



COMMERCIAL SPACE ALLOCATION FROM HULHUMALÉ



ABOUT HULHUMALÉ

Hulhumalé is a reclaimed island located 8km off the North East Coast of Malé, the capital of Maldives and 6.5km from Velana International Airport, Hulhulé. The initial reclamation of Hulhumalé Phase I consisting of 188 hectares, began on 16th October 1997 and was completed in June 2002. On 12th May 2004, Hulhumalé celebrated its first settlement with a resident population of just over 1000. As of 2018, this population had increased, recording numbers over 50,000. Reclamation of Hulhumalé Phase II consisting of an additional 244 hectares took 9 weeks, which was completed in early 2015.

Hulhumalé is strategically connected to the capital city of Male' via the Sinamale' Bridge and to the Velana International Airport via a link road.

Emerging from beneath the waves, the city of Hulhumalé remains a beacon of development for the Maldives. Hulhumalé is the culmination of the island nation's efforts to reimagine its focus towards being resilient, economically and environmentally.

With world class infrastructure, Hulhumalé aims to offer residents, visitors, investors, developers, entrepreneurs and technopreneurs with a global lifestyle. As the country's first smart and sustainable city, Hulhumalé has been celebrated as a true city for the future, providing them with the perfect platform offering the best solutions to live, work, play and invest.

HOUSING DEVELOPMENT CORPORATION

Housing Development Corporation Limited (HDC) is a 100% state owned enterprise formed by a presidential decree, initially established in 2001. HDC undertakes and manages the overall planning and building of the reclaimed city of Hulhumale' – the Maldives' biggest and most ambitious urban development project. HDC is currently working towards creating Hulhumale' to become the nation's first sustainable city and smart city in Maldives and is involved in undertaking projects of hospitality, commercial and residential in nature, many of which are unique and of a scale unseen in the country. Hulhumalé aspires fostering creative entrepreneurship among the youth, stimulating economic solutions and tackling the social challenges faced by the nation. In essence, HDC presents a variety of its own products including community-based developments; Central Park, Fehires Park, Indoor Sports Complex & Outdoor Sports Arena, Fahiveni Community Center, Fisheries Harbour, Local Market as well as commercial and industrial developments such as Green Office Building and Warehouse Shell. Curving a welcoming path for investment, Hulhumalé Phase II, the newly reclaimed addition to the existing conurbation promises diverse development opportunities.

VISION

A leader in redefining quality living.

MISSION

To be a pioneer in establishing higher standards of living through intelligent innovative and sustainable developments in the Maldives

1

OBJECTIVE OF COMMERCIAL ALLOCATION

The main objective of allocating commercial spaces is to fulfil the needs of residents and build a strong commercial lease clientele, while enhancing the overall brand identity of Hulhumalé'. Commercial spaces will be allocated either via **Request for Proposals (RFP)** basis or **Direct allocation** under the Direct Allocation Policy enforced by HDC on 17 September 2020. The upcoming developments will create significant amount of commercial space and will provide opportunity for enterprises, from MSME's to large enterprises.

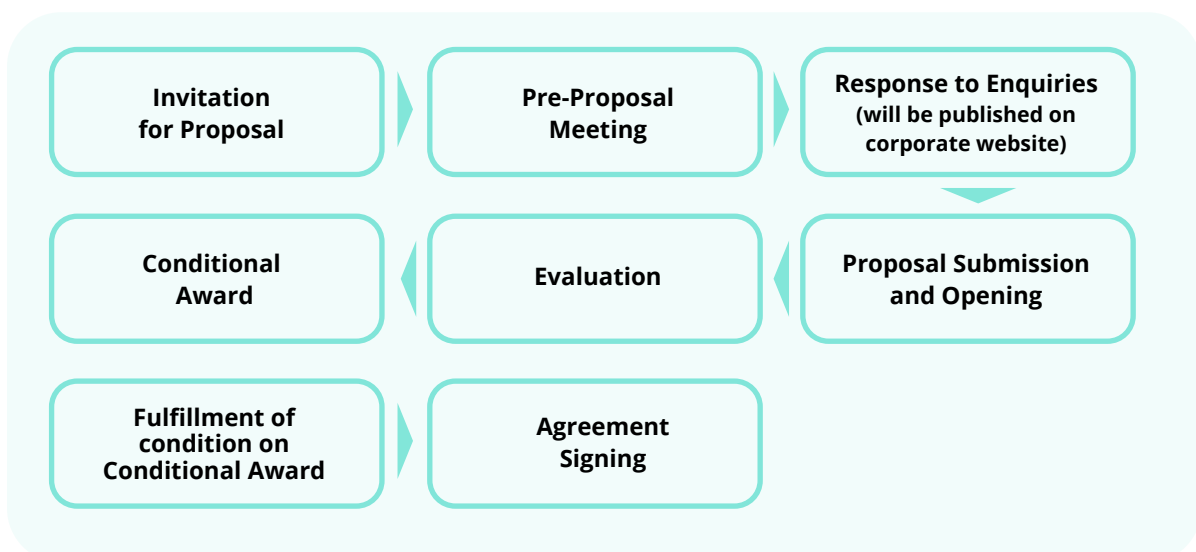
The upcoming commercial spaces from the new developments and vacant commercial units from the existing developments will be published with the allocated usage on MyHulhumalé properties website (properties.hdc.com.mv) on a regular basis.

