



Two Rivers Development

Kenya Property Developers Association Cocktail

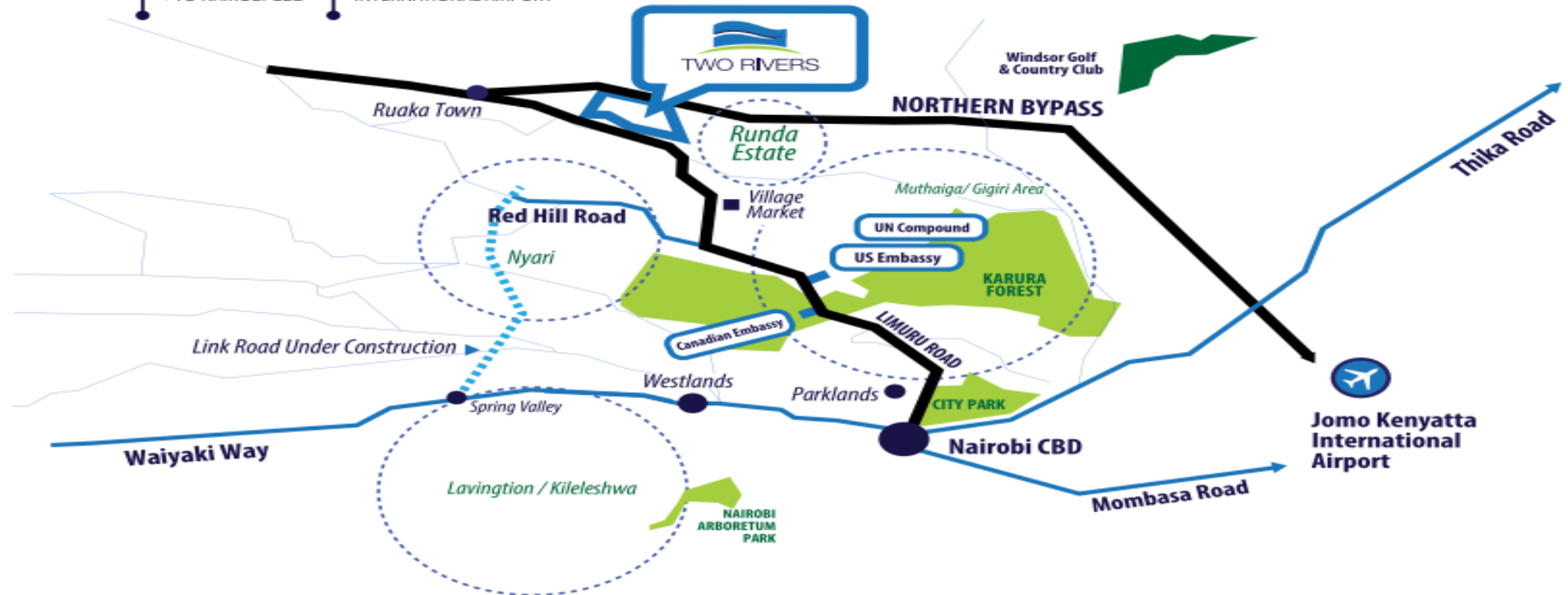
August 2019

Agenda

- 1 Two Rivers Development Case Study**
 - i Overview of Two Rivers Development**
 - ii Development Opportunities Available**
 - iii Demand Projections for Two Rivers Development**
 - iv Outlook on Successful Strategies**

Two Rivers Development

Background



- Two Rivers is a Kenya Vision 2030 flagship project set on prime 102 acre master planned precinct within Diplomatic Blue Zone of Gigiri, Nairobi
- The project integrates a retail, entertainment and lifestyle centre, Grade A offices, 3 and 5 star hotels, conferencing facilities, a residential offering and medical facilities

Two Rivers Development

Vision of a Sustainable City

Urban Node



Given the constraint on well planned & developed space in Nairobi, Two Rivers offers an opportunity to develop a new urban node with reliable & sustainable infrastructure.

Our aim is to provide construction ready sites for investors in an environment with world- class infrastructure, best in class development guidelines and urban management services.

Scale



Nairobi's Central business District (CBD) is located on approximately 250 acres, We have 106 acres available for development representing an area of 42% of the CBD.

