

ENTERPRENEUR EMPOWERMENT PROPERTY FUND PROGRAMME (EPPFP)

GPF and SAPOA Breakfast Presentation
Vinolia Mashiane: Investment Officer- GPF



Entrepreneur Empowerment Property Fund Programme (EPPFP)

- The Entrepreneur Empowerment Property Fund Programme (EPPFP) was established to focus exclusively on promoting HDI participation in the affordable rental property market.
- The EPPFP aims to assist HDI participants overcome some of the challenges and constraints to entry by providing capacity assistance.
- The EPPFP aims to develop new entrants in the residential property development market in Gauteng by providing extra assistance needed to enter the property market

EEFPF - Capacity Program

Capacity building and mentorship program will include the following:

- Training programs on property investment and management.
- Professional opinion on the project (feasibility) prior to purchase of property
- Assistance with project feasibility modelling
- Project reports - by building professionals
- Packaging projects for funding by the Senior funder i.e. NHFC.

Interest Free Loan

- The funding aims to assist companies with professional fees and contingencies, subject to a secured project by a company.
- The loan is repayable, with flexible terms depending on the financial feasibility of the project.

EEPFP - Project funding

Bridging finance facility

- The purpose of this facility will be to fund the initial costs associated with the acquisition of the property, e.g. purchase price, transfer costs, legal costs, etc.
- Participating companies must contribute a minimum of R450,000 equity as a first layer of funding and thereafter the fund's bridging finance facility will be used.

Long term finance

- This funding will act as a take out finance for the Fund's bridging facility. The Fund will commit 30% plus the interest free loan to the total project cost and the difference will be funded by the Senior funder

EPPFP - Participants Requirements

- Equity contribution – Minimum R450,000 towards a project
- Full time commitment to projects and hands on approach
- Willingness to provide additional security (e.g. personal sureties, cashflow shortfall undertaking) should it be required by our co-funders
- Securing at least one project within 12 months.
- Attendance and meaningful participation in facilitated training programs and workshops is compulsory.

EEFPF-Investment guidelines

- Projects must be located in an under developed area identified by Metro for rehabilitation and close to amenities
- Projects with at least 15 units and a minimum of 80% of the units as residential. No student accommodation will be undertaken.
- Projects should cater for households with income below R15 000, rentals charged must be market related or at least 10% below market
- The project must be self sustaining from cash flow post construction
- The project must not exceed R15million in total, while the acquisition cost should not exceed R7.5million.
- Interest rate - minimum JIBAR for the first five years and JIBAR plus 50 basis point at the end of every five years
- Loan term: 15 – 20

EEPF Programme-News Paper Advert

THINKING OF INVESTING IN THE AFFORDABLE RESIDENTIAL PROPERTY MARKET? CONSTRAINED BY FUNDING CHALLENGES?

The Solution

The Gauteng Partnership Fund (GPF) is the ideal partner for companies seeking to develop affordable residential properties for rental to cater for households with income up to R15 000.

Who Are We?

Motivated by the Gauteng Department of Local Government and Housing's mandate to accelerate the provision of human settlements, the GPF has leveraged over R2, 2 billion in private sector funding for developers and investors in the affordable housing market. The GPF continuously seeks strategic partnerships with public and private institutions for affordable housing market interventions.

Opportunity

To partner with GPF by participating in a dedicated **Entrepreneur Empowerment Fund Programme** that aims to assist emerging black owned companies to enter the affordable housing rental market. The GPF wants to hear from you. You may have aspired to enter the affordable housing rental market before, but been unable to start or grow. Now you can.

