



Ethiopian Investment Forum

ROCKSTONE Ethiopia

Addis Ababa

September 2nd, 2021

Welcome

A very warm welcome to KEFITA – ROCKSTONE's first project in ETHIOPIA

Executive Summary – starting point in 2019, value proposition and delivery in 2023

- 1** Rockstone has established its first African office in Ethiopia in 1Q2019, teamed up with Cerberus, Bigar et al. to build a strong team and is currently delivering its first project in Addis
- 2** The market has been studied extensively with outside consultants, a huge market opportunity has been identified and a detailed product development process has been concluded
- 3** The first project has 20 floors, 100 apartments, sufficient parking and extensive hotel-like amenities combining a truly authentic design with modern building qualities and standards
- 4** Signal combines an urban neighborhood with good infrastructures and proximity to CBD thereby attracting both Ethiopian as much as foreign expatriates as renters and buyers
- 5** The retail investment opportunity arises from attractive short term rental cashflows together with an expected long-term value appreciation due to market dynamics and a superior product
- 6** The building permit was received in 3Q2020, construction has started in 1Q2021, KEFITA will be delivered in 1H2023 and pre-sales to preferred customers of only 25% has just started



The Team

ROCKSTONE Group – Overview



- ROCKSTONE is an international full-service developer with deep German roots
- Focus on high-end residential and commercial real estate projects with a typical project size of \$ 25-75 million in prime CBD or residential locations
- Currently developing projects worth \$ 650 million in current and completed projects, on time and within budget
- Combining real estate know-how with own principal capital and active real estate management



Professional services, modern designs, sustainable construction qualities

Cerberus Frontier – Overview

cerberus

- Cerberus Frontier has an extensive track record of direct investments in dynamic frontier markets, including Ethiopia, Georgia, and Mongolia
- Cerberus Frontier is part of Cerberus Capital Management, a global leader in alternative investing with more than \$42 billion AUM across complementary real estate, private equity, and credit strategies
- Cerberus Real Estate has invested approximately \$29 billion of equity in more than 575 transactions around the world, making it one of the largest global RE investor
- Cerberus Frontier (formerly SGI Frontier Capital) is Ethiopia's 1st Private Equity investor, with over 11 years of experience in the country
- invested in Real Estate, Agriculture, Construction Material, FMCG and Healthcare

Partnering with Rockstone, Cerberus Frontier has the strong the combination of deep real estate know-how (incl. international markets) with capital strength

BIGAR – Overview



- BIGAR is an architecture, engineering and project management company
- With 40 years of cumulative experience in Ethiopia and abroad, BIGAR has become one of Ethiopia's leading services businesses with numerous on-going and completed projects
- Dedicated to facilitating an efficient design & implementation process in the construction industry



The Business Case

Addis Abeba – market overview

Lack of international standard buildings

- Despite Ethiopia's attractive macroeconomic settings, and the dominance of Addis Abeba as the country's center, its real estate market remains underdeveloped
- Product focus is on lower- to average-quality segments, mostly supplied by smaller developers. Products that comply with international building standards are virtually non-existent due to a variety of reasons:
 - A significant supply gap has enabled developers to sell mediocre quality at inflated prices due to the acute lack of alternatives; a situation not unusual across Sub Sahara African markets;
 - Many existing developers lack the ability to execute sophisticated products due to weak local design/construction capabilities, scarcity of foreign currencies for material import, and lack of institutionalization to realize more complex projects;
 - Ethiopia's shortage of hard currency makes it difficult for international investors to extract meaningful profits and adds liquidity risk to country risk. As a result, foreign developers have not yet entered the market in any meaningful way

Demand dynamics

Compelling demand drivers

- Domestic financial center and major diplomatic hub
- Significant NGO presence
- Increasing disposal income and significant FDI
- Rapidly globalizing city with and increasing international exposure to Ethiopia
- Foreigners ability to buy property

*Housing demand will continue to grow
Over time, housing demand quality will shift*

Supply dynamics – existing stock

Apartment stock Addis Abeba

Completed (sqm)	Under construction	Stalled	Total
266,789	137,435	256,650	660,874

Of which:

Grade A (sqm)	Grade B	Grade C	Total
17,746	219,263	29,780	266,789

Grade A defined as comparable to good Western standards

*Small stock of Grade A apartments in Addis Abeba
 Grade A developments are mostly sold-out*

