



Q3 2020: RICS UK Construction and Infrastructure Monitor

Sentiment remains subdued though workloads are seen rising in the year ahead

- Workloads fall modestly in Q3
- Infrastructure and private housing seen as leading the sector over the next year
- Green initiatives are being used across the sector, albeit on a very small number of projects

The Q3 2020 RICS Construction and Infrastructure Monitor results point to a fairly subdued picture suggesting that the sector is still struggling for momentum with the economic fallout from the ongoing global pandemic continuing to depress output.

The headline workloads indicator, came in at -7% in Q3 consistent with a modest decline in activity. Although this illustrates an improvement from a reading of -36% in Q2, it is still down from an average of +11% last year and +20% in 2017 and 2018.

Workloads fell across the private commercial and other public works categories with net balances of -21% and -12% respectively. Alongside this, workloads were seen as remaining broadly unchanged over the quarter across the private industrial, private and public housing as well as the infrastructure segments following reported declines in Q2.

In line with this trend, net balances on new and repair and maintenance workloads remained in negative territory albeit less so than in Q2. Alongside this, contributors on balance reported virtually no change in business enquiries for new projects and contracts over the last three months after sharp a decline was noted in this category in the last quarter (net balance of -40% in Q2). Meanwhile, new hiring was seen as very modestly higher.

Financial constraints, shortage of materials and insufficient demand were cited as significant impediments to market activity. When asked about credit condition, 31% more respondents noted a deterioration rather than an improvement. Critically, it appears that the majority of contributors believe that credit conditions will continue to worsen over the three and twelve month horizons.

The RICS Market Confidence Indicator, a composite measure of workloads, employment and profit margins expectations, edged higher to -6 in Q3 from -22 in Q2 and -23 in Q1. A net balance of +13% of respondents expect workloads to rise over the course of next twelve months (compared to -5% in the previous quarter). Significantly, infrastructure workloads are anticipated to

lead the recovery, a net balance of +35% of contributors anticipate infrastructure work to rise rather than fall in the coming twelve months with additional public expenditure directed towards this segment likely to provide an uplift.

Meanwhile, 21% more respondents expect private housing workloads to rise rather than fall in the coming year. Indeed, reforms to the planning system, new permitted residential developments rights, the stamp duty holiday as well as an extension of help to buy (prior to a move to regional capping) likely to provide additional support to activity.

Notwithstanding this, profit margins are envisaged to decline over the course of the next twelve months with net balance of -28% of respondents expecting a fall. Meanwhile, new hiring is expected to remain more or less unchanged in year ahead.

The Q3 survey included additional questions to assess how sustainable and green initiatives are currently being used across the sector. Around two-thirds of respondents said that building resilience to extreme weather as a result of climate change is considered to be important when designing new projects. For repair and retrofit work this share stood at just over 50%. However, the majority of contributors cited that these evaluations are currently limited to a very small number of projects.

With respect to how circular practices are being used in construction, around one-third of the survey participants said that the share of material and components costs that was originated from recycled and reusable materials and components was in the range of 10% and 30%. When asked how the demand for recyclable and reusable materials has changed in the last twelve months, the majority of contributors (38%) said it had risen modestly.

Significantly, nearly half of the survey's participants said that they do not measure embodied and/or operational carbon in buildings. This implies that there could be critical steps to take ahead across the sector if the UK wants to significantly reduce carbon emissions from buildings and achieve the government's net zero target by 2050.

