

IIB Development Group – Feasibility Study

JLL Strategic Consulting - Scope of Work

Site:



Task 1: Real Estate Market Assessment

This task will consist of a detailed overview of the country real estate market and will cover the following asset classes:

- Residential (apartments and standalone units, affordable to mid-end)

The market research will highlight major dynamics influencing the market including the following for the aforementioned asset class:

- Existing Stock and Future Supply
- Existing Demand and Future Demand
- Supply and Demand Commentary
- Key Market Indicators (Rental Levels / Sales Prices / Occupancy Rates etc.)
- Benchmarking Analysis: A Maximum of Three Case Studies
- Unique Selling Points and Critical Success Factors
- Conclusion: Market Outlook and Opportunities

Research will be conducted to obtain primary and secondary information required for analysis under various sections of our scope of work. Information will be collected on a best effort basis.

This section, in conjunction with the subsequent Site Analysis, will drive the proposed development recommendations to be elaborated in Task 3.

Task 2: Site Analysis

In parallel with market research, JLL will inspect the plot and undertake an analysis in order to determine the major characteristics of the subject site as well as its context in relation to the surrounding area. This section will address the following:

- Location
- Access and Egress, Visibility and Road Access
- Surrounding Land Uses
- Proximity to Key Demand Generators
- Other Site-Specific Factors

This section will be summarised with a SWOT Analysis, evaluating the Strengths, Weaknesses, Opportunities and Threats for the subject site.

Task 3: Development Advisory and Recommendations

Based on the findings of the Market Assessment and Site Analysis, JLL will provide market-driven development recommendations on the subject development. This will encompass the following components:

- Concept and Development Vision
- Development Programme, Massing and Leasable Areas
- Recommendations on Proposed Size and Mix of Uses
- Product Configuration and Unit Sizing
- Amenities and Facilities, Parking Requirements, Target Market
- Recommendations on Project Phasing

The Development Brief will include propositions of alternative assets to be developed in support of the residential component.

The development recommendations will take into consideration zoning restrictions, including indicative FAR and height restrictions provided by the Client.

Task 4: Financial and Investment Analysis

Based on the Development Brief elaborated in the Project Review, JLL will conduct a financial assessment to ascertain the financial viability of the proposed products through the preparation of a detailed schedule of revenues and expenses, including projected income statements, balance sheet and cash flow statements.

The model will be developed using Excel software and will assess project viability in terms of the following:

- Development Cash Flows
- Project and Equity IRR
- Project and Equity NPV at indicated discount rate
- Sensitivity Analysis – (e.g. Revenues / Costs)

JLL will rely on project specific capital construction costs and infrastructure costs to be provided by MML Turner & Townsend as appointed quantity surveyor. MML T&T support will consist in providing estimated construction costs for the different asset classes and infrastructure elements identified in the proposed development brief. The costings will be based on MML T&T's market knowledge and benchmarks, in order to provide a robust, realistic commercial baseline based on JLL's specifications and development brief.

The model will be risk adjusted by allowing the provision of sensitivity analyses, by including contingencies on costs, and taking into consideration a multitude of combinations and weights of project and equity discount rates. Please note that our financial analysis is done pre-tax.

Timeline: 8 weeks + 2 weeks of mobilization.



