



REPORT

COVID-19: GLOBAL SURVEY

THE IMPACT ON THE CONSTRUCTION SECTOR
ACROSS THE WORLD

NOVEMBER 2021 - ISSUE 11

RLB

Rider
Levett
Bucknall

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INTRODUCTION

The 11th edition of the RLB COVID-19 Survey continues the focus change made in the 10th edition, to include reference to the current position around the world, as well as looking forward at how the respondents foresee the construction industry's future, post-pandemic.

Coordinated global action is an ideal that may be beyond our existing economic and political systems, but there is yet a realisation that in defence of wealthier countries' interests, inoculation has to be made available to all, or no-one will be safe. Recognition of this is a unique situation in economic history - a naturally occurring event which has global implications that need to be dealt-with and which are unavoidable and inescapable.

Around the world, COVID case numbers have risen in the last three months by over 26%, producing sweeping waves of infection and associated further economic lockdowns, and despite ever-increasing levels of inoculation. Pressures continue upon governments anxious to return to pre-pandemic modes of living and working, but the virus and its developing variants continue. The challenge of a programme of global inoculation is further complicated by the developing need for booster support, as protection wanes over time. The result is a complex and, even now, unresolved set of problems regarding not only the availability of the inoculations themselves, but the level of uptake, medium to long term

efficacy, and whether inoculation should or can be made mandatory. The interpretation of these issues is made in countless different ways around the world as governments view their own problems and react accordingly.

At a country level, vast sums of money have been deployed to deal with the effects of the virus in health terms and economic terms, and many governments are now looking forward, to stem the outflow of funding and support, and re-establish economic order. The two-year hiatus has given rise to circumstances in the world and its markets that could not have been foreseen and need to be dealt-with. Normal service cannot simply be resumed. Circumstances, patterns of working and living, and businesses have all changed. Governments' support will inevitably be withdrawn, but the aftermath of that withdrawal remains in question. For construction, a major sub-set of most countries' economies, the roiling health issues morph into supply and distribution issues even though the industry has responded heroically to the challenges.

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HIGHLIGHTS

Over
57%
believe that
significant progress
has been made in
returning to normality



80%
of respondents
report less than
20% of projects held at
pre-construction stage



60%
agree that their
government's
responses have helped



Only
16%
foresee
'significant adverse
effects' on future
workplace occupancy



Consistent best performing sectors



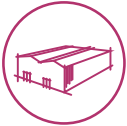
Data centres



Healthcare



Infrastructure



Industrial &
Logistics



Energy



Residential

**Hospitality, Retail, Hotel
and Leisure** sectors
continue to show
negative effects globally

Least
affected cities
sectorally by
continent



WASHINGTON DC
WUHAN
BUDAPEST
STELLENBOSCH
WELLINGTON

AMERICAS
CHINA
EUROPE & UK
MIDDLE EAST & AFRICA
OCEANIA & SOUTH ASIA

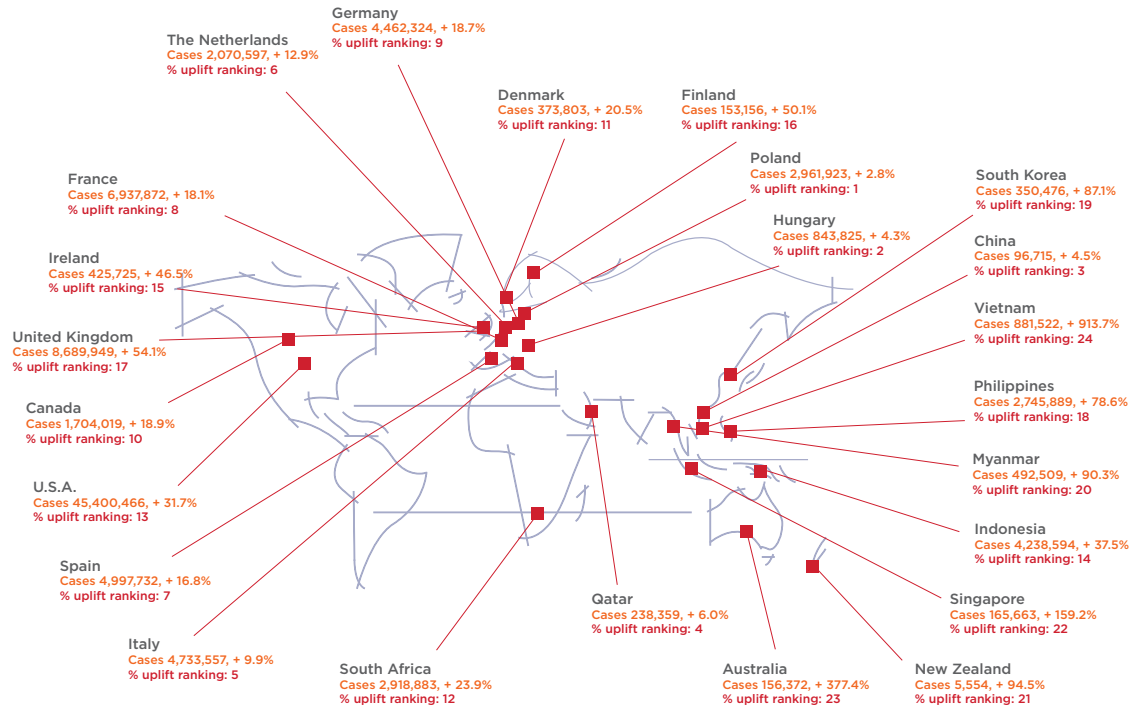
CHICAGO
BEIJING
DUBLIN
DOHA
YANGON



Most
affected cities
sectorally by
continent

GLOBAL SURVEY

The map of the world shown here shows the countries with RLB offices that have contributed to Issue 11 of the survey. We have represented in orange the number of COVID-19 cases confirmed in each country as at 22 October 2021, and a percentage increase from the number of cases confirmed as at 23 July 2021.



Source: RLB R&D, derived from: Hale, Thomas, Sam Webster, Anna Petherick, Toby Phillips, and Beatriz Kira (2020). Oxford COVID-19 Government Response Tracker, Blavatnik School of Government.

OVERVIEW

In Issue 11 of the RLB COVID-19 survey, covering the period from 23 July 2021 to 22 October 2021, responses were received from 48 cities in 24 countries.

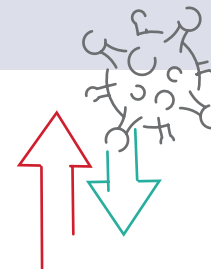
Poland and Hungary now lead the way with least percentage of increases in cases, followed by China and Qatar. New Zealand continues to report the lowest number of new cases, although this time at 2,699, more than 9 times the country's previous 3-month uplift of 284 cases. China's second place uplift of only 4,181 new cases is particularly striking given the vast population, while Qatar features again in third place with 13,411. Australia's sudden uplift of almost 400% captures the problems there in terms of breakouts and lockdown responses, and sees the country tumble to mid-table in uplift terms, though only ninth in absolute numbers.

Countries most affected by additional cases are now the United States, with almost 11 million, the United Kingdom at over 3 million additional and now the Philippines, with over 1.2 million more cases and a near 80% uplift.

Excluding Vietnam, which has had a particularly turbulent time in the last 6 months of escalating case numbers, the average percentage uplift of all countries is about 55% for Survey 11, as against 30% in Survey 10. This change tells its own story, as countries struggle to re-open their economies despite inoculation challenges and ongoing COVID spread.

Methodology: Colleagues from around the world were asked a series of questions, and their responses were ranked, so that comparisons could be made. The aim was to produce numerical and visual analyses of their views, reflecting their current position regarding the COVID-19 outbreak. One survey response per city was collected, completed by a senior colleague, who adopted an industry-wide local appreciation of marketplace effects.

Surveys 1 to 5 were produced monthly. From Survey 6 onwards, production timings have been adjusted to reflect the changes that are taking place and to be more proactive in commenting on possible outcomes.

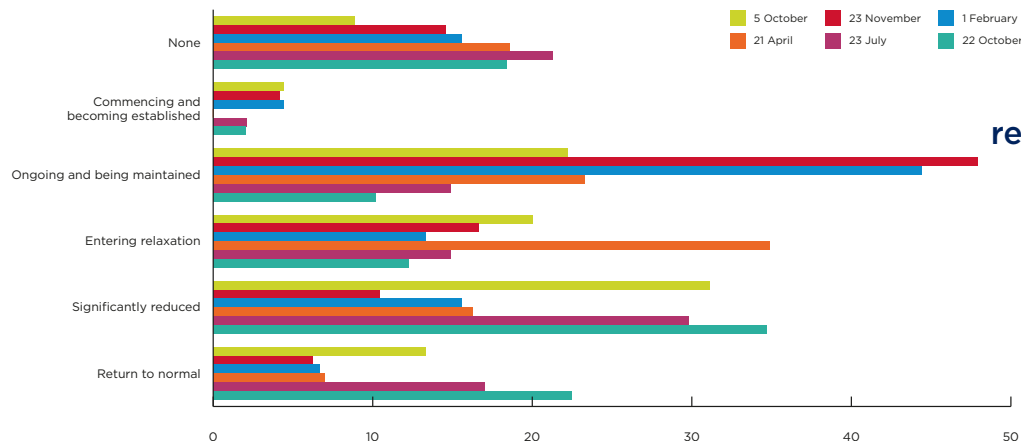


ANALYSIS

1. WHAT IS THE CURRENT STATE OF GENERAL ECONOMIC LOCKDOWN DUE TO COVID-19, IN YOUR LOCATION?

While approximately one fifth of respondents indicated that they had no general economic lockdown, and a further 22%

indicated a return to normal, the other near 60% reported varying degrees of constraint. Figures in all categories have become reasonably consistent, survey to survey, with the bulk, over 57%, now of the opinion that significant inroads have been made in returning to a form of normality.



"We are already in recovery mode, tourism is returning as of November 2021, and thus we anticipate recovery to pick-up."