Key indicators

Chart 1

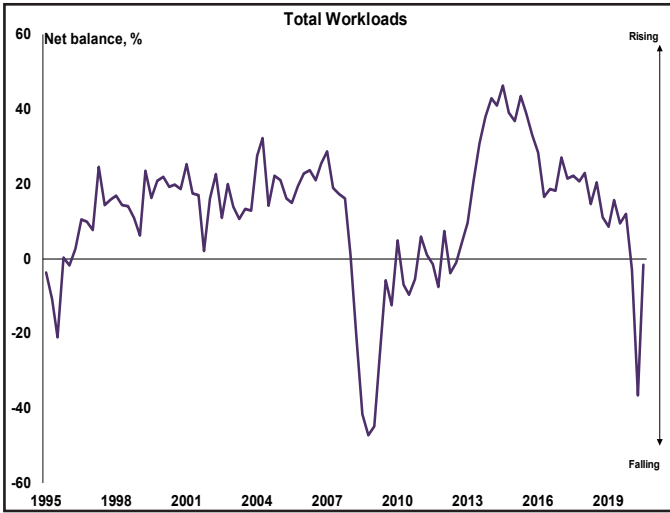


Chart 2

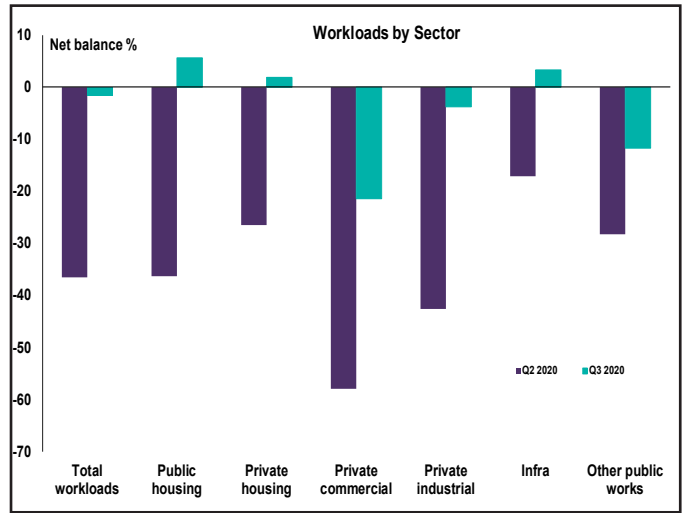


Chart 3



Chart 4

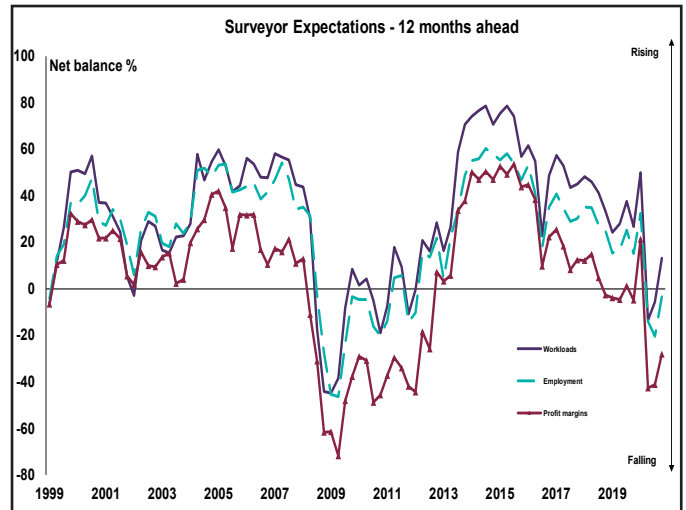


Chart 5

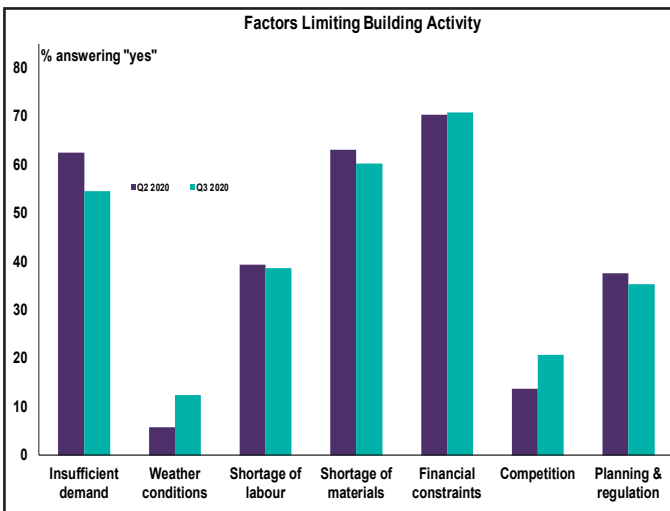
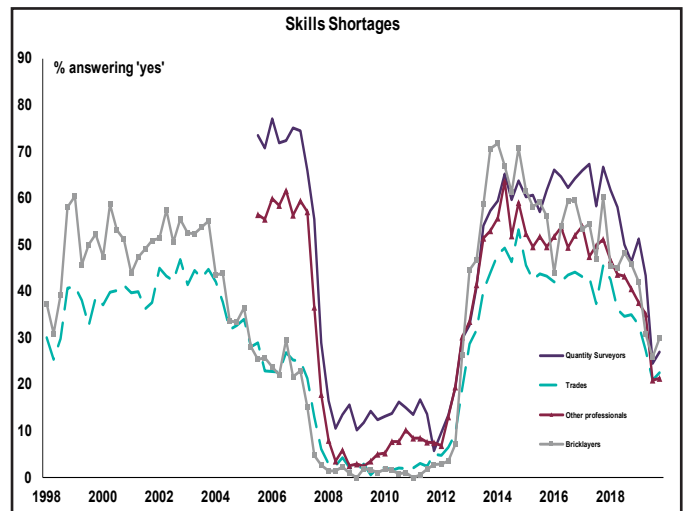


