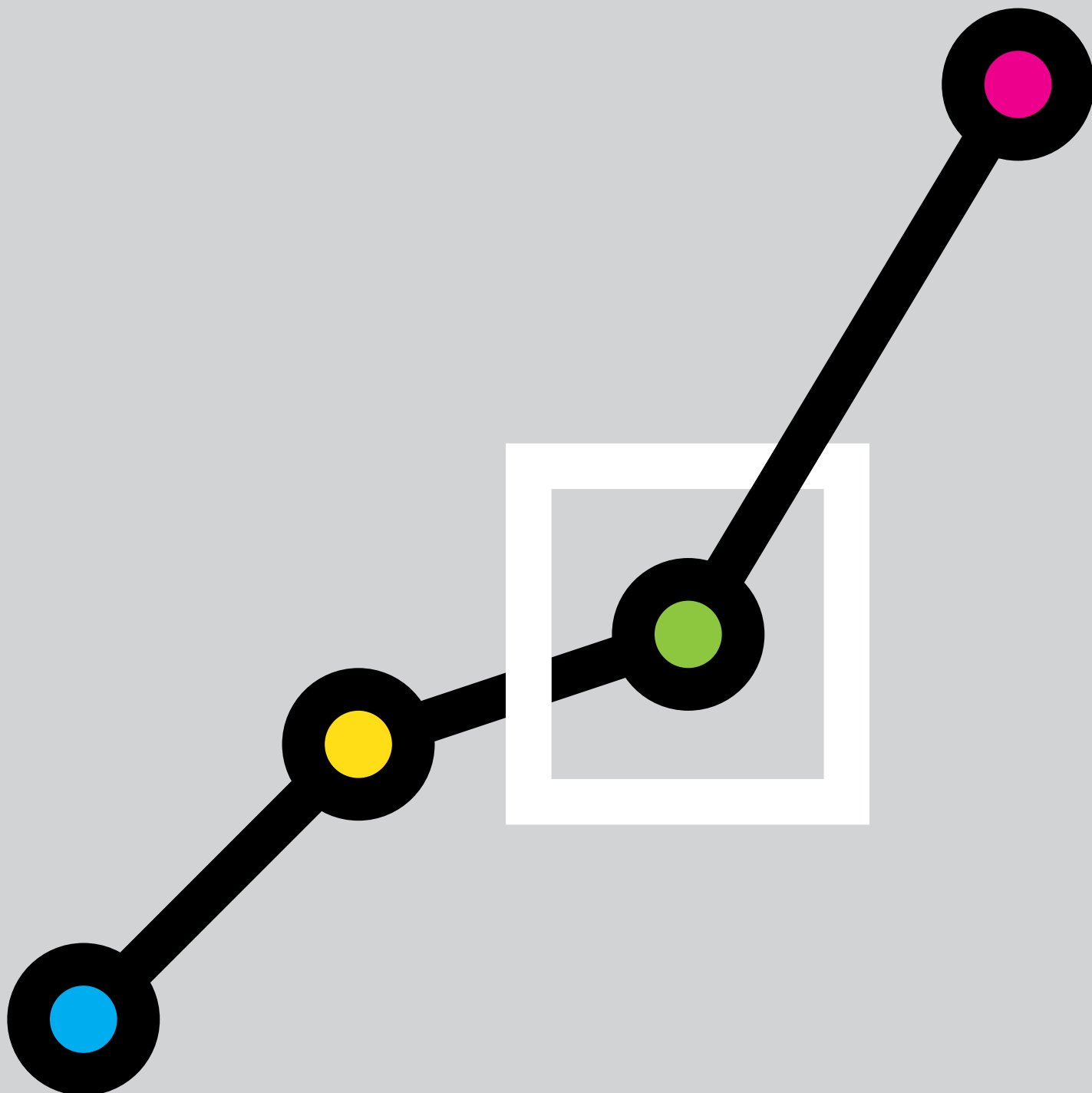


Future Trends Survey:

June 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 June 2023 survey returns.

RIBA Future Trends Workload Index (June 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	21
Stay the same	56
Increase	23
TOTAL	100
Balance	+1*

(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.

June sees a further dip in architects' confidence, although the overall outlook remains marginally positive. The RIBA Future Trends Workload Index stands at +1, a slight decrease when compared to May.

