

MISSION STATEMENT

To provide an all-in-one housing solution to students at our country's tertiary institutions at reasonable prices that include meals and laundry services, whilst providing a steady, low-risk return for investors, backed by real estate assets and leveraged by the lower cost of investment effected by the 12J structure.



FURTHER READING

<https://www.fin24.com/Finweek/Investment/unlocking-value-in-student-accommodation-20160530-2>

<http://www.sacommercialpropnews.co.za/global-property-news/5013-student-housing-presents-investment-opportunities.html>

MODUS OPERANDI

There are two potential models to follow:

- 1) Do-It-Ourselves

Acquiring the properties directly, getting service level agreements in place with local service providers regarding meals and laundry, and managing the properties by means of Destianta's existing estate agency.

2) Partnering-up

Provide funding for existing players in the student housing market in exchange for equity in Special Purpose Vehicles (SPV's).

VALUE PROPOSITION

With target ROI of 10% prior to any leveraging through debt finance and the low risk involved due to the asset-backed nature of the business, this business should provide a steady, low-risk income stream and will also be attractive for the typical Destinata client who already leans toward property investment as a means to build wealth.

The proposition becomes more attractive to the Destinata Capital Investor due to the tax incentives on offer, for example: Mr. A falls in the 45% tax bracket, invests R1m via a 12J VCC in student housing and obtains a 10% return per annum, paid out in full as a dividend.

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Investment	1 000 000	
12J Tax Saving	(450 000)	
Actual cost	550 000	
Dividend received	100 000	[10% of R1m]
Real ROI	18%	[100 000 / 550 000]

CURRENT STATUS OF THE PROJECT

The scope of deals to be entered into will be determined by the capital amounts available through Destinata Capital. At this stage deal-specific talks are not on the cards as capital available for investment will need to be pin-pointed 1st. This will be done subsequent to the close of the Destinata Capital prospectus on 28 February 2018.