



## August 2020: RICS UK Facilities Management Survey

### Workplace and relocation management expected to be the fastest growing area of FM over the next twelve months

- Demand for FM services continues to fall within the retail sector, while growth remains strong across healthcare
- Twelve-month outlook now negative for FM employment and profit margins, despite positive expectations for workloads
- Majority of respondents envisage at least 40% of workers not returning to the workplace once restrictions are lifted

The August 2020 RICS UK Facilities Management Survey results continue to point to demand conditions being heavily influenced by the ongoing pandemic. As such, demand for FM services across healthcare still appears to be rising sharply, displaying the strongest net balance reading on a sectoral comparison for a second consecutive quarter. Conversely, retail remains the weakest performing category, with respondents reporting a steep decline in demand for the second report in a row (chart 1).

The previous quarterly feedback showed a significant shift in perceptions on which area of FM is likely to see the strongest uptick over the year ahead, with these views becoming further entrenched in the latest results. Indeed, workplace and relocation management now stands out as a clear leader in terms of expectations for growth in the year come (chart 3 overleaf). Similarly, cleaning continues to display a firmly positive assessment for growth over the next twelve months, a stark turnaround relative to its position near the bottom of the growth expectations rankings back in February. Aside from these two areas, the strategic planning and project management category displays the third strongest score when it comes to expected expansion in the August survey returns.

Meanwhile, respondents foresee bundled contracts and total integrated facilities management being the fastest growing types of FM service in the coming twelve months.

Interestingly, despite the weakening in the UK labour market since the onset of the pandemic, a headline net balance of +11% of respondents still reported an increase in headcounts across FM in the three months to August. That said, this is down noticeably on net balances of +28% and +47% posted in May and February respectively. What's more, forward looking sentiment on employment levels is now negative, evidenced by a net balance of -19% of survey participants expecting a reduction in headcounts over the coming twelve months. Likewise, a net balance of -29% of contributors anticipate profit margins coming under further downward pressure. This is in spite of still positive projections for overall workloads, with a net balance +58% of contributors envisaging an increase in the year to come.

With regards to attitudes towards sustainability, 63% of respondents now cite sustainability as being the most important issue for clients. This is up from a share of 56%

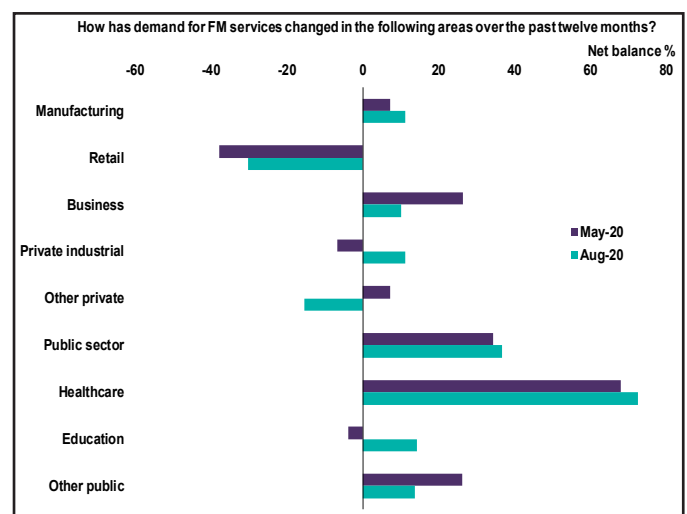
taking this view in both of the previous two reports. Alongside this, health and wellbeing, as well as energy management, were seen as the fastest rising areas of sustainability over the past twelve months.

On a less positive note, investment into apprenticeships and training seems to have lost momentum given the current economic climate. Whereas resources dedicated to both areas had seen solid growth earlier in the year, the latest returns point to a much flatter picture.

51% of survey participants report that the buildings they are involved with are now fully setup to operate with social distancing measures in place. On a scale of 1 to 6 (1 being not at all prepared and 6 being completely prepared) the average rating came in at 5.4. This is up from a rating of 4.7 out of 6 returned the last time the survey was conducted back in May.

When asked to estimate the proportion of workers that would eventually come back to the workplace once physical distancing restrictions are lifted, a majority of contributors continue to sense that up to 40% would not return (at least not to the same schedule as prior to the pandemic). These views are broadly aligned with those submitted last quarter.

