

What does the rest of 2022 hold for property investment?

 By Richard Gray

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Rising interest rates, lowered Covid restrictions, and increasing expenses are but a few of the factors influencing the property market. What does that mean for the real estate market in 2022?



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Over the past two years of the pandemic, the real estate industry experienced interesting trends that, for the most part, had a positive impact on the market. Record interest rate lows coupled with a major rise in demand by first-time buyers translated into real estate companies reaching never-before-seen highs.

The recent change to Covid restrictions has us tasting a little bit of normality; rugby stadiums will start filling up, events will be back on the cards, and, hopefully, economic growth will be reignited. From a property perspective, a return to normality will see heightened activity in regions that have been greatly impacted by Covid. We will see a heightened interest to join the industry, developments will gain momentum, and interest in diversifying portfolios will come back to light.



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Consumers tightening their belts

There are negative effects too. The interest rate will rise back to its pre-Covid range in the next two years and ever-rising fuel costs impacting an increase in all-household expenses will play a major part with regard to affordability. It is hard to ignore that consumers are tightening their belts and many are in a price pinch, impacting consumer confidence. Buyers might be a little more cautious, but that doesn't mean they aren't going to buy.

What we need to understand is that in an emerging market like South Africa with huge economic growth potential, real estate will always be a fantastic investment avenue. Capital growth in high-demand regions remains steady, and with the guidance of your estate agent, the world of property investment for both primary and secondary use presents an abundance of opportunities.

You just need to know what it is you are looking for and how to get it. Open your eyes to alternative options, explore an array of regions and speak to as many people as possible. Knowledge is your strongest ally.

ABOUT RICHARD GRAY

Richard Gray is CEO of Harcourts Real Estate South Africa. He joined the group in September 2010. Gray brings extensive experience in IT, project management, corporate operations and financial services provision, having been CEO of mortgage originator Bond Choice, to the table. He believes that the key to the group's prospects are the strong brand, industry-leading value proposition, talented people, and the benefits of being part of a powerful international real estate group.

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