

GPF NEWS



Catalyst for delivering sustainable human settlements



GAUTENG PROVINCE
HUMAN SETTLEMENTS
REPUBLIC OF SOUTH AFRICA



011 685 6600



info@gpf.org.za



www.gpf.org.za

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EDITOR'S REMARKS

Warm greetings to you all. I am pleased to present to you our first external newsletter for the year 2021. As the GPF we always strive to highlight content that showcases the work that we are doing. We trust that this will encourage our stakeholders to have a thirst to be part of the GPF team. The GPF is excited about the completion of housing projects that yielded 102 units, as this means that 102 families can now be housed at affordable costs.



Above: The Marketing, Communications & Stakeholder Manager Ntombenhle Gwina

These footprints demonstrate our commitment to create sustainable human settlements, which will enhance the lives of the Gauteng community.

In this issue, we welcome the new leadership that have joined the family. We trust that they will make a positive contribution to enable the company to soar to greater heights.

The GPF is deliberate about empowering women to participate in the property market, and we encourage qualifying women to submit their applications. We had a chat with Kgaogelo Mamabolo, one of the beneficiaries of our rental housing fund programme. She was recently approved for funding and takes

us through her journey. In this newsletter we also feature the common reasons for project failures and discuss strategies that developers can use to overcome them and ensure efficient delivery of their projects.

CLICK TO FOLLOW US @



To keep abreast with GPF's latest developments.

THINKING OF INVESTING IN AFFORDABLE RENTAL HOUSING OR STUDENT ACCOMODATION IN GAUTENG?

Please visit @ <https://gpf.org.za/brochures/> / **contact:**

Ms Palesa Tlowan

Contact Details: 011 685 6600/58 or 082 970 7806

Email: palesat@gpf.org.za

Ms Nonhlanhla Mbongo

Contact Details: 011 685 6600 or 072 605 5244

Email: nonhlanhla@gpf.org.za

Ms Phetsile Khoza

Contact Details: 011 685 6600/35

Email: phetsilek@gpf.org.za



Above: The Acting CEO, Ms Leah Manenzhe

CEO'S REMARKS

Greetings to all our stakeholders, partners and contributors to the success of the Gauteng Partnership Fund. Welcome to our first external newsletter for the year 2021.

I am pleased to report that we have experienced notable progress in many areas of our strategic operations. We remain guided by our core values and remain committed to our vision to be the partner of choice in catalysing the funding and development of integrated and sustainable human settlements in Gauteng.

COVID-19 has no doubt affected the way in which we conduct our operations. I am, however, pleased to inform you that we were able to adapt to the realities of the “new normal” and to adjust our strategies to improve performance across most of our operations.

A number of key appointments have been

made to strategic positions, and this will bring much needed stability. We continue to enjoy the strong support and backing of our shareholders in the provincial and national government which are strengthening our relationships with key stakeholders in the private sector and development finance institutions.

As we continue to strive to achieve our goal of facilitating the development of integrated sustainable human settlements for the people of Gauteng, we are calling on developers who are interested in investing in affordable rental housing to submit their proposals to the GPF. For more information, please visit our website @:
<https://gpf.org.za/brochures/>



Above: The Gauteng MEC of Human Settlements, Urban Planning and COGTA, Lebogang Maile and Chairperson of the GPF board, Mahlengi Bhengu-Matsiri

REVISED MANDATE

There are, indeed, reasons to be upbeat about our future prospects. This is because there is now much greater clarity both within and outside the organisation about our new mandate. It is now quite clear that our

primary roles are:

- To serve as the funding and implementing agent for integrated, sustainable human settlements in the Gauteng City Region;
- To be the custodian of strategic provincial land and property transferred to the GPF for effective immovable asset

management; and

- To ensure coordinated, efficient implementation of mega human settlement developments.
- The GPF has also been appointed for

planning and implementation, monitoring, installation of water, electricity, sanitation and access of roads for the upgrading of informal settlements. As of 13 May 2021, 8486 chemical toilets were delivered in

informal settlements across the West Rand and Sedibeng Districts.

“THE GPF HAS ALSO BEEN APPOINTED TO UPGRADE THE SERVICES OF IDENTIFIED INFORMAL SETTLEMENTS”

- Our shareholder the Gauteng Provincial Government has committed to a R150-million recapitalisation of the Fund. This is a major capital financial injection into our organisation

and demonstrates the confidence of our shareholder in our ability to turn the GPF into an effective vehicle to manage projects and mobilise funding.