*Achieve
Ambitions*



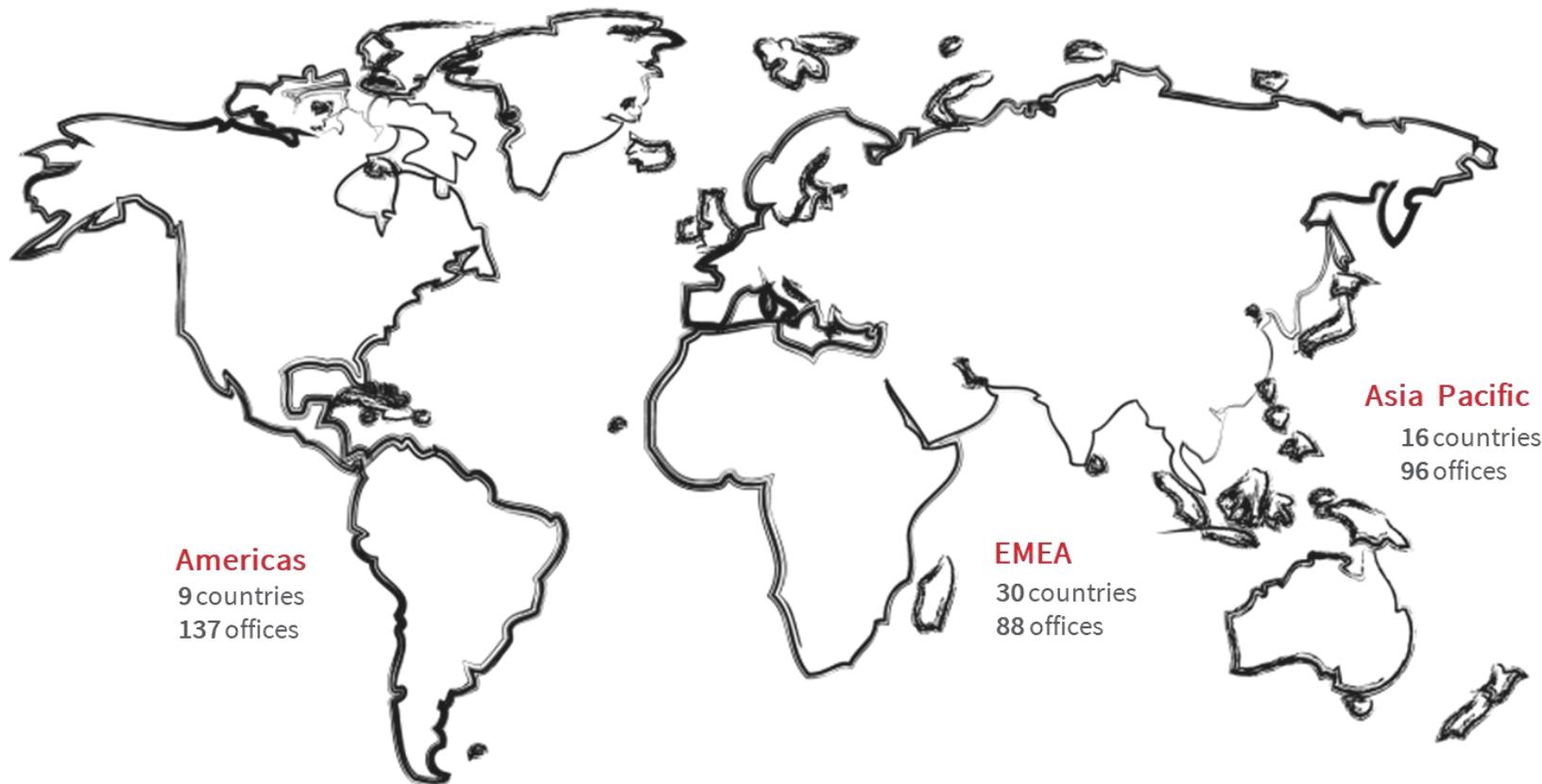
Strategic Consulting

JLL Sub-Saharan Africa

2020



Our global presence



The leading professional services firm specialized in real estate and investment management

