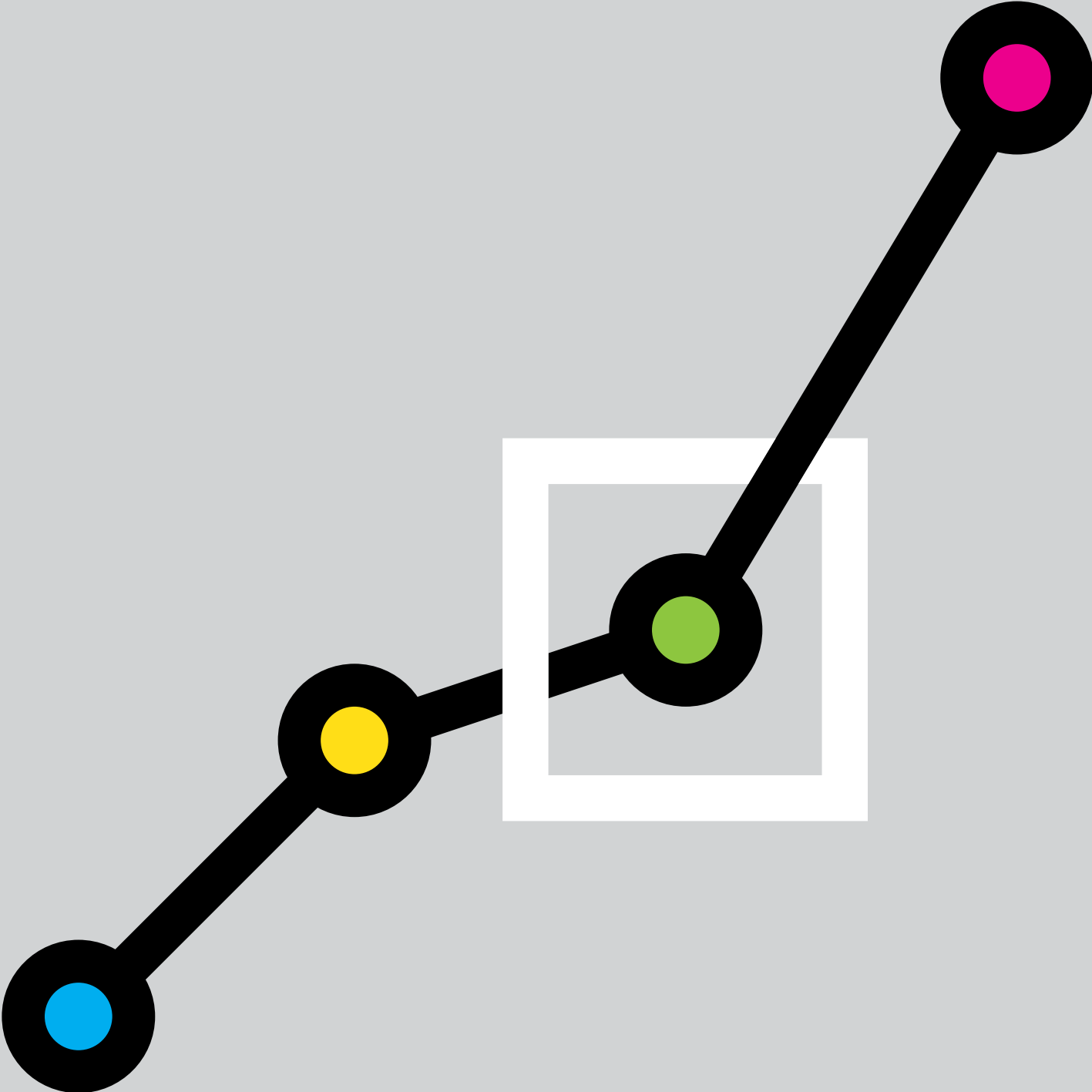


Future Trends Survey:

March 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 March 2024 survey returns.

RIBA Future Trends Workload Index (March 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	24
Stay the same	52
Increase	24
TOTAL	100
Balance	0

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

In March, the RIBA Future Trends Workload Index stood at zero, a three-point improvement on February's balance figure of -3. A zero balance indicates an overall expectation among architects of steady workloads; neither growth nor decline.

