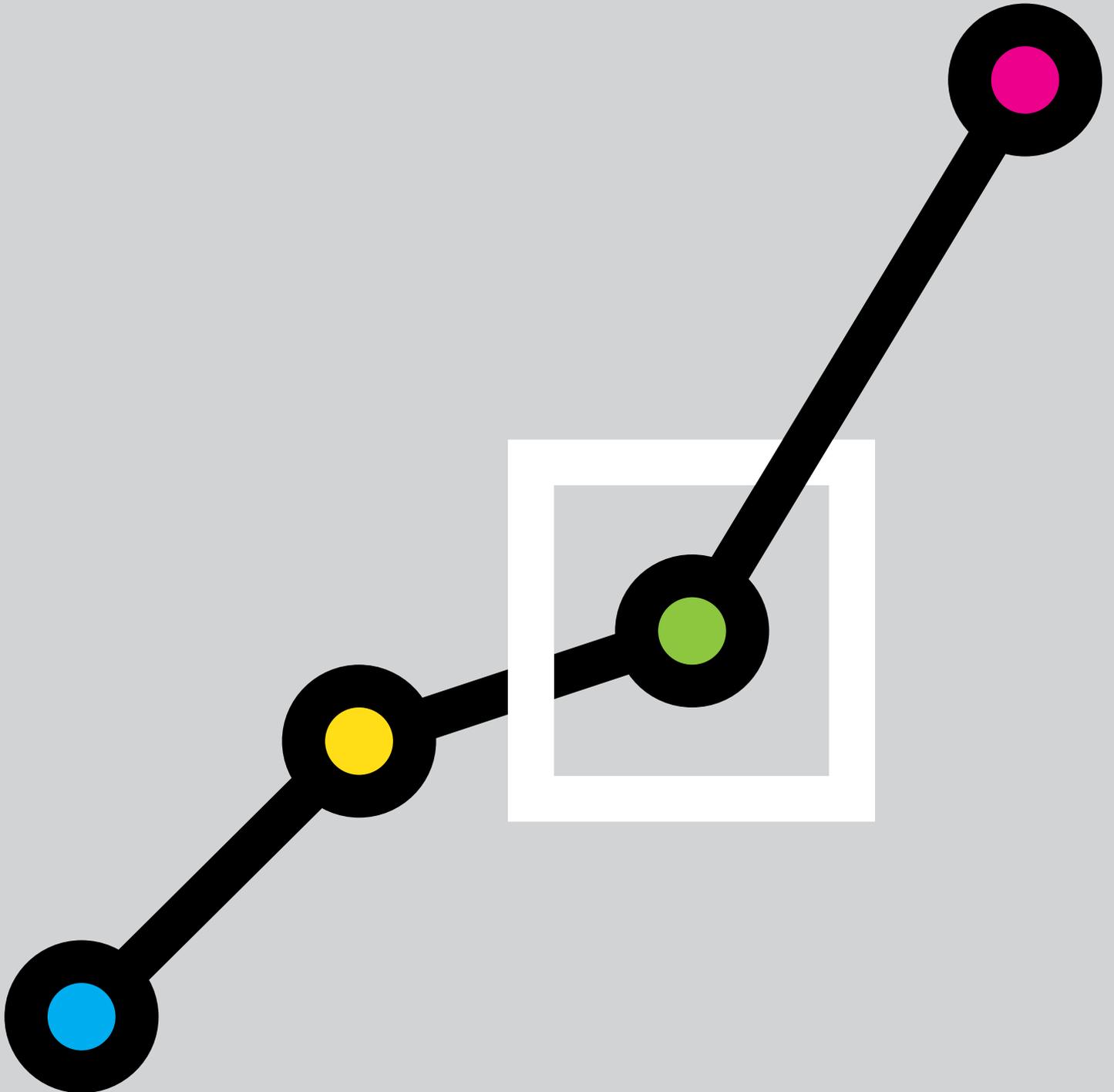


Future Trends Survey:

October 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 October 2022 survey returns.

