



International Housing Solutions (IHS), Fund Manager (General Partner) of **the South Africa Workforce Housing Fund ("Fund" or "S.A. W. H. F.")**, invites you to consider the potential growth opportunities we offer your business.

The Fund is expected to total \$280 Million USD (about R2.5 Billion) and will generate the creation of an estimated 30,000 homes, helping to meet South Africa's burgeoning demand for housing.

Who is IHS?

IHS is an international company with a solid track record spanning years of experience in local and international housing markets. **We provide equity investment in projects and to companies that develop affordable housing or provide services and products contributing to this growing market segment.**

IHS is investing in South African residential markets through the Fund. IHS's equity investment fills some of the gap between debt and total project cost and allows the property owner and/or developer to more efficiently put his own capital to use. IHS tailors funding solutions and offers a flexible product adaptable to the requirements of a particular transaction.

We operate in all provinces of South Africa and neighboring countries. The diversity of finance and real estate experience embodied in the South African and international IHS team brings valuable expertise and capital to your business.

What can IHS offer in terms of rental housing?

IHS invests in rental housing projects and housing sector companies that primarily serve the millions of South African households whose income is too high to qualify for public sector housing programs, but too low to afford average market rate housing. This segment represents a sizable missing middle in the country's housing supply.

Why choose IHS as a partner?

- IHS is committed to the highest level of professionalism and our investment managers are passionate about providing value-added capacity. With IHS comes the savvy of a specialist team with experience in both local and international markets in real estate development, construction, housing finance, capital market development and private and public equity investment.
- IHS tailor-makes equity funding solutions to suit your needs and offers a flexible product that can be adapted to meet the requirements of the deal.
- IHS can assist property owners and/or developers with limited equity to expand their operations and take on bigger projects.
- IHS shares the risk with you, the property owner and/or developer, as a full equity partner.

What form does our rental housing investment take?

IHS provides the majority of the equity needed in the transaction, which in simple terms, is the total cost of the project less the portion that will be funded by debt (generally provided by commercial banks) and any other sources of funds. Equity by its nature does not require a specific interest rate to be paid; IHS as an equity investor shares in a portion of the profits should the project be successful. IHS co-invests with capable



local developers and property owners to create large portfolios of rental properties requiring moderate to extensive renovation, and that target the lower-to-middle end of the market. We can also invest in new build or existing rental buildings specialized rental such as student accommodation. In most cases, the development equity interest is structured with a progressive waterfall to ensure that incentives are aligned to optimize the profits for all parties.

- Target Rent Income: R1,500-R4,500 per month.
- Term: Up to 96 months.
- Gross project level target risk-adjusted returns: 25% - 30% + (post tax) inclusive of sale of portfolio.
- Exit strategy: Listing on the JSE, sale of units over period of time (may require conversion to Sectional Title) or buyout by existing or new partners who wish to continue as rental stock.

How do I apply and what is the process?

If IHS fits the parameters of your business or rental project, simply visit www.intlhousingsolutions.com and access the Application Form provided or email us at infos@intlhousingsolutions.com; we will forward an Application Form. For additional guidance, please contact one of our Business Development Team Members on the enclosed list. Follow the instructions for completing the Application Form and submit it along with other documentation needed for consideration.

An experienced Team Member will then review your application and contact you within 5 days of receipt to discuss the project and determine whether or not the investment meets the IHS criteria. Applications are appraised as investments and decisions are made on a strictly commercial basis.

Our staff will carefully explain the due diligence and investment procedures followed to close the transaction, execute the necessary legal documentation and disburse funds to the project.

Should both parties wish to proceed, a due diligence team will carry out the required site visits and other requirements to finalize a financial model and other criteria for underwriting, investment committee approvals and closing procedures.

We look forward to hearing from you and forming a mutually beneficial long-term relationship.