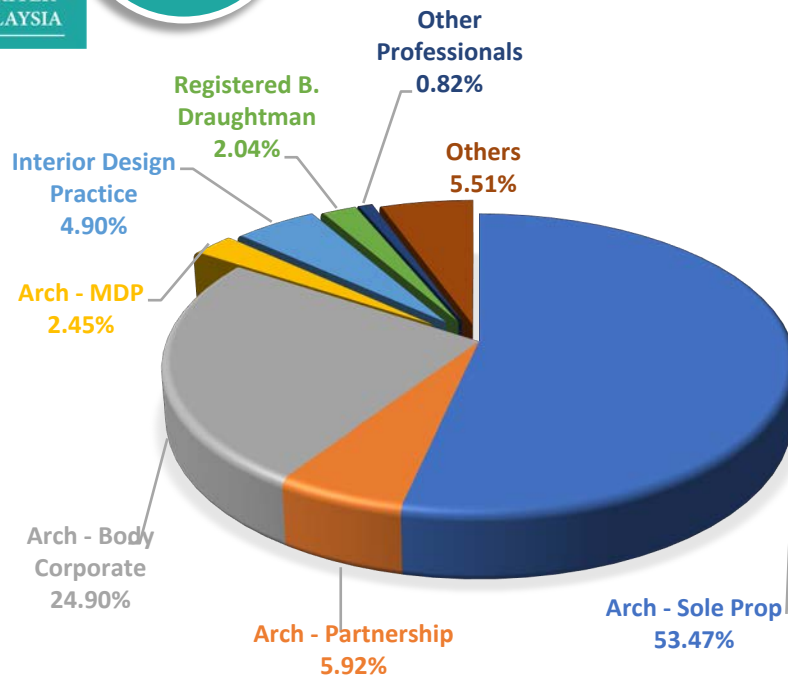


LAM Survey on Movement Control Order Impact on Architecture and Interior Design Businesses

by: LAM Professional Practice Committee

28 May 2020





Type of Establishments	Number
Architecture - Sole Prop	262
Architecture - Partnership	29
Architecture - Body Corporate	122
Architecture - MDP	12
Interior Design Practice	24
Registered B. Draughtman	10
Other Professionals	4
Others	27
Total	490

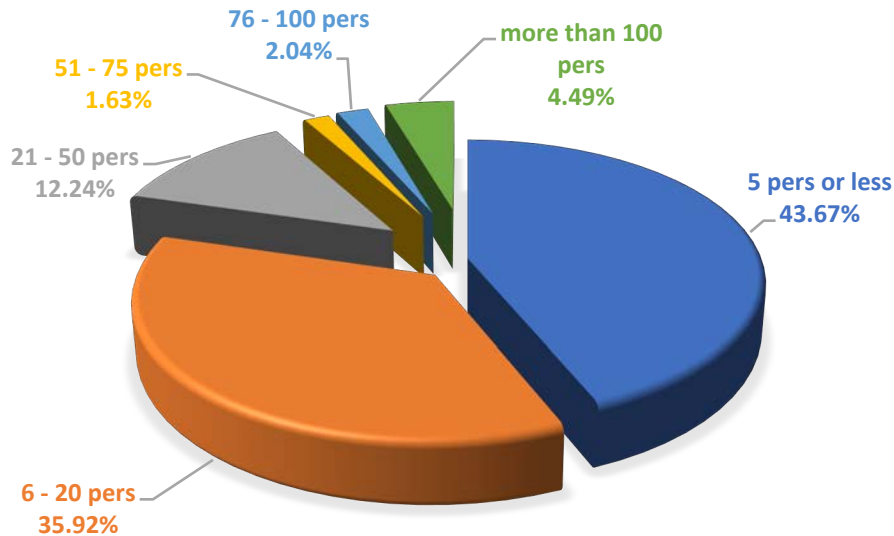
COVID-19 pandemic and Movement Control Order (MCO) imposed by the Government affect many businesses. Under the Conditional Movement Control Order, the Government supports businesses returning to work with certain conditions and SOP imposed. Lembaga Arkitek Malaysia (LAM) has conducted the survey from 5 – 23 May 2020, among the Architects, Interior Designers and Registered Building Draughtsmen to gather information required by the Government in addressing the needs of businesses.