2

REQUEST FOR PROPOSALS (RFP)

The purpose of Request for Proposals is to allocate commercial spaces to the most competent party. HDC will publish an Invitation for Proposal for lease of commercial space on HDC's corporate website and MyHulhumalé properties website. Interested and eligible parties are required to submit proposals for the usage described as per the published RFP. HDC will then evaluate the submitted proposals and select the winning party.

Process for Request for Proposal (RFP)



3

DIRECT ALLOCATION

The purpose of direct allocation is to provide a framework where HDC can directly allocate leasable commercial spaces to Anchor Tenants.

The following factors are considered by HDC when defining Anchor Tenants & eligibility of parties for direct allocation.

- The required products/services for the surrounding residences in the zone or neighborhood.
- Most demanded products and services to be provided in Hulhumalé.
- Products or services not available in Hulhumalé' - recognized brands in Maldives.
- Products or services not available in Hulhumalé'- franchise or renowned brands.
- Increase the attractiveness and value of a zone or neighborhood and to increase the customer traffic to the aforementioned area.

3.1

EOI Form

Parties interested in leasing commercial units can register through MyHulhumle properties website. Once a commercial space is vacant and usage has been identified, HDC will notify the registered parties (if any) interested in the specified usage of commercial space to submit an EOI form (published on HDC corporate website). if it meets the requirement of HDC. Interested parties shall examine and adhere to the instructions in the EOI Form and submit the required documents along with the completed EOI form.

The eligible applications will be processed as per the selection process specified in section 6 of the 'EOI application form' and the due diligence will be carried out as per the section 3.2 of this document. The EOI Form can be submitted by recognized brands in Maldives, renowned brands and franchises or by the franchise agents. HDC at its discretion may invite potential anchor tenants to the process as per the market demand and needs. However, Commercial units will be allocated based on availability.

3.2

Due Diligence Process for Direct Allocation

Due diligence shall be carried out for all EOI and winning parties shall be approved by HDC Management. Applicants, and the due diligence process is as per clause 3.2.1 and 3.2.2 accordingly.

If HDC receives more than one EOI, the applicant with the highest scores shall be approached for further approval from HDC's management

3.2.2 Qualification Criteria

- **Financial Capacity**
Applicant shall provide proof of funds to the proposed operation. Failure to prove the financial capability will result in disqualification of the EOI.
- **Outstanding payments**
Proponent shall not have any outstanding payments due to HDC. Proponents who have payments due at the date of submission EOI will be disqualified.
- **History of non-performing contracts and litigation history**
The Party shall not have consistent history of court/arbitral award decisions against HDC for the last five (5) years.
The party shall not have occurrence of non-performance of a contract awarded by HDC as a result of the party for the last five (5) years.

