



Q4 2021: RICS UK Facilities Management Survey

Employment levels rising firmly across the FM industry with demand now picking up in all sectors

- Demand growth accelerates (in net balance terms) across most sectors
- Employment outlook upbeat, although respondents report increased difficulties in sourcing workers
- Sustainability management now seen as the fastest growing area of FM over the next twelve months

The Q4 2021 RICS Facilities Management Survey results continue to point to strong momentum across the industry at present. As shown in Chart 1, demand for FM services is now rising across all sectors tracked by the survey, with most categories seeing an acceleration (in net balance terms) compared with the previous report. At the forefront of this, respondents reported particularly firm demand growth across healthcare and public sector buildings over the latest survey period. Moreover, there was even a small increase in demand cited across the retail sector, which had posted six consecutive negative quarterly readings beforehand.

Interestingly, the latest survey results show a slight reordering in expectations regarding which area of FM is set to deliver the firmest growth in the year to come. Sustainability management now exhibits the strongest expectations for growth over the next twelve months, moving above workplace and relocation management to take top spot in the growth rankings (Chart 3 overleaf). Strategic planning and project management slipped from second to third place, albeit the current results are still indicative of a solid outlook in this area.

In keeping with these improved expectations for sustainability management, the survey data also suggests that attitudes towards sustainability are generally moving in the right direction. The latest results show 79% of contributors feel clients consider sustainability to be either the most important matter or an important issue (edging up slightly from 75% in the previous report and much higher than 51% taking this view a year ago).

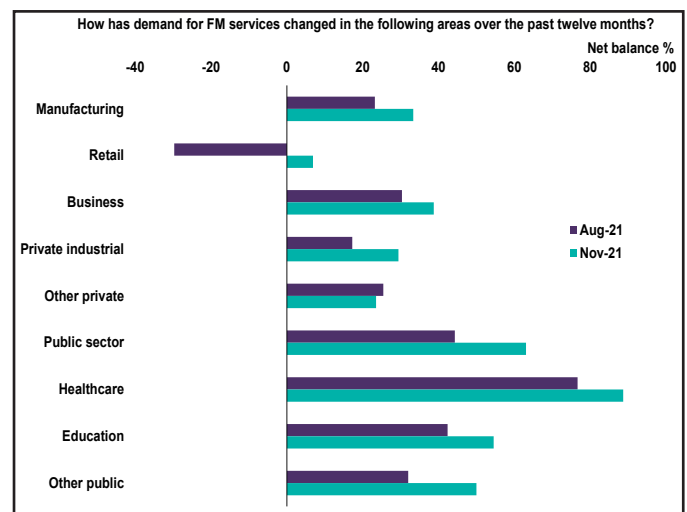
Looking at recent employment trends across FM, a net balance of +70% of survey participants report that their company increased headcounts in the three months to November. This is up from an already robust reading of +59% in the previous iteration of the survey, and marks another fresh record high for the series. Going forward, expectations for employment growth over the year ahead also strengthened during the quarter, with the net balance of respondents anticipating a pick-up in headcounts rising from +27% to +50%. Supporting the strong employment outlook, a net balance of +89% of contributors envisage a further rise in workloads over the coming year (an increase on last quarter's reading of +79%).

That said, there was a noticeable rise in the share of contributors reporting difficulties sourcing workers in certain areas. Indeed, 65% of respondents cited challenges in finding building operation and maintenance staff (up from a share of 55% reporting such difficulties previously). At the same time, 55% of respondents had issues sourcing staff for support services, an increase on 40% last time.

More encouragingly however, resources dedicated to apprenticeships, training and qualifications did increase over the quarter. For training and qualifications in particular, the latest net balances of +43% and +37% represent the strongest readings posted since the survey was formed back in early 2020.

Lastly, survey participants were asked what proportion of the workforce had returned to the workplace on a regular basis so far compared with prior to the pandemic. Although responses were inevitably mixed, on average, the share came in at 58%. When asked if the workplace needs to be improved/incentivised in order to encourage more people to return, two thirds of respondents felt this would be necessary. Please note, this survey was conducted before the latest work from home guidance was reinstated.

