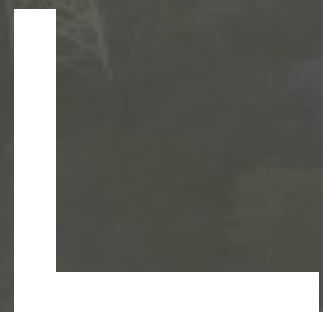


Zim Real Estate 2030

How pension funds can build resilient and successful property portfolios.



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About Terrace Africa

Regional developer with Strong Zim Strategy

- ✓ Focus on modern, well located, sustainable projects
- ✓ 18 Completed Projects within the SADC region
- ✓ Offices located in Harare and Johannesburg
- ✓ Tigere REIT Structure listed on the ZSE
- ✓ Private funding through local and offshore investment partners.

**HIGHLAND
PARK**

**TETE
JUNCTION**

Westlands
madokero

**DESIGN
QUARTER**

WATERFALLS

**ZAMBEZI
Shopping**

**HIGHLAND PARK
PRECINCT**

**madokero
MALL**

**VILLAGE WALK
BORROWDALE**

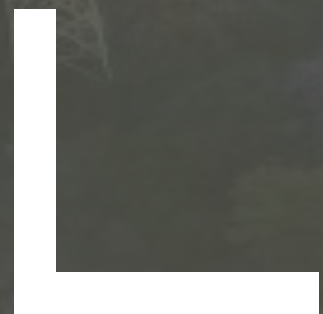
**GREENFIELDS
SHOWGROUNDS**

**CARDINALS
CORNER**

**CHINAMANO
CORNER**



*Life can only be understood backwards,
but it must be lived forwards*



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Zim Real Estate – Looking Backwards

- ✓ Store of Value but still no exceptional results
 - ✓ *Asset Locations and lack of maintenance*
 - ✓ *Lack of decent yield*
 - ✓ *Limited collaboration between Funds to achieve superior performance*
- ✓ No REITS and few listed property options
 - ✓ *limited liquidity*
 - ✓ *very few dividends paid*
 - ✓ *high cost structures and Income Tax*
- ✓ Exceeding upper limits of guidelines – 40%+ real estate
- ✓ Residential – social responsibility – low yields
- ✓ Limited pooled development options – smaller projects undertaken
- ✓ Valuation differentials – portfolios propped up by unrealistic valuations



