

Okahandja Shopping Centre



Investor Presentation – June 2022

Located in the Garden Town of Namibia, Okahandja, at Cnr. Mangaan Street and B1 road, this is a 33,200m² GLA shopping centre anchored by **Shoprite** supermarket and **Mr price**.



On Sale

Price: N\$494,500,000

Other Nationals

Include:

Edgars Active

Pep

Spur

OK Furniture

Ackermans

Beares

Standard Bank

Nedbank

Clicks

Legit

Dunns

First National Bank



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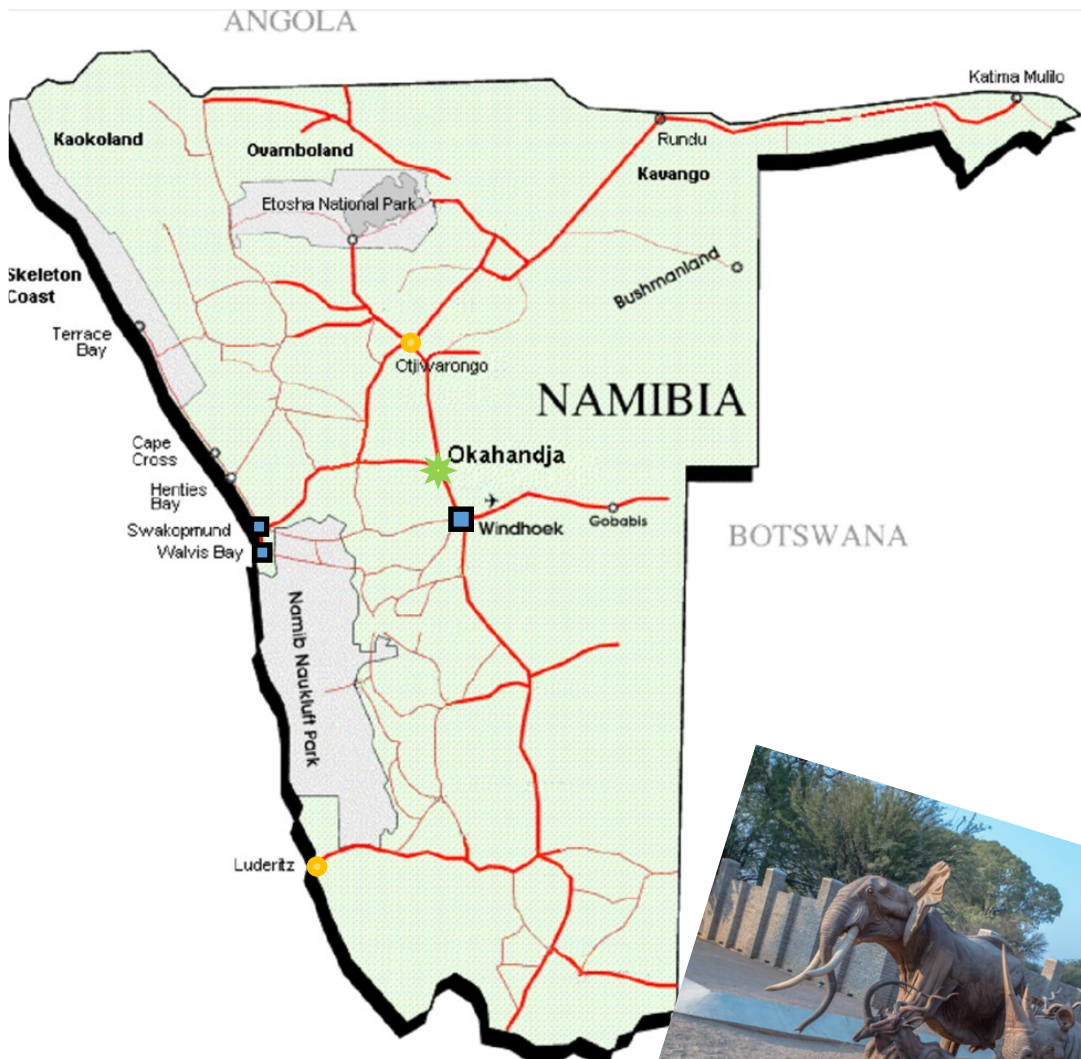
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WHERE IS OKAHANDJA?



