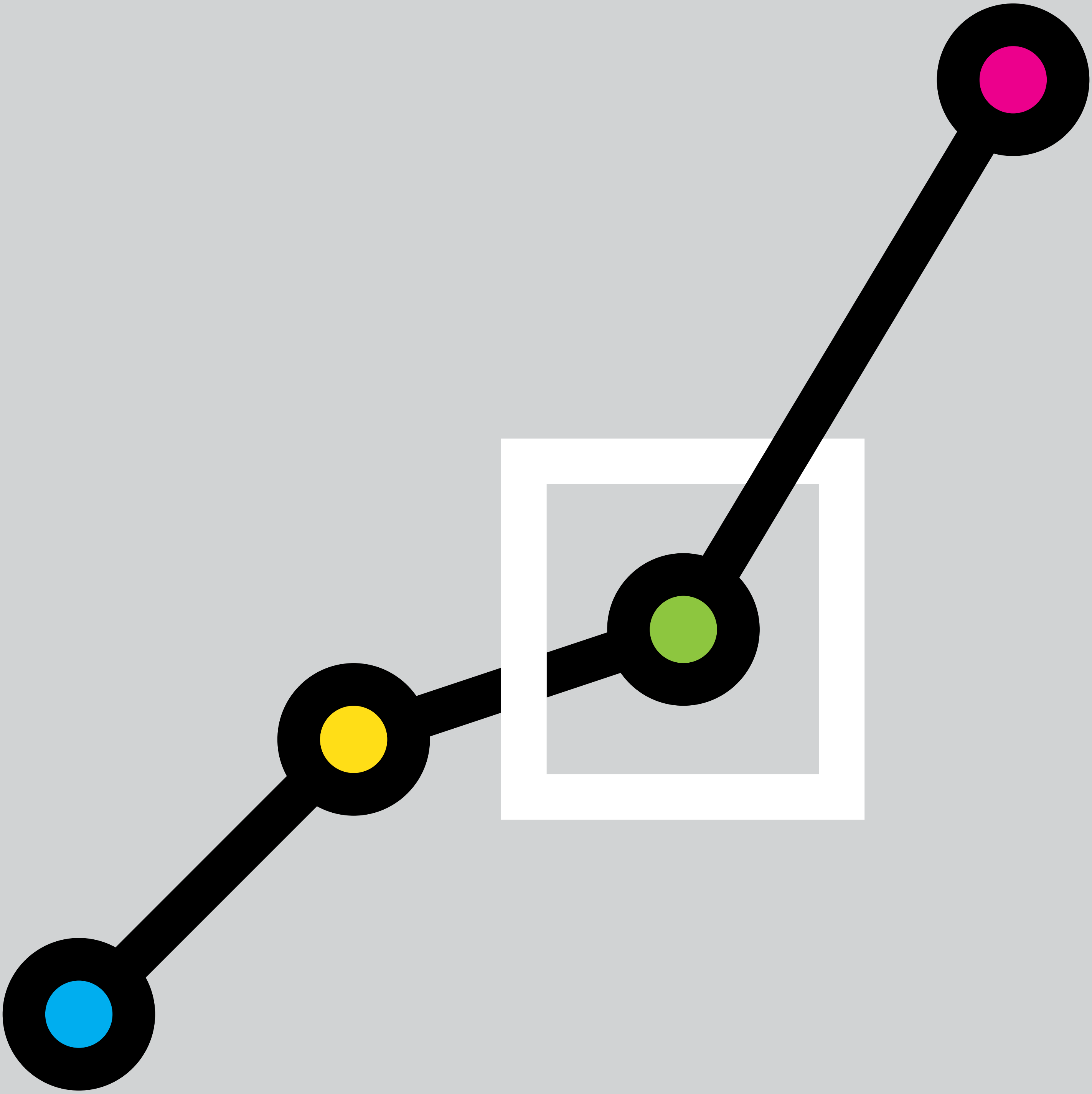
Future Trends Survey:

October 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

RIBA Future Trends October 2024: Overview

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	23
Stay the same	53
Increase	24
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.*

October's Future Trends data was collected before the UK's 2024 budget and Donald Trump's election as US president.

While the profession remains optimistic about near-term workloads, overall confidence has slipped slightly, and the sectoral outlook has deteriorated.

