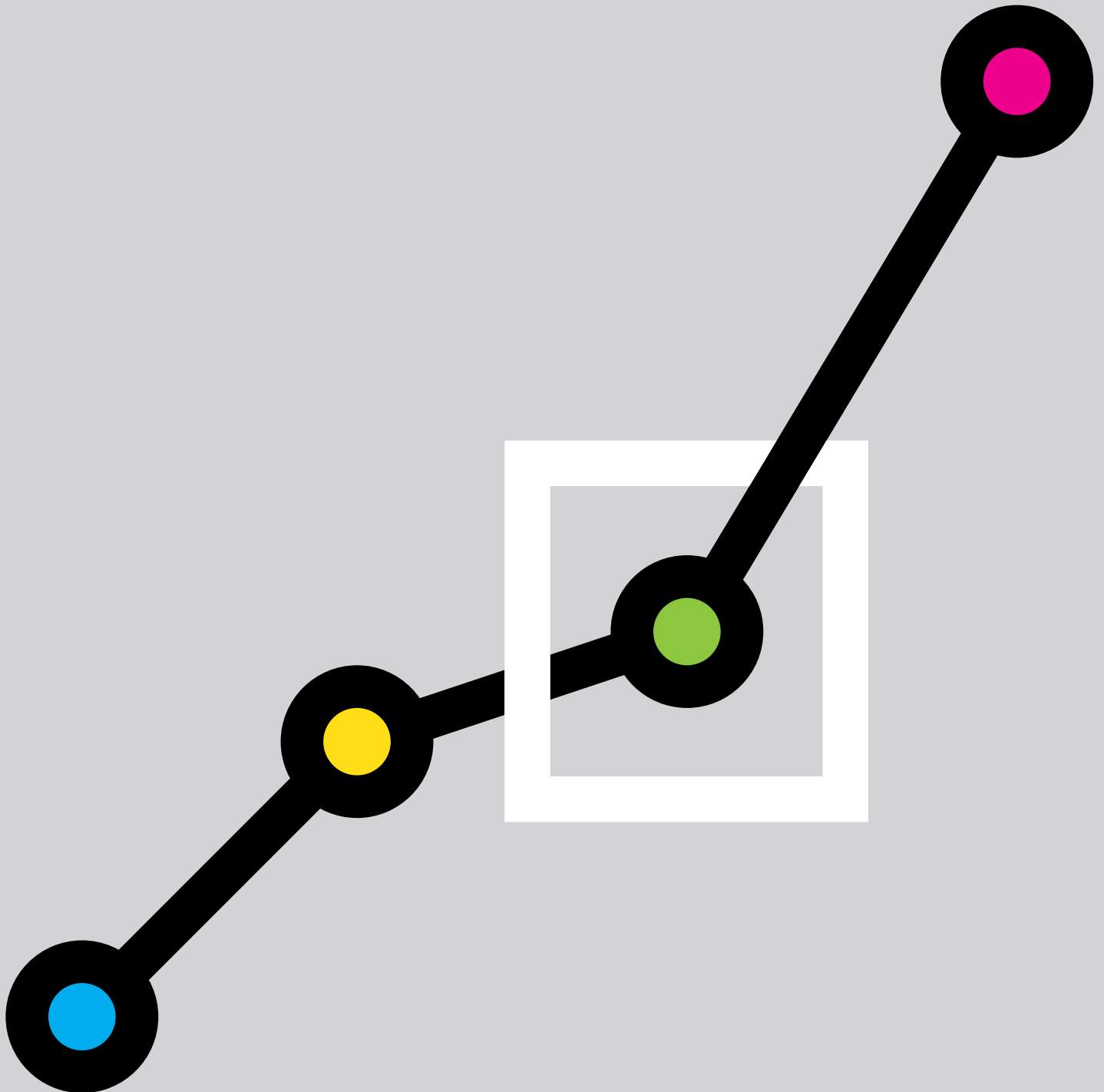


Future Trends Survey:

January 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 January 2023 survey returns.

RIBA Future Trends Workload Index (January 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	28
Stay the same	54
Increase	18
TOTAL	100
Balance	-11*

(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.

