

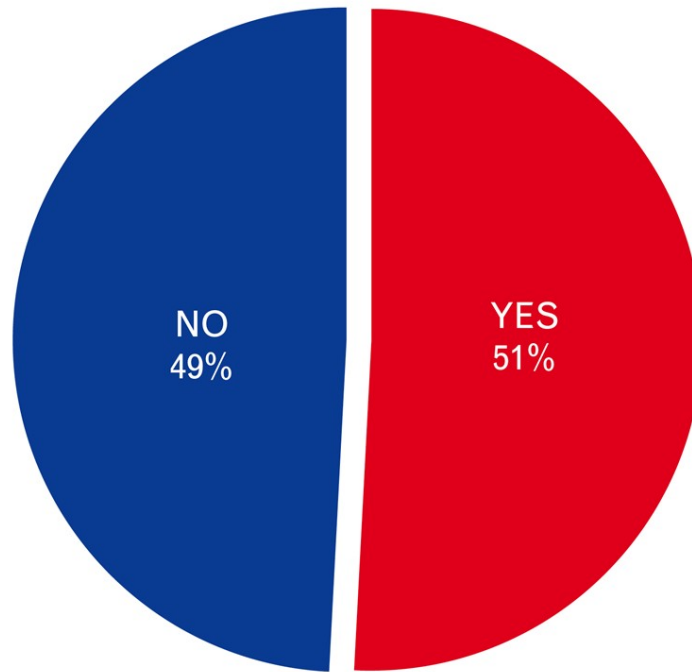
Projects on hold, enquiries down: AJ survey reveals how Brexit is hitting workloads

30 August, 2016 By [Ella Braidwood](#), [Richard Waite](#), [Will Hurst](#)



NEWS ANALYSIS: More than half of the profession has had projects put on hold following the EU referendum result, a new poll by the AJ suggests

A new poll of more than 200 AJ readers gives one of the clearest insights so far into the worrying realities of practising architecture in the immediate aftermath of the Brexit vote. The survey uncovers a significant drop in new client enquiries and uncertainty over the future of existing schemes – many of which have been put on ice.



Have any of your projects been put on hold since the EU referendum vote?

