



# RIBA Business Benchmarking 2022

Executive Summary prepared for the RIBA by  
The Fees Bureau



RIBA   
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# RIBA Business Benchmarking 2022 Executive Summary

## Introduction

Stability rather than bounce back is what this year's RIBA Business Benchmarking figures show. Recovery from the shock of the Covid-19 pandemic is slow, not least due to a succession of further economic shocks during 2022, including building cost inflation, labour and materials shortages, massive spikes in energy costs and widespread inflation affecting the whole economy. It was always going to be tough to match the optimistic early-pandemic forecasts, which suggested a v-shaped recovery. The continuing challenges mean that progress on growing the financial benchmarks is slow – revenue is up, but by the slimmest of margins, 1 per cent. Profits are flat. Static may be boring, but in today's business climate even that is quite an achievement. The slide in the volume of international work continues, being 2 per cent lower than in 2021, but practices with 100 or more staff (100+ practices) are generating more revenue from international work, so the potential for improvements next year and beyond are emerging.

Some of the business benchmarks may be backward looking, in the sense that they rely on last year's data. That is the case for the financials. Other benchmarks are more forward looking, such as staff numbers and salaries. Staff numbers are sharply higher, returning to 2019 levels, while staff salaries are higher by between 3 and 6 per cent. As talent is a practice's most significant asset, this recovery in numbers is what the profession needs in order to grow revenue. Investing in the well-being of staff is becoming crucial to counter the twin effects of higher pay expectations and a shortage of experienced staff. It is surprising, then, that some of the non-financial business benchmarks – such as equality,

diversity and inclusion (EDI) – show progress has stalled. These are precisely the areas that staff will be looking at, whether they are looking to move or stay put. There has been a good uptake in the number of Chartered Practices adopting strategies to support flexible working (work-life balance) and strategies to support staff development and retention. Since 2015, these metrics show positive adoption. But there has been no improvement over the past 12 months among medium-sized practices, who are likely to need to compete for staff with larger practices.

*Revenue is up by the slimmest of margins, profits are flat. Static may be boring but in today's business climate even that is quite an achievement.*

There is a new benchmark this year; professional indemnity insurance cover. Average cover is surprisingly uniform among medium and large practices, although the 'average' might disguise wide variations in the details of the cover purchased. Premiums paid for this cover continue to rise. There are other cost pressures, as always, although this year's figures reveal a lower payroll bill, despite Chartered Practices employing more staff. The rising energy costs have not yet fed through to the statistics, but it is noticeable that expenditure on rent and premises in general has gone down, probably reflecting the more permanent adoption of working from home. That demonstrates perfectly how the small size of so many Chartered Practices allows managers the flexibility to pivot quickly, to implement the changes needed to advance their business.



## Review of this year's survey

Adrian Malleson, Head of Economic Research & Analysis, RIBA

After the shock of the Covid pandemic and the post-lockdown bounce-back, this year's Benchmarking Survey shows that a level of stability has returned to architects' practices.

In the previous 2021 report, the first after the pandemic, we saw revenue drop by 15 per cent, international work fall away, and staff numbers cut. Profitability, however, was maintained. The 2022 report shows revenue holding steady, staff numbers above where they were before the pandemic and similar levels of profit. It's a recovery that demonstrates the resilience of UK practices, based on an ability to adjust rapidly to the unprecedented changes: new ways of working, changed client requirements and roller-coaster market conditions.

While this year's findings show some recovery and stability, it's not boom time. The market remains challenged by supply-side constraints, including materials shortages and price increases, a scarcity of tradespeople and labourers, and a smaller pool of architectural talent, post-Brexit.

This year's findings may mark a brief respite, as the coming year is likely to present more challenges. The Bank of England is forecasting a two-year-long recession, with growth not returning to the UK economy until late 2024 or early 2025. Consumer confidence and spending power are low, putting a brake on domestic work. Interest rates are on the rise, so investing in buildings is becoming more expensive, for businesses and households alike. The construction industry is likely to be in retreat in the coming year.

The data in this report, complemented by the RIBA Benchmarking Tool, can be used by practices to gauge how their businesses compare with similar ones. This can help them to identify areas on which to focus in the year ahead, such as business planning and forecasting, sector identification, bid success rate or overhead management. Practices that prioritise business, people and innovation tend to be resilient when times are hard and to thrive when the market returns to growth.

Turning to the broader picture, at a time when our government is looking to cut spending, the RIBA continues to promote the importance of design-led renewal of the built environment as instrumental to the long-term well-being of our economy and society. The data provided through this report give the Institute the evidence base needed to support our policy positions.

We need to create more and better houses, schools and hospitals, and to rejuvenate our town and city centres. Spending on the built environment will increase long-term economic productivity, benefit our communities and help secure the country's long-term success. Regressive subsidising of fossil fuels is not a sustainable approach. Instead, investment in reducing the carbon cost of buildings will create long-lasting benefits and help us meet our urgent zero-carbon commitment.

Once again, we sincerely thank our Chartered Practices for completing their Benchmarking returns. We truly appreciate the time and effort taken to gather and enter the required data.

Finally, I'd like to add a note on the future of RIBA Business Benchmarking. It has been running in its current format (with some tweaks on the way) for seven years. With contributions from practices of different sizes and from across the country, we will be reviewing how we collect and disseminate the Benchmarking information. We will keep Chartered Practices informed and outline any changes in advance.