Above from the left: Mayor of Ekurhuleni Mzwandile Masina, GPF Chairperson of the Board Mahlengu Bhengu-Matsiri, Project Owner Dr Dumani Kula, Project Owner Mrs Kula & Gauteng MEC of Human Settlements, Urban Planning and COGTA, Lebogang Maile

GPF COMPLETED HOUSING PROJECTS

Gauteng Partnership Fund continues to strive to facilitate spatial transformation for historically disadvantaged individuals by providing affordable housing in areas where they are more connected. Housing projects that yielded 102 units have been successfully completed. The completed housing projects are as follows:

- Khwezi Village (rental project) located at Erf 102, 42 Market Street, Erasmus, Bronkhorstspuit, City of Tshwane municipality.
- Bravo Enterprise And

Projects (Pty) Ltd, an EEPF project situated on Erf 231 Kempton Park located on 26 Kempton Road.

- Bixowise Rehoboth Hills also funded with the EEPF program, is a development in Germiston, Ekurhuleni.
- Stormstrong (Pty)Ltd, an EEPF project under the City of Tswane municipality situated at Erf 299, Windorsor West, Randburg.
- During the last quarter GPF together with the Gauteng MEC for Human Settlements, Urban Planning and COGTA, Lebogang

Maile, the Executive Mayor of Ekurhuleni Mzwandile Masina launched Bixowise Rehoboth Hills affordable housing development in Germiston, Ekurhuleni. This affordable rental accommodation will be expected to provide much-needed accommodation for the citizens of Ekurhuleni.

- GPF has also entered into a partnership with Insight Media House and the National Empowerment Fund (NEF) to raise public awareness on the products offered by GPF.

COMPLETED HOUSING PROJECTS

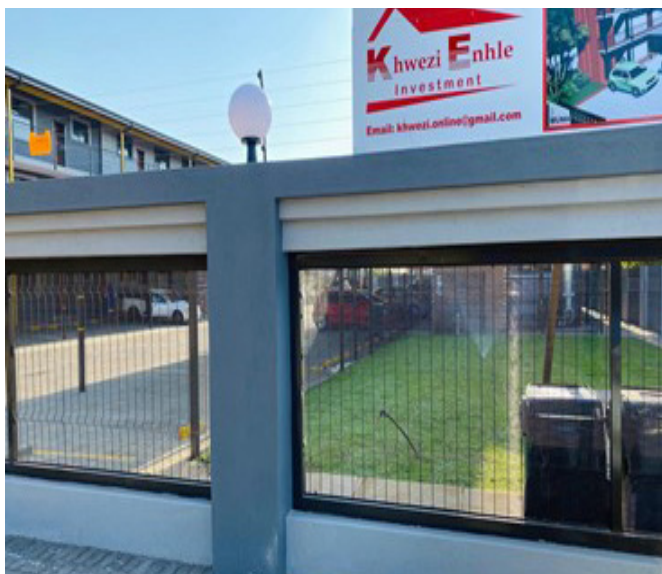
KHWEZI VILLAGE

Project Profile:

A greenfield project, which entailed the development of 2 blocks with 3 storeys. It yielded 36 units.

Block A: 20 x 2 Bedroom units

Block B: 16 x 2 Bedroom units



BRAVO VILLAGE

Project Profile:

A Brownfield project, which entailed acquisition of an existing building and a conversion into two blocks with 4 storeys into 36 units.

