

Covid-19 and the Real Estate Sector

In these exceptional times CEPI calls for support for the real estate sector in 2021

The public health emergency caused by the Covid-19 pandemic has had an enormous impact on the European economy with ongoing consequences for the real estate sector. Lockdowns and restrictions in different countries throughout Europe have restricted the ability of real estate professionals to carry on their normal professional activities. Estate agents have at times been unable to conduct viewings (or these have been severely restricted) or meet with clients and help them with moves. The year 2020 saw falls in the number of transactions and there are concerns about the extent to which it will be possible to keep markets open in 2021 due to the continued spread of the pandemic.

Property managers have been faced with difficulties in ensuring the safe upkeep and maintenance of buildings, although in many countries their role has been considered essential making it important that they are able to continue to work. However, it is difficult to arrange for necessary works to be done whilst respecting rules on social distancing. Property managers of multi-dwelling units face particular difficulties in organising general meetings of co-owners so that necessary decisions can be taken. CEPI has already asked that the possibility be allowed in these exceptional circumstances for the relevant national legislation to be adapted upon request to allow for meetings of co-owners to be held virtually whilst still respecting the proper decision-making process. However it is not yet possible in all countries. Legislation was recently introduced in Belgium to cover this possibility, the details of which are available at the link below¹, and which serves as a good example of what may be arranged.

Throughout this difficult period a great deal of effort has been put into finding alternative, usually virtual, ways of working in the real estate sector, but challenges remain. These challenges are likely to continue into 2021 and attention must be paid to the needs of the real estate sector as part of the recovery of the European economy following the pandemic. CEPI calls for these needs to be recognised in the national recovery plans.

The crisis means that decisions concerning investment and the building stock have been delayed or postponed. It has also been difficult to complete the administrative formalities in the planning process for new stock resulting in further delays or cancellation of projects. This increases the ongoing pressure on the construction sector and raises concerns about shortages in the availability of new buildings and the general housing supply. There is also an impact on the renovation of buildings in concerns about the availability of funds and skilled workers.

Real estate professionals have an important role to play in the green transition with opportunities for upskilling and reskilling and investment in the necessary skills, with an emphasis on green and digital, to be financed under the new Recovery and Resilience Facility. If the EU is to realise the ambitious objectives of its Renovation Wave Initiative to double the current renovation rate and foster deep renovation priority has to be given to providing support to the real estate sector to maximise the green and digital impact on the current

¹ http://www.ejustice.just.fgov.be/mopdf/2020/12/24_1.pdf#Page20 p.20-21, CHAPITRE 19. — Mesures à l'égard de l'assemblée générale des copropriétaires, CHAPITRE 20. — Modifications à l'égard de l'assemblée générale des copropriétaires

building stock. This calls for greater incentives and the means to invest in training and new skills in national recovery plans in consultation with national stakeholders.

It must be remembered that most companies active in the real estate sector are SMEs and need urgent support to maintain their business activities whilst at the same time investing in digitalisation. The real estate sector is key to the economies of individual Member States and the EU economy as a whole. Investment in the sector has a multiplier effect in terms of jobs and growth.

Therefore, the needs of the real estate sector must not be overlooked going forward into 2021. A strong and stable real estate market is vital for the recovery of the EU economy. Sufficient housing supply for sale and rent must be ensured. There will also be opportunities for the continued support of the real estate sector in the implementation of the European Green Deal which must not be missed. Real estate and the built environment in general have provided shelter for all in the current difficult circumstances. The lessons of the crisis need to be learnt to protect the most vulnerable and increase the availability of housing as well as to raise levels of quality and energy efficiency in the building stock. This requires support for the real estate market and the professionals working within it to ensure its continued functioning in these exceptional times.

CEPI aisbl Brussels,
9 February 2021

Connecting European Real Estate Professionals Across Europe

The mission of CEPI, the European Association of Real Estate Professions, is to support the European real estate market and cross-border transactions by enhancing and strengthening the work and activities of real estate professionals. We represent twenty-seven national professional organisations of estate agents and property managers based in eighteen EU and EFTA countries. Their individual members are active in all sectors of the residential real estate market on a daily basis involving both sales transactions and long-term management. Transparency Register ID number: 1094652600-90.