



GAUTENG PARTNERSHIP FUND

LEVERAGING AFFORDABLE HOUSING FINANCE

## RENTAL HOUSING FUND

### Gauteng Partnership Fund Background

The Gauteng Partnership Fund (GPF) was established by the Gauteng Department of Housing to address funding challenges in the affordable housing sector.

The GPF Assists the Affordable Housing Sector by:

- Providing public funding as equity cushion to investors.
- Risk sharing and co-funding with prospective funders.

On a project-by-project basis, GPF will assist the rental housing entities to procure finance at the most favourable terms in order to promote affordable, quality accommodation that is well managed for the target market

### Product Offerings

The GPF seeks to continually develop products aimed at addressing housing market funding challenges. GPF products are reviewed annually to determine their effectiveness.

### Rental Housing Fund

The Rental Housing Fund was developed for rental housing entities that require additional funding in to the project. The equity type loan enhances the debt to equity ratio for projects to enable lenders to finance, on favourable terms.

### Who Qualifies

Any company or project Special Purpose Vehicle (SPV) with a recognised legal form that provides rental or delayed ownership schemes to households with monthly income less than R15 000 (Adjusted according to Consumer Price Index CPI).

The entity must demonstrate to GPF that they have the technical resource capacity to successfully complete the project as well as efficiently manage the property thereafter.

### Types of Projects

- Inner-city residential refurbishments
- Conversion of offices to residential units.
- Greenfield developments.

### Exposure

GPF investment of up to 20% of the total project costs depending on the discretionary assessment of project needs. GPF will provide 100% funding for projects with total loan exposure of R10 million or below.

### Investment Term

15 - 20 years depending on project cashflows and company BEE levels.

### Investment Pricing

Minimum of Johannesburg Interbank Agreed Rate (JIBAR) plus a margin.

### Investment Instrument

Subordinated debt.



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### Security

- Mortgage Bond.
- May require personal sureties.

### Client Contribution

- Minimum 10% of project cost depending on project cashflows and company BEE levels.

### Documentation Required

- Comprehensive Business Plan (Recommended business plan framework is available on request).
- Company registration documents.
- Tax clearance certificate.
- Essential project information
- Copy of latest Audited Financial Statements.
- Shareholders statement of assets and liabilities may be requested.