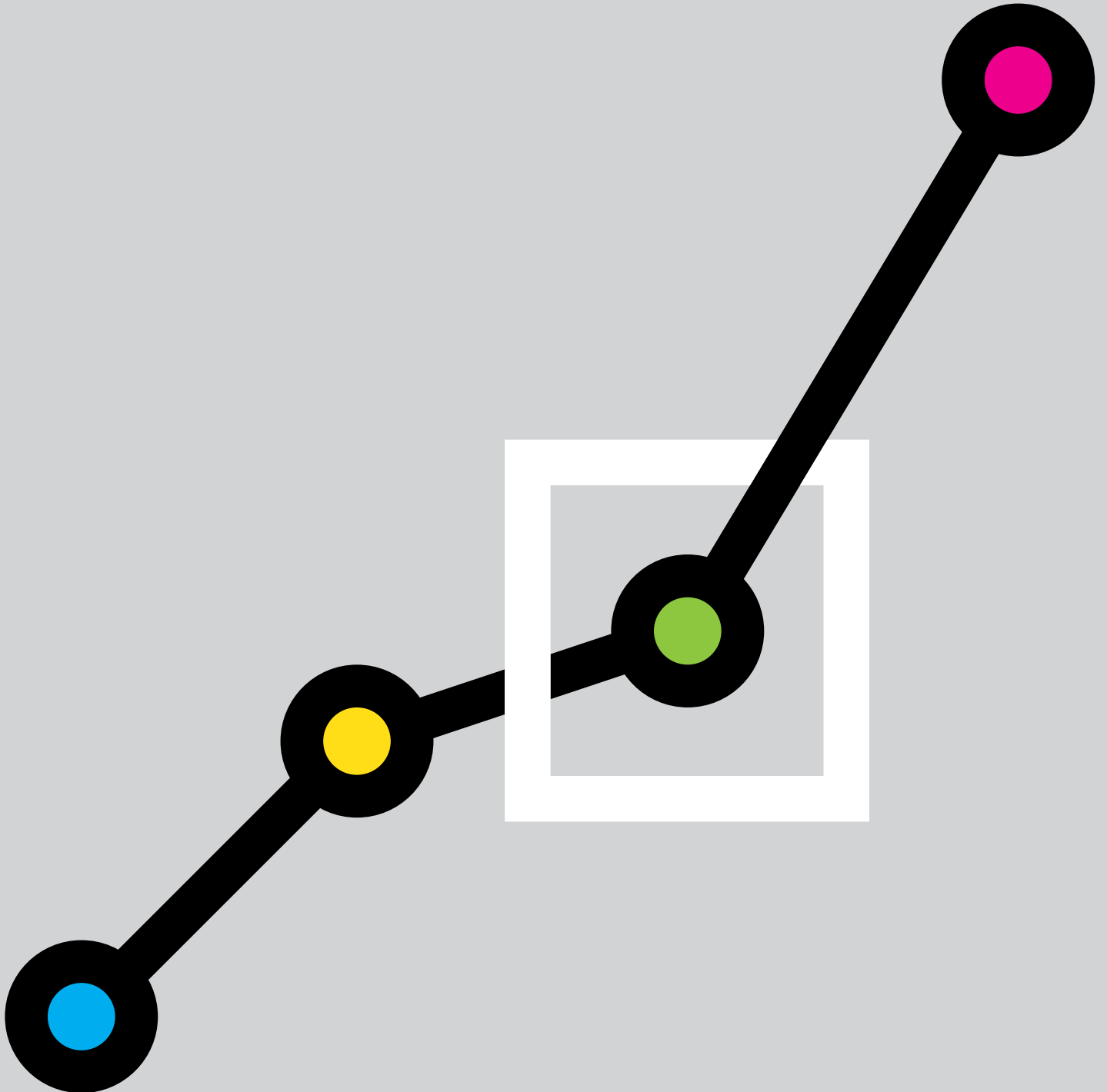


Future Trends Survey:

January 2024



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 2024 survey returns.

RIBA Future Trends Workload Index (January 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	56
Increase	18
TOTAL	100
Balance	-8

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

In January, the RIBA Future Trends Workload Index stood at -8, a one-point improvement on December's balance figure of -9. 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 eighteen per cent anticipate an increase. Fifty-two per cent expect stable workloads.

