



How to achieve unstoppable growth in a struggling economy – just seek 'Opportunity'?

By Neale Petersen

Meet Nick Morgan and Wynand Haywood, founders of Opportunity Private Capital, a successful 17-year old boutique investment business with a secure investment structure providing private investors access to investing capital in the development of residential projects.





Reimag first spoke to Nick and Wynand in May 2020 when they first featured on the front cover of Real Estate Investor during the pandemic when people were concerned about the impact of the pandemic on the real estate sector as well as the broader economy.

Additionally, many investors were concerned about the impact of the pandemic on rental properties, as tenants faced financial difficulties and were unable to pay rent. This led to concerns about a potential increase in vacancies and a decrease in rental income for landlords.

Despite all these challenges in the property sector Opportunity Private Capital (www.opportunity.co.za) have consistently and successfully achieved high growth to beat the odds.

Nick and Wynand are familiar with uncertainty and challenges. Soon after launching their company in 2006 in Cape Town there followed a period of economic uncertainty when the global property and housing market experienced a severe downturn in the global financial crisis. Rather than being

discouraged by markets and poor economic climates they saw an opportunity to create a business that would offer the investors alternative investment opportunities to people looking at diversifying their portfolios.

Since we last spoke to the two of them three years ago this is how their business has grown:

1. Capital investment: up 170% from then;
2. Units funded for development as a result of investments: up 190%
3. New Participating Investors: up 155%
4. Bespoke software management systems and processes developed for improved business management and investor experience

The opportunity

Nick and Wynand have always been crystal clear on their vision and are focused on their offering which is to provide private investors access to investing capital for the development of residential projects.

Their sole objective has been to offer investment opportunities





to their investors that deliver attractive, consistent returns, while simultaneously protecting invested capital with immovable development assets as primary security. In this manner development projects to the value of more than R600 million have been completed.

High yielding returns can therefore be offered because investors get access to the value extracted from the development process with capital protected by the assets until the investments mature. It paves the way for all levels of investors to participate in these opportunities. In times of uncertainty the fixed returns can provide consistency and predictability.

They also identified shifts in investor behaviour as a result of market dynamics such as ever-increasing Inflation and high interest rates. Investors tend to turn away from traditional real estate investments and opt instead for alternative investments that offer higher returns or better inflation protection during uncertain times. They offer the solutions.



Investor-centric

Despite the ravages of the SA economy some businesses, such as Opportunity Private Capital, have performed consistently, and Nick and Wynand have remained true to their values of simplicity, execution excellence and the mutual success of both their company and investors.

Investors are integral to the success of the development projects within which they participate and are part of the process from start to finish. They have built a loyal following of investors over the years who appreciate their commitment to providing high-quality investment opportunities in the real estate industry. They are a vital part of the accomplishment of projects such as from this point (the beginning)

to this point (the end)



and investors can rightly derive satisfaction from their involvement in building something tangible from the ground up.

The net result is that, although the general investment arena has been inconsistent for a protracted period, particularly during the pandemic, over the last 5 years investors in the offerings provided by Opportunity Private Capital have averaged returns of 16.13% p/a.

Opportunity Private Capital Investment projects status

Indeed, in the period since we last featured Nick and Wynand, private capital investments on 312 units have been added to the pipeline of investment developments which started during the pandemic and turmoil.

- **Completed Residential projects** - A couple of these are nearing completion, one





being Endulini in Brackenfell (Cape Town) and Heron Fields in Langeberg Ridge (Cape Town).

- **Completion 2024** - The third of these is in its earlier stages and on track for completion next year - Heron View in Langeberg Ridge (Cape Town).

The secret success formula

- One would think that the attractive returns are the primary reason for success, but actually it's the tangible security provided for invested capital, through their security structure, which gives investors comfort in investing, and has them continuing to do so cycle after cycle. The Company is not aware of any other offerings where investors are the only parties protected by the development assets which are held as security for their capital - this has resulted in an investor retention rate of over 80%.
- Sticking rigidly to their amended strategy which they embarked upon nine years ago of focusing only on investment projects in high-demand areas of Cape Town.
- An administrative priority is the Communication - monthly Reports and personal individual service to investors.



