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A new business venture proposal for student accommodation in KwaZulu Natal: The business case for RasRach Student Living Company

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A new business venture proposal for student accommodation in KwaZulu Natal

The business case for RasRach Student Living Company

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[April 2021]

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DECLARATION

I, Malibongwe Armstrong Nxumalo, declare that this business venture proposal is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the Graduate School of Business Administration, University of Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.



_____

Malibongwe Armstrong Nxumalo

Signed at **Pretoria**

On the **30th** day of **April** 2021

ACKNOWLEDGEMENTS

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SUPPLEMENTARY INFORMATION

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† Including Executive Summary, References, etc.

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EXECUTIVE SUMMARY

Scarcity of on-campus student housing has given birth to a niche market for private companies to close the gap as requested by the Department of Higher Education and Training (DHET) in South Africa. RasRach Student Living Company (RSLC) is a student accommodation company specialising in affordable, quality and secure studend living in Pietermaritzburg, Kwa-Zulu Natal province. Leveraging off its technological capabilities, RSLC will invest in renewable energy and the circular economy to efficiently manage operational costs and the impact of loadshedding on students, thus disrupting the sector.

The Scotsville precinct within Pietermaritzburg has been identified as a hot spot to provide the service as it houses three tertiaty institutions within a five kilometre radius, making an ideal location for the RSLC housing project. This suburb provides a great opportunity for RSLC to access properties at a cheaper price and develop them to meet the housing demand.

A qualitative data method was utilised to collect secondary desktop data accessible from government departments, libraries, verified journal articles, university publications and company websites.

An unprecedented increase in the domestic population and the youth who require tertiary education cannot be ignored as higher education institutions are struggling to meet the demands for the provisioning of both academic and student accommodation. This serious challenge leads to the students' poor performance, with a drastic increase in the drop-out rates. A strong correlation exists that indicates that quality student accommodation not only impacts the students' performance academically but also impacts their social interactions and participation within the university programmes. RasRach Student Living Company will purchase properties near different institutions around Scotsville, Pietermaritzburg. These properties will be redeveloped to meet the requirements of the Policy on Minimum Norms and Standards for Student Housing at Pubic Universities issued by DHET.

RSLC growth strategy is organic in the short-medium term and will franchise in five years to implement the strategy of the company thus advancing its business model.

CHAPTER 1. INTRODUCTION

1.1 Purpose of the Study

The purpose of this study report is to develop a business case for a sustainable new business venture for KwaZulu-Natal (KZN) student accommodation.

1.2 Context of the Study

1.2.1 Global student accommodation trends

The world population is increasing exponentially and is dominated by the youth that requires tertiary education, which institutions of higher learning can barely adequately supply, let alone the provision of student accommodation which is now a global challenge. Institutions of higher learning are struggling to keep up with the demand for both academic and student housing requirements of the global community. La Roche, Flanigan and Copeland (2010) found that tuition fees have grown rapidly above inflation for decades regardless of tough economic times. Conversely, students in first world countries have sophisticated preferences for student accommodation rather than the basic traditional student residence offered by universities.

According to a Student Housing Survey Harley (2019), it was found that the top global student trends are social upmarket amenities such as private bedrooms; onsite parking and laundry facilities; double beds; access to the internet, proximity to campus; fitness centres, private bathrooms, and cable television. This has led to private companies competing with universities by providing attractive alternatives and as a result, taking advantage of the profitable student accommodation market. There is a strong need for institutions of higher learning to collaborate with private companies to explore better funding options for student accommodation to close the gap and meet student preferences globally.

1.2.2 Africa outlook

The demand for student accommodation by university students throughout the continent has intensified significantly. According to Harley (2019), Africa had a 21%

escalation number of tertiary students in 2017, in contrast to 2012 which equates to 2.5 million extra students. Frank Nights' Africa Horizon Report (2019) further states that by 2028, 72 million people in Africa will be between the ages of fifteen 15 and 24 which points towards greater demand for tertiary education and student accommodation. Africa needs to be prepared to meet the high demand by investing in academic infrastructure projects through collaborative efforts by government and private companies.

Many institutions across the continent are focused more on developing academic abilities, thus neglecting to allocate resources towards building their own student accommodation. The Global Real Estate Transparency Index (2018) mentioned limited progress in Sub-Saharan Africa as there are infrastructure backlogs that require governments and academic institutions to collaborate with private companies to meet the high demand of the second largest populated continent. On another note, countries such as Kenya, Zambia, Nigeria and South Africa (SA) are energised for co-operation between institutions and private businesses to cater for alternative student accommodation, which allows universities to build and maintain their status by focusing on their core mandate and private businesses closing the gap, thus tapping into rental income.

1.2.3 South African Student Accommodation issues and trends

Nzimande (2016) revealed that all universities across South Africa are experiencing a shortage of student housing. SA is not exceptional regarding Africa's teething troubles of infrastructure, rising population, poverty, inequality, and high unemployment. Stats SA (2019) reported that the South African population has increased to over 58,8 million with Gauteng province leading, followed by KZN at 12,2 and 10,3 million people respectively. These figures are dominated by the youth of 20,6 million, equivalent to 35% of the national population as depicted in figure 1 below.

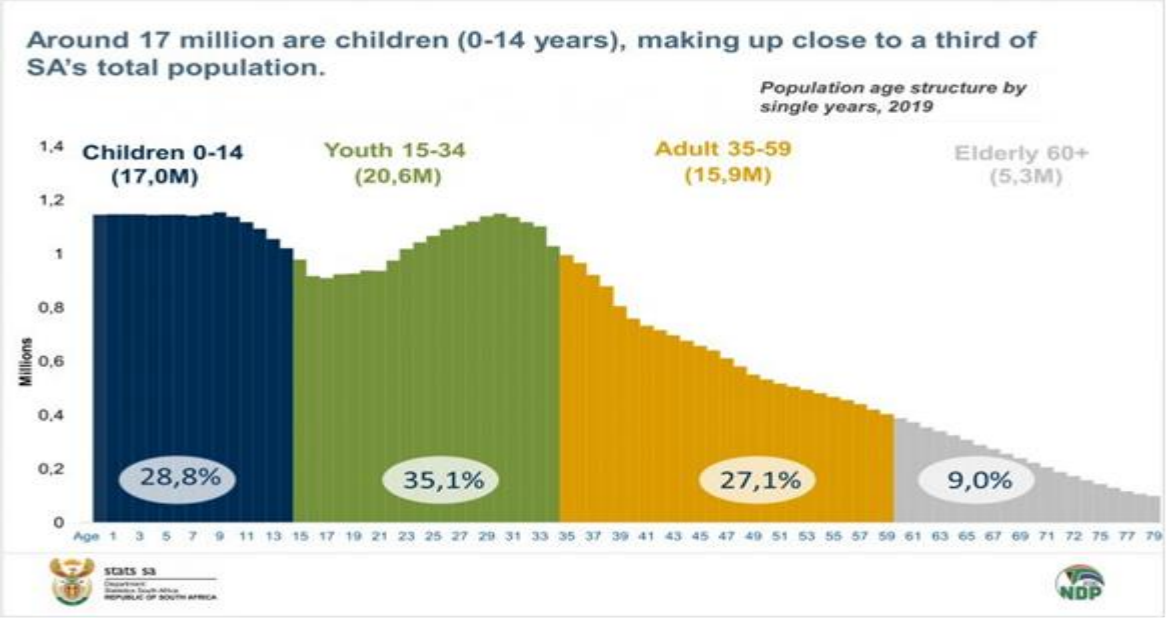


Figure 1: SA population reaches 58,8 million - youth (aged 18 -34) constitute 3rd of the populaton (17,84 million) in South Africa (Stats SA, 2019)

DHET (2020) noted that there are 26 universities and 50 Technical and Vocational Education and Training (TVET) colleges to meet the high demand for access to tertiary education in the country, without including the high number of migrants from our neighbouring countries.

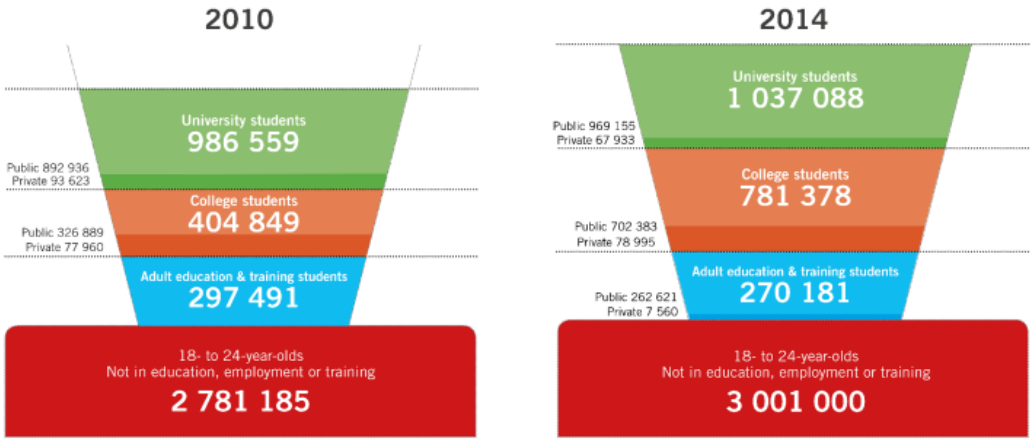


Figure 2: South Africa's not in employment, education or training problem (Stats SA, 2019)

The number for university students is increasing slowly due to the limited capacity of universities to manage the demand, the high cost of tertiary education, and the

unavailability of student accommodation. There is therefore a huge student accommodation deficit in South Africa (Machika and Johnson, 2015).

1.2.4 KwaZulu-Natal Student Accommodation Issues and trends

There is a serious shortage of accommodation for students in KwaZulu-Natal (KZN). Some students are being forced to commute long distances to and from the tertiary institutions (Dominguez-Whitehead, 2017). Some students stay in peripheral areas where they are forced to take more than one type of transport which in turn, results in time-wasting and is a financial burden for the students as well (Dominguez-Whitehead, 2017). About 3, 47 million youth live in KZN (19, 4%) yet KZN has only nine public colleges with all these heavily characterised by student accommodation shortages.

As discussed by Gopal and Van Niekerk (2018), there has been an increased demand for quality accommodation since 2013 in KZN as evidenced by the contention amongst students and student bodies. The period has been characterised by several protests by students, showing the shortage of accommodation is severe. Due to these rampant protests, the Ministry of Higher Education created a task force to investigate student accommodation issues which led them to conclude that many students are living in unsafe and highly unacceptable living conditions (South African Higher Education Reviewed, CHE, 2016). Swartz et al. (2017) also investigated this situation, following a rape case of a student from the University of KwaZulu Natal and concluded that there is a dire need for safer student accommodation in KZN.

1.3 Problem

The government and tertiary institutions have limited capacity to provide adequate accommodation for students in South Africa and largely in KZN. With a rising youth population and growing demand for tertiary education, this has led to a serious shortage of accommodation for students. Since 2013, the situation has become worse as a result of rampant student protests.

Education provides knowledge and provides an informed view of the world around people and transforms them into something better. It provides people with a perspective of looking at and observing life. It supports people while sharing opinions

and has provided an educated point of view on certain things in life. Thus, education makes an individual capable of communicating in all spheres of life which is also beneficial for society (Mabaso, 2018). In the article that was written by Jordan (2020), it has been defined that KwaZulu-Natal is confronting a critical crisis of education as the majority of teachers are not serious and some are absent from schools which results in the lack of an entire system of education in KZN and a lack of management of respective institutions. On the other hand, earlier KZN had a low rate of literacy which depicted the disnterest of people in education system.

