

CampusKey lifts student beds target for listing

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CampusKey, owner of prestige "student hotel" accommodation, still intends to list on the JSE but only in 2019 when it owns at least 10,000 beds, says MD Leon Howell.



Howell said in September 2016 that he would want the company to own and manage 6,000 student beds before pursuing a listing. CampusKey owns residences housing 4,000 students as well as clubhouses, study rooms, gyms and offices.

The company's high quality living spaces were comparable to hotels, said Howell. They were geared to children of affluent parents who sought facilities with guaranteed security close to premier South African universities including the University of Cape Town and Stellenbosch University.

As a result of the delay, another student property fund will probably beat CampusKey to a listing and become the first provider of student accommodation to come to market.

Inkunzi Student Accommodation Fund will be the JSE's first real estate investment trust specialising in student housing when it lists towards the end of September.

At listing, Inkunzi's R2.25bn portfolio will comprise 12 high quality assets housing 6,500 students. These will be mostly within walking distance from the University of Pretoria, the University of Johannesburg, Vaal University of Technology in Vanderbijlpark, North West University in Potchefstroom and the Nelson Mandela Metropolitan University in Port Elizabeth.

It offers single and shared units that are either partially or fully furnished. All units have en suite bathrooms. Monthly rentals ranged from R1,800 to R6,600, said CEO Kameel Keshav.

Chief investment officer and founder member Owen Nkomo said Inkunzi wanted to maximise income and net asset value growth by acquiring good quality assets across the country.

"At listing, our loan-to-value [ratio] is expected to be around 25%, providing some headroom for growth," he said.

Respublica, a subsidiary of Redefine Properties, plans to provide 20,000 beds to students in SA by 2020. Respublica CEO Craig McMurray said he was focused on growing the company in SA and abroad, but would consider a separate listing when the time was right.

Source: Business Day

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