



IPD launches first report of property investment performance in Botswana

Gaborone, 13th November 2012:

Investment Property Databank (IPD) released its first-ever Botswana property performance report in Gaborone today.

The IPD Botswana Property Performance Report for the year to December 2011 produced a total return of 20.9%. This figure represents the ungeared total return to directly held standing property investments from one open market valuation to the next.

This return on Botswana property is comprised of a 10.8% income return, coupled with 9.2% capital growth throughout the year. Headline inflation in Botswana over the same period, however, was also 9.2% - meaning that growth in nominal terms was in fact stable, and highlights the importance of income yields in the property market.

Retail and residential property investments outperformed offices, reflecting the impact of recent development activity in the office sector and the resulting pressure on rental levels in the short to medium term as new supply comes online.

The report presents a fully-fledged indicator of results that will provide effective comparisons for market trends going forward, and is a significant step forward in the promotion of transparency in the Botswana property industry.

Keynote speaker at the launch is the Hon. Mr. Lebonaamang Mokalake, Minister of Lands & Housing, underscoring the Botswana government's support of the initiative.

The IPD Botswana Property Performance Report is based on a sample of 81 individual properties with a total value of just under P2 billion. The figures represent the combined holdings of six leading local property investment portfolios: Botswana Insurance Fund Management Property Portfolio, Debswana Pension Fund, Letlole La Rona Limited, Motor Vehicle Accident Fund, Primetime Property Holdings Limited, and Turnstar Holdings Limited.

The report is the result of many months of collaboration between IPD and key partners in Botswana, namely: founding sponsor Botswana Insurance Fund Management (BIFM) and industry association Real Estate Institute of Botswana (REIB).

“The critical factor in an undertaking of this magnitude is finding the right partners, especially in the property sector where local context and knowledge is paramount,” says IPD SA managing director Stan Garrun.

IPD is the leading global provider of real estate benchmarking services and Botswana is only the second African country to join the stable of property research provided in more than 30 countries around the world. The first African report was for South Africa, launched in the mid-nineties.

BIFM, founded in 1975, is a wholly-owned subsidiary of Botswana Insurance Holdings Limited (BIHL), one of the top listed companies in Botswana. SA-based Sanlam holds a 54% stake in BIHL, with the balance owned by the Botswana public. The fund today controls a P15-million portfolio of investments.

“With its roots firmly planted in Africa, and its experience in providing innovative solutions for dynamic wealth management in emerging markets, BIFM is committed to sharing its expertise and experience with stakeholders in other African countries, especially those whose economies are undergoing similar transformations to Botswana,” says BIFM CEO Tiny Kgatlwane.

The report is expected to pave a way forward for the opening of Botswana’s property investment sector to a range of new buyers, and provides an important tool for local players.

“Players in both local and global property markets increasingly expect comparative, accurate and timely data” adds Garrun.

“Offering an objective performance report is a real competitive advantage to a fund, and assists companies to improve their investment and management processes through the availability of credible data and research. The information over time helps investors and managers to take a disciplined approach to asset and portfolio risk management, and can facilitate cost reduction and increased efficiency of properties.”

“Importantly this is a historical event for the Botswana property market and the local investment community. IPD is privileged to be part of it.” Garrun concludes.

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Notes to editors:

IPD is a global information business, dedicated to the objective measurement of commercial real estate performance. As the world’s number one provider of real estate performance analysis for funds, investors, managers and occupiers, we offer a full range of services including research, reporting, benchmarking, conferences and

indices. We operate in over 20 countries including most of Europe, the US, Canada, Australia, New Zealand and Japan. Our indices are the basis for the developing commercial property derivatives market, and the most authoritative measures of real estate returns worldwide. For further information visit www.ipd.com.

The IPD Botswana Property Performance Report is based on a sample of 81 properties from 6 portfolios covering BWP 2.0bn at the end of December 2011.

