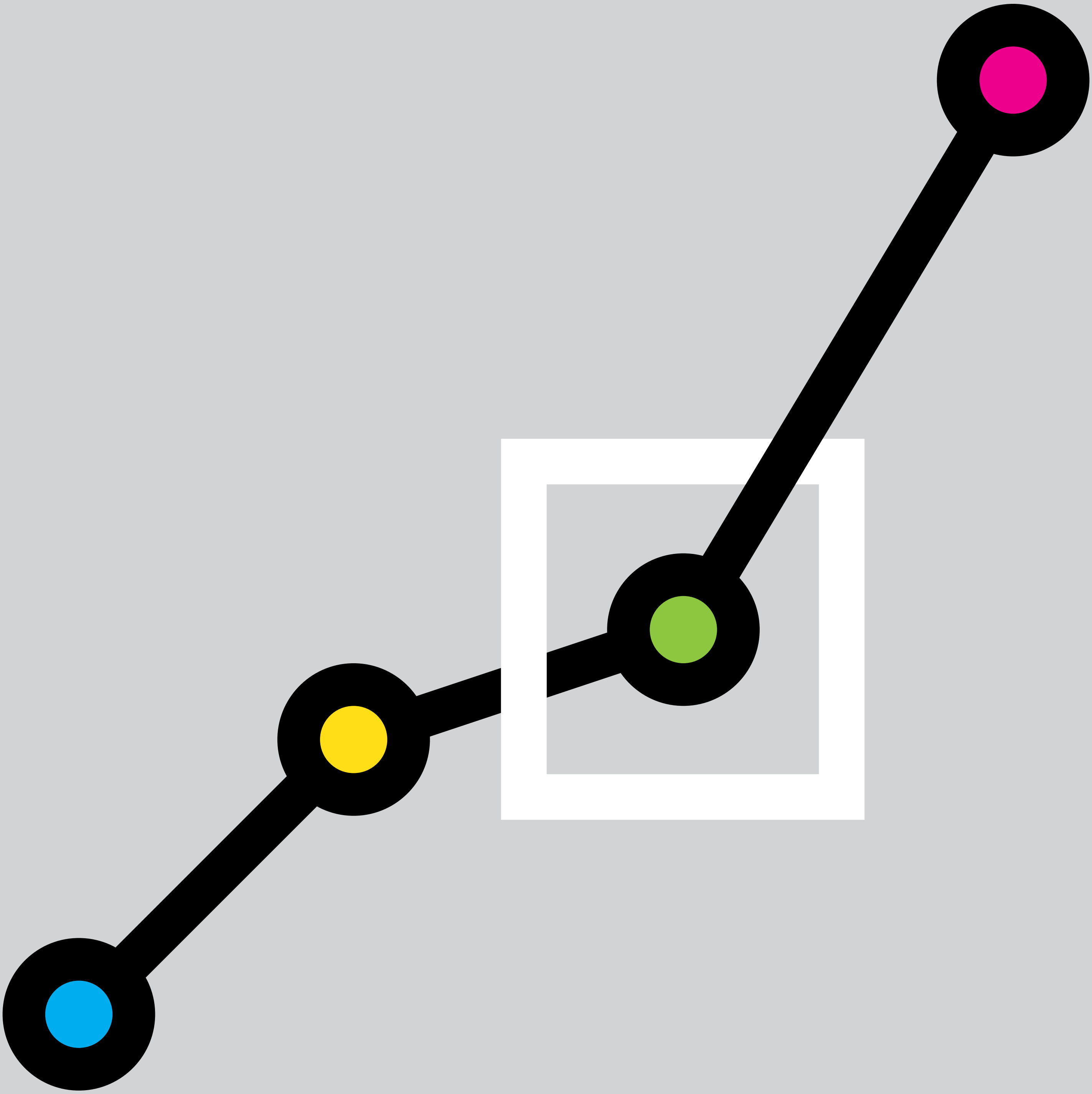
Future Trends Survey:

January 2021



RIBA
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The RIBA's monthly Future Trends Survey

was launched in January 2009 to monitor business and employment trends affecting the architects' profession. Participants give monthly predictions for overall workload and staffing levels over the next three months, and are also asked about their workload predictions in key sectors: private housing, commercial, community and public sector. In addition, practices are asked on a quarterly basis about their current workload and staffing levels. The Survey is carried out by the RIBA in partnership with the Fees Bureau. Results of the Survey, including a full graphical analysis, are published each month on www.architecture.com

The following is a summary analysis of the results from the January 2021 Survey returns.

RIBA Future Trends Workload Index
(January 2021)

How do you expect the architectural workload in the organisation you work in or own to change over the next three months?

Overall

Expect	%
Decrease	25
Stay the same	47
Increase	28
TOTAL	100
Balance	**+3**

(The definition for the balance figure is the difference between those expecting more work and those expecting less.)

