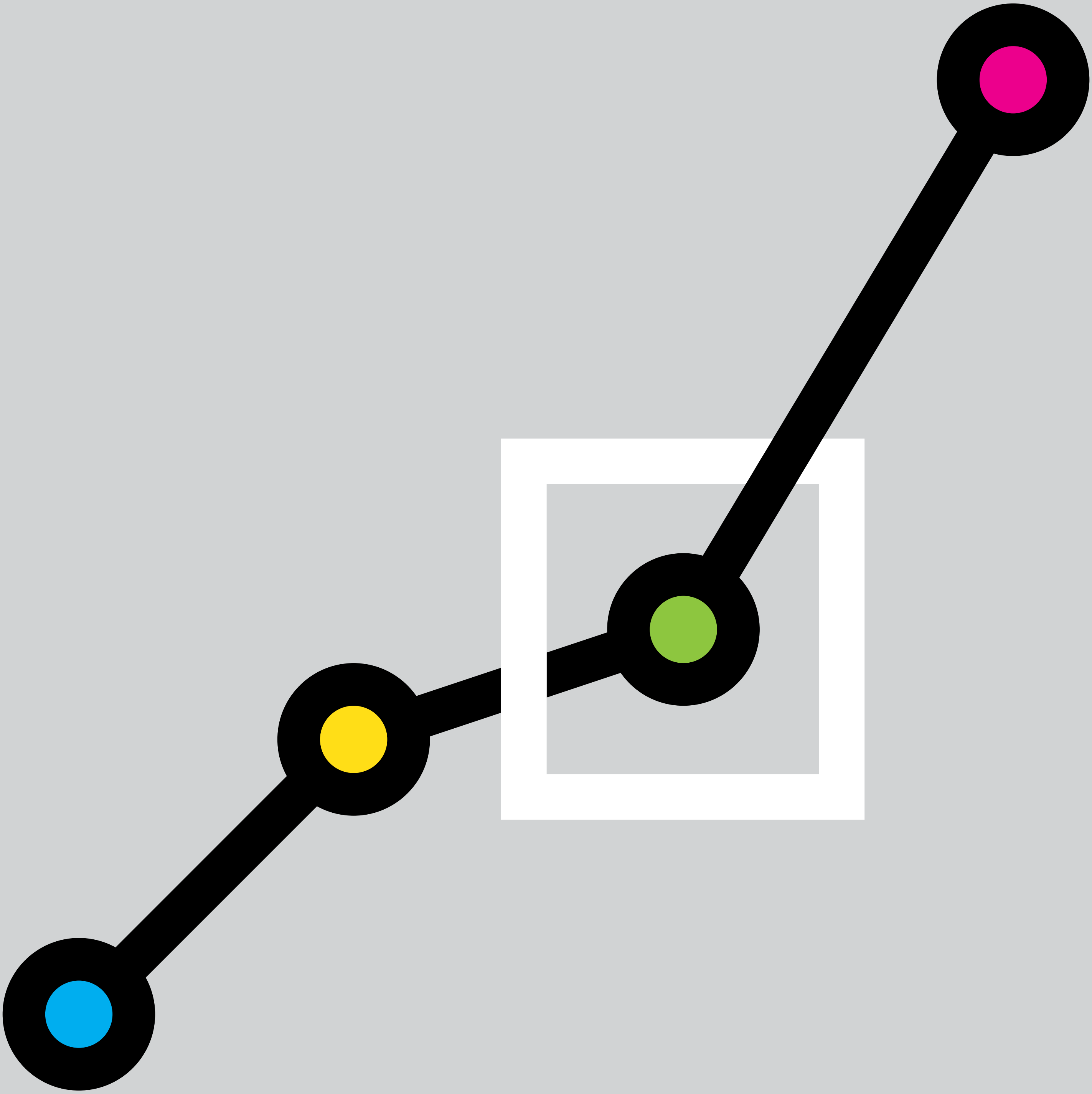
Future Trends Survey:

August 2022



RIBA
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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 on a quarterly basis 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 August 2022 survey returns.

RIBA Future Trends Workload Index
(August 2022)

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	25
Stay the same	58
Increase	17
TOTAL	100
Balance	**-8**

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

In August, the RIBA Future Trends Workload Index fell into negative territory, returning a balance figure of -8. On balance, architects' practices expect future workloads to contract.

