



# Spending Levels Moderate for Surveyors

After a year of unexpectedly high spending, surveyors returned to more typical levels.

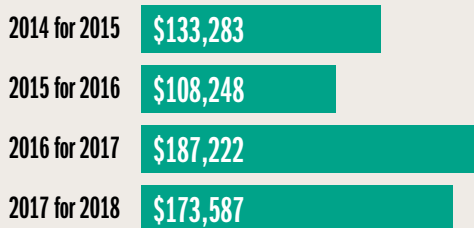
Each year, *POB* asks land surveyors and geospatial professionals about their current and expected capital spending. Based on 2017 forecast and actual spending, expectations moderated and returned to previous-year levels. Respondents told *POB* in 2016 they expected to spend \$187,222 in 2017. As this year's study, "2014-2017 Point of Beginning Capital Investment Study," conducted by BNP Market Research was winding down at the end of September

2017, actual spending looked more like \$129,597, 70 percent of what respondents projected in the prior-year study.

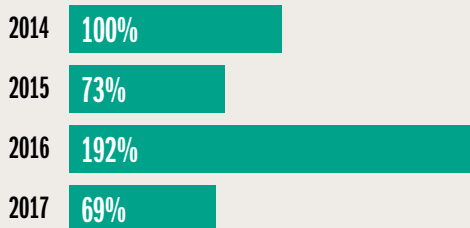
Those results aren't totally unexpected. Surveyors and geospatial professionals vastly exceeded forecast spending in the previous cycle, so some "cooling off" might be expected. Actual spending in 2016 was an average of \$207,710, 192 percent of the 2016 budget projections respondents reported in late 2015.

A number of variables affect capital spending, including elections and tax law. Businesses anticipating a bad tax climate may accelerate purchases while the climate is positive, or wait if corporate tax rates could change and favor investment. As *POB* was going to press, a new tax bill was being debated in the U.S. Congress, and this may be affecting the status of the budget process at many businesses as they evaluate options.

## FORECAST SPENDING 2015-2018



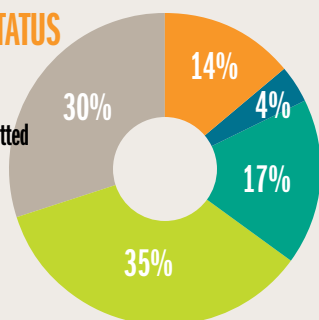
## REPORTED SPENDING vs. FORECAST



The 2016 presidential election and proposed tax reforms making headlines in late 2017 may have contributed to volatility in planned vs. actual capital spending among surveyors and geospatial professionals.

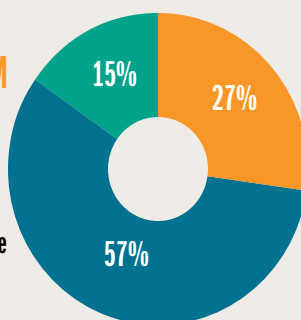
## 2018 BUDGET STATUS

- Approved
- Prepared and Submitted
- Tentative Budget Prepared
- General lead but No Budget Prepared
- Budget Not Yet Discussed



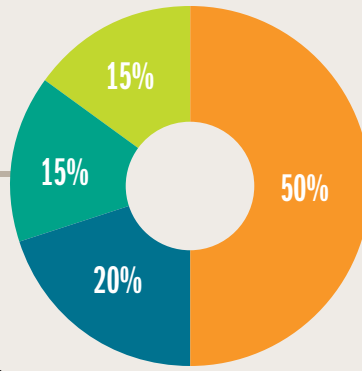
## EXPECTED CHANGE FROM 2017 BUDGET

- Expected Increase
- About the Same
- Expect Decrease

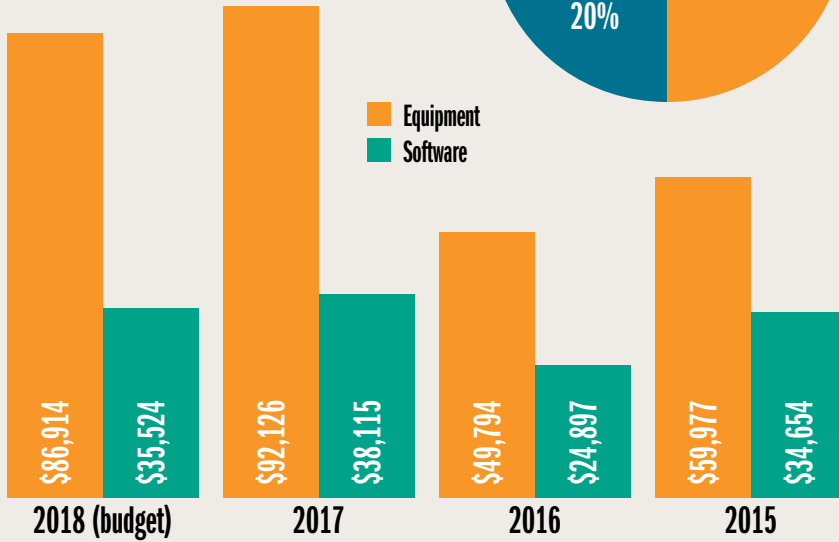


At the time of the study, many budgets had not yet been approved, but expectations were for similar or increased amounts of capital spending for 2018.

