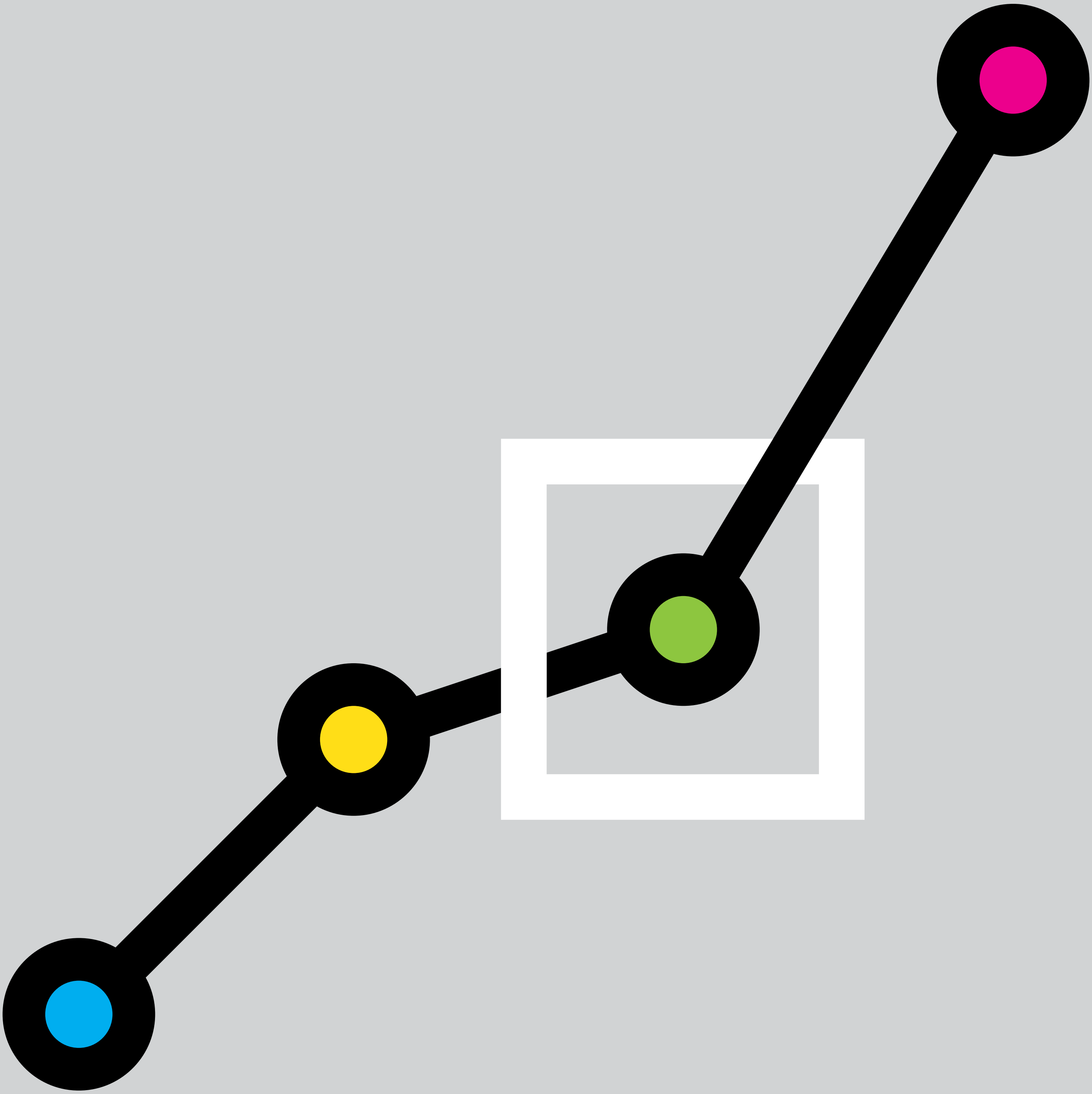
Future Trends Survey:

April 2020



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 April 2020 Survey returns.

RIBA Future Trends Workload Index
(April 2020)

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	84
Stay the same	14
Increase	2
TOTAL	100
Balance	**-82**

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

The RIBA Future Trends Workload Index fell to record a balance figure of -82 in April 2020. This is a historic low; previously the lowest balance figure was -31, recorded in March 2009.

