

**STUDENT HOUSING:
MANAGING DEMAND,
QUALITY & STUDENT
ACTIVISM**

***The Impact of Policy/Strategy Changes
on Procurement and Contract
Management of Private Student Housing***



1. To outline changes in the student accommodation industry which may influence management decisions



2. To equip Student Affairs Official with skills to conduct market analysis to inform sound business decisions



3. To create awareness about Housing Factors Influencing Student Activism/Unrest



4. To outline various skills involved in the accreditation of student accommodation



5. To create awareness of the requirements of DHET 2021 Draft Policy and how accreditation is conducted against this policy



OBJECTIVES

Prepare Institutions to Review Procurement & Contract Management Strategy

Prepare Institutions to Review Student Residence Policy/Strategy/Structure

A DIRECTIVE FROM CHAIRPERSON OF PORTFOLIO COMMITTEE ON HIGHER EDUCATION, TRAINING & INNOVATION

“Student accommodation must not only be about beds but total student life” –

by Ms Nompendulo Thobile
Mkhatshwa

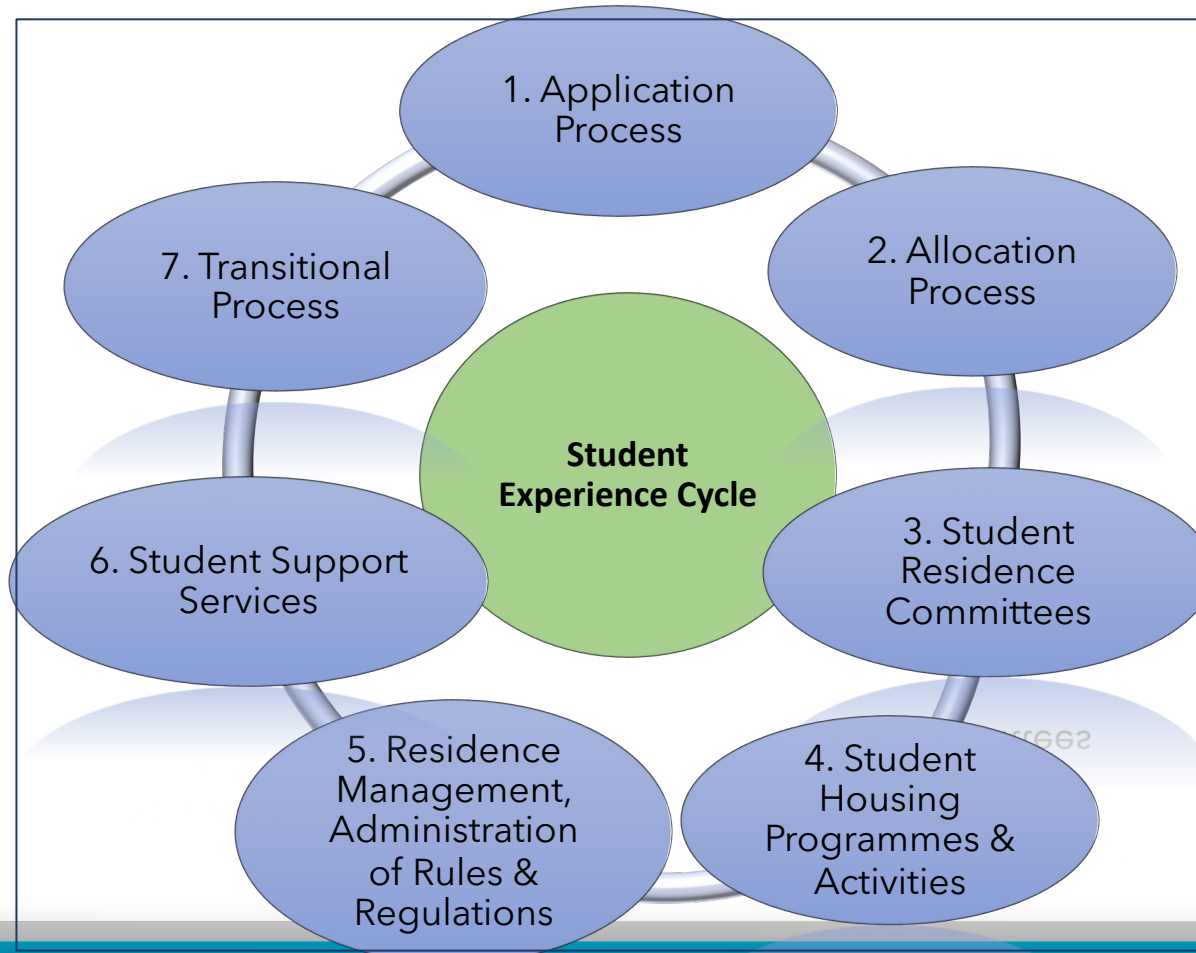


1. STUDENT SATISFACTION & ACTIVISM

The past 5-years (2017-2021) were characterised by student unrest and activism. This has influenced the review of Minimum Norms and Standards for Student Housing & the Administration of Private Student Accommodation Contracts



Factors Influencing Student Satisfaction at Residences (Mugabe:2022)



Student unrest has been about:

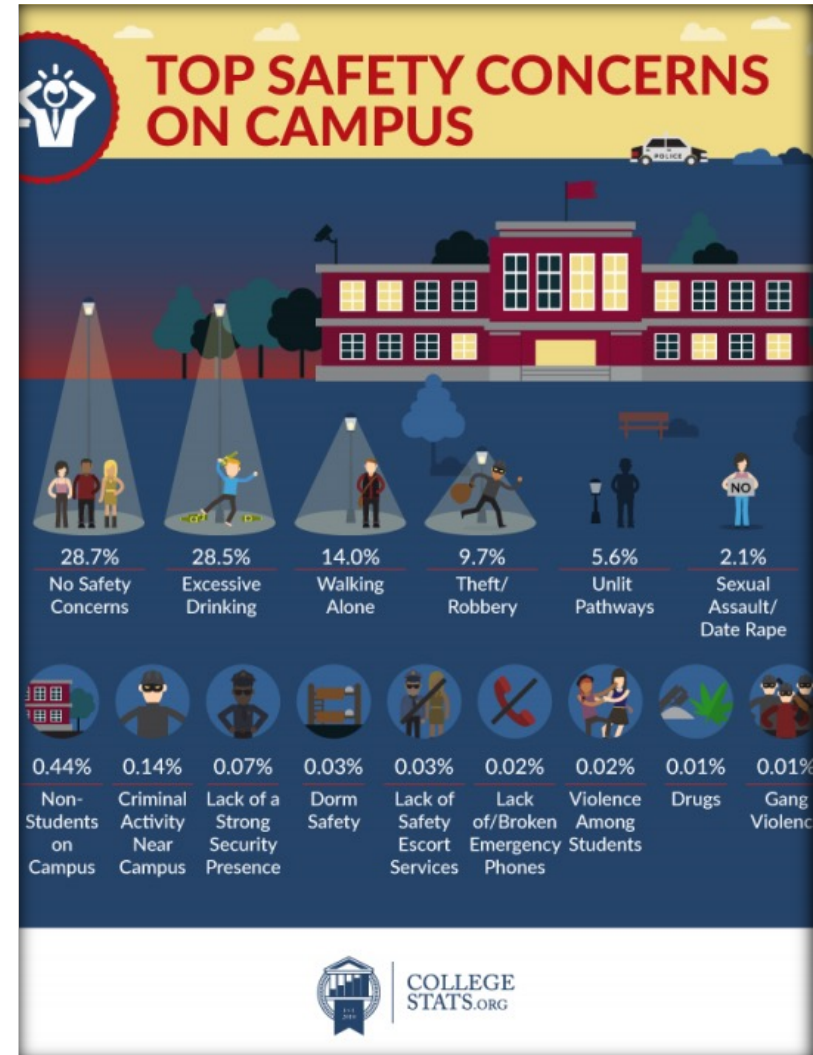
1. Quality of residences & service
2. Insufficient Supply of accommodation
3. Management capacity
4. Value for money
5. Cost/affordability

