

Savills Residential Global Market Sentiment Survey



Markets adjusting to disruption of Covid-19

Buyers, vendors, and businesses adapting to weather the storm

Over just a few months, Covid-19 has disrupted almost every corner of the globe. In the residential market, this has led to transaction numbers drawing to a standstill in many countries as lockdown measures prevent sales. Savills Research has carried out a sentiment survey of Savills global residential network to assess how Covid-19 is changing the residential property market.

Across all respondents, 47% anticipate vendors keeping their properties on the market at current prices, though 48% anticipate some level of price reductions.

On the whole, few vendors are leaving the market and the majority of buyers are still looking for properties, creating many opportunities for business after lockdowns are lifted.



Here we provide an overview of how market conditions have changed since the start of the pandemic based on our survey of 50 experts across the Savills global residential network.

CURRENT MARKET SENTIMENT
Covid-19 has disrupted the

residential market across the globe but there is significant variation in the different locations, countries and continents.

When asked what proportion of buyers that are still looking and will travel as soon as lockdown is lifted versus those who have put

Key stats



90%
...of respondents stated that 30% or fewer of their buyers have stopped looking



Vendors
Only 6% of vendors considering removing their property from the market



Buyers
...likely to prioritise home offices, Wi-Fi, and green spaces in future properties



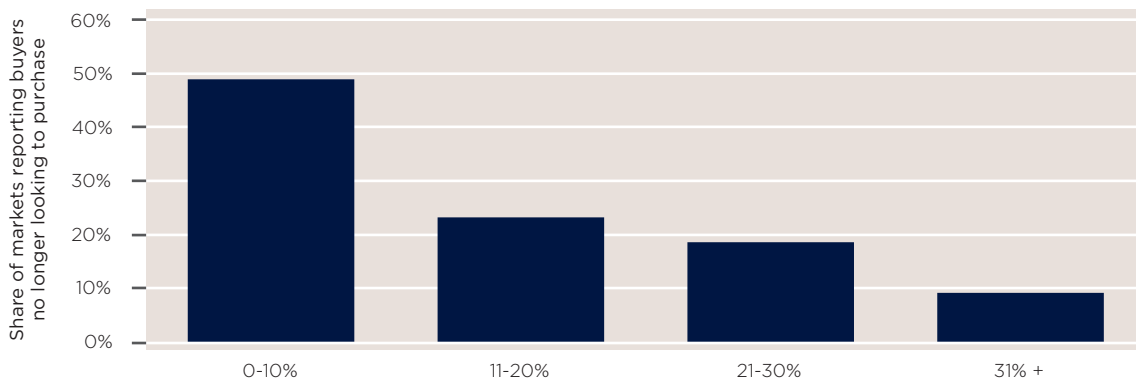
Businesses
84% of respondents believe that there will be a further shift to online marketing



30%
...of markets reporting legal changes to better facilitate business

Buyer Sentiment

What proportion of buyers in your region are no longer looking to purchase a property?



Source Savills Research

About the survey

The Savills Residential Sentiment Survey is designed to take the pulse of residential property markets worldwide which is important in today's fast-paced environment. The findings provide a snapshot of current market conditions and future trends based on an internal

survey of 50 experts across the Savills global residential network. The results displayed are an aggregate of all replies, unless otherwise stated.

The survey was conducted on 20th to 24th April 2020. Responses come from markets within the following

countries: Austria, Bahrain, Barbados, Cayman Islands, Croatia, Cyprus, Czech Republic, Egypt, France, Greece, India, Italy, Monaco, Montenegro, Oman, Portugal, Russia, Spain, Switzerland, The Bahamas, United Arab Emirates, and the United States.



In some luxury second home hotspots, including the French Riviera, very few buyers are expecting a lower price

► their plans on hold for the time being, there was a fairly even distribution for both. Some markets such as Lake Como in Italy have found more buyers have put plans on hold for a period. Others are still looking and will travel as soon as lockdown is lifted, such as the majority of buyers in the South West of France where there is significant proportion of rural properties.

One clear trend is that, whether buyers are planning to look straight after lockdown or will pause briefly, very few buyers are stopping their search altogether. Over 90% of respondents stated that 30% or fewer of their buyer have stopped looking altogether.

