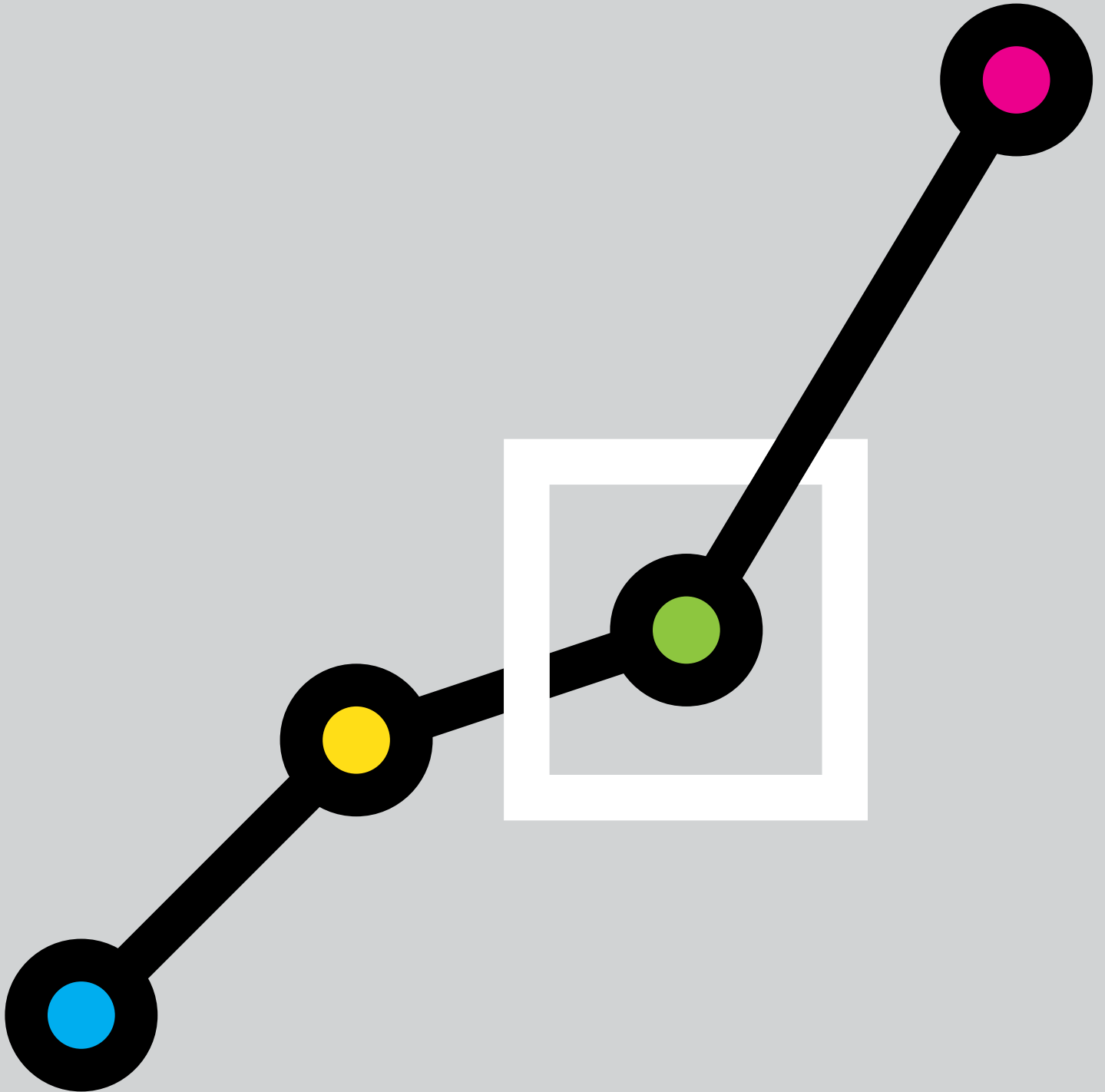


Future Trends Survey:

October 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 October 2023 survey returns.

