

# The big influences set to impact the property market in 2019

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The factors that influence the performance of the property market are as numerous as there are fluctuations in the exchange rate. Still there are some definite trends that can be highlighted and that offer at least an indication of what the next year has in store for the industry.



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What happens in the property market is often a reflection of what's happening in the country at large – politically, economically and socially. Drawing on industry insights and expertise, these are the big influences that we can expect to have an impact on the property market in 2019 in the political, economic, social and technological arena:

## Political

An election year in 2019 is, as always, an interesting one for the property market. This is simply because elections signal uncertainty, which generally sees a reluctance by buyers to commit.

Uncertainty tends to evoke unease, and purchasing a property is a big decision (and investment), which needs to be coupled with confidence, which may seem elusive when the political future of a country is unclear.

The closer we get to the election, the more obvious the general sentiment around the favourability of investments will become.

The other big political concern that has an acute impact on the property market is the question around land expropriation. There is definitely still some concern around this issue, which means buyers are cautious and sellers are sometimes over-eager.

There's certainly a lot of uninformed hysteria being perpetuated, specifically on social media. At no point has government indicated that it would be pushing through a policy in which residential homes would be seized and any land reform measures would not be at the expense of the economy, national security and food production. Yes, there is a chance that certain categories of land could be expropriated, but as far as residential property is concerned, our message is that it's business as usual.

## Economic

With the country just recently emerging from a technical recession, market movements continue to be slow. Currently we're seeing residential property that is well priced because of a lower demand, which is good news for buyers while serious sellers will likely be forced to err on the side of conservative when it comes to establishing their selling price.

## Social

It's likely that the demand for property in sectional title and security estates will continue to grow in 2019. New sectional title units are often more affordable than freehold properties and thus an easier way to enter the property market. Security is always a concern and a property that offers a custom solution in this regard – like access-control, a 24-hour guard, security cameras and the like – remains an attractive option for potential buyers.

With major traffic congestion in most cities around the country, and the ever rising cost of transport, people are wanting to live as close to work as possible. Suburbs close to big business hubs that also offer easy access to amenities like good schools and shopping malls continue to flourish. Some of these include Century City in Cape Town, Durban North and Midrand.

## And technological

There's no getting away from technology's influence on the property sector. A variety of online tools and platforms that offer information, insights, analysis, cost comparisons and much more means that both buyers and sellers are more savvy, better informed and generally extremely on the ball. This is a wonderful thing for the property market because it keeps things competitive, transparent and cutting edge.

This certainly doesn't eliminate the need for a property agent or advisor. The role of a professional, trusted property advisor is, among other things, to deal with the often complex legal, financial and legal matters around buying, selling or letting a property, as well as advise clients on the value of a property relative to price. The technology simply helps people to do their homework around buying or selling a property, which tends to enhance the experience for both the client and the agent.

## ABOUT BRUCE SWAIN

Bruce Swain is the CEO of Leapfrog Property Group.

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