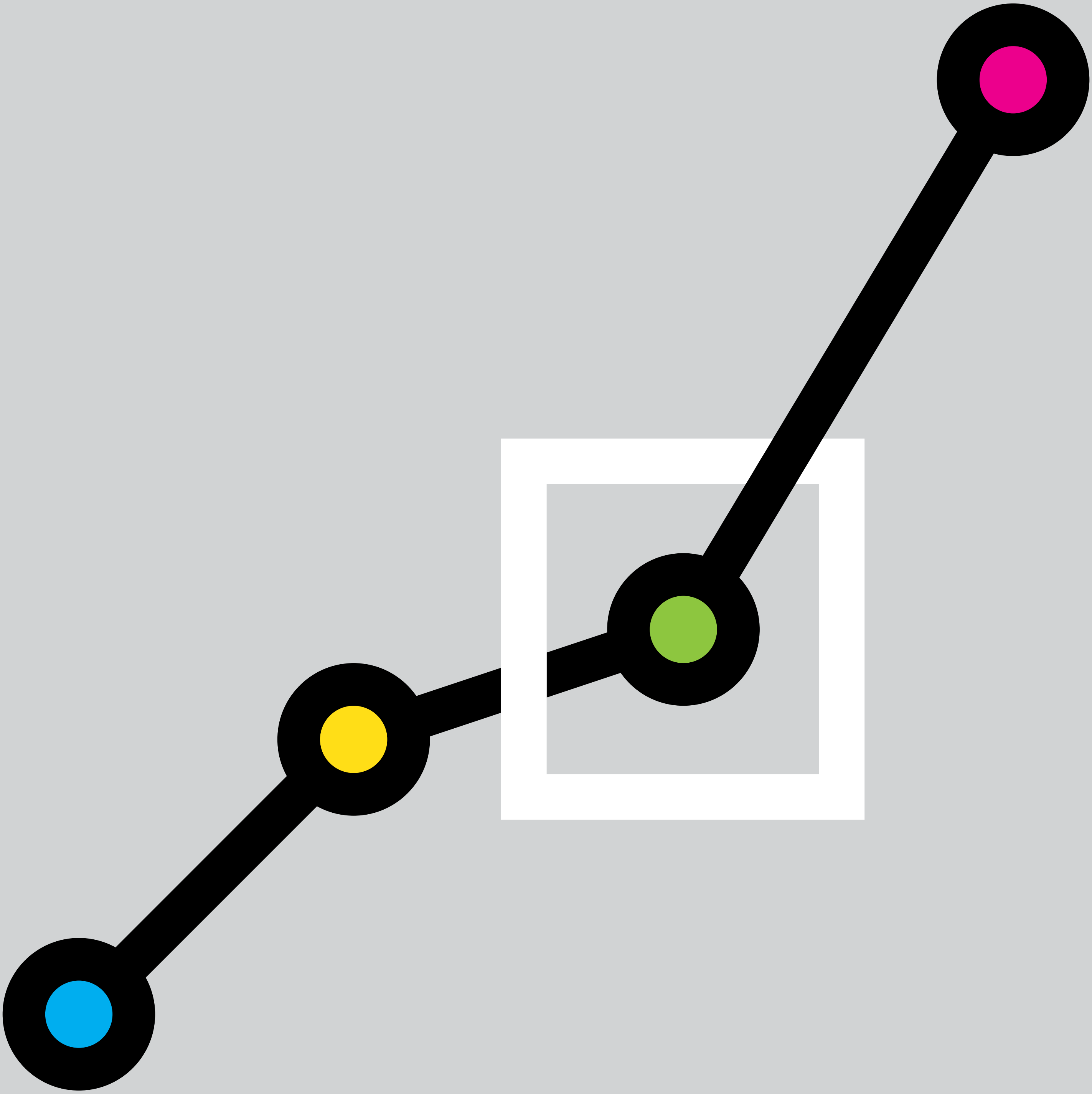
Future Trends Survey:

September 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 September 2022 survey returns.