ALL RESPONDENTS

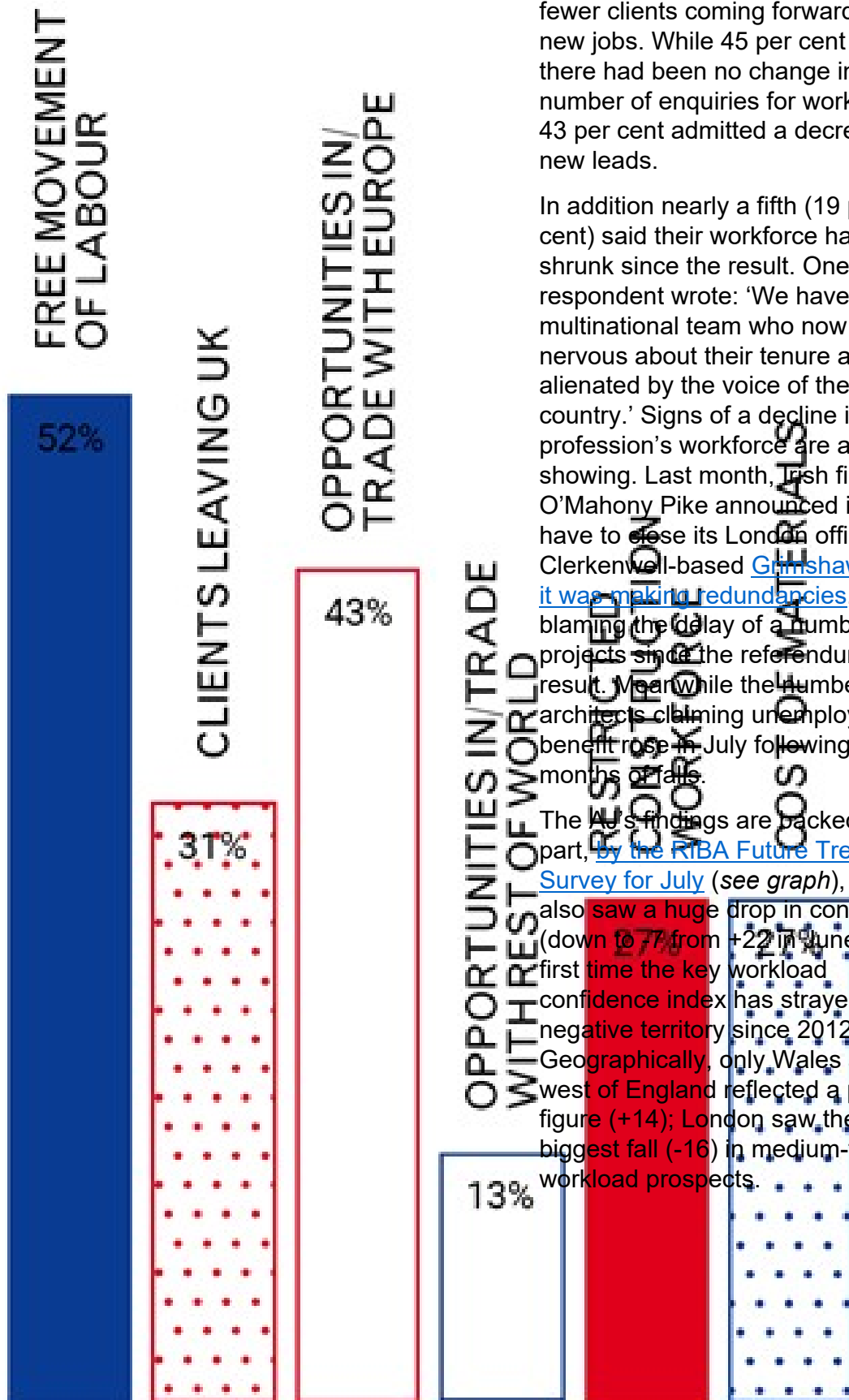
[In April research by the AJ revealed](#) that almost two-thirds of those in larger practices feared Brexit would 'damage' their business. The latest AJ survey findings will do little to allay their concerns – more than half (51 per cent) of those polled said they had seen schemes mothballed after the vote on 23 June.

Respondents to the survey highlighted shelved projects ranging from a £2 million refurbishment of a dilapidated barn to several residential schemes in London and a £100 million development in southern England. One reader also said university and school schemes had been put on hold over concerns about whether the government would continue to match EU funding.

Practices in London seem to have been hit harder than elsewhere in the UK with 56 per cent of those based in the capital saying clients had pressed pause on schemes since the referendum. David Green, a director of Belsize Architects and former head of the European division of the Bank of England, said: 'It is not surprising that larger negative effects are noted in London. London-based financial services are the biggest industry at risk, with a knock-on impact on commercial and residential demand. It's also where architects employ most EU nationals.'

My practice has had a large one-off house project delayed. The client wants to see how Brexit will play out before committing to remain in the UK

Anonymous respondent



As well as the impact on existing projects, readers also reported fewer clients coming forward with new jobs. While 45 per cent said there had been no change in the number of enquiries for work, 43 per cent admitted a decrease in new leads.

In addition nearly a fifth (19 per cent) said their workforce had shrunk since the result. One respondent wrote: 'We have a multinational team who now feel nervous about their tenure and alienated by the voice of the country.' Signs of a decline in the profession's workforce are already showing. Last month, Irish firm O'Mahony Pike announced it would have to close its London office, and Clerkenwell-based [Gimshaw said it was making redundancies](#), blaming the delay of a number of projects since the referendum result. Meanwhile the number of architects claiming unemployment benefit rose in July following months of falls.

The AIA's findings are backed up, in part, by the [RIBA Future Trends Survey for July](#) (see graph), which also saw a huge drop in confidence (down to 7 from +22 in June) – the first time the key workload confidence index has strayed into negative territory since 2012. Geographically, only Wales and the west of England reflected a positive figure (+14); London saw the biggest fall (-16) in medium-term workload prospects.