Two Rivers Development Milestones

2011

Centum acquires 102 acres of land in the diplomatic blue zone in Runda/Gigiri

Centum undertakes project development activities on Two Rivers Development Limited (TRDL), including

- Development feasibility studies
- Masterplanning and seeking statutory approvals
- Contractor appointment
- Groundbreaking on infrastructure and mall
- Secured Carrefour and Magic Planet as anchor tenant, part of the Majid Al Futtaim exclusive franchise
- Victoria and City Lodge acquires development rights

2014

AVIC and ICDC invest USD 70m and USD 5m for a 39% and 3% stake respectively in TRDL

- Centum leads construction of Two Rivers Lifestyle Centre (TRLC) and supporting infrastructure
- Acquire more tenants
- Project finance debt of USD 80m secured for TRLC

2016

Old Mutual invests USD 63m for 50% stake in TRLC

2017

Two Rivers Development launch and inception of Phase 2 projects & investment opportunities

President Uhuru Kenyatta officially opened Two Rivers Mall in February 2017



Two Rivers Development

Phase 1 Precinct

- Phase 1 of the development is set on 55 acres and includes:
 - Retail, Entertainment and Lifestyle Centre (Two Rivers Mall)
 - Two office towers
 - Outdoor riverfront entertainment area
 - 3 Star Hotel (City Lodge)
 - Commercial Office Block (Victoria Bank)
 - Five-star hotel and branded serviced apartments (to be constructed)
 - Apartments (to be constructed)



- The anchor of the development is Two Rivers Mall, the largest mall in East & Central Africa and mall.
- It has approximately 200 retail stores, offering a mix of both global and local experiences.
- Two Rivers has two office towers that sit atop the mall with 9 and 8 floors each, providing 27,000 square meters of grade A office space



Theme Park - Operational
*55-meter Ferris Wheel
17 meter drop tower
Airborne shot drop
GP Karting*



Conference Dome - Planned
3,600 seater dome



City Lodge Hotel - Operational
170 key hotel opening soon



Victoria Commercial Bank- Completed, ready for occupation
14,500 sqm Grade A office

Infrastructure

Roads & Security

Elaborate Road Network

- Two Rivers Development is the first private sector company to invest in an on grade separated interchange/underpass
- Accessibility is from 2 major roads with expanded entry/exit points which include a newly constructed underpass on Limuru Road and a roundabout on the Northern Bypass
- Elaborate internal road network with wide roads, jogging and cycling paths, street furniture
- State of the art Gate House complete with automated access control
- Ample parking space currently 2,500 parking bays

Ultra-Modern Security Systems

Features	Description
Screening Systems	Handheld Explosive Trace Detectors Walkthrough Detectors Under Vehicle Surveillance System
ANPR* System	License Plate Recognition Cameras
Surveillance Equipment	Advanced Tracking Technologies
Access Control	Card and Biometric Readers Field Devices
Physical Barriers	Riser Arms and Bollards

- Two Rivers’ security solution employs IBM’s Intelligent Operation Centre (IOC) at its core that ties all of the other sub-systems together
 - Allows the effortless unification of hundreds of independent systems for access control, surveillance, threat detection, screening alerts and communications into a single virtual system



Security Operations Center

Infrastructure

Power & Water

Power

- Two Rivers Power Company, a licensed electricity distributor, supplies power to the development
 - A 23 MVA in-house power substation with two dedicated 66kv lines thus limiting the number of brown outs
 - A 7.5MW diesel generated power plant has also been installed
 - Rooftop solar panel in Africa, with a capacity of 2 MVA



Water

- Two Rivers Water and Sanitation Company will cater for the development's water needs
 - Includes the region's largest reverse osmosis water treatment plant with capacity to treat 2 million litres of water per day
 - Reduces the daily raw water consumption by ~70%
 - ~80% of gray water will be recycled and treated to World Health Organisation standards



Two Rivers Development Master Plan



Current Plot Uses

Plot Number	Area (Acres)	Ground Bulk (Ground Bulk Area)	Land Use
2	4.65	150,548.40	Office
3	2.68	86,767.68	Office
4	2.1	67,989.60	Mixed- use
5	0.85	27,519.60	Office
6	0.64	7,770.24	Office
8	1.99	56,374.71	Residential
9	1.762	49,915.70	Residential
11	0.7	19,830.30	Office/ Social
12	1.48	41,926.92	Hotel
13	1.35	38,244.15	Residential
15	0.83	26,872.08	Mixed-use
16	4.32	122,381.28	Mixed-use
17	0.73	23,634.48	Commercial/ Mixed-use
19	1.06	34,318.56	Commercial/ Mixed-use

