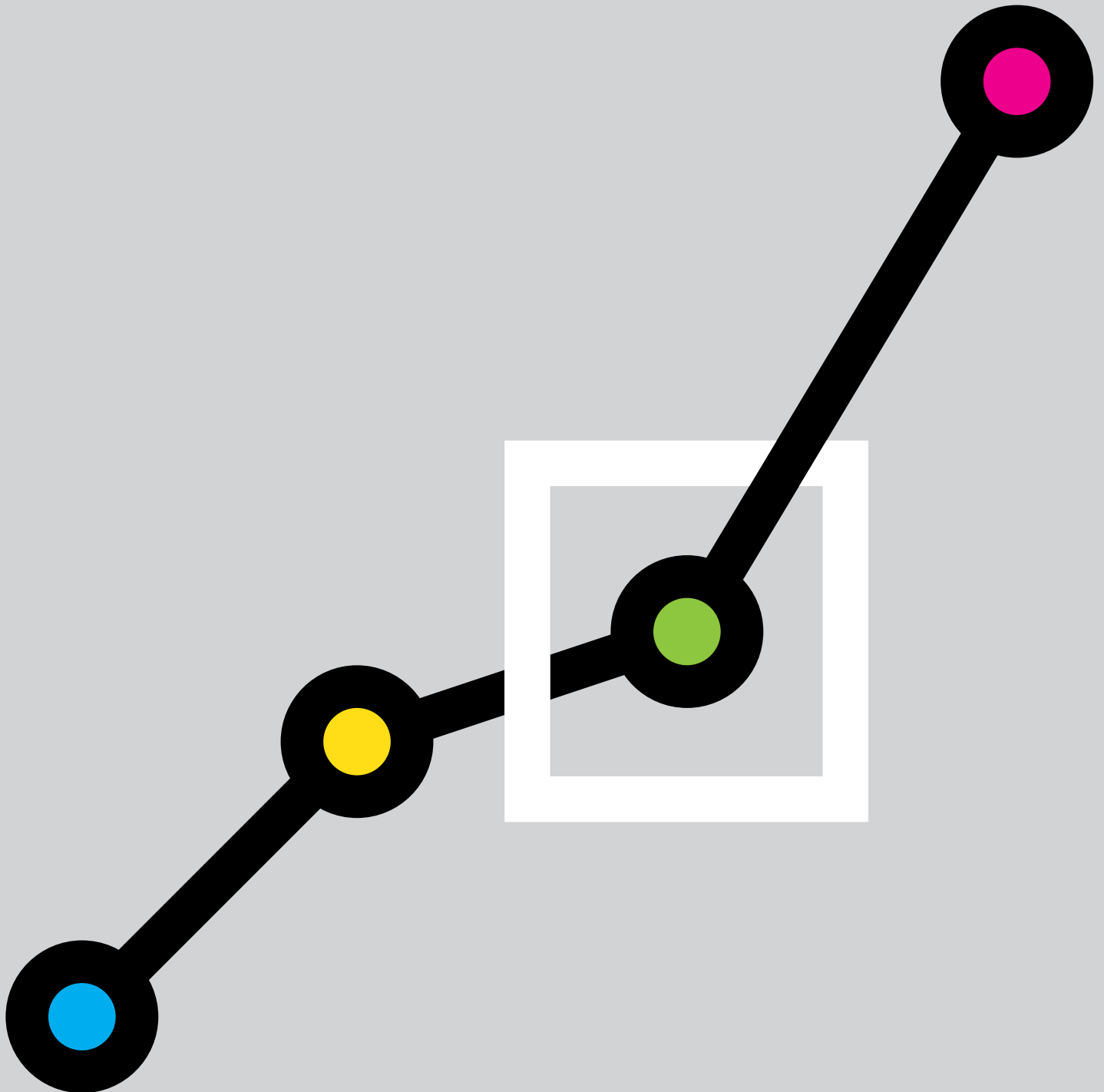


Future Trends Survey:

December 2022



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 December 2022 survey returns.

RIBA Future Trends Workload Index (December 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.)

After five months of declining confidence, 2022 ends with an uptick. Whilst remaining negative, the RIBA Future Trends Workload Index returned a balance figure of -8 in December; a 13-point jump compared to last month's balance figure of -21.