Supply dynamics – pipeline

Apartment pipeline Addis Abeba

Grade A (sqm)	Grade B	Grade C	Total
66,415	35,600	16,520	118,535

Of which:

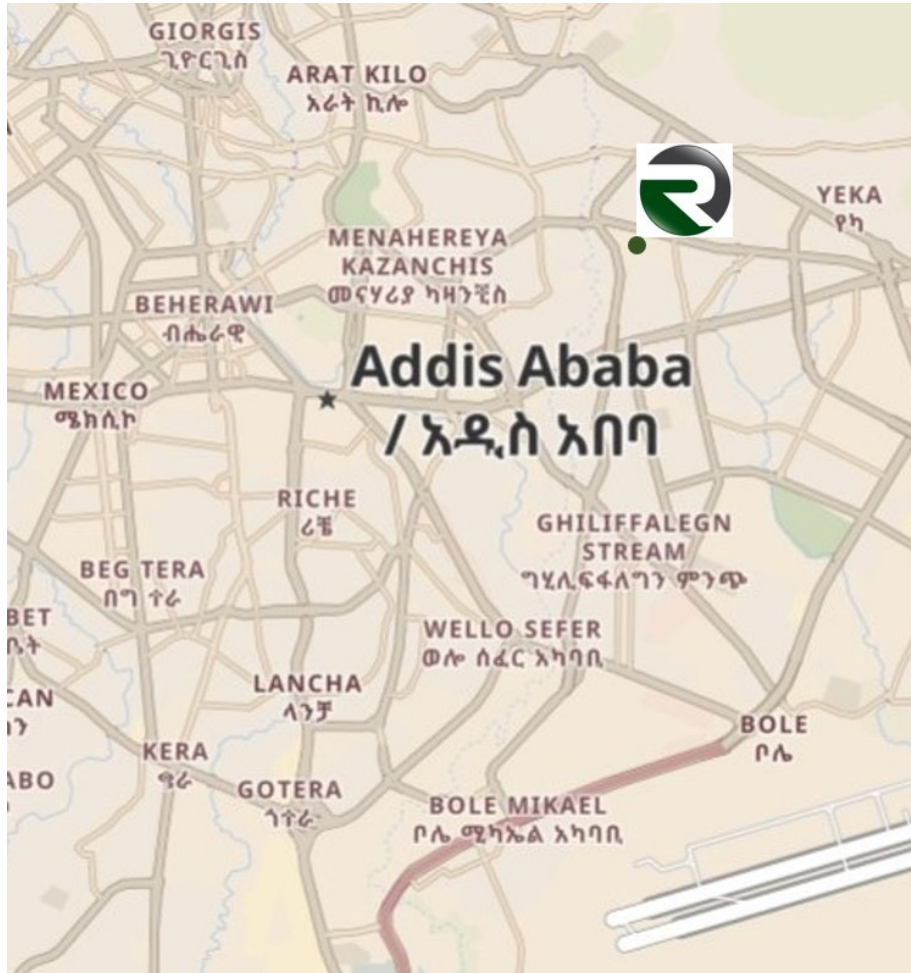
Grade A available for purchase	sqm	# Apartments
	44,335	~340

The ROCKSTONE value proposition is centered around bridging the supply gap for international standard buildings by developing best-in-class products in Ethiopia

The Location

Plot Selected

Signal, 2,304 sq m – Yeka sub city, Woreda 07



Location drivers

Desired location characteristics

- Prime location
- Proximity to schools, commercial centers, embassies and intl. organizations
- Secluded feel
- Minimum plot size allowing for design options and green spaces

Signal neighborhood

- Mature neighborhood
- Strong residential influence
- Secluded feel, nestled in between Bole and Kabene highways
- Limited development outlook, keep urban feel which is important to expats
- Wide and generous grid, comfortable feel grid
- Ideal distance from Bole, half way up the mountain

Plot Selected

North view at 40 meters elevation (11th floor)



Plot Selected

West view at 40 meters elevation (11th floor)



Plot Selected

Major Locations	Avg. journey time during rush hour
Embassies / UN	
British, Belgium, Russia & Kenya Embassy	5-10 min
German Embassy	10 -15 min
Italian Embassy	15 min
French Embassy	15 -20 min
US Embassy	20 min
UN	15 – 20 min
Schools	
Sandford International School (British)	10 min
German School	5-10 min
Greek School	15 -20 min
French School	20 – 30 min
American School	45 min

