



Client Pack

FINANCING PROPERTY ENTREPRENEURS IN TOWNSHIPS



UMASTANDI

WHO WE ARE

FINANCING PROPERTY ENTREPRENEURS IN TOWNSHIPS

We see what others don't and we create massive impact through small changes in every space we create.

uMaStandi is a property financing company, providing commercial mortgage finance, training, mentorship and guidance to property entrepreneurs in townships.

We help entrepreneurs - who share our passion for unearthing potential in buildings and areas that others underestimate - to build their property portfolios.

uMaStandi provides some of the most unique solutions to combat the shortage of quality affordable housing through residential property development finance in South Africa's townships.



Timeline

EST 2015

Pilot launched
(Soweto & Khayelitsha)

- First loan of R4m approved in Cape Town
- First registration

2018

- Loan book grows to R18.8m
- 22 Loans and buildings
- 21 Entrepreneurs Financed in JHB and CPT

2019

Pilot Phase ends

- Loan book grows to R33m
- 26 Loans Financed
- 344 Affordable housing units built

2020

- Broader expansion in Gauteng
- Loan book growth to R43m
- 36 buildings financed
- 33 entrepreneurs
- Equity support provided financed Intuthuko Equity Fund

2021

- Loan book grows to R57.6m
- Expansion to KZN and Eastern Cape
- 44 Buildings Financed
- 38 Entrepreneurs Financed
- 669 Units created in Townships
- 495 Short Term Jobs Created
- 128 Permanent Jobs Created
- 40 Townships & 7 Municipalities being financed

2022



uMaStandi is a property financing company, providing commercial mortgage finance, training, mentorship and guidance to property entrepreneurs seeking to provide quality affordable rental units within the township areas.

What does an uMaStandi entrepreneur look like?

- An individual who is passionate about running a profitable, sustainable and legal township based residential rental business.
- Already owns an investment property in a township and wants to build affordable rental units on that property.
- Wants to purchase a property for the purposes of running a rental business and generating an income.





How can you unlock equity from your property?

uMaStandi requires an equity contribution of a minimum of 20% of the total project cost. However, if a client owns an income generating property within the uMaStandi areas of finance they can “release equity” from the value of the existing property as an equity contribution for the project.

Can uMaStandi help you with zoning?

If a client and their professional team apply for rezoning, uMaStandi assists by providing guidance for the client through this process.

OUR AREAS OF FINANCE

Gauteng

Johannesburg South-West

- Soweto
- Lenasia
- Eldorado Park
- Mohlakeng
- Kagiso

Johannesburg North-East

- Ivory Park
- Ebony Park
- Kaalfontein
- Rabie Ridge
- Klipfontein View
- Clayville

Pretoria/Tshwane

- Atteridgeville
- Lotus Gardens
- Mamelodi
- Eersterus
- Nellmapius
- Olievenhoutbosch
- Shoshanguve

Ekurhuleni

- Spruitview
- Vosloorus
- Katlehong
- Thokoza
- Rondebult Extension
- Greater Tembisa
- Daveyton
- Roodekop

Cape Town

- Khayelitsha
- Delft
- Mandalay
- Montclair
- Langa
- Gugulethu
- Blue Downs
- Eerste River
- Mitchells Plain

Eastern Cape

Gqeberha

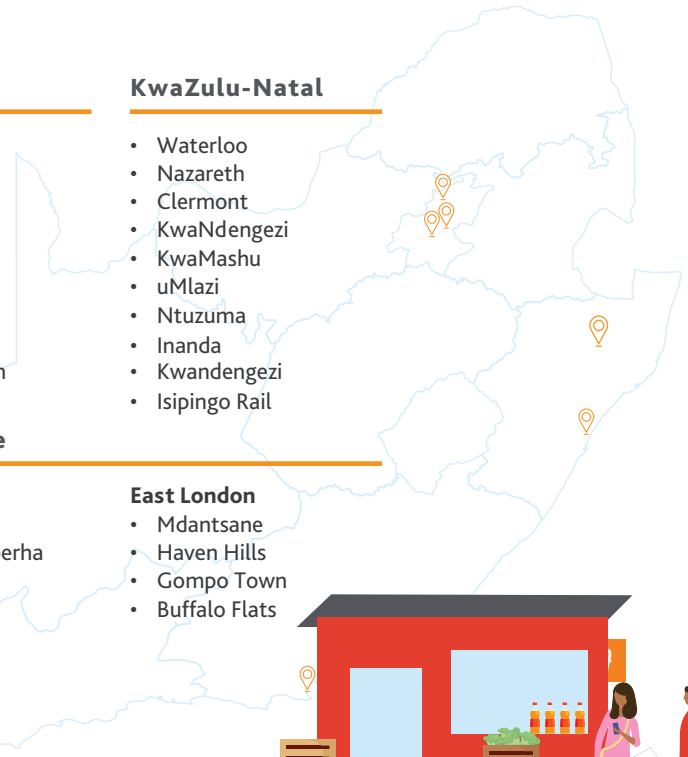
- Motherwell
- Walmer Gqeberha
- New Brighton
- KwaDwesi
- KwaMagxaki
- KwaZakhele
- Zwide
- Wells Estate
- KwaNobuhle