Determinants of Student Satisfaction with Campus Residence Life at a South African University (F. Botha et al:2013)

- Students who feel comfortable discussing personal problems with the **residence Warden** are more satisfied than those who do not. The former are 17.6% more likely to report a satisfaction level of eight or higher
- Satisfaction levels are higher among those who feel that their residence is **quiet enough for studying or sleeping relative** to those that do not agree that this is the case
- A well-functioning **House Committee** as well as a fair disciplinary system are, however, very important for healthy student well-being
- Both effective **conflict resolution strategies** within residence as well as mutual respect for students' individualism and differences are strongly associated with higher satisfaction with life in campus residence



- A **clean and hygienic residence** is positively associated with residence-life satisfaction
- The strongest relationship with residence satisfaction within the sub-category of residential characteristics is with **maintenance**
- Perceptions of the degree of **individual safety** seem relatively important for student well-being. Those that feel safe on campus or perceive safety precautions in residence as adequate seem in general more satisfied with their residence life than students who do not feel safe or view the safety precautions as adequate



NSFAS REVIEW OF THE IMPLEMENTATION OF DHET POLICY-2015 Version – (NSFAS, 2022)

1. There are insufficient beds to accommodate students, and some institutions do not have their own accommodation.
2. There are instances where the state of both private and institution owned accommodation is not conducive for student accommodation and learning.
3. There is no uniformity in the cost structure of university owned accommodation.
4. NSFAS pays private accommodation based on the highest cost of accommodation for institutions.
5. NSFAS pays students a cash allowance for private accommodation, students then typically sign contracts with more expensive private accommodation providers and in turn move out when allowances are paid to maximise on the cash. There are times where students do not pay providers.
6. The private accommodation providers accreditation process is done by institutions. This is fraught with inconsistencies, it is susceptible to fraud and corruption, while other institutions do not have the capacity for this accreditation process.
7. There are inconsistencies in the private accommodation allowance provided to university students compared to the TVET college students, while private accommodation providers do not distinguish where the students study, etc

DHET & NSFAS INTERVENTION

- NSFAS has standardised the accreditation processes by introducing an accreditation system (software). The core capabilities of these system include: Enabling students **to apply for accommodation with an accredited accommodation provider; processing and placements of students** and **keep an accurate record of all transactions between NSFAS, the student, and accommodation providers**
- The accreditation will be conducted by an approved panel of building inspectors. The building inspectors will utilise same check sheet for consistency
- There will be monitoring and evaluation during the year to ensure that student residences are maintained at proper standard
- Conduct student satisfaction surveys and incident investigations
- NSFAS has introduced a cap on Residence Fee per student nationally

