



Property
Management



Holdings

TIPS, TRAPS AND FUNDING

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“Developing Inner-City Communities”

WHO IS AFHCO?

- Longest performing developer in the Joburg inner - city.
- Established in 1996.
- Current portfolio includes:
 - 42 Properties*
 - 5000+ residential units*
 - 80 000 m² Retail/commercial and light Industrial space*
- Current portfolio value is R1.7 Billion
- Currently rolling out 1000 apartments
- Just completed - 1100 Studios with on suite kitchens and shared ablutions - Rent from R1405

WHAT MAKES SPACE VALUABLE?

- Price
- Size
- Shape
- Structure
- Condition
- Location
- Retail
- Parking
- Occupancy
- State of Council accounts
- Zoning
- State of public open spaces



PROBLEMS AND PITFALLS

- **Effective Management**
- **Location**
- **Impact of bad buildings**
- **Price of bulk**
- **State of surrounding area**
- **Cost of conversion/construction**
- **State of building**
- **Electrical supply**
- **Design of building**
- **Property Revaluation Post Development**
- **Council Bureaucracy/ inefficiency**
- **Council billing crisis**
- **Understanding and perceptions of the city**
- **Availability of stock**
- **Council Charges Increase**
- **Higher demand for housing for lower income earners**
- **Interest Rate**
- **Equity Requirements**
- **Availability of Funding**



FUNDING

- Modeling is critical
- Blended Borrowing Rates with GPF - improved feasibility
- Term
- Equity Requirements
- Capitalised Interest during Construction
- Take up of units
- Cash Flow... Cash Flow...

Cash Flow

