



## Q1 2021: RICS UK Construction and Infrastructure Monitor

# Further improvement in sentiment as workloads rebound and expectations strengthen

- Solid recovery in workloads in Q1 led by private residential
- Estimates of productivity loss from Covid-related work practices diminish
- Fears of significant 'underbidding' in wake of pandemic not being borne out

The construction and infrastructure sector sprang back to life in the first three months of the year according to the Q1 RICS Monitor. The net balance indicator capturing the *change* in workloads over the period jumped from +2% to +26%, the highest reading since the early part of 2016. Disaggregating the data shows the private residential component with the strongest momentum, with the net balance measure climbing from +10% to +39%. The infrastructure trend, meanwhile, remains firm (+34% against +26%) as public residential (+26%) and other public works (+23%) also picked up smartly. The laggards are private industrial and commercial, albeit they are now recording positive net balances of +14% and +12% respectively.

Unsurprisingly given this improving picture, respondents to the survey are reporting an increase in new business enquiries (net balance of +29%) and a third consecutive quarter of hiring; the net balance for this metric rose to +32% from +22% in the final three months of 2020.

The greater level of confidence reflected in the feedback to the Monitor is also evident in the forward looking indicators which continue to gain momentum. The headline 12-month workloads expectations net balance came in +44% against +34% previously. Alongside this, the employment indicator now stands at +37% compared with +17%, while views on the likely trend in profit margins returned to positive territory for the first time since the fourth quarter of 2019 (net balance of +9%). The private residential sector is expected to see the strongest growth in workloads over the course of 2021.

In terms of the factors limiting activity, contributors to the survey have indicated that 'insufficient demand' is becoming less of a problem. Indeed, only 25% highlighted this issue in Q1, compared with 37% in the last survey and 63% in the second quarter of 2020 at the onset of the pandemic. 'Shortage of materials' is viewed as the biggest challenge at the present time, cited by 57% of respondents followed by 'financial constraints' and 'shortage of labour'. Interestingly, the importance of the former as an obstacle has significantly diminished; in the first half of last year, it was noted by 70% of respondents but this has now dropped to 45%.

Specifically on the issue of skills, the proportion of respondents reporting challenges remains relatively low, at least by comparison with the recent past. So in the area that might be broadly described as 'trades' (including bricklayers, electricians, plumbers etc), 29% of contributors reported a shortage in the first quarter of the year. The previous reading was 25% and the recent high was 45% (in 2018). The feedback is even more marked when it comes to quantity surveyors which was, until the onset of the pandemic, showing a significant shortfall in numbers to meet demand (highlighted by more than 50% of respondents). This pressure has eased with just 20% taking the same view in the Q1 Monitor.

A number of additional questions were asked in the latest survey to assess the ongoing impact of Covid on the construction sector. The first related to the issue of project cancellation as a consequence of the pandemic. Interestingly, the results suggest the impact in the UK has been relatively modest, both in comparison with the Europe and Global aggregates compiled as part of the RICS Global Construction Monitor. For the residential and infrastructure sectors, the results imply that between 3 and 4% of projects have been permanently cancelled with the percentage rising towards 6% when it comes to non-residential development.

The second question related to the impact on onsite productivity. When this question was asked in the wake of the onset of the pandemic (Q2 2020), the average hit to productivity was viewed at being around 16%. It is evident that the industry has quickly learnt to adapt to the new environment with the latest results putting the loss at just 5%.

Finally, the question about the proportion of bids coming in below realistic estimates of the costs of the project was reprised. In the Q2 2020 survey, around 25% of respondents reported this was the case. In the latest iteration, the proportion taking this view has dropped to less than 20% and, within this, the lion's share are suggesting that the tenders are within 5% of costs.