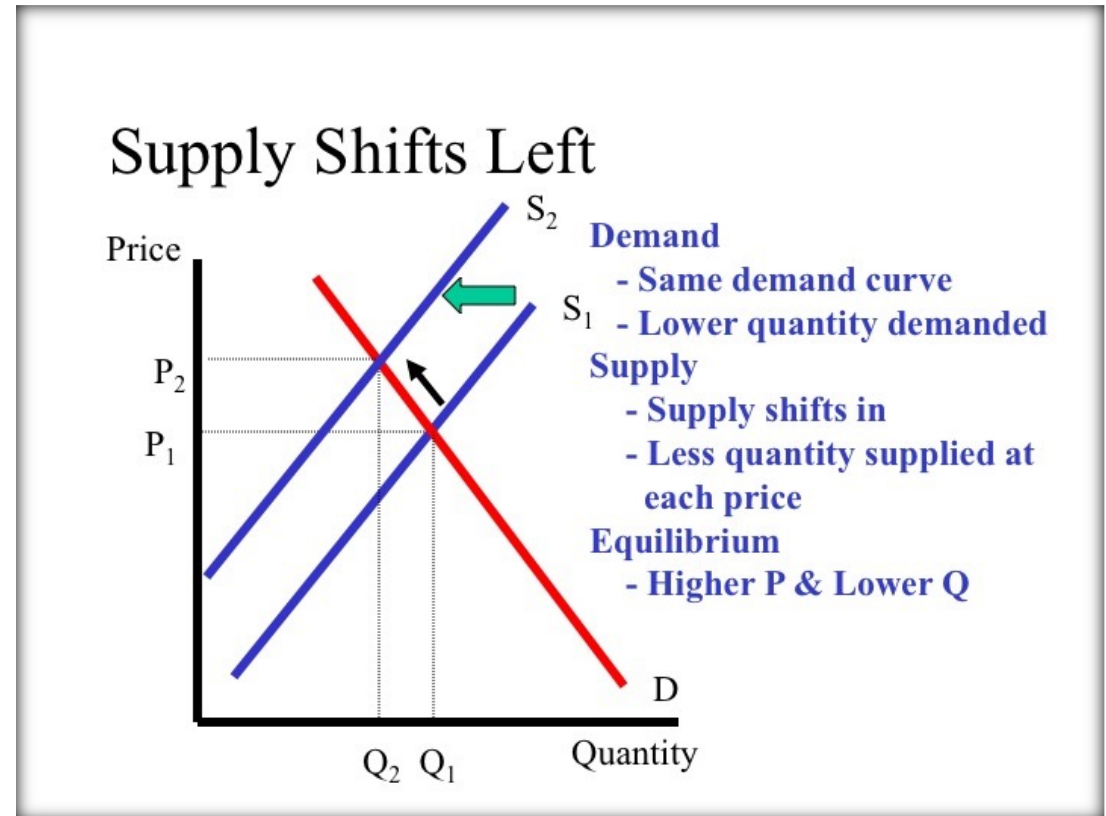


2. DEMAND PLANNING AND MANAGEMENT



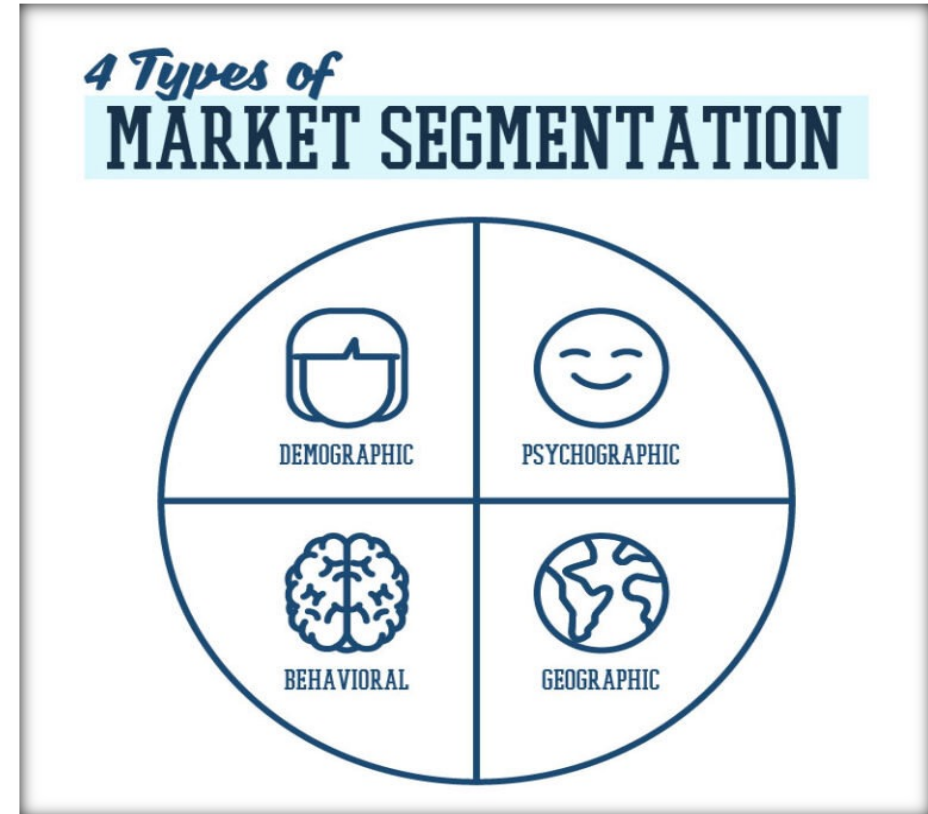
Conduct Housing Needs Assessment

1. Situational Analysis: Understand the composition of students in terms of where they are residing in the current academic year
2. What is the trend of the above over the years?
3. Conduct Demand and Supply analysis of private student accommodation around your campus location.
4. Institutions with campuses at different places may adopt different strategies at different campuses because market forces may be different
5. Analyse change in accommodation demand vs change in admission intake over the years



Market Segmentation and its influence to your strategy

1. Conduct property market analysis to determine the market demographic and behaviour
2. Assess the capacity of service providers and their ability to provide student services (Management capacity)
3. Analyse the market structure and the entry barriers (Is there an association of service providers and how is it controlled?)



MARKET SEGMENTATION

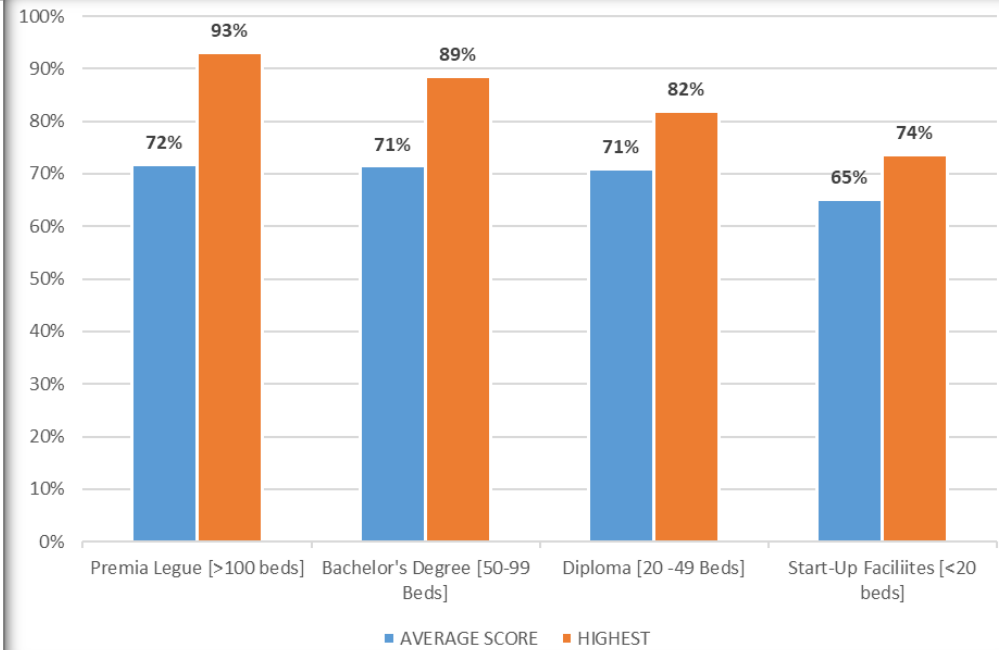
Premia Legue [> 100 beds]	30%	19
Bachelor's Degree [50-99 Beds]	25%	16
Diploma [20 -49 Beds]	34%	22
Start-Up Faciliites [<20 beds]	11%	7
TOTAL		64

MARKET SHARE [BED CAPACITY]

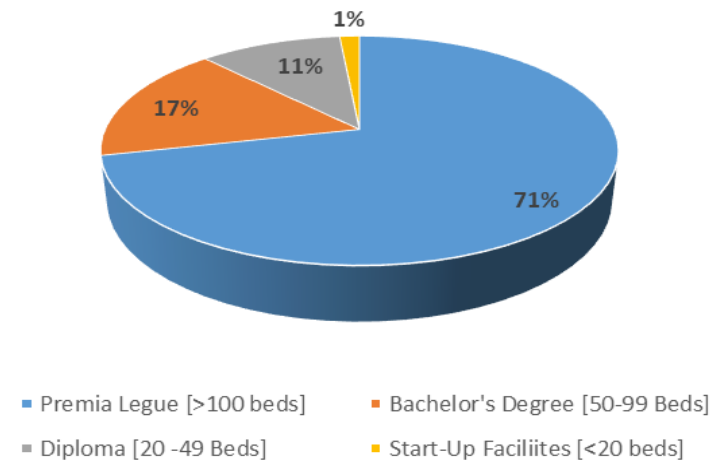
Premia Legue [> 100 beds]	71%	4746
Bachelor's Degree [50-99 Beds]	17%	1100
Diploma [20 -49 Beds]	11%	706
Start-Up Faciliites [<20 beds]	1%	98
TOTAL		6650

QUANTITY VS QUALITY

	AVERAGE SCORE	HIGHEST
Premia Legue [> 100 beds]	72%	93%
Bachelor's Degree [50-99 Beds]	71%	89%
Diploma [20 -49 Beds]	71%	82%
Start-Up Faciliites [<20 beds]	65%	74%
TOTAL		