OVERVIEW



THE Okahandja shopping centre in Okahandja has been listed for sale at a time of strengthening investor demand for neighbourhood and community centre assets.

This sub-regional 33,202sqm centre (*with a 21,553sqm retail GLA*), perched on 4.8ha of land, is being offered with an optimal GLA tenant mix featuring 49% nationals anchored by Shoprite supermarket to 41% local tenants that includes Okahandja Medical Practice.

PRIME BUSINESS CAPITAL has been appointed to steer the expressions of interest campaign and to introduce interested and serious buyers to the owners. The sale of the centre coincides with an uptick in demand for strong performing retail assets.

Sub-regionals and neighbourhood centres have performed fairly strongly as an asset class given their predominant food and convenience focus, despite Covid 19. The resilience of the sector has resulted in pent-up investor demand for well-leased centres in strong established locations.

The centre was officially inaugurated in May 2014 by His Excellency, the President of the Republic of Namibia, Dr. Hage G. Geingob, who served as the Right Honourable Prime Minister of Namibia at the time.

President Dr. Hage Geingob was particularly impressed that the owners of Okahandja Shopping Centre are subsidising the rental of small and medium enterprises (SMEs) to encourage SMEs to use the centre as a platform to grow their business



May 2014: Above are: Mayor of Okahandja Valerie Aron (left), Prime Minister Geingob, Managing Director of Germou Holdings Gerrit Mouton and Governor of the Otjizondjupa region Samuel Nuuyoma (right).

"Okahandja Shopping Centre is remarkable in the sense that it is an illustration of how Vision 2030 comes to life. This project speaks to the heart of Vision 2030 and therefore makes this a memorable occasion," said Geingob at the inauguration.



Okahandja Shopping Centre boasts a very unique section within the centre, referred to as the "The Market." This section comprises of 29 small retail outlets designated specifically for Namibian produced crafts and are leased to local entrepreneurs at a subsidized rate.

The Market – small retail outlets for Namibian produced crafts

SALE OF THE ASSET



Reasons for Selling

The owners of Okahandja Shopping mall are prolific property developers who own various commercial and residential property assets and other businesses. Investment properties are known to tie up a lot of your cash flow, often limiting your ability to make other investments, or to have the available working capital for other projects. It is therefore the owners' desire to sell this asset in order to unlock cash for other purposes.

Property Replacement Value

| | |
|--|-----------------|
| Building 33,202m ² @ N\$ 14,500 | N\$ 481,429,000 |
| Land (4.8 ha) | N\$ 75,000,000 |
| Total | N\$ 556,429,000 |

Asking Price: N\$ 494,500,000

Potential Buyers

The owners are therefore looking for a buyer to either buy in, in the asset Holding Company to take up some equity, or to buy 100% in the Holding Company and takeover the asset in its entirety and invest further to complete the unfinished part of the property for future growth potential.

Commercial Property Market in Namibia

Namibia is highly rated as an economy with great potential. With a booming property market and successful tourism sector, the country attracts those who value beautiful surroundings and long-term investments. Retail property performance improved in 2021, but 2022 will see further improvement, although likely to be harder. With the current interest rate better than in previous years, it is a great incentive to property buyers across the various property segments, viz. residential, commercial office, industrial and retail.

It is projected that the economy would grow by 3.3% in 2022, on the back of a steady recovery in financial services, tourism, retail and wholesale trade, and the mining industries, this combined with an improvement in the regional and global economic environment. However, the economy still faces substantial risks and challenges in the short to medium term, especially if the pandemic continues, where the revival of critical sectors such as tourism, agriculture, and retail and wholesale trade would be slower than anticipated.

HIGHLIGHTS



Good Location



Aerial Google Earth map view – Shopping centre located next to a busy Engen Filling Station on the main B1 national road to Windhoek.

