

8 key and influential real estate industry changes of the past decade

After decades of minimal transformation, the real estate industry has undergone dramatic and unprecedented shifts, with rollercoaster highs and lows over the last ten years.



Source: Supplied

This is according to Cobus Odendaal, CEO of Lew Geffen Sotheby's in Johannesburg and Randburg, who's noted shifts across the board: "We've seen notable transformations in every facet, from the way in which we operate and conduct business to almost the entire customer experience.

"However, it's not only the changes themselves that are important, but also understanding what precipitated them and what they mean for the industry and the broader market.

"This will help us to better prepare for the future and enable both property professionals and consumers to navigate a quickly evolving sector and to reap better returns across the board."

Odendaal believes that the following are some of the most important and influential changes in the real estate market during the past 10 years:

1. The expansion of the internet

Not that long ago, the only way to search for property was to buy the weekend newspaper, then go out and meet the agents and traipse through an untold number of homes.

But thanks to the advancements in technology, we can now search for and buy almost anything from the comfort of our own homes and we can find information on every topic imaginable.

So, whilst most people still prefer to view homes in person before making a commitment, most of the initial searching is now done online to narrow actual viewings down to a shortlist and agents are sourced and contacted digitally. Moreover,

properties can be marketed to a much wider audience, even internationally, with ease.

And with technology rapidly evolving, it's therefore essential for property professionals to stay abreast of the changes in order to not be left behind and to remain competitive.



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2. Consumers are more educated about real estate

This is largely due to ease of information access on the internet and people are now much more au fait with their local property market, new trends, and the transaction process than ever before.

Most people looking to buy or sell property will begin the process online, doing comparative shopping, researching the market as well as the property agencies in their preferred areas.

As a result, property professionals really need to know their stuff these days and to make sure they stay abreast of all property-related issues, including the economy, property market, trends, legalities and real estate regulations.

3. More real estate regulations and increased transparency

During the past decade, many new laws and regulations have been promulgated and numerous others were amended - and, in doing so, a greater level of transparency has been brought to the real estate industry.

These regulations not only protect but also secure the rights of all parties, including home buyers and sellers, property professionals and developers. We can expect to see more amendments as regulations and laws will continue to adapt to an increasingly dynamic industry.

4. The construction boom

Globally, one of the unforeseen changes throughout the last decade was the flourishing of construction and in South Africa, this was especially evident in certain areas and sectors.

In Cape Town, the CBD skyline has been dominated by cranes for at least a decade in response to the growing popularity of the city as an investment destination and the growing demand for city living.

Having tapered off during the pandemic, building is picking up again and, with Cape Town perceived to have better governance than the other provinces, construction is unlikely to abate any time soon.

In Sandton, we saw burgeoning construction, especially in the sectional title sector, in response to the seemingly insatiable appetite for apartments in the Sandton CBD, however, the demand has since dwindled as a result of rampant development and oversupply, and the market has cooled considerably.

Countrywide, we've seen a spike in the construction of security estate developments which cater to people's increased need for security and also the



Cobus Odendaal, CEO of Lew Geffen Sotheby's in Johannesburg and Randburg

increased lifestyle priority.

Both of these factors, underpinned by the growing prevalence of remote working, have also precipitated a spike in construction and development along the coast, especially on the Garden Route and north of Durban as well as the growth of second-tier cities.

5. Consumers have more options

It used to be that we generally had a choice between a suburban house or an urban apartment with a few blocks of townhouses thrown in as alternative options, however the property landscape has expanded dramatically in recent years, especially during the past decade.

Not only have clusters and estate developments of all sizes been added to the mix, there are also micro apartments, minimalistic low-maintenance properties, smart homes, traditional character houses and even lifestyle farms.

The retirement sector has also seen major changes with the traditional concept of apartment block-styled old age homes which offer little more than a roof over one's head and three-square meals a day now falling far short of these buyers' needs and expectations.

Modern retirement options centre on offering a quality lifestyle in a secure community for mature people, with many now accepting residents from the age of 55.

6. The silver tsunami

Whilst we may not yet have discovered the long-coveted elixir of eternal youth, the truth is that humans are now getting older than ever before; we are living longer, working longer and, as a result, the 60-plus age group is far more active and independent than their predecessors.

This population sector, otherwise known as baby boomers, is, in fact, the fastest-growing consumer group in the world and it's forecast that by 2050, their numbers will have swelled by an additional billion, which means they will account for one in five of the population.

Armed with an increasingly higher spending power and a growing share of overall income, they are quickly becoming key influencers for many corporations and industries.



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7. The millennial influence

And it's the millennials who are leaving the biggest footprint on the industry. Not only are they now the largest buying group, they're waiting longer to buy a home and many of their needs are very different from any of their predecessors and, as a result, they're changing the way homes are chosen and even the property landscape.

When looking for a home, both groups prioritise factors like good internet connectivity and living within an easy commutable distance from work or college and they have precipitated new trends like hipsturbia and the terms like 'walkability'.

Born in the age of technology, millennials are often regarded as the smartest and most educated generation. They will do

extensive online research and expect clean, simple and quick transactions. They generally don't respond well to old fashioned sales techniques and prefer concise texting for day-to-day communication.

8. Home automation

Although smart features were available a decade ago, there were only a few options that were mainstream. However, entire smart homes are now increasingly common and the implementation of smart technology is becoming increasingly commonplace.

With the internet of things (IoT) now set to become a reality, home automation is likely to proliferate further, allowing home owners to regulate their home electricals and appliances with the click of a button, along with ensuring safety.

"That said, in the face of all the changes and advancement, I think it's important that we don't forget the value in good old-fashioned human interaction," says Odendaal, adding that technology should enrich our business and lives but it should not take over.

"Smart property professionals will use it to their benefit and to make their clients' experience a seamless and memorable one, but as buying or selling a property is a large financial and emotional decision, I believe face-to-face encounters will remain key."

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