Chart 1



# Key indicators

Chart 2

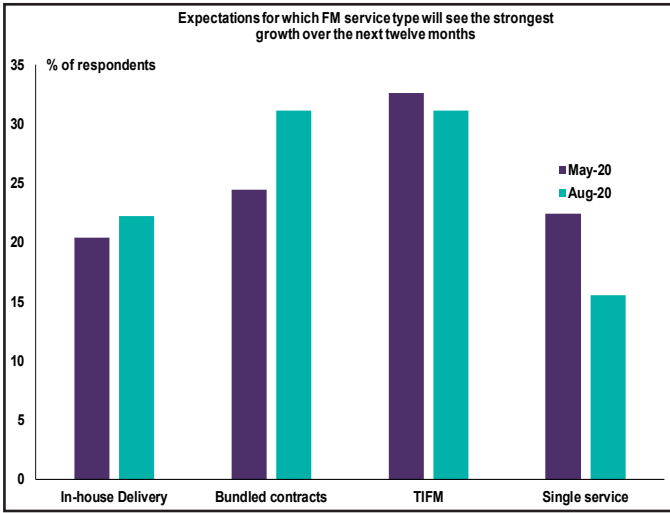


Chart 3

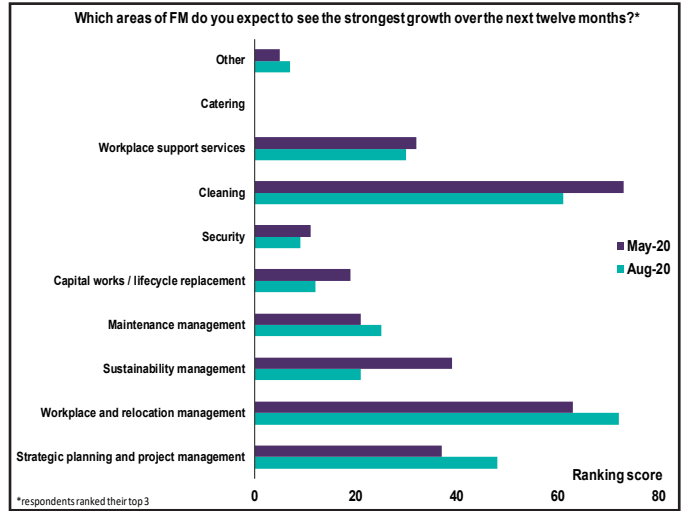


Chart 4

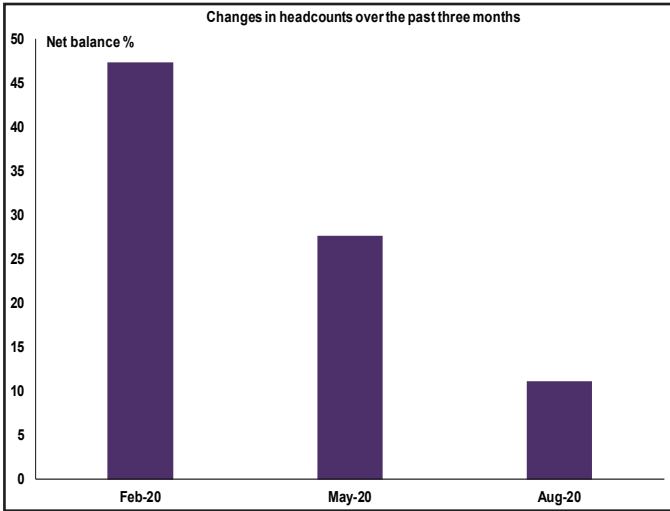


Chart 5

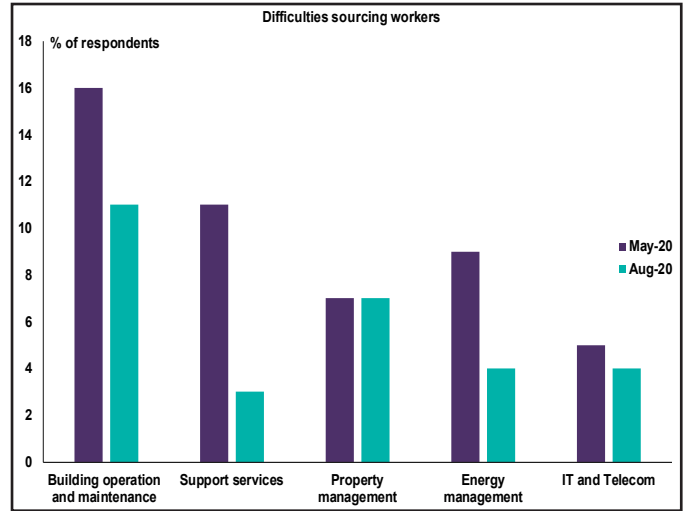


Chart 6

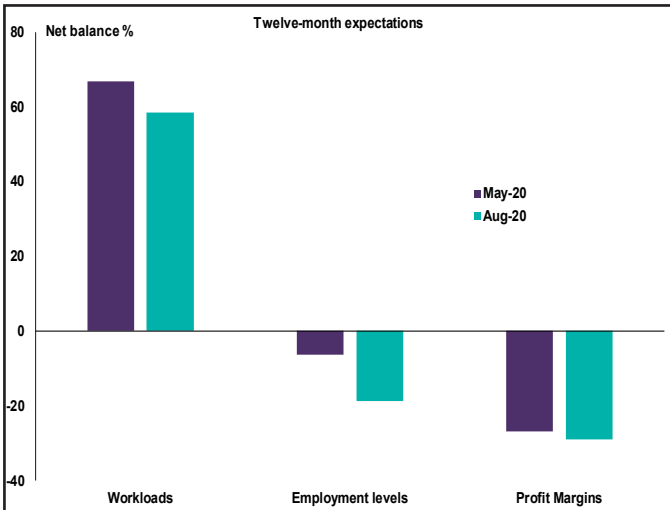
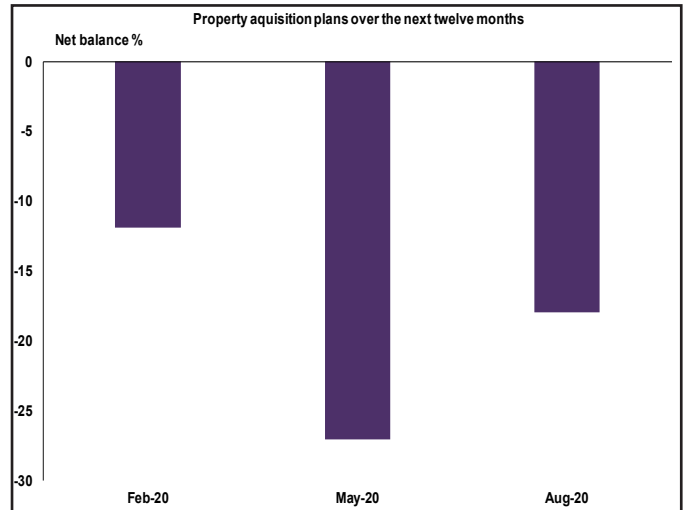


