



PRESENTATION TO
FUND MANAGERS &
FINANCIAL ANALYSTS

Real Estate Sector

25 November 2013

Landscape – SA real estate sector

Building

- Growth mainly supported by private sector development
- Private Sector
 - Extremely competitive
 - some signs of margin improvement on large contracts
 - Activity in:
 - office developments > R500m (significant)
 - major regional shopping centres
 - Refurbishment developments
 - Waterfall Estate (busy)
- Public Sector
 - Service delivery pressure likely to drive some growth
 - Slow for larger contractors
 - PPPs particularly slow

Housing

- Private Sector
 - Affordable Housing developments slow – developers holding back
 - Will gain traction when FLISP is active & credit requirement issues resolve
 - Conventional property developments increasing (small Group Five focus)
 - Mining Housing active
- Public Sector
 - Strong competition (lower entry barriers)
 - Margins better than Building
 - BNG (Breaking New Ground) affected by budgets
 - slow to start (admin or community problems)
 - alternative models (integrated housing, social housing, rent to own, etc) to gain traction
 - FLISP dragging, admin challenges

FLISP: Finance Linked Individual Subsidy Programme

Landscape – over-border real estate sector

Focus on private sector

Building

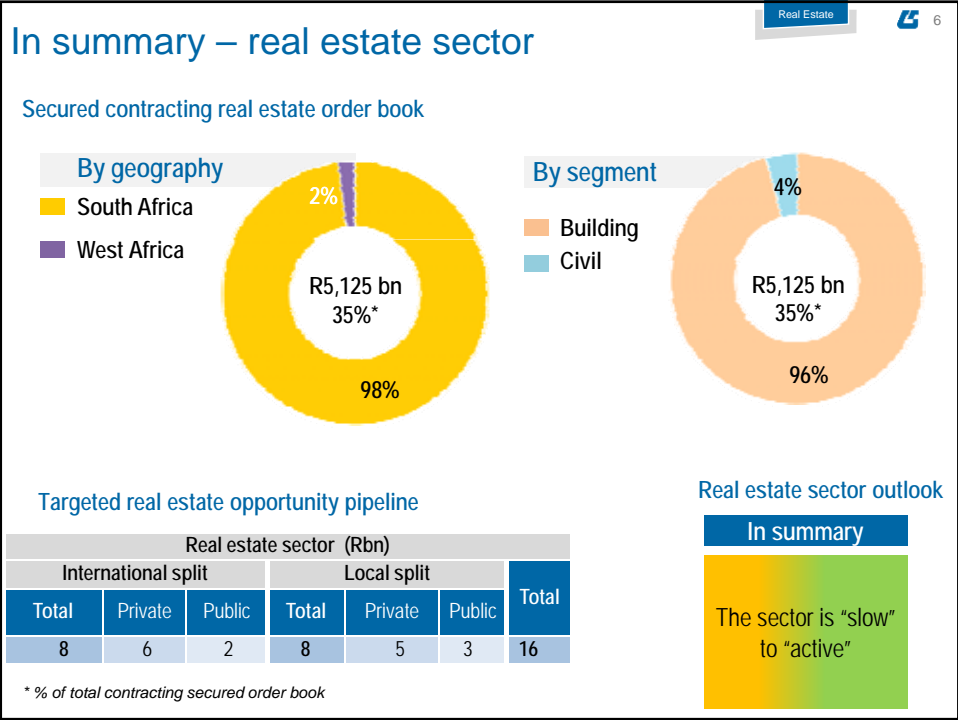
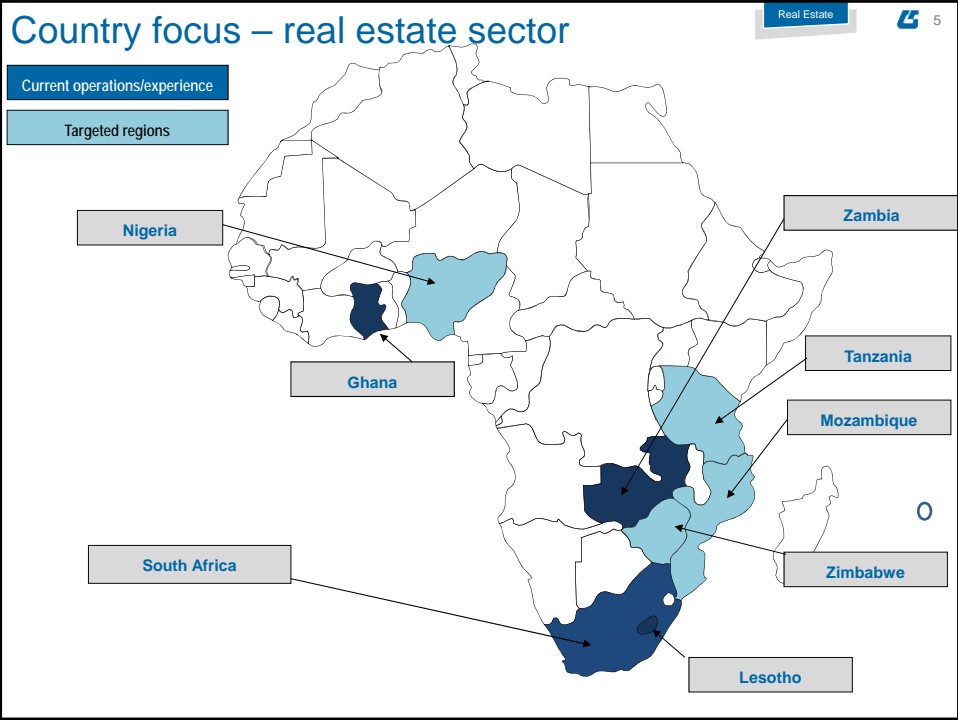
- Competition increasing
 - more local & international contractors look to rest of Africa for growth
- General market active
 - SA developers and listed Property Funds moving into these areas
 - However, facilitated finance market is slow and
 - private spend constrained by investor concerns and restrictive legislation