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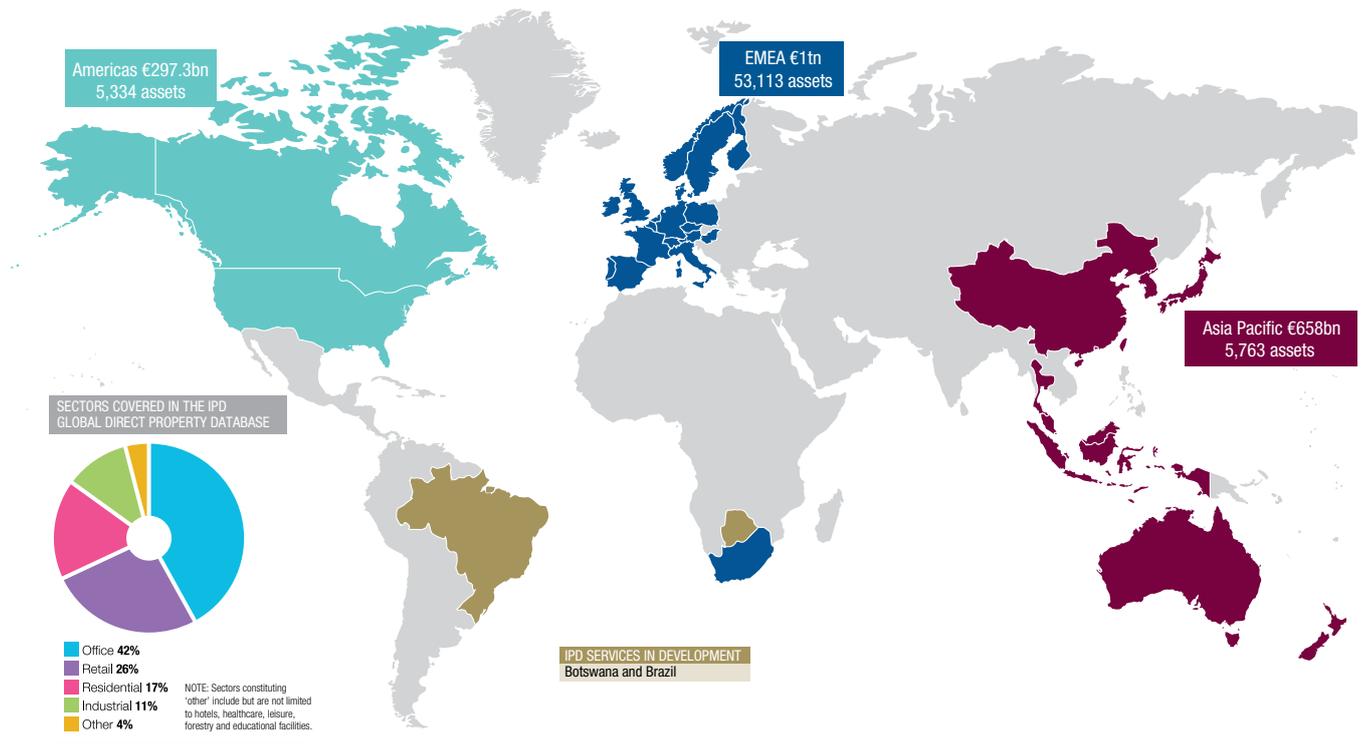
IPD Media Pack

On the pulse of
the property world



IPD is a global information business dedicated to the independent measurement of commercial real estate performance.

IPD provides benchmarking and portfolio analysis services in 32 countries around the world. These services incorporate more than 1,500 funds containing nearly 70,000 assets, with a total capital value over €1 trillion. Each year, IPD produces more than 120 indices helping real estate market transparency and performance comparisons, as well as nearly 600 benchmarks for client portfolios.



Portfolio Analytics

The **Portfolio Analytics Service (PAS)** analyses the strengths and weaknesses of a real estate portfolio's performance relative to its benchmark.

RiskWeb shows where risk lies in a portfolio and how it compares to its benchmark.

The **IPD Rental Information Service (IRIS)** measures income duration, credit strength and tenant concentration, reporting through the IRISEye.

Management House Reporting provides an aggregate view of all funds in a portfolio.

The new **Eco-PAS** benchmarking service helps investors understand the potential environmental risk in an investment portfolio.

IPD Occupiers provide improvement tools, analysis and benchmarking on more than 70,000 public and private sector assets covering over 100 million sqm.

Indices

IPD direct property indices report headline performance measures and descriptive information on market size and coverage, including total return, capital value growth and rental value growth.

IPD property fund indices measure the net asset value (NAV) performance of collective data where 85% of the investment portfolio comprises of direct property assets.

Launched in 2012, **Transaction Linked Indices (TLIs)** identify the volatility and inherent risk present in European real estate investment.

Fund Index Fridays provide information on real estate fund markets every Friday with the latest data and what's new on global property fund markets. ipd.com/fundindexfridays



Research and Market Information

Digest Reports detail all performance measures and cover IPD main sectors plus further segmentations such as shopping centres, retail parks, office parks, Midwest, London, Stockholm and Paris.

Key Centres Reports headline performance for standing investments and cover IPD main sectors with the most detailed regional segmentation possible for each market such as cities, towns, submarket, street, postcode, nodes, commune and agglomeration.

Market Information Reports from 2012

- The **IPD Global Cities Report** allows comparison of international real estate performance in over 60 key cities on four continents.
- **IPD's Multinational Index Spreadsheet** provides performance series at a sector level and is based on 25 of IPD's national direct property indices.

IPD Guides



The **IPD Index Guide** explains IPD's indices, and the index universe, construction methodology and calculation process, index review procedures, and the calculation timetable for each index.



The **IPD Benchmarking Guide** outlines the importance, value and benefits of benchmarking, across both national and multinational markets. The guide also explains the principles and practices applied by IPD, and the framework for choosing IPD benchmarks across different markets and sectors.

IPD Global Estate Measurement Standards (GEMS)

Globally aligned definitions for real estate helping organisations measure, benchmark & improve building performance

The **IPD Cost Code** is a framework for the collection, measurement and analysis of property cost information.

The **Environment Code** helps organisations deliver high quality environmental performance information about their occupied real estate.

The **IPD Space Code** sets a common floor space measurement system that enables global organisations to accurately assess the space performance of their buildings.

Conferences and IPD speakers



IPD hosts a number of prominent international conferences, and are regular participants in key global exhibitions such as MIPIM and Expo Real.

The **IPD/IPF Property Investment Conference** held in Brighton is now in its 22nd year.

IPD's European Property Investment Conference is in its 14th year.

The **South African Annual IPD Property Conference** is in its 10th year.

As part of our commitment to providing data and insight for the property investment industry, a number of IPD staff are regularly invited to contribute to articles and news stories around the world.

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