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

March's zero 'no change' Workload Index balance comes after a record eight consecutive months of the Index being negative.

While the picture remains mixed, the early signs of returning confidence are welcome.

Smaller practices continue to be pessimistic about their pipeline of work, but the levels of pessimism are falling. Medium and large practices continue to anticipate increasing workloads.

Despite the overall improvement in outlook, all monitored work sectors remain negative, and three of the four sectors have seen a deterioration in outlook. The regional picture remains mixed.

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

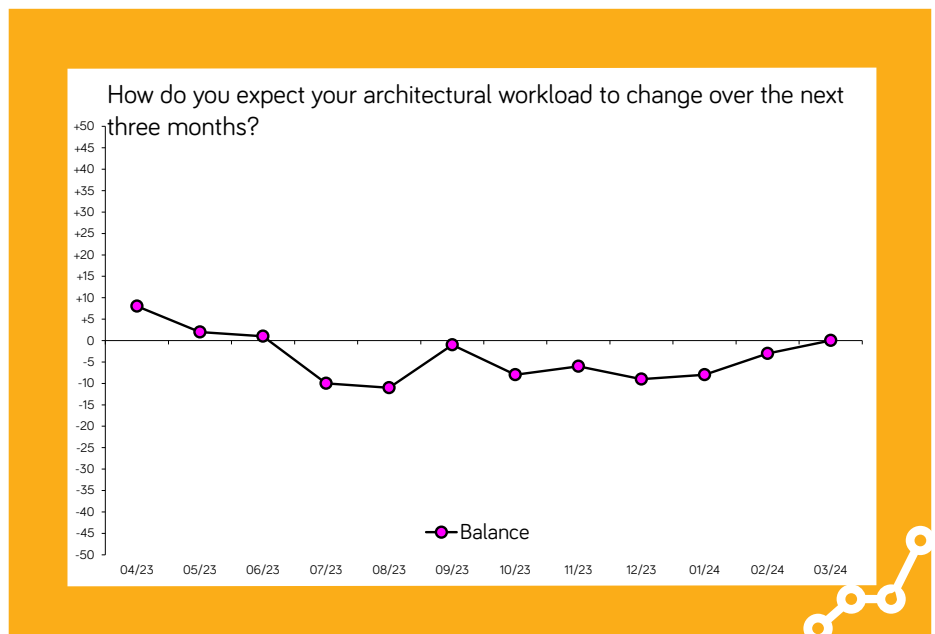
In March, 20% of architects reported personal underemployment, 9% fewer than in January.

At +2, the RIBA Staffing Index indicates practices expect to see staffing levels rise.

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

In March, **small practices** (1 - 10 staff) again saw an improvement in outlook, with their Workload Index rising to -2, up from -5 in February. Looking ahead to the next three months, 24% of small practices anticipate a decrease in workloads, 22% expect an increase, and the majority (53%) anticipate stable workloads.

At +14, the outlook for **large and medium-sized practices** (11+ staff), remains optimistic and continues to improve. Among large and medium practices, 36% expect workload growth, 22% contraction, and 42% foresee steady workloads.

The regional picture is again mixed, with the outlook improving in some regions but deteriorating in others.

After a dip in confidence last month, the capital has returned to positive territory, returning a +1 Workload Index score in March, up from -2 in February.

At +14, the North of England reports a strong and improving outlook with a one-point improvement from last month.

While remaining negative, the outlook for Wales and the West has improved this month, with an Index figure of -2 up 14 points from last month's -16.

The outlook for the Midlands & East Anglia has deteriorated, with a -3 balance figure this month, compared to February's +2. The outlook in the South of England has also fallen, returning a -12 balance compared to zero last month.

While the overall outlook has improved this month, the sectorial view is less optimistic, with three of the four sectors falling.