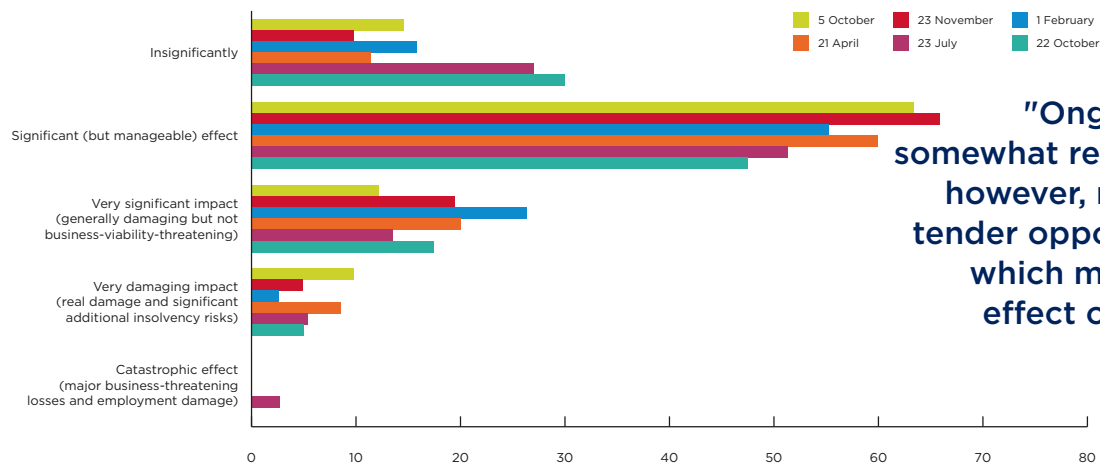
United States, Honolulu

Percentage of responses

2. HOW SIGNIFICANTLY, IN YOUR CURRENT VIEW, IS ANY ECONOMIC LOCKDOWN AFFECTING NORMAL CONSTRUCTION INDUSTRY ACTIVITY?

Although almost 70% of responses report reduced lockdown conditions, nearly half also report significant adverse effects on construction. While no-one holds the view that the effect

is catastrophic, there is a solid grouping of over 20% of respondents who report very damaging and in some cases "business survival affecting" impacts.



"Ongoing activity has somewhat returned to normal however, new projects and tender opportunities are low which may be a lingering effect of the pandemic."

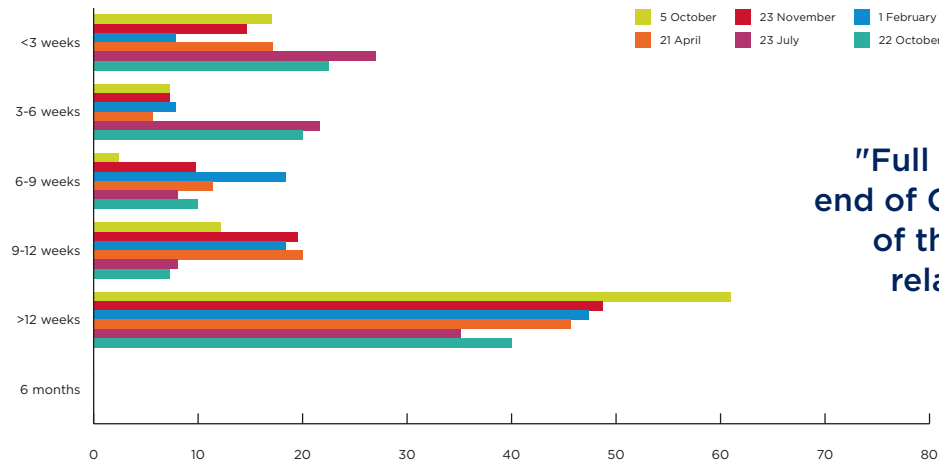
Qatar, Doha



3. FROM THIS POINT, HOW LONG DO YOU FORECAST FOR ECONOMIC LOCKDOWN TO BE COMPLETELY REMOVED?

The consequences of respondents' views on lockdown effects are that many, almost half, now expect removal of constraints to be in excess of 9 weeks away. That statistic is outstanding as it sits alongside the earlier answer to the same question

3 months ago, to the effect that over 43% of respondents foresaw lockdown removal 9-12 weeks away. In many cases this effect has come about due to further lockdowns having been initiated after tentative steps had been made to re-open economies. The advent and growth of new variants has fed its way into economic systems, so that despite inoculation success stories, the virus lives on and is spreading, albeit with, in many locations, more limited health consequences.



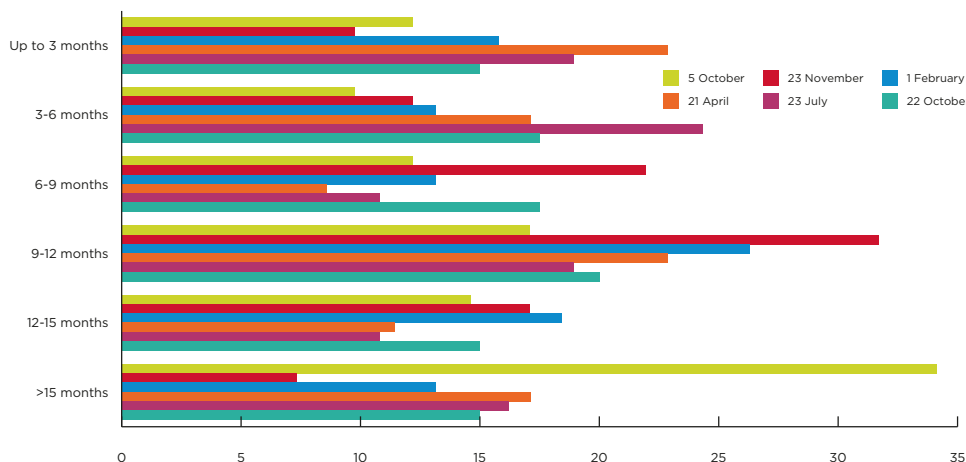
"Full unlocking was meant to be end of October, but not all aspects of the lockdown are being fully relaxed due to COVID spikes."

Ireland, Dublin

4. AFTER RELAXATION OF ALL LOCKDOWN MEASURES, WHAT WOULD BE YOUR BEST ESTIMATE OF RECOVERY FOR YOUR LOCAL ECONOMY?

Estimates for local economic recovery show that almost one third of respondents expect recovery to take in excess of a year, from the point of removal of all lockdown measures, with half of these reporting the view that the time period will

exceed 15 months. These figures can be juxtaposed with many governments' views that economies are already rebounding strongly. While it is the case that many countries' recoveries have so far been at a relatively high level of GDP percentage, that must be set against the drop caused by the pandemic and the effect of large volumes of stimulus provided.



"One main driver to full recovery will be the return to office for main stream companies (tech and finance being primary sectors) which is expected early in 2022."

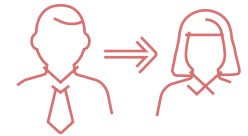
United States, San Francisco

Percentage of responses

5. WHAT IS THE ESTIMATED PERCENTAGE FALL IN PRODUCTIVITY OF ON-SITE CONSTRUCTION OPERATIONS?

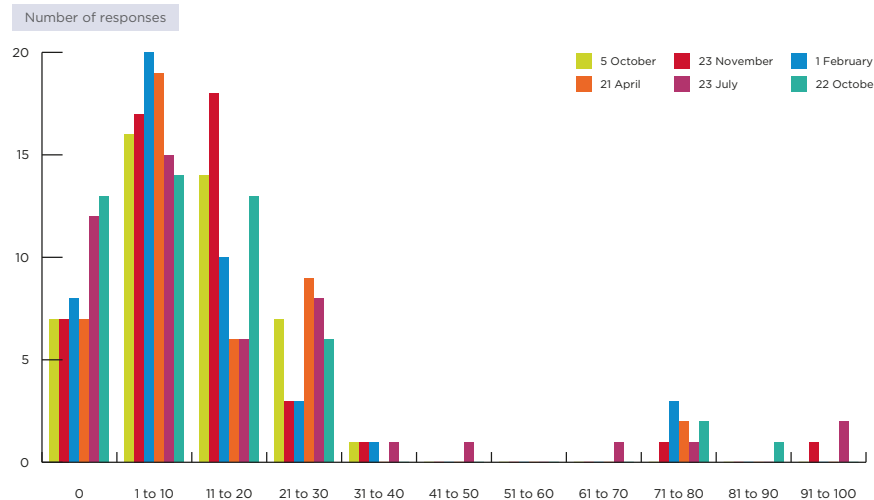
Once again, this 11th survey reports most of any fall in site productivity concentrated at the lower end of the range, with 55% of reports suggesting productivity loss of less than 10%.

This is solidly in-line with earlier surveys, and acknowledges the fact that the COVID impacts, obligations and constraints are well bedded-in to contractors' and sub-contractors' work methods.



"Now considered to be quite minimal, but not completely down to zero."

Germany, Berlin

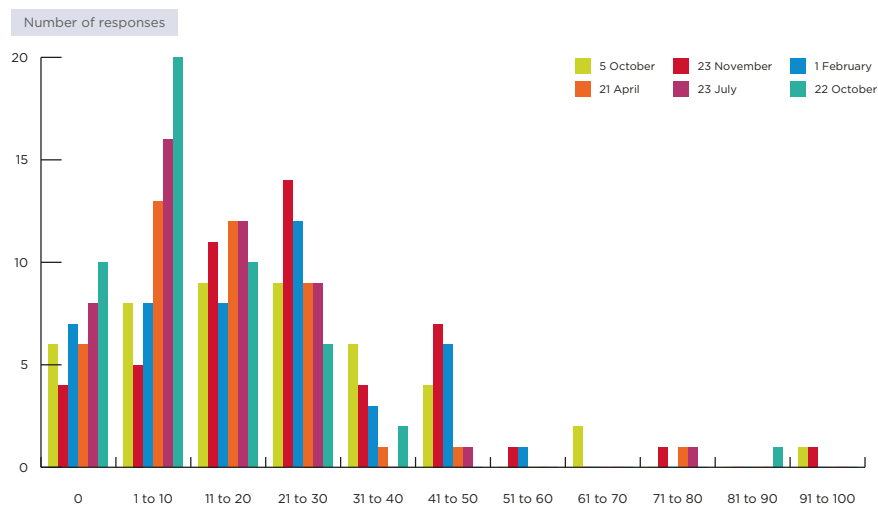


As part of issues 2 to 11 of our surveys, we asked a question on productivity to gain a better understanding of how COVID-19 has affected on-site construction operations.