Zim Real Estate Dynamics 2024

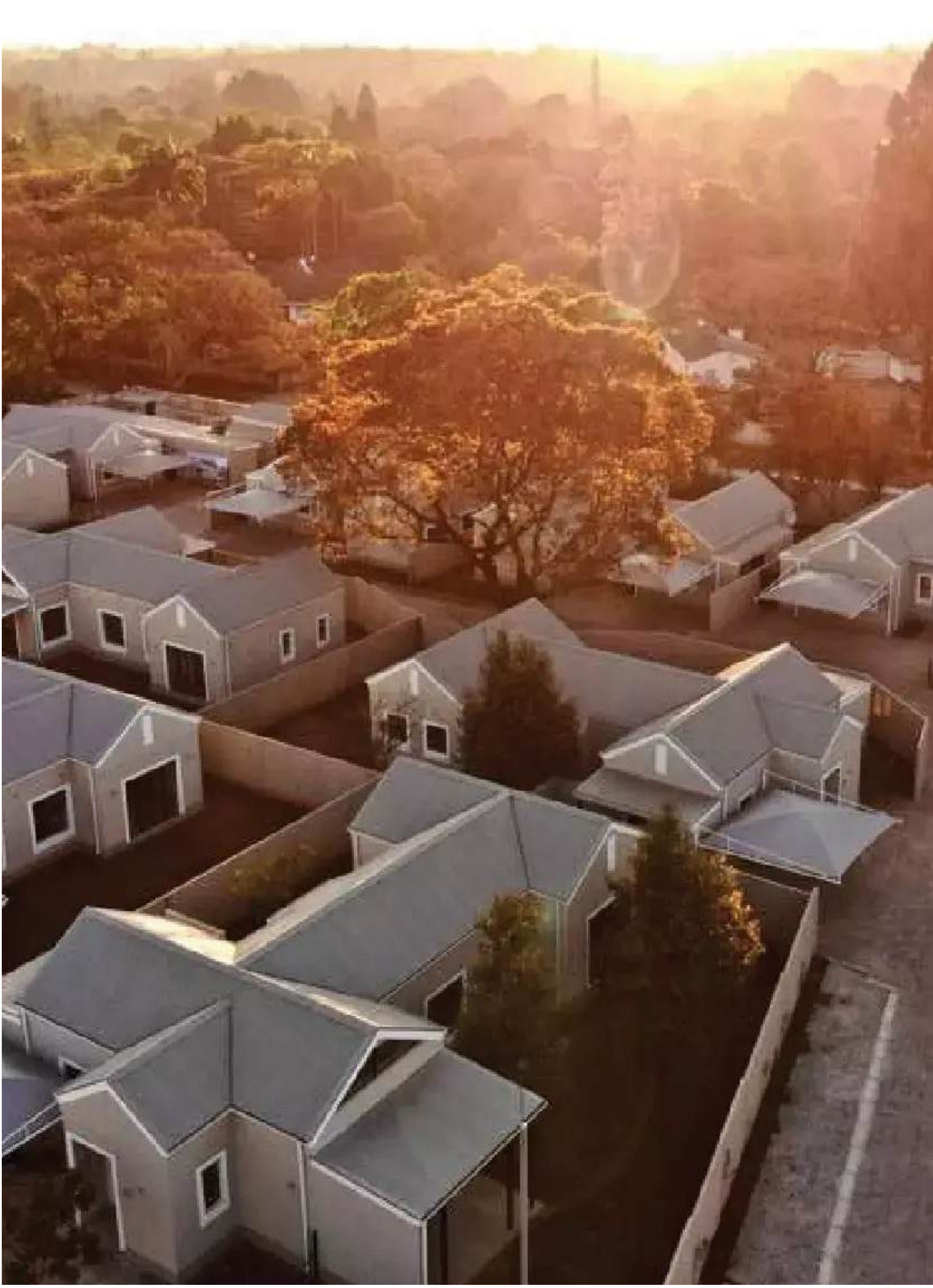
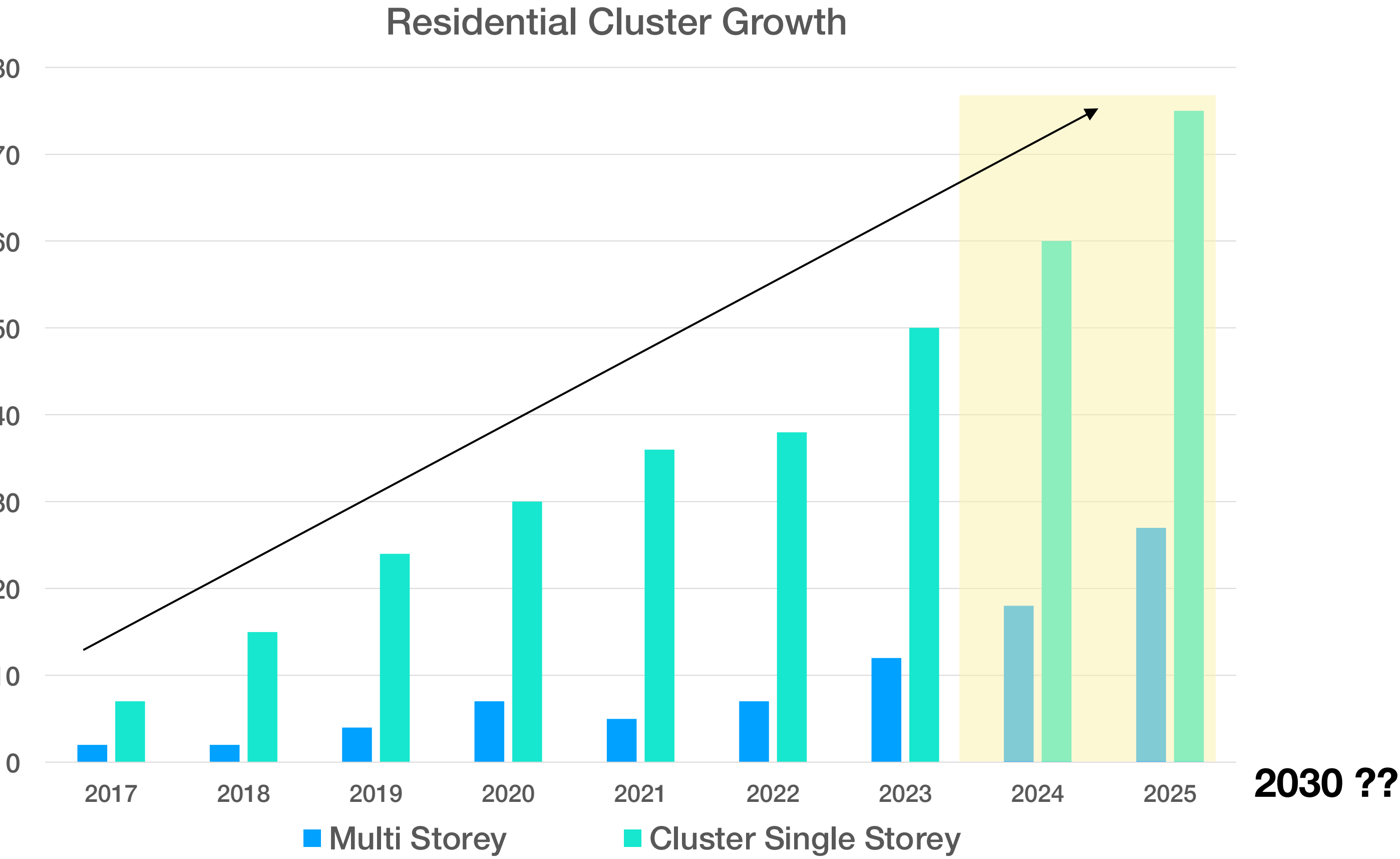
- Substantial Growth seen in Residential and Retail supply
- Quality A grade offices, Light Industrial and Hotels lagging
- Infrastructure improvements – mainly roads
 - drive further growth
 - Create new opportunities
 - Changes spending habits
- CBD valuations are becoming more realistic – opportunity
- Many exciting new projects will change the skyline over the coming years