What are your biggest

concerns now the UK has voted to leave the EU?

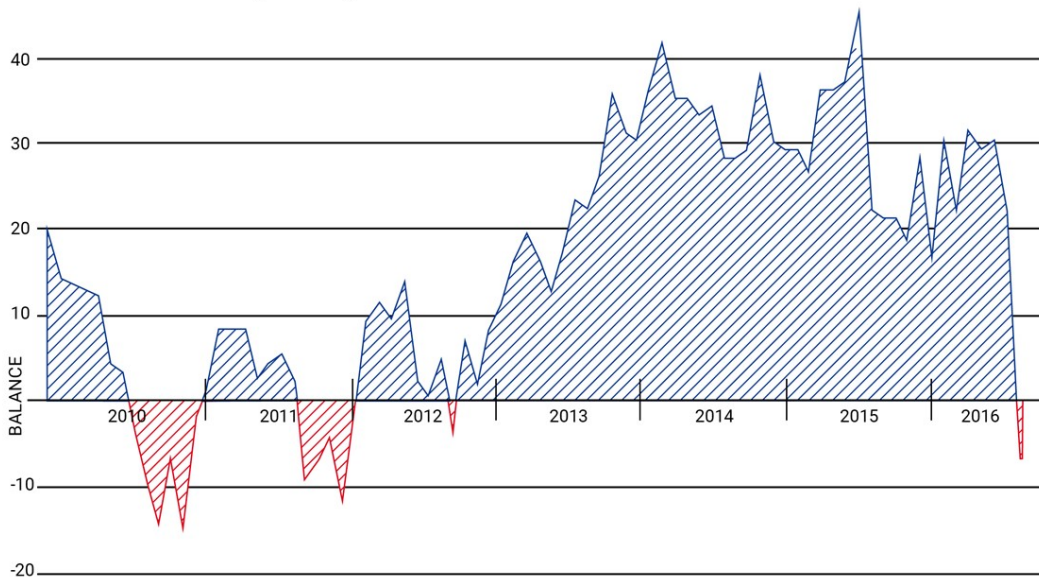
ALL RESPONDENTS

Adrian Dobson, executive director of members at the RIBA, says: 'While a very small number of practices state they have seen projects cancelled or postponed as a direct result of the referendum outcome, the sense is that the fall in our index reflects anxiety about the future impact of the decision rather than an immediate change in the workload pipeline.'

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RIBA Future Trends Survey

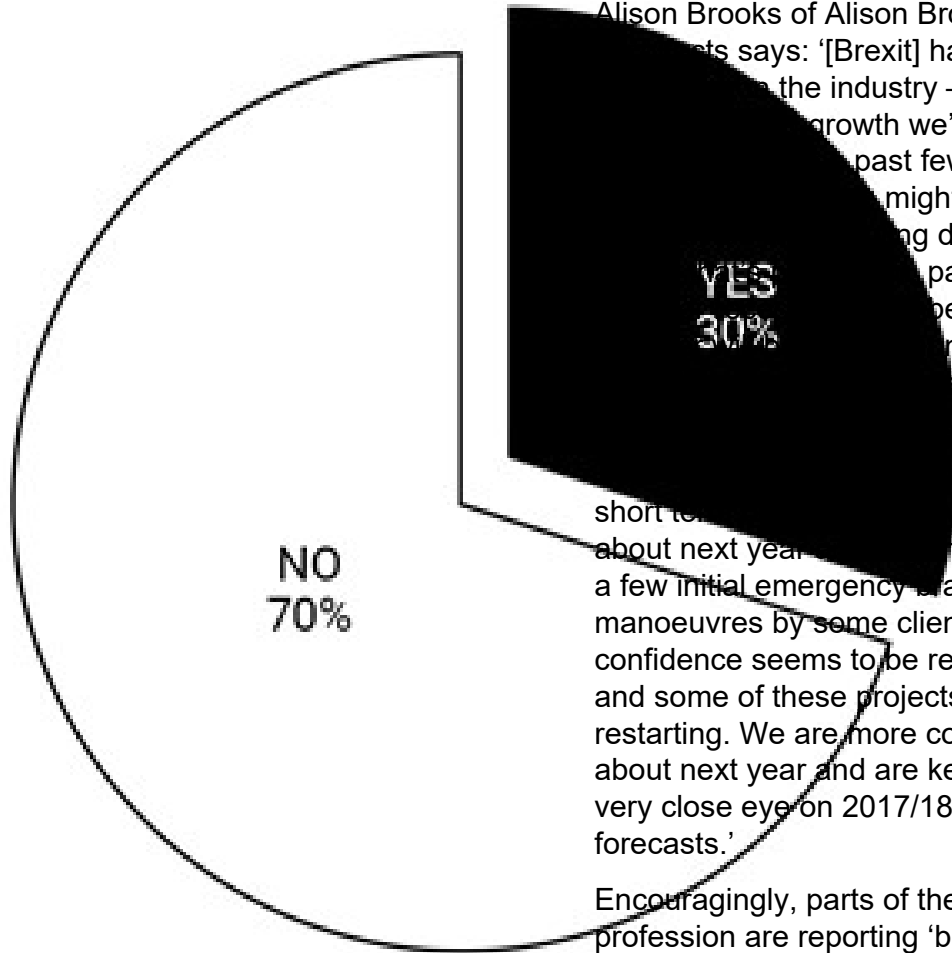
How do you expect the architectural workload to change in your organisation in the next three months?



