

SARATOGA STUDENT ACCOMMODATION



Picture taken October 2023

Al Mabroor, with the help of certain investors, developed the Saratoga Student Accommodation over the past 15 months. The property is now completed and will be ready for the new intake of students in February 2024.

Al Mabroor invites all our loyal investors to consider Saratoga as a property investment option, giving solid returns and providing for capital growth in the medium to longer term.

The Saratoga property is situated in Berea, an inner-city neighbourhood, located on the bus and taxi route which provide adequate access to and from the property. The property, being a block of flats, are centrally located and literally across the road from the University of Johannesburg Doornfontein Campus, near the WITS Technikon, the Johannesburg Stadium and several shopping centres.

The property is a free-standing brick building consisting of 4 floors, with undercover and open parking bays. Saratoga consists of 101 residential units of 24m² per unit and 31 parking bays. Each unit offers a basic kitchenette, bedroom accommodating 2 students and a bathroom with a shower, toilet and washbasin. All units comprised of concrete ceilings, plaster and painted walls and tiled floors.



WHY STUDENT ACCOMMODATION

Student accommodation is one sector experiencing tremendous growth and demand and your portfolio shouldn't miss out. With a growing number of students in desperate need of homes, investing in safe, comfortable and modern living spaces becomes an undeniable necessity. According to an article published by Ooba Homeloans, demand for student accommodation is significantly outstripping supply.

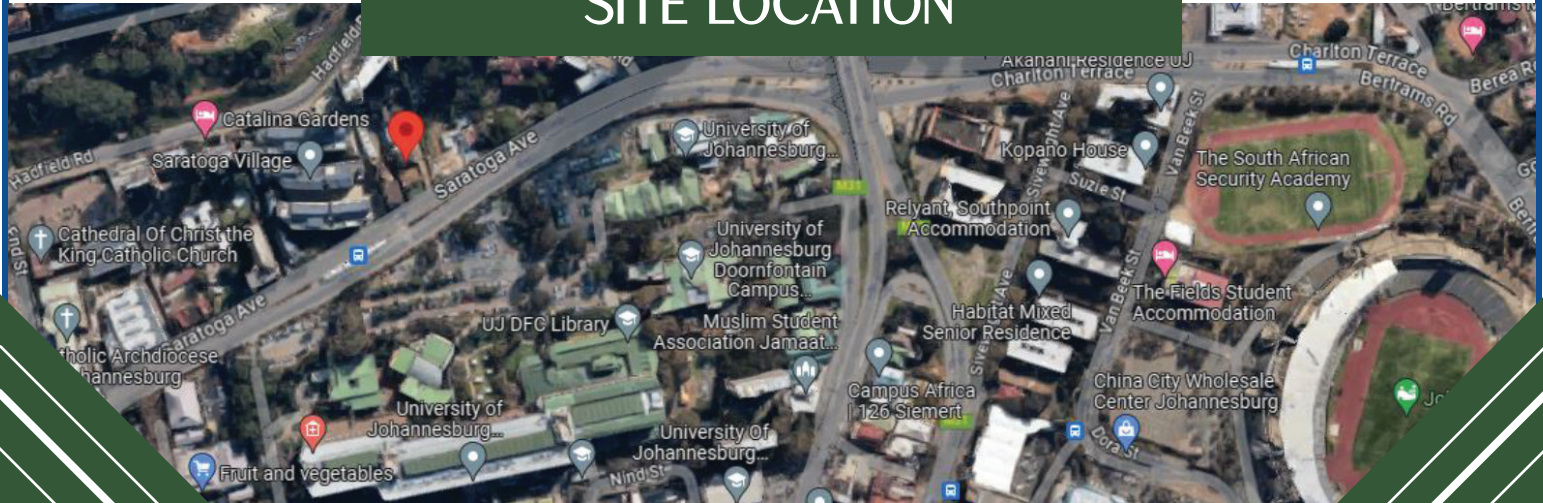
<https://www.ooba.co.za/resources/student-accommodation-investment/>

The 2021 International Finance Corporation Report revealed that South Africa's student housing sector faced a potential deficit of up to half a million beds. This shortage prompted property companies like Growthpoint to invest in student housing projects to counter downturns in other property market sectors. It is estimated that it will take between 10 and 20 years at a cost of up to R150 billion to solve the crisis. The government donates about R4 billion a year to institutions in the form of grants to meet accommodation needs.

University of Johannesburg currently needs accommodation for approximately 19000 students in both university owned and managed residences as well as off-campus accredited privately owned accommodation. Suitable student accommodation around the University of Johannesburg is pivotal for fostering academic success, ensuring safety, attracting diverse talent, contributing to the local economy, alleviating housing shortages, and building a strong sense of community among students.

Saratoga is ideally positioned and developed to comply with all the demands of students.

SITE LOCATION



SARATOGA FINANCIAL INFORMATION

Total property value	R 66 000 000
Number of beds	202
Rental per bed per annum	R 45 000
Expected annual rental income	R 9 090 000
Vacancies	5%
Gross annual rental	R 8 635 500
Expected annual expenses	24%
Net rental per annum	R 6 562 980
Initial return on investment	9,94%

The current independent valuation of the property is R67,400,000. Al Mabroor is offering it to investors at R66,000,000. Rentals per bed are based on 2023 rates, and we expect an increase for 2024. There is already a waiting list of around 900 students for 2024, and we do not expect to have any vacancies at Saratoga. Lower vacancies and an increase in rental per bed will provide investors with a higher monthly rental return.

