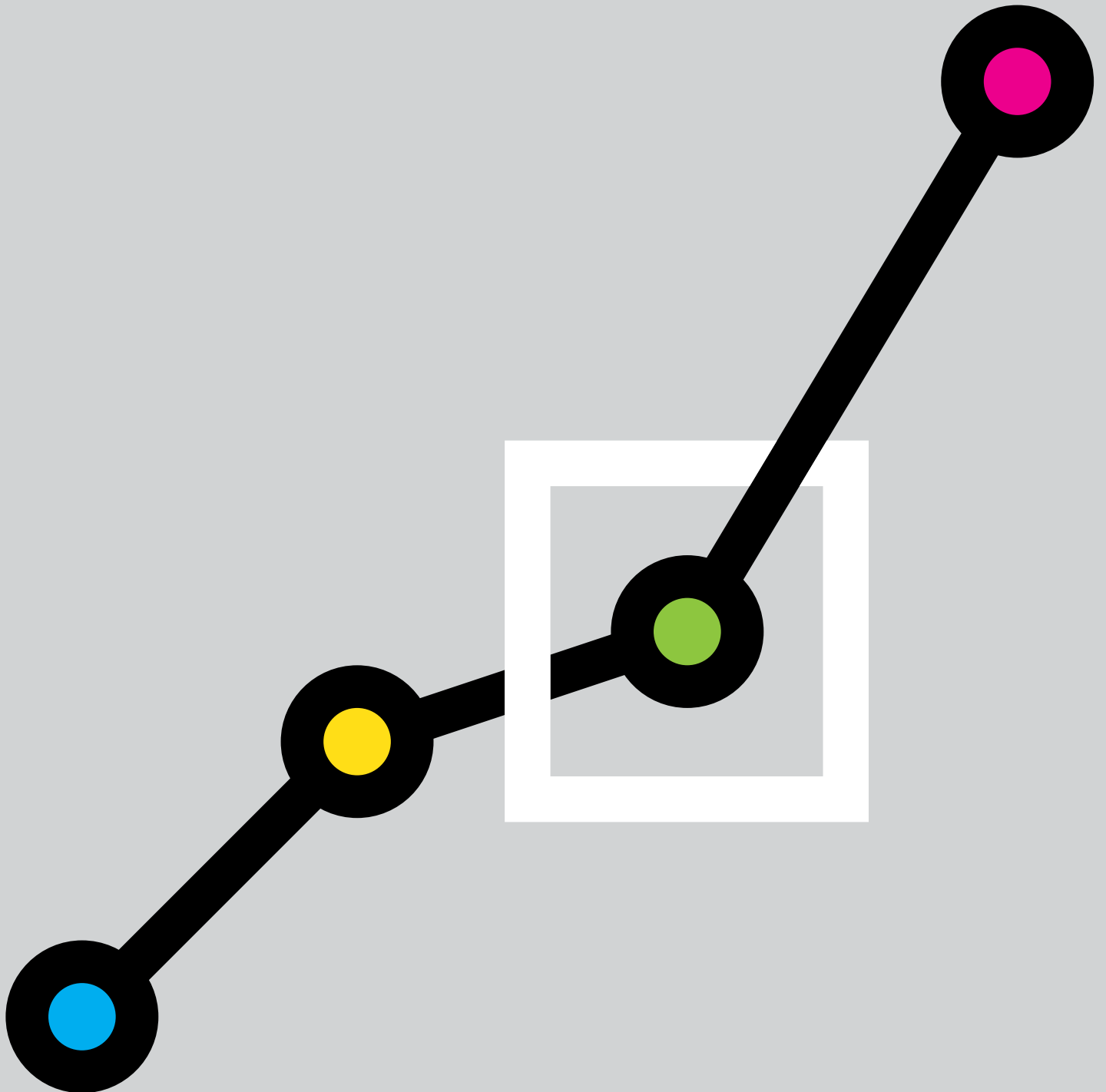


Future Trends Survey:

August 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 August 2023 survey returns.

RIBA Future Trends Workload Index (August 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	29
Stay the same	53
Increase	18
TOTAL	100
Balance	-11

(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 slightly to -11 in August, a negative figure that indicates architects expect their workload to fall in the coming three months, on balance.

This pessimism is being driven by rapidly shrinking confidence in the housing sector, as interest rates rise and consumer budgets tighten.

Twenty-nine per cent of architects' practices expect a decline in workloads over the next three months, while eighteen per cent anticipate an increase. Fifty-eight per cent foresee stable workloads.