# Key indicators

Chart 1

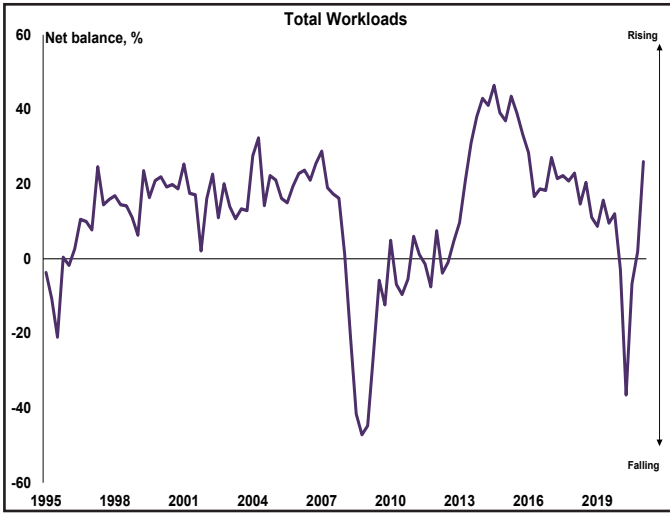


Chart 2

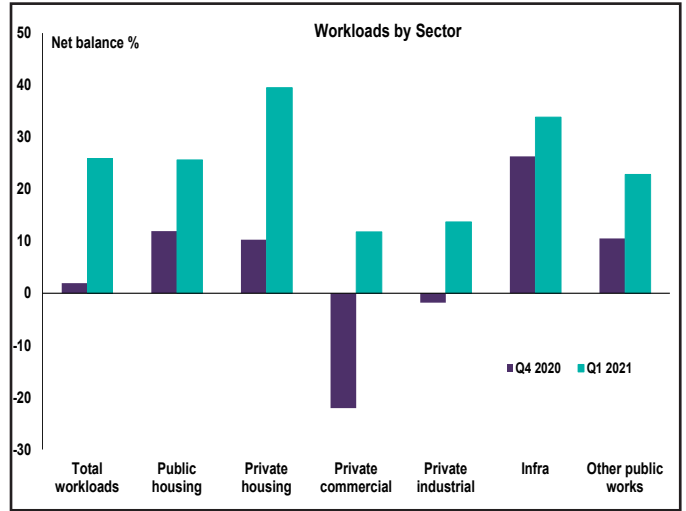


Chart 3

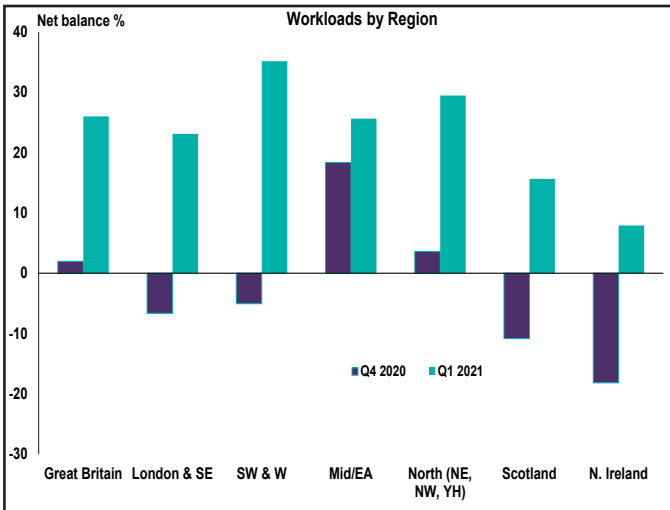


Chart 4

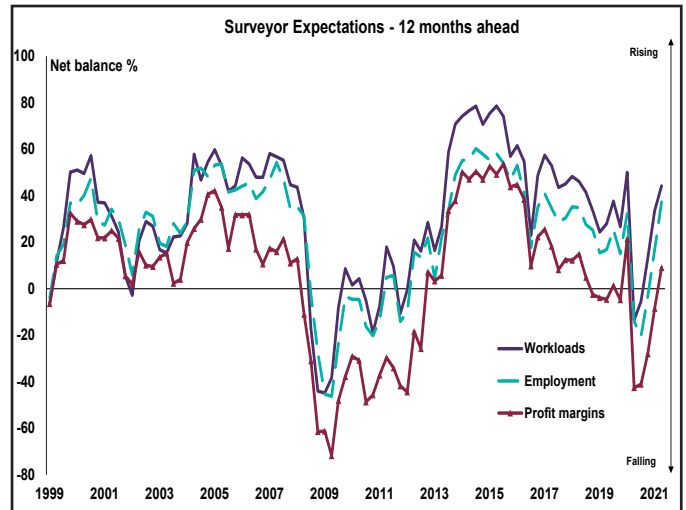


Chart 5

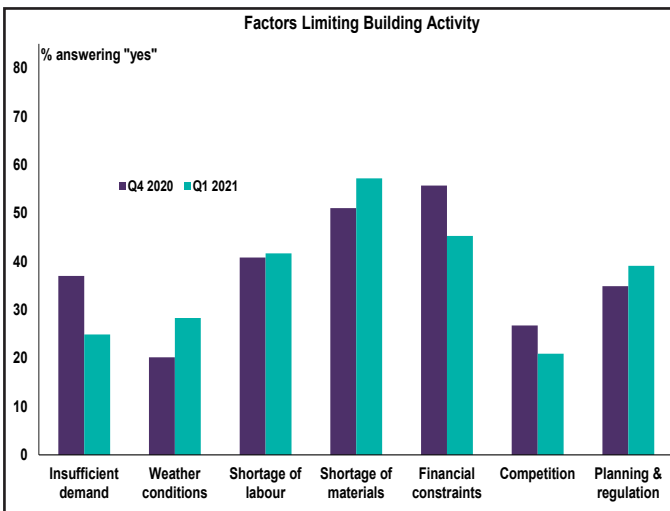
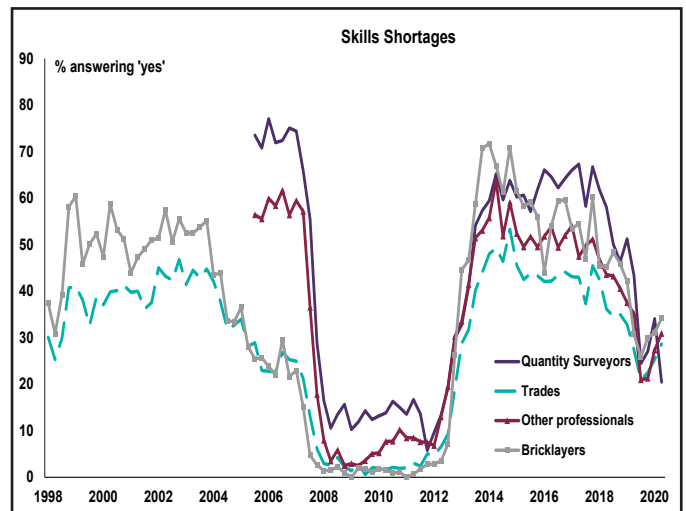


