

SOLID PARTNER

Seeking housing investors

Good partnerships boost the GPF's efforts to solve the housing problem

**Boni Muvevi**

New partners are needed as funding from development financial institutions is not enough

Established in 2002, the Gauteng Partnership Fund (GPF) was launched as an intervention measure in the social housing market, with a focus on rental housing.

Since its inception, the GPF's goal has been to facilitate, secure and optimise investment into affordable housing within the province. To date, it has facilitated investment into more than 22 000 units, having leveraged more than R2,4bn worth of external funding.

GPF acting CEO Boni Muvevi says the fund shares financing risks with co-funders and takes a subordinated security position on projects. "Over the years we have seen that the private sector would like to share the risks on projects with government. The GPF is a provincial platform created to

WHAT IT MEANS

INVESTMENT IN MORE THAN 22 000 UNITS

NEW INITIATIVE TO FOCUS ON BEE PLAYERS IN THE MARKET

enable such partnerships," he says. "Government resources are not sufficient to fund and address all housing needs, therefore a partnership approach is more sustainable. We play a role similar to a middleman, where we are able to translate government's needs, and we are able to understand the risks associated with housing projects and can mitigate those risks with the private sector." The GPF has been affected by the economic crisis as some of its funding partners have lost interest in funding affordable housing projects. "We had to turn our at-

tention to development finance institutions to assist us in co-funding projects, however, that is not enough. We are seeking to partner institutions that can provide senior debt funding," says Muvevi.

The GPF has many success stories. Of note is the Brickfields social housing project in Newtown, one of the few social housing projects that were built in 2005. "The project has had a catalytic effect on the Newtown Johannesburg inner-city. A Newtown shopping centre is under construction because of the past rejuvenation activity and investment that gave investors confidence in the area," he says.

The GPF says it wants its investors to know that the investment processes are above board. There are preliminary assessments for every application received to