

# LEADINGEDGE

*Research*

## COVID 19 SURVEY

Research Report  
for



SACAP

The South African Council for the Architectural Profession



SAIA

The South African Institute of Architects



## BACKGROUND

- Since the COVID-19 pandemic and the lockdown throughout the country, reports about the severe hardship that is being endured by Architectural Professionals have reached SACAP
- The architectural profession is experiencing devastating financial distress as a result of the economic downturn and the Covid-19 pandemic

## OBJECTIVES

- SACAP (The South African Council for the Architectural Profession) and SAIA (South African Institute of Architects) initiated this survey, with support from the South African Institutes of Architectural Technologies, South African Institutes of Building Design, and the South African Institutes for Draughting to collate actual data on the impact of Covid-19 pandemic
- Invites were sent to SACAP members to complete an online survey assessing their workload, financial position and employee situation during the lockdown and the future prospects as the lockdown eases
- The research was managed by Leading Edge Research, an independent market research agency

# EXECUTIVE SUMMARY

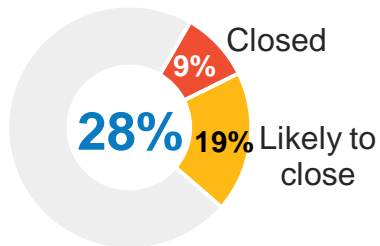


1817

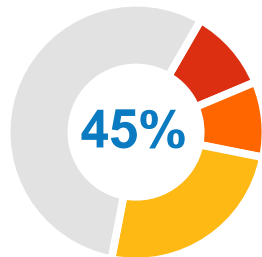
Interviews with architectural practices

73%

Have had no work during lockdown or only enough to cover 1 month's costs



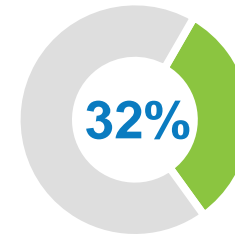
Closed or likely to close the practice



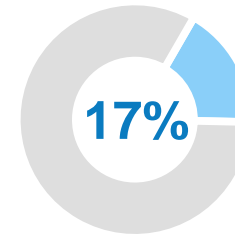
Retrenched or planning to retrench staff

16% to 27%

Proportion of staff that is likely to be retrenched



Have applied for Government aid



Have received Government aid

75% rate Government support as poor



62%

Have unpaid invoices of 30+ days, impacting on cash flow



A total sample of 1817 practices responded to the survey.  
It included all four types of practices in the nine provinces.

### Who did we speak to



PRACTICE TYPE	Sample	%
Architect	1057	58%
Senior Architectural Technologist	332	18%
Architectural Technologist	162	9%
Architectural Draughtsperson	266	15%
TOTAL	1817	100%

PROVINCE	Sample	%
Gauteng	697	38%
Western Cape	594	33%
KZN	281	15%
Eastern Cape	86	5%
Northern Cape	9	0%
Free State	44	2%
North West	25	1%
Mpumalanga	46	3%
Limpopo	35	2%
TOTAL	1817	100%

240  
13%

### The size of the practice is defined by the number of architectural staff



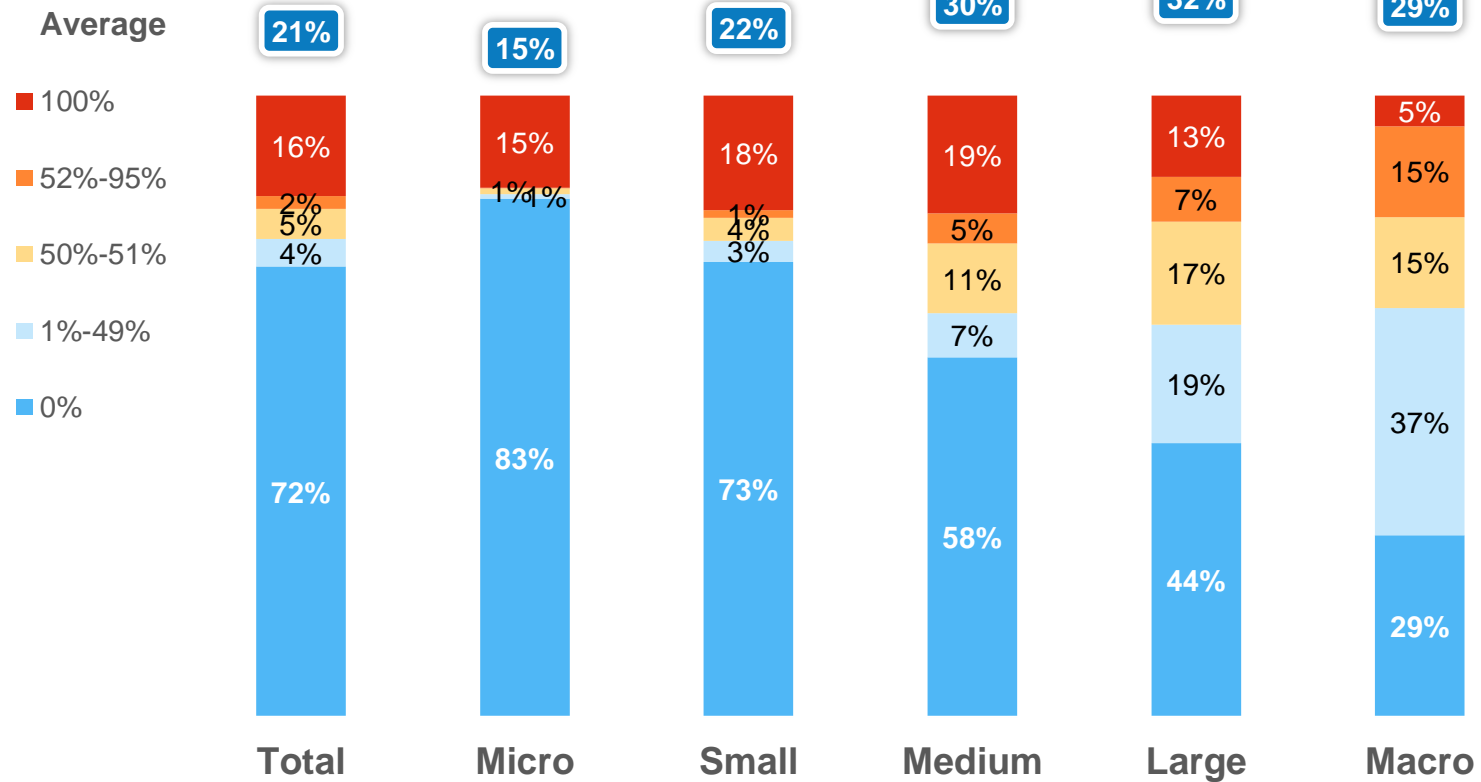
Size of practice	Number of Architectural Staff	Sample	%
Micro	1	843	46%
Small	2-3	457	25%
Medium	4-9	351	19%
Large	10-20	100	6%
Macro	20+	66	4%
TOTAL		1817	100%