DEFINITION OF BALANCE
THIS IS THE DIFFERENCE BETWEEN
THOSE EXPECTING MORE WORK AND
THOSE EXPECTING LESS

Brexit has exaggerated the already concerning inequity of investment between the regions of the UK

Anonymous respondent



Were any of your projects put on hold in the run-up to the EU referendum?

ALL RESPONDENTS

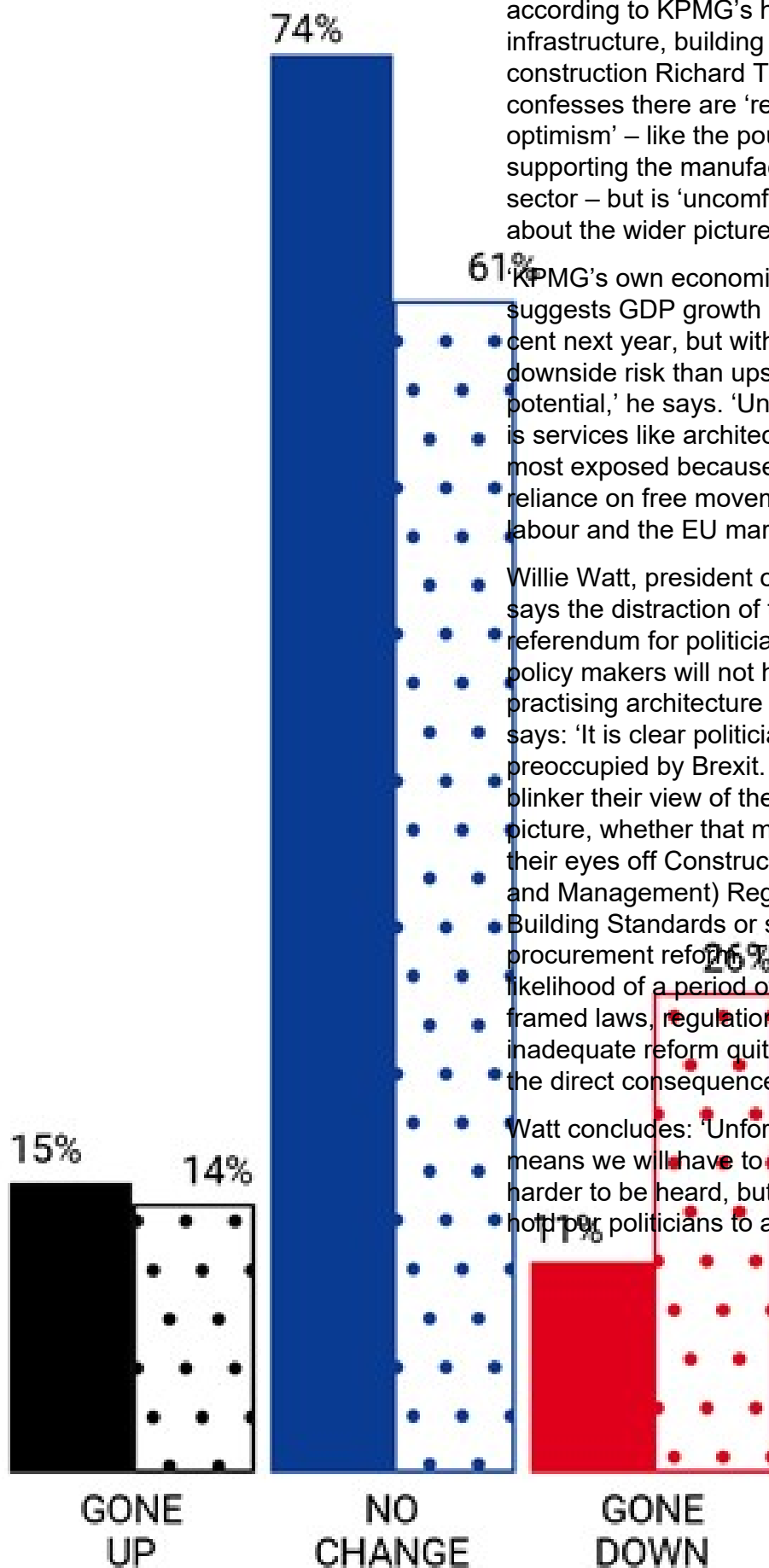
Opinions on the exact nature of the post-Brexit landscape vary widely.

