



Programme for 12 September 2019 - 3

14.00 Session 3.

- Chaired by **Prof. Kumaraswamy**, Hon.Prof. University of Hong Kong
- 14.05 **Dr Tom Appleby**, Assoc. Prof. Property Law
- 14.40 **Owen Hewlett**, Chief Technical Officer, Gold Standard Foundation, Switzerland
- 15.15 – 15.35 **Tea/ Coffee Break**
- 15.35 **Gbenga Olaniyan**
- 16.10 **Dr Diane Dumashie**, Rapporteur - **Summing up & Discussion**
- 16.45 **Conference ends**
- 18.00 – 20.00 **Drinks Reception – RICS HQ, 12 Great George St, Parliament Square, London SW1P 3AD**

Note: Friday 13 September at City & Guilds Bldg, Lecture Theatre LT200, Imperial College London, Exhibition Road, London SW7 2AZ - Registration at 08.30

Prof Mohan M Kumaraswamy



Mohan is Honorary Professor at the University of Hong Kong and the University of Moratuwa, Sri Lanka; founding Director of the Centre for Innovation in Construction & Infrastructure Development, Hong Kong; Joint Co-ordinator of CIB W122: Public Private Partnership; Editor-in-Chief of the Journal of Built Environment Project & Asset Management .

Dr Tom Appleby



Tom is an Associate Professor at the University of the West of England, Bristol, specialising in the allocation of marine rights. He is currently working with the UN treaty negotiations on safeguarding biodiversity beyond national jurisdiction. and is a trustee of the Blue Marine Foundation charity.

The United Nations Treaty on Biodiversity Beyond National Jurisdiction
The most important treaty no one's ever heard of

Dr Thomas Appleby
Associate Professor in Property Law

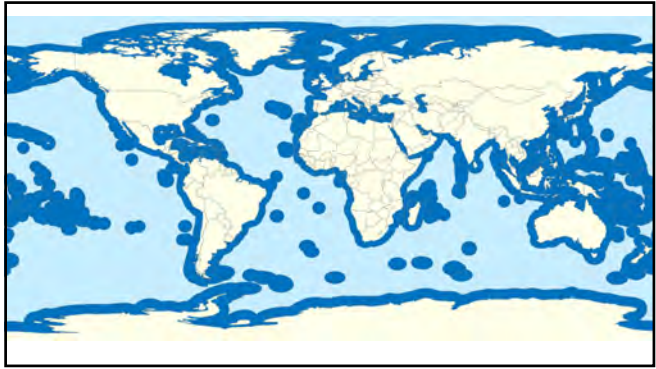


What proportion of the earth's surface are high seas?

- 10%
- 28%
- 36%
- 43%

What proportion of the of the habitable space of the planet is sea or ocean?

- 50%
- 60%
- 75%
- 85%
- 95%



Regional Fisheries Management Organisations

- Made up of fishing nations
- One third CO² sequestered by oceans
 - Distant water and coastal states
- RFMOs “promote cooperation” between states
- Conduct scientific research



Mesopelagic fishery

- Between 200m and 1000m



“The Area”



Common heritage of mankind

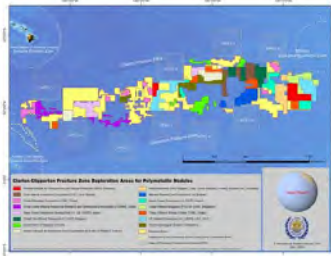


What do you think is the problem with that?

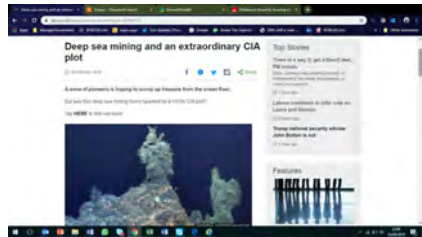
International Seabed Authority

- Resources vested in mankind as a whole on whose behalf, the International Seabed Authority manages it.
- The ISA does:
 - Scientific research;
 - Assists with technology transfer; and
 - Licences mining
- UNCLOS does not set any mechanism through which the financial and economic benefits derived from activities in the Area are to be redistributed. The only requirement clearly stipulated is that the sharing should be 'equitable'

