

PERFORMANCE THROUGH FOCUS



Property Services KZN-EC

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OLD MUTUAL
Investment Group

Property
Investments

PORTFOLIO ANALYSIS

▲ Total Portfolio

– No of Properties	:	147
» Retail	:	26
» Commercial & Industrial	:	118
» Development / Land Sites	:	3
– Current Portfolio Market Value	:	R 7,8Bil
– No. of Tenants Managed	:	2,671



OVERVIEW - CBD

- ▲ Commercial – high interest in A & B grade properties in Durban CBD.
- ▲ Demand for A grade office space – highest in 5years
- ▲ OMIGPI – lowest vacancy levels in CBD in 5 years
- ▲ Good rental growth experienced – Dbn lags other metropolitan areas
- ▲ Definite opportunities exist for adding value through the upgrading of Old Mutual portfolio in the Durban CBD.
- ▲ The Durban CBD properties fall within the defined Urban Development Zone, so Capex on these properties can be depreciated in an accelerated manner.



CHALLENGES

- ▲ Development – rising building costs.
- ▲ Development - planning approval process.
- ▲ 10% business levy – impediment to growth ?
- ▲ CBD still perceived as unsafe
- ▲ High crime levels
- ▲ High Commercial Property Rates – negatively impact viabilities



OLD MUTUAL CENTER



- ▲ Capex – R127mil
- ▲ Additional Parkade
- ▲ Recon fig – Arcade & Retail
- ▲ Demolition started – May 2007
- ▲ Completion
 - ▲ Retail – Oct/Nov 2008
 - ▲ Parkade – March 2009

300 Smith Street



- ▲ Mini refurbishment
- ▲ Capex R20mil
- ▲ Started – Oct 2007
- ▲ Completion – Dec 2008

THE MARINE



- ▲ Internal Mini Refurb approved
- ▲ Capex – R30mil
- ▲ Start – Feb 2008
- ▲ Complete – Nov 2008

DURBAN BAY HOUSE - PLANNING



- ▲ Approval March 2008
- ▲ Start July 2008
- ▲ Capex – R150mil
- ▲ Completion – Mid 2010

KINGSFIELD PLACE



- ▲ Investigating opportunities to expand building utilizing neighboring vacant land –
- ▲ upgrade grade of building and increase floor plates with improved parking.
- ▲ Target date for initial conceptual & feasibility 3rd/4th quarter 2008

Conclusion

Although the UDZ benefits play a role in encouraging landlords to re-invest in CBD. The city need to focus on other initiatives to encourage development within CBD

- ▲ Address Security within CBD
- ▲ Rates incentives for developers & Landlord
- ▲ Plan approvals