The Workload Index fell 71 points this month, following a fall of 33 points last. In two months the index has fallen by 104 balance points.

Eighty-four per cent of architects expect their workload to fall in the next three months.

All work sectors and all regions showed a very large drop in confidence.

For some, the challenge has now become practice survival.

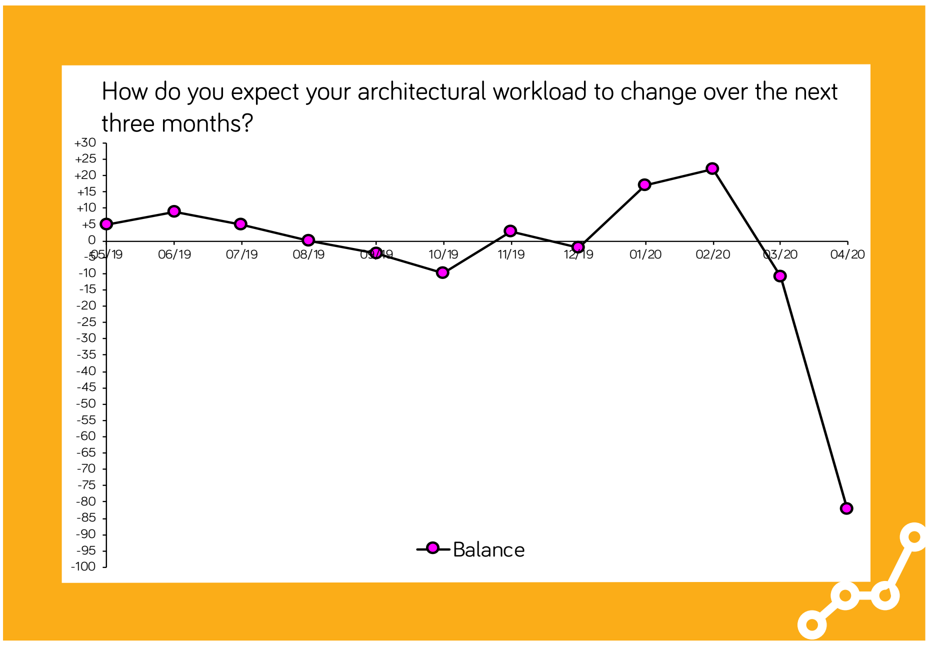
This crisis is like no other. Previously, a reduction in architects' confidence has been an early indicator of a contraction in the construction sector; design work comes first. This time, whilst much architectural, construction and wider economic activity rapidly fell back, it was work on-site that was most immediately disrupted, as we moved to lockdown.

A recovery in architects' workload will depend on the speed and nature of our move out of lockdown, and on how much architectural and construction capacity has been preserved.

We may soon see improvement in the expectations of future work, but a recovery to previous levels of confidence may well take much longer. In any case, the post-crisis future is likely to be significantly different from the pre-COVID-19 past.

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 April 2020 **RIBA Future Trends Workload Index** in terms of practice size, region, and sector we can see the following:

Small practices (1 - 10 staff) posted a workload index balance figure of -80, down 70 points from March.

Medium-sized practices (11 - 50 staff) posted a balance figure of -95 an 87 point drop, when compared to March's -8 balance figure.

All **large practices** (51+ staff) expect their workload to fall in the coming three months, so returning a balance figure of -100.

All **regions expect workloads to diminish over the next three months.**

There are some regional deferences: the least pessimistic region is the North of England, (-76) whilst London and Wales & the West (both -84) are the most pessimistic.

These slight differences are, however, inconsequential; there is a shared view across the country, a sudden, unprecedented pessimism about near-term future workloads.

All of the four **different work sectors** fell much further into negative territory in April.