Alison Brooks of Alison Brooks Architects says: '[Brexit] has had a significant impact on the industry – the growth we've seen in the past few years might be coming to a halt. We might see a "hangover" in the next few months to a year and a half before we get back to a "new start."'

John Gordon of Gordon Murray Design says: 'In the short term, we're not too worried about next year. We're more concerned about next year and are keeping a very close eye on 2017/18 forecasts.'

Encouragingly, parts of the profession are reporting 'business as usual'. Nick Gregory, strategic development partner at Purcell, says: 'In our practice, we've been encouraged by the general level of activity in the market and have seen some big wins since Brexit, indicating there hasn't been the negative effect that might have been expected.'

Gregory isn't alone. Earlier this month, LSI Architects reported adding eight new staff to its workforce – a 10 per cent increase – since the vote to leave.



But the long-term outlook for much of the industry remains bleak according to KPMG's head of infrastructure, building and construction Richard Threlfall. He confesses there are 'reasons for optimism' – like the pound's fall supporting the manufacturing sector – but is 'uncomfortable' about the wider picture.

KPMG's own economic forecast suggests GDP growth of 0.5 per cent next year, but with more downside risk than upside potential,' he says. 'Unfortunately it is services like architecture that are most exposed because of their reliance on free movement of labour and the EU market.'

Willie Watt, president of the RIAS, says the distraction of the EU referendum for politicians and policy makers will not help those practising architecture either. He says: 'It is clear politicians will be preoccupied by Brexit. That will blinker their view of the bigger picture, whether that means taking their eyes off Construction (Design and Management) Regulations, Building Standards or subjects like procurement reform. There is every likelihood of a period of poorly framed laws, regulations and inadequate reform quite apart from the direct consequences of Brexit.'

Watt concludes: 'Unfortunately that means we will have to work all the harder to be heard, but we must hold our politicians to account.'

What has happened to your workforce since the EU referendum?

The AJ's survey sheds some light on the short-term effect of the referendum result, but the picture varies across region, sector and practice. More will become known when government statistics on planning applications, housing starts and property transactions for the post-Brexit quarter (July-September) emerge in early October. Predicting what will happen after that is a hard task indeed.

■ RESPONDENTS BASED OUTSIDE LONDON
▣ RESPONDENTS BASED IN LONDON

How well has the RIBA handled Brexit?

