DEVELOPMENT OPPORTUNITIES

PRIME PROPERTY. PRIME CONNECTIVITY. PRIME TIME.
AIRPORTS COMPANY SOUTH AFRICA
PROPERTY DEVELOPMENT

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AIRPORTS: THE NEW DEVELOPMENTAL NODES

Around the world, airport cities within the aerotropolises, host sizeable populations of travellers and workers, attracting businesses of every type. Airports offer connectivity, security and infrastructure, and have become important drivers of local economic development.

Airports are the new developmental nodes and many airports around the world are already regarded as thriving ‘airport cities’, including Dublin’s Airport City, Holland’s Schiphol Airport, Chicago’s O’Hare International Airport, Hong Kong International Airport and Kuala Lumpur International Airport, among others.

Here in South Africa, Airports Company South Africa has been enabling development land at the country’s nine principal airports for a multitude of purposes and interests – including hotels, a hospital, offices, logistics warehouses, manufacturing precincts, various business interests and retailers. With many more new and exciting opportunities in the wings.
AIRPORTS COMPANY SOUTH AFRICA

Airports Company South Africa is the largest airports authority in South Africa and owns three major African airports (O.R. Tambo International Airport, Cape Town International Airport and King Shaka International Airport) and six domestic airports (George, Port Elizabeth, East London, Bloemfontein, Upington and Kimberley).

Nearly 90% of all air travel passengers to and from South Africa use our airports. Airports Company South Africa’s mission is to develop and manage world-class airports for the benefit of all stakeholders and is mandated to undertake all airport-related activities including acquisition, establishment, development, provision, maintenance, management, control and operation. In addition, Airports Company South Africa will, in support of the National Development Plan, undertake initiatives to increase non-aeronautical revenue including property developments.

TRANSFORMATION STRATEGY

Airports Company South Africa is focused on promoting transformation in all aspects of its business as well as building a culture of pride. Under Airports Company South Africa’s transformation strategy, transformation imperatives include employment equity, preferential procurement, enterprise development, economic development, job creation, social transformation and corporate social investment.

Particular attention is paid to the organisation’s transformation imperatives of employment equity and skills development. Staff capacity continues to be built by growing the pipeline of critical skills, monitoring staff satisfaction through the employee satisfaction index and further promoting employment equity through Airports Company South Africa’s dedicated EE plan.

In terms of its commercial area, Airports Company South Africa intends to make property development opportunities available through open, transparent, fair and equitable processes in support of the company’s desire to redress imbalances in the property sector, yet not deviate from the ambition of growing a sustainable property business.
Bram Fischer International Airport is situated in Bloemfontein, the capital city of South Africa’s Free State province and the nation’s judicial capital. This is an important economic sector built on agriculture and mining, with expansion opportunities in several other business sectors such as research and innovation, pharmaceutical manufacturing, and processing of agricultural produce.

The airport is an important gateway to the Free State, which is a land-locked province. It offers a world-class airport operation that can cater for up to 600,000 passengers per annum.

Development Opportunities

Bram Fischer International Airport is located approximately 8km from the Bloemfontein CBD and is therefore well connected to the arterials of the N8, N6 and N1. The airport is centrally located linking the three urban areas in the Mangaung Local Municipality (Bloemfontein, Thaba Nchu and Botshabelo) with Maseru in nearby Lesotho and Kimberley in the Northern Cape Province.

The N8 corridor development between the city centre and the airport has been identified in the Mangaung Spatial Development Framework as a significant growth corridor for the city where public and private investment will be directed. The airport has been identified as one of the primary development nodes along this corridor.

Airports Company South Africa has fully and partially serviced the Bram Fischer Airport Boulevard, measuring approximately 32 ha. Full development rights have been received for 5 ha of the 32 ha. An application for a basket of rights have already been submitted to the local authority for approval, which is expected in late 2015.

The second phase of the development area measures approximately 98 ha; this will be enabled post completion of the development on the Boulevard Precinct.
CAPE TOWN INTERNATIONAL AIRPORT

Cape Town is Africa’s premier tourist and VIP destination. It is the seat of the national parliament and the legislative capital of the country. In addition to its leading tourist destination status, Cape Town is also an important business centre with many companies headquartered here across industries such as insurance, retail, publishing, shipping, petrochemical, architecture, advertising and information technology.

Cape Town International Airport is Africa’s third largest airport and has won multiple awards, including the SkyTrax Best Airport in Africa award for two years in a row. It is also one of Africa’s busiest airports; recent statistics record some 4.2 million departing passengers and nearly 45 000 aircraft arrival movements.

Development Opportunities

Two precincts offer development opportunities at Cape Town International Airport.

Precinct 2 spanning over 53 ha, has been developed for industrial and warehousing purposes, with 10 000 m² available for industrial and warehouse developments.

