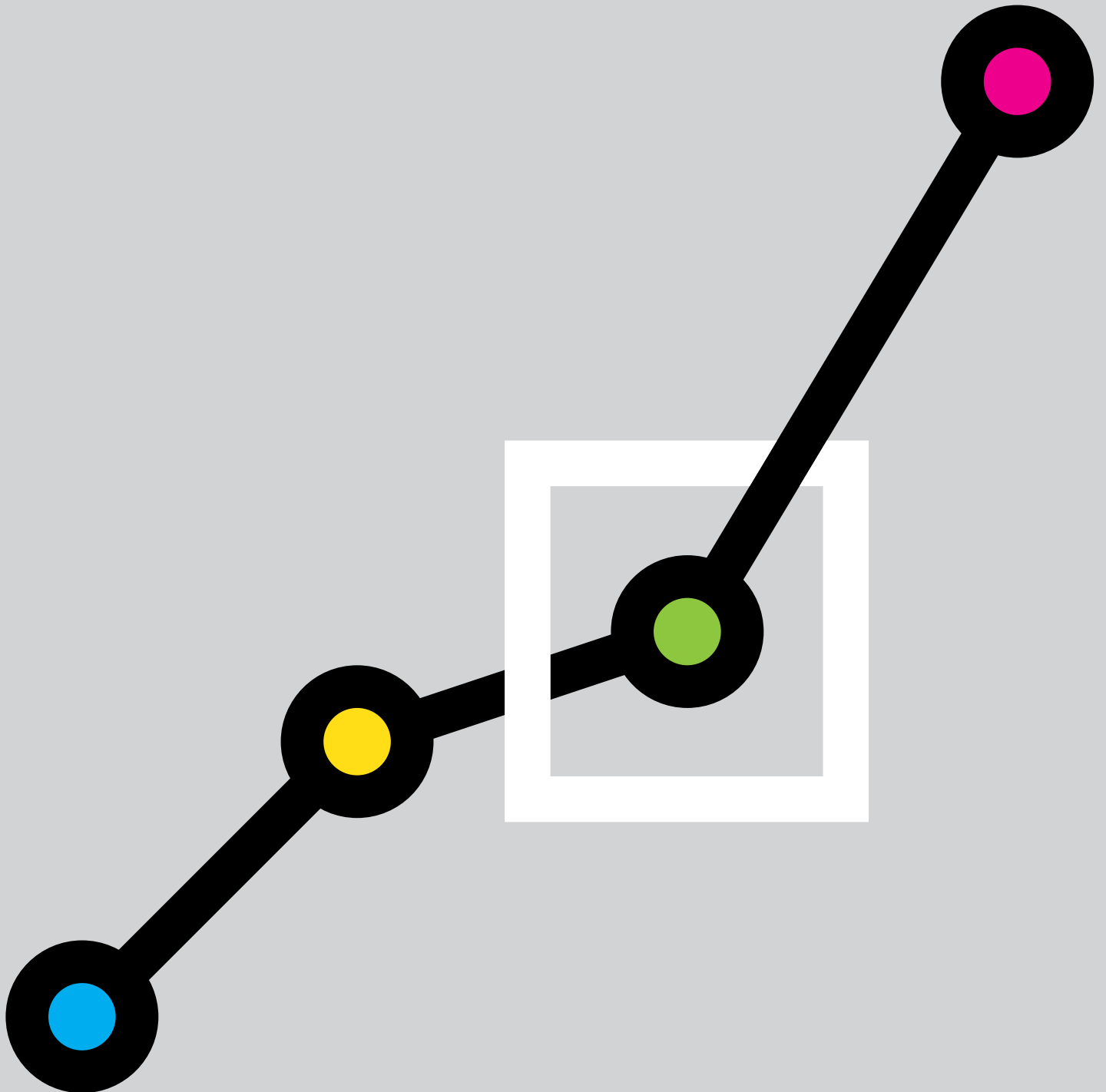


Future Trends Survey:

March 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 March 2022 survey returns.

RIBA Future Trends Workload Index (March 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 | 11 |
| Stay the same | 59 |
| Increase | 30 |
| TOTAL | 100 |
| Balance | +19 |

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

In March, the RIBA Future Trends Workload Index fell by four points to a balance figure of +19. As the economic context looks more uncertain, confidence in future workloads has softened, but remains firmly in positive territory.

Thirty per cent of practices expect workloads to increase in the coming three months, whilst fifty-nine per cent expect them to remain the same. Eleven per cent of practices expect workloads to decrease.

Overall, practices of all sizes expect workloads to increase, with larger practices remaining the most optimistic.

Private housing remains the most positive sector, followed by commercial, although both sectors see a weakening of confidence this month. The community sector has slipped back into negative territory.

All regions remain positive about future workload, although some regions are less confident than last month. Practices based in London have seen the largest drop in confidence.

Over the last 12 months, the post-lockdown recovery has remained firm. Workloads are up 4% from a year ago, and permanent staff levels have increased by 2%. Larger practices, in particular, have reported an increase in workloads over the last year and have responded by increasing their staff numbers.