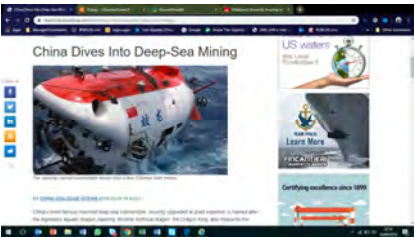
Exploration licences



Great Game



New Frontiers



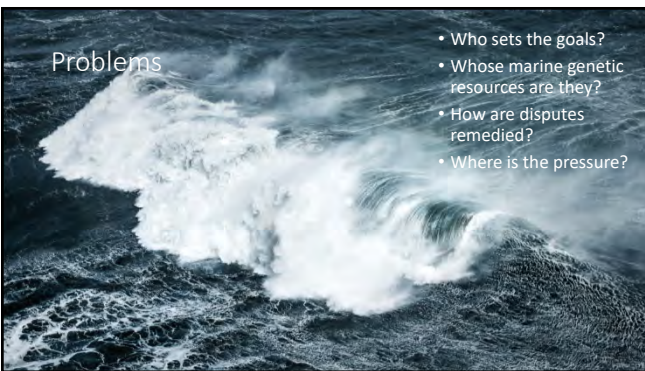
Treaty on Biodiversity Beyond National Jurisdiction

- Establishing Marine Protected Areas
- Environmental Impact Assessments
- Marine Genetic Resources
- Technology Transfer



Problems

- Who sets the goals?
- Whose marine genetic resources are they?
- How are disputes remedied?
- Where is the pressure?




Impact on Commonwealth

- Impacts on coastal states
 - Fisheries - mesopelagic
 - Deep sea mining
 - Marine Protected Areas
 - Marine genetic resources
- UK leaving the EU?




Next steps

- IGC 4 Spring 2020
 - Get involved
 - Marine Genetic Resources
 - Decision-making process
 - RFMO / ISA processes
 - 30 by 30




Owen Hewlett



Owen started his career as a Chartered Project Management Surveyor and is now Chief Technical Officer at the Gold Standard Foundation in Switzerland; an expert in International climate change policy and finance, responsible for major innovations in climate mitigation policy.


CLIMATE EMERGENCY & THE BUILT ENVIRONMENT

CASLE Golden Jubilee conference, September 2019



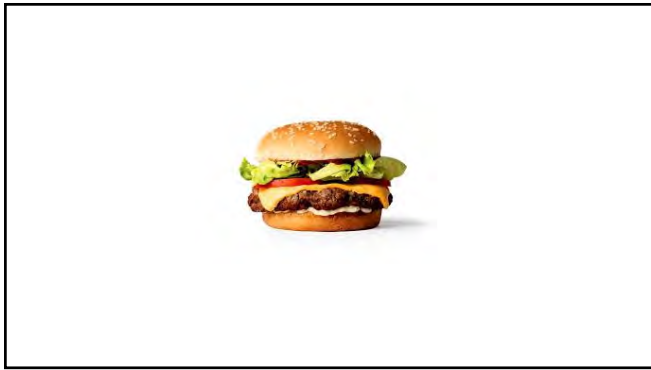
Owen Hewlett
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'Climate Emergency' & the built environment



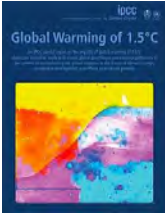
Owen Hewlett
 Chief Technical Officer - Gold Standard Foundation
 Co-founder - CEBEs

1. The goals and policy of the Paris Agreement era
2. Flexible decision making for change
 1. Science-based accountability
 2. Science-based planning
3. Observations for our sector
4. Conclusions



What is the Climate Emergency?

- Global temperature average currently circa 1.0°C above pre-industrial levels, caused by human activity
- IPCC tells us that significantly high risk impacts of climate change will be experienced under a "warming scenario" of 2°C, with lower (but still serious) beyond 1.5°C
- 1.5°C warming scenario requires sufficient mitigation to be locked in by 2030 and for Net Zero emissions to be achieved globally by latest 2050
- Key sectors are energy production and efficiency, land-use (and land-use change), transport and built environment/infrastructure, including cities

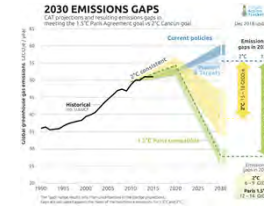


What does global 'Net Zero' mean?

