

With six months to go to Brexit, we urgently need a deal on services

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The RIBA should be lobbying MPs to secure the future of trade in services with EU countries, writes Belsize Architects' *David Green*

The clock is ticking relentlessly towards Brexit at the end of March and all the news is about what happens if there is no deal.

The news is not good for architects. The Governor of the Bank of England was [reported as saying](#) there was the possibility of a 35 per cent drop in house prices in the event of no deal. There would be a massive hit: to developers, some of whom would be unable to continue to trade; to those with mortgages to service; and to confidence more generally. Any consequent drop in the exchange rate would raise construction costs. And the hit to public finances would mean that the public sector would be in no position to build additional housing.

It now seems the Governor was in fact referring to stress test assumptions for tests the banks had undergone. However, this does not change the general story that no deal would have a huge impact on the construction sector.

But, more importantly, there is increasing evidence that, even if there is a transition or standstill period, little is likely to be done before we leave in March other than to sketch out in very broad terms the areas to be covered in the future relationship with the EU.

So we have no idea at all what will happen over time to, for example, recognition of professional qualifications or procurement, where the no-deal contingency plans involve not only loss of access to EU markets, but also the creation of a new UK procurement regime by March. And we have no idea what the immigration regime would be.

What we do know is that the Chequers plan places priority on securing future access for goods, but not services. Other sectors, notably the City, are planning on the basis that market access will be reduced, are constructing their new operations within the EU27 and will soon start moving staff.

Most banks think that once they have moved they will not move back even in the event that Brexit is called off. So this loss of jobs will affect the demand for office space and housing, and the loss of tax revenue will affect demand for construction generally.

The architectural practices most directly affected will need to undertake contingency planning, as the government is requesting that they do – though what precise contingencies they should plan for remains unclear.

The profession as a whole and their representative, the RIBA, must do all it can urgently to lobby MPs, individually and collectively to ensure that achieving the best possible deal for trade in services is an absolute priority. They might also consider whether or not they think Brexit should be stopped.

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