Detailed information available upon request

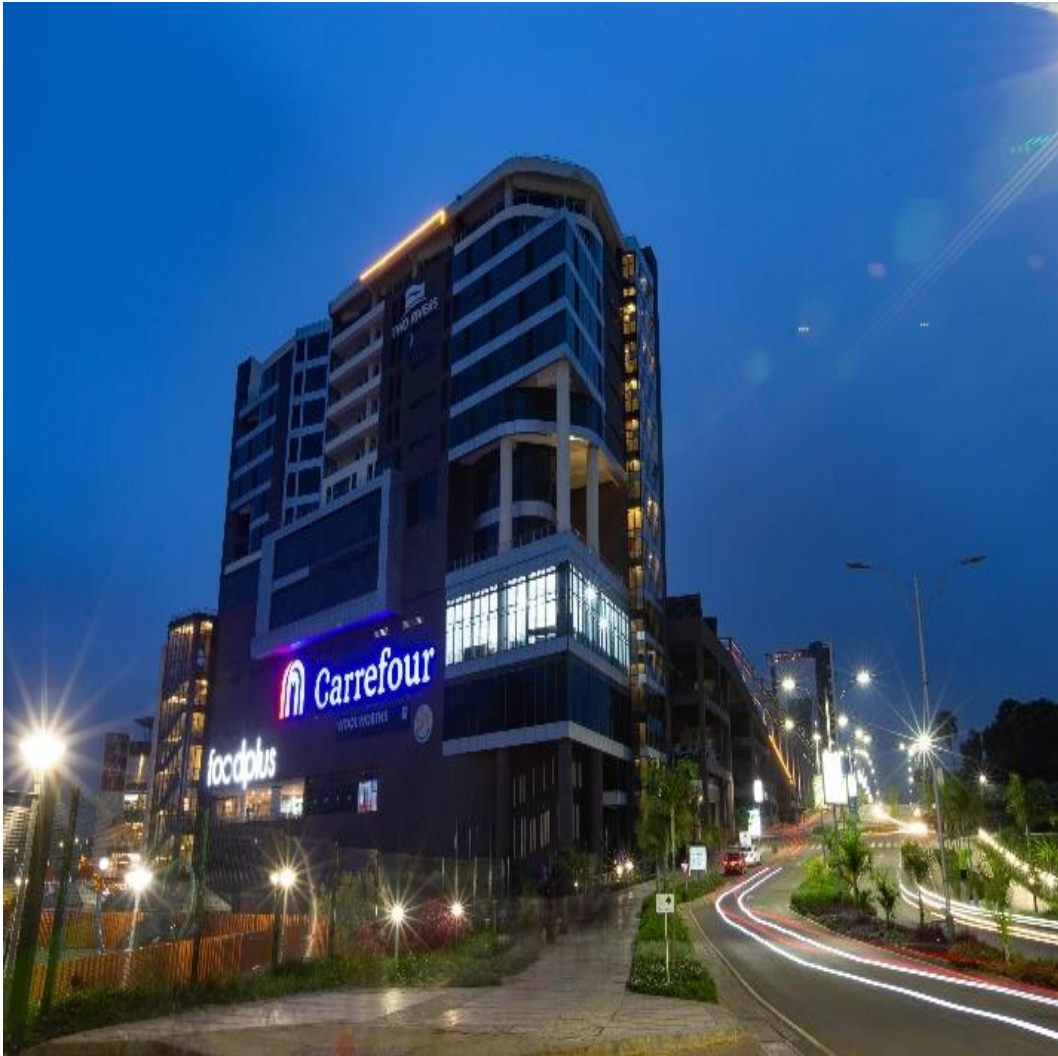
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Current Developments

Two Rivers Office Towers



Grade A Office Space	
Space Available	From 450 sqm
Floors Available	1 st - 6 th Floor
Price	From KES 135,000 per sqm
Average Rental	From KES 1,100 per sqm (5% escalation per annum)
Service Charge	KES 300 per sqm
Parking	2,100 ample parking bays (Free parking for 1 year)
Lease Term	99 years
Current Tenants	Carre Four Headquarters - Foot Print Media -
Tenant Pipeline	Anando - 1,083 sqm, Portuguese Embassy - 243 sqm, Progressive Limited - 253 sqm Fanisi Capital - 555 sqm

5-Star Hotel Development Opportunity

- Two Rivers presents an opportunity to invest in a unique 5-star hotel development with a convection center.
- The hotel will be run by an international hotel operator to world class standards and will have direct access to Two Rivers Mall.
- The proposed Hotel is expected to contain the following components:
 - A five-star Hotel with 200 guest rooms, five food and beverage outlets, a conference centre with two ballrooms (both divisible into smaller partitions), six meeting/ boardrooms, a spa, a fitness centre, an outdoor swimming pool, a business centre and a kids and teens club;

Hotel Room Breakdown		
Room Type	No. of Units	Net Area (SQM)
Standard Rooms	120	42
Deluxe Rooms	40	50
Club Rooms	20	50
Junior Suites	12	75
Executive Suites	6	80
Presidential Suite	2	180
Total	200	

Facilities		
Type	Seating Capacity	Net Area (SQM)
All-day Dining	130	300
Specialty Restaurant	40	150
Destination Bar	50	150
Pool Bar & Cocktail Bar	20	50
Executive Lounge	40	130
Total	280	780

5-Star Hotel Development Opportunity

Look and feel



5-Star Hotel Development Opportunity

Look and feel



Residential Development Opportunity



- Two Rivers presents an opportunity to develop a collection of unique residential developments that provide luxury, comfort and affordability. The vision is to provide aesthetically superior and innovative residential products that will greatly appeal to the middle and high income.
- Development opportunities are available on plots 8, 9, 15, 16 and 18 within the master planned Two Rivers Development.
- The residential development will have proximity to Two Rivers Mall, Two Rivers Hospital, Victoria Bank headquarters. They will also have views of the dancing fountains at the Two Rivers Riverfront.

