

JHI's African expansion

JHI Properties has purchased East African Properties, a Zimbabwean company with an existing property management portfolio comprising 48 properties, which are a mix of industrial and retail. This forms part of its strategic expansion into Africa. The group is currently in Mozambique, Namibia, Lesotho, Ghana, Nigeria, Botswana and Zambia.

"These managed assets represent a total capital value in excess of US\$40 million - spread across Zimbabwe but with a concentration in the commercial hub of Harare. The property portfolios are managed on behalf of three well-known public entities listed in Zimbabwe, namely National Foods, Innscor and Colcom, as well as a privately owned organisation."

"Zimbabwe is an interesting market at present, being keenly observed by investors and commerce," comments Marna van der Walt, CEO of JHI Properties. "Since its monetary system converted to US dollars in 2009, the economy has recovered to some extent and presents opportunities for significant further turnaround. Real estate in particular, which is currently almost debt-free, has surged, with retail and office rental rates doubling in two years. Naturally, there is some hesitancy in the market - however, the sentiment towards economic recovery appears to be positive and rather a case of 'when' than 'if'.

"Our Zimbabwean operation has already secured contract renewals with the existing clients, and we are focused on expanding our client base and service offering within Zimbabwe later in 2011, with exciting retail and office developments already under discussion."

Other African expansion plans

JHI also plans to open its doors in Kenya towards the latter part of 2011. "We hope to quickly establish a reputation for quality service delivery in Kenya. Longer-term and as the commercial hub of the region, the country offers a springboard into other East African countries," continues van der Walt.

In Ghana, JHI is soon to commence management of the Marina Mall in the Airport City area of Accra, the capital. This mall is in the final stages of construction and due to open later in 2011.

In addition, JHI, which partnered with Minerva Property Management company in 2006, a company with US \$53.2 million in assets managed on behalf of clients, aims to expand its operations in Zambia. Key existing clients include Farmers House PLC, Kwacha Pension Trust Fund and Cash Bazaar Holdings. On behalf of the latter JHI was recently appointed to handle project management, leasing and property management for a new retail centre comprising 2009 sqm of gross lettable area (GLA) and situated in Lusaka. Other recent contracts undertaken by JHI in Lusaka include project management of Levy Junction Mall, comprising approximately 40 000 sqm of GLA and a Kwacha Pension Trust Fund office development comprising 4 900 sqm of GLA.

Comments Nadia Bell, executive director for JHI Properties in Zambia, "During the early part of 2011 the investment market in Zambia was quiet with few buildings trading on the open market. While there are rumours of large assets available for sale, we have yet to see the results of sustained interest in the Zambian investment market. Retail plazas seem to be the preferred product of foreign capital, however well-leased office buildings are also being solicited, and we anticipate these trends to continue through 2011 as the Kwacha remains stable against other currencies."

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