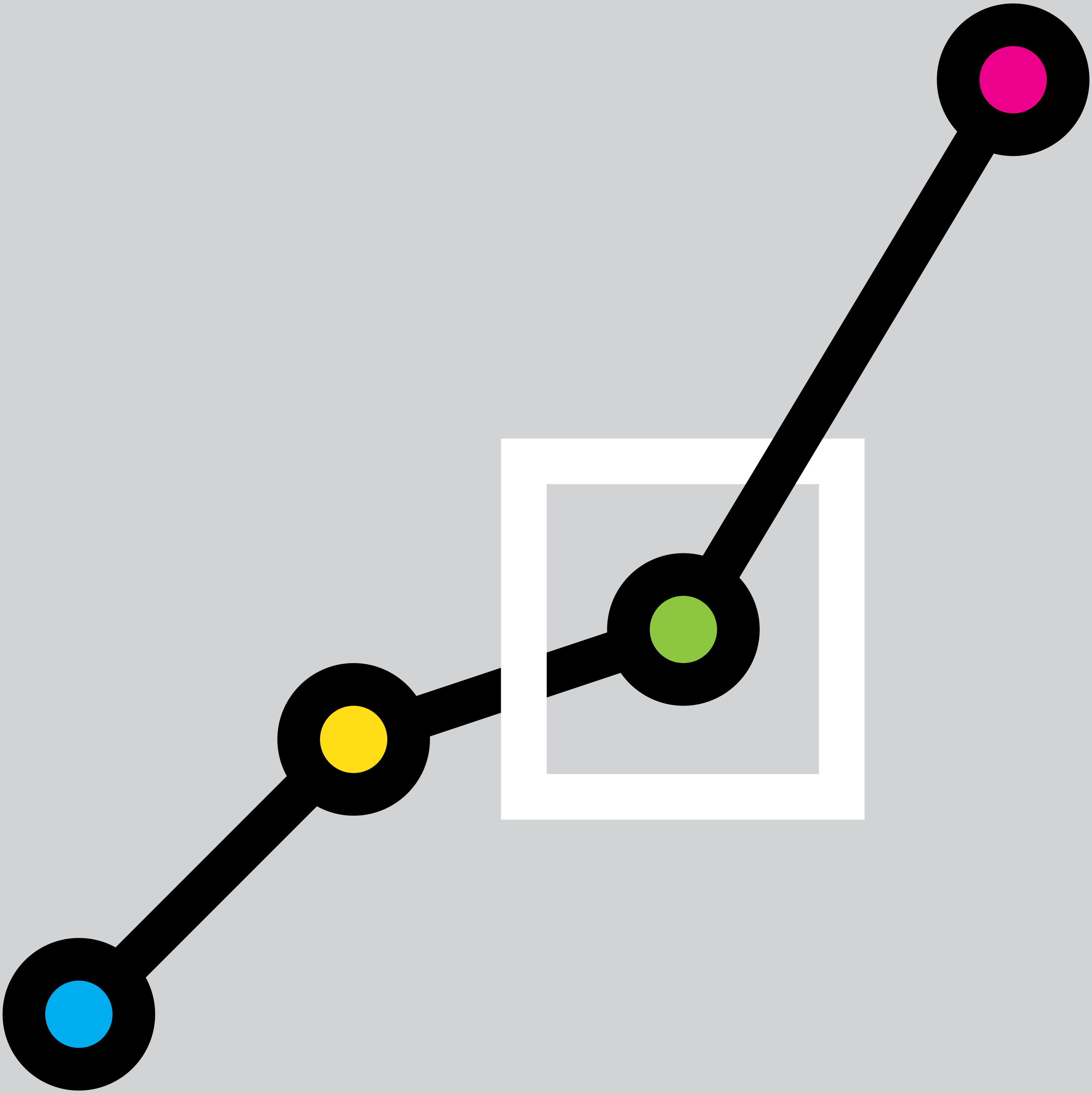
Future Trends Survey:

July 2022



RIBA
Architecture.com

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 July 2022 survey returns.

RIBA Future Trends Workload Index
(July 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	18
Stay the same	61
Increase	22
TOTAL	100*
Balance	**+4**

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

**Values do not total 100 due to rounding.*

In July, the RIBA Future Trends Workload Index held steady, returning a balance figure of +4. On balance, architects remain confident about future workloads.

Twenty-two cent of practices expect workloads to increase in the coming three months, whilst sixty-one per cent expect them to remain the same. Eighteen per cent of practices expect workloads to decrease.

Levels of confidence continue to differ by practice size, with small practices being less optimistic about future workloads. Medium and large practices remain optimistic, although, within this group, an increasing number expect workloads to fall in the coming months.

