

OLD MUTUAL

SAVINGS & INVESTMENT MONITOR

July 2019



THE TIME IS NOW

KNOW BETTER!

DO BETTER



DO GREAT THINGS EVERY DAY

PROPERTY STOKVELS





Founders

15

Members

105



GETTING TO KNOW THE PROPERTY STOKVELS

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**Oldest property
stokvel participating
in this study has
been running since
1998**

**However, most
were established
in last 5 years**

**Membership
numbers range
from a few to over
500**



TYPES OF PROPERTY STOKVELS

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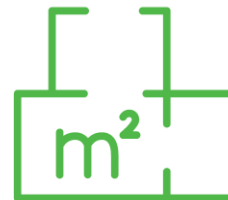
Wealth creation stokvel

Building an investment property portfolio



Home ownership stokvel

Buy or build each member a family home



Building materials stokvel

Buy each member building materials for a complete project)

All members are bound by the following key documents:

- Constitution
- Application form which serves as a contract



- **Generational wealth creation**
- **Financial freedom**
- **Empowerment of black people**
- **Barriers when trying to access financial institutions**
- **Do not want to continue to pay bonds for a period of 20 years**

- **Rise up and do it for myself**
- **To leave a legacy**
- **Addressing the inequalities of the past**
- **Feeling of failure after losing a home due to arrears / too many debts**
- **Want to keep the money rotating in black communities**



A SENSE OF THE NUMBERS

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#	Monthly contribution	Number of members	Monthly total	Total Annual contribution
1	R2 500	8	R20 000	R200 000 (10 months, as no contributions in Dec and Jan)
2	R2 400	30	R72 000	R 864 000
3	R2 100	100	R210 000	R2 520 000
4	Approx 100 members contributing between R3 300 and R5 500 per month			R5 million
5	R15 000 per quarter, 12 members			R720 000
6	563 members, contributions range from R3 500 to R15 000			R24 million
7	Once off contribution R20 000, 15 members			R300 000
8	Once off contribution R10 000, 10 members			R100 000 (balance financed conventionally, rental income covers bond)



In contrast to some traditional stokvels that also offer loan services, the property stokvels regard it as counterproductive behaviour

"It will make us to lose our focus." (Wealth creation stokvel)

*"We are not NCR registered to be umashonisa [loan shark]...no that is a mess! Let's not bring in another product."
(Wealth creation stokvel)*





A SENSE OF PRIDE

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I saw Company X and other big companies, they came together to build a beautiful amazing property by Sandton. Probably it will be the tallest building in Africa. It is not Company X alone, there are companies that came together. It's a stokvel, it's has been happening! (Home ownership stokvel)

I feel we should call it a stokvel, water is water whether it is flavoured or not, you know what I mean? You add a little bit of lemon, maybe we should call it a flavoured stokvel. (Wealth creation stokvel)

Okay, a stokvel remains a stokvel until we decide otherwise. (Wealth creation stokvel)



Rustenburg Property Investment Stokvel buys its first 5.8ha piece of land. (Sowetan Live, 2 April 2019)



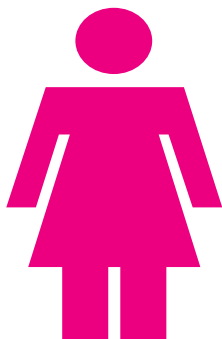
MEMBERSHIP PROFILE

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Female

89%



Male

11%



Age

Less than 35
years



16%

35 - 49 years



52%

50+ years



31%

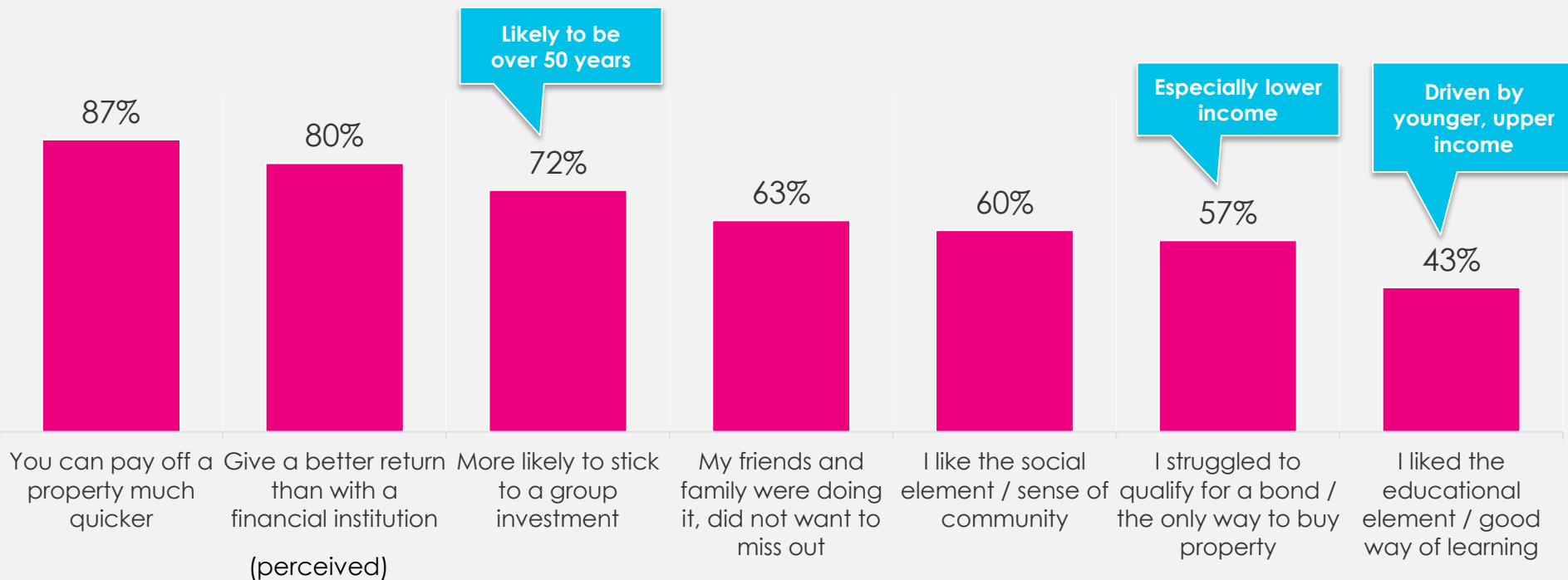


MOTIVATION FOR JOINING

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% Very strong influence



OLD MUTUAL

THANK YOU



DO GREAT THINGS EVERY DAY