The RIBA was heavily criticised by survey respondents for its lack of support for members in the wake of the referendum. More than half said the body had not been helpful in the weeks following the result, while around a fifth branded its input as 'useless'.

One respondent said: 'The RIBA needs to be proactive in supporting the profession, EU resources and ensuring that architects still have access to EU work, funding and exposure.'

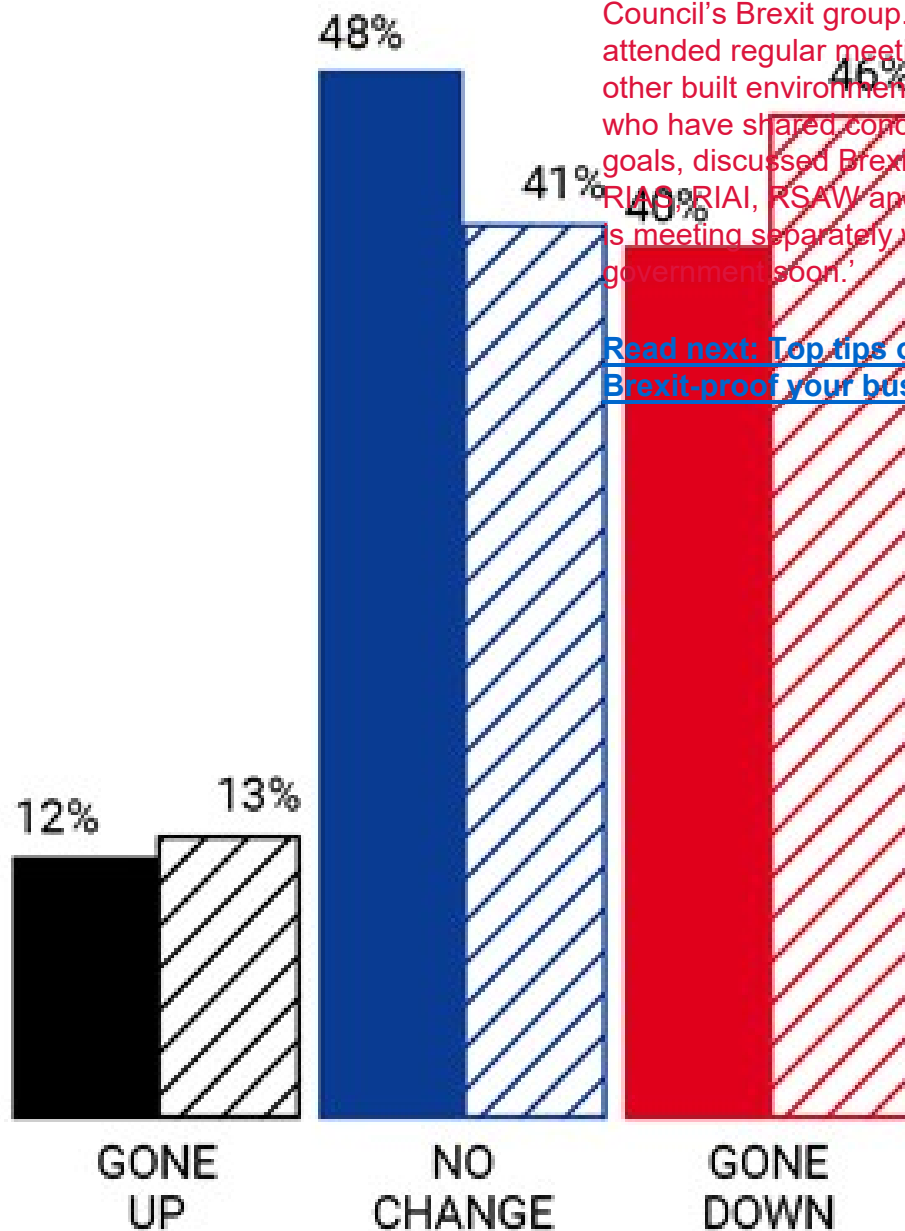
Another added: 'The RIBA should have done more before Brexit. It appears incapable of doing anything to influence government on any topic.'

