

Investment Memorandum





The Kumasi City mall is situated on the corner of Lake and Hudson roads in Kumasi.

Completed in 2017, it is the only first-grade retail asset in Ghana’s second largest city that has introduced convenient shopping in a high-populated area. With a inhabitants approaching that of Accra and strong commercial and trading base, Kumasi’s growth is underpinned by a burgeoning middle class. The shopping center with an Net Operating Income (NOI) of \$3.8mn and an occupancy rate of 89% represents a sole opportunity to tap into the city’s growing potential.

Key Metrics

Net Operating Income (2020)	Approx. \$4.0 million
Gross Leasable Area	18,492 sq. m
Occupancy	c. 89%
Average Lease Length	4 years 6 months
Number of Tenants	53
Land Size	23.7 acres
Parking Bays	1,145
Lease Term	36 years

Executive Summary

Kumasi City Mall, Kumasi

A modern, regional shopping mall situated adjacent to major arterial routes in the center of Ghana's second largest city

The Kumasi City Mall is suitably positioned within proximity (6km) to Kumasi Airport and 2.5km from the Kumasi CBD.

The lack of competition and prime location to the Kumasi Airport allow Kumasi to benefit from increased traffic volumes as the Kumasi Region continues to be one of Ghana's fastest expanding growth nodes. Kumasi City Mall has achieved a foot count of over 6mn.

A large number of the Malls existing tenants have leases on 2 to 5-year terms, securing for future income stream within the short to medium along with providing flexibility in an improving market. These leases are also broadly considered to have been contracted at market related levels.

The Mall is anchored by two primary tenants:

Game: - has a 10-year lease, with the option to renew for four further successive periods of 5 years. The lease covers 27.1% of the total GLA and generates 28.5% of the total rent.

Shoprite: - have signed a 10-year lease, with the option to renew for four further successive periods of 5 years. This comprises of 20.1% of the total GLA generates 21.7% of the total rent.

The Mall is located at Asokwa a suburb of Kumasi on the confluence of Lake Bosomtwe Road and Hudson Street that is close to the major N6 highway. This allows for excellent visibility to passing traffic. Also in close proximity is the Kumasi Airport and Kumasi CBD which are approximately 6km, and 2.5km away respectively.

The Kumasi City mall sits on 15.4 acres of land and has a gross lettable area of 18,500 square meters of high retail shops.

It houses both underground and on-grade parking with capacity of over 1000 bays.

The Mall covers approximately 18,492 square meters of high-quality retail and office accommodation. Overall occupancy rates are expected to reach 89% by year end.

Investment Highlights

Kumasi City Mall Highlights

Kumasi City Mall shopping center is found in the heart of Ghana - Kumasi the second largest City in Ghana with a population of over 2mn and rivals Accra in terms of inhabitants.

Kumasi remains the cultural, industrial and commercial capital of Asanteman (the Ashanti-Region) and has recently has been cutting heavily into Accra's lead.

Kumasi's economy is predominantly supported by the manufacturing industry with its main products being cocoa, gold, and hardwood; followed by service and mining.

The Mall dominates the retail sector in the Ashanti Region primarily due to a lack of competition from assets of comparable size or quality.

Catchment Area	Positioned in proximity to a growing commercial and residential area with benefits from an expanding catchment area: Royal Golf Club (2.9 km), Paradise Valley Unified School (2.2 km), NIIT Kumasi (0.7 km) and Asokwa Children's Hospital (1.3 km).
Visibility & Location	Strategically located in an important city in the Ashanti Region, and the second largest city in Ghana. known for the trading of commodities
Accessibility	Easily accessible through a main road (Lake Road) and a major junction (N6) and conveniently close to the Kumasi Airport. Located 2.5km from Kumasi CBD.
Gross Leasable Area	Comprises 18,492 sq. m of high quality retail and office accommodation. Unquestionably the highest quality retail asset in the region.
Occupancy/WAULT	The occupancy rate is forecasted to reach 89% by January 1, 2020. There is significant value-add potential through active property management. WAULT (by ret) stands at 4 years 6 months as at January 1, 2020.
Strong Anchor Tenants	Anchor tenant Shoprite has signed a 10-year lease for 20.1% of GLA. Anchor tenant Game has signed a 10-year lease for 27.1% of GLA.
Net Operating Income	2020 NOI in the region of \$4.0 mn.

Investment Highlights

Tenant Mix

KCM has an excellent mix of local and international retailers. It incorporates 61 shops and restaurants with 53 tenants present. The tenancy schedule shows a total of 94 units (without parking bays and 146 including parking bays) (retail, offices, mezzanines and outside seating) across the property,.

All leases are dollar denominated and rents are inclusive of withholding tax, but exclusive of VAT. The Mall has an overall WAULT (by rent) of 4 years 6 months at the beginning of the year 2020.

Game, Shoprite and Edgars are some of the leading existing tenants who have long term contracted leases. An additional majority of existing tenants have leases ranging from 2 and 5 years including well-known South African and local retailers



Investment Highlights

Our proposal is supported by good fundamentals

**Asset
built to international standards**

High occupancy

Attractive investment yield

**First-rate tenants with large anchor
tenants**

**Superb location,
Expected economic uplift in the
region**

**Option to have an asset
management agreement to increase
value**

**Steady cashflow underpinned by
long leases**

**Situated on a large piece of land
that can accommodate further
development**

**Appealing asset class, with
opportunities for value creation**



This document includes forward-looking statements. These statements are not necessarily historical facts, but instead represent only the Transaction Advisors' beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the Transaction Advisors' control. Forward-looking statements include statements about growth opportunities. It is possible that the Transaction Advisors' actual results from such opportunities may differ, possibly materially, from the anticipated results indicated in these forward-looking statements.

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