

Developer funding

The recent Gauteng Partnership Fund (GPF) Property Entrepreneur Seminar brought together an extraordinary gathering of housing stakeholders. Political champions and industry heavyweights were willing, ready and able, to share their knowledge to fast track the new kids coming into the housing sector.

GPF CEO, Boni Muvevi, said that GPF would assist property entrepreneurs to access funding opportunities for the affordable housing market in Gauteng.

There were few institutions, he said, who really wanted to change the complexion of the property sector as much as the GPF. He explained that there were funding opportunities and grants, such as the Urban Development Zone (UDZ) from government, GPF and the Trust for Urban Housing Finance, that would ensure black entrepreneurs access to development finance.

Tshepo Matlala, President of the South African Institute of Black Property Practitioners (SAIBPP), told delegates that he did not know of any funding agency like the GPF that offered this type of opportunity to get credit at these levels. "It is not available in the market," he said, "I have no idea why more entrepreneurs are not grabbing these opportunities."

Business Plan Development consultant, Henry Chitsulo, ran through the salient points required in a business plan. With urban development corridors opening up it was up to entrepreneurs to harness those opportunities and become landlords. He noted that almost 90% of millionaires made their millions through real estate. Themba Buthelezi, a newly established developer and GPF property fund recipient told delegates that his 24 two-bedroom project was nearing completion and tenants



would take occupation on July 1st. His family was skeptical when he told them of his plans, as it takes millions to start a project. Fellow entrepreneur and developer Dennis Marodi urged newcomers to grab the opportunity to partner with GPF. "My project is nearing completion and I will be back to partner with GPF on my next one."

Keynote speaker, Johannesburg Executive Mayor Parks Tau, told media and delegates that council had approved a capital budget of R10,4 billion for housing and infrastructure. The launch of the City of Johannesburg's new Green Bond, the first municipality on the African continent to offer a 10 year paper, would raise R1,45 billion, he said. New York was

the first city to offer green bonds. Tau said that subscriptions were going well and that the city was working on allocations and pricing. He added that the city made R100 billion over 10 years, to fund an expansive capital investment programme that included investing in replenishing ageing infrastructure, beyond patching potholes, and building new roads. He went on to explain that a billion rand would be spent on ensuring reliability of electricity infrastructure and water pipes and a further R2 billion to replenish the electricity intake points for the city, which included Sebenza.

The city's new development corridors will be available on the city's website in July. ■