# RIBA Chartered Practices in 2022

## Revenue edges up, profits are static

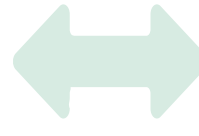
Revenue up by 1%

£3.1bn

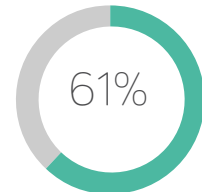
Average revenue per practice



Profits as % of revenue



Payroll as % of total expenditure



## Staff numbers back up, most salaries have risen

17% more staff employed, returning to pre-pandemic level

44,300

Change in salaries since last year



Partners/Directors/Sole Principals  
Associates  
Architects (5+ years ARB)  
Architects (<5 years ARB)  
Technologists  
Assistants (Part 2)  
Assistants (Part 1)  
Office management, support & admin

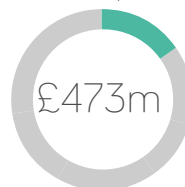
Other Chartered  
Other fee-earning



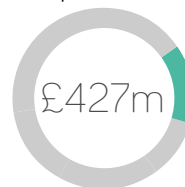
## More commercial and mixed projects

30% of all revenue comes from private housing. For practices with <10 staff the figure is more than 50%

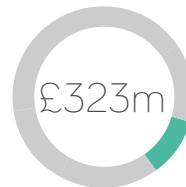
One-off house, extension



Other private housing



Offices



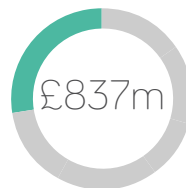
Other commercial



Health and education



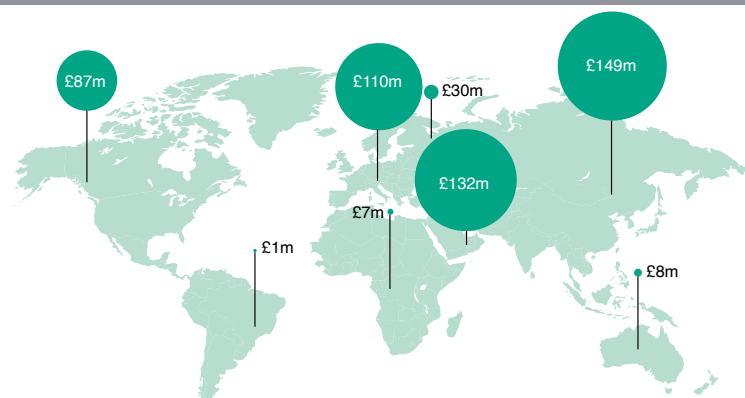
Mixed and other



## Slightly less international work

78% of international work from 100+ practices

£524m



# Key benchmarks in 2022

Compared with all Chartered Practices:

Below average    Average    Above average

## Financial

	1	2	3-<5	5-<10	10-<20	20-<50	50-<100	100+
RIBA Chartered Practices								
Number of practices	912	528	618	795	369	237	73	45
Revenue								
Revenue per practice	52,529	92,840	170,196	387,010	912,391	2,216,821	5,746,482	28.1m
Revenue per Partner/Director/Sole	56,088	60,474	118,285	216,948	386,842	627,635	1,144,173	1.8m
Revenue per all fee-earning staff	51,418	48,095	53,954	63,045	74,566	81,811	93,354	110,365
Expenditure & profits								
Expenditure per practice	23,878	46,268	108,253	271,650	653,741	1,725,232	4,343,580	23.1m
Profits per practice	24,169	40,008	50,367	95,941	209,570	376,948	855,505	3.1m

## Talent

	1	2	3-<5	5-<10	10-<20	20-<50	50-<100	100+
Staffing								
Number of staff	1,195	1,307	2,610	5,939	5,702	9,140	5,505	12,905
Diversity								
% female	18	36	37	37	38	39	42	38
% mixed/multiple ethnic groups	0	2	2	2	2	4	2	2
% Asian/Asian British	2	3	3	5	5	5	9	9
% Black/African/Caribbean/Black British	1	0	4	2	1	2	3	2
% other ethnic group(s)	1	2	2	1	1	2	3	2
Salaries								
Partner/Director/Sole Principal	23,842	31,213	40,000	50,750	70,758	84,218	133,875	144,231
Architect (5+ years ARB registered)	n/a	37,250	38,600	40,000	41,973	43,150	45,950	47,000
Architect (<5 years ARB registered)	n/a	n/a	32,500	34,000	35,000	35,500	38,000	37,500

## Workloads

	1	2	3-<5	5-<10	10-<20	20-<50	50-<100	100+
Projects worked on in 2022								
Number of projects	16	22	32	57	87	96	156	314
Bid success rate %	55	56	56	53	51	49	44	44
Workload contribution to revenue								
% private housing	81	77	69	58	45	31	16	15
% commercial	12	15	20	24	29	35	53	53
% other	6	8	10	18	26	34	31	32
Type of service contribution to revenue								
% building design	85	86	86	84	80	80	82	78
% partial services or consultancy	15	14	14	16	20	20	18	22

## International

	1	2	3-<5	5-<10	10-<20	20-<50	50-<100	100+
Revenue								
% of revenue from outside UK	8	2	3	5	5	6	11	32
Average revenue from outside UK	4,028	1,477	5,393	18,956	43,890	140,711	605,599	9.1m
Offices								
% with office(s) outside UK	1	1	1	2	3	5	20	45

Interact with the benchmarking data at:  
[www.ribabenchmark.com](http://www.ribabenchmark.com)

Learn more about the interactive RIBA Benchmarking Tool  
by watching the explanatory video:  
<https://www.architecture.com/knowledge-and-resources/resources-landing-page/business-benchmarking>

For any queries about this report, please email [bench@riba.org](mailto:bench@riba.org)