Chart 6



# Key indicators

Chart 7

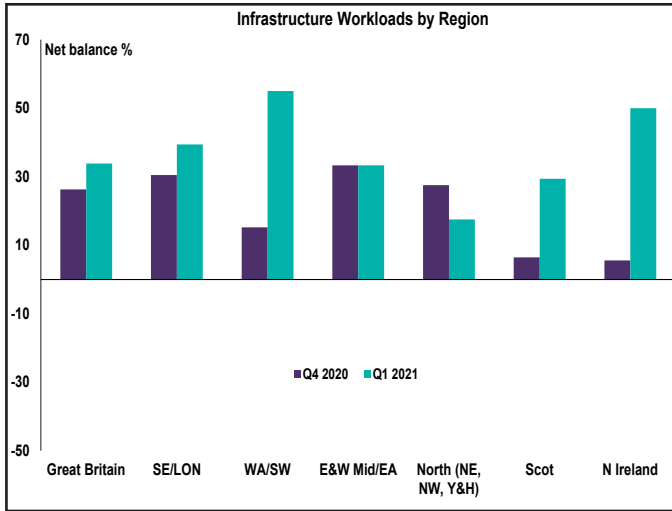


Chart 8

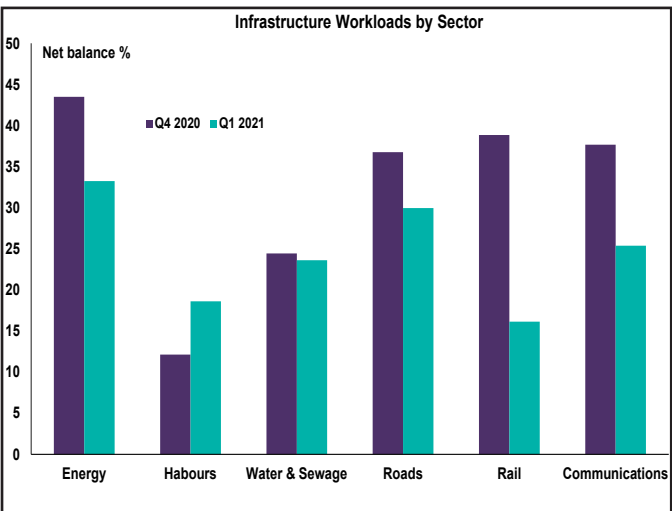


Chart 9

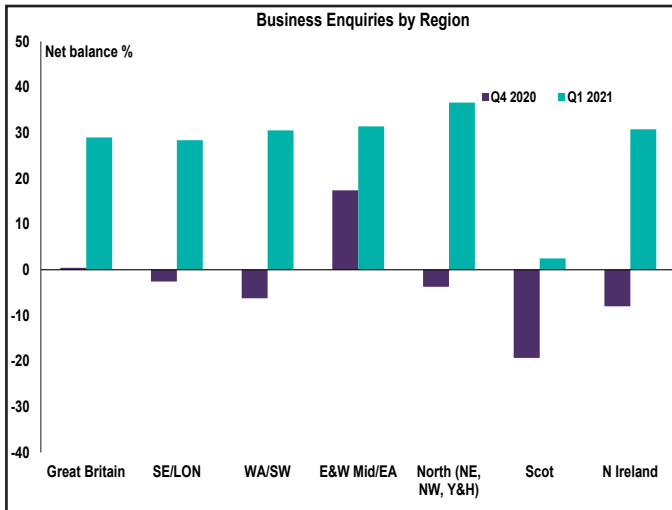


Chart 10

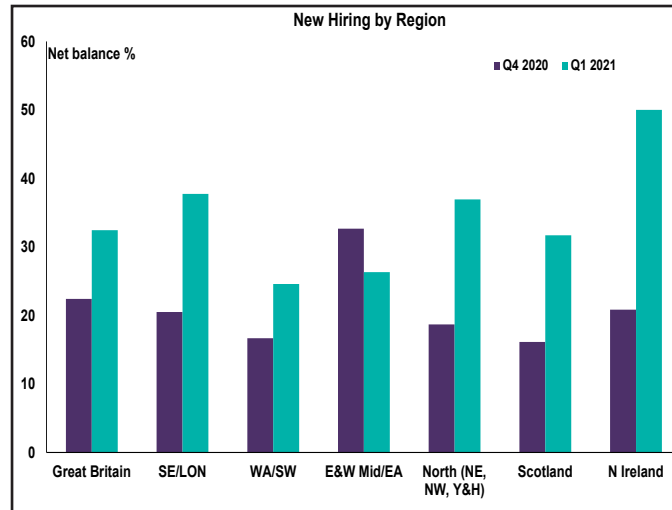


Chart 11

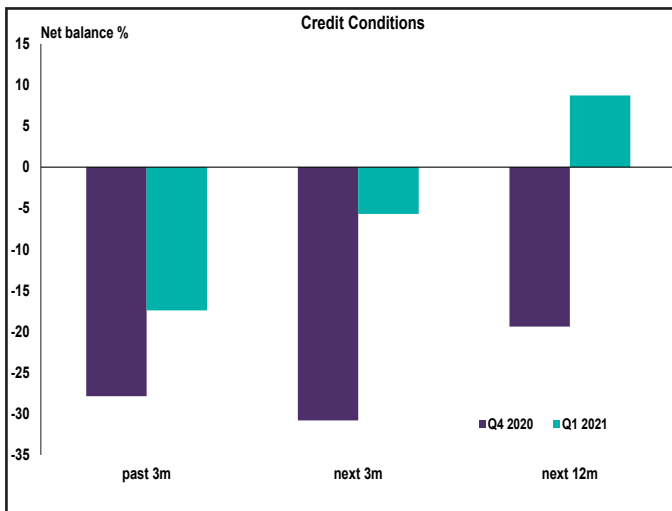
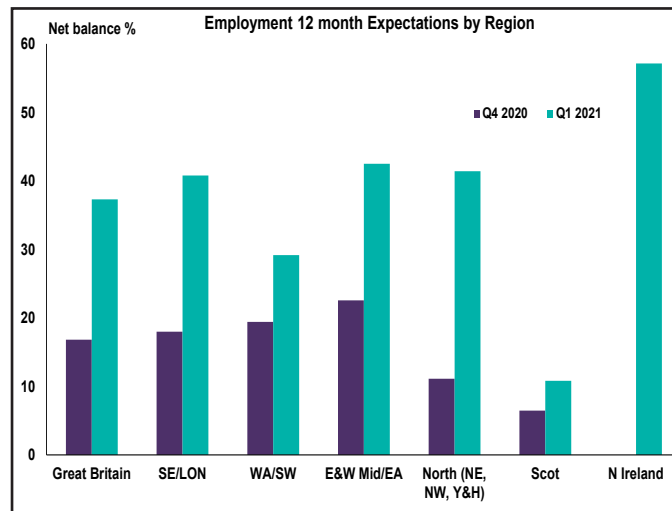


