



LOMBARDY

E S T A T E & H E A L T H S P A



JULY 2009

Welcome

to the first Lombardy Estate newsletter of 2009!

A lot has happened since our last newsletter both within and beyond the estate.

It is well known that South Africa, like many other countries, is officially in a recession.

The banks have imposed strict lending criteria which has affected many potential property buyers plans and the property market is feeling the pinch.

Despite these factors, plans for Lombardy Estate are going ahead says Greg Dart, recently appointed Development Manager at the estate.

"We are as committed to creating a haven for the discerning individual as we were from the outset. Plans are being submitted and we are effectively 'investing' through the downturn.

"South Africa remains a key investment region for the Kharafi Group, the developers behind Lombardy Estate. Lombardy is a priority for the group and all initial construction projects are going ahead as planned".

In this newsletter we'll take a look at progress made as well as some exciting new developments such as the appointment of Chas Everitt to assist in selling and marketing the estate.

Background Check: who are Kharafi?

Kharafi is a multi-faceted group with a wide variety of interests.

The company has operated for over 100 years with operations spanning the globe and has operated in South Africa since 1994.

These operations include investments that encompass Kuwait's leading financial institutions. Kharafi also has interests in companies listed on international stock markets.

The internationally recognized Oubai Golf Resort in the Southern Cape also forms part of the group's portfolio of prestigious developments in South Africa.



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DEVELOPMENT STATUS

"Kharafi is a quality developer and I do believe that once the project has been completed and the landscaping has been established that this will be a very high quality product."
— Greg Truen, Director, Stefan Antoni

Tennis Courts

Construction of the tennis courts on the village green adjacent to the pavilion is scheduled to commence shortly. When complete, the tennis courts will provide a welcome additional recreation facility for residents at the estate.

Office space

In our last newsletter, we discussed how Lombardy has made available land for commercial use at the estate. Negotiations are continuing with potential developers for this area.

New York Style Apartments

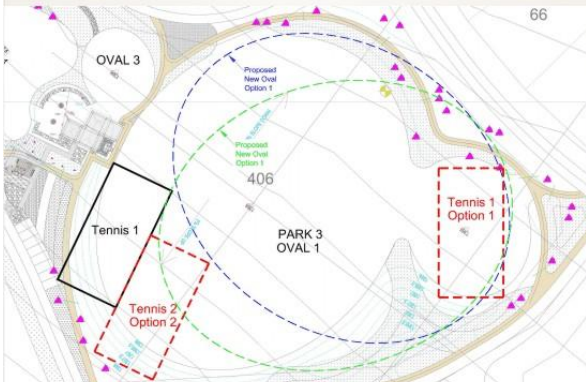
Of the New York Style Apartments, Greg Dart says these remain an important feature of the overall estate development and are poised to be launched as soon as demand recovers in the local property market. In the short term the land set aside for this development node will be grassed and fenced as a park.

Hotel and spa

Planning of the enlargement of the Lombardy Hotel and the new spa are at a very advanced stage and are now with the local authorities for approval. Site-works are scheduled to begin before the end of the year and will be carefully co-ordinated to ensure a minimum of disturbance to all the existing facilities during the busy soccer World Cup in 2010.

Negotiations are continuing with a number of international five star hotel operators as part of the operator selection process. The operator that will be appointed will manage the hotel, spa and convention facilities. The Spatial Development Plan is currently with the Kungwini Council for final approval and once this has been received development can start in earnest.

It is anticipated that phase one of the hotel development will start in the fourth quarter of 2009 and will include such areas as the new entrance and access road, upgrades to the various hotel facilities, completion of the mock up rooms for the future development, infrastructure for the hotel, spa and ancillary facilities.



ABOVE:
Artist illustration of the envisioned New York apartments

TENNIS COURTS LEFT:

LEFT: Overview of the tennis courts



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DEVELOPMENT STATUS *continued*

Lombardy Estate is back on track after Maroy, one of the main contractors, unfortunately went into liquidation earlier this year. Understandably the liquidation set the progress of construction on the estate back while the necessary formalities with the liquidators were dealt with. However, Lombardy has rallied and all projects are now progressing well.

