



Q2 2021: RICS UK Facilities Management Survey

Outlook for workloads and employment levels across FM continues to improve

- Demand for FM services rises across all sectors with the exception of retail
- Workload and employment expectations for the year ahead continue to strengthen across the FM industry
- Growing share of respondents report difficulties sourcing workers in building operation and maintenance

The Q2 2021 RICS UK Facilities Management Survey results point to a widespread strengthening in demand conditions, with growth accelerating (in net balance terms) across virtually all sectors compared to the three months prior. Healthcare continues to display the strongest momentum, with a net balance of +91% of contributors reporting an increase in demand for FM services (up from an already robust reading of +87% previously). At the other end of the scale, the retail sector was the only area in which demand reportedly fell over the past quarter, albeit the latest net balance reading turned slightly less negative at -46% compared to -73% beforehand (chart 1).

For the fourth quarter in succession, survey participants rated workplace and relocation management as the area of FM most likely to see the strongest growth in the coming twelve months. At the same time, sustainability management is also widely anticipated to see solid growth in the year to come, while expectations remain similarly upbeat across strategic planning and project management. By way of contrast, catering and security continue to sit at the bottom of the expected growth rankings, mirroring the feedback returned in the previous survey round.

With regards to employment trends across FM, a headline net balance of +58% of respondents reported an increase in headcounts over the past three months. This is up from a reading of +24% previously and marks the strongest figure returned for this series since the survey's inception back in February last year. Looking ahead, twelve-month employment expectations also posted the strongest net balance on record, with the latest figure rising to +37% compared to +14% in the previous report. Given the improvement in hiring expectations, it is noteworthy that 51% of contributors are now citing difficulties in sourcing building operation and maintenance workers, a significant increase on just 28% finding this to be a problem previously. That said, no such issues were reported in finding staff for roles in support services, property management, energy management or IT and telecoms.

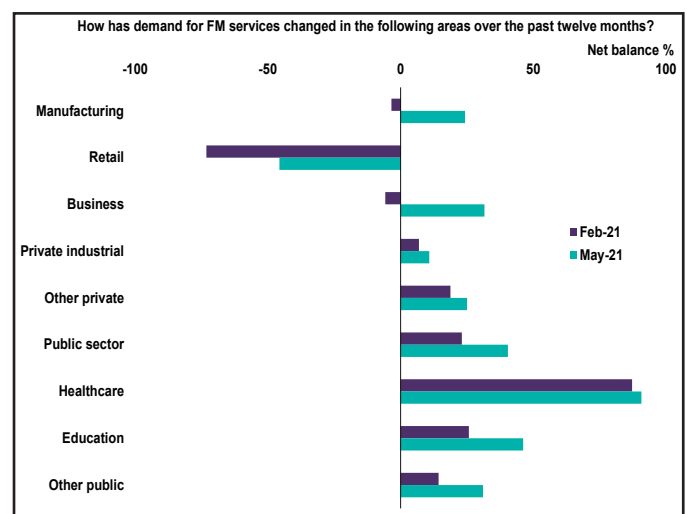
As for the expected trend in workloads over the next twelve months, a net balance of +86% of survey participants foresee a further pick-up (an increase on +70% last time). For the first time in over a year,

expectations for profit margins moved into positive territory, albeit only marginally, with the latest net balance coming in at +6% vs -15% last time. Furthermore, a net balance of +9% of respondents stated that they intend to acquire more property over the next twelve months, representing the first positive reading on record.

In keeping with the feedback received in previous iterations of the survey, 85% of contributors continue to sense that clients consider sustainability to be either the most important issue or an important issue. Alongside this, energy management, along with health and well-being, were again seen as the fastest expanding areas of sustainability. Meanwhile, 38% of respondents said that end users regularly consider implementing energy efficiency measures in buildings to reduce operational carbon emissions, with 43% feeling this one done occasionally.

Lastly, the number of people being offered apprenticeships, training and qualifications was cited to have increased across the board for a third consecutive report, with training in particular seeing an improved rate of growth (in net balance terms).