A Fortune 500 company

2018 revenue of \$16.3 billion

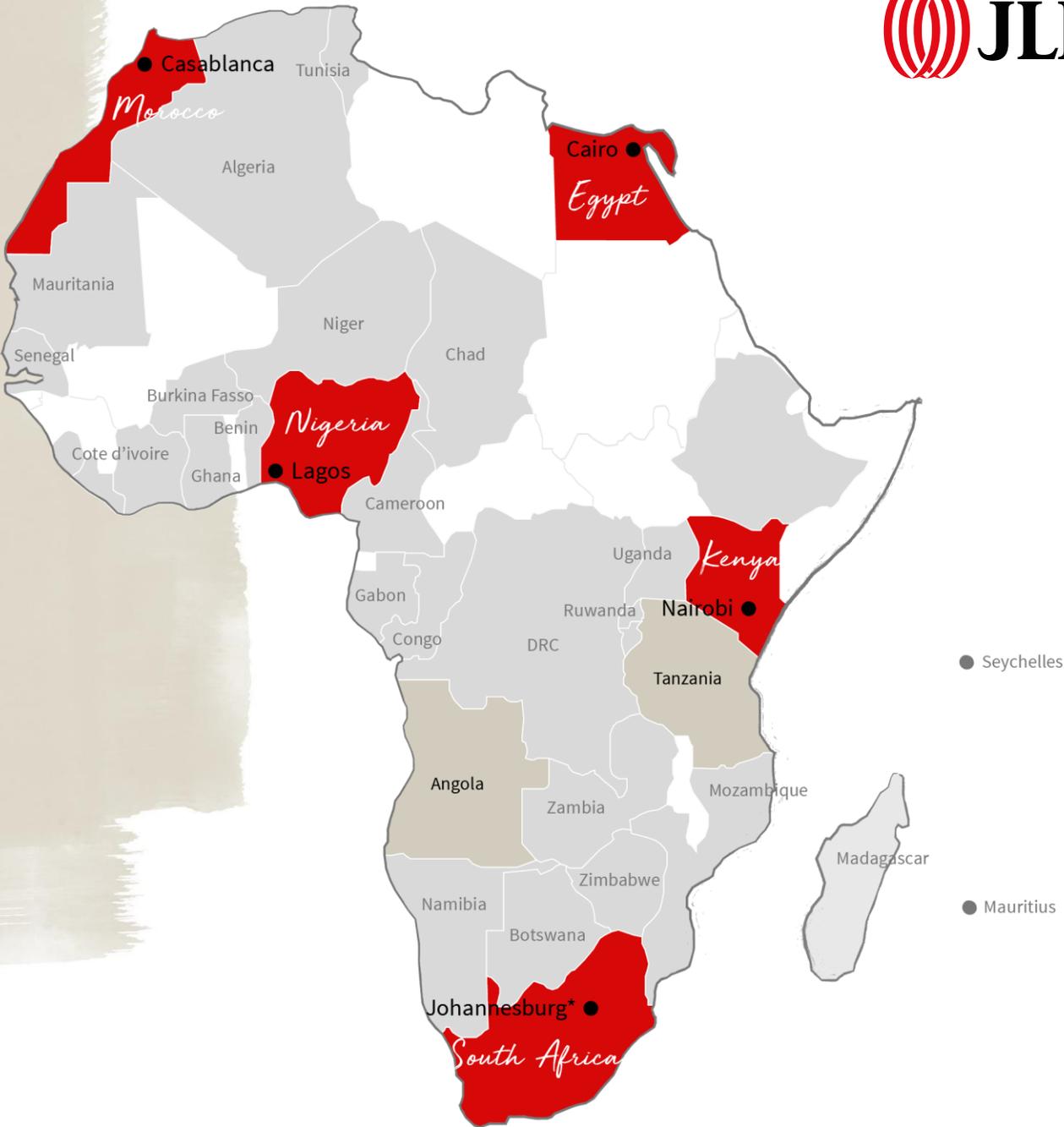
Operations in Over 80 Countries

Global workforce of 91,000+

Managed 423 million square meters of real estate for clients

300+ corporate offices

Our capability footprint extends across the whole of Africa, from Nigeria and Morocco to Kenya and Egypt.



Africa

JLL capabilities

- JLL office
- JLL association
- JLL capability
- * main hub

Our services



Strategic
Consulting



Integrated
Portfolio
Services



Integrated
Facilities
Management



Project &
Development
Services



Design &
Build



Workplace &
Technology
Solutions



Leasing



Valuation



Capital
Markets



Hotels &
Hospitality



Strategic Consulting

*Enhance the value of your real-estate and your land
with strategic development advice.*

Our services



We provide advisory services for all types of development projects in East Africa and throughout the continent

Market Research

- Bespoke Market Studies
- Roll out Strategy
- Market entry Strategy
- Tenant mix Strategy
- Market Due Diligence

Feasibility Studies

- All type of Asset classes
- Single Asset Projects to Master Plans
- Mixed-use Projects
- Highest and Best Use Studies
- Business Plan Preparation

Advisory

- Investment Due Diligence
- JV Structuring
- Fund Raising
- Government & City Planning
- Portfolio Strategy