From the aforementioned statistics, it can be understood that there is a significant increase in the interest of KZN people towards education (IOL Research, 2012). Conversely, it has been noted that there is a certain consideration of government towards the literacy system of KZN which rationalises government support for KZN and supports student accommodation ventures in related business. The recent data proposed in the KZN Analytical Report (2018) that in the year 2016, nearly 46% of the KZN population 20 years or older with matriculation or a higher qualification. Hence, the aforementioned data also proposes that the researcher fills the gap by going into the new business venture for student accommodation that is entirely related to the delivery of education in the KZN. This helps to increase the extent of education and the supply of accommodation for a student in KZN also strives to link students from other areas to pursue an education in KZN due to the strong education and accommodation setup. With respect to the aforementioned information, the researcher has highlighted the Pietermaritzburg city for the data collection of this study. Therefore, the problem of the study is entirely examined in relation to Pietermaritzburg city. It is the legislative capital city of KZN and with respect to education, this city is a considered focus by parents for the higher education of their children. Thus, for this business venture, this city will be suitable in order to provide the students with accommodation while they study.

1.4 Market opportunity

From the initial assessment of the South African and KZN student accommodation needs, it can be seen that there is a need for student accommodation in KZN of which any able investor can take advantage. The government of SA has raised

concerns about the shortage of student accommodation and has highlighted the issue as a top priority investment area. As quoted by Gopal and Van Niekerk (2018, p. 174) “South Africa is serious about transforming society through the academic success of students and therefore investing in safe and adequately resourced accommodation is a big priority”.

Due to a shortage of funding from public tertiary institutions towards providing housing for students, it is proposed that the private sector is therefore critical to closing the deficit of higher education accommodation (Nzimande, 2016). The Ministry of Higher Education went further to gazette a policy on *Minimum Norms and Standards for Student Housing at Public Universities* which private firms can adopt if they desire to invest in the student accommodation area (DHET 2015). Therefore, there is an opportunity to provide affordable and easily accessible accommodation in KZN. Gopal and Van Niekerk (2018) conducted research and concluded that funding of accommodation by students plays a vital role in the selection decision of student housing. Therefore, the market opportunity is beyond just providing adequate accommodation but also affordable accommodation which will thus win the hearts of many students, thus providing a ready and ripe market.

Gopal and Van Niekerk (2018) concluded that the rising increase in population and the surge in higher education demand should result in further increased demand for student accommodation in future. This market opportunity is therefore sustainable as the demand for accommodation is expected to rise.

The current scope of business is entirely based on the identified gap in the region for the business which allocates what kind of offerings should be provided by the accommodation. The selected city for the focus of data collection in order to strengthen the background of research on straight direction has been identified above as Pietermaritzburg. On the other side, this can be based on the need for accommodation of students in KZN that is important for the growth of a business venture. With respect to defining the scope of research, market opportunity is considered as the most important, along with the assessment of critical risk and the contribution of investors in a venture. It has been evaluated from the topic and

background of the research that the scope of business is specific to Pietermaritzburg city. The comparison and contrast of the study are related to other regions of South Africa because it is a part of country but the major emphasis is specifically on the accommodation of students in Pietermaritzburg city. It has been evident that when it comes to talking about education, accommodation should be included in the policies and other rules of the higher education commission. Therefore, this might extend the scope of study but again, the emphasis is on the accommodation of students in KZN.

Investors are also investing in a business by evaluating the business benefits that are linked with marketing opportunities. To justify this, the study undertaken by Groza, Groza and Barral (2020) points out that investors deposit capital that is used for long-term profits and gains while the management of the company is preserved to generate a short-term gain by selling and purchasing securities with a certain channel within a recurring process. Therefore, it strengthens the scope of business because it has been mentioned that there is an opportunity for student accommodation venture and helps in estimated growth which inclines the investors towards an additional investment that is directly proportional to the scope of business. Hence, the aforementioned are reasons that the researcher has cited to specify and pick only one city.

1.5 Solution

The National Development Plan is South Africa's 2030 plan to eradicate poverty, diminish inequality to enable the economy to thrive, and have a Small Medium Enterprise (SME) sector that is thriving. Commission (2013) has identified the SME sector as the main enabler for the county to achieve its 2030 employment creation target, since 90% of new employment will be coming from this sector. It is on this premise, that I chose to pursue a Business Venture as an area of independent study to contribute towards this national target.

The student accommodation market in KZN requires private investors who invest in new housing infrastructure near tertiary institutions while providing state of the art services at affordable prices to the students.

1.6 Research Aim

The research aimed to collect data by conducting detailed market research to fully ascertain the size of the gap in the target market of providing student accommodation in KZN and also to comprehensively deduce whether the gap can be profitably exploited. Ultimately, recommendations including appropriate strategies to be taken, target market definition, product/service description, competition analysis, and a designed business model for the business venture, is provided.

1.7 Research objectives

The following research objectives have been set:

- To determine the magnitude of the market for providing student accommodation in KZN;
- To ascertain the full attributes of the student accommodation required by the students in KZN, and
- To understand the nature of competition and challenges to be faced and the financial benefits to be derived from providing student accommodation in KZN

1.8 Overview of Pietermaritzburg

Pietermaritzburg (PMB) is the Capital City of Kwa-Zulu Natal located within the Msunduzi District Municipality. According to StatsSA (2016), PMB is the second largest city in KZN and is dubbed the “City of Choice” due to being forty five minutes away by road to Durban, Africa’s busiest port and one hour away from King Shaka International Airport. It is called the City of Choice for its strategic position in the

province of KZN and is centrally located in the Midlands.

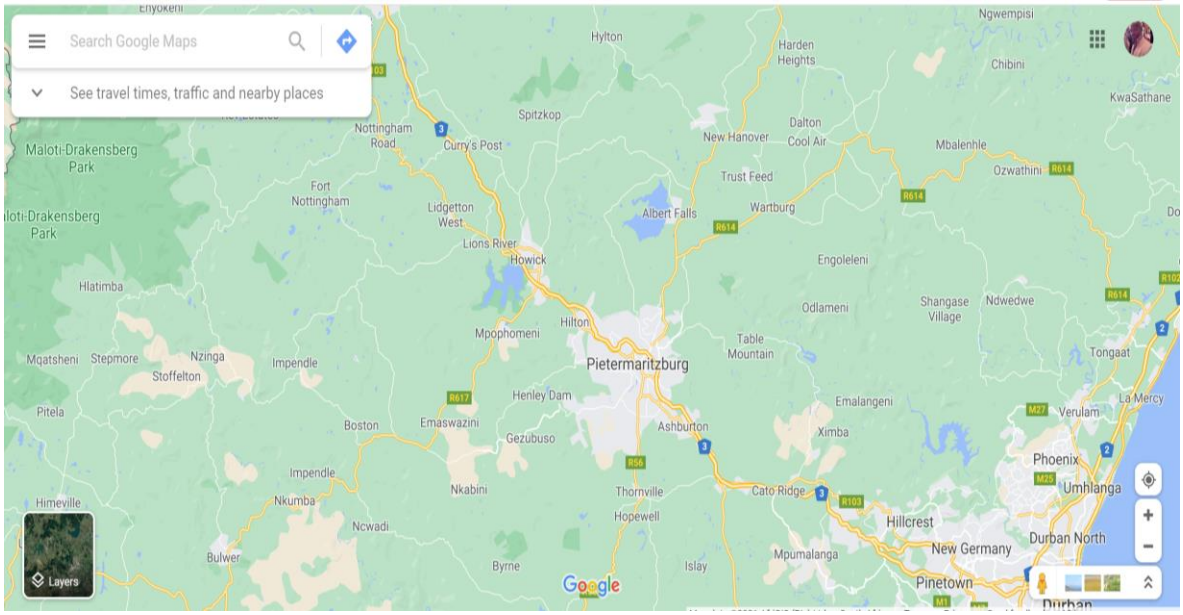


Figure 3: Location of Pietermaritzburg (Google Maps, 2021)

The City of Choice is also the legistative and administrative capital of KZN hence exponential in population and economic growth as per table 1-

Table 1: Municipal summury of key statistics (Msunduzi,2017)

	2011 (Census)	**2016 (Census)**	**State**
Total population	618 536	679039	Increase
Number of Households	163 993	180 469	Increase
Avarage Household Size	3.6	3.8	Increase
Population Growth Rate	1.12% p/a	2.00%	Increase
Male: Female	45.45	54.55	Increase
Unemployment	33%	Not provided	

The above table and the below figure shows the critical issues for consideration affecting the district municipality which will be utilised to critically assess the environment by RasRach Student Living.

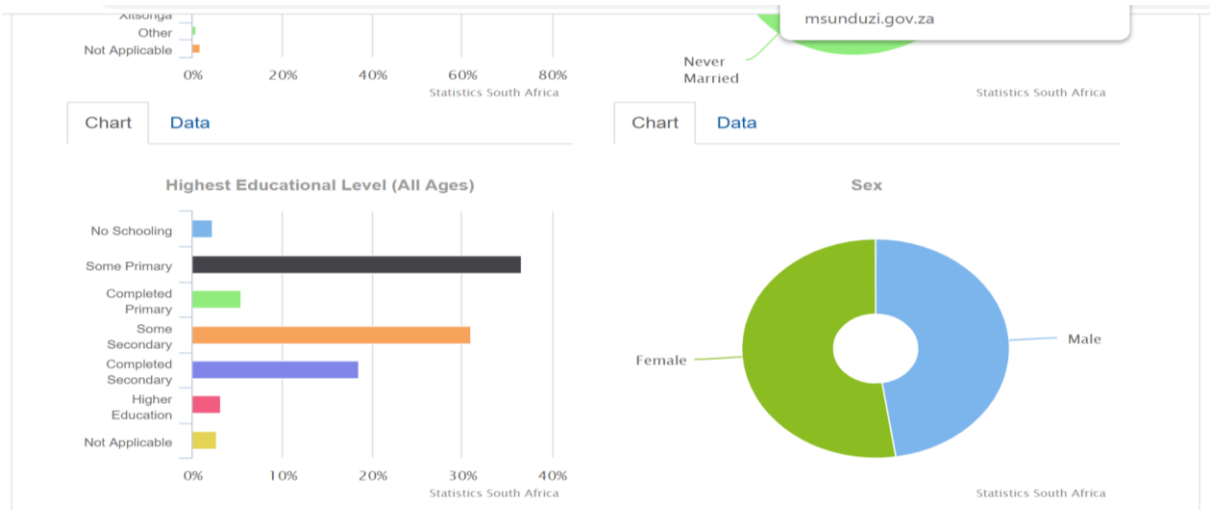


Figure 4: Highest educational level (Stats SA, 2017)

According to Stats SA (2012), there are enormous gaps in educational levels in the area as 2.3% of the population has no schooling, 36.6% with some primary school education but the percentage drops drastically to 5.4% for completed primary education. Again, 31,1% of the population has some secondary exposure however, only 18.6% completed high school. Furthermore, only 3.2% of the population experianced higher education. This is indicative of the deep rooted challenges of the province in closing the access gap to higher education. As a result, PMB is a strategical home to educational centres of excellence which are available citywide.