Okahandja, known as the 'Garden Town of Namibia', is situated directly 70 km North of Windhoek. All people traveling to the densely populated north of Namibia or to the coast (Swakopmund) have to pass through Okahandja. Several major companies are based here because of its excellent location and infrastructure, and these include Ab-Inbev Okahandja Brewery, Namibia Plastic Converters, and Stahl Engineering amongst others. Many travellers find Okahandja just the place to take a break on their travels through the country, especially if they don't find the need to go on to the capital city. It is the gateway to both Windhoek and Swakopmund



Street access from B1 national road

HIGHLIGHTS ... continued



Asset Summary

| | |
|--|----------------------|
| GLA ⁽ⁱ⁾ | 25,810m ² |
| Number of Stores | 64 |
| Opening Year | May 2014 |
| Price | N\$494,500,000 |
| Percentage of Nationals | 49% |
| Occupancy ⁽ⁱⁱ⁾ | 90% |
| Average monthly rental ⁽ⁱⁱ⁾ | N\$33,348 |
| Ops costs (% of gross rental) | 10% |



(i) Based on retail GLA to be acquired as part of the proposed transaction

(ii) As at 13 June 2022

KEY TENANTS OVERVIEW

Diversified tenant mix underpinned by a high proportion of national tenants

| KEY TOP TENANTS | % OF RENT | KEY TOP TENANTS | % OF RENT |
|-----------------|-----------|-----------------|-----------|
| | 12% | | 2.2% |
| | 3.1% | | 3.2% |
| | 1.6% | | 1.0% |
| | 2.4% | | 1.0% |
| | 1.0% | | 2.0% |
| | 1.7% | | 1.0% |
| | 1.9% | | 0.5% |
| | 2.5% | | 1.0% |
| | 1.0% | | 1.5% |

BULK AREA PLANS

Shopping Centre GLA – Complete vs Incomplete



BULK AREA DIAGRAM



E:300



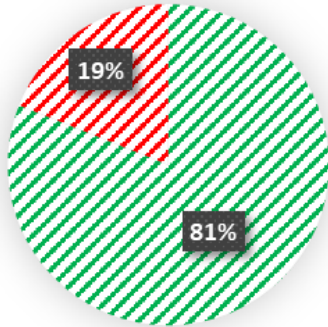
Complete
28,962.4m²



Incomplete construction
6,766.8m²



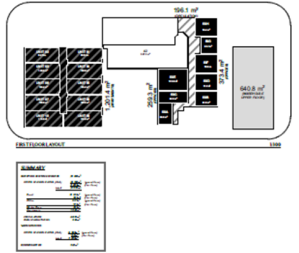
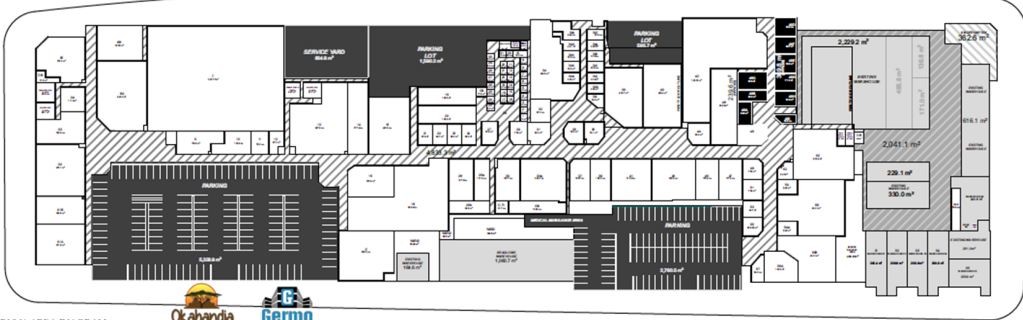
Service yard = 834.6m²
Parking Lot = 10,275.3m²



- GLA Complete
- GLA Incomplete

Shopping Centre Bulk Area Diagram

- SHOPPING CENTRE: ROOFED RETAIL SPACE (including circulation)
- LEASABLE WAREHOUSE SPACE
- LEASABLE OFFICE SPACE
- SHOPPING CENTRE: CIRCULATION
- WAREHOUSING YARD
- SHOPPING CENTRE: INTERLOCKED PARKING SPACE
- KINDERGARTEN SITE
- APARTMENTS



