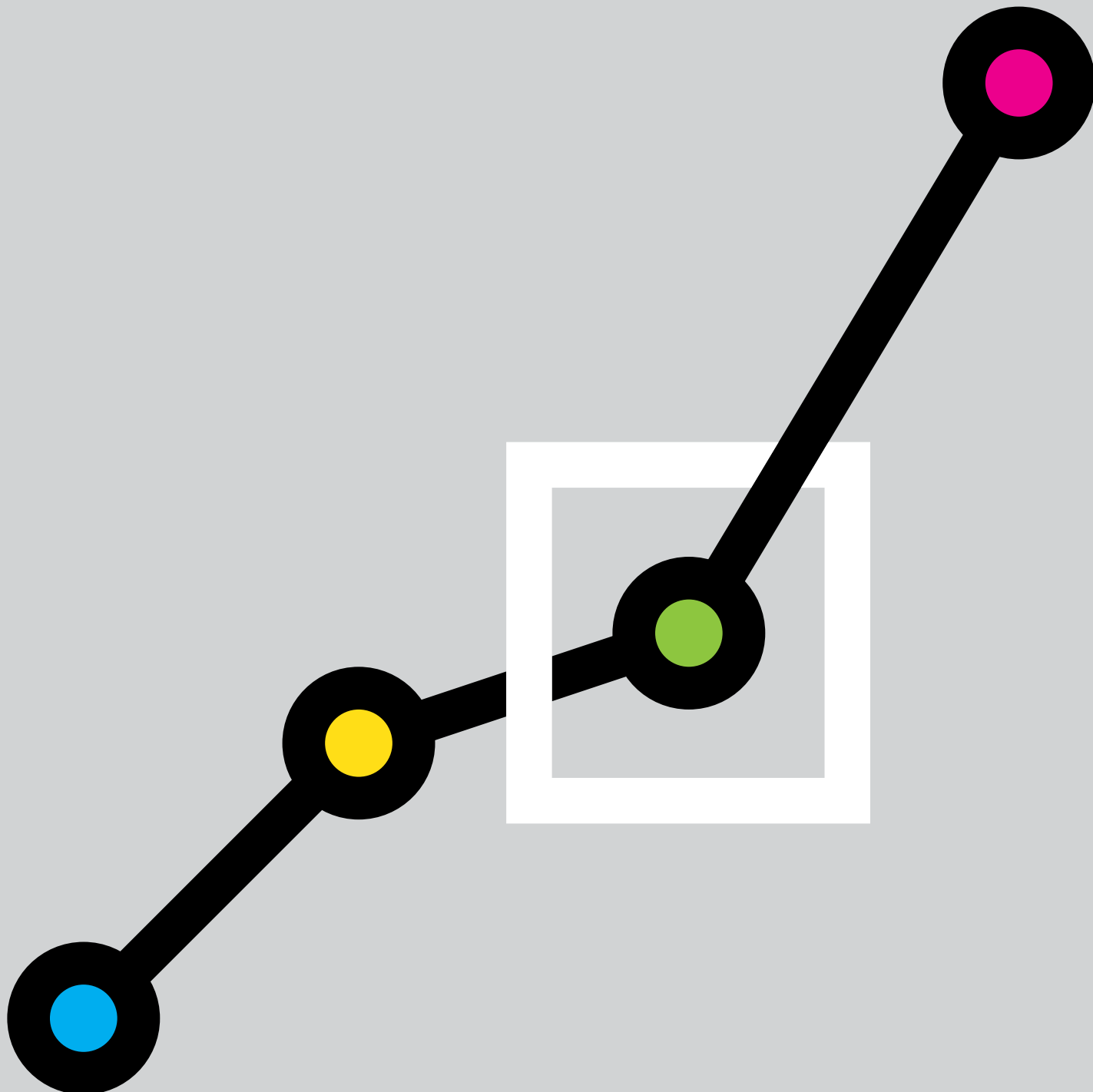


Future Trends Survey:

March 2021



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 March 2021 Survey returns.

RIBA Future Trends Workload Index (March 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	11
Stay the same	49
Increase	40
TOTAL	100
Balance	+29

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

In March the RIBA Future Trends Workload Index rose by 12 points to a balance figure of +29. This is the highest Workload Index balance figure since May 2016. In the last 12 months, the index has risen by an unprecedented 111 points.