Seventeen per cent of practices expect workloads to increase in the coming three months, whilst fifty-eight per cent expect them to remain the same. A quarter (25%) of practices expect workloads to decrease.

Levels of confidence continue to differ by practice size, with small practices being pessimistic about future workloads and medium and large practices remaining optimistic.

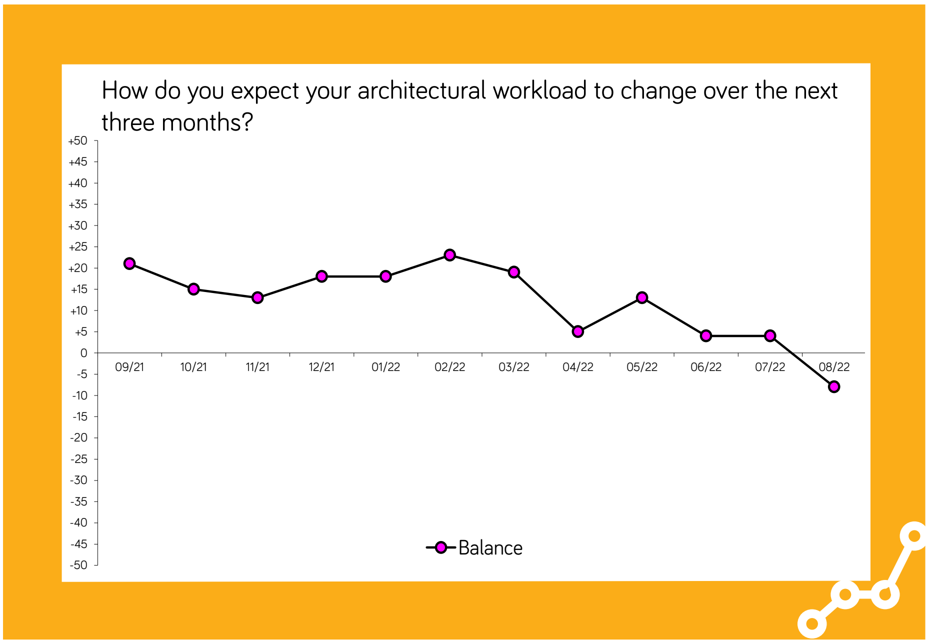
Confidence has fallen into negative territory in all the monitored work sectors, with Private Housing being negative for the first time since the onset of the pandemic.

Confidence is falling across the country. Only the North of England remains positive about future work.

Current workloads are 3% lower than they were a year ago. Personal underemployment, though historically low, continues to 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 August 2022 RIBA Future Trends Workload Index in terms of practice size, region and sector:

Following last month's positive posting, **small practices** (1 - 10 staff) have recorded their most pessimistic balance score since June 2020: -12 in August compared to +1 in July.

In contrast, **large and medium-sized practices** (11+ staff) remain positive about future workloads, returning a combined balance figure of +20.

The subdued outlook for future work is regionally widespread. Every region's outlook for future work has deteriorated.

Only the North of England remains optimistic about future work, returning a balance of +6 in August, although this is down from July's figure of +13.

The outlook among London practices has seen a slight but further fall. In August, the balance figure was -7, down from -6 in July. In the South of England, the workload balance now stands at -12, down 9 balance points compared to July.

Wales & the West (+15) has seen the largest drop in optimism, falling from +15 in July, to -22 in August. The Midlands & East Anglia has posted a zero balance, down from +10 last month.

Three of the four work sectors have seen confidence fall, and all sectors are now in negative territory. The downward trend across the sectors continues.