KwaZulu-Natal

- Waterloo
- Nazareth
- Clermont
- KwaNdengezi
- KwaMashu
- uMlazi
- Ntuzuma
- Inanda
- Kwandengezi
- Isipingo Rail

East London

- Mdantsane
- Haven Hills
- Gompo Town
- Buffalo Flats





THE JOURNEY

QUALIFY

1

- Be in the right area – selected townships in our areas of finance
- Own or buy the property on which you want to develop rental accommodation
- Have a good credit record
- Have enough space to build rental accommodation
- Establish what the Potential Rental Income based on the proposed unit configuration will be by **asking the following questions:**

- 1 How many units should I build with how many ablutions (toilet, shower and kitchen facilities)?
- 2 How does the layout fit on my property?
- 3 Does the market have appetite for the type of rental accommodation I want to develop?
- 4 What are the market rentals for the proposed unit type?
- 5 How much will it cost to build?
- 6 What will my running costs be?
- 7 How much profit will I make?

FEASIBILITY

2

Work with the uMaStandi team to design your developments for optimal financing to establish:

- If the proposed project generates sufficient income to pay for its operating expenses (running costs), service the uMaStandi loan, and still make you a profit
- The number of units and ablutions (toilet, shower and kitchen facilities) that will be built
- The layout fit on the property
- Compliance with town planning requirements
- The costs to build, also the time it'll take to construct these units
- The repayment plan of the loan
- The running costs

uMaStandi will work with you to work out the optimal viability and debt-equity split for your proposed project.

APPLY

3

- Submit all the necessary documentation and signed application form to us
- Our team will then conduct feasibility checks
- If all conditions are met, the loan will be approved and a loan agreement signed
- Build your professional team

CONSTRUCTION

4

- Appoint a Project Review Consultant
- Get your professional team set up, submit your plans, draw up a program of works
- Begin your construction
- Ensure that your project is fully compliant

PROPERTY MANAGEMENT

5

- Screen for qualifying tenants
- Sign up and manage tenants
- Manage and maintain the property

REMEMBER!

You will need to check that your property is feasible before you sign an application form with uMaStandi.



The Intuthuko Equity Fund (IEF) is a development finance company that provides equity financing to support entrepreneurs who wish to enter the residential rental property market but face funding constraints. Intuthuko provides these emerging entrepreneurs (who must also qualify for either a TUHF or uMaStandi senior mortgage loan), with equity in the form of a subordinate concessionary loan.

The IEF provides an opportunity for individuals who want to become active in property investment but lack the resources.

IEF enables access to funding for entrepreneurs that have traditionally been overlooked by banks.

While the fund gives people access to funding, successful applicants also need to commit their own money to ensure they remain focused on effectively managing and maintaining the property and meeting their obligations.

Eligibility requirements to access IEF funding

- The entrepreneur's project must be located in the inner city or near city suburb and identified townships as per areas of finance.
- The entrepreneur should have already approached the seller or owner, and the property should be purchased with no liabilities transferred to the new owner

The entrepreneur must:

- have an alternative source of income
- display a willingness to take feedback through mentorship and
- follow a path of continuous learning and
- demonstrate a tenacious spirit in the ongoing management of the property over the long-term.

We offer a diverse range of training courses to assist you in your property journey. Enrol in these programmes to gain invaluable insight into the world of property development and grow your skills as a successful property entrepreneur:



iKhaya fo Sho

Learn how your property can generate income for you & how to manage it successfully. This course is offered to potential uMaStandi clients.



Simulation

Enhance your property development and management skills on a simulated project giving insight into the day to day reality of the project. This course is offered to existing uMaStandi clients.



Mentorship

A tailor made 1 on 1 learning platform to assist and guide you with your own project in real time. This training programme is offered to existing uMaStandi and Intuthuko clients.



TPPE

TUHF Programme for Property Entrepreneurship is a comprehensive in-house property training programme that seeks to promote the expansion of knowledge of existing TUHF, uMaStandi and Intuthuko clients. Developed and delivered with the University of Cape Town (UCT). Non-clients will be charged for TPPE's course enrolment.





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