Plot Selected

Major Locations	Avg. journey time during rush hour
Hotels	
Radisson Blu	10 - 15 min
Hilton Addis	10 -15 min
Sheraton Addis	10 -15 min
Capital Hotel	10 – 15 min
Hotels around Bole	15 -20 min
Amenities	
Saint Gebrel Hospital	10 min
Menilik Hospital	10 -15 min
Dinberua Child and Women's Hospital	5 min
Shewa Supermarket	10 min
Fresh Corner Supermarket	15 min
Bambis Supermarket	15 min
Bole Airport	20 min
Restaurant's around Kazanchis	10 -15 min
Restaurant's around Bole Medhaniyalem	15 – 20 min

The Building



Research

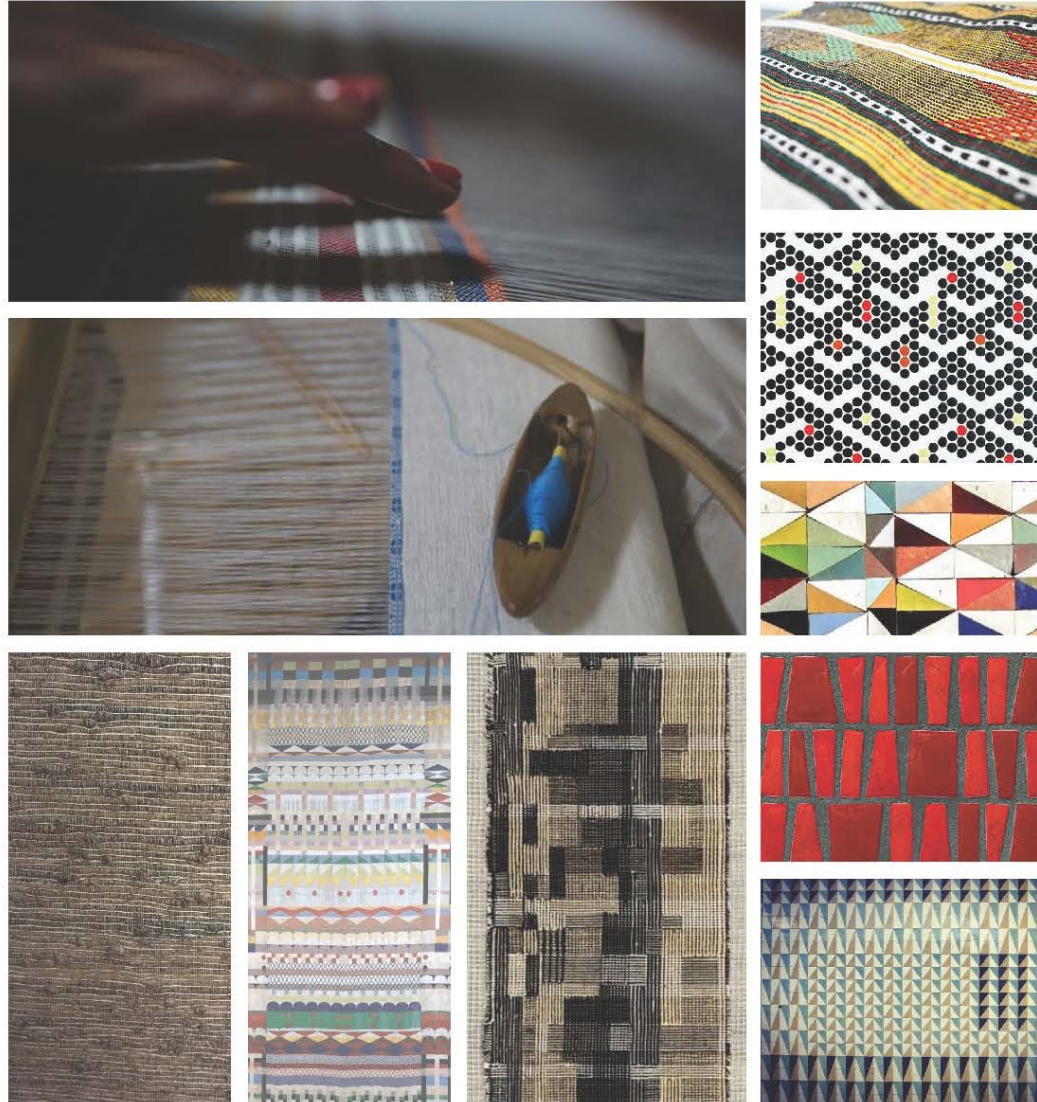
Ethiopian Symbols And Historical Buildings



Very rich culture.
Unique history.
Beautiful architectural samples
dating hundreds of years ago.