Analysing the Growth

Residential

New Cluster Developments (more than 4 units)
Northern Suburbs Harare

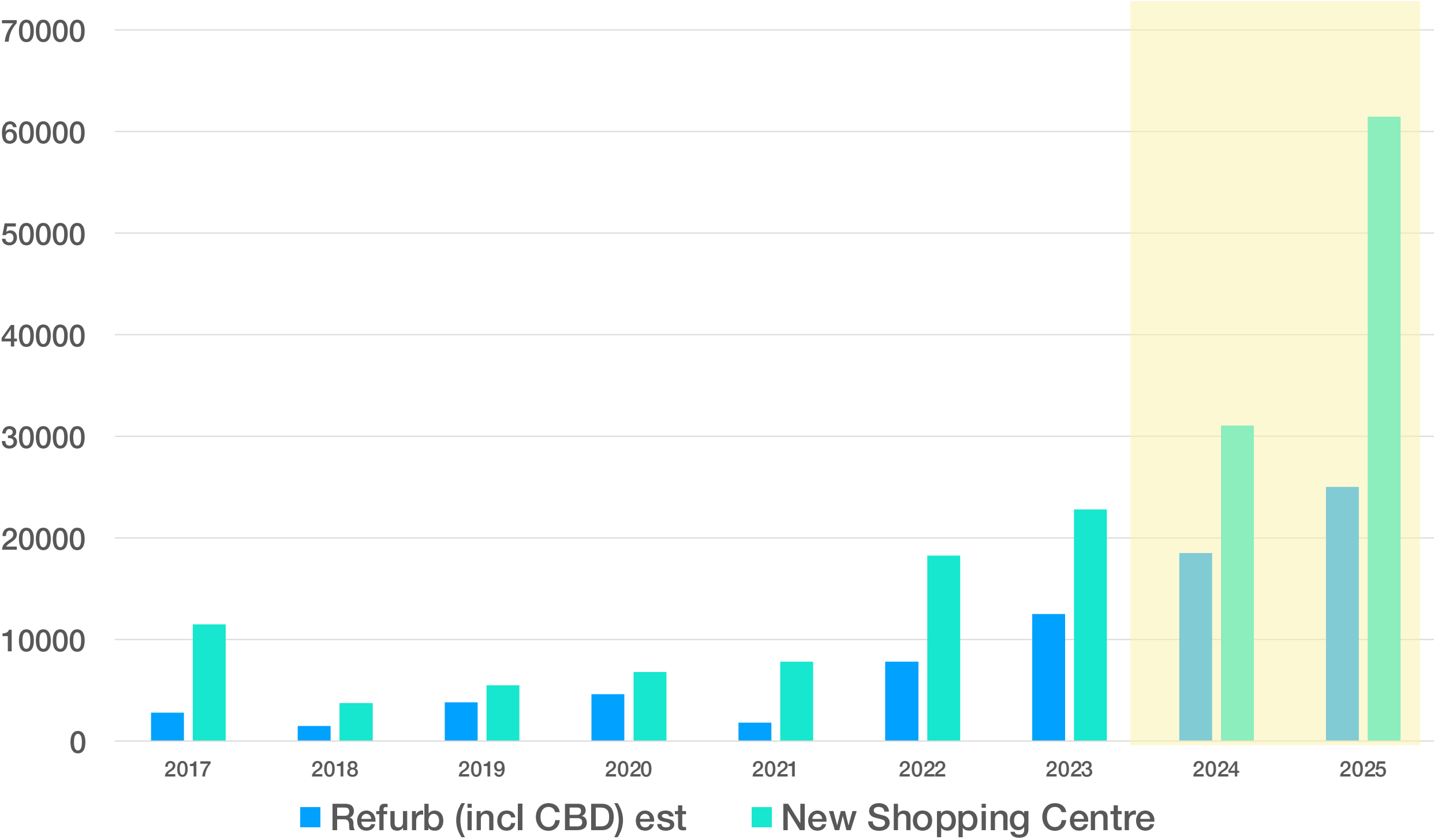


Analysing the Growth

New Retail

Retail Refurbishment and new developments
Harare

Retail Growth



2030 ??



Analysing the Growth

New Hotels (More than 15 rooms)

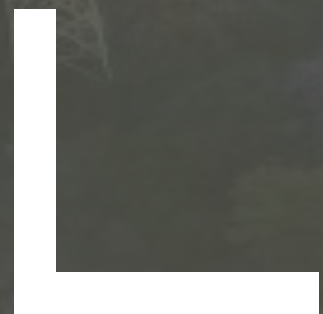
Hospitality Market Growth
Zimbabwe



Terrace Africa internal Data



*Life can only be understood backwards,
but it must be lived forwards*



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POMONA,
Harare

2014
2,750m2 warehousing and retail



30x

2024
62,000 m2 warehousing and retail

MADOKERO
Harare



2013
120 Residences
1,000m2 Commercial



2024
800 Residences
40,000m2 warehousing and retail

RUWA



2013
117 Residences



2024
885 Residences

MUTARE



Should Pension funds be Developers??

- Historically Pension Funds had to play role of developer
- Development Cycle relies on specific market dynamics and expertise
 - Land Purchase and Negotiation
 - Contractor Negotiation
 - Procurement
 - Development Leasing
- Negative return during development – funds being spent with no income
- Substantial Risk Management required

