



AFRICA

PROPERTY INVESTMENT SUMMIT™

18 - 19 AUGUST 2016

Sandton Convention Centre, Johannesburg, South Africa

AGENDA TOPICS



API SUMMIT | AGENDA DAY 1

THURSDAY 18th AUGUST 2016

AFRICAN ECONOMICS AND ITS EFFECTS ON REAL ESTATE:

Despite the economic downturn, multinational companies, retailers and private equity funds continue to invest in Africa. With Africa's largest countries looking to diversify their economies, real estate investment has received increased amounts of attention from policy makers throughout Africa because it is expected to be a substantial contributor to GDP going forward.

Which factors are affecting your business? Why should you attend?

- *Breaking down the economic variables: Where is the continent growing? Where are the risks? Where should you be investing your capital?*
- *Eurobonds, defaults and their effect on currencies and economic policy?*
- *How will Nigeria, Angola and others survive in the new era of sub-\$50 per barrel oil price and how will this effect investor sentiment?*
- *Ghana & Mozambique are seeking assistance from the IMF: What are the Implications for sovereign bonds and property yields across Africa?*

BUY SIDE 2016 - THE FIGHT FOR CAPITAL

Europe Vs Africa comparison and 2015/2016 deal highlights

Global capital and private equity are making its mark on African Real Estate. Despite the economic downturn, we are seeing increased flows into African Real Estate fund raising and developments.

- *Has the economic environment shifted investment horizons and strategy?*
- *Are global investors being adequately compensated for investing in African markets?*
- *How does Africa's exit market measure up to comparable emerging markets?*
- *With lower interest rates, higher yield spreads and better operating environments what advantages does real estate investment in Africa have over Eastern Europe and other emerging economies?*

NIGERIA - Leader or Laggard?

Amid all the initial positive signs, Nigeria has received much negative press recently with a number of South African companies running into difficulties there and some announcing their exit. Are investors/retailers misreading the market or is it simply a deterioration in the terms of trade?

- *How is the devaluation of the Naira, high interest rates and a shortage of foreign exchange affecting the real estate sector?*
- *Despite the oil price slump and deteriorating terms of trade there are over 25 new retail developments in the pipeline. Does this mean developers/investors are happy taking a long term view of Nigeria?*
- *With a healthy retail development pipeline which other sectors can we look at for growth?*
- *Lagos vs. Abuja - Has the investment focus shifted back to the capital?*

ZAMBIA: REALITY CHECK – CAN ZAMBIA SURVIVE THE ECONOMIC STORM?

Lusaka is one of the most accessible and investor-friendly places to do business in Sub-Saharan Africa. This is evident from the considerable number of foreign and Pan-African investors who have developed, acquired and increased their property exposure in Lusaka and other growing cities such as Ndola and Kitwe. Residents and foreigners are not subject to any type of exchange controls and are free to repatriate any form of capital, dividends or income earned.

Having seen a substantial amount of acquisitions in the past year – Is Zambia now a prime target for yield hungry investors?

BUILDING THE CASE FOR NEW MODERN LOGISTICAL HUBS IN AFRICA

The newly announced industrial developments in Nairobi, Lusaka, Accra and Lagos are a direct response to the demand for modern, flexible warehouse space with good access, circulation and loading facilities in the region.

Developers share their insights & reasoning in entering into a largely untapped market and occupiers discuss how the market has evolved over the last couple of years.

LUSOPHONE AFRICA: MOZAMBIQUE & ANGOLA – DEBT, DESPAIR OR INVESTOR'S DARLING?

While the risk profile of Mozambique & Angola is significantly higher than other SSA markets, the opportunities and potential returns have attracted a number of significant regional developers. Angola's business environment is considered by most observers to be among the toughest in the world - Is the juice worth the squeeze? Mozambique is going through some very difficult financial challenges, creating havoc with local currency rates and USD liquidity. The cool-off in commodity prices has affected their balance of payments and there are certain political challenges causing international concern.

- *The weakening of the Kwanza has affected imports, foreign exchange and repatriation of profits? How are investors overcoming these obstacles?*
- *Formal retail accounts for an estimated 30% of the Angolan market – is this set to grow and which developers/retailers are driving this growth?*
- *What real estate opportunities exist in Mozambique and how do they compare to Zambia or Tanzania?*
- *Matola vs. Maputo – lots of action and interest, yet who will win the race?*

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SEIZING THE EAST AFRICAN MOMENT - Has the centre of gravity for growth shifted from West to East Africa?

- Is East Africa the most promising prospect for further corporate expansion?
- How has regional integration among the EAC countries paced economic growth and FDI volumes?
- What is the sophistication of the EA financial markets compared to the rest of the continent?
- Kenyan Banking failures - Do you expect these to effect the real estate market in Kenya or spill over into the EAC region?

LIQUIDITY & PRICING: THE CHANGING DYNAMICS OF AFRICAN CAPITAL MARKETS

Improving transparency and Liquidity – How is the African capital market arena evolving?

