

momentum
investments



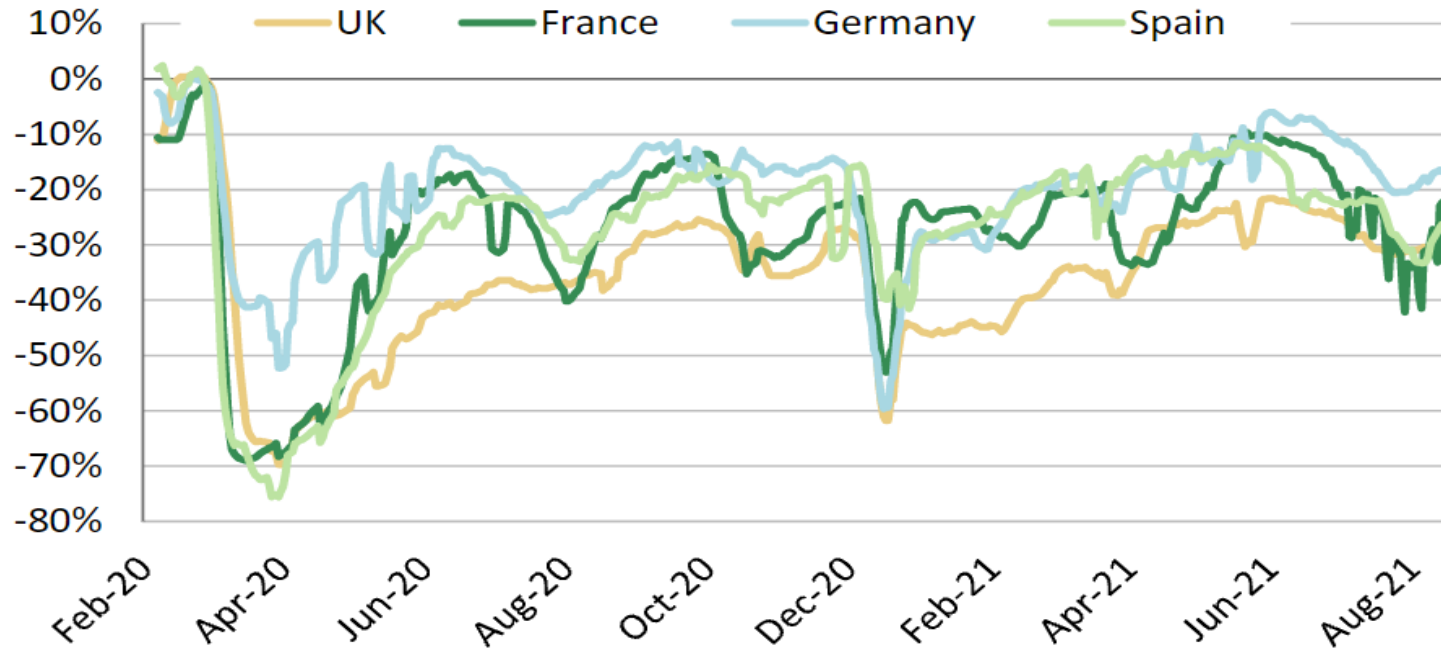
Property | Under construction

Lawrence Koikoi and Madibana Letsoalo



Return to office not back to pre-COVID levels ^m

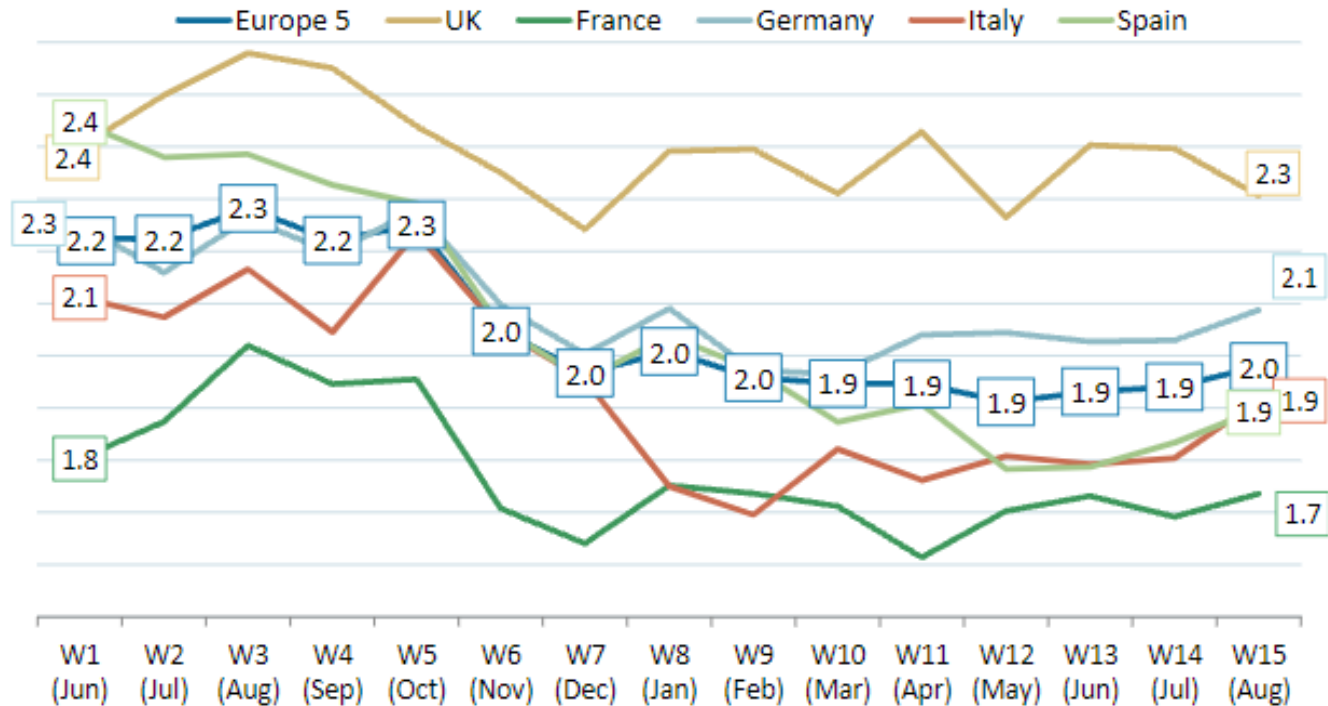