Initial Conceptual Ideas

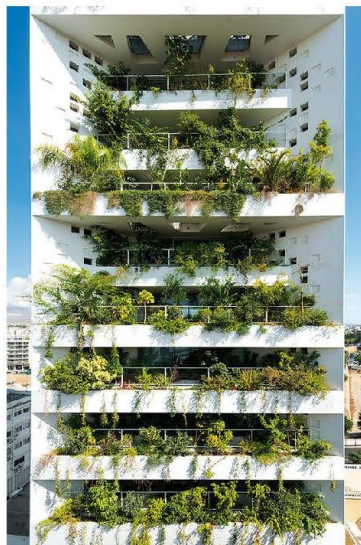
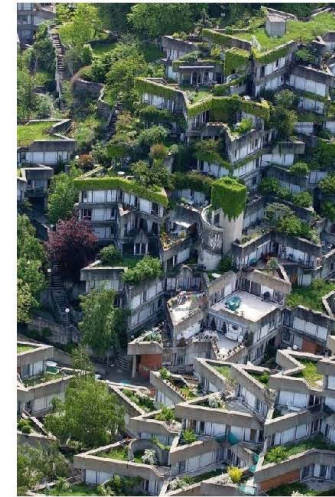
Fabrics And Textures



Search for inspiration on traditional and contemporary Ethiopian fabrics to provide our building with a distinctive character that roots it in the local culture.

Initial Conceptual Ideas

Contemporary References



Integrating vegetation to the building is a contemporary trend that will provide a necessary environmental sensibility and responsibility.

Plot Analysis

Topography And Trees

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9



10



11



12



14



24



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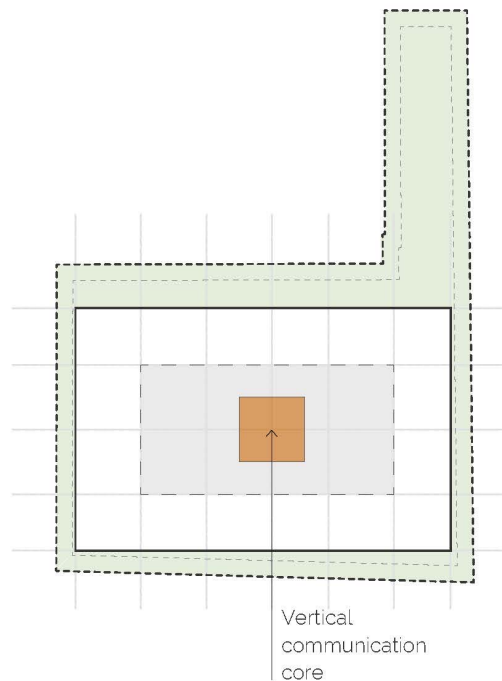


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Design Narrative

Footprint Approach

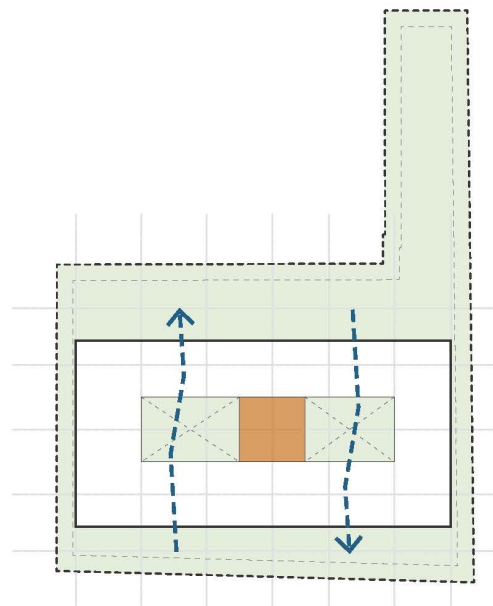


STEP 1

Fulfilling plot

Average GFA per floor: 1,400 m²

- Maximum occupancy.
- Structural grid defined by Parking Layout
- Internal area around the core (in grey) turns out to be inhabitable due to the lack of natural light and ventilation.