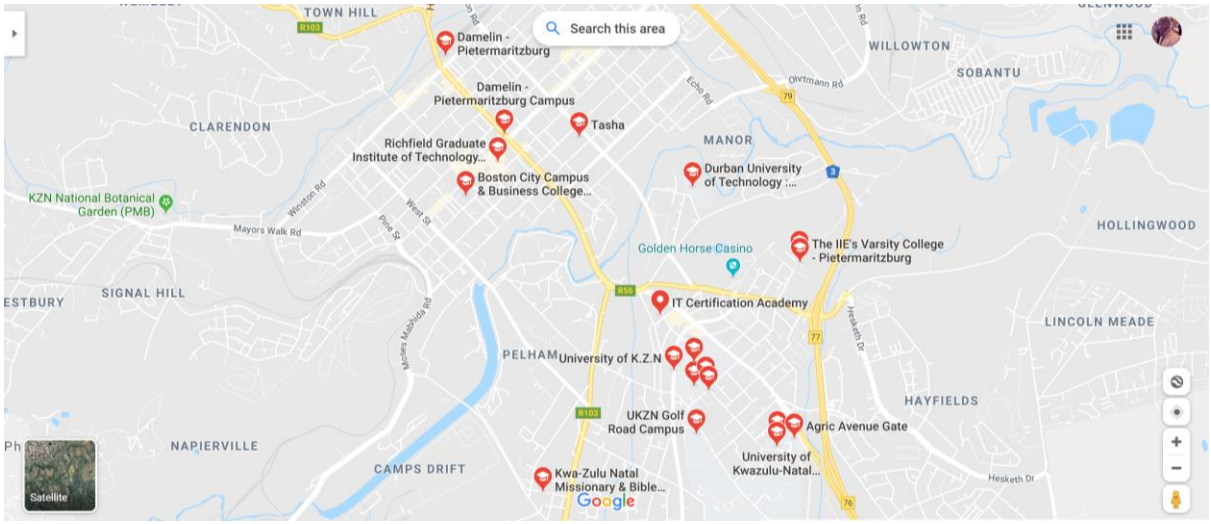


Figure 5: Location of educational institutions in Pietermaritzburg (Google Maps, 2021)

The above figure depicts the hot spots in Pietermaritzburg and particularly Scotsville precinct as it houses leading tertiary institutions, such as the Univerisity of KwaZulu Natal (UKZN), Durban University of Technology (DUT) and Varsity College - all these within a five kilometer radius. The precinct has caused major demands for student accommodation which cannnot be met by the tertiary institutions hence their appetite for Public Private Partnerships (UKZN, 2018) and RasRach's readiness to assist in this regard.

1.9 Conclusion

This section conducted a preliminary desktop assessment for student accommodation in SA in general, and then narrowed this to KZN in particular. The initial assessment revealed a potential market opportunity to be exploited by RasRach Student Living Company of providing student accommodation in KZN. A more robust analysis is therefore recommended to fully ascertain the viability of the market opportunity, including fully understanding the attributes of the product required and establishing the competition involved. The next section seeks to enable RasRach to fully understand the nature of student accommodation and the management theories upon which the fuller assessment of the market opportunity is assessed.

CHAPTER 2. LITERATURE REVIEW

2.1 Introduction

This literature review is aimed at further identifying and obtaining a deeper understanding of the market opportunities, as discussed in the previous section, for a new KZN student accommodation business venture. The section discusses the constraints, opportunities, and management theories that will affect the new business venture. Various strategies is discussed, then a thorough business case is developed, backed by research and literature.

2.2 Background

2.2.1 What is Student Accommodation?

Accommodation means a place to live, work, or stay in rented, temporary, or furnished housing (Oxford Advance Learner's dictionary, 2004). Chiguvi and Ndoma (2018) stated that student accommodation is a place of abode for students to pursue an academic agenda or goal. Student accommodation provides a place to stay for students whose private residence is located far away from the educational institution in which they are enrolled.

Student accommodation can be private accommodation in which the student lives, in facilities not provided or facilitated by the education institution (Mason, 2020). It can also be residence accommodation whereby a student lives within the school campus or areas secured or provided by the education institution for the students (Mason, 2020). Residence accommodation can be through halls or apartment rooms and can be catered or self–catering (Mason, 2020). Mason (2020) also highlighted a third type of student accommodation which is staying at home. Though offering more convenience and is often low cost, not everyone is ble to stay at home as some are students come from rural areas or areas far away from their institution (Chiguvi and Ndoma, 2018).

2.2.2 Typical Accommodation facilities for students

Student accommodation should have basic utilities and structures such as toilets, canteen, running water, and electricity. For increased effectiveness, reading rooms, a laundry room and recreation areas are also vital (Chiguvi and Ndoma, 2018). The Clay Brick Association of South Africa (2017) noted that the student accommodation buildings should have 24-hour security systems, such as intercoms and cameras. To strengthen security, clay bricks should be used as they protect against natural disasters like flooding and lightning, as well as civil crime and vandalism (The Clay Brick Association of South Africa, 2017).

2.2.3 What students look for when searching for accommodation

Tshazi (2020) indicated that for students coming from a poor background and rural areas, the issue of finding safe and affordable accommodation close to campus is challenging. Tshazi (2020) added that finding good accommodation has become far harder than getting accepted at the university in the first place. Many of the students are left with no option but to secure unsafe and poor quality accommodation which does not meet their requirements. According to Legodi (2019), student housing should go beyond the provision of beds and create living, learning, and social communities.

Affordability

A student requires R54000 to finance a student bed for a year yet students from low-income families only receive between R31000 and R35000 a year for accommodation from the National Students Financial Aid Scheme (Payi, 2020). Smith (2020) added that the poor administration of the NSFAS impacts students' ability to pay for their accommodation timeously.

Amenities

Students also require study areas, cleaning, and laundry, free Wi-Fi, and parking (Smith 2020). Free access to recreational facilities like gyms, swimming pools, and games rooms is highly sought after by students, as well (Smith, 2020). Due to the prevailing load shedding in 2021, access to continual power is a major priority in student accommodation facilities (Smith, 2020).

Comfort and cleanliness

Students also require clean environments. In 2010, students protested because of filthy residences (Legodi, 2019). Legodi (2019) stated, therefore, that students require clean environments. Chiguvi and Ndoma (2018) also indicated that a good, tidy and psychologically comfortable place aids in high academic performance.

Health and safety

Students from rural areas attending tertiary institutions in urban areas often find it difficult to secure safe and comfortable accommodation as most of them will not have family homes in these urban areas. Due to the failure to pay for the premium safer private accommodation, these students coming from a poor backgrounds and rural areas often settle for accommodation in areas with high crime rates, poor internet connectivity, and no running water (Eproperty News, 2020).

Legodi (2019) also noted that the poorly regulated on-campus residences results in students subletting to other students which results in overcrowding, thus exposing the students to health and safety risks. South African students also require safe living conditions. In 2016, students protested and visited the Mankweng police station to express their need for safer accommodation after a student living off-campus was shot, others were raped and houses robbed (Legodi, 2019).

2.2.4 Theoretical Framework explaining housing shortages - Current Housing Model

The neoliberal system demands the privatisation of public goods and the diversification of the education system. It also emphasises universities partnering with private businesses to provide quality services to the nation. This system has been adopted across Sub-Saharan Africa. However, without proper policy infrastructure, it leads to many inefficiencies which include rationalisation of education to the elite and high dropouts due to accommodation challenges (Dominguez-Whitehead, 2017).

2.2.5 Benefits of good accommodation for students

Student accommodation provides more than shelter and extends to facilitating a learning environment that promotes comfort, safety, and academic performance of students. Student accommodation also provides a school environment that has a psychological impact on the learning abilities of students (Chiguvi and Ndoma, 2018).

Campus accommodation brings many benefits, including the convenience of not commuting and also the benefit of having access to support staff who assist students to cope with the life of living on their own (Dominguez-Whitehead, 2017). Dominguez-Whitehead (2017) also discussed the benefit of appropriate accommodation to increase the academic success of students through enhanced learning. Gopal and Van Niekerk (2018) postulated that the quality of student accommodation is vital to the students' success rates. There is also a notion that students who live in residence halls perform better than students commuting from home (Gopal and Van Niekerk, 2018).

Students who are housed in safe and high-quality accommodation tend to gain much value, especially those from poorer backgrounds (Gopal and Van Niekerk, 2018). Appropriate accommodation is one of the crucial key factors that boost the achievement of educational objectives in higher tertiary institutions (Chiguvi and Ndoma, 2018). Providing accommodation reserved only for students makes them smart, active, disciplined, tolerant, and networked for the benefit of their educational goals (Chiguvi and Ndoma, 2018). Students with adequate accommodation have higher retention rates and also exhibit higher scores on developmental scales (Gormley, 2015).

2.2.6 Impact of lack of accommodation for students

As human behaviour is also related to a state of physical environment, providing a calm and peaceful student accommodation reduces aggressive behaviours. Chiguvi and Ndoma (2018) found that overcrowded places bring frustration and friction, which often results in conflict and open confrontation among resident students. They also noted that the lack of adequate accommodation results in students wasting

precious time in the search of accommodation and often missing lectures due to frustrations which in turn, negatively affects academic performances. Chiguvi and Ndoma (2018) advocated for the private sector to be involved in providing student accommodation to address the problem of shortage of student accommodation.
Students without appropriate accommodation are exposed to health hazards from poor living environments. Moreover, many of them could potentially be late to class, and during lectures, they tend to lose concentration (Oluwaseyi, 2015).

Gopal and Van Niekerk (2018) discovered that a lack of student accommodation can lead to higher student living expenses which in turn, will negatively impact equity of access to higher education. Students staying in places with poor security always live in fear and this manifests itself through negative academic performance (Oluwaseyi, 2015).

2.3 New Business Venture Strategy and Management Theories

Phua and Jones (2010) discovered that successful entrepreneurs have an ability to take calculated risks, are highly innovative, have in-depth market knowledge, have expert skills in their line of business, possess business management skills, and have unique abilities for co-ordinating with other industry participants.

2.3.1 Product and Service Description

This involves undertaking a deep study with an extensive pool of clients to ascertain the quality, suitability, durability, features, and acceptability of a product or service expected by the clients and thereby determining further possible innovations that can add value (Aithal, 2017).

2.3.2 Industry Attractiveness

Aithal (2017) expounded that different types of industry analysis can be conducted for a new business venture.

Industry Analysis

Industry Trend Analysis makes a trend analysis of the present and future state of a particular industry by establishing and predicting the state of an industry per defined

stages. The variable factors to be analysed can include technology, environment, demand, aspirations, the opportunity, and the growth trend of the industry (Aithal, 2017).

Environmental Analysis

This specifically analyses the prospective constraints and opportunities for the growth of the industry against both internal industry environment factors and external factors affecting the industry (Aithal, 2017).

Competitor Analysis

Undertaken by new businesses to investigate, understand, and strategise how to beat the competition in the industry.

The most common method of conducting the competitor analysis is the use of Porter's Five Forces model. Porter's Five Forces model comprises;

- The threat of new entrants to the particular industry
- The threat of substituted products or services
- Bargaining power of customers on pricing, quality, and after-sales support.
- Bargaining power of suppliers while supplying
- The competition among the players in the given industry



Figure 6: Porter's Five Force Model (MindTools, 2020)

2.3.3 For RasRach to thrive, it will utilise their value proposition to differenciate itself from competitors as barriers to entry are high due to the start-up capital required, time and cost to entry. There are few players in the industry, however RasRach's differenciation strategy is in providing quality and affordable accommodation in line with the requirements of the norms and standards issued by the DHET, thus obtaining customer loyalty from the tertiary institutions in Pietermaritzburg. Through our supplier power, RasRach will leverage on technology (4th industrial revolotion) by investing in renewable energy and the circular economy to efficiently manage operational costs and the impact of loadshedding to students, thus providing uniqueness of service.SWOT Analysis

SWOT is an acronym for Strengths, Weaknesses, Opportunities, and Threats. Strengths (S) and Weaknesses (W) are considered internal factors over which the

organisation has control. Opportunities and Threats are external factors that the organisation should consider and monitor. It helps to align the organisational business model to fully exploit and position itself for survival and/or dominance in a given industry (Varun and Aithal, 2016).



