



CASE STUDY

OLDMUTUAL

ALTERNATIVE INVESTMENTS

JULY 2019

THE COMPANY



Company:	Karino Lifestyle Estate
Country:	South Africa
Region:	Mpumalanga
Developer:	HIFSA managed by OMAI Impact Fund
Sector:	Residential housing
Business Focus:	Affordable housing
Size:	1 654 Units
Investors:	HIFSA (Development Bank of Southern Africa), Old Mutual Life Assurance Company, Government Employees Pension Fund, Eskom pension and Provident Fund,

Investment: Impact fund

IMPACT HIGHLIGHTS

- **815 units** have been completed (as at 31 Dec 2018)
- In 2014 the estate won the **SA Housing Foundation's Housing Project of the Year Award**
- Most building materials are **locally sourced**
- Includes **reservoirs** and **water purification plant**
- **Home ownership education initiatives** for first time home buyers who were helped to understand the processes involved in buying a home and the upkeep of the estate.

KARINO LIFESTYLE ESTATE'S STORY

Set in the hills of Mpumalanga, the award-winning Karino Lifestyle Estate lies 15 kilometres outside of Nelspruit in north eastern South Africa.

Karino Lifestyle Estate is part of a larger affordable housing development made possible by Old Mutual Alternative Investments' (OMAI) Housing Impact Fund of South Africa (HIFSA). Construction at Karino began in 2009, with completion expected in 2024. Karino offers a lifestyle experience that combines affordability, secure living, attractive architecture and a convenient locality. It also enables first time home buyers to get a foot on the property ladder through a good investment opportunity.

Karino residents enjoy one of the safest, most desirable estates in South Africa's affordable housing sector. The

controlled access provides a reassuring sense of security and the Estate's on-site amenities include parks, walking trails and a soccer field. With good access to public transport, Karino is conveniently close to the Meridian Karino Private School that offers affordable quality education and to the Crossings Karino shopping centre, which is set to open in October 2019.

Once Karino's sister housing development, Summer Rain Private Estate, is completed there will be 1 654 affordable homes in an array of different sizes, styles and positions for residents to either own or rent – currently there is a rental portfolio of 222 units.



THE ROLE PLAYED BY PRIVATE EQUITY

OMAI's largest impact fund, HIFSA's mission is to address South Africa's affordable housing shortage.

OMAI's investment management capabilities enable it to support projects that provide solid returns to investors over a longer term investment horizon than typical private equity, backing projects rivals won't consider.

OMAI has been working hand in hand with South African partners to deliver affordable housing developments with enhanced environmental quality. HIFSA and its partners, through a shared philosophy, have created cohesive communities where South Africans can thrive.

THE COMPANY VIEW

Harold Spies, CEO of Similian, Karion Development Manager comments:

"It's been a privilege working with OMAI. Its tight-knit team has a deep understanding of the affordable housing market and has demonstrated a commitment to making an impact on the affordable housing sector, never losing sight of the fact that we need to get more South Africans in quality homes. There is a consistent team effort – we are mutually responsible and dedicated to the success of Karino."



BEYOND THE OBVIOUS

OMAI focuses on generating superior investment returns across its range of funds by uncovering attractive investment opportunities often overlooked by others. Here are some examples of how we go "beyond the obvious" at Karino:

- The OMAI team follows a "boots on the ground" approach and work with the developers through the entire process, which creates expertise, knowledge sharing and experience on both sides.
- We offer investment returns using affordable rental as well as home ownership models.

A FORCE FOR GOOD

Housing can be an exceptionally challenging industry that needs strong vision, professional integrity and imaginative solutions. By investing in affordable housing OMAI is bridging the gap between those who have access to government-provided housing and those who use bank financing to purchase their own homes.

In South Africa, we are faced with a large low-income group who do not generally have access to high quality affordable housing. Karino Lifestyle Estate provides residents with the opportunity to live and raise their children in an aesthetically pleasing, safe community – while maintaining affordability. Owning a home enables people to expand their wealth and increase their standards of living. OMAI is committed to building safe, inclusive and sustainable housing for our growing population.



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ALTERNATIVE INVESTMENTS

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