

FINDING



Top tips from the experts:

- Collect rentals from parents in the event of contracting with them
- Collect rentals upfront if possible
- Install prepaid electricity meters
- Select accommodation that needs little or no maintenance
- Choose robust surfaces, such as floor and wall tiles or washable paint
- Select basic fittings that are easy to replace
- Implement a breakage cost to be paid by tenants
- Collect 12 months of rental income over 11 months – students take occupation in mid January and leave again by mid November
- Use the December holiday period to do repairs and maintenance
- Timing is crucial in order not to miss the demand – in one month, most students need to secure accommodation in one month of the year
- Use a management agent to inspect the premises on a regular basis, to ensure rentals are collected timeously, to pay levies, rates and taxes promptly, and to assist the body corporate in putting tenants to terms in the event of unacceptable conduct
- Smart investors place students studying the same courses together

Aengus Lifestyle Properties' Argyle Precinct.



popular rental units are bachelor, one-bedroom and 1.5-bedroom units.”

Potchefstroom

The student housing sector in Potchefstroom is also doing well. “When compared with other parts of the residential market, student housing continues to be vibrant and resilient,” says Melanie Britz of Homenet Potchefstroom. “Student housing with the right address continues to be a good investment, with an independent and annually renewed source of supply and demand.”

Prices near the campus range between R12 000 and R14 000 a square metre, as opposed to units 2 km away or further, where prices range between R8 500 and R10 000 a square metre. Small (25 m²) bachelor units close to the campus typically carry price tags of between R320 000 and R360 000, while those further away range between R250 000 and R270 000. Rentals for bachelor units close to the campus typically range between R1 900 and R2 000 a month, while bachelor units further away realise about R1 600 to R1 700 a month.

Erica le Roux of Just Letting in Potchefstroom says that typical student rental values vary from complex to complex, since some complexes become unpopular with the rise of new and more modern complexes. “Two-bedroom units at the lower end – meaning further from the campus and less popular – would typically rent for between R2 500 and R2 800.

Higher-end properties, which have been built more recently and are closer to campus, would fetch a rental of between R3 100 and R3 400. Up-market bachelor units in popular complexes

can let for up to R2 250 per month. Typical student rentals make up roughly 50-60% per annum of lettings in Potchefstroom. Rentals normally escalate during December or January, as most students tend to sign leases ending on 31 December.”

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Bloemfontein

Bloemfontein is home to two universities, a technikon, and several colleges. A major increase in the number of students at both UFS and CUT universities has contributed to the shortage of rental properties in the city.

“In an area such as Willows, rooms are rented out at between R800 and R1 200 per month. A four-bedroom flat in Willows could easily achieve a rental income of R5 300 a month,” says Maresa Pretorius of Treoc in Bloemfontein. “While the capital growth on these properties is not as good as in the residential areas, the rental income is far better and the demand is constant.”

Willow Glen (288 units) and Willow Flair (136 units) are two large security complexes in the area, specifically designed with students in mind. “Willow Flair, within easy walking distance of CUT, consists of bachelor flats big enough for two students, valued at between R180 000 and R210 000, with expected monthly rentals of R1 750,” says Mike Spencer of Global Platinum in Bloemfontein.

Cape Town

Cape Town’s leading universities, colleges and technikons draw thousands of national and international students to the city each year. Quality accommodation in the city is notoriously scarce – the University of Cape Town (UCT) has an off-campus accommodation bureau that advertises vacancies in privately owned buildings to assist the many students who cannot get into the university residences.

Rental income for student accommodation in the areas within walking distance of the campuses is generally higher per square metre