

Over recent weeks I have been inundated with calls and emails from clients and journalists asking for my assessment of how the COVID-19 pandemic will affect property.

The only thing I can say with absolute certainty is that the market/s will overreact because they always overreact, both positively and negatively.

The most common issue overlooked by property analysts is that residential property is more than an investment category. The home is the core of a person's lifestyle, a safe place in a rapidly changing world, status, a reward for effort. It offers so much more than the bottom line of the balance sheet in an investment portfolio. It is enjoyed every day by every member of your family.

COVID-19 is a game changer on many levels which will impact numerous aspects of life. How will it impact property? I can only speak for the premium end of the market. There will be the usual hiatus, hesitant buyers, concerned vendors who are likely to hold off selling until the dust settles, resulting in a lack of quality stock. That said, some will have no choice or overreact, so there will be some distressed sales. Hindsight shows that people who purchased during, or immediately after, tumultuous events were handsomely rewarded.

After decades in the industry I have witnessed the reoccurring theme of first mover advantage. Also, market conditions when you buy are less relevant than market conditions when you sell and how long you hold.

There is a great deal of panic in the world, but panic is not a component of better decision making.

Property is the true constant of investment categories. As Franklin D Roosevelt said, "Real estate cannot be lost or stolen, nor can it be carried away. Purchased with common sense, paid for in full, and managed with reasonable care, it is about the safest investment in the world." It was true in the Great Depression and it is true today. The home is the cornerstone of wealth.

No doubt there is much emotional and financial pain ahead for the world, but, this too shall pass.



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