PLOT	AREA(A)	Plot Ratio	Land Use	G.B.A
8	1.99	7	Residential	56,375
9	1.76	7	Residential	49,916
15	0.83	8	Residential	26,872
16	4.32	7	Residential	122,381
18	1.12	7	Residential	31,728



Office Development Opportunity



- Two Rivers presents an opportunity to develop a collection of unique office developments that aesthetically superior and innovative that will appeal to multinational companies as well as small and medium sized enterprises
- Development opportunities are available on plots 2, 3, 5, 5 and 11 within the master planned Two Rivers Development.
- The office developments will have proximity to Two Rivers Mall, City Lodge Hotel, the conference dome and residential developments within Two Rivers Development.

PLOT	AREA(A)	Plot Ratio	Land Use	G.B.A
2	4.65	8	Office	150,548
3	2.68	8	Office	86,768
5	0.85	8	Office	27,520
6	0.64	3	Office	7,770
11	0.7	7	Office/Social	19,830

Mixed-Use Development Opportunity



- Two Rivers presents an opportunity to develop mixed-use facilities that combine different uses to appeal to a wide group of clients while taking advantage of the two rivers location.
- Development opportunities are available on plots 17 and 18 within the master planned Two Rivers Development.
- Possible combinations include office and apartments, hotel and apartments, retail and commercial or even the possibility of choosing to have only one dedicated use.

PLOT	AREA(A)	Plot Ratio	Land Use	G.B.A
17	0.73	8	commercial/mixed	23,634
19	1.06	8	commercial/mixed	34,319