Block A: 18 x 2 Bedroom units

Block B: 18 x 2 Bedroom units

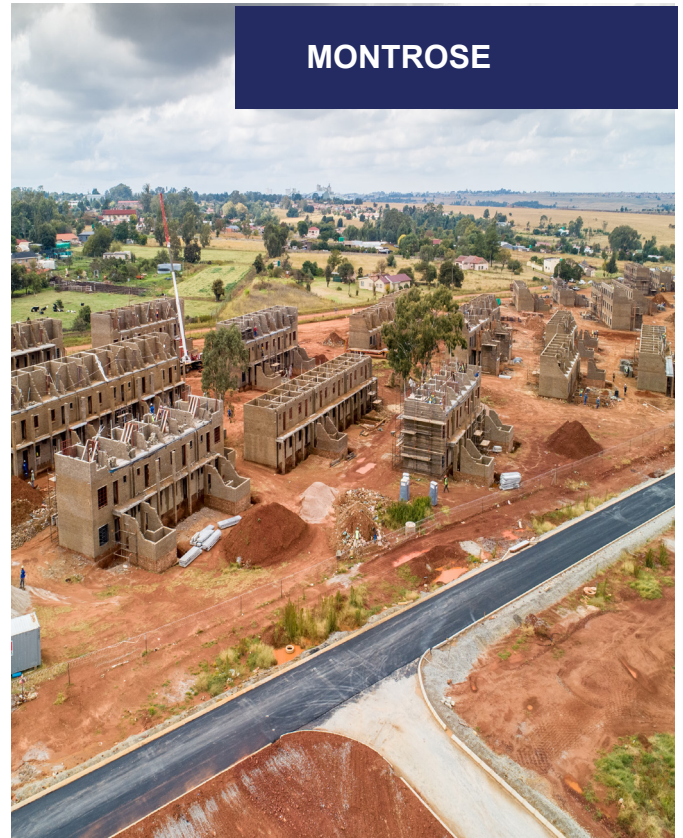


PROGRESS ON IMPLEMENTATION OF MEGA PROJECTS

The GPF was allocated eight Mega projects for the 2020/21 financial year in terms of the 9th and 10th Deed of the implementation protocol (IP) concluded with the GDHS.



AFFRI VILLAGE



MONTROSE

“GPF is a financing vehicle and an implementing agent of the Gauteng Department of Human Settlements for the delivery of integrated human settlements”



ELIJAH BARAYI

GPF APPROVED MY APPLICATION

Gauteng Partnership Fund's marketing and communications team interviewed Kgaogelo Mamabolo who was recently approved for the rental housing fund to find out how she was able to do it. It is not a secret that South Africa is still lagging behind in terms of introducing women into the property industry. Let us find out what she had to say.



Property Developer: Kgaogelo Mamabolo

Tell us about your journey in property. I have 20 years' experience in the Property industry. I am currently a non-executive director of Emerging African Property Holdings and of Triviron Holdings and also an Investment committee member of Summit Africa's Property Fund. I also offer strategic property advice and I was previously an Advisory Board member of the University of Cape Town's Urban Real Estate Research Unit and was Chairperson of Avidity Group. Currently I am growing my interest in property investments and developments in the Affordable Housing market.

I previously worked as the Asset Manager for STANLIB Africa Direct Property Development Fund and the Liberty Group property portfolio. My Asset Management journey began as Head of Unlisted Properties at Liberty Properties. I have also been involved extensively in the property industry through being a board member of SAIBPP, SACSC and the Property Charter Council. I was also on the SAPOA and the ICSC committees. I also served as the

Chairperson of the Braamfontein Improvement District.

How was the application process? The application procedure is not difficult provided that one has all the information required as per the guidelines provided by GPF. One must also ensure that the professional companies to be used are approved by GPF.

What are the challenges that you faced during the application process and how did you overcome them? Our first application was declined because of the projects costs which did not allow our feasibility to meet the requirement for return on investments. Consequently the other great challenge is the holding costs and other expenses that must be paid for the normal business requirement. We subsequently resubmitted after considering and rectifying all the factors that caused the decline. We were finally approved after 3 months.

How did you raise the equity required? I have investment partners. We shared the equity which also translates

to shareholding in the Special Purpose Vehicle owning asset.

Have you started building? No, there are still municipal processes that are underway. The development process takes time as approvals must be in place before we commence.

What advice would you give to others who are interested in property? Educate yourself about the different ways to invest in property. Not everyone is to be a direct landlord as there are indirect ways to invest. Identify your investment risk and look at other investment asset classes to create a balanced portfolio. Collaboration makes a big difference. Get to understand the market dynamics and make trusted connections with the different players you will need in the value chain. Where you do not have the expertise, find experienced partners to assist you to participate. When you get into investment partnerships, ensure that you all have common expectations as property investments require a long-term commitment before you get adequate returns for capital invested.

COMMON REASONS FOR PROJECTS FAILURES AND WAYS TO OVERCOME

To provide future project teams with information that can increase effectiveness and efficiency and to build on the experience that has been earned by project developers, GPF has identified the most common reasons for project failures and ways to overcome them.

