

Wits to develop land in bid to boost revenue

By [Michelle Gumede](#)

11 Jul 2017

The University of the Witwatersrand (Wits) is looking to generate R100m in revenue from a potential partnership with the private and public sectors to develop its 300ha estate in the north of Johannesburg.



Source: Twitter - [@WitsUniversity](#)

The university would also lease two properties in central Johannesburg in a bid to stem a shortage in student accommodation, vice-chancellor Adam Habib said.

Wits is looking for a private partner to develop its 300ha Frankenwald property, situated next to Kelvin near the N3 Marlboro offramp in Midrand, which would eventually become a source of income.

Frankenwald was the subject of an ownership dispute, with Wits declared the rightful owner of the estate.

"Our big plan is to develop it [Frankenwald] together with public and private partners to get annuity income hopefully in the region of R100m a year, which down the line we will deploy for students," Habib said.

The deadline for proposals to develop the Frankenwald land will close next Thursday.

Universities such as Wits receive about one-third of their funding from the state, one-third from donors and research entities and one-third from fees.

The university is hopeful about creating an additional revenue stream from the Frankenwald property.

Wits spokeswoman Shirona Patel said the university wanted a mixed-development plan that would benefit the residents of neighbouring Alexandra.

Proceeds from the investment would be directed towards student funding.

Like other institutions, Wits is experiencing severe shortages in student accommodation because demand outstrips the number of beds available.

The student accommodation demand at Wits is for about 12,000 to 14,000 beds annually, but only about 6,150 beds were available in residences in 2017.

The two buildings the university will lease in Braamfontein will go some way in meeting the shortage.

Wits has entered into a partnership with South Point for one of the buildings, which has capacity for 2,000 students and whose development costs will be carried by South Point.

It costs about R300,000 per bed to build new residences, the Patel said, "which is almost impossible without significant funding for such infrastructure from the state".

To demonstrate this point, Patel said Wits was paying back a R520m loan for its Junction Residence Complex, which has about 1,200 beds.

The university has secured a floor in a building opposite the Wits Medical School from the City of Johannesburg to set up temporary housing for students that are needy.

Source: Business Day

For more, visit: <https://www.bizcommunity.com>