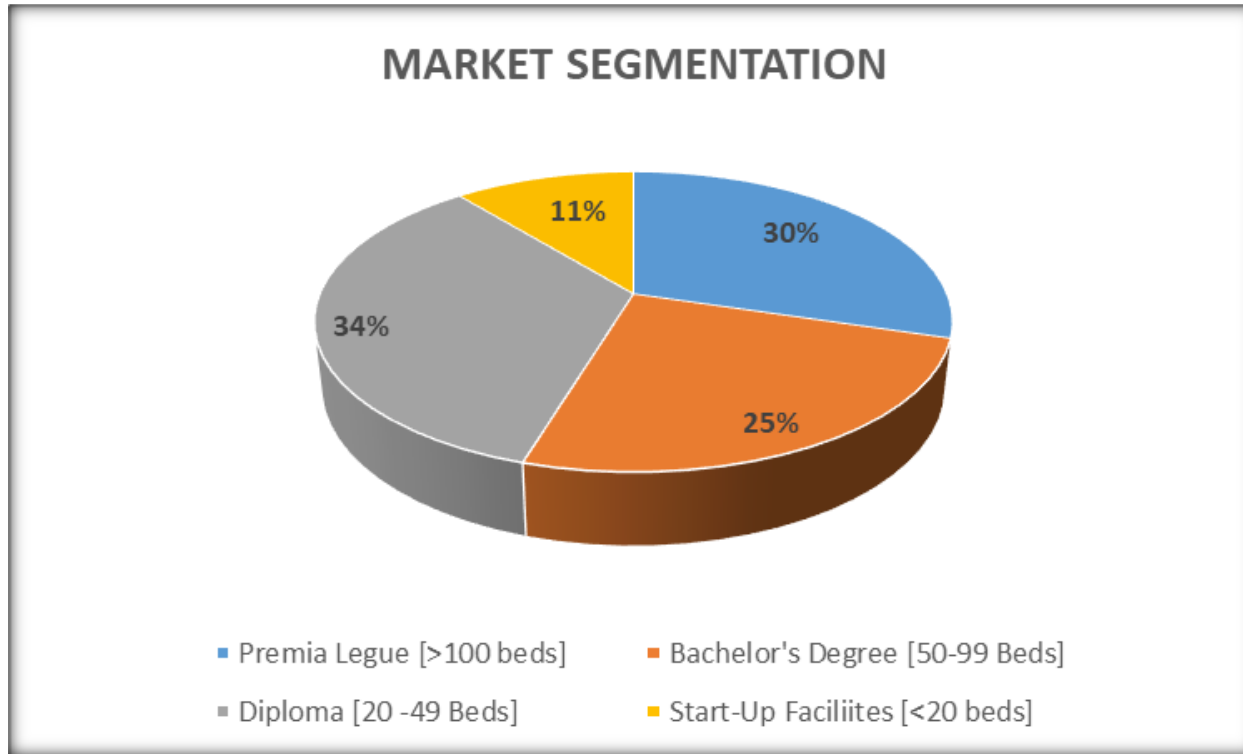
MARKET SHARE [BED CAPACITY]



BTW MARKET				BTW MARKET			
			BUILDINGS				BEDS
1	GROUP A - [<20 BEDS]	83%	185	1	GROUP A - [<20 BEDS]	63%	2976
2	GROUP B - [20-49]	12%	26	2	GROUP B - [20-49]	21%	998
3	GROUP C - [50-100]	4%	9	3	GROUP C - [50-100]	11%	525
4	GROUP D - [>100]	1%	2	4	GROUP D - [>100]	5%	250
	TOTAL		222		TOTAL		4749
EAST LONDON				EAST LONDON			
			BUILDINGS				BEDS
1	GROUP A - [<20 BEDS]	38%	39	1	GROUP A - [<20 BEDS]	8%	856
2	GROUP B - [20-49]	8%	8	2	GROUP B - [20-49]	4%	392
3	GROUP C - [50-100]	35%	36	3	GROUP C - [50-100]	38%	4021
4	GROUP D - [>100]	19%	19	4	GROUP D - [>100]	50%	5279
	TOTAL		102		TOTAL		10548

Government/NSFAS may impose incubation of SMME by Major industry players

DO YOU WANT TO ADOPT SME DEVELOPMENTAL APPROACH OR LESS INVOLVED IN THEIR RUNNING?



GRADE	MATRIX	SPLIT	
A	>80%	18%	11
B	[60% - 79%]	69%	43
C	[50% - 59%]	8%	5
D	[40% - 49%]	5%	3
E	<40%		
			62

59% of Businesses are small and require assistance

MARKET DOMINANCE

MARKET DOMINANCE			
1	Company A	25%	3500
2	Company B	18%	2500
3	Company C	14%	2000
4	Company D	11%	1500
5	Others - [20 companies together]	32%	4500
	TOTAL		14000

- Do you want to enforce mandatory sub-contracting strategy?
- Do you want to enforce small supplier development?
- Apply different management approach to each category - different expectation to Company A, B, C and D?
- How do you want to contract each of these companies?

ENSURE THAT YOU CONTRACT SERVICES USING APROPRIATE CONTRACT MODEL

	CONTRACTING MODELS	APPLICATION
1	Public Private Partnerships	Where supply is forecasted to exceed demand over a long period of time e.g. 10-years. This model requires NSFAS to invest in increasing capacity by building additional residences through partnership with investors
2	Medium to Long-term Lease Agreements	This model is applicable where the university still want to have a considerable degree of control over student accommodation. This model is important where the capacity of private landlords to manage student accommodation is low.
3	Medium to Long-term accredited accommodation	This model is applicable to private residences that are still new and have received top grading. It is also applicable to Residences with higher bed carrying capacity
4	Year-on-Year Accreditation – [with allocation by university]	This model can be adopted in towns and cities where the supply of accommodation exceed the demand. In such instance, the university can raise the bar and expect minimum score and bed capacity as pre-qualification. The university must then open the application process on annual basis to create competition.
5	Year-on-Year accreditation without allocation by university	Applicable where students have the overall decision on where to stay. Students will sign Lease agreements (through NSFAS) with landlord without university' involvement



TVET RESIDENCE STATUS: (NSFAS, 2022) & Recommended strategic intervention

Off-campus students = 91%
(120 000)

On-campus
capacity
= 9% (12000)

The situation is changing through DBSA SHIP programme. The speed of construction of institution-owned student housing is not aligned to the growth of student population at TVET colleges

SUPPLY RISK MANAGEMENT MODEL - TVET COLLEGES

DROP DUE TO POOR PERFORMANCE

Year-on-year accreditation contract

Accreditation - Medium Term Contract
without allocation commitment - [3-
years]

Lease - [min 5-years]

PPP - [min 10-
years]