2023 begins with a pessimistic outlook about future work among architects. In January, the RIBA Future Trends Workload Index fell by three points to post a balance figure of -11. Although this is a slight softening in outlook compared to December, the Index remains improved compared to the recent low of -21 in November 2022.

Eighteen per cent of practices expect workloads to increase in the coming three months, and fifty-four per cent expect them to remain the same. Over a quarter (28%) expect workloads to decrease.

The outlook about future work differs by practice size, with small practices (1 - 10 staff) pessimistic but large and medium-sized practices (11+ staff) remaining optimistic.

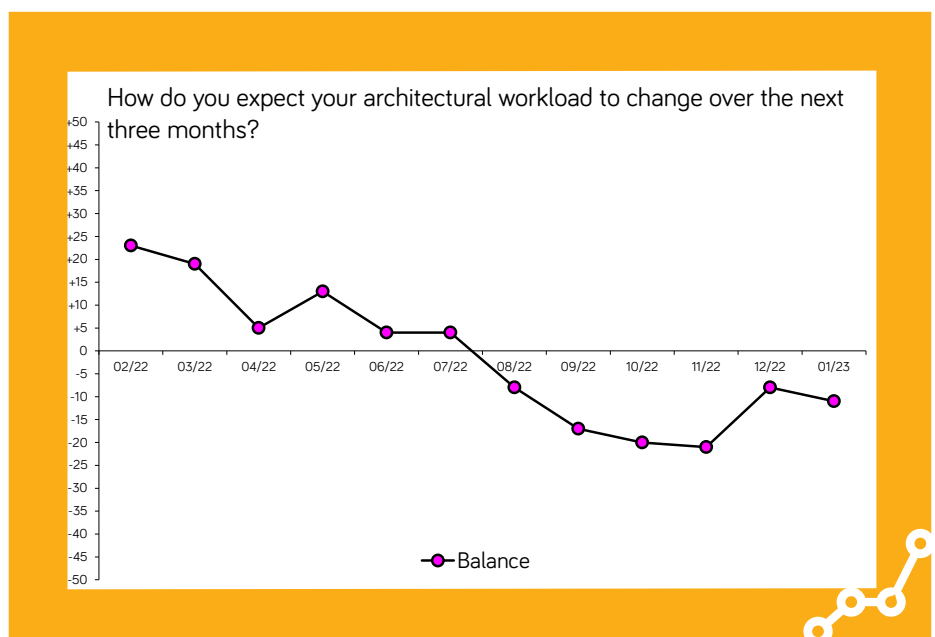
All the monitored work sectors remain in negative territory, although the outlook for Private Housing and the Public Sector has improved.

No region has posted a positive Workload Index this month.

Workloads are 6% lower than they were a year ago. A fifth of respondents report personal underemployment this month, slightly higher than last.

However, a positive Staffing Index suggests practices are readying themselves for improved workloads in the longer term.

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



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

As the pandemic-induced housing 'race for space' loses momentum, the outlook among **small practices** (1 - 10 staff) remains negative. January has seen the workload index fall back to -14, three points lower than last month's figure of -11. Three in ten (30%) small practices expect workloads to decrease. However, 16% expect them to grow.

In contrast, **large and medium-sized practices** (11+ staff) maintain a positive outlook, with a combined balance figure of +7 in January, although that is down from +13 in December.

All regions have a subdued outlook for future work.

Having ended the year with optimism, London fell back into negative territory this month. The capital posted a balance figure of -5 in January, compared to last month's +2.

Both the North of England (-20) and the South of England (-22) saw their regional outlooks deteriorate this month, while the outlook for the Midlands & East Anglia (-13) improved slightly,

Wales & the West posted a zero balance, recovering from December's negative regional outlook.

All the monitored work sectors continued to post negative Index figures this month, although two sectors have an improved outlook.

