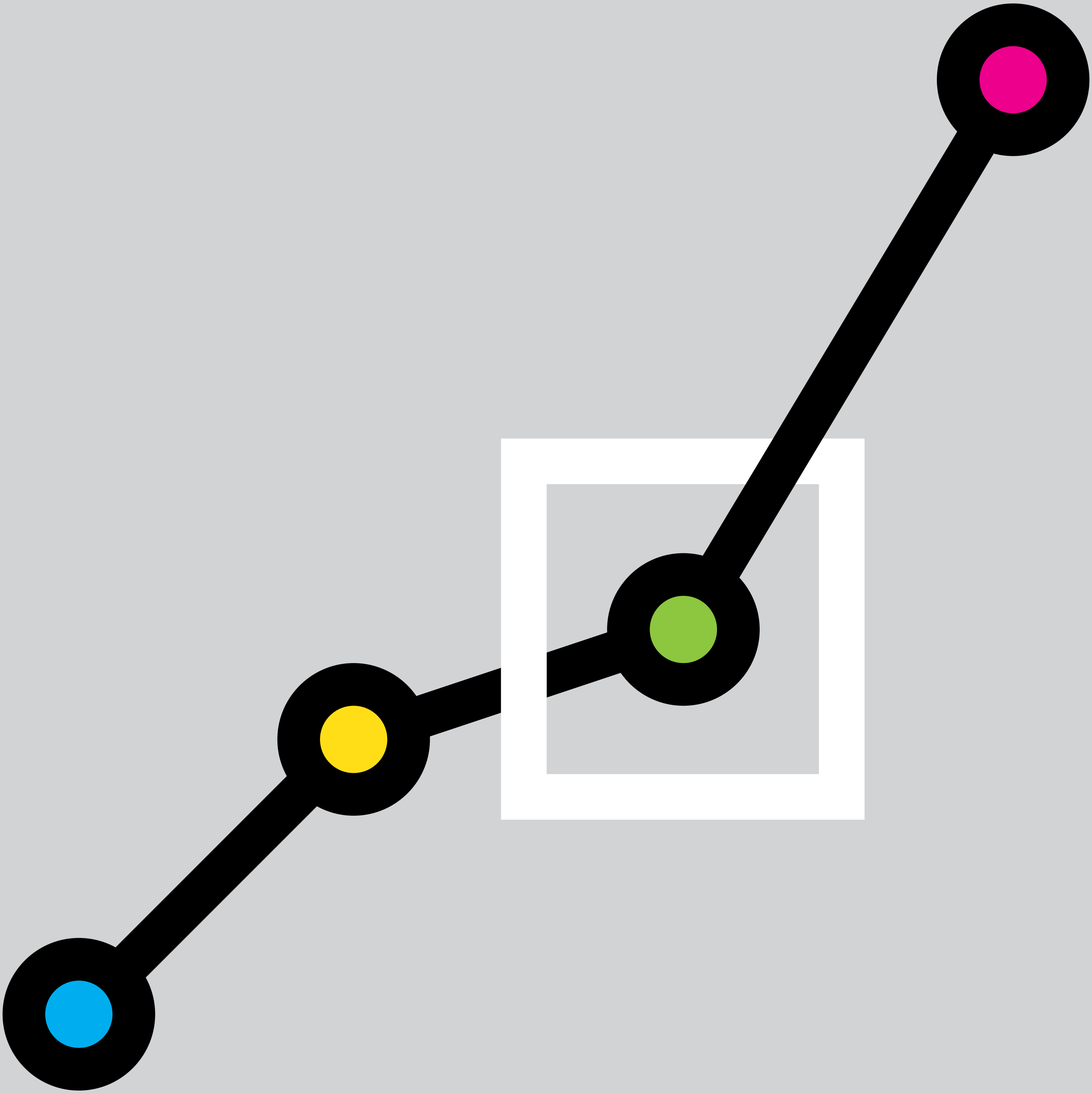
Future Trends Survey:

December 2024



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 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

RIBA Future Trends December 2024: Overview

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	23
Stay the same	59
Increase	18
TOTAL	100
Balance	**-5**

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

At the end of 2024, the profession remains pessimistic about future workloads, although the outlook has improved somewhat.

