

# Micro Living with a Macro Lifestyle



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The definition of a micro living is geographically dependent but, on our KZN North Coast, it means living in a property ranging in size from about 15m<sup>2</sup> to 30m<sup>2</sup> and priced between R500,000 and R1 million. The target market is millennial creatives and professionals ranging from 20 to 35 years of age.

The fundamental idea of micro living is trading the luxury of space, usually found in the suburbs, for significantly smaller space in the heart of the metro where all the action can be found and where real estate prices are usually the most exorbitant.

By buying a smaller space, the absolute ticket price is more affordable and, if the development is designed properly, this doesn't come at a lifestyle cost as its facilities match and often exceed those found in a lavish suburban home – albeit these are shared between the resident community.

By being in the heart of the action, micro-dwellers enjoy walking access to the metro's top-rated attractions, entertainment options and amenities like restaurants, bars, clubs, shopping centres, concerts and stadiums. The central location usually also provides walking access to the workplace and key transport hubs.

This way of living begs the question of whether owning a car is even necessary. If the development provides an Uber collect-and-drop facility, shuttle service or car pool arrangement, these millennials may well choose to disown the inconvenient rigidity of monthly car installments, fuel and maintenance and rather opt for the ultimate freedom and flexibility of a pay-as-you-go solution. After all, the end goal of micro-living is to have ultimate flexibility and maximum lifestyle with minimum admin.

Another upside is the sense of community and lifestyle as residents engage with other like-minded people in activities such as gym, yoga, pilates, or even catching up over a cup - or bottle - of the latest brew – all within the boundaries of the scheme.

The living space itself requires innovative design to facilitate space saving and an example of this is having a fold-up bed that doubles as a dining room table, or which may even be raised above the living area altogether to free up space in the apartment.

The micro living proposition may also make good financial sense as it allows purchasers to get onto the property ladder by acquiring apartments in fantastic areas that would usually be financially out of reach. Additionally, when the time comes to move on, the purchaser may choose to rent out the property at a high yield or re-leverage and buy a second property facilitating the growth of a property portfolio.

The micro living model dismisses the traditional notion of valuing property purely on a price-per-square-metre basis and rather requires investors to fully appreciate the value proposition of the development and the lifestyle – centrality, convenience, facilities and community – that it has to offer.

Fortunately, renters have long shed the umbilical attachment to the price-per-square-metre valuation method opting rather to value property based on its facilities, convenience and lifestyle offered. Consider holidaymakers, for example, who would far rather have centrality and access to the main attractions over a larger apartment further away from the action. Holidaymakers are seeking a hassle-free good time, and they don't differ too much from micro-dwellers in this respect.

This departure from square-metre-based pricing means that whilst a micro living apartment may be expensive when judged by traditional methods, so long as the development is designed to satisfy the needs of its target market, tenants will find value and be prepared to pay in excess of traditional square metre rates. For this reason, micro living apartments have been known to achieve rental yields far beyond those of traditional long-term rental properties and many sophisticated investors have woken to this opportunity.

Some people may feel that that micro living is claustrophobic, whilst others may really connect with this minimalist approach to living that simultaneously maximises flexibility, lifestyle and sense of community. I don't think this is for everyone, but I definitely think that it is going to appeal to an increasing number of millennials seeking to do things on their own terms.

We have just launched [The Onyx](#) in Umhlanga Ridge Boulevard.