6. WHAT PERCENTAGE OF PROJECTS (BY NUMBER) WOULD YOU SAY ARE ON HOLD PRE-CONSTRUCTION AS A RESULT OF THE EFFECTS OF THE PANDEMIC?

Over 80% of respondents now report less than 20% of projects having been held at pre-construction stage, though

by now, the reasons for these holds may differ from those originally noted.



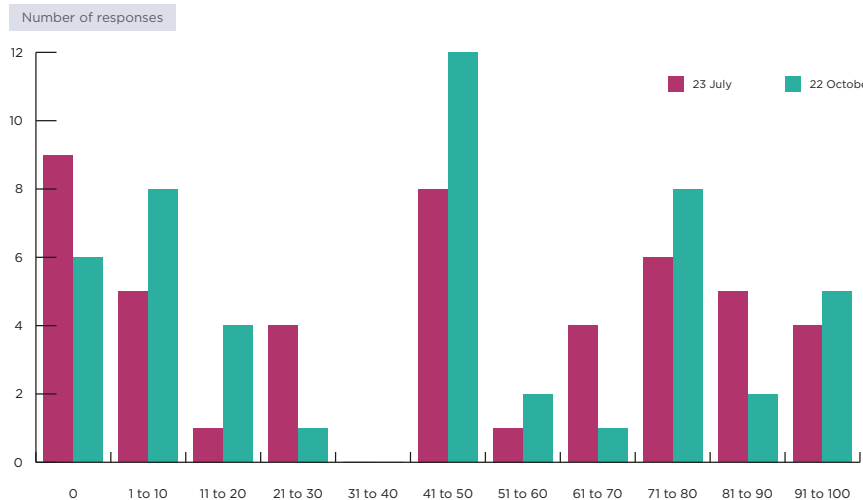
"Some of the developments pre COVID are still on hold. Mainly some office developments, hotels and retail. Our expectation is that this will change rapidly."



Netherlands, Amsterdam

7. WHERE PROJECTS HAVE BEEN HELD PRE-CONSTRUCTION AND ARE NOW BEING RELEASED, WHAT PROPORTION OF THOSE HELD WOULD YOU SAY HAVE NOW BEEN OR WILL SHORTLY BE, RESUMED/RELEASED?

This question as to release-to-market of previously held projects elicits a broad range of opinion from respondents. Almost 25% believe that around half of held projects have been or will be released to market, but there are strong groupings of views at each end of the continuum. This is indicative of the uncertainty as to medium to longer term effects on markets, as well as in respect of current and upcoming conditions.

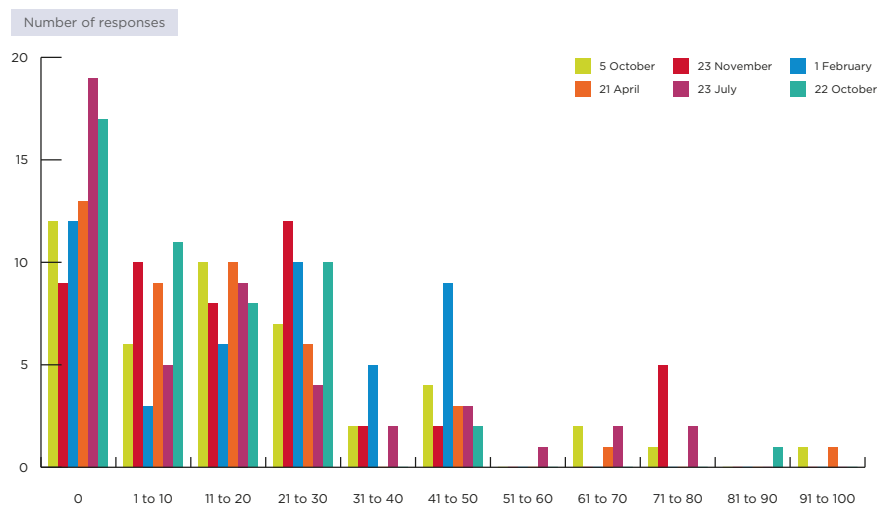


"Most developers still having to re-price their projects as the market has changed ."

United States, Los Angeles

8. BY WHAT PERCENTAGE WOULD YOU SAY THERE HAS BEEN A DROP-OFF IN THE NUMBER OF BID INQUIRIES FOR RLB / EURO ALLIANCE SERVICES?

As far as bid-inquiries are concerned, the vast majority of respondents reported any inquiry drop-off as being near to the lower end of the scale. In fact, many are reporting highly active inquiry and early stage estimating activity.



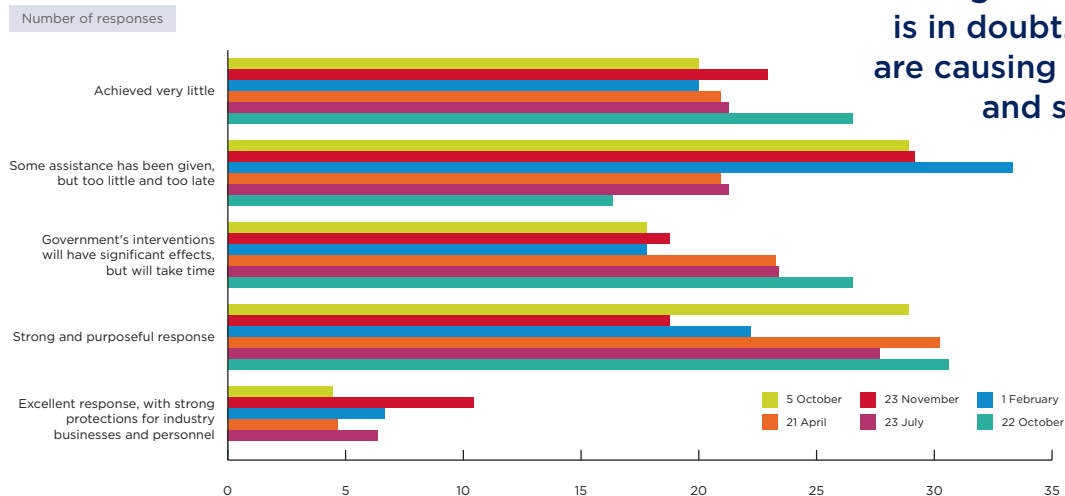
"The drop off in private sector has been replaced by public sector enquiries."

China, Macau

9. IN YOUR CURRENT VIEW, ARE YOUR NATIONAL GOVERNMENT'S CURRENT POLICIES AND RESPONSES BENEFITING THE CONSTRUCTION INDUSTRY?

Governmental activity of course varies around the world, depending on political shade and COVID conditions.

However, the broad sweep suggests favourable views, almost 60%, in agreement that their government's responses have helped or are continuing to help, although none currently are prepared to opine that the response is excellent. This latter point is likely due to the ongoing development of knowledge of causes and effects in the relationship between virus spread balanced against economic impacts.



"Strong but the purposefulness is in doubt. The state projects are causing high price increase and shortage of labour."

Hungary, Budapest



SECTOR ANALYSIS

WHAT IS THE GENERAL EFFECT OF THE PANDEMIC ON CONSTRUCTION SECTORS?

Analysis of the general effects of the pandemic on construction sectors is necessarily subjective, capturing the views of respondents on the situation in their local markets. In order to compare their analyses with each other, RLB has modelled responses to questions aimed at each sector separately, and then grouped the cities' total sector responses together, to produce the charts shown in the following pages. This is the 11th edition of the Survey, so this latest iteration of the Survey shows the emergence of views arising from a much later part of the COVID response sequence than has been the case so far.

Methodology: The narrower single width entries reflect a respondent's view that a particular sector has been positively or negatively affected (value +1 or -1).



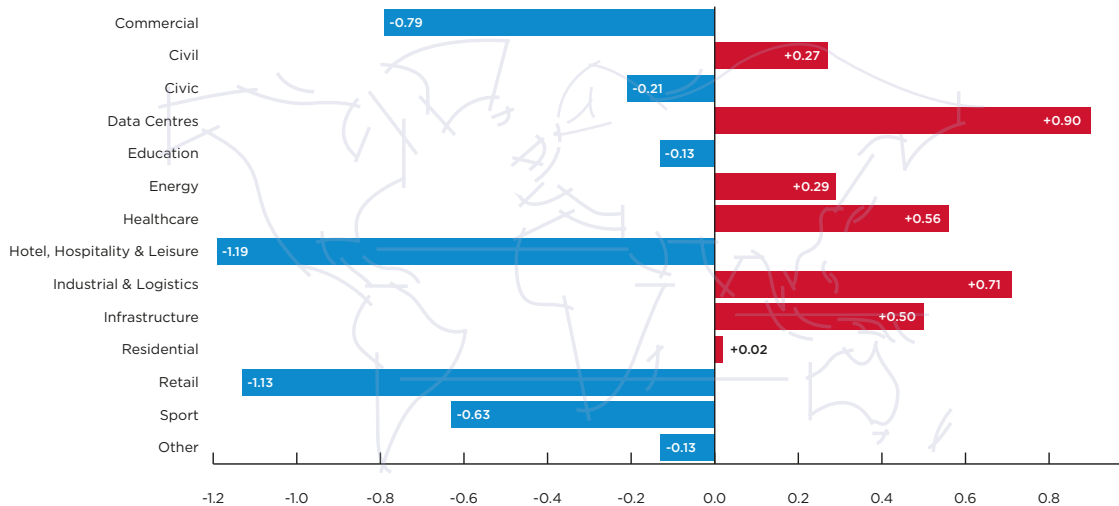
Double width bars indicate major positive or major negative effects in a particular sector (value +2 or -2).

Where a respondent indicated no effect on a sector, that sector has a bar with nil length (effectively does not exist).