Figure 7: SWOT Analysis (MindTools, 2020)

RasRach's strengths are customer-centric, innovation, strong technology, plus strategic alliances with educational institutions in PMB. Our weaknesses are a relatively unknown brand and perceived lack of experience. Opportunities are significant as DHET requires private sector companies to assist in closing the gap, investors and funders' willingness to provide finance. A major threat are high industry competitors.

2.3.4 Financial Performance Analysis

Aithal (2017) also noted that to be successful, a new business venture should analyse the following: -

- initial investment requirements;
- working capital and maintenance expenditure;
- the average return on investment;
- payback periods;
- prediction of current profitability and growth prospects, and
- future investment opportunities.

2.3.5 Industry Forces Analysis

Industry Forces Analysis involves determining and understanding the working of forces which will affect the survival, direction, and performance of a particular industry. Many factors affect an industry, such as political, environmental, social, and technological issues. A common way of conducting this analysis is PEST analysis. P stands for political factors which are mainly actions and decisions by the government authorities, E stands for economic factors which mainly refer to how the industry will respond to changes in the national, regional and global economy, S refers to social factors which are main issues to do with changes in demographics, lifestyles, taste, consumer attitudes, fashions and opinions which affect a particular industry. T stands for Technological factors that are mainly concerned about how technological advancements affect the sustainability and growth of a particular industry (Varun and Aithal, 2016).

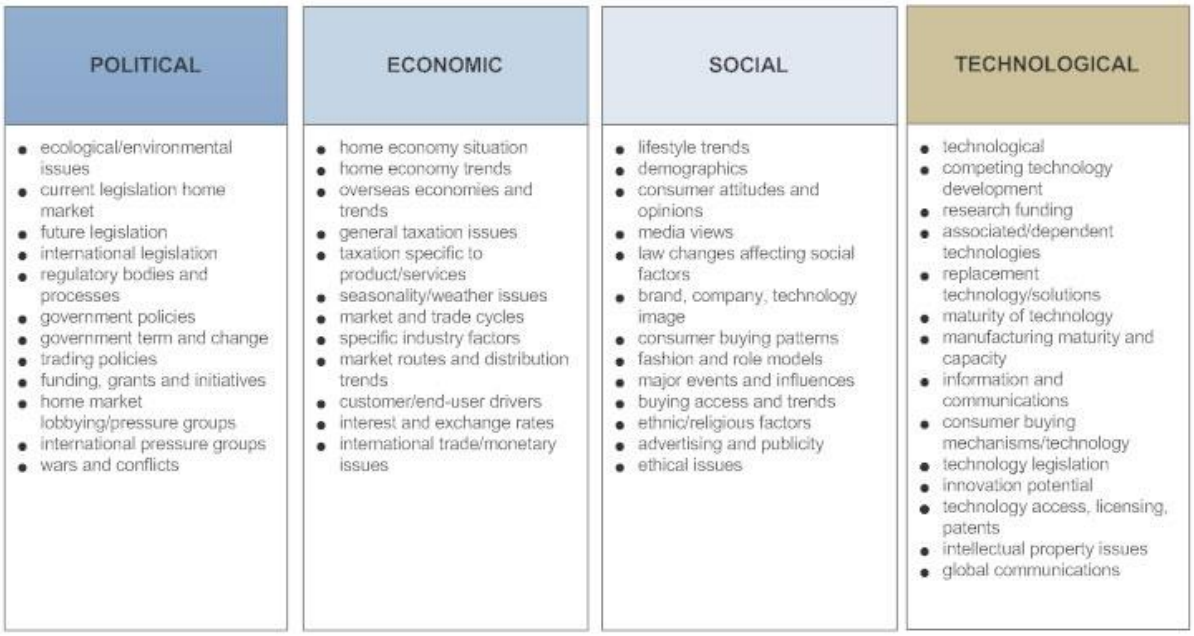


Figure 8: PEST Analysis (Smart draw, 2020)

For the survival of RasRach, government policies, funding are favourable in the student accommodation sector as there is political comprehension of the shortages in the sector. Economic structures are in place to assist Small and Medium-sized Enterprises (SME's) to grow the sector thus addressing the social issues of the country by ensuring that everyone is provided the right to education and housing as enshrined in the Consitution of the Republic of South Africa. RasRach is an agile

company utilising technology to engage with customers and clients. An Application (APP) will be developed to cater for and provide instant communication with all stakeholders.

2.3.6 Marketing Plan

The adoption of formal marketing planning is important for entrepreneurial firms and can be a decisive factor in the continued success of the firm (Phua and Jones, 2010). Marketing is summarised by Phua and Jones (2010) as an organised process of market orientation channelled through segmentation, targeting, positioning strategies, and is implemented through the marketing mix (i.e., product, place, price, and promotion) and reinforced through market intelligence. It is therefore more than just focusing on the marketing mix.

The marketing mix popularised by (Kotler, 2012) refers to the different marketing decision variables, strategies, and tactics used by an organisation to market its goods and services (Thabit and Raewf, 2018).

Product

Product refers to the specific goods or services that the new business venture is offering to its clients. It involves defining the full traits, features, and benefits associated with the product. For physical goods like housing, it also involves defining the ancillary services, utilities, and different facilities that the organisation will provide (Thabit and Raewf, 2018).

Price

Price refers to the value demanded by the entrepreneur for the product or service on offer. It is affected by factors such as cost of production, niche market, competitor pricing, marketing strategy, available subsidies, consumer's ability to pay, or government restrictions (Thabit and Raewf, 2018).

Place

Place involves the physical position or area where the goods or services will be made available to the clients. It also involves the distribution channels and means by which the goods or services are provided to the customer (Thabit and Younus,

2015). Also, an organisation should define the chain through which the goods or services will be made available, whether through direct delivery, business to business, use of agents, use of brokers, or use of retailers. The “place” should be consistent with the strategic goals of the firm, taking into account cost, reputational issues, such as in the case of franchises and agents, and the level of control required for the product and how it is delivered (Varun and Aithal, 2016).

Promotion

Promotion refers to how the organisation intends to make the target customers aware leading a purchasing decision of the product or service. Promotional involves traditional advertisement, sales, public relations, personal selling, and advertising. Promotion mix is used to establish the positioning of the product in the target market (Thabit and Raewf, 2018).



Figure 9: The Marketing Mix and the 4 P's of Marketing (MindTools, 2019)

2.3.7 Operational Planning

When detailing with a robust business venture proposal, it is also important to tackle how the business will buy, build, and prepare the product or service for sale. This is referred to as operational planning. It starts by focusing on the physical aspects of the business' operation, such as the physical location, facilities, and equipment. Slavik, Putnovab and Cebakovac (2015) argued that a highly effective operational

plan includes a Production workflow which is a high-level, step-by-step description of how the product or service will be made. This also involves identifying the problems that may occur in the production process and strategies on how to deal with them. Phua and Jones (2010) added that a comprehensive operational plan involves an explanation of the arrangements with suppliers. An operational plan is not complete without an explanation of the quality control measures that will be established for the entire value chain.

2.3.8 Risk Analysis

In addition to all the above analysis, evaluating a new business venture involves risk analysis. Risk can be defined as the potential of something planned or catered for not taking place. Risk affects the achievement of the business venture objectives.

Enterprise-Wide approach

Risk analysis can be conducted through the use of the Enterprise-wide risk management approach which is a top-down approach, identifying risks comprehensively and coherently across the organisation, taking into account the interdependencies with the risk. It covers all types of risks, as long as they are relevant to the objectives of the organisation (Maiorescu, 2016).

These include strategic, technological, political, market, operational, agency, growth, health, safety, project, valuation, and financial risks.

Use of scenario planning

Scenario analysis involves subjecting a business performance model to different assumptions of either internal or external factors to ascertain how the outcomes will be affected by the different situations (Maiorescu, 2016). Scenario planning assists by generating suitable inputs for planning and decisions during strategic planning. Bouhalleb and Smida (2019) added that it helps achieve strategic flexibility, agility, and complexity.

2.4 Market attractiveness of the student accommodation service provision niche in South Africa

2.4.1 Student accommodation shortage trends in South Africa

Smith (2020) indicated that universities across South Africa can only provide 10% of the required student accommodation facilities. It is estimated that there is a shortfall of more than 300 000 beds at universities and about 200 000 at Technical and Vocational Education and Training Colleges (Payi, 2020). Tshazi (2020) noted that the student accommodation shortage in SA has been exacerbated by the fact that the rate of new students enrolling in universities has been relatively higher than the rate at which new residence facilities have been constructed. South African tertiary enrolment has been increasing more than in any other country in the Sub-Saharan region, at almost double the global average (Verhoef and Perrie, 2020). President Cyril Ramaphosa acknowledges that some students resort to sleeping in libraries after their lectures (SA News, 2020).

Kanye (2020) indicated that the student accommodation shortage is clear to the ordinary person as evidenced by the rampant student protests that South Africa has been experiencing recently. Legodi (2019) added that the problem of student accommodation challenges is crystal clear to everyone as social media platforms are full of messages of students looking for accommodation.

2.4.2 Future Student accommodation shortage trends

The introduction of “free higher education” is set to worsen the student accommodation shortage as demand for student housing is expected to rise (Kanye, 2020). The student accommodation crisis can get worse if not urgently addressed (Payi, 2020). The twenty-year review released in 2014 by the President of South Africa, Jacob Zuma, showed that university enrolments doubled from 495 356 in 1994 to 953 373 in 2012 (Bronkhorst, 2019). The National Development Plan further stipulates that university enrolments must reach 1.6 million by 2030. It is therefore clear that the need for student accommodation will, accordingly, also increase and the shortage of such is predicted to increase given the current rate of student accommodation development (Bronkhorst, 2019). Providing adequate student

accommodation will result in improved students' academic performance and improvements in health and safety. On a national level, the country would be able to address the unemployment crisis and help grow the country`s Gross Domestic Product (Payi, 2020).

2.4.3 Investment Outlook

Smith (2020) postulated that the residential, industrial, and commercial property markets have been under pressure due to macroeconomic factors with the student accommodation niche being the only one resistant, due to a general undersupply in the market. Smith (2020) further indicated that the student accommodation segment of the property market is fairly stable and offers a good hedge option to a diversified portfolio.

2.5 Funding schemes for South Africa student accommodation services and development projects

The government of SA donates about R4 billion a year to institutions in the form of grants to meet accommodation needs (Payi, 2020). In addition to the government pledging infrastructure grants, it has also appealed to the private sector for collaboration to address this dire student accommodation shortage (Kanye, 2020). In 2019, President Cyril Ramaphosa indicated that the government is committed to ensuring affordable accommodation to students from poor and working-class backgrounds (Legodi, 2019). In 2020, the government of SA planned to spend R64 billion over the next years in student accommodation and had also planned to leverage another R64 billion in private investment (SA News, 2020).

2.5.1 The National Student Financial Aid Scheme (NSFAS)

The National Student Financial Aid Scheme (NSFAS) is a government agency that disburses bursaries and loans to academically deserving but financially needy students at all public universities and Technical, Vocational Education and Training (TVET) colleges (Bronkhorst, 2019). The Scheme fundraises initiatives to support students at all public universities and TVET colleges, including student accommodation. The Scheme has provided over R50 billion in student loans and

bursaries since 1991 (Bronkhorst, 2019). However the funding through NSFAS is still skewed towards White (39%) and Indians (31%) as the Africans (16%) and Coloureds (14%) do not take up opportunities for university learning (Matukane and Bronkhorst, 2017). RasRach Student Living Company can leverage on NFSAS to sign off-take agreements through the systemised accommodation allocation per bursary student to alleviate the risk of non-payment of rentals in the company`s completed accommodation facilities in KZN (Verhoef and Perrie, 2020).

