

5 predictions for the future of residential property rental

By [Gil Sperling](#)

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The global upheaval caused by the Covid-19 pandemic has seen a spike in the adoption of technology by the mass market. Remote working and video conference meetings became the norm literally overnight as the clock ticked over into government-imposed lockdown, and placing orders and making purchases via app has become an essential rather than a luxury - making it the 'new normal'.



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In the property world, traditional 'real estate' firms are shedding jobs and cutting back dramatically in the face of restrictions which have effectively made traditional property viewings impossible. That means that proptech is primed to change the way people let and rent residential property, forever – and effectively create a new global rental industry.

Here are five ways in which the property market itself will be fundamentally different, post-lockdown.

1. Housing will always be a human need

Housing is a basic need and one of the true essentials for everyone in any economy. After food, shelter comes next on the hierarchy of human needs, so the fundamental demand for housing can never be eliminated - it's only a question of pricing. Even though it's likely that there may be less people moving for the next couple months, we believe that once the worst part of the pandemic is over, people will have to start moving again.



Moving house during the lockdown

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2. Working from home will change housing needs

As the concept of working from home has been so easily adopted across so many industries, we will see more and more of the global workforce continuing to do so, post-pandemic. For a few of us, this switch has been easy to manage as we have the right setup at home, but many people simply do not have the space in their current homes to work quietly without being distracted by children or their partners. This will lead to many tenants looking for larger homes that give them the space that they need to create a more sustainable live/work environment for themselves and their families.

3. Renting will be 'safer' than buying

Buying a property is a long-term decision - and often the biggest investment decision of a buyer's life. The uncertainty created by the virus means that many potential homeowners will decide to continue to rent in the interests of maintaining flexibility during these troubled times. This may also provide an opportunity for landlords who are looking to capitalise on the shift towards renting.



4. Renters will make changes to help make ends meet

Many people will also either have been retrenched or have had their salaries reduced as a knock-on effect of lockdown.

With housing costs representing the biggest slice of many budgets, it's the first place people will look to create household savings. They may also not need to live as close to work as they used to, which could mean they start to look at living further away from the middle of the city, where rentals are often cheaper on bigger pieces of land.

5. The rental market will be flooded

The way that the pandemic has brought global travel to a halt has had a massive impact on many industries, but tourism is one of the most heavily affected. South Africa, alone, is reported to have over 50,000 Airbnb hosts, and they will naturally look for other ways to generate revenue from these properties in the very near future, which is leading them back to long-term rentals. This is going to create an oversupply in the global rental market, which is going to put downward pressure on prices. This oversupply is good news for tenants as it offers the opportunity to find cheaper accommodation, and gives them a great opportunity to find more value and even grow into bigger spaces.

The world is going to be fundamentally different in a post-Covid-19 world, and it's up to innovators to develop technology-driven solutions to help humanity adapt to the new order.

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