Total visits to the workplace compared to baseline period (seven-day rolling average)



Sources: AlphaWise, Morgan Stanley Research

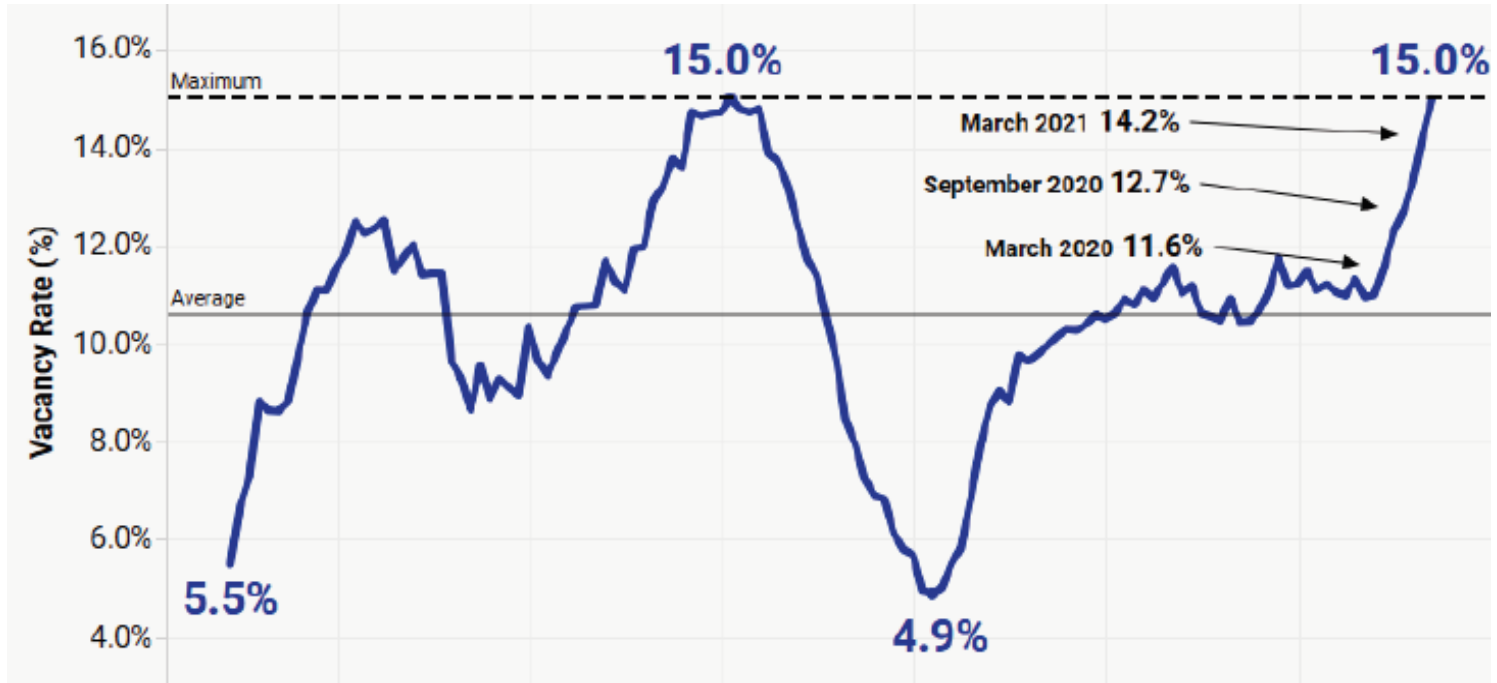
Office worker sentiment towards return to office [™]