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

As seen in previous months, the outlook for future work varies by practice size. Medium and Large practices (11+ staff) maintain an optimistic outlook with a combined Index figure of +23. In contrast, Small practices (1 - 10 staff) have returned a negative index figure for the second consecutive month, with a workload index of -3.

Notably, the Housing Sector has experienced a significant decline, reflecting concerns over interest rate rises and the weak UK economy. In contrast, the Commercial Sector shows a positive and improved outlook.

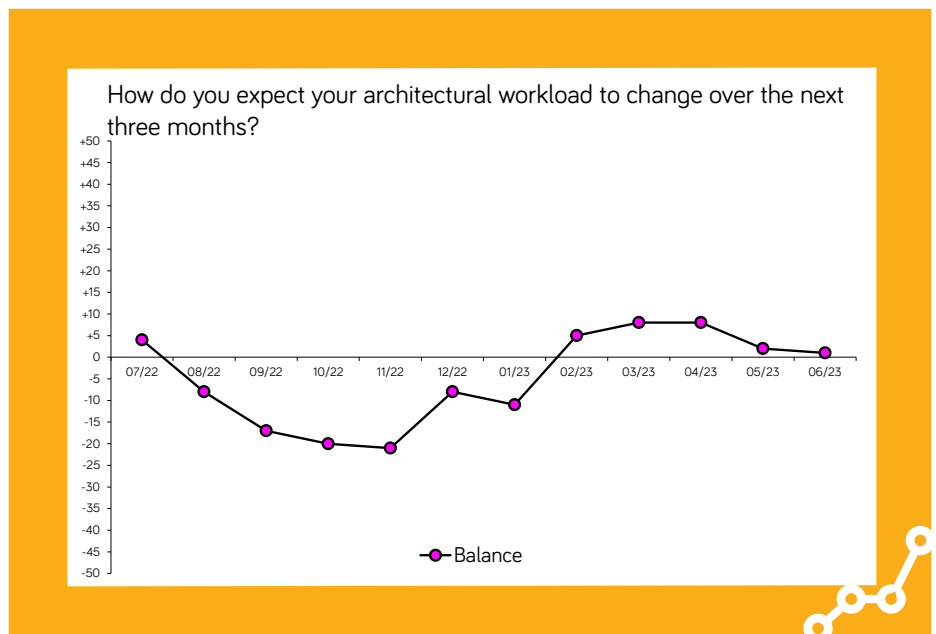
Overall, the regional situation has worsened, with most regions experiencing a further decline in confidence, and only two regions reporting a positive future view.

Current workloads remain lower than a year ago, with practices reporting an average 8% annual decrease in workloads.

Eighteen per cent of respondents report personal underemployment this month, which is a two per cent decrease from the previous month.

Reflecting the reduced optimism about future work, the RIBA Staffing Index, has entered negative territory for the first time this year, at -1.

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



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

Small practices (1 - 10 staff) have experienced a further decline in their outlook this month, with a Workload Index figure of -3, a decrease of 2 points from May's figure of -1. Twenty-three per cent of small practices anticipate a decrease in workloads over the next three months, while twenty-one per cent expect an increase. The majority, 56%, anticipate stable workloads.

In contrast, **Large and medium-sized practices** (11+ staff) maintain a positive outlook, with a combined Workload Index of +23, representing a seven-point increase from the previous month's figure of +16. Thirty-eight per cent of medium and large practices expect their workloads to grow, while 15% anticipate a decline.

Overall the regional picture remains mixed but is showing signs of weakening. As often seen in previous months, the North of England and Wales & the West have the strongest outlooks.

The outlook in London has held steady but negative this month, returning the same -3 Workload Index figure.

In June, the South of England also returned the same Workload Index figure as last month, -4.

After briefly entering positive territory in the previous month, the Midlands & East Anglia reverts to negative territory in June, returning a Workload Index figure of -13. This represents a marked decrease (of 19 points) when compared to May's figure of +6.

The North of England (+19) and Wales & the West (+6) continue to show positive outlooks, with the North experiencing a notable increase in confidence, rising by 13 balance points.

Three of the four monitored sectors have returned a negative Workload Index figure this month.