RIBA Future Trends Workload Index (October 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 | 28 |
| Stay the same | 51 |
| Increase | 21 |
| TOTAL | 100 |
| Balance | -8* |

(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.

At -8, the October RIBA Future Trends Workload Index is negative for the fourth successive month. A negative balance indicates an overall expectation of falling workloads among architects.

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

After September's partial recovery, this month's Index figure has seen a seven-point month-on-month decline. Again, this falling confidence reflects high levels of pessimism about the outlook for the housing sector.

All monitored workload sectors have seen a deterioration in outlook, with all posting a negative Workload Index.

The regional picture has deteriorated across the country, with all but one region showing lowered expectations for future work, and all but one returning a negative Workload Index.

Current workloads remain lower than a year ago, with a reported overall 10% year-on-year decrease.

Twenty-three per cent of architects reported personal underemployment in October, the same as last month.

At -4, the RIBA Staffing Index has fallen 5 points and into negative territory, with more practices now expecting permanent staffing levels to decrease rather than increase.

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



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

The outlook of **Small practices** (1 - 10 staff) deteriorated in October, with a Workload Index of -9 compared to -4 in September. October is the sixth successive month in which small practices have had a negative outlook. Twenty-nine per cent of small practices anticipate falling workloads over the next three months, while 20% expect an increase. The majority, 51%, anticipate stable workloads.

The outlook for **Large and medium-sized practices** (11+ staff) has remained positive, but this month sees a marked deterioration in outlook. October sees a combined Workload Index of +2. Still positive but a 15-point fall on September's figure of +17. Twenty-five per cent of medium and large practices expect their workloads to grow, 23% anticipate a reduction, and 51% expect workloads to hold steady.

Overall, the regions are more pessimistic this month, with only the North of England maintaining a positive outlook.

In the last 12 months, London's outlook has been fluctuating between optimism and pessimism, and this pattern continues in October. After moving to a positive Workload Index (+6) in September, the capital has slipped back into negative territory, posting a Workload Index of -3 in October, indicating an overall expectation of falling workloads to come.

The North remains positive, but optimism has fallen, returning a balance figure of +9 this month, up from +31 in September.

The remaining regions remain pessimistic about future work.

Wales & the West has returned a Workload Index figure of -31, down from September's figure of -19. The outlook for the South of England has also worsened, from -6 to -8. The outlook in the Midlands & East Anglia has improved from -19 in September to -8 this month.

All four monitored sectors have returned a negative Workload Index figure this month, and the outlook for all four has deteriorated.

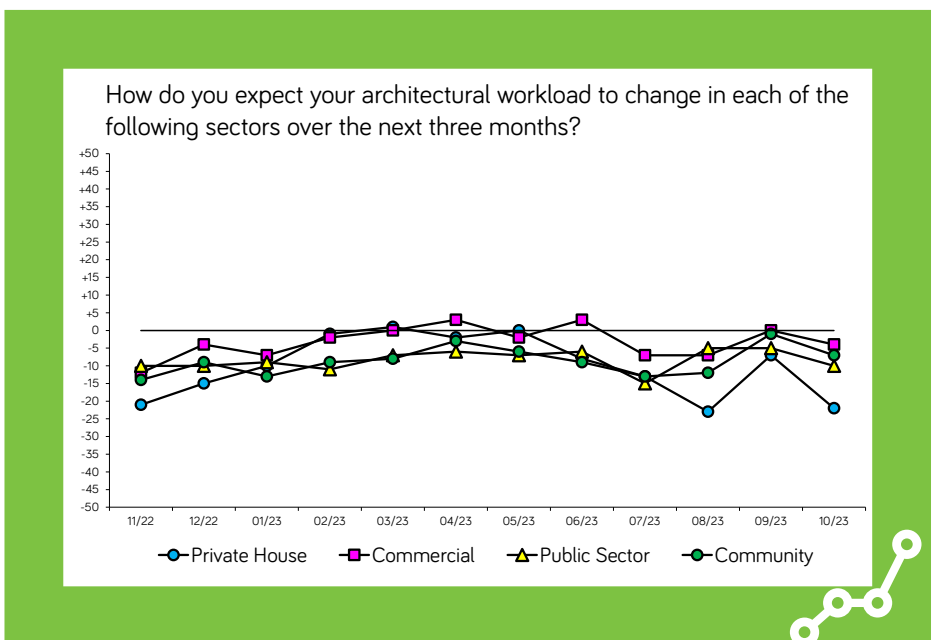
The outlook for the **private housing sector** has fallen from -7 in September to -22 this month. Thirty-six per cent of practices expect Private Housing workloads to fall in the coming three months. This Index figure is comparable to the -23 figure in August. Previously, lower figures have only been seen during the onset of the pandemic and at the time of the financial crisis.