Chart 7



# Key indicators

Chart 8

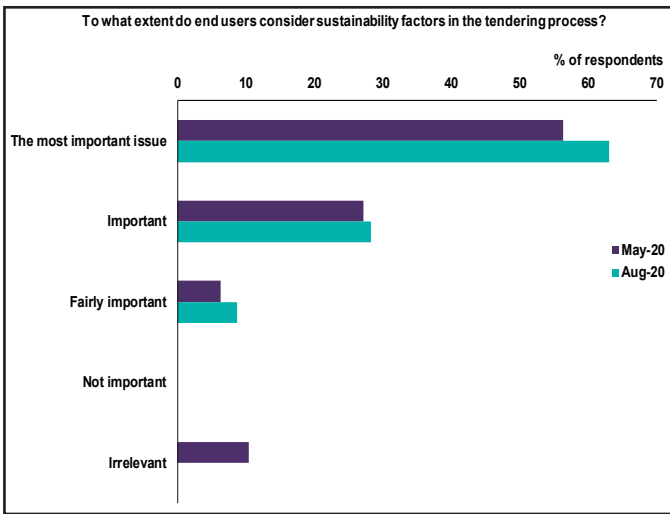


Chart 9

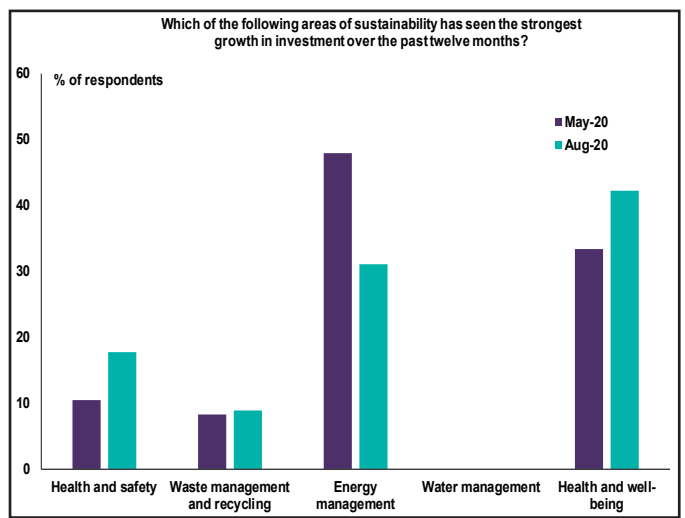


Chart 10

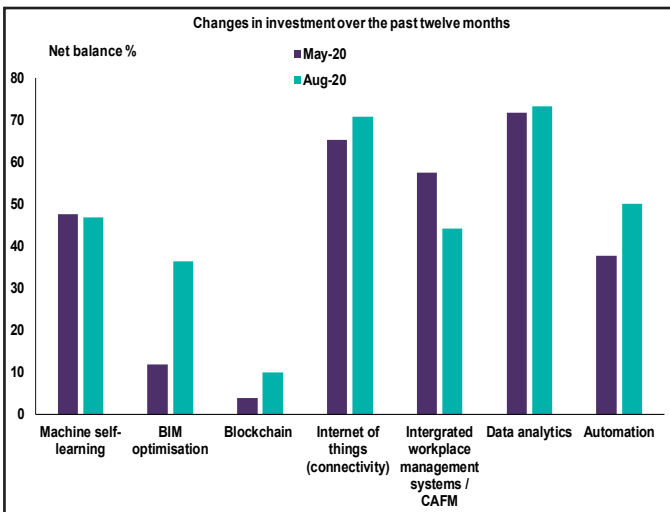