Number of Support Staff	Sample	%
0	697	38%
1	537	30%
2-3	408	22%
4-9	125	7%
10+	50	3%
	1817	100%



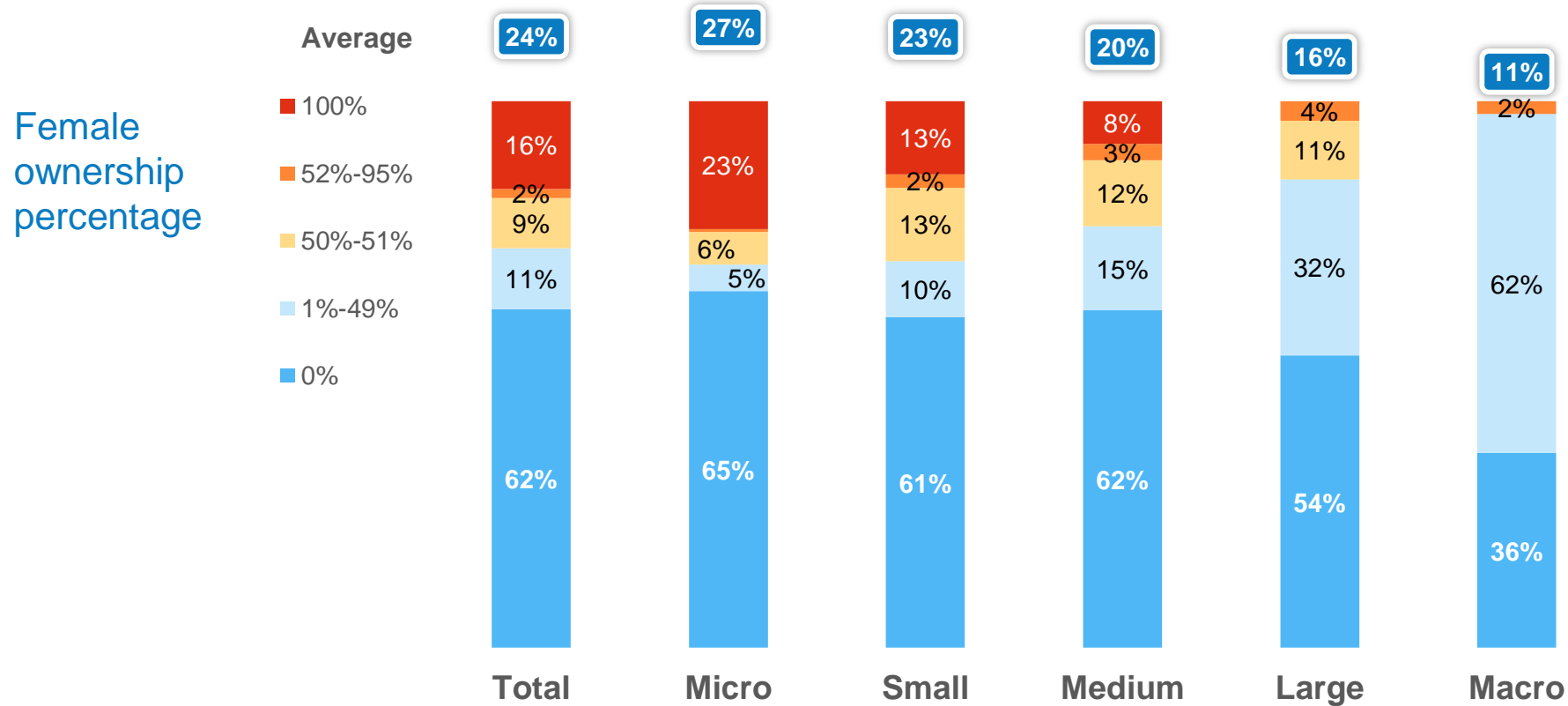
The average Black ownership percentage is 21%.  
This increases to around 30% in Medium, Large and Macro practices

Black  
ownership  
percentage

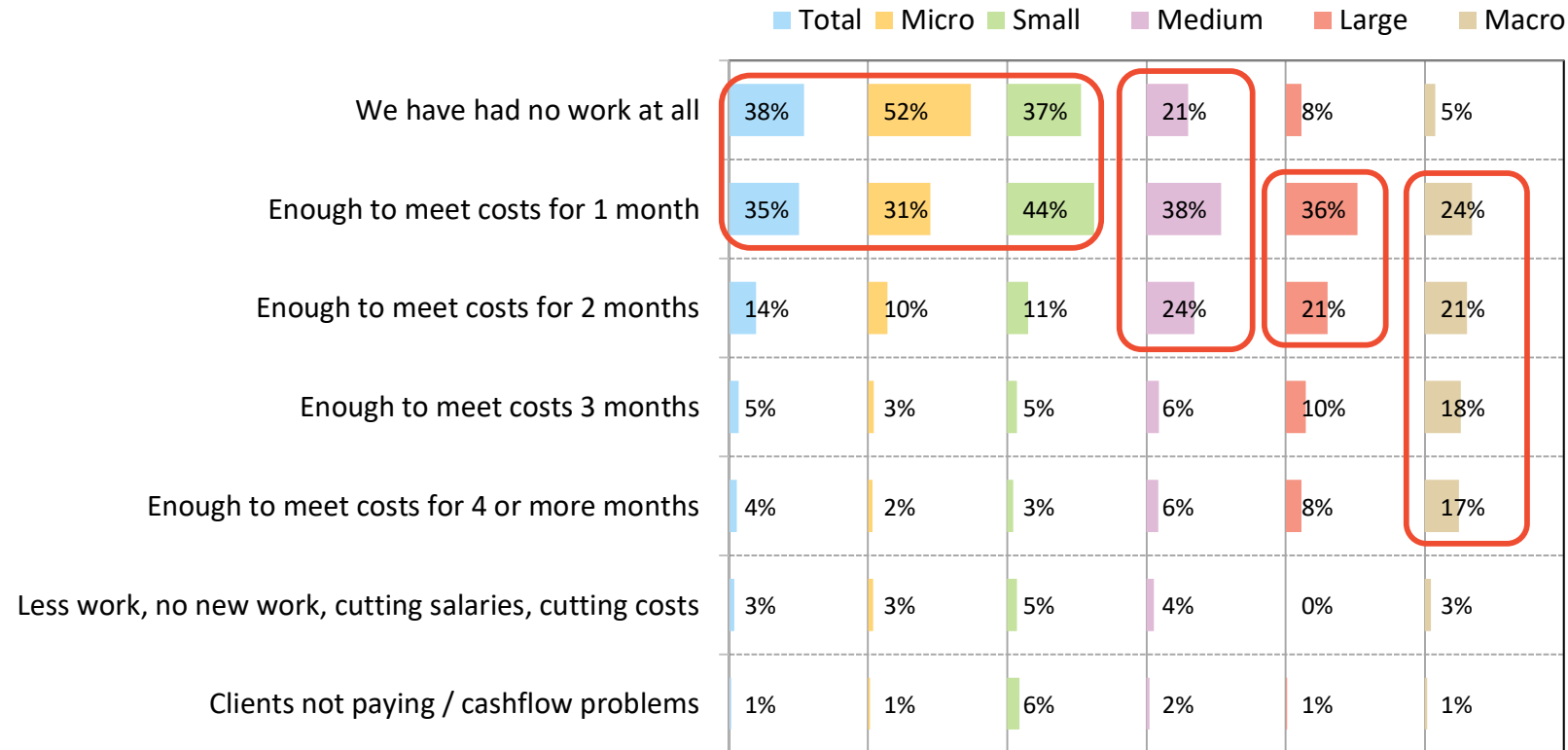




The average Female ownership percentage is 24%.  
The Female ownership decreases as the size of practice increases.



