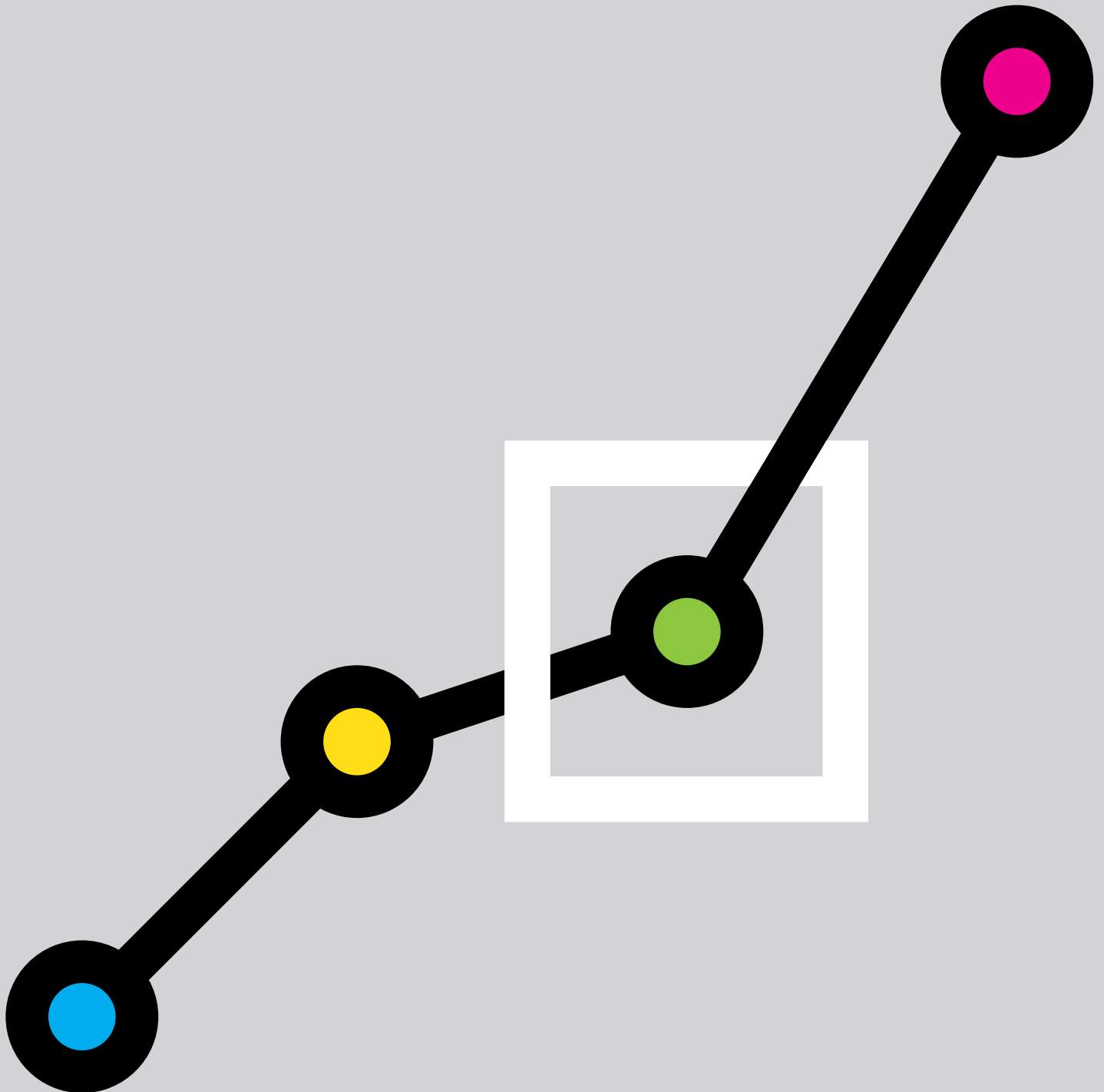


Future Trends Survey:

April 2023



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 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 2023 survey returns.