The RIBA Future Trends Workload Index has begun in 2021 with a positive outlook. Although down on last month's figure of +10 the Index remains positive, returning a balance figure of +3 in January.

Overall, architects remain positive about future workloads, despite the challenges of Brexit and the third lock-down.

Whilst 25% of practices expect workloads to decrease in the coming three months, 28% expect workloads to increase. Just over half (51%) expect workloads to hold steady.

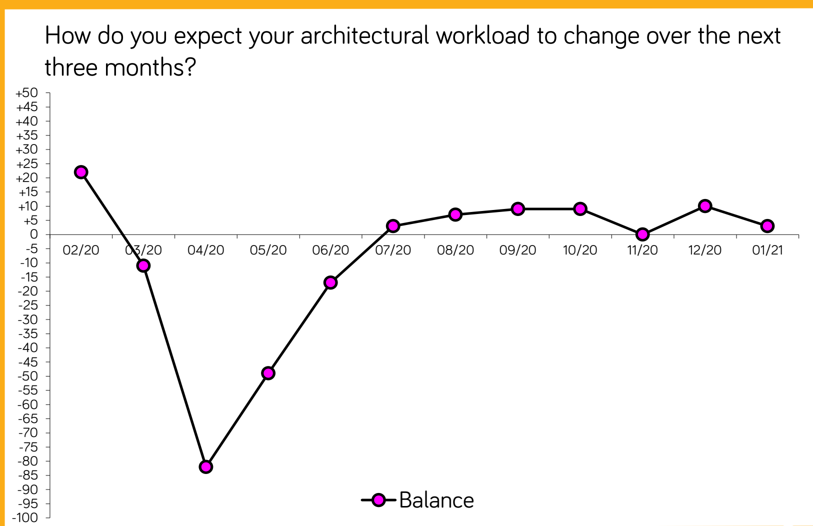
The outlook for the Housing Sector remains positive. The Public and Commercial sectors have dropped back to negative territory after posting positive balance figures in December. The community sector remains negative.

Throughout 2020 London has consistently lagged behind other regions in future workload predictions. Encouragingly, for the first time since lock-down 1, London has posted a positive workload balance. However, the commercial sector is both fragile and particularly important to London and with that sector being relatively weak, London's recovery remains fragile.

The RIBA has also begun to monitor attitudes to Brexit. On balance, architects suggest our new trading arrangement with the EU will be detrimental to the profession.

The following graph plots the RIBA Future Workload index over time:

Notes
The balance figure is plotted here. The definition for the balance figure is the difference between those expecting more work and those expecting less.



Looking at the January 2021 **RIBA Future Trends Workload Index** in terms of practice size, region and sector:

Small practices (1 - 10 staff) fell back into negative territory in January, posting a workload balance figure of -2, down from +4 in December.

Confidence among **Large and Medium-sized practices** (11 - 50 and 51+ staff) remains strong. Among these groups, 53% expect workloads to increase, and 13% foresee a decrease; an overall balance score of +39.

After ten consecutive months of posting negative workload balance figures, London practices start 2021 with some optimism about future workloads. Whilst the London Workload Index is positive by the smallest of margins (at +1), it is a welcome recovery.

With a workload balance figure of -2, the South of England is the only region to post a negative balance figure this month, a fall of 10 points.

The Midlands & East Anglia remain in positive territory this month, but fell back a little, posting a balance figure of +2 in January, compared to +7 in December.

Wales & the West continues to report a robust positive outlook, posting a balance figure of +19 in January.

Optimism about future work fell back sharply in the North of England this month. Having posted a balance score of +29 in December, this month it was zero.

Among the four **different work sectors,** only the private housing sector remains positive.

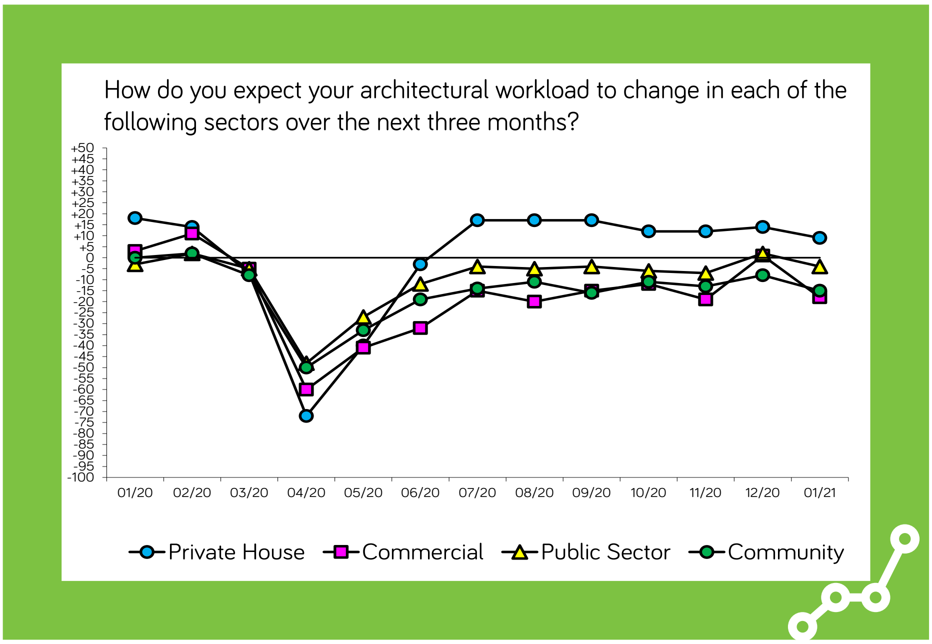
The **private housing sector** remained positive in January but dropped by 5 points; down form +14 in December to +9 in January.

