



GAUTENG PARTNERSHIP FUND

LEVERAGING AFFORDABLE HOUSING FINANCE

## SOCIAL HOUSING FUND

### Gauteng Partnership 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 funds as equity cushion for projects.
- Risk sharing and co-funding with prospective funders.

On a project-by-project basis, GPF will assist the social housing institutions 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.

### Social Housing Fund

The Social Housing Fund was developed for social housing institutions that require an equity injection to the project. The GPF equity enhances the debt to equity ratio for projects to enable lenders to finance, on favourable terms.

### Who Qualifies

Any social housing institution or Project Special Purpose Vehicle (SPV) with a recognised legal form that provides rental or delayed ownership schemes to majority of families with household with monthly income less than R15 000 (adjusted according to Consumer Price Index CPI).

The institution 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 refurbishments or predominantly residential buildings.
- Conversion of offices to residential units.
- Greenfield developments for social housing.

### Exposure

GPF investment of maximum 30% of the total project costs.

### Investment Term

Maximum period of 20 years depending on project cash flows.

### Investment Pricing

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



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#### Investment Instrument

- Debt

#### Security

- Mortgage Bond

#### Documentation Required

- Comprehensive business plan (Recommended business plan framework is available on request).
- Company registration documents.
- Essential project information.
- Copy of the latest Audited Financial Statements