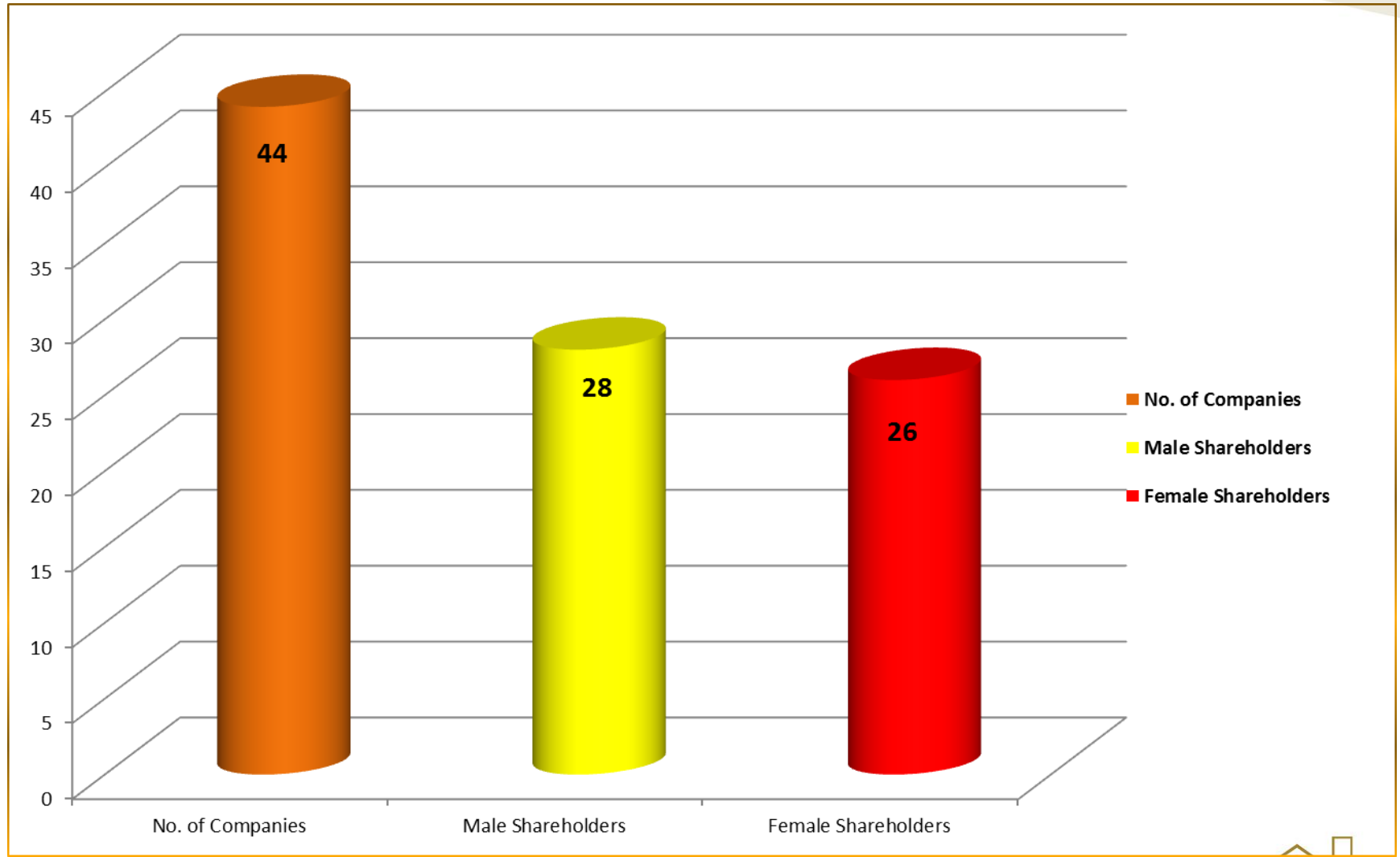
Criteria

If you are a legal entity with:

- BEE/HDI ownership of the entity – Level 1-4 status. *Preference will be given to black applicants as per the definition in the BBBEE Act;*
- An interest in catering to affordable housing rental market (household income up to R15 000);
- A potential walk up project that can yield over 15 affordable housing units in Gauteng. Projects located in under developed areas or Townships will be considered favorably; and
- That can demonstrate access to unencumbered capital as sponsors equity contribution required towards a project of approximately R15 million value; Letters showing equity contribution from institutional investors will not be considered;
- If you meet all the above broad criteria, then kindly collect a business plan framework as a guide for application from our offices or request for a copy from info@gpf.org.za. **For more application documentation queries, please contact GPF on 011 685 6600 or visit our website on: www.gpf.org.za.**

All applications are to be submitted by **30th of October 2012** before 4:30pm at our offices, 82 Grayston Drive, Sandton.

EPPFP Participants



EEPF Projects

Location: Kempton Park

Units: 22

GPF Funding: R4,4 million

Total cost: R8,1 million



EEPF Projects

Location: Betrams

Units: 31

GPF Funding: R4 million

Total cost: R10 million



Location: Glen Marais Kempton Park

Units: 42

GPF Funding: R6 million

Total cost: R15 million



Questions



Vinolia Mashiane
Investment Officer
Tel: +27 11 685 6624
Cell: +27 71 364 6878
Fax: +27 86 599 0415
Email: vinoliam@gpf.org.za
Website: <http://www.gpf.org.za>