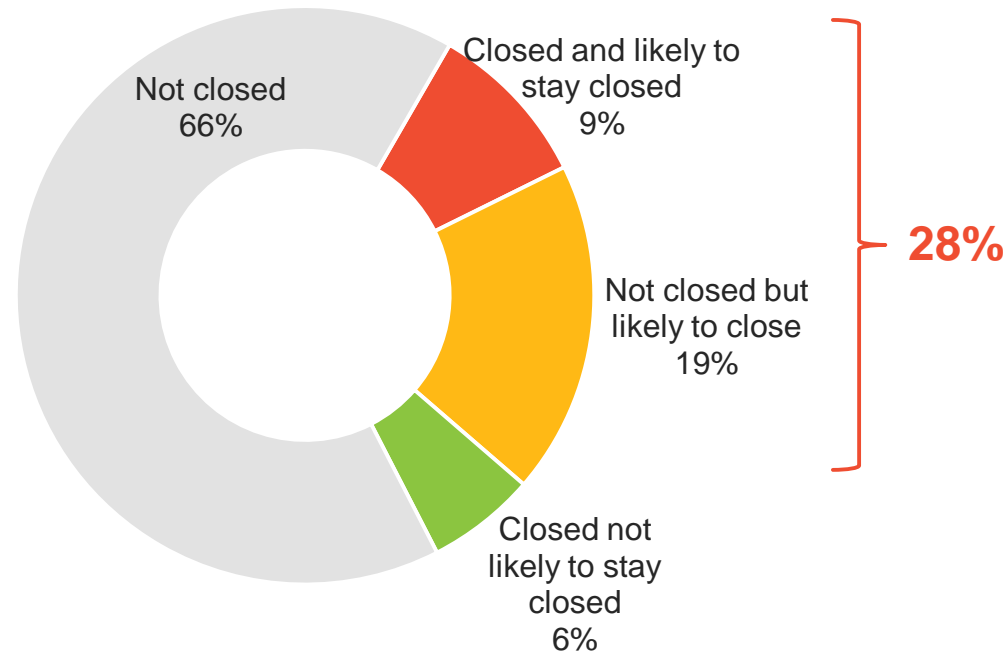
38% of practices say that they have not had any work during the lockdown, and a further 35% say the work has only been sufficient to cover costs for one month. Micro and Small practices have had the least work.



Q. What has been your workload during the Covid 19 lockdown period?



## Up to 28% of practices have closed or could close down because of the lockdown



Did you have to close your practice permanently as a result of Covid 19?

Does it look likely that you will permanently close your practice in the next month or two, or that you will remain permanently closed

