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for investors looking for impact investments such as social housing.

Patrick Chella, cofounder and CEO of Realty Africa, says many people hope to participate in an investment class that helps local communities to advance.

These could include social housing projects, where they get a return but also help a local community to develop. “We’re looking at not only properties in the strictest sense of how you define a property, but also at renewable energy plants, eco-lodges and other types of sustainable developments.”

The big question for many is the kinds of returns offered. There is no standard rule of thumb, and returns vary depending on the location, duration and complexity of the projects. Investments start at \$1,000.

Realty Africa is currently looking for projects with potential in three countries: Zimbabwe, Botswana and SA. They intend to take the concept into other southern African countries too. Breaking into this new market with a new investment proposition is challenging because, as Van Eeten puts it, “the road is unpaved”.

OPPORTUNITIES FOR LOCALS

While external investors are turning to Africa for its great growth potential as an emerging market, at the same time, many local investors are keen to access real estate investment opportunities in leading stable markets around the world.

An organisation called Wealth Migrate now has offices in SA, and offers crowd-funded real estate transactions with proven local operators in foreign countries. The offering is thorough: members can access details of every investment, review the due

diligence reports prior to investing, and manage their own real estate portfolio online. The platform will also assist with the conversion of South African currencies to and from the foreign currency in question.

While crowd-funded property development is still in its early stages globally, and especially in southern Africa, it looks set to take off both as a property development tool and as an investment platform. Once the foundations of this kind of enterprise have been laid, the sky could well be the limit for crowdfunding participants.

PROPERTY CROWDFUNDING 101

1. Create an account with a property crowdfunding platform
2. Browse the available investment opportunities and select one you like, based on projected time frames and potential returns
3. Verify your identity and make your investment – if the target is not met within the time frame, your funds will be returned to you
4. Manage your portfolio of investments online
5. When each investment matures, receive your returns

TOP PLATFORMS

The leading global property crowdfunding platforms, according to Crowdcru.com, are

- Fundrise
- Realty Mogul
- RealtyShares
- CrowdStreet
- Collaperty
- GroundBreaker
- Crowdbaron
- iFunding
- Prodigy Network
- Patch of Land

DOES YOUR CROWDFUNDER DO THIS?

- Check investors by using a full KYC (know your customer) process to make sure no terrorist financing or money laundering is involved
- Check projects for validity with the help of Deloitte
- Secure the project for the investor with a mortgage bond and secure the money on escrow accounts
- Use a fiduciary agent (or similar) to represent the investor in the local market as many investors are offshore

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