

Sharing isn't just caring - it's also impacting the property market

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7 Feb 2020

The sharing economy and its cousin the caring economy already have deep cultural roots across South Africa. The practice of extended families sharing a property and relatives assisting in the purchase of property, while not new, look set to enjoy a resurgence as local market conditions mix with fast-growing global trends.



Image source: Gallo/Getty

The high cost of living and tough economic conditions, coupled with South Africans' growing comfort and familiarity with sharing economy platforms like Airbnb and Uber, will make a bigger impact in 2020 as more people look at smart, cost-effective methods of gaining a foothold in the property ladder.

Sharing economy expands to niche offerings

The term sharing economy refers to the shared use of everyday goods and services, and in more recent times has expanded to include other niche offerings like office space and residential property.

Airbnb successfully changed how people think about short-term accommodation. For the first time, individuals could easily share space in their home as a casual way of making extra income or build a booming small business around a simple granny flat. Fast forward to 2020 and purchasing a home with friends or extended family makes increasing sense for young people and those looking to cut costs while still living in suburbs and neighbourhoods close to good employment opportunities and preferred schools.



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Rise of the caring economy

Gloomy economic conditions over the past few years have led to the rise of what's known as the caring economy. This global trend describes parents helping their adult children purchase property either by providing assistance with a deposit or by purchasing a property in full in their children's name. Here at home, we see this trend happen alongside young professionals, who are often the first in their family with a university degree, purchasing a home for their own parents, grandparents or other close relatives.

Generational property collaboration is an especially attractive option for first-time buyers who may lack the necessary finance or experience to take the first step into independent home-ownership. Parents very often lend a hand by acting as surety for a home loan which is another way the younger generation's property ownership aspirations can become a reality.

As we become ever more connected to technology and accustomed to the disruption it brings, real estate developments both here in South Africa and abroad will continue to evolve to meet the demands of the modern buyer who knows exactly what they want.

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