

Covid-19: How the lockdown will affect SA real estate, economy

Welcoming President Cyril Ramaphosa's decision to place South Africa in full lockdown in order to contain the spread of Covid-19, Adrian Goslett, regional director and CEO of RE/MAX of Southern Africa, has also recognised the strain this lockdown will put on businesses and the greater economy.



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“I commend the president for taking such a proactive measure against this pandemic. After speaking to Dario Castiglia, regional owner for RE/MAX Italy, I was convinced and firmly believe that a full lockdown is the answer to flattening the contamination curve and making sure that our hospitals do not get overrun by new cases,” he says.

Get creative

While Goslett welcomes the lockdown from a health and safety perspective, he also noted, “This lockdown will bring the economy to a standstill if businesses fail to get creative with their offerings and their operations in order to remain productive within this situation. To protect our economy, I would encourage all business owners to use this time wisely. If the business is unable to generate income over this period, use the time to develop your business goals and to work out a plan on how to recover once things return to normal. As business owners, it is our responsibility to do what we can to make sure our economy keeps on running.”

Similarly, he encourages real estate professionals to do what they can to protect the state of the housing market. “The housing market will inevitably take a knock over this time, especially if the Deeds Offices close and property transfers are delayed until they reopen. Many buyers will also be reluctant to sign an OTP without ever seeing the home in person.



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Minimising the downsides

“But, there are things real estate professionals can do to minimise the downsides of this situation. Agents should still be following up with clients via virtual tours and face-time conversations, trying to line up as many sales as possible so that they can hit the ground running as soon as the lockdown period is over. To protect buyers who purchase homes over this time, agents can draft OTPs with a suspensive condition that stipulates that the purchase will only go ahead once the home has passed a physical home inspection which can be conducted once the lockdown has been lifted.”

In summary, Goslett is encouraging all business owners to join efforts in operating responsibly and productively during these unique circumstances. “I back the president in his decision to launch a full lockdown. I believe that it is the most responsible course of action in response to this pandemic. As business owners and entrepreneurs, it is our duty to support this decision while doing what we can to keep our economy afloat by planning for business continuity after this period of isolation is over,” he concludes.

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