

5 non-negotiables for young property buyers and renters

While for years, research has suggested that millennials preferred to rent, the 2019 Deloitte Global Millennial Survey showed that 67% of millennials in South Africa had the ambition to buy a home of their own. Lightstone Property data from the beginning of 2020 showed why they weren't buying: millennials faced paying up to three times more on their first home than Generation Xers had.



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And then came Covid-19.

The South African Reserve Bank cut interest rates five times, lowering the prime rate to 7%, its lowest level since 1966. Add to that 0% transfer duty payable on properties below R1m and the rising success rate of applications for 100% bonds ... and South African millennials have since seized the opportunity.

Data from the Deeds Office shows that buyers below 35 years of age now account for 43% of residential sales. So, what are their expectations, values and what will seal the deal? According to Paul Stevens, CEO of Just Property, the following are non-negotiables when it comes to young buyers (and renters):

1. They're "always on".

"Millennials were our first digital natives," says Stevens. "It goes without saying that the majority work, play and socialise on their devices, from those in their first jobs to those about to hit their 40s. They will expect/demand always-on, high-speed internet access.

"Load shedding is likely to be with us for the foreseeable future. Considering the above, a UPS that can keep their Wi-Fi going for a couple of hours will be a great attraction. Backup energy systems, though more costly, would definitely add value and credibility."

2. They're environmentally conscious.

They're focused on their own impact on the environment, and their home will have to meet the high standards they have in

this regard. "Ways they can painlessly cut energy consumption will appeal. Solar geysers, gas appliances, etc., will meld with their values, and will also help them save money," say Stevens. Grey water/rain water reuse and rubbish recycling systems will also get the thumbs up. Off-grid? Where do I sign?!



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3. They're still cash-strapped.

Whether they've bought the home themselves and need to rent a room out to cover their bond, or have gone in with a friend to secure their first home, home-sharing options are important. Stevens says requests include parking for multiple cars, multiple access points and private areas on the same property.

4. They're safety conscious.

According to data collected from the credit bureau TPN, young, black women in their mid-20s and early 30s are driving the property investment market. Low interest rates aside, bond approvals for women have risen from 14% in 2010 to 41% in 2020; and 60% of Betterbond's women applicants were single. "Security is obviously key for everyone in South Africa, and particularly young, single women. Sectional title is attractive for this reason, as are gated communities for the higher earners," Stevens notes.

5. They're hybrid workers.

The barriers to flexible work-place policies have been completely broken down. Some form of remote-work space is essential. The future of office work is likely to be a hybrid mix of some work-from-home and some in-office days. Millennial buyers, especially those with children, will be looking at prospective buys through the prism of own-spaces for themselves and their kids. And if the home is close to their office, a gym and nearby free-Wi-Fi coffee shops and eateries, so much the better.

"Millennials have waited a long time to own their homes, and they know what they want. Homes that tick these boxes will make it onto their shortlists," Stevens concludes.