RIBA Future Trends Workload Index (April 2023)

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	21
Stay the same	51
Increase	28
TOTAL	100
Balance	+8*

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

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

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.

Architects' outlook for future work remains steady this month. In April, the RIBA Future Trends Workload Index remained at +8, the same as in March.

Over a quarter (28%) of practices expect workloads to increase in the coming three months, and fifty-one per cent expect them to remain the same. Just over one in five practices (21%) expect their workloads to decrease, however.

Medium and large practices (11+ staff) remain firmly optimistic, with both expecting future workloads to grow strongly in the next three months. Though with a lower Index figure, small practices (1 - 10 staff) also remain positive, on balance.

Among the monitored work sectors the outlook for the Commercial, Public, and Community sectors has improved, whilst the housing sector outlook has deteriorated. The Commercial sector has returned a positive figure, indicating growth is anticipated.

The regional picture remains mixed, with most regions positive about future work. However, the South of England and Midlands & East Anglia have returned negative workload Index figures.

Current workloads remain down on a year ago, with practices reporting a 7% decrease in workload levels over the last 12 months, compared to 8% last month.

Twenty per cent of respondents report personal underemployment this month with those in smaller practices more likely to be underemployed.

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

The RIBA Staffing Index remains positive and improving, at +3.



Looking at the April 2023 RIBA Future Trends Workload Index in terms of practice size, region and sector:

The outlook among **small practices** (1 - 10 staff) has remained positive this month, with an Index figure of +4, a dip of 3 points from last month's figure of +7. Twenty-four per cent of small practices expect their workloads to grow in the coming three months, while twenty-one per cent expect to see a decrease.

Large and medium-sized practices (11+ staff) show an increasingly positive outlook, with a combined workload Index of +29. Almost half of practices (49%) expect workloads to grow, compared to 20% that expect contraction.

The regional picture is mixed this month, with the North and Wales & the West showing greater confidence than the rest of the country.

The Midlands & East Anglia (-5) remains negative about future work, posting the same Workload Index figure as last month.

The South of England, which returned its first positive figure for over six months in March (+8), has fallen back into negative territory with an Index figure of -2.

The outlook in London has dipped but remains positive, with a Workload Index figure of +3 in April, compared to +7 in March.

The North of England (+28) and Wales & the West (+17) show strong and growing levels of optimism, with figures rising by 10 and 3, respectively.

The monitored work sectors continued their recent trend of improvement, with three of the four monitored sectors recording an improved Index figure.

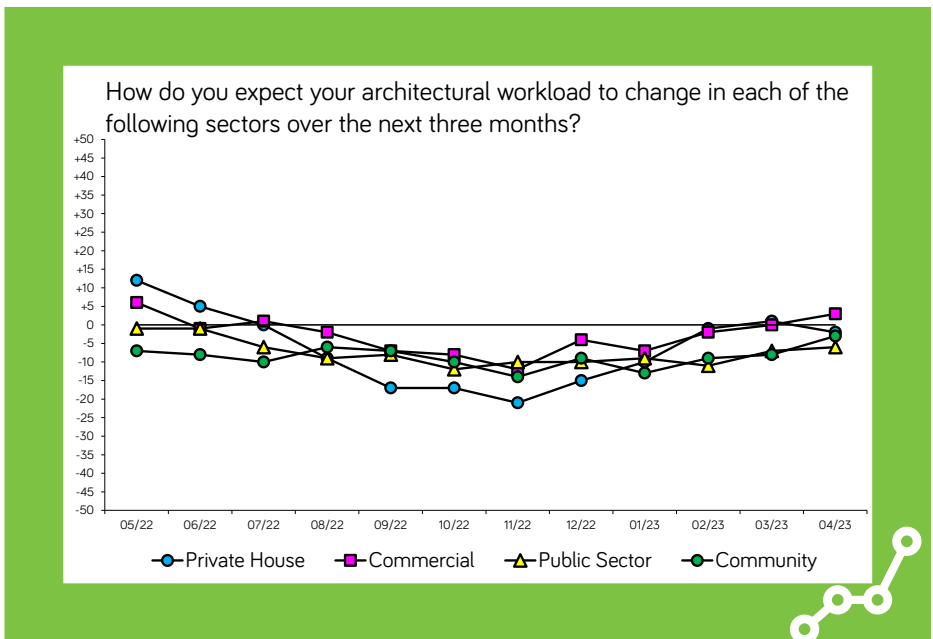
The exception is the **private housing sector** which has returned to negative territory (-2), falling 3 points on March's +2 figure.

