

House about a change?

PropertyFox has predicted an evolving residential property market for South Africa in 2017. After many decades of very little movement, things are starting to shift rapidly in South Africa's residential property market, it says.



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“We anticipate 2017 will be a time when the industry disruption which has been gathering steam this year, really takes hold. And when consumers look for creative ways to make their properties work for them,” says Ashley James, co-founder of PropertyFox.

Here are five of the key changes PropertyFox expects to see in 2017:

1. Estate agent commission under scrutiny:

For years estate agent commissions have been pretty static, roughly between 5-7% of the sale price. But the way that property is sold has changed, thanks to technology, and the hard costs of bringing the property to market are way lower now. Disruptors, like ourselves, have realised that consumers can be charged a lot less for arguably a better service as offered by traditional agents. More and more owners will turn to this less expensive way of selling their property in 2017.

2. Fibre in the home – a growing sales point

Areas where fibre is fully installed will be in high demand. Fibre is a stable and fast internet connection which offers myriad benefits. It makes working from home a more viable option and allows you to have a truly connected home that uses the latest smart technologies without the hassle of slow or compromised internet. At the moment, key areas which already offer fibre include central parts of Pretoria and Sandton, but there are plans for roll-outs in many more suburban areas over the next year. This will be a drawcard for entrepreneurs, gamers and families who use the internet for TV, education, entertainment and more.

3. Owners will find other ways to earn income from their homes

People will increasingly look to ‘sweat their assets’ because, firstly, sites like Airbnb make it very easy to do so and, secondly, well that sluggish economy is forcing us to get creative. In 2017, this may impact how people buy as they look for homes that will double as an appealing place to holiday. So where someone may have opted for a four-bed in Bergvliet in

the past, they may now be more tempted by a two-bed in Oranjezicht as it has more income potential. This trend will also impact decoration decisions as the more clean and neutral look goes down better on Airbnb.

Related to this is getting a 'lodger' to help cover costs. More and more people will forego their natural aversion to having a stranger in their midst in order to generate income from their property.

4. Mom and pop investors swapping stocks for brick and mortar

Confidence in returns from stock markets have been low for some time and prevailing political and economic upheaval mean this is unlikely to change anytime soon. Because property is a bricks and mortar investment which almost always delivers some sort of return, many 'moms and pops' are choosing to invest their retirement money in property. The guaranteed rental income can be a safer bet than stock market returns. On the whole, this is not a bad thing for the property market except that it can make it harder for the 'bonded' to get their foot in the door as cash offers are always more attractive to sellers.

5. Houses with boreholes are now more attractive than those with pools

The countrywide drought has given a lot of us a shock and we can now appreciate that water is going to be a less stable resource going forward. More and more buyers will be put off properties with pools – which they'll see as expensive water guzzlers – and find boreholed properties more attractive. Linked to this, houses which are eco-friendly in terms of electricity (which is now over-the-top expensive) and water will grow in demand as they keep monthly costs down and will be easy to sell.

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