On-
campus

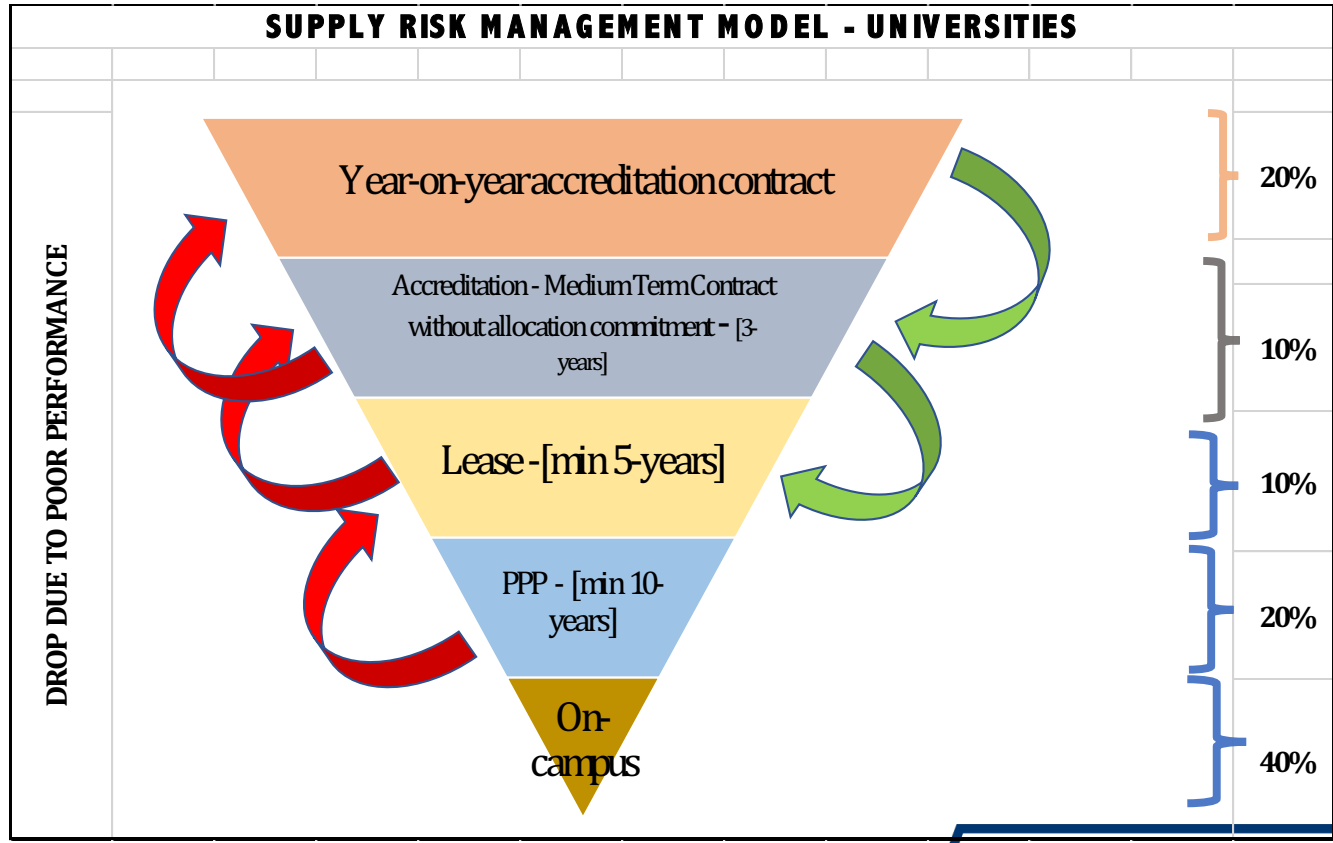
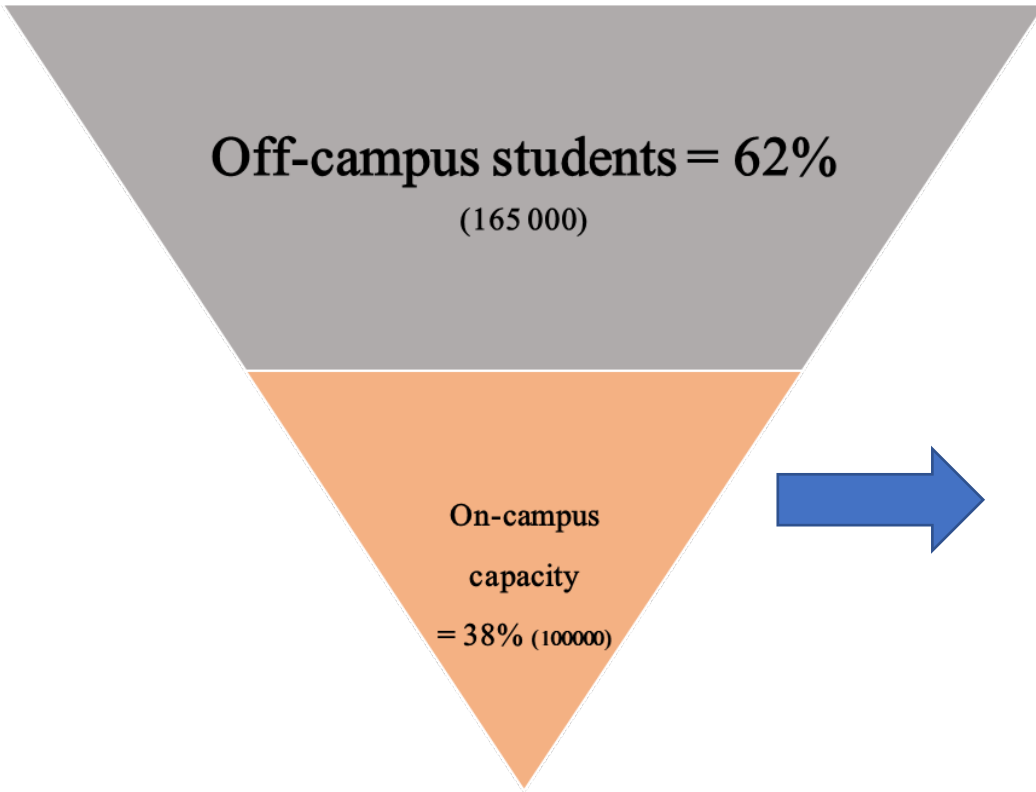
30%

20%

50%

50% will provide sufficient business assurance without exposing institution on long term financial commitment

Universities in the SHIP Plan must trade carefully with Leases and Medium Term accreditation contracts.



3. QUALITY OF RESIDENCES

Student Residences are regulated by National Building Regulations, therefore must be inspected and accredited/approved by competent person/s



THE FUTURE OF STUDENT ACCOMMODATION MANAGEMENT – CHANGE OF STRATEGIC DIRECTION



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



NSFAS

National Student Financial Aid Scheme



NSFAS PANEL OF ACCREDITATORS

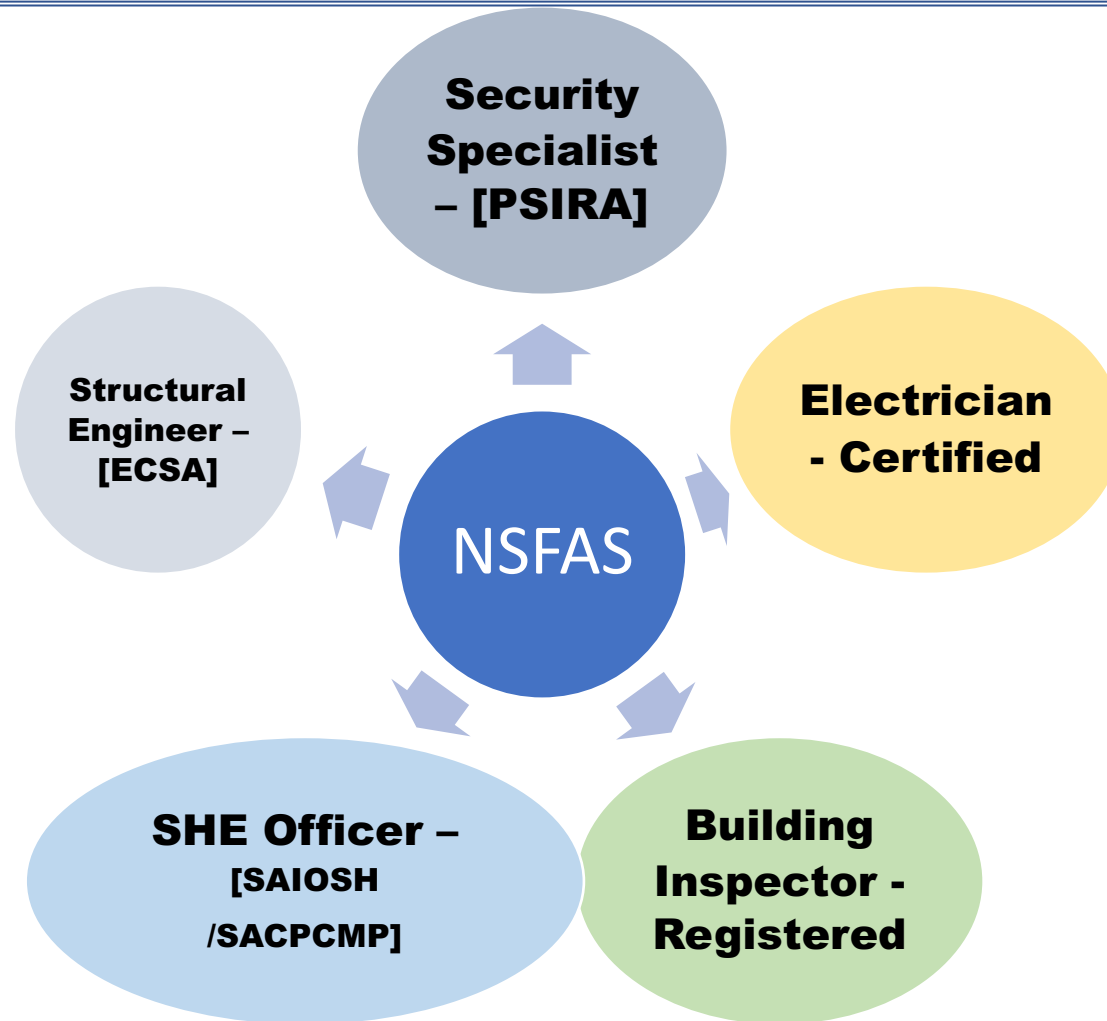
NSFAS Findings:

“The accreditation of student accommodation under the responsibility of the institution is fraught with inconsistencies, it is susceptible to fraud and corruption, while other institutions do not have the capacity for this accreditation process” – (NSFAS:2022)

New Strategy

- NSFAS is appointing a panel of Accommodation Accreditation Agents to be their eyes and ears on the ground
- NSFAS will conduct accreditation on both the **private accommodation providers and institution owned accommodation.**

BUILT ENVIRONMENT PROFESSIONALS INVOLVED IN THE ACCREDITATION OF STUDENT ACCOMMODATION



1. Team consist of registered professionals
2. DHET 2021 not yet applicable
3. Agent to manage all appeals and complaints before submitting report to NSFAS
4. The agent issue a grading and accreditation certificate to the property
5. Report is issued to **NSFAS** directly without the influence of the institution

THE 3-STAGE ACCREDITATION PROCESS

1. Mandatory Administrative Requirements

1. Proof of ownership
2. Building plan
3. Zoning Certificate
4. Occupation Certificate
5. Electrical CoC
6. Commercial Requirements e.g. Tax, Insurance etc

Desk top exercise but verified on site

1. Engineer
2. Electrician

2. National Building Regulation Requirements

Page 3(e): Off campus sites must be carefully selected with the **SAFETY**, **SECURITY** and **WELL-BEING** of students in mind

"The DHET policy does not absolve or release any student housing provider from any local, provincial or national legislation which applies to any aspect of the student housing and housing of students including the National Building Regulations and Building Standards Act and the Occupational Health and Safety Act". - [Source: 2021-MNSSH, 02]

1. Security Expert
2. Safety Expert
3. Building Condition Inspector
4. Electrician

3. Fit for Purpose (specific to student accommodation)

1. Kitchen
2. Ablution
3. Bedrooms
4. Study Area
5. Environment
6. etc

1. Building Inspector or anyone – there is no speciality in this section

Health & Safety Management Plan

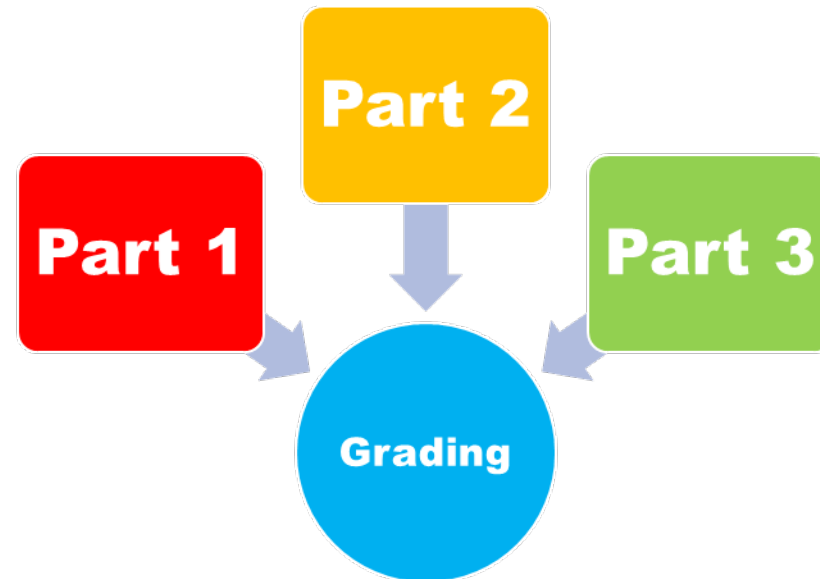
1. Health & Safety Policy
2. Risk Assessment
3. Induction
4. Safety Talks
5. Emergency Preparedness + Drill
6. Inspection Audit Schedule
7. H&S Committee – Trained personnel (including students)
8. H&S incident management plan



**Similar
Plan is
required
for
Security!**

How to calculate % and determination of Grading

1. The grading system is not yet finalised/published
2. But the principle is available and similar to the tourism grading system
3. The grading system is far more thorough, more consistent and follows stringent **quantitative** and **qualitative core requirement** and **quality standards**.



THE WEIGHT WILL DETERMINE HOW DIFFICULT OR HOW EASY IS IT FOR THE POSA TO GET TO AN “A-GRADE”

EXAMPLE

FOCUS AREA	WEIGHT		DETAILS	POINTS	%
FUNCTIONALITY/ FIT FOR PURPOSE	36%	1	LOCATION	12	4%
		2	ROOMS	24	8%
		3	ABLUTION	18	6%
		4	KITCHEN	18	6%
		5	RECREATIONAL	12	4%
		6	LAUNDRY	15	5%
		7	DISABILITY	9	3%
SECURITY	10%	8	SECURITY	30	10%
OHS	39%	9	HEALTH & SAFETY	80	27%
		10	HYGIENE	35	12%
BUILDING CONDITION	15%	11	BUILDING CONDITION	45	15%
				298	100%

IF THERE IS ZERO IN ANY OF THE REQUIREMENTS – YOU DO NOT GET THE ACCREDITATION

NSFAS IS INTRODUCING DIFFERENT PAYMENT RATES ACCORDING TO GRADING

GRADE	RATING	SCORE	DECISION
A	Excellent	[75-100]	Approved: WSU may enter into a contract term equivalent to the accreditation but without any guarantee of full capacity allocation. The LSP shall receive the highest approved rental fee increase.
B	Compliant Service Provider	[60-74]	Approved: WSU may enter into a contract with the LSP for a full accreditation term but without any guarantee of full capacity allocation. The LSP shall receive a maximum of 75% of the approved rental fee increase.
C	Conditional Compliance Service Provider	[50-59]	Approved: LSP will be required to submit a plan of action with timelines to close the identified gaps whilst continuing to provide accommodation service to the WSU. The University may enter into a 1-year contract with the LSP without any guarantee of full capacity allocation and will receive a maximum of 50% of the approved annual increase.
D	Below Standard	[40-49]	Review: Allocation to the LSP will be suspended whilst addressing the deficiency against the MNSSH. The LSP will only be considered after the submission of a new application. Where necessary, the LSP shall be approved but only on a month to month contract and zero increase in the rental fee
E	Sub Standard	[<40]	Decline: The contract will be terminated with immediate effect and the LSP will not be considered for this service for a minimum of 3 years.
F	Blacklisted	Gross violation of the agreement and any legal prescriptions	Decline: The contract will be terminated with immediate effect and the LSP will not be considered for this service for a minimum of 3 years. All accreditations for other POA facilities owned or managed by this LSP will also be withdrawn.