In October the RIBA Future Trends Workload Index stood at +2, a one-point decrease compared to September. A positive balance indicates an overall expectation among architects that workloads will increase.

Twenty-four per cent of architects' practices anticipate an increase in workloads over the next three months, while 23% expect a decline. Fifty-three per cent expect workloads to remain stable.

The outlook among the regions is mixed, with the North of England being the most optimistic about future work, and the South of England the least.

After an encouraging September, the outlook across all four monitored work sectors has fallen back.

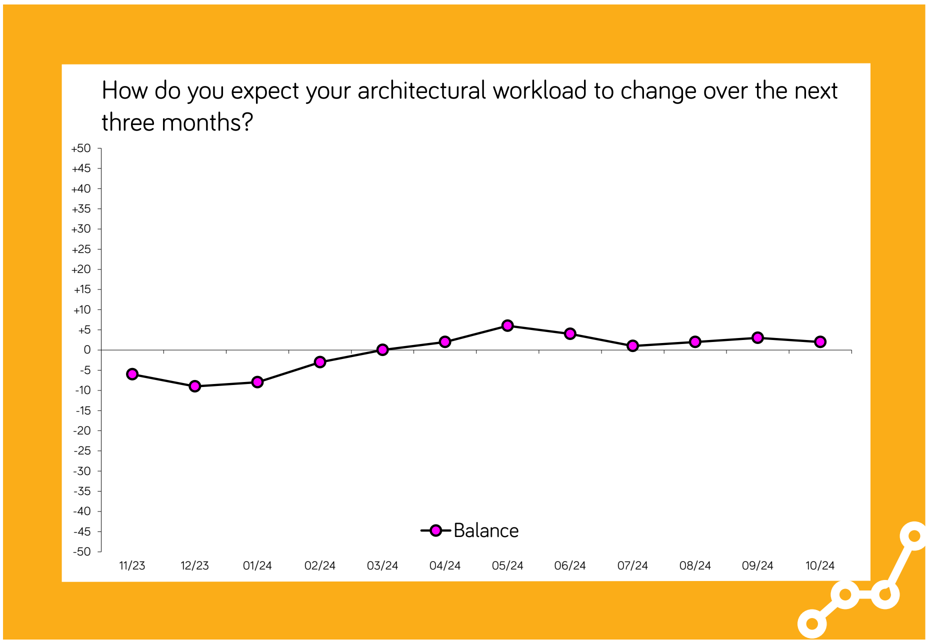
The outlook of small and larger practices continues to differ sharply. Small practices are pessimistic about future work, while medium and large practices are optimistic.

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

In October, 25% of architects reported personal underemployment, the same as last month. At zero, the RIBA Permanent Staffing Index suggests a muted outlook for recruitment.

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.



RIBA Future Trends October 2024: Workload Index: Analysis by Practice Size, Region, and Sector.

In October, the outlook for **small practices** (1 - 10 staff) improved slightly but remains negative, with a Workload Index figure of -2, compared with -5 in September. Twenty-two per cent of small practices anticipate an increase in workloads, 24% expect a decrease, and 54% anticipate stability.

After an extremely positive Workload Index last month, the outlook for **large** (51+ staff) **and medium-sized practices** (11 -50 staff) has moderated but remains firmly optimistic, with a Workload Index of +23. Thirty-seven per cent expect workload growth, 13% anticipate contraction, and 50% expect steady workloads.

When comparing the current workload levels with those of twelve months ago, small practices report workloads having contracted (by 12%), while medium and large practices report workloads having grown (by 4%).

The **regional outlook** remains mixed this month but is softening overall.

The outlook in the capital remains positive but has fallen back, with a +2 Workload Index compared with +8 in September.

The Midlands & East Anglia have returned to positive territory this month, posting a +3 balance compared with -10 last month.

The outlook in the North of England (+24) remains firmly positive with an eleven-point improvement on last month's +13 balance figure.

The outlook for Wales and the West remains steady this month, with a Workload Index of 0, the same as last month.

The outlook in the South of England is negative (-21) with a large fall from last month's optimistic outlook (+3).

The **sectoral outlook** has deteriorated as all monitored sectors return a negative balance figure.

