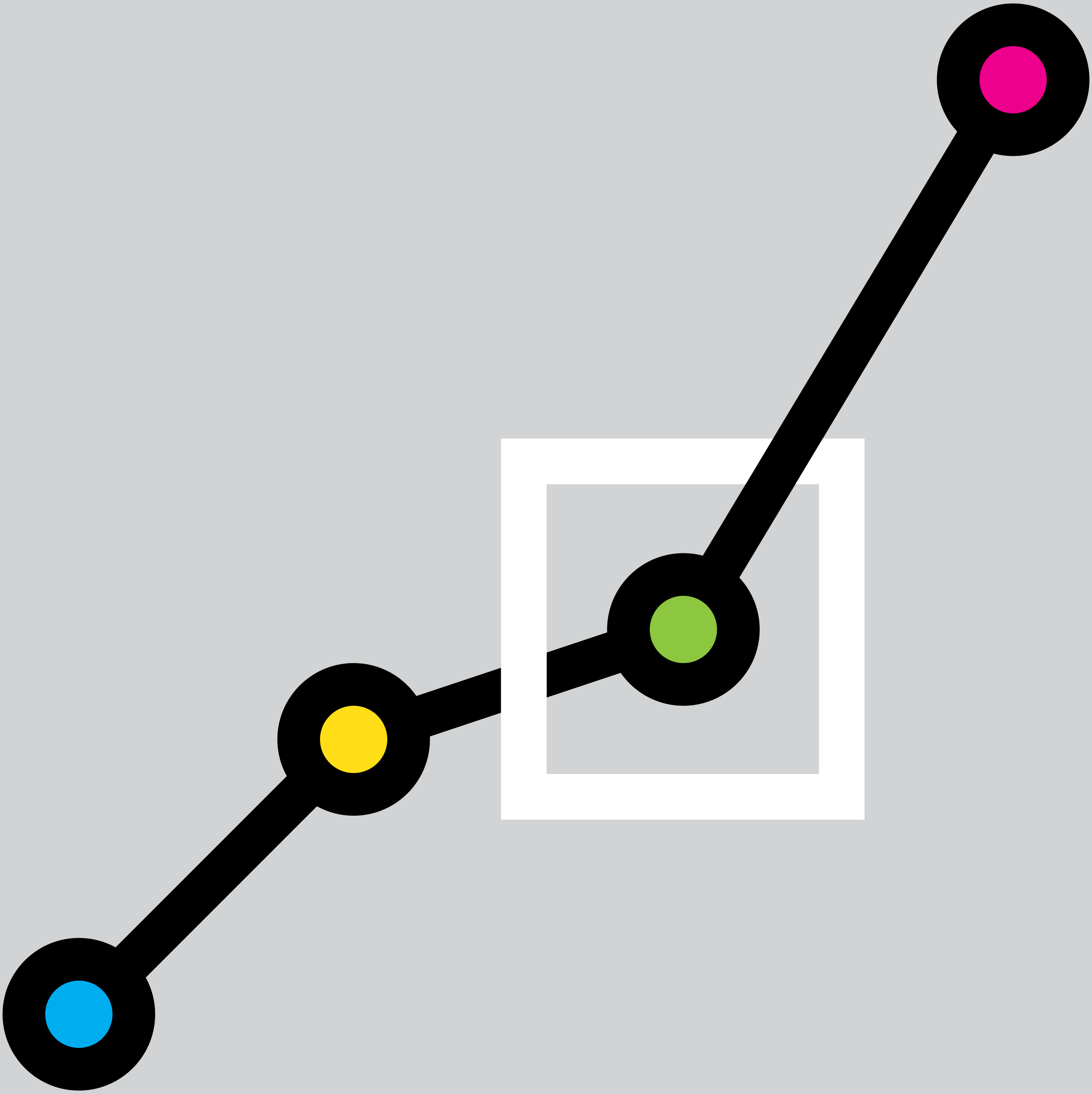
Future Trends Survey:

February 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

The following is a summary analysis of the results from the February 2024 survey returns.

RIBA Future Trends Workload Index
(February 2024)

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	26
Stay the same	51
Increase	23
TOTAL	100
Balance	**-3**

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

In February, the RIBA Future Trends Workload Index stood at -3, a five-point improvement on January's balance figure of -8. A negative balance indicates an overall expectation of falling workloads among architects.