That's the news from Tamer El Akkad, Project Manager at Lombardy who took charge of the construction team on the estate in January last year.

A long time stalwart of the Kharafi Group, El Akkad has worked on projects such as the Palace Hotel at the Port Ghalib resort in Egypt as well as the Sheraton hotel in Albania. His talents and experience have been put to good use at the estate.

Says Tamer: "The construction industry is a challenging one. There are myriad factors which need to be taken into consideration such as the management of a large and diverse workforce, quality control, selection of materials and artisans, co-ordination of trades and not least health and safety.

"For instance, this year we had to overcome the loss of our key sub-contractor. More recently we had to make up for time lost to all the public holidays in April. We've also had our fair share of rain which also always interrupts our activities.

"Despite these interruptions we've caught up well. Approximately 650 labourers and subcontractors were working on site at the Lombardy Lakes sector from the end of June so as to ensure that owners could take delivery of the first registered units at the end of July. Another 550 labourers were contracted to work at the Lombardy Fountains node, bringing the total number of workers on site to 1,200".

Tamer adds that 57 Lakes units are currently under construction and it is envisaged that these will be completed by the end of the year. All Lombardy Lakes owners received an email recently about scheduled completion dates for the Lakes units.

The first Lombardy Fountains show unit will be complete within a few weeks. Practical completion of the Fountains is tabled for the end of 2009.

Landscaping

Real Landscaping has been appointed to manage the estate's landscaping affairs. Gustav Malan is the man in charge.

Landscaping at the estate has come a long way. Approximately 8000 indigenous trees

and over 400 000 indigenous shrubs and groundcovers are being introduced to the estate, which upon completion will act as a Mecca for local bird and animal life.

In an effort to bolster the estate's natural assets and provide screening for residents, an environmental corridor has been demarcated for the entire periphery of the estate. The corridor encompasses a wetland to the north-west boundary as well as a number of seasonal attenuation storm water ponds. The company is currently concentrating their efforts on the Lakes sector. The palm trees which feature at this node were all transplanted from Natal and have taken well to their new surroundings.

Work at the Lakes is expected to be complete within the next two months.

Unsurprisingly, winter is making the landscaper's task more difficult as frost takes its toll on the grass and various plants.

However the company has made real inroads and it's envisaged that the bulk of the

landscaping work at the estate will be finished by the end of the year. Work at the main entrance is finished and all of the park areas have been developed and are well on their way to becoming the 'lungs' of the estate. Maintenance of these areas has been handed over to the HOA.

According to Gustav, Lombardy Estate is arguably the largest South African landscaping project currently underway. Between 15 000 and 20 000 tons of earth have been shifted, stockpiled and relocated to various parts of the estate over the last year.

As for the estate's water affairs, Lombardy's computerised irrigation system is now fully functioning. The system will ensure optimum water usage, the full benefits of which will really manifest come spring.

The fresh water lakes and water features of the estate have a total surface area of 2,5ha. The lakes are being biologically treated so as to sustain plant and aquatic life without the need for chemicals.



LANDSCAPING PICTURES RIGHT:

LEFT: View of the lake system from the patio of one of the townhouses

CENTRE: The Lakes Water feature under construction

RIGHT: the pavilion over dam



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SALES & MARKETING

Stella Gillingham, Sales Consultant at Lombardy says that the Lake Lombardy node is attracting buyers looking to scale down from big properties without compromising on their standard of living.

The enhanced security, maintained gardens and lock-up-and-go aspect also appeal greatly to this set she says. Stella adds that these units are also great for those who live overseas as they can leave their property for months at a time, safe in the knowledge that it will be cared for.

- Full title clusters
- The Lakes have all been built around 20 lakes operated by 36 pumps and filtered, ensuring that the water is always fresh and flowing
- Two and three bedroom waterfront clusters ranging from 331sqms to 400sqm under roof

- All bedrooms are en-suite
- Air conditioning, a spa bath, jet showers, under floor heating, splash pools and marble floors come standard

According to Gillingham, a number of buy-to-let investors have taken an interest in the Fountains sector. Young, up and coming professionals and small families are also getting in line to buy at this segment she says.