Chart 6



Key indicators

Chart 7

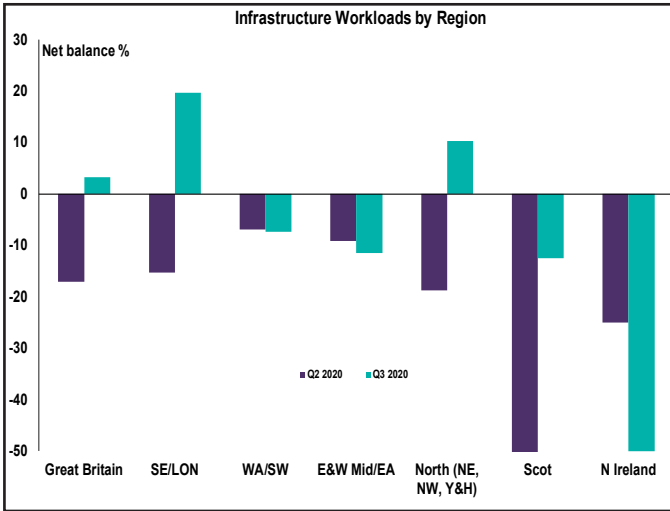


Chart 8

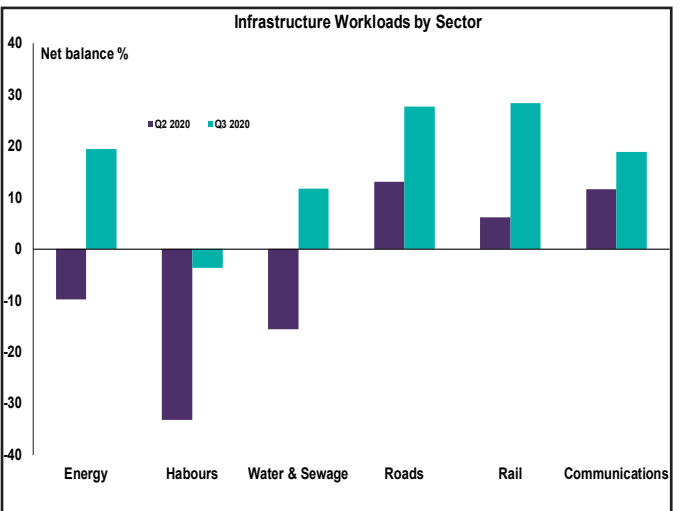


Chart 9

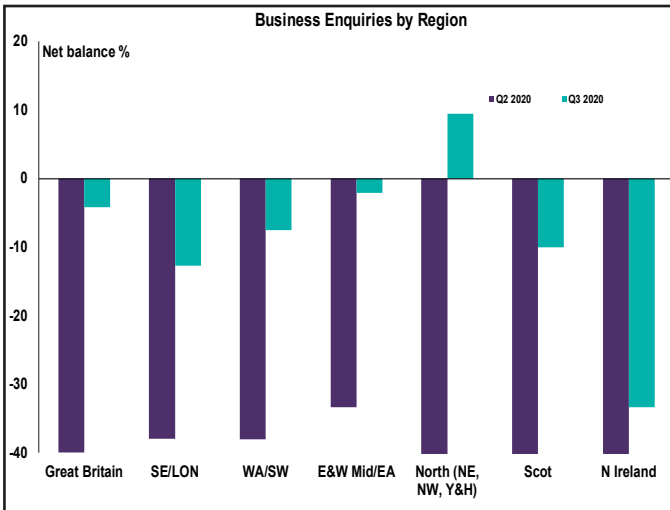


Chart 10

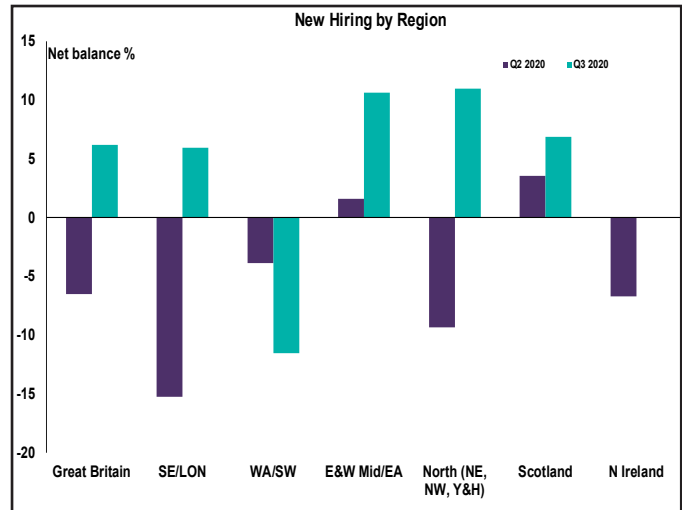


Chart 11

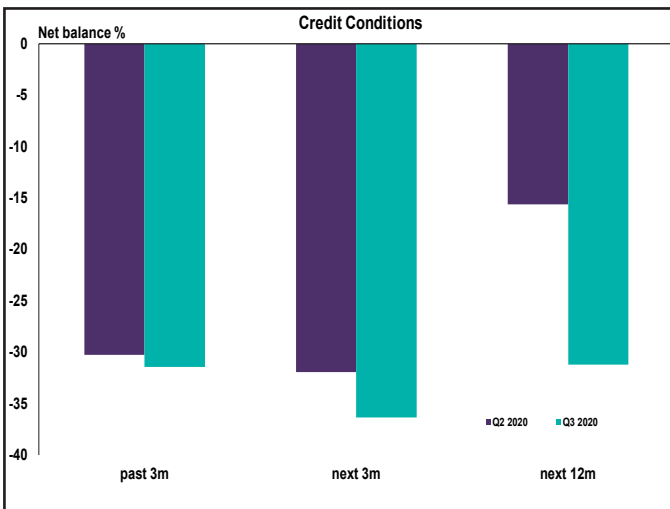


Chart 12



Key indicators

Chart 13

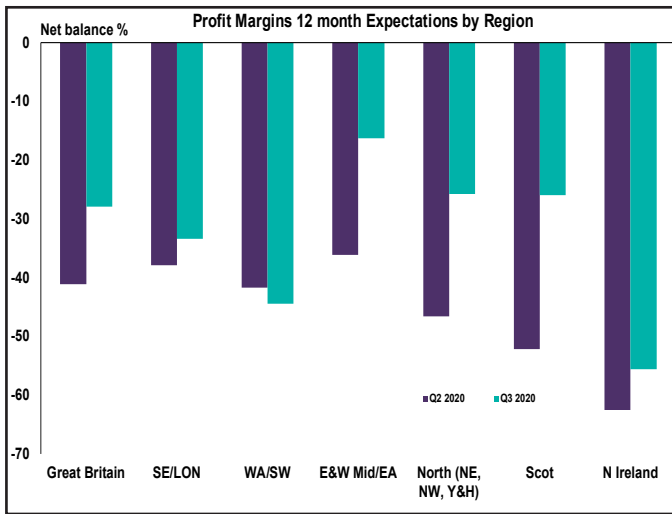


Chart 14

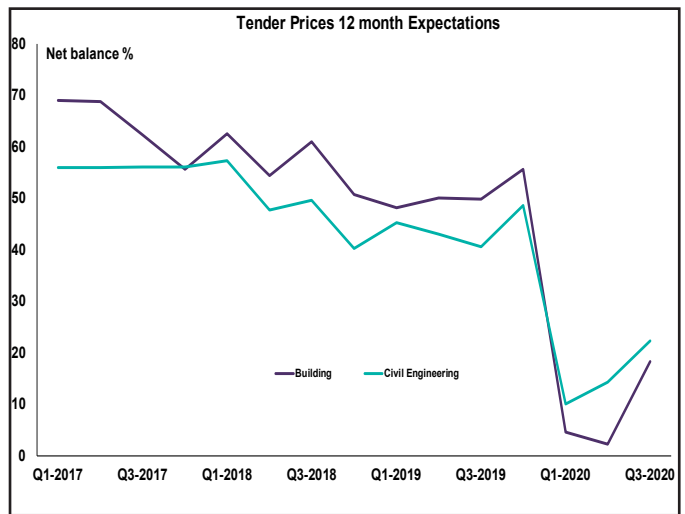


Chart 15

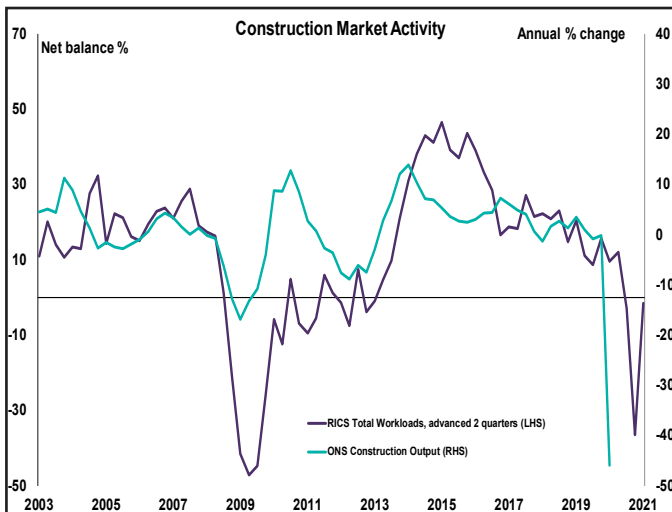


Chart 16

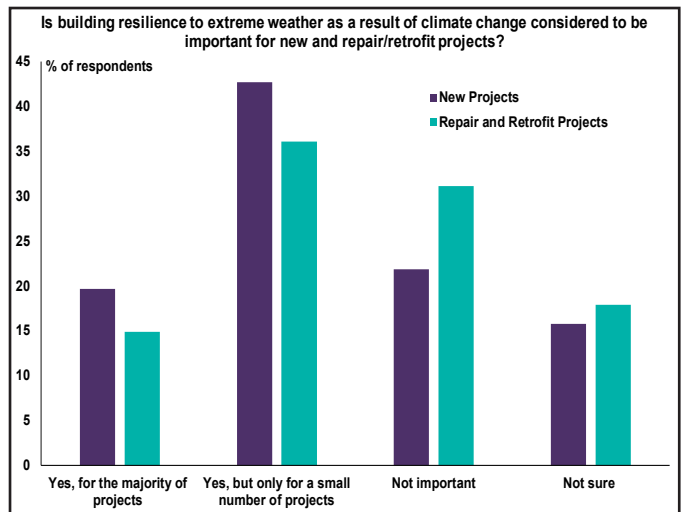


Chart 17

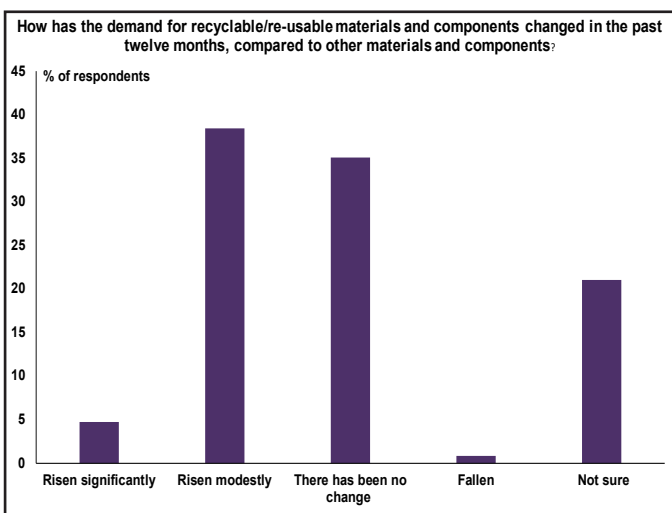
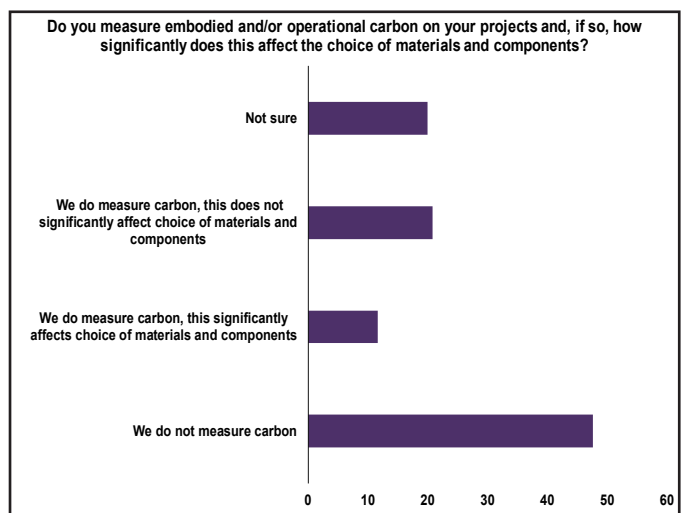


Chart 18



Chartered Surveyor market comments

London

Alex Alekkou MRICS, Hampton (LDN) Ltd, London, alex@hamptonldn.com, 02084479770 - Covid has negatively affected a majority of client investment decisions over the last 7 months and this will continue for at least a further 4 months.

Bradley Lawrence, BJJ Surveying Ltd, London, brad7478@gmail.com, 07951041850 - Uncertainty breeding contraction, demand for projects same as before but financial insecurity is preventing new works unless public money is involved.

Chief Peters Akinmolayan, Shabeckint Consulting, London, Shabeckint@gmail.com, +4478840144162 - The uncertainty of likely ends to Covid-19.

Chris Mills FRICS, Chris Mills Consulting Limited, London, chris@chrismillsconsulting.co.uk, 07813036395 - Very concerned about skill shortages in most areas. Brexit is a concern for both labour and materials.