Average days office workers said they want to work from home



Sources: AlphaWise, Morgan Stanley Research

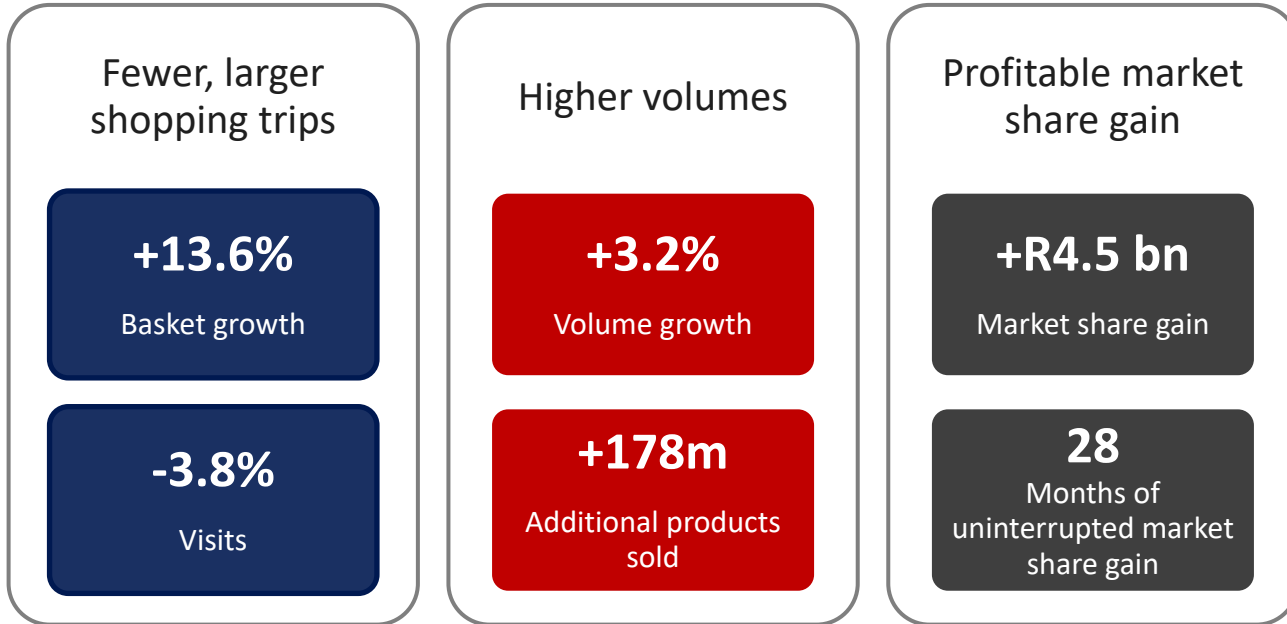
Local office vacancies continue to increase



Food sales growing beyond 'lockdown pantry loading'