- In line with its namesake, 15 fountains are being distributed throughout this node
- Full title units measuring between 153sqm and 284sqm
- One, two and three bedroom units are available each with their own garden
- Ceramic tile and high quality fittings and finishes feature throughout

PICTURE RIGHT:

RIGHT: Lombardy's internal roads under construction



BEFORE AND AFTER:

RIGHT AND BELOW:

Lombardy Lakes unit 24 pre and post construction



BELOW:

The Fountains under construction

BELOW:

Interior views of the Lakes Units





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SALES AND MARKETING CONTINUED: CHAS EVERITT APPOINTMENT

In April this year, the Chas Everitt International property group was mandated to market Lombardy Estate.

Given the current property climate, Lombardy has elected to re-structure its sales efforts to enhance effectiveness in the market. Chas Everitt is one of the leading real estate organisations in South Africa with mandates on various lifestyle estates and developments countrywide. The company also provides huge international exposure for its clients' properties.

Christo Steyn, principal of the mandated Chas Everitt Pretoria East franchise says that plans to market Lombardy are progressing well.

"We have compiled a business plan and are in the process of producing new brochures. Essentially we are aiming to communicate a value proposition to potential buyers. Open space, top notch security, central locality, the hotel and spa and contemporary design of the estate are powerful draw-cards which need to be marketed.

"To this end, we have planned a strategy which will enhance the estate's visibility. The Fountains show units are pivotal to this strategy and will be on show from mid August.

According to Christo, potential sales are doing well and a number of sales are being registered and pending. "Qualifications have been hard to come by though thanks largely to the strict bank lending protocols imposed by the banks. That said, we're upbeat about Lombardy's prospects.

The sales team are available every day at the Lombardy Sales office and will be available to show units every weekend.

Christo can be reached at 012 369-9040/082 453 4304.

Stella Gillingham or Hilda Coetzee can be reached at 082 453 7999 or 082 440 8398.

Please feel free to come and view our show units at Lombardy Fountains and Lake Lombardy.

FEEDBACK FROM THE HOA

Maritha Jackson has celebrated her first year with the Lombardy team in the capacity of PA to the Manager of the Lombardy Homeowners Association (HOA).

The role of the HOA is diverse. It is responsible for the overall maintenance, landscaping and exterior upkeep of the estate as well as the smooth running of all the estate's water features. In other words, the HOA makes the estate tick.

The main entrance to the estate has now come under the auspices of the HOA. The biometrics registration points at the entrance are working well and the guardhouse and control room have been equipped with the latest security instrumentation available.

In other news, Trafalgar Property Company has been appointed to assist with the management and administration of the 2009/2010 financial year and will be responsible for collecting levies.

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PRIVATE PICTURES LEFT:
A few of the private residences under construction



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FEEDBACK FROM THE HOA *continued*

Approximately 284 individual residential stands are available at the estate, some of which are currently under construction. The HOA would like to extend a warm welcome to the McGuirk's who took up residence at number 213 at the end of April and to Mr Pretorius who will be taking up residence at the estate before the end of July.

Says Helen McGuirk: "The move went well and we have been delighted with the way in which we have been received. We feel safe and welcome and are looking forward to spending time in our new home. "We moved to the estate primarily because of the lifestyle it offered. We have two small children and it is a huge relief to know that they can ride their bikes around the estate or play in the parks in safety. We also love the fact that we can go and have dinner at the hotel and that the estate feels removed from the rat race yet is still so centrally located. The fact that there are such excellent schools in the vicinity was also a deciding factor for us".

"As for construction progress at the estate, we've noticed major in-roads have been

made at the Fountains. The Lakes homes have also taken shape very quickly and a number of the private residences are nearing completion".

Maritha says that building activity is due to increase early next year at the privately bought residences. These private plots range in size from 800sqm's to 3000sqm's with the majority overlooking either parks or water, thus imbuing their owners with a sense of openness and freedom.

All necessary information regarding the upcoming AGM will be sent to home-owners via e-mail.

Any questions can be directed to Maritha at 012 809 1260 or via e-mail: maritha@lombardyestate.co.za.

All residents are welcome to come and meet Maritha and the HOA team over a cup of coffee.

BELOW: The McGuirks home



PRIVATE PICTURES LEFT: A few of the private residences under construction