Respondents

Architectural practices **425**
 Interior Design practices **24**
 Registered Building Draughtman **10**

Another 31 respondents are Architects and Interior Designers employed by companies which are neither Architectural Practices nor Interior Designers Practices.

SIZE OF PRACTICE



Size of Practice	Number
5 pers. or less (<i>micro</i>)	214
6 - 20 pers. (<i>small</i>)	176
21 - 50 pers. (<i>small</i>)	60
51 - 75 pers. (<i>medium</i>)	8
76 - 100 pers. (<i>big</i>)	10
more than 100 pers. (<i>big</i>)	22
Total	490



Architecture Practices

Big **16** Medium **61**

Small **163** Micro **185**

Interior Design Practices

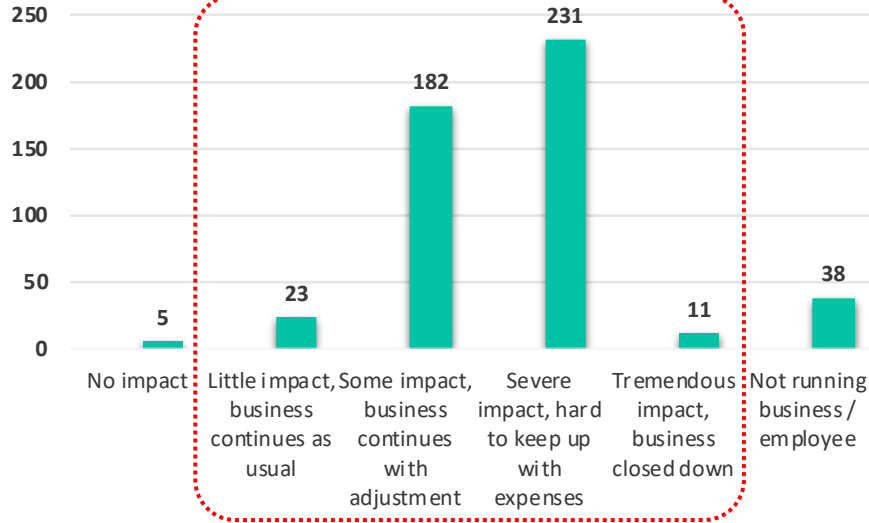
Big **2** Medium **2**

Small **10** Micro **10**

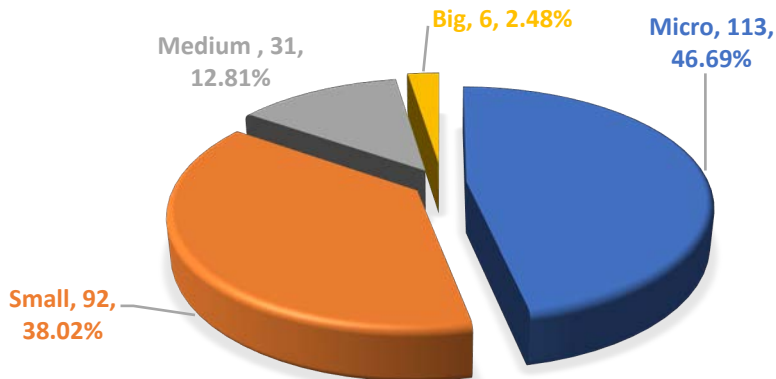
Registered
Building Draughtman

Micro **10**

CASH FLOW **98.9%**



SEVERE IMPACT ON 242 PRACTICES



