

WHAT DOES THE FUTURE HOLD?

What will the new normal for property look like? Country living, super basements and the end of open plan, say the experts. **Katy McGuinness** and **Fran Power** report

THE property market may be in what one commentator calls 'a short-lived Ice Age', but there is widespread confidence that as the threat of Covid-19 recedes, construction will pick up, and prices will rally, and buying and selling will continue more or less where they left off.

The real long-term impact on the market though may turn out to be on what we buy, and where we buy it. There will, says Austin Hughes, chief economist of KBC Bank, be behavioural changes.

"For health and financial reasons people may sit on their hands for a while," says Hughes, "but ultimately [the property market] will move back to something like it was, coloured by people's experience of where they want to live and how they want to commute, which possibly will be influenced by their experience of the virus."

There may be new priorities, he says, "Do I want to travel long distances? Do I want a property where I have some space to myself?" It is going to affect buying behaviour in different ways in the longer term.

"Others are going to say, 'Hang on a minute, maybe I need to be more careful about being financially leveraged, or consider how long my commute is, or using public transport.'"

"The wisdom used to be: Make sure you find somewhere where there is good public transport, but now, maybe that isn't quite the panacea to all possible problems."

Dublin estate agent Owen Reilly has already seen one of his buyers change his house-hunting priorities. "One client cancelled the purchase of a pied-a-terre in Dublin and is now looking for a wilderness property in Connemara, that he can retreat to if this happens again," he says.

That retreat to the country is something that Maeve McCarthy has seen in her area of West Cork, a picturesque area known as a holiday home hotspot. "Every holiday home is occupied," she says. "Big, urban areas are great until something happens. Then you're more vulnerable. People are coming here because our community is so strong, we can all look out for each other. We're all managing to work from home and it works — the children can run around safely in the garden, and it's a short walk to the beach."

'This is going to be seismic, it will change everything'

James Butler, head of country agency at Savills, expects that, post lockdown, the country market will come into sharper focus too. "At the end of this, everyone in business will have had first-hand experience of working from home — and the peace of mind that it can, and does,

work — so there will be more of an opportunity to work from home in the future.

"In terms of location, buyers want accessibility to cities and airports, and privacy but not isolation. Of course in the country, you get much more bang for your buck with average values much lower than in the city; for families that don't need to be in the city that is a huge consideration."

At the upper end of the market, Owen Reilly predicts that one consequence of Covid-19 is that property owners will seek to install panic rooms and bunkers, and he expects there to be a growing demand for super-basements that exist in other cities around the world.

"There's no doubt that it's going to be a different world when this is over and we will think differently about a lot of things," he says, "how we design and build, and what we will do if tech stops working."

Rowena Quinn of Hunters estate agents says that, like many others, she too finds herself "scrambling to find a home office/homework space where we will be undisturbed to take that call, write that document or read our *Billionaire Boy* Chapter 4 out loud, but the reality is we are not in the office or in the classroom, and many of us now live in a space that is open plan. I expect when all this passes more people will be working from home and open-plan will need to be looked at. People will want to be able to convert an attic or a garage, or buy something with a good garden that will allow for an extension to provide more than one reception room downstairs or with room for a Shomera."

"This is going to be seismic," says Della O'Donoghue, managing director of M.Co, a project management company working with clients across a wide range of sectors. "It will change everything about how we live and work."

"If there are going to be more people working at home we have to think about practical things like pets and children, and about physical design to facilitate remote working. People need a dedicated work space that can be shut away and concealed if necessary — that can be a space under the stairs or a working wall in a bedroom. It's important that there's a mental distinction between work and home."

But the implications don't stop at just installing a home office. They spill over into how we manage our work/life balance and beyond. As O'Donoghue says: "Flexibility is key. Changes that might have taken years to implement are now happening overnight. It's not as black and white as saying people will work from home offices in the future. We are all interested in the big questions of how we live and work. We have to be genuinely agile and creative, there are challenges for employers. But there are positives too, we forget our capacity for change, for finding a new way."



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6 NEW PROPERTY PRIORITIES

1 GRANNY FLATS
Any home that comes with a separate self-contained unit that can be used as an isolation pod will become more attractive.

2 PANTRIES, LARDERS, WINE CELLARS AND EXTRA STORAGE SPACE
We are all going to want to be more prepared for shortages of food and household products in the future, so we'll need space to put an extra fridge and a big freezer, to store all the loo paper, sanitiser, flour bought in bulk for sourdough-making, dry foods that don't go off, fermented vegetables... and wine. Lots of wine.

3 EXTRA ROOMS RATHER THAN OPEN-PLAN
When there are more people in the house, trying to work and study, open-plan living becomes a challenge.