GLOBAL ANALYSIS BY SECTOR

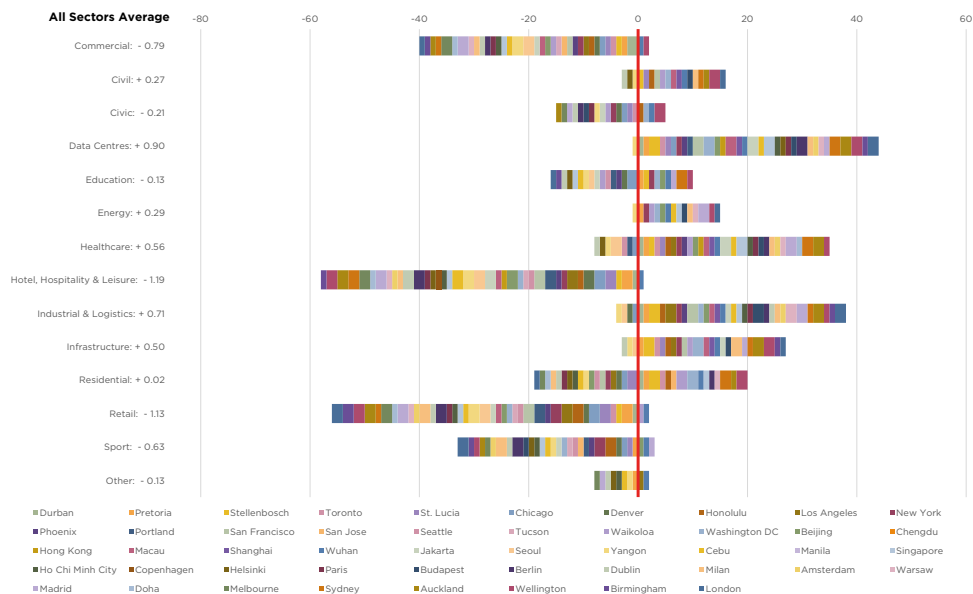
Taken across the full range of sectors, respondents' returns suggest a maintenance of performance, and a slight improvement on the previous survey. Most sectors now display either slightly lesser negative figures, or slightly greater positive figures. Overall, the picture emerging is one of relative

stability of view, with a "global" picture consistent now over the last six months. However, there remain multiple sectors showing negative effects, most notably Hotel, Hospitality & Leisure, and Retail. In both of these cases the status is understandable, because they reflect consumers' discretionary purchases, which have been affected not only by income concerns, but also in many locations by considerations as to basic freedom of movement.



CITY ANALYSIS BY SECTOR

The city-by-city sectoral breakdown shows in detail how sectors' overall averages are compiled. In the case of this Survey 11, the slight move toward the positive side of the chart is continued. Arithmetically, although the chart still shows a very slight negative lean, the principal negative effects are driven by the Commercial, Hotel Hospitality & Leisure and Retail Sectors. Local effects vary of course, so localised interpretation of the chart is based upon the proportions of sector-workload in the market. That may, in many cases, be affected shortly by a predominance of public-sector work being brought to market to stimulate economic recovery. Again, the shape and extent of such spends will vary government to government.



SECTOR ANALYSIS BY CITY

The regional city-centric analysis of sectors, overleaf, shows the totality of sectors' positions in their respective city locations and within their regions. The overall average shown for each city is their total sector average, and is the best comparator measure as between cities. Readers will also note that the cities' rankings are on a global basis (the 49 responses), so show how a region sits in the overall framework of global sector activity.

A particularly relevant point about the sectoral breakdown, is that in many cases what appears to be a balance is shown, between positive and negative sectors. This may be slightly misleading, as whether there is in fact a balance, depends on the respective activity levels that existed in each sector of each city, before the advent of COVID.

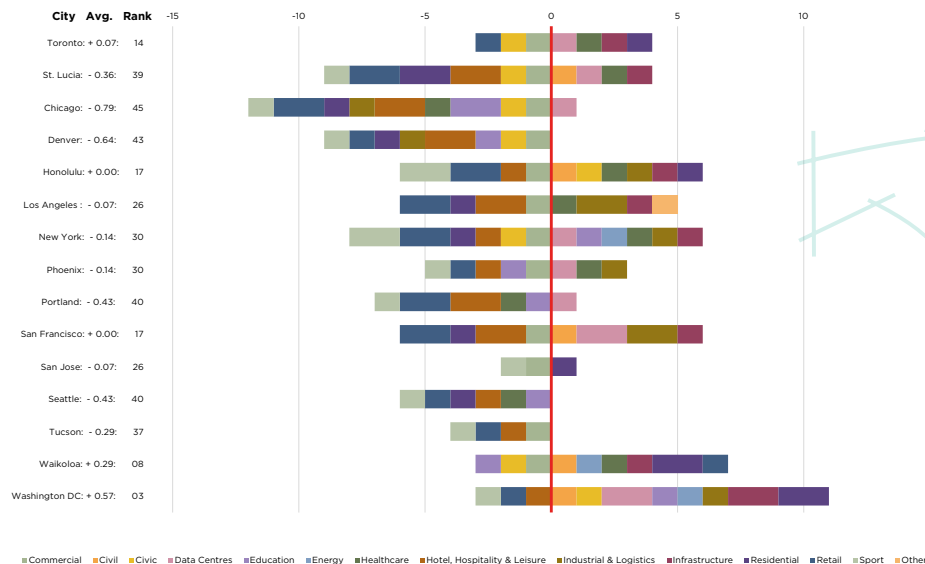


"Commercial, retail and office space have seen a major decline in demand. Logistics, warehousing, data centres have seen an increase. The residential market is recovering slowly."

Pretoria, South Africa

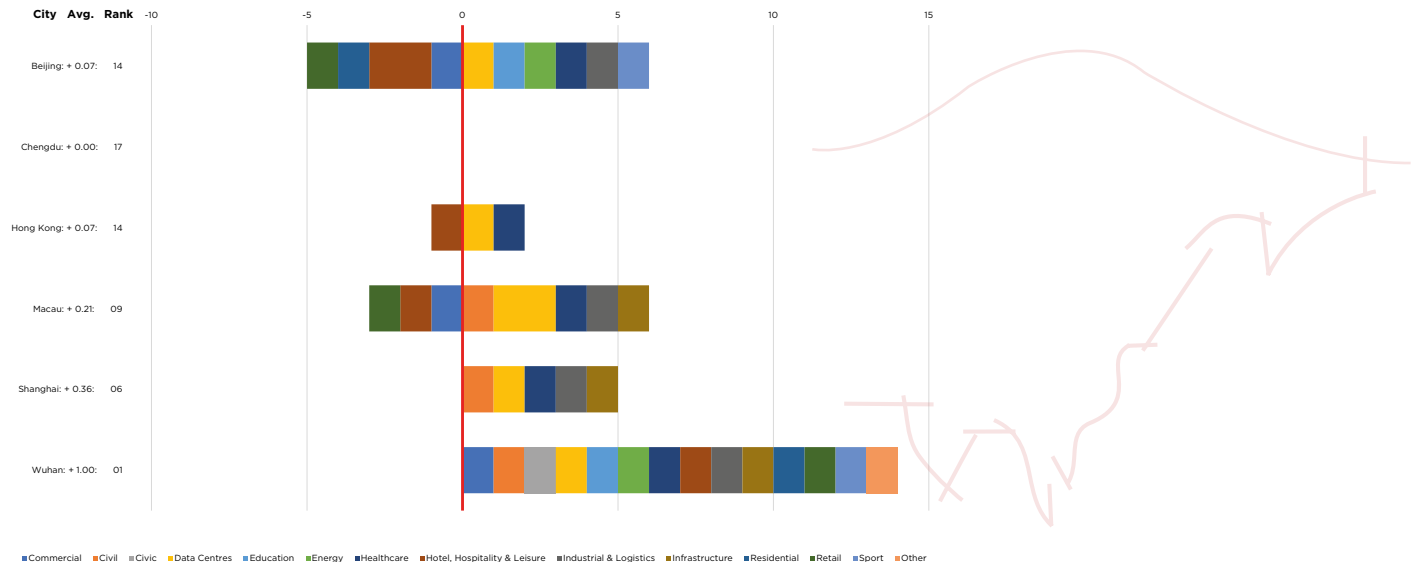
SECTOR ANALYSIS BY CITY (AMERICAS)

In the Americas, Washington DC and Waikoloa feature in the top 20% of cities' performance, but the rest of the Americas' performance is spread right through the global rankings. Chicago is particularly adversely affected, sitting near the lower end of the rankings, with nine sectors showing negative effects and only one positive. Likewise, Denver sits at ranking 43, with Seattle at 40, neither showing positive sectors. Although this form of model is coarse, the want of any positively affected sectors is an issue, as there is no balance for those sectors that may be particularly badly affected.