Derek Weidner, Derek Weidner Consultancy, Gerrards Cross, derek@dwapc.co.uk, 07771558820 - The uncertain business and economic conditions effect forward planning and investment.

Graham Grabski MRICS, EMMAUS Consulting, Edgware, grahamgrabski@yahoo.co.uk, 07785577359 - The number of new projects coming to the market over the last 6 months is down for hospitality, retail and offices. These sectors in London have been severely hit by the pandemic and clients are rethinking how and if to invest in these sectors.

Harry Davies, Harry L Davies FRICS, FCI Arb, Stanmore, harryldavies33@gmail.com, 02089585243 - The pandemic will have the most impact, maybe for a few years.

Jason Dodd, Contemplor & Stone Ltd, London, jason.dodd@contemplorsurveying.com, 07894690048 - Planning Regulations. Whilst the industry is considering the government's recent changes to the planning system, the changes do not go far enough to improve an antiquated regime. The green belt restrictions must be reconsidered and allow offsetting.

Joe Porath, C and C Surveying, London, Jporathuk@yahoo.co.uk, 02089048871 - Lack of skilled professional labour and the experienced are retiring in droves.

John Harwood MRICS, Wellesley Construction Services Ltd, London, johnharwood@wellesley.uk.com, 07889382443 - Uncertainty and lack of confidence amongst employers leading them to place some projects on hold or cancel them.

John Tracey-white, Independent consultant, London, jtraceyw@dircon.co.uk, 02077917923 - Application of new safety regulations.

