



UP FRONT



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Some telling insights

The World Health Organisation declared COVID-19 a pandemic on 12 March 2020. I'm not sure if people will talk about that date in the same way some people say they remember where they heard the news Princess Diana had passed away. But it's fair to say COVID-19 has impacted more people across the globe than Princess Diana's passing (with all due respect to the Princess and her family).

We have just hosted the Australia Property Investment Forum where MSCI Australia announced the Property Council of Australia/MSCI Australia Annual Property Index 2020 Q2 results (you can watch the video [here](#) if you missed it).

There were a couple of telling insights in the results. Firstly, we have just experienced the first quarter of negative capital growth for property since the GFC. We have also seen a significant drop in income generated across asset classes. This is not unexpected, but it does appear to be a sign that the impact of COVID-19 will

differ from the GFC. The GFC was a credit crisis which had a significant impact on capital values, but income returns held up fairly well (generally speaking). It seems the 'cash is king' mantra (ie tenants who will survive through this and pay their rent) will be critical in navigating COVID-19.

No one likes uncertainty; it is unsettling for everyone. But that is where we find ourselves. Our thoughts are with our Victorian friends who are about halfway through their second (and harder) lockdown. I am very lucky (at the moment) to be in Queensland where life is different (the Reds are winning, but the Broncos are losing?!), but is certainly closer to normal than it has been for a while. I mention this only to make the point that while the situation might seem bleak and 'normal' seems far, far away for those in lockdown, as they say in the classics, 'this too will pass'. I sincerely hope you will be pleasantly surprised by how quickly things improve.

Take care.