BULK AREA DIAGRAM



E:300



Shopping Centre: Roofed Retail Space (including circulation)
25,810.5m²



Leasable Warehouse Space
6,389.7m²



Leasable Office Space
604.8m²



Shopping Centre: Circulation
4,833.3m²



Warehousing Yard
2,041.1m²



Shopping Centre Interlocked Parking Space
10,275.3m²



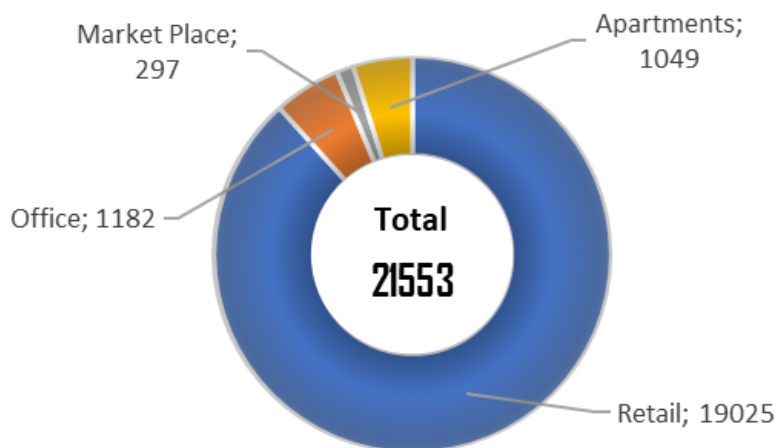
Kindergarten site
362.6m²



Apartments
1,201.4m²

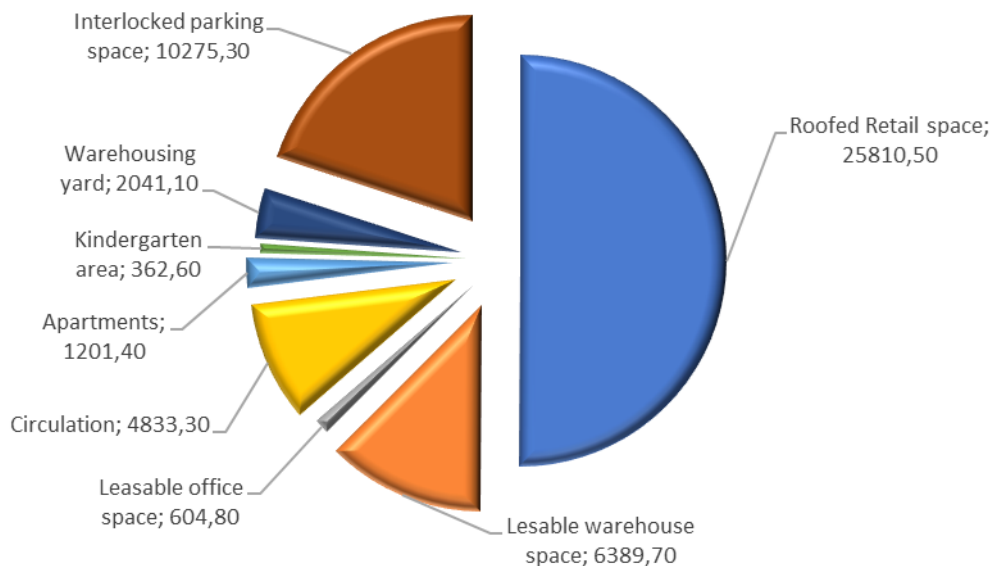
GLA by Zone

(GLA zones of leased area (m²))



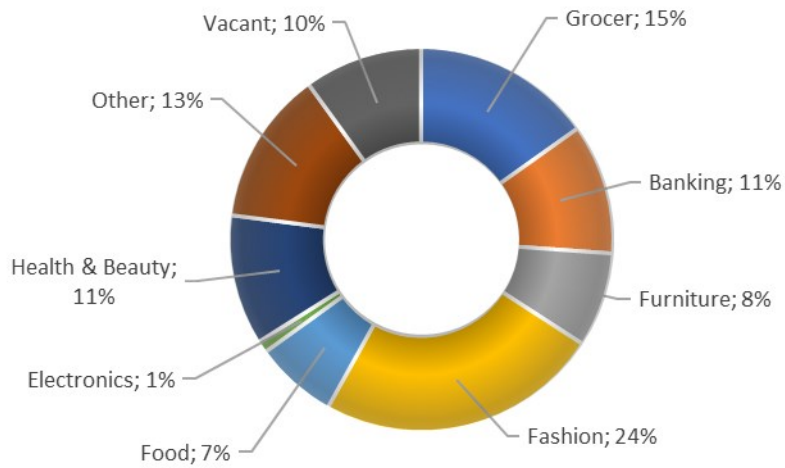
Bulk Area and Sections

(Bulk area (m²))