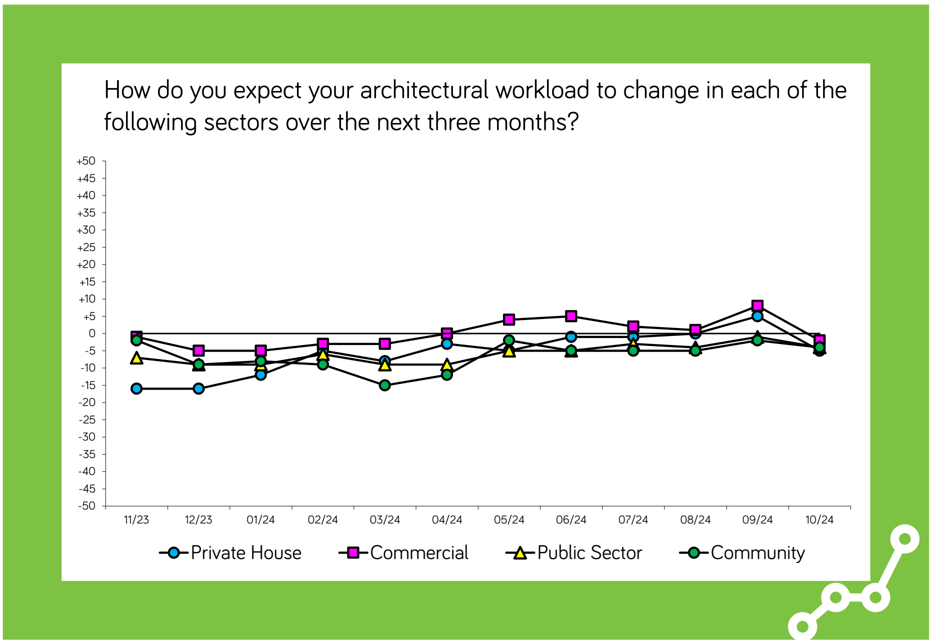
The outlook for **private housing** turned negative, as a Workload Index of -5 in October means a ten-point index fall compared with September's +5 figure. The North of England is the only region that expects housing workloads to increase.

The outlook for the **commercial sector** has also deteriorated, with a Workload Index figure of -2, compared with +8 last month. Medium and large practices, however, continue to anticipate growing commercial workloads.

The outlook for the **public sector** remains muted, falling from -1 last month to -4 in October.

While still negative, the outlook for the **community sector** has also deteriorated, with a -4 figure this month, compared with -2 in September.

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



RIBA Future Trends October 2024:
Staffing Index.

How do you think the number of permanent architectural staff employed in your organisation will change over the next three months?

Permanent Staff	%
Decrease	9
Stay the same	81
Increase	9
TOTAL	100
Balance	0

(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** fell to a zero balance figure in October, with as many practices expecting to see permanent staffing levels decrease as increase over the next three months.

Nine per cent of practices anticipate an increase in permanent staff in the coming three months, 9%, expect a reduction, and 81% expect no change.

Small practices have returned a -2 Staffing Index figure, indicating falling levels of near-term practice recruitment. Medium and large practices expect permanent staffing levels to grow, with a +13 RIBA Staffing Index.

The overall regional picture for permanent staff has deteriorated, with some regions now anticipating reduced staffing levels in the next three months.

The staffing outlook for the capital remains positive but fell back from last month's +12 balance to +4 in October. At +3 the North of England is also positive but has softened from last month's +7 figure.

The staffing outlooks in Wales & the West (-6) and the South of England (-3) have become negative this month.

