

# Property sector scrambles to get back on board

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ANALYSIS



The Government's latest roll of the dice has left the industry blindsided and struggling to pass go

When the Government announced the reopening of the property market, many in the industry were blindsided. Trade bodies such as NAEA Propertymark were not anticipating the change would come so suddenly; it was only expecting to sign off on proposed guidelines for reopening at the end of May, while many estate agents were banking on reopening in June or July.

Now, the industry must creak back into action from a standing start. Agents report huge pent-up demand, with Andrews, a south London estate agency, receiving 226 calls in the first hour of business. Chestertons, another London estate agent chain, received around 35 offers for properties in the first morning of being open for business, mostly from buyers who pulled out of deals or were put off when lockdown measures came in.

Zoopla, the property portal, says that consumer demand is up 130pc compared to the past four weeks, while Jonathan Cunliffe, who sells dream seafront homes in the priciest areas of Cornwall, says inquiries have been rising for the past three weeks. The Government has calculated that the moves of 450,000 buyers and renters were interrupted by lockdown.

The industry will have to balance this huge demand that has built up with the need for safety. It is unique among other forms of business because it goes into people's homes, an intimate space that has become a battleground for an invisible virus. Agents will have to police themselves, as well as all parties involved – something that perhaps does not come naturally to some.

"I understand the Government's position in reopening but now we have to rely on the competence of agents, and put people over profit, protecting the health and safety of staff," says Becky Fatemi of luxury London estate agency Rokstone. She has been doing essential viewings during lockdown wearing full PPE, including a face visor.

The worry is that the desperate need for commission and clients will force beleaguered estate agents to break the rules. "I hope some agents



## Safe as houses England's market is back in business but it's not quite a home run

IN ENGLAND, every step of the buying and selling process can now be done legally within new guidelines.

Housing markets in Northern Ireland, Wales and Scotland, however, remain shut.

**Q Are estate agents now open?**

**A** Sales and lettings have been restarted, but branch reopenings will be ad hoc. Agents are working out how

they can run their businesses within social distancing guidelines and how many staff they should bring back from furlough. Dexters has opened its 70 London offices by appointment, Knight Frank has begun arranging viewings and market appraisals and plans to open offices on Monday, as will Winkworth.

**Q When will house viewings restart?**

**A** Legally, in-person house viewings can happen any time from now, provided nobody involved is showing coronavirus symptoms. The new Government guidance says that viewings should happen virtually in the first instance, and that speculative viewings are discouraged. Open houses are banned.

**Q What are the new rules?**

**A** The Royal Institution of Chartered Surveyors, which has issued additional guidance, states that viewings should be restricted to two adults from one household and should be accompanied by an agent (at a two metre distance) wherever possible. If children have to be present for viewings, they should be prevented from touching anything. Sellers will be

asked to open all doors and switch on lights before vacating the property for the duration of the viewing, and will need to clean surfaces before and after.

**Q Can I now exchange contracts?**

**A** Yes. House moves are now allowed under lockdown and removal services can operate. However, the Government advises to include a degree of

flexibility in your contract. Completion dates could have to move if someone involved needs to self-isolate.

**Q But are there exceptions?**

**A** People in the vulnerable and shielding group should not go through the process of buying, selling or moving house unless it is deemed essential, according to the guidelines.

don't go all gung-ho and promise the client everything," adds Fatemi. As a case in point, she had spent the morning on the phone arguing with a potential buyer who had insisted that she had to take them on a viewing.

The sudden nature of the opening of the market means that many agents are unprepared for both installing safety measures in their offices, and getting hold of crucial PPE needed for viewings. Agents will also have to train staff for the new socially distanced world, including wearing masks and gloves, preparing vendors to wait outside during the 15-minute tours, providing paper towels for the buyer to clean their hands, and even the physical act of cleaning the keys after each viewing. Some of the guidelines are open to interpretation too, including the stipulation that the property has to be cleaned between each viewing, but not to what extent.

While there is anxiety among some agents, others are ready to get on with the job in hand. "With common sense, estate agency isn't something that should be too tricky," says Cunliffe.

"Ten years ago this might have been difficult when we operated from a shop front, but in the past decade most inquiries are online or by telephone." He will hold his first viewings tomorrow, but will restrict them to buyers who are serious and financially viable. While Government guidance demands buyers use online viewings in the first instance before physically touring the property, Cunliffe says his vendors are uncomfortable with virtual tours for security reasons.

It also underlines how the new rules for socially distanced viewings will be easier in some places than others, with a 2m distance more easily kept in vast country piles than small city flats. Letting agents may encounter even more problems, faced with the potential conflict when shepherding out unwilling tenants for viewings.

This initial surge of demand may be very short-lived. While many of the deals that were frozen during lockdown will get moving, Capital Economics reckons that at least a quarter of sales currently in progress will be cancelled. This is partly because a good chunk of the paused transactions will be among the 7.5m people furloughed.

With the pool of prospective buyers having shrunk significantly, agents may be tempted to bend the rules. And any progress in the market will be tied to that of the virus: the more there is around, the less likely vendors will want to invite buyers into their homes. Jeremy Leaf, an estate agent in north London, adds that there is "the danger of complacency". He says: "The virus is still the same. Nothing would be worse than going backwards, it would be awful for activity, for the market, and for people's health."