RIBA Future Trends Workload Index (October 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	32
Stay the same	56
Increase	12
TOTAL	100
Balance	-20

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

In October, the RIBA Future Trends Workload returned a balance figure of -20, showing a further fall in architects' confidence.

With a looming recession and ongoing political, fiscal, and monetary uncertainty, architects are increasingly pessimistic about future levels of workloads.

Twelve per cent of practices expect workloads to increase in the coming three months and fifty-six per cent expect them to remain the same. Almost a third (32%), however, expect workloads to decrease.

Pessimism about future work is not leading to practices to plan staff reductions, with the October RIBA Staffing Index returning a zero balance.

Small practices are increasingly pessimistic about future workloads. Early indications suggest the outlook of larger practices is also beginning to deteriorate. In contrast, medium-sized practices remain, on balance, optimistic about future workloads.

All the monitored work sectors remain in negative territory. The Private Housing sector (which outperformed all others, post-pandemic) has returned the lowest work-sector balance figure this month.

Confidence continues to be fragile across the country, with pessimism most pronounced in the capital. Forty per cent of London-based practices expect workloads to fall.

Current workloads remain 8% lower than they were a year ago. Levels of personal underemployment have fallen 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 October 2022 RIBA Future Trends Workload Index in terms of practice size, region and sector:

The outlook among **small practices** (1 - 10 staff) has fallen further, with an Index score of -26, down from -21 last month. Thirty-five per cent of small practices now expect workloads to decrease whilst only 9% expect them to grow.

On balance, **large and medium-sized practices** (11+ staff), however, remain positive about future workloads, returning a combined balance figure of +15, the same as last month. Large practices (50+ staff) are more likely to be pessimistic about future work than medium-sized practices (11 to 50 staff), who remain optimistic.

Pessimism about future work is evident across the country, with every region having returned a negative balance figure this month.

Confidence in London continues its downward trend. The capital remains the most pessimistic region and has returned a balance figure of -32, a fall of 9 balance points when compared to September's figure of -23. Given the importance of London to the overall architects' market, this decline in confidence is concerning.

Outside London, the South of England (-27) and the Midlands & East Anglia (-23) have both slipped further into negative territory this month. At -5, Wales & the West has recovered somewhat from last month's figure of -17. The North of England remains the least pessimistic region, returning a balance score of -3 in October, up 2 points on last month.

All the monitored work sectors continued to post a negative Index balance this month, and none has improved in outlook.

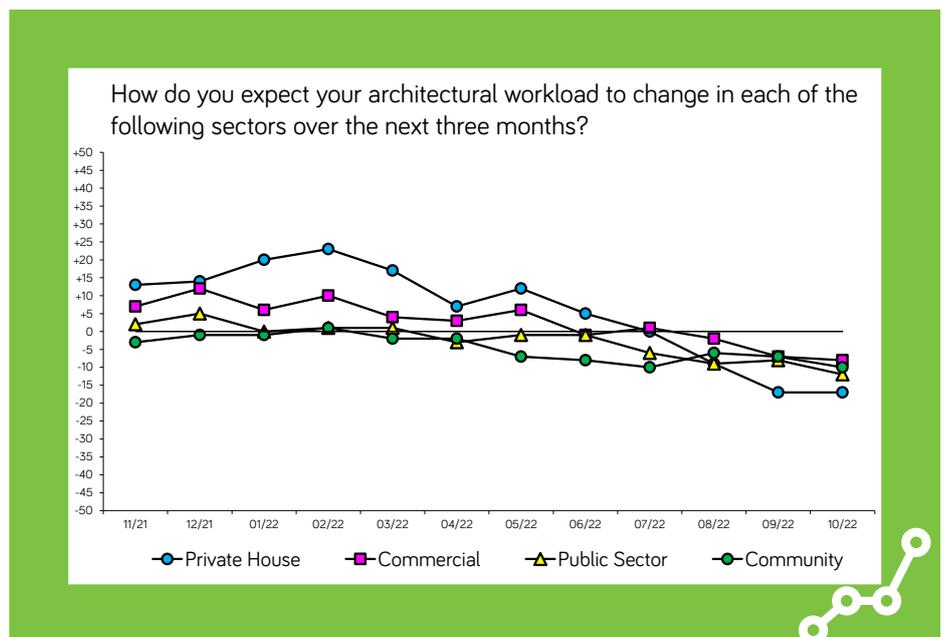
The **private housing sector** remained at a balance figure of -17, the same as last month.