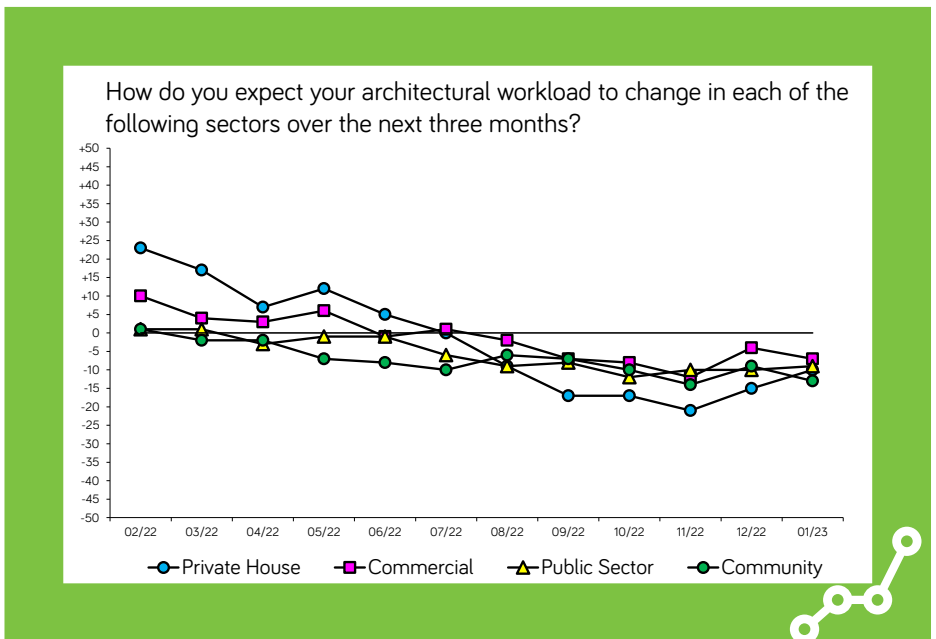
The **private housing sector** has again improved this month, rising 5 points to post a balance figure of -10, up from -15 in December.

The outlook for the **public sector** has risen very slightly, with a balance figure of -9, up one point from last month's -10.

The **commercial sector** fell back in January, returning a figure of -7, down from -4 last month.

The **community sector** outlook has also fallen with a balance score of -13 in January, a fall of 9 points since December.

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



RIBA Future Trends Staffing Index
(January 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	9
Stay the same	77
Increase	14
TOTAL	100
Balance	+5

(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 has shifted firmly into positive territory this month, returning a figure of +5, an eight-point rise when compared to the -3 of December 2022. It is the highest it has been since last May. The expectation to increase permanent staffing levels is more pronounced in medium and large practices (11+ staff).

Nine per cent of practices expect to employ fewer permanent staff over the coming three months, and 14 per cent expect to employ more. Seventy-seven per cent expect their permanent staffing levels to stay the same.

Medium and large-size practices (11+ staff) are strikingly positive about recruiting staff as the year begins, with a combined Staffing Index figure of +23. Small (1 - 10 staff) practices also anticipate growing staffing numbers with a Staffing Index figure of +2.

Most regions continued to report an improved staffing outlook this month.

After five months of anticipating shrinking staff levels, London (Staffing Index +12) returned to positive territory this month. Wales & The West (+13) maintained its positive staffing outlook.

The North of England (0) has seen the outlook for permanent staff recover this month with practices anticipating staffing levels to hold steady.

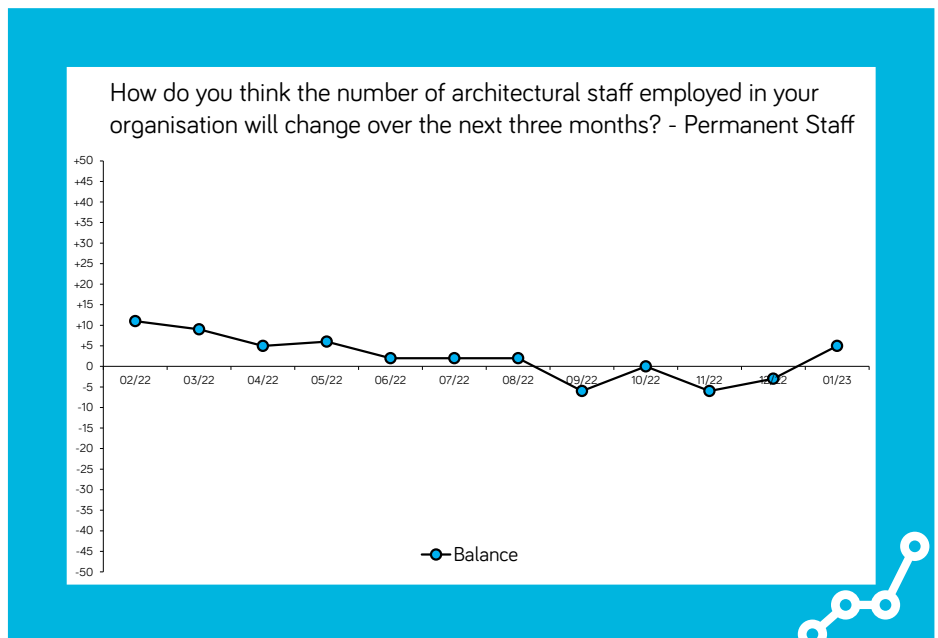
The South of England (-2) dipped into negative territory in January, and the Midlands & East Anglia (-4) continued, on balance, to expect permanent staffing levels to fall.