Chart 1



Key indicators

Chart 2

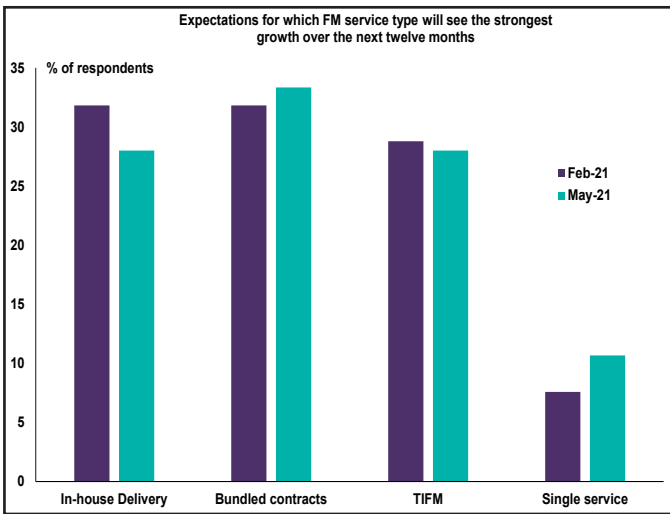


Chart 3

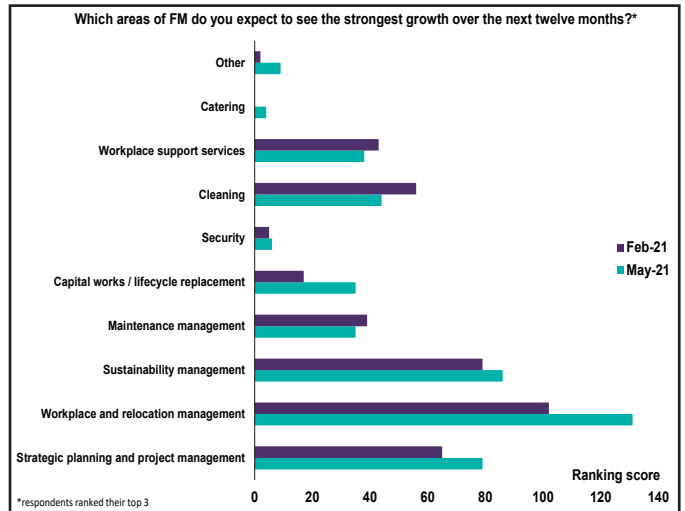


Chart 4