*Net zero emissions are achieved when **anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals** over a specified period.

Source: IPCC SR1.5 Annex: Glossary.
https://www.ipcc.ch/site/assets/uploads/sites/2/2019/06/SR15_AnnexI_Glossary.pdf

The Paris Agreement



- 184 states (88% global emissions) have ratified the agreement, committed to the goals of 'significantly less than' 2°C warming scenario and Net Zero
- Paris Agreement sets out the rules for setting and reporting on commitments and for flexibility mechanisms between the parties
- Commitments are set out in 'Nationally Determined Contributions' – a target for reduction and removal of emissions as compared to a baseyear
- Current commitments fall significantly short of IPCC advice (between 3-4 °C warming scenario)
- Ongoing negotiations concerning accounting and reporting rules and flexibility mechanisms



Individual responsibility

- Every business should reduce emissions in line with 1.5°C warming scenario by latest 2030
- This reduction should be within the value chain of the company, not offset
- The accounting and reporting should be credible and transparent
- This may involve business model change in some cases

What does 'Net Zero' mean for companies?

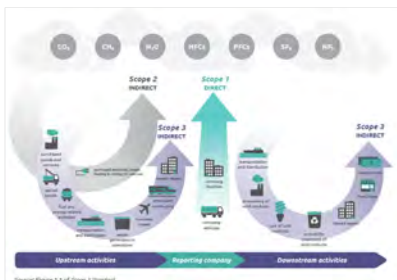
"...reaching net-zero emissions for a company involves achieving a state in which the activities within the value-chain of the company result in no net impact on the climate from greenhouse gas emissions.

This is achieved by reducing **value-chain emissions**, in line with 1.5°C pathways, and by balancing the impact of any unabated greenhouse gas emissions with an appropriate amount of carbon removals.* *

* This is the most recent version that will likely be used to update the Business Ambition for 1.5C pledge.
<https://www.unglobalcompact.org/docs/publications/Business-Ambition-for-1.5C-Pledge.pdf>

Science-based decision making

Protocols and methods to assess the reduction required for a company to achieve conformity with a 1.5°C warming scenario



Science-based targets - examples



Landsec commits to reduce GHG emissions 40% per square meter by 2030, from a 2014 base-year (scope 1, scope 2 and a portion of scope 3 emissions from downstream leased assets). This will set the company on the path to accomplish an 80% carbon intensity reduction by 2050 from the same base-year.

The company also commits to engage with all main contractors (lead construction partners) to encourage them to set science-based targets by 2023, so that the embodied carbon from key materials can be reduced in line with what is required for a 2 degrees pathway.

Additionally, the company will ensure that all leased floor area has an energy efficiency rating of at least an E (ratings are A-G) by 2023, in order to reduce the operational carbon emissions associated with that floor area.



Kingspan Group plc commits to reduce absolute Scopes 1 and 2 GHG emissions 10% by 2025 from a 2017 base-year. The company also commits to reduce absolute Scope 3 GHG emissions from purchased goods and services, business travel, transport and distribution, and end-of-life treatment of sold products 10% by 2025 from a 2017 base-year.

Collective responsibility

* ...reaching net-zero emissions for a **CITY/REGION/COUNTRY/SECTOR** involves achieving a state in which the activities within the value-chain of the **CITY/REGION/COUNTRY/SECTOR** result in no net impact on the climate from greenhouse gas emissions.