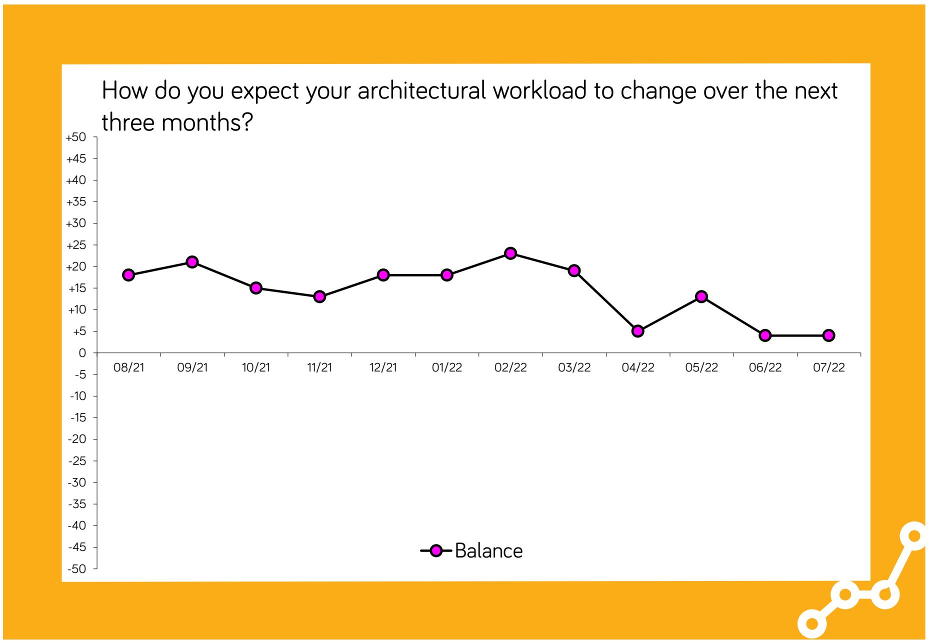
Confidence has fallen in all but one of the monitored work sectors. Private Housing, which has been the standout sector since the pandemic, has fallen to a zero balance.

The picture across the regions is mixed, with some remaining strongly positive. London, has, however, retreated further into negative territory.

Whilst confidence about the future is weak, current workloads, at 1% higher, remain comparable to a year ago. Personal underemployment, though a little higher than last month, remains at a low level of 11%.

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

Following last month's dip into negative territory, small practices (1 - 10 staff) posted a positive balance of +2 in July, a recovery of 3 points on June's figure of -1.

Large and medium-sized practices (11+ staff) remain positive about future workload, returning a balance figure of +20.

The regional picture is mixed.

The outlook among London practices has seen a further deterioration in July, with a balance figure of -6, down from -2 last month. Almost a quarter (24%) of practices in the capital expect workloads to fall in the coming three months.

The South of England has followed London into negative territory posting a figure of -3 in July, down from +4 last month.

Outside the capital and the South, the Midlands & East Anglia (+10), the North of England (+13) and Wales & the West (+15) have all returned positive balance figures this month, showing an expectation of increasing levels of work to come.

Three of the four work sectors have seen confidence fall, and architects are expecting falls in workloads in all sectors except private housing.

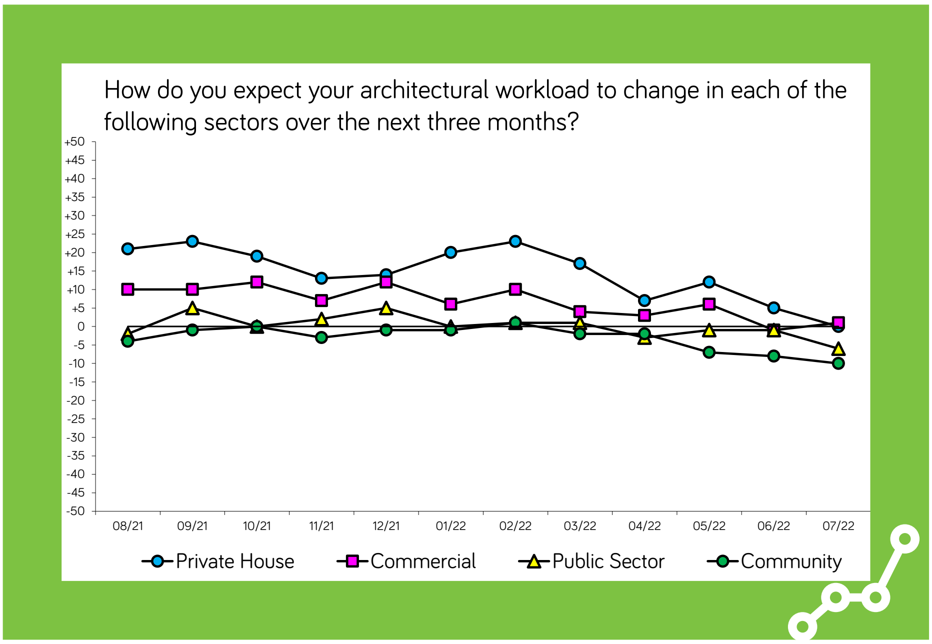
In July, the private housing sector posted a zero balance figure, down 5 points from last month. The sector had been positive since June 2020.