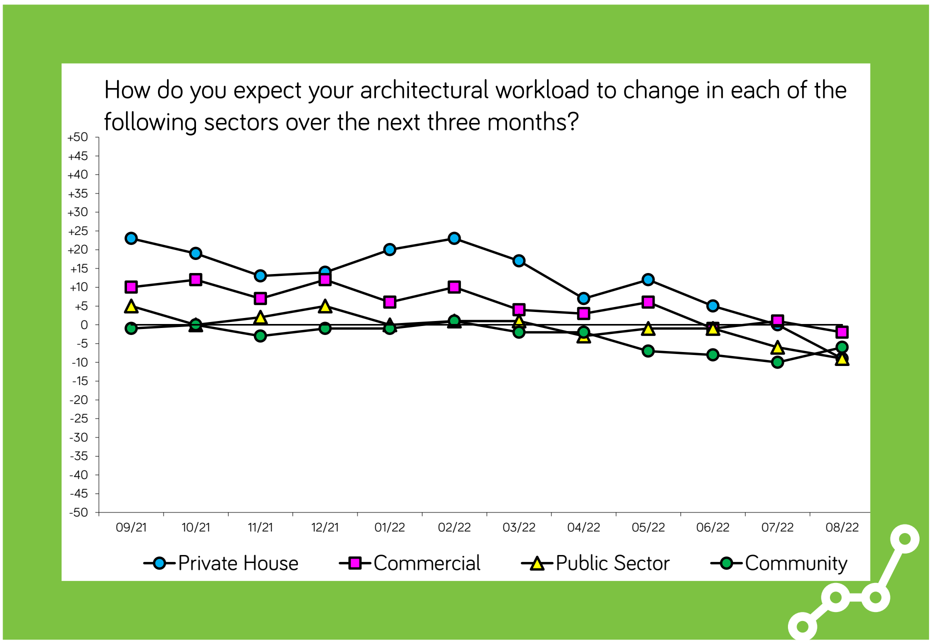
The **private housing sector** has been the most buoyant since the pandemic began, with a record high of +42 in May 2021. In August, the sector posted a balance figure of -9. This is the first time since June 2020 that, on balance, architects expect the sector to contract.

The **commercial sector** dipped back into negative territory, with an August balance figure of -2, down from +1 in July.

Falling confidence in the **public sector** continues with a balance figure of -9 in August, down from -6 in July.

The outlook for the **community sector** rallied slightly, but remains negative, posting a balance of -6 this month, compared to -10 in July.

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



RIBA Future Trends Staffing Index
(August 2022)

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	82
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.)

In August, the **RIBA Future Trends Permanent Staffing Index** returned a balance figure of +2, the same as in July.

Ten per cent of practices expect to employ more permanent staff over the coming three months whilst eight per cent expect to employ fewer.

Eighty-two per cent expect permanent staffing levels to stay the same, suggesting the large majority of practices whilst not expanding, are seeking to retain the staff they have.

Medium and Large-size practices (11+ staff) remain the most likely to be looking for new staff. Thirty-four per cent expect to employ more permanent staff, whilst 14% expect to employ fewer, giving a permanent staffing index of +21.

On balance, smaller practices anticipate employing fewer staff, with a Staffing Index figure of -1.

In August, the regional picture for permanent staffing is mixed, with two regions in negative territory.

London has slipped into negative territory, posting a Staffing Index figure of -4, the first negative figure since February 2021.

At -9, the Midlands & East Anglia has fallen further into negative territory, compared to -7 last month.

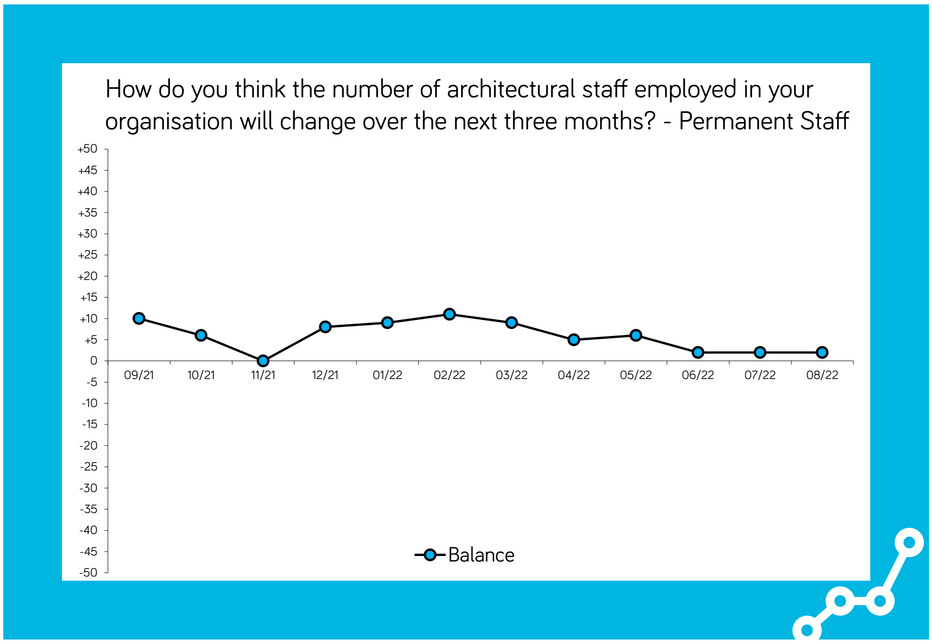
The South of England (balance score +2), and the North of England (+9) have both returned to positive territory. With a balance score of +14, Wales & The West remains the most positive region for staff recruitment.