The outlook for all workload sectors has remained negative this month. While the outlook for the Commercial, Community and Public Sectors, has held steady or improved, the outlook for Private Housing has deteriorated markedly.

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

With housing typically making up a greater proportion of Small Practice work, the optimism gap between Small (1 - 10 staff) and Medium and Large (11+ staff) practices continues to grow. Medium and Large practices are increasingly optimistic while smaller practices are increasingly pessimistic

The regional picture has widely deteriorated, with, again, no region returning a positive Index figure this month.

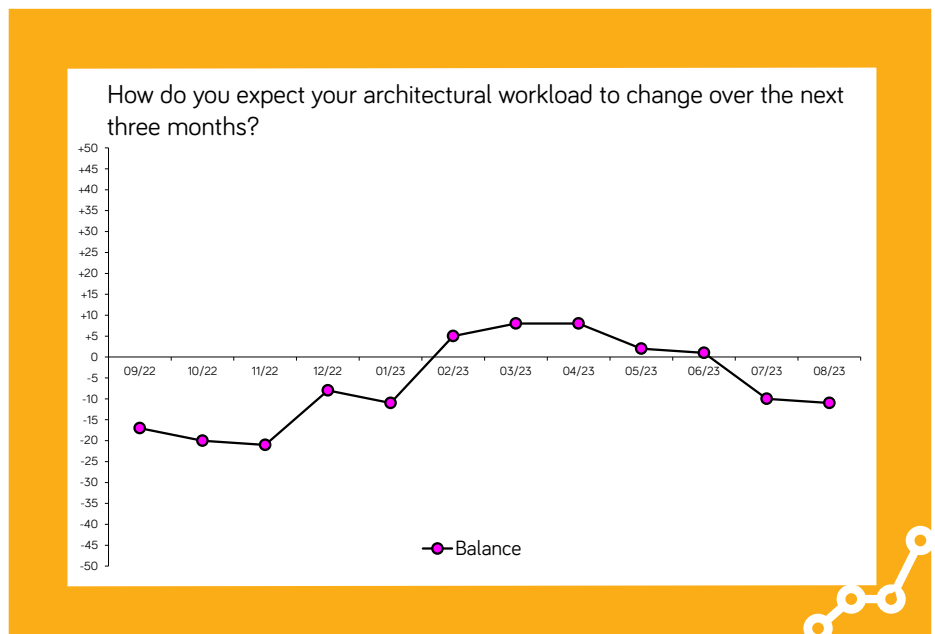
Current workloads remain lower than a year ago, with practices reporting an average 11% annual decrease.

Twenty-two per cent of architects reported personal underemployment in August, the same proportion as in July.

At -2, the RIBA Staffing Index has slipped into negative territory this month as marginally more practices expect to reduce, rather than increase, staff numbers.

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 August 2023 RIBA Future Trends Workload Index in terms of practice size, region and sector:

The outlook of **Small practices** (1 - 10 staff) has fallen again, with a Workload Index figure of -17, a decrease of 2 points from July's figure of -15. Thirty-two per cent of small practices anticipate falling workloads over the next three months, while 16% expect an increase. The majority, 52%, anticipate stable workloads.

In contrast, **Large and medium-sized practices** (11+ staff) maintained a positive outlook, with a combined Workload Index of +24, an increase of four balance points when compared with July's figure of +20. Thirty-five per cent of medium and large practices expect their workloads to grow, 12% anticipate a reduction and 53% expect workloads to hold steady.

Except for the South of England, the regional picture has further deteriorated, with no region having a positive view of the coming three months.

London, the least pessimistic region last month, has seen confidence fall away, returning a balance figure of -9 in August, down 9 points on July's zero balance figure.

The North of England, Wales & the West and the Midlands & East Anglia have all slipped further into negative territory this month. The North of England's Workload Balance figure has fallen from -3 in July to -11 in August. Wales & the West has fallen from -12 to -19, and the Midlands & East Anglia from -8 to -15.

The South of England has seen a large improvement in outlook, bouncing back from a -28 balance figure in July to zero in August, indicating an anticipation of steady workloads.

All four monitored sectors have returned a negative Workload Index figure this month, although two have improved.