Chart 1



Key indicators

Chart 2

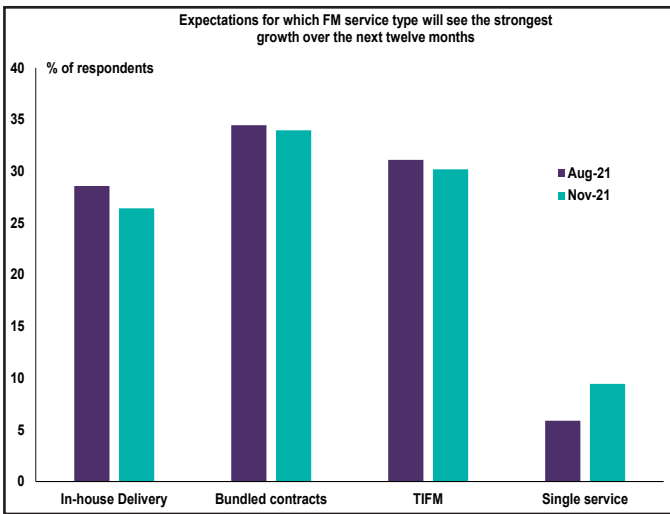


Chart 3

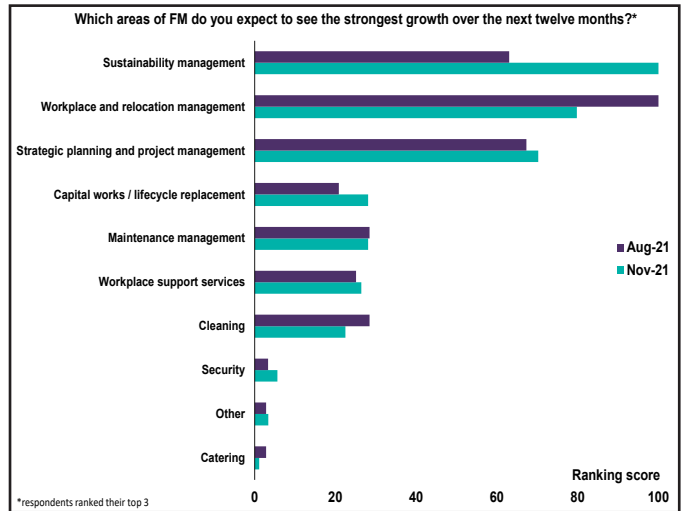


Chart 4

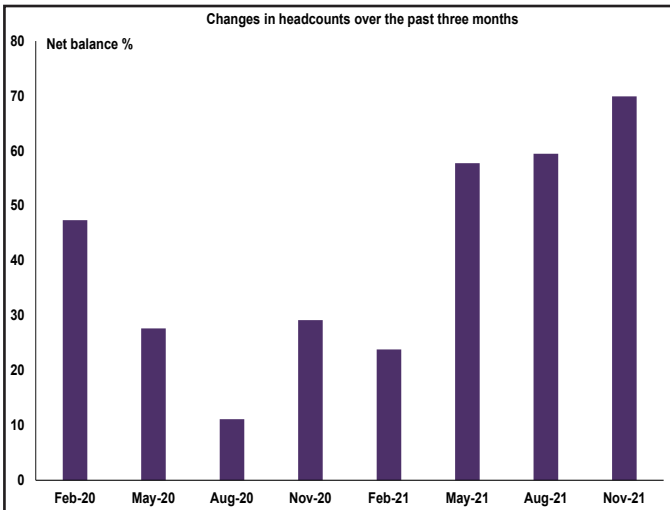