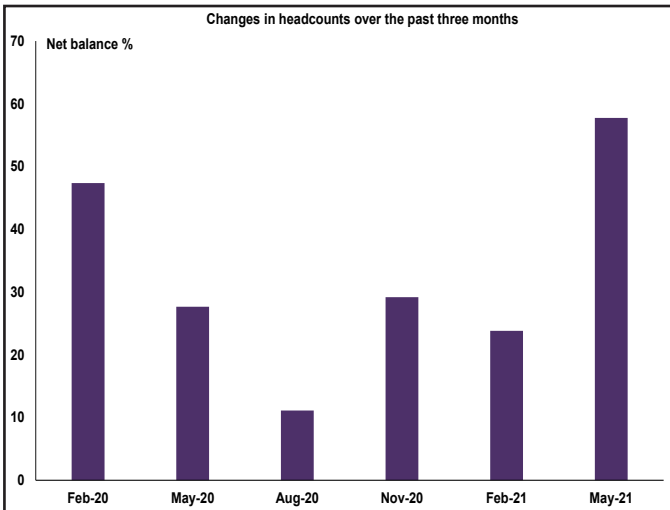


Chart 5

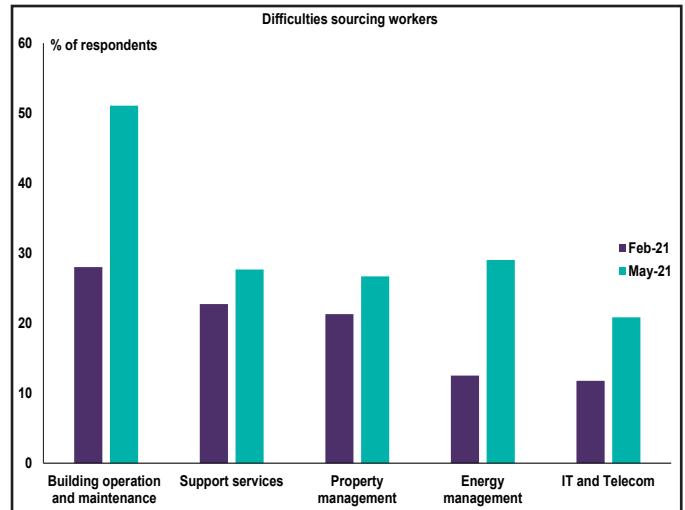
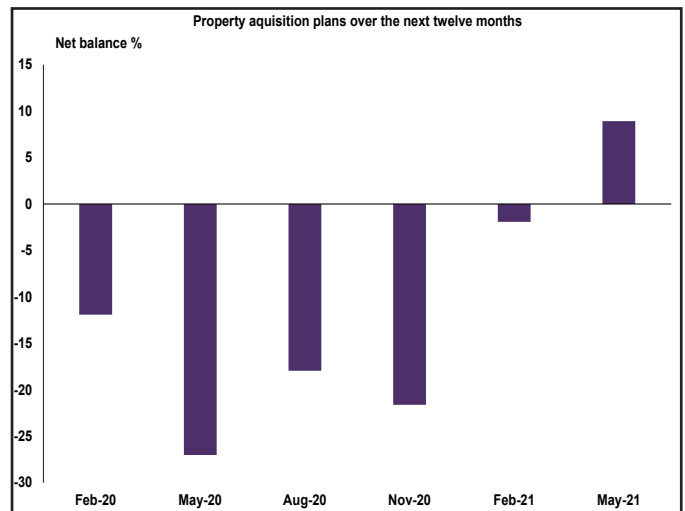


