

# Township development facility, uMaStandi Fund, attracts R125m

Impact-driven property finance company TUHF21 has announced the finalisation of uMaStandi Fund, its first funding vehicle aimed at financing rental properties in townships. uMaStandi has attracted R125m from new sources in its first year of operations. The facility will be used to continue backing property developers providing affordable rental accommodation.



Lusanda Netshitenzhe, CEO of TUHF21

Funders include Nedbank, the Nedbank Black Business Partners Legacy Trust, (which includes Old Mutual's participation), the SA SME Fund, Novo Impact Fund NPC, Apex-Hi Charitable Trust and Oppenheimer Generations Foundation.

"We are proud that we were able to attract a mixture of funding partners, including a commercial bank and some innovative impact funders. It is especially important to acknowledge that we secured this support because of the catalytic funding provided by Oppenheimer Generations Foundation," says Lusanda Netshitenzhe, CEO of TUHF21.

"These partnerships will be key to building on the momentum we have created during the past year as we move forward in 2023. For a developing country like South Africa, uMaStandi provides an innovative way for township developers to grow and deliver compelling value for property owners to diversify their portfolios while offering quality, affordable housing."

The uMaStandi facility uses ownership of property as equity to gear a rental enterprise where owners can build quality affordable rental units on their land. It also ensures that construction is properly managed and has all the

necessary planning permissions in place.

## High-quality investors

"When we approached funders to support our vision for township developments, we were initially apprehensive - but then pleasantly surprised by the high quality of investors who took the opportunity, their level of interest and their willingness to commit to township funding," says Netshitenzhe.

Because of the sprawl and low densities in townships – a result of the ineffective use of space in the past – there are many opportunities for densification and bringing in mixed-use developments. This kind of development could stimulate township economies, create places of employment, and offer people access to economic opportunity.



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## Soweto strongest development market

"Our first draw has resulted in the acquisition of R40m worth of assets spread across 36 loans. By the end of 2023, we aim to achieve R100m worth of loans issued by uMaStandi. The demand is there, and we are seeing the need to mature beyond

small-scale developers to mid-size developers,” says Netshitenzhe.

“Our observation has been that Soweto is still the strongest market for development, however, our new operation in Durban is picking up far quicker than expected, with Cape Town and East London also remaining key growth markets,” she concludes.

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