

Should investing in residential property be left to the experts?



By [Liezi Hesketh](#)

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Should investing in residential property really be left only to the experts? Those who purchase several buildings at a time or who buy, fix, and immediately sell - a process known as flipping? Should it be left exclusively to those who have a large investment portfolio or purchase only in the most upmarket areas? According to several recent articles, there are certainly people who hold this belief.

However, as an investment is considered to be any asset or item that is purchased with the hope that it will generate income or appreciate in the future, surely this opens the playing field to a much larger market, to those who should not be made to fear this arena as a place only for the so-called experts.

Consider this excellent real-life example: a 92-year-old woman living near a Pilots' Training Centre in Gauteng. She began supplementing her pension by converting her outbuildings into two granny flats and then put up two additional self-contained cabins. Her children, having learned from her example, bought the house next door, which they are converting into a commune and more granny flats.

Rent will help to cover bond payments

Potential homeowners need to realise they do not need to take on the burden of mortgage payments alone. This affords potential landlords the opportunity to purchase or keep a property, which can then be rented out, knowing the rent will help to cover bond payments. Although a single 25-year-old woman could rent a one-bedroomed flat, she may now choose to purchase a three-bedroomed house or a house with outbuildings, which can easily be converted into additional rooms and then share the costs by bringing in renters.

South African consumers have been warned that we are in for a tough year: an interest rate increase, another petrol price hike and, as a result, concerns that the price of food and public transport are also on the increase. All of this puts additional pressure on consumers who are already struggling to make ends meet.

Due to the fears of overextended credit, many homeowners are faced with the difficult choice of possibly needing to downsize while first-time buyers are overcome with concerns and put off the big purchase for another year.

However, there is no reason that prospective homeowners should not invest in property, or keep the property they have already, despite the "doom and gloom" economic forecasts. A property investment need not include only those who purchase entire apartment buildings (although, of course, it does include such a group) and preclude all others.

In addition, the demand for student accommodation has increased significantly and it is well known that students are struggling to find any space to lay their heads. The average person can potentially be a significant contributor to providing housing to university students, not only functioning as a personal investment, but also as a social investment that would go a long way to alleviating this mounting problem.

A surplus of rooms to rent in the private sector

There is a surplus of rooms to rent in the private sector that are ideal for students, but often home and property owners do not realise the space they have can be put to good use by renting to a student. Perhaps this is not considered a significant investment by some, but it certainly is a real investment opportunity for a large number of consumers and should not be dismissed. It is also not an investment that requires additional training, expertise, or time. In fact, it is literally for everyone in every market, because rooms of all shapes, sizes and rents in every single area of South Africa.

Perhaps the wording is too subjective - a portfolio investment may conjure certain images to one person, but to another, personal residential property is a real and valid investment for many people who are able to purchase properties and share the cost burden. While many working people do not have access to finance for big buy-to-rent investments, but smaller investments as an extension to their existing home is often within the reach of many. Also, when they come to sell, not only are they selling a family home - but they are selling a potential income stream for future owners.

As the founder of TheRoomLink.co.za, this has certainly been my experience. TheRoomLink.co.za is an online portal dedicated to matching students and young professionals with landlords, homeowners, developers, property agents, B&B/guest house owners, and student accommodation providers from all walks of life, all who have all, to a lesser or greater degree, successfully invested in residential property.

ABOUT LIEZL HESKETH

Liezl Hesketh is the founder of TheRoomLink.co.za, an online property matching site which connects renters and rooms.
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