- Real Estate Capital raising – IPO's, Pension Funds, Private Equity – What are the trends?
- Deal Flow and transaction liquidity – How has 2016 compared with previous years and what are your predictions for the next 12 months?
- How is the African Real Estate risk profile evolving relative to more mature markets?
- Is the availability of A- Grade stock increasing? How competitive is the market for A- Grade stock?

STUDENT HOUSING AFRICA AS AN ALTERNATIVE ASSET CLASS?

The private rented sector (PRS) is rapidly developing. Student housing has been operating in its own bubble, but the bubble has burst and it is now an emerging asset class. To date, student housing has always been a stable and straightforward asset class. With the growing demand, will there be suitable stock in the future? Is this a fresh view for longer-term rental or ownership? Is this the new gateway for residential developers?

- What lies ahead for this emerging residential subsector and can we expect private and international investors to take aim?
- What's happening in the sector globally?
- Existing global student housing models Vs models being used in Africa
- A look at the African Student housing crisis
- Characteristics of Alternative asset classes
- Other alternative sectors – Healthcare, Senior living, data centres etc
- The future for Alternative asset classes

RWANDA: AFRICA'S LITTLE GEM?

With the recently hosted world economic forum held in Kigali, the small landlocked country has emerged as an unlikely star among Africa's economies in recent years. The capital Kigali is generally recognised as one of the cleanest, greenest and safest cities in Africa. With Kigali experiencing a wave of economic activity – Will real estate investment follow?

- East Africa has recently seen the development of a number of large scale malls. Can we expect to see such large scale developments in Rwanda?
- With the majority of investors and retailers looking to enter into African markets, what advantages do smaller capital cities like Kigali provide?
- Special economic zones and tax free incentives have been put together by the RDB. How have these schemes helped foster foreign investment and which sectors are they targeting most?
- What are the efforts currently being done with respect to MICE tourism and how will this change the hospitality industry in Rwanda?

CURRENCY IN AFRICA: A SLIPPERY SLOPE BEST MANAGED WITH THE RIGHT GEAR!

The recent global economic landscape has been characterised by significant economic and geopolitical uncertainty resulting in an unprecedented level of volatility in financial markets. Currency and interest rate risk is top of mind across the continent. There is a limited role we can play in influencing the global environment, and it is crucial organisations adapt their financing and market risk management strategies to cater for these times of uncertainty.

Key points to be covered:

- The driving forces behind currency depreciation and volatility in the financial markets
- Central bank strategy and the domestic liquidity story
- The convertibility crisis – the reality on the ground and the real risks
- Solutions to mitigate currency depreciation and convertibility risks, as well as liquidity challenges.

HOUSING AFRICA - Expanding Access to Affordable Housing in Africa

- How are most affordable housing developments currently financed? Are there any alternative funding sources?
- What are the innovative policy solutions to handle the critical housing issues?
- How can we make affordable housing a reality and build enough units each year to respond to the huge demand for such housing? Is there a new model?
- What role can the capital markets play in improving the availability of affordable housing?

MITIGATE YOUR RISK - TAX, CAPITAL RAISING & DUE DILIGENCE ON THE AFRICAN CONTINENT

Over the past 7 years, API Summit has showcased the leading developers and investors from around the African continent. We have witnessed the growth in demand for quality legal advice as it affects key decisions related to real estate investment.

What are the implications on Tax, Due Diligence and Capital Raising in the African Real Estate Landscape?

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ACCESS TO AFRICA - THE EVOLUTION OF REITS & LISTED PROPERTY

Listed property in Sub Saharan Africa is transforming through improved local regulations, increased deal flow and growing investor education. REITS provide investors with diversified holdings of property assets across multiple countries, currencies and sectors. Despite a relatively slow start, can we expect exponential growth in REIT capital flows in the next 18 months?

- *Why is listed property a key driver of capital flows in Africa?*
- *Dual Listings – Are the costs associated worth the increase in exposure and capital raising?*
- *How do cross-border REITS manage currency risk?*
- *What is the outlook for listed property in Africa? Do you see a similar trend to what existed in South Africa in the last 15 years?*
- *How do these vehicles react to cross-border transactions and what are the tax implications?*

FRANCOPHONE AFRICA: THE NEW FRONTIER?

French-speaking African real estate markets have always been considered as enclaves of political instability with economic stagnation but Francophone Africa has stepped up its game in a big way. Investor and operator perception of these markets is now evolving rapidly with a number of large scale developments now in the pipeline.

- *Which Francophone countries are leading the pack for real estate investment?*
- *With a bias toward French operators and goods, how do non-French companies enter these markets?*
- *Dakar vs. Abidjan: Which city will establish itself as the economic hub for Francophone Africa?*
- *Which International developers and investors are entering these markets? Why now?*

HOTELS & HOSPITALITY AFRICA: LEISURE VS. BUSINESS

The number of planned hotel rooms in Africa surged 30% in the past year in anticipation of increased business and leisure travel in one of the world's fastest growing regions. Will this trend continue?

- *Which countries and regions are seeing the largest surge in rooms?*
- *What are the key drivers for hotel investment in Africa?*
- *Who are the investors?*
- *Global brands vs. regional & local brands?*

AFRICA'S POWERHOUSE: NAIROBI

The combination of critical mass of commercial activity and underlying growth factors push Nairobi all the way to the top of the African city hierarchy. Nairobi is rising as it provides business opportunities for FDI and sets the stage for a booming consumer market with the rise of the middle class.

