Mounting evidence from local and international academic research shows that students who live in university residences perform better socially and cope better academically and can perform in a post-school environment, very different from the schools where most of them matriculated.

The shortage of student housing and, in particular, the challenge of funding student housing need lasting solutions. We are here not only to discuss student housing matters, but also to share views on WHY student housing matters.

The Ministerial Review of Student Housing at Universities conducted in 2011, revealed a comprehensive and chilling view of the shortage of student housing at every university and every campus. The system provided 107 000 beds, with six or more applicants for every place. At the time, only 18% of students could be housed in university residences.

It was shocking to discover that only 5% of first-year students were housed in university residences. These are the most vulnerable young people in our system, away from home for the first time and expected to perform in a post-school environment, very different from the schools where most of them matriculated.

This was the state of affairs despite mounting evidence from local and international academic research, which shows that students who live in university residences perform better academically and cope better socially, than their peers who do not live on campus – especially in the crucial first year of study.

The review report made a number of recommendations, including that student housing should provide for 50% to 80% of students. It projected that by this year the bed shortage would be 216 000.

Moreover, by 2030, to meet the enrolment targets set out in the Post-School Education and Training policy and the National Development Plan, an extra 400 000 beds would be needed.

That, in essence, is the size and nature of the challenge for universities.

The question is: How are we going to pay for it? There is an equally daunting challenge in housing students at TVET colleges. The Department of Higher Education and Training carried out a survey of the 50 public TVET colleges last year which showed that for the 71 000 college students, there were only 10 120 beds.

Colleges can provide accommodation for only 1.4% of students – that is 1 in 70 students.

When I released the Ministerial Review report in 2012, I acknowledged that government would not be able to eradicate the 200 000 university beds shortage through its higher education budget. That situation has not changed.

In addition, recognising the enormity of the challenge, I accepted the review’s recommendations and did two things:

Firstly, I appealed to the National Treasury and to Parliament to substantially increase the DHET budget allocation for student housing infrastructure.

Secondly, I invited the private sector – many of the companies and investors represented here today – to enter into Public-Private Partnerships (PPPs) with universities, supported by the DHET, to provide some of the 200 000 beds needed to eradicate the backlog, to say nothing of meeting future needs.

The results on both fronts have been disappointing.

We have made some progress in securing an increased budget allocation for student residences, it is nowhere near enough to meet the need.

As my Department reported to Parliament last year, in the past three years, the Department’s grants to universities of R1.5 billion for student housing infrastructure projects were supplemented by university funds of R700 million to give a total spend of R2.3 billion.

This provided 9 000 new student beds – a very small drop in a very big ocean of need.

If student housing is not on campus, and it is not through PPPs with universities, where is it and what form does it take?

Most of it is off-campus, in brownfields developments, where old commercial buildings have been converted into student rooms, in inner-city areas such as Braamfontein and Hillbrow in Johannesburg, and in downtown areas of Durban, Port Elizabeth and other cities.

And where has the money come from to establish these businesses?

A few banks and financial institutions, as well as Development Finance Institutions (DFIs), have funded the establishment of these businesses.