With a workload Index figure of +3 in April, practices are confident about the outlook for work in the **commercial sector** for the first time since May 2022.

The outlook for the **public sector** has improved but remains weak, returning an Index figure of -6 in April, up one point from last month.

While also remaining negative, the outlook for the **community sector** has also improved with a balance score of -3 in April, an increase of 5 points compared with last month.

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



RIBA Future Trends Staffing Index
(April 2023)

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

Permanent Staff	%
Decrease	8
Stay the same	81
Increase	11
TOTAL	100
Balance	+3

(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 Permanent Staffing Index remains positive this month, returning a figure of +3. This is a two-point increase when compared to March's figure of +1. The large majority of practices anticipate stable staffing levels. Those seeking to recruit tend to be among larger practices.

Eight per cent of practices expect to employ fewer permanent staff over the coming three months, and 11 per cent more. Eighty-one per cent expect the number of permanent staff to stay the same.

Medium and large-size practices (11+ staff) continue to expect an increase in permanent staff, with a combined Staffing Index figure of +22. Small (1 - 10 staff) practices, however, anticipate staffing levels to hold steady, with a Staffing Index figure of 0.

London remained consistent, and in positive territory, posting a Staffing Index figure of +4 in April, the same as in March.

Practices in Wales & The West show a growing appetite for staff recruitment, posting a +10 Staffing Index figure, up 5 points compared to last month.

The North of England returned a +2 staffing Index this month, as did the South of England, suggesting modestly increasing staff levels in both regions.

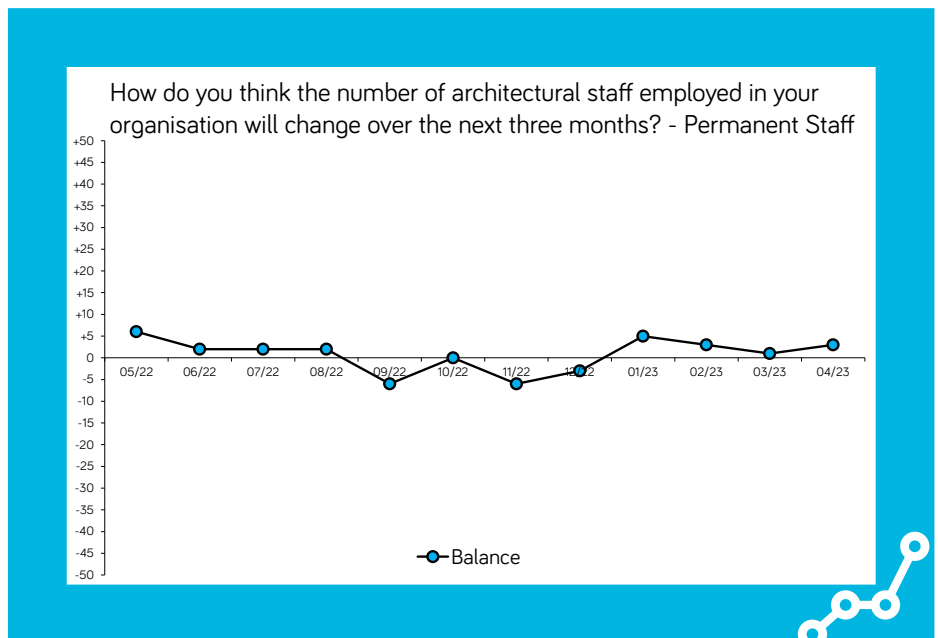
In line with a pessimistic view of future work, The staffing Index in the Midlands & East Anglia remains negative, at -3.