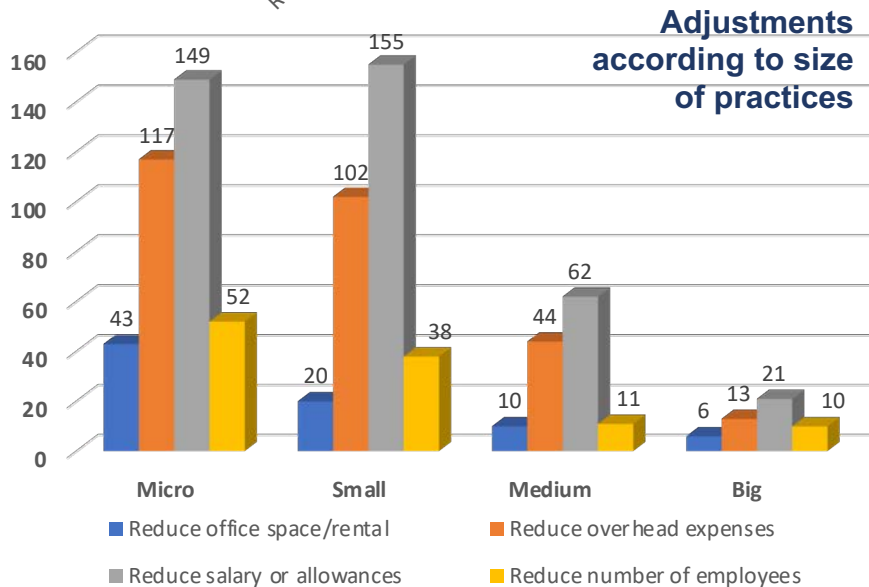
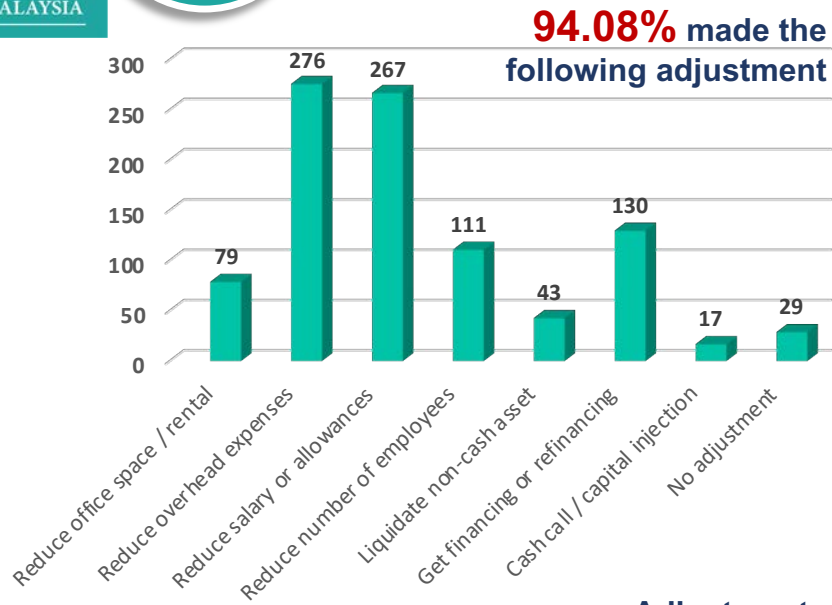
Impact to the Cashflow

COVID-19 and MCO affect the cashflow of **447** out of **452** practices, and **11** of those practices have to **close down**.

242 of the practices – **53.54%** are severely impacted and hard to keep up with the expenses.

Majority of the firms that have serious impact on their cashflow are the **micro 46.69%** and **small 38.02%** practices with 20 employees or less.





Adjustment made by practices

Out of **452** practices,
276 reduce overhead expenses;
267 reduce salary or allowances; and
111 reduce the number of employees.

28.76%

of the practices **get financing** from bank.
 Only a small percentage of **5.92%** that survive without making any adjustment.

111 practices that reduce the man powers, are from all sizes.

