

Shortage in student homes makes it a good investment

It is that time of the year where parents start thinking about where their children will live when they finally set off to university, and the ideal time for investors to benefit from student housing. Student housing is as important as what and where your child will study one day.

One of the areas synonymous with students and student life is the city of Bloemfontein, which hosts two of the top universities in the country namely University of the Free State (UFS) as well as the Central University of Technology (CUT).

According to Fritz König, team leader of Engel & Völkers Bloemfontein, the CUT students live mainly in the Willows, which has over the years become predominantly a student area and many families have moved out. "Prices range from R700 000 to R799 000 for an apartment, and for a student house, prices range between R1.6 to R2.8 million."

Investors enjoy capital growth

Another area that is very well known for its university is Potchefstroom. Carl Venter, managing director of Engel & Völkers Potchefstroom, noted that rentals charged on modern, well finished apartments in prime locations range from R3 300 for a one bedroom flat, and student units are 100% occupied, which means investors enjoy capital growth as new buyers and tenants come to the city annually. The North West University receives thousands of new students each year and not only from surrounding areas, but from all over the country.

"Developments that we are currently busy with include Carmen, Ivy League, L'Attitude, Sederboom, The Lofts, Vinkel & Koljander, Mooizicht Manor, De Reitz and Botanika. Carmen will be ready for occupation at the end of 2012 which makes this the perfect investment, and Ivy League will be completed at the end of 2013," Venter added.

In areas such as Port Elizabeth and Stellenbosch student homes are also some of the biggest sellers. Both areas boast well known universities, namely the University of Stellenbosch and the Nelson Mandela Metropolitan University in Port Elizabeth, where there is also a lack of student housing.