

ZREPORT

Angola Property Market 2013

ZENKI
REAL ESTATE

INDEX

3	ABOUT US
4	SUMMARY
6	MACROECONOMIC CONTEXT
7	POPULATION
8	LEGAL AND FISCAL CONTEXT
9	OFFICE MARKET
13	RESIDENTIAL MARKET
17	RETAIL MARKET
18	INDUSTRIAL AND LOGISTICS MARKET
19	TOURISM MARKET
21	INVESTMENT MARKET

About us

Zenki Real Estate is an Angolan company working in the Real Estate Market since 2009 as part of the CBRE affiliate network, a global leader in real estate services, with more than two centuries of international experience, 34.000 employees and 447 offices in 60 countries.

Zenki Real Estate operates representing clients in selling, leasing, valuation services, consultancy and research.

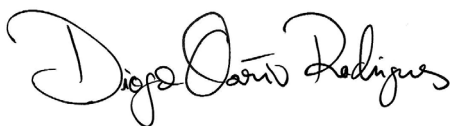
We provide services to all real estate stakeholders, public or private, tenants, users, developers, lenders or investors.

We develop business in office buildings, industrial property, retail, hotels and residential, in its different phases from land, assets to occupy or with income.

We treat all the information in a transparent and professional manner and publish every year market reports, which highlight major indicators and trends of the real estate market.

It is with great pleasure that we present you our latest real estate property market report, which expresses our vision and market trends.

August, 2013



Diogo Osório Rodrigues

Managing Director

▲ Office take-up
200.000 sq m (in 2012)

▲ Office stock
+61% (2012-2014)

▲ Residential real pipeline (until 2014)
+2.950 units in Luanda and Talatona

▼ Hotel occupancy rates
75% (average)

Trends

Macroeconomic indicators

GDP ↗

Inflation ↘

Office space

Take-up →

New Supply ↑

Sale & lease values →

Residential

Take up →

New Supply ↑

Sale & lease values →

Retail

Take up ↑

New Supply ↑

Sale & lease values →

Industrial and Logistics

Take up ↑

New Supply ↑

Sale & lease values →

Tourism

New Supply ↗

Occupancy Rate ↘

Average Room Rate ↘

Investment

Investment Turnover ↑

Prime yield ↘

SUMMARY

The impact of the global financial crisis was felt on the Angolan economy by a slowing of the growth rate of its real estate sector. However, the country in general, and the province of Luanda in particular, is now experiencing a new period of growth with the office and residential sectors being the most active. This is being assisted by higher build quality and finishes, which are having a positive effect on Prime market rates, even when compared to 2012 values.

The demand for modern quality offices continues to come mainly from companies in the oil & gas and financial sectors as the rental prices are still too steep for the majority of small and medium sized companies.

In the residential sector the main demand stems from the Angolan mid to upper classes, as well as from large international companies looking for housing for their top level employees, working and living in Angola.

With the emergence of an Angolan middle class, new lower cost construction is now emerging outside of the main city centre and Talatona. However, the almost non-existence of mortgage loans has had a detrimental effect on the growth of this market sector.

The retail sector is currently very immature but is making its first steps and shows great growth potential in both supply and demand, again due primarily to the emergence of the middle classes. There are currently only three modern shopping centers in the Luanda province but six others are under construction. Over the past year, the country's first two retail parks were completed. The main retailers that are looking to expand into Angola are from the distribution and wholesale food industry, while the high-end and luxury brand markets are still poorly represented. With the opening of new shopping centers and retail parks, the arrival of more international retailers is expected.

The industrial property sector is being represented as one of the Angolan Government's main targets for stimulating the economy. The majority of the existing industrial and logistics ventures were build-to-suit. However, more recent warehouse and industrial complexes have started to emerge which are being developed by private companies.

Following a period of national reconstruction, Angola has begun to invest in its potential for tourism through the implementation of the Master Plan – PARTENON – that defined the Strategy for the Development of Tourism in Angola up to 2020. Studies are being carried out to define the priority Tourism Development Centers, selected for their potential to provide short term tourist income. These include the Cabo Ledo (Center), the Kalandula Center and the Okavango's Basin Center.