The outlook for the **commercial sector** has also fallen this month, with a -4 Workload Index figure, up from zero last month.

The **public sector** has remained negative for 19 months now, with a -10 figure in October, down from -5 in September.

The **community sector** saw a fall in outlook this month, with a balance score of -7, down from -1 in September.

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



RIBA Future Trends Staffing Index
(October 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 | 12 |
| Stay the same | 81 |
| Increase | 8 |
| 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.)

At -4, the **RIBA Future Trends Permanent Staffing Index** has fallen into negative territory this month. On balance, practices anticipate employing fewer permanent staff over the next three months. In September, the staffing Index was +1.

Twelve per cent of practices anticipate employing fewer permanent staff over the next three months, while 8% expect to employ more. Eighty-one per cent anticipate no change in the number of permanent staff.

The staffing outlook among medium and large-size practices (11+ staff), has deteriorated markedly, with a combined Staffing Index figure of -2.

Small practices (1 - 10 staff) continue to expect a decline in staffing levels, with a Staffing Index figure of -4, in October a one-point fall compared to September.

Looking across the regions, all anticipate falling permanent staff levels.

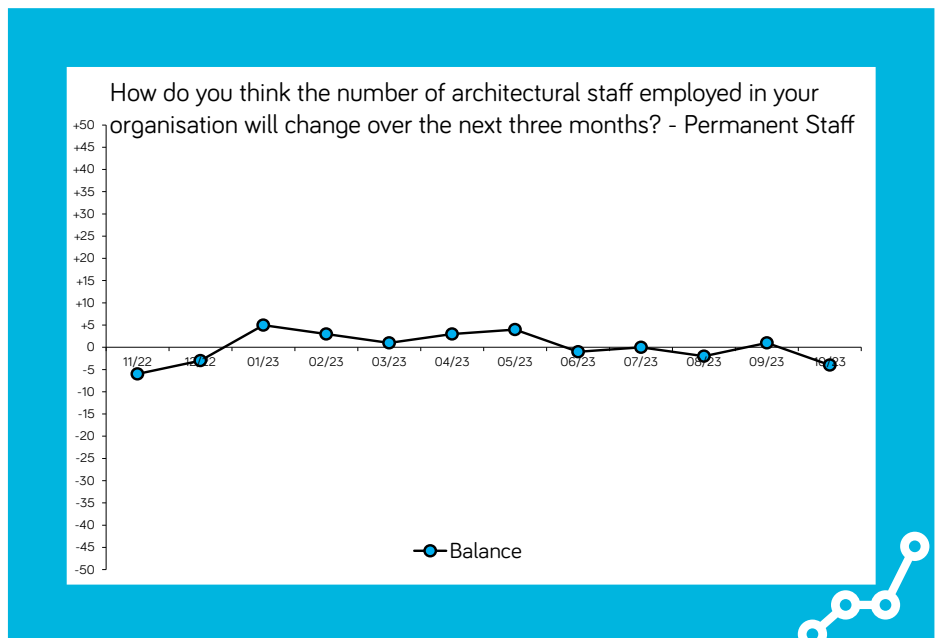
The North of England (-5), Wales & the West (-7), the South of England (-3), and London (+1) have all seen their staffing outlook fall into negative territory this month. The Midlands & East Anglia remain pessimistic, with a Staffing Index figure of -3.