Chart 12



# Key indicators

Chart 13

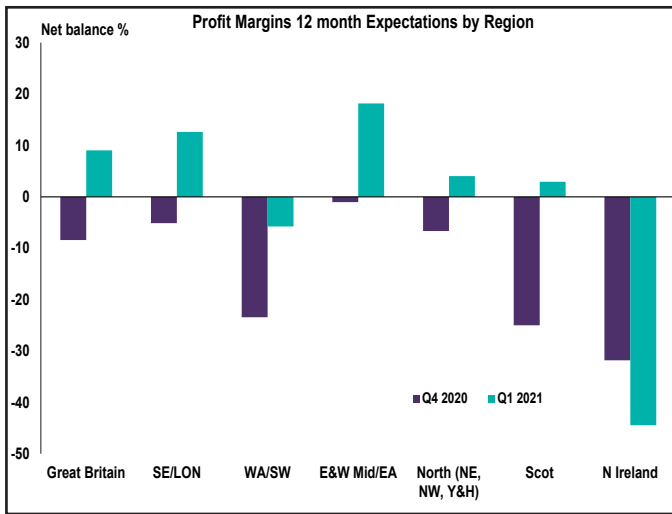


Chart 14

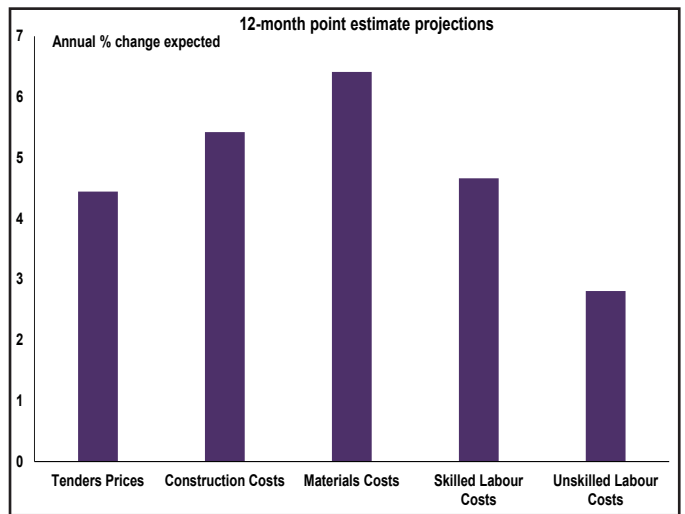
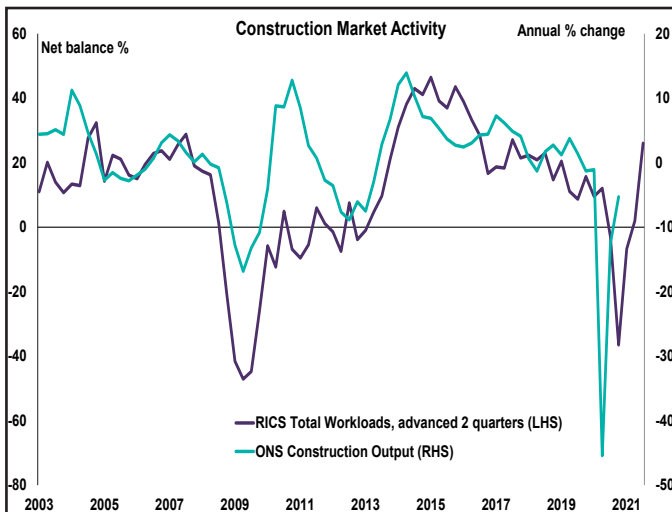


Chart 15



# Chartered Surveyor market comments

## London

Adam Leat, London, Monaghans, adamleat@hotmail.co.uk - Brexit is causing delays when working with European suppliers/contractors.

Andrew Callaghan, London, Linesight, andrew.callaghan@linesight.com - Brexit and supply of materials.

Andrew Shepherdson, London, GNP Structural Surveys Ltd, gnpstructuralsurveys@gmail.com - Government legislation.

Annie-May Smith, London, ISG Ltd, annie-may.smith@isgltd.com - Labour shortages. Construction tenders reducing because of the competitive nature.

Arnold Weeda, London, Artelia, arnold.weeda@arteliagroup.com - Brexit related paperwork, causing changes in incoterms: from DDP > DAP / ex-works.

Benjamin Robert Muir, London, Avalon Surveyors, bmuir@avalonsurveyors.com - Low priority planned works having been postponed are returning.

Bill Nancarrow, London, Cushman & Wakefield, bill.nancarrow@cushwake.com - Brexit impacting materials costs from the EU.

Bradley Lawrence, London, B JL Surveying Ltd, brad7478@gmail.com - Demand for contract workers has declined in spite of increased short term work in market.

Chris Leroy, South Croydon, Ridge Design, christopherleroy@virginmedia.com - Covid is used to increase estimates.

Christian Riley, London, M3 Consulting, c.riley@m3c.co.uk - Ability to borrow money and inertia from companies - scared to make a move.

Colin Townsend Green, London, CTG Construction Management, colintg@ctgcm.co.uk - Availability to start a project. Access restrictions and difficulty for private travel.

Daniel Sterne, London, Daniel Watney LLP, dan.sterne@gmail.com - Lack of demand for private residential projects to proceed seemingly because of funding problems.

David Reynolds, London, Joel Michaels Reynolds, david@jmsurveyors.com - We urgently require legislation to enforce, ensure, deliver carbon neutrality by 2030.