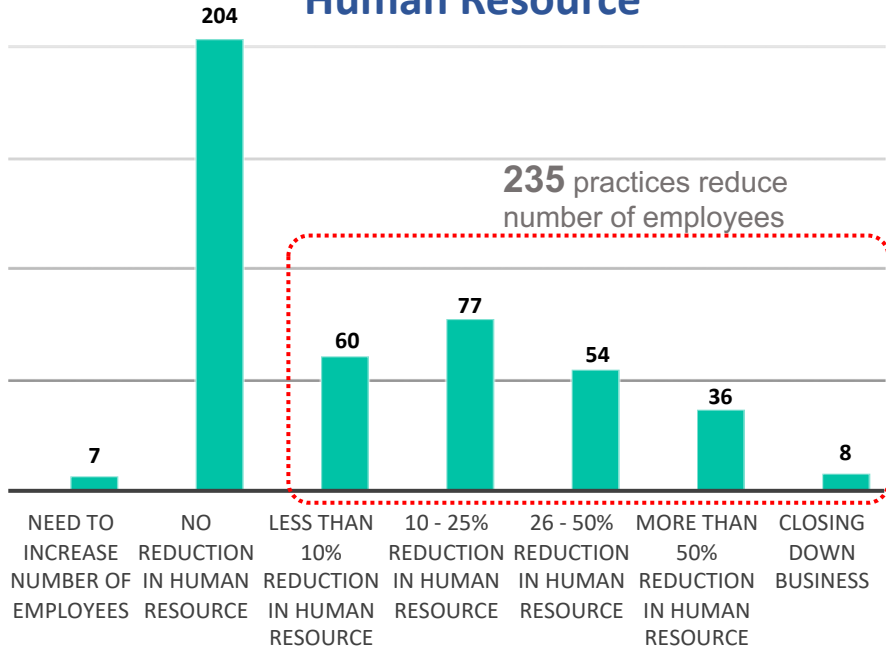
Micro 52 of 205 – 23.37%

Small 38 of 173 – 21.97%

Medium 11 of 63 – 17.46%

Big 10 of 18 – 55.56%

Human Resource



Impact to Human Resource

235 out of **446** practices' human resources are affected, **204** are not affected, and only **7** practices increase number of employees.

52.45% of **204** practices that have no reduction in the number of employees are sole proprietor Architecture practices, this also represent **107** - sole proprietorship out of **262** sole proprietor that responded.

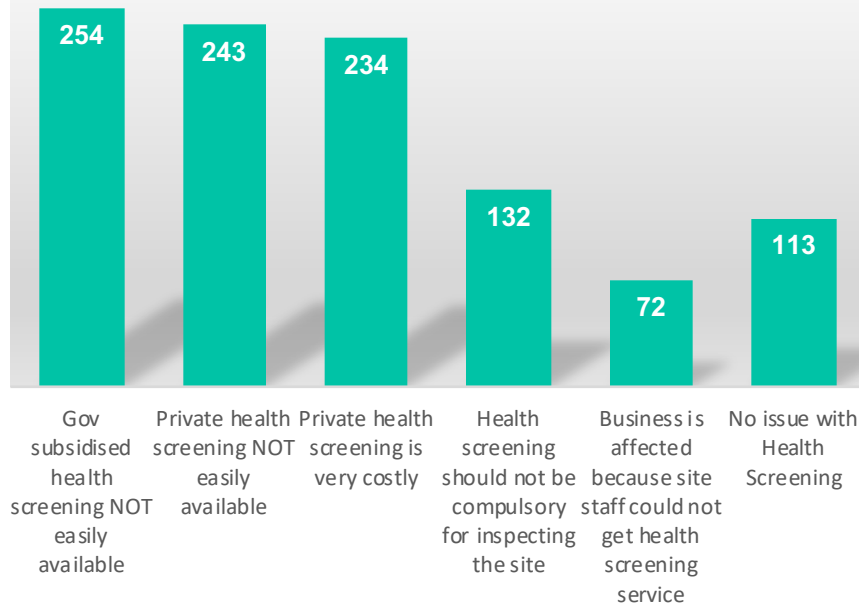


Those that has no reduction in Human Resource		Number
Architecture - Sole Prop	52.45%	107
Architecture - Partnership	3.92%	8
Architecture - Body Corporate	31.86%	65
Architecture - MDP	1.47%	3
Interior Design Practice	7.84%	16
Registered B. Draughtman	2.45%	5
Total	100.00%	204

