JOHANNESBURG INNER CITY PARTNERSHIP FORUM

TUHF

TUHF

Presentation to CoJ & JICP :

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TUHF : Good Business Doing Good

- Unique ability to spot potential in all kinds of people
- We’re poised to connect and build relationships between different people, parties and communities
- We hold specialist & unparalleled knowledge of the complexities of inner cities
- Ability to support, grow with and develop people

TUHF

- Access to finance
- Urban regeneration, urban management & urban form
- Job creation
- Provision of affordable housing “Bridging the Gap”
- Green outcomes
- Increased market activity
- Local economic development
- Fiscal impact

TUHF INTRODUCTION & ACHIEVEMENTS

41 000 units financed

R2.65bn loan book

598 buildings

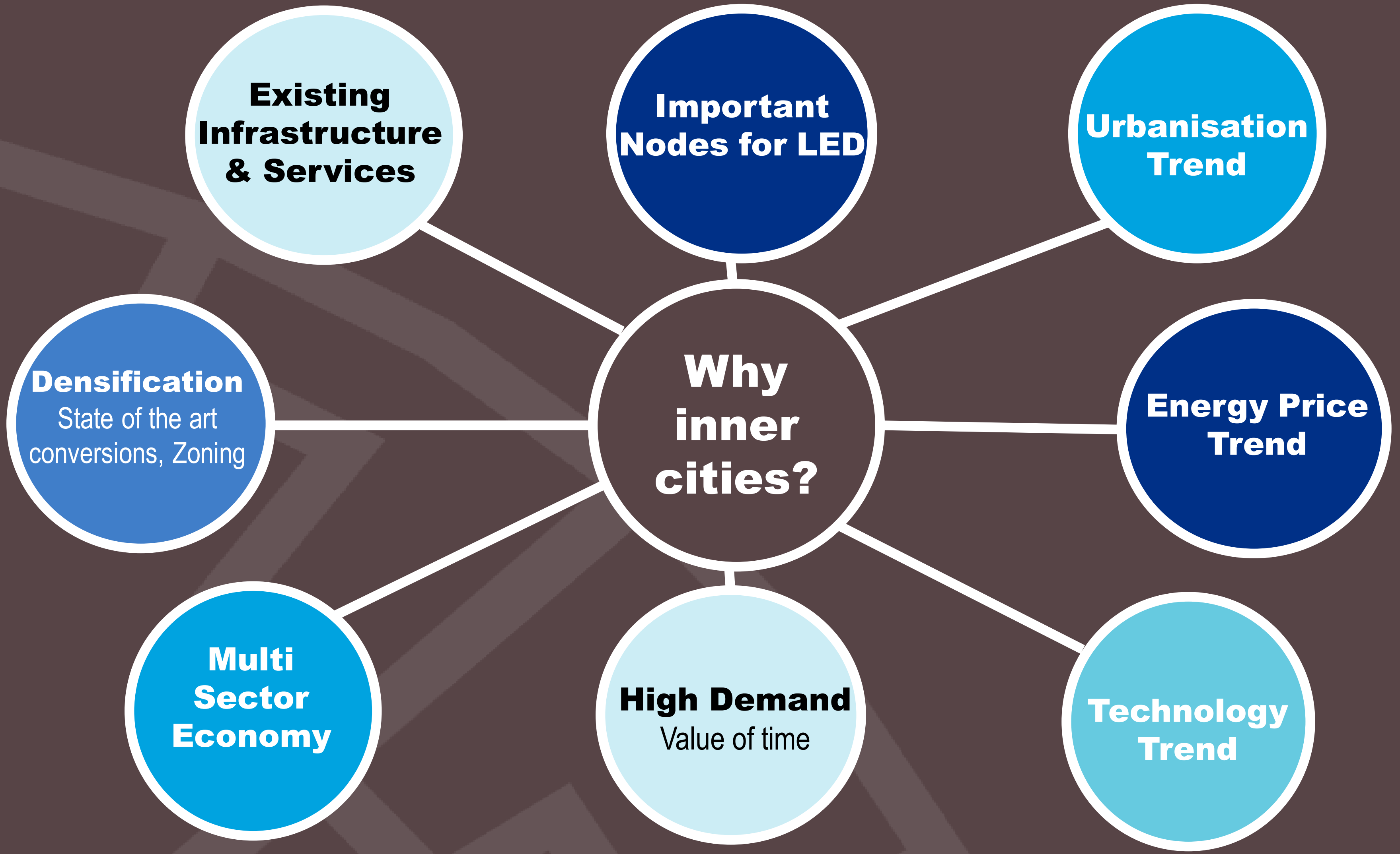
15 years in operation

R4.6bn total loans

350 entrepreneurs

5 Offices in South Africa

Why inner cities? – Density & sustainability



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TUHF / CoJ - Support & Partnerships

TUHF supports and works in partnership with the City:

MoUs – JDA & various departments

Working with CoJ & Private Sector partners around CIDs and urban management interventions

Working with the JDA and Department of Housing around 6 ICHIP Programmes:

- Sectional Title Rehabilitation
- SME Property Entrepreneur Hub
