

## Demographic and lifestyle changes driving SA's evolving housing market

For decades, the residential real estate pendulum was frozen in conventionality, but its recent swing has been powerful and decisive, says Yael Geffen, CEO of Lew Geffen Sotheby's International Realty.



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“One of the most enduring songs from the early 1960s was *Little Boxes*, Pete Seeger’s satirical take on society’s yardstick for success being life in suburbia.

“In recent years, though, we’ve outgrown the ‘one-size-fits-all’ model and the South African housing market’s evolution is now being steered by two distinct influences – lifestyle changes and broader buyer demographics.”

### Lifestyle choices

Geffen says real estate clients across the board are far more educated about property than ever before.

“Sellers who work with agents to create vivid lifestyle descriptions in their property listings attract more serious buyers and are likely to secure faster sales.

“Lifestyle descriptors allow buyers to imagine living in the spaces, and all homes have positives because they target different market segments.”



## First-time homebuyers get better value for money in these 4 provinces

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Geffen says myriad property-specific lifestyle trends are taking root, with a handful topping the list.

**Flexi-spaces:** Think spatial repurposing, starting with areas that are seldom used (formal dining rooms, guest bedrooms, etc). Ignore what the room should contain and instead consider lifestyle pursuits that need dedicated space. Be versatile; home offices are in demand, so replace a guest bed with a sleeper couch and repurpose the rest of the room. Flexi-spacing also applies to smaller spaces. For instance, could the dead space under the stairs be turned into a cosy study nook?

**Outdoor space:** Whether the size of a postage stamp or a ballroom, brag about outdoor living areas because they increase recreational space and push up property values. Sellers will see handsome returns with attractively staged patio décor and small cosmetic upgrades such as planters and shading.

**Doorstep amenities:** Local convenience is a consumer trend that was entrenched in the pandemic lockdown and continues to influence residential choices today. At the top end of the market, buyers often prioritise the lifestyle estates in which to house-hunt by on-site facilities. External amenities that affect values and buying decisions across the board are good school districts and proximity to malls, exercise facilities and entertainment hubs.



Source: Supplied

## Who's buying what?

Geffen says a dramatic expansion of the residential property landscape in recent years has been fundamental to more equitable property ownership.

“Not that long ago, buyers' choices were limited to apartments, suburban houses or townhouse developments that all looked the same. Nowadays, not only are clusters and estates of all sizes in the mix, but there are also micro-apartments, low-

maintenance security developments, smart homes and even lifestyle farms on offer.

“Choice is one of three key aspects underpinning current market shifts. The others are migration and rising buyer numbers.”

Geffen says female buyers, in particular, are making an impact.

**Women on top:** Women own nearly 60% of South Africa’s residential housing stock, either on their own or as joint title-holders. The percentage of women-only property purchases is also increasing, as is the number of single women entering the real estate market.

**First-time buyers:** Last year, a massive 129,318 homes were sold to first-time buyers who invested R93,306,746,753 in the residential real estate market, [according to Lightstone](#). These numbers are particularly encouraging in South Africa where land ownership is historically significant.

**Migration:** Improved quality of life perception is galvanising nationwide semigration to the Western Cape. Last year, relocations to the Western Cape totalled more than semigration to Gauteng and KZN combined. And while Johannesburg may be losing qualified buyer semigrants, the residential market gap is rapidly filling with buyers from other African nations - investors seeking a real estate foothold in the continent’s economic powerhouse.



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Greg Dart 21 Apr 2023



## Consumer crunch

Geffen says a sluggish economy, the impact of load shedding and spiralling costs – particularly food price inflation and interest rates – are also shaping new market trends.

“Residential choices, migration patterns and value scales all speak to underperformance in economic recovery and service delivery. Consumers need to heed these trends to secure their long-term prospects.”

**Independent power:** As the Eskom crisis has deepened, demand for load shedding-adapted homes has risen, along with their values.

**Security features:** Safety adds value to a home – even more so with suburbs increasingly left in darkness. According to Lightstone’s 2022 Estate Agents’ Sentiment Survey, security is the single most important criteria for buyers. If your property has better (and more attractive) security features than your neighbours, it’ll be worth more.

**Zoning/development potential:** If there’s rezoning or development potential, factor it into property value. Developments don’t have to be huge. It’s conservatively estimated that 30% of South African households are now multi-generational and this trend is growing with rising economic pressures, so just adding a granny flat or two can add significant value to a home.

**The economy:** There are many economic factors affecting real estate. Things like unemployment, wages, cost-of-living increases and the performance of the currency all affect how much money people have and what they can spend on property.

Geffen says consumers know what they need from properties, and they know what they want. The key for buyers and sellers is to maximise opportunities wherever they may be, keeping an open mind about the potential below the cosmetic

surface and understanding how to leverage that for the best returns.

“The South African residential market is surprisingly resilient given the challenges we face, and I’m optimistic that everyone will make the most of what is hopefully a short-lived trying time.”

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