Twenty-six per cent of architects' practices expect a decline in workloads over the next three months, while twenty-three per cent anticipate an increase. Fifty-one per cent expect workloads to be stable.

This is the eighth consecutive month that the Workload Index has been negative. However, this month sees an improved outlook in many key indicators.

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

Smaller practices continue to be pessimistic about their pipeline of work, whereas medium and large practices continue to anticipate increasing workloads.

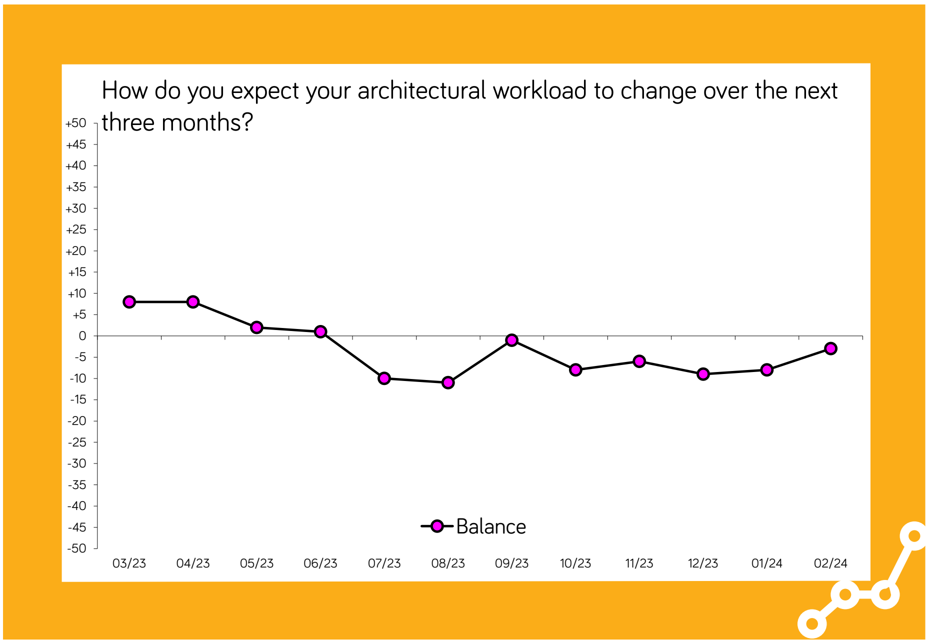
While all monitored work sectors remain negative, the outlook for the private housing sector continues to recover. The regional picture is mixed.

Current workloads remain lower than they were a year ago. Average practice workload has decreased by 7% when compared to twelve months ago, although this is an improvement on last month's 11% year-on-year contraction.

In February 23% of architects reported personal underemployment, 6% fewer than in January.

At 0, the RIBA Staffing Index has risen from negative territory for the first time since September last year.

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 February 2024 RIBA Future Trends Workload Index in terms of practice size, region and sector:

In February **small practices** (1 - 10 staff) again saw an improvement in outlook with their Workload Index rising to -5, up from -10 in January. Looking ahead to the next three months 27% of small practices anticipate a decrease in workloads, 22% expect an increase, and the majority (52%) anticipate stable workloads.

At +12, the outlook for **large and medium-sized** practices (those with 11 or more staff), remains optimistic and is improving. Among large and medium practices, 33% expect workload growth, 21% contraction, and 45% foresee steady workloads.

All regions have reported an improved or steady outlook except London.

The capital's Workload Index figure is -12 this month, a marked deterioration in outlook when compared to January's +1 figure.

Wales and the West remain pessimistic, with a Workload Index of -16, the same as last month.

The outlook for the Midlands & East Anglia has rallied strongly, with a +2 balance figure this month, compared to January's -20. The outlook in the South of England is also much improved, returning a zero balance compared to last month's -21.

The North of England remains positive, with a balance figure of +13, an 11-point improvement on last month's +2 figure

This month, all four monitored sectors have again reported negative Workload Index figures, however, three have an improved Workload Index.

