

KASI 4 REAL FREQUENTLY ASKED QUESTIONS

1. What is Kasi 4 Real and how does it differ from existing funding options at the Gauteng Partnership Fund?

The Kasi 4 Real product is unlike any other we have; it focuses on financing township real estate. It seeks to address housing shortages and formalise backyard developments in the townships by directly funding potential township developers for residential township developments. This would entail at least 95% investment for each development in the township areas.

2. Who is eligible to apply for Kasi 4 Real funding?

It is aimed at providing funding to residents of any township within the jurisdiction of Gauteng. These residents must be registered on the title deed (or be the legally appointed executor for the property) and have available space in their backyard to build a minimum of 4 bachelor units of a minimum of 15 square metres in size. If the permit/title deed provided has multiple beneficiaries, the applicant must provide proof that they are authorized to apply for such on behalf of the other beneficiaries.

3. Is this a grant? Do I have to pay it back?

This is not a grant but a repayable loan. The loan term is up to 15 years.

4. What are the terms and conditions of the funding, including interest rates and repayment periods?

The interest rate is charged at Jibar + 1% throughout the entire loan term. Regarding security, the GPF will then reserve the right to register a mortgage bond over the property should the client default.

5. Are there any specific requirements or regulations homeowners must adhere to when developing rental units in their backyards?

The building plans must be approved by the Council before construction can commence.

Homeowners must endeavour to procure materials and labour locally.

Homeowners must enter into a valid construction agreement with their contractor.

6. How is this product different from similar others on the market?

The property owner/developer does not need to have any prior experience in property development. The GPF will provide training via an 8-week course to assist with understanding the fundamentals of real estate, including property management.

7. How long will the application process for Kasi 4 Real funding typically take?

This will depend on the time it takes for the approval of land use applications such as the rezoning application, which allows for a higher density, as well as the approval SDPs and building plans.

8. What support or resources does the Gauteng Partnership Fund provide to homeowners during the development process?

The GPF will provide an oversight role during the construction of the units. The Homeowner is still responsible for the quality and monitoring of the contractor.

9. Are there any restrictions or limitations on how homeowners can use the rental income generated from the units financed through Kasi 4 Real?

No. However, they are expected to adhere to the agreed-upon loan repayment terms.

10. I don't live in Gauteng, but I am very interested in developing rental units in my backyard, can I still apply?

Unfortunately, you cannot qualify if you are not in a township that is within Gauteng.