How schools impact value of homes

By Adrian Goslett

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Purchasing a property is a large financial commitment, and as such, there are several vital aspects that buyers need to consider before taking the final step towards homeownership. While price and the type of home are a few of the factors that require buyers' attention, the most crucial aspect to consider is location.

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Most buyers in today's market will know that location is important, but not everyone knows what elements make an area a good location or not, or how this influences buying decisions. A major influential factor is the amenities within proximity to the area, such as the shopping mall and medical facilities. The one amenity that has the largest impact on property-buying decisions are schools. This is because they have an influence on both the housing prices in the area and children's education.

Homes in school districts sell for more

Regardless of whether prospective buyers have children or not, the fact that schools have such a large impact on the potential appreciation in value of the homes in the area, they require buyers consideration. Irrespective of the person's life stage, whether they are parents or not planning on having children, schools should have a bearing on the decision-making process due to the influence they have on the investment potential of the property. According to statistics, homes that are situated in areas which are the best school districts will, on average, sell for more than similar homes outside of these schooling zones. Essentially, it all comes down to a matter of demand. Areas within proximity to good schools attract a higher number of potential buyers. The increased demand for property in these regions pushes property values up. The appreciation potential of a home intrinsically links to the demand for property in the area. Even in a slow market, the resale value of homes in a sought-after area will often fare better and be more resilient.

School zoning system

The reason that schools have such an impact on home values and buying decisions is largely due to the school zoning system. Subject to there being space, a parent will be able to register their child at any public school. However, the Department of Education states that the school must prioritise children that live within the feeder zone. Children whose home address is within the feeder zone are given preference over those who live outside the zoning area.

Preference is also given to children whose parents live at their place of employment, such as in the case of a domestic worker who resides on the property. Children whose parents work in the feeder area are placed higher on the list than those that don't. Once all these children are given a place in the school, the remainder of the applicants will be considered subject to availability. If all spaces are filled, the remainder of the children on the waiting list will have to go to their second-choice school. The provincial department of education is obliged to find every child a place in a school.

Research

It is advisable for buyers to do their research on the schools in an area and how they are ranked before they purchase a property. Additionally, as purchasing property is viewed as a long-term investment, where possible, buyers should assess what plans they have for the future. While they may not currently have children, if they are a part of their plans, then considering the schools in a particular area could become a priority that influences their buying decision.

To get information about schools in a certain area, buyers can contact their provincial department of education or browse the website. The Department of Education has a countrywide database of all public schools that can be of assistance to property buyers. This database has information such as the school address and contact details.

Buying a property is a huge decision that should be carefully considered. Having the necessary information at hand will ensure that buyers make the best decision when choosing a home.

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.

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