

ZAMBIA'S PROPERTY SECTOR

INVESTMENT OPPORTUNITIES AND PITFALLS

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ABOUT REAL ESTATE INVESTMENTS ZAMBIA PLC (REIZ)

1. Business
2. History
3. Contribution to the property market
4. Property portfolio

ABOUT REAL ESTATE INVESTMENTS ZAMBIA PLC (REIZ)

Contribution to the property market

As a listed property Investment Company, REIZ provides unique contributions to the health, vibrancy, efficiency and accessibility of the Zambian property market.

ABOUT REAL ESTATE INVESTMENTS ZAMBIA PLC (REIZ)

Direct contributions

1. Delivers the built environment – accommodation solutions
2. Provides accessible, transparent investment opportunities.
3. Helps drive standards up due to high regulation with healthy corporate governance and accountability.
4. Provides much needed liquidity to an otherwise illiquid property market.
5. Delivers solid long-term, diversified returns to shareholders.

REIZ'S PROPERTY PORTFOLIO

Arcades



Counting House Square



Abacus Square



Eureka Industrial Park



REIZ'S PROPERTY PORTFOLIO

Central Park



Nyerere Road



Dedan Kimathi Road



THINGS TO KNOW ABOUT INVESTMENT IN PROPERTY

1. Investment in property is a long term oriented business
2. Covers a wide range of sectors and business orientations – presentation focus is on rental income generating investments
3. Return and Risk - requires forecasting and risk analysis (sensitivity analysis)

KEY OPERATING FUNDAMENTALS

Key is forecasting – quantitative (statistical) and qualitative (judgmental)

1. Market rentals (supply and demand)
2. Operating expenses
3. Vacancy rates
4. Market yields – investors required return
5. Investment decision tools (development/acquisition)

OPPORTUNITIES

1. Any type of infrastructure whose supply is not meeting full demand is an opportunity
2. Traditional segments include – retail, commercial office, residential and warehousing
3. Brownfield developments
4. Over supply is being reached in some
5. Increased infrastructure development such as roads, water and electricity services, etc.
6. Key success factors – are location, design, parking, tenant mix, etc.

EXAMPLE OF BROWNFIELD DEVELOPMENT

1999



2017



OTHER OPPORTUNITIES

1. The main driver here is cultivating strategic partnerships
2. Educational infrastructure – learning facilities and student accommodation
3. Health infrastructure
4. Hospitality infrastructure
5. Factories
6. Mixed use developments

PITFALLS

1. Property Market is attracting increasing amount of interest from both formal and informal investors
2. Competition is wide ranging
3. Cost of capital (finance) from local sources
4. Benchmarking rentals, yields is still a challenge
5. Property market can be illiquid thereby putting pressure on prices.

CONCLUSION

1. As a developing country, opportunities abound
2. Key to success is long term commitment to superior locations, quality properties, quality tenants and quality service on the back of prudent investment decisions

Thank You