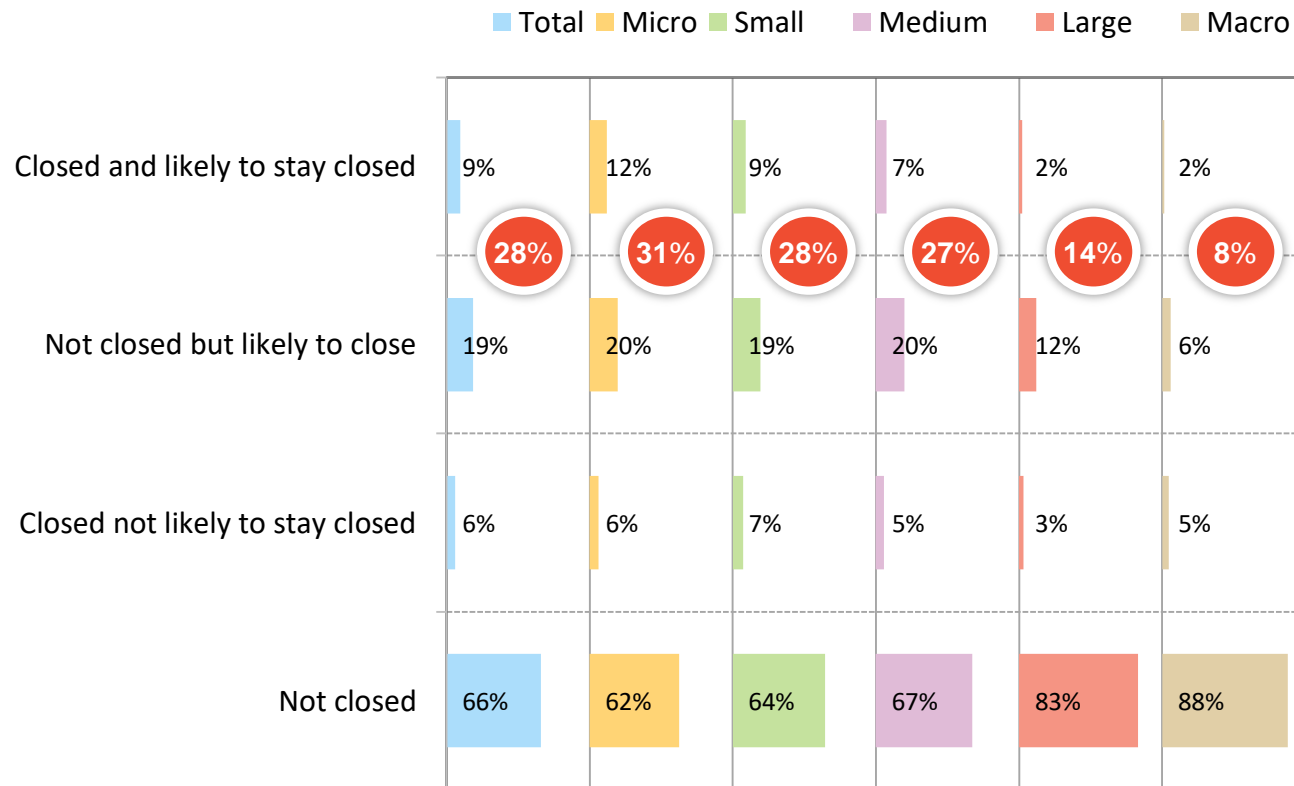




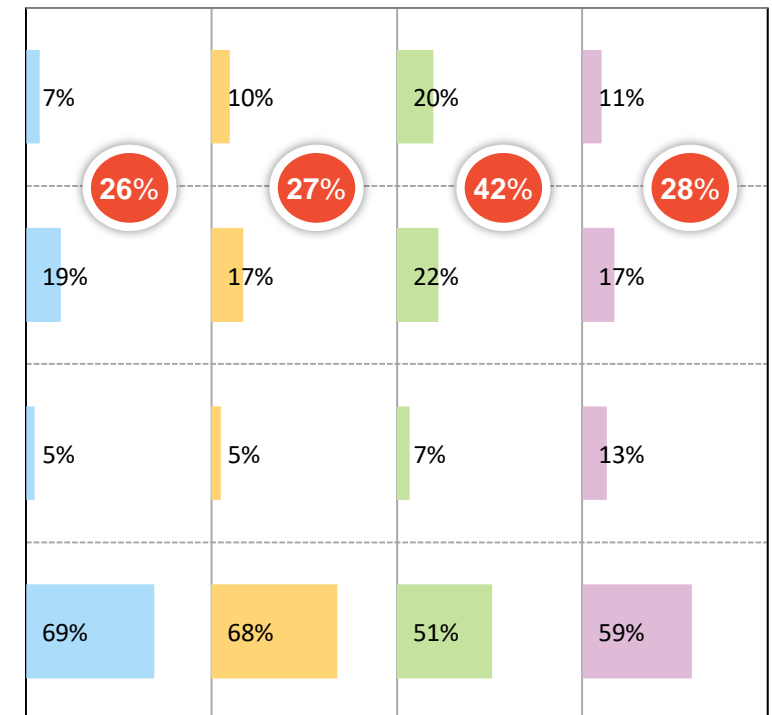
## Micro, Small and Medium practices are more likely to close down. Architectural Technologists seem to be the most severely affected.



Closed or likely to close



■ Architect ■ Senior Architectural Technologist ■ Architectural draughtsperson

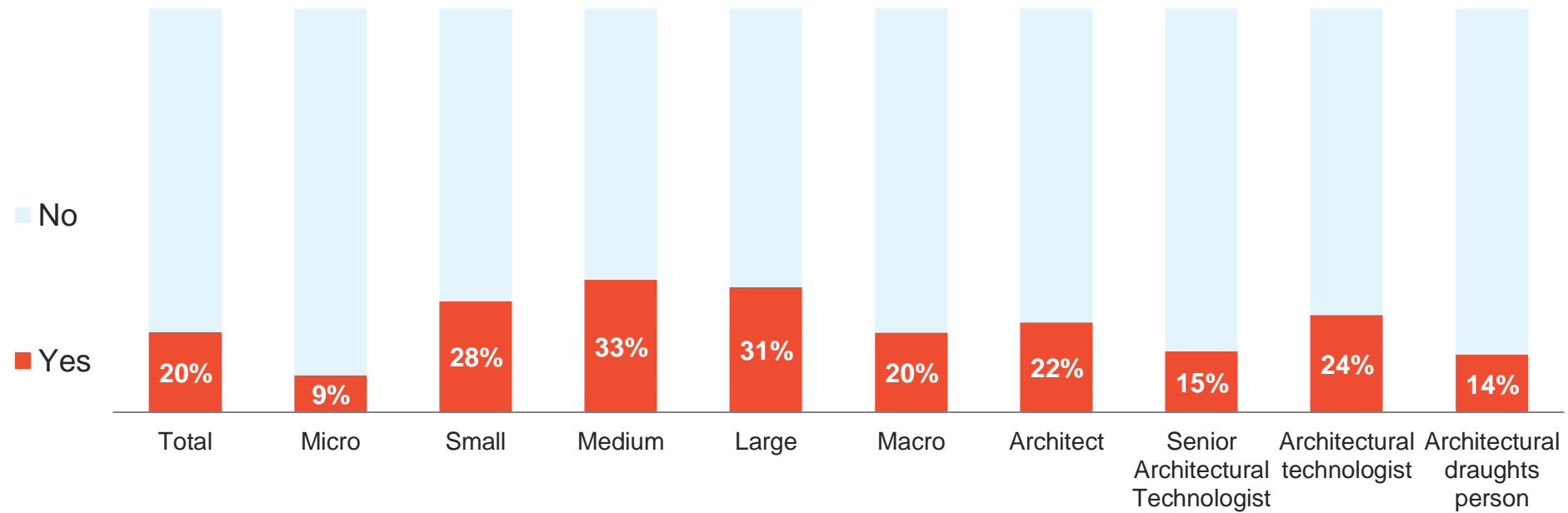


*Did you have to close your practice permanently as a result of Covid 19?*

*Does it look likely that you will permanently close your practice in the next month or two, or that you will remain permanently closed*



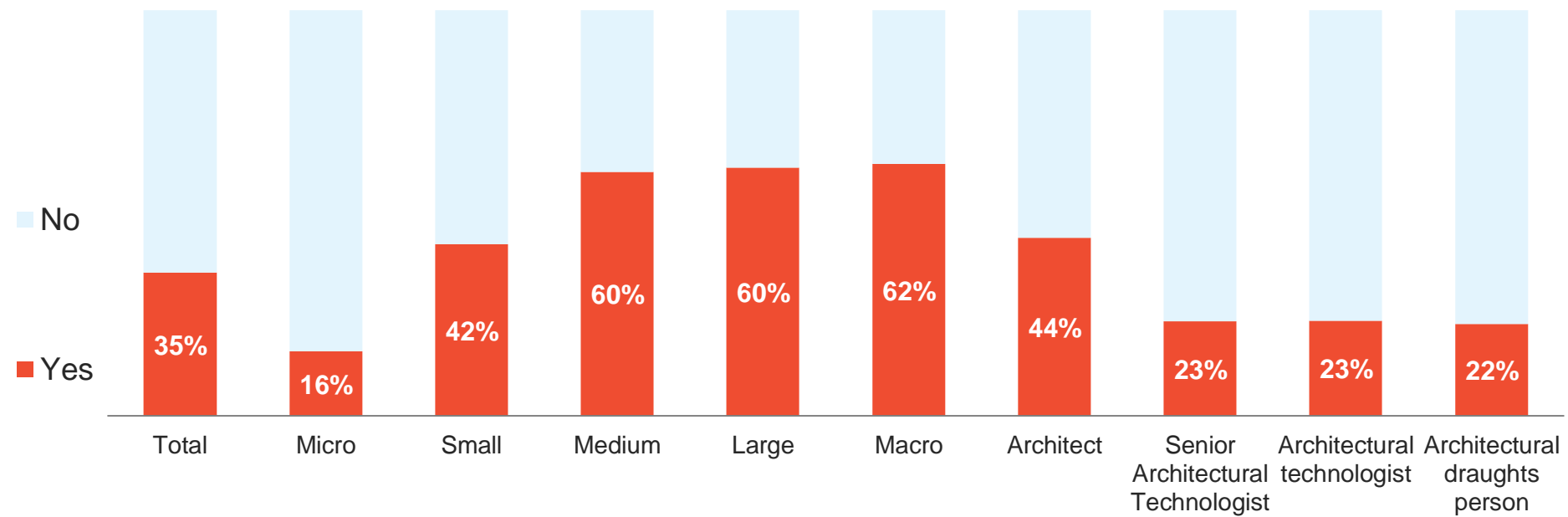
## 20% of practices have retrenched staff during the lockdown