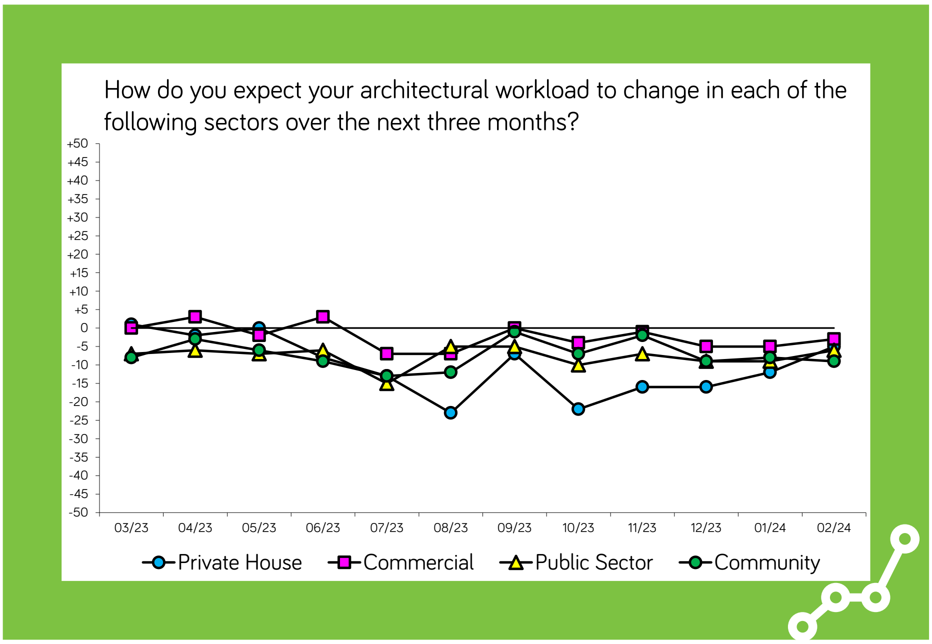
The outlook for **private housing** has rallied, despite remaining negative. The sector's Workload Index stands at -5, a five-point improvement compared to last month, and a ten-point improvement when compared to the end of 2023. Twenty-five per cent of practices expect a decrease in Private Housing workloads, while 20% anticipate an improvement.

At -3, the **commercial sector's** outlook has improved by two balance points this month.

The **public sector** has also seen an improvement in outlook, with a -6 balance figure, up from -9 in January.

With a balance figure of -9, the outlook for the **community sector** remains negative, as it has been for two years.

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



RIBA Future Trends Staffing Index
(February 2024)

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	83
Increase	8
TOTAL	100*
Balance	0

(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.)

** Values do not total 100 due to rounding.*

The RIBA Future Trends Permanent Staffing Index is at zero this month, with the same number of practices expecting to employ more staff as expecting to employ fewer.

Eight per cent of practices anticipate a reduction in permanent staff over the next three months, while 8% predict an increase. A significant majority, 83%, expect no change in their permanent staffing levels.

Among the largest employers, medium and large-sized practices (11+ staff), there is a strong expectation of increasing staff levels, with a combined Staffing Index figure of +21, up from +8 last month.

However, small practices (1 - 10 staff) continue to anticipate reducing staff levels, with a Staffing Index figure of -3 in February, a one-point improvement compared with last month.

The regional staffing outlook is varied.

Both the North of England (Staffing Index: -5) and the South of England (-4) have a negative outlook for future permanent staff levels.

Despite an expectation of falling workloads, London's staffing outlook has turned positive, with a Staffing Index figure of +2 in February.

At +7, the staffing outlook in the Midlands & East Anglia has also become positive.

The outlook in the South of England has improved but remains negative, at -4.

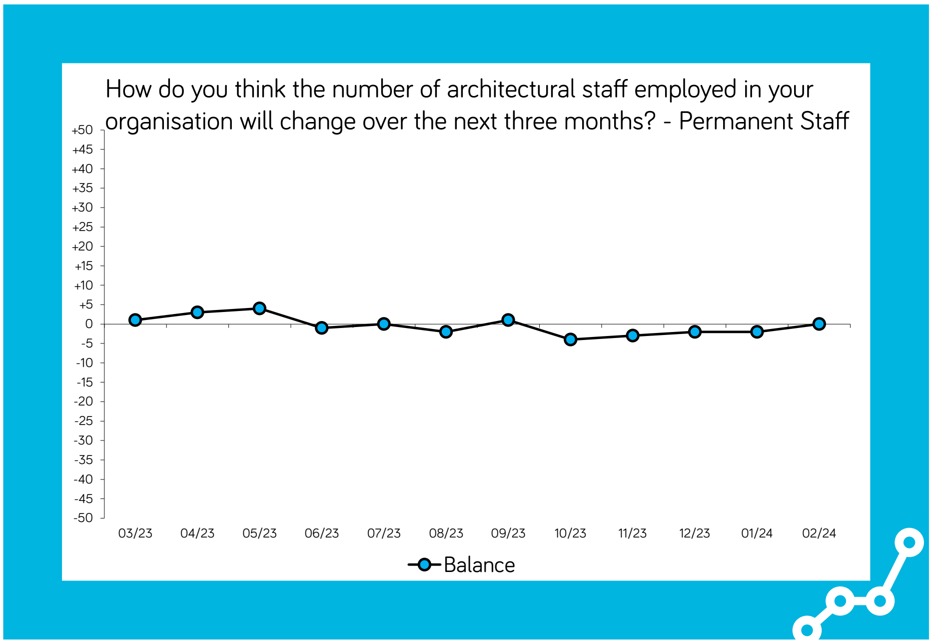
The staffing outlook for Wales & the West has dipped to zero.