This is the seventh consecutive month that the Workload Index has been negative, the longest run of negative results since the inception of RIBA Future Trends in 2009. Previously, the longest run of negative results has been six months, seen twice before, in 2010 and 2022.

The outlook varies by practice size. Small practices are pessimistic about future workloads, whereas large practices remain optimistic.

All monitored work sectors remain negative.

The regional picture has remained mixed this month, although London has returned to workload optimism this month.

Current workloads remain lower than they were a year ago, showing an overall year-on-year decrease of 11%.

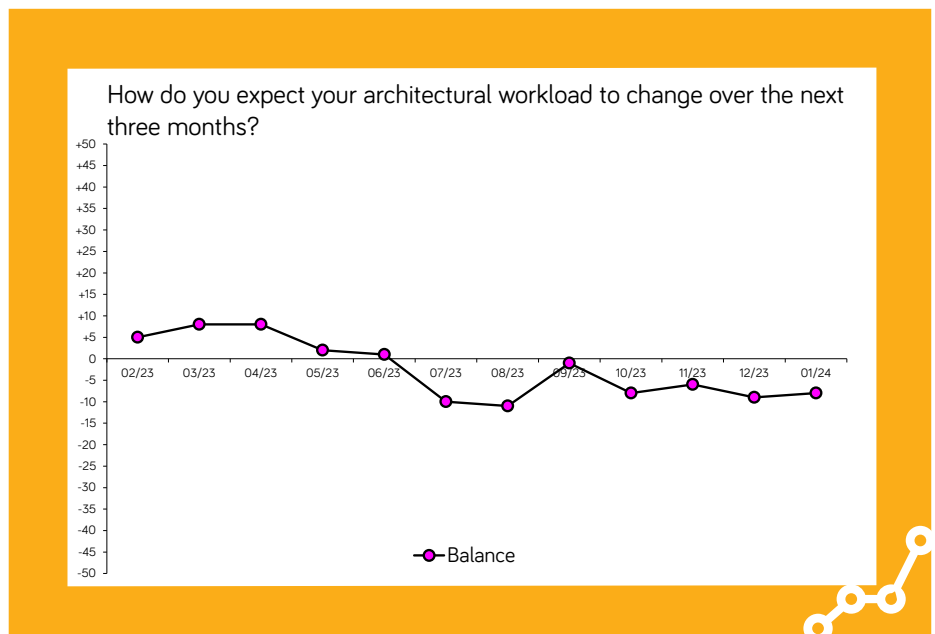
In January, 29% of architects reported personal underemployment, a rise of 3% from November and the highest level since the onset of the pandemic.

At -2, the RIBA Staffing Index has held steady and remains in negative territory.

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.



Looking at the January 2024 RIBA Future Trends Workload Index in terms of practice size, region and sector:

In January, **small practices** (1 - 10 staff) saw an improvement in outlook with a Workload Index increasing to -10, from -15 in December. Looking ahead to the next three months 26% of small practices anticipate a decrease in workloads, 16% expect an increase, and the majority (58%) anticipate stable workloads.

At +3, the outlook for **large and medium-sized practices** (those with 11 or more staff), remains optimistic but has moderated as medium-sized practices temper their outlook. Among large and medium practices, 27% expect workload growth, 24% contraction, and 49% foresee steady workloads.

Regionally, the outlook remains mixed but has shown some signs of improvement.

London, the largest architectural market, has returned a positive workload figure (+1) after three months of negative outlook. Having posted a figure of -5 in December, the capital's Workload Index has recovered 6 points in January.

The North of England remains positive with a balance figure of +2, although this is a three-point reduction when compared with December.

Wales and the West remains pessimistic, with a Workload Index of -16, up one point from -17 in December. The outlook for the Midlands & East Anglia remains firmly negative at -20, but has also improved.

The outlook in the South of England is negative and has further deteriorated, from -14 to -21.

This month, all four monitored sectors have again reported a negative Workload Index figures, although no sector has seen its outlook worsen.