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

In March, **small practices** (1 - 10 staff) posted a positive balance figure of +16, down 2 points from February's figure of +18.

Large and medium-sized practices (11+ staff) remain firmly positive about future workload, with a balance score of +36. A majority (52%) of larger practices continue to expect workloads to grow.

All UK regions anticipate workloads increasing over the next three months.

After last month posting its highest balance score since the onset of the pandemic, London has seen a fall in confidence. At +22, in March London's score has fallen by 18 points. Nevertheless, the capital remains firmly in positive territory.

The North of England also sees a cooling of optimism this month, with a fall of 13 balance points. In March the North's balance figure stands at +18, down from +31 in February.

All other regions see a rise in optimism in March. Wales & the West has posted a balance score of +24, up 2 points. The South of England, at +15, sees a 1 point rise. The Midlands & East Anglia (the least optimistic region over the last few months), has returned a balance figure of +5, up 2 points from last month's figure of +3.

Turning to the work sectors, all sectors have softened in confidence this month.

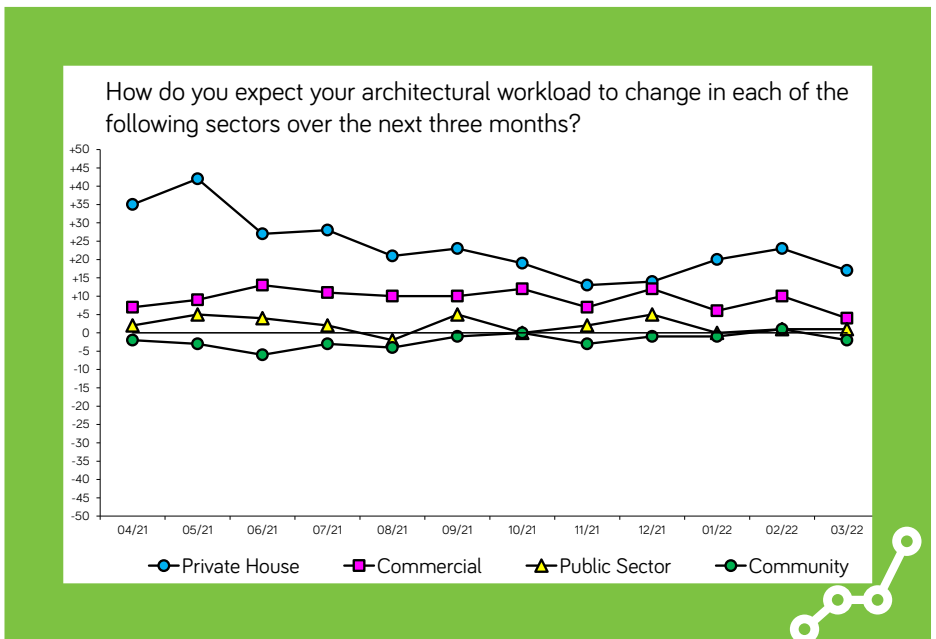
In March, the **private housing sector** posted a balance figure of +17, down 6 points from last month's +23.

The **commercial sector** fell in March, with a balance figure of +4, a 6 point decrease compared to last month. Though workloads are expected to grow in the sector, optimism is at its lowest level for over a year (since February 2021).

The **public sector** held steady this month, with a balance figure of +1, the same as last month.

After a brief visit into positive territory in February, the **community sector** slipped back into negative territory, this month with a balance score of -2.

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



RIBA Future Trends Staffing Index
(March 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 | 7 |
| Stay the same | 78 |
| Increase | 16 |
| TOTAL | 100 |
| Balance | +9 |

(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 March, the **RIBA Future Trends Permanent Staffing Index** returned a balance figure of +9, down 2 points from February.

Sixteen per cent of practices expect to employ more permanent staff over the coming three months whilst seven per cent expect to employ fewer. Seventy-eight per cent expect staffing levels to stay the same.

Medium and Large-size practices (11+ staff) continue to be the drivers of staff levels increases, with a combined balance figure of +42. Most medium and large practices anticipate recruiting more staff in the coming three months.

Smaller practices (1 - 10 staff) are also positive about staffing levels, with an index figure of +3.

In March, the regional picture for permanent staffing held firm with all regions anticipating rising permanent staffing levels.

