

9 November 2020

Eris Property Group raises initial R500 million in funding for its student accommodation impact investment vehicle

Eris Property Group is excited to announce that it has successfully raised an initial R500 million for its social impact student accommodation company from a stellar consortium of domestic and international investors including Momentum Metropolitan Life and Eskom Pension and Provident Fund. Several other investors have also expressed an interest to participate and are at various levels of obtaining approvals, however the company is still capital raising.

Eris has been leveraging on its existing skills within property developments and management to alleviate the need for student accommodation shortages in SA, this culminated in the development of its sub-brand RISE Student Living. Our RISE Student Living property management service is completely tech-driven, whereby the entire leasing process, encompassing every stakeholder involved, happens digitally.

The investment vehicle's first investment was Units on Park, Hatfield, a 988-bed student accommodation property developed and managed by Eris Property Group. This transaction marks the first of a pipeline of assets currently under consideration for development and inclusion. Units on Park was completed on 1 November 2019 ready for the first intake of students in January 2020. The company is considering various projects with the objective of aggregating a quality portfolio of prime assets in select cities across South Africa.

Eris's dynamic approach to private student accommodation will endeavour to commit to projects that house a minimum of 70% of the beds at the NSFAS (National Student Financial Aid Scheme) rates or below, ensuring that students are receiving Wi-Fi, water, electricity, as an all-inclusive rental.

The company's development projects will offer a home for future generations of students and incorporate environmentally responsible principles, using green technologies during its design and development process, as guided by the green building principles. We are proud to have been a part of setting the benchmark and being the development partner for SA's first university residence that received a 4-star, Green Star rating from the Green Building Council of South Africa (GBCSA) for the University of Cape Town (UCT) residence.

"Our intention is to seek further capital in the next 12 months as we have a number of exciting opportunities for the company" says Vuyani Bekwa, Eris Property Group's Executive Head of Investments and Fund Management, "The minimum investment amount is R50 million, and the investment vehicle is hoping to attract the attention of fund managers and pension funds, or those investors with long-term investment horizons."



The company is expected to contribute to the significant shortage of quality student accommodation in South Africa, with the added benefits of job creation and additional work in the construction sector, which we regard as essential in these times.

The company is structured so that fees are only applicable to drawn capital, rather than all capital committed, ensuring that investors receive value for any fees charged by the manager," says Bekwa. "The intention is to add to the number of beds available, and not to acquire existing projects, however that will be dependent on the ability to deploy the funds, which we have been working on for the past three years."

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About Eris Property Group

Eris Property Group is a recognised property development, services, and investment group, which provides a range of commercial property skills in the South African and sub-Saharan African markets.

The full spectrum of property services Eris offers include: Property Development; Property Management; Fund & Investment Management; Leasing & Investment Brokering; Facilities Management; Asset Management; Retail Services; Corporate Real Estate Solutions and Property Valuations. These skills and services are applied to offices, retail, industrial and student accommodation property developments and investments

About Momentum Investments

Momentum Investments was created as a direct result of Momentum Metropolitan Holdings Limited's client-centricity strategy and journey, through the consolidation of all the investment capabilities across MMI Holdings and was established on 1 December 2010. The underlying investment businesses that came together to make up Momentum Investments include Momentum Asset Management, Momentum Outcome-based Solutions, Momentum Investment Consulting, Momentum Alternative Investments, ERIS Property Group and Momentum SP Reid and Momentum Global Investment Management.

We have one shared objective, which is 'to keep our clients invested'. We have 59 investment professionals with more than 808 years of investment experience as well as R572 billion assets under management and administration.

We offer a brand that has a strong reputation for ethics, honesty, integrity, and transparency, as well as strong parentage, stability, and governance.

We have a history of innovation and research unrivalled in the industry. This knowledge and skill is readily available and shared with clients. Momentum Metropolitan Holdings is our shareholder, affording us the stability and strength of a listed company. The security of the Momentum Metropolitan Life Limited balance sheet offers protection that few others can. This access to the support and resources of a larger group allows you the peace of mind that cannot always be offered by smaller companies in the financial field.



About Eskom Pension and Provident Fund (EPPF)

The Eskom Pension and Provident Fund (EPPF) provides retirement fund administration services for the members of the EPPF. The EPPF is the largest self-administered retirement fund in South Africa, and the second largest retirement fund in asset size in South Africa.

The core purpose of the EPPF is to serve as an independent provider of retirement benefits, providing administrative and asset management services to the Fund, Eskom, and its subsidiaries, from which its members are exclusively drawn.

The EPPF contributes to socio-economic development through its investments made in high-impact sectors. This is achieved by investing directly into high-impact focus areas/sectors capable of creating development impact alongside financial returns. The Fund's current investment priorities include, but do not exclude, the following: Education, Health Care, Affordable and Social Housing, Agriculture – Secondary Beneficiation, Renewable Energy as well Rural and Township Retail.

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