Experience in Masterplan Support



Tatu City CBD, Nairobi



Private Client, Addis Ababa



Private Client, Kisumu



Kigali Innovation City, Africa 50



Vipingo Lifestyle and Industrial City, Mombasa



Private Client, Dar es Salaam



Kawe Satellite City, Tanzania

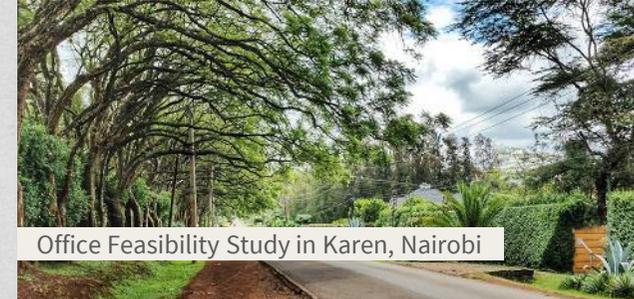


Private Client, Nairobi



Residential-led Masterplan, Nairobi

Experience in Feasibility Studies



Experience in Market Studies



Market Research for Two Rivers, Nairobi



Housing Supply in Nairobi East



Student Housing Market Study, Nairobi



Warehousing Market Entry Strategy, Various Countries



Retail Market Entry Strategy, Various Countries



Affordable & Mid-end Housing Study, Nairobi



CAHF, Microfinance in Housing Study, Abidjan



Residential Market Expansion Strategy, Nairobi

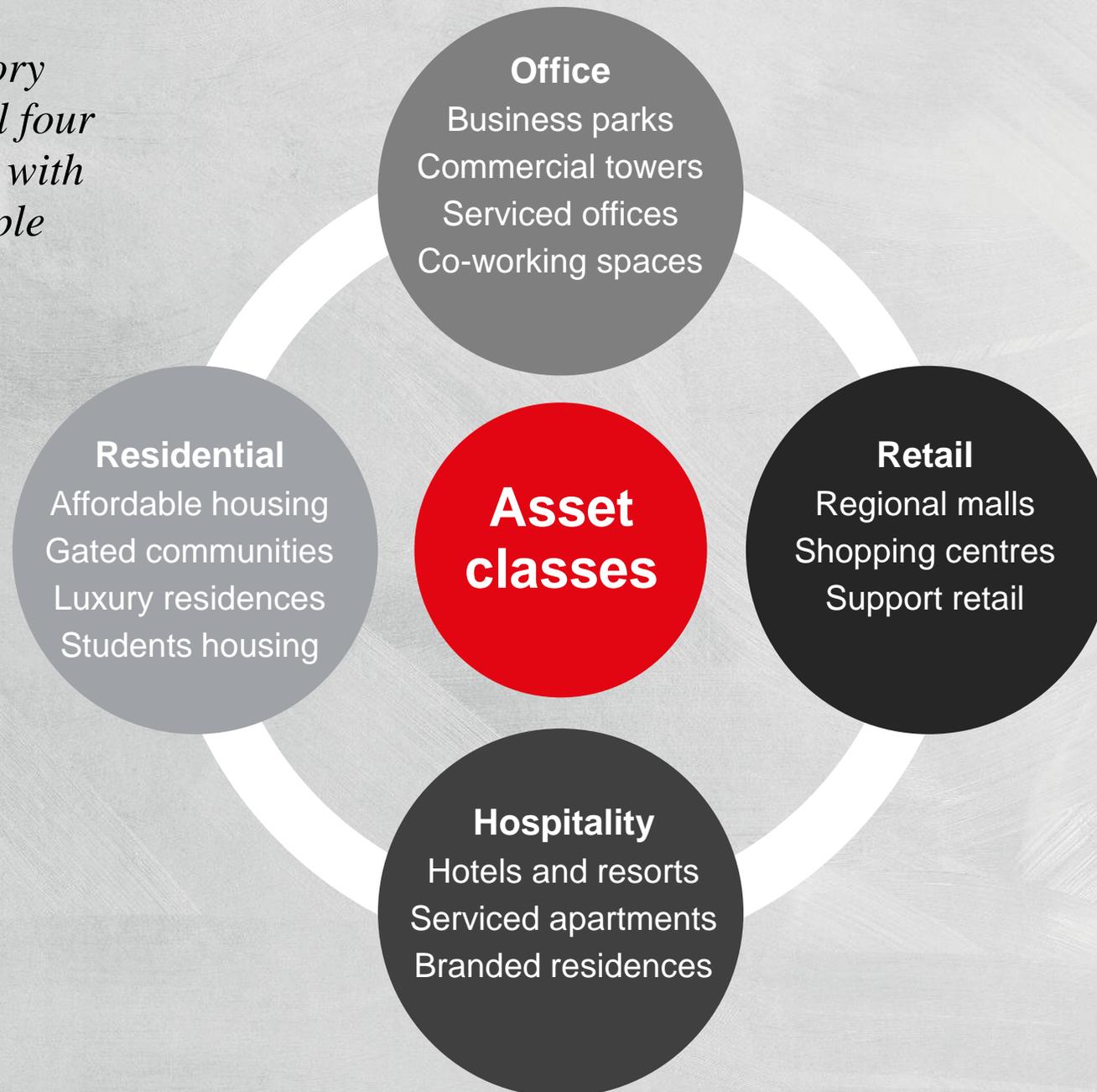


Luxury Property Search, Nairobi

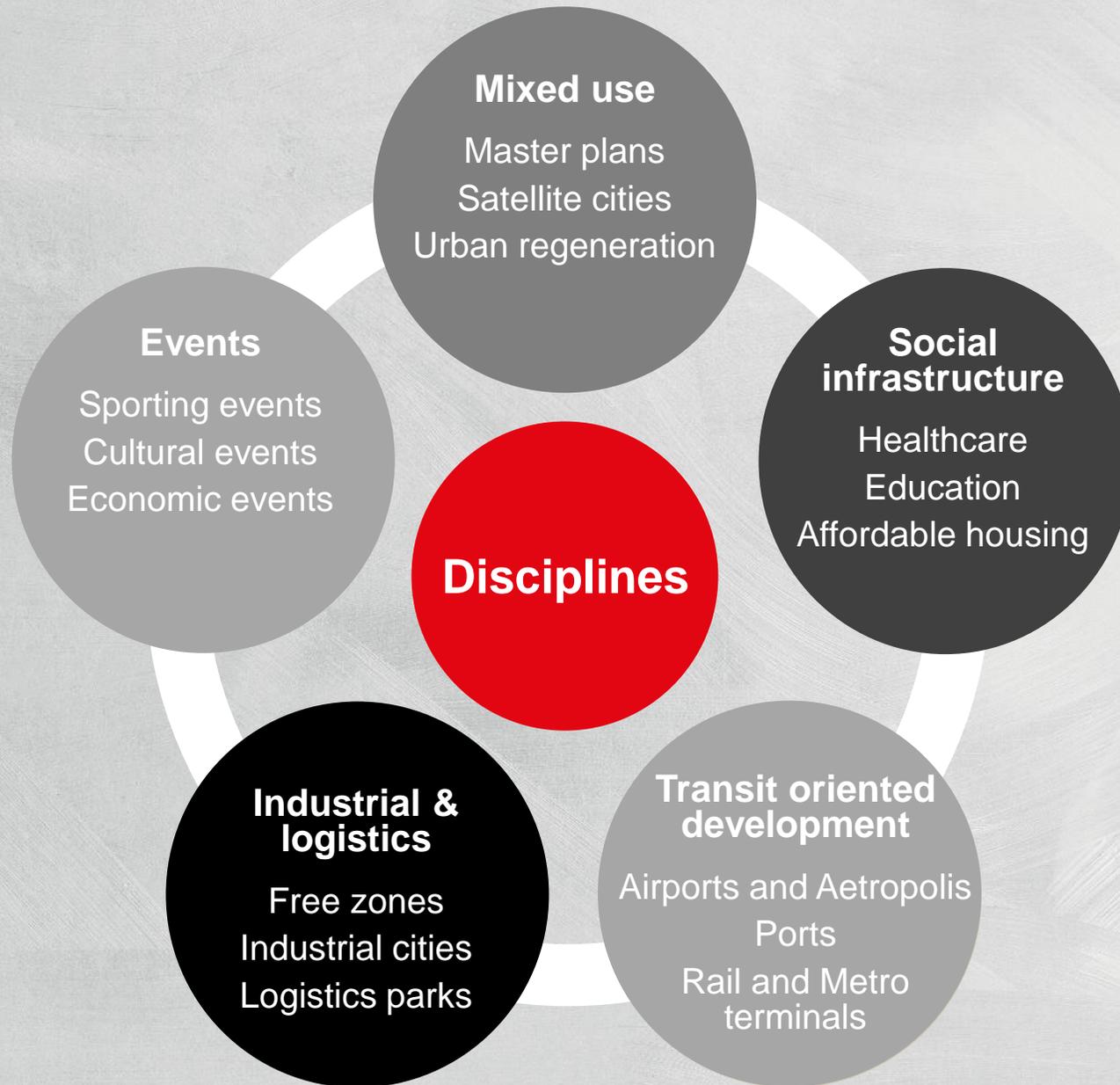
Expertise in core real estate asset classes



We provide advisory services across all four core asset classes with expertise in multiple disciplines



Experience across various disciplines



Selection of credentials

A portfolio of success stories

Affordable Housing Development



Customised solution

JLL was mandated to conduct a market study for the affordable housing component of a large mixed-use master planned project in the Greater Accra region of Ghana. The strategy seeks to improve the environment of human settlements in the broader city.



Results