*Did you retrench any staff over the last two months due to the COVID 19 lockdown?*

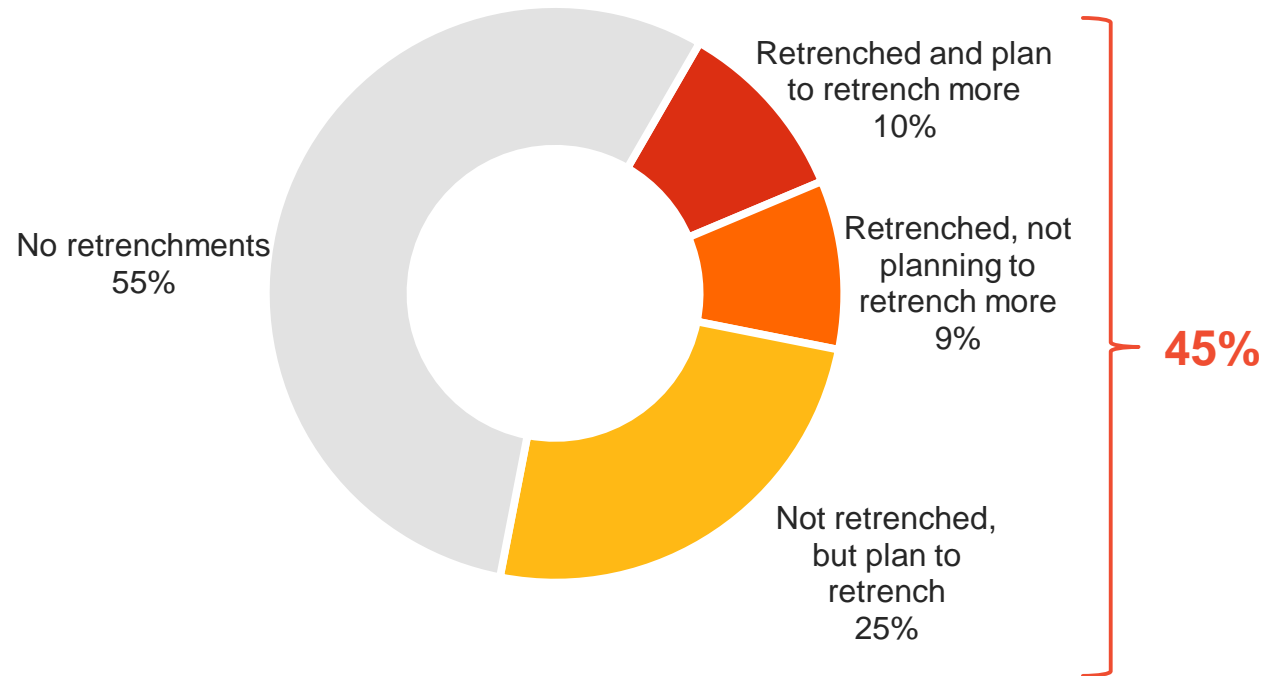


35% of practices plan to retrench staff in the next 3 months.  
It increases to around 60% for Medium, Large and Macro practices.



*Do you expect to retrench any staff in the next 3 months?*

In total 45% of practices have retrenched or plan to retrench staff

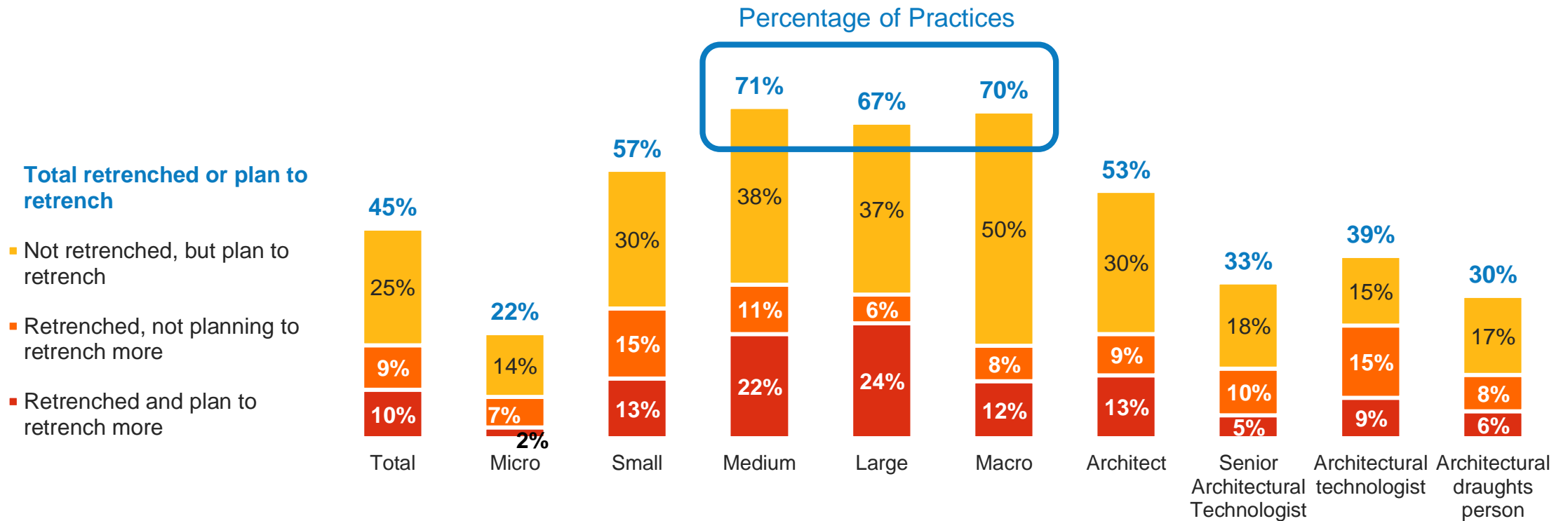


*Did you retrench any staff over the last two months due to the COVID 19 lockdown?*

*Do you expect to retrench any staff in the next 3 months?*



In Medium, Large and Macro practices, around 70% of practices have retrenched or plan to retrench staff



Did you retrench any staff over the last two months due to the COVID 19 lockdown?

Do you expect to retrench any staff in the next 3 months?

