

Investing in property and creating wealth using community stokvels

By [Silindile Leseiyane](#) 13 Apr 2021

There is an old proverb that says, "Smooth seas do not make skilful sailors". It is through the storms of life that one can either decide to work hard and stick the course or lose hope and throw in the towel. Rough seas teach us that we can endure, develop grit and achieve when we decide to put our heads down and push through the rough terrain.



Silindile Leseiyane, property investor and entrepreneur, and the winner of the 2019 SA Investor of the Year Award (Innovative category).

Everything worth having in life does not come easy and I learned this the hard way when I was growing up in Piet Retief, living in a two-bedroom house with my family. The house had extra rooms at the back of the property that my mom would sub-let to earn additional income. When my mom passed away in 2007, it was devastating for me. My mom was the breadwinner in our household and it was because of her wisdom and foresight in letting out those rooms for additional income that we were able to make ends meet and survive after she was gone.

Renting led to sub-letting led to investing led to owning

I saw the power of investing in property to earn additional income through that early-life experience. It was a lesson that would lead me into property investment later in life with a vision to create wealth.

My first income-generating property project was realised in 2008 when I was worried I would fall behind on my bond payments on a two-bedroom property I had bought the previous year. Remembering and applying my childhood lesson of sub-letting property, I decided to take a chance and sub-let the spare room in the house, and I was fortunately able to make ends meet. This began my property investment journey. My first property purchase as an investor was in 2010 when I bought a one-bedroom flat for rental income.

Growing wealth through community

Although a form of crowdfunding can be dated back to the 1700s, it was in the early 1900s that English settlers described their auctions of cattle as 'stock fairs'. The term stokvel originated from these stock fairs whereby farmers and workers would pool their money together to purchase livestock.

There is power in the collective, especially when hungry entrepreneurs are involved. In rural communities, this type of 'crowdfunding' is commonplace and is practiced to assist each other with ordinary daily challenges. *Ubuntu*, the African principle of 'I am because we are', is applied practically through community stokvels. If there is a community member who has debt, for example, perhaps from their student loan and struggling to pay it back, then the community will rally around this individual and form what is called 'an informal stokvel'.

A stokvel is a pooling of financial resources to assist someone in financial need. Finances are rotated around the community in this way to perhaps buy groceries, to use towards school fees or to purchase an item needed by a member of the stokvel.

The penny dropped. This system, and the need for survival, birthed an idea to create an informal 'savings club' within my circle of friends for property investment opportunities. I knew this would create golden opportunities for us. We laid down some ground rules, one of the most important being that to be a part of this 'savings club', a member had to invest into their own education about property.



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The power of networking

There is another proverb, which finds its roots in Africa, that says, "If you want to go fast, go alone. If you want to go far, go together".

In 2019, after running our stokvel for a few years, I came across SA Property Investors Network (SAPIN). This opened up a world of new networking opportunities for me and the network was really a catalyst for exponential growth in my wealth creation journey. I found knowledge and expertise that I'd never found anywhere else, through connecting with others that were also passionate about investing into properties. I no longer needed to feed on the crumbs of information I could find on YouTube videos to learn about the property game. I attended their events and was instantly refreshed, motivated and found my next level of inspiration.

After the SAPIN Awards dinner that I attended, I acquired new skills in how to enter into and negotiate deals with people with confidence. My dream was to now go bigger, engage with more people and make bigger deals. I opened up a new stokvel group to anyone who was interested. Through SAPIN I now had legal advice available to me and one of the attorneys in the network drafted the necessary legal documents I needed for these deals to be water tight. It was all about team work and collaboration.

SAPIN also has a lot of educational content delivered through their online courses. So it was a great fit for me because I needed to self-educate on property investment.



The stokvel grew exponentially

After the exposure I received from SAPIN, the opportunities grew exponentially. The stokvel membership grew from just 50 members to 400 members and from a pooled value of R300,000 to R10,000,000 in a little over 18 months. The driving force behind this growth was that my personal and professional credibility grew by association.

This has empowered me to fulfil another dream of empowering others in their journey of wealth creation. I have been able to teach other young property investors how to start their own stokvel through my own coaching business and have assisted in the launch of multiple stokvels that are worth millions of rands today. This stokvel model has been transplanted into other great initiatives, like building schools and lodges, which is creating generational wealth and financial freedom. If I did it, others can too.

What does the future hold

After winning an award at the Investor of the Year Awards worth R80,000, it sparked a new vision to educate stokvel members to think beyond savings and spending and to rather act more strategically with their financial resources. It's not just about spending on pleasures, but rather there needs to be a long-term vision and to also become a part of a broader network like I did, which honestly changed my life. We cannot embark on the wealth creation journey alone, but need each other just like the bricks of the house you are wanting to invest in.

Enter the Investor of the Year Awards 2021 [here](#).

ABOUT THE AUTHOR

Silindile Leseyane, property investor and entrepreneur, and the winner of the 2019 SA Investor of the Year Award (Innovative category).