

# Fosters' Brexit warning is justified – but it is only the tip of the iceberg

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The practice's worries over retaining and recruiting staff after Brexit are only half the story, warns *David Green*



As the AJ recently reported, Foster + Partners would consider moving its headquarters over Brexit if the outcome damaged its ability to do business.

But this may be only the tip of the iceberg for architects in the UK.

Fosters cites the challenge over continued staffing and recruitment because of uncertainty over immigration and work-permit rules, the framework for professional services, which includes the mutual recognition of qualifications, and the continued ability to access public procurement across the EU.

These wholly justified concerns do not, however, start to consider the impact of Brexit uncertainty on its clients and on their demand for architectural services. Nor is this an issue confined to large international practices. Across the economy as a whole, architects' concerns are multiplied manyfold. Whole sectors of the economy have no idea at all as to whether their business model will remain viable post-Brexit, and in many areas of activity investment is freezing.

We are two years on from the referendum with only nine months till Brexit day, yet the government has yet to publish the White Paper promised for months explaining what it would like to achieve in the negotiations. This is important because we do not yet know which of the many concerns of commerce, including those expressed by architects and clearly articulated by the RIBA, the government is intending even to try to resolve.

Of course, this is just the starting point to a negotiation, the outcome of which may not be known for sure till 2020, if then.

The government had sought to allay concerns and sustain confidence by seeking to agree at least a standstill in current arrangements up to end 2020. Unfortunately, this has not yet been agreed either. Even if it were agreed in the relatively near future, it is already too late to prevent businesses activating plans

to continue serving their customers in the EU after March; in some businesses you cannot simply set up a new operation within the EU overnight. Over the coming months we will hear a steady stream of news about firms, particularly banks, that feel they have no choice but to shift some operations out of the UK to avoid the risk of either a bad deal, forcing them to change their business model, or indeed no deal at all.

This is the hard economic reality that lies behind the current obscure shenanigans in Parliament.

Loss of employment and new investment in any industry will have a direct effect on the demand for architectural services in the UK. Of course, some of the effects will not be felt for a time, given the long lags in architectural work. But some of the effects are already starting to be felt as businesses decide their demand for space is as likely to fall as rise. And they are seen in the residential market where, in London at least, rents and house process are softening.

Employees in City firms are already asking for break clauses in their domestic tenancy agreements in case they are moved outside the UK in the coming months. Plans for upgrading housing are, in many cases, on hold.

And this is not just a South East concern, as can be seen by the increasing stridency of business across the country in calling for clarification as to what aspects of their business will still remain viable.

So the warning by Foster + Partners is entirely justified. But we can be sure these are not the only things it is worrying about.

The current total absence of certainty about the business and personal world we will find ourselves in is affecting everyone, and perhaps architects more than most, whose livelihoods depend on the confidence of their clients.

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