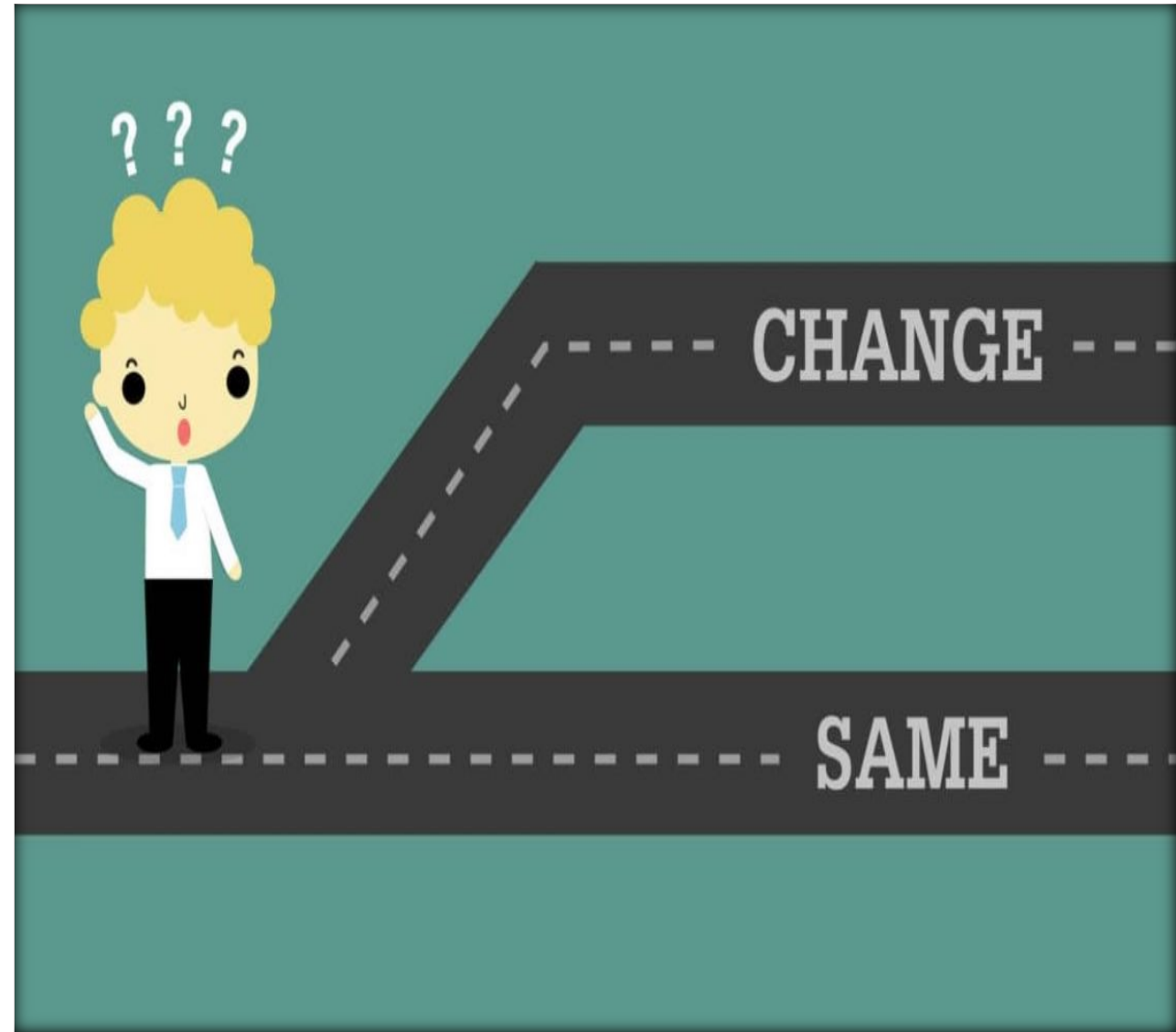
THINK!

- What is the **impact** of NSFAS strategic move to the Procurement & Contract Management of Private Student Housing

How does this development influence your Procurement & Contract Management strategy?



**4. THE IMPACT
OF THIS CHANGE
TO
PROCUREMENT
AND STUDENT
AFFAIRS
MANAGEMENT
SERVICES**



Impact on Procurement



1. It is not clear whether the Institution will run tenders for student accommodation or NSFAS will run through the agent.
2. The institution cannot choose the Accreditation Agent but the deployment will be done by NSFAS according to geographical location
3. No lease agreement between student and landlord. NSFAS will coordinate the lease agreement. Payments will be directed to the landlord through agents e.g. Fundi etc.

IMPACT OF “CAPPING” ON THE 80/20 PRICE AND BBEE

- How do you decide on the winning bidder if all are capped at same price?
- Is ranking based on preference points system or field assessment score?
- How the national treasury deciding where there is a tie?
- “Bidders with HDI’s must be given first priority”
- “In the event that two or more tenders have scored equal total points, the successful tender must be the one scoring the highest number of preference points for specified goals. Should two or more tenders be equal in all respects, the award shall be decided by the drawing of lots”. (Preferential procurement policy framework act: no 5 of 2000)

Impact on Student Affairs



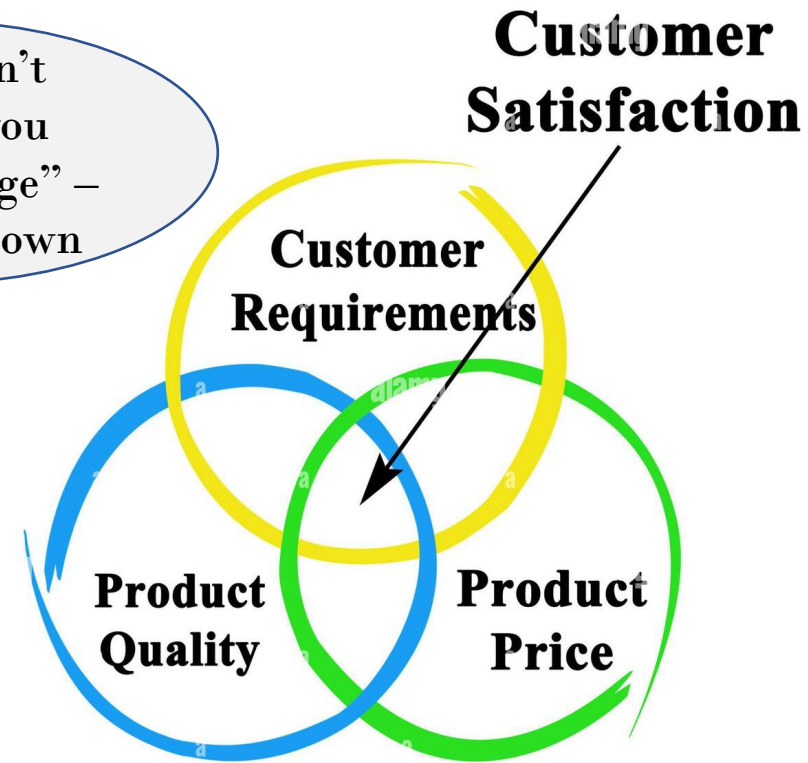
1. The power to allocate student to residence has shifted from university to students - this is about self allocation
2. It is no longer about meeting MNSSH only but it is about compliance to all applicable regulatory requirements and the efficient management of residence
3. Private student housing will be competing with on-campus accommodation for students.
4. The condition of on-campus residences may lead to low occupancy at on-campus accommodation