The **commercial sector**, which includes offices, retail, and entertainment, fell one further point this month, returning a figure of -8. It is, however, the least pessimistic sector.

The outlook for the **public sector** has deteriorated this month, with a balance figure of -12, compared to -8 last month.

The **community sector** has also seen more practices expecting falling workloads, with a balance score of -10 this month, compared to -7 in September.

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



RIBA Future Trends Staffing Index
(October 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	85
Increase	8
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.)

* Values do not total 100 due to rounding.

In September, the **RIBA Future Trends Permanent Staffing Index** fell into negative territory (-6) for the first time in two years. October sees a recovery, with the Index rising to zero, suggesting stable permanent staffing levels in the coming months.

Eight per cent of practices expect to employ fewer permanent staff over the coming three months, and 8 per cent expect to employ more. Eighty-five per cent expect permanent staffing levels to stay the same. In the face of an increasingly negative outlook, practices are looking to retain staff.

Overall, medium and large-size practices (11+ staff) are positive about future staffing levels, with a combined Staffing Index figure of +9, although large practices (50+ staff) are less optimistic than medium-sized (11 to 50 staff) practices. Small (1 - 10 staff) practices continue to expect falling permanent staff numbers with an Index figure of -2.

In October, the regional picture for permanent staffing is mixed but deteriorating.

Both Wales & The West (Staffing Index +14) and the South of England (+5) have returned a positive Staffing Index figure this month.

While still negative, London has recovered somewhat this month, returning a Index score of -3. The Midlands & East Anglia (-5) and the North of England (-5) also returned negative Index figures this month.

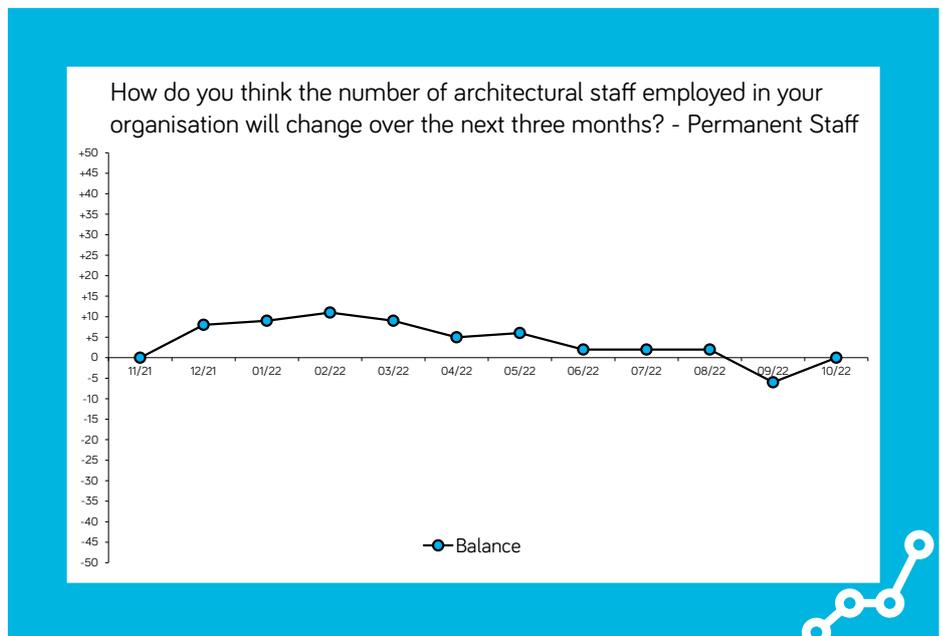
The **Temporary Staffing Index** remained negative, posting a balance figure of -1 in October, compared to -2 in September.