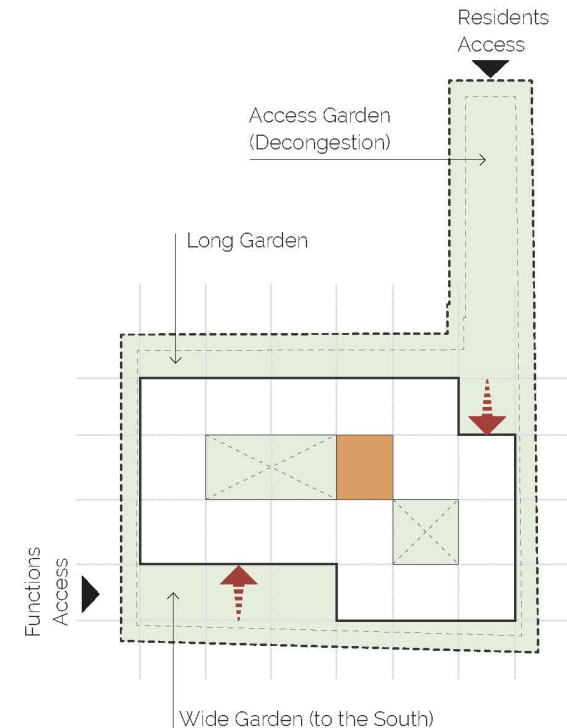


STEP 2

Introducing interior courtyards

Average GFA per floor: 900 m²

- Natural light and cross ventilation is guaranteed in all the apartments by introducing interior courtyards.
- Living areas are located along the building perimeter to enjoy daylight and views, while the wet areas are open to the courtyards.



STEP 3

Fitting layout to plot and brief conditions

Average GFA per floor: 1,000 m²

- The building layout is adapted to better fit both brief and site constraints.
- Garden areas at Ground Level are related to the amenities and open towards the south.
- The layout displacements allow for a more profitable use of the facade.