FOCUS ON PERFORMANCE MANAGEMENT OF BOTH ON-CAMPUS AND OFF-CAMPUS STUDENT HOUSING

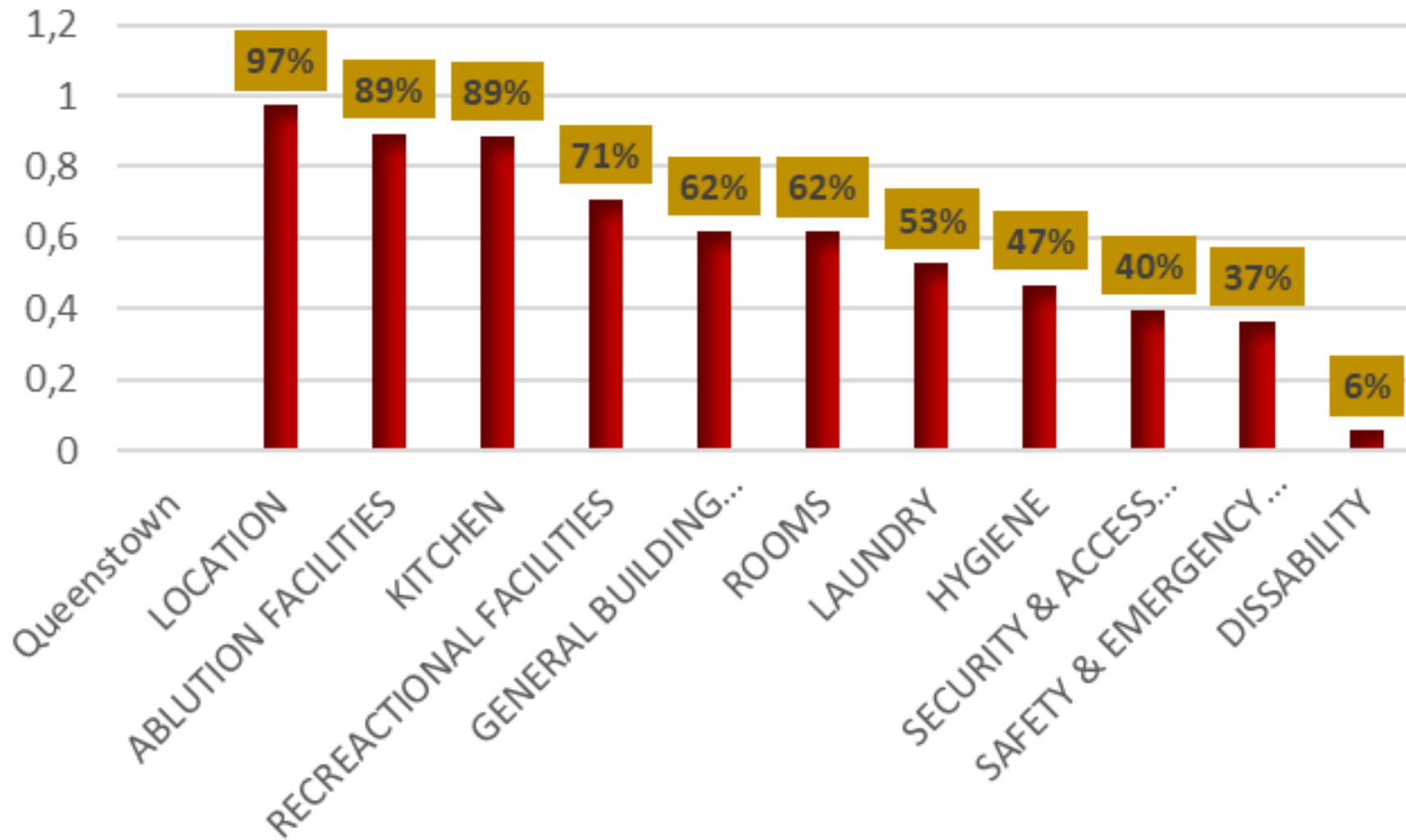
On quarterly basis, conduct performance assessment against agreed KPIs

1. Occupancy Levels
2. Student turn-over rate (for self-allocating universities)
3. Student Satisfaction Level
4. Security Incident Level
5. Safety Incident Level
6. Statutory compliance (see next slide)
7. Management Efficiency

“If you can't measure- you cannot manage” – author unknown



QUEENSTOWN EVALUATION SUMMARY



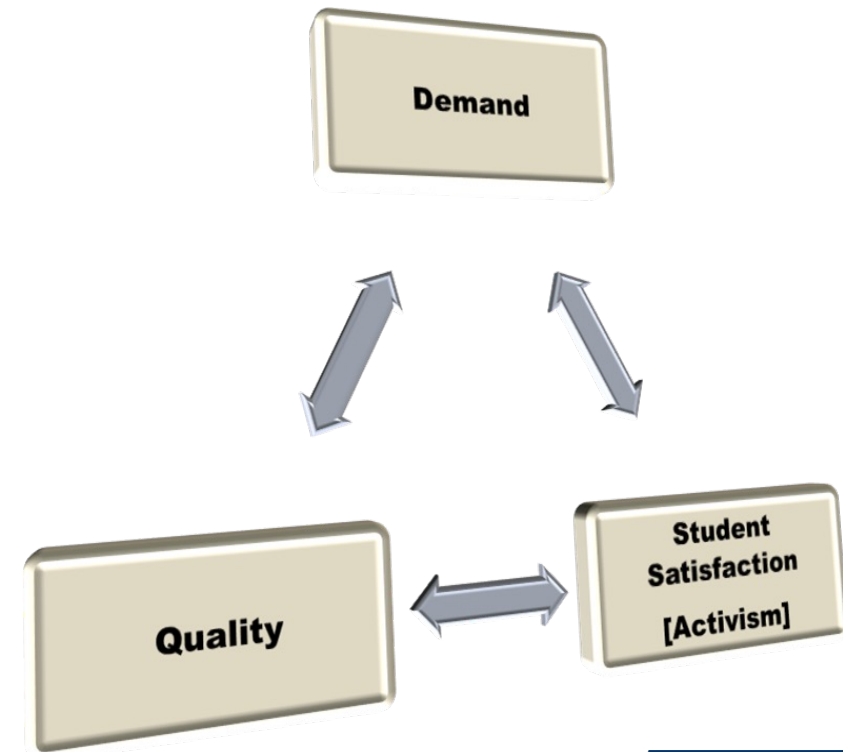
ENSURE CONTINEOUS COMPLIANCE WITH HEALTH & SAFETY AND OTHER REGULATORY REQUIREMENTS

1. Fire Certificate
 2. Gas/ pressurised equipment regulation
 3. Electrical CoC
 4. Structural Engineers Report - Building Condition Assessment report
 5. Hygiene Audit Report
 6. HACCP Certificate (where applicable)
- It is required that each institution or agent keep a register of these documents and the expiry date of each at each property
 - An inspection is required to ensure that landlords are maintaining these systems in order.



CONCLUSION

It is possible to strike the balance between the three pillars of student housing management



NPS MANAGEMENT SOLUTIONS - RESIDENCE LIFE SERVICE OFFERING

Strategy & Policy Research	Technical Services	Monitoring Division	Support Services
1. Residence Strategy	1. Accreditation of Student Housing	1. Process Audit	1. Public Training
2. Residence Policy	2. Facilities Condition Assessment	2. Forensic Investigation	2. In-house Training
3. Accreditation Policy	3. Health & Safety @ Student Accommodation	3. Incident Investigation	3. Systems
4. Business Process Mapping		4. Student Satisfaction Surveys	
5. SLA, MoA and Lease Agreements			

THANK YOU

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