A third respondent described its response as 'hopeless'.

RIBA president Jane Duncan said: 'I know many in our profession voted to remain in the EU but we have to be pragmatic – it is happening and we must consider how best to prosper outside of the EU.'

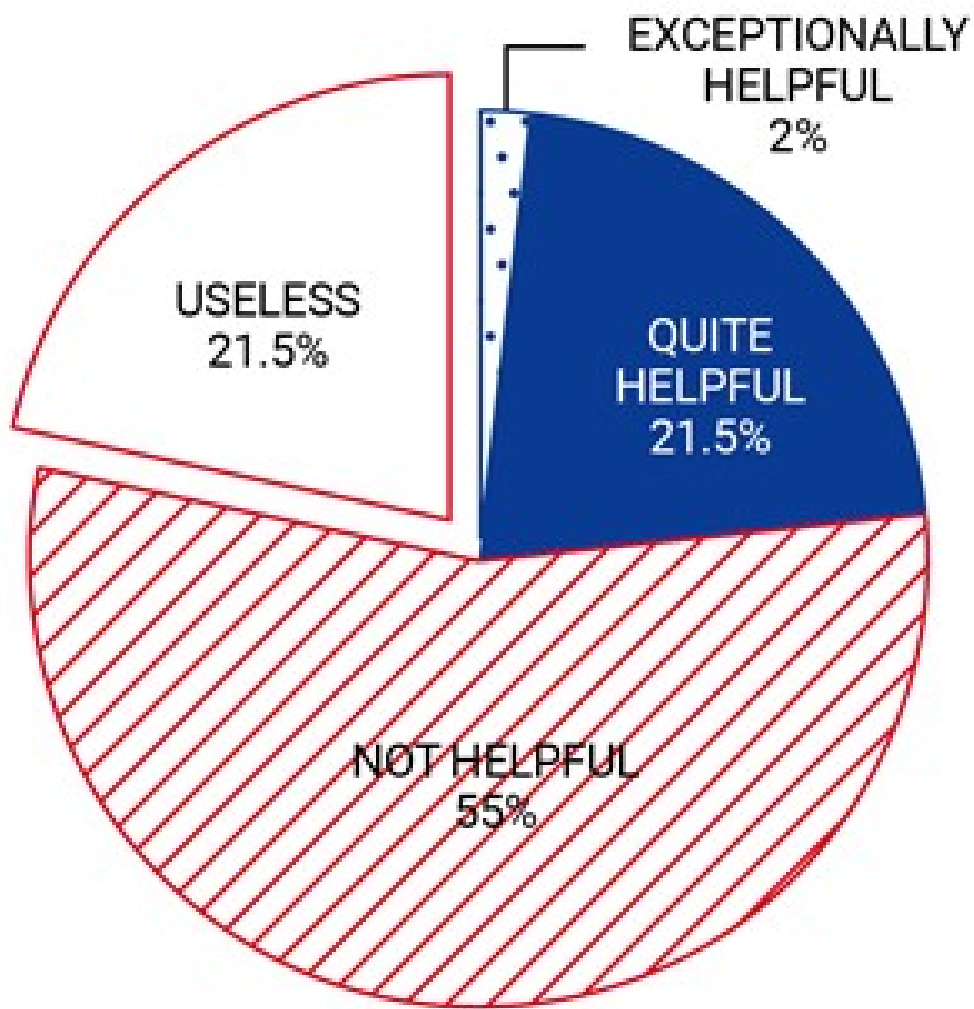
'My Brexit team has been working with the Creative Industries Council's Brexit group. It has attended regular meetings with other built environment institutes who have shared concerns and goals, discussed Brexit with the RIAS, RIAI, RSAW and RSUA, and is meeting separately with government soon.'

[Read next: Top tips on how to Brexit-proof your business](#)



How has the number of enquiries for new work changed since the Brexit vote?

- RESPONDENTS BASED OUTSIDE LONDON
- ▨ RESPONDENTS BASED IN LONDON



How useful to you and your practice has the RIBA been since the Brexit result?

ALL RESPONDENTS