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

All practice sizes have seen pessimism abate somewhat, and medium and large practices are, overall, confident about increasing workload in the coming months.

Though mostly improving, all the monitored work sectors remain in negative territory with the Private Housing sector again returning the most pessimistic Workload Index figure.

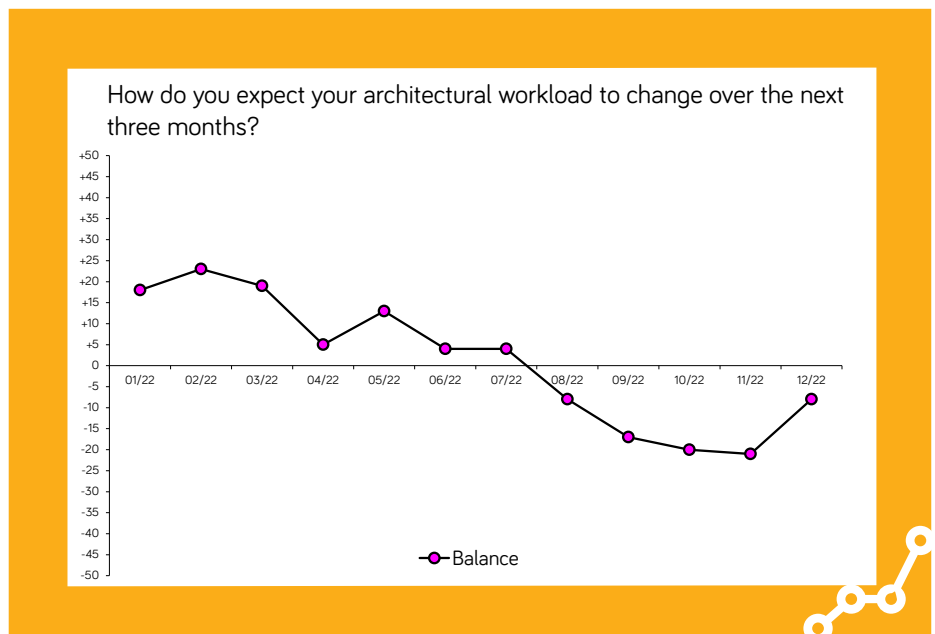
All regions remain downbeat about future work except London, which has returned to confidence this month.

Workloads are 7% lower than they were a year ago. Levels of personal underemployment have fallen back slightly.

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 December 2022 RIBA Future Trends Workload Index in terms of practice size, region and sector:

The outlook among **small practices** (1 - 10 staff) has improved, with an Index score of -11, up from -25 last month. Twenty-six per cent of small practices expect workloads to decrease and 15% expect them to grow.

On balance, **large and medium-sized practices** (11+ staff) have a positive outlook, having dipped into a negative outlook last month, with a combined balance figure of +13.

Since the pandemic started, London has often been among the more pessimistic regions. This month sees a turnaround, with London alone returning a positive balance (of +4). All other regions remain pessimistic, but typically less so than last month.

Outside London, the South of England (-20), Wales & the West (-5), and the North of England (-5) have all posted negative but improving Workload Index scores.

The Midlands & East Anglia is the only region to see a deterioration in outlook, returning an Index score of -16 this month, compared to -12 in November.

All the monitored work sectors continued to post a negative Index figures this month, suggesting reduced workloads to come. However, all sectors have an improved outlook, except the Public Sector.

