

IHS injects R230m into low-cost housing

PRIVATE EQUITY 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 R230m in Aengus Lifestyle Properties, a subsidiary of Aengus Property Holdings. The Aengus Group is renowned for the upgrading and development of affordable but stylish homes in SA'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. "This will bring a number of new units to the market, spanning student as well as conventionally tenanted loft apartments," says CEO of Aengus, Richard Rubin. The units are situated in Johannesburg — including the CBD, Braamfontein, Parktown and Hillbrow — where there exists an acute shortage of good-quality rental stock. The funding provided by IHS will be used to acquire further stock in the inner-city Johannesburg area, and possibly further projects in inner-city Durban. Phia van der Spuy, IHS business development director in SA, notes that 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.

