

# Celebrating success

Two housing projects that were partly funded by the Entrepreneur Empowerment Fund (EETF), which is administered by the Gauteng Partnership Fund (GPF), have been successfully completed both on schedule and within budget

By Ismail Carr, GPF: Marketing and Communications Executive

**T**he two projects were the first to be completed under the EETF programme.

The projects, based in Pretoria and Kempton Park, are rental housing developments. The project in Pretoria was a refurbishment and redesign of an existing apartment complex, while the Kempton Park project was a brand-new development.

Boni Muvevi, Chief Executive Officer at the GPF, says: "We're delighted to see the first two projects part-funded by the EETF come to fruition. It's another milestone for the GPF in successfully supporting the development of affordable rental housing by entrepreneurs who can't access funds from traditional financial sources for a first-time property development initiative.

"The EETF was set up in 2010 to assist historically disadvantaged property entrepreneurs to develop affordable rental housing. While our mandate is to provide part-financing of affordable housing projects, we established quite early on that there were many constraints which needed to be overcome to ensure entrepreneurial success, such as mentorship; establishing a practical and realistic business plan; access to financial packages; contractor selection and project implementation assistance, etc. The GPF's objective is to empower and the aim for our entrepreneurs is not to stop at one project, but to complete the project, rent it out, pay back the loans and continue to develop other rental housing projects successfully."

Last year, the GPF partnered with the National Housing Finance Corporation to establish the EETF with a start-up fund of R200 million. "To date, the GPF has identified 60 companies as participants on the programme," says Vinolia Mashiane, Acting Chief Investment Officer at the GPF. "Applicants are invited to participate annually via public tender. The interest has grown substantially. We had to review the regularity of the EETF selection process.

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to 30-40% of total project costs: we also draw on four companies comprising engineering professionals to assist with mentoring, as well as others who offer the skills we seek to impart."

#### PRETORIA CBD PROJECT

Castle Crest Properties identified a dilapidated 23-unit apartment complex in the Pretoria Central Business District. The biggest obstacle was obtaining finance, with traditional outlets requiring unrealistic equity upfront. Upon approaching the GPF, a more open-door and proactive approach was offered.

Castle Crest Properties obtained a 36% loan on a R12 million project from the GPF. This enabled it to redesign the apartments into 43 35m<sup>2</sup> and 40m<sup>2</sup> bachelor and one-bedroomed units and redevelop the three retail outlets on the ground floor. The development, Joe's Place, was completed on schedule and within budget.

A spokesman for Castle Crest Properties, Yusuf Gani, says plans are in place to develop further rental accommodation with the GPF, which it believes to be a mutually beneficial and positive partnership. The assistance shown to Castle Crest Properties in the initial phase of its relationship with the GPF has been invaluable.

#### KEMPTON PARK PROJECT

Dennis Marodi of Tsebò Consumables found vacant land at 76 Kempton Park Rd, Kempton Park that he thought suitable for a greenfields development. With his business plan assessed and restructured, as well as mentoring assistance from the EETF, he sought to ensure that environmentally friendly materials were utilised wherever possible.

Marodi says: "Without the hand-holding, mentoring and finance offered by EETF, I could never have gotten this project off the ground. The learning process was huge and has secured my success for future developments that are in the pipeline."

In this 22-unit apartment complex – comprising 18 two-bedroomed units and four one-bedroomed units' aluminium window frames – energy-saving electrical installations, granite counter tops and facebrick were

used to keep maintenance costs low and for the development to be as green as possible.

This R8.1 million project was part-financed by the GPF with a R4.4 million loan, of which the R1.5 million was an interest-free portion of the loan. The project was completed within budget.

The GPF was established by the Gauteng Provincial Government to address specific challenges in the social housing sector in terms of affordable rental. Its mandate is to facilitate, through partnerships, delivery of affordable housing to income-earners of below R15 000. The GPF has, over the past 10 years, facilitated over R2.4 billion of private sector funding, which resulted in the completion of over 15 000 affordable housing units.

"I'm inspired by the determination and efforts of the applicants to the EETF. They embrace and utilise all we have to offer them thoroughly and constructively. I'm also delighted to report that 50% of the successful applications we receive are from women entrepreneurs," says Mashiane. **T**

• For more information on affordable housing and student accommodation, visit: [www@gpf.org.za](http://www@gpf.org.za) or tel: 011 685 6600.

GPF Team at  
the Kempton  
Park Project