2.5.2 The Student Housing Infrastructure Programme (SHIP)

The Student Housing Infrastructure Programme (SHIP) was formulated in 2018 and is being sponsored by the Development Bank of Southern Africa (DBSA) and the European Union (EU). It is dedicated to addressing student accommodation shortages and thus had a combined commitment of R6.3 billion (Verhoef and Perrie, 2020). In January 2020, 2,000 beds had been completed, 7,000 were under development, and an additional 20,000 at various stages of project development. (Verhoef and Perrie, 2020). The current and projected student housing shortage provides an opportunity for investors to finance scaled capacity, through SHIP or independently, to the benefit of all stakeholders (Verhoef and Perrie, 2020). In February 2020, the Department of Higher Education and Training (DHET) noted that its Student Housing Infrastructure Programme (SHIP) is aiming to provide another 300 000 beds at the 26 public universities and 50 TVET colleges at over 300 campuses in all nine provinces over the coming 10 years. This programme will be funded by blending both the public and private sectors (Mapulane 2020). About R80 billion is required to achieve the programme and the SHIP recognises the government cannot achieve this target alone and has asked other stakeholders, including the private sector and DFIs, for support (Mapulane 2020).

2.5.3 The National Empowerment Fund (NEF)

The National Empowerment Fund (NEF), established in 1998, is a strategic driver of SA government to promote economic participation by black-owned businesses. NEF is dedicated to provisions of non-financial and financial support and its mandate is to facilitate growth in economic participation of black-owned businesses. The fund provides loans to black-owned businesses ranging from R250 000 to R75 million

which covers different sectors, such as business start-ups, developmental finance and equity capital. To date, the fund has invested over R10.61 billion in black entrepreneurs and has created over 100 302 employment opportunities (National Empowerment Fund, 2019). The funding criteria of the fund looks at minimum percentage of black ownership; broad based economic empowerment; commercial viability of the business; creation of jobs and return on investment, amongst others. NEF appreciates challenges facing black business in SA, such access to capital and markets; inadequate financial information; poor business plans, hence their response to embed economic participation of black businesses through non-financial and financial support. RasRach Student Living Company has approached NEF and they are keen, in principle, to assist the company with financing this business venture.

2.6 Department of Higher Education and Training (DHET) requirements for the funding and provision of student accommodation for students in South Africa institutions.

The South African Government produced a government gazette No.39238 on 29 September 2015 which provides minimum requirements to be complied with when providing or constructing student accommodation in public universities. This government gazette also sets some requirements to be met for an institution to qualify to receive government funds for the provision of student accommodation at public universities (South African Government, 2015).

2.6.1 Provision for the accommodation of students with disabilities

Institutions providing accommodation for students in public universities should ensure they make provision for accommodation for disabled students within their plans (South African Government, 2015).

2.6.2 Location and proximity of student accommodation

The South African Government has stipulated that the housing facilities must preferably be located within the campus security perimeter. In case on-campus locations are unavailable, then the student housing facilities should be located within a radius of a maximum of 20 kilometres of the campus (South African Government,

2015). As well, safe and secure transport should be provided at regular intervals needs by the service provider if the establishment is more than five kilometres away from the institution (Verhoef and Perrie, 2020).

2.6.3 Security aspects

It is a requirement by the South African Government that all sites pinpointed for provision of or construction of student accommodation should be carefully selected to fulfil the safety, security, and well-being of students (South African Government, 2015).

2.6.4 Health considerations

Most of the negative health effects come from overcrowding within the student accommodation facilities. The South African Government now requires that new residence designs accommodate a maximum of two students per room (South African Government, 2015). In terms of social spaces, any large common/meeting rooms should have a minimum of 1,5m^2 of communal space per student resident for the first 100 students and 1m^2 per student resident for numbers above 100. The student accommodation facilities should also have adequate provision for access to medical and psychological services (South African Government, 2015).

2.6.5 Internet provision

It is now a requirement that providers of student accommodation in public universities ensure that the most cost-effective access to the internet, be available to all rooms in the student residences (South African Government, 2015).

2.6.6 Safety considerations

The South African Government requires that all buildings for student accommodation have fire safety, prevention, and detection mechanisms in place. Ablution facilities should be enough, as stipulated by the National Health and Safety laws and cleaned at least daily (South African Government, 2015). The DHET has been empowered to inspect any student accommodation facilities to satisfy itself that the buildings are fit-for-purpose, provide value for money, and comply with relevant legislation (South African Government, 2015).

2.6.7 First-Year students

After assessments that in 2010 only 5.3% of new first-year contact students were accommodated in university residences, it was made a requirement that all student accommodation providers should develop strategies for increasing the percentage of residence places available for new first-year students to a minimum of 30% of the total residence intake within ten years (South African Government, 2015).

2.6.8 Management of Finances

The South African Government requires that the residence budget and management accounts be separated from the University budget and management accounts (South African Government, 2015).

2.7 Conclusion

The literature review discussed the concept of student accommodation business, including management theories that underpin the study were discussed, including frameworks and models upon which a thorough analysis of the new business venture of student accommodation in KZN should be based. These theories and models are Porter's Five Forces; SWOT; PEST and the 4 Ps Marteking mix which were chosen for their significance in organisational development and are tools for scanning the external, internal environment for critical decisions for the success of firms. Then the student accommodation market outlook was discussed and lastly, the funding models upon which RasRach Student Living Company can participate have been discussed.

CHAPTER 3. RESEARCH METHODOLOGY

3.1 Introduction

This section provides the research methodology, including the philosophy, paradigm, data sources, and data collection methods. It also provides how the data is analysed, including reliability and validity considerations. The section is completed by discussing the limitations of the research and the ethical issues considered during data collection and data analysis

3.2 Research Methodology

Apuke (2017) defined research as a logical and methodical endeavour to contribute a solution to a specific topic. Research can be undertaken for confirming existing theories, propagating new inventions, or establishing a solid basis for propositions (Apuke, 2017). This research is aimed at establishing the viability of venturing into student accommodation for KZN and therefore sought to confirm and fully understand the propositions of an existing market gap, given under an initial assessment.

Kimmel (2006) advanced that the success of a research outcome heavily depends on the appropriateness and robustness of the research methodology. Apuke (2017) then defined research methodology as a set of complete and in-depth steps a researcher takes part in when fulfilling a research outcome or an inquiry. The scientific method, as applied to social sciences, includes a variety of research approaches, tools, and techniques, such as qualitative and quantitative data, statistical analysis, experiments, field surveys, and case research. Generally, this research made use of qualitative methodology as discussed in the following subsections.

3.3 Research Philosophy

3.3.1 Positivist paradigm

This research adopted the positivist philosophy. The ontology or the nature of the reality of this philosophy is based on real and external data sources as remarked by Saunders, Lewis and Thornhill (2009). Therefore, the researcher analysed data in granular detail and assumed universalism in interpretation. The epistemology, i.e. the acceptable knowledge, was therefore only data that could be observed and measured. For the axiology, i.e. values, the researcher was independent, neutral, and detached from the data set, thereby maintaining the objectivity stance.

3.4 Research method

The scientific method, as applied to social sciences, includes a variety of research approaches, tools, and techniques, such as qualitative and quantitative data, statistical analysis, experiments, field surveys, case research, and so forth (Bhattacherjee, 2012). Explorative research was used to determine the gap in the market by reviewing secondary sources. A desktop study was also conducted for already existing research to determine the market for the student accommodation gap. In line with the positivist philosophy, the research applied more qualitative methods. Quantitative research involves identifying data sets, measuring values, performing computations, and exploring variables to get results to a certain phenomenon (Apuke 2017). Specifically, this research used descriptive qualitative method of collecting data from a large set, analysing it, and drawing conclusions is called a qualitative method (Daniel 2016).

Analytical tool utilised to test the feasibility of the new business venture in different sections are reported on Table 2 below:-

Table 2: Analytical tools used in the report (own table)

Classification	Analytical tools
Industry	Porter's Five Forces SWOT analysis
Macro enviroment	PEST analysis
Market	Marketing Mix and the 4 P's of Marketing
Financial	Initial investment required Return on Investment 5 year period NPV Sensitivity Analysis Monte Carlo Analysis

3.5 Population and Data collection

There are two common forms of data collection methods which are the primary and the secondary data collection methods. Data was collected to analyse the market gap and the market for the gap, using information from secondary (existing) sources of primary data previously collected by other scholars or entities.

Secondary sources provided more complete data for the wide pool of subjects of the research which the study demands. Secondary sources are highly cost-effective when compared to primary research, since they make use of already existing data, As well, secondary research is likely to be more authentic, since it is based on carefully collected data and already analysed by previous scholars (Haradham, 2018).

For this research, data was collected from government libraries for their reliability, from university libraries for their academic authoritative powers, from authentic industry databases, and websites of public firms, verified journals, industry reports, and periodicals.

For collecting the data related to the study of new business venture proposal for the student accommodation in KZN secondary data was used. Firstly, the process of secondary data collection involved the related information collected through secondary sources. The focus was given to the proper research journals, articles which gave insights about the objectives of the study. The researcher followed a certain process when it came to data collection about the phenomenon. For secondary research, firstly the researcher processed the literature review in which the outline of literature was designed, based on the objectives of study. The aim was that literature of the study would cover each aspect theoretically which is included in the aim and objectives of the study. Therefore, this was one of the major reasons literature review of the study was deliberated as the most important part of the research or business proposal. For the industry databases, researcher used the market data and its analysis which was entirely based on an industry database. When it came to the usage of data from journals, the focus was given to the verified journals, periodicals and industry reports related to the student accommodation specified to the KZN region.

In consideration to primary data collection, the researcher also used the secondary sources in order to collect the quantitative information which were included and understandable based on graphical representations. In this study, the emphasis was given to authentic and appropriate reports related to KZN which have specific data about Pietermaritzburg city or its Citizen Satisfaction Survey (CSS) or any other analytical reports. This also came from secondary sources which gave numerical data that helped to compare and contrast of both qualitative and quantitative information that was directed to a specific conclusion.

3.6 Data analysis

Data analysis involved extensive qualitative analysis. The qualitative analysis involved a description of the current findings of the market, competition, industry, and strategies using the management theories discussed in Chapter two.

This data was based on both qualitative and quantitative information which involved a different type of analysis. For analysis of the graphical information, the researcher integrated the demand vs. supply. Qualitative examination, as compulsory by

numerous frameworks concerning to management, was used because it had certain advantages. It improves the efficacy of production because these are processed on certain standard operating processes and defined set of rules (Gligor, Bozkurt and Russo, 2019). Conversely, the proposed business is linked with the management by which the accommodation of students will be managed accordingly by integrating the applications of management theories. On the other side, it also helps to increase the performance of workers recruited for specific working capabilities and have effective human skills that eventually strengthen their management capabilities. Further, it directs to simplify decision making in which management concepts provide leaders of the business the strategies that fasten the procedure of decision making and assists those leaders with additional effectiveness in their roles. Hence, in consideration of the business venture proposal for student accommodation in KZN, it would assist an organisation to emphasise, communicate and progress the initiative. Moreover, management theories and their applications permit leaders to emphasise their major goals and when these concepts are implemented, they spontaneously streamline the top goals of the organisation (Bergh, Ketchen, Orlandi, Heugens & Boyd, 2019).

3.7 Validity and Reliability

Internal validity refers to the extent to which a study establishes a cause and effect relationship (Haradham, 2018). For this research, internal validity applied since sensitivity analysis was conducted to ascertain how the market and company performance would affected by various variables. To achieve internal validity, all other variables were held constant to avoid confounding factors. Proven models of analysis wereutilised to guarantee the accuracy of the analysis.

