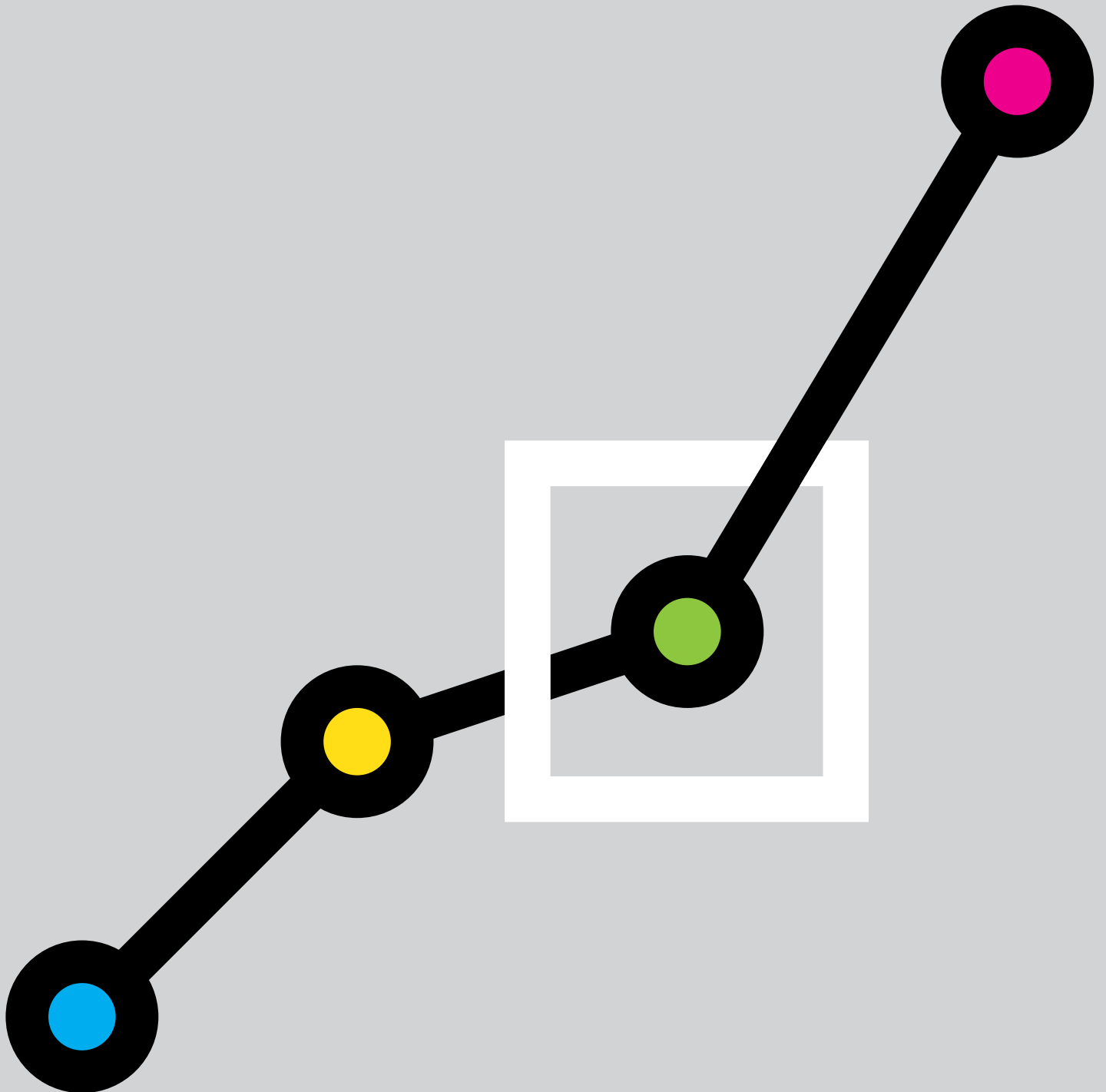


Future Trends Survey:

May 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 May 2023 survey returns.

RIBA Future Trends Workload Index (May 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	22
Stay the same	55
Increase	23
TOTAL	100
Balance	+2*

(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.*

While architects remain positive about future work, May has seen a dip in the RIBA Future Trends Workload Index, with a fall of 6 points when compared to April, to return an overall figure of +2.