Kingsley Ugwuanya MRICS, Arcadis, Croydon, kingsley.ugwuanya@arcadis.com, 07909682490 - Economic uncertainty.

Lana Haque MRICS, Kier, Watford, lanais@hotmail.co.uk, 07814058704 - Covid.

Martin Smith MRICS, Buro Four, London, msmith@burofour.com, 07919058015 - Clients are still waiting for the prices of commercial real estate to drop further before acquiring new development sites, this is delaying new projects to the market and therefore our industry cashflow.

Michael Ford MRICS, Mace, London, michael.ford@macegroup.com, 07789 068682 - Loss of on-site productivity due to Covid site working requirements, delaying completion dates.

Richard Petterson, Hother Associates LLP, London, rpetterson@hother.co.uk, 02089477999 - Brexit and coronavirus uncertainty continue to have a strong negative effect.

Sean Howarth FRICS, Mace Group, London, skidder64@hotmail.co.uk, 07979591992 - Impact of Covid-19 on recovery of projects including claims, prolongation, inefficient working but also positives such as working from home including reduced carbon footprint, overheads, increased productivity etc.

Zinaida Boghiu MRICS candidate, Jai Estate Agents Ltd, London, boghiu.zinaida@gmail.com, 07956872121 - The construction industry might have a bright future due to these factors: 1) Current trends for online shopping 2) Avoiding large-scale projects because of the Brexit. 3) Housing developments 4) Increased use of different technologies.