The study was led to confirm the viability of the project from financial and market standpoints. We assessed the key success factors and demand drivers for the project to verify our recommendations regarding the positioning of the development.

The on-the-ground research and analysis defined the specifications required for the development to meet the expectations of the affordable housing market in Accra.

Client profile

Land area:
800,000 sqm

Geography:
Accra, Ghana

Service provided:
Affordable Housing Market Research

Feasibility Study on Affordable Housing



Customised solution

JLL was mandated by the client to perform a feasibility study for a 32,000 sqm plot strategically located in the centre of a city, in an area which remains largely informal to date.

The project is envisioned to comprise compact, good quality affordable housing and students accommodation, as well as a significant retail component on the ground floors of the buildings.

Results

The study defined key affordability criteria and expectations of the target markets, and identified the existing supply of affordable homes in both the formal and informal sectors of Mombasa, thereby providing a global understanding of this segment of the market.

The development recommendations were confirmed through a financial and investment analysis, and were later used as guidelines for the urban and architectural design.



Client profile

Land area:
32,000 sqm

Geography:
Mombasa, Kenya

Service provided:
Feasibility Study

Market Study on Affordable Housing



Customised solution

JLL was appointed by a leading East Africa developer to undertake a market study on the affordable and mid-end housing markets in Nairobi and its satellite cities.