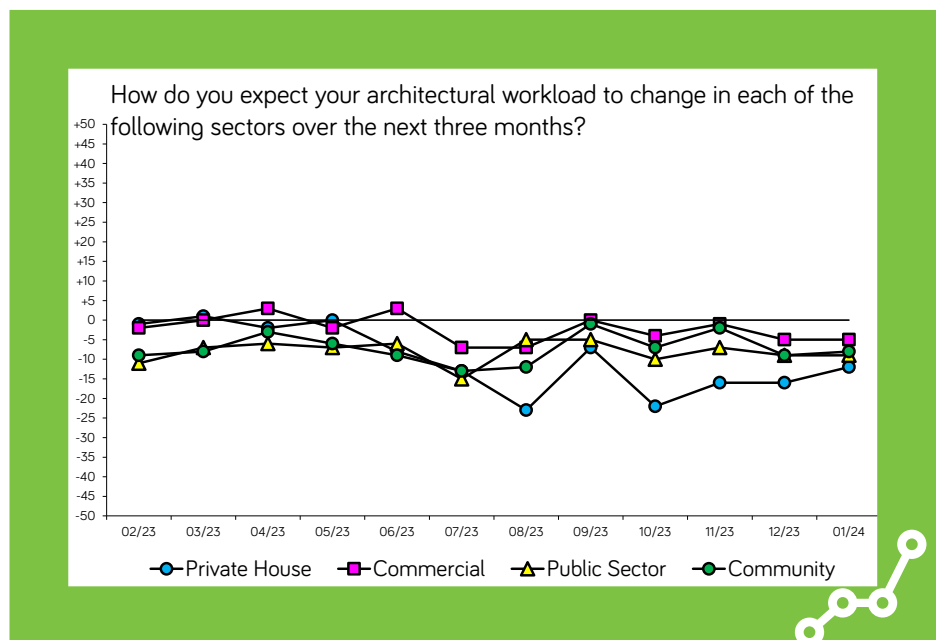
The outlook for **private housing** has improved, despite remaining negative. The sector's Workload Index stands at -12, a four-point improvement from December's figure of -16. Twenty-nine per cent of practices expect a decrease in Private Housing workloads, while 17% anticipate an improvement. Small practices remain the most pessimistic about upcoming housing work.

At -5, the **commercial sector's** outlook has held steady this month.

The **public sector** also remains stable, posting the same -9 Workload Index figure this month as last.

Although the outlook for the **community sector** remains negative, there has been a slight improvement. The workload balance stands at -8 in January, up one point compared to December's -9.

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



RIBA Future Trends Staffing Index
(January 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	10
Stay the same	83
Increase	8
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.)

* Values do not total 100 due to rounding.

The RIBA Future Trends Permanent Staffing Index remains at -2 this month, the same as last month. Overall, practices anticipate a decrease in permanent staff.

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

In January, medium and large-sized practices (11+ staff) have a combined Staffing Index figure of +8. Despite this slight fall, the staffing outlook for these practices remains positive.

However, small practices (1 - 10 staff) continue to anticipate declining staff levels, with a Staffing Index figure of -4 in December, a one-point improvement compared with last month.

The regional outlook is varied.

Both the North of England (Staffing Index -2) and the Midlands & East Anglia (-10) expect to employ fewer permanent staff in the coming three months.

London's staffing outlook has dipped into negative territory, with a Staffing Index figure of -1 in January, down from 0 in December. Similarly, the South of England's outlook has turned negative, with an Index figure of -10.

The staffing outlook for Wales & the West has improved and, with a +10 figure, is the only positive region this month.

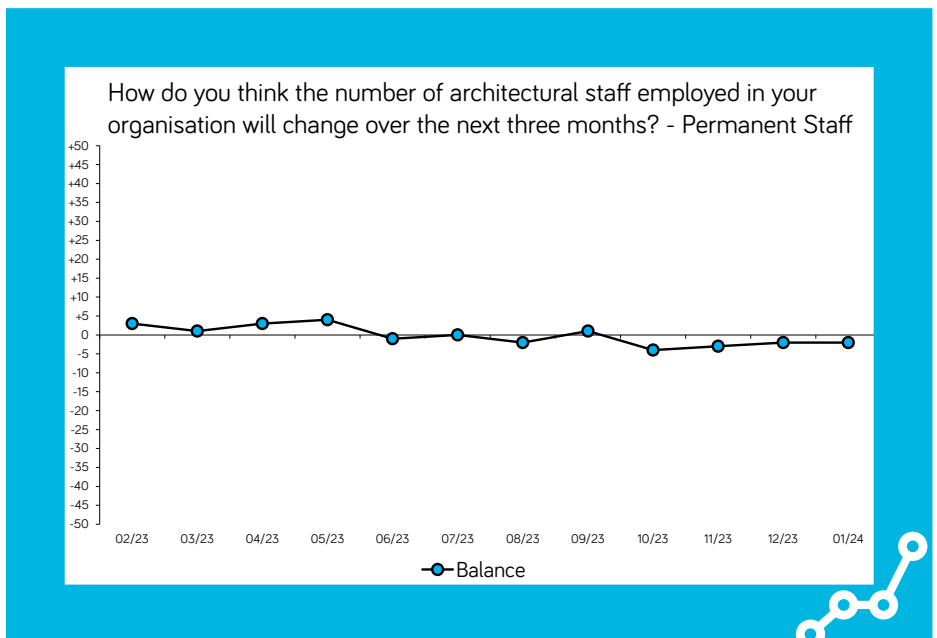
The Temporary Staffing Index held steady this month, again posting a -6 Index figure.