South East

Andrew Venn, Wicksteeds (QS & FM) Consultants LLP, London, AndrewVenn@Wicksteeds.Co.UK, 02086611831 - Covid-19 has increased demand for new and extended/refurbished residential properties, some due to increases in home-working and annexes for elderly relatives.

Antony Monaghan MRICS, UKQS Consulting Limited, Luton, tmonaghan2000@yahoo.co.uk, 07967157545 - Main base of projects are airports, workloads here will be devastated over coming years.

Dale Watkins, Morgan Sindall Construction & Infrastructure Ltd, St Albans, watkinsdale3@gmail.com, 07872915789 - Delayed planning approvals. Either due to Covid-19 or overworked planning departments.

David C Brooks Wilson FRICS, Noble Wilson Limited, Milton Keynes, dbw@noblewilson.co.uk, 01296 534232 - Lack of certain materials and some resistance to take projects forward other than logistics

Ian Paton, Cluttons LLP, Oxford, ian.paton@cluttons.com, 01865 812755 - Nationwide focus on growth is not a sustainable economic model. This has to change and change now to a more redistributive model.

John Griggs FRICS, John Griggs Associates, South East, john@johngriggsassociates.co.uk, 07802482714 - Covid.

Julian Church MRICS MAPM MAPS, Julian Church and Associates, Worthing, julian@jca-ltd.co.uk, 01903533770 - I have worked in the construction industry for the past 30+ years but with 70% of our work in hospitality & 11% in health we have received very few new orders this calendar year.

Keith Gale, Hampshire County Council, Winchester, keith.gale@hants.gov.uk, 01189 820244 - The impact of Covid-19 is having an impact on face to face business and slowing delivery of projects.

Mark Izzard, Mark Izzard Cost Consultancy Ltd., Aylesbury, mark@miqscost.com, 07752841332 - Uncertainty over future lockdowns and job security.

Martin John Birch, Hand, Deere & Cox, Egham, martinbirch@hdcqs.com, 01784 439664 - With the exception of the private education sector (which to HDC is moderately good), the key factor is the degree of confidence from leaders to commit to building ventures.

Peter Wadhams, Challengers, Rochester, peterw@challengers.co.uk, 01634409696 - Construction methods are largely outdated and need to be thoroughly reviewed.

Tom Grillo FRICS, MEWI, MRSPH, Grillo LLP Chartered Surveyors, Godalming, mail@grillollp.com, 01483 860600 - No method of measuring embodied carbon.

Chartered Surveyor market comments

North East

Brian Bainbridge MRICS, Bainbridge Cost Consultants (Freelance), Durham, brian_bainbridge@sky.com, 0191 5120582 – Covid.

David Burn MRICS, Volker Rail Limited, Newcastle, david.burn@volkerrail.co.uk, 07471141280 – Covid-19 and funding.

Gawin I Holmes FRICS FAAV, Gawin I Holmes Land Agents Ltd, Lanchester, gholmessurveyor@aol.com, 07932799358 - Reduction in house numbers under new County plan. On examination by inspector making it more difficult to bring forward suitable sites for development.

Ian Pascoe AssocRICS, Capital Professional Services Ltd, Sunderland, Ian.Pascoe@sky.com, 07773683308 - There is a massive skills gap which is inflating labour costs and availability.

James Adshead MRICS, Newcastle University, Newcastle upon Tyne, james.adshead@ncl.ac.uk, 0191 208 8606 – Funding.

North West

Alexander Gall MRICS, ABGi Construction Ltd, Manchester, chateauxgally@aol.com, 07971802903 - Clearly, the global pandemic is having an effect on operations, but these are being mitigated as much as possible.

Anthony Wilkinson MRICS, Surmeasure Ltd, Preston, surmeasureltd@gmail.com, 07787762765 - Funding issues are delaying some opportunities as lenders are seeing their risks increasing in construction.

Brendan Dooley, Dooley Associates Ltd, Manchester, brendan.dooley@dooleyassociates.co.uk, 0161 839 4455 - Public sector do not support SME's via procurement.

Carl Burns BSc (Hons) MRICS, Liverpool City Council, Liverpool, carl.burns@liverpool.gov.uk, 0151 233 8222 - Covid procedures and policies.

Crystal Jenkins, C Jenkins QS Services Ltd, Preston, crystal@cjqs.co.uk, 07843486335 - Lack of certainty with regards to Covid and a second wave and how this will affect business.

Edward Ryan, Keywest Partnership Limited, Liverpool, eddie.ryan@keywestpartnership.com, 07881680659 - Trading conditions relating to Brexit uncertainty.

Eric Roberts, Black Cat Building Consultancy, Manchester, eric.roberts@bccconsultancy.co.uk, 07747 008428 - The future is unknown as furlough has yet to end and then next measures will be implemented. Covid issues may be reflected in tender prices and timescales in due course but the impact of Brexit on labour has dropped off the radar.

Ian A Dunning MRICS, Infrastructure Managers Limited, Manchester, ian.dunning@live.com, 07913700511 - Covid is impacting retail and commercial sectors occupancy levels and will inevitably lead to a rent reset which in turn will impact landlords and their financial models.

