

MEDIA STATEMENT **For Immediate Release**

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PSHA WELCOMES RECOGNITION OF STUDENT HOUSING SHORTAGE IN SONA, CALLS FOR URGENT NATIONAL TREASURY INTERVENTION

Johannesburg - The Private Student Housing Association (PSHA) welcomes President Cyril Ramaphosa's acknowledgement in the 2026 State of the Nation Address yesterday that South Africa faces a "great shortage of student accommodation" and his directive to the Minister of Higher Education to work with financial institutions on solutions.

This is an important and long-overdue recognition of the structural housing deficit in the higher education system, and it affirms what the sector has been raising for several years: that student accommodation is a national infrastructure priority that cannot be resolved without private sector investment.

Over the past decade, private student accommodation providers have invested more than R20 billion into the sector, delivering tens of thousands of beds and helping universities expand access to higher education. Today, private providers collectively house more students than the capacity available on many university campuses.

However, while PSHA welcomes the President's acknowledgement of the shortage, the address did not provide clarity on the immediate funding and policy issues currently affecting the sector. There was no confirmation of the 2026 NSFAS accommodation rate; no resolution of the 5% intermediary deduction; no indication of a long-term rental escalation framework; and no immediate measures to stabilise investor confidence.


This uncertainty continues to place pressure on landlords, developers, and financial institutions at a time when new investment in student housing is urgently needed.

"The President has correctly identified the student accommodation shortage as a national challenge. The next step is to ensure that the funding framework supports the very investors and landlords who are expected to deliver that capacity," says Kagisho Mamabolo, CEO of the PSHA.

At the same address, the President emphasized the rising investor confidence and the importance of infrastructure investment in driving economic growth. PSHA believes that student housing must be treated as a critical form of social infrastructure within this agenda.

Student accommodation developments require long-term capital and policy certainty. Without a stable funding framework, new projects will stall, investment pipelines will shrink, and the shortage of beds will deepen.

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PSHA is urging the National Treasury, ahead of the 2026 Budget Speech, to take decisive steps to stabilize the sector by:

- Confirming a fair and predictable NSFAS accommodation rate aligned with actual operating costs
- Eliminating or standardising intermediary deductions across institutions
- Establishing a long-term student housing investment framework in partnership with financial institutions

“The upcoming budget presents a critical opportunity to restore confidence in the sector and unlock new investment. Without certainty, capital will move elsewhere, and it is students who will ultimately pay the price,” Mamabolo adds.


PSHA will continue to engage with the National Treasury, the Department of Higher Education and Training, NSFAS, and financial institutions to ensure that the student accommodation sector remains viable, investable, and capable of supporting South Africa’s higher education expansion.

Thank you

ISSUED BY THE PRIVATE STUDENT HOUSING ASSOCIATION

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