Price reductions are topical at the moment and the majority of respondents stated that a high proportion of their buyers expect to get a lower price than before the lockdown. This is particularly noticeable in countries like Spain which have seen severe lockdowns and where there is more available stock. There are a few exceptions; in some luxury second home hotspots, including the French Riviera, very few buyers are expecting a lower price.

As well as very few buyers withdrawing from the market altogether, the survey highlighted that only 6% of respondents are seeing vendors considering taking a property off the market or having already done so. The remaining vendors are broadly split into two categories: those who have or are considering

lowering prices and those who are keeping their property on the market for the same price.

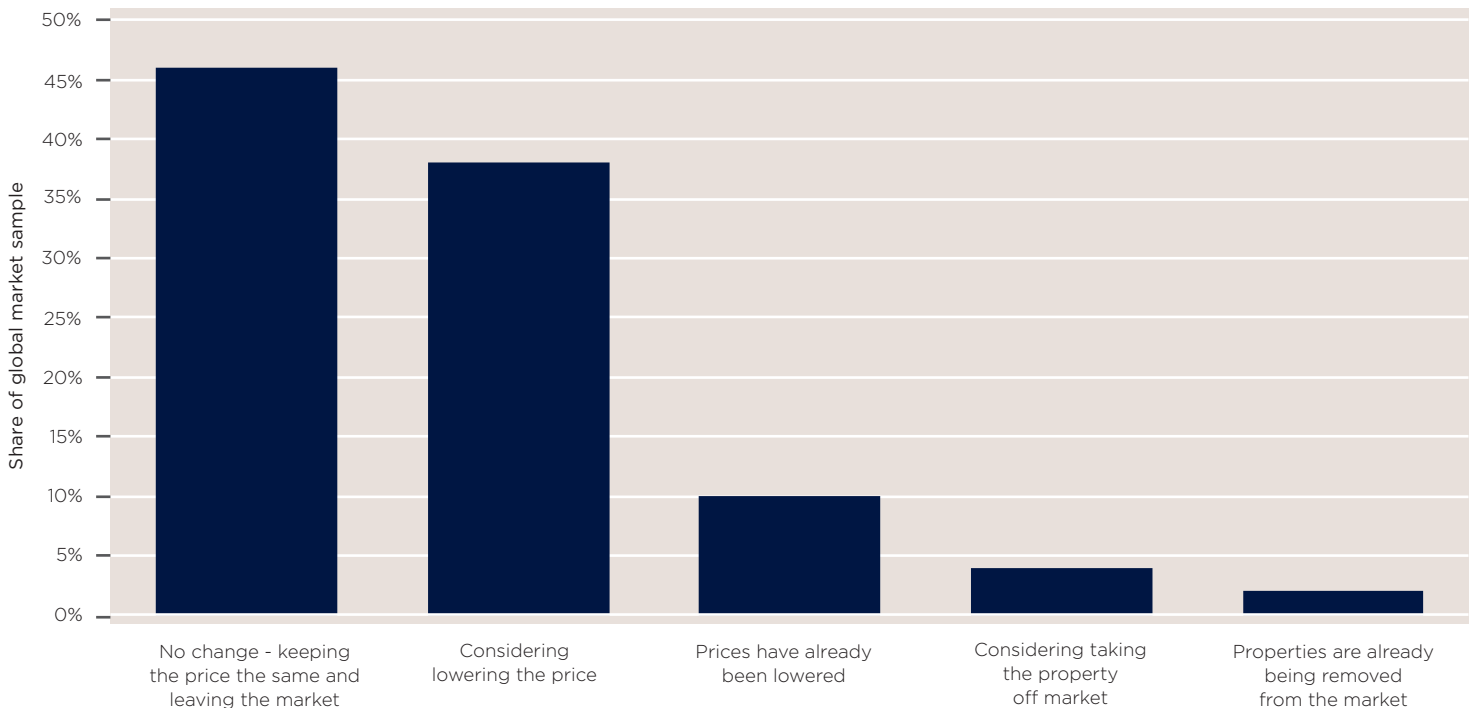
BUSINESS PRACTICES

While the survey demonstrates that the majority of buyers and sellers are still keen to transact, the various lockdowns and social distancing have made business as usual difficult. Technology has enhanced communication from a distance as three quarters of respondents are using video conferencing and half are doing video tours.