MCO Procedures



Health Screening



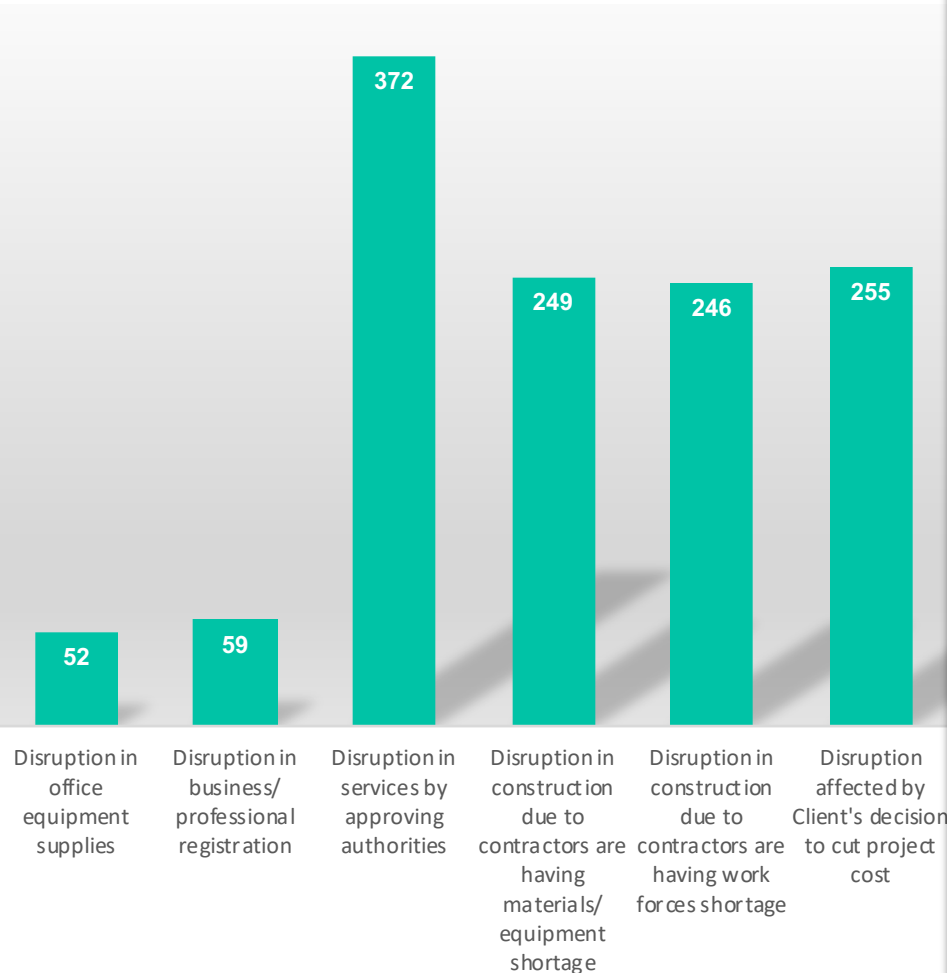
Issues on MCO Procedures

234 out of **490** respondents say that the MCO Standard Operating Procedures change too frequently and are confusing. **158** respondents say it is very costly to comply with and **135** respondents say some of the SOP are impractical.

Issues on Health Screening

254 respondents say the Government subsidized COVID-19 screening is not easily available. **243** respondents say the private screening service is not easily available and **234** say it is very costly. **113** respondents have no issue with health screening.