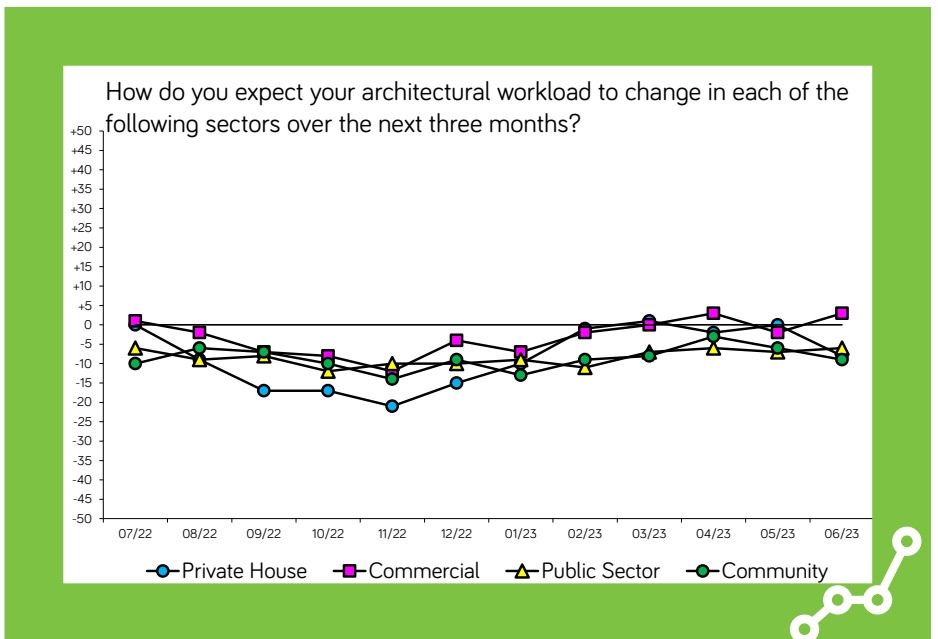
Amidst rising interest rates and declining house prices, the **private housing sector** has fallen eight balance points, returning to negative territory with a balance score of -8, compared to zero in May.

In contrast, workload expectations in the **commercial sector** are on the rise. After returning a negative figure last month (-2), the sector's outlook has turned positive, with a balance score of +3, a five-point increase.

The outlook for the **public sector** remains weak, with a Workload Index figure of -6 in June.

The **community sector** has experienced a further decline, with a balance score of -9 in June, a decrease of 3 balance points when compared to May.

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



RIBA Future Trends Staffing Index
(June 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	13
Stay the same	76
Increase	11
TOTAL	100
Balance	-1

(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.)

As confidence in future workloads softens, the **RIBA Future Trends Permanent Staffing Index** has entered negative territory this month, recording a -1 balance figure, a five-point decrease compared to May's +4.

Thirteen per cent of practices anticipate employing fewer permanent staff over the next three months, while 11 per cent expect to employ more. The majority, 76 per cent, foresee no change in the number of permanent staff.

Medium and large-size practices (11+ staff), where most architects are employed, continue to anticipate increases in permanent staff levels, with a combined Staffing Index figure of +11. In contrast, small practices (1 - 10 staff) expect a decline in staffing levels, with a Staffing Index figure of -3.

The employment outlook in London has deteriorated, with a Staffing Index figure of -7, marking a fourteen-point decline from +7 in May. This is the lowest staffing index figure for the capital this year.

Practices in Wales & The West maintain an expectation of staff recruitment, posting a +4 Staffing Index figure.

In the North of England, the staffing outlook has significantly improved this month, with a +14 Index figure, compared to zero in May.

In line with increased pessimism about coming workloads, the Staffing Index for the Midlands & East Anglia has fallen to -13.

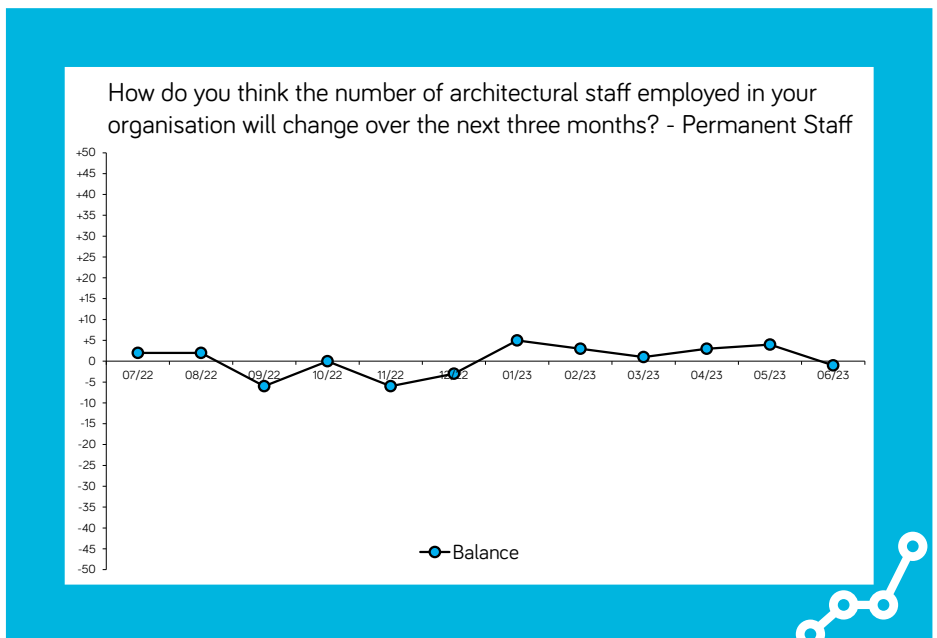
The South of England returned the same -2 Staffing Index figure in June as in May.