Elliott Saunders, London, Avison Young, elliot.saunders@avisonyoung.com - Take up of speculative commercial office space by new occupiers.

Elspeth Nottage, London, SJN Enviro Limited, elspethnottage@gmail.com - IR35 issues for contract staff.

Graham Ash, London, Transport for London, grahamash@hotmail.co.uk - Cashflow risk.

Guy Davies, London, Rapleys LLP, guy.davies@rapleys.com - Building material factory shutdowns due to covid outbreaks.

Harry Scarff, London, Cornerstone, harry.scarff@me.com - Availability of public sector investment whilst business rate income remains low.

Ian, London, Cushman & Wakefield, ian.pearl@eur.cushwake.com - Confidence to commence projects.

Jack Mason, London, Arcadis, jack.mason@arcadis.com - Student numbers at universities. Delays at borders.

Joel Colthart, London, First Base, joel.colthart@firstbase.com - Commercial lettings.

John Pilbeam, London, Downing LLP, johnp@downing.co.uk - Liability avoidance.

Jonathan Bayliss, London, Jonathan Bayliss Chartered Surveyors, jonathan@jdbcs.co.uk - Marketplace is increasing as the residential market recovers after COVID. Delayed projects starting.

Luca Holden, London, John Cobbb Consulting, luca.holden@johncobb.co.uk - Difficulty discharging planning conditions and communication channels with planners.

Mary Rawlinson, London, Green & Castle Ltd, mary.rawlinson@gmail.com - Sustainability is being value engineered out despite the climate emergency.

Ms Sriyani Harper, London, CLR Associates Ltd, sriyani.harper@clrassociates.co.uk - Brexit and Covid-19.

Nevin Hutchinson, London, Spring Building Consultancy Ltd, nevin.hutchinson@springbc.co.uk - Product supply keeps being delayed due mainly to the impact of Brexit, worsened by Covid.

Nikhil Malde, London, RLB, nikhil\_malde@live.com - Brexit has also caused some implications.

Norman Adams, London, CPAdjusting Ltd, norman.adams@cpadjusting.com - Transport.

P Jones, London, Fuse PC Ltd, new.nest463@gmail.com - Main concern is lack of training & deteriorating quality of professionals across the industry.

Panos, London, Harris Associates, pangianou@hotmail.co.uk - Covid pandemic.

Philip Wray, London, Yuanda, pwray48@gmail.com - PI insurance availability.

Phillip Speller, London, Cushman & Wakefield, phillip.speller@cushwake.com - Lack of/deferring of investment in corporate real estate.

Ross Hailey, London, Martin Arnold Ltd, rhailey@martinarnold.co.uk - Lack of skilled professionals.

Sam Hinkes, London, C&W, sam.hinkes@cushwake.com - Procurement.

Sebastian Pampe, London, Agilia Infrastructure Partners Limited, sebastian.pampe@agilia.co.uk - Brexit delays are causing price increases.

Sepeideh Lamehi Rashti, Croydon, John cobb consulting, slamehi@yahoo.com - Brexit.

Sharon Davies, London, Arcadis, sharon.davies@arcadis.com - Re-prioritisation of public sector projects and slowdown in pipeline projects but no cancellations.

Simon Cole, London, HdWe, simon.cole@hdwe.co.uk - Brexit.

Spencer Orman, London, Axiom Solutions Limited, so@axiomsolutionsltd.com - Uncertainty in retail and planning delay.

Stanley Phillips, London, Pennington Phillips Surveying Limited, stanley@penningtonphillips.co.uk - Seems to be a shortage of qualified surveyors.

Tom Bird, London, Savills, tom.bird@savills.com - Steelwork and cladding lead in times are 16 and 24 weeks respectively.

## South East

Alistair Wrenn, Reading, Oakleaf Building Surveyors, alistairwrenn@ntlworld.com - Limited access to merchants and Estate Agents.

Andy Christmas, Brighton, University of Brighton, andychristmas@live.co.uk - There are a number of large projects reaching completion this year which may affect labour supply.

Anthony Chris Tremellen, Portsmouth, Chris Tremellen Property Consultant and Project Management, chris.tremellen@outlook.com - Material and trade availability.

Caroline Twigger, Harwell, Oxfordshire, Philip Pank Partnership, carolinetwigger@philippank.com - Shortage of labour (due to furlough) & material supplies - very long lead in times.

# Chartered Surveyor market comments

Chris Warwick, West Molesey, Historic Royal palaces, christopher.warwick@hrp.org.uk - Funding down by over 85%.

David Lavender, Portsmouth, Portsmouth City Council, david.lavender@portsmouthcc.gov.uk - Fluctuations in material prices attributed to Brexit.

Derek Weidner, Gerrards Cross, Derek Weidner Consultancy, derek@dwapc.co.uk - Shortage of labour & materials.

Edward Cumming, Ashford, Inland Homes, ecumming@inlandplc.com - Just a general shortage of labour due to COVID.

Ian Tomes, Woking, Woking Borough Council, ian.tomes@woking.gov.uk - Supply issues from European material suppliers.

Jeremy Firth, Reading, Vail Williams, jesf1@hotmail.co.uk - Lack of suitably qualified professionals to employ.

Matthew Clover, Southampton, CLS Clover limited, mclover@clscllover.com - General downturn and IR35 implementation.

Mr Stephen Holmes, Ashted, Stephen Holmes, steve@stephenholmes.net - Shortage of materials and available labour.

Oliver Rose, Woking, Madlins LLP, o.rose@madlins.co.uk - Retail down.

Paul Bannon, Fareham, BPS Cammes Ltd, mail@bpscammes.co.uk - Trade tariffs (Europe).

Roger Banks, Aylesbury, Preston & Partners, roger@prestonandpartners.co.uk - Shortage of some materials.