The **commercial sector** saw the biggest fall this month, dropping 19 points to a balance figure of -18.

The **public sector** also fell into negative territory in January with a balance figure of -4, suggesting an expectation of falling workload.

The **community sector** remains in the doldrums, falling to a balance figure of -15 in January, down from -8 in December.

The following graph tracks the sector predictions in the RIBA Future Trends Survey over time:



RIBA Future Trends Staffing Index
(January 2021)

How do you think the number of permanent architectural staff employed in your organisation will change over the next three months?

Permanent Staff	%
Decrease	7
Stay the same	83
Increase	10
TOTAL	100
Balance	+4*

'Increase' minus 'Decrease' does not equal the 'Balance' figure due to rounding.

(The definition for the balance figure is the difference between those expecting to employ more permanent staff in the next three months and those expecting to employ fewer.)

Remaining in positive territory in January, the RIBA Future Trends Staffing Index rose again, albeit slightly. In January, the balance figure for future permanent staffing is +4, compared to +2 in December.

Seven per cent of practices expect to employ fewer permanent staff in the coming three months, while 10% expect to employ more. Eighty-three per cent expect staffing levels to remain the same.

Medium and large-sized practices (11+ staff) continue to be those most likely to recruit permanent staff in the coming three months, with both posting strongly positive index figures. Smaller practices are more likely to expect staffing levels to hold steady, having posted a January Staffing Index figure of zero.

The Temporary Staffing Index returned a balance figure of zero in January, suggesting the market for temporary staff will remain as is.

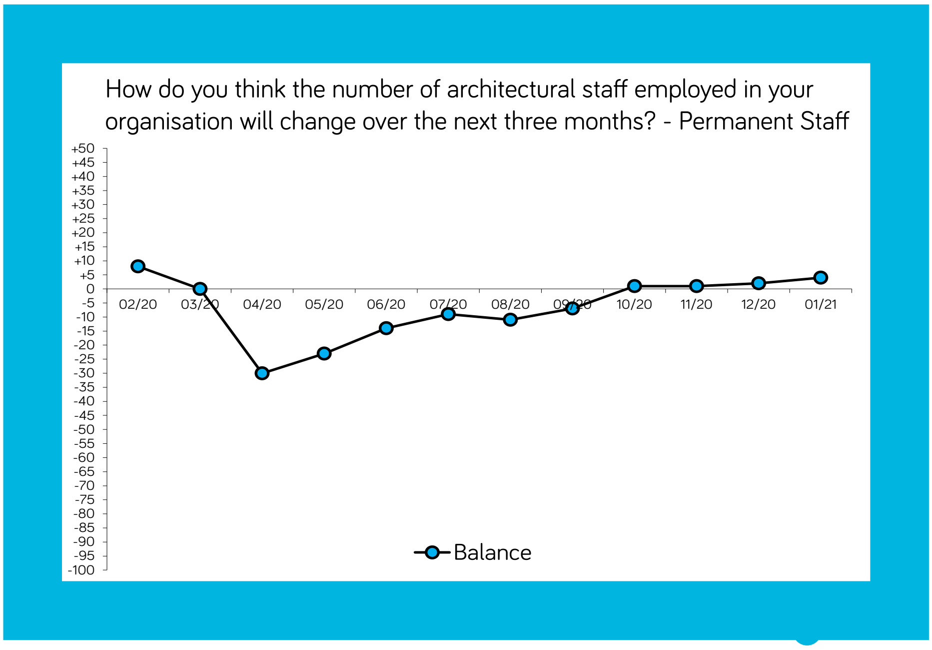
London remains the region least likely to anticipate increased staffing levels in the next three months, again returning a negative balance figure (this month -4). The South of England is also cautious about upcoming recruitment, with a balance figure of -6. Further north recruitment is more likely, particularly in the North of England (+14) and the Midlands & East Anglia (+8).