Chart 5

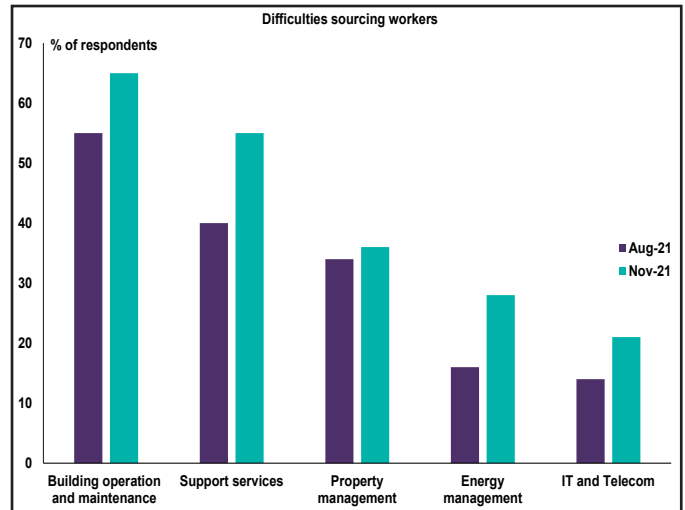


Chart 6

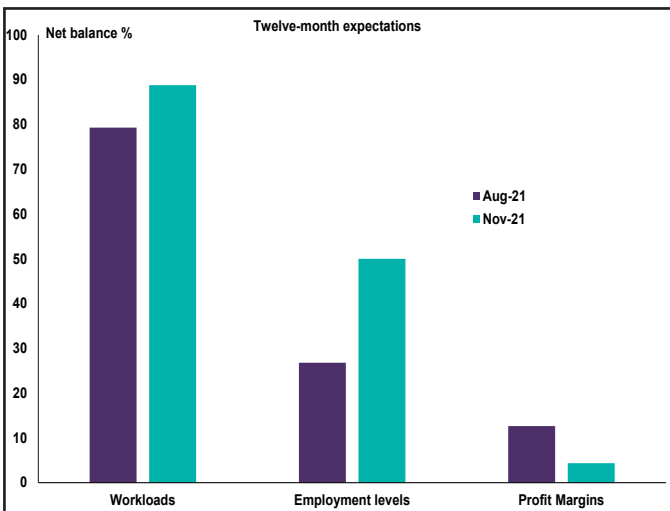
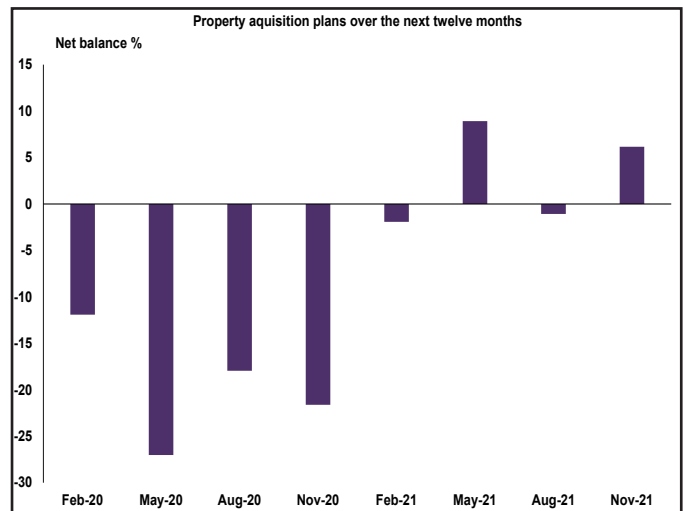