4 HOME OFFICES
Ideally a room with a door from which pets and children can be excluded during Zoom meetings.

5 WI-FI
Decent broadband is essential for working from home.

6 GARDENS
Outdoor space big enough for children to play, and to keep hens and grow a few herbs and vegetables. And if we're spending more time at home, outdoor kitchens with proper cooking facilities are going to become more important.

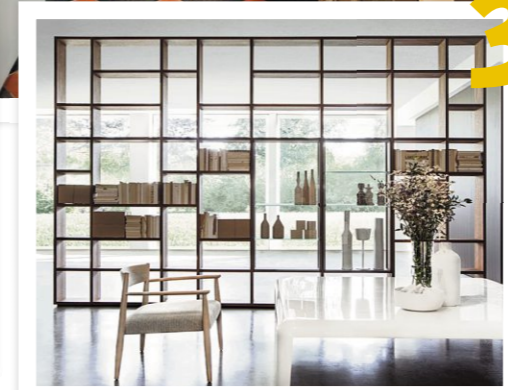
Clockwise from top, the new priorities — a home office rises to the top of the list, preferably with a door that closes; pantries, larders and wine cellars become important for better food storage and prep; the trend shifts from open plan back to separate rooms; courtyard kitchens, properly equipped like this courtyard kitchen on Horse Island, currently for sale (see below), will become more important, as well as enough garden space to grow vegetables and let the children play



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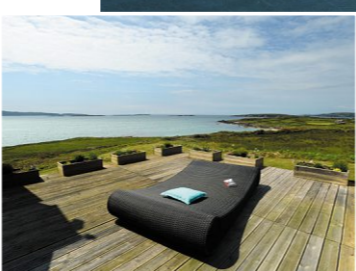
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SALES ENQUIRIES FOR €5.5M WEST CORK ISLAND SOAR

It's hardly surprising that a 63.5 hectare private island in Roaringwater Bay just off the coast of West Cork, with the capacity to be self-sufficient in energy and water, and with enough accommodation for 18 people, might seem like a good bolt hole at the moment. Horse Island, owned by Dublin financier Adrian Fitzgibbon, came to market in 2018 with a price tag of €6.75m, and was reduced to €5.5m recently. But according to Ron Krueger of estate agents Engels & Volkers, who is handling the property jointly with Colliers International, there has been a flurry of interest in the past few weeks from all over the globe. "We feel this certainly has a lot to do with the sense of security derived from the physical distance to the mainland provided, particularly in the current times of the coronavirus and lockdowns." That and the helipad, 150ft pier, four beaches, gym, farm, sauna, and luxurious six-bed main house, plus six other restored cottages which make it that much easier to be together but separate.



What can buyers and sellers expect?

TWO years into a falling market, house prices had begun to rise this year, according to a report published by estate agents REA during the week.

The length of time taken for a property to sell had reduced from nine to eight weeks, and there was more activity in the market.

Then Covid-19 struck, and activity froze. The effect was immediate. Dublin estate agent Owen Reilly reports that in one recent 24-hour period he saw 11 sales fall through. "But one property has just gone sale agreed for €1.3m too so it's not all bad."

Other agents report varying impacts. "We have agreed a number of sales over the past few weeks across all price points, with competitive bidding, and bidding continues on many properties," says Rowena Quinn, managing partner of Hunters. "We have had a few sales fall through, but by and large these were sales with legal or title issues, so I would have expected a number not to proceed in any event. There have also been a couple of casualties due to job uncertainty. I expect to see very few new launches in the coming weeks."

In Co Cork, properties that have gone sale agreed are holding firm, says Maeve McCarthy, of Charles McCarthy estate agents. "No sales have fallen through as yet, though a couple of buyers are trying to chip off prices. There's been no new business though — launches that were to come to market are holding off."

Not surprisingly, says Austin Hughes, chief economist with KBC Bank, there has been "a temporary sharp change in the flow of transactions, in the flow of new entrants to the property market on both sides." "[Covid-19] is very severe and very sharp in its impact on the economy but ultimately short-lived. We are still in circumstances where the underlying demand/supply balance and the underlying health of the economy are positives for the property market."

Owen Reilly comments: "In terms of prices, I'm conscious that it's going to impact negatively on the market but to what extent depends on how long this goes on for and how much damage is done to the economy. It's too early to say."

While Rowena Quinn expects things to slow down over the next few weeks, she thinks the market will lift quite quickly as a result of government assistance "as it is not a financial crash". As for property values, she reports that stock is tight and that she expects lack of supply to remain the key issue.

"Those with mortgage approval wishing to buy a family home will do so. If prices do dip, they will rise again. Those people are not going to be selling that home in the next year or two."

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