PRESS RELEASE FROM SAMRRA

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**Why multifamily housing needs a broader investment lens to drive growth**

**While impact investing has become a powerful force for good, it should not be the only lens through which we view multifamily residential housing investment.**

Over-reliance on impact metrics are slowing the sector’s growth at a time when housing demand and economic inclusion are both urgent priorities.

“Investing with purpose means pursuing measurable social or environmental benefits. While impact investing has delivered clear benefits in growing the multifamily housing sector, relying on it as the only source of institutional funding risks limiting the sector’s ability to scale. While the sector clearly delivers viutal social benefits, housing cannot be treated solely as a social good, it must also be recognised for its attractiveness as a viable growth investment if the sector is to thrive,” says Palesa Mkhize, CEO of the South African Multifamily Residential Rental Association (SAMRRA).

And it is, in fact, a sound investment. Institutional multifamily assets are professionally managed, with mature property management teams, occupancy rates upwards of 95% and collections close to 100%. The sector continues to show resilience, with early 2025 performance indicating sustained demand for well-located, affordable and professionally managed rental housing with lifestyle amenities.

Despite strong occupancies reflecting stable tenancies and rising demand, institutional investment in South Africa’s multifamily housing sector remains low at about 5%. To scale and grow the multifamily housing sector to the extent required to meet South Africa’s housing need, this must change.

Speaking at the 2025 SAPOA Annual Convention on a panel focused on investing with purpose, Mkhize said the sector is pursing data-driven advocacy to attract institutional investment, because perceptions of performance can be misleading. She said it’s not the “60% occupancy and 20% collection” type of market some imagine. During the first quarter of 2025, SAMRRA members reported 95.8% occupancy rates, bad tenant debts recorded less than 1% with growing demand far outstripping supply.

This is where SAMRRA comes in. SAMRRA is an industry body which promotes transparency and credibility across the sector. Mkhize explained the organisation was intentionally established to focus on multifamily rental housing adding that while others build multifamily developments for sale, SAMRRA’s focus is on the rental segment. The organisation holds an asset base of more than 75,000 residential units, valued at over R40 billion.

“SAMRRA was established primarily to advocate for the multifamily sector - meaning buildings developed for rental, often with supporting amenities and managed by institutions. It’s not about individuals owning a few units here and there.”

Much of SAMRRA’s work focuses on advocacy and educating the market about its investability to grow institutional investment into the sector.

“The multifamily rental sector continues to prove its resilience and remains an attractive investment asset. With significant potential for growth, increasing institutional investment is key to helping the sector scale. This will only be achieved if multifamily housing is viewed not solely as a social investment, but also through a broader lens that recognises its growth potential and return on investment to attract new capital into the sector,” adds Mkhize.

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