

## Brexit could mean life or death for practices

7 April, 2016 David Green



Now is the time to think hard about what effects Brexit would have on UK architecture, says ex-bank of England expert *David Green*

Do architects benefit from the EU? Everyone has their own particular *bête noire* about EU legislation that they believe damages their interests. That is assuming they don't have their facts wrong, as [Boris Johnson found](#) to his discomfort at the Treasury Select Committee last month. In contrast, few of us tend to be aware of those aspects of EU legislation which serve our interest. They are often taken for granted.

It is vital for architects to have a proper understanding of the complexity of the issues if they are not to get an unpleasant surprise after the referendum; other professions, such as financial services, are surely giving this detailed thought.

There are certainly some annoyances for architects: excessive procurement requirements and insufficiently demanding professional qualifications for EU architects practising in the UK are commonly cited. However, what is important to understand are the consequences of Brexit. How many of our procurement rules are made in Brussels and how many in the UK? And what sort of post-Brexit procurement regime would UK politicians have instead? Equally important to know is what effect would being outside the EU procurement framework have on larger practices?

The most important question is what will be the overall effect of Brexit on the demand for architectural services?

Similar questions need to be asked about qualifications and related rights to provide cross-border architectural services. Will firms need to establish offices in Europe to be allowed to work within the EU? Will local qualifications be demanded as a matter of law as well as practice? What new rules will be brought in on immigration – will there be exemptions for the many EU nationals who staff our practices? Or the EU construction workers who keep our building costs lower than otherwise (and, some would say, standards higher)?

Far outweighing any of these questions, however, will be the overall effect of Brexit on the demand for architectural services. The vast majority of economic forecasts predict a downturn in the short term, with views differing thereafter. Will demand for property decrease as a result of the possible move of banking business out of the City of London? What will happen to demand from foreign investors? Or public spending on housing and infrastructure when additional pressures are placed on public-sector budgets, possibly in a climate of a falling pound, rising inflation and higher interest rates?

EU membership brings a bigger market, stronger demand in the UK because of inward investment, access to architectural talent and clear rules across a wide jurisdiction. Individual practices will be affected in significantly different ways depending on whether their markets are in the UK, the EU or elsewhere. They will be especially affected by what happens to their customers and the costs they in turn incur for construction.

What is needed now is that all these questions be thought through properly, because, given the nuance of the detail, getting the overall judgement right could make a life-or-death difference to a practice's continued existence. The beneficial side effect of a properly informed debate could be that the profession will end up with a clearer vision of what reforms it wants, whether its future is inside or outside the EU.

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