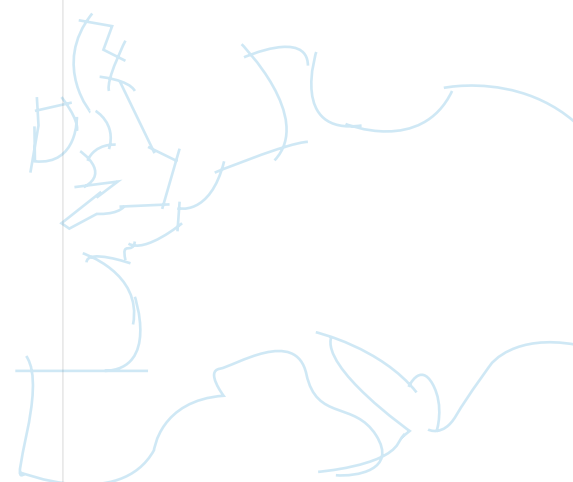
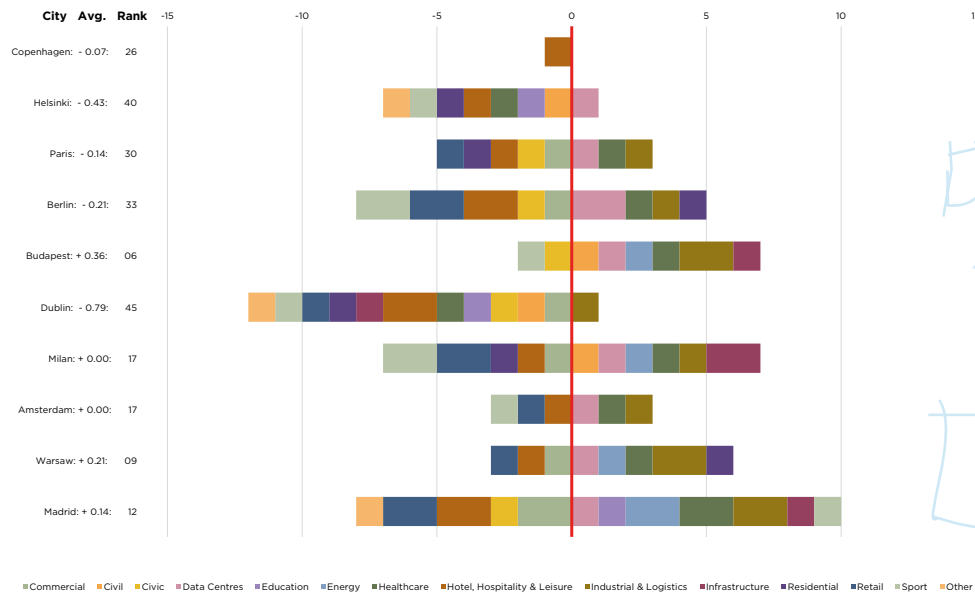
SECTOR ANALYSIS BY CITY (CHINA)

For China, Wuhan again leads the way, being top of the global rankings, but only Chengdu with a neutral figure, is not in positive territory. While Beijing lies in 14th place ranking globally, with Hong Kong, it is worth noting that the four negative sectors shown are the key Commercial, Residential, Hotels and Retail sectors which often compose a large proportion of a local market. Wuhan on the other hand shows all of these sectors as positive, with no counter-balancing negatives, while Hong Kong shows only Hotels as negative, the rest of the four sectors being neutral.



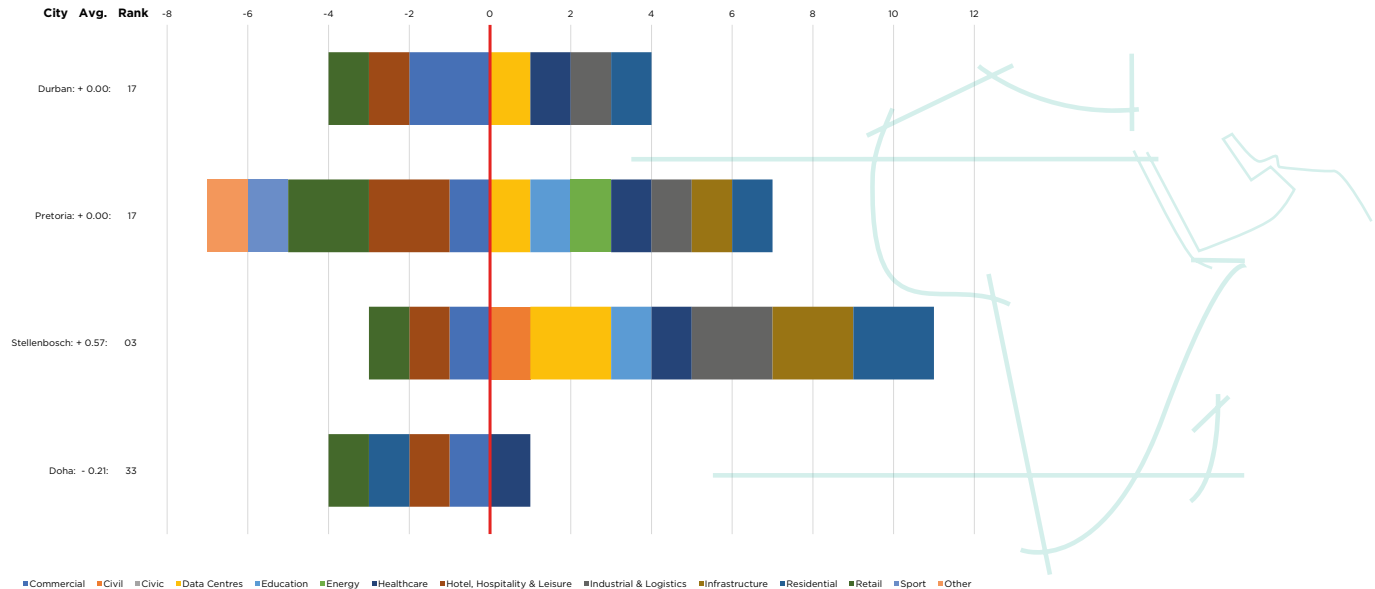
SECTOR ANALYSIS BY CITY (EUROPE AND UK)

The markets in Budapest and Warsaw appear to be strong in global terms, both cities holding high rankings. However, with markets in Dublin, Helsinki, Birmingham and Paris well down the list, Europe is clearly still affected by the prolonged nature of the pandemic and its fallout effects.



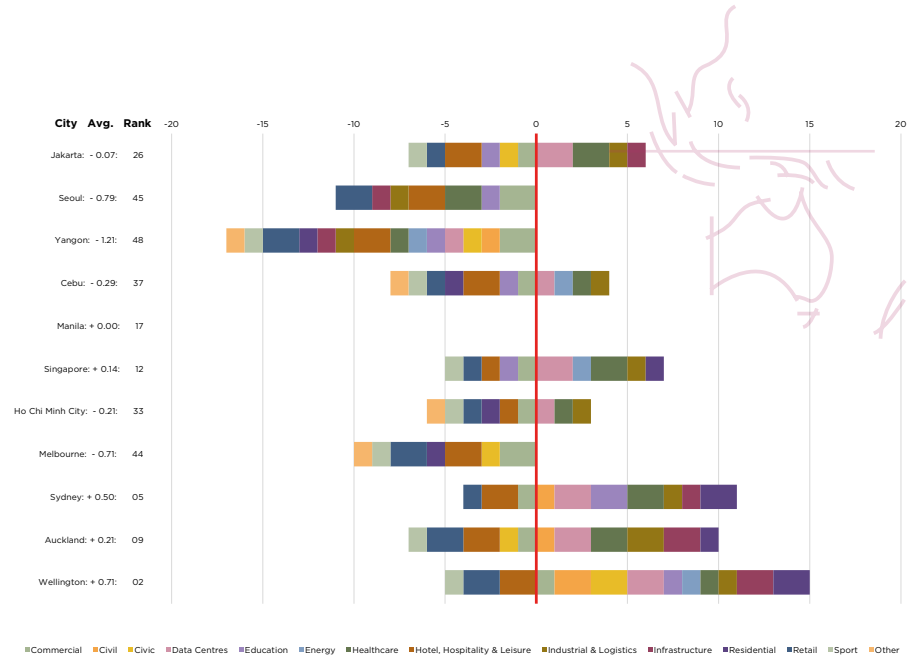
SECTOR ANALYSIS BY CITY (AFRICA AND THE MIDDLE EAST)

Africa and Middle East cities appear to be faring better than most, in respect of their own expectations, with the exception of Doha, which appears in the lower third of the global rankings. Although the South African cities are reported as "neutrally" affected, with Stellenbosch actually near to the top of the rankings, there are in respondents' comments considerable questions about the state of local markets and issues about the way forward.



SECTOR ANALYSIS BY CITY (OCEANIA AND SOUTH ASIA)

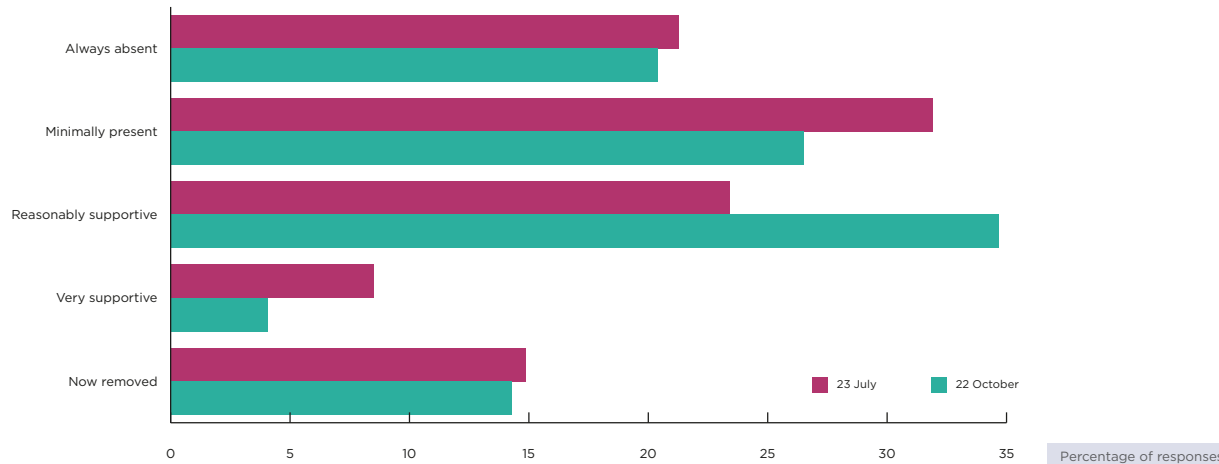
As might be expected in a geographical area as large and diverse as Oceania and South Asia, performance once again spans almost the whole range of rankings, top to bottom. Although Wellington, Auckland and Sydney appear near the top, Melbourne sits at the other end of the table, with Commercial, Hotels and Retail all reported to be very adversely affected. This is hardly surprising as Melbourne is currently undergoing repeating lockdowns and releases, depending on the arrival of new instances and/or waves of COVID infection. In this analysis, Yangon and Seoul sit with Melbourne as the only cities in the current Oceania and South East Asia regional analysis reporting only negative sectors, and all have reported very adverse effects in all of these three key sectors.