The Temporary Staffing Index rose to zero in April, suggesting stable temporary staffing levels in the coming three months.

Levels of personal underemployment rose slightly, with 20% reporting personal underemployment in the last month.

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 (April 2023)

The RIBA Future Trends Workload Index suggests architects remain cautiously optimistic about future work, with April's Workload Index figure of +8 giving us the third successive positive month.

London is positive, regional work remains strong in the West and North, the commercial sector is improving, staffing levels are steady, and larger practices are increasingly optimistic.

However, this optimism comes within an uncertain macroeconomic context, with a weak economy weighing down on practices.

While the Future Trends Index suggests architects are looking beyond immediate difficulties to see growth ahead, the market remains challenging.

Optimism in the Housing Sector is stuttering and the public sector shows no sign of promised improvement. Small practices remain guarded about future workload.

Commentary received this month highlights the ongoing challenges practices face, including PII costs, fee pressure, and the continuing adverse effects of our current EU trading arrangements.

Inflation and interest rate increases are hindering practices. Inflation is increasing project costs while decreasing the value of fees. Higher interest rates are increasing the long-term capital costs of projects, deterring potential clients.

Nevertheless, some practices report increasing workloads, brisk enquiry levels and improving activity from developers.

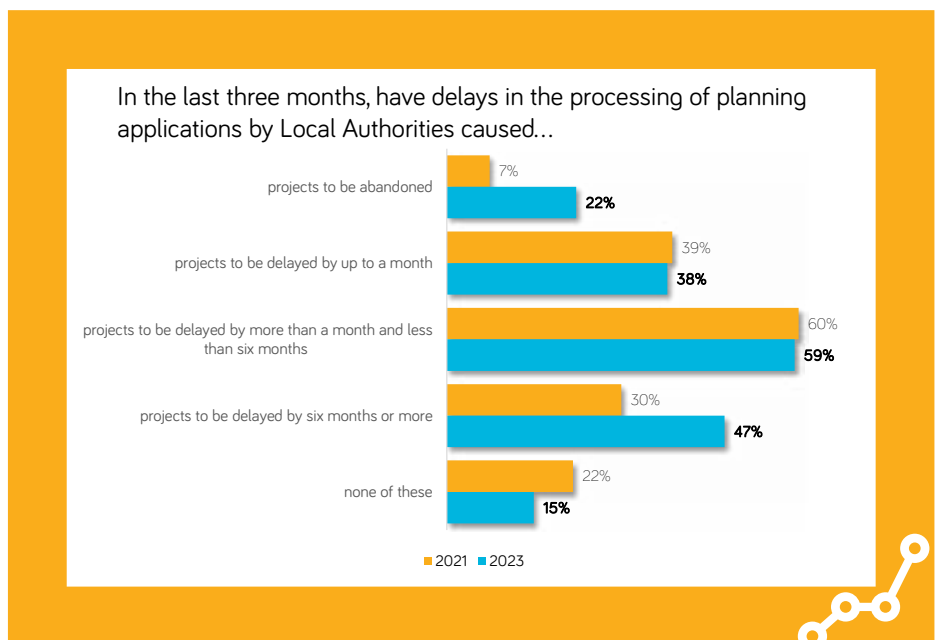
The RIBA continues to receive many reports of a slow planning application process delaying projects.

In 2021, we asked whether delays in processing planning applications by Local Authorities have caused project delays. In April 2023 we repeated the question. The findings are:

- Twenty-two per cent report projects being abandoned in the last three months, compared to 7% in 2021.
- Thirty-eight per cent report projects being delayed by up to a month, compared to 39% in 2021.
- Fifty-nine per cent report projects being delayed by between one and six months, compared to 60% in 2021.
- Forty-seven per cent report some projects being delayed by six months or more, compared to 30% in 2021.
- Only fifteen per cent of practices report no projects being delayed, compared to 22% in 2021.

Overall, the speed with which planning applications are being processed is deteriorating, holding back architects and the creation of the buildings we need.

The following graph plots the percentage of current practice workload when compared to twelve months ago:



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 281 practices took part in the Survey in April 2023. 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.