

South African Multifamily Residential Rental Association (SAMRRA) launches

The multifamily residential rental property sector in South Africa now has its own representative association, which has launched with the weight of 13 members representing more than R40bn in property assets and over 75,000 residential units across the country.



Source: Supplied. SAMRRA's founding chief executive officer, Myles Kritzing.

The South African Multifamily Residential Rental Association (SAMRRA) has officially launched to represent this agile and growing specialist real estate asset class.

Multifamily residential properties are housing units built for rent, not for sale. These commonly include apartment buildings and multiple housing units within a single complex or estate. Often, institutional investors own these large-scale rental properties and have them managed by professional and specialist residential property operators.

As an asset class characterised by consistent long-term income for investors, multifamily housing is a well-established and sought-after investment class in many developed markets – the US, UK and Europe – where it represents a significant portion of the total property market.

Institutional investment in SA multifamily housing is, however, still relatively small, representing around 2% of the property market.

This is set to change. The SA multifamily residential property sector is well positioned to grow enormously over the next decade and beyond. It has already demonstrated stability and low risk in the SA market by largely outperforming other property subsets during the Covid-19 pandemic.

“There is a mounting demand for quality, affordable housing in SA that provides safety and amenity, seldom offered by residential developments in the past. Demand is accelerating with rapid urbanisation, a growing middle class, affordability constraints, decreasing household sizes and a shortage of housing supply,” says SAMRRA's founding chief executive officer, Myles Kritzinger.



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“Our association represents businesses that deliver quality, well-managed rental housing, driving sustainable and social value for all stakeholders. By ensuring investors' interests are protected, SAMRRA aims to generate additional investor interest in multifamily housing and grow the sector.”

Advocating excellence and transparency

SAMRRA will represent its members' collective interests with regulators, government entities, other associations and the broader public. It will promote transparent governance and information on members' social, environmental, financial and economic objectives.

The ultimate function of the SAMRRA is to support inclusive investment, consistent returns and stakeholder satisfaction. Through transparent industry value promotion, it is shaping a resilient future asset class.

Its first order of business has been to commission a white paper from MSCI and the Centre for Affordable Housing Finance in Africa (CAHF) – sponsored by Absa Commercial Property Finance and Divercity Urban Property Group – to position SA's multifamily housing market locally and globally. Research findings will be published and presented as part of a national roadshow in March 2024.



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Members currently include institutional landlords who own and manage large-scale, multifamily residential estates and other entities closely aligned with their common interests.

"SAMRRA has been constituted to meet opportunities and challenges within this sector, which is consistently growing, becoming more sophisticated and attracting greater investor interest.

"We are excited to represent and institutionalise the multifamily residential rental property in SA as it enters its next, compelling phase and look forward to actively engaging with long-standing and new stakeholders alike," says Kritzinger.

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