- *Do the newest mall leasing structures in Kenya compare to the established city centres?*
- *Is there a trend of mixed-use, rather than pure retail, office, residential or leisure facilities?*
- *Where to next for East Africa's financial hub?*
- *Is Nairobi the gateway city to East Africa's growth?*

NAVIGATING NEW FINANCING AVENUES: TRADITIONAL VS. NON TRADITIONAL FUNDING

Obtaining funding for a development and African real estate fund is a cumbersome process - what are the options?

- *LTV's across the African Continent?*
- *Development Finance institutions (DFI's) & Pension Funds: With increasing allocation given to real estate, will DFI's start to play a larger role in property development on the continent?*
- *There has been a rise in mezzanine funding for developments in Africa. How is this source of funding evolving and does it work?*
- *Public vs. Private Funding: Are companies turning to private funding or using a collaboration of both? What are the pros and cons?*

RETAIL IN AFRICA: *Still the Next Big Thing?*

With Africa's property markets attracting increased interest from regional and international investors, the retail sector has become a major focus for development activity. Sub-Saharan Africa is experiencing a wave of modern mall development, on the back of the growth of the region's consumer markets. A range of local, regional and international operators are driving retail market activity across Africa – despite economic headwinds is the Retail dream still alive?

Developer, Investor & Retailer Focus

- *With a number of large retail developments both being completed and breaking ground in cities like Nairobi, Abuja, Lagos, Lusaka etc has the competition for assets and tenants increased between developers/investors? Is there room for more?*
- *Will rental reversions and renegotiations to be a long term problem?*
- *Dollar-based vs local-currency-based leases - what is the solution?*
- *Historically, retailers have successfully extended their operations from the Middle East into North Africa however the transition into SSA has not been as smooth. What are they key differences between NA and SSA?*
- *Which model is most affective when entering into the SSA market - own store, franchise, joint venture or acquisition models?*

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AFRICA PROJECT SHOWCASE - *Highlighting leading projects from the different African Regions*

- SADC
- East Africa
- West Africa
- Central Africa

SPOTLIGHT TANZANIA - *Is Dar es Salaam ready for Mega City Status*

Tanzania's real estate industry has in recent years registered impressive growth, with investors putting money into new developments to meet demand for housing, office and retail space. With increased foreign interest, is Tanzania now ripe for real estate investment?

- *The retail market in Dar es Salaam is still largely focused on small retail centers in residential areas. Is there enough demand for the development of large regional malls?*
- *To boost additional development in the sector, the government is currently offering incentives to local as well as foreign developers through tax and import duty exemptions, profit and dividend incentives and capital allowances. Have the government incentives increased foreign interest or are there still major hurdles for foreign investors?*
- *Tanzania passed the Real Estate Investment Trust legislation in late 2014. What are the main challenges in setting up a REIT in Tanzania?*
- *Investors are now focusing on Tanzania as a hub for East Africa investment, will they over take Kenya in the coming years? What are the risks and opportunities to bear in mind to consider before setting up shop in Tanzania?*

STUDENT HOUSING AS AN ALTERNATIVE INVESTMENT CLASS

- *What's happening in the sector globally?*
- *Existing global student housing models Vs models being used in Africa*
- *A look at the African Student housing crisis*
- *Characteristics of Alternative asset classes*
- *Other alternative sectors – Healthcare, Senior living, data centres etc*
- *The future for Alternative asset classes*

BOOSTING YOUR PROJECT – SAVING YOU TIME AND MONEY

In an era of squeezed rents and increased operating costs, delivering a project on time and below budget is a massive competitive advantage. The African real estate developer is presented with numerous delivery challenges.

- *Why can planning a project in Africa be so difficult? Does the lack of town planning legislation and informal markets add complexity? What unforeseen costs could you encounter?*
- *Feasibility studies & costing: What are some of the main cost items that are always underestimated in a project?*
- *Projects are always seen to be running late or behind schedule – is this because of poor planning, unrealistic expectations or unforeseen obstacles? How do you advise clients from a project timeline perspective?*
- *There is a vital role of risk management when delivering a project on time and within budget. Do you involve separate risk consultants or how do you internally manage risks on a project?*

MAURITIUS – AFRICA'S FINANCIAL CENTRE?

Mauritius has, since the launch of its global business sector some 22 years ago, emerged as the destination of choice to structure investments in emerging markets – can it sustain its position at the top?

- *In light of the Panama papers, what does the future hold for offshore jurisdictions and can Mauritius sustain its current status?*
- *Do any other countries compete with Mauritius as Africa's leading offshore jurisdiction?*
- *With Mauritius's relatively small population- where is the demand for new real estate schemes coming from and can we expect growth in this sector?*
- *Smart city's, mixed use developments, hotels and luxury apartments – which sectors look most promising from a real estate investment perspective?*
- *Hong Kong, Singapore – can Mauritius emulate these cities in the long term and if so what will it take to get there?*