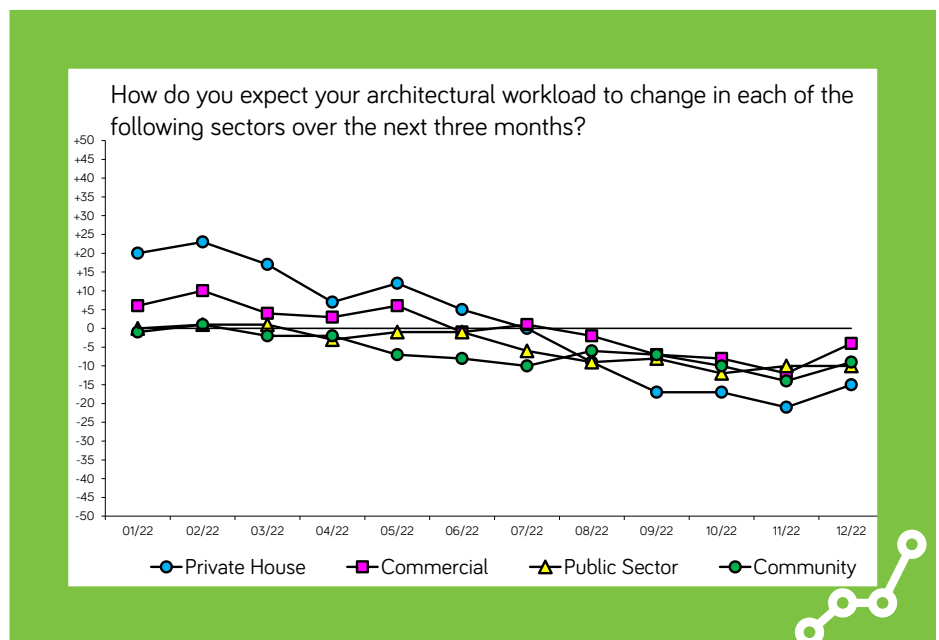
The **private housing sector** has rallied this month, rising 14 points to post a balance figure of -11, up from -21 in November.

The **commercial sector** rose eight points in December, returning a figure of -4, up from -12 last month.

The outlook for the **public sector** has held steady with the same balance figure this month as last: -10.

The **community sector** outlook has also improved, with a balance score of -4 in December, a rise of 10 points since November.

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



RIBA Future Trends Staffing Index
(December 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	11
Stay the same	81
Increase	8
TOTAL	100
Balance	-3

(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 Staffing Index has remained consistently more stable than the Workload Index throughout 2022, suggesting practices are looking to keep their teams intact through this fluctuating market, wherever possible.

In December, the **RIBA Future Trends Permanent Staffing Index** remained in negative territory but recovered slightly to post a balance figure of -3, up three points on last month's figure of -6.

Eleven per cent of practices expect to employ fewer permanent staff over the coming three months, and 8 per cent expect to employ more. Eighty-one per cent expect their permanent staffing levels to stay the same.

Medium and large-size practices (11+ staff) are neutral about future staffing levels, with a combined Staffing Index figure of 0. Small (1 - 10 staff) practices continue to expect falling permanent staff numbers with an Staffing Index figure of -3.

Whilst most regions returned a negative Staffing Index figure in December, most regions returned an improved outlook.

After posting negative figures last month, Wales & The West (Staffing Index +4) returned to positive territory, and the South of England recovered to post a zero balance.

Though still negative, London has an improved outlook (-3), as has the Midlands & East Anglia (-4).

Only the North of England (-10) has seen the outlook for permanent staff deteriorate this month.

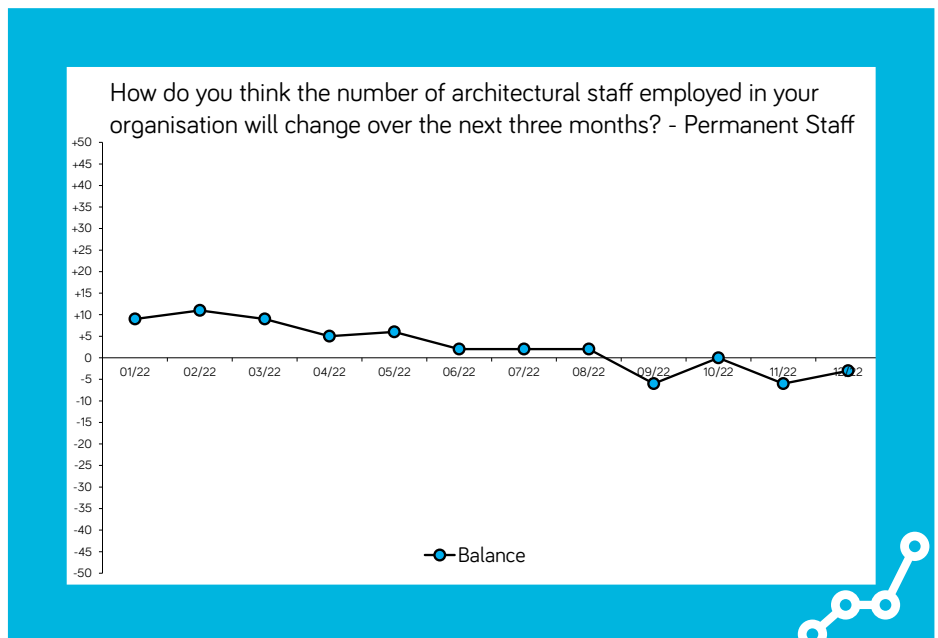
The **Temporary Staffing Index** rose to -3 this month, a rise of 3 points compared to the balance figure of -6 in November.