Access View

Penthouses

Apartments

Amenities

Parking



Architectural Plans

Amenities Floor



Amenities Floor

Reception Area



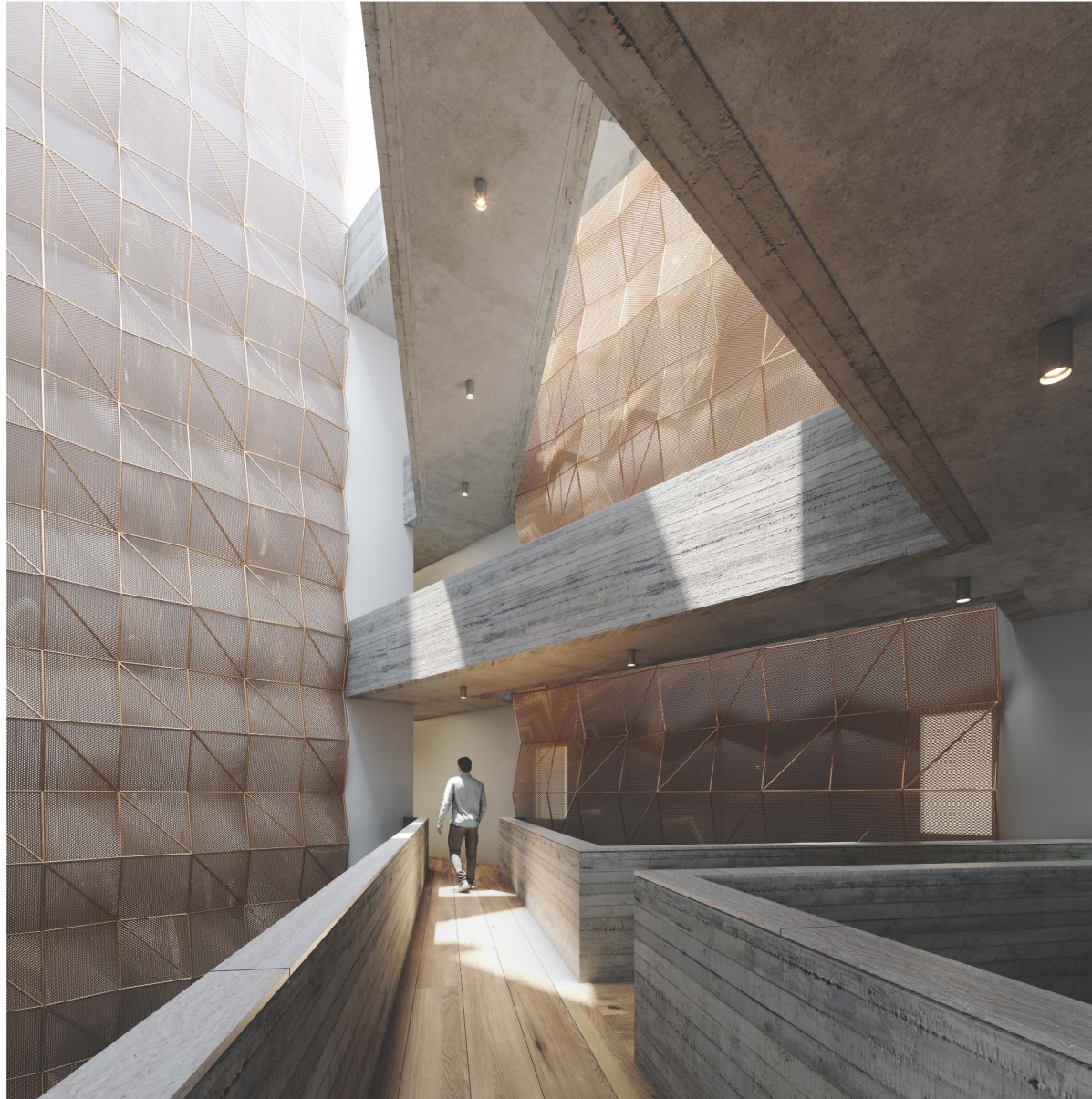
Amenities Floor

Wellness Area



Courtyard View

Apartment access



Parking View



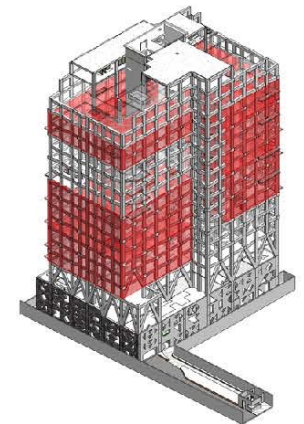
Apartment Interior View

Livingroom



Architectural Plans

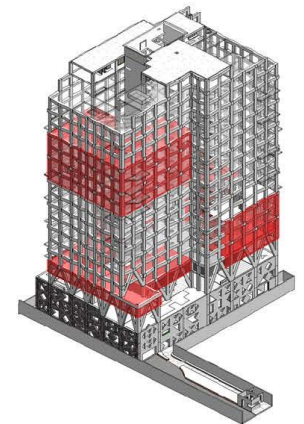
Typical 3Bedroom Apartment Floor



3 Bedroom Typical Apartment = 49 units
42 units with Helper's Room +
7 units without.

Architectural Plans

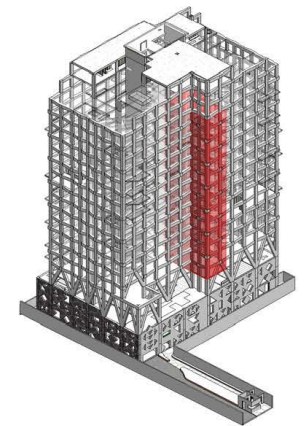
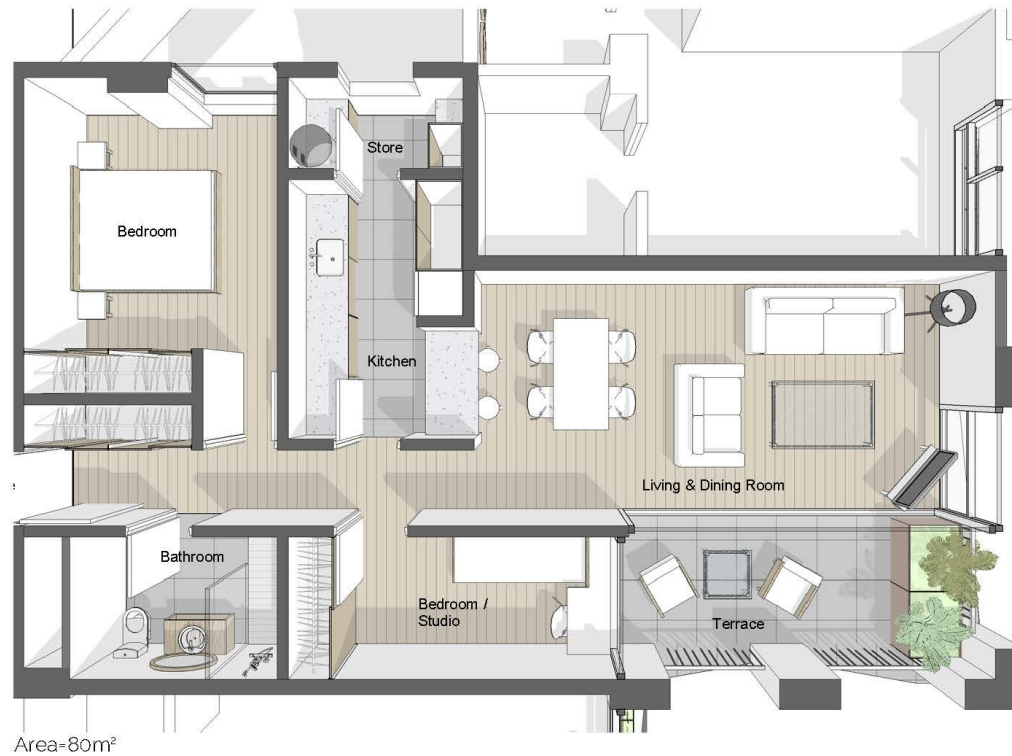
Typical 2Bedroom Apartment Floor



2 Bedroom Typical Apartment = 35 units
8 units with Helper's Room +
27 units without.

Architectural Plans

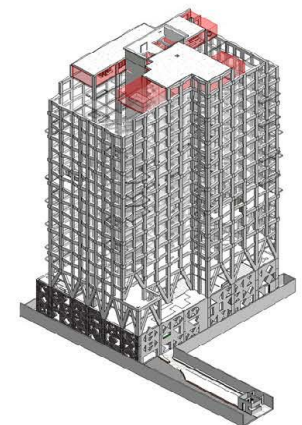
Typical 1 Bedroom Apartment Floor



1 Bedroom Typical Apartment = 14 units

Architectural Plans

Top Penthouse Floor



Penthouse Apartment = 1 unit
(2 units of 4 Bedroom Apartments)

Bird View
North fachade



Best-In-Class Building (I)

Structural design

- Building designed to the latest European norms (also adopted by the Ethiopian Ministry of Works and Urban Development)
- Site specific seismic analysis conducted to get a realistic and more accurate response of the building under seismic loadings
- Building designed to resist higher seismic loads than what is allowed for in current Ethiopian building codes
- The construction type of the building is flat slab construction. This form of construction has a quick turn-around and allows for improved fire insulation between floors
- The structure is design as efficiently as possible in terms of weight, coordination with the architectural and building services elements and robustness

Technical design

- All technical designs have been reviewed by international engineering firms. This is in line with global best practices and will ensure rental demand from the international community

Best-In-Class Building (II)

MEP and Data System design

- Green technology: Used where possible and practical in the Ethiopian context
- Fire protection: Every apartment is connected to central fire fighting system; every apartment has a sprinkler system
- Waste: Integrated garbage disposal system to serve all apartments
- Ventilation: Focus on natural ventilation. In addition, every apartment is equipped with an independent air and odour management system
- Water supply: Own borehole with sufficient water to service the entire building
- Electricity: Solar panels to power common areas, two backup generators for additional and continuous power supply as necessary
- Communication: Infrastructure to accommodate multiple telecom provider as the market opens up
- Future proof: Various measures in place to ensure that the building is versatile and future proof, including options to convert apartments into smart homes

Current construction process – target completion in Q2 2023



Thank you.

**Contact us for more information or
join us on site tomorrow for a tour at 11am EAT!**

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PROPERTY
AWARDS**
WINNER 2021-2022



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