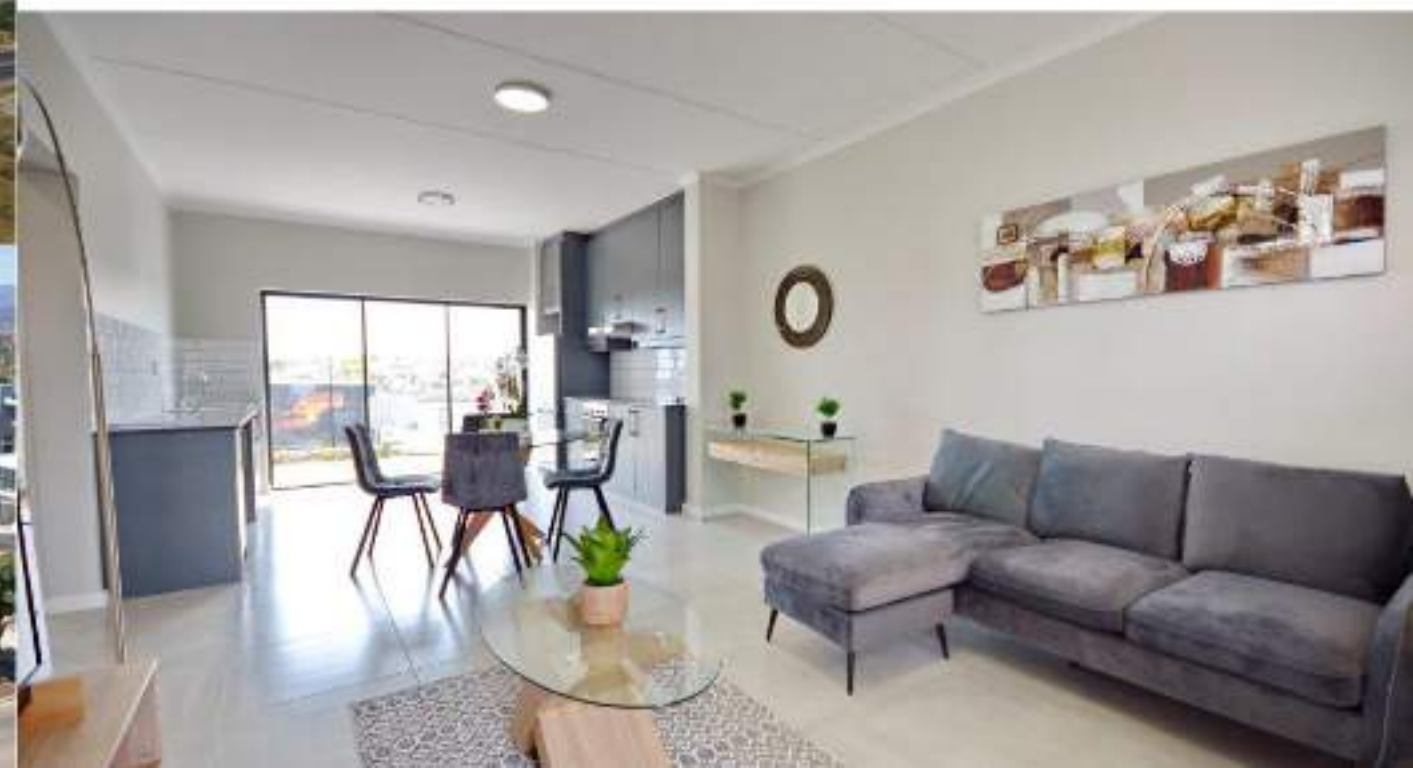
- Consistency of deliverables with investors achieving returns across multiple projects and numerous investment cycles.
- Close management of deliverables and projects - 'hands-on' in protecting investor interests.

As Nick and Wynand reflect on their journey and the impact they have had on the real estate industry they still feel "very bullish" - they believe there is a great deal more to achieve and more continued value to be delivered to investors. Nevertheless, they have to date shown that with vision, perseverance, and a commitment to excellence,

it is possible to build a successful alternative investment business through uncertain times.

The progress is ongoing. They are actively engaging with Developers and new residential development opportunities to bolster the 2024 and 2025 pipeline. They are looking to expand the business to include a range of investment options, including introducing new residential development opportunities and exploring new platforms that make capital investments accessible to an even broader range of investors with minimum investments from R50 000.

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Information Heron View
Construction Investment**



Investment Objective

The aim is to provide private investors alternative diversification with access to investing in residential development projects. The result being fixed per annum returns based on pre-determined, projected timeframes with fixed capital assets employed to protect invested funds.

