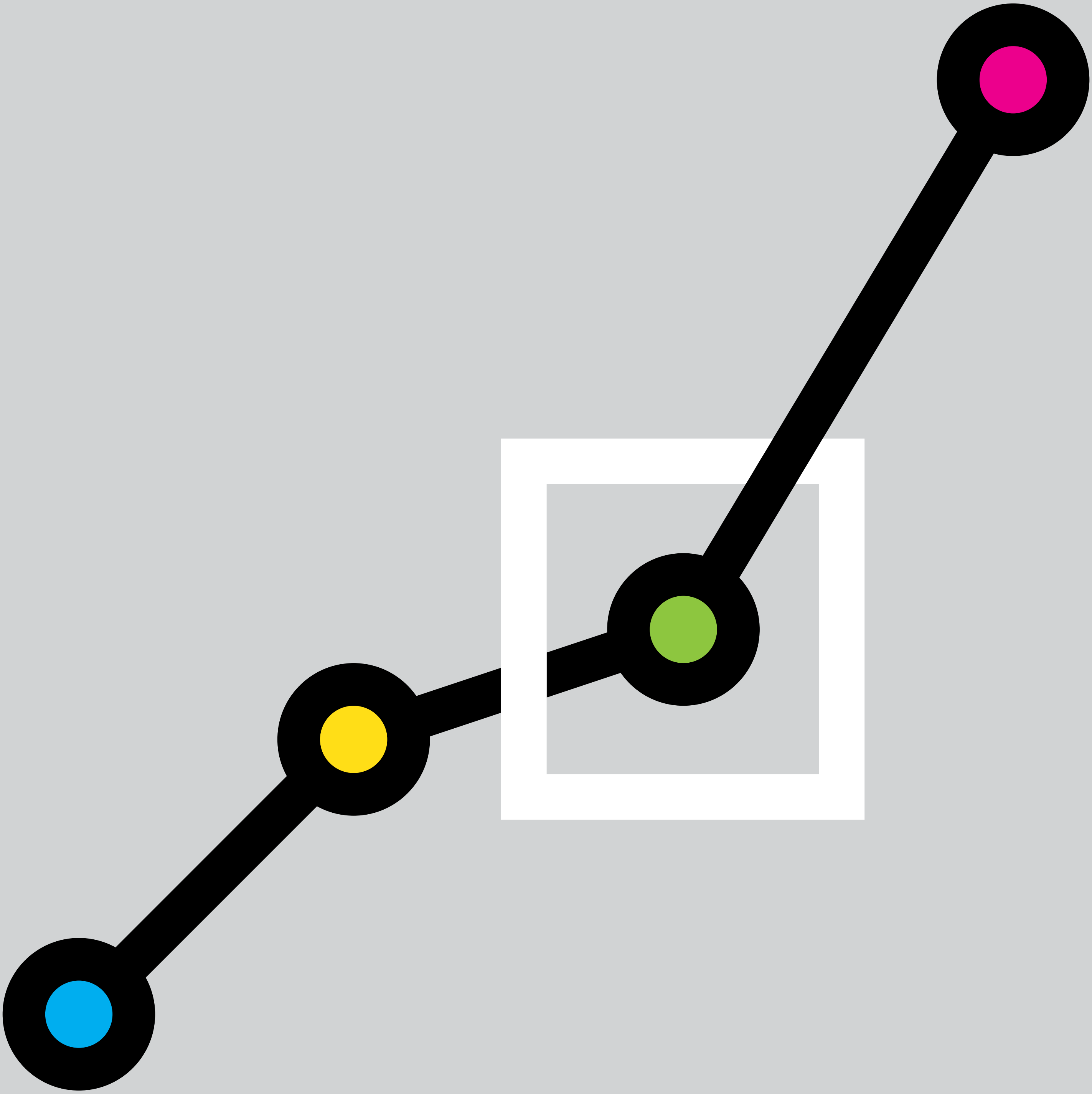
Future Trends Survey:

July 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 July 2024 survey returns.