- Building targeting and release
- Pvt Sector Social Housing delivery
- Municipal process facilitation & support for TUHF clients
- Subsidised private rental stock

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Housing as a PRODUCT

Design Product to Meet a Demand

- Price
- Location
- Functionality
- Size
- Services
- Target Market – Rentals of R5k and below

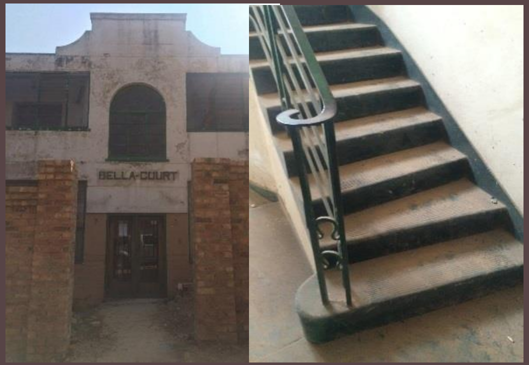
- Product differentiation, e.g. The JHC
  - Just us
  - Single on the move
  - Progressive family
  - Extended family
  - No fuss, no frills
  - Blue collar

Housing as Game Changer!

Housing stimulates Local Economic Development

- Many multipliers, forward and backward linkages
- Huge job creation effect
- Social & economic development effects
- Significant Fiscal impact effects i.e. tax base
- Decreases moral hazard
- Life back into Inner City spaces

Massive Small – Delivering Housing at Scale



We have financed over ***41000*** *rental housing units into decent and affordable accommodation…*

= larger than ***Cosmo City*** *or* ***Savanna City*** *and more than all of Social Housing.*

Massive Small – Local Economic Development

To date we have financed the purchase or conversion of over ***136 011m²*** *...of retail space*

This is bigger than ***Mall of Africa*** *or* ***Sandton City*** *and just smaller than* ***Canal Walk****.*

