

COVID-19 IMPACTS ON THE REAL ESTATE INDUSTRY

SPURRING INNOVATION



Rob Jowett

UPCOMING DATES

APRIL

- 1 Brampton Council, 9:30 a.m. (CANCELLED)
Georgina Council, 7:00 p.m.
Hamilton Council, 5:00 p.m. (CANCELLED)
Mississauga Council, 9:30 a.m.
Richmond Hill Council Public Meeting, 7:30 p.m. (CANCELLED)
- 2 York Region Committee of the Whole, 9:00 a.m.
- 6 Ajax Community Affairs & Planning Committee, 7:00 p.m. (CANCELLED)
Aurora Design Review Panel (tentative), time TBC (CANCELLED)
Brampton Planning & Development Committee, 7:00 p.m. (CANCELLED)
Brock Committee of the Whole, 9:30 a.m.
Clarington Planning & Development Committee, 7:00 p.m.
Halton Hills Council, 6:00 p.m. (CANCELLED)
King Council/Committee of the Whole, 6:00 p.m.
Markham General Committee, 9:30 a.m.
Oakville Planning & Development Council, 7:00 p.m. (CANCELLED)
Oshawa Development Services Committee, 1:30 p.m.
Pickering Planning & Development Committee, 7:00 p.m.
Scugog General Purpose & Administration Committee, 1:30 p.m. (CANCELLED)
Uxbridge Committee of Council, 10:00 a.m. (CANCELLED)

Eposing businesses with unique challenges that could lead to long-term innovations in the real estate industry.

As of 11:59 p.m. on March 24, all non-essential workplaces across Ontario were ordered to shut down indefinitely or have employees work from home wherever possible. Businesses declared essential, such as grocery stores and pharmacies, are permitted to remain open to the public to allow people to access vital products and services. Land registration, real estate, and moving services are all deemed essential by the province. Continued operation of services in the construction and real estate industries is considered critical to supporting the province’s mission to significantly increase housing supply. Meanwhile, innovative solutions are needed to allow an industry that relies on a lot of in-person communication to

keep functioning.

“The biggest question is: how will this unfold in the long run? Will we go back to the way we did business previously, or will it have long-lasting implications or social changes to the way we operate?” **DiamondCorp** president and COO **Bob Blazeviski** told *NRU*. “I think what it may do is create a better way of working on sites and having protocols in place in terms of how [building] sites operate as well. So I see I do see some positive results coming.”

Real estate, planning,

and development companies have had to make significant adjustments to support social distancing efforts while continuing to operate, especially when it comes to customer relations. Both the **Ontario Real Estate Association** and the **Toronto Regional Real Estate Board** are recommending that companies stop holding open houses, hosting home shows, and conducting other in-person business in order to slow the rate of transmission of the virus. Numerous industry

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- Chris Vale



NRU PUBLISHING STAFF

Ian A.R. Graham, Publisher
iang@nrupublishing.com

Irena Kohn, Editor
irenak@nrupublishing.com

Andrew Reeves, Senior Reporter
andrewr@nrupublishing.com

Rob Jowett
Reporter
robj@nrupublishing.com

Peter Pantalone
Planning Researcher
peterp@nrupublishing.com

Jeff Payette
Design/Layout
jeffp@nrupublishing.com

Samantha Lum
Sales and Circulation
samanthal@nrupublishing.com

NRU PUBLISHING INC

SALES/SUBSCRIPTIONS
circ@nrupublishing.com

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Editorial Office
26 Soho Street, Suite 330
Toronto, ON M5T 1Z7
Tel: 416.260.1304
Fax: 416.979.2707

Billings Department
NRU Publishing Inc.
PO Box 19595 Manulife PO,
Toronto, ON M4W 3T9

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events, such as conferences and trade shows, have also been cancelled as a result of the pandemic.

“For now, we are still allowed to show homes. Personally, I’ve hit pause,” **Keller Williams Energy** sales representative and **Ajax-Pickering Board of Trade** transportation task force chair **Chris Vale** told *NRU*. “My business right now is just getting on the phone with my contacts and vendors in my database and just checking up on them and seeing how they are doing, and seeing if I can connect them with services that are out there that may help them through uncertain times, like banks and mortgage deferral programs.”

Vale says that he will be conducting home tours with [Matterport](#), a company which provides technology to allow clients to conduct virtual walkthroughs of homes through computer or a virtual reality headset that permits them to navigate a digital model of a property at their leisure. He says that he never expected to conduct home sales virtually, but that he expects a lot of real estate agents and companies will begin using tools like Matterport as standard

business practice due to their convenience and ease of use.

“[This public health crisis will] lead to a push for more virtual sales transaction capability,” **R-Hauz Solutions** principal and co-founder **Leith Moore** told *NRU*. “Sales outreach is a real challenge, and if you are not [doing] virtual sales already, you are shut down. You can do awareness, but not sales, and certainly not at [the] usual volume.”

Moore says the COVID-19 pandemic will likely lead to other innovations in the industry, such as homebuilding using more prefabricated materials manufactured off-site in controlled plants, both so that less time needs to be spent by workers on building sites and to improve the reliability of the construction materials supply chain. He also says he believes that even post-pandemic, more meetings, including internal company meetings, will be conducted virtually.

“It’s always is better to have a face-to-face [meeting]. But I think as we get used to using [video conferencing] technology, more and more of it probably will become more mainstream,” says Blazevski. “The use of video conferencing

has been important to keep things moving, and I think that’ll continue. Now, we have been using this technology for a while, especially with foreign architects. We end up having quite a few meetings through... [tele-]conferencing, and we do find it very effective.”

Video conferencing is also being considered increasingly as a way of continuing parts of the planning and development processes that have been negatively impacted by the restrictions on in-person contact during the pandemic, especially statutory community meetings and council decisions. Some municipalities such as Burlington and Barrie have begun holding council meetings remotely by livestreaming them, though at this point they are focussing on their COVID-19 response overall. But for the moment, all community consultations in the GTHA have been suspended, and this delay in a critical step of the planning process could lead to a slowdown in planning decisions and a temporary cooldown of the real estate market overall.

“I think business will certainly slow down in the housing market for a little while,” says Vale. “I do also believe... that the housing sector will slow down for a bit, but get back to more normal levels when we are in the clear. There are still more people

moving into the GTHA than there is supply. I think you will see that play out again in the months [following] the crisis.”