10. FOR LARGER CONSTRUCTION SECTOR COMPANIES, IN YOUR CURRENT VIEW, WHAT FORM WILL FUTURE GOVERNMENT POST-PANDEMIC SUPPORT TAKE?

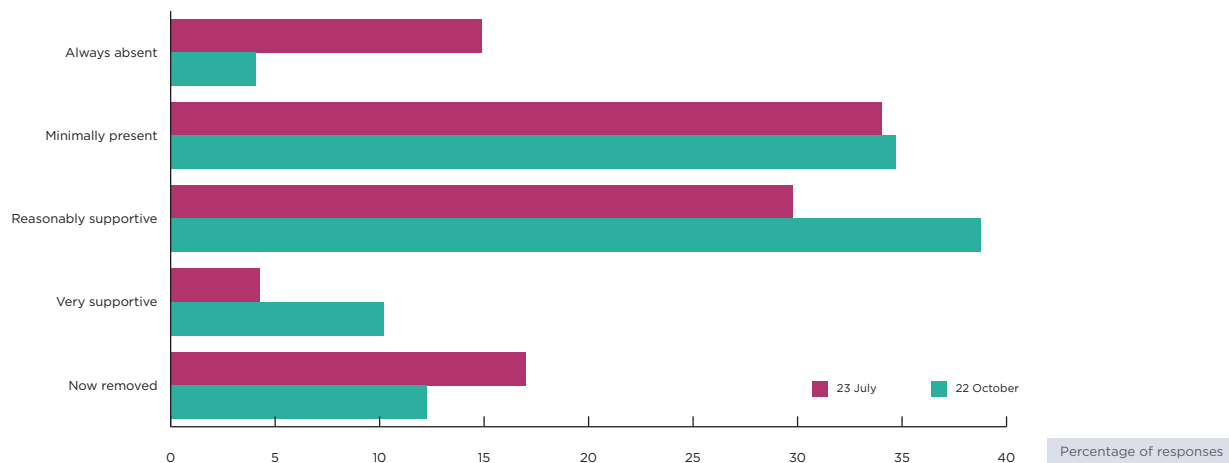
The first edition of this line of questioning was featured in COVID Survey 10, so this is the first time that we have had survey-to-survey data points to compare.

Overall, there is a solid consistency of the current surveys views as compared to the previous report. This suggests that, while matters are continuing, acceptance has been reached that there is no short-term easy answer, and that support will continue to be required, despite the fact that many governments are now seeking to pull-back on levels of aid.



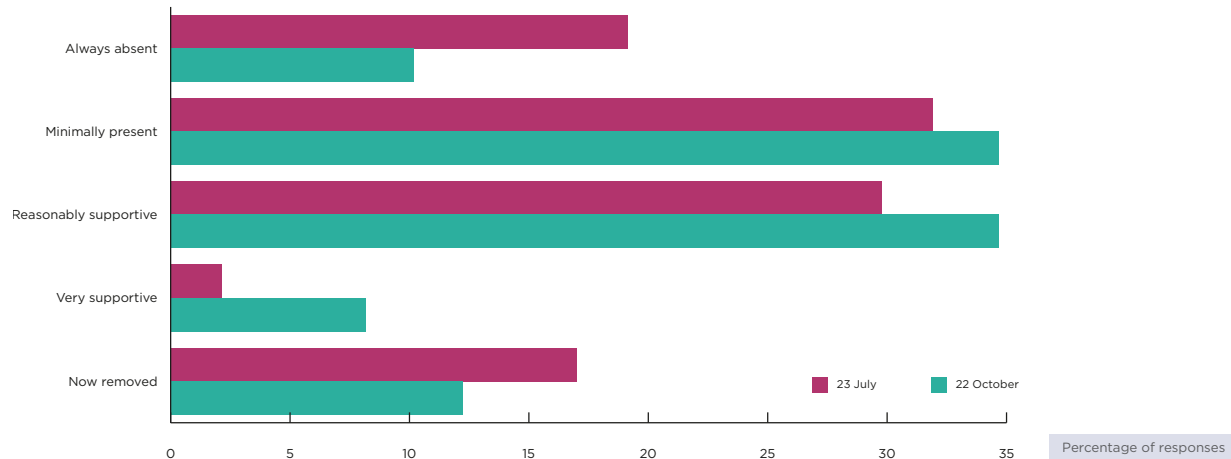
11. FOR SMALL AND MEDIUM-SIZED CONSTRUCTION SECTOR ENTITIES, IN YOUR CURRENT VIEW, WHAT FORM WILL FUTURE GOVERNMENT POST-PANDEMIC SUPPORT TAKE?

Responses in relation to small and medium-sized enterprises run closely parallel to views about larger organisations. However, there is a significant uplift in numbers being of the opinion that future government activities will be reasonably, or even very supportive. As governments take stock and budget their futures economically and politically, this point may well come into closer focus over the next few months.



12. FOR THE SELF-EMPLOYED IN THE CONSTRUCTION SECTOR, IN YOUR CURRENT VIEW, WHAT FORM WILL FUTURE GOVERNMENT POST-PANDEMIC SUPPORT TAKE?

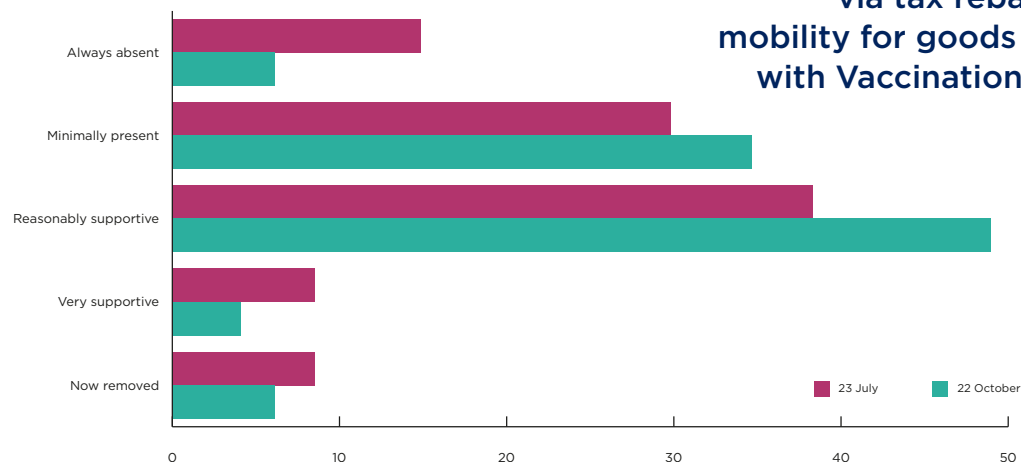
Opinions as to the self-employed in the construction industry remain much in-line with views on organisations, again with solid support for the favourable views. Once again, the challenge will arise regarding how to move the industry forward in light of the fact that measures have now been removed in some economies.



13. FOR KEY CONSTRUCTION INDUSTRY SECTORS, IN YOUR CURRENT VIEW, WHAT FORM WILL FUTURE GOVERNMENT POST-PANDEMIC SUPPORT TAKE?

Sector-specific support continues to receive similar ratings, although there is a sharp uptick in the view that it has been reasonably supportive sectorally.

That uplift of over 10%, alongside an increase in "Minimally present" as opposed to "Always absent", relates a move toward the belief that support may or will become available moving forward.



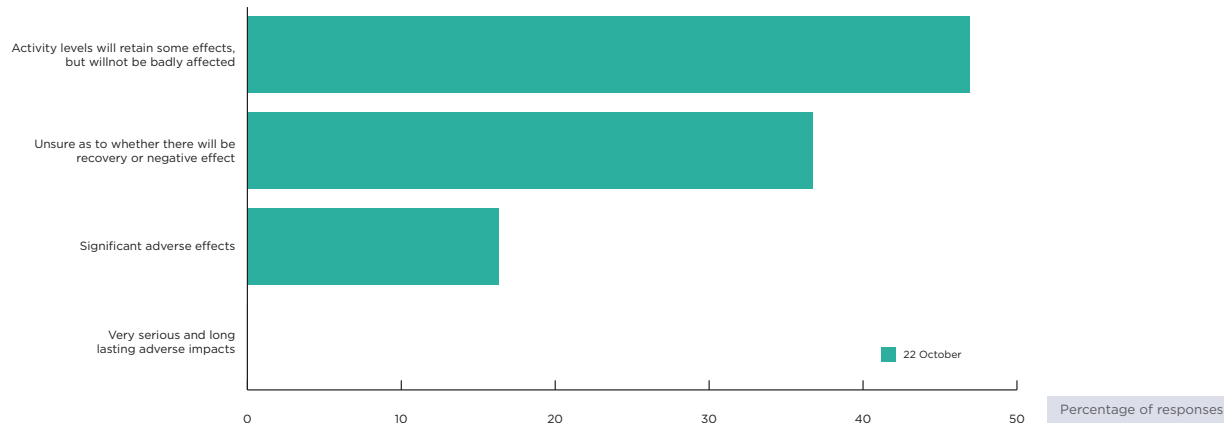
"Government to stimulate the economy via tax rebates, increased ease of mobility for goods and freeing-up travel, with Vaccination Travel Lanes (VTLs)."

Vietnam, Ho Chi Minh City

14. IN YOUR CURRENT VIEW, IN THE AFTERMATH OF THE PANDEMIC WILL THERE BE OVERALL CHANGES TO YOUR CITY CENTRE'S WORKPLACE OCCUPANCY LEVELS AND SUPPORTING BUSINESSES' LEVELS OF ACTIVITY?

Answers to this question show almost half of respondents expecting city centre occupancy levels being only marginally affected in the future.