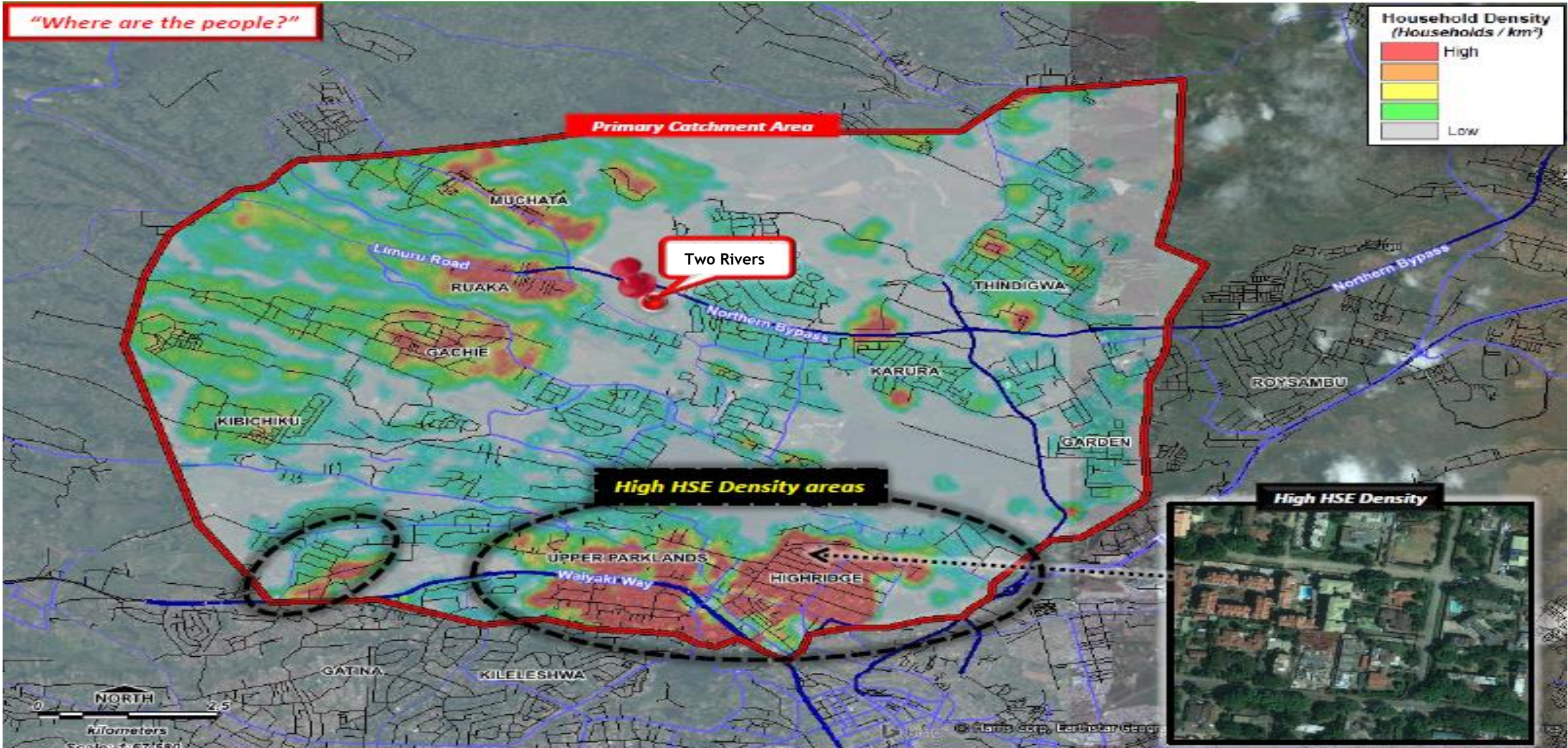
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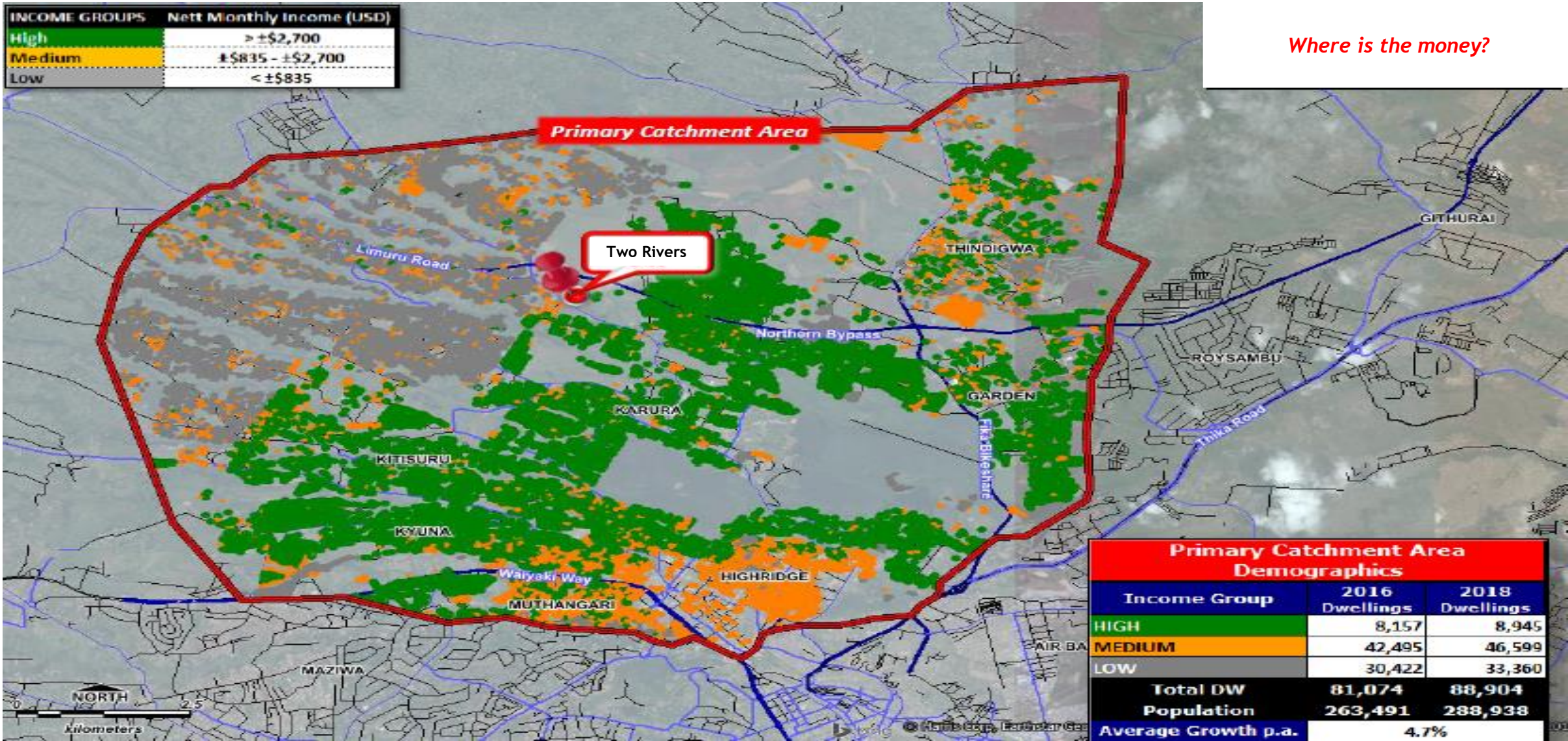
TR Demand Projections

The primary catchment area has over 88,000 households spread across high density areas