Levels of **personal underemployment** have fallen slightly this month, with 18% reporting personal underemployment, compared to 21% in November.

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 (December 2022)

In December, the RIBA Future Trends Workloads Index again returned a negative figure with architects, on balance, anticipating falling workloads at the start of 2023.

The commentary received from practices this month describes apprehension among many about the year ahead, with concerns around fees levels, enquiry numbers, cash-flow, planning delays and the potential effects of a UK recession.

On the plus side, this month marks the end of a five-month run of deteriorating confidence among architects, with a welcome thirteen-point increase in the Index. This may, in part, reflect greater stability in government.

Some practices point to robust pipelines of work and resilient sectors; including hotels and high-end residential work.

Nevertheless, 2022 has, overall, seen confidence deteriorate. The RIBA Future Trends Workload Index slipped from a positive outlook (of +18) in January, to this month's negative position (of -8). The high point was +23 in February and the low was in November, -21.

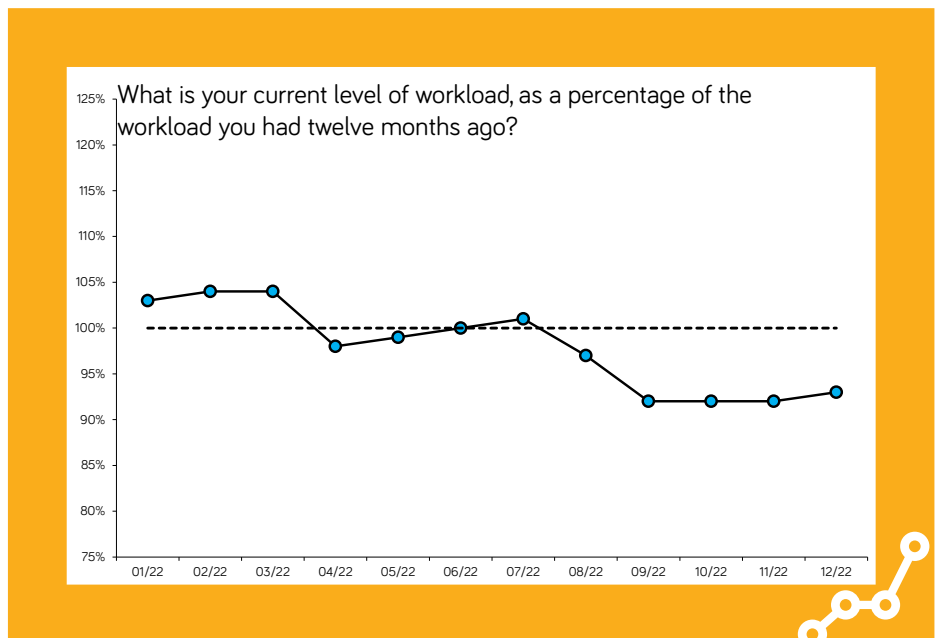
For the year, the average index figure was +1. This compares to +21 in 2021 and -7 in 2020.

Whilst December has seen an improved Index score, risks for 2023 remain more on the downside. Against a background of high (but perhaps rapidly falling) inflation, the UK is likely to be in recession for much of 2023. Real-value spending from consumers, businesses, and the government is falling. This is likely to hold back investment in buildings.

Sector-specific risks remain too, with ongoing challenges around a shortage of skilled tradespeople, downward pressure on fee levels, planning delays, PII costs, and competition from outside the profession.

On the plus side challenges around the availability and cost of construction products are abating. Capital-rich clients are more likely to be recession-proof. Some sectors will grow or prove resilient. The long-term imperative to make our built environment fit for a zero-carbon, energy-efficient, future remains, and will require increasing investment.

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 241 practices took part in the Survey in December 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.