PROPERTY STOKVELS
Founders: 15
Members: 105
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

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

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

Female 89%
Male 11%

Age
- Less than 35 years: 16%
- 35 - 49 years: 52%
- 50+ years: 31%
MOTIVATION FOR JOINING

% Very strong influence

- 87% You can pay off a property much quicker
- 80% Give a better return than with a financial institution
- 72% More likely to stick to a group investment
- 63% My friends and family were doing it, did not want to miss out
- 60% I like the social element / sense of community
- 57% I struggled to qualify for a bond / the only way to buy property
- 43% I liked the educational element / good way of learning

Drivers:
- Especially lower income
- Driven by younger, upper income
- Likely to be over 50 years
THANK YOU