Chart 11

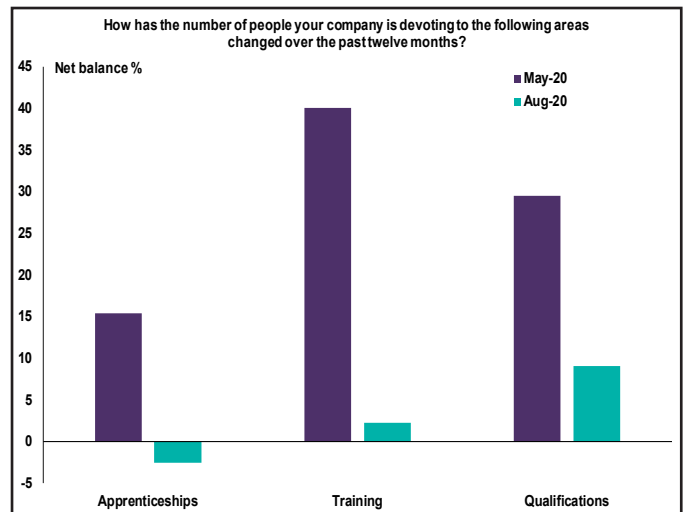


Chart 12

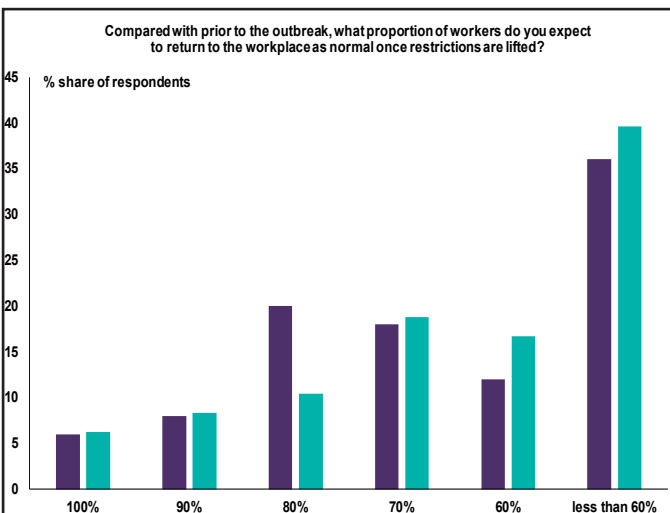
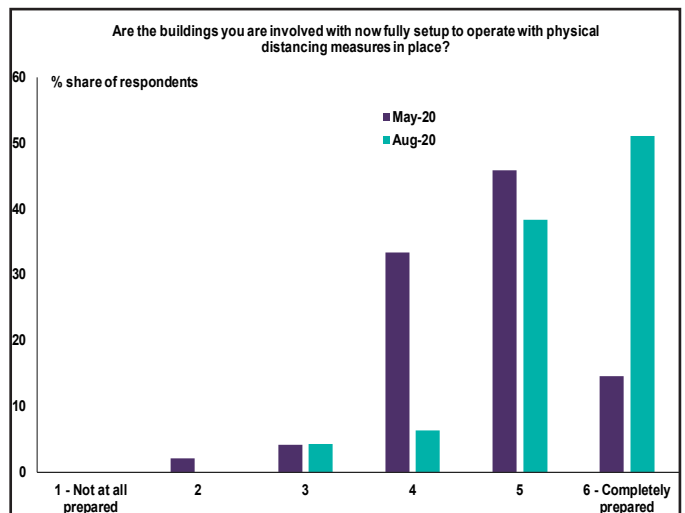