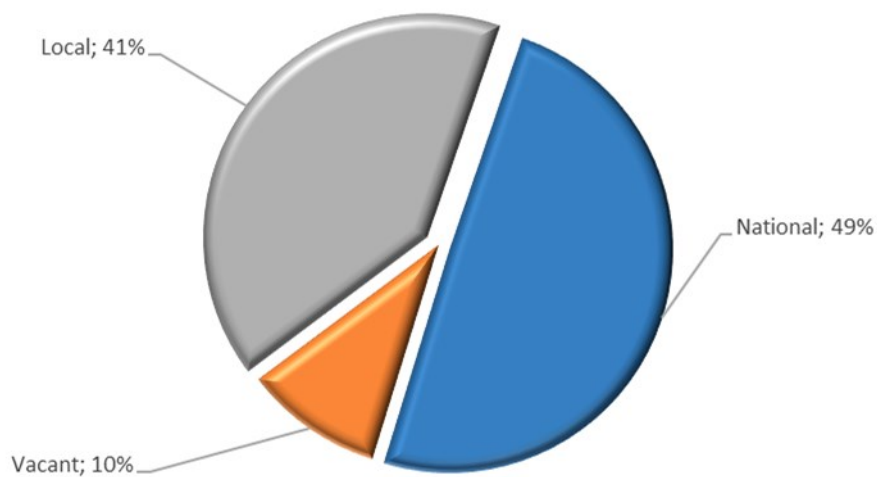
Retail Mix (Retail Categories)

(% of leased area)



Tenant Mix (Nationals vs Local Tenants)

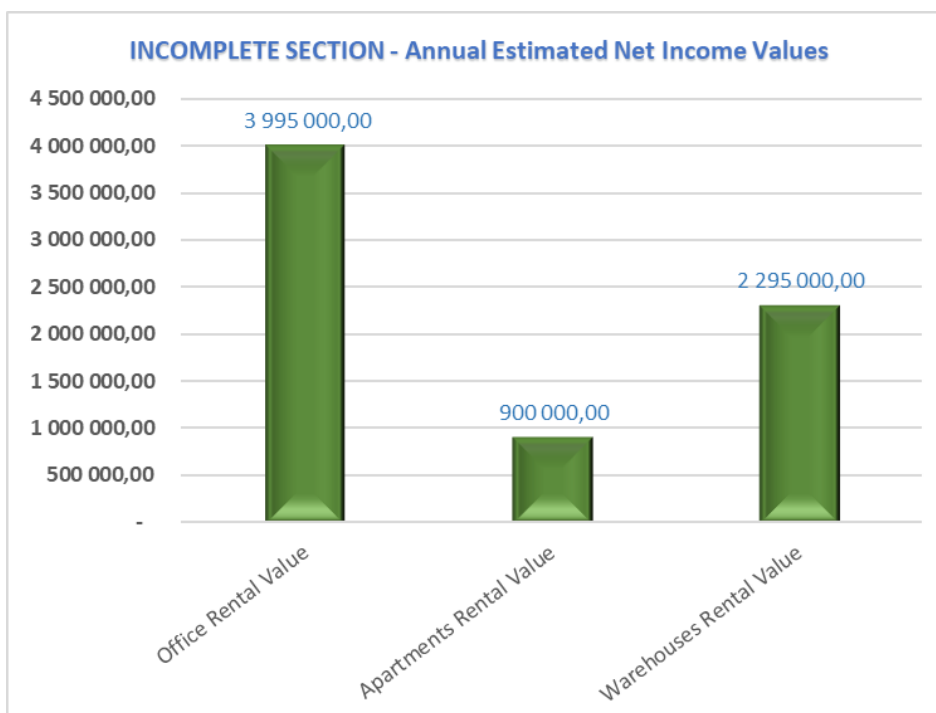
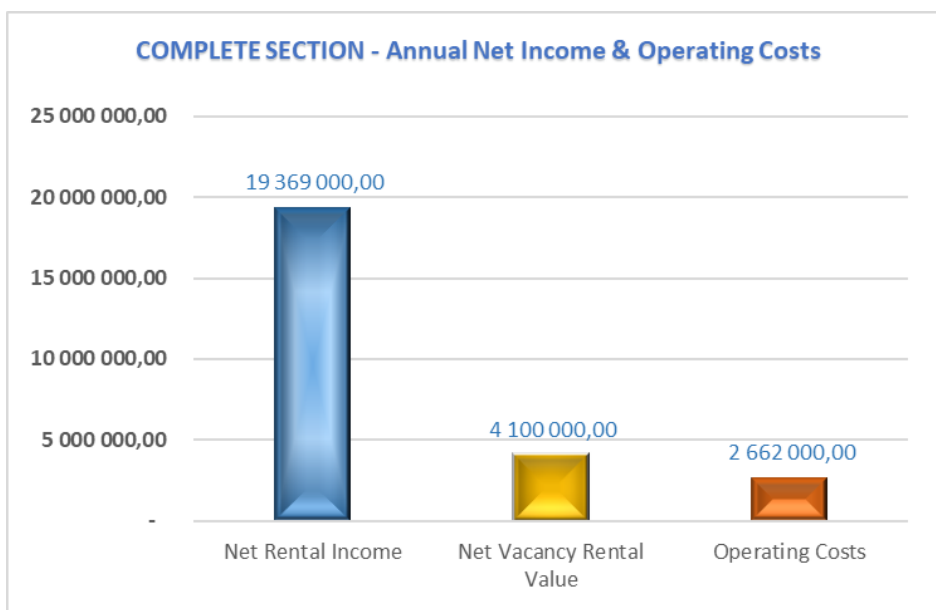
(% of leased area)