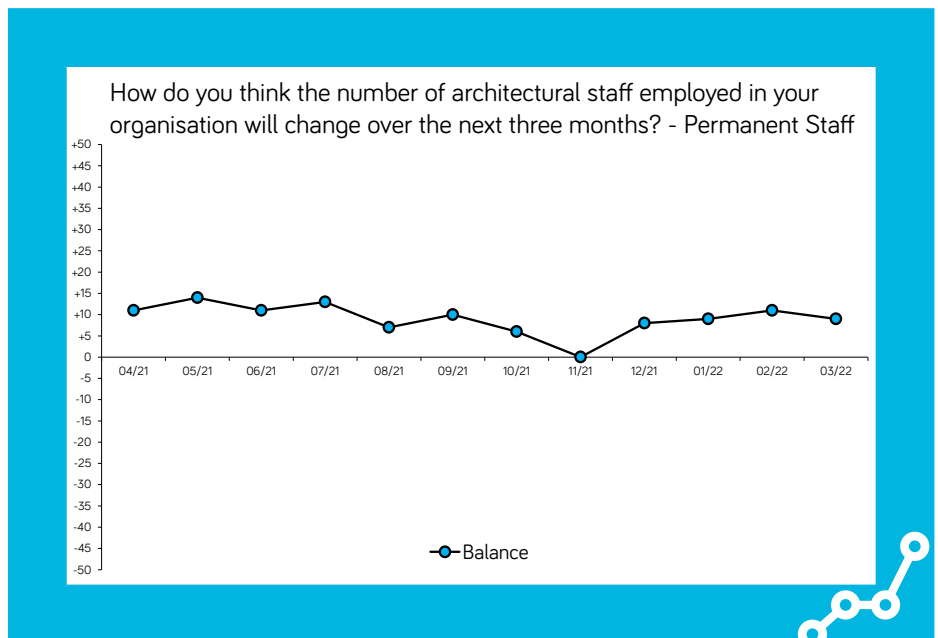
London and Wales & The West, are the regions where demand for staff is anticipated to be the highest, with both returning a Staffing Index of +11. However, demand for staff looks set to be country-wide; with the North of England returning a balance of +9, the South of England, +5, and the Midlands & East Anglia, +5.

The **Temporary Staffing Index** fell again slightly in March, to +3, down 3 points from February's figure.

In March, **personal underemployment** stayed constant, with 11% reporting being personally underemployed in the last month. Capacity within practices remains tight.

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 (March 2022)

March has seen optimism fall back overall, aligning with a national economic picture of slowing growth, rapidly rising inflation and the backdrop of an ongoing war in Ukraine. Nevertheless, architects remain positive about future workloads and are seeking to employ more staff.

The commentary received from practices in March describes a positive market, but with ongoing challenges. In particular, issues with the timely processing of planning applications remain, with some practices now reporting this as a barrier to growth.

Many practices continue to be at full capacity, with strong demand and work in place for the months ahead. As energy costs escalate, some practices report prioritising low-energy and sustainable projects.

The cost pressures on architects, clients, contractors, and product manufacturers continue. Rising energy and commodity prices, along with global supply chain disruption, have led to the [price of building materials](#) rising by around 20% over the last year, so increasing overall project costs significantly.

The March Future Trends survey was used to gather an understanding of the effects of these project cost increases.

A majority (57%) of practices have not experienced any projects being put on hold or abandoned due to project cost inflation.

However, project cost inflation is having a significant impact.

In the design stages, over a quarter (26%) of practices report having had at least one project put on hold, and 17% report one or more projects being abandoned, in the last three months.

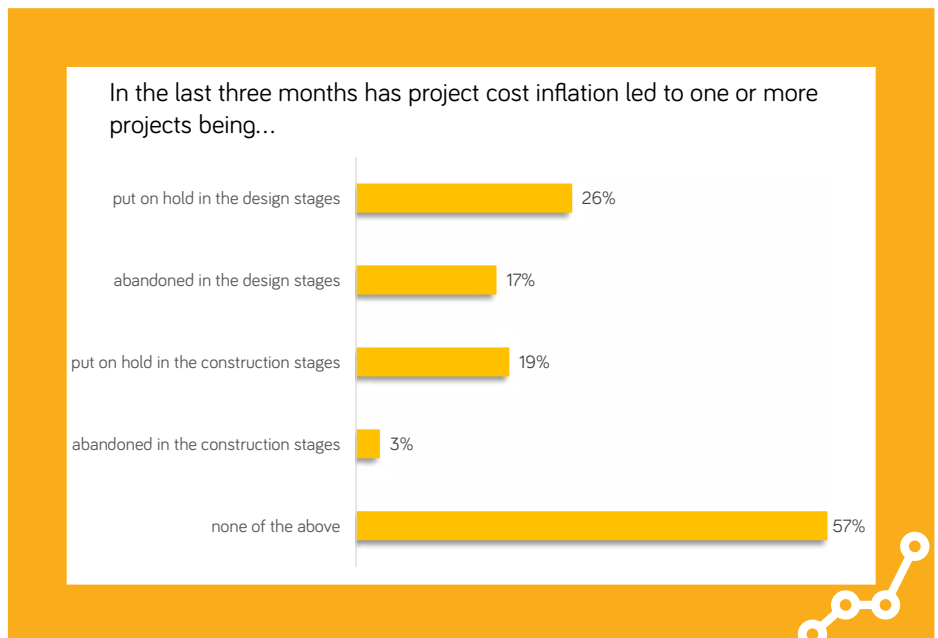
In the construction stages, almost a fifth (19%) report having had at least one project put on hold. Three per cent report a project being abandoned.

Looking at the data by practice size, the projects being put on hold or being abandoned are more likely to be those of smaller practices, so more likely to be smaller, domestic projects.

The following graph plots the effects of project cost inflation :

Notes

The percentages experiencing project delays due to product sourcing issues are 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 220 practices took part in the Survey in March 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.