This is achieved by reducing **value-chain emissions**, in line with 1.5°C pathways, and by balancing the impact of any unabated greenhouse gas emissions with an appropriate amount of carbon removals.* *



Science-based planning - example



Greater Manchester Authority
West of England Authorities



- City/authority planning in line with 1.5°C warming scenario and Net Zero
- Sum of emissions including:
 - Existing building stock/energy processes
 - Essential new build and infrastructure
 - Allowance for economic growth
 - Local emission reduction and removal projects to balance
- Developments beyond projected scenario pay into local development fund for projects that reduce or remove emissions locally within authority area

Features of the BE sector

- Predominantly 'B2B' with comparatively low consumer pressure
- Large public and private sector client base with little civil society scrutiny
- Policy inconsistency and lack of accountability
- Large, fragmented, low barrier to entry, highly competitive services sector
- High risk, often low margin
- Deep, global value-chains
- Limited capacity (and will) for change or innovation

A sector unlikely to adapt or show innovation/initiative based on moral imperative alone



Increase: value, recognition, incentives, capacity and regulation

Decision making tools

Transparency

Reduce: barriers, inefficiencies, problems

Recommendations - Value

- Apply the efforts seen for buildings-in-use (energy etc) for construction in supply chain - create the tools to assess whether a building (built and in use) is 1.5/Net Zero compliant.
- Replace energy certificates etc with 1.5/Net Zero compliance.
- Encourage responsibility and accountability amongst developers for value chain emissions in line with science - regulate if necessary.
- Encourage same for tenants (particularly those with a consumer facing angle).
- Provide tools and capacity for local authorities to make 1.5/Net Zero conformant decisions, create flexible mechanisms such as local funds to ensure compliance
- Empower surveyors as THE profession to deliver on these points




Lose the gimmicks!

Recommendations - Barriers

- Invest in R&D for alternative construction materials and re-use of existing buildings.
- Develop policy to ensure 1.5/Net Zero conformity and build capacity at all levels, but particularly planning authorities.
- Make hard calls – business model change and innovation are driven by constraint not by surplus.
- Modernise – the industry generally is in need of modernisation – treat 1.5/Net Zero as 'normal' need not its own exceptional approach.



Lose the gimmicks!



Talk to me about:

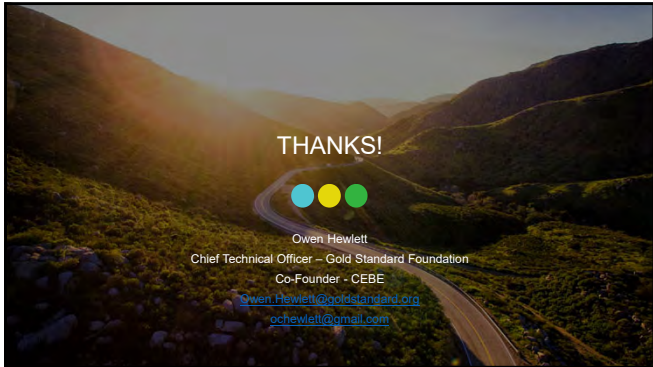
CEBEs:

- Modernisation and innovation in the BE (national, local, project pathways)
- 1.5/Net Zero pathway development (policy, tools, capacity)
- Research, lecturing and R&D

Gold Standard:

- Climate and sustainable development policy – global and national
- Carbon finance/markets in developing countries
- Corporate reporting
- Project development


Owen Hewlett
Chief Technical Officer - Gold Standard Foundation
Co-founder - CEBEs



THANKS!

Owen Hewlett
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Gbenga Olaniyan



Gbenga is a qualified Estate Surveyor and Valuer, Principal Partner of Gbenga Olaniyan & Associates and Chair of the Board of Directors of Estate Links, which won the award of professional Valuation firm of the year in Lagos State, Nigeria for 2017-19.

REAL ESTATE IN AFRICA
- WHERE ARE WE?

By
GBENGA OLANIYAN
BSc. (Hons), MBA, FNIVS, FRICS




OVERVIEW -AFRICA

WHAT INVESTORS ARE LOOKING FOR IN AFRICA



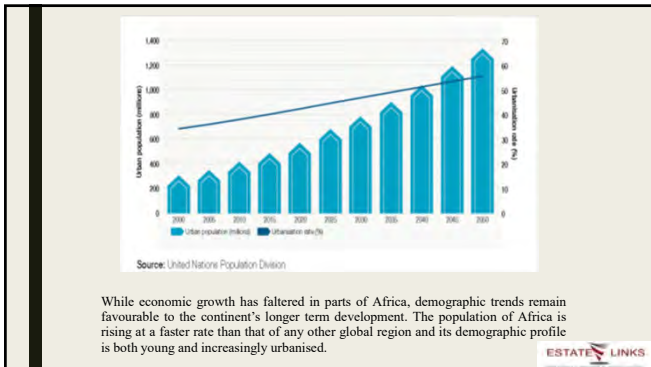
- Adequate risk adjusted returns
- Vast natural resources
- Relatively cheap educated labour force

