

The COVID-19 pandemic has catalysed huge changes to the way we buy, sell and invest in property. But how many of these trends are here to stay, and what do experts say about the future health of the market?

## A RURAL REVIVAL IN RESIDENTIAL PROPERTY?

Desire for proximity to nature is creating a surge in buyers seeking to escape the city.



### Escape the city?

In Q3, **average prime values** outside of London **climbed beyond their 2007 peak** for the first time.

[Source: [Savills](#)]



### A booming country house market:

The **biggest increase** in Q3 – **3.4%** – was seen in the traditional **£2m+ country house market**.

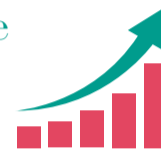
[Source: [Savills](#)]

What are the key considerations when advising buyers on future-proofed prime property?

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But the landscape could soon change – **especially if a vaccine becomes available** – and experts point out the need to **avoid a short-termist approach**:

**“I would urge caution. In the longer term the boom in the countryside market will have less of a marked impact than we might expect when looking at today’s data.”**



Tom Bill, Head of UK Residential Research, Knight Frank.



### COVID-19 tests the resilience of Prime Central London property

Travel restrictions have impacted activity from international buyers, **slowing the recovery of prime property** in comparison to the mainstream market, according to [RICS](#). But some areas of prime London real estate have remained buoyant, **namely leafy London ‘villages.’**



**“Would it be unreasonable to say that once a vaccine is discovered and London is open that it will continue to be one of the most vibrant cities in the world?”**

Jeremy McGiven, Founder, Mercury Homesearch.

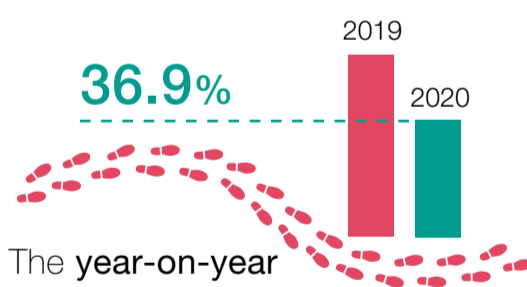


**16 out of 20** London ‘village’ areas have seen price rises in the last year.

[Source: [Hamptons International](#)]

## WHAT DOES FLEXIBLE WORKING MEAN FOR RETAIL?

The exodus of office workers from town and city centres has had a knock-on effect for retail property.



The **year-on-year drop in highstreet footfall** in September.

[Source: [British Retail Consortium](#)]

Changing consumer behaviour is fuelling a period of adaptation within the market, with sectors like logistics seeing a large uptick in demand thanks to the boom in e-commerce.



**92 million sq ft** – the amount of **warehousing space** needed to meet **e-commerce** demand by 2024.

[Source: [Knight Frank](#)]

Where next for the pivoting commercial sector?

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### Changing commercial trends

Alternative investments **such as student accommodation** are seeing growing interest. The economic downturn – and thus faltering jobs market – could see a rise in university applications, and therefore **greater demand for university accommodation**.



**“Our clients and wider well-capitalised investors will certainly see the current commercial property market as an opportunity to not only buy at rebased prices but also to create value in a dislocated and disrupted market.”**

Hayley Scott, Investec Structured Property Finance.