Hovering around zero, but recovering from last month's negative figure, the commercial sector returned a balance figure of +1, up from -2 in June.

The public sector dipped further into negative territory this month, posting a figure of -6 in July, down from -1 in June.

The outlook for the community sector also deteriorated further in July, falling two balance points in July, to -8.

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



RIBA Future Trends Staffing Index
(July 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	9
Stay the same	79
Increase	11
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.)

**Values do not total 100 due to rounding.*

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

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

Medium and Large-size practices (11+ staff) remain the most likely to be looking for new staff. Thirty-seven per cent expect to employ more permanent staff, whilst 10% expect to employ fewer, giving a permanent staffing index of +27.

Smaller practices, however, remain cautious about recruitment, with a permanent staffing index figure of -3, indicating practice headcount more likely to decrease than increase.

In July, the regional picture for permanent staffing is mixed, with three regions now in negative territory.

In the South of England (balance score -11), the Midlands & East Anglia (-7) and the North of England (-7) practices, on balance, expect to employ fewer staff in the coming three months.

With a balance score of +21, Wales & The West remains an employment hot spot.

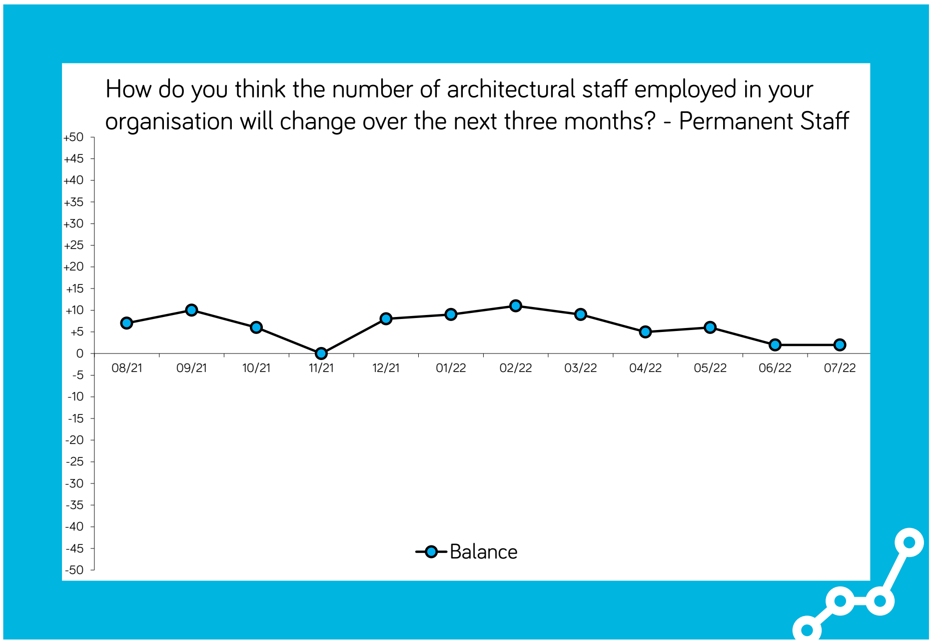
Whilst London is increasingly pessimistic about future workload, this isn't mirrored in the Staffing Index, which stands at +10 for the capital. Here, the practices that expect workloads to grow tend to be recruiting, and those who expect a workload contraction are looking to keep the permanent staff they have.

The Temporary Staffing Index slipped somewhat, but remained positive, posting a balance figure of +2 in July, compared to +7 in June.

Levels of personal underemployment remain low with 11% reporting being personally underemployed in the previous month.

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
(July 2022)

In July, architects remained somewhat optimistic about future workloads.

Current workloads are holding up, and personal underemployment remains low. Some practices continue to report full order books and a healthy level of enquires.

We continue to receive reports of projects being put on hold or cancelled due to difficulties in sourcing construction products, contractors, or skilled workers.

Concern about the future, however, continues to grow. July has seen important indicators deteriorate; workload for the private housing sector is expected to be flat, confidence in the public sector has dipped further, and London, the largest architectural market, is increasingly pessimistic.

Burgeoning concerns about the future of the UK economy weigh down on clients and architects alike. Architects, even those with a full order book now, are increasingly concerned about workloads in three to six months. Inflation continues to push up construction costs, reduce the available funds for client investment, and so limit potential new commissions.

