

Impact of Covid-19 on location choice and future living spaces

Dr Andrew Golding, chief executive of the Pam Golding Property group, considers how the Covid-19 pandemic and ensuing economic crisis will impact on our choice and location of accommodation and living spaces.



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“While the current global pandemic may or may not ultimately deliver a complete ‘global reset’, many commentators are postulating there can be little doubt that Covid-19 - like many previous global crises - will leave some kind of long-lasting legacy. The residential property market is one sector which is likely to feel those lingering after-effects.

“One of the fundamental changes many of us have experienced in the recent weeks of lockdown has been the shift to remote working. While the necessary technology for remote working has long been available, it has ultimately taken a global pandemic to firmly prompt the shift online.

“Although in recent years, flexi-time in order to avoid peak hour traffic congestion has been adopted by some businesses, and some have already been working from home due to the nature of their occupations, the realisation that remote working is a viable and achievable option has given rise to a new wave of thinking among both employers and staff. And who knows, if some scientists are correct, a potential need in the future for periods of social isolation would reinforce this emerging trend.”



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Permanent shift to online

Certainly, says Dr Golding, the realisation that it is possible for at least a portion of the workforce to remain productive while working from home, may well mean that the shift to online becomes permanent. This is likely to prompt companies to

consider reducing their overheads - cutting their office footprint and the number of associated parking bays - with potentially significant ramifications for the commercial property market.

“For employees, fewer days spent in the office each week will also reduce costs, as less time and money will be wasted on the increasingly congested daily commute and paying for amenities like parking. And while the cost of fuel has recently dramatically reduced, how long will this cost-saving last? Even essential workers, who still have to commute to their place of work, could potentially benefit from the resultant easing in congestion.



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Suitability of current homes

“Faced with significantly more time spent at home, amidst a shift to remote working or simply as a result of any possible future lockdowns, homeowners may well begin to reconsider the suitability of their current homes.

“This would be particularly true of those who have opted to significantly compromise on personal living space, residing in small compact studios, apartments or homes, with the intention of using shared facilities such as gyms, restaurants and co-working spaces. While these common or shared spaces may not be available during a lockdown, the prospect of any future sustained periods of social distancing amidst fears of infection may well reduce the appeal of shared amenities and much smaller living space, particularly in highly densified areas.”

Says Dr Golding: “In addition to a possible desire for more generous living spaces, even more multi-generational living with shared costs, the prospect of more time at home may well increase the attractiveness of access to private outdoor space - no matter how compact - while the imminent return of loadshedding may increase the desire for a greater degree of self-sufficiency at home, such as solar panels, boreholes or even an urban food garden.



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Greater home sustainability

“As with online working, the shift towards greater home sustainability appears to be an example of the Covid-19 crisis accelerating trends that were already underway.

“In recent years, the combination of worsening congestion and rising house prices has seen many South Africans opting to sacrifice living space for homes closer to their places of work or transport hubs - a trend which has fuelled the rapid development and densification in business nodes and commercial hubs across the country. The question is, for the abovementioned reasons, will Covid-19 slow the pace of densification in our residential markets?”

“And could it accelerate the move to smaller towns across South Africa? Others have opted to move to suburbs on the periphery of major metro areas or, increasingly, to smaller towns and villages - particularly those located along South Africa’s extensive coastline – many of which have traditionally been viewed as retirement or holiday destinations but which now beckon as permanent residential locations.”

Influx of younger buyers

Concludes Dr Golding: “As a result, in recent years, many of these areas have seen an influx of younger buyers and those relocating for future retirement, attracted not only by the relative affordability of the homes but also by the improved amenities, such as private schools and hospitals, and importantly, more relaxed lifestyles.

“Bearing in mind that at present, we remain in the early stages of this pandemic and therefore have no idea as to its full extent and its likely long-term implications, it is also likely that the longer it drags on, the greater its impact on the way we live and work will be.”



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Move toward decentralised living

Adds Sandra Gordon, Pam Golding Properties senior research analyst: “At present it appears possible that the recent trend towards densification in business hubs will slow, as social distancing and remote working become more mainstream. The desire for more generous personal living space may well accelerate the trend towards more decentralised living.

“Longer-term, developers will undoubtedly adapt to the long-term effects of the pandemic and growing concerns around climate change. In the same way that better sanitation was introduced in the wake of the Spanish flu a century ago, post-pandemic innovations for commercial and residential developments are likely to emerge in the years ahead.

“The key challenge for developers in future will be to combine density with safety, creating spaces which create a sense of community yet also ensure the health of residents.”

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