ESTATE LINKS



- Africa is experiencing a huge population boom. (An Average of 48,000 babies are born daily in Africa.)
- Housing problems too large for the government of most countries.
- Favourable economic growth.
- Millions of Africans are moving to the cities.

ESTATE LINKS



RANKING OF DOING BUSINESS IN SOME AFRICAN COUNTRIES (OUT OF A TOTAL OF 190 ECONOMIES) BY THE WORLD BANK GROUP- 2018 AND 2019

S/N	COUNTRIES	DB 2018 RANK	DB 2019 RANK
1.	Morocco	69	60
2.	Kenya	80	61
3.	Tunisia	88	80
4.	South Africa	82	82
5.	Ghana	120	114
6.	Egypt	128	120
7.	Uganda	122	127
8.	Nigeria	145	146
9.	Gambia	146	149
10.	Ethiopia	161	159
	United Kingdom	7	9

CHALLENGES TO INVESTORS IN AFRICA

- Land tenure problems
- Political leadership / corruption
- Dearth of house price indicators
- Low purchasing power of locals

- Lack of friendly finance
- Poor mortgage system
- Uninformed Vendors
- Ethics Issues
- Cultural Issues
- Currency risk
- Generally....understanding how to do things in Africa




A FEW MYTHS EXAMINED

MYTH 1
YOUR INVESTMENT LOOSES REAL VALUE AS CURRENCY DEPRECIATES IN AFRICA (CURRENCY RISK)


YEAR	PRICE IN NAIRA (N)	NAIRA TO POUND
1993	N1,000,000	N33
		£30,000
2000	N4,000,000	N155
		£25,806
2013	N70,000,000	N290
		£241,379
2019	N80,000,000	N450
		£177,777

MYTH 2
ONLY "DODGY" DEALS EXIST
You only need to deal with the professionals!!

MYTH 3
YOU CANNOT REPATRIATE MONEY INVESTED IN AFRICA

-  Funds can easily be brought in and taken out via the import and export window
-  Ease of inflow and outflow via commercial banks
-  Ease of inflow and outflow by following exchange control laws

CHALLENGES OF PRACTITIONERS




1. VARYING STANDARDS OF PRACTICE
2. IMAGE ISSUES
3. DEARTH OF INFORMATION/DATA









4. LACK OF SUCCESSION PLANS
5. LARGE INTERNATIONAL FIRMS TAKING OVER MAJOR BRIEFS





“If your business is not a brand, it is a commodity”

SOME OPPORTUNITES THAT ATTRACT INTERNATIONAL INVESTORS IN TODAY'S MARKET




A. COMMERCIAL DEVELOPMENTS

(i) MALLS

- INCREASING WEALTH AND SOPHISTICATION OF AFRICAN CONSUMERS, LEADING TO RISING DEMAND FOR MODERN RETAIL MARTS AND WESTERN STYLED SHOPPING, HAS CREATED A HUGE GAP BETWEEN DEMAND AND SUPPLY IN AFRICAN COUNTRIES.



