



## THE ENTREPRENEUR EMPOWERMENT PROPERTY 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 rental 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.

### The Entrepreneur Empowerment Property Fund

The Entrepreneur Empowerment Property Fund (EPPF) is an incubator programme designed to promote participation of previously disadvantaged owned companies in the affordable rental property market.

The programme is limited to prospective participants invited on public tender annually.

### Who Qualifies?

- Companies with HDI 100 % shareholding, HDI women and youth owned applicants are encouraged
  - A potential project that can yield a minimum of 15 affordable housing units in Gauteng;
  - That can demonstrate access to unencumbered capital minimum of R450 000 or 5% of total project cost as equity;
  - At least 75% of professionals and contractors must have majority HDI shareholding;
  - Applicants who are first time property entrepreneurs are encouraged;
  - First time property developers will be limited to the maximum total project cost of R20 million;
  - A project that is ready for implementation
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### Types of Projects

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

### Exposure

GPF investment of 30% - 40% of the total project costs. GPF will provide 100% funding for projects with total loan exposure of R10 million or below.

### Investment Term

Maximum period of 20 years depending on project cashflows.

### Investment Pricing

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

### Investment Instrument

Subordinated debt

### Security

- Mortgage Bond.
- May require personal securities.

### Documentation Required

- Comprehensive business plan.
- Company registration documents.
- Essential project information.
- Copy of the latest Audited Financial Statements.
- Shareholders statement of assets and liabilities (Proof of availability of Equity).