

## 9 global real estate trends and how to leverage them

Since the pandemic, there have been unprecedented shifts and emergent trends affecting the global real estate market as a result of lifestyle changes and increasing uncertainty in the market.



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While property has always been considered a stable investment option, investors need to be aware of the latest trends in order to make informed decisions, which Claude McKirby, co-principal of Lew Geffen Sotheby's International Realty in Cape Town's Southern Suburbs and False Bay says is especially important now.

"In order to properly leverage current trends, one has to not only be aware of them but also understand their origin, their import and their impact on the market.

"Because, although some of the currently emerging trends will probably be no more than passing fads, others are here to stay and will continue to influence the market for years to come."

McKirby says that the following are trends that investors should be aware of:

### 1. Aging populations and senior living

The global population is aging, leading to an increasing demand for senior living communities. Investors should consider investing in senior living properties that offer a range of amenities such as healthcare facilities, fitness centres, and social activities to cater to the aging population.

### 2. Short-term rentals and vacation homes

The pandemic has also led to a rise in demand for short-term rentals and vacation homes, with more people looking for private and secluded getaways rather than in popular and busy towns. Investors should consider investing in properties that cater to this trend, such as vacation homes or short-term rentals.

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### 3. Urbanisation and affordable housing

The increasing urbanisation trend is leading to a shortage of affordable housing in many cities worldwide. Investors can capitalise on this trend by investing in affordable housing projects to cater to the growing demand.

### 4. Rise of remote work

The pandemic has fundamentally altered how we work, with remote work becoming the new normal for many. This has led to increased demand for properties in suburbs and rural areas that offer more space and better work-life balance. Investors should consider investing in real estate properties that cater to this shift, such as single-family homes or multi-family properties with larger units.

### 5. Sustainability and energy efficiency

Sustainability has become a key consideration for many buyers and tenants, with eco-friendly buildings gaining popularity. Energy-efficient buildings not only help reduce carbon footprint but also offer long-term cost savings on utilities. Investors should consider investing in green buildings or retrofitting existing properties with energy-efficient features.

### 6. Demographic changes

Demographic changes are also having an impact on the real estate market. For example, the aging of the population is leading to an increased demand for retirement communities and assisted living facilities. Meanwhile, the rise of the millennial generation is leading to a growing demand for urban, walkable neighbourhoods that offer a mix of residential and commercial real estate.

### 7. Globalisation

Globalisation is leading to increased investment in real estate markets around the world. As more investors seek out opportunities in other countries, there is a growing need for global real estate investment trusts (REITs) and other vehicles that allow investors to invest in real estate assets in multiple countries.

### 8. Digitalisation and smart homes

The pandemic has accelerated the adoption of technology, with more homebuyers and renters seeking properties that are equipped with smart home features. These features include everything from automated lighting and temperature controls to voice-activated home assistants. Investors should consider properties that can be easily upgraded with these features to stay competitive in the market.

### 9. Political and economic uncertainty

Finally, political and economic uncertainty is a trend that investors cannot afford to ignore. From Brexit to trade tensions between the US and China on an international level, to SA's own crises, political and economic factors can have a major impact on the real estate market. Investors who are considering investing in real estate should be aware of these risks and take steps to mitigate them.





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## Leveraging these trends

In order to make the best investment decisions in relation to these trends, McKirby offers the following tips:

- **Research the market**

- Investors should research the real estate market in which they are interested, in order to understand the latest trends and demands. This will help identify properties and opportunities that are likely to offer long-term returns.

- **Evaluate the property**

- Investors should evaluate the property to understand its potential for long-term returns. This includes factors such as location, condition, and potential for upgrades.

- **Consider financing options**

- Investors should consider their financing options to identify the most cost-effective way to invest in real estate. This may include traditional mortgage financing, private lending, or even crowdfunding.

- **Diversify the portfolio**

- Investors should consider diversifying their real estate portfolio to spread risk and maximise returns. This may include investing in a range of properties such as commercial, residential, and industrial.

- **Consult with experts**

- Investors should consult with real estate experts, such as agents and property managers, to gain insights into the local market and identify potential investment opportunities.

- **Look for opportunities in emerging markets**

- Emerging markets offer a lot of potential for real estate investors, thanks to rapid urbanisation and rising middle-class incomes. However, investing in emerging markets can also be risky, so it is important to do your due diligence and work with experienced local partners.

- **Keep an eye on technology**

- Technology is changing the real estate industry in many ways, from making it easier to buy and sell properties to providing new ways of managing real estate assets. Investors who stay on top of these trends and invest in the right technology can gain a competitive advantage in the market.

- **Stay on top of political and economic trends**

- Political and economic factors can have a major impact on the real estate market, so it is important to stay abreast of changes and major developments.

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