Disruptions to Supply Chain



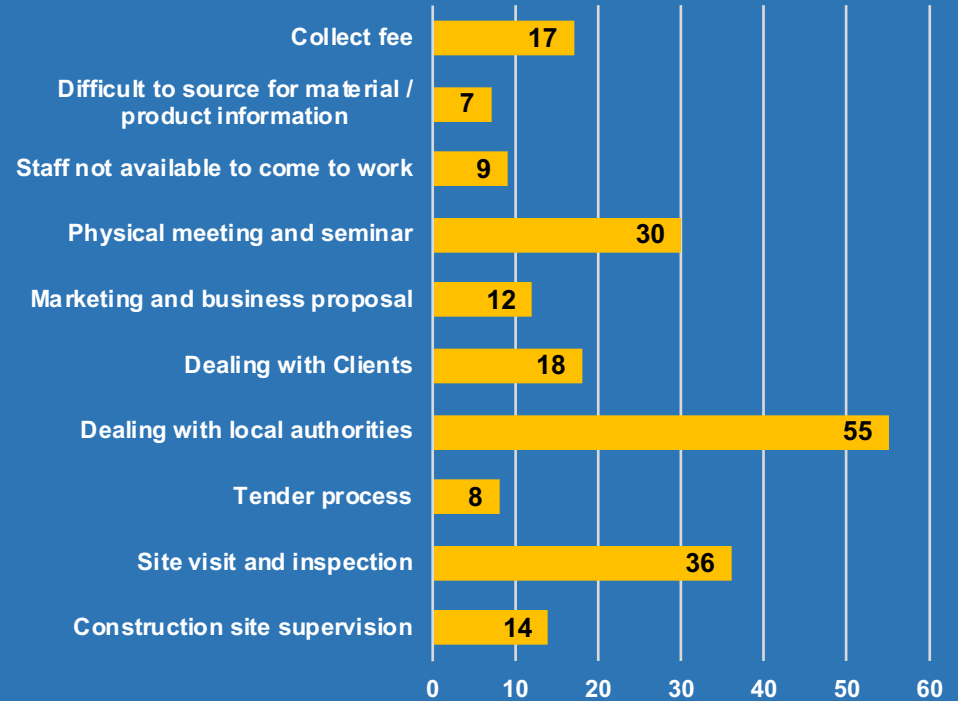
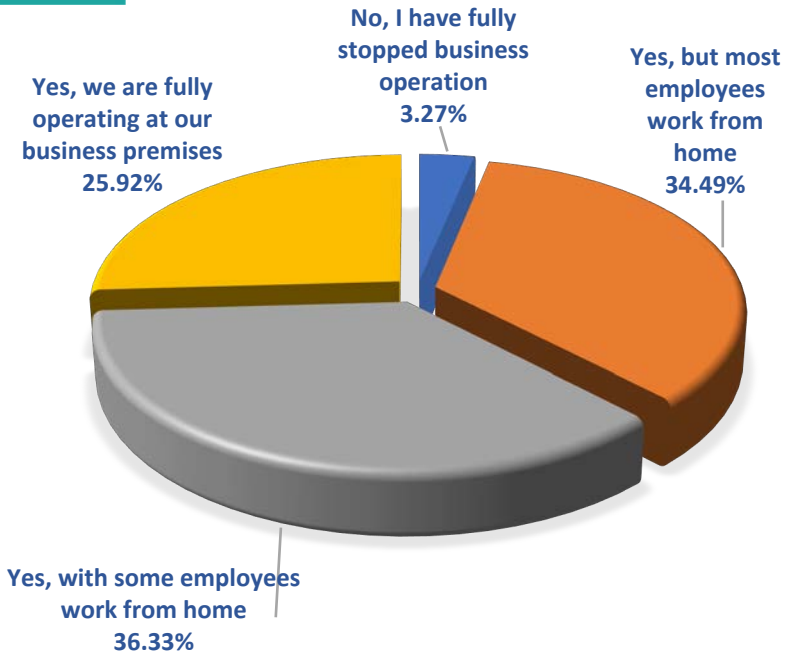
Issues on Supply Chain

Main issues in Architecture services supply chain is disruption in services provided by approving authorities and disruption in construction works.

372 out of **490** respondents say they are facing disruption with the services provided by approving authorities and half of the respondents say disruption to construction works are caused by contractors having shortage of workers, materials and equipment to resume works.



Activities that are affected during MCO



Working under MCO	Size of Practices		0 - 5		6 - 20		21 - 75		>75	
	Micro	Small	Medium	Big	Count	Percentage	Count	Percentage	Count	Percentage
Fully stopped business operation	15	7.01%	1	0.57%	0	0.00%	0	0.00%	0	0.00%
Most employees work from home	90	42.06%	55	31.25%	14	20.59%	10	31.25%		
Some employees work from home	64	29.91%	60	34.09%	38	55.88%	16	50.00%		
Fully operating at business premises	45	21.03%	60	34.09%	16	23.53%	6	18.75%		
Total	214	100.00%	176	100.00%	68	100.00%	32	100.00%		

LAM Survey on Movement Control Order Impact on Architecture and Interior Design Businesses

The Committee wishes to thank all respondents who have participated in this survey.

The findings of this survey show the ongoing impact of the Movement Control Order (MCO) and COVID-19 pandemic on the Architecture and Interior Designer Consultancy Practices.

The main delays resulted from the MCO and Conditional MCO include delay in getting clearance to commence works, delay in getting health screening test result, delay in getting approval from the authorities and other activities have affected the businesses cashflows.

Almost all respondents say their cashflows are affected by the MCO, and more than half are severely impacted and found it difficult to keep up with the business expenses. More than half of the 446 practices also have to reduce the number of employees to sustain business operation.

The SOP for operating business under the CMCO change too frequently and are confusing. Many of the respondents also say it is very costly to comply with the SOP and of the views that some of the SOP are impractical.

The Committee hope the findings from this survey will help the Government in formulating appropriate solutions for the practices to face challenges under this trying time.

Datuk Ar. Tan Pei Ing

Chairman,
LAM Professional Practice Committee

28 May 2020