Twenty-three per cent of practices expect workloads to increase in the coming three months, compared to twenty-two per cent who expect coming workloads to fall. Fifty-five per cent of practices expect workloads to hold steady. The profession is optimistic, but only just.

The outlook varies by practice size. Medium and Large practices (11+ staff) remain firmly optimistic, with both expecting expanding workloads over the coming months. Small practices, however, have slipped back into negative territory this month, with a workload index of -1.

The outlook for three of the four monitored work sectors has fallen, with the Commercial, Public and Community sectors all posting a negative balance. The outlook for the Housing sector has improved slightly.

Broadly, the regional picture has deteriorated with all but one region recording a drop in confidence. Nevertheless, more regions are optimistic than pessimistic about future work.

Current workloads remain down on a year ago, with practices reporting an average 8% decrease in workload levels since a year ago.

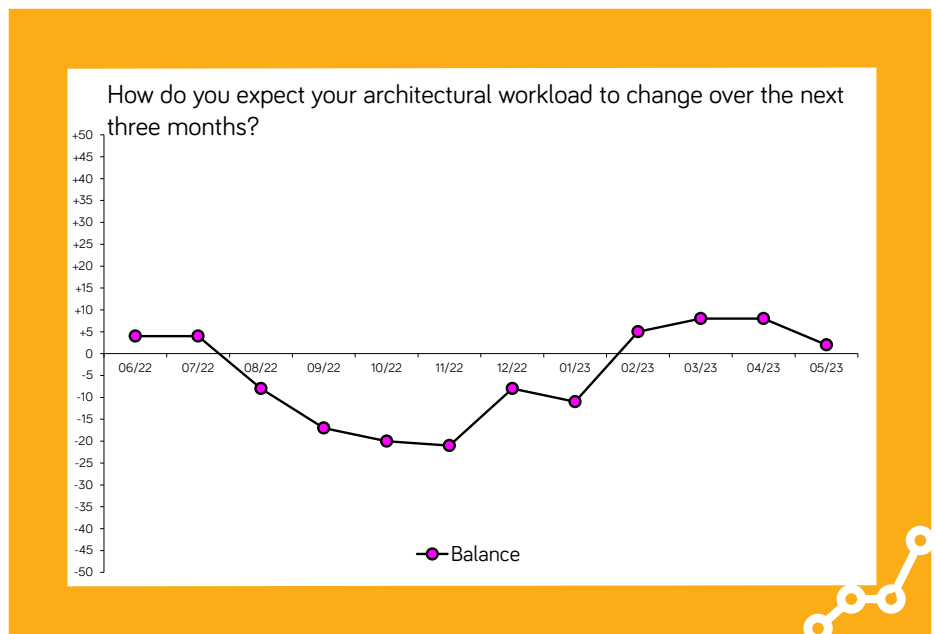
Twenty per cent of respondents report personal underemployment this month, the same proportion as last month.

Despite the moderating levels of optimism, the RIBA Staffing Index remains positive and improving, at +4.

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 May 2023 RIBA Future Trends Workload Index in terms of practice size, region and sector:

The outlook among **small practices** (1 - 10 staff) has reverted to negative territory this month, with an Index figure of -1, a fall of 5 points from last month's figure of +4. Twenty-four per cent of small practices expect their workloads to fall in the coming three months, while twenty-two per cent expect them to rise. The majority, 54%, expect workloads to hold steady.

Large and medium-sized practices (11+ staff) retain a positive outlook, with a combined workload Index of +16, albeit down from last month's figure of +29. Twenty-eight per cent of medium and large practices expect growing workloads, while 12% expect workloads to fall.

The regional picture remains mixed this month but is weakening overall.

The outlook in London has fallen further this month, entering negative territory with a Workload Index figure of -3, down 6 points from April's +3 figure.

The South of England remains pessimistic, returning a balance score of -4, a fall of two points from last month.

The Midlands & East Anglia is the only region to report an improved outlook in May, returning a positive Workload Index figure of +6, up from April's figure of -5.

The North of England (+5) and Wales & the West (+7) continue to return positive outlooks, however, both show a marked fall in confidence when compared to last month, down 23 and 10 balance points respectively.

The monitored work sectors have, overall, weakened this month, with three of the four showing falling confidence.