Forty per cent of practices expect workloads to grow in the coming three months, whilst just under half (49%) expect them to remain the same. The percentage expecting workloads to decrease has fallen again and now stands at 11% (compared to 84% a year ago).

Optimism about future workloads continues to be driven by the private housing sector, although the outlook for all sectors is improved from last month.

All regions are becoming more positive about future work. London is the largest architecture market in the UK and, for the first time since February 2020, practices there are anticipating increasing workloads in the coming months.

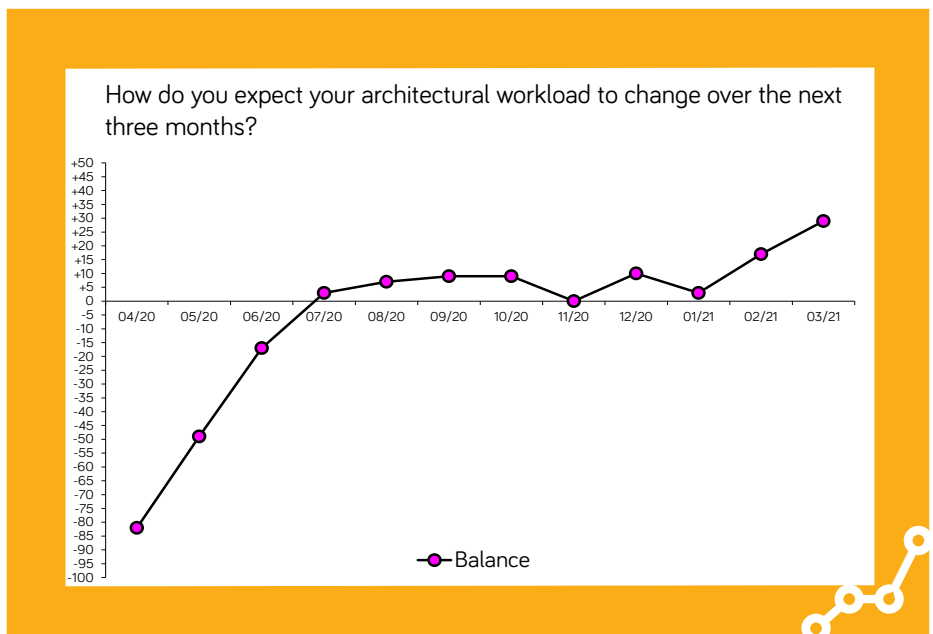
Practices of all sizes are expecting workloads to increase, with larger practices the most optimistic.

March feels like a significant turning point.

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 March 2021 RIBA Future Trends Workload Index in terms of practice size, region and sector:

The outlook of **Small practices** (1 - 10 staff) again rose strongly. In March small practices posted a future workload balance figure of +27 up fourteen points from February's figure of +13.

Confidence among **Large and Medium-sized practices** (11 - 50 and 51+ staff) remains strong, with an overall balance score of +42, up 13 points on last month's figure of +29.

All regions report increased confidence about future work. For the first time since February 2020, no region expects workloads to decline.

London practices return to a positive outlook this month, with a balance figure of +18 an increase of 21 balance points.

March sees the South of England grow in confidence, with a balance figure of +32 this month, up from zero last.

The Midlands & East Anglia has risen further into positive territory up fourteen points from last month, with a balance figure in March of +20.

Wales & the West continues to report a firmly positive outlook, posting a balance figure of +33 in March, the tenth consecutive month of a positive outlook.

The most positive region this month is the North of England, with a balance figure of +47. Here only two per cent of practices expect workloads to fall, and almost a half (49%) expect them to grow.

Among the four **different work sectors**, private housing remains by far the strongest. However, all sectors are again up on last month, and no sector is negative.

