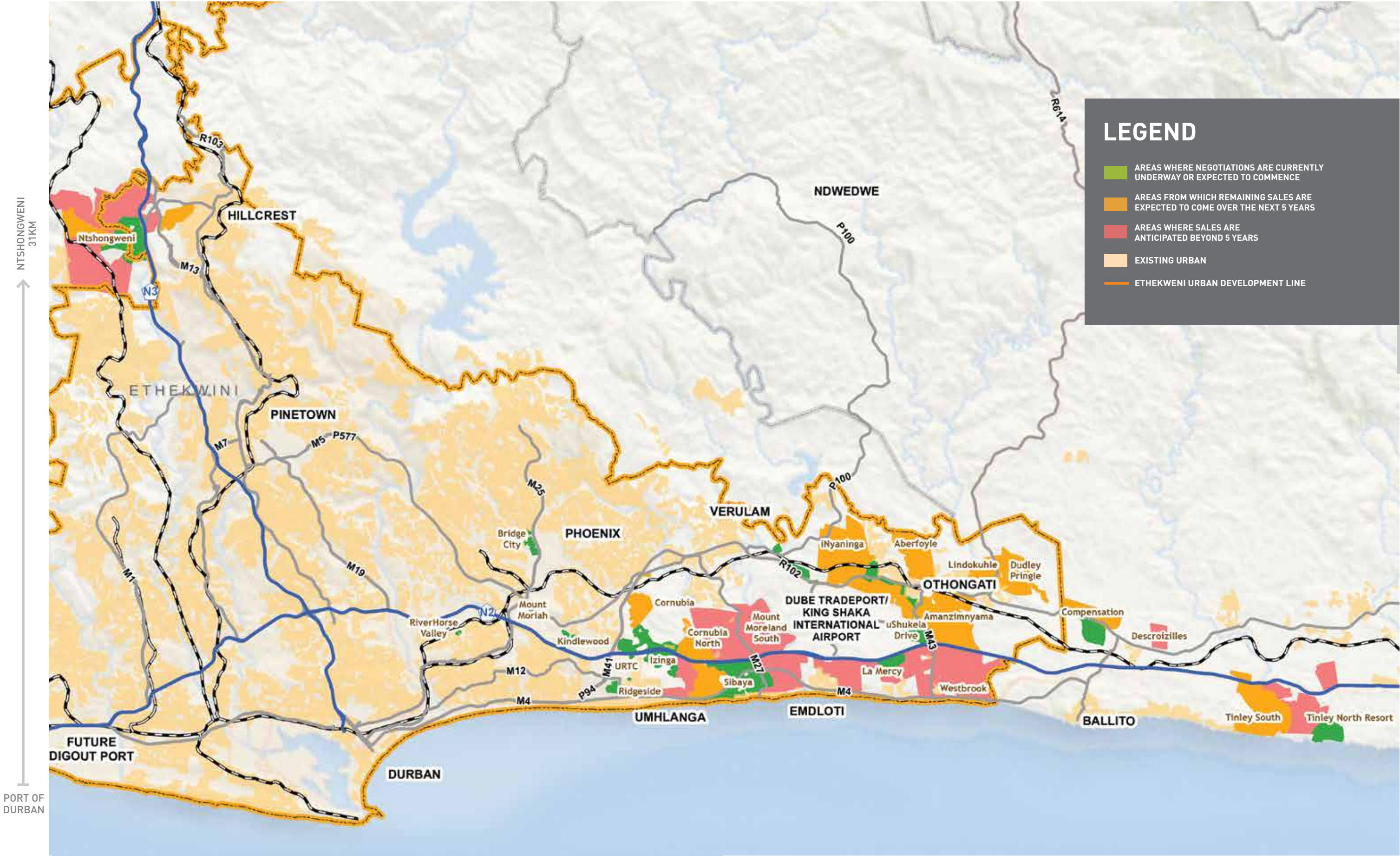
1. Consolidation of assets in Umlhanga Ridgeside and Sibaya.

2. Assets transferred from areas from which remaining sales are expected to come over the next 5 years into areas where enquiries are being received and negotiations are expected to commence.

3. Additional assets brought into the areas where enquiries are being received and negotiations are expected to commence from areas where sales are anticipated beyond five years.  
Portions of La Mercy and Sibaya Node 6.



PORTFOLIO OVERVIEW MAP





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