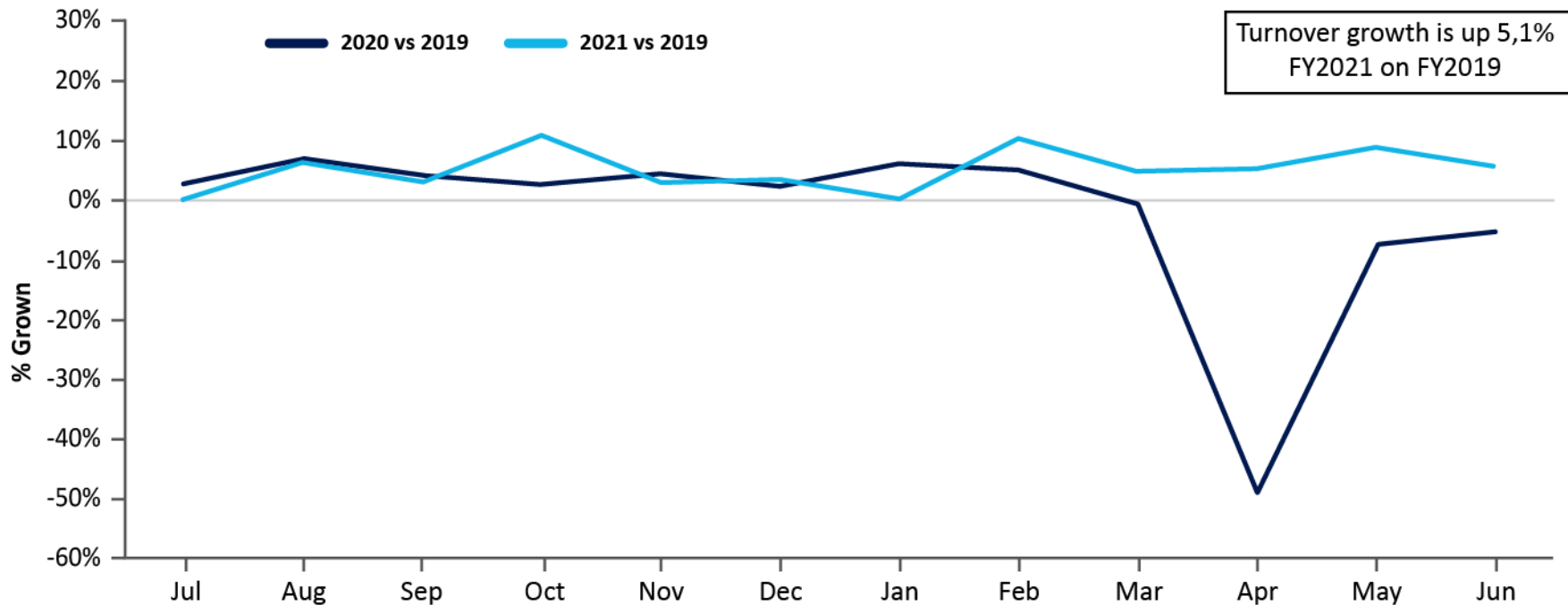
Shoprite and its competitors continue to see core food sales growth



Source: Shoprite results presentation

Convenience retail sales recovering to pre-COVID levels ^m

Fortress Income REIT malls showing tenants sales above 2019 levels



Source: Fortress Income Fund FY 2021 results presentation

High-end consumers continue to splurge on luxuries



Sources: Sandton City site visit

Apparel sales lagging the recovery



Nominal retail sales growth (percentage change year on year, quarterly intervals)