Massive Small to combat Urban Sprawl

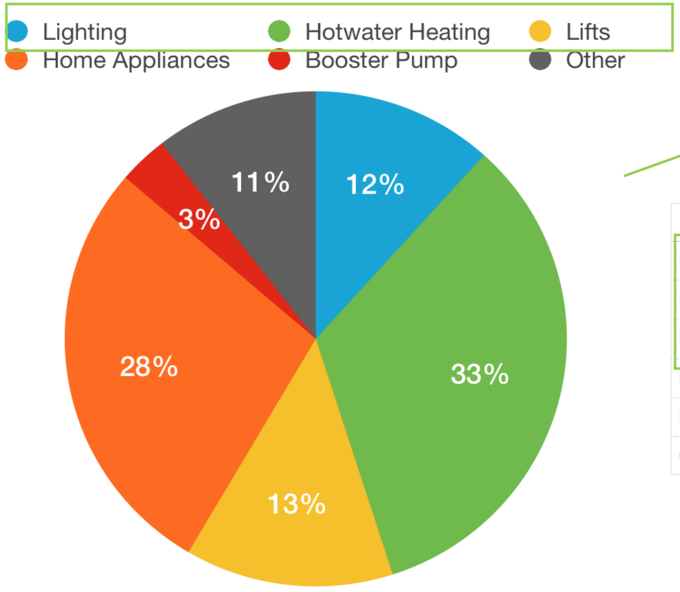
- Increased Inner City Density
- Infill, re-use, conversions
  - Use existing service and administrative infrastructure
  - Use existing social infrastructure
- Economically efficient to use existing capacities
- Many small projects =
  - Lower transactions costs
  - Broader based participation/empowerment/urban land reform
  - Increased access for more entrepreneurs
- **TUHF has developed more units than social housing without R1 subsidy!**