Preference should be to partner Fund capital with credible developers



Using REITS to strengthen portfolios

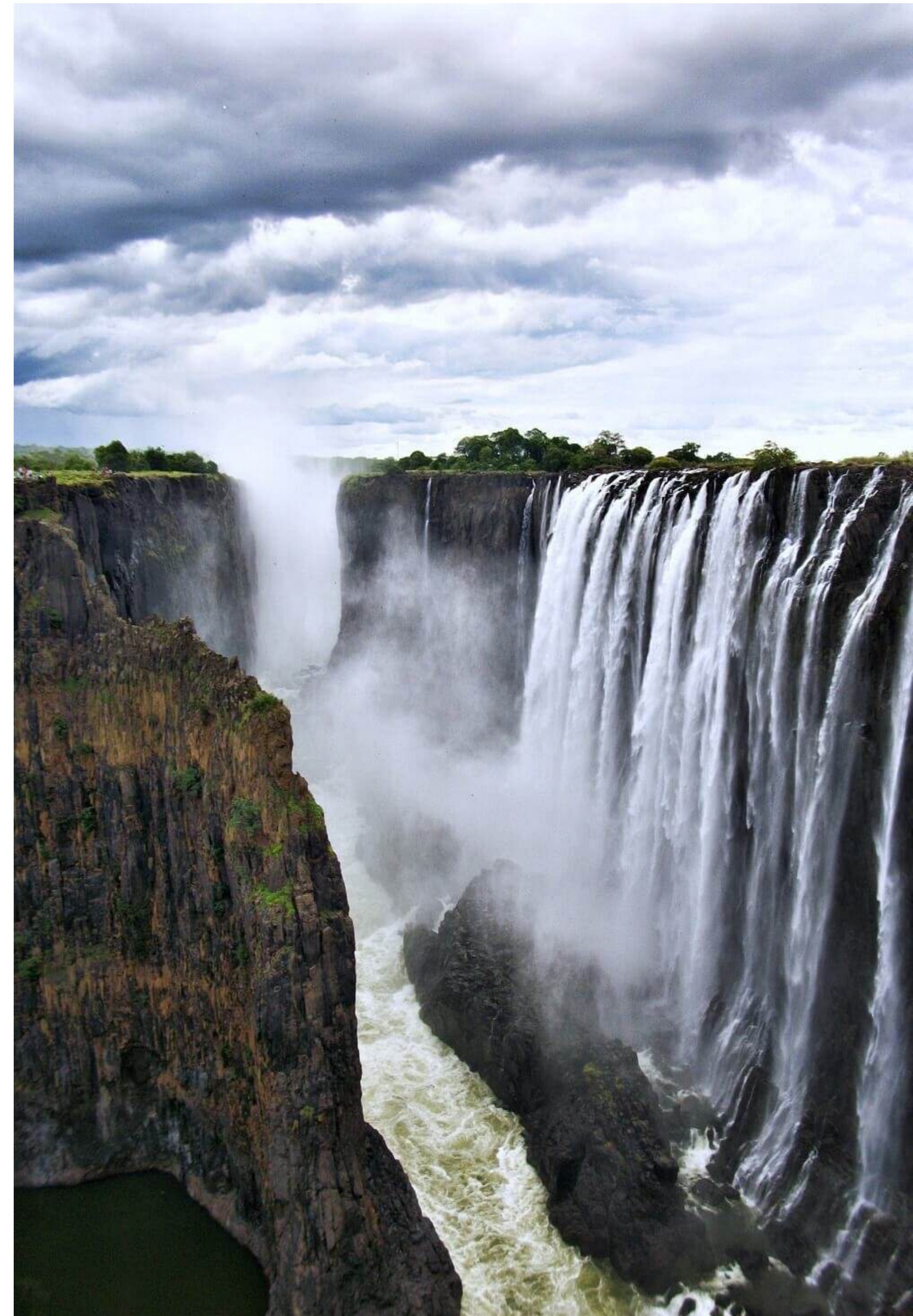
- Real Estate exposure with Liquidity and Dividends
 - ✓ Diversity through Pooling
 - ✓ Outsourced Management
 - ✓ No Property Transfer and Income Tax
- Transparency and Reporting Frameworks
- Real Time Valuation and Market pricing
- Units can be transferred to members on Retirement – guaranteed dividends

Member retires, receives his share of Units
Can hold, sell or top up
Paid yield of 7%