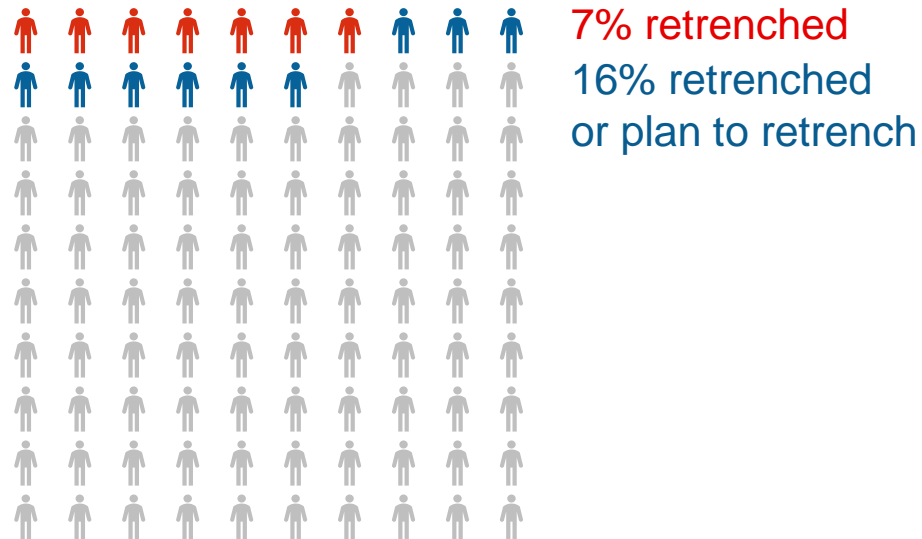


12 600 staff are employed by the 1817 practices interviewed.  
908 or 7% of staff employed have been retrenched by these practices.  
Total retrenchments, completed and planned, could be between  
16% (best case scenario) and 27% (worst case scenario).

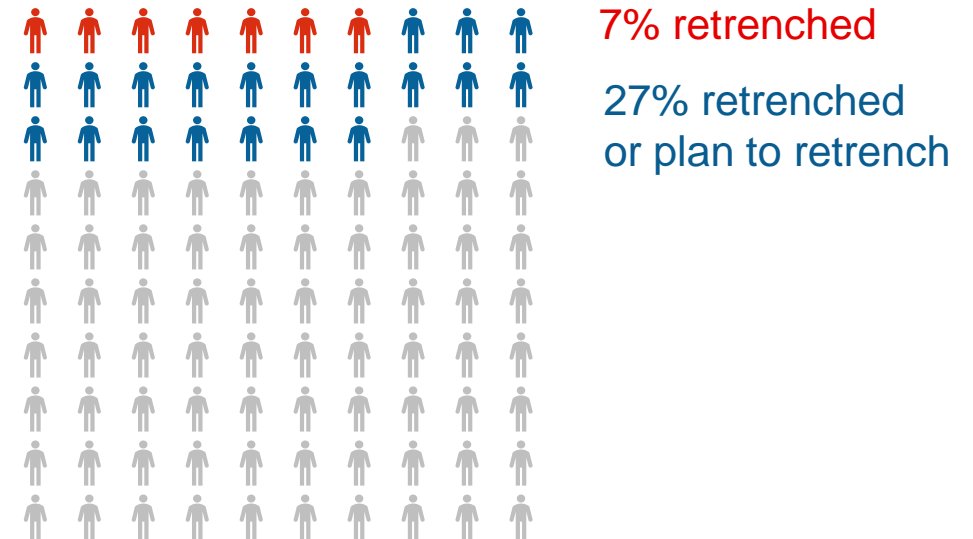
 Retrenched in last two months

 Plan to retrench in next 1-3 months

#### BEST CASE SCENARIO



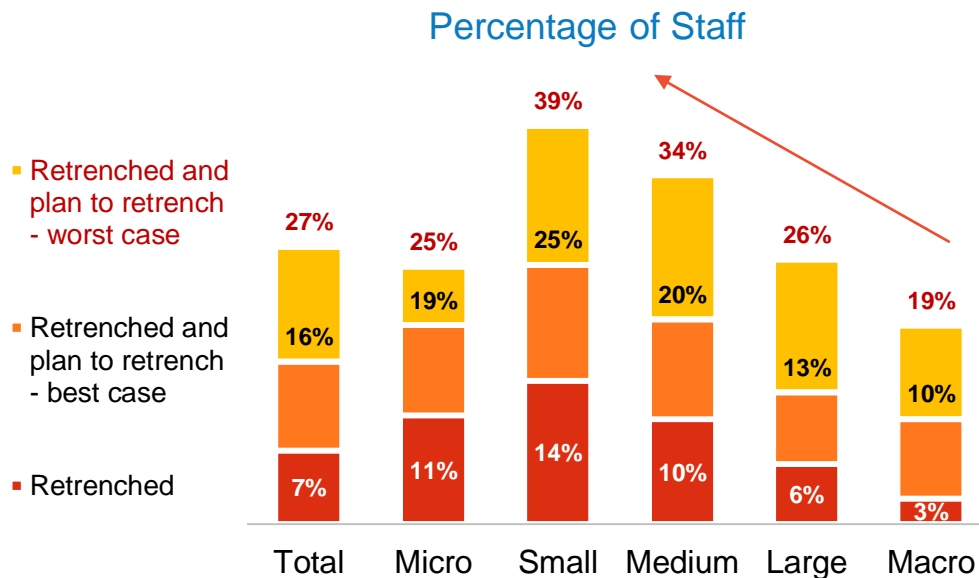
#### WORST CASE SCENARIO



*How many staff you have retrenched over the last two months due to the COVID 19 lockdown?  
Please estimate how many staff you expect to retrench in the next 3 months, giving the worst case scenario and the best case scenario?*



Macro practices could retrench between 10% and 19% of their staff.  
This increases to between 25% and 39% for small practices.  
The 1817 practices in the survey employ over 12600 staff.  
Between 2000 and 3400 of these could be retrenched in total.



Staff numbers (for practices in the survey)

	Total	Micro	Small	Medium	Large	Macro
Number of practices in survey	1817	843	457	351	100	66
Number of staff employed	12607	1234	1638	3100	1918	4717
Number retrenched to date	908	131	229	317	113	118
Plan to retrench - best case	1093	108	185	301	133	366
Plan to retrench - worst case	2494	178	406	736	381	793
Total retrenched plus plan to retrench - best case	2001	239	414	618	246	484
Total retrenched plus plan to retrench - worst case	3402	309	635	1053	494	911