TUHF Targets For Green Buildings

Targets

Utility Item	Baseline Usage	% Savings to Target (Existing Buildings/Upgrades)	% Savings to Target (New Builds/Conversions)
Energy	400 – 800 kWh/unit per month	30%	25%
Water	8 to 15 Kl/Unit per month	30%	30%
Carbon	396 – 792 kGCO2/unit/month	30%	25%

Energy Focus



Solar PV was added

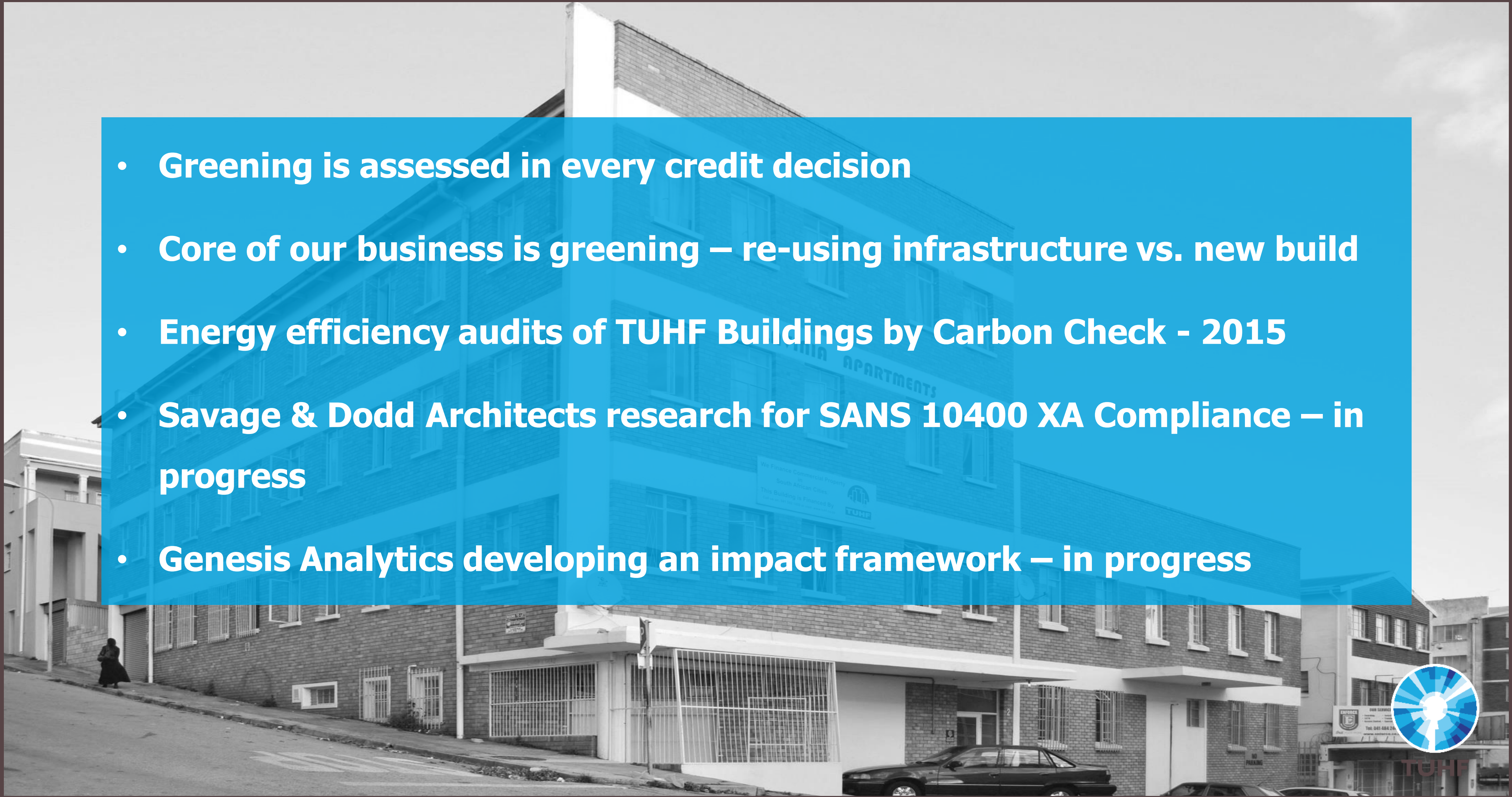
	AVERAGE ANNUAL ENERGY (KWH/M²)
LIGHTING	14
HOT WATER HEATING	39
LIFTS	16
HOME APPLIANCES	32
BOOSTER PUMP	4
OTHER	12

