

How millennials are changing the real estate market

By  Adrian Goslett

7 Nov 2016

Millennials are standing up and making their presence known in the real estate market. While it is the generation X consumers who are still the driving force behind the property market, there are several areas around the country where millennials represent the highest percentage of recent buyers.



© Maksym Poriechkin – [123RF.com](https://www.123RF.com)

There are approximately 18.74-million generation X consumers in the country, however, millennials account for around 28.4-million of the population. This up-and-coming generation will have a massive impact on the economy and more specifically the property market going forward. As the future decision makers, millennials will be able to change the real estate industry as we know it and will largely influence trends that we see unfold. To a large degree, we are already seeing trends develop as more and more millennials influence the dynamic of the real estate sector.

Buying and lifestyle habits of millennials that will shape the economy and real estate industry:

Millennials would rather rent

There are a number of reasons that these younger generation consumers favour renting over buying. Given the increasing cost of living and challenging economic conditions in South Africa, many millennials are opting to stay in the rental market a while longer. There is also the desire to stay in trendier, often more expensive areas that they would not afford to buy in. Renting offers them the freedom to pick up and go with relative ease. While millennials want their own space, many feel that they are not ready to manage a property and prefer to have a landlord take care of the maintenance issues.

Most do value homeownership and will invest in a property as they get older, however, rising debt and delayed life events will delay the process. When they do purchase a home it is likely to be an entry-level home that they can rent out if they decide to move away.

Millennials are tech savvy

Millennials are heavily reliant on technology and are more likely to use online search portals to find a home they like than going through an agency. In order to stay relevant, real estate professionals will need to have a strong online presence to successfully engage with the millennial generation. This includes a website with high quality images of homes and an

engaging social media presence.

Compact, efficient spaces

A large number of millennials are looking for a minimalist lifestyle which includes fewer possessions and smaller living spaces, as this provides them with both the flexibility and financial stability they want. Generally, millennials don't want to spend all their time at home but see their living quarters as more of a home base. As a result, they are comfortable in smaller, lock-up-and-go spaces. Many are also looking for homes with energy-efficient appliances and fittings so that they can reduce both their monthly living expenses and carbon footprint.

In order to cater to the wants of millennials, the industry will need to keep increasing its energy-saving home offering. Environmentally friendly, multi-functional spaces are highly appealing to millennial home buyers.

Millennials have already started to impact housing market trends and will grow in influence as their incomes increase and they begin to settle down. As this generation continues to effect change, the real estate industry will need to take their needs into consideration and innovate accordingly.

ABOUT ADRIAN GOSLETT

Adrian Goslett is CEO and regional director of RE/MAX Southern Africa. He joined RE/MAX Southern Africa in 2005 as a franchise development consultant, supporting various regions and offices. Throughout his career at RE/MAX he has held various positions. In 2010, after successfully leading 160 offices and over 1500 agents in six countries through the worst years real estate has ever seen in South Africa in 30 years, Goslett was appointed as CEO of RE/MAX Southern Africa.

- ▀ Predictions for the 2023 housing market - 7 Dec 2022
- ▀ When will housing market activity return to normal? - 16 Sep 2021
- ▀ Interest rate holds steady in face of economic instability - 23 Jul 2021
- ▀ What to do when a tenant asks for pets - 28 Jun 2021
- ▀ Should bond equity be used for debt? - 3 Jun 2021

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>