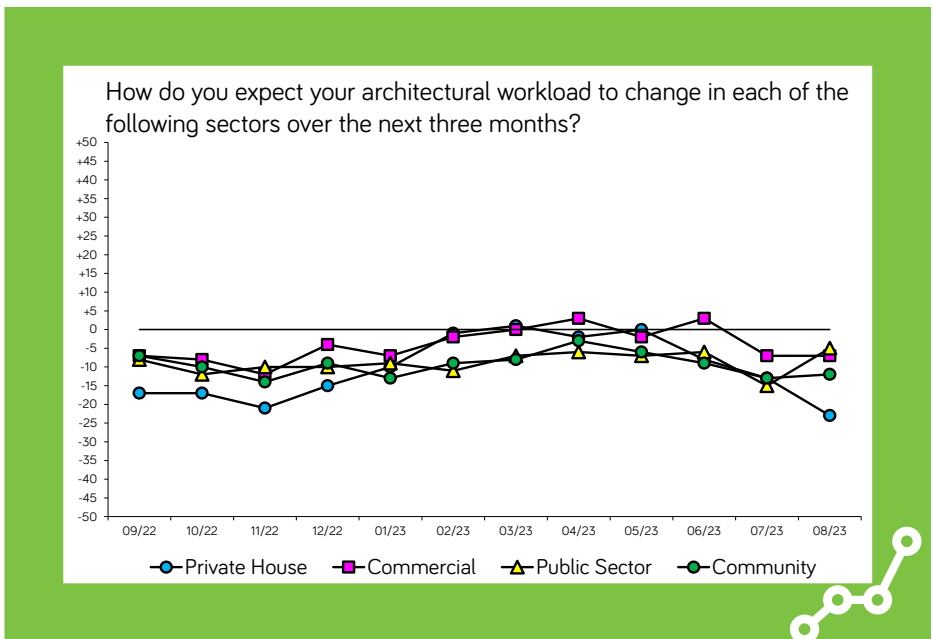
The outlook for the **private housing sector** continues to fall. At -23 the workload Index fell 10 points in August and is now at its lowest level since the first Covid-19 lockdown.

The outlook for the **commercial sector** has held steady this month, with a -7 Workload Index figure this month, the same as last.

Perhaps in response to the growing urgency with which the public estate needs repair and renewal, the outlook for the **public sector** improved this month; while still negative the Index figure rose from -15 in July to -5 in August.

Although remaining firmly negative, the **community sector** saw a slight improvement in outlook, with a balance score of -12 in July, an increase of 1 balance point when compared to July.

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



RIBA Future Trends Staffing Index
(August 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	13
Stay the same	75
Increase	12
TOTAL	100
Balance	-2*

(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.)

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

Reflecting a weak outlook for future work, the **RIBA Future Trends Permanent Staffing Index** has fallen slightly to -2 in August, returning to negative territory after posting a zero balance in July. This continues the longer-term pattern of the Staffing Index hovering around the zero mark, with no decisive shifts into either negative or positive territory.

Thirteen per cent of practices anticipate employing fewer permanent staff over the next three months, while 12% expect to employ more. Three-quarters, 75%, foresee no change in the number of permanent staff.

Medium and large-size practices (11+ staff), remain upbeat about permanent staff recruitment, with a combined Staffing Index figure of +24. Over a third of medium and large practices expect staffing levels to increase in the next three months.

In contrast, small practices (1 - 10 staff) continue to expect a decline in staffing levels, with a Staffing Index figure of -6.

Despite a falling workload outlook, Wales & the West anticipate growing staff levels, posting a +7 Staffing Index figure.

The South of England has also returned a positive permanent Staffing Index, +12 in August.

The North of England has seen a further deterioration in staffing outlook, with a -11 Staffing Index. At -8, the Midlands & East Anglia also have a falling and negative staffing outlook.

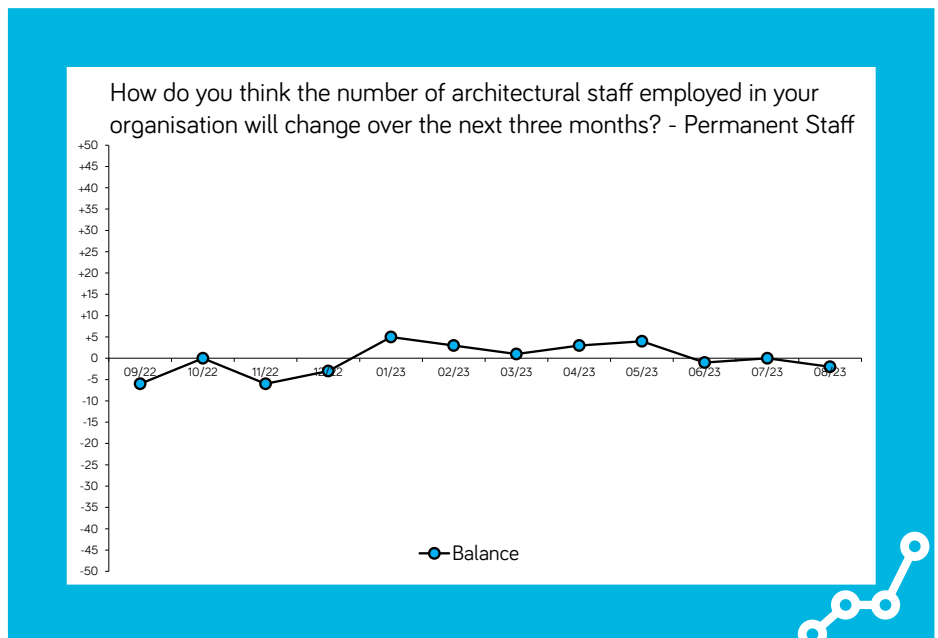
London has seen its staffing Index fall back into negative territory with a -6 Index figure this month.