The Temporary Staffing Index fell to -6 this month, a fall of 3 points compared to the balance figure of -3 in December, perhaps reflecting a growing preference for practices to secure talent for the long term.

Levels of personal underemployment have risen slightly this month, with 20% reporting personal underemployment, compared to 18% in December.

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 (January 2023)

The New Year begins with some trepidation. The RIBA Future Trends Workload Index is negative (-11) and has deteriorated slightly. At the same time, the Index has recovered from the deeper pessimism we saw in late Autumn of 2022. While a UK recession is on the cards for much of 2023, it is likely to be shallow.

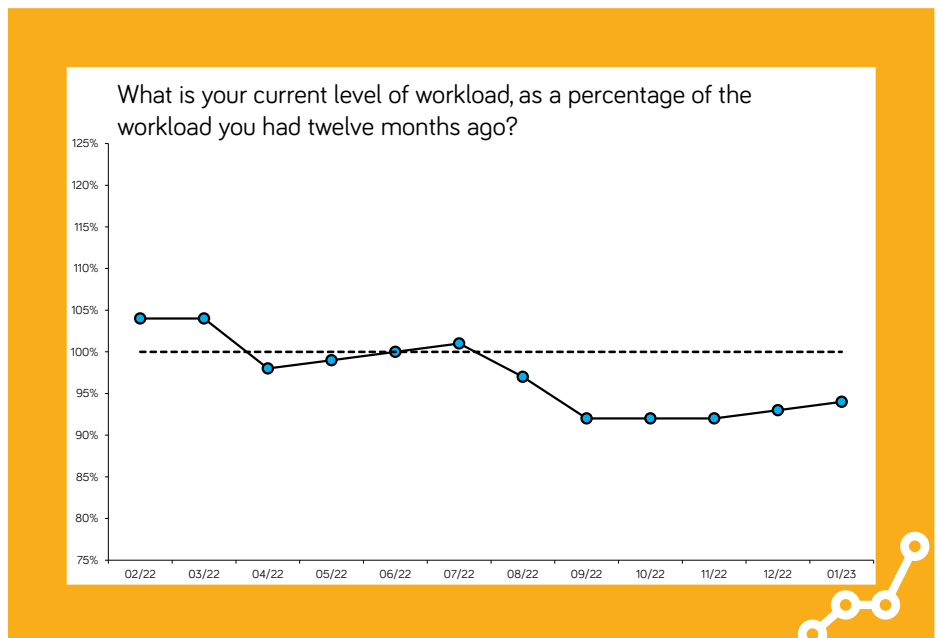
RIBA members continue to report planning delays, Professional Indemnity Insurance exclusions, labour shortages and high constructing product costs suppressing architects' workload.

Practices also report economic conditions directly affecting current and future workloads, with private clients putting domestic projects on hold due to concerns about their job security, increases in interest rates making previously feasible projects no longer so, and client payment delays hitting cash flow.

But the picture is not uniformly downbeat. Some practices report full order books and an increasing number of enquiries. Stronger areas of work include high-end residential and retrofit work. Large and medium-sized practices maintain a positive outlook.

As 2023 begins, the uptick in the RIBA Staffing Index suggests that practices are looking beyond the three-month horizon of the Workload Index to see brighter times ahead. Although recruitment remains challenging, practices are getting themselves ready for the eventual upturn by seeking talent now.

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 284 practices took part in the Survey in January 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.