ESTATE LINKS

SELECTED SHOPPING MALLS IN AFRICA

COUNTRY	LOCATION	NAME	SIZE (SQ.M)	ANCHOR TENANTS	DEVELOPER/INVESTOR
Cote D'ivoire	Abidjan	Playce Marcory	20,000	Carrefour	Cfao
Ghana	Accra	Achimota Retail Centre	15,000	Shoprite, Palace	Atterbury / Delico
Nigeria	Ikeja, Lagos	Ikeja City Mall	23,000	Shoprite, Silverbird	Broil Property Services Limited
Nigeria	Lekki, Lagos	Novare Lekki Mall	22,000	Shoprite, Game	Novare Private Partners
Nigeria	Abuja, FCT	Jabi Lake Mall	26,479	Shoprite, Game	Actis/Duval Properties
Nigeria	Abuja, FCT	Silverbird Entertainment Centre	23,000	Shoprite, Silverbird	Silverbird Group
South Africa	Gauteng	Mall Of Africa	131,000	Edgars, Woolworths, Game, Checkers Hyper	Attacq / Atterbury
Kenya	Nairobi	Two Rivers Mall	67,000	Carrefour, Lc Waikiki	Centum/Athena Properties
Kenya	Nairobi	Garden City Mall	33,500	Game, Nakumatt	Actis / Aspire / Mentor Management
Zambia	Lusaka	Cosmopolitan Mall	26,000	Shoprite, Game	Rockcastle

Source: Knight Frank, 2018; Wikipedia, 2019

ESTATE LINKS

OFFICE DEVELOPMENTS

With the influx of international businesses, there is high demand for small office blocks and A-grade buildings, which in turn provides good return.

ESTATE LINKS

AVERAGE GROSS PRIME OFFICE YIELDS

QJADDIS ABABA	8.00%
QHARARE	8.00%
QNAIROBI	8.00%
QGABORONE	8.25%
QCASABLANCA	8.50%
QJOHANNESBURG	8.50%
QPORT LOUIS	8.50%
QWINDHOEK	8.50%
QABIDJAN	9.00%
QACCRA	9.00%
QCAPE TOWN	9.00%
QDAR ES SALAAM	9.00%
QLAGOS	9.00%
QABUJA	9.50%
QBLANTYRE	9.75%
QALGIERS	10.00%
QDAKAR	10.00%
QDOUALA	10.00%
QKAMPALA	10.00%
QLUSAKA	10.00%
QMAPUTO	10.00%
QCAIRO	10.50%

Source: Knight Frank (2018)

ESTATE LINKS

EXAMPLES OF MAJOR COMMERCIAL SALE TRANSACTIONS

- *Atlantic House , Lagos, Nigeria
- * Mövenpick Ambassador Hotel, Accra, Ghana
- *Ikeja City Mall, Lagos, Nigeria
- *Federal Palace Hotel, Lagos, Nigeria

ESTATE LINKS

ATLANTIC HOUSE, LAGOS, NIGERIA



Buyer: Sanlam Africa Core Real Estate Investments Limited

Seller: Maersk Nigeria Limited

Transaction Details

Price: USD 43.7 million

Initial Yield: 10.4%

Asset Type: Commercial - Office Building

Lettable Area: 4,217m²

Sale Conclusion Date: March, 2014

Source: Estate intel

Highlights

-First major real estate acquisition by an institutional investor into the office sector in Nigeria

-Well let with a good tenant mix including credible international companies with strong covenants

-Few truly prime options for office space during the acquisition in 2014.

-Atlantic House offers tenants use of its jetty and direct access to the ports

ESTATE LINKS

MÖVENPICK AMBASSADOR HOTEL, ACCRA, GHANA



Buyer: QG Africa Hotel LP
Seller: Kingdom Holding Company

Transaction Details

Price: USD 100 million
Initial Yield: 10.4%
Asset Type: Hospitality - Hotel
Rating: 5-Star
Transaction Status: Closed


Source: Estate intel

Highlights

- Deal said to be most sizable open-market hotel transaction in sub-Saharan Africa to date
- Mövenpick Ambassador Hotel is one of the largest five star hotels in Accra comprising extensive food & beverage and conferencing facilities which are also complemented with retail and office facilities
- Hotel is well located within the Central Business District of Accra
- Hotel faces notable competition from recently opened Kempinski Hotel Gold Coast City Accra located nearby

ESTATE LINKS

IKEJA CITY MALL, LAGOS, NIGERIA



Buyer: Hyprop (75%); Attacq (25%)
Seller: Actis (60%); RMB Westport (20%); Paragon Holdings (20%)

Transaction Details

Price: USD 155 million
Yield: 8.7%
Asset Type: Retail - Shopping Mall
Lettable Area: 22,000m²
Sale Conclusion Date: November 2015

Source: Estate intel

Highlights

- Fully occupied shopping mall with diverse tenant mix including local and international brands.
- Mall located in Ikeja, which is the capital of Lagos and a densely populated suburb with a population of 4.5 million people.
- Limited supply of similarly sized shopping malls within Ikeja in the development pipeline due to land scarcity.
- Prime rents in Lagos are relatively high at an average of \$65/m2/month.

