



Vantage Capital provides R82.0 million of funding for Alleyroads, one of South Africa's leading affordable housing black developers

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Johannesburg, South Africa – Vantage Capital, Africa's largest mezzanine fund manager, announced today that it has provided R82 million of mezzanine funding for the development of Kayalane Heights, a first-of-its-kind affordable housing development located in Lebowakgomo, Limpopo. The promoter of the transaction is the Alleyroads Group, a leading South African black-owned property development company led by Ivan Pretorius. Since its inception in 2009, Alleyroads has built more than 3,000 residences across South Africa including over 1,500 affordable homes.

The current housing shortage in South Africa is extensive, the government estimates that there is a shortfall of circa 2 million homes. A number of initiatives have been implemented in the private and public sectors to reduce the deficit, however the current rate at which affordable housing is being delivered is less than the population growth rates in many areas. Alleyroads is a developer which is working to meet the demand for sustainable housing and help fulfil the government's ambitious goal of providing homes for all citizens within 10 years.

In Lebowakgomo, there is a shortage of affordable rental housing despite significant demand. The region is currently home to over 45,000 residents, several government offices and its bespoke shopping outlets offer a myriad of retail options. Located in the heart of Lebowakgomo, the Kayalane Heights precinct will offer in excess of 256 attractive two-bedroom apartments, 24-hour security controlled access, covered parking, and a beautifully landscaped common area for leisure activities, all at an affordable price. The development is a short walk from a world class hospital and minutes from the bustling city centre.

Ivan Pretorius the Managing Director of Alleyroads Group noted, "Alleyroads sought a strong funding partner to support the Kayalane Heights precinct, we are delighted to see the confidence Vantage Capital has placed in the development and we welcome a long term partnership."



This transaction represents Vantage Capital's 29th mezzanine investment across three generations of funds in ten African countries. Outside of South Africa, Vantage has invested in eleven transactions across Morocco, Côte d'Ivoire, Ghana, Nigeria, Uganda, Kenya, Mauritius, Namibia and Botswana.



Warren van der Merwe, Managing Partner at Vantage Capital said, “Vantage Capital is excited to be investing in the affordable housing space, making access to affordable housing a reality for hundreds of South Africans. We are very impressed with Alleyroads’ strong management team, vision and track record of quality execution over the past 12 years.”

Johnny Jones, Partner at Vantage Capital, added, “We are proud to support one of South Africa’s leading black developers who is seeking to narrow the country’s housing shortage in Lebowakgomo by providing high quality homes at an economical price.”

Qualirod Capital acted as financial advisor to the transaction, Werksmans Attorneys acted as legal counsel for Vantage, and other advisors included Cliffe Dekker Hofmeyr, Arup, Pro Africa and IBIS Consulting.

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Notes to Editors

About Vantage Capital

Vantage Capital Group was established in 2001 and is the largest independent pan-African mezzanine debt fund manager on the African continent. It has raised funds of US\$ 1.1 billion in six distinct technology, mezzanine and renewable energy debt funds and has to date made 53 investments across the African continent.

Vantage has offices in Johannesburg and Cape Town and targets mezzanine debt opportunities of US\$ 8 - 25m across more than a dozen key African markets. Mezzanine debt is an intermediate form of risk capital, which is situated between senior debt, the least risky tranche of the capital structure, and equity, the most risky. It combines elements of both debt and equity thereby providing companies with long-term funding on terms which are less dilutive to shareholders than pure equity.

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