John Swindells, StonegatePub co, Nationwide, Johns. swindells@gmail.com, 07808084716 - Pandemic!

Jonathan Brennan MRICS, E & M Brennan Ltd, Manchester, office@embrennan.co.uk, 07896655557 - Mainly uncertainty in the current climate.

Luke Flintoff, Frank Whittle Partnership, Preston, lj30@live.co.uk, 07947654271 - Site shutdowns due to Covid-19 outbreaks, increased building times due to social distancing measures.

Neil Bullock MRICS, Laing O'Rourke, Liverpool, nbullock@laingorourke.com, 07469 406998 - Project cashflows up and down the chain. The importance of getting cash in has been even further highlighted and made more important during this time.

Peter Donoghue, Gleave Partnership, Warrington, peter.donoghue@gleaveqs.co.uk, 07775505887 – Covid-19 protective measures effecting productivity and increasing preliminaries.

Sean Fogarty, Laing O'Rourke, Manchester, sfogarty@laingorourke.com, 07796313649 - Covid-19 is the globally dominant factor affecting private sector client demand, supply chain capacity and school self-isolation regime impacting on working parents.

Yorkshire & the Humber

Dennis Carr, Carr Lynch, Sheffield, dennis.carr@carrlynchp.co.uk, 07702 108500 - Covid-19 continues to dominate everything.

Jason Sharp, Sharp Quantity Surveying Limited, Sheffield, jason.sharp@sharpqs.com, 01144535036 - Late payment and/or companies holding onto cash rather than paying when due has increased significantly which is damaging the supply chain.

Michael Dawson MRICS, Network Rail, York, michael.dawson@networkrail.co.uk, 07814500728 - Carbon is not measured on all projects and is being trialled across a number of selected projects.

Nick O'Leary MRICS, Faithful+Gould Ltd, Leeds, nick.oleary@fgould.com, +44 (0) 1133 066 031 - Whilst construction programmes are beginning to stretch to accommodate safe working practices, we are beginning to see an increase in the general level of OHP in tender prices.

Robert Taylor, City Estates, Sheffield, bob.taylor@cityestates.com, 011422968900 - Clearly Covid-19 is placing serious uncertainty in the market. As a developer we are taking stock of current assets rather than adding to and I can see this being the norm for some time to come.

T Anscombe MRICS, DKP, Harrogate, trevor.anscombe@dgp-qs.co.uk, 01423870890 - Restriction on activity due to Covid-19.

South West

Adam Rogers MCIInstCES, Network Rail, Wales and Western England, adam.rogers@networkrail.co.uk, 07515628402 - I am on the client side, in the public sector (rail), we are trying to responsibly continue with investment so as to not allow the current climate to cause any long term effects to the effectiveness of the railway. We in fact are working harder.

Alan Mudd MRICS, Alan Mudd Associates Ltd, Redruth, alanmudd@alanmudd.plus.com, 07881956596 – Covid.

David Perry, Wm G Weller & Son Ltd, Redruth, david@wmweller.co.uk, 01209215621 - Confidence remains an issue for private companies investing in capital projects. Clear proposals and leadership from the government on the economic recovery will allow business to plan and invest.

James Cox, Randall Simmonds LLP, Okehampton, james.cox@randallsimmonds.co.uk - Confidence in the economy

Peter Bethell MRICS, Cheltenham Surfacing Company Limited, Gloucester, pb@cheltenhamsurfacing.co.uk, 01452 521108 - Occasional material supply shortages due to no production during lock-down.

Phil Lewis, Randall Simmonds LLP, Exeter, phil.lewis@randallsimmonds.co.uk, 07810808141 - Carbon as a currency being discussed but needs standardisation of approach.

Rod Whiting, Baker Hughes, Bristol, rod.j.whiting@bakerhughes.com, 07557487376 - Covid-19.

Chartered Surveyor market comments

Wales

Emyr Hall MRICS, National Trust, Betws y Coed, North Wales, emyrhall@aol.com, 01490 420789 - Many are worried about 2nd wave and its effects on the industry.

Mike Petersen, Pick Everard, Cardiff, Mikepetersen@pickeverard.co.uk, 07500011896 - Nervousness of unknown, lack of commitment.

Nicholas Jones MRICS, Wrexham County Borough Council, Wrexham, Nic.jones@wrexham.gov.uk, 01978 292564 - Cancellation of Wylfa 2 nuclear power station on Anglesey will be a detriment to the North Wales construction sector and local economy. Covid-19's adverse impact upon tourism.

Richard Hale MRICS, Conwy County Borough Council, Conwy, richard.hale@conwy.gov.uk, 01492 574268 - Availability of apprentices in surveying and civil engineering is poor, particularly to attend local colleges with appropriate courses. Lack of medium sized m and e contractors. Lack of some professional consultants.

Rob Llewellyn MRICS, Claimsconnexion UK Ltd, Swansea, rob.llewellyn@tiscali.com, 07793838190 - Working from home in various organisations has slowed down decisions and communications.

Robert Fisher BSc MRICS, Robert Fisher Ltd, Swansea, info@robertfisherlimited.co.uk, 01792720010 - Local construction demand is very high. Quality contractors are in short supply. Material and labour costs are rising, as are tender prices. However, the impending recession and mass unemployment suggests this high demand will be short lived.