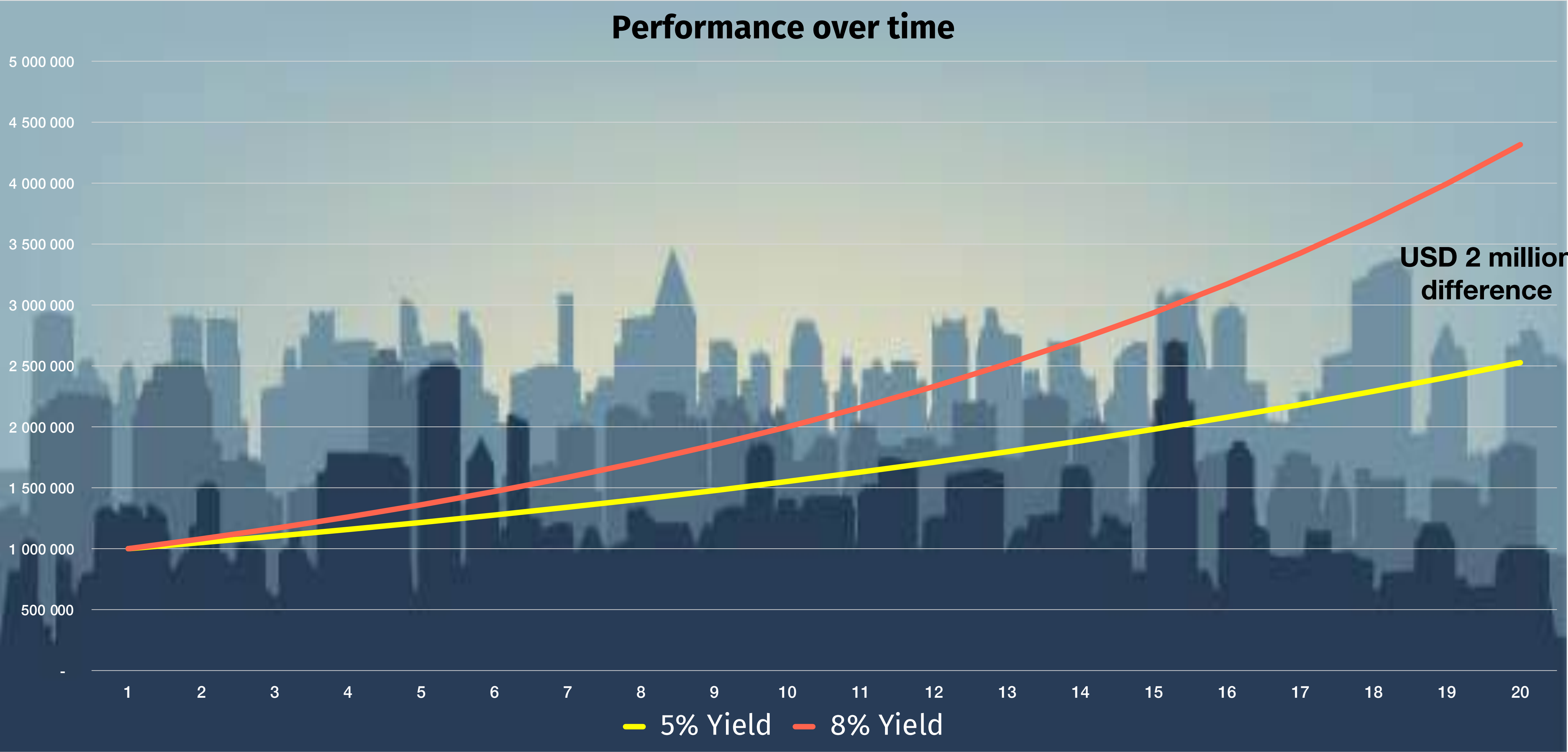


Building successful real estate portfolios

- Base real estate decisions on yield
- Limit land speculation- illiquid, negative return and can wait years to realise value
- Employ decent portfolio and asset management strategies
- Understand your tenants!
- Look at the trends to extrapolate what will happen in 5 years.
- **Focus on the additional Yield**
- And incentivize your real estate teams to drive that value