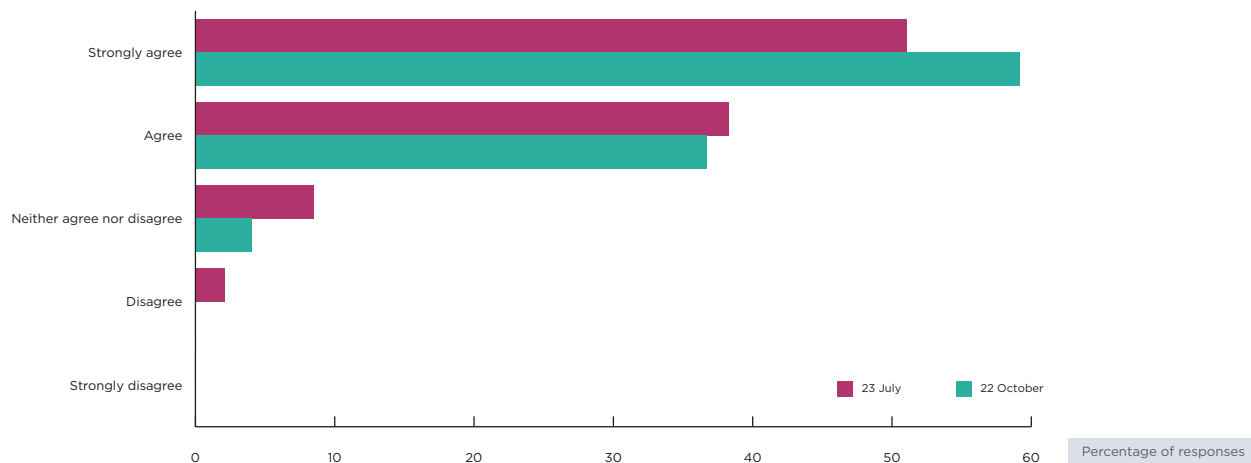
However, there remains an underlying grouping of over one third of respondents who are as yet unsure of the outcome for city centres. Only 16% foresee significant adverse effects, while no-one foresees very serious and long-lasting impacts. Overall, this question centres around the group in the middle - those who are unsure, and that probably reflects the wider uncertainties across so many markets and sectors at present.



15. IN RESPECT OF MATERIALS AVAILABILITY AND PRICE GENERALLY, IN YOUR CURRENT VIEW, IS THE EFFECT OF THE COVID PANDEMIC RESULTING IN SIGNIFICANT SHORTAGES AND/OR PRICE INCREASES?

The oft-commented-about issue of labour availability and cost shows interesting changes in viewpoints since COVID

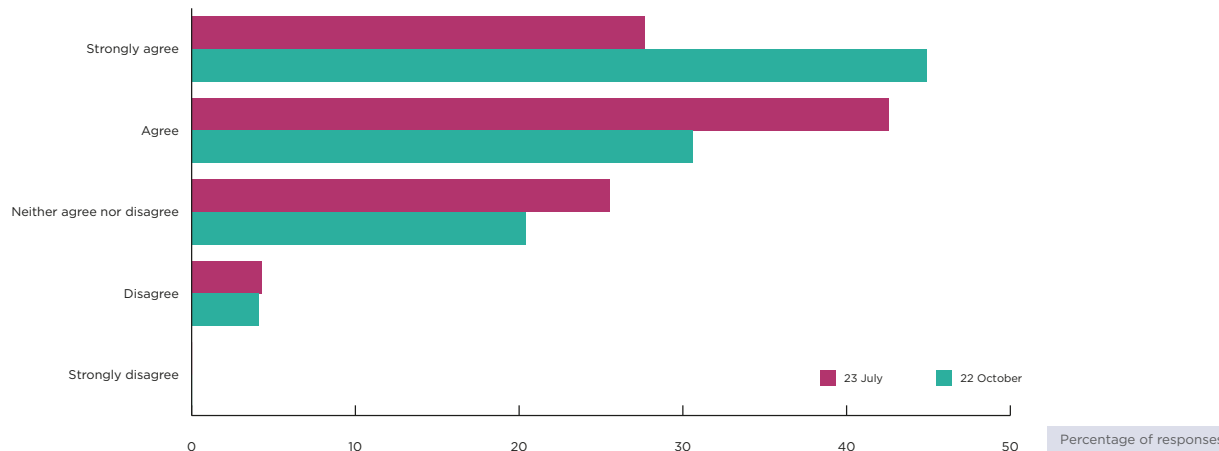
Survey 10. Although this is very much a regional issue, the overall numbers suggest a significant firming of the view that, where it is identified as a problem, it has become more clearly discernible as a problem. That almost 45% of respondents now believe that labour costs and availability issues are significant, clearly demonstrates that there are real input cost and output price effects of COVID which are being fed into pricing of projects.



16. IN RESPECT OF LABOUR AVAILABILITY AND COST GENERALLY, IN YOUR CURRENT VIEW, ARE THE EFFECTS OF THE COVID PANDEMIC RESULTING IN SIGNIFICANT SHORTAGES AND/OR COST INCREASES?

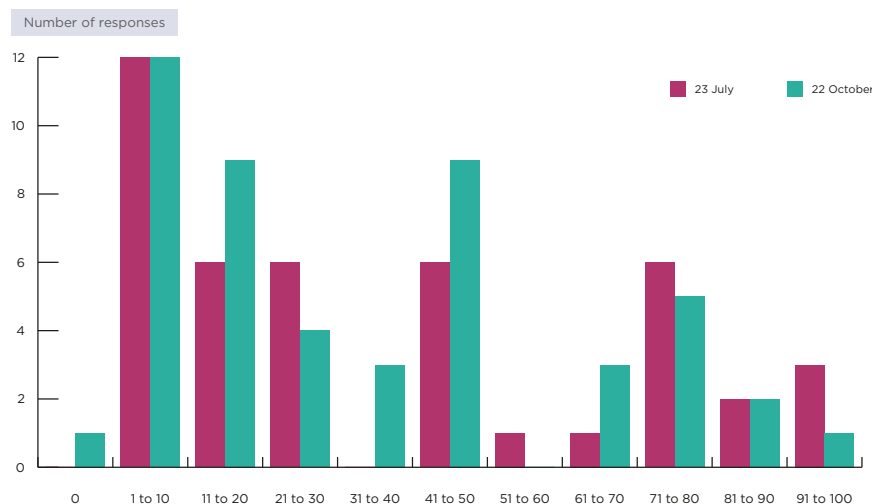
While materials costs issues are more strongly and clearly identified than are labour cost issues, the change between

the current survey and the previous survey is less noticeable. Given that the consistency of view as to these cost imposts and availability concerns is abundantly clear, this means that respondents' views in our last survey are being maintained in this current survey. Given that we are now 3 months farther down the road, expectation may have been that materials cost concerns could have been ironed-out by now, but that appears to be not the case.



17. IF YOUR VIEW IS THAT MATERIALS PRICES HAVE INCREASED MORE THAN IS USUAL IN THE FIRST HALF OF THE YEAR, PLEASE ADVISE ON APPROXIMATELY WHAT PERCENTAGE OF THE PRICE INCREASES ARE BEING PASSED-THROUGH TO TENDER PRICES?

The broad range of responses here indicates the variability of markets and sectors, as well as the differing circumstances world-wide. There is no one-size-fits-all answer here, and the outcomes are very much localised and dependent upon sectors' performance on that local basis.

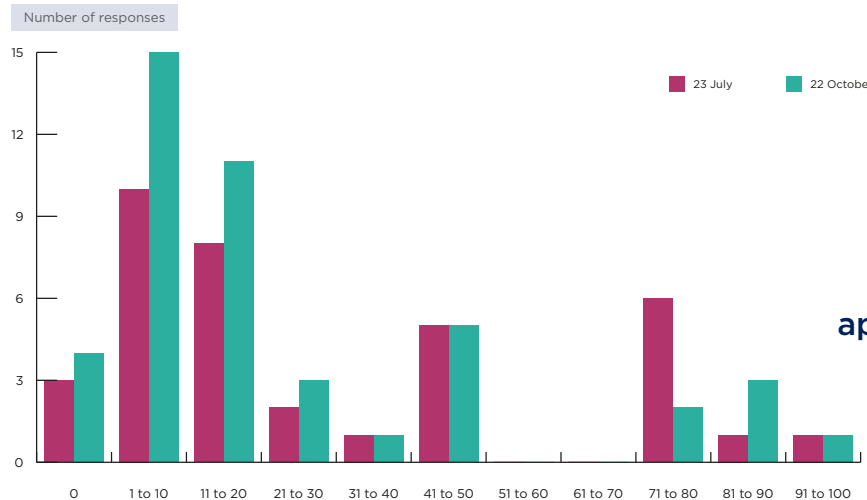


"Experiencing more eot claims as contractors on fixed price lump sum contracts attempt to recover lost profits and costs rather than absorb same from their margins."

Ireland, Dublin

18. IF YOUR VIEW IS THAT LABOUR COSTS HAVE INCREASED MORE THAN IS USUAL IN THE FIRST HALF OF THE YEAR, PLEASE ADVISE ON APPROXIMATELY WHAT PERCENTAGE OF THE PRICE INCREASES ARE BEING PASSED-THROUGH TO TENDER PRICES?

Labour costs show a somewhat more consistent pass-through opinion than does materials cost. This boils down to the chart showing a reluctance to pass on costs in full, presumably due to the need to find replacement workload. Inevitably, this affects profit levels at every level of the industry.



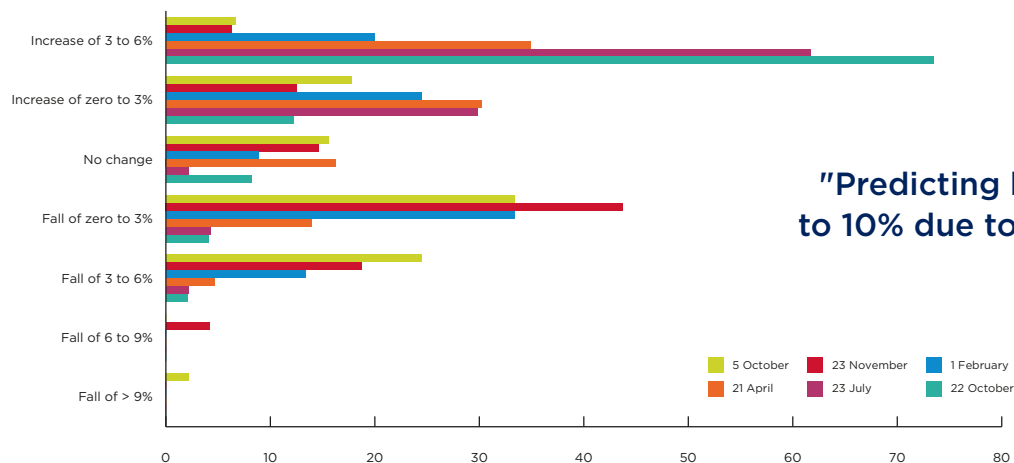
"We were expecting inflated costs to be passed on in tendering owing to labour shortages, however it does not appear to have been happening."