Levels of **personal underemployment** have decreased again slightly; in October 13% reported being personally underemployed in the previous month, compared to 16% in September.

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 (October 2022)

In October, the RIBA Future Trends Workloads continues to show falling confidence among practices about future workload levels, with the RIBA Future Trends Workload Index falling a further three balance points to -20.

The Index has fallen 33 points in the last six months, reflecting wider economic and political uncertainty set against a backdrop of an anticipated, long-lasting UK recession.

Confidence remains low across regions and sectors. Current workloads are falling when compared to last year; they are 92% of a year ago.

Comparing our current figures to previous downturns, one significant difference emerges: pessimism about future work has not resulted in widespread anticipation of staff losses. In our post-Brexit environment, qualified, talented architectural staff are hard to recruit and retain. Thus far practices are, overall, seeking to keep staff.

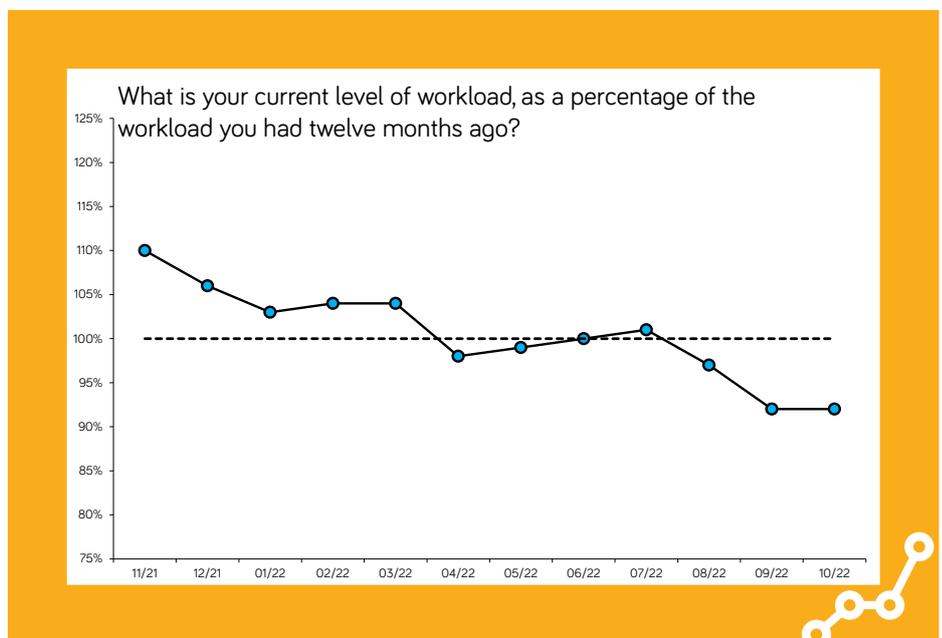
Commentary from practices shows an increasingly difficult market. Practices describe the effect of a range of persistent challenges weighing down on workload, including planning delays, product cost inflation, PII cost and exclusions, and projects failing to progress past design stages as costs become clear.

We are also beginning to hear reports of interest rate rises and concerns about personal finance holding back small-scale residential commissions. The number of enquires is also decreasing for many practices. Overall fee income is falling for some.

Pessimism is not universal, however, with some practices reporting full order books and healthy levels of work secured for the coming months. Even here, however, there is concern for the longer term.

Again, the RIBA Future Trends findings suggest the architects' market is entering a challenging period of contracting workloads. The option of counter-cyclical capital investment remains open to the government, to help create the sustainable homes and infrastructure we need to improve productivity, reduce carbon, and mitigate the effects of the long recession we are entering.

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 226 practices took part in the Survey in October 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.