



# Market Conditions

*June 2021*

**G. A. FARRELL &  
ASSOCIATES LIMITED**

*CHARTERED VALUATION*



*QUANTITY SURVEYORS*

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Woodbrook, Port of Spain  
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#51 Harris Street,  
San Fernando  
Tel: (868) 657-7162 / 657-5630

#9 Mulchan Seuchan Road,  
Chaguanas  
Tel: (868) 238-3697 / 239-2764

Shops of Arima, #51-59  
Tumpuna Road, Arima  
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Increases in COVID-19 vaccine rollouts across the globe have contributed to a decline in new cases leading to the easing of restrictions, as seen in some developed countries. So much so that the International Monetary Fund (IMF) expects the world economy to grow by 6% as opposed to its initial forecast of 5.5% in January 2021.

Amidst the expanding confidence that vaccination brings, it is reported that Trinidad & Tobago's overall spend on vaccines would be in the amount of US\$15.7M. The total quantity would ultimately mean that 85% of the population could be fully vaccinated. According to the Minister of Health, Terrence Deyalsingh, in May, herd immunity could be achieved in the next six to seven months (circa December 2021). As supplies continue to be accessed, this news is most welcoming in light of the alarmingly high number of daily COVID-19 deaths and heightened restrictions since May that are still in place; not to mention a State of Emergency and daily curfews.

## WE VALUE



**Residential  
Properties**



**Commercial  
Properties**



**Land -  
Residential /  
Agricultural**



**Industrial  
Properties**



**Special-  
Purpose  
Properties**



**Current  
Replacement  
Cost**

# Market Conditions (Cont'd)

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CHARTERED VALUATION  
&  
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**PORT OF SPAIN**

Tel 1: 624-6629

Tel 2: 624-8628

**SAN FERNANDO**

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Tel 2: 657-5630

**CHAGUANAS**

Tel 1: 238-3697

Tel 2: 239-2764

**ARIMA**

Tel: 230-5321

**TOBAGO**

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It was noted by the Minister of Finance, Colm Imbert in the 2021 Supplementary Appropriation and Mid-Year Review, that oil prices are fairing better than projected. For the period October 2020 to April 2021, the average price of local crude oil is US\$52.76/barrel which is about 18% above the budgeted price of US\$45.00/barrel. Oil prices have recovered from the unprecedented lows of 2020 due to key oil-producing nations contracting their supplies and to the growing demand as a result of economic recoveries in foreign geographical locations. However the benefits of higher-than-anticipated oil prices is overshadowed by a significant reduction in revenue gained from natural gas, which accounts for two-thirds of T&T's total revenues.

However, it is likely that activity would be bolstered by an injection of supplemental Government expenditure in the amount of just over TT\$2.9Bn to various State Bodies and Ministries. Another major development is the announcement that the borders are set to be reopened in the second week of July 2021, which is an indicator as good as any that T&T is on a path to social and economic recovery. This is likely to be on a phased basis, with returning nationals and citizens being in the first phase.

Regarding the property industry, the effects of current conditions has more or less shifted negotiating strength to buyers. This situation in the property market is aptly described as a buyers' market, meaning that prospective purchasers and tenants alike have more influence over the price of real estate and the 'price' (rental) of space within real estate. With regards to residential property, reduced costs of borrowing due to the freezing of the repo rate at 3.5% since December 2020 as well as more flexibility in property prices, are fuelling middle-income property transactions. Therefore the residential property market remains active.

In terms of the commercial occupation of buildings, certain businesses would have vacated since they could not sustain the protracted forced closures which formed part of strategic restrictions imposed to combat the spread of the Coronavirus. As such, void levels in commercial buildings and shopping malls have increased and property owners now find it quite challenging to rent their properties at what may be considered as pre-COVID rates.

In conclusion, it should be mentioned that currently there is a call to 'vaccinate to operate' as T&T continues its rollout of vaccination drives. Expectations are that current COVID-19 restrictions will soon be relaxed, in the coming months. As such the growing negative fallout from the pandemic might be softened as capital- and human-resource employment levels return to an acceptable range. However, the speed of advancement along the path to T&T's economic recovery will be mainly dictated by the resilience of its people and the evolution of the Coronavirus.

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