



Will the Real Estate Industry Recover After COVID 19?

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The COVID 19 global pandemic has hit the world hard. The US in particular has had the highest death toll and the highest rate of infections. Although there are signs we could be closer to a vaccine, it is clear the social and

economic devastation of the COVID 19 pandemic is huge. Many sectors seem to be affected and the real estate industry is not any different. But there is still one question in the minds of many stakeholders in the real estate sector. Will the industry ever recover?

The COVID Devastation in Real Estate

Before we get to the recovery bit, it is important to look back at the

extent COVID 19 has devastated the real estate sector. Well, for starters, the economic turmoil caused by the virus has led the world into an unprecedented period of economic uncertainty. While we know that at some point we will recover from this crisis, we still don't know how long that will take.

With these prevailing conditions, it's hard for anyone to invest in real estate. Even people who initially had plans to invest in property would

◀ understandably take a back seat and wait to see how everything plays out. As a result, demand for property is dropping and prices are nowhere near where they used to be.

The commercial real estate sector is also seeing massive shocks, especially as a result of mandated lockdowns in most parts of the US. Even though some states are opening up for business, the leasing of retail space is expected to be lower. Rental income is also at risk as unemployed Americans forego rental payments as they deal with the biting economic effects caused by the pandemic. The only silver lining in all this is that recovery is possible and may take less time than we think.

Will the Real Estate Industry Recover?

Yes, it will, that's a given. The question is how fast and strong will this recovery be. Well, it will depend on many factors. For instance,

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before the onset of the pandemic, a roaring US economy and record low-interest rates were crucial in spearheading growth in the real estate industry. While the economy will take some time before its back to where it was, we can pretty be sure that low-interest rates and another government-led stimulus will come to play. All these factors will be crucial in speeding up a nationwide recovery in this industry.

We are also expecting a massive

influx of capital once this crisis is over. The US government is already spending trillions of dollars in coronavirus relief. We expect a government-led stimulus to come into effect in the coming weeks, and this often means a massive injection of capital into the economy. Such capital will ultimately have positive effects on the real estate sector.

Despite this, there are some risks that we need to understand. For instance, it is likely that some businesses, based on their experiences of remote work, will decide to cut their office footprint in favor of remote work. There is also the risk of a second wave of infections that we need to be aware of.

Well, in case you'd like to get more insights on real asset investing and how you can diversify your portfolio, the [Brookfield Infrastructure Income Fund](#) is here for you. Give them a call anytime for more help.