Precinct 3, a 14 ha precinct, has excellent road access and offers exceptional potential for any undertaking including distribution warehousing. Its central position within the greater Cape Town metropole makes the precinct ideal for logistics or distribution end users.
EAST LONDON AIRPORT

East London is situated within South Africa’s Eastern Cape province on the country’s east coast, known for its white sand beaches and excellent surfing locations. The city is also home to South Africa’s only natural, deep-water river port.

East London Airport is situated approximately 10 km from the city centre and 2.5 km from the East London Industrial Development Zone. The airport is a crucial link in the cargo chain, with planes carrying a variety of cargo headed for local destinations as well as overseas countries such as France and Holland.

Development Opportunities

East London Airport is situated on the west banks of the Buffalo River, approximately 8 km from the East London CBD and approximately 2.5 km from the East London Development Zone (EDZ).

The airport accommodates mostly aviation related infrastructure and recently underwent a terminal upgrade.

Airports Company South Africa has commenced the process to acquire additional land to facilitate further development around the airport. The acquisition aims to be completed in 2016.
GEORGE AIRPORT

George, situated in South Africa’s Western Cape province halfway between Cape Town and Port Elizabeth, is a popular holiday destination and conference venue. It is also the administrative hub of the Garden Route, one of South Africa’s most celebrated and travelled tourist destinations.

George Airport is a major arrival point for tourists, holidaymakers and business travelers. It is situated along the N2, about 10 km from George’s city centre, as well as along the Garden Route. The airport is also positioned on the N2/N7 coast-to-inland axis, reinforcing its potential as an economic growth point and giving it a connectivity and competitive advantage as a coastal economic hub.

Development Opportunities

The airport not only provides transport for air passenger traffic, it also caters for locally produced goods such as flowers, fish, oysters and herbs destined for the export market.

Approximately 1.8 ha has been enabled, serviced, zoned and received environmental authorisation for two developments situated on the Gateway Precinct on the north eastern corner of the airport. The first would be the development of a petrol service station over an area measuring approximately 0.5 ha with a maximum capacity of 250 m³ of fuel. The second is the development of a 70 bed hotel and conference facility over an area measuring approximately 0.6 ha.

A future additional 6 ha on the southern side of the R102 of the airport will shortly become available. This precinct is envisaged to accommodate light industrial, mixed uses or aviation related commercial activity.
KIMBERLEY AIRPORT

Kimberley is the capital of South Africa’s Northern Cape province, a city significant for its diamond mining history and today the seat of legislature and administration for the province, serving the mining and agricultural sectors of the region.

Kimberley Airport is located approximately 7km from the city centre within the urban edge. The airport handles more than 130 000 passengers per year, many of whom are business travellers. Kimberley Airport also dispatches a remarkable range of cargo—everything from game trophies to industrial equipment.

Development Opportunities

Kimberley Airport is located approximately 7 km south of the city centre. The airport underwent major refurbishment and upgrade in preparation of the 2010 FIFA Soccer World Cup.

The airport is located on the urban edge and has been identified as one of the development nodes within the Sol Plaatje Spatial Development Framework (SDF).

In future, the Gateway precinct of the airport will be enabled. The area is envisaged to yield a total lettable area of approximately 4.9 ha. This area is earmarked to accommodate the expansion of the current general aviation area and other commercial uses.

In addition, a 55 ha area will be enabled to facilitate a regional growth precinct.
King Shaka International Airport is situated in South Africa's KwaZulu-Natal province – a holiday mecca as well as a primary business destination. There are multiple heavy and light industries situated here as well as extensive business and retail premises. Holidaymakers flock here for the balmy weather and abundance of golden beaches, while business travellers pursue business interests and frequent Durban's convention hub.

The airport is situated 30 km from the Durban CBD and was built to handle 7.5 million passengers per annum. The airport opened in May 2010 with the first phase of development, the terminal buildings, complete. Office and industrial developments have been concluded. In partnership with the Durban Trade Port authorities, almost 1000 ha of potential future commercial development space has been identified.

Development Opportunities

Airports Company South Africa has 56 000 m² of prime land available for commercial mixed land use developments adjacent to the King Shaka International Airport in Dube City - first phase enabled.

The world-class business and leisure centre lends itself to mixed land use, including office, hotel, conference, entertainment, retail and knowledge-intensive activities. Its overall layout and design encompasses pedestrian-friendly zones, a tree-lined boulevard, dedicated cycle lanes and open spaces.

Next phase - future developments

Dube Tradeport occupies a 2 840 ha 'Greenfield' site 30 km north of Durban. Dube Tradeport is a 60-year masterplanned, world class airfreight and passenger hub comprising four business zones.