December's RIBA Workload Index rose 4 points to -5, following November's figure of -11.

A negative balance indicates an overall expectation among architects that workloads will decrease in the coming three months.

Eighteen per cent of architects' practices anticipate an increase in workloads over the next three months, while 23% expect a decline. Fifty-nine per cent expect workloads to remain stable.

Most regions have seen a modest improvement in outlook, but only the North of England expects workloads to grow.

The outlook across all four monitored work sectors remains pessimistic. Nevertheless, three have seen an improvement in outlook, with the Private Housing sector staging the strongest rally.

The contrasting outlook between small and larger practices continues, as smaller practices remain pessimistic, and medium and large practices remain optimistic.

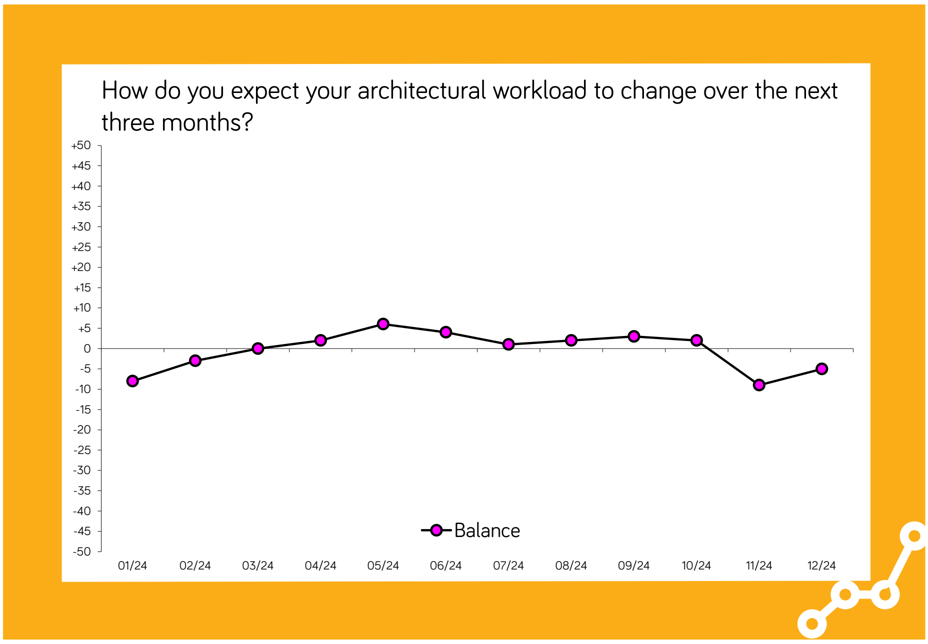
Current workloads remain lower than they were a year ago. Average practice workload has decreased by 8% compared to twelve months ago.

In December, 22% of architects reported personal underemployment, two per cent fewer than last month.

At +2, the RIBA Permanent Staffing Index shows an expectation of increasing permanent staffing levels.

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.



RIBA Future Trends December 2024: Workload Index: Analysis by Practice Size, Region, and Sector.

In December, the outlook for small practices (1 - 10 staff) remained downbeat, with a Workload Index figure of -9, although this is an improvement on November's -12 figure. Fifteen per cent of small practices anticipate an increase in workloads, 24% expect a decrease, and 61% anticipate stability.

The outlook for large (51+ staff) and medium-sized practices (11 -50 staff) remains positive and has improved, returning a Workload Index of +37. Forty-seven per cent expect workload growth, 11% anticipate contraction, and 42% expect steady workloads.

The regional outlook is mixed. Most regions expect falling workloads, but most have seen some improvement in outlook.

Although firmly negative, the outlook for Wales and the West has improved this month, rising from -32 to -24.

Pessimism has lifted slightly in the South of England. A balance score of -3 in December is up from November's -6.

The outlook for the Midlands & East Anglia has fallen further into negative territory this month, posting a -22 balance compared with -7 last month.