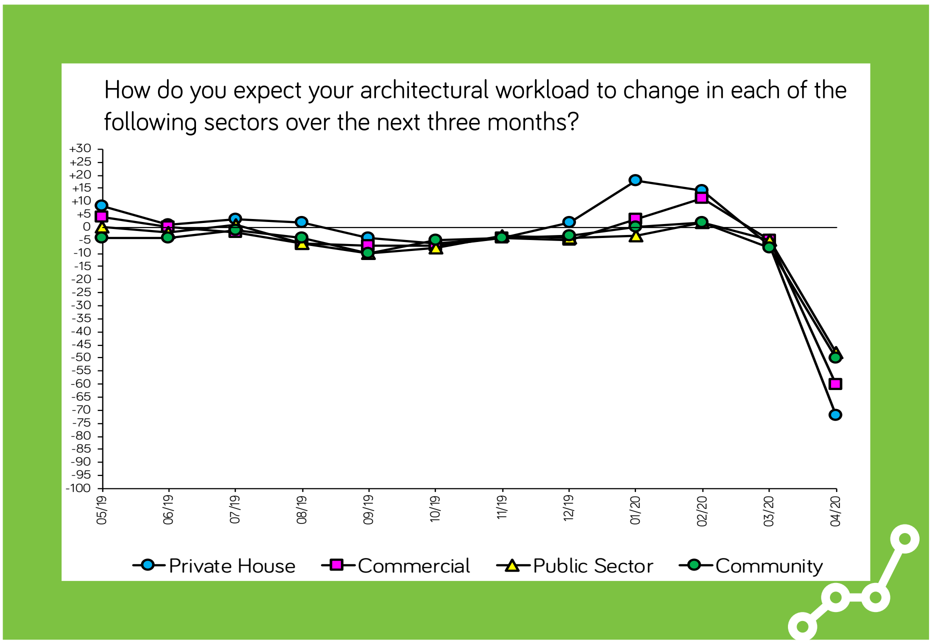
The **private housing sector** fell farthest, from a workload balance figure of -7 in March to -72 in April, a 65 point fall.

The **commercial sector** dropped 55 points from the -5 March figure to post a balance figure of -60 in March.

The **community sector** fell 42 points to post a -50 balance figure in April, down from -8 in March.

Perhaps with in hope of government plans for recovery focusing on new public building, the **public sector** posted the highest balance score among the sectors, -48. Nevertheless, this is a historically low figure.

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



RIBA Future Trends Staffing Index
(April 2020)

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

Permanent Staff	%
Decrease	31
Stay the same	68
Increase	1
TOTAL	100
Balance	-30

(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 saw its largest monthly drop on record. It fell 30 points in April, to post a balance figure of -30.

This is not, however, the lowest balance score recorded. That was -32, in February 2009.

Thirty-one per cent of practices expect to employ fewer full-time staff in the next three months. Sixty-eight per cent expect staffing levels to stay the same, whilst just one per cent expect staffing levels to increase.

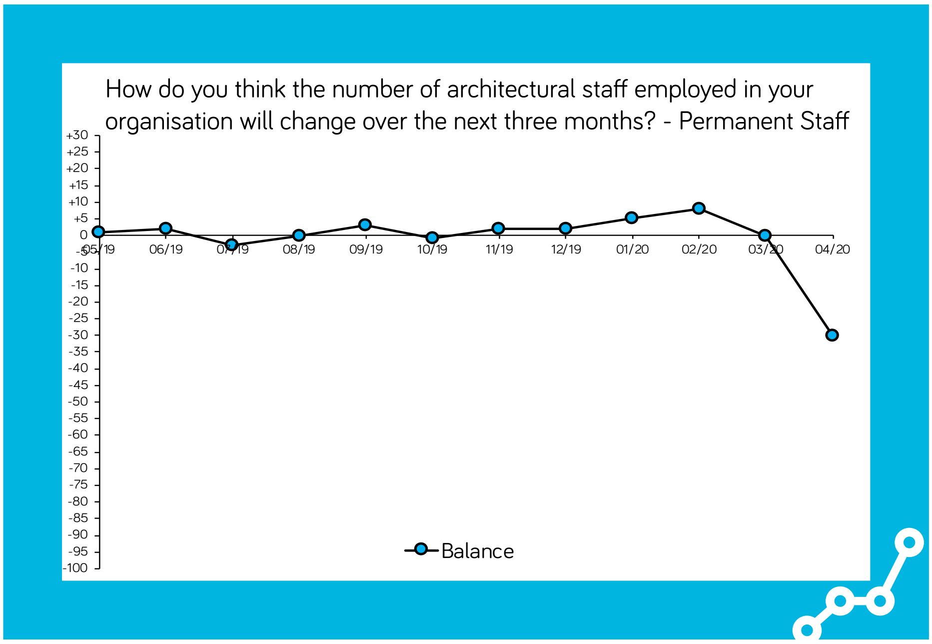
Large practices are more likely to anticipate a reduction in staffing levels.