There have also been some swift legal responses to make business possible. Changes to their legal systems were reported by 30% of respondents. For instance, the introduction of the the AAE (Electronic Authentic Act) in France has increased flexibility with notaries with electronic writing now having the same probative force as a writing on paper (Article 1366 of the French Civil Code). We have also seen some buyers appoint local power of attorney in order to keep a transaction moving. ►

💬 **Technology has enhanced communication from a distance as three quarters of respondents are using video conferencing and half are doing video tours** 📍

Vendor Sentiment How has vendor sentiment changed since lockdown measures in your location were announced?





Green space in its various forms is expected to be a priority after the Covid-19 pandemic passes

► LONG TERM IMPACT OF COVID-19

Buyer demand

One of the impacts of the lockdowns in various countries is that people are spending significantly more time in their homes. This time is allowing households to dwell on what they need in a home, particularly in a post Covid-19 world. An increase in homeworking after Covid-19, which is expected by 86% of respondents, is likely to have a direct impact on the residential market as buyers shift priorities. Three quarters of respondents believe that demand for a home office will increase, and 83% believe that good Wi-Fi will be a priority for buyers going forward.

Green space in its various forms is also marked as a priority for buyers with 73% of respondents agreeing that demand for green spaces for urban buyers will increase. A further 61% of respondents believe that demand in rural areas will be on the rise. These design and location desires are factors that developers across the world will

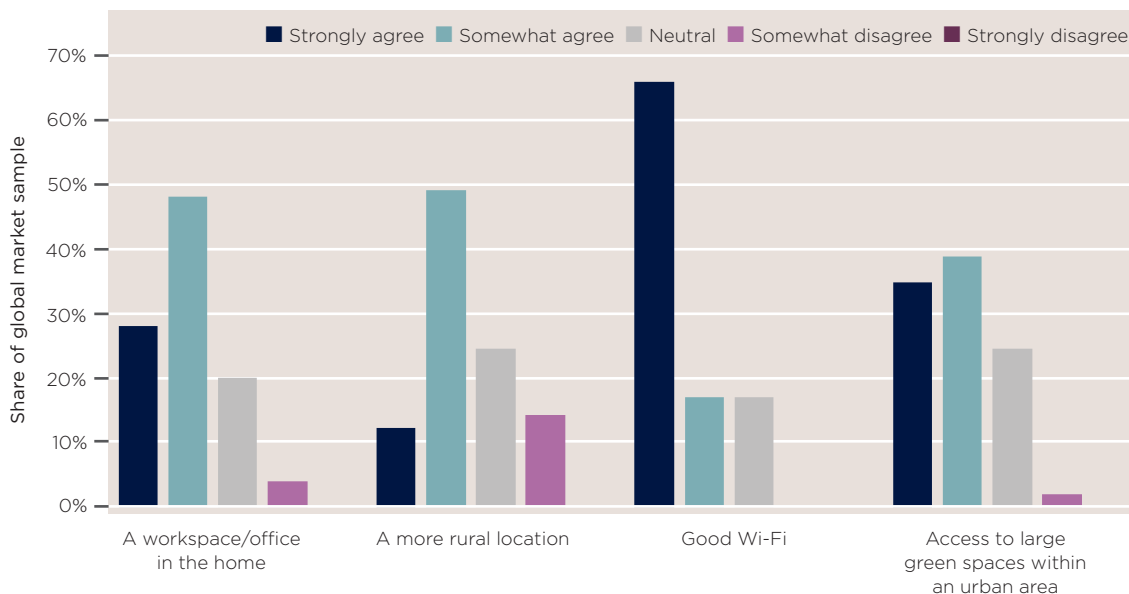
need to take into account when designing the homes of the future.

Change in business practises

Covid-19 has also increased the use of technology in the home buying process and 84% of respondents agree that there will be a further shift towards online marketing in the future. During lockdown, potential buyers were unable to physically view properties, which led to an increase in virtual viewings. Just over half of survey respondents believe that viewing protocols will change after the lockdowns are lifted. Examples of such changes are limited or no open houses and increased health and safety protocols.

“ An increase in homeworking after Covid-19 is likely to have a direct impact on the residential market as buyers shift priorities ”

Changing Buyer Demand Will the long term impacts of Covid-19 increase buyer demand in your region for the following?



Source Savills Research

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