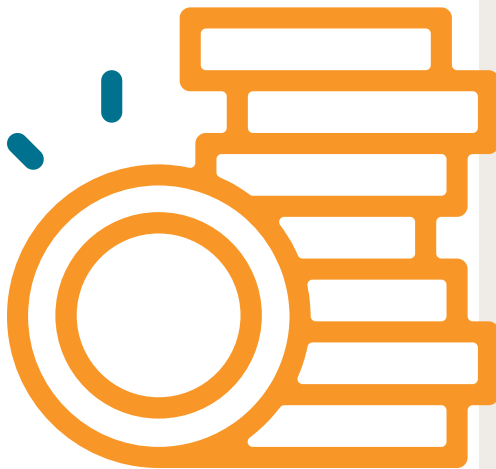
## 2018 BUDGET ALLOCATIONS



## EQUIPMENT & SOFTWARE SPENDING

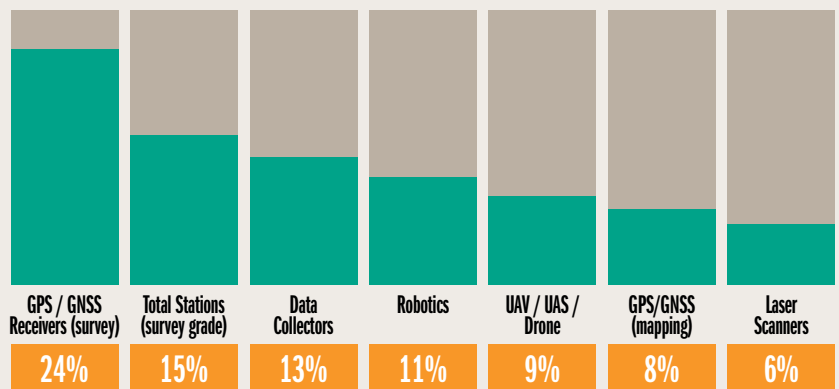


Most of the surveyor's capital spending budget goes to equipment purchases. Dollar amounts have risen somewhat faster than percentages of the allocation as budgets have generally increased over the years. In most cases (51 percent) purchases are to replace or upgrade equipment.

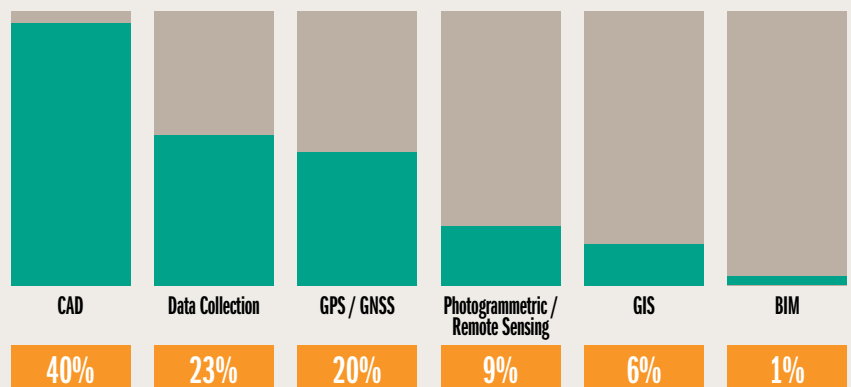


Equipment and software budget trends remain relatively consistent, with GPS/GNSS leading equipment purchases and CAD software being the top purchase in software. An interesting development is the continued increase in spending on UAV (drone) hardware. In the three years UAVs have been tracked in the Capital Spending study, the amount allocated has increased.