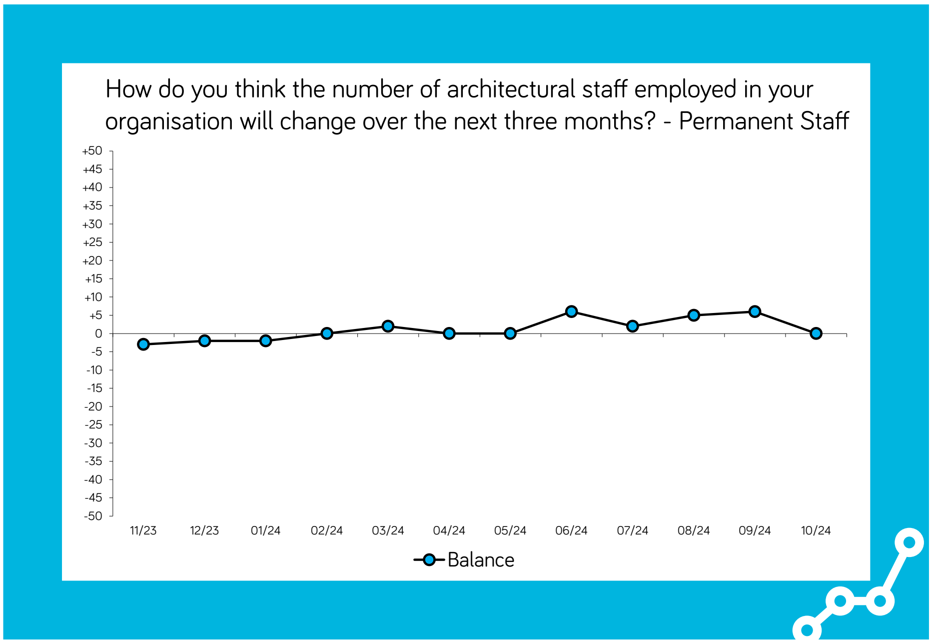
The view from the Midlands & East Anglia has held steady with a Staffing Index of -3.

The RIBA **Temporary Staffing Index** fell this month, returning a -2 balance.

Levels of **personal underemployment** have fallen slightly as 25% of respondents report 'a lack of work leading to personal under-employment' over the last month. The region with the lowest level of reported personal underemployment is the North (6%), while the highest is the South of England (41%).

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.



October 2024 RIBA Future Trends: Commentary.

On balance, practices remain positive about Future Workload, but only just. The recent gains in overall outlook and sectoral confidence have fallen back somewhat this month.

Practices are increasingly cautious about recruitment, with a zero Staffing Index indicating a steady outlook.

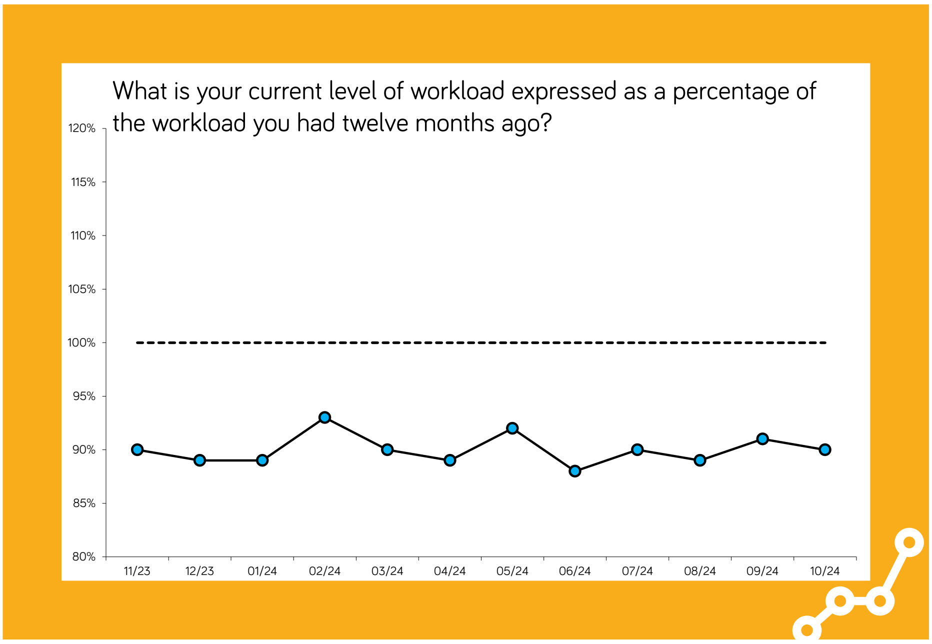
While the North of England remains positive, the South of England (excluding the capital) has seen marked falls in confidence and recruiting intention.

After increasing confidence across the monitored sectors, this month sees all four soften, with a negative outlook.

Commentary received from practices described projects being put on hold as practices, clients and contractors awaited the new government's first budget.

Practices also reported higher-risk building (HRB) projects being put on hold or progressing slowly, with clients being reluctant to commission HRB projects, and contractors being reluctant to tender for them.

While awaiting the budget, practices described ongoing planning delays, a still weak economy, and elevated (though slowly falling) interest rates holding back the sector.



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 195 practices took part in the Survey in October 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.