The Temporary Staffing Index held steady this month, once again posting a -6 Index figure.

Levels of personal underemployment have fallen with 23% of architects reporting personal underemployment in the past month, six percentage points fewer than 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
(February 2024)

The RIBA Future Trends Workload Index remains negative, and practices, on balance, continue to expect workloads to fall in the coming three months. However, there is improvement in this month's figures, as the trajectory of reducing pessimism continues.

Though still negative, the crucial housing sector has seen significant improvement in its Workload Index score.

Commentary from practices this month continues to describe a challenging environment for many, in the context of a weak economy, raised interest rates, and ongoing, highly deleterious, planning delays. Some have suggested that the uncertainty around the general election is deterring investment, particularly from Local Authorities.

However, some practices report an improved market since the end of last year, with increases in enquiries and project work.

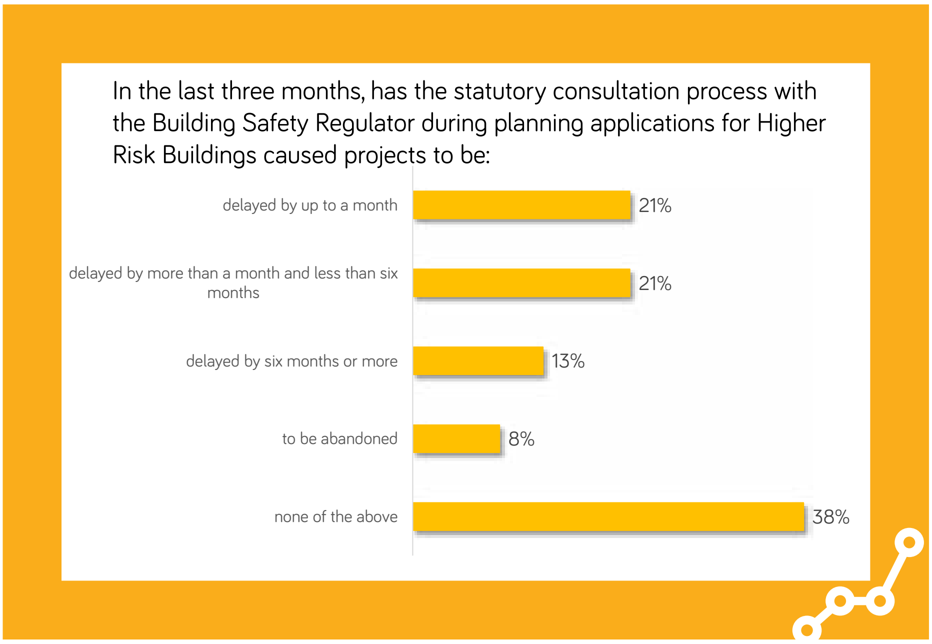
High Risk Buildings

Following conversations with members, this month's RIBA Future Trends survey included a one-off question about the potential project-delaying effects of the statutory consultation process with the Building Safety Regulator during planning applications for Higher Risk Buildings.

The results are shown in the graph below with a majority (62%) reporting project delay (54%) or abandonment (8%)being caused by the statutory consultation process.

It is important to note that these are the percentages of those who have worked on High Risk Buildings in the last three months. The vast majority (84%) of those contributing to February's Future Trends Survey have not.

The following graph plots the percentage effects statutory consultation process with the Building Safety Regulator during planning applications for Higher Risk Buildings.



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 238 practices took part in the Survey in February 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.