TR Demand Projections

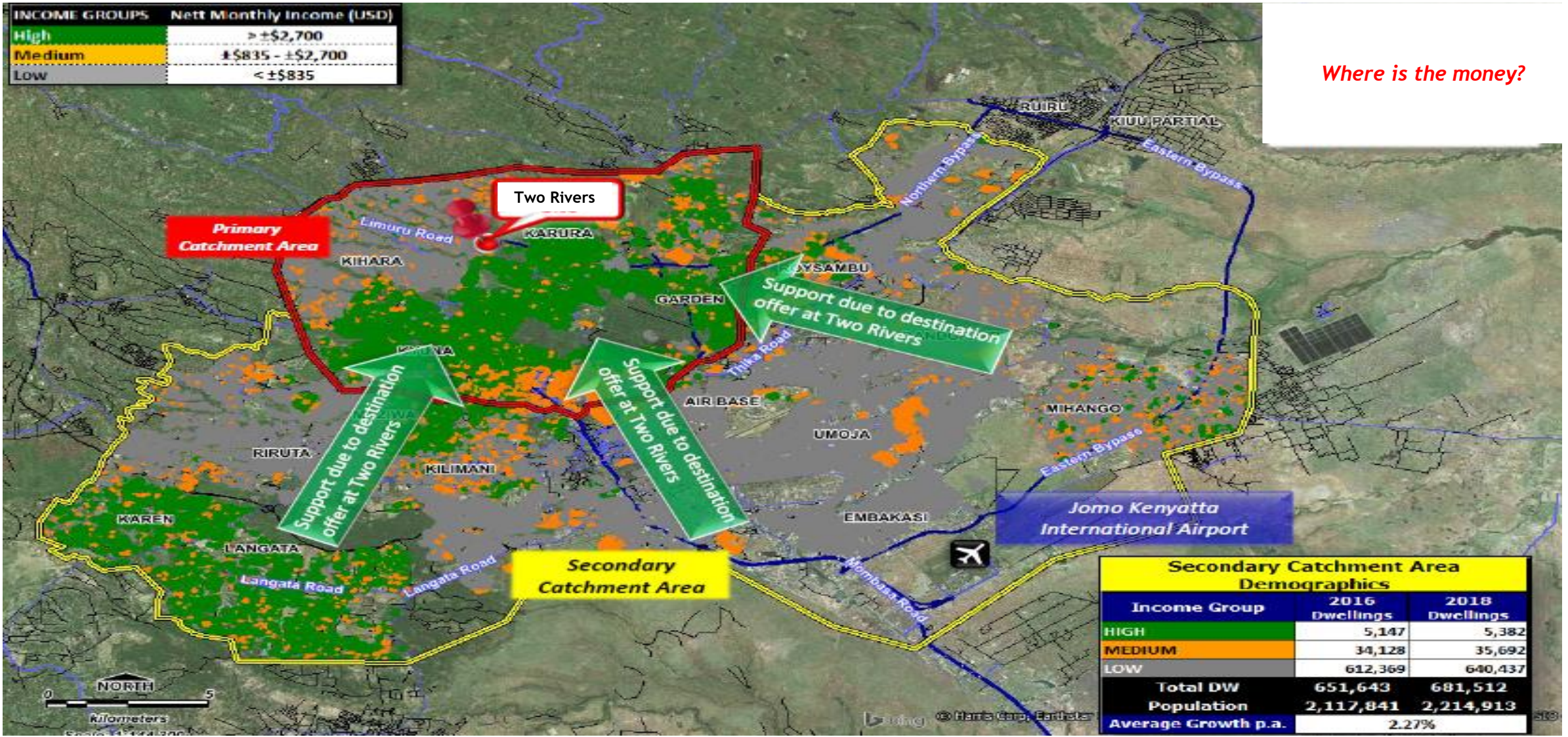
The primary catchment is mainly comprises of middle income households which supported the thesis of a retail anchor for the development



Where is the money?

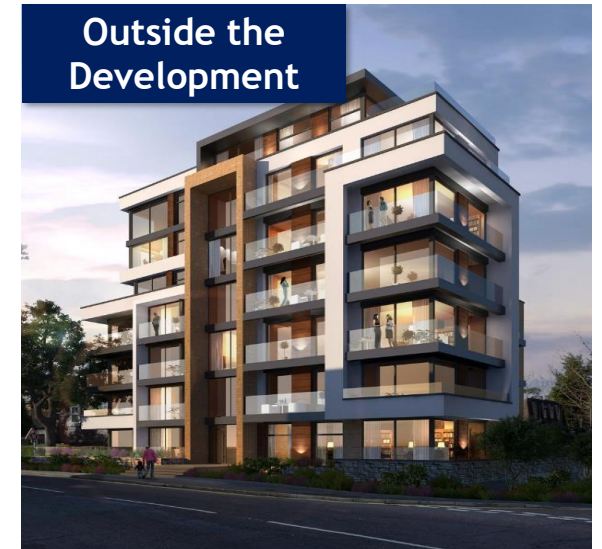
TR Demand Projections

The secondary catchment area has over 680,000 households majority being low income households; majority being lower income households



TR Demand Projections

The growth of the primary catchment area is over 1,542 units annually with Centum RE planning to roll out another 1,560 units over the next three years