COMMON REASONS FOR PROJECT FAILURES	HOW DEVELOPERS CAN OVERCOME CHALLENGE
Significant project scope changes during construction with cost implications resulting in changes/increase in project costs (i.e., Changes in configurations, size of units, specifications, number of units, design refinements, etc)	The Developers are to obtain written approval from the funder(s) of any variations in the project prior to implementation. This will assist the Developer/Funder(s) to determine if the changes in the project scope will not have a negative effect on the project viability
Any delays in construction may result in escalation of project costs (subject to market conditions) which may affect the project viability	The Developers are to ensure that the appointed Development Teams (Professional Teams and Contractors) adhere to the project delivery timelines to minimise project cost escalations. The Funder will assist the Developers by reviewing the project costs prior to commencement with construction to establish if the project is still viable
The appointment of inexperienced Building Contractors and Professional Teams may lead to the delivery of building structures that are not of acceptable building standards	The Developers are to appoint Contractors and Professional teams who are well experienced to execute and manage projects of the same magnitude with their projects. The Development team should be able to demonstrate their ability to deliver the projects, i.e., CIDB ratings, track records, references, etc prior to their appointment. The Funder will further assist the Developers by vetting the prospective Builder/Contractors and Professional teams to ensure that they are cable to deliver the project.
Non-compliance with statutory regulations, i.e., Approval of Building plans, NHBRC, etc. These processes could be lengthy and if they are not well provided for in the development programme it may result in project cost escalations (which affects the project viability negatively), as additional time will be required to complete the project.	The Developers are to ensure that all development programmes plans are in line with council requirements and timelines.

FAREWELL LEADERSHIP



Mr Daniel Molokomme was appointed as the Acting Chief

Executive Officer of the GPF until 22 July 2021

Mr Daniel Molokomme who is substantively also the Deputy Director-General: Planning and Property Management at the GDHS was appointed to act as the GPF Chief Executive Officer from August 2020 until 22 July 2021.

He holds a BA-degree from the University of South Africa and an MSc in Town and Regional Planning from the University of the Witwatersrand. He also received post-graduate qualifications from Wits, the University of Johannesburg and Thames Valley University.

Mr Molokomme has extensive experience in a wide range of positions comprising of; housing delivery, financial management and socio-economic development, including at the Development Bank of Southern Africa and as the municipal manager of the Capricorn District.

The GPF team would like to thank Mr Molokomme for his performance driven leadership. His support and positive contribution will be greatly missed by the GPF team.

FAREWELL MESSAGE

Words are inadequate to express our gratefulness and appreciation of the incomparable work performance and attitude you've displayed during your tenure at the GPF.

We are honoured to have worked with a supportive, dedicated and performance driven leader like you.

We wish you all the best with your future endeavours.

From: Chairperson & Board Members

GPF STRENGTHENS LEADERSHIP

Through key appointments at senior management level, the leadership team has been strengthened. GPF welcomes these experienced professionals who will, no doubt, reinforce the organisation's ability to deliver on the key mandate.



Leah Manenzhe has been appointed as the **Chief Investment and Development Officer**. She is an accomplished and results-oriented executive with a proven record of success over 18 years in various public sector institutions.

She holds an MBA from Mancosa, is a member of the Institute of Directors and has qualifications in project management, public relations, and sales and marketing management.

Leah is currently acting as the **Chief Executive Officer**.



Amanda Clark is the new **Executive Corporate Services**. She completed her secondary and tertiary training in KwaZulu-Natal and was, subsequently awarded an MBA from the University of Wales.

In her professional career she held various professional positions in human resources, board management and corporate governance. She is accredited as a human resources professional with the South African Board of Personnel Practitioners.



Nomfanelo Genuka has been appointed as the **Chief Financial Officer**. She holds tertiary qualifications from the University of the Western Cape, University of Witwatersrand, and the University of the Free State.

She is currently registered for a Master's degree in Business Administration. She is a professional with over 17 years work experience in the Financial and Accounting profession, 10 years of which has been held in senior management and executive positions.

OUR VISION

“To be a partner of choice in catalysing the funding and development of integrated and sustainable human settlements in Gauteng.”

OUR MISSION

GPF exists to facilitate the development of integrated, sustainable human settlements for the people of Gauteng by:

- Raising and managing the capital required for the successful implementation of identified sustainable human settlements;
- Serving as a turnkey property developer on strategic public land and providing management services; and
- Enhancing the lives of people in communities while also providing investors and partners with sound returns.

OUR VALUES

- Teamwork
- Innovation
- Integrity
- Proactive
- People/Ubuntu
- Environment Sustainability



GPF
GAUTENG
PARTNERSHIP
FUND

Catalyst for delivering sustainable human settlements

Address:

**82 Grayston Drive
Sandton
Johannesburg
0299**

**P.O. BOX 652247
Benmore
2010**



GAUTENG PROVINCE
HUMAN SETTLEMENTS
REPUBLIC OF SOUTH AFRICA



011 685 6600



info@gpf.org.za



www.gpf.org.za