The **Temporary Staffing Index** fell to -2 in June, suggesting falling temporary staffing levels in the coming three months.

Levels of **personal underemployment** have slightly decreased, with 18% reporting personal underemployment in the past 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 (June 2023)

June's RIBA Future Trends Workload Index figure of +1 shows a profession that remains positive about future workloads but by the slimmest of margins. While medium and large practices are still positive about future work, smaller practices are increasingly pessimistic.

In the context of a weak general economy, the effects of rising interest rates are starting to be felt. The housing sector (especially important to smaller practices) is coming under increasing pressure, with affordable financing increasingly difficult to obtain.

A fuller analysis of the current and future economic climate is available to RIBA members in the [RIBA Quarterly Economic Report](#).

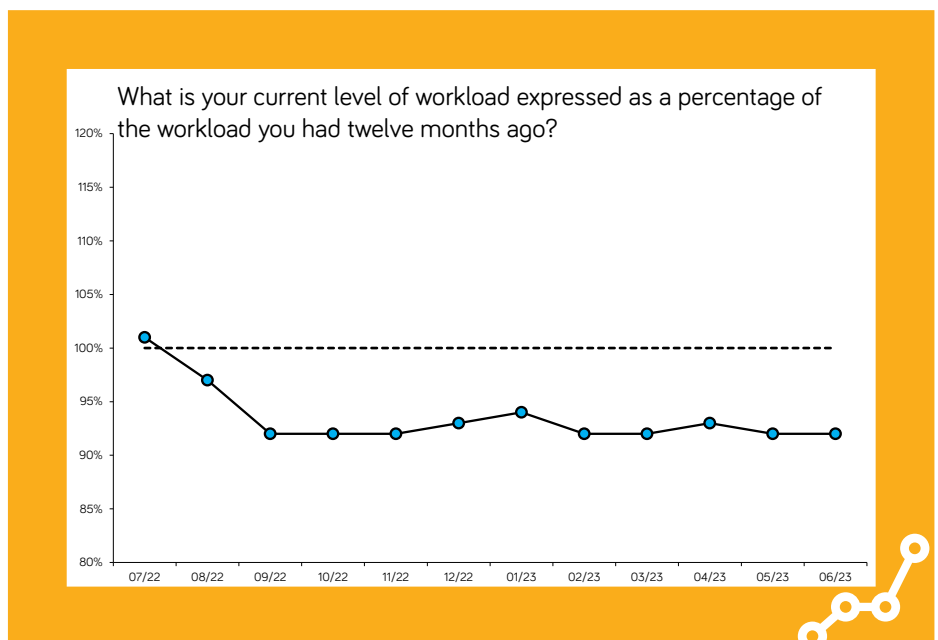
Overall, commentary received from practices suggests that the market is deteriorating. Interest rates rises are making projects less affordable. Some domestic clients are reported to be reducing project scope to reduce costs.

Project delays continue, as planning delays, obtaining finance, and client/contractor hesitancy impedes progress. The RIBA is also receiving reports of projects that have commenced being put on hold or cancelled due to financing issues.

As the market tightens, some practices report competition by fee reduction, and lesser-qualified, non-architects competing for work.

It is important to stress that the view from practice is not uniformly bleak, however. A number of practices continue to report a steady pipeline of serious enquiries, with some having full order books to 2024. Whether private or commercial, asset-rich clients or those with financing already in place, are still able to commission high value projects.

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 272 practices took part in the Survey in June 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.