Personal underemployment stands at 22%, a slight increase on last moth's figure, but within historical norms, and significantly below the high of 42% in the first lock-down.

Staffing levels are 96% of a year ago. Overall, redundancies stand at 3% of staff. Seven per cent of staff remain on furlough.

The following graph plots the RIBA Future Trends Staffing Index over time:

Notes
The balance figure is plotted here. The definition for the balance figure is the difference between those expecting to employ more permanent staff in the next three months and those expecting to employ fewer.



RIBA Future Trends: Focus on COVID-19 and Brexit
(January 2021)

As the UK's vaccine programme continues apace, pessimism is mitigated by increasing hope of a way out of the pandemic.
The January dip in workload expectations comes as the UK remains in a third lock-down. However, this dip in confidence is nothing like the precipitous fall in confidence we saw during the first lock-down.

January is the first month in which architects have had to come to terms with our new trading arrangement with the EU. Overall, architects expect Brexit to reduce architectural workload in 2021; 15% more architects expect it to lead to a decrease in workload than it leading to an increase.

Overall, what effect do you think the changed trading arrangements with the European Union will have upon the future workload of your practice over the next 12 months?

Effect of Brexit on Future Workload	%
Decrease	18
Stay the same	79
Increase	3
TOTAL	100
Balance	**-15**

There are particular areas of concern, notably:

- The standards and regulatory environment
- Availability of skilled on-site staff
- Recruiting/retaining architects from outside the UK
- Availability of building materials

The graph below shows the views of practices. The availability of building materials is a particular concern. In no area do architects see the effects of Brexit being more beneficial than detrimental.

The commentary received in January is mixed. Some practices report depressed workloads, lower fees, and expect cash-flow difficulties in the coming months.

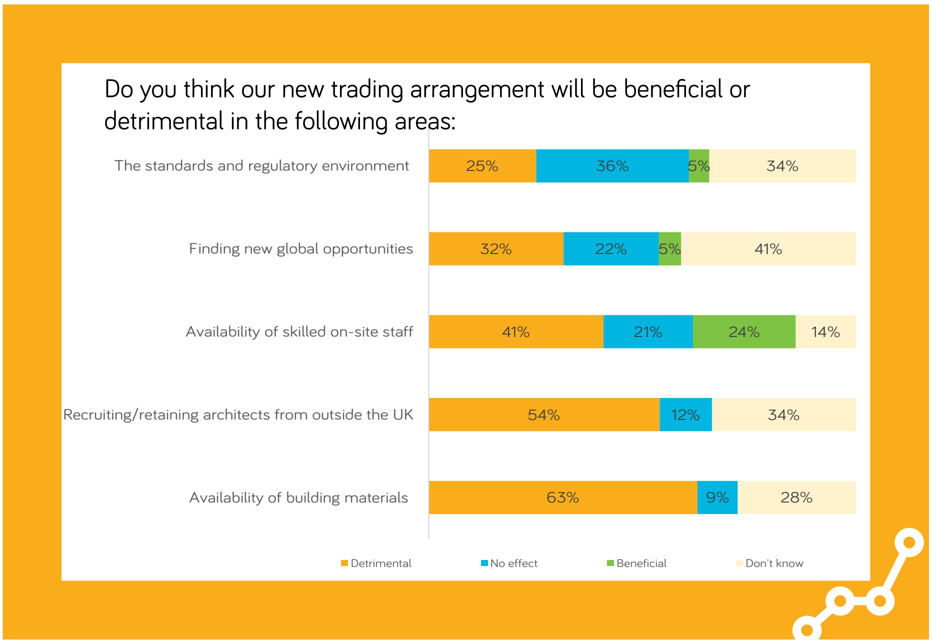
Others report workloads increasing with new enquiries, new instructions and workloads returning to pre-Covid levels.

Even with where workloads have increased, challenges remain, however. These include balancing professional work with home-schooling and the toll of continued remote working on personal well-being.

Delays in the processing of planning applications continue to be highlighted by a number of practices. These delays are having a detrimental effect on projet progression and architects' workload.

The following graph shows architects' attitude to selected potential effects of Brexit:

Notes
The percentage of respondents telling us that they were personally underemployed in the last month, due to a lack of work, is plotted here.



The RIBA Future Trends Survey is based on a representative sample of the range of different practice sizes and geographical locations which enables analysis of the trends in sectors, size groups and by nation and region.

A total of 284 practices took part in the Survey in January 2021.
The development of a larger database of respondents will increase the statistical accuracy of the survey, and if your practice would like to participate in future months, please contact the RIBA Practice Department on 020 7307 3749 or email practice@riba.org.
The survey takes approximately five minutes to complete each month, and all returns are independently processed in strict confidence by our partners The Fees Bureau.