

# GPF BACKGROUND

## EEPF

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GAUTENG PARTNERSHIP FUND

LEVERAGING AFFORDABLE HOUSING FINANCE



**GAUTENG PROVINCE**  
HUMAN SETTLEMENTS  
REPUBLIC OF SOUTH AFRICA



# GPF BACKGROUND

- The GPF was founded as a Trust – 2002 with a social delivery mission of addressing specific challenges in the social housing sector “affordable rental”.
- Beneficiary criteria currently *gap market* - households *with income less than R15 000* .
- The key mandate is to attract public and private sector capital into low income housing sector.
- GPF has a unitary Board of Trustees, and report in terms of all applicable laws and best practice.
- GPF is governed in terms of trust deed and listed in schedule 3C under PFMA.
- Our strategy is aligned to GDHS strategy for sustainable human settlements.
- Provincial strategic outcome 6 targets development of 20 000 rental housing units by 2014.



## GPF OPERATING MODEL

- GPF is structured as a social delivery vehicle of the GDHS and operate on a cost recovery basis.
- We are not expected to earn market returns but social returns. The socio- economic returns on funded projects or deliberate interventions are as significant as financial returns.
- We are a calculated risk taker with an appetite to share financing risk with partners.
- We put up first layer of capital and thus a subordinated first risk position in the funding structures of projects.
- We expect the investor/developer to contribute minimum equity towards a project to demonstrate seriousness and have a skin in the game.
- Security is shared *pari - passu or subordinated to senior debt funders.*



# GPF MARKET INTERVENTIONS



Financial product	Purpose
Rental Housing Fund	To enhance the debt/equity ratio for entrepreneur driven projects to enable them to raise commercial funding.
Entrepreneur Empowerment Property Fund Programme	This is an incubator programme designed to promote participation of HDI owned companies in the affordable rental property market. <i>(The programme is limited to prospective participants invited on public tender annually).</i>
Social Housing Fund	To reduce the cost of capital for projects and is linked to government institutional subsidy funding.
Management of Social Housing Institutional subsidies	To reduce the cost of capital for projects, to allow for lower affordable rentals and assist SHI's to fund their growth.
Strategic Partnership Projects (Banks and DFI's)	To facilitate the sustainable entry of Banks through sharing financing risk. This is also open to other financial institutions.
Sustainable Housing Fund (Integrated Housing Developments)	To share financial risk with financial institutions in debt/equity funding for sustainable integrated projects

