

CASE STUDY

SINGITA GRUMETI RESERVES

TANZANIA



ROLE

Milton Group – Owner’s Representative – Family office

STATISTICS

347,000 acre privately managed game reserve
5 existing operating eco-tourism lodges and camps

STATUS

In escrow for the first partnership interest

MISSION

Develop a conservation-based partnership program

APPROACH

VISION |

Based on the quality of the environment, the property owners’ purpose and values and the proven market demand focusing on quadruple bottom line goals (economic, environmental, community and climate)

- Expansion of the existing facilities at Singita Grumeti Reserves, T+L’s Overall Best Hotel in the World for 2011 & 2012
- Utilize the best and highest use of the land, integrating the value of the brand Singita
- Attract 7 like-minded investment and conservation partners to share in the conservation vision

VIABILITY |

Detailed due diligence and determination of economic feasibility to measure the vision

- Comprehensive site analysis conducted to determine best and highest use aligned with the carrying capacity of land
- A full financial due diligence study conducted to determine the long term economic viability and sustainability of the project
- On-going stage by stage detailed Capex and Opex pricing and cost reporting to track projections and returns, to meet investment program targets.
- Detailed Sales and marketing strategy, message, differentiators, values and absorption profiles

MILTON

- MARKET DEMAND** | Carefully understood the market's needs and wants, whilst proof testing the viability
- A global price point benchmarking analysis conducted on existing market and competition
 - Integration of benchmarking process into floor plans and operations plans by a consultant team highly experienced in premium real estate and tourism developments
 - Global proof testing with third parties, private banking sector and high net worth individuals

- VALUE PROPOSITION** | Created an investment model to monetize the asset for ownership
- One of a kind property
 - Best in class hospitality brand
 - Value for all key stakeholders defined; ownership, rights of use and community and environment
 - Partnership model designed to unlock value of existing property to give ownership return on historic 10 year investment
 - Value to community through direct and downstream benefits identified, quantified and built into investment models
 - Environmental benefit quantified through levy structuring and integrated into models and long term investor contracts
 - Revenue distribution channels identified and streamlined to reach local communities and environment
 - Incoming partners contribute to saving a critical at risk habitat

- CREATING THE CONDITIONS** | Integrated the local political and community leaders and agencies, private, non-profit and public sector representatives, capital partners and the global environmental and science community to create the conditions for success
- Legal and tax vehicles created to accommodate foreign investment and minimize risk
 - Entitlements strategy formulated with Tanzania legal counsel to streamline approvals and safeguard future integrity of asset
 - Long term partnership strategy with local community defined in the form of a Joint Venture Agreement – employment, business linkages, micro financing and education programs

- POSITIONING & PARTNERING** | Develop the project identity and identify likeminded investment partners
- PR company and branding agencies engaged to create project identity and brand that appeals to High Net Worth market
 - Prospective investment partner profiling exercise undertaken
 - Short list of candidate investment partners identified and targeted based on profiling exercise

- DESIGN** | Select, manage and coordinate the professional team to ensure each partnership interest delivers a unique market based solution to satisfy and safeguard the owners vision
- Handpicked team of consultants engaged with experience in the delivery of market driven high end real estate and tourism products
 - A 'ground up' design approach undertaken based on an intimate understanding of the land and environment to ensure site driven, cost effective and flexible solutions.
 - Project vision and integrity continually adhered to in order to meet and protect projected price points
 - Secured EIA and land entitlement approvals



- PARTNERSHIP INVITATION** | Create a platform that aligned the vision and development positioning. Delivered and manage a coordinated program to the very top of the market
- Experienced team with large high net worth global market reach
 - Strategy developed that reflects existing Singita brand and vision for new lodges
 - A bespoke approach taken to ensure quality and calibre of prospective candidates
 - Continual review and refinement of strategy and program to minimize overspend and identify additional candidates and markets
 - Personal interface and communication with candidate partners
 - Structured partnership documents
- LEGAL** | Created a robust set of partnership documents that represent the owners vision and provides comfort of purpose to a small group of likeminded new partners
- Integrate legal/tax/brand/management and rental requirements into a full suite of offering documents
 - Structure the double holding company and Escrow programs
 - Ensure rental management and rights of use agreements align wit the existing owners uses and the current hospitality brand guest experiences
 - Overall offering structure
- DELIVERY** | Provide all project cost controls, feasibility modelling, Capex and Opex budgets, pre and post construction schedules, entitlements, design, and construction coordination as Development managers
- Clear structured management and organizational protocols to streamline decision making process
 - On-going responsibility for Project Management, Construction, Construction management and project cost controls via a turnkey delivery product.
 - On-going management and reviews of budgets to ensure continued financial health
 - Management of construction payment protocols with Luxco and Tco entities
- OPERATIONS** | Identify and integrate the economic, branding, marketing and technical services requirements of the operating company. Monitor progress against project goals
- The existing Singita marketing and branding strategy reviewed to accommodate new partnership program without brand dilution or confusion
 - A full audit of the existing project operations conducted to ensure the capacity and support structure required to manage new program with no adverse effect on existing service levels
 - Set up and delivery of a full property and rental management program