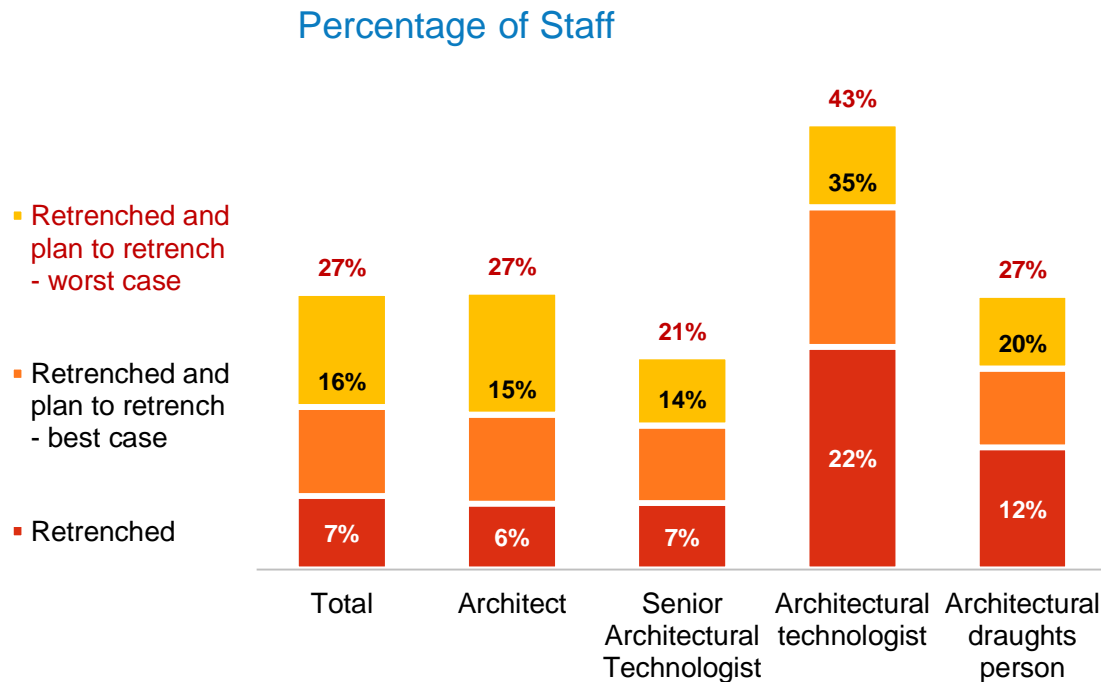
How many staff you have retrenched over the last two months due to the COVID 19 lockdown?  
Please estimate how many staff you expect to retrench in the next 3 months, giving the worst case scenario and the best case scenario?





Architectural technologists appear to be the worst hit.  
They could retrench between 35% and 43% of their staff.  
The greatest number, in absolute terms, will however come from those in Architects practices. Of the 10 000 people currently employed by the 1057 Architects practices in the survey, a total of between 1500 and 2800 staff could be retrenched.

Staff numbers (for practices in the survey)



	Total	Architect	Senior Architectural Technologist	Architectural technologist	Architectural draughts-person
Number of practices in survey	1817	1057	332	162	266
Number of staff employed	12607	10335	1228	391	653
Number retrenched to date	908	665	80	85	78
Plan to retrench - best case	1093	897	93	53	50
Plan to retrench - worst case	2494	2137	175	85	97
Total retrenched plus plan to retrench - best case	2001	1562	173	138	128
Total retrenched plus plan to retrench - worst case	3402	2802	255	170	175

How many staff you have retrenched over the last two months due to the COVID 19 lockdown?  
Please estimate how many staff you expect to retrench in the next 3 months, giving the worst case scenario and the best case scenario?



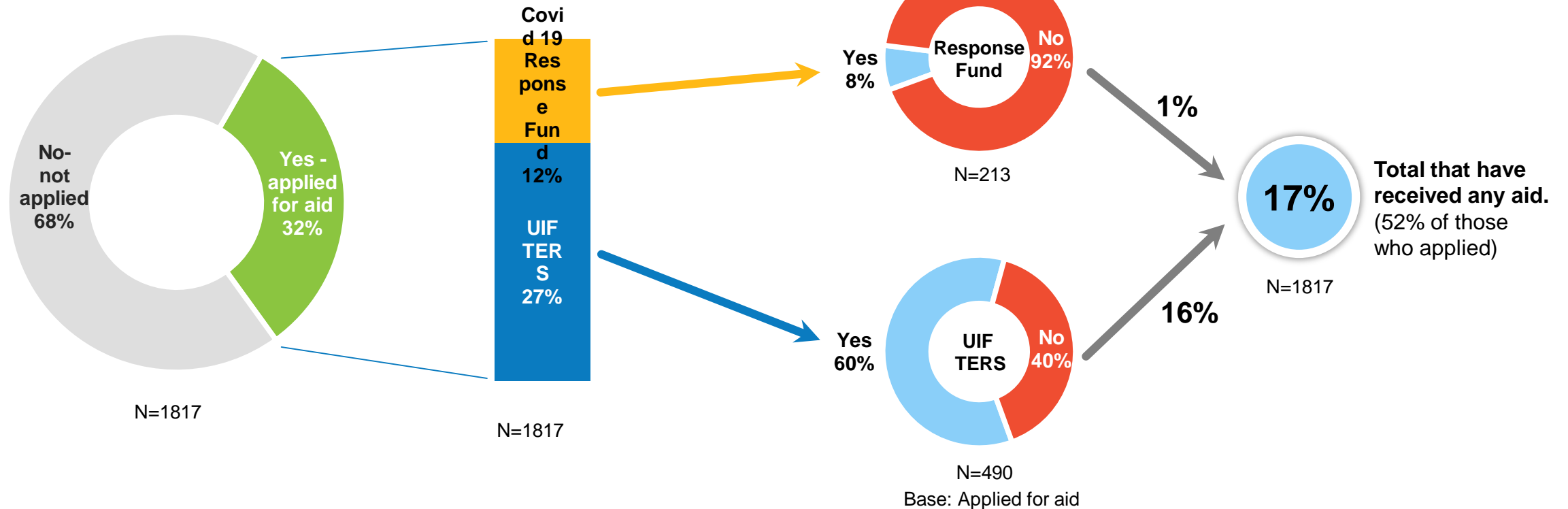
32% of practices have applied for government aid.  
27% applied for aid from UIF TERS and 12% from the Covid 19 Response Fund. 7% applied for both.  
Of those who applied, 60% received UIF aid, while only 8% received aid from the Covid Response Fund.

17% of practices in total have received any form of aid, which is 52% of those who applied.