Phase I
Units

84 Units

400 Units

Phase II
Units

80 Units

1,00 Units

1,542 Units

Agenda

1 Two Rivers Development Case Study

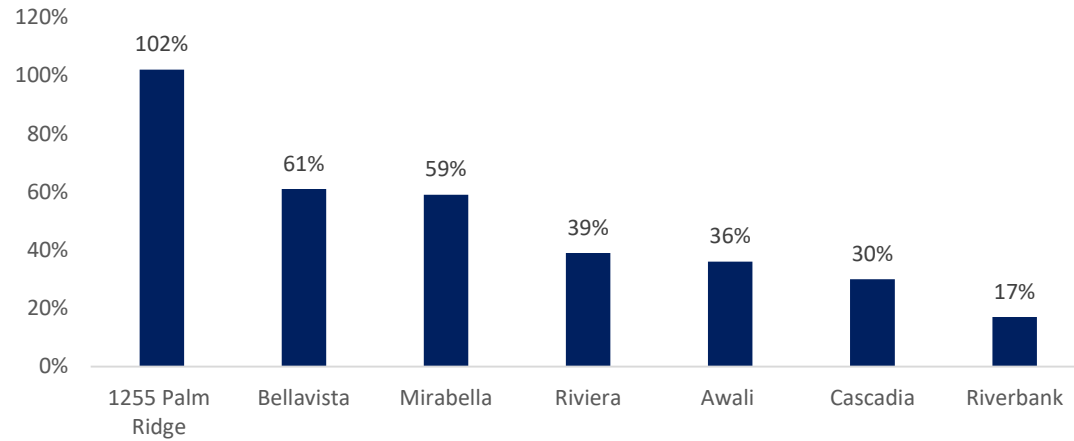
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The real estate market in Kenya has slugged and investors/developers are struggling to have their real estate properties occupied/let out



Current Status of Centum RE Projects

Residential Units: % of Phase 1 Units Sold



Residential Units: KES 1.03 billion deposits collected

- Bellavista
- 1255 Palm Ridge
- Cascadia
- Riverbank
- Mirabella
- Awali
- Riviera



Status of the Mall

76% of Gross Lettable Area

Av. 320,000 monthly visitors

Land Sales Pipeline

TRDL: KES 2 Billion Pipeline to be closed by Dec'19

1. RE players need to market validate their projects before committing significant investment

Life Cycle of Real Estate Projects Should Be Market Led



Opportunity Definition

- Detail the product value proposition and firm up the business case, design and all necessary approvals



Market Validation

- Sense checking the assumptions of the business case and evaluating if there is potential market uptake. This involves Securing 30% presales targets (either letting or sale of units)



Pre-Construction

- Securing all the necessary resources and planning/scoping the construction costs, milestones and timelines

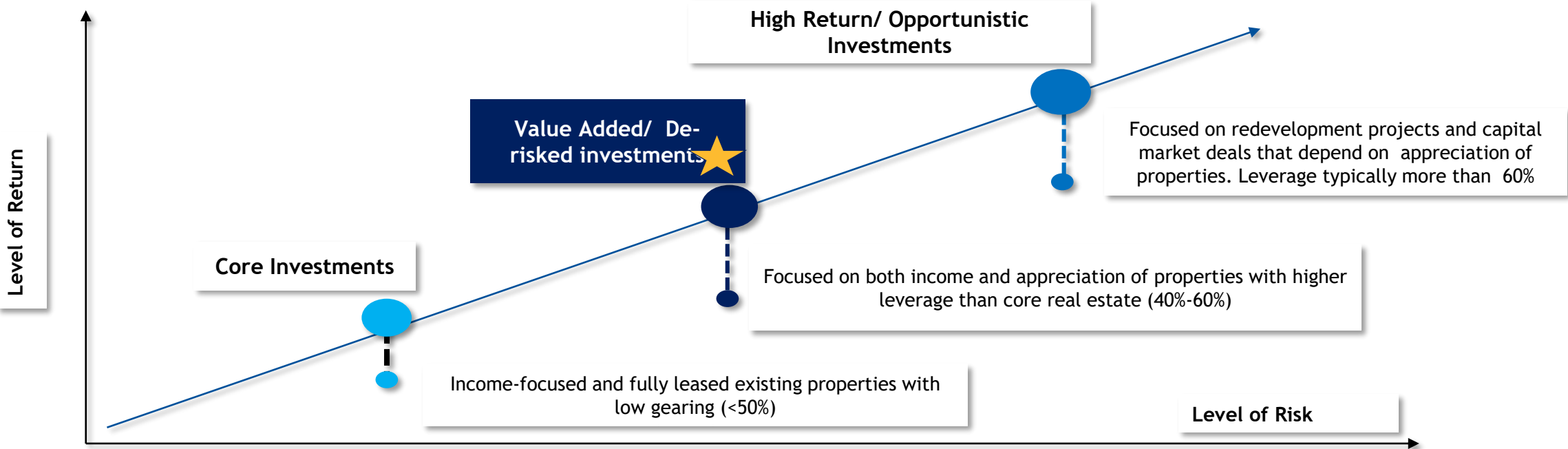


Construction and Operations

- Ground breaking and actioning the project plan developed in the previous phase, while continuously tracking progress

