

# Disruption brings opportunity - here's what's happening in property

By [Carl Coetzee](#)

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It is safe to say that almost every economic sector in the country has in some way been affected by the impact of the Covid-19 lockdown. And while it's too soon to make accurate predictions on the impact the national lockdown and the global Covid-19 pandemic will have on the property market in the medium- to long-term, it is sure to disrupt the industry in one way or another.



Carl Coetzee, CEO, BetterBond

But disruption, (recent) history teaches us, isn't necessarily a bad thing. In fact, it's often exactly what an industry needs to bring about new opportunities. Two key opportunities have already emerged, both of which present dynamic opportunities for not just the industry but at consumer level too.

## It's time for proptech to shine

In South Africa, there's every likelihood that a digital-first approach to property will become more pervasive in the coming months and years, and particularly as we look for innovative ways to strengthen and grow the industry amidst the global Covid-19 pandemic. Proptech can help make the industry more efficient and more resilient, with the purpose of driving more value for clients in the most relevant way.

The transparency and convenience that digital technology allows for means much of the power has shifted to consumers, which in turn means they are able to make more informed decisions.

At the most basic level, the nature of the interaction between the agent and buyer has changed significantly as digital resources bring the information about properties closer to them, helping them narrow their search and

empower them with all the relevant information pertaining to their search and interests. Having said that, the role estate agents play in property transactions remains vital. While the digital tools help to make information more readily available to the client, the agent offers advice and expertise that are invaluable in the home-buying process.



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BetterBond's own experience in recent days has further reinforced the power of online tools. While there has been a decrease in the number of enquiries and applications that BetterBond, a bond originator, has been getting for home loans, the fact that these applications are still coming in during lockdown at all speaks to the efficacy of the online systems and the fact that people are readily and comfortably using them.

When clients are equipped with the right knowledge and resources, they are able to make smarter decisions that ultimately enhance the industry.

## Now's the time for buyers

Even before Covid-19 and lockdown, the market conditions were that of a buyer's market in which supply outstrips demand, giving buyers both more options and more room for price negotiation. All conditions suggest that a buyer's market is likely to remain the status quo, which helps those looking to buy.

The lower interest rate – currently the lowest it's been in 47 years – also goes some way in making property investments more affordable and also more attractive in terms of consumer confidence. Add the fact that the threshold on transfer duty was raised to R1m earlier this year and that the price of property in general is likely to come down somewhat as a result of the overall strain on the economy, and the outlook is certainly positive for those who can afford to buy at this time.



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The favourable market conditions suggest that many tenants may now be in the position to purchase property for the first time, which bodes well for the industry and the individual.

Having said that, it seems unlikely that banks will grant 100% home loans as readily as in the past and, because the cost of funding loans will be more expensive, this could potentially also result in lower interest rate concessions than we have seen in recent months. This simply means that affordability, and a thorough understanding thereof, is even more essential now.

## ABOUT THE AUTHOR

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