*Have you applied for government financial aid?*

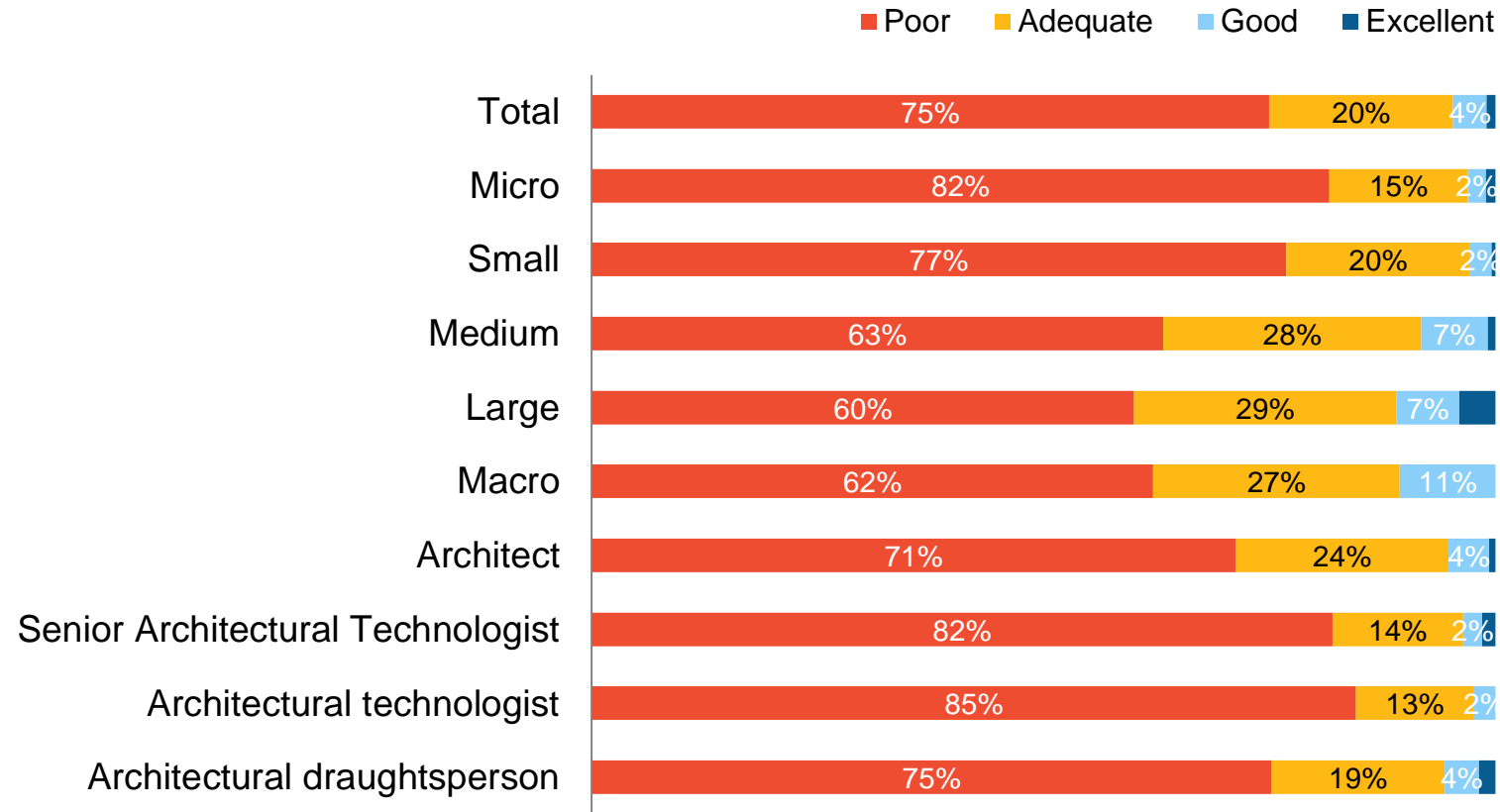
*What type of aid did you apply for?*

*Have you received aid from .....*





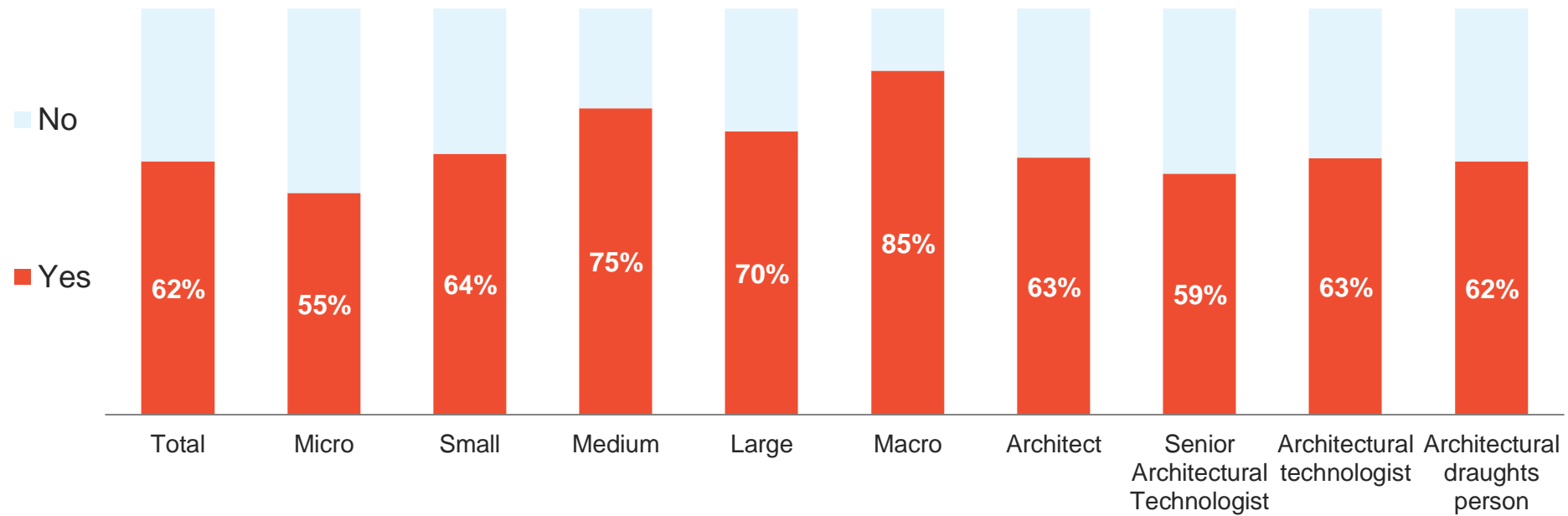
## A majority of practices believe that Government support has been poor during the pandemic



Do you consider government support in your case to be... ?



62% of practices have invoices that are outstanding for more than 30 days.  
This creates cash flow problems for many practices, in particular for those  
where there is no new work coming in



*Do you currently have any invoices with outstanding payments longer than 30 days?*

For the 62% of practices with outstanding invoices, the average value outstanding is R846 000.  
 This increases to over R8M for Macro practices.  
 The total value of invoices outstanding for these 995 practices is R842 million.

	Total	Micro	Small	Medium	Large	Macro	Architect	Senior Architectural Technologist	Architectural technologist	Architectural draughts-person
Number of practices answering	1595	772	411	297	76	39	920	297	152	226
Number of practices with invoices outstanding	995	421	264	224	53	33	582	176	96	141
Proportion that have invoices outstanding	62%	55%	64%	75%	70%	85%	63%	59%	63%	62%
Average value - amongst those with outstanding invoices	R846,000	R119,000	R431,000	R998,000	R3,488,000	R8,154,000	R1,335,000	R254,000	R110,000	R66,000
Total value of outstanding invoices (R000 000's)	R842M	R50M	R114M	R223M	R185M	R269M	R777M	R45M	R11M	R9M
Proportion in the Public Sector	48%	35%	47%	58%	80%	21%	49%	47%	12%	24%
Proportion in the Private Sector	52%	65%	53%	42%	20%	79%	51%	53%	88%	76%



Thank You



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**Knowledge**  
*Wisdom*  
Imagination

**LEADING****EDGE**  
*Research*

*Where is the life we have lost in living? Where is the wisdom we have lost in knowledge? Where is the knowledge we have lost in information?*  
T.S. Eliot



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