

WHEN SHOULD I EXPECT MY ADULT CHILD TO MOVE OUT?



Approximately one in two 18-34 year-olds live at home with parents. As a parent, that means you have a 50/50 chance that your teenager is going to end up living with you for much longer than you might have expected ...

THE REASON BEHIND THE DELAY

The discrepancy between entry-level salaries and the rising cost of living is one of the largest contributing factors for this delay in leaving the nest.

However, it is equally difficult for the so named 'sandwich generation' to

continue supporting both their adult children as well as their aging parents who are living for longer than they were financially prepared for. At some point, parents also need to start investing more into their own retirement so that they don't later become a burden to their children. Unless your adult child is contributing towards rent and household expenses, it might be beneficial to both yourself and your children to encourage them find a place of their own.

CALCULATING THE COSTS

It can be challenging for young adults to start out on their own and settle for less than they are used to, particularly for adult children who grew up in middle- and high-income homes. While some might truly be unable to afford the expense of living on their own – particularly those under the age of 25 and just entering the job market – this is certainly not true for all.

Depending on where one looks, one could get away with around R5,000 in monthly rent for bachelor flats and even lower if one considers house-sharing options. Many rentals include water and sometimes electricity costs, but even if they don't, it's highly probable that these amounts will come in below R1,000 per month. Other expenses include grocery bills which, depending on buying and eating habits, can be budgeted at around R1,000 – R2,500 for one person. Fuel and transport costs will vary from person-to-person but should also be factored into the calculation. Then there are any debt amounts a person might have, such as student and car loans. In short, anyone clearing roughly around R10,000 a month should manage to afford the costs of living on their own.

WAITING TO BUY

For those who prefer to live at home until they are able to afford the costs of purchasing property, a minimum of around R15,000 per month after tax will afford them a home loan of around R500,000. Admittedly, this does not afford a person much, but it is possible to purchase a small apartment or a fixer upper for this amount if you know where to look. However, young buyers will have to keep in mind the bond, transfer and initiation fees that go along with such a purchase, which would cost them just over R30,000 on a R500,000 property.

A FRIENDLY WAKE-UP CALL

Young adults need to remember that most older adults did not start where they are today. Many start in an apartment in a less than ideal part of town and slowly climb their way up from there. This is the great thing about investing in property. Even if all you can afford is a small studio flat at first, by the time you sell, your property is likely to have appreciated enough in value to afford you a much nicer home. All it takes is patience and the correct real estate professional to help you make wise investment decisions with your purchases.