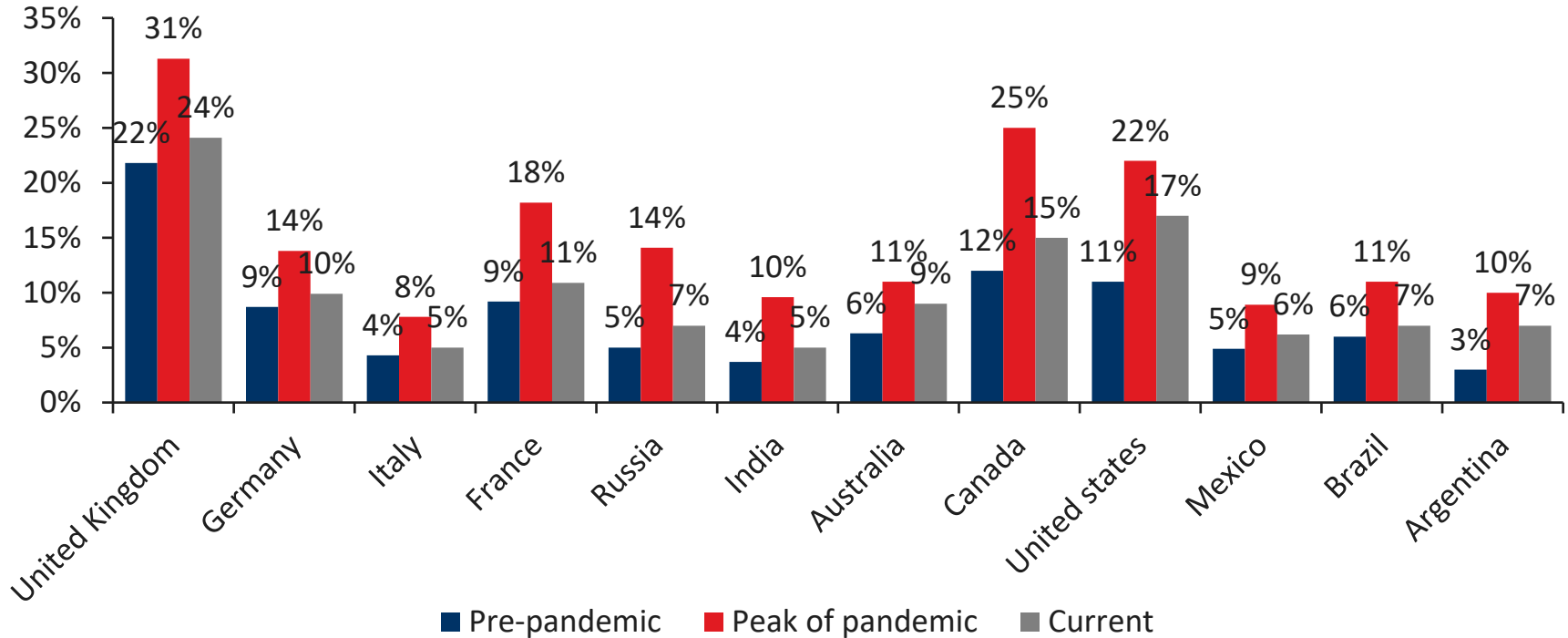
	Total sales	Food/FMCG	Pharma	Apparel and footwear	Homeware, appliances and electronics	Home improvement
Q1 2020	5.1%	7.6%	10.2%	-2.0%	-2.2%	1.4%
Q2 2020	-20.0%	-7.5%	-4.1%	-33.0%	-32.0%	-25.5%
Q3 2020	-2.8%	1.0%	5.7%	-9.9%	10.3%	15.4%
Q4 2020	0.2%	3.7%	1.9%	-3.9%	6.5%	12.5%
Q1 2021	3.1%	3.2%	6.0%	5.1%	7.8%	8.3%
Q2 2021	3.4%	5.2%	5.6%	2.9%	6.0%	7.6%
Cumulative growth	-11.0%	13.2%	25.3%	-40.8%	-3.6%	19.7%

Sources: Momentum Investments, SA retail sales data

Industrial tailwinds continue to persist



Online shopping penetration higher than pre-pandemic despite tapering off from peak-pandemic