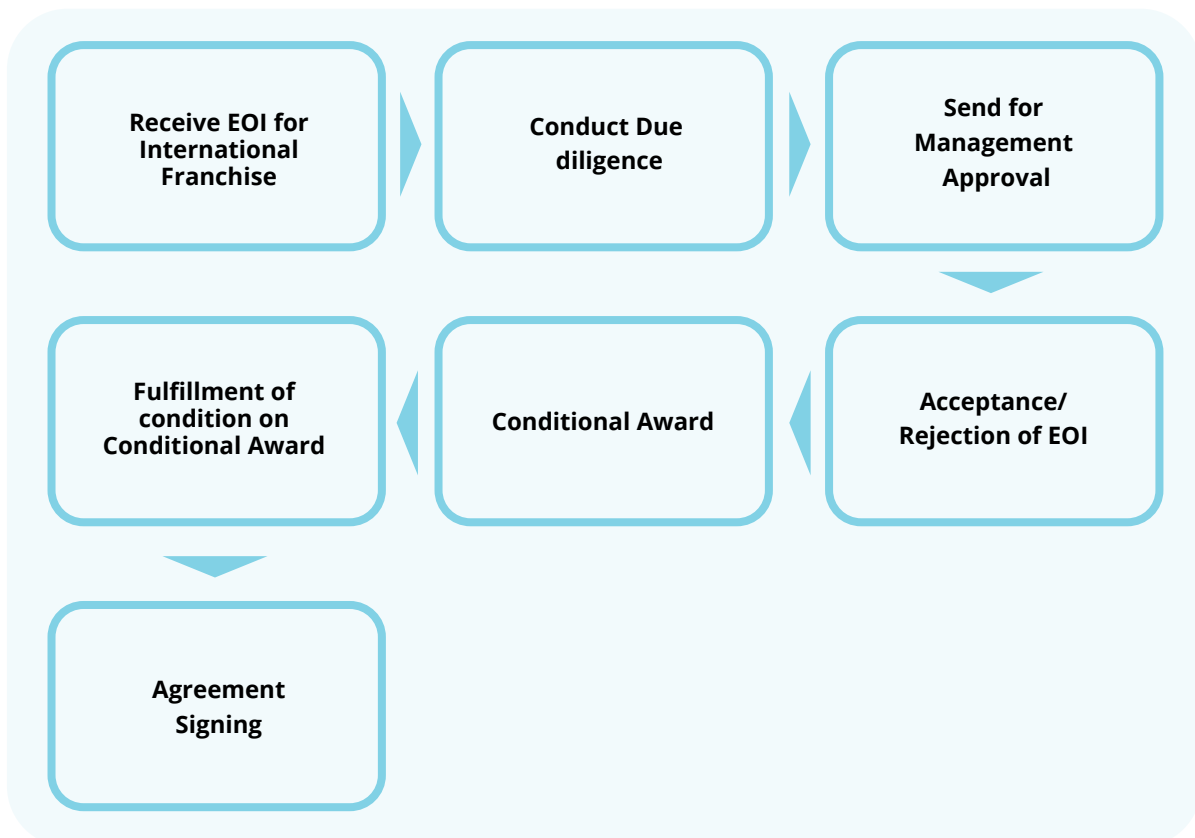
3.2.3 Evaluation Criteria

- **Proposed Lease Rate: 80%**
 - The lease rate will be evaluated using the Net Present Value of the proposed lease rate for the first 5 (Five) years, after grace period.
 - NPV will be calculated as per the following formula with the discount rate of 10%
 - Parties with the highest acceptable NPV will be given a score of 100% whereby points shall be given as prorated for the other interested parties.
- **Business Plan 20%**
 - Business plan shall include, and but not limited to a marketing plan which shall include a market analysis and marketing strategy, a financial plan, an operation plans and a management & HR plan.

Process for Direct Allocation



Process for International Franchise



4

POTENTIAL USAGES FOR COMMERCIAL SPACE

The Potential usages are defined as below:

4.1 Superstore

A large retail store offering a very wide selection of merchandise including food, household products, clothes, electrical appliances etc

4.2 Supermarket

Supermarket is a large retail store operated on a self-service basis, selling groceries, fresh produce, meat, bakery and daily used products.

4.3 Grocers, Convenience Store & Mini Mart

Grocers, Convenience Store & Mini Mart is a small retail store, selling daily used products.

4.4 Restaurants & Café

Restaurant is a business which serves a variety of food and beverages on a large scale and a Café' is a type of restaurant which mostly serves coffee and snacks.

4.5 Specialty Coffee / Beverages

Specialty coffee refers to the highest quality green coffee beans roasted to their greatest flavor potential by true craftspeople and then properly brewed to well-established in accordance with the Specialty Coffee Association's developed standards.

4.6 Leisure and Entertainment

A business which focuses on recreation, entertainment and other activities that provides entertainment to the public.

4.7 Hobbies and Interests

A business that sells products or equipments which supports hobbies and interest. For example: fishing gear, art supplies and pet shops

Disclaimer: Commercial usages does not only limit to the above mentioned usages.

FOR MORE INFORMATION CONTACT

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