Income & Operating Costs

(For complete and incomplete building sections)

| ANNUAL NET RENTAL INCOME & OPERATING COSTS | | |
|--|--------------------------|---------------|
| COMPLETE SECTION | Net Rental Income | 19 369 000,00 |
| | Net Vacancy Rental Value | 4 100 000,00 |
| | Operating Costs | 2 662 000,00 |
| INCOMPLETE SECTION | Office Rental Value | 3 995 000,00 |
| | Apartments Rental Value | 900 000,00 |
| | Warehouses Rental Value | 2 295 000,00 |



Total Current & Future Net Income

(For complete and incomplete building sections)

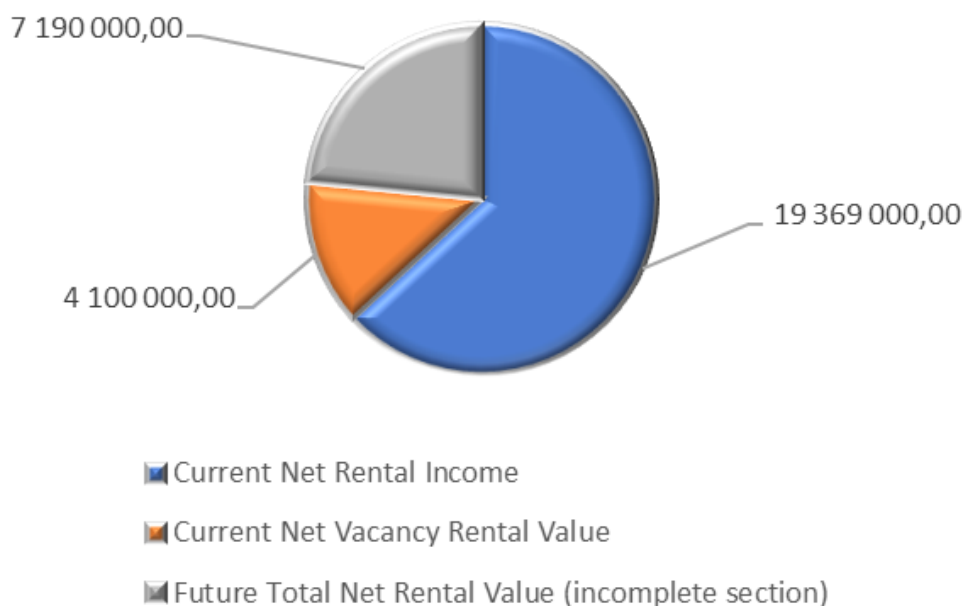
| TOTAL CURRENT AND FORECASTED RENTAL INCOME | | |
|--|---|----------------------|
| Current | Net Rental Income | 19 369 000,00 |
| Current | Net Vacancy Rental Value | 4 100 000,00 |
| Future | Total Net Rental Value (incomplete section) | 7 190 000,00 |
| | TOTAL | 30 659 000,00 |

Current and Future Asset Rental Income Capacity

■ Current ■ Future



Current Net Income, Vacancy value, and Future Net Income





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