RIBA Future Trends Workload Index
(September 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	52
Increase	16
TOTAL	100
Balance	**-17***

(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.*

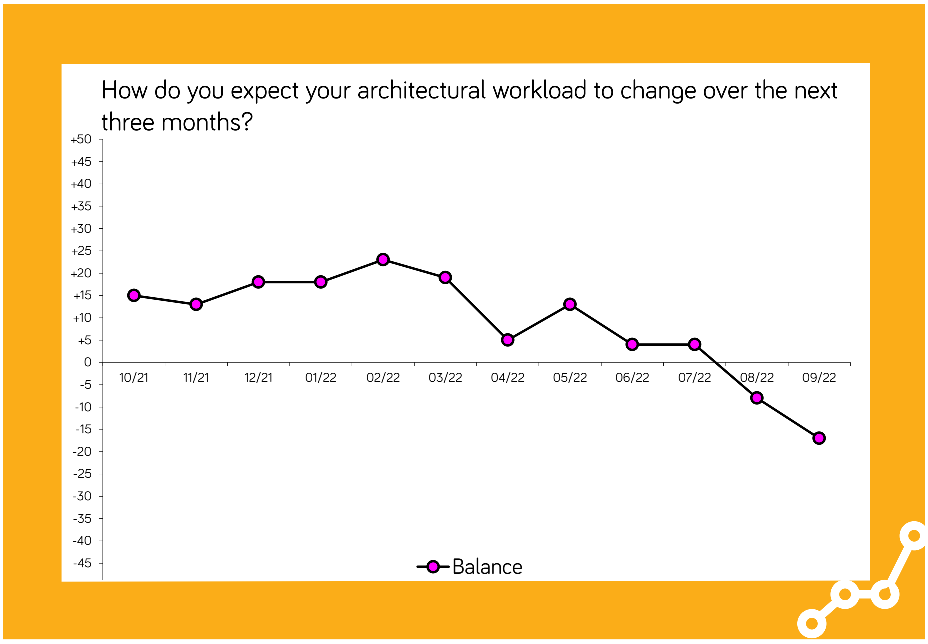
Notes
The balance figure is plotted here. The definition for the balance figure is the difference between those expecting more work and those expecting less.

In September, the RIBA Future Trends Workload Index continued to fall, this month to a balance figure of -17. Excluding the months of the first lockdown, this is the lowest Index score since 2009. Overall, confidence is down across practice sizes, regions, and work sectors.

The majority of survey returns were received before the government's 'fiscal event' and the Bank of England's subsequent market intervention.

Sixteen per cent of practices expect workloads to increase in the coming three months and fifty-two per cent expect them to remain the same. However, almost a third (32%) expect workloads to decrease.

The following graph plots the RIBA Future Workload index over time:



Smaller practices are the most pessimistic about future workloads. Whilst medium and large practices have seen confidence fall, they continue, on balance, to expect increasing workloads over the coming three months.

All the monitored work sectors have returned a negative balance, with private housing showing a further marked fall in confidence.

Confidence continues to wane across the country, with all regions returning a negative balance. London is the most pessimistic region.

Current workloads are now 8% lower than they were a year ago. Levels of personal underemployment remain steady.

Looking at the September 2022 RIBA Future Trends Workload Index in terms of practice size, region and sector:

The outlook among **small practices** (1 - 10 staff) has further deteriorated, with an Index score of -21, down from -12 last month, and from +19 in September 2021. Thirty-five per cent of small practices now expect workloads to decrease.

Large and medium-sized practices (11+ staff), however, remain positive about future workloads, returning a combined balance figure of +10, although this is 10 points lower than last month.

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

Confidence in the capital, however, has fallen further this month and it is now the most pessimistic region with a balance score of - 23 in September, down from -7 in August. On average, workloads in London practices are 86% of those seen a year ago. The monetary value of architectural work carried out in London is greater than in all other regions combined.

Outside London, Wales & the West (-17) has seen a slight decrease in pessimism (from -22 last month). The South of England (-20) and the Midlands & East Anglia (-21) have both slipped further into negative territory.

The North of England has dropped into negative territory for the first time since June 2020, returning a Workload Index score of -5.

All the monitored work sectors have posted a negative Index balance, and three have shown a further deterioration in confidence.