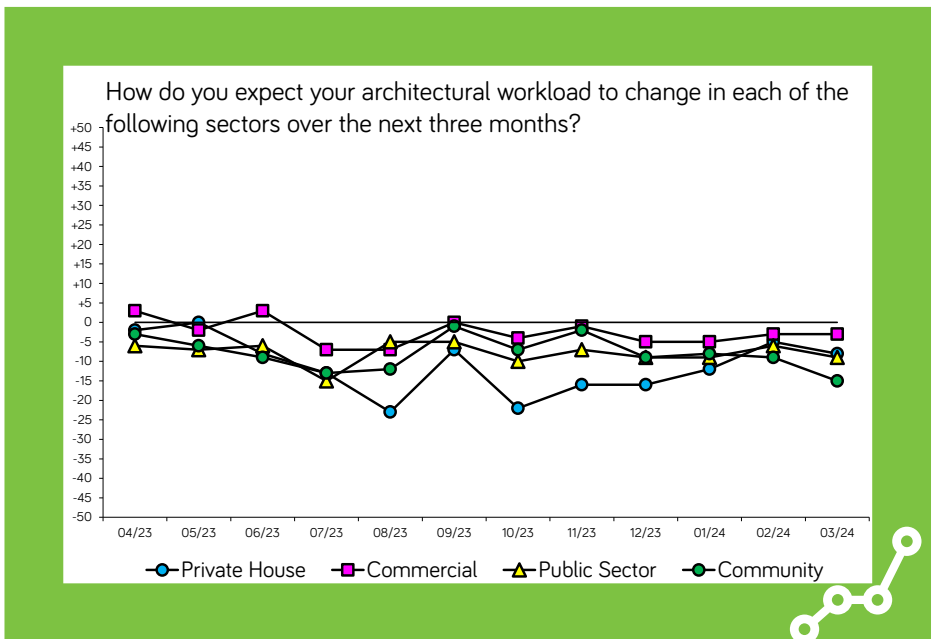
The outlook for **private housing**, having rallied for three months, has fallen back slightly this month, returning a -8 Workload Index, compared to -5 last month. Twenty-four per cent of practices expect a decrease in Private Housing workloads, while only 16% anticipate an improvement.

At -3, the **commercial sector's** outlook has held steady this month.

The **public sector** has also seen a deterioration in outlook, with a -9 balance figure, up from -6 in February.

With a balance figure of -15, the outlook for the **community sector** has fallen further into negative territory, down 6 points from last month.

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



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

For the first time since September 2023, the **RIBA Future Trends Permanent Staffing Index** is positive this month, with a Permanent Staffing Index of +2. Overall, more practices intend to increase staff numbers than reduce them.

Eight per cent of practices anticipate a reduction in permanent staff over the next three months, while 10% predict an increase. The majority, 83%, expect no change in their permanent staffing levels.

Small practices (1 - 10 staff) have become positive about staffing levels this month, with a Staffing Index figure of +2 in March, up from -3 in February, a five-point improvement.

Medium and large-sized practices (11+ staff), are also positive, with a staffing index of +6, although this is lower than last month's figure of +21.

The regional staffing outlook has improved across most, but not all, regions.

The North of England (Staffing Index +7), the South of England (+5), and Wales & the West (+2) all have a positive outlook for future permanent staff levels.

London and Midlands & East Anglia have both returned a zero Staffing Index, indicating steady staffing levels in the coming three months.

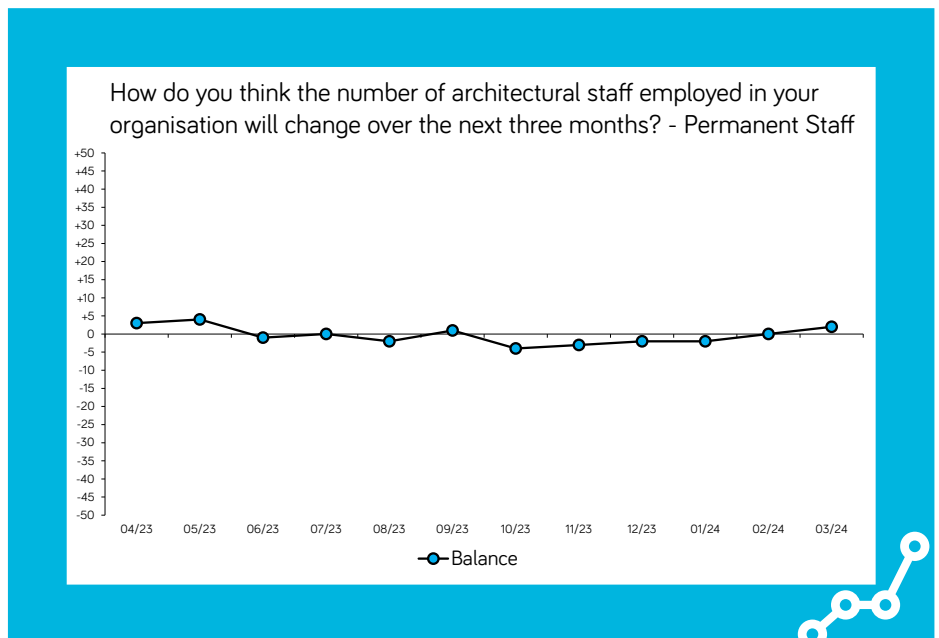
The **Temporary Staffing Index** remains negative but rose slightly this month, posting a balance of -3, compared with -6 in February.

