

Stanlib to develop malls in Nigeria, Kenya

Stanlib is planning to open its Stanlib Africa Direct Property Development Fund in May or June, as it seeks to capitalise on Africa's growing retail sector.



The chief investment officer of Stanlib Direct Property Investments, Amelia Beattie, said last week the fund would focus on new retail developments in Nigeria and Kenya, where there was still an under-supply of quality retail properties.

The fund was "going through regulatory processes at the moment", though it had US\$50m in seed capital already committed to it. The fund had earmarked between six and eight developments in Nigeria and Kenya over eight years and would look to include South African retailers.

"South African retail companies are key relationships that we hold and we work very closely with them in their expansion strategy," Beattie said. "We like to take them with us wherever we go."

Stanlib had selected various local partners for the developments, as "we believe in the local partnership principle" .

The fund was targeting a gross internal rate of return - a discount rate used in capital budgeting that makes the net present value of cash flows from a particular project equal to zero - of 25% in dollar terms.

"We see good growth prospects and think they offer good returns," Beattie said. "You don't get this anywhere else at the moment."

Beattie said that internal rates of return on developments in the country were "between 15% and 17%, depending on the risk and the node".

Other local groups that were making inroads into the African market, accompanied by local retail tenants, include Atterbury and Hyprop.

Source: *Business Day* via I-Net Bridge

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