S Hatfield, Lewes, JJ Hatfield, sam@hatfieldsurveying.co.uk - Market artificially boosted by stamp duty change and work from home mood.

Thomas Woodd Grillo, Godalming Surrey, Grillo Chartered Surveyors, mail@grillollp.com - Private investment.

Tim Mole, Haywards Heath, Gould & Company, tmm@gouldco.co.uk - Brexit delays to imported materials.

Tony Waring, West Molesey, Harvey's, tony@tonywarling.com - Lack of materials.

## North East

Alan Brinley David Thomas, Newcastle Emlyn, Alan Thomas, alanthomasproperty@gmail.com - Demand for builders outweighs the labour available.

David Bowman, Newcastle, Bowman Surveying and Design Ltd, david@bowmansurveying.co.uk - Site skills shortage.

James Adshead, Newcastle Upon Tyne, Newcastle University, james.adshead@ncl.ac.uk - Brexit will impact on some costs / as will worldwide Covid. For example, steel costs.

## North West

Andrew West, Carlisle, Day Cummins Limited, andy.west@day-cummins.co.uk - There are concerns amongst contractors on tenders already won that costs will rise out of control.

Anthony Curran, Wilmslow, Gleeds Cost Consultants, tonycurran@outlook.com - Prices of raw material, particularly metals such as steel and copper.

Carl Burns, Liverpool, Liverpool City Council, carl.burns@liverpool.gov.uk - Government funding reduced.

Daniel Winsor, Warrington, Project Development Workshop Ltd, dan.winsor@pdw-uk.com - Planning delays throughout the early stages of COVID-19.

Darren Hughes, Manchester, Gray Scanlan Hill, darren@grayscanlanhill.com - Contractors are pricing in COVID measures on smaller buildings/projects due to increased risk.

David Brown, Cartmel Fell, City of London, david.brown@cityoflondon.gov.uk - Funding shortages and cut backs. Skills shortages. Material delays.

Ian Chadwick, Manchester, Pariter Ltd, ian@pariter.ltd - House prices not increasing enough to offset increased costs negatively impacting scheme viability.

Ian Tunnicliffe, Manchester, Ian Tunnicliffe Building Consultancy Limited, ian@itbcuk.com - Materials shortage is the biggest challenge leading to re-design, delays and increased costs.

John Stockton, Preston, Hawthorn Estates NW Ltd, johnstockton1@sky.com - Just a general lack of professional tradespersons and young people coming through in the industry.

Mark Baron, Liverpool, Aecom Limited, mark.baron@aecom.com - Materials availability on timber frame, steelwork, price increases.

Mark Pearson, Manchester, Quadriga contracts ltd, mark@quadrigaltd.com - Construction booming here but skills shortages becoming critical.

Nicholas Vincent, Liverpool, Matthews & Goodman, nvincent@matthews-goodman.co.uk - Insurance and warranty factors - industry tightening up.

Oliver Thomas, Manchester / Liverpool / Leeds, CBRE Ltd, oliver.thomas@cbre.com - General uncertainty of products and materials coming from Europe or further afield.

Thomas Weinmann, Manchester, Hazelwood Surveyors Ltd, thomas@hazelwodsurveyors.co.uk - Lack of certainty.

Tony Doherty, Manchester, Capita Real Estate and Infrastructure:Rail, tony.doherty@capita.co.uk - HS2 and Northern Powerhouse government support. People returning to cities and working from home.

## Yorkshire & the Humber

E Turner, Sheffield, Brownill Vickers, eleanor.turner@brownillvickers.com - Availability of contractors to do the work.

Joe Unwin, Leeds, Projex Building Solutions, joe.unwin@projex-solutions.com - We are seeing increasing number of dilapidations as a result of tenants breaking from leases.

Kevin Marling, Kingston Upon Hull, Delaney Marling Partnership Ltd, kevin@delaneymarlingpartnership.co.uk - Since the City of Culture title, the area has enjoyed a good level of external investment.

Phil Tomalin, Leeds, PROJEX, phil.tomalin@projex-solutions.com - Shortage of skilled workforce.

## South West

Adrian Peter McDowell, Cheltenham, McDowell surveyors ltd, adrian@mcdowellsurveyors.co.uk - The market seems busy.

Conrad Grundy, Exeter, Whitton & Laing, conrad36@hotmail.co.uk - No seasonal slowdown, clients expecting works to continue regardless of conditions and Covid.

Douglas Robert Cawley, St. Ives, Douglas Cawley and Associates, info@cawleyassociates.co.uk - Lack of tradesmen and labour.

Edward Currie, Plymouth, AECOM Ltd., edward.currie@aecom.com - Long lead in times for some materials and material shortages.

Gawen Angove, Gloucester, Border Consultancy Chartered Surveyors, gawenangove@outlook.com - Client decision time increasing.

Greg Robinson, Truro, Taylor Lewis, gregrobinson@taylorlewis.co.uk - Demand is outweighing supply currently, material delays and price increases.

# Chartered Surveyor market comments

John Banyon, Plymouth, Gateway Surveyors, j.banyon@gatewaysurveyors.co.uk - I feel that there will be uncertainty in the residential property market as gov support is reduced.

Jon Stone, Exeter, Jon Stone Surveyors Ltd, jonstone251@btinternet.com - Shortage of skilled labour.

Jonathan Pegg, Bristol, Atkins Ltd, jonathan.pegg@atkinsglobal.com - Delivery of materials from Europe, lack of cold rolled steel, increasing costs.

Justin Cottle, Bristol, NatWest, justin.cottle@natwest.com - Adoption of new ways of working and increased working from home will impact our portfolio/workload.

Michael Philip Ardley, Gloucester, Gloucester City Council (consultant), philip.ardley@gloucester.gov.uk - Supply chain issues are causing delays and uncertainty.