Levels of **personal underemployment** have fallen with 21% of architects reporting personal underemployment in the past month, six percentage points fewer than last month. Underemployment is most pronounced in the South of England and Midlands & East Anglia and least pronounced in the North of England and London.

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 (March 2024)

The RIBA Future Trends Workload Index has risen out of negative territory for the first time since July 2023 this month, so ending the longest run of pessimism about future architectural workloads since the RIBA Future Trends survey began in 2009.

With a zero balance this month, the latest Future Trends data does not show a resurgence of confidence, but rather a stabilisation of outlook.

Architects continue to convey the difficulties of viably practising in the current economic environment, and the fragility of the improved outlook. Nevertheless, this month's improvement is to be welcomed.

With inflationary pressures easing, economic growth returning (albeit weakly), and the increasing likelihood of interest rates falling in the medium term, the economic context shows early signs of improvement.

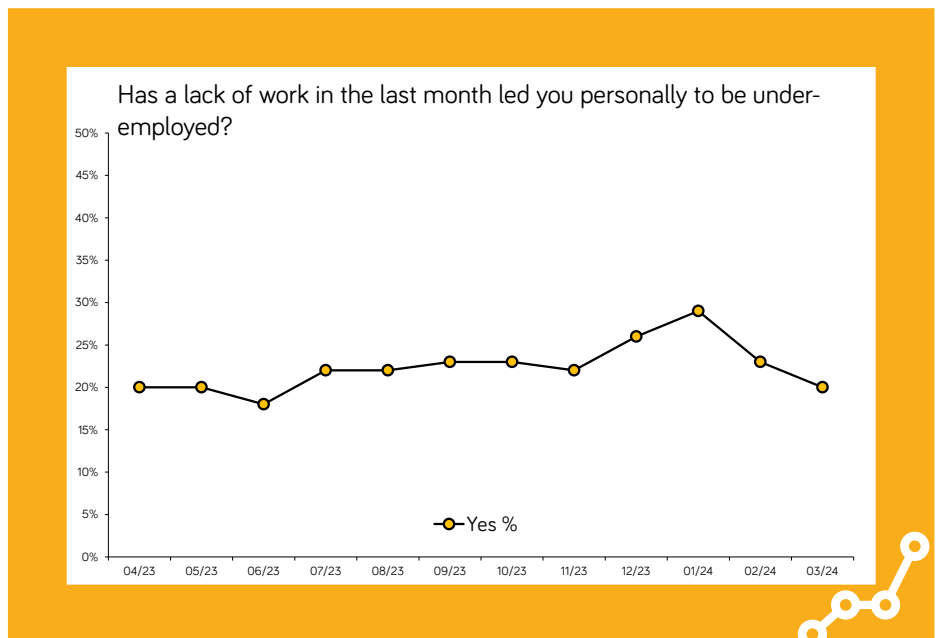
Commentary from practices this month reflects a mixed view of the market.

RIBA continues to hear from practices that raised interest rates and increased costs are deterring clients (small and large) from commissioning projects, that the planning process is severely impeding project progress, that regulatory changes are creating uncertainty, and that competition from within and outside the profession is bearing down on practice income.

Practices also report that projects are increasingly being phased to match more cautious, phased financing. This can make practice cash flow less predictable and delay the receipt of project payments.

On the positive side, practices are reporting increased enquiries and commissions, the potential for gaining overseas work, increasing opportunities to improve the carbon performance of existing buildings, and the ability to maintain fee levels.

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 242 practices took part in the Survey in March 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.