

Date: 15 April 2021

Client: Allsop

Source: Property Week

INSIGHT

Fun is fundamental to property

By Scott Tyler | Thu 15 April 2021

Few industries have been as badly hit by the pandemic as hospitality. The ban on social gatherings, hotel stays and travel for the best part of a year has driven thousands of restaurants, bars and hotels into bankruptcy, despite increased demand for food delivery services and the Eat Out to Help Out scheme.



Source: Shutterstock/Drazen Zigic



Scott Tyler

According to Property Data, hospitality sector investment in 2020 plummeted to £2.65bn from £6.67bn in 2019, while there was a staggering 80% drop in pub and restaurants deals to £310m in 2020. We've stopped being shocked by figures like this, as the damage to this industry became synonymous with each lockdown.

Less talked about is the knock-on effect this has had on sectors like property. On the surface, our industry has survived: the stamp duty holiday spurred residential activity, while the e-commerce boom boosted industrial demand. Auction houses have found enormous success by switching to online sales, with more than 2,250 properties sold by Allsop since the first lockdown.

Less obvious to outsiders is how the foundations of our profession have been shaken. Our sector is people and relationship-driven to a far greater extent than other professions that have adjusted to remote working and limited social interaction.

Property professionals are a different breed. Our business is built on face-to-face interactions with contacts, colleagues and clients. This is the reason many of us chose this field in the first place. How many deals have been done over a beer or a pub lunch, rather than across a boardroom table? How many instructions, JVs and introductions have been the result of chance encounters around Wigmore Street? Remote working has eliminated some of the most fundamental and fun elements of our profession.

Our business is built on face-to-face interaction with contacts, clients and colleagues

I am also incredibly concerned about the generation entering the profession. They lack the contacts of more experienced colleagues and without those relationships and an established network, succeeding in our sector feels near impossible. Nurturing talent has always been our top priority and nothing beats on-the-job learning and networking. Zoom and Teams have been pandemic lifesavers, but are suboptimal if your goal is to enhance culture or strengthen relationships.



There has been much talk about the future of offices and whether a hub and spoke model or out-of-town business parks would replace our city-centric office culture. This hasn't happened in the way many predicted; after months of lockdowns and isolation, people want to be around as many colleagues as possible, to maximise exposure to learning and new opportunities. Our industry wants to be back in its well-trodden city-centre streets, where chance encounters and deal-making at bars, restaurants and hotels are possible again.

This is one of the many reasons we desperately need the hospitality sector to get off its knees. Our industry is surviving on the fumes of previously forged relationships, but this cannot continue forever.

Hospitality reopening will be the shot in the arm our sector needs; for businesses, their investors and those in the transactional world that need them to be open and buzzing for the sake of our next deal, training younger colleagues, and keeping networks thriving. As we are crossing that bridge, we can get the fun back into property.

Scott Tyler is senior partner at Allsop