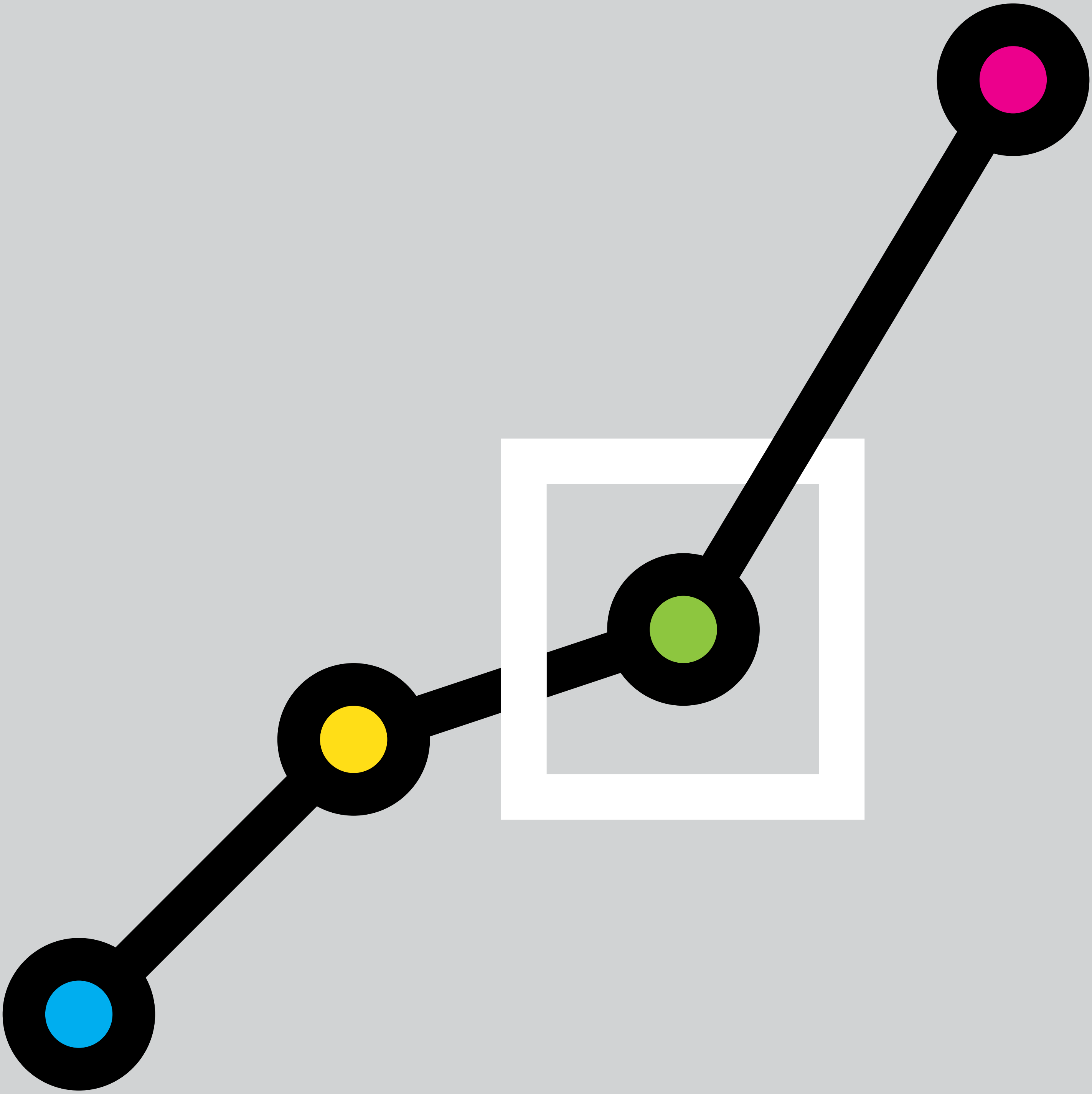
Future
Trends Survey:

August 2021



RIBA
Architecture.com

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 August 2021 survey returns.

RIBA Future Trends Workload Index (August 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	9
Stay the same	63
Increase	27
TOTAL	100
Balance	**+18**

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

In August, the RIBA Future Trends Workload Index remained firmly in positive territory, returning a balance figure of +18. However, this is a nine-point decrease on July's balance figure of +27 and is the second consecutive month of diminishing levels of optimism.