Chart 7



Key indicators

Chart 8

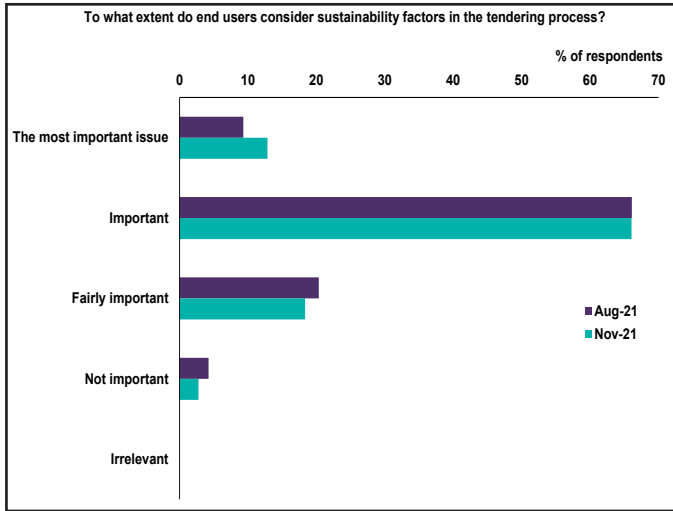


Chart 9

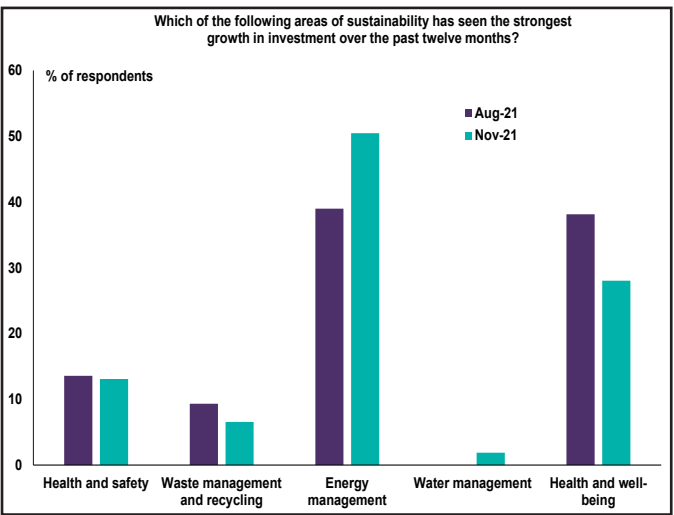


Chart 10

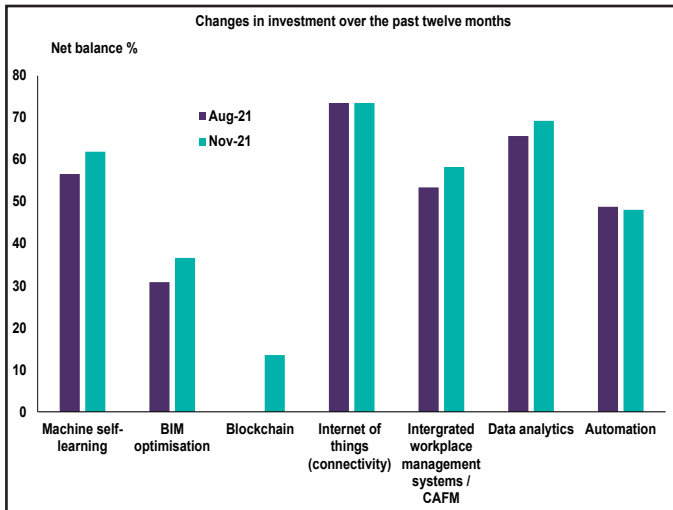
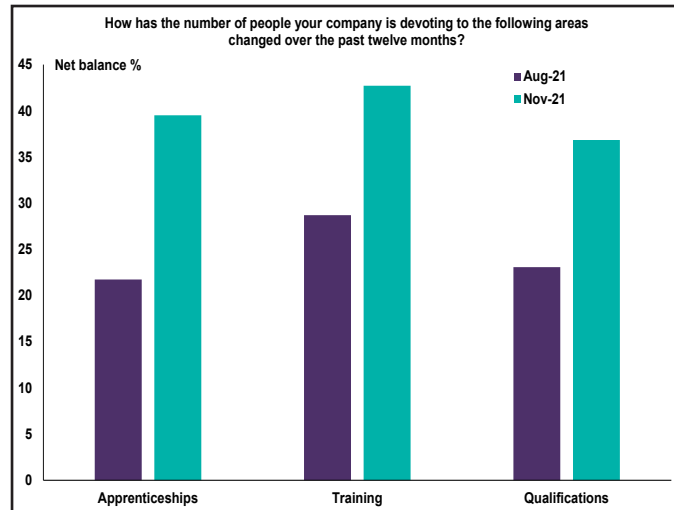


Chart 11



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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