Project proposal summary:

Rent2buy, First Time Buyers, Home Buying Assistance

Rent2buy is a home ownership innovation and finance business that aims to deliver housing solutions to the gap market in South Africa. Rent2buy uses technology to make property ownership a reality within a 60 month period or less through their budget and finance repair programmes. They also have 12 - 60 months various Rent2buy models that offer qualifying first time buyers education, counselling, budget and debt repair, access to aggregated financial assistance and deal matching.

Email Meyer de Waal: meyer@irent2buy.co.za

A 2 bedroomed house, part of the Mill Park Development in Bredasdorp, South Africa, sold on a 36 month Rent2Buy concept with 50% rental deposit saver.

Key aspects

Mortgage lenders generally favour those who earn R15 000 per month or more, leaving a large 'gap' market in South Africa. Becoming a homeowner can be a daunting task, and therefore Rent2buy have developed comprehensive programs that include education, debt repair and counselling and financial assistance.

Their goal is to provide the necessary tools and resources to help individuals and families navigate the home buying process with confidence and ease. They help provide access to affordable housing, low-interest loans, debt and budget repair and debt consolidation assistance to housing subsidy applications. They also help with Deposit Saver Rent2Buy products, and down payment assistance to make homeownership a reality for more people.

Technology

The unique technology that they have developed allows them to score and quantify a property's ownership time-cycle, enabling a completely paperless application. They educate and then aggregate an applicant's property ownership opportunities and finally guide the applicant through the process ensuring that value is optimised.

The Mill Park, Bredasdorp R2B pilot project

The Bredasdorp Mill Park Rent to Own project is a pilot project between the Western Cape Department of Human Settlements, who provided the funding, the Cape Agulhas Municipality who provided the land, ASLA as the construction Company, and My Budget Fitness who developed the Rent2buy concept and project.

The R2B projects are aimed at first-time home buyers who may in the future qualify for a home loan or unsecured finance and a Government First Home Finance subsidy through the Rent2Buy ownership concept. During the 36 month Rent to Own period, the buyer is guided to save 50% of the monthly rental into a Deposit Saver account, guided by a My Budget Fitness Personal Trainer. At the end of the rental term of 36 months, the Deposit Saver and the First Home Finance subsidy is deducted from the purchase price, thus reducing the LTV, and making property ownership more affordable for the first-time buyer by negotiating a lower interest rate.

The Ask:

R20 000 = 1 Home rescued from debt + education for 2 children paid for at university

R288 000 = 48 New Homeowners X 10

R1 000 000 = 61 000 people reached and at least 360 new homeowners per year X 40

R 20 000 000 = 1 500 New Home Owners per year X 40