ESTATE LINKS

FEDERAL PALACE HOTEL, LAGOS, NIGERIA



Buyer: Sun International (49.33% Acquisition of 280 room hotel by Sun International)
Seller: Ikeja Hotel Group

Transaction Details

Price: USD 28 million
Asset Type: Hospitality - Hotel
Sale Conclusion Date: 2009 (29% - Phase 1), May 2010 (20.33% - Phase 2).

Source: Estate intel


Highlights

- Deal was attractive despite the increasing competition in the hotel sector in Lagos via new hotels and falling demand through global uncertainty
- Sun International sought entry into a fast developing and relatively affluent section of the Nigerian market and also sought to further diversify earnings from a geographical perspective.
- Tower section of hotel shut down for renovations in 2009 has significant upside potential.

ESTATE LINKS

❖ Business opportunities are like buses, there is always another one coming.

Richard Branson



ESTATE LINKS

B. RESIDENTIAL DEVELOPMENT

- There is clearly a huge housing deficit in Africa.
- Annual demand is about 700,000 units in Nigeria which is a far cry from current production level of about 100,000 units per annum. The actual housing deficit is about 16 million homes.



ESTATE LINKS

OTHER OPPORTUNITIES

- OCCUPIER SOLUTIONS
- FACILITY MANAGEMENT
- HOTEL & HOSPITALITY



ESTATE LINKS

WHAT ELSE DO REAL ESTATE PRACTITIONERS IN AFRICA NEED TO DO?



***Develop Research Capabilities in Africa**

To do this you must be informed on:

1. Country Trends
 - Inflation rate
 - Rate of growth in the economy
 - Knowledge of capital market, etc
2. Real Estate Trends
 - Expected yields on different classes of properties.
 - New innovations and best practices worldwide etc.



*Being constantly updated. Attend events (e.g. World Economic Forum) - It is when you are current that you can be correct

*Time for Mergers/Acquisitions and Synergies

*Do not overlook Opportunities to partner with Large Companies

*Act within your Scope of Competence

*Avoid Conflict of Interest

*Imbibe Professional & Ethical Standards

*Continue to rebrand yourself and move with the times!!!!

On a lighter note.....if those on this list can repackage and rebrand, we must continue to rebrand when necessary and move with change!!!!

- GARBAGE COLLECTOR: Public Sanitation Engineer (PSE)
- SECURITY GUARD: Theft Prevention & Surveillance Officer (TPSO)
- THIEF: Wealth re-Distribution Expert (WDE)
- BUS DRIVER: Destination Facilitator (DF)
- BUS CONDUCTOR: Chief Entry Officer (CEO)
- LOCAL DRUNK: Alcohol Testing & Maintenance Executive (ATME)
- WINDOW CLEANER: Transparent Wall Accentuator (TWA)
- TEA BOY: Refreshment Specialist (RS)
- BAR TENDER: Happiness Elevation Officer (HEO)
- And.....

- UNEMPLOYED: Town Surveyor !!!!



Dr Diane Dumashie



Diane is a Fellow & Governing Council member of the RICS, Vice President of the International Federation of Surveyors (FIG), Chair of FIG Regional Capacity Development Networks, member of the Centre for Effective Dispute Resolution; serves on UN Habitat Advisory Group on Gender Initiatives.



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- 14.05 **Dr Tom Appleby**, Assoc. Prof. Property Law
- 14.40 **Owen Hewlett**, Chief Technical Officer, Gold Standard Foundation, Switzerland

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• 15.35 **Gbenga Olaniyan**

• 16.10 **Dr Diane Dumashie**, Rapporteur - **Summing up & Discussion**

• 16.45 **Conference ends**

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