The **Temporary Staffing Index** fell seven points in September to post a -6 Index figure, with 10% of practices expecting to employ fewer temporary staff, and 4% fewer. Eighty-five per cent expect to employ the same number of temporary staff.

Levels of **personal underemployment** held steady with 23% of architects reporting personal underemployment in the past month, the same proportion as 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.

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



RIBA Future Trends (October 2023)

After last month's partial recovery, October Future Trends shows a profession more downbeat about future workload prospects. The sharp downturn in the outlook for the Private Housing sector suggests the most important source of work for smaller practices is under intense downward pressure. It is not just housing, however; with elevated financing costs, and capital more difficult to obtain, practices expect workloads to fall in all sectors and across almost all the country.

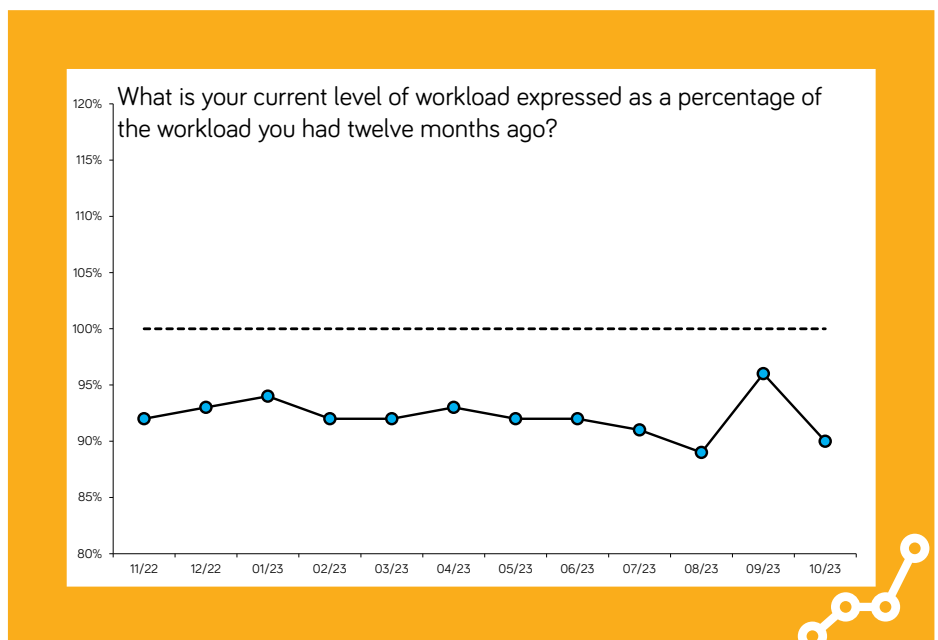
For the last twelve months, medium and large practices have been more optimistic than smaller practices. However, the 'optimism gap' may be shrinking; although still optimistic, medium and large practices are moderating their workload expectations.

The external pressures described in previous months continue to constrain workloads. These include: planning delays, a weak UK economy, client payment delays, financing uncertainty, and increased interest rates.

Commentary from practices this month also highlights project delays caused by clients and the industry adapting to regulatory changes, such as the requirement for a second staircase for buildings over 18 metres, and the implementation of the Building Safety Act.

Nevertheless, some practices continue to report demand for their services outstripping their practice capacity, with full pipelines of work, and healthy levels of new enquiries. Several practices report the quietness of the spring and summer beginning to lift, with an increase in new enquiries.

The following graph plots 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 253 practices took part in the Survey in October 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.