

# 8 trends driving retirement investment decisions in 2022

It's been an eventful start to the year but despite some challenges, many are looking forward to the return to some form of normalcy as 2022 gets underway.



Source: Supplied.

However, the past two years have resulted in significant changes when it comes to long-term decision-making, with the retirement property sector being one area that is particularly impacted by the reassessment of priorities.

“We’ve noticed that the factors driving investors have shifted quite significantly the past few years, with lifestyle most certainly top-of-mind for many buyers,” explained Phil Barker of Renishaw Property Developments.

“For those with the means to take early retirement, the pandemic brought this move forward, while others considered health and safety, community living and general wellbeing as non-negotiables when deciding on a property. We expect to see more of this going into 2022.”

Here are the eight trends impacting the appropriation of retirement funding going forward into 2022, taking into particular account the retirement property market.

## Semigration

While holiday homes on the KwaZulu-Natal, Eastern Cape and Western Cape coastlines have always been popular, there is now a massive movement of inland residents choosing the coast as a primary residence. According to Lightstone Properties, there’s been a notable increase of homeowners moving out of Gauteng – 43% in 2021 compared with 39% in 2019 – a trend that is likely to continue.

## Coastal lifestyle

While the Western Cape remains a popular seaside location, the KwaZulu-Natal coastline with its subtropical climate and warm Indian Ocean is a big drawcard for investors. For those seeking a much more relaxed lifestyle away from the hustle and bustle, the KZN South Coast – which offers great value for money – is definitely emerging as a key investment location in 2022.

## **Remote working**

One of the major drivers of semigration to the coast is the introduction of corporate flexibility and remote working opportunities precipitated by the pandemic. For the property market, this means that buyers are looking for well-positioned locations with high-speed internet connectivity in the form of fibre to the home.

## **Going off the grid**

The ever-imminent threat of load shedding and power outages, coupled with a necessary movement towards more sustainable living, has increased the demand for homes fitted with solar panels, inverters and water storage tanks. Buildings that are sustainably constructed as well as eco-friendly estates are certain a priority when it comes to investment.

## **Security**

Although security elements have always been important in the South African setting, the 2021 July lootings prompted even more demand for security in the form of gated villages. Buyers are looking for 24-hour, on-site, state-of-the-art security measures that don't overwhelm residents, but rather work seamlessly into the estate.

## **Home-based healthcare**

Those looking to invest in a retirement property are moving away from frail care centres and opting for estates that offer home-based healthcare. This provides residents with much more independence, with healthcare providers focusing on preventative healthcare for optimum wellbeing.

## **Rates increase**

The South African Reserve Bank recently hiked the repo rate to 3.75%, the first such hike in three years, which will impact homeowners and those looking to buy. While this may affect bond applications, for many retirees seeking investment without necessarily requiring a bond, the rate increase could work in their favour.

## **Virtual tours**

Despite a return to some form of normalcy, Covid-19 risk remains which is why virtual tours will become much more commonplace for potential buyers. This also gives those looking to semigrate the opportunity to view various property options from a distance. More developments and real estate organisations will be leveraging emerging virtual reality (VR) technology for safety and convenience.

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