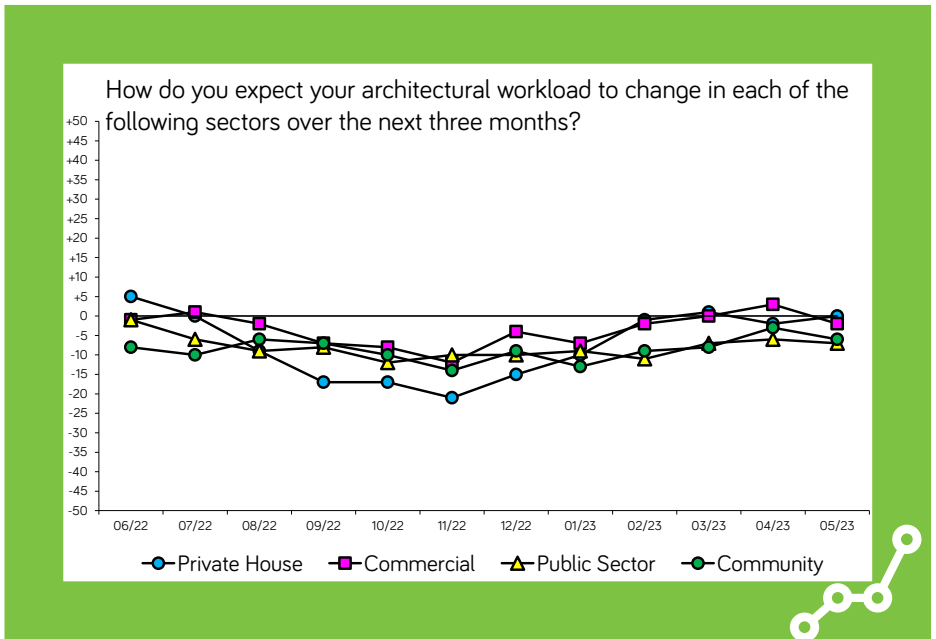
The **private housing sector** is the exception, rising from negative territory in April (-2) to post a zero balance in May.

After a return to optimism last month, the outlook for the **commercial sector** has reverted to a pessimism with a Workload Index figure of -2, compared to +3 in April, a five-point fall.

The outlook for the **public sector** remains muted, with an Index figure of -7 in May, down one point from last month.

The outlook for the **community sector** has also slipped back, with a balance score of -6 in May, a decrease of 3 balance points when compared with April.

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



RIBA Future Trends Staffing Index
(May 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	8
Stay the same	80
Increase	12
TOTAL	100
Balance	+4

(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 remains positive this month with a +4 balance figure, a one-point increase compared to April's +3. Even though the proportion of practices expecting workloads to grow is falling, staffing levels are anticipated to increase.

Eight per cent of practices expect to employ fewer permanent staff over the coming three months and 11 per cent expect to employ more. Eighty-one per cent expect the number of permanent staff to stay the same.

Medium and large-size practices (11+ staff) continue to expect an increase in permanent staff, with a combined Staffing Index figure of +23. Small (1 - 10 staff) practices, however, anticipate staffing levels to hold steady, with a Staffing Index figure remaining at 0.

While most practices expect staffing levels to hold steady, a third of medium and large practices expect permanent staff numbers to increase.

The following graph plots the RIBA Future Trends Staffing Index over time:

The employment outlook in London has improved marginally, with a Staffing Index figure of +7 in May, up from +4 in April.

Practices in Wales & The West continue to show an expectation of staff recruitment, posting a +5 Staffing Index figure.

The North of England returned a zero staffing Index this month, suggesting steady future staffing levels.

In line with a more optimistic view about coming workloads, the Staffing Index for the Midlands & East Anglia returned to positive territory this month, at +7.