Key Investment Information

Classification	Real Estate
Development investment project	Heron View development- Apartment Complex
Geographic Location	Langeberg Ridge, Cape Town, Western Cape
Investment Returns	14% - 18% per annum (dependent on level of investment AMT)
Min Investment	R 100 000
Total investment requirement	R 13 200 000

Investment Fees

All returns quoted net of fees. Fees absorbed by Development Company.

Risk Profile

LOW	LOW MEDIUM	MEDIUM	MEDIUM HIGH	HIGH
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Investment Term (Estimated)

1 YR	2 YRS	3 YRS	4 YRS	5 YRS
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The length of the investment is an approximation - based on project timelines. Rollover/Reinvestment options at end of term.

Investment Summary

Capital Investors are invited to participate in investing in Heron View, a residential development in the suburb of Langeberg Ridge in Cape Town. The Developer has

started with the development of the project comprising 166 sectional title apartments within a secure gated environment. The installation of services and infrastructure is completed and construction on the first block has begun.

Investment required for this stage of the project is R 13 200 000, with a minimum investment amount of R100 000.

Upon being used in the project, investments receive returns calculator as follows:

Investment level R 100 000 - R 499 000 (14% p/a)

Investment level R 500 000 - R 999 000 (16% p/a)

Investment level R 1 000 000 plus (18% p/a)

Investments have been provided for development projects with a market value over R 500 million. The secure investments offer fixed returns



and pave the way for investors to participate in opportunities typically reserved for very select investment clientele. In addition to the consistent returns on offer, the foundation of the investments is the security given to investors for protection of their capital.

The investment period is projected to be for approximately 12 months. The returns are paid out with the initial capital by the Attorneys at the end of the investment cycle. At this time investors may exercise their option to either have the funds repaid to them or to roll their investment funds over into subsequent investment cycles to prolong the investment.

The Heron View Development

Heron View Development will be a secure, access-controlled complex comprising 166 units





with clubhouse and swimming pool for residents. The homes are all 2-bedroom units with a choice of 1 or 2 bathrooms. Many units will have a patio or balcony with a braai. The complex is located in an already built-up area, on an elevated site with desirable views offered from many units.

The properties are predominantly aimed at the middle-income sector with apartments falling within the R 1.3 - R 1.7 Million price range. This ensures the properties will be in the pricing category which is among the most popular and highly absorbable in the greater Cape Town area.

Market Analysis

The site of the development is very well located. Langeberg Ridge is a thriving, popular and safe residential area in the Northern Suburbs of Cape Town. The development is surrounded by houses and townhouses in what is an established, traditional area.

In addition, the development is in proximity to the Cape Gate regional shopping centre, the Cape Gate Medi-Clinic private hospital and large flagship amenities such as Virgin Active, Builders Warehouse and Makro. For the sporting enthusiasts it is a few short kilometers down the road from the Durbanville Golf Club and Durbanville Sports Complex. Notably, it is within walking distance of a range of amenities.



This is an exceptionally desirable residential area and the demand for 2-bedroom units is high, catering to a broad market of owneroccupiers, investors and renters. This remains one of the best performing middle-income residential areas in SA.

Risk Analysis

Potential Risks	Risk Areas	Risk Negated
Market Risk	Project in high demand area of CT	✓
	Project in high demand price category	✓
Developer Risk	Developer cannot access funds without independent authorisation	✓
	Investor not linked to Devco via shareholding	✓
	Experienced team driving all aspects	✓
Operational Risk	Financial - specific funds allocation	✓
	Abundance of labour supply	✓
	Cost increases factored in	✓
Investor Risk	Investment is asset-backed	✓
	Investor liquidity - access to funds	x
	Pre-determined returns for investor	✓
	Funds flow via Attorneys	✓

Investment Security

Unique to the offering is a double-tier security structure for the protection of the invested capital until investors are repaid. This is elaborated upon with more detailed documentation and in discussion.

Investment Consideration

The unique structure of the investments

has been crafted to offer attractive returns within a risk-managed investment environment. While the team of experts do a great deal to ensure the timely completion of projects, property development does have some unique risks.

Therefore the invitation is to investors who understand, (i) the nature of these investments, (ii) the security structures and (iii), where this investment fits into their larger profile.

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