Levels of personal underemployment have risen again with 29% of architects reporting personal underemployment in the past month, three per cent more 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 (January 2024)

The RIBA Future Trends Workload Index remains in the doldrums as raised interest rates and a weak UK economy weigh down on architects' workload. The housing sector has been performing poorly, negatively affecting many small practices.

With seven consecutive negative Workload Index scores, this is the most protracted (but not the most severe) period of pessimism seen among practices. Elevated interest rates, persistently above-target inflation, and difficulties for clients obtaining finance continue to weigh down on the profession, all exacerbated by ongoing planning delays.

However, there are early, tentative, signs that workloads may begin to pick up somewhat, as Consumer Price Index (CPI) inflation remains on a downward trend, construction output price inflation falls, and sentiment in the construction sector shows signs of improvement.

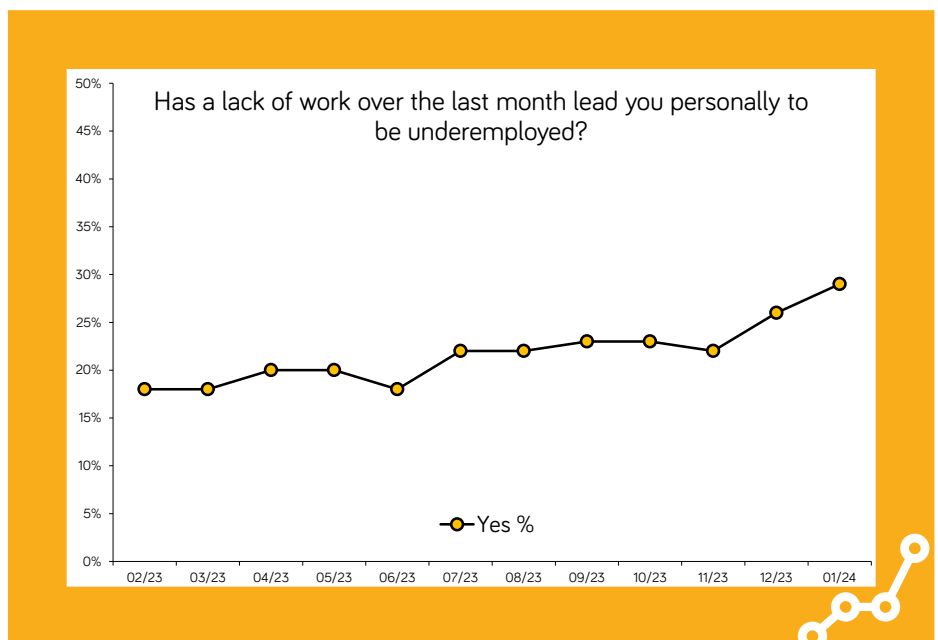
Commentary from practices in January continues to highlight the challenges the profession faces. Practices report weak pipelines of work and low levels of enquiries. Personal underemployment is high and rising.

Again, many practices report that the planning system is failing to function adequately, delaying project progress, diminishing practice revenue, and holding back the UK's economic prosperity.

Practices report downward pressure on fees, with a number reporting domestic clients seeking free early-stage design and planning advice.

A small number of practices are reporting an improvement in the market as inflation eases and hopes grow for interest rate cuts.

The following graph plots the percentage of those for whom a lack of work has led to personal underemployment.



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 252 practices took part in the Survey in January 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.