



Real Estate

Cluster performance,
Outlook and Strategies

Real Estate

What we do

The Group's real estate activities encompass the management and development of CJ's portfolio of properties, all grouped under Currimjee Real Estate Ltd. The properties, a combination of specialised and mixed-use spaces, are strategically located in prime urban locations across the island, enabling the cluster to meet its mission of increasing its property investment yields. By providing integrated real estate services which cut across the supply chain, from development and project management, to asset and property management and facilities management, it seeks to offer a consistent level of service excellence to tenants across all properties.

The cluster has been a strong advocate for urban regeneration and the preservation of the Mauritian heritage. It is committed to developing its properties in a way that values their cultural and historical significance, their natural surroundings and their communities.

Our brands



Currimjee Real Estate Ltd



Compagnie Immobilière
Limitée



Multi Channel Retail Ltd



Plaisance Aeroville Ltd



LA PLACE



PHOENIX
CENTRAL



MUR 113M

Turnover
25% ↑

MUR 50M

Operating profit
82% ↑

“We embarked on the renovation of our historic and flagship property, Les Arcades Currimjee, seeking to enhance our landmark positioning and improve our service offerings in Curepipe. This unique project will not only improve the customer experience and promote sustainable development, but it will also serve as a model of regeneration with a mission to upscale the urban fabric of our existing towns and cities, which are key to the Mauritian Culture and Heritage.”

Sanjiv Mihidin,
CEO

Performance highlights in 2021

The cluster operated in a high interest rate environment, which was not particularly conducive for the real estate market: the cost of capital increased. In parallel, inflation is seeing a progressive increase in the country, directly impacting the trading activities and revenues of tenants. To support our tenants and deal with rent arrears, we worked closely with them by providing relief measures and agreeing on repayment plans.

Despite the unfavourable context still dominated by Covid-19-related challenges, the cluster saw an improved performance over 2020, driven by a series of innovations to build an optimal structure and upgrade our existing properties.

Optimising our structure

We initiated a restructuring exercise in 2021, with the goal of creating a robust Real Estate cluster with strategic importance for the Group. During the year, we completed the feasibility study to determine the most optimal structure and worked out the preliminary figures. We aim to execute this strategy by expanding our asset base, for which we will require further investment and are in the early stages of discussions with relevant parties.

We also explored avenues to further strengthen the cluster's assets base, either through acquisitions or developments. To this end, we acquired 15 acres of land in L'avenir, a precinct in Moka Smart City, to build a distribution centre. Other acquisitions are also in the pipeline.

Phoenix Central

Phoenix Central remains our main revenue generator, with 100% occupancy as at 31 December and **MUR 62M** in revenues for the year. And this despite the trend of working from home, which has driven down demand for office spaces.

We are also working to refresh the property's brand perception. We believe it offers numerous opportunities: beyond its strategic location close to the metro and with access to all major motorways, Phoenix Central features a large basement for underground parking with adequate infrastructure to protect from flooding and heavy rainfalls, which have been increasing in frequency and intensity.

We are considering other avenues to increase the revenue potential at Phoenix Central through the optimal use of the large common areas.

Les Arcades Currimjee

We embarked on a major overhaul and renovation of the retail section of Les Arcades Currimjee in July 2021 to enhance its attractiveness. We are extremely confident in our vision for the Arcades, having reviewed our tenant mix and repositioned the retail mall to become more upscale along with providing a customer experience geared towards history and culture. The top floors are dedicated to offices and a co-working space, while the ground floor hosts a combination of reputed retailers and F&B outlets. The redevelopment of the Arcades forms part of our ambitions to bring new life in the city centre of Curepipe. If executed well, we aim to position Les Arcades Currimjee as the flagship in our portfolio and replicate its success across our various properties, all with the aim of regenerating urban centres on the island. The response and feedback so far have been overwhelmingly positive, suggesting that there is demand for quality products in the region.

Renovation works meant a higher number of vacancies, which impacted CIL to the tune of **MUR 27M** due to lower revenues. We also extended relief measures worth **MUR 865K** to help our tenants facing financial difficulties. However, we are optimistic about turning this around in 2022 as we reap the benefits of our investment in revamping the Arcades.

Quay11

Quay 11 faced several challenges during the year, including floods and customers remaining hesitant to dine out amid pandemic fears. As a lunch destination, the mall has suffered a decline in footfall. This has led to a number of our smaller retailers exiting during the year, leading our occupancy to decrease to 50%. Luckily, this was somewhat offset by the presence of our stronger high street retailers such as Emtel, Canal+ and Silver Wings.

Creating a customer-centric experience

We exited from Security services during the year and shifted our focus on improving our facilities management operations. We introduced a digital platform that enables the recording of customer complaints on our integrated Property Management Software; the next phase will be to roll out online portal access to tenants. Regular meetings are being held with tenants to gather feedback for service improvement.

Improving our odds at Positive Disruption

Innovation

Strategic use of social media to enhance visibility; agile transformation of spaces in accordance with shifting customer needs; promotion of the Mauritian heritage; synergies with other businesses in the Group.

People-centred culture

Provision of support measures throughout the year for needy team members; no salary deductions; implementation of remote working policies; we are considering the provision of new modern offices.

We Care

Generation of solar energy through photovoltaics, rainwater harvesting, use of smart lights to increase energy efficiency.

Contribution to CJ's strategy



Priorities for 2022

As a next phase, we are considering restructuring our portfolio to create a efficient platform for future growth. We are also exploring other strategic moves that will position the Real Estate cluster as a major revenue and value generator for the Group.

One of our immediate priorities is to fill up the 14,600sqm office space at Phoenix Central. We are considering several options, including hybrid working spaces, and determined how best to leverage the adjacent Metro Station. We are also in the process of deploying a Customer Relationship Management system in Phoenix Central to offer a greater tenant experience.

Another one of our imperatives is to relocate the cluster's offices to a space that fosters collaboration and engagement, and drives productivity.

2022 will see a focus on refreshing the offer of Quay 11 and Phoenix Central through the development of communication plans that highlight their many positive features, and position them as attractive destinations offering unparalleled convenience to their respective segments.

As mentioned, Les Arcades Currimjee will become the flagship project of our urban regeneration ambitions. We are looking forward to launching the newly renovated Arcades in 2022, for which we are extremely optimistic. Now that we have repositioned the mall with the right mix of quality tenants, we are ready to move into the next phase of redevelopment, which will involve merging technology and history to showcase the unique features of the Arcades. We are also introducing online ordering and food delivery services.

As we increase our visibility to the investment community and to our tenants, continue engaging our employees, and optimise our structure, the outlook for 2022 is positive.