WHAT CONSUMERS WANT

ESTATE DEVELOPMENT TRENDS FOR 2020

By Rainmaker Marketing in partnership with North Global Group

South Africa is a global pioneer in estate living. The property market has seen a demand for diversified product offerings due to the consumer markets evolved needs. This has paved the way for personalised, inclusive and innovative developments. Rainmaker Marketing, an award-winning South African property development marketing and research company, shares insight into 2020's property development trends and how consumers are steering the direction of estate living.

Live-Work-Play

There are certain elements of living you are guaranteed within an estate, from state-of-the-art security systems to outstanding lifestyle facilities on your doorstep. Developers are pushing the boundaries in estate living with the movement towards forming estates that configure integrated and secure districts with schools, restaurants, commercial entities, medical offerings, markets and residential components within one holistic estate. This trend is being referred to as the "live-work-play" offering which has led to an increase of mixed-use developments.

A study by New World Wealth, recently confirmed the change in estate offerings, with developers opting to create small neighbourhoods as opposed to having homes evenly spaced around a large property.

Location and proximity is always going to be a key influence on the consumer's decision. Properties are being strategically located 5-minutes away from key amenities and modern conveniences. The areas experiencing the most growth are those positioned within a close radius of key amenities, namely hospitals, schools and shopping centres.

The price point sweet spot

It is evident that there is a huge investor and first-time homeowner market that is being accommodated for in newer and existing developments. The developments experiencing a fast rate of sale have been sensitive to property market conditions and are conscious of price points for first-time buyers. In light of this, developers are adjusting the size of homes to be able to deliver an entry-level price point.

"Between 2018 and 2019, Rainmaker Marketing has been behind the marketing of developments that have been acutely aware of the price point. The Woods and Ballito Groves are examples of developments that have been aware of their target market and conscious of their affordability; and as a result, have seen outstanding results. Ballito Groves launched in December 2018 with 1 and 2-bedroom apartments with prices starting from R680 000. Within 4 weeks from launch, Ballito Groves had sold all 114 Phase 1 units. The Woods is another residential development that offered 1, 2 and 3-bedroom apartments from R649 000, and saw 50 property sales within 50 days, which accounted for 82% of Phase 1. In just 16 weeks, The Woods sold out Phase 1. These kinds of figures are unheard of in the property development industry," explains Stefan Botha, Rainmaker Marketing Director.

Sustainability

There will be a sharp increase in the use of passive architectural design, along with the inclusion of smart meters, gas appliances, energy-efficient and water saving fixtures used more commonly in property development.

"Rainmaker Marketing has been fortunate in working with developers who strive to achieve eco-friendly estates in South Africa. One of the key players, who we believe has been innovative in curating a green, eco-conscious lifestyle is Elaleni Coastal Forest Estate. This North Coast KZN development has incorporated architectural guidelines that direct homeowners to build homes that are off-grid. They have made huge strides in creating an ethos that harnesses solar energy, harvests rainwater and is driven by living off the earth, while still maintaining a convenient and modern lifestyle for homeowners," explains Botha. "In the next 2 to 3 years, there will be a massive shift in developments becoming totally self-sustainable."

Multigenerational offerings

Gone are the days when retirement and life-style estates sat as separate entities. With the retirement consumer market looking for vibrant lifestyles, homes close to families and access to multi-generational communities, existing lifestyle estates are introducing retirement opportunities. "Leading, world-class estates within South Africa are paving the way by integrating retirement living into their holistic offering. Zimbali Coastal Estate has recently introduced Zimbali Lakes Resort, which successfully amalgamates premium lifestyle facilities along with pet-friendly, multi-generational living," shares Botha.

KZN North Coast demand

"The KZN North Coast is the fastest growing metro in South Africa. It is attracting investors from across South Africa, especially from Johannesburg and Western Cape. With the investor market looking for properties in sub-tropical climates, with easy accessibility to surrounding areas and amenities, as well as having the presence of good infrastructure, KZN's North Coast will continue to see property development and purchasing within this region," says Botha.

Short-term rentals

South Africans have latched on to the wonders of Airbnb and other online short-term rental solutions. There is a 106% year-on-year growth of guest arrivals in Durban using Airbnb alone. Botha reveals "Due to the increase in short-term rentals, developers have had to accommodate for this in their design of estates, by introducing waiting rooms and lounges, collection boxes, and changing the management rules for these estates to become more flexible. We are seeing developers create turnkey packages where they help furnish these investment properties at a fraction of the price and provide manuals for purchasers to better manage these short-term rentals. Another trend we are seeing in many developments, is the inclusion of virtual hotel solutions that are also built around business travel and tourism."

Smart future

Durban has been earmarked to introduce the first smart city in South Africa. Technology, sustainability and connectivity influence the consumer market and will result in smart property development. South Africa has just touched on the wonders of smart living with the incorporation of home automation and the integration of apps; creating a lifestyle that is merely controlled by the touch of a button will lure more consumers. This year, and many more to follow, will see developers really applying technologies and smart living elements to their product offering.

"South Africa is home to truly phenomenal land, diverse cultures and rich history. Property developers continue to accentuate these assets, modernise lifestyles, uplift communities and most importantly, listen to the needs and wants of the local consumer markets."