Chart 13



# Methodology

## About:

The RICS Facilities Management is a quarterly sentiment survey of Facility managers, service providers and FM consultancies who operate across the UK. Data collection began in 2020.

## Net balance data:

- **Net balance = Proportion of respondents reporting a rise in prices minus those reporting a fall** (i.e. if 30% reported a rise and 5% reported a fall, the net balance will be 25%).
- The net balance measures breadth (how widespread e.g. price falls or rises are on balance), rather than depth (the magnitude of e.g. price falls or rises).
- Net balance data is opinion based; it does not quantify actual changes in an underlying variable.
- Net balance data can range from -100 to +100.
- A positive net balance implies that more respondents are seeing increases than decreases (in the underlying variable), a negative net balance implies that more respondents are seeing decreases than increases and a zero net balance implies an equal number of respondents are seeing increases and decreases.
- Therefore, a -100 reading implies that no respondents are seeing increases (or no change), and a +100 reading implies that no respondents are seeing decreases (or no change).
- In the case of the RICS price balance, a reading of +10 should not be interpreted as RICS saying that house prices are going up by 10%, but that 10% more surveyors reported increases rather than decreases in prices (over the last three months).
- A change from +30 to +60 does not mean that the variable grew by 30% in one period and by 60% in the next period, but it does indicate that twice as many surveyors reported an increase compared to a decrease than in the previous period.
- Likewise, if we get a reading dropping from +90 to +5, this still means that more respondents are reporting increases than decreases overall, but the breadth of those reporting increases has fallen dramatically; meanwhile, a shift in the reading from -90 to -5 still means that more respondents are reporting decreases than increases overall, but the breadth of those reporting decreases has fallen dramatically.

## Questions Asked:

1. What is your occupation?
2. How has demand for FM services changed in over the past twelve months?
3. Which type of FM service do you feel will see the strongest growth over the next twelve months?
4. Which area of FM do you expect to see the strongest growth over the next twelve months?
5. Have you hired anyone new (additional) staff in the past three months?
6. Have you experienced any difficulties in sourcing workers in the following areas over the past three months?
7. How do you expect the following to change for your company over the next twelve months? (Workloads, Employment levels, Profit Margins)
8. Over the next twelve months, do you intend to? (Acquire more property, Retain the same level, Dispose of property)
9. To what extent do you sense end users consider sustainability factors in the tendering process?
10. Which of the following areas of sustainability has seen the strongest growth in investment over the past twelve months?
11. How has investment changed into the following technologies over the past twelve months?

12. How has the number of people your company is devoting to apprenticeships, training and qualifications changed over the past twelve months?

## Survey Management:

Tarrant Parsons

Tel: +44 (0)20 7695 1585

Email: [tparsons@rics.org](mailto:tparsons@rics.org)



## Confidence through professional standards

RICS promotes and enforces the highest professional qualifications and standards in the valuation, development and management of land, real estate, construction and infrastructure. Our name promises the consistent delivery of standards – bringing confidence to markets and effecting positive change in the built and natural environments.

### Americas

---

**Latin America**

ricsamericalatina@rics.org

**North America**

ricsamericas@rics.org

### Asia Pacific

---

**ASEAN**

ricsasean@rics.org

**Greater China (Hong Kong)**

ricshk@rics.org

**Greater China (Shanghai)**

ricschina@rics.org

**Japan**

ricsjapan@rics.org

**Oceania**

oceania@rics.org

**South Asia**

ricsindia@rics.org

### EMEA

---

**Africa**

ricsafrica@rics.org

**Europe**

ricseurope@rics.org

**Ireland**

ricsireland@rics.org

**Middle East**

ricsmiddleeast@rics.org

**United Kingdom RICS HQ**

contactrics@rics.org