The objective was to inform the client's expansion strategy and support investment decisions on large-scale residential developments throughout the city.

Results

JLL provided a comprehensive understanding of the market for 'affordable housing' and 'middle income housing' throughout Nairobi, and more specifically on twelve residential sub-markets.

JLL defined target clienteles and their expectations as well as comprehensive performance indicators for each neighborhood.

Finally, JLL identified the areas and products presenting the best opportunities in the current and forecasted market conditions through a multi-criteria analysis.



Client profile

Land area:
NA

Geography:
Nairobi, Kenya

Service provided:
Market Study

Mixed-Use Development



Customised solution

JLL was approached to produce a Feasibility Study aiming to support the client's decision regarding a mixed-use development in Abidjan, Ivory Coast.

A comprehensive market study of the office, residential and retail asset markets was conducted, and a macroeconomic overview of matters impacting the abovementioned sectors in Abidjan were provided.



Results

The study included a supply and demand analysis, as well as, a development brief review and recommendations. Also included in the study were financial and investment analysis.

Client profile

Land area:

N/A

Geography:

Abidjan, Ivory Coast

Service provided:

Feasibility Study

Masterplan Review of Tatu City CBD



Customised solution

JLL was appointed to undertake the review of the Master Plan of the future Central Business District of Tatu City, a new satellite city located in the periphery of Nairobi, Kenya.

The project is being developed on a 400,000 sqm site and is envisioned to comprise a mix of office, residential, retail, hotel, student accommodation, leisure and entertainment components.

Results

The objectives of the study included performing a comprehensive real estate market assessment and an international benchmarking analysis on the development of Central Business Districts.

Based on the findings, operational and strategic recommendations were formulated, while a valuation was conducted to validate that the optimal land use has been achieved. The masterplan could then be updated following the conclusion of the study.



Client profile

Land area:
400,000 sqm

Geography:
Nairobi, Kenya

Service provided:
Master Plan Review

Eko Atlantic Master Plan Review



Customised solution

JLL and its sub-consultants were mandated to provide advisory services pertaining to the development's facilities and associated infrastructure located within the Eko Atlantic City mixed-use development in Lagos, Nigeria. It is our understanding that Eko Atlantic City (EAC), is situated in a Special Economic Zone (SEZ) adjoining Victoria Island and the Phase 1 Area of Lekki.

The site encompasses approximately 10 million square kilometres of land and is envisioned, to comprise 10 districts built over six phases. Finance is currently being raised for the remaining infrastructure and other related utilities to form part of the remaining phases (3 – 6) of Eko Atlantic City- with Phases 1 and 2 having already been completed.

Results

The Client requires a holistic review of technical and financial considerations pertaining to the project to determine the overall feasibility of what has been proposed. As such, JLL in conjunction with the appointed co-consultants, will provide an extensive review of the Project which will include an analysis of the Technical Review and a Financial & Commercial Review.



Client profile

Land area:

N/A

Geography:

Lagos, Nigeria

Service provided:

Master Plan Review

Masterplan Review of Vipingo Lifestyle City



Customised solution

The Client appointed JLL to perform the review of the proposed Vipingo Lifestyle City master plan, located in Mombasa Kenya.

The land area for this project measured a total of approximately 2,000,000 sqm. The project is envisioned to incorporate office, residential, retail, hotel, leisure and entertainment, education and healthcare components.

Results

The study covered an extensive assessment of the market opportunities from a market and commercial perspective, provides development advisory recommendations, and a further financial and investment analysis.

JLL defined the development opportunities for the masterplan, including the different types of residential products to be developed on site simultaneously, from affordable apartments to high-end villas. Recommendations on the strategy for the first phases of the project were also provided.



Client profile

Land area:
2,000,000 sqm

Geography:
Mombasa, Kenya

Service provided:
Master Plan Review

Market Study for the Two Rivers Masterplan



Customised solution

JLL was approached by the client to conduct a Market Study supporting strategic investment and commercialization decisions for the proposed Two Rivers office and residential developments located in Nairobi, Kenya.

The Two Rivers master plan is envisioned to comprise of a mix of office, residential, retail, hotel, leisure and entertainment components on a 412,800 sqm plot. The scope of this study is intended to focus on the Nairobi office and residential markets.

Results

JLL performed an office and residential market analysis in parallel with a site analysis, and identified the key performance indicators for the residential and office markets.

Based on the findings of the market and site analysis, JLL provided market-driven strategic commercialization recommendations, and marketing considerations for the office market.



Client profile

Land area:
413,000 sqm

Geography:
Nairobi, Kenya

Service provided:
Market Study

Residential Market Study



Customised solution

JLL was appointed by a prominent property development in Ghana to produce a Feasibility Study to support the client decision-making in determining the viability of a Residential Development in Greater Accra, Ghana. The project is situated on a plot of land measuring c. 200 acres located 30km North of Accra Central. The client envisioned developing a luxury housing scheme anchored by an exclusive resort and leisure park.

