

# Private student accommodation - should you buy or rent?

With student accommodation at tertiary education facilities experiencing a significant drop, parents are now turning to private housing options close to institutions. Top of mind is the decision of whether to buy or rent, says Misty Kesting, an estate agent at Knight Frank Residential South Africa.



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“The benefits of buying a property are the investment you will be making and not spending funds on rent. On the other hand, renting means paying no transfer costs, cost of maintaining the property and mortgage instalments. However, if you can afford it, it is worthwhile to consider buying a property that in the long run can make you money as well as having a permanent residence for your child to occupy for as long as needed,” says Kesting who specialises in the Claremont, Rondebosch, Rosebank and Newlands areas in Cape Town.

## Safety concerns

Apartments where their children can possibly live with their friends for a few years are popular choices for parents, however safety concerns are often a priority. “Durban- and Johannesburg-based parents are very safety conscious and are prone to looking at 24-hour security blocks – these typically have higher levies,” Kesting adds. Other options are the older, 50s-style blocks and art-deco complexes – their levies are usually lower, but they do not necessarily have premium security.

Some of the most desirable areas for student accommodation in the Cape Town region are Rondebosch, Newlands, Rosebank and Claremont, due to the Jammie Shuttle (UCT’s dedicated transport system). Followed closely by Observatory and the City Bowl, due to their close proximity to public transport, universities and colleges.

## Important documents

Kesting cautions that parents buying an apartment need to be aware of several important documents pertaining to the complex including the latest Annual General Minutes, Conduct Rules of the scheme and any financial statements. Keep in mind that you are not just buying a unit; you are also buying into a sectional title scheme. Don’t get lost in the excitement of buying an apartment, ensure that you are well informed about the property and the scheme; it will serve you well in the long run, she says.

She also advises parents to start looking at options sooner rather than later, especially those interested in buying apartments.

“Consider looking a year in advance. Sellers get highly competitive and increase prices from as early as late October and the trend continues on through to February. Many parents are already purchasing properties and rent them out whilst their children are preparing to be in a position to need the accommodation. Should their children not make use of the property in the end, they can still make money from it by renting it out,” concludes Kesting.

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