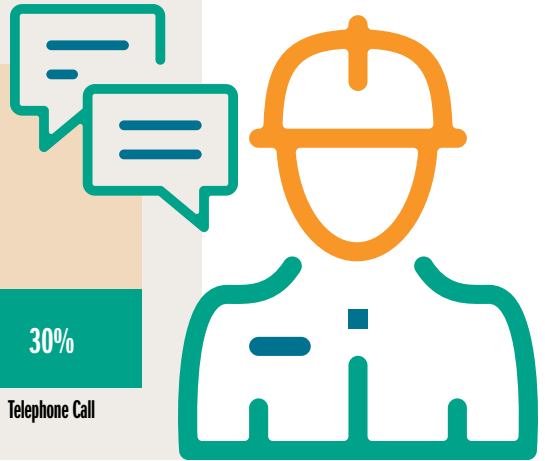
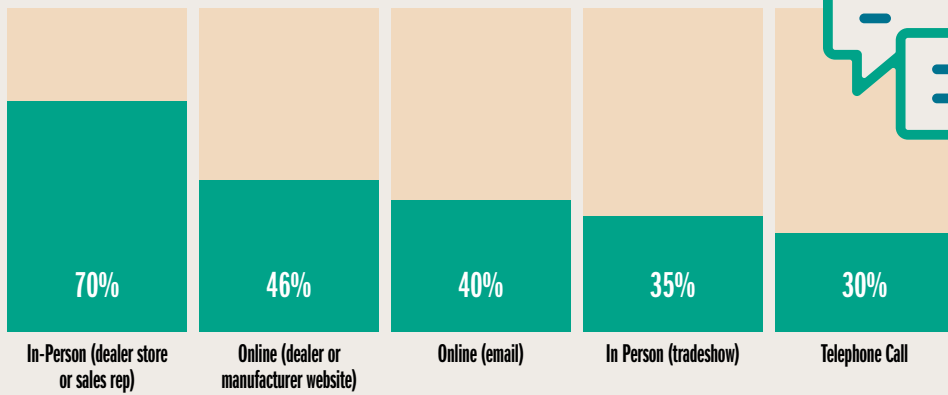
## 2018 BUDGET ALLOCATIONS



## 2018 SOFTWARE BUDGETS

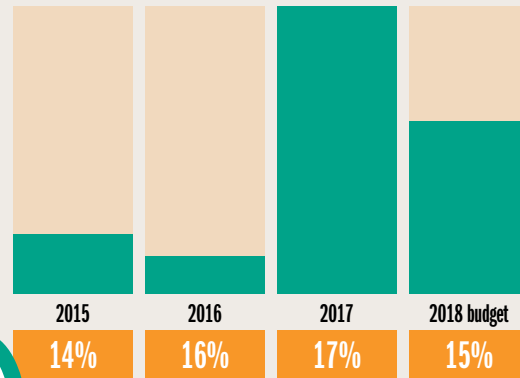


## PREFERRED CONTACT FOR EQUIPMENT PURCHASE

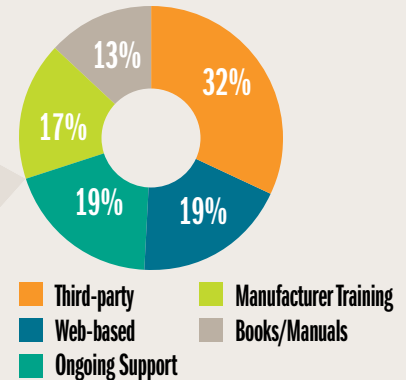


Surveyors clearly like to “kick the tires” when it comes to equipment purchases. Among the top methods for shopping are in-person retail or sales rep visits and trade show visits. It might be inferred that email and phone are good for follow up once the selection process or acquisition has started.

## TRAINING AND SUPPORT



## 2018 TRAINING BUDGET



As with some other budget categories, training and support are relatively consistent as a percentage of the whole, but in actual dollar terms, spending has increased dramatically. Spending nearly doubled in dollar terms between 2016 and 2017. Third-party training continues to increase its percentage of training dollars.

## SUMMARY

The profile of capital spending by surveyors and geospatial professionals always reflects some interesting trends, even when it is not surprising us with dramatic spikes. Whether 2016 was a result of pent up demand for new equipment and software or uncertainty over the U.S. presidential election, it clearly doesn't appear to represent a new, sustained level of spending. But, within the spending trends, there are some interesting insights.

Spending on UAVs (drones) was expected to increase after the U.S. Federal Aviation Administration eased entry by establishing a knowledge-based certification for commercial UAV pilots. It has, indeed, increased, but not in some sort of

mad dash to get onboard. Instead, it is a measured growth as surveyors recognize the value of the new technology but look for practical application of the tools. As with most survey technology, commercial UAVs represent a substantial investment. In an either-or choice between a total station and a UAV, many surveyors will see more day-to-day application for the latter and may delay a UAV purchase. This is not only reflected in the investment numbers (both dollars and percentages), it comes across in the reasons surveyors give for capital

investments. The top rationale for spending is to upgrade or replace aging technology, followed by improving productivity. Buying equipment to develop new business or enter new markets falls well down the list.

Having observed all of that, there is a new tax bill being proposed and debated. Many respondents to the study, conducted early in the fourth quarter of 2017, said budgets still had not been finalized. After a busy year and with the potential for tax incentives for investment, 2018 could look like 2016. Stay tuned. 🌐

Please visit [www.clearmarketrends.com](http://www.clearmarketrends.com) to purchase and download the entire report as well as access a wide inventory of other studies done in this industry. You can also email us at [info@clearmarketrends.com](mailto:info@clearmarketrends.com) if you have any questions.