JLL conducted an in-depth study to assess the market potential for the project and defined the key conditions of success by means of national benchmarking.

Results

In conjunction with the market study, JLL produced development advisory and recommendations, as well as, financial and investment analysis.



Client profile

Land area:
200 acres

Geography:
Accra, Ghana

Service provided:
Market Study

Mixed-Use Master Plan



Customised solution

JLL was appointed by a consulting firm to produce a master planning review, in collaboration with the Hotels and Hospitality team, pertaining to the Client's development of a proposed mixed-use development in the Mon Tresor, Mauritius. The Client's vision was to develop a mixed-use development and sought a development review to support the already concluded Feasibility Study.

The objective of the task was to support the Client's decision-making in identifying the prevailing market conditions and develop an Investment Memorandum conceived to approach potential investors.

Results

In this regard, JLL conducted a market assessment of the residential, retail, office, logistics, hospitality, education, healthcare, leisure and entertainment markets in Mon Tresor, including a master plan review, as well as, financial and investment analysis.



Client profile

Land area:

N/A

Geography:

Mon Tresor, Mauritius

Service provided:

Master Planning Review

Residential Market Study



Customised solution

JLL was appointed by a prominent property development company to produce a market study relative to a Residential Development located in Uniciti, Mauritius. The project is located on a c. 350 hectare plot next to the village of Flic en Flac. The aim of the project was to develop a new Smart City on over 1 million built square meters. The area is already home to Education, Office and Retail facilities.

JLL conducted an in-depth study to assess the market potential for the project and defined the key conditions of success.



Results

In conjunction with the market study, JLL profiled the Real Estate Investors in Mauritius, produced Development Recommendations, as well as, produced Marketing Recommendations for the proposed project.

Client profile

Land area:
350 hectares

Geography:
Uniciti, Mauritius

Service provided:
Market Study

High-End Residential Market Study



Customised solution

JLL was commissioned to conduct a Market Study aiming to determine the availability of high-end residential properties in Harare, Zimbabwe.

The study aimed to identify properties for sale or lease, or that could be used or converted to a residence. In relation to the above project, JLL conducted a detailed market study to establish a base knowledge of the residential market. The information equipped the Client with all relevant real estate market knowledge to make an informed decision as to the properties that should be acquired or rented.



Results

JLL conducted an analysis of the local real estate market, the role/presence of international investors and developers, government regulations, typical purchase terms, price discounts, and property ownership rights. These analyses provided an awareness of market practices, allowing for the provision of effective negotiation tools, and the achievement of a sum in line with true market value. Accordingly, the result of the study suggested that there was an opportunity to pursue a purchase of property as opposed to the renting of a property.

Client profile

Land area:

N/A

Geography:

Harare, Zimbabwe

Service provided:

Market Study

Feasibility Study in Addis Ababa



Customised solution

JLL was appointed by a prominent international developer to conduct a feasibility study on a mixed-use development project on a 30-hectares plot in a central neighbourhood of Addis Ababa.

An analysis of the Residential, Office, Retail and Hospitality markets in Addis Ababa and in the vicinity of the subject site was provided, together with a presentation of the key macro-economic issues impacting the country and its real estate markets.

Results

Based on these results, and on a Legal and Fiscal assessment done by an Ethiopian partner, JLL undertook a comprehensive review of the development assumptions of the Client.

The viability of the scheme could then be confirmed from a financial standpoint prior to the start of the first phase of construction.



Client profile

Land area:
300,000 sqm

Geography:
Addis Ababa, Ethiopia

Service provided:
Feasibility Study

Master Planning Support in Kigali



Customised solution

JLL was appointed by a prominent Infrastructure Fund to produce feasibility study services for a 60-hectare site in Kigali, Rwanda.

The project envisioned the creation of a new business and education hub offering facilities attractive to international companies and universities. The Office and Education facilities were set to be supported by Hotel, Residential and Retail facilities.

Results

JLL conducted an in-depth study to assess the market potential for the project and defined the key conditions of success based on an international benchmark of Innovation Districts.

The development strategy formulated by JLL was based on a comprehensive Innovation Strategy and Stakeholder Engagement Process and tested financially to ascertain the viability of the scheme.



Client profile

Land area:
600,000 sqm

Geography:
Kigali, Rwanda

Service provided:
Masterplan Support

Market Due Diligence in Dar es Salaam



Customised solution

JLL was commissioned within a team of international consultants to ascertain the viability of real estate developments to be undertaken under the Msimbazi Project located in Dar es Salaam, Tanzania.