The **Temporary Staffing Index** fell further, and is now negative, posting a balance figure of -1 in August, compared to +2 in July.

Levels of **personal underemployment** have increased, with 17% reporting being personally underemployed in the previous month, compared to 11% in July.

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
(August 2022)

With a marked drop in optimism, this month sees the profession, on balance, expecting workloads to contract in the coming months. It is the first negative Future Trends Workload Index figure since June 2020.

The trend of decreasing optimism can be seen across all work sectors (albeit with monthly variance).

Current workloads are beginning to weaken, with current workload at 97% of a year ago. Personal underemployment, at 17%, is also rising. In August, a further six per cent of architects reported personal underemployment.

While the capital has fallen into negative territory, some other regions remain steadfastly optimistic about the coming months.

There is real concern among architects about the effect of rapidly rising inflation, energy costs, and the expected recession.

Commentary from practices describes barriers to project commission and delivery remaining. We continue to receive reports of construction product inflation, supply chain difficulties, increasing and unpredictable project costs, and restricted contractor and trade person availability, all taking their toll on existing and potential projects.

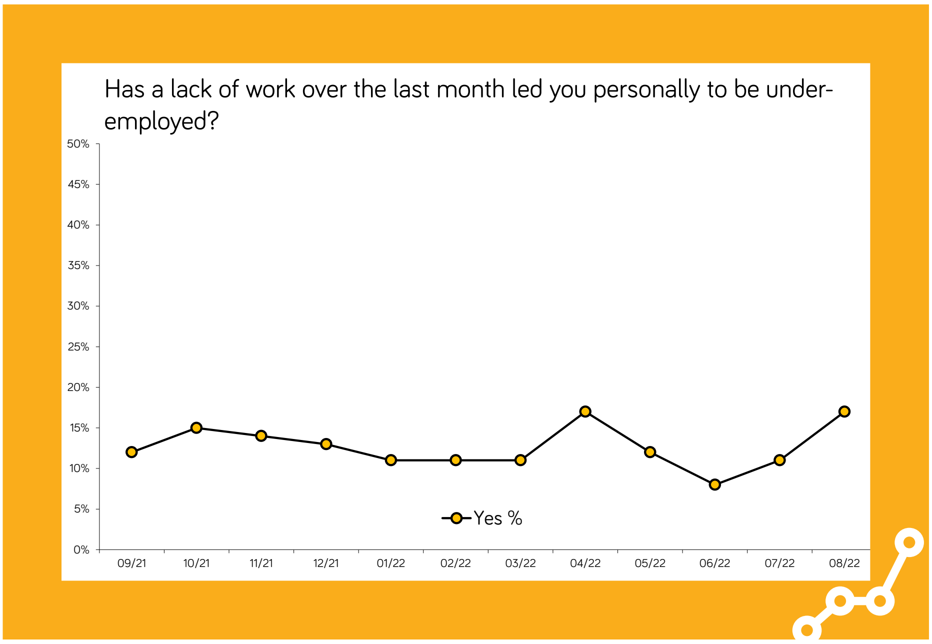
Delays in the planning process continue to frustrate the timely delivery of projects. We receive reports of applications that once took weeks, now taking several months, and delays occurring across regions and project types.

Rising energy costs are a significant and growing concern, not just direct energy costs increases, but also the indirect effect rising costs will have on product and project prices.

Rising energy costs demonstrate the urgent need for the UK's buildings to be made more sustainable and less wasteful of energy.

The following graph plots the levels of personal underemployment over time:

Notes
The percentage of respondents telling us that they were personally underemployed in the last month, due to a lack of work, is plotted here.



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 209 practices took part in the Survey in August 2022. 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.