RIBA Future Trends Workload Index (July 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	22
Stay the same	54
Increase	23
TOTAL	100
Balance	**+1**

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

The RIBA Workload Index remains positive but has again softened slightly.

In July, the RIBA Future Trends Workload Index stood at +1, a three-point fall compared with June's +4 balance figure. A positive balance indicates an overall expectation among architects that workloads will increase in the coming three months.

Twenty-three per cent of architects' practices anticipate an increase in workloads over the next three months, while 22% expect a decline. Fifty-four per cent expect workloads to be stable.

The regional picture is more mixed, with Northern areas remaining positive. The South and London, however, are becoming increasingly pessimistic about future work.

The diminished optimism is a result of a deteriorating outlook among smaller practices. Having been positive about future work in the last two months, smaller practices are again anticipating reducing workloads. In contrast, the outlook for Medium and Large is strong and improving.

The view from the four monitored work sectors has softened overall, although the Commercial sector remains positive.

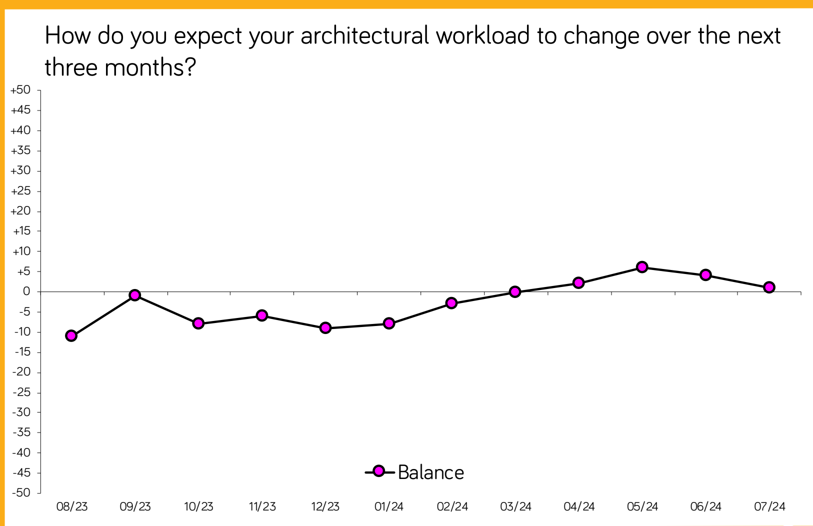
Current workloads remain lower than they were a year ago. The average practice workload has decreased by 10% compared with twelve months ago.

In July, 26% of architects reported personal underemployment, one percentage point more than in June.

At +2, the RIBA Permanent Staffing Index remains positive but has also softened.

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

In July, the outlook for small practices (1 - 10 staff) deteriorated with a Workload Index figure of -6 compared with +4 in June - a ten-point fall. Nineteen per cent of small practices anticipate an increase in workloads, 25% expect a decrease, and 55% anticipate stability.

In contrast, the outlook for large and medium-sized practices (11+ staff) remains optimistic, with a Workload Index of +44, up from last month's +11. This is the highest figure for two years, with 48% expecting workload growth, 4% contraction, and 48% steady workloads.

The South and the North of England have contrasting outlooks this month, with optimism in the South dissipating.

Confidence about future work among practices in the capital has fallen. July sees a -10 Workload Index for London, compared with -3 in June and +2 in May.

At -2, falling from +2 in June, the outlook for the South of England is also negative.

The outlook for Wales and the West has held steady at zero, indicating an expectation of steady workloads to come.

In contrast, the outlook for the North of England (+10) and the Midlands & East Anglia (+14) remains firmly positive.

The sectoral outlook remains similar to last month.