Mandated by the World Bank, the project primarily aims at managing the flood risk in the Msimbazi basin, through the excavation of the riverbed and through the creation of a city park and terraces which would open up land for new developments.

57 hectares in the higher terraces would become available for dense mixed-use urban development, combining residential and commercial uses.

Results

The study provided an analysis of market conditions in Dar es Salaam for residential, retail and offices developments, and defined the development assumptions for each asset class, in order to inform the viability of the overall real estate scheme.



Client profile

Land area:
570,000 sqm

Geography:
Dar es Salaam, Tanzania

Service provided:
Commercial and Market Due Diligence

Masterplan Support for Kawe Satellite City



Customised solution

We were mandated to undertake a feasibility study for the proposed 'Uptown Kawe' satellite city development in Dar es Salaam. The project, located in Kawe, is being developed by the National Housing Corporation of Tanzania as part of its strategy to strengthen the country's economy and boost businesses.

Results

The research covered an extensive assessment of current opportunities from a market and commercial perspective. We analyzed possibilities in the residential, office, retail, hospitality, healthcare, education, leisure and entertainment asset classes.

We also provided development advisory specific to Kawe Satellite City using our bespoke financial modelling approach. Our recommendations included overall phasing as well as operating models for all components of the satellite city. In addition, we prepared an information memorandum to present to potential investors.



Client profile

Land area:
1,000,000 sqm

Geography:
Dar es Salaam, Tanzania

Service provided:
Master Plan Support

Mixed-use Market Study



Customised solution

JLL was assigned to establish the real estate market profile of Kampala, Uganda and provide a high level assessment of a specific mixed use project located in the city.

The Client was considering the development of an integrated mixed use development in Kampala on two land parcels totalling 600,000 m² and comprised of residential, hospitality, office and retail components.

Results

The purpose of the study was to provide the framework and base elements to inform the Client on the investment decision for this project.



Client profile

Land area:
600,000 sqm

Geography:
Kampala, Uganda

Service provided:
Market Study

Customised solution

The Client commissioned JLL to provide a clear understanding of the property market in Djibouti and provide support in further strategic investment decision in the country in partnership with the Government of Djibouti.

Additionally, the study also provided identification of suitable locations for development and high level development recommendations to advise on the type of products to develop in selected zones. The asset classes considered within this study were: residential, retail, office, hospitality, industrial and infrastructure.

Results

This study was executed in three tasks: understanding the current real estate market trends and potential, identifying the suitable locations for land acquisition and development, and finally an in-depth research to assist with planning and execution.



Client profile

Land area:

NA

Geography:

Djibouti

Service provided:

Market Research

Market Entry Strategy



Customised solution

JLL was mandated by the client to provide real estate market research across five African countries. The retailer was considering entry into different African markets and wanted to ascertain its investment decisions from a business and real estate perspective.



Results

The engagement involved analysing the expansion potential into the luxury retail market across each city. We visited each market and assessed the macroeconomic environment and key demand generators. We then conducted a detailed assessment of the retail sector and the general consumer appetite for luxury products. An intimate understanding of local markets and business environments is critical for success in the African context.

This study supported the expansion strategy plan of the Client in targeted cities in Africa and established roll-out strategies which could be applied in each city investigated.

Client profile

Land area:

N/A

Geography:

*Angola, Ghana, Nigeria, Algeria and
Kenya*

Service provided:

Market Entry Strategy

Residential Market Entry Strategy in Nairobi



Customised solution

JLL was appointed to undertake a market-entry strategy for an international developer looking to introduce international standards onto the Nairobi residential market.

JLL analysed the markets for apartments, serviced apartments, villas and townhouses in and around Nairobi, in order to define key gaps and opportunities in the short to medium term.

Results

Following a detailed overview of the market, JLL formulated a detailed development opportunity assessment and a roll out strategy including unique selling point to undertake successful developments in the increasingly competitive Nairobi market.



Client profile

Land area:
NA

Geography:
Nairobi, Kenya

Service provided:
Roll Out Strategy

Pan-Africa Investment Strategy



Customised solution

JLL France was considering its options to expand into Africa through direct and / or indirect investments. JLL conducted a macro-economic analysis and market study for each of the geographies identified by the Client. These locations included the following cities: Tangier, Casablanca, Algiers, Constantine, Dakar, Abidjan, Lagos, Accra, Nairobi, and Douala.



Results

The objectives of the Market Study was to assess the potential of the aforementioned cities from a macro-economic and real estate perspective, in order to determine the opportunities for real estate investments.

Based on our analysis, all cities were ranked based on their potential to assist the client in formulating a phased roll-out and investment strategy across the African continent.

Client profile

Land area:
N/A

Geography:
Pan-Africa

Service provided:
Market Study