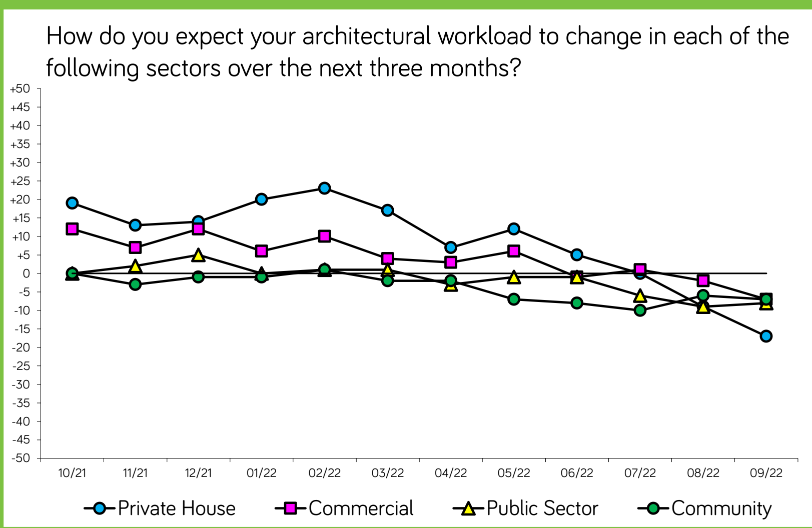
The **private housing sector** has fallen to a balance figure of -17, down from -9 last month. This is a fall of 37 points in the year from January, and a 59 point fall compared to the peak of +42 in May last year. Putting aside the lockdown collapse in confidence, this is the lowest figure for the sector since 2009.

The **commercial sector** fell a further 5 points in September, returning a figure of -7, down from -2 in August.

Pessimism about future work in the **public sector** has lessened very slightly this month, with a balance figure of -8, compared to -9 last month.

The outlook for the **community sector** remains negative, with a balance score of -7 this month, compared to -6 in July.

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



RIBA Future Trends Staffing Index
(September 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	13
Stay the same	80
Increase	7
TOTAL	100
Balance	-6

(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.)

After two years of architects anticipating growing staff numbers, the **RIBA Future Trends Permanent Staffing Index** fell into negative territory in September, with an Index figure of -6, down 8 points compared to August's figure of +2.

Thirteen per cent of practices expect to employ fewer permanent staff over the coming three months, whilst seven per cent expect to employ more. Eighty per cent expect permanent staffing levels to stay the same. Despite the increasingly negative outlook, most practices intend to maintain current permanent staffing levels.

Overall, medium and large-size practices (11+ staff) anticipate staff reductions in the coming three months, with a combined Staffing Index figure of -3. Small practices also expect, on balance, falling permanent staff numbers with a figure of -6.

In September, the regional picture for permanent staffing has deteriorated, with all but one region now in negative territory.

Wales & The West is the sole positive region this month, returning a Staffing Index figure of +5.

London has fallen further into negative territory, posting a Staffing Index figure of -19, down from -4 last month. Twenty-four per cent of practices in the capital expect to employ fewer permanent staff in the coming three months.

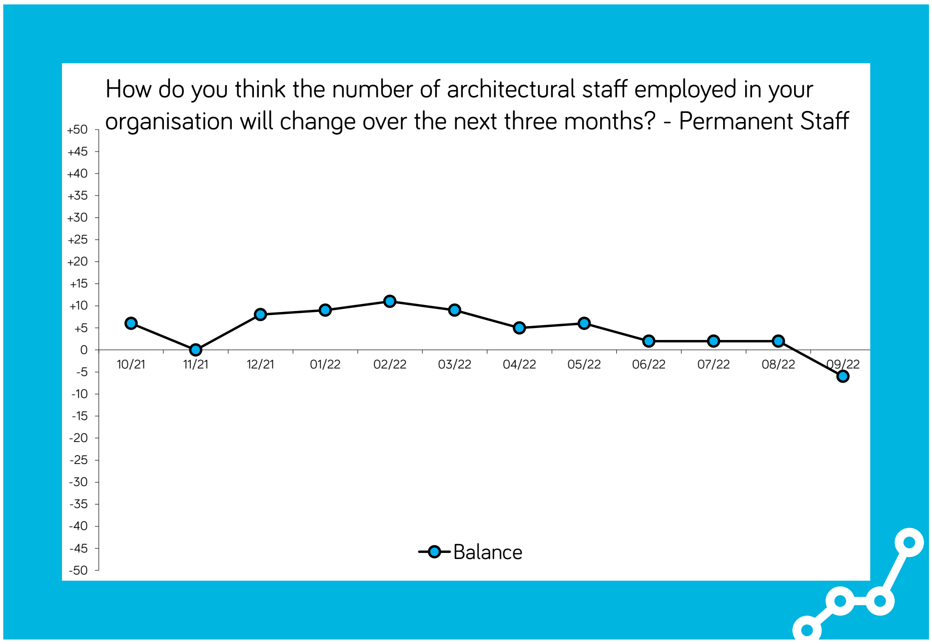
The Midlands & East Anglia (Staffing Index -6), The South of England (-2), and the North of England (-5) also returned negative figures this month.