West Midlands

David Hill, Fitzgerald Contractors, Birmingham, davidhill141@hotmail.co.uk - The lack of government funding for local authority projects and the failure to push through the funding for shovel ready schemes has had a considerable effect in recent months with a number of schemes being shelved or cancelled.

Greg Meadwell BSc(Hons) MRICS, Johnson Fellows, Warwick, Greg.Meadwell@JohnsonFellows.co.uk, 07703727250 - Supply chain of materials, smaller labour force (furlough/redundancy) increase in private travel (reduction in public transport).

Hepzibah Hunt MRICS, Roach Hunt Partnership Ltd, Tamworth and West Midlands generally, hepzhunt@roachhunt.co.uk, 01827 51233 - WLC Cost Plans are beginning to be asked for which is a good indicator that the end user is more aware of the environment than say in the previous five years.

Mark Ollerton FRICS FICE, Highways England, Birmingham, mark.ollerton@highwaysengland.co.uk, 07901983410 - Low productivity from limited innovation.

Michael Roach, Roach Hunt Partnership, Tamworth, michaelroach@roachhunt.co.uk, 07957585436 - Negative media comments about the economy.

Peter Slim, Emmaus, Birmingham, peter.slim@emmausconsulting.uk, 01212123607 - Covid-19, lockdown and furlough being withdrawn has reduced confidence in the commercial sector.

Phil Hodges, Ridgeways Chartered Quantity Surveyors, Redditch, phil@ridgewaysqs.co.uk, 01527894514 - Covid. Mixed messages continue. Complaints of lack of work from some, complaints of overload from others. Some clients hesitant whilst others seemingly throw caution to the wind with full steam ahead on projects. Few can predict activity from Jan 21.

Steve French, Arcadis, Birmingham, steve.french@arcadis.com, 07774 141924 - Ongoing impact of Covid-19 on the industry will significantly affect the ability for the economy to recover. The longer this duration will be, the greater the loss in key skills and potentially the availability of private and public sector funding.

East Midlands

Mark Beddow FRICS, Harborough District Council, Market Harborough, m.beddow@harborough.gov.uk, 07394567511 - Financial constraints due to Covid-19.

Tom Burton MRICS, Node Building Consultancy, Nottingham, tom@nodebuildingconsultancy.co.uk, 0115 772 2432 - The furlough scheme is being utilised to the effect that employee tradesmen are being maintained on furlough, in spite of demand.

Eastern

Chris Keeble, Gill Associates, Ipswich, ckeeble@gillassociates.co.uk, 07800600448 - There has been a pick-up recently but nervousness persists in the market.

Jason Jolly, Castons, Ipswich, jjolly@castons.com, 07903720727 - Healthcare investment increases.

John Barron MRICS, JF Barron Ltd, Luton, johnfbarron@aol.com, 07792540476 - Covid-19.

Scotland

Ailsa McGregor, IES, Scotland, Ailsamcgregor@outlook.com - The global impact of the pandemic and Covid-19 is changing the way we interact and transact. Economic shocks are testing sustainability and resilience.

Andrew Crossan FRICS, AHR Crossan and Co, Dumfries, andrew@ahrcrossan.co.uk, 01387 255265 (264569 in lockdown) - Stagnation in high street lettings.

Balfour Beatty, John Barnard, Glasgow, john.barnard@balfourbeatty.com - Lack of coherent infrastructure investment strategy from the SG.

Ian C Thomson BSc. MRICS, North Lanarkshire Council, North Lanarkshire, thomsonin@northlan.gov.uk, 07729912167 - The outbreak of Covid-19 has resulted in claims for Extension of Time and Loss and Expense.

Kenneth Mackay FRICS, Mackay Projects Limited, Glasgow, ken.m1@hotmail.com, 07914 380581 - Covid-19 has had a significant effect.

Shauna Chalmers, BAM, Edinburgh, shauna.chalmers@gmail.com - National lockdown as a result of Covid-19.

Northern Ireland

Fred Rea MRICS, PQS, Belfast, Fred@projectqs.com, 02890451706 - Virus.

Hans Stauch MRICS, NICS, Belfast/NI, h.stauch@ntlworld.com, 02890809022 - Covid-19 and Brexit uncertainty.

John Cunningham MRICS, O'Prey Developments Ltd, Downpatrick, john@pauloprey.co.uk, 07801254958 - Uncertainty around Brexit and employment.

Mark Lynch MRICS, Lotus Homes, Belfast, mokthelimey@hotmail.co.uk, 07780495375 - Obviously the current climate is uncertain, and people/clients are fearful, especially considering the end of furlough and the unpredictable pace of the recovery. Government intervention to build confidence is paramount for recovery and growth.

Chartered Surveyor market comments

Michael McCaughey MRICS, M
J McCaughey Ltd, Dunannon,
info@mjmccaughey.com,
028 87727270 - Future 12
months are unpredictable due
to the coronavirus outbreak.

Sean Brennan MRICS,
Whitemountain, Belfast, sean.
brennan@breedongroup.com,
07971 998382 - The necessity
of "Working from Home" at this
time, whilst necessary, has
considerably slowed the pace of
decision making, and this is the
single biggest issue that will slow
down economic recovery in the
construction market.

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 Q3 2020= 367

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?

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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.

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