Water Focus

Typical EDGE technologies & requirements

Source: Solid Green

Our approach to greening



- Greening is assessed in every credit decision
- Core of our business is greening – re-using infrastructure vs. new build
- Energy efficiency audits of TUHF Buildings by Carbon Check - 2015
- Savage & Dodd Architects research for SANS 10400 XA Compliance – in progress
- Genesis Analytics developing an impact framework – in progress

It’s not one single thing that helps with energy efficiencies, but rather a number of small ones.

– JJ Maia – TUHF Entrepreneur, Jeppestown, Johannesburg

Intuthuko Equity Fund

- Supports ordinary South Africans, PDIs, in selected lower income occupations & groups to enter the residential property market
- Acts as a partner, by contributing to the deposit or equity necessary for loan approval of a viable business in the residential property sector
- No administration fees are charged on the fund

This is Ma Josephine Tshaboeng (left) , TUHF client since 2004 with Keabetswe Nkotswe (second from left) ,TUHF Portfolio Manager and other entrepreneurs at our TUHF Talk on Municipal Utilities Management

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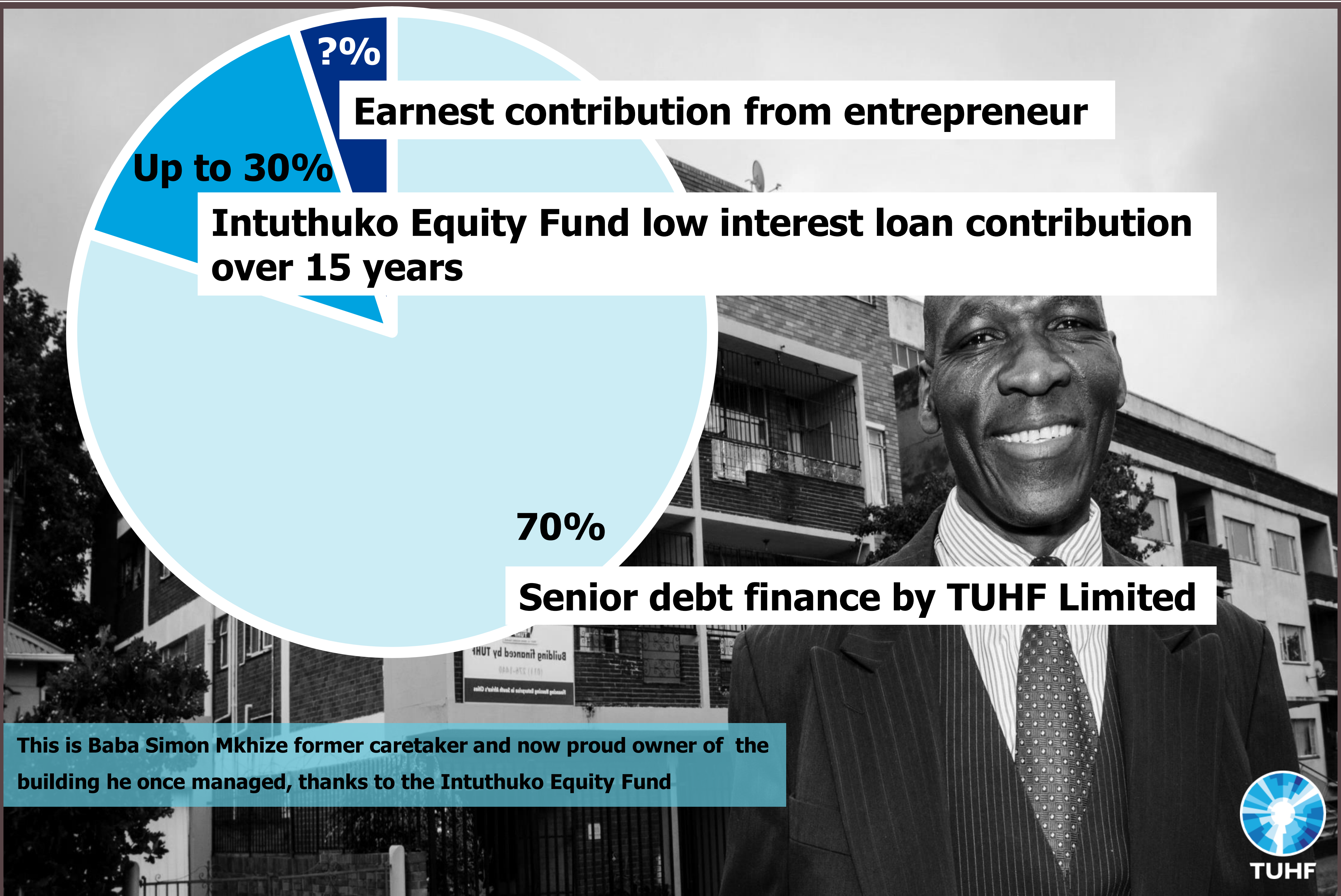
How Intuthuko Works



This is Baba Simon Mkhize former caretaker and now proud owner of the building he once managed, thanks to the Intuthuko Equity Fund

Massive small…….

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uMaStandi

Financing in Townships – Jobs Fund Award

January 2018, TUHF was awarded **R 100-million** from the Jobs Fund Round 7:

- **R 75-m** for Intuthuko (requires R225m match funding from TUHF Ltd funders)
- **R 25-m** for uMaStandi (requires R25m match funding from TUHF NPC)

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uMaStandi

How the City can help:

- **URBAN MANAGEMENT & BY-LAW ENFORCEMENT**: to stabilise value, tenant churn & crime, i.e:

ENSURE THE BASICS ARE RIGHT – PRIVATE SECTOR WILL DELIVER

- Opex budget NB with Capex spend - to maintain investment
- Rationalisation of administered cost increases!!!
- Land Use Management delays & project holding costs
- Facilitate private sector access to SH delivery
- Building release RFPs un-workable; TUHF can help
- Deliver social amenity & green spaces for increased density

We believe in the viability of inner city regeneration and the investment opportunities created for ordinary South Africans. We are proud to be the leader in providing specialised financial services and support to our clients, based on our in-depth market knowledge, operational efficiency, appetite for risk and approachability