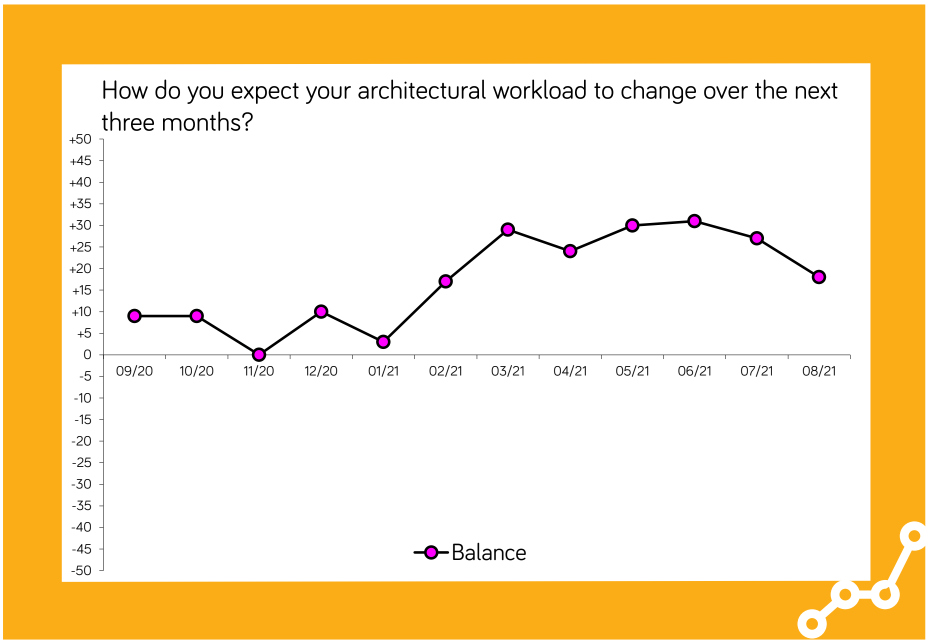
Twenty-seven per cent of practices expect workloads to grow in the coming three months, whilst almost two-thirds (63%) expect them to remain the same. The proportion expecting workloads to decrease (9%) is the same this month as last.

The fall in the overall balance figure is solely due to fewer practices expecting workloads to grow and more expecting them to stay the same.

In August, workloads were 7% up on a year ago.

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.



On balance, all regions and practice sizes remain confident about future workloads. The housing and commercial sectors remain positive, although the public sector has slipped back into negative territory.

Our members report that shortages of construction materials continue to disrupt project delivery, as does a growing lack of on-site fitters and skilled tradespeople. Construction cost increases are gathering pace.

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

The outlook of small practices (1 - 10 staff) continues to be optimistic but has again fallen back. In August, small practices posted a future workload balance figure of +16, a six-point reduction in July's balance figure of +24.

Confidence among large and medium-sized practices (11 - 50 and 51+ staff) remains very strong but has fallen again. In August, the balance figure among large and medium-sized practices was +36, down from July's figure of +47.

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For the sixth successive month, all regions expect workloads to grow over the next three months. However, all regions are also less confident than last month.

Optimism in London has moderated further, with a balance figure of +12, down 5 points from July's figure of +17. While this is the sixth successive month of confidence in the capital, it is the second month of a falling balance.

Optimism in the South of England has also fallen back after a sharp rise last month. With a balance figure of +20, the South has returned a balance figure 13 points lower than in July (+33).

Expectation about future workloads is strong but falling in all other regions. The Midlands & East Anglia, has posted a balance figure of +17, down 10 points, the North of England has returned a balance figure of +26, also down 10 points. Wales and the West has fallen 15 points, from +28 in July to +13 in August.

Just as confidence in the regions has slipped, so it has in the sectors. While the private housing and commercial sectors remain positive, in both the public and the community sectors workload is expected to contract.

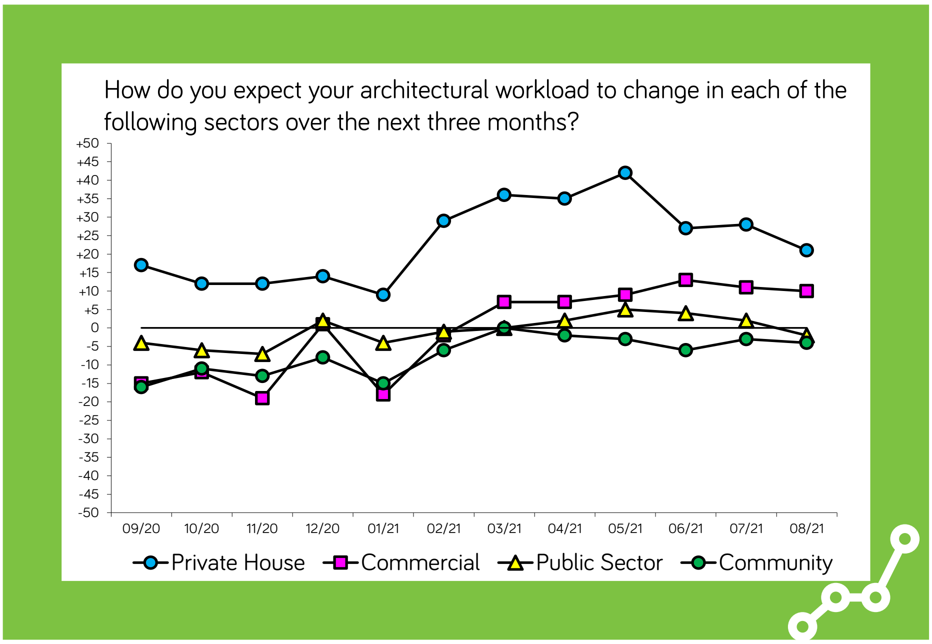
In August, the private housing sector posted a balance figure of +21; still historically strong but down 6 points from last month's figure of +27.