External validity refers to the degree to which results from a study or a research can be applied generalised to other situations, groups, or events (Haradham, 2018). This applied largely to this research since market and industry analysis was conducted, with the results being applied and used for the new business venture, RasRach. To ensure external validity, data was collected and analysed from markets, industry, and institutions in the same real estate industry, specifically student accommodation services.

Reliability is the consistency, precision, and accuracy in which the data is collected throughout the research process. Data collection was done from secondary reliable sources; peer-reviewed journals, market research reports, and government agencies. Triangulation methods were employed to ensure accuracy.

3.8 Limitations of the study

Secondary source information was collected and analysed for previous research according to a specific purpose and therefore biased to a particular context. Only sources similar to and close to the context of this report were used. Where the case might have been different, generalisations were applied but accompanied by a corresponding disclaimer. Official statistics can be biased to suit those in authority, thereby limiting the accuracy of the data. To minimise this, only statistics from authoritative sources, industry-accepted databases, and government regulated data were used. Secondary information is prone to obsolete data due to rapid changes faced in today`s business world. This cannot be avoided. However, to minimise the impact and guarantee the reliability of the data, recent sources within the last five years were used.

3.9 Ethical Considerations

According to Halai (2006), research is mostly undertaken to generate knowledge and contribute to scholarship, policy, practice, and generally to the well-being of the people who participate in it. All externally collected data was acknowledged and referenced accordingly. “No harm” and “reciprocity” values were strictly adhered to. Data privacy laws were adhered to fully. Furthermore, efforts were made to apply all the University of Witwatersrand’s guidelines on the ethics of Social Research, as it is the norm that universities lay down principles and guidelines for researching in an ethically appropriate manner and require the researcher to obtain approval from the ethics committee. Approval was granted by the university as the overall risk category of this study was determined as “minimal risk” in consultation with the guidelines of Human Resources Clearance Application for Non-Medical research as the probabilities of participation is not greater than those imposed by daily life in a sensible society.

3.10 Conclusion

The research adopted a positivism philosophy utilising secondary data from authentic sources to fully ascertain the market gap for student accommodation in KZN and to analyse the industry, competitor and strategic factors of the new business venture whilst applying the management theory concepts discussed in the literature review (chapter 2 above). In conducting the research, ethical considerations towards maintaining data integrity, validity, reliability, and associated data privacy stipulations were taken into account.

CHAPTER 4. RESULTS AND DISCUSSION

4.1 Introduction

In the last twenty years, student housing has undergone exponential expansion, led primarily by more student registrations worldwide (Najib, Yusof and Tabassi, 2015). In large measure, student housing departments have been under tremendous pressure to adapt to South Africa's massive higher education needs. As a result, population patterns have changed (Jones Lang LaSalle, 2016), the demographics of gender and race reveal that black women are in the majority in student accommodation, and seek accommodation and homes in South Africa (Parliamentary Monitoring Group, 2012; DHET, 2011). The standard of student life and accommodation, among many other factors, still needs improvements (CHE, 2016). Albeit in post-apartheid South Africa, Jaffer and Garraway (2016) and Tinto (2014) identify that the number of formerly deprived students registering in universities has risen dramatically, their rate of throughput is still not up to the mark.

Van Zyl (2016) agrees that South African university students find it difficult to succeed while Jama (2016) found that the access with success to South African universities has not been accomplished. Xulu-Gama, Nhari, Alcock and Cavanagh (2018) tried to analyse the perceptions of the students regarding the accommodations offered by the university. Furthermore, the research conducted by DHET, suggested a significant shortage of beds and basic facilities for students in South African universities and Tinto (2014) further pointed out that only a few students could find the opportunity of staying within the campus premises. Several research studies point out the importance of proper accommodation facilities and the students' academic performance as well as the intention to continue to degree completion. Therefore, the current segment of discussion conclusion aims to analyse a new business venture proposal for student accommodation in KwaZulu Natal through content analysis.

4.2 Theme 1: Demand for student accommodation is beyond the supply for all the universities.

Ntuli (2017) shows that the number of students enrolled in UKZN, Durban University of Technology, and Mangosuthu University of Technology are significantly higher than the bed capacity for the three main universities in the province. Legodi (2019) also discusses that student housing is still a crisis that can only be averted through the use of public-private partnership with the aim of increasing access to student accommodation within the same locality as the school to reduce the distance that students have to cover to reach school (Chimphondah, 2020).

4.3 Theme 2: Public-Private Partnership in provision of student accommodation.

The number of students who are staying in off-campus accommodation reveal that there is need for the private and public sectors to work together in order to deal with the crisis (Chimphondah, 2020). For example, UKZN is already looking for alternative accommodation around Pietermaritzburg to accommodate the rising number of students in the province. Pietermaritzburg suburbs provide an opportunity for companies that have interests in the venture to buy property and construct houses that can be used to house thousands of students who are looking for alternative accommodation (Draper and Ngubane, 2020). As argued in the literature review section, the number of students enrolling at universities in the country is increasing and the three main universities in Pietermaritzburg continue recording an increasing number of applications.

Social housing institutions are seen as an imperative phenomenon but it needs better political funding and assistance on the part of the government to make social housing more affordable and more viable. Enhanced opportunity, improved financing, access to land, and restructuring of social housing areas can eventually assist in better development of social housing. In order to support affordable housing growth, the Government faces the problem of lacking institutions for social housing. Blose (2015) recommends expanding the provision of social housing for both the

private and public sectors through public-private partnerships. These proposals include more incentives to increase participation of the private sector, better and enhanced government investment, an improved comprehension of the social housing process, and a greater commitment between both the private and the public sectors, especially private organisations, and institutions for social housing.

4.4 Theme 3: Viability of venturing into student accommodation

Researchers have examined the market dynamics to see how viable the venture is for companies that are looking to enter into public-private partnerships to avert the current crisis (Mugume and Luescher, 2015). With the number of students in the country expected to rise over the years, the cost of accommodating a student will also be expected to rise (Ghani, Sulaiman, and Mohammed, 2018). This means that the accommodation money that is released to students will not be enough. For example, the cost of accommodation of a student is expected to rise to around R54, 000 if the situation does not change. This shows that there are significant returns for the private sector players that are looking to venture into the business, especially in Pietermaritzburg where the situation has been found to be dire (Ghani, Sulaiman, and Mohammed, 2018).

Pietermaritzburg, in KwaZulu-Natal, is one of the most viable places for the venture due to the recent studentification of the area (Donaldson, Benn, Campbell, and de Jager, 2014). Studentification of an area, as a result of an influx of students, has been viewed by Donaldson, Benn, Campbell, and de Jager (2014) as important in changing the fortunes of an area economically. It is evident that in some instances, low cost housing may increase in an area as students look for cheaper houses to fit into their fixed budgets. Studies analysed in this study reveal that there is a worrying trend in the country and the city is one of those that are severely affected. Ntuli (2017) argues that the University of KwaZulu-Natal enrols around 44000 students per year but the number cannot be accommodated within the university due. Among other problems, to the shortage of accommodation. It is evident that UKZN, the Durban University of Technology, and the Mangosuthu University of Technology receive a total of 300, 000 applications. This huge number of applications in the province also highlights the shortfall in coping with the demand

for student accommodation. Studies argue that the issue of student accommodation has become contentious to the extent that there are numerous student protests (Draper and Ngubane, 2020). In 2018, UKZN could only accommodate about 17, 000 students. This means that there are about 27000 students in UKZN alone who cannot get accommodation in university residences and have to seek alternative accommodation. This is because the demand for accommodation goes beyond the supply and universities in the province have to look for alternative accommodation for the students to prevent any disruptions in studies (Ghani, Sulaiman, and Mohammed, 2018).

Research conducted in the recent past on student accommodation in Sub-Saharan Africa shows that the demand for new student accommodation will exceed half a million units by 2022 (Estate Living, (2017). The South African public sector is also facing some budget constraints, which means that the private sector in the country will have to play a role in meeting the rising demand (Ghani, Sulaiman, and Mohammed, 2018). The economic prospects for the country as per 2016 were that the macro trends created an urgent need for the country to focus on real estate infrastructure. For example, the number of foreign students who are trickling into South Africa and in particular, KwaZulu-Natal, to study has been increasing in the recent past, which means that student accommodation will remain an important issue for years to come. The market prospects are created by the fact that the enrollment in institutions of higher learning in South Africa rose from 4.3% in 2000 to about 8.2% in 2014. This means that the demand for purpose-built accommodation targeting students will grow as the student population increases (Ghani, Sulaiman, and Mohammed, 2018). This is because the universities can only accommodate fewer than a quarter of the students who are enrolled. This shows that the country has a strong construction deficit that can only be dealt with if the public and private sectors are able to work together in order to avert the crisis (Legodi, 2019). The case for a partnership between the public and private sectors is strengthened by the fact that the government has a constrained education budget, which means that there is no room for an increase in public expenditure in the country and the province (Chimphondah, 2020). It is within this setting that there can be a crucial role for the private sector to deal with some of the increasing trends in the market (Mugume and Luescher, 2015). The underserved markets,

such as Pietermaritzburg, provide an opportunity due to the valuable first-move advantages that come with the sector (Estate Living, 2017).

Student accommodation is a robust investment opportunity for players in the private sector. Researchers argue that the opportunity started in 2009 when DHET (2009) confirmed that the country was already facing a serious problem when it comes to student accommodation. The problem has largely remained unchanged in 2021 as universities in areas such as Pietermaritzburg continue receiving a large number of students. The report by DHET revealed that students are forced to take up accommodation in some areas that are unsafe and in distances that are far from the campus (Gopal and Van Niekerk, 2018). The areas are also overcrowded and sometimes not conducive for the students to study. Statistics shows that in SA alone, only about 100, 000 students can be accommodated, which is around 20% of the student population or demand. This means that the other 80% can only be met through players in the private sector coming together to meet the gap (Mugume and Luescher, 2015). DHET's argument is that universities are not willing to spend on new houses, the maintenance costs are high, and that the residences are aging. Other issues include the fact that some universities also lack enough space for them to build new facilities. University boards in KwaZulu-Natal are also prioritising academics over the residences where students can be accommodated. As the accommodation crisis grows, the demand also rises, hence providing an opportunity for the developers. Research shows that for some of the private developers who usually purchase property near the universities have found that the prices for such properties often rise to almost double the initial price for the properties (Mugume and Luescher, 2015). This provides a highlight for the student accommodation in Pietermaritzburg being a sound investment.

The venture has already started attracting property developers into the area who are looking into entering the new opportunity that is being provided by the rise in the high number of students who are looking for enrollment into universities around Pietermaritzburg. Companies, such as Seeff and MidCity, have already started changing the landscape in the country and in major cities with the goal of delivering accommodation that meets the students' needs (Estate Living, 2017). Research shows that students are not only looking for houses that are exquisite in their

aesthetic value but they are also looking for ways through which they can pay less for such houses. A good example of how the private sector is venturing can be seen through the lens of MidCity where it has focused on Gauteng and come up with properties that transform the lifestyles of the students. For example, the company offers three-bedrooomed suites that have all that students need, such as reading areas, kitchens, and entertainment areas and ample security to meet the needs of the students (Scholtz, 2021). When students are provided with the right services, they do not see the need to leave (Chimphondah, 2020). His research has also revealed that more students are looking for off-campus accommodation as it allows them to enjoy a lot of comfort as compared to the on-campus accommodation.

Another opportunity that can be taken by the property developers is the revitalisation of some of the areas in the country, especially the suburbs where some of the old houses are either demolished or are renovated to meet the needs of the students (Mugume and Luescher, 2015). With revitalisation, investors and developers are able to grow their returns through the process of buying and repurposing some of the properties in some of the student zones. For example, as outlined by the DHET report, students who live in unsafe conditions would be in a position to live in safer environments due to the process of revitalisation and improving some of the areas (Gopal and Van Niekerk, 2018).