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

Levels of **personal underemployment** have decreased slightly; in September 16% reported being personally underemployed in the previous month, compared to 17% in August.

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
(September 2022)

The falling confidence we saw in August has continued this month, with the RIBA Future Trends Workload Index falling a further nine balance points to -17.

The RIBA Future Trends survey has been running since the 'great recession of 2009. Since then, the Index has returned a Workload Index lower than we see this month only five times; for three months at the start of 2009, and for two months during the first lockdown.

There is now low confidence in future workload across regions and sectors. Confidence in Private Housing, which had seen a post-covid boom, has fallen rapidly. In the capital, confidence has also dissipated, and it is now the most pessimistic region.

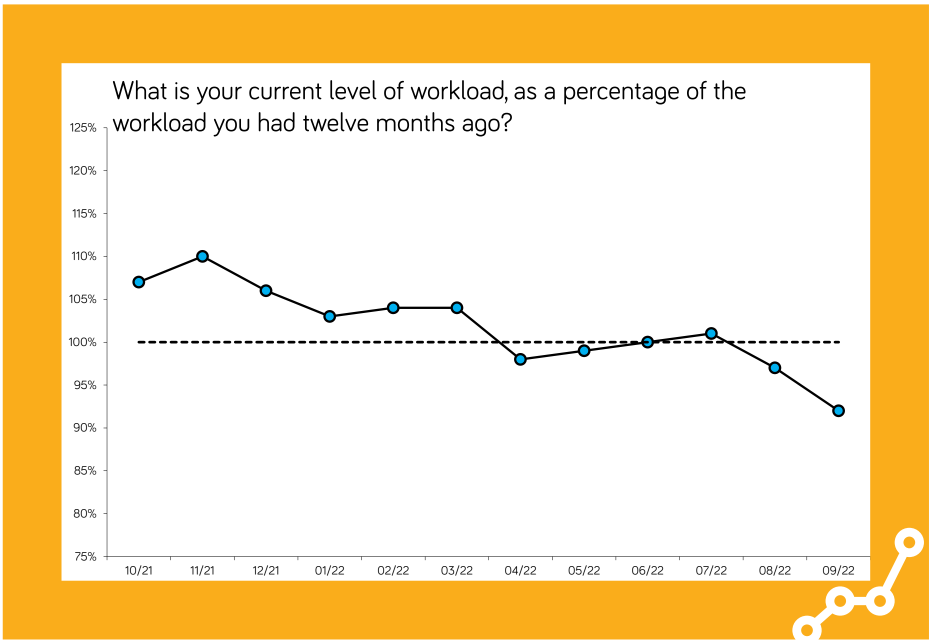
Current workloads are also weakening, with current workload at 92% of a year ago.

Commentary from practices continues to describe workload being held back by external factors: material and product price increases, project cost inflation, planning delays, and post-Brexit shortages of staff and tradespeople among them.

Practices also highlight the negative effect economic uncertainty is beginning to have on workloads. With a recession in the UK looking increasingly likely, practices describe projects being put on hold or abandoned as clients become cautious Practices also report fewer new enquiries.

This month's Future Trends findings suggests that the architects' market is on the brink of a period of consolidation and contraction. A return to growth depends in part on the UK's response to the energy crisis, on whether we begin in earnest to create a design-led, sustainable built environment.

The following graph plots percentage 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 234 practices took part in the Survey in September 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.