Small practices (1 - 10 staff) posted a Staffing Index balance figure of -28, **medium-sized practices** (11 - 50 staff) posted a balance figure of -47, and **large practices** (51+ staff) a balance figure of -57.

The anticipated demand for temporary staff in the next three months also significantly decreased in April. The Staffing Index for temporary staff was also -30 points.

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
(April 2020)

Predictions for future workloads and staffing have plummeted. Further, practices are already seeing current workloads fall away significantly.

In April, 41 per cent of respondents told us they had been personally under-employed in the last month, due to a lack of work. In March, the figure was 18 per cent.

Practices workloads are just 67% of what they were 12 months ago.

Overall, practices report that 39% of projects have been put on hold since the 1st of March. Of the projects that remain active, 21% are at stages 5 or 6 of the RIBA Plan of Work, so vulnerable to site restrictions.

So far, the reduction in workload has not translated into widespread layoffs: on average, only 1% of architectural staff have been made redundant, and only a further 1% have been released from a 'zero hours', temporary or fixed-term contract.

In April, the reduction in workload was being partly accommodated by the use of the government's furlough scheme, with 14% of practice architectural staff, on average, being furloughed.

Smaller practices (for whom furloughing may be unavailable) were most likely to work fewer hours; on average, 29% of staff in Small practices (1 - 10 staff) were working fewer hours.

The commentary received in April is in line with the workload predictions.

Some note that their workload is concentrated in stages 1 to 4 of the RIBA Plan of Work, and so continues (albeit with different ways of working).

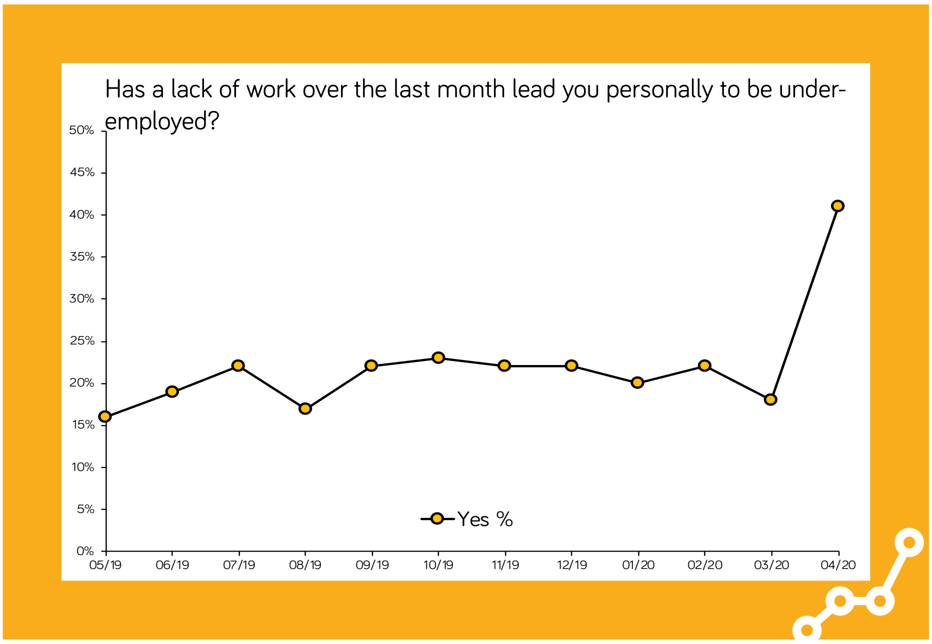
Others note the effect of site closures, the loss of income associated with stages 5 and 6 being stopped or drawn back.

Apprehension is shared. There is a common, deep concern about what is to come. Once existing design work is complete, will completed designs proceed to site, and will clients have sufficient confidence to commission the future pipeline of early-stage project work?

The answers to those questions rest on the evolving form of lockdown easing, the speed and strength of any recovery and, ultimately, the confidence of clients (perhaps particularly in the public sector) to again commission new work.

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 279 practices took part in the Survey in April 2020.
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.