Source: Statista

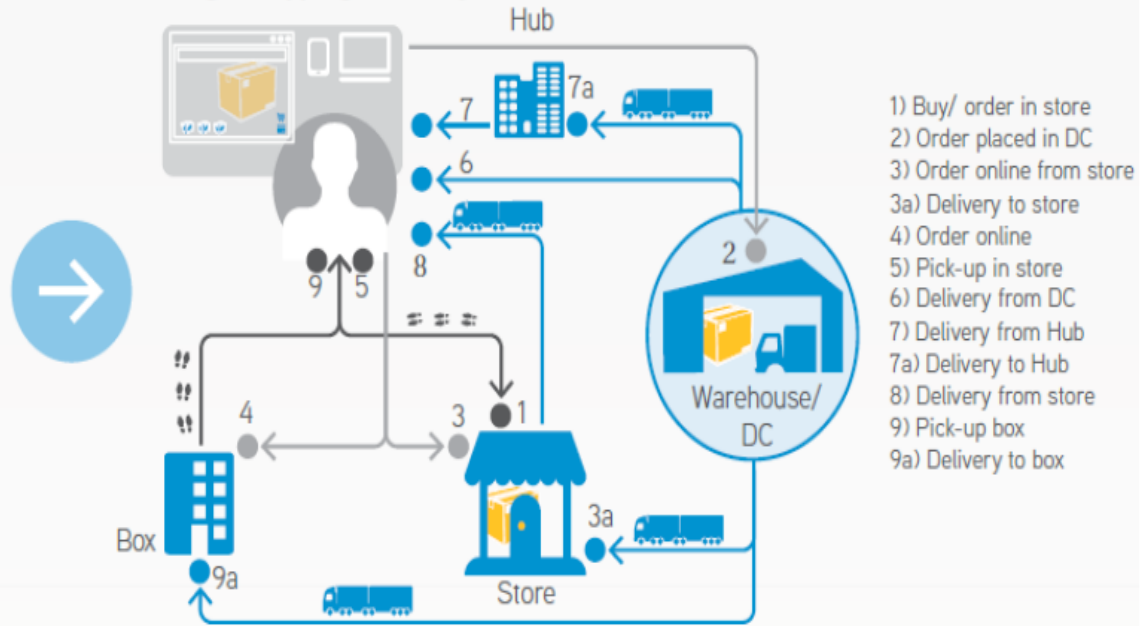
Distribution supply chains continue to evolve TM