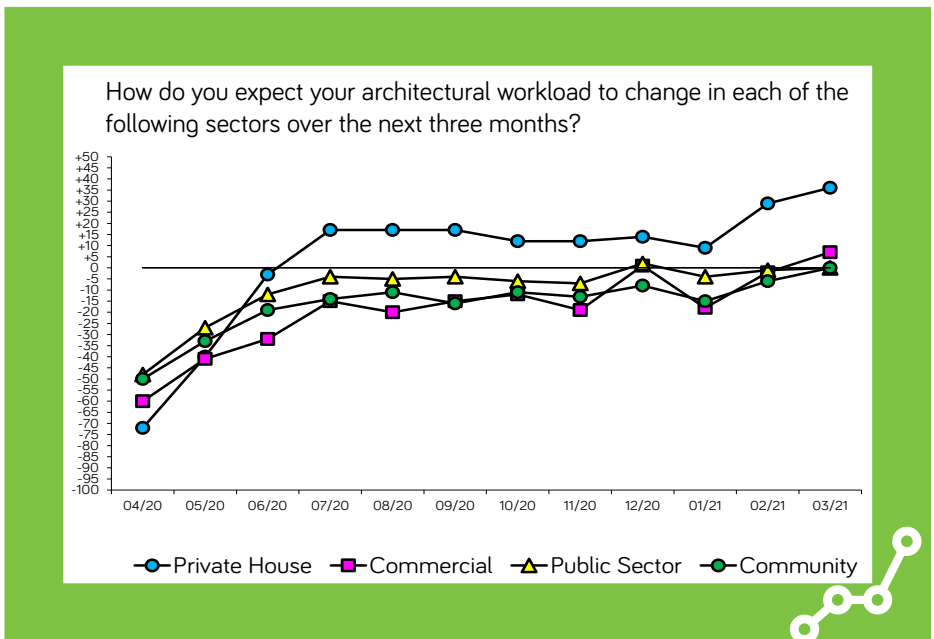
The **private housing sector** rose by a further 7 points this month to post a balance figure of +36, a balance score that is higher than at any point since June 2015.

With a balance score of +7, the **commercial sector** returned to positive territory for the first time since the pandemic onset.

The **public sector** eased out of negative territory this month, but only just. It posted a balance score of zero, up one point from last month.

Similarly, the **community sector** rose out of negative territory this month, also posting a zero balance figure.

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



RIBA Future Trends Staffing Index
(March 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	79
Increase	14
TOTAL	100
Balance	+7

(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.)

The RIBA Future Trends Staffing Index increased to +7 this month, an increase of 3 balance points.

Seven per cent of practices expect to employ fewer permanent staff in the coming three months, while 14% expect to employ more. A clear majority (79%) of practices continue to expect staffing levels to be constant over the coming three months.

Medium and large-sized practices (11+ staff) continue to be those most likely to recruit permanent staff in the coming three months, with both groups continuing to post strongly positive index figures.

On balance, small practices (1 - 10 staff) expect staffing levels to grow somewhat, with a balance figure of +6, though 80% of small practices anticipate staffing levels to stay the same.

The Temporary Staffing Index returned a balance figure of +5 in February.

In terms of regional permanent staffing levels, London remains least optimistic with a zero balance figure in March. Eleven per cent of London practices expect to employ more permanent staff over the coming months with the same proportion expecting to employ fewer.

The South of England (+4) and the Midlands & East Anglia (+2) are cautiously optimistic about upcoming recruitment.

In line with workload expectations, the North of England (+13) and Wales & The West (+18) are the areas in which practices are most likely to expect growing numbers of permanent staff.

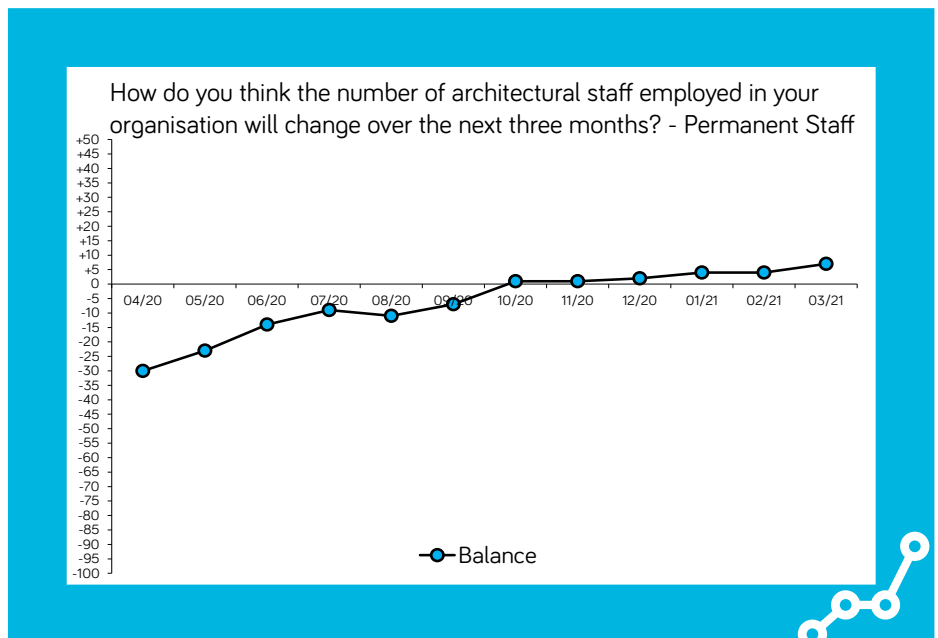
Personal underemployment remained at 20% in March, and staffing levels remain at 96% of a year ago.