The view from the capital is unchanged. Returning a zero Workload Index, London practices continue to expect steady workloads in the coming three months.

The North of England has seen a rebound in outlook, posting a +31 Workload Index figure, up from zero in November. It is the only region to anticipate growing workloads.

The sectoral outlook remains pessimistic. Workloads are expected to fall in all four monitored sectors, although three have an improved outlook.

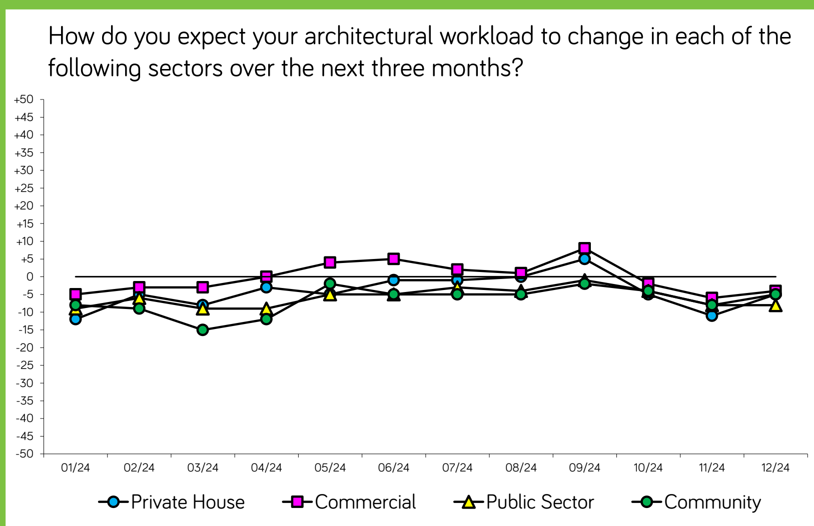
Private housing remains pessimistic with a -5 balance figure. Hoverer, the sector has seen the strongest recovery, rising 6 balance points from -11 in November.

The commercial sector has returned a Workload Index figure of -4 this month up from -6 last month. It is the least pessimistic sector.

Although still negative, the outlook for the community sector has also improved somewhat, with a -5 figure this month up from -8.

The outlook for the public sector has held steady at -8.

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



RIBA Future Trends December 2024: Staffing Index.

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

Permanent Staff	%
Decrease	7
Stay the same	84
Increase	9
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.)

After returning a negative balance figure in November, the **RIBA Future Trends Permanent Staffing Index** is again positive, at +2.

On balance, practices are more likely to expect increases in permanent staffing levels than reductions.

Nine per cent of practices anticipate an increase in permanent staff in the coming three months, 7%, expect a reduction, and 84% expect no change.

The staffing outlook for the capital has risen from -2 in November to +8 this month. The Midlands & East Anglia (+3) and the South of England (also +3) have also returned to a positive outlook for staffing.

The view from the North of England is steady for employment levels, returning a zero balance.

Only Wales & the West (-10) has returned a negative permanent staffing Index figure this month.

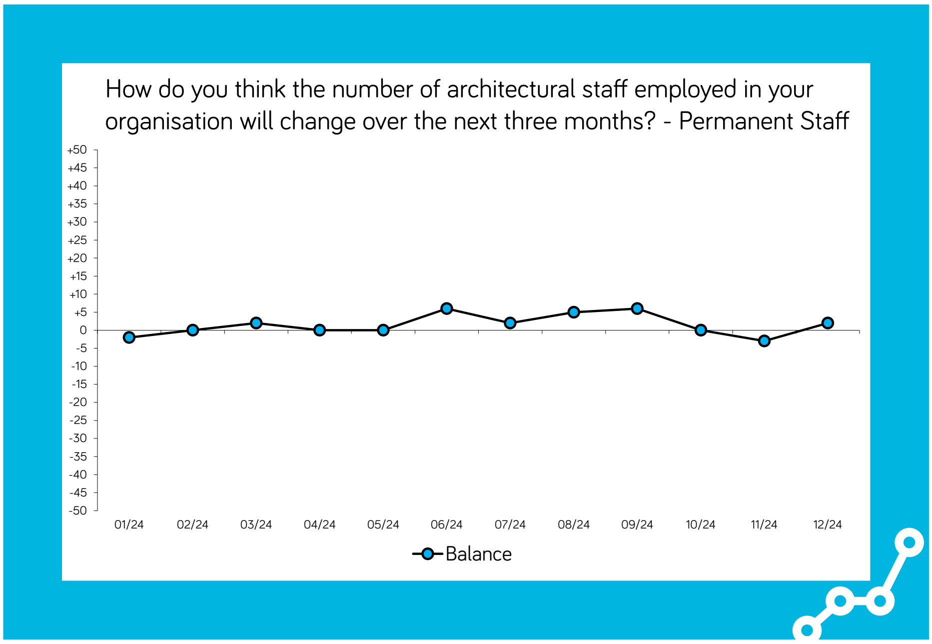
The following graph plots the RIBA Future Trends Staffing Index over time:

The RIBA **Temporary Staffing Index** remains negative but has improved this month, returning a -1 balance up from -5 in November.

Levels of **personal underemployment** have again fallen slightly as 22% of respondents report 'a lack of work leading to personal under-employment' over the last month.

The region with the lowest level of reported personal underemployment is the North (4%), while the highest are the South of England and Wales & the West (both 30%).

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.



December 2024 RIBA Future Trends: Commentary.

The profession is pessimistic about future work, with all sectors and most regions anticipating falls to come. However, architects' sentiment about future workload recovered slightly this month from the post-budget slump we saw in November.

Practices remain challenged by external forces. Planing delays continue to hamper project progress, raised interest rates to deter client investment, and regulatory requirements are increasing. At the same time, costs are on the up, as inflationary pressures continue, wages rise, and employer's National Insurance Contributions (NICs) are set to increase.

Any future increase in spending on housing or public sector buildings isn't yet reflected in the sectoral outlook.

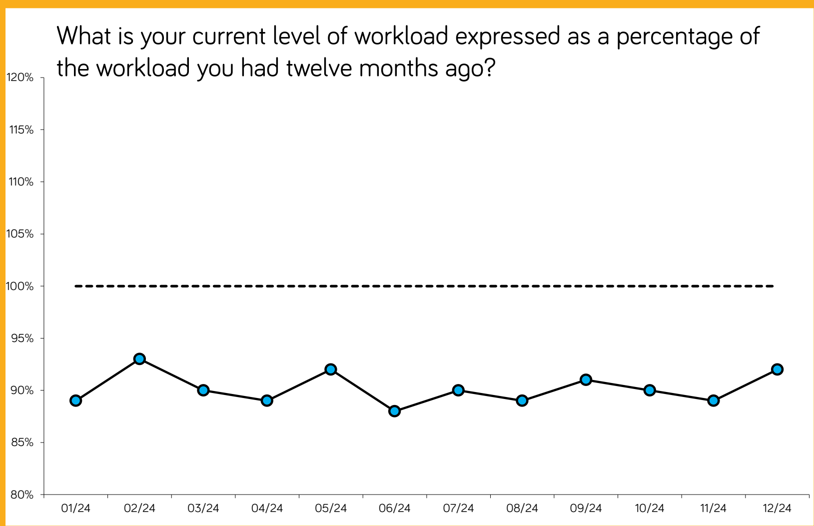
The Staffing Index gives a source of hope, however. Practices, on balance, expect growth in permanent staffing levels, indicating some expectation of a better longer-term outlook and future practice growth.

Commentary received from practices in December describes a market that has slowed following the recent budget.

Some practices describe new enquiries and the market slowing, post-budget, and some are pausing recruitment because of the planned increase in employer NICs.

Practices also describe the year ending with familiar and ongoing challenges, including raised interest rates, project cost pressure, poor client confidence, planning delays, increased regulatory burden, and intense fee competition.

Nevertheless, some practices describe thriving businesses, with increased enquiries, full workload, new staff being recruited, and sustainable fee income.



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 186 practices took part in the Survey in December 2024.
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.