It was designed to create a highly competitive business-operating environment in four zones namely Dube Trade Zone, Dube City, Dube Cargo and Dube Agrizone. It forms the foundation of a purpose planned industrial estate linked directly to King Shaka International Airport.
O.R. Tambo International Airport is situated in Ekurhuleni, Gauteng—a major metropolitan area, South Africa’s commercial and industrial hub and the economic heart of Africa. Gauteng is also considered the gateway to southern Africa, with many spectacular destinations just a short distance away from this thriving province.

O.R. Tambo International Airport is South Africa’s biggest and busiest airport with a capacity to handle 28 million passengers a year. More than 50% of the country’s air passengers pass through the airport and almost all international flights arrive here.

The airport has excellent road infrastructure linking it to Johannesburg, Pretoria and the national road network, and is also serviced by the Gautrain—an 80 km mass rapid transit railway system linking Johannesburg, Pretoria, Ekurhuleni and O.R. Tambo International Airport.

Development Opportunities

O.R. Tambo International Airport has identified portions of land to be enabled and developed through commercial interventions over the next 10 years.

As an integral part of the Ekurhuleni Aerotropolis vision, the airport has become a city in its own right (the aerocity), hosting sizeable populations of travellers and workers.

The airport has attracted businesses of every type—including retail outlets, hotels, leisure and entertainment, conference, convention and exhibition venues, office buildings, medical facilities and industrial, manufacturing and distribution complexes—and has become important drivers of local economic development.

Current development opportunities at O.R. Tambo International Airport include a 620 000 m² office block and an opportunity to develop, lease and operate a petro service station. The northern precinct offers the potential for a 20 000 m² distribution facility. Precinct 2A (Ex Denel) lends itself to a first phase, 43 ha brown and green field development opportunity.
PORT ELIZABETH INTERNATIONAL AIRPORT

Port Elizabeth, located on South Africa’s Indian Ocean coast in the Eastern Cape province, is a major seaport and tourist destination. The beautiful shores of Nelson Mandela Bay and moderate to warm temperatures attract holidaymakers throughout the year. Port Elizabeth is also known as the centre of the motor industry, housing many vehicle assembly plants, automotive companies and other businesses geared toward the motor industry.

Development Opportunities

Known as the “ten minute airport”, Port Elizabeth is situated approximately 10 minutes away from most locations in the city. The airport is the fourth largest of the Airports Company South Africa network and the largest of the Regional Airports group.

Port Elizabeth International Airport currently has approximately 7 ha of land available for development in various areas around the airport. The zoning of the land allows for commercial and industrial developments.

In addition to the above, the Gateway precinct is approximately 1.6 ha of available land located on the airport access road with high visibility. High-end commercial developments are envisaged on this property.

Area 1 – approximately 2.7 ha available
Area 2 – approximately 2.8 ha – 2 ha available
Area 3 – approximately 0.6 ha available
Upington is the biggest city in South Africa’s Northern Cape province and is situated on the banks of the Orange River. The Northern Cape is also home to the famous Augrabies Falls and the Kgalagadi Transfrontier Park – both spectacular attractions for local and international travellers.

Development Opportunities

Upington International Airport, although small, delivers services that are unmatched in the aviation industry in Africa. The airport is situated 4 km north of the city centre and also has the longest civilian runway in the southern hemisphere and is also the fourth diversion area where a space shuttle is able to land. The airport also operates a seasonal business in cargo, sending a variety of goods to Europe, the Middle East and the rest of Africa.

The airport currently has a total area of approximately 55 ha for the operation of a Maintenance, Repair and Overhaul (MRO) facility that will facilitate the storage and maintenance of aircraft. The warm and dry weather conditions of Upington are perfect for the facilitation of an MRO facility. The area is envisaged to have the capacity to store approximately 300 wide-bodied aircraft.

Of the 30 ha available, approximately 16 ha is fully zoned and serves to accommodate the envisaged Aviation Park which will house a range of commercial, cargo and industrial developments.

To complement the MRO operation and many others in the region, the airport has approximately 30 ha of zoned land for commercial development. With so much development land available around the airport, the area is envisaged to become a business and cargo hub.
OPPORTUNITIES

Airports Company South Africa from time to time issues requests for bids for commercial development opportunities at various Airports Company South Africa owned airports in South Africa.

The opportunity exists to engage with Airports Company South Africa for one or more commercial development opportunities in one or more of the following alternatives structures:

1. Enter into a forty year land lease, and / or

2. Enter into a development agreement where the end-user custom designs and builds with Airports Company South Africa funding the improvements and the tenant enters into a minimum 10 year triple net lease, and / or

3. Enter into a development agreement for the petrol service where the end-user designs and builds, Airports Company South Africa funds the improvements and the operator enters into a 10 year triple net lease for the rental of the improved property, and / or

4. Enter into a development agreement for the hotel sites where the end user designs and builds, Airports Company South Africa funds the improvements and the operator enters into a maximum 30 year triple net lease for the rental and / or management of the improved property, and / or,

5. Enter into an option agreement to exercise a land lease commencing at a future date.