Overall, since the onset of the pandemic, redundancies remain at 3% of staff. Seven per cent of staff remain on furlough. Eighteen per cent of staff are working fewer hours.

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 (March 2021)

With the vaccine programme underway, and workload prospects improving across sectors, regions and practice sizes, March's Future Trends data shows a profession firmly optimistic about future work.

Personal underemployment has dropped from a high of 42% to 20%. Practices are more confident about their longer-term prospects, with 13% expecting increased profitability over the next year, and 29% expecting it to hold steady.

However, the extremely positive rise in confidence does not mean that the challenges practices face have evaporated. Four per cent of practices think they are unlikely to remain viable over the next 12 months. Forty-three per cent, after an already extremely difficult period, expect profitability to decrease over the coming year.

The commentary received in March continues to describe a housing sector performing strongly, particularly smaller-scale domestic work. Some practices report that there is more work available than they can take on.

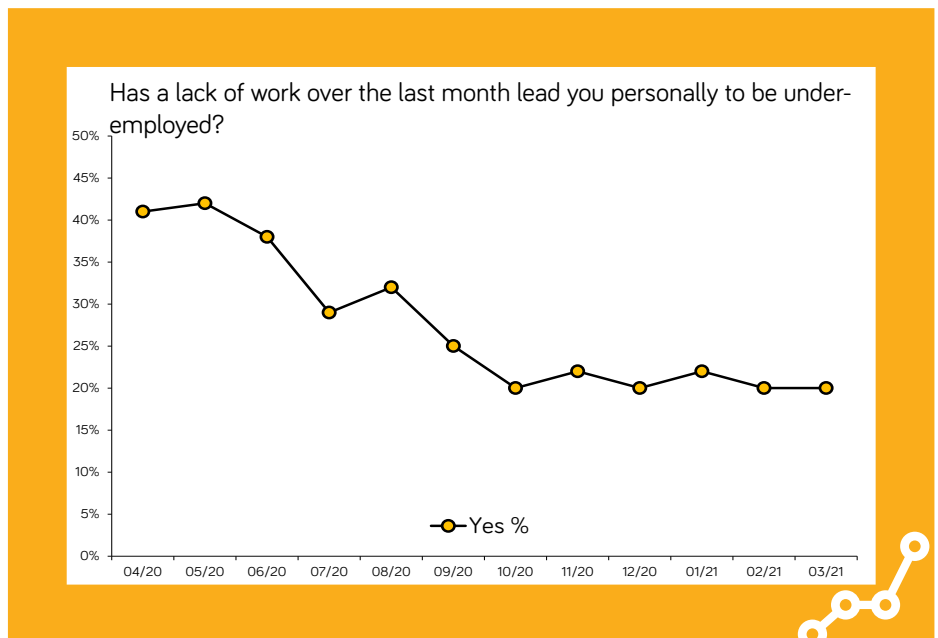
However, practices also mention that such work may be of comparatively low-value, and subject to intense fee competition (often from outside the profession). Longer-term, the recovery in private housing needs to be matched by growth in the public, commercial and community sectors.

Nevertheless, March's data confirms a remarkable restoration of confidence among practices during an unprecedented 12 months.

The following graph plots the levels of personal underemployment over time:

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 278 practices took part in the Survey in February 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.