

RMB FUNDS 25% INCREASE OF WITS STUDENT ACCOMMODATION

Wits University today signed a loan agreement with Rand Merchant Bank that will fund the delivery of over 1000 new student beds by 2012, increasing Wits' residence capacity by close to 25%.

Construction of the Parktown Village project commenced this week following a four-year preparation period and the conclusion of a turnkey development agreement with Rowmoor Ltd.

Located within walking distance of the University's Parktown Campus, the new development represents a significant capital investment in the neighbourhood and will mainly accommodate post-graduate and research students. The project takes forward the University's aspiration for greater integration within the City of Johannesburg and is aligned with Joburg's policy to relieve pressure on residential areas where students are often accommodated at high rentals in overcrowded, substandard and sometimes illegal conditions. Supporting the City's urban renewal programme, Wits envisages further residential developments in Braamfontein and Hillbrow.

"Over the past few years Wits has responded positively to the national need for increased intake and output of quality graduates," said Wits Vice-Chancellor and Principal, Prof. Loyiso Nongxa. "As a result, student numbers are up from more than 22 000 in 2002 to more than 29 000 in 2010. With government and private sector funding support we have embarked on a R1.5 billion infrastructure programme to support this growth. Major new infrastructure projects include the recently completed extension of the FNB Building and the Chamber of Mines Engineering Building with a combined value of R150 million."

"Currently under construction is the new R178 million Science Centre that will provide new laboratories with 1100 bench spaces as well as five large lecture theatres for over 1500 students. Increased student accommodation is critical. This year we received 5600 new resident applications and could only provide 730 new places. Our data shows that resident students have a much better success rate."

The Parktown Village project has required a four-year planning process and Wits has had to overcome a range of challenges in partnership with national Government, the City of Johannesburg and the banking sector. With a turnkey development cost of over R400 million, financing and affordability factors have presented a major hurdle. This hurdle was overcome early this year with two key funding approvals. The first came from Minister Blade Nzimande confirming a R60.5 million grant from the Department of Higher Education and Training, with the second coming from Rand Merchant Bank's property finance division.

Says the head of RMB Property Finance, Simon Fifield: "RMB is supportive of government's goals for higher education, and is actively looking to partner with high quality institutions such as Wits to make these goals a reality."

Many planning constraints have been overcome by Wits including heritage aspects and limited site access. The 10 new residence buildings are integrated within a complex of existing heritage structures, trees and landscaping features that will be preserved. The planning process has taken cognisance of neighbourhood concerns and this is reflected in the final rezoning approval that was promulgated earlier this month.

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