

CAMPUS TERRACE – A RARE FIND FOR THE PROSPECTIVE INVESTOR

BRAND NEW STUDENT DEVELOPMENT IN HATFIELD - PRETORIA!



Artist's impression of the new development selling now in Hatfield: CAMPUS TERRACE, Prospects Street 1287.

Although a basic rule for investment in property is that the lower the cost of the property, the higher the likely return, it is not cast in stone. The best investments tend to be in flats, townhouses or small family homes in areas where the demand is high and the supply is limited. Incidentally, student accommodation offers investors a better than average return on investment.

Students from all over the country stream to towns with tertiary institutions at the start of every academic year and, naturally, this creates a big demand for accommodation countrywide. In general, cities and towns in South Africa that have tertiary institutions experience a great shortfall in accommodation, with the demand for student accommodation far exceeding the supply.

There is also a huge demand for rented student accommodation around SA's ever-expanding universities and colleges – that shows no sign of slowing down as more than half our current population is made up of young people below the age of 34. Obtaining property in these areas, however, whether for investment purposes or for accommodation purposes for your children to study, needs to be carefully examined and considered before making a decision.

For investors, parents and first buyers planning to invest in the student accommodation market, it is important to understand the factors that drive the market as well as the best time to invest.

These factors include **economic trends, location, affordability and proximity** to the relevant campus and other important amenities as well as **personal preferences**.

Personal preferences are also very important; whether a student wants to share facilities like bathrooms and kitchens or prefer more privacy. Furthermore, living in a high density area with high rise buildings compared to a lower density in a more quiet area are all personal factors that need to be taken into consideration.

FACTORS DRIVING THE MARKET **Economic and Demographic Trends**

In a recent article in August 2015 by John Loos, Household and Property Sector Strategist at FNB Home Loans, he stated that tougher economic times, rising interest rates and weaker household confidence are expected to lead to a more conservative financial approach by the household sector. He further explained that the natural result should be a more conservative buying pattern when

it comes to residential property, and this could have more of a dampening impact on the more luxurious end of the residential market.

However, the student accommodation investment market could be different by bucking the interest rate trend of a dampening impact on the residential market and could therefore offer a niche opportunity for investors.

Industry players believe that the continent's rapidly growing middle class, increased urbanisation and the surge in the number of super-wealthy Africans will prompt a shift in investment flow from commercial to residential property over the next five years. A growing shortage of student housing and a newfound preference among well-heeled Africans for up-market apartment living in mixed-use "live, work and play" hubs will be major drivers of the trend.

Although the buy-to-let market in South Africa is currently depressed, **student accommodation is one section of this market that is proving to be an excellent buy-to-let option for private investors, usually for a relatively small capital outlay.**

Location, Affordability and Proximity

Although the old cliché of "location, location, location" is still as relevant as ever in today's property market, affordability ultimately determines location. A property located close to a campus and other convenient amenities and which has good security is convenient for students and gives parents

IN PRETORIA, HATFIELD IS THE CITY'S MOST SOUGHT-AFTER SUBURB FOR STUDENT ACCOMMODATION.

peace of mind when their children live far from home.

Demand for student housing in close proximity to the University of Pretoria has reached an all-time high and the demand is consistently outstripping the supply by a large margin.

In Pretoria, Hatfield is the city's most sought-after suburb for student accommodation. It's one of the city's oldest suburbs, with a young and vibrant atmosphere where students, art lovers and trendsetters can be found socialising by day and by night.

Hatfield lies in the heart of Pretoria, just outside the city centre between Arcadia and Lynnwood. Hatfield is close to the University, to Loftus Versfeld stadium, and Hatfield Plaza with its shops and entertainment. Pretoria Central is situated approximately 5 kilometres from Hatfield and students have easy access to main routes, buses and the Hatfield Gautrain Station.

New developments abound in Hatfield, BUT units are selling off-plan or are rented out at excessive rates. The result is that affordable accommodation is sought further away from the Hatfield area.

A basic rule is that the lower the cost of the property, the higher the likely return. However, this is not cast in stone. The best investments tend to be in flats, townhouses or small family homes in areas where the demand is high and the supply is limited. Incidentally, student accommodation offers investors a better than average return on investment.

It is therefore recommended that parents, who are planning to buy a student flat for their children, should invest in property in advance and if necessary, let them out until they needed.