Rachel Papworth, Exeter, J Price Consulting Limited., rachel@priceconsulting.org.uk - COVID and phosphates.

Richard Jarman, Exeter, Jarman Ward Limited, richard@jarmanward.com - Shortage of professional labour.

Stuart E M Smith, Barnstaple, Underwood Wright Ltd, stuart@underwoodwright.co.uk - Shortage of materials and skilled labour likely to affect delivery.

## Wales

Claire Deacon, Haverfordwest, Marloes Conservation Limited, marloesconservation@tytw.co.uk - Lack of quality contractors.

David Davies, Newport, Helios, jon.davies72@icloud.com - Lack of understanding of government changes in legislation in relation to fire safety.

Haydn Williams, Pwllheli, Haydn E. Williams Cyf., info@haydnewilliams.com - Lack of competent contractors.

John Pugh, Ruthin, John Pugh Chartered Building Surveyor Conservation Consultant, johnpappugh@usa.net - Material costs are rising.

K Michael Benfiel, Caldicot, Benfield ATT, profb@benfieldatt.uk - Planning.

Richard Hale, Conwy, Conwy County Borough Council, richard.hale16@yahoo.com - Longer delivery, high workloads reducing number of tenders.

## West Midlands

Andrew Clough, Shrewsbury, Property Services Group, Shropshire Council, andy.clough@shropshire.gov.uk - Noticeably reduced tender responses. Longer manufacture lead times.

Cathryn Saunders, Birmingham, C3 Cost Consultants Ltd., cathryn.saunders@c3consultants.co.uk - Hospitality sector remains sceptical in short term but positive long term. Ambitions remain.

Chris Lane, Birmingham, Sir Robert McAlpine Capital Ventures, chrislane2110@yahoo.com - Traffic on roads is down meaning deliveries and transport is better.

Fergus Thompson-Yates, Birmingham, NCS PCL, fergus.thompsonyates@ncspcl.com - Uncertainty in fund and equities with banks and institutions.

Gary Nicholls, Lichfield, PlanPoint Consulting Limited, gary.pcl@outlook.com - Amount of work available seems to be growing meaning smaller jobs are struggling to attract labour.

Jack Street, Birmingham, edgeworth street, jack@buildingsurveys.com - Lack of materials.

Khumehra Mohammed, Birmingham, RPS, khumehra@hotmail.com - Lack of labour, onsite restraints due to Covid.

Michael Scott, Wolverhampton, Scott Franklin Associates Ltd., mike@scottfranklin.co.uk - Expert witness work and the courts. Delays and case backlogs.

Paul Edmunds, Birmingham, Wm trains, paul.edmunds@trains.co.uk - Rail investment halted till DFT take over in Sept 21.

Phil Hodges, Redditch, Ridgeways Surveyors Limited, phil@ridgewaysqs.co.uk - Concerns of materials shortages. Good sub-contractors with order books already through to late 2021.

Robert Street, Solihull, edgeworth street limited, bob@buildingsurveys.com - Covid; Brexit.

Tracy Markham, Warwick, TM Building Surveyors Ltd, tracy@tmbuildingsurveyors.co.uk - Too much work to cope with and not enough people.

## East Midlands

Alan Davies, Leicester, Arcadis, alan.davies@arcadis.com - Covid 19 affecting labour on some schemes and lead in times on materials.

Dickon Birkin, Nottingham, dab : Architectural Consultancy Ltd., dickon@dab-architecture.co.uk - Delays caused by local planning authorities.

Richard Abrahams, Nottingham, Make Consulting Limited, rpabrahams81@gmail.com - The number of reliable contractors is limited.

Sam Patel, Nottingham, conlon construction limited, sam@conlonconstruction.co.uk - Brexit, COVID 19, lack of materials.

Shaun Lunn, Nottingham, Faithful+Gould, shaun.lunn@fgould.com - Flexible working is showing its limitations.

Simon Noble, Rugby, Valuation, simonnoble61@gmail.com - Covid, labour and materials shortages.

Stephen M.Parris, Bedford, Bakemans, steveparris45@gmail.com - Less foreign labour with specialist skills.

## East Anglia

Chris Johnson, Norwich, C W johnson limited, cwjsurveyors@outlook.com - Increased demand for residential surveys.

Christopher Barker, Saffron Walden, Chris Barker Surveyor, christopherjbarker1951@gmail.com - Material delivery delay.

Colin Borley, Cambridge, Pimys Ltd, colin@pimys.com - Early days of lockdown caused panic buying but this has levelled out now.

Darren Reeve, Norwich, Cocksedge Building Contractors, dreeve@cocksedge.com - FE Sector project spending has been cut by approx 30%.

Graham Matthews, Cambridge, University of Cambridge, grahamvmatthews@gmail.com - Adverse impact of Brexit and Covid on productivity and labour / materials.

M Js Marshall, Norwich, D J Designs Limited, djdesignsltd@btinternet.com - Material availability and material cost fluctuation.

Maynard Charles Grout, Norwich, Maynard Grout Associates Limited, maynardgrout@gmail.com - Planning delays.

Neil Phillips, Stevenage, Stevenage Borough Council, neil.phillips@stevenage.gov.uk - Remote meetings less effective than on site meetings.

Richard Leigh, Holkham, Wells-Next-The-Sea, Holkham Estate, r.leigh@holkham.co.uk - Increasing demand for property in our area as people want to escape the city.

# Chartered Surveyor market comments

## Scotland

Alan Stewart, Glasgow, CRGP Surveyors Limited, alan.stewart@crgpsurveyors.co.uk - Material supplies should improve to halt price escalation. We need more small to medium contractors.

Andrew Ferguson, Stirling, Davies Loss Adjusters, andrew.ferguson@davies-group.com - Highly skilled surveyors with the right experience/location don't exist.

