

STUDENT ACCOMMODATION

Housing Hassles

Intervention aims to alleviate student accommodation shortage

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THERE is a significant shortage of accommodation for students studying at universities in Gauteng, but the Student Accommodation Fund, a new programme by the Gauteng Partnership Fund (GPF), aims to provide more accommodation through project funding.

The GPF's senior investment officer, **Shiraaaz Lorgat**, tells *Engineering News* that the Gauteng Department of Human Settlements approached

the GPF to investigate how it could play a role in this market to promote black entrepreneurship and assist in the delivery of accommodation.

The GPF's research showed that, in the past few years, South Africa's student accommodation market has emerged as a key asset class.

Lorgat says the GPF's investigation into student accommodation at a few Gauteng universities revealed that there is a huge shortage. He adds that the GPF then motivated to the Department of Human Settlements why it should operate in the student accommodation sector.

"We are mezzanine funders, which means we are a layer between the equity and senior funders, and we fund up to 35% of a project's total costs. The total project includes acquisition, transfer, refurbishment, conversion and even construction," he notes. The Student Accommodation Fund also aims to encourage entrepreneurs to become involved in projects.

Interested applicants can provide the GPF with a comprehensive business plan that shows the need for student accommodation in a specific area. The GPF has a checklist of the required documentation for the business plan. The GPF also considers the cost of the delivery of the project and compares this with its own assessment and evaluation process.

"We hope the Student Accommodation Fund will be as successful as our other programmes and that it will encourage more projects of this sort and [result in] the delivery of more units," Lorgat concluded. ■

To watch a video in which Gauteng Partnership Fund senior investment officer Shiraaaz Lorgat discusses the Student Accommodation Fund, scan the barcode with your phone's QR reader, or go to Video Reports on www.engineeringnews.co.za.



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