

## Inner city housing development

In what is believed to be one of the biggest private equity deals within the affordable housing sector, property finance company International Housing Solutions (IHS) has invested in excess of R230 million in Aengus Lifestyle Properties, a subsidiary of Aengus Property Holdings. The Aengus Group is known for the upgrading and development of affordable but stylish homes in South Africa's inner cities. The investment takes the form of an equity facility providing IHS with a 26% share in Aengus Lifestyle Properties, and allowing Aengus to raise additional debt finance for the acquisition and refurbishment of a further 2 500 units over the next 12 months.

IHS operates on an equity basis rather than on interest-based income, meaning that the company does not charge interest on its investment but instead shares in the profits of the project.

Explaining the specifics of the Aengus deal, Sam Mokorosi, Acquisitions director for IHS South Africa, says "The facility allows the Aengus Group to grow its portfolio in a cash flow efficient manner while delivering profitable returns for our fund. It is expected that the facility will allow Aengus to raise debt finance for the purchase of new buildings and the refurbishment of new units to be made available for rent." ●