Revitalisation has also seen an increase in business in some areas where more students visit cafes, gyms, and grocery stores, hence changing the economic situation of certain areas, especially the suburbs that are common with such issues (Donaldson, Benn, Campbell, and de Jager, 2014). This shows that the influx of students in a specific area has a lot of positive impact on the economic growth of that area as students tend to rely on the services provided within the area. Donaldson, Benn, Campbell, and de Jager (2014) show how an increase in the number of students in a given area has a positive impact in increasing the quality of houses and the provision of job opportunities for the local population. This means that private developers can have an impact on an area through improving the quality of houses and subsequently enhancing access to social amenities.

4.5 Theme 4: The magnitude of the market for providing student accommodation in KZN

The KwaZulu-Natal University is world-renowned for its brilliance in education, excellent research results, and scholarships. It continuously strives through multinational collaborations to enhance the excellence of its practice and its student and staff experience. This relationship is maintained by KZN with a number of universities worldwide. Despite the international prestige of UKZN, it loses future postgraduate foreign students to other universities. The main reason behind this migration is the absence of proper student positioning (Mlambo, 2017). In order to counter the racial inequality generated over the apartheid years, low-cost housing was developed in South Africa in order to deal with the problem of inadequate delivery of service in local communities and international students. Some of the essential aspects of the results show that the city governments are trying to deal with the presence of bottlenecks to ensure that accommodation is provided and that housing demand seems to be cumulative, though political ideology is an underlying factor that generates an unequal supply of low-cost housing. Consequently, local authorities should play a key role by Ward Councillors and city representatives in facilitating seamless delivery of low-cost housing while ensuring that the procedure meets destined recipients without undue retroactive measures (Mkhwanazi, Mbatha, and Khulekani, 2019).

4.6 Theme 5: The full attributes of the student accommodation required by the students in KZN

Murray (2014) aimed to analyse the institutional or student-specific factors that influenced the experience of a student after leaving a university system. For this purpose, the study analysed the students enrolled within the KwaZulu-Natal University who obtained a degree between 2004 to 2012. Financial assistance and residential lodging have been shown to enable students to graduate faster when they are required to replicate the number of credit points. However, these financial assistance can also lead to individual's taking advantage of the system thus remaining in the system longer.

Many South African universities lack adequate housing which has compelled several students to find accommodation outside concentrate their campus and has forced them to commute daily to attend lectures. Research suggests that campus life is linked to social and individual skills benefits. The skills developed may assist the resident students in having a competitive edge on their classmates since they tend to be more engaged and successful during the degree programme. From the study conducted by Sikhwari, Dama, Gadisi, and Matodzi (2020), it was revealed that students living on campus have marginally higher academic results than students who do not reside in the campus accommodation – so residing on campus is an asset. The research further asserts that the environment of the campus, participation of students in social inclusion, and academics are likely to be affected depending upon the type of accommodation adapted by the students. In addition, the students' social and academic integration within the university is crucial for study engagement, achievement, and the prevention of abandonment of degrees by students.

The Durban University of Technology (DUT) Institution in KZN recognises that it is crucial that students, especially new first-year students, receive residential accommodation so that they can adapt themselves in order to address future academic difficulties and the challenges encountered on a personal level. Thus, for a term of four consecutive years, a student is entitled to residencies in DUT. This is in line with the concept of offering housing in the higher education sector, i.e., all help must be provided in order to allow new students to adapt from their home life with parental support to a life of academic demands and freedom in the first year. Self-catering houses are intended mainly for senior students whose academic interests, as is claimed, have undergone the requisite changes, and who need to be independent in their social life.

Since its inception in 2004, the University of Kwazulu-Natal has grown in leaps and bounds. The newly created university is the result of a merger between Natal University and Durban-Westville University. The university currently specialises in Indigenous Language Studies, becoming the first university to insist on isiZulu as a mandatory credit to all undergraduate students. In previous years, the university reported on a number of questions relating to housing for students. According to

reports, the university had earned a bad name for the sub-standard living conditions offered by it, and the claims of the American students regarding sexual assault, abuse, and robbery as a part of their academic life. During the demonstrations, the organisation was sweetened by rumours of the privatisation of residences. The recent headlines in 2013 included students who were expected to survive without water and power and slept on the streets in protest. In order to nullify the student protests regarding the poor living conditions, rumours regarding privatised residences were circulated. In 2013, the university was again in the limelight for forcing students to live without electricity and food, this again leading to many student protests. While the university arranged for the students to stay in a hotel until they could be moved into proper housing, there is still some issues about the condition of UKZN's student lodging on-campus. Therefore, private lodging is preferred for students but only a small percentage of students enjoy this choice due to the high rents charged by the accommodation owners (Matric's Guide To Student Accommodation, 2021).

4.7 Theme 6: The nature of competition and challenges to be faced and the financial benefits to be derived from providing student accommodation in KZN.

Globalisation has led to an enhanced number of international students enrolled in foreign universities. Globalisation and internationalisation have led to enhanced development and have proved to be essential phenomena. The primary objective of the study conducted by Gumbo (2014) was to comprehend the perspectives of students from Zimbabwe studying at UKZN. The study used a qualitative paradigm for analysis and was motivated by the theory of systemic social work. The main results of the report were that the Zimbabwean students at UKZN had experienced both unpleasant as well as optimistic interactions. The language barrier, budgetary difficulties, xenophobia, unequal handling of applicants, accommodation issues, the management of cultural distinctions, sponsors' pressures, and barriers to obtaining study permits are the most acknowledged detrimental experiences. The positive experiences included reputation and status, supporting and committed lectures, fellowship and families, and new and validated intercultural experiences.

In the overall planning process and the master plan of developing effective learning opportunities, the question of student accommodation cannot be overlooked. The objective of the analysis conducted by Mudau (2017) therefore was to explore the problems faced by students living off-campus at a rural university in South Africa. The objective of the thesis was also to figure out whether students who are off-campus at rural universities have been influenced academically by remaining off-campus. The results reveal that students residing off-campus face many problems, including high rents, hygiene issues, long distances from the university which affect them both physically and financially, failure to access library facilities, and insecurity both in hostels and on their way into college because they are at risk of being targeted by criminals. It was also recently reported that many students at the Westville campus at KwaZulu Natal University raised questions about the appalling condition of the houses which the institution was moving them to, after it reportedly had failed to pay its monthly fees for accommodation. The students were transferred into residences in Berea and Sydenham in Durban, which do not contain basic facilities to fulfill their needs like some electronic equipment is outdated and not working, no study desks, the beds are old and filthy and the residences are located in areas noted for their infamous gang activity (Sobuwa, 2020).

The study suggests that the South African Government finance the creation of more university hostels and that owners of hostels outside the campus premises charge fair rents. As observed in the literature review section, Gopal and Van Niekerk (2018) found that a lack of students' housing can have a detrimental effect on equality of access to higher education. Students living in poorly secured areas often live in fear, which is shown by negative academic results (Oluwaseyi, 2015). Also, as suggested by Chiguvi and Ndoma (2018), overcrowded areas lead to dissatisfaction and frustration, often leading to tension and open disagreement between students who live there. They also observed that the absence of sufficient lodging causes students to waste valuable time looking for lodging or to skip lessons frequently because of complaints that in turn, adversely impact academic success. Also, students are vulnerable to health risks from unhealthy working conditions without adequate housing. In addition, many are bound to be late in class and appear to lose focus during lectures.

CHAPTER 5. RECOMMENDATION

5.1 Major Findings

There is an unprecedented increase in the global population and young individuals who require tertiary education are dominant. However, higher education institutions often fail to meet the global demand of providing student accommodation. Higher education institutions struggle to meet the demands of the global community for both academic and student housing. There has been a huge increase in the need for university students' accommodation across the African continent. Several institutions are more concerned about building academic competencies among the individuals and completely ignore the aspect of dedicating resources and manpower towards building comfortable accommodation for the students. Given the scenario, several universities are experiencing problems concerning the shortage of student accommodation. This has not only detrimentally affected the enhanced student migration but has also impacted the student performance to a great extent which consequently affects the economy of the country.

The achievement of students is greater than academic success, which usually narrows to the results of the degree course. The students' achievement refers to the overall personality, including cultural, social, academic, and leadership values of the student as a responsible person. This student housing study has shown the influence of having separate housing on students' freedom to discover their own identity apart from their families and homes. The university's assistance in terms of resources often helps students to build alternate systems of social support in the form of friendships on campus. It can be assumed that students' lives are not chronological, sometimes assuming that other associations in their lives do not influence their academic lives. The students' progress consists of a combination of healthy relationships with others. The strategic positioning of student housing in the construction of sustainable livelihoods and learning unveils the frequently unclear links between academic achievement and students' socio-economic circumstances and psycho-social problems. Concisely, the study findings indicate that housing and

accommodation not only impact the students' performance academically but also impacts their social interactions and participation within the university programmes.

In the era of post-apartheid South Africa, the issue of accommodation, although not new, is a matter of concern. The government, university, and community are responsible for safe student housing in public higher education institutions. As the 2010 Ministerial Committee was developed, the need for housing was obvious which could not be settled quickly, because the number of students was increasing. The universities and the governments requested private sector intervention and the private sector reacted positively by providing housing facilities to the students. However, this facility could only be utilised by a small segment of students, since the rent in these private accommodations were high. The need for affordable and secure housing requires deliberate effort because this directly impacts the academic achievement of students. It is a serious challenge that students do not have a place in which to study and reside. This lack of appropriate accommodation requires urgent intervention as it leads to the students' poor performance, with a drastic increase in the drop-out rates. Student accommodation should be more than just the supply of beds; it must develop a congenial, social, learning, and living environment (Legodi, 2019).

In terms of supply and demand for well-constructed student accommodation in South Africa, the industry is far from mature. In conjunction with the National Development Plan for increasing tertiary enrolment to 1.6 million students by 2030, demand for accommodation for students in the next ten years will rise substantially. The consistently high occupancy rate is one of the major advantages of investing in this form of property. Regular rental revenue has become a priority for investors. Due to the constant development of South Africa, the increasing income of the middle class, and the best universities offered by the continent, South Africa has attracted several foreign nationals and therefore regular income from the student tenants proves to be a golden opportunity for the investors.

In the country's higher education market, the Covid 19 pandemic continues to generate insecurity. In addition, the massive income losses and volatile 2021 enrolments have put the universities under rising financial strains in addition to the

expense of transitioning to online learning. Significant losses in businesses and jobs pertaining to lockdown would have an impact on the family's ability to pay fees for accommodation and degree courses for current and future students. The delivery of sustainable, well-designed and affordable student accommodation may be vital to the future of higher education in South Africa. It is essential to accept this pandemic and those like this, which will continue to enforce a new normal internationally, and develop sustainable solutions to cope with them. In terms of student housing, it is suggested that it is imperative to construct residences that encourage students to stay on campus during a pandemic, and make sure housing is affordable, so that students and their families can pay college and lodging fees, even in tough times (Schooling, 2020).

This study found that there is need for a large number of houses that are to accommodate students. It was established that UKZN, DUT, and MUT, which are the three main universities in KZN can only accommodate a small percentage of students. For example, UKZN can only accommodate around 18000 students out of a population of around 45000 students who are enrolled per year. This shows that there is need for the private sector to look at ways that it can change the narrative in the country through coming up with the houses that not only meet the demand but are also affordable as affordability is one of the major issues with which students have to deal. The crisis is so serious that students in the state have to constantly protest as the cost of living for those living outside campus is unbearable (Draper and Ngubane, 2020). It was established that students have to travel for about 100 kilometers to get to school.