The commercial sector dropped a single point this month to post a balance figure of +10.

In August, the public sector fell into negative territory with a balance figure -2. Promises of public sector capital investment have yet to translate into current or anticipated work for architects.

With a balance of -4 in August, it has been 18 months since the community sector posted a positive figure.

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



RIBA Future Trends Staffing Index
(August 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	4
Stay the same	85
Increase	11
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.)

Whilst positive at +7, the RIBA Future Trends Permanent Staffing Index fell back by 6 balance points in August from last month's figure of +13.

Overall, 11% of practices expect to employ more permanent staff over the coming three months, whilst 4% expect to employ fewer. Eighty-five per cent expect staffing levels to stay the same.

Expectations for staff recruitment is highest among medium and large-sized practices (11+ staff), with a combined balance figure of +52.

Overall, small practices (1 - 10 staff) also expect staffing levels to increase, with a balance figure +5.

There is optimism for staffing levels across the regions, except in Wales & The West.

With a balance figure of +8, London continues to be positive about future staffing levels, as does the South of England, with a balance figure of +7.

More northern regions remain the most confident as the Midlands & East Anglia (+10) and the North of England (+11) post firmly positive balance figures.

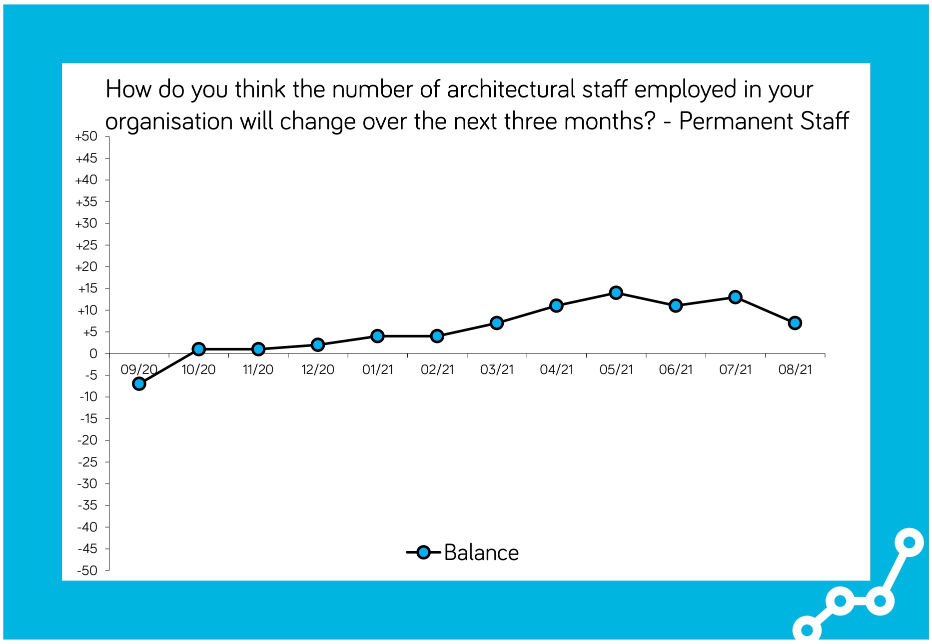
After a year of returning positive staffing index figures, Wales & the West (+18) has become negative this month, with a balance figure of -5, with one in 10 practices expecting a reduction in permanent staffing levels.

The Temporary Staffing Index dipped again this month, down to +3 in August, down from +7 July.

Personal underemployment held steady at +16% in August, the same as in July.

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
(August 2021)

Overall, the August Future Trends survey continues to show broad-based confidence among the profession, however, confidence is softening across the board.

In part, the outlook is settling following the surge in optimism that followed the lifting of Covid-19 restrictions and the successful vaccination programme. Nevertheless, architects face numerous challenges which together are somewhat dampening expectations about future workload. These challenges include the ongoing effects of the pandemic, the current trading relationship with the EU, and shortages of materials and tradespeople.

Commentary from practices this month highlights the recurrent issues of construction product shortages and associated prices rises, planning application delays, cost increases (particularly Professional Indemnity Insurance) and pressure on fees.

There are significant positives, however. Many practices are continuing to report increasing workloads, a full pipeline of projects, and staff being recruited to meet demand. Personal underemployment is low, workloads are up on last year, and growth is expected to continue.

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 217 practices took part in the Survey in July 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.