United Kingdom, London

19. IN YOUR CURRENT VIEW, HOW WILL BID / TENDER PRICES MOVE IN YOUR LOCATION FOR THE OVERALL YEAR 2021?

The continuing development of the understanding of post-pandemic economics provides the backdrop for views on tender prices. For several surveys now, views have been moving toward higher levels of tender price inflation, driven

not only by input cost impost, but by availability of workload and the potential for governmental pump-priming across key infrastructure sectors and across many economies. Historically low interest rates make borrowing relatively cheap and medium to long-term bond rates as low as they have ever been, so now is as good a time as any to be offering secure debt to the market.



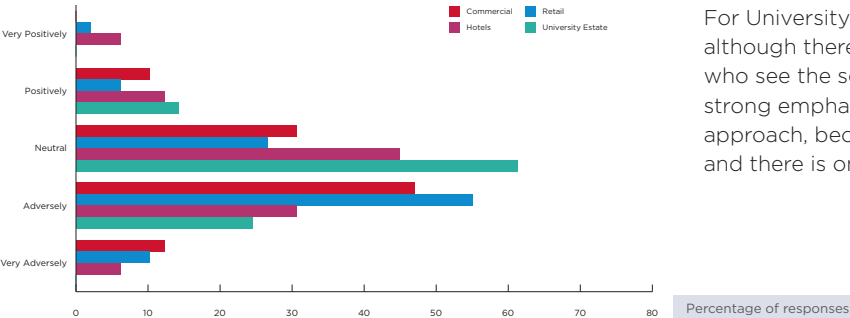
"Predicting higher than 6% and up to 10% due to supply shortages and capacity constraints."

New Zealand, Auckland

POST-PANDEMIC EFFECTS

20. IN YOUR CURRENT VIEW, HOW WILL THE AFTER-EFFECTS OF THE PANDEMIC FUNDAMENTALLY AFFECT BUSINESS ACTIVITY IN THE FOLLOWING SECTORS IN YOUR CITY CENTRE AFTER THE PANDEMIC HAS SUBSIDED?

This second iteration of this question in the survey shows general consistency of views, although a slight hardening of opinion that the Commercial sector will be adversely or very adversely affected. The main change that can be seen lies in the near trebling of the percentage of respondents reporting expectation of very adverse effects. This is easy to overlook, because the percentage is still low, but the change is key,



especially at this time when markets are thought in many cases to be recovering and looking forward.

For Retail, the outstanding change is firming of the "adverse" category, which draws from most of the other bands. Any proof of this movement will lie in the next survey, as the changes are small in the other bands, compounded only in this "adverse" category.

In the Hotel sector, there are mixed views, with the "Neutral" response seeming to be more favoured in the current survey, even though the "Adverse" response received an uptick as well. The fact that almost half of respondents now believe that any effects will be Neutral can be seen as a positive, as this is one of the principally affected sectors globally, obviously due to travel and congregation constraints.

For University estate, the predominant view is Neutral, although there is a significant, over 23%, camp of Respondents who see the sector as being adversely impacted. The strong emphasis on central views suggests a "wait and see" approach, because matters are not entirely clear at present, and there is ongoing change right around the world.

The student accommodation sector could reasonably be expected to track the Universities Estate sector, but is exhibiting a more "adverse-centric" lean, likely due to uncertainty regarding the return and future for Universities' overseas student contingents, not only for the current academic year, but for coming years. While there is certainly evidence, in some cities' comments, of University student accommodation projects planned before COVID actually coming to market, there is also the fact that many were shelved to await the outcome. Of course, this situation is blurred due to continuing political changes in several locations, so it is not all due to the effects of COVID.

For "Other Residential", the near 60% who supported



"Neutral" views appear split now, at least numerically. The Neutral category has fallen back in this survey, with the slack being taken up by the "Adverse" response. Comments throughout the survey indicate very mixed opinion on the future of Residential, which in this case includes apartments. Some more apartment-oriented cities report additional interest in larger, higher quality apartments to counter some of the rigours of lockdowns, whereas others report increased interest in out-of-town, non-CBD accommodation - apartments or housing.

Responses in connection with Eating and Drinking establishments are interesting in that they could have been expected to be more negative, although they may reflect progress away from the negative impact currently seen. Overall, although one third report negative effects, the remaining two thirds suggest strongly held beliefs in solid recovery after the pandemic. In common with the other city-centre sectors, this is important, because the sector currently in question could be viewed as representative of the sustainability/health of the inner-city business environment.

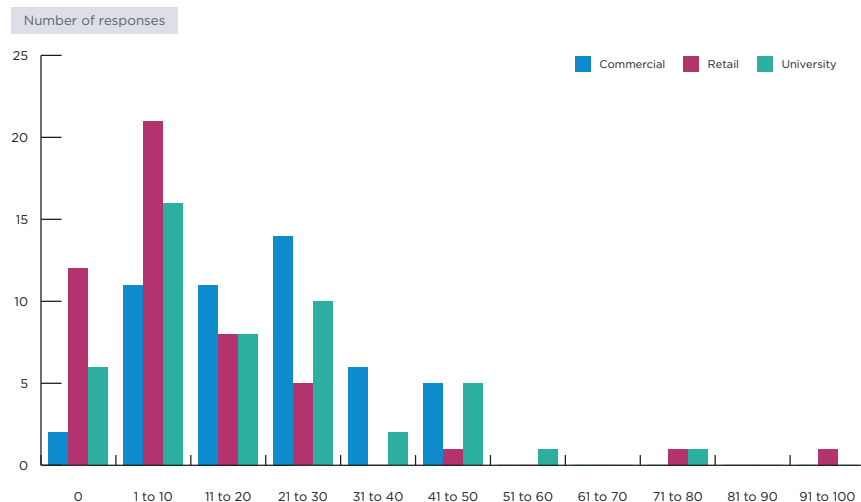
Responses in connection with Leisure venues show only a slightly less favourable outlook than do Eating and Drinking venues. However, the larger venues covered in this question continue to have high overheads and very significantly higher new-build and maintenance implications, so responses likely reflect a more tentative approach to the progression of these businesses. The ongoing success of the current venues is in many ways tied to the fortunes of other, related, business sectors, so cannot be viewed as standing alone. For this survey, the slight growth in percentage of response in the neutral to positive side of the table does suggest that sentiment is moving away from the negative, but we will know more with the results of the next survey.



"Generally reduced footfall has seen changes in patterns of occupation, density and people movement."

Birmingham UK

21. IN YOUR CURRENT VIEW, WHAT PERCENTAGE OF PRE-PANDEMIC CITY-CENTRE WORKERS/RESIDENTS IN THE FOLLOWING SECTORS WILL WORK FROM HOME PERMANENTLY AFTER THE PANDEMIC IS OVER? (FULL-TIME EQUIVALENT (FTE), SO IF 40% OF EMPLOYEES WORK 60% OF THEIR TIME FROM HOME, FTE = $0.4 \times 0.6 = 24\%$)



Commercial: Over 77% of respondents are of the view that up to 30% of full-time equivalent offices staff will work from home after the pandemic. This is suggestive of a noticeable impact on commercial offices and supporting businesses' modes of working.

Retail: Over 80% of respondents view it as likely that up to 20% of retail working time will be from home, which may significantly alter the shape of city centres and the mix of facilities and offerings.

For the University sector, the outcomes are less clearly depicted, but nonetheless noticeable. Any effects of course depend upon local University locations and relationships with respective city-centres. A much lesser effect could be expected for a non-city-centre, campus-style University. However, for longer-established city-centre facilities, with fewer options for more specious facility development, moves toward off-site learning could drive changes to the overall University model.

CONCLUSION

As we head for the end of the second year of living with COVID-19, the experience of the virus has in many ways become embedded in the workings of economies and their respective construction sectors. Necessity had driven coping strategies and still drives models of exit strategies, though countries' chosen paths vary vastly.

The timescale of the long-awaited "return to normal" is still largely unknown, because of the many differing states in which countries find themselves in respect of their coping and preventative measures. The absence of any single agreed approach worldwide has shown not only that there are multiple ways of dealing with the problem, but that though many of the methods work in the short-term, they do not necessarily remain effective in the long-term. Instances of the virus continue to arise virtually all around the world. There is no easy answer to such situations, and hard decisions have to be taken, weighing health against economy.

Despite the challenges above, confidence has in many cases returned to the construction sector. Although COVID-19 has severely disrupted almost all economies, it is ironic that there are sectors that have generally benefited from the economic effects, even though not necessarily all sub-sectors. Construction could be said to be the classic example of this, because so many governments have taken active steps to protect the industry, and in coming out of the downturn

which has been created by the virus, are seeking to stimulate their wider economies by adding spending through the construction sector.

Around the globe there is clearly optimism in construction that an end is in sight, yet the case numbers that have arisen in the last three months make it equally clear that the pandemic has a way to go before it can be said to be over. Regardless of how long it takes or exactly when each country's economy finds its way out of the COVID-19 response-loop, it is becoming clear that because the virus has had such widely felt effects, there is no quick and easy re-establishment of "normality". In fact, normal might be something completely different from what we experienced pre-pandemic.

Large numbers of people have experienced working from home, city centre business entities' levels of footfall have changed, and transportation now features concerns as to proximity to other people. The two-year-long passage of the pandemic so far will certainly move well into year three, and there will certainly be opportunities for innovative approaches to new modes of living and working. RLB COVID Survey respondents have repeatedly mentioned possibilities of different effects in different sectors, so the challenges for clients, developers, contractors and consultants are; how to cope with the greater levels of uncertainty, how to win viable work and then how to deliver to time, cost and programme.

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