This shows that access to education can be enhanced if the distance and struggle that students have to face is reduced through the provision of affordable houses closer to the institution. The number of students joining university in Pietermaritzburg is also increasing. When this is coupled with the rise in the number of young people in the population that is constantly increasing, there is a need for a change in the housing sector to increase the number of houses that are available for the students. It has been revealed that universities are already looking for alternative accommodation through partnering with private sector players. Such initiatives have already been tested in countries such as Kenya and Nigeria where

the public-private partnership has been at the forefront in changing the discourse revolving around student accommodation (Chimphondah, 2020). In Kenya, university management relies on private developers to capture the trends in demand for housing. This same approach can apply in South Africa as the sector provides an opportunity for good returns for players in the sector.

The company faces a lot of competition from individual developers who own properties in the region. The business prospects make it harder for individual owners to sell their land or allow revitalisation of their properties. The prices of land in the suburbs are also high, which makes it hard for companies to acquire and develop houses that are affordable. Another challenge that is faced by the company is that there is already competition from other players who are already in the business. This means that the company will have to come up with quality houses at a low cost for the students. This has been found to be a challenge due to the alternatives that students have for houses in the region. The implication is that the company may have to spend a lot of money in order for it to meet the demand and the needs of the consumers, who are the students in this case.

However, despite some of the challenges that are there in the market, the sector will continue growing. This is based on the fact that institutions in the country are shifting their focus towards academic growth and not on infrastructural development (Mugume and Luescher, 2015). This means that the universities will have to rely on private property developers to meet the gap in accommodation for the increasing number of students who are seeking enrollment into the universities in KZN. The company that will rule on the sector is one that will be able to effectively provide consumers with quality houses at the cheapest rates. One can arrive at the conclusion that although the venture may face challenges, it is one that has good returns both in the short-term and in the long-term as the population of South Africa is expected to continue rising and hence the number of people enrolling at universities will rise as well. What is evident is that the sector has not yet attracted many players, which increases the chance of the company gaining a competitive advantage in the market. The experience that the company has in the real estate sector is essential in ensuring that it crafts a strong market entry strategy. As was analysed above, the sector provides a many opportunities for

companies working in the area as the government and universities are looking for other solutions outside the public sector to deal with the crisis. The implication is that the country will only solve the crisis if the public sector welcomes and supports the efforts and inputs of the private sector in trying to avert the crisis. The government has in the recent past started looking at ways through which it can support the private sector in an attempt to increase the number of houses available for students in different parts of the province. Of importance is the conducive environment that enhances investment in affordable houses not only in the city but in the province at large. The city suburbs provide a great opportunity for companies to access properties at a cheaper price and develop them to meet the housing demand for both quality and affordability.

5.2 Recommendations

RasRach Student Living Company should purchase properties near different institutions around Pietermaritzburg. These properties should be redeveloped to meet the requirements of most students and the needs that come with the target population. For example, students are looking for houses that are not only of quality and modern but also cheap, since they operate on a budget. RasRach should focus on buying properties in areas that have potential for growth such as the suburbs. However, the areas should not be far away from the universities as the distance plays a crucial role in enhancing access to education for the students as well as saving on transport cost to and from school.

In areas where buying of property to develop is a challenge, the company should embark on partnering with other developers to improve the conditions of the current houses to meet the market needs. This process not only saves on cost for the company but it also reduces the implementation time for the project. This is a viable process and strategy in the suburbs of Pietermaritzburg where a considerable number of students look for affordable houses. Improving the condition of the houses in a certain area also helps in improving security in the area as well. The third strategy that the company should use is working with universities, especially those that have identified which the companies can develop different properties. Although this is an approach that has not been tested at a larger scale, it is evident

that there are some universities that have enough land that can be used in development but lack the necessary funding needed to construct the houses. This kind of partnership can be beneficial to the company in the long-term as it reduces the implementation time for the project.

The study indicates that the demand for student accommodation is beyond the supply for all the universities in KZN. Therefore, by enhancing the public-private partnership, both the government entities and the private real estate businesses can benefit from the joint venture. The government can enhance initiatives, funds that will motivate the private partners to work towards enhancing accommodation for the students. This will not only lead to significant international movement of the students but will also enhance the reputation of these esteemed universities in foreign countries.

New guidelines must be applied by both university-accredited and public university student housing suppliers under the Department of Higher Education and Training (DHET). Implementing requirements ensures that students receive a fair quality, suitable lodging and benefit from studying and living conditions, which encourage academic performance of the students. Furthermore, student housing should provide special provisions for students with disabilities, and all appropriate steps must be taken to guarantee that the measures for coping with the disabilities are included in the construction of new accommodation. RasRach Student Living Company must therefore aim at providing accommodation near the university campus and also provide special facilities for the students with disabilities.

Accommodation for students must ideally rely on campus safety so that students can take full advantage of the university's learning, physical, cultural, and sporting programmes. Where accommodation on the campus is not accessible, it is necessary for student accommodation to be within 20 km of the campus. In the case of housing accommodation outside the university, affordable and reliable transportation from early morning to late at night must be offered at frequent intervals, and the protection and well-being of students should be taken carefully into consideration. RasRach Student Living Company can work on this opportunity by

providing safe modes of transport to the students in return for charging a nominal transportation fee.

5.2.1 Today's Scenario

The pandemic of Covid-19 has suggested that the old paradigm is inadequate, and in order to survive in the modern world, individuals and the community must prepare to develop a better future. Whenever a disease or a pandemic spikes or a new danger comes along, tertiary training and education is detrimentally affected since the only possible solution in the current times is to send students back home which will lead to lower education standards and the stagnation of the country. The outcome would be fewer graduate students, particularly from groups who were previously disadvantaged. In the context of the present situation, it is necessary for the student housing providers like RasRach Student Living Company to impose innovative solutions and deal with such pandemic situations in future by building accommodation that permits social distancing. For instance, developing isolation wards within the campus so that the infected or sick individuals can stay within the campus and receive adequate care. Universities may appoint nurses to such households to administer essential treatment. While this type of architecture will cost more initially, it can save lives and guarantees that students stay on campus all year round. The goal for universities and suppliers of student housing must be to look beyond today and project themselves into a new reality. They can guarantee the accessibility of tertiary education across income groups if they are determined to make it a priority to build sustainable student accommodation that can prove to be useful in the pandemic situation and provide opportunities for the students to deal with such scenarios without hampering their degree courses.

5.3 Limitations

This study has some challenges or limitations that make it hard to either generalise or truncate the findings of the research. The study relied on content analysis by looking at the common themes in recent studies on the business opportunities that are there in the student accommodation sector. The fact that there was no primary data collected means that it may be hard to replicate the same findings if another province is studied. This makes it hard to generalise the findings to be

representative of the whole of South Africa. What works in one city may not work in another due to the different dynamics that are involved in the management of education. Every university has its own policies in regards to accommodation. Generalisability is also affected by the fact that the researcher focused on a small sample size since the amount of information available is limited.

5.4 Further Research

Future research can focus on collecting primary data on the housing crisis in South Africa and KZN. In particular, future research can collect data on what students are looking for when they seek accommodation outside campus. This will aid in providing information to the players in the sector on how to meet the consumer needs in the market. Future research can also focus on addressing the cost of houses outside campus and compare different regions in order to understand why students may select certain units and some of the features that they look for. This study has outlined that the student accommodation sector is a viable venture for a company that operates in the industry as the higher education sector in South Africa is growing at a rate that makes it hard for the existing housing units to meet the demand. Future research should focus on the impact of the different housing units available for students and the access to education in terms of quality. This should be compared with the students who stay on campus. Consequently, there is need to address the difference in services offered to students in different accommodation units and the gaps in service delivery in line with the needs of the market. This information can be used in planning for different projects to ensure that student safety and access to amenities have been enhanced.

Moreover, the new political and economic climate and its implications for higher education issues, such as lack of access for students to food and lodging, are gaining importance in the present era. Indeed, many Sub-Saharan African countries have undertaken a neoliberal policy and focused on university collaborations, fees for users, the higher education sector diversification, and public goods privatisation. This has led to the redistribution of the costs of higher education to private households, thus benefiting socio-economic elites overwhelmingly. Given the importance and relevance of the large socio-political and economic environment for

the higher education sector, research into the effect and function of economic systems, socio-cultural factors, political realities, and political aspects will assist in resolving higher education housing challenges. As a result of the *#FeesMustFall* campaign, the trivial issues and challenges pertaining to the housing issues have become a matter of serious attention for the scholars. The researchers presently are therefore focusing more on the challenges faced by the students and the needs of the students that must be satisfied. In this respect, it is important to question the exclusion arising from a lack of access to proper accommodation and thereby extend the perspective on what exclusion means and how students perceive it. Exclusion today can no longer be dealt with by only the intellectual boundaries and access to philosophy of knowledge. Therefore the future studies can aim to comprehend the exclusion as a result of housing and accommodation problems and its impact on the academic success and student dropout rates.

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APPENDICES

Appendix 1: Consistency Matrix

The table below verifies the logical coherency of the research method and facilitates the development of the tools for data collection

Research problem: Conducting detailed market research to fully ascertain a gap in the target market of providing student accommodation in KZN and also to comprehensively deduce whether the gap can be profitably exploited.					
Sub-problem	**Literature Review**	**Hypotheses or propositions or questions**	**Source of data or data collection**	**Data collection**	**Data Analysis method**

Research problem: Conducting detailed market research to fully ascertain a gap in the target market of providing student accommodation in KZN and also to comprehensively deduce whether the gap can be profitably exploited.					
Sub-problem	**Literature Review**	**Hypotheses or propositions or questions**	**Source of data or data collection**	**Data collection**	**Data Analysis method**
To determine the magnitude of the market for providing student accommodation in KZN	• Nzimande (2016) • DHET (2020) • Machika and Johnson (2015) • Dominguez Whitehead (2017) • Gopal and Van Niekerk (2018) • Swartz et al. (2017)	What is the current deficit in student accommodation in KZN?	• Government libraries • University libraries • Industry databases • Verified journals • Industry reports, and periodicals	Quantitative	Demand vs Supply • using descriptive statistical analysis for the current deficit and Inferential statistics to deduce future deficit

Research problem: Conducting detailed market research to fully ascertain a gap in the target market of providing student accommodation in KZN and also to comprehensively deduce whether the gap can be profitably exploited.					
Sub-problem	**Literature Review**	**Hypotheses or propositions or questions**	**Source of data or data collection**	**Data collection**	**Data Analysis method**
To ascertain the full attributes of the student accommodation required by the student in KZN	• Chiguvi and Ndoma (2018) • Gopal and Van Niekerk (2018)	What are the characteristics and features of the student housing required?	• Government libraries • University libraries • Industry databases • Verified journals • Industry reports, and periodicals	Qualitative	Descriptive analysis

Research problem: Conducting detailed market research to fully ascertain a gap in the target market of providing student accommodation in KZN and also to comprehensively deduce whether the gap can be profitably exploited.					
Sub-problem	**Literature Review**	**Hypotheses or propositions or questions**	**Source of data or data collection**	**Data collection**	**Data Analysis method**
To understand the nature of competition and challenges to be faced and the financial benefits to be derived from providing student accommodation in KZN	• Aithal (2017) • Varun and Aithal (2016) • Phua and Jones (2010) • Thabit and Raewf (2018) • Thabit and Younus (2015) • Slavik, Putnovab, and Cebakovac (2015) • Maiorescu (2016) • Bouhalleb and Smida (2019)	What is the competition and challenges to be faced and financial benefits to be derived from providing student accommodation?	• Government libraries • University libraries • Industry databases • Verified journals • Industry reports, and periodicals	Quantitative and Qualitative	<u>Descriptive statistics and Inferential statistics i.e.</u> • Ratio analysis • Trend analysis • Correlations Financial modelling