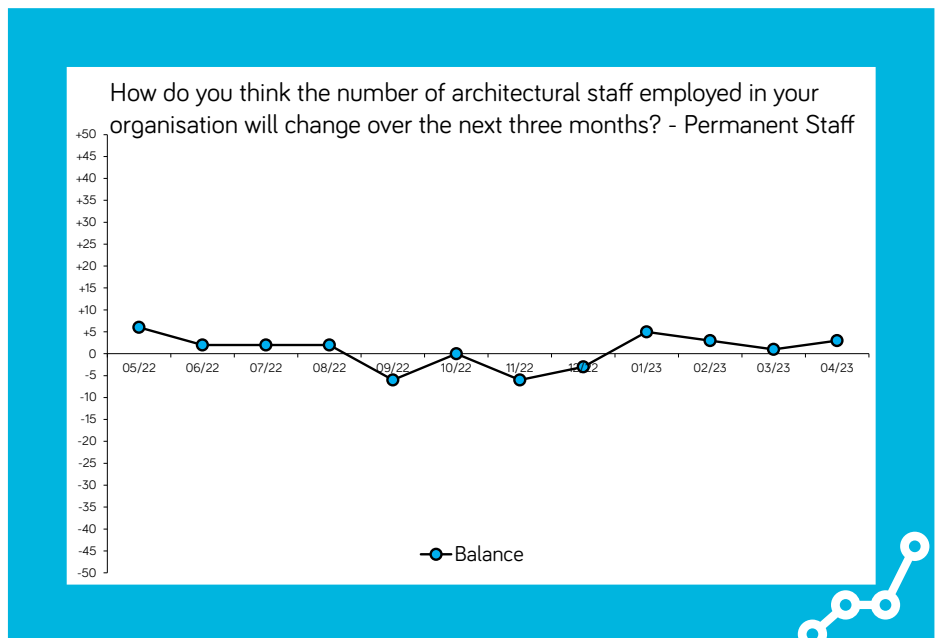
The South of England returned a negative Staffing Index figure in May with a -2 balance, down four points from last month.

The Temporary Staffing Index remained unchanged at zero in May, suggesting stable temporary staffing levels in the coming three months.

Levels of personal underemployment also remained unchanged, with 20%, reporting personal underemployment in the last month.

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 (May 2023)

May's RIBA Future Trends Workload Index figure of +2 shows a profession that is, on balance, positive about Future Workloads. It's been four months of optimism. However, this month's optimistic outlook feels fragile as economic challenges gather again.

Commentary received from practices suggests that successive interest rate increases are affecting projects. Practices report clients facing difficulty securing project funding, due to increased finance costs. Delays in payment of architects' fees are reported to be on the rise.

Planning remains top of many practices' concerns, with viable, needed projects indefinitely stuck in the planning process.

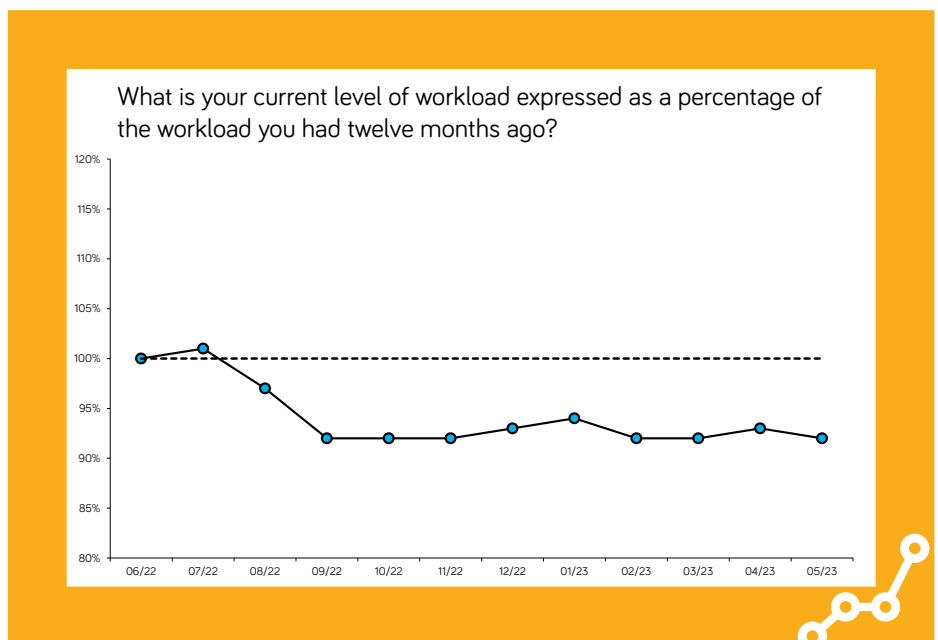
Practices also report a general economic weakness making clients cautious.

Reported workloads remain down from a year ago.

On a brighter note, after months of very high inflation for the construction sector, the latest ONS data suggest construction output inflation, whilst still high at 8.5% (March 2023), is falling from its peak of 10.4% in June 2022.

Whilst there are challenges, some practices continue to report a strengthening market, with reports of high levels of potential work, increased enquires, full order books, and a notable pick up compared to the start of the year.

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 261 practices took part in the Survey in May 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.