Andrew H R Crossan, Dumfries, AHR Crossan and Co, andrew@ahrcrossan.co.uk - Some manufacturers have switched to producing PEP e.g sheathing membranes for timber frame

Ashley Donald, Glasgow, South Lanarkshire Council, ashley.donald@southlanarkshire.gov.uk - Council housing internal home repairs cannot go ahead.

Douglas Bryce, Glasgow, Network Rail, douglas.bryce@networkrail.co.uk - Income stream for the railway is down 90% therefore delivery of new projects will be drastically cut.

Elsbeth Susan Brown, Edinburgh, City of Edinburgh Council, esusan.brown@gmail.com - Raw materials supply.

Frank Farrell, Paisley, Renfrewshire Council, fff1963@gmail.com - Productivity of consultants.

James Mackie, Glasgow, Mackie&Co, jmac@mackieandco.scot - Migration of skilled and unskilled labour south.

James Robert Wright, Edinburgh, Survey UK Limited, jim.wright@surveyuk.net - Everyone is very busy and finding contractors able and willing to tender some jobs is challenging.

John Duncan, Edinburgh, Scottish Enterprise, john.duncan@scotent.co.uk - Supply of materials from Europe with Brexit impact.

Joseph Dunn, Glasgow, PMP, josephdunn@pmpplc.co.uk - Yet to see full impact of Brexit and Covid.

Katie Dunbar, Glasgow, EPC Associates Ltd, katie.dunbar@epca.co.uk - Lack of requirement for office premises now WFH is the norm.

Lee Dempster, Glasgow, CBRE, lee.dempster@cbre.com - Increasing strain on labour as companies may not increase staff due to uncertain immediate future.

Martin Cruickshank, Aberdeen, Doig and Smith, mcruickshank@doigandsmith.co.uk - Many projects currently on hold.

Neil Macdougall, Throughout UK, NLM Building Consultancy Ltd., neil.macdougall@nlmbc.co.uk - Lead-in time for materials is an issue.

W Michael Beverley, Glasgow, MM Management Services Ltd, michael@mm-managementservices.co.uk - Move towards UK based products to overcome Brexit concerns, which will drive up cost of local items.

Wayne Munro, Edinburgh, Faithful+Gould, wayne.munro@fgould.com - Insurance cover, particularly around fire design & engineering.

## Northern Ireland

Alan Simpson, Belfast, Rider Levett Bucknall, alan.simpson@uk.rlb.com - Contractors are managing the effects the COVID-19 whilst endeavouring to complete projects on time.

Brendan Devlin, Belfast, AECOM, brendan.devlin@aecom.com - Imports from UK Mainland to Northern Ireland.

Daniel Mc Crory, Ederney, D.S Mc Crory & Co., dsmccrory123@gmail.com - Banks being difficult & not lending- unrealistic conditions.

David Herron, Belfast, CPD Construction Procurement Delivery, david.herron@finance-ni.gov.uk - Health & Safety with regard to COVID 19 restrictions.

Oliver Smith, Ballymena, SurveyLink [NI] Ltd, olliesmith1959@gmail.com - Recovery from the economic impact of Covid 19 will be seriously impacted by an inept Stormont Exec.



# Methodology

## About:

The RICS UK Construction Monitor is a quarterly sentiment survey of Chartered Surveyors who operate across the UK. Data collection began in 1994 with additional questions introduced subsequently.

<https://www.rics.org/uk/news-insight/research/market-surveys/>

Total responses in Q1 2021= 569

## Regions:

- The 'headline' national readings cover Great Britain.
- Specifically, the five regions that comprise the national figure are: (1) London and South East, (2) South West/Wales, (3) Midlands/East Anglia, (4) North West/ North East/ Yorks & Humber, and (5) Scotland. Data on Northern Ireland are not included in the headline figure.
- National data are regionally weighted.

## Sectors:

"Other public works" comprises factories, warehouses, oil, steel, coal, schools/colleges, universities, health, offices, entertainment, garages, shops and agriculture.

For sector definitions, <http://www.ons.gov.uk/ons/rel/construction/construction-statistics/no--16--2015-edition/pdf-construction-statistics-appendix-2.pdf>.

## 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:

- 1a. How has the level of workloads changed over the last three months?
- 1b. Which sector do you think will see the strongest growth in output over the coming twelve months?
- 2a. How have infrastructure workloads changed across the following sub-sectors over the past three months?
- 2b. Which infrastructure subsector do you think will see the strongest growth in output over the coming 12 months?
3. How has the total level of New and R&M workloads changed over the past three months?
4. How have business enquiries for new projects or contracts fared in the past three months?
5. Have you hired anyone new (additional) in the past three months to support new workloads?
6. Have any of the following factors negatively impacted building activity over the past three months?
7. Has your company (or your contractors) experienced skills shortages in the past three months for the following occupations?
8. How have credit conditions changed over the past three months? How do you expect credit conditions to change over the next three/twelve months?
9. What are your company's expectations in each of the following areas over the next 12 months? (Workloads, headcount, profit margins)
10. What are your company's expectations for tender prices in each of the following areas over the next 12 months?
11. How do you expect labour costs per unit to change over the next 12 months?
12. What are your company's investment intentions over the next 12 months?

## Economics Team

### Tarrant Parsons

Economist

+44(0)20 7695 1585

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

### Sean Ellison

Senior Economist

+65 68128179

[sellison@rics.org](mailto:sellison@rics.org)

### Simon Rubinsohn

Chief Economist

+44(0)20 7334 3774

[srubinsohn@rics.org](mailto:srubinsohn@rics.org)

## 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.

Americas, Europe, Middle East & Africa  
[aemea@rics.org](mailto:aemea@rics.org)

Asia Pacific  
[apac@rics.org](mailto:apac@rics.org)

United Kingdom & Ireland  
[contactrics@rics.org](mailto:contactrics@rics.org)



[rics.org](https://www.rics.org)