Focus on the additional yield



Highland Park Precinct

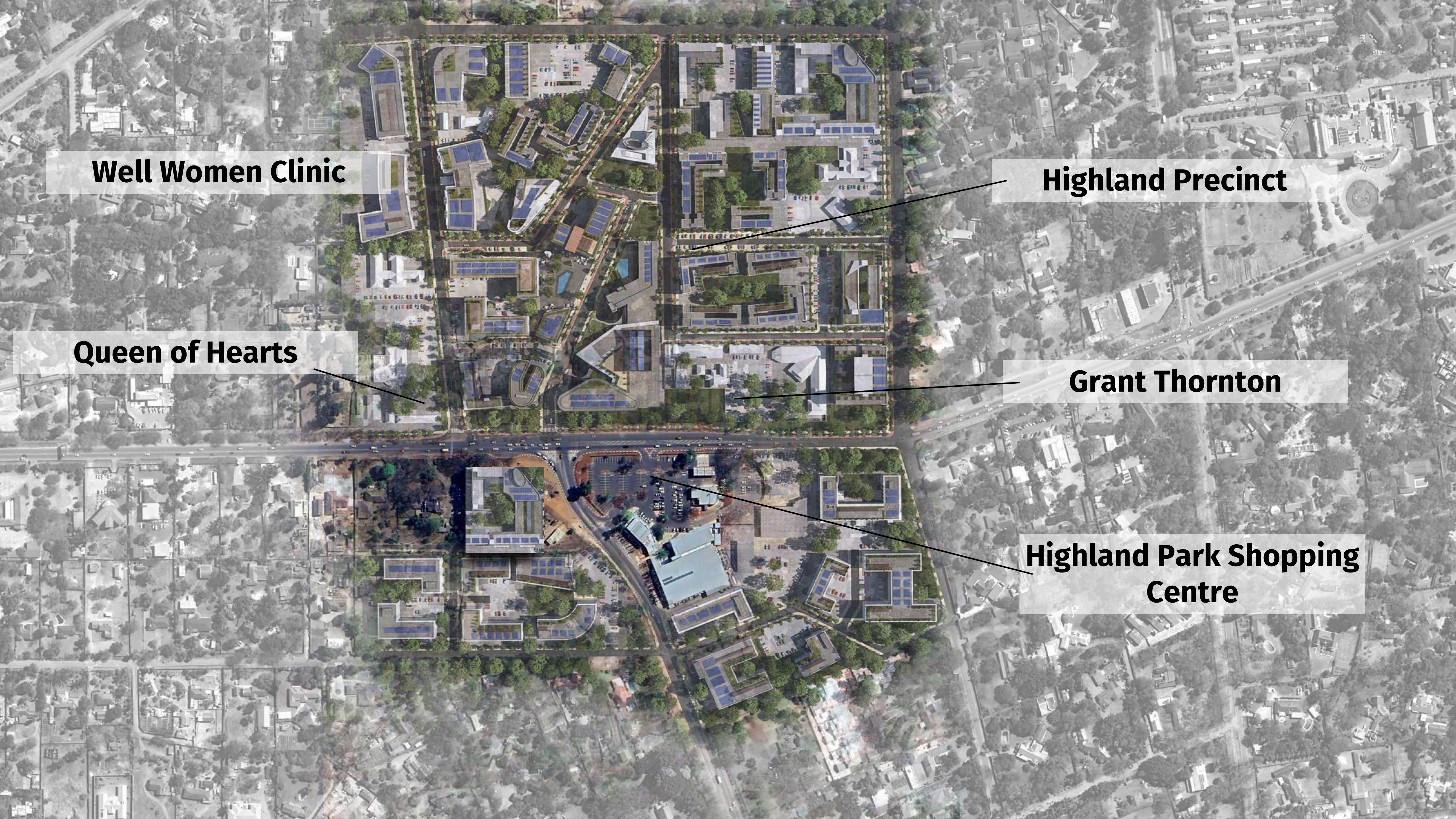


- Harare infrastructure unable to keep up with pace of city
- Lack of quality A grade offices in a community type environment
- Many individual strategies
- Trend of companies buying individual sites
- International companies are looking for professionally managed solutions.
- Many great plans but not being implemented in the existing commercial nodes

Highland Park Precinct

- ✓ to create a walkable mixed-use precinct
- ✓ in an existing quality neighbourhood
- ✓ to attract the best companies and brands
- ✓ and become a friendly hub for lifestyle and commerce





Well Women Clinic

Highland Precinct

Queen of Hearts

Grant Thornton

**Highland Park Shopping
Centre**

Design Quarter

- ✓ Ground Floor with 12 Showrooms
- ✓ Bespoke retail shops- design/ home improvement/ lifestyle
- ✓ 3 floors of A grade premium Corporate Offices
- ✓ Office space ranging from 50m2 to 1,000m2
- ✓ Top floor – rooftop bar and restaurant
- ✓ Connected to Highland Park with pedestrian bridge
- ✓ Project started August 2024 and opening November 2025
- ✓ Already 80% Pre-let

Investment Options for Pension Funds







Greenfields Retail

Samora Machel, Bulawayo Highway, Harare





Cardinals Corner

Harare Drive, ED Mnangagwa Machel, Harare





*"The best time to invest in Zim real estate was
five years ago, the next best time is Now"*

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