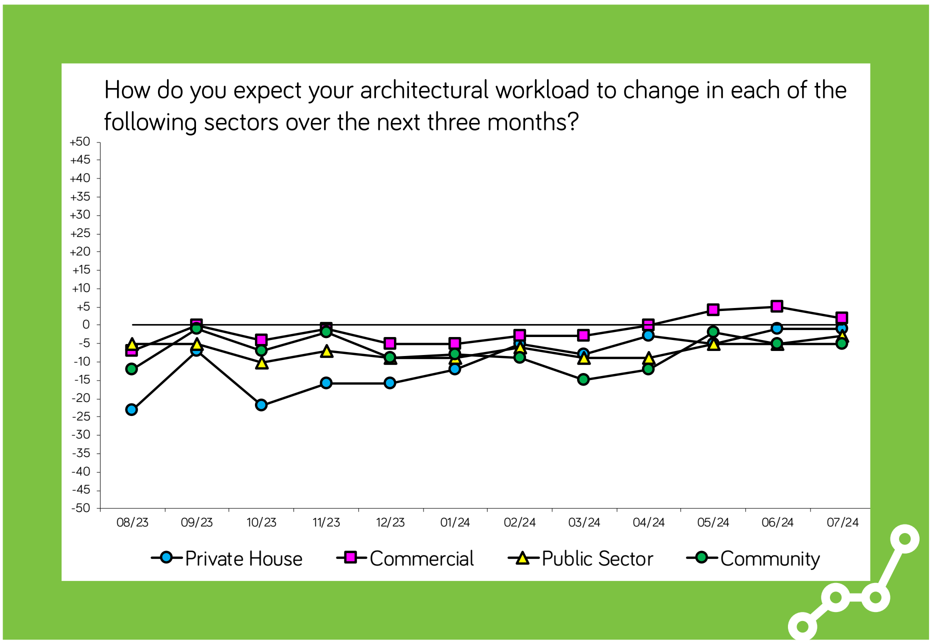
The commercial sector remains positive in July, although it has weakened somewhat, posting a +2 balance in July, down from +5 in June. The North of England is the most optimistic region for future commercial work.

The outlook for private housing remains negative but has held steady this month, with a -1 balance, the same as in June. Practices in the Midlands and East Anglia are the most likely to anticipate growing private housing workloads.

The outlook for the public sector remains negative at -3 this month, although this is the highest Workload Index since June 2022.

The outlook for the community sector remained at -5 this month as practices continue to expect deteriorating workloads.

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



RIBA Future Trends Staffing Index
(July 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	9
Stay the same	81
Increase	11
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.)

The RIBA Future Trends Permanent Staffing Index returned a +2 balance figure in July - on balance practices intend to recruit staff over the coming three months. However, the Index has seen a four-point fall compared with June's +6.

Eleven per cent of practices anticipate an increase in permanent staff in the coming three months, 9% a reduction, and the majority, 81%, no change.

Medium and Large practices anticipate growing staff levels (Staffing Index +27). Small practices, however, anticipate falling staff levels, with a Staffing Index of -2.

In line with workload predictions, practices in the North and the Midlands are more likely to be optimistic about future staffing levels, although London retains its positive Staffing Index.

London (Staffing Index: +2), Wales & the West (-5), and the South of England (-3) have all seen a deterioration in staffing outlook.

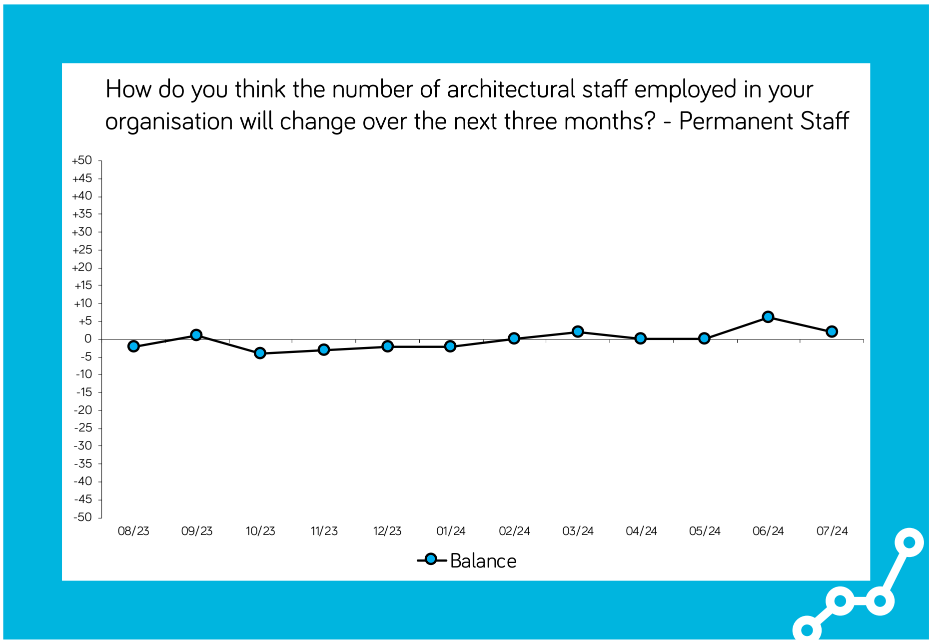
In contrast, the North of England (+10) and the Midlands & East Anglia (+3) both report a positive and improved employment outlook.

With a Temporary Staffing Index of -3, the outlook for temporary staff remains subdued.

Levels of personal underemployment have risen slightly this month, as 26% of respondents report a lack of work leading to personal under-employment over the last month, compared with 25% in June.

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
(July 2024)

At +1, the RIBA Future Trends Workload Index remains positive and the profession's outlook has markedly improved over the last twelve months. However, many practices continue to face a challenging environment.

The profession remains positive about future work, but there is little anticipation of a rapid upswing. July's Future Trends is the first since the UK's general election and the widely expected change of government. In contrast to the large but transitory uptick seen following the previous administration's 2019 Brexit-focussed victory, the profession's response has been muted.

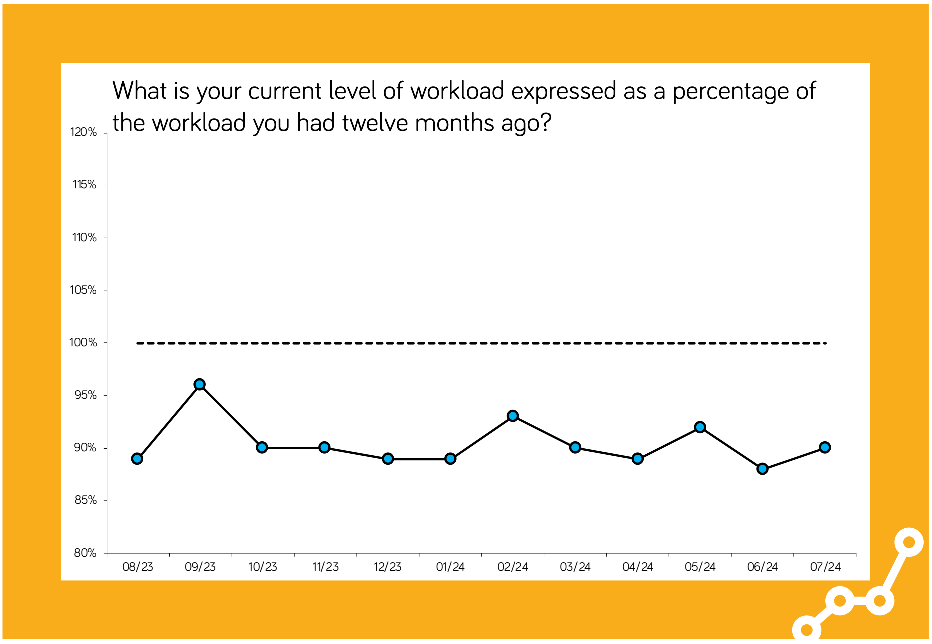
The commentary received in July suggests the market is showing early signs of recovery.

Project delays are holding the recovery back, however, by restricting the pipeline of work and putting pressure on practice cash flow. Practices report that project delays are most often due to the planning system. Delays with the Building Safety Regulator for higher-risk buildings have also been reported.

While some practices continue to note a subdued architect's market, others are seeing increased enquiries, post-election.

Overall, there is a sense that the market is slowly improving but that it will take time before this translates into significantly increased workloads.

The following graph the average current level of workload expressed as a percentage of the workload of 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 196 practices took part in the Survey in July 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.