THE BEST INVESTMENTS TEND TO BE IN AREAS WHERE THE DEMAND IS HIGH AND THE SUPPLY IS LIMITED

Depending on their proximity to the University of Pretoria campus and Gautrain station new student dwelling units are currently selling for around R780 000 to R1m for a 32sqm-40sqm, one bedroom unit with rental of R6 500 to R7 000 or more per month.

Closer to the TUKS campus student housing is offered in higher density areas characterised by high-rise multi-use buildings, frequently exceeding 10 floors. Studios/bachelor-flats or one or two bedroom apartments are popular although many units on offer consist only of a bed/study area, sharing a bathroom and kitchen with other flatmates.

Personal Preferences

Not all students want to live that close to Hatfield Plaza or to the Hatfield business centre, with its 24/7 hustle-and-bustle and high-rise buildings. Furthermore sharing facilities like bathrooms and kitchens do not suit every student's needs.

Some prefer to be on the eastern side of Jan Shoba (Duncan) Street, in the more green and leafy area characterised by a suburban-home-from-home feeling. Prospect Street east is from a traffic flow perspective a relatively quiet street, which ends in a cul-de-sac at the Tuks Sports Campus to the east. To the west it ends at Jan Shoba Street with only a left turn possible which minimizes traffic in Prospect Street.

Student units situated in Hatfield East often offer better value for money. As developers of student accommodation have to look for investment opportunities further and further away from the

main campus, units in this area should command a larger premium in future.

CAMPUS TERRACE, A NEW STUDENT DEVELOPMENT IN HATFIELD – NOW SELLING!

The proposed CAMPUS TERRACE development to be located in a shaded and quiet area on Prospect Street east and a stone's throw from the Tuks Sports Campus (TSC) and Tuks High Performance Centre (HPC) will take student living to a new level.

The CAMPUS TERRACE development will consists of 54 new and modern units including 12 luxury one bedroom apartments and 42 trendy studios/bachelor -flats.

With parking-bays on ground floor, the proposed CAMPUS TERRACE building will only be three stories high enhancing the typical homely and tranquil atmosphere of the area.

The proposed centrally situated development will be within walking distance from the University of Pretoria and all important amenities such as Hatfield Gautrain station, Hatfield Plaza, academic book shops, gyms, coffee shops, hotels, restaurants, ATM's, banks and the like. Situated approximately 5 minutes walking distance away, the Tuks Sports Campus (TSC) and it's green and park-like surroundings offer training and recreational facilities as part of modern day living.

CAMPUS TERRACE is ideally situated for students and/or the young graduate-working person/couple.

The apartments will have quality finishes and contemporary features such as ProQuartz kitchen tops and DEFY cooking hobs. In addition, a private bathroom including a LARGE shower is on offer. An open plan trendy kitchenette with cupboards in beautiful "WASHED-SHALE-ALPINE-MELAMINE", matching tile floors, ample cupboard space in the bedroom area and large balcony invite the prospective student to add his/her personal touch. **CAMPUS TERRACE is perfectly designed for students that are seeking a private and comfortable style of living with a modern kitchen and en-suite bathroom.**

Conservation and the sustainability will be enhanced by introducing energy saving measures by means of heat pumps for heating water and pre-paid electricity meters.

Moreover each block of apartments includes a laundry area and a roof-top garden with a pergola covered leisure area and a first-rate braai facility where students can relax.

The complex will have excellent security and safety features which include CCTV-cameras, 24/7 security and access control, electric fencing and secure covered parking.

The one bedroom and studio/bachelor apartments will vary in size from 27sqm – 38sqm (including a balcony), and priced from R669 000 for the smaller units without a balcony and R1 007 000 for the larger units with a balcony.

CAMPUS TERRACE - IS A RARE FIND IN AN AREA WITH A HIGH DEMAND FOR ACCOMMODATION AND A LIMITED SUPPLY. IN THIS REGARD, UPMARKET CAMPUS TERRACE SATISFIES THE REQUIREMENTS NOT ONLY OF THE ASTUTE INVESTOR BUT ALSO THE MORE COMMITTED STUDENT AND/OR THE YOUNG WORKING GRADUATE PERSON/CUPLE.

**THE FIRST TWO BLOCKS WITH 18 APARTMENTS EACH, ARE SELLING NOW, OFF-PLAN.
BUY DIRECTLY FROM THE DEVELOPER. NO TRANSFER COSTS.**

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