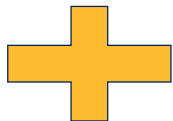
2. RE players need to balance between investment and funding strategies to create de-risked opportunities of scale

Investors seek a balance between liquidity (an income-oriented portfolio) and capital appreciation as part of their strategic asset allocation decision

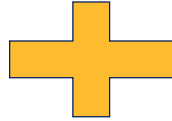


Centum RE Project Funding

Presales Funding (30%)



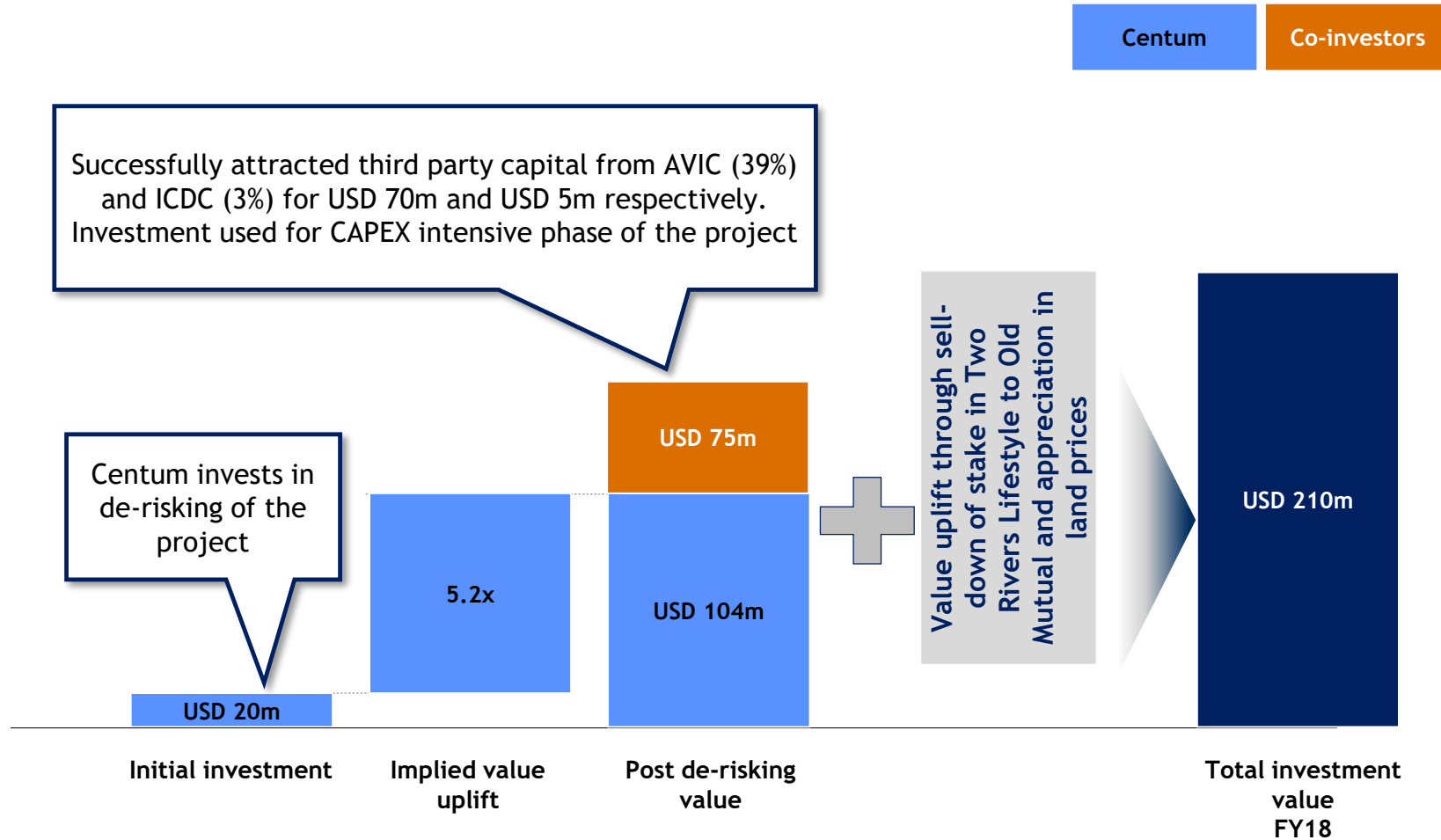
Equity Funding (30%)



Debt Funding (40%)



2. Investor Returns: 5.2x Return on Two Rivers Investment



At Two Rivers, Centum sought to significantly de-risk the project, attract third party capital and drive value for all investors





Thank You

9th Floor South Tower, Two Rivers, Limuru Road
(Office) +254 20 2286000
(Office Mobile) +254 709 902 000
PO Box 10518 – 00100 Nairobi
<http://www.centum.co.ke>