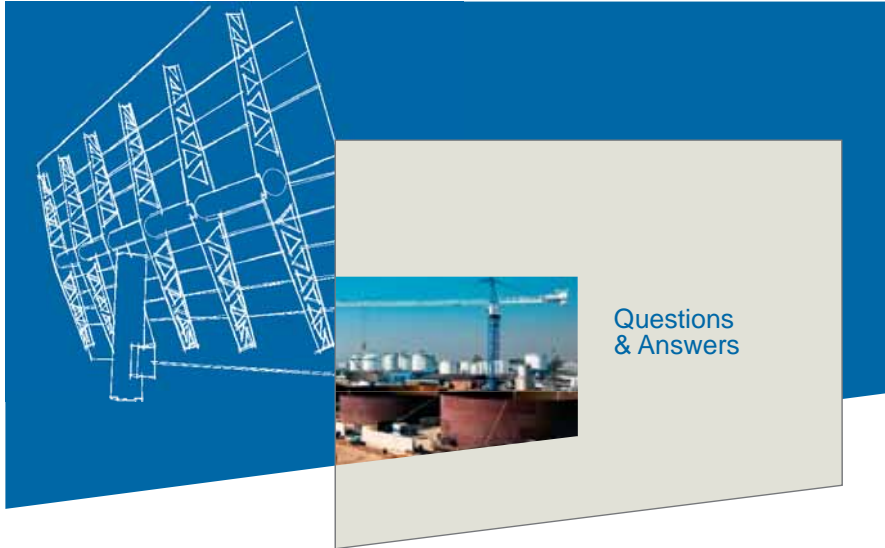
Housing

- Relatively quiet, but numerous expressions of interest and budgets requested
- Opportunities to support mining and industrial developments

Strategic positioning - the group's real estate sector focus

- Growing market share underpinned by track record in
 - excellent execution in private sector building
 - preferred contractor status on Waterfall Estate
 - successful design-build projects, large public sector housing schemes & mine housing solutions
- Supporting property development in Africa, both retail & other commercial initiatives
- Ability to increase construction opportunities through developments & partnerships with Group Five Property Developments
- Developing annuity income through equity returns on developments





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