

## Affluent Africa drives demand for property

The number of Africans with \$30 million in assets - the ultra high net worth individual - is anticipated to rise by 53% to 2,858 by 2023, far outstripping the average pace of growth across the rest of the world and there are likely to be 38 billionaires on the continent by that time.



As growing urbanisation in Africa aids economic growth and larger concentrations of people in cities create large customer bases, promote more efficient labour markets and reduce transport costs, increasing opportunities arise in regard to residential property development and ownership, says Dr Andrew Golding, chief executive of the Pam Golding Property group.

"Many of the largest cities in Africa are growing rapidly - Nairobi, Kinshasa and Dar es Salaam, for example, are expected to see population growth of over 70% by 2025. Africa's mega-cities, including Lagos, Cairo, Luanda and Johannesburg, are increasingly the engines of its economic growth.

"With robust economic growth rates anticipated for the continent during the next decade, as well as healthy growth rates in individual wealth, Africa is expected to show the most rapid growth in new millionaires over the next decade - albeit from a low base. The number of dollar millionaires in Nigeria, Kenya and Angola is expected to more than double by 2030 - millionaires in Nigeria are forecast to increase by 174% to 43,000.

"These individuals are currently growing their real estate portfolios quite aggressively, which accounts for the growth in the

number of buyers of property in South Africa from other African countries.

"Africa's city dwellers generally earn more and spend more than their rural counterparts and the urban middle class is growing across much of the continent, which is helping create dynamic consumer markets and attracting overseas investors. African retail markets are rapidly developing, while the phenomenal growth of Africa's technology sector - along with a mobile revolution - is creating demand for office space along with multinational companies from the banking sector and companies related to the oil and gas industry."

Future prospects for Africa offer significant growth potential for those with the foresight and ability to make the most of it. Already active with offices in Zambia, Namibia, Botswana, Zimbabwe, Mozambique, Kenya and Swaziland and the Indian Ocean islands of Mauritius and Seychelles, the company continues to increase its footprint further in Africa.

"Uganda, Nigeria, Ghana and Angola are key areas we are currently focusing on, with our strategy and emphasis on partnering with well-established local operators who either have existing property opportunities they wish to bring to market and/or want to capitalise on the PGP brand, intellectual property and experience to establish a real estate business."

Opportunities for property investment in Africa range from large property developments in all segments of the market, from low cost housing through to exclusive villas, as well as on an individual property basis, depending on the particular buying needs.

## **Upmarket Ugandan villas**

In Uganda, the company is marketing a new upmarket marina golf resort development on Lake Victoria, which comprises 148 villas and apartments and with a championship golf course and hotel. Situated halfway between Entebbe and Kampala, just 5 km off the main highway, the secure development comprises 10 apartment blocks, each with eight units of 160sqm spread over four levels plus a 320sqm penthouse - all with spectacular scenic views over Lake Victoria, and 58 villas ranging from 650 to 900sqm. The apartments are priced from \$325,000 to \$720,000 while the villas range from \$820,000 to approximately \$1 million.

The new development will be officially launched in April (2015), by which time one entire apartment block will be completed, as well as one of each of the four different sized villas.

The units are aimed at top business executives and an anticipated influx of people into the area because of the oil refinery starting operations in the next two years. "With the company's ties to the homecoming market and homecoming revolution, which seeks to recruit top African talent and bring them home, we are targeting Ugandan diaspora in particular," says Peet Strauss, Gauteng development manager.

"Our aim, apart from selling to local Ugandan buyers is to sell a significant proportion of units to Ugandans living abroad, and with assistance from the Ugandan Embassy, an initial communication has already resulted in 500 enquiries and responses from potential buyers currently living in New York alone. We will be training two Ugandan sales agents who are based in Uganda and will concentrate on the local market and we will be focusing on the international market via our Gauteng operation. We are staging exhibitions displaying the new development in Uganda in London in March, followed by New York and Washington DC, with further support from the Ugandan High Commissioner in South Africa in arranging appointments via the Diaspora desk in Kampala.

"In this way we aim to reach Ugandans living and working in major cities in the world who are looking to acquire property back home. We are also marketing this development to affluent Kenyans seeking to purchase holiday homes. Key attractions on site include the marina and championship golf course - designed by Golf Plan USA, who also designed Pezula golf course on the Garden Route in South Africa as well as numerous world-class golf courses globally.

"Managed for the past three years by the Serena Hotel Group - known for its success in the conference market, the 5-Star Serena Hotel offers homeowners access to all services and restaurants while it also manages the golf clubhouse.

Furthermore, a new main road connecting Entebbe and Kampala is currently under construction, which will provide even easier access.

"While the development is aimed at Ugandan purchasers who can acquire property outright, foreigners can transact on a leasehold basis ranging from 75 to 99 years and renewable automatically. The company has an experienced developer and team of Ugandan attorneys to assist the process," concludes Strauss.

Considered a stable and rapidly developing country, Uganda is experiencing a huge housing shortage in general, with the demand for luxury residential property increasing in key nodes, particularly near Kampala.

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