Customer has diversified choice augmented by broader supply chain

'Traditional' Shopping/Delivery Methods

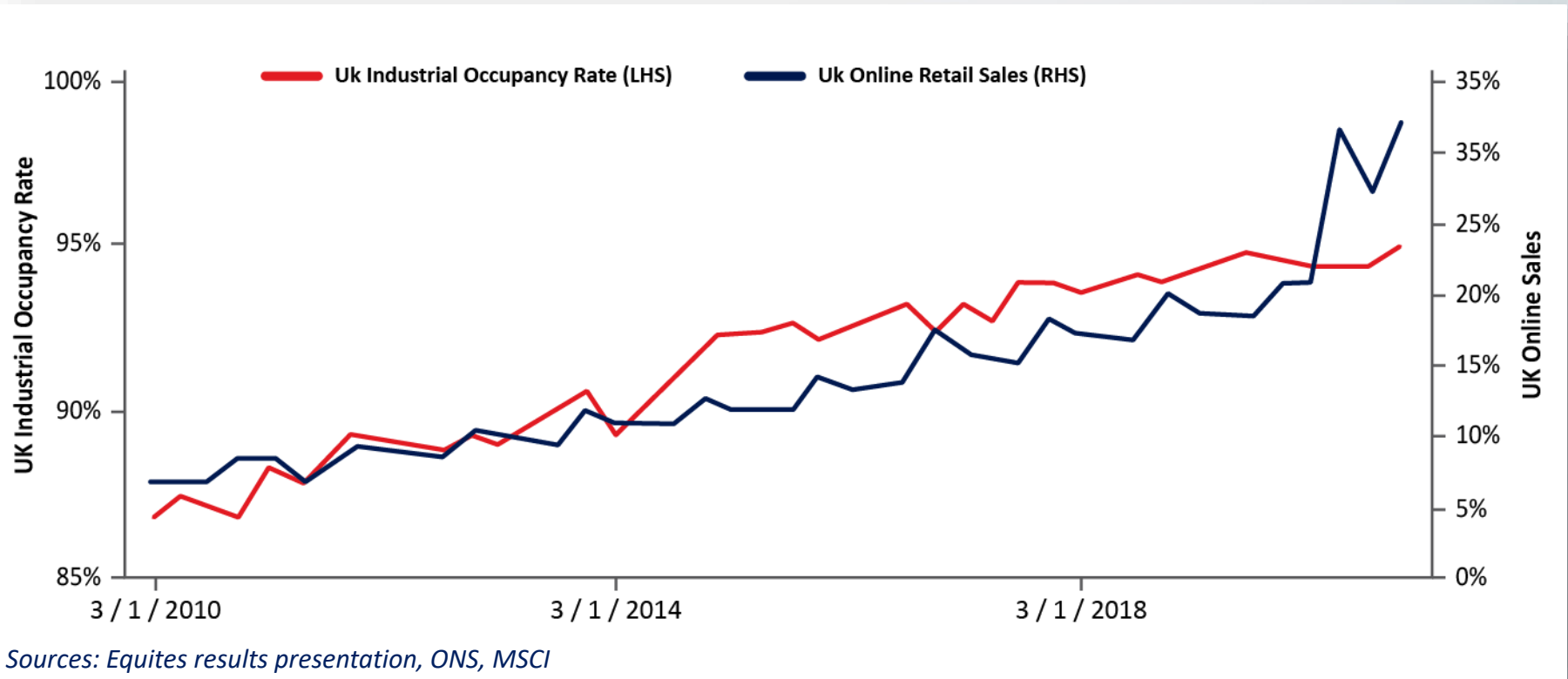


'Evolving' Shopping/Delivery Methods



Online retail continues to drive industrial space demand ^m

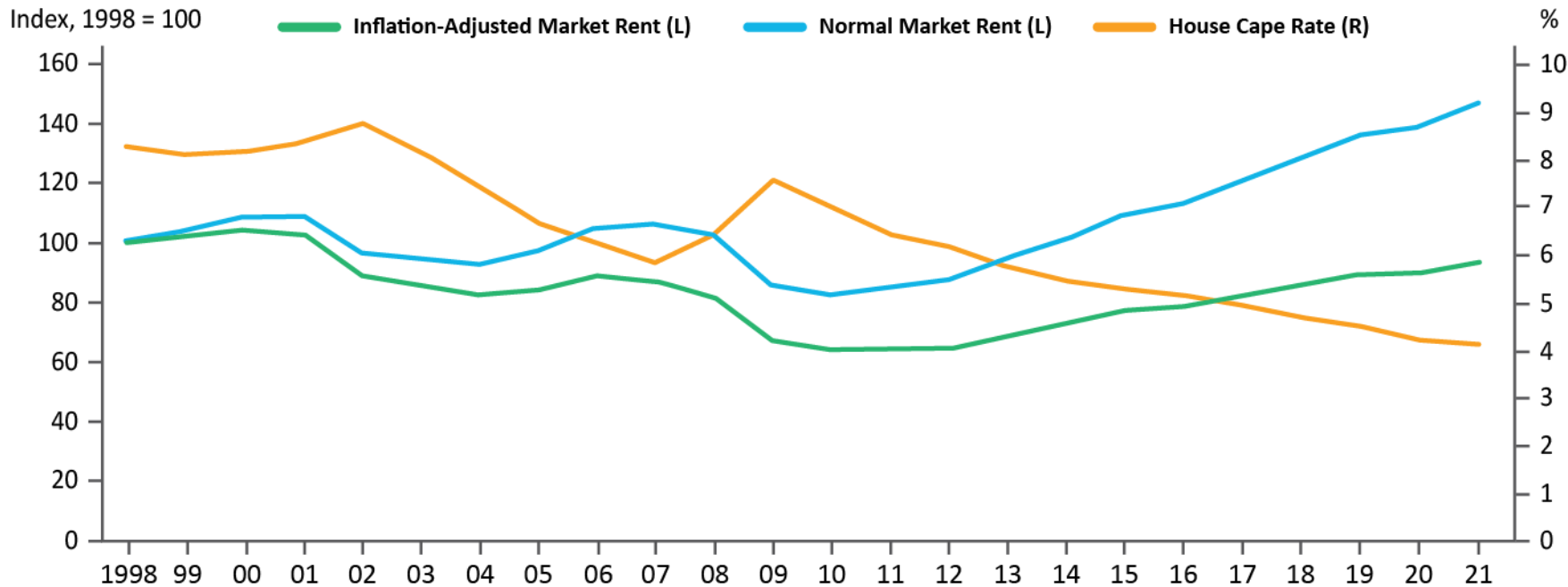
Demand exceeds supply of industrial space in most developed markets



Industrial rentals underpinned by strong fundamentals



Positive rentals outlook has driven up valuations



Sources: Prologis Research, CBRE, JLL, IMF, Cushman & Wakefield, Consensus Economics

Concluding observations

The way we live, work and shop has driven changes in the property market

Office

wework
'from home'

Retail



Industrial



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Sources: Momentum Investments, IRESS

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Thank you