Chart 6



Chart 7



Key indicators

Chart 8

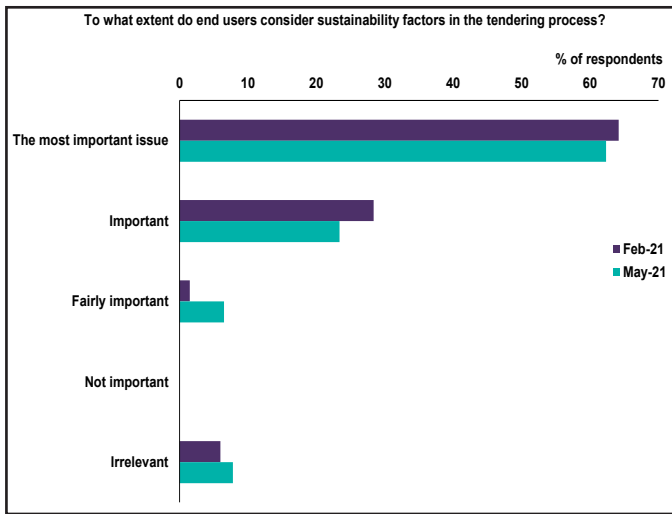


Chart 9

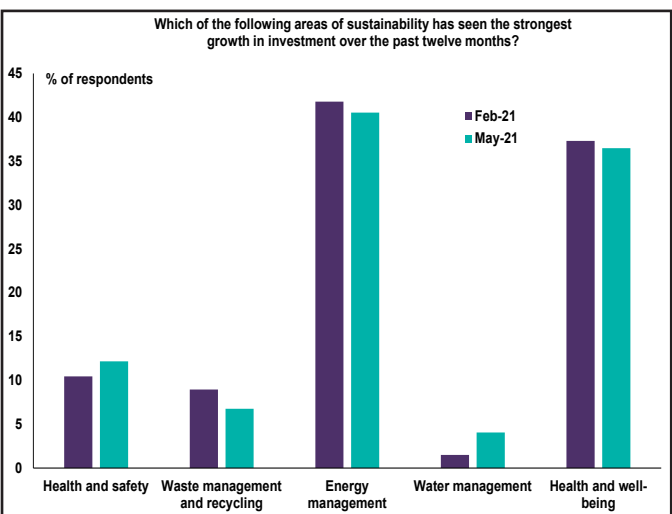


Chart 10

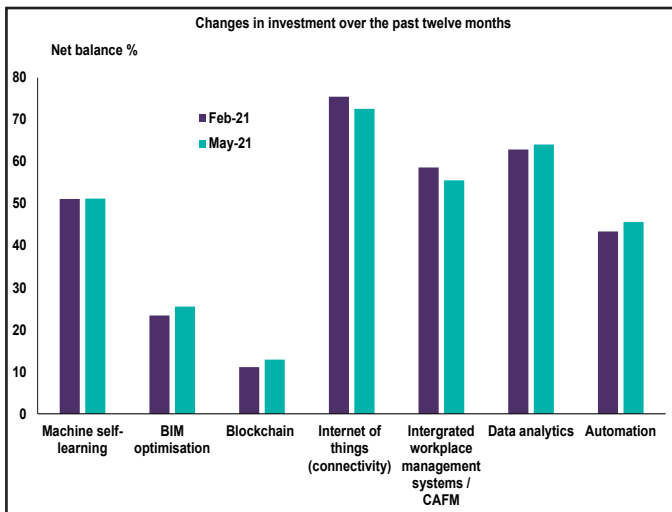


Chart 11

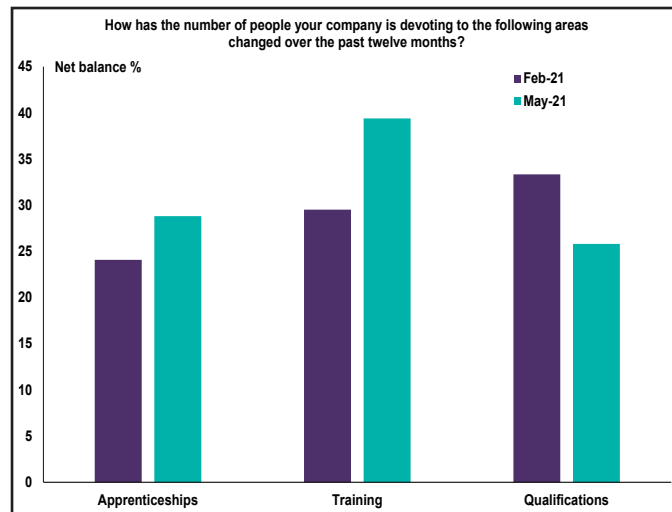
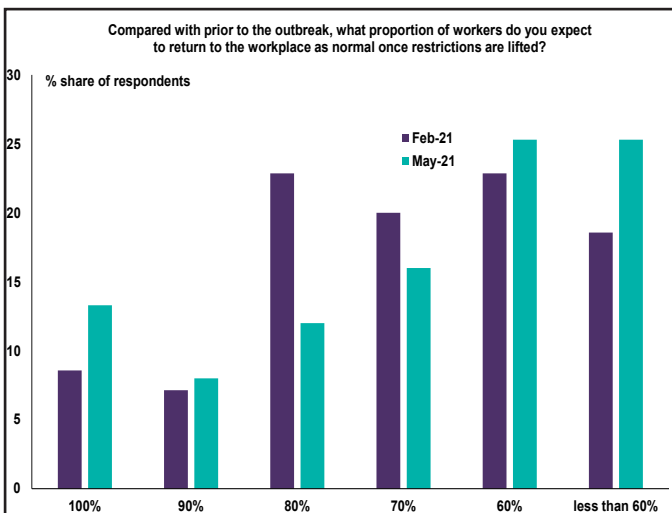


Chart 12



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?

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Delivering confidence

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure. Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

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