The **Temporary Staffing Index** fell four points to -7 in August. Only four per cent of practices expect to increase their temporary staff in the coming three months.

Levels of **personal underemployment** remained consistent, with 22% of architects reporting personal underemployment in the past 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 (August 2023)

With rising interest rates causing project financing to be both more expensive and more difficult to obtain, the UK construction sector is weak and forecast to shrink this year. The housing sector is the worst hit, affecting smaller practices the most.

This month's Future Trends data reflects this downbeat context, with the RIBA Workload Index falling further and the Private Housing Index falling to its lowest post-pandemic level.

Larger practices, typically with a more diverse portfolio and less reliant on housing, are consistently more optimistic than smaller practices, as shown in the graph below.

The RIBA Economics Panel explored this economic context in August; a summary is available [here](#).

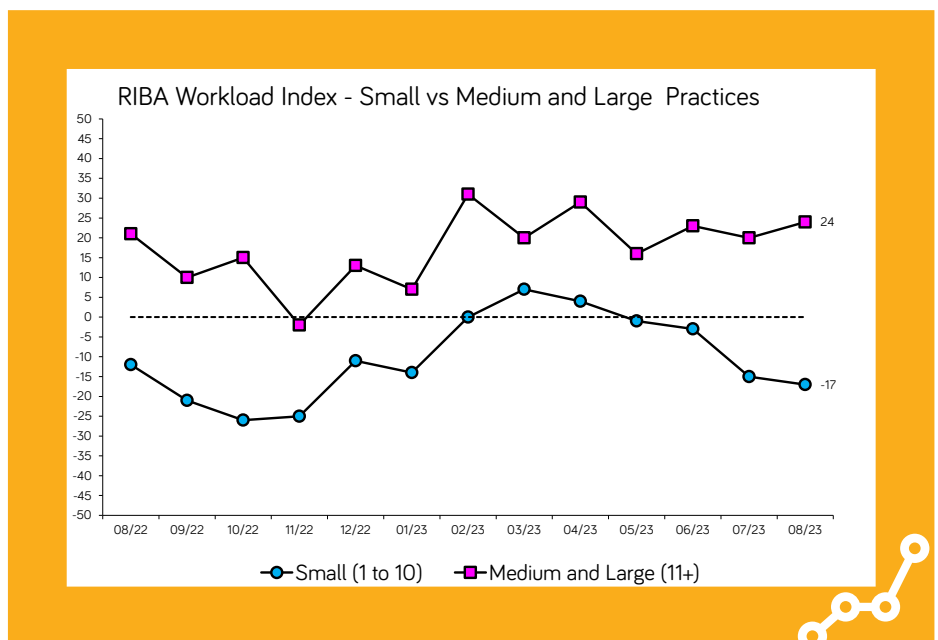
Commentary from practices underscores the tightening market, particularly in the domestic housing sector. The RIBA has received reports of significant reductions in new enquiries for residential projects and existing projects being put on hold as obtaining financing becomes more challenging for existing and potential clients.

Practices also report cash flow issues affecting clients, resulting in delayed payment for architects. Planning delays continue to impede project progress. High-skilled staff remain difficult to recruit and retain.

More positive comments include a hope that in the medium-term public sector spending will increase and the commercial sector will remain more resilient than the housing sector.

Practices continue to note that there is a global market for UK architectural expertise, with some reporting increased overseas demand.

The following graph plots the RIBA Workload Index for Small Practices (1 - 10 staff), and Medium and Large Practices (10+ staff).



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 122 practices took part in the Survey in August 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.