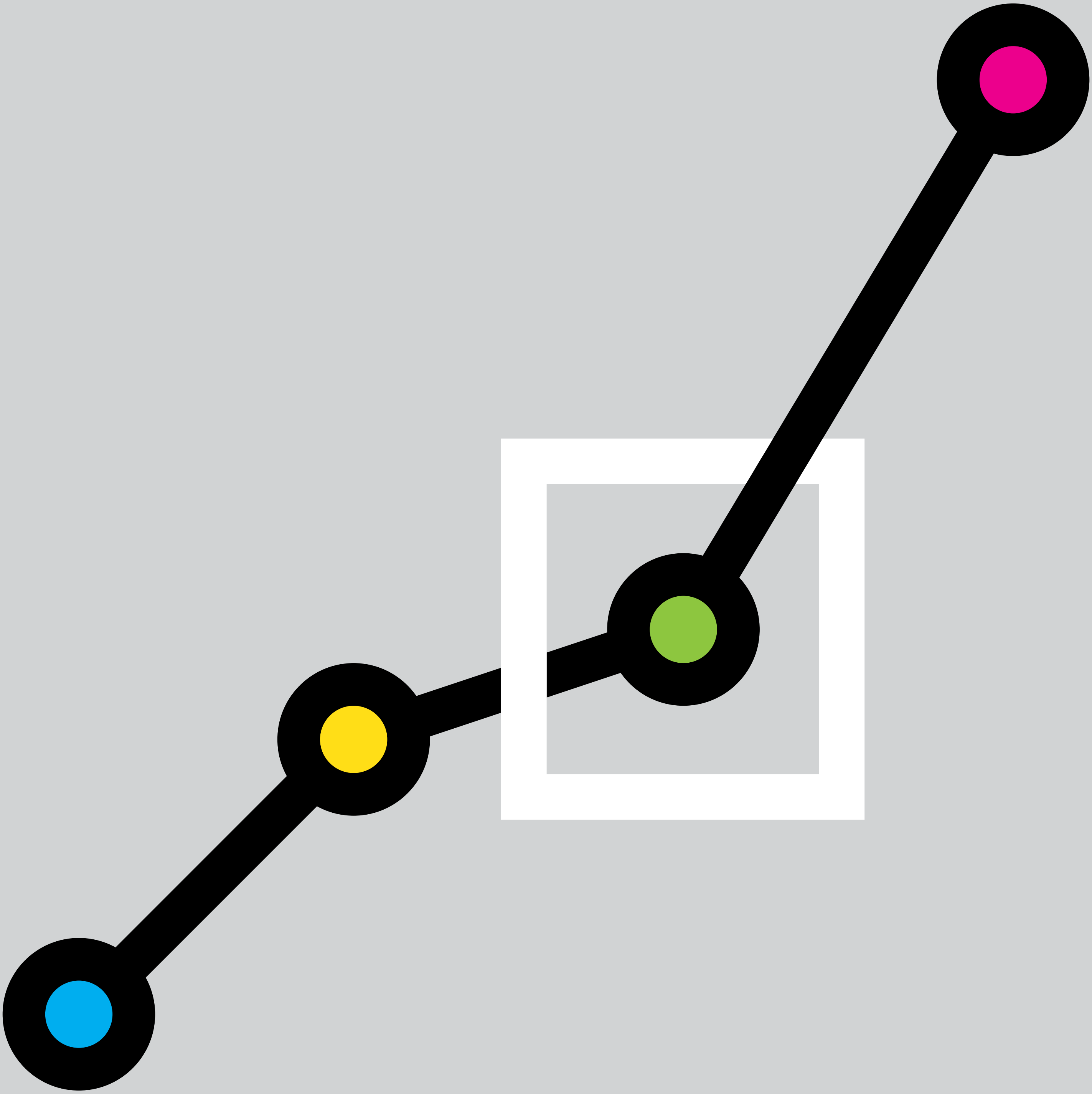
Future Trends Survey:

June 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 June 2024 survey returns.

RIBA Future Trends Workload Index (June 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	19
Stay the same	58
Increase	23
TOTAL	100
Balance	+4

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

The data in this month's Future Trends was collected before the UK's General Election.

The RIBA Workload Index remains positive but has fallen back slightly.

In June, the RIBA Future Trends Workload Index stood at +4, a two-point fall compared with May's +6 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 19% expect a decline. Fifty-eight per cent expect workloads to be stable.

The regional picture is positive overall, although London has fallen back into negative territory this month.

With a workload Index of +4, the outlook among smaller practices is improving. Medium and large practices continue to report a positive outlook.

The view from the four monitored work sectors shows an overall improvement, with Commercial continuing to be the most positive sector.

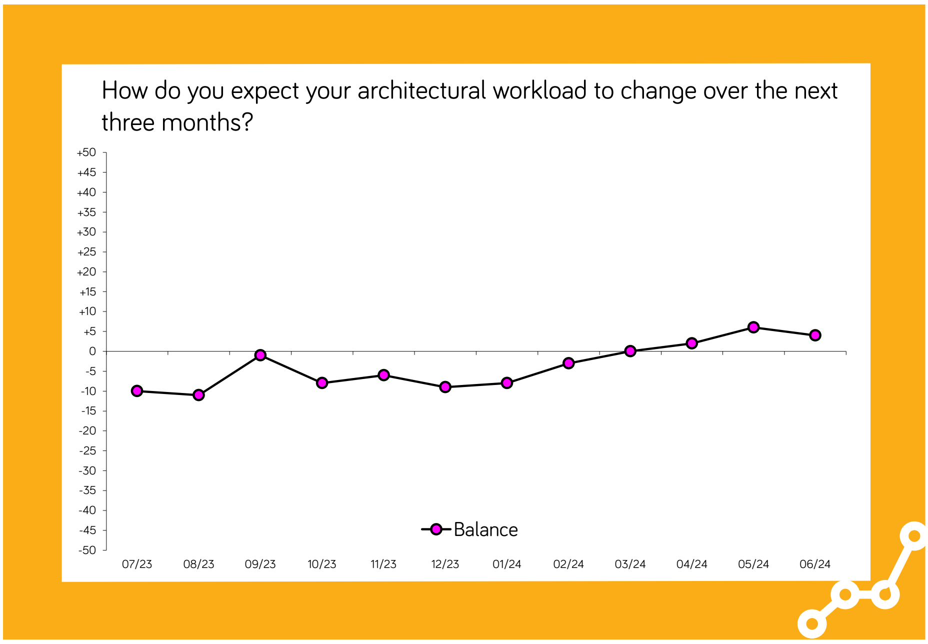
Current workloads remain lower than they were a year ago. The average practice workload has decreased by 10% compared to twelve months ago.

In June, 25% of architects reported personal underemployment, two percentage points more than in May.

At +6, the RIBA Permanent Staffing Index has markedly improved, returning its highest Index figure for over two years, suggesting practices are preparing for long-term growth.

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

In June, the outlook for **small practices** (1 - 10 staff) improved further, with a Workload Index figure of +4, compared with +3 in May. Twenty-four per cent of small practices anticipate an increase in workloads, 20% expect a decrease, and 56% anticipate stability.

At +11, the outlook for **large and medium-sized practices** (11+ staff) remains optimistic but has softened compared with last month's figure of +30. Among large and medium practices, 22% expect workload growth, 11% contraction, and 67% steady workloads.

The regional picture remains broadly positive this month, although the capital has fallen back into negative territory.

London has spent the last six months alternating between a mildly optimistic and a mildly pessimistic outlook; this continues as the capital falls back into negative territory, with a -3 Workload Index figure in June, compared with +2 in May.

The outlook for Wales and the West has fallen from +2 to zero, indicating an expectation of steady, rather than growing, workloads to come.

The outlook for the North of England (+15) and the South of England (+2) remains positive but has softened,

The outlook for Midlands & East Anglia continues to improve as the region returns to positive territory with a +10 balance.

The Private Housing and Commercial sectors, which account for the majority of practice work, have an improved outlook this month. The Community sector outlook fell slightly, however.

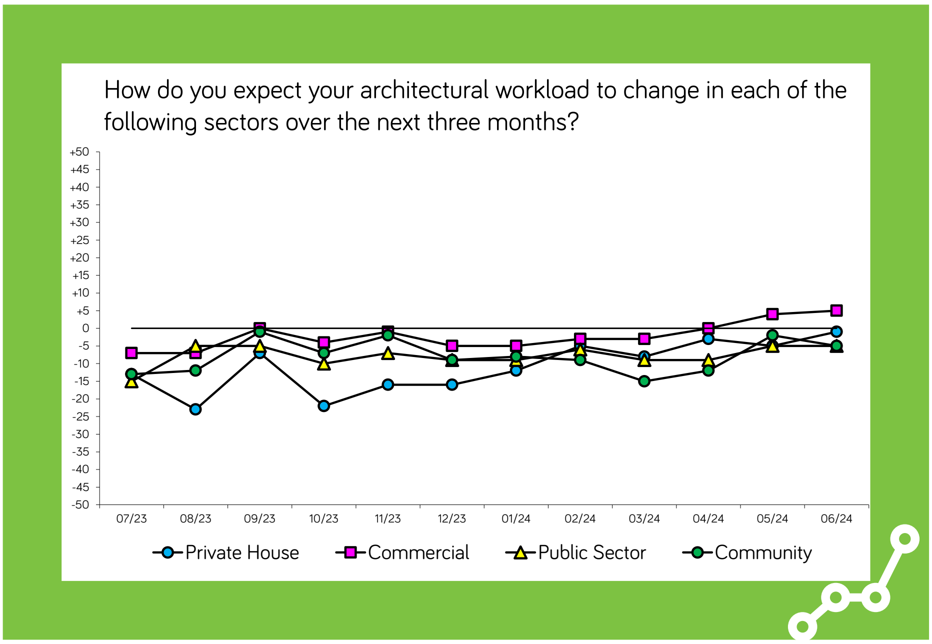
The **commercial sector** has slightly strengthened in June, posting a +5 balance in June, up from +4 in May. London and the North of England are the most optimistic regions for future commercial work.

While remaining negative, the outlook for **private housing** has also strengthened in June, with a -1 balance, compared to -5 in May. Twenty-one per cent of practices expect Private Housing workloads to decrease, while 21% expect an increase.

The outlook for the **public sector** held steady in June, with a -5 balance figure this month, the same as last.

The outlook for the **community sector** fell this month, with a Workload Index figure of -5, compared with -2 last month.

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



RIBA Future Trends Staffing Index
(June 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	7
Stay the same	80
Increase	13
TOTAL	100
Balance	6

(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 +6 balance figure in June, a six-point increase on May, and the highest balance figure since the first half of 2022.

The positive figure suggests the outlook for permanent staffing levels is improving and that an increasing number of practices may be preparing for long-term growth.

Thirteen per cent of practices anticipate an increase in permanent staff in the coming three months, with 7% expecting a reduction. The majority, 80%, expect no change in their permanent staffing levels.

All practice sizes anticipate an increase, on balance, in permanent staffing levels, although this is more common among medium and large practices.

London (Staffing Index: +5), Wales & the West (+11), the South of England (+7) and the North of England (+3) all expect increased permanent staff levels in the coming three months.

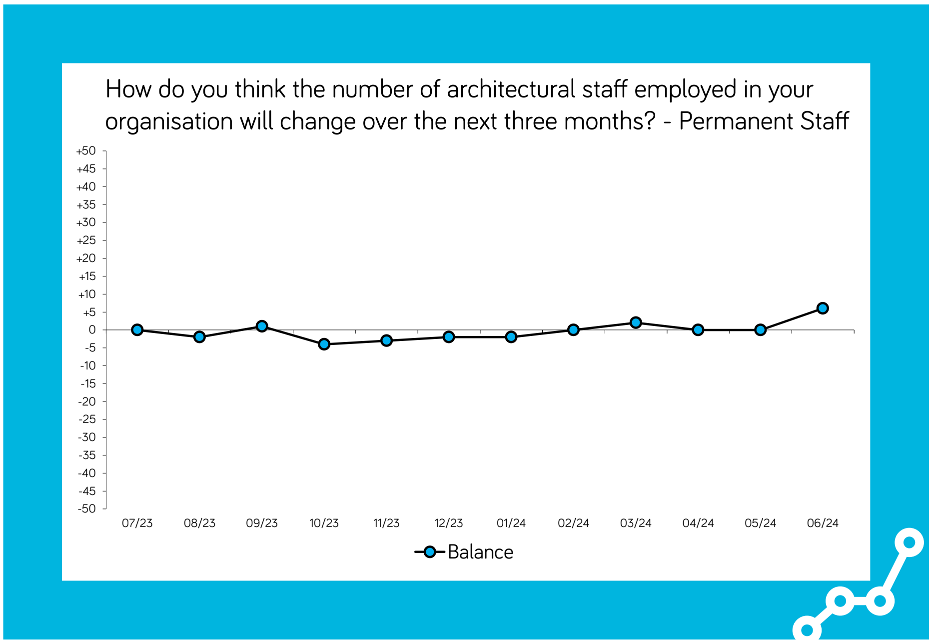
The Staffing Index is zero in the Midlands & East Anglia, where practices are as likely to reduce staff numbers as increase them.

Perhaps as recruitment moves towards permanent staff, the Temporary Staffing Index fell from a +2 balance in May to -1 in June.

Levels of personal underemployment have risen slightly this month, as 25% of respondents report a lack of work leading to personal under-employment over the last month. This compares with 23% in May.

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
(June 2024)

June sees a +4 Workload Index; the improved outlook is holding.

Coming on the heels of the negative outlook that characterised the second half of 2023 through to the start of 2024, architects have now had an overall positive outlook for three consecutive months.

The sectoral picture is improving too, with the Commercial sector posting its second positive month and the outlook for Private Housing getting better.

Nevertheless, the recovery we have seen so far remains tentative; while improving, the architect's market is not seeing a *resurgence* of confidence. Significant numbers of practices remain pessimistic about the future outlook.

Because the data was collected in June, we are yet to see what effect, if any, Labour's widely anticipated general election victory has had on architects' sentiment.

The commentary received in June indicates an improving market for some but a mixed picture overall.

Practices note that the general election, while bringing a sense of change, also brought a level of uncertainty to the market.

The planning system, and its failure to adequately allow project progression, continues to frustrate the timely delivery of needed buildings and dampens architects' workload. However, a small number of practices are noting an improvement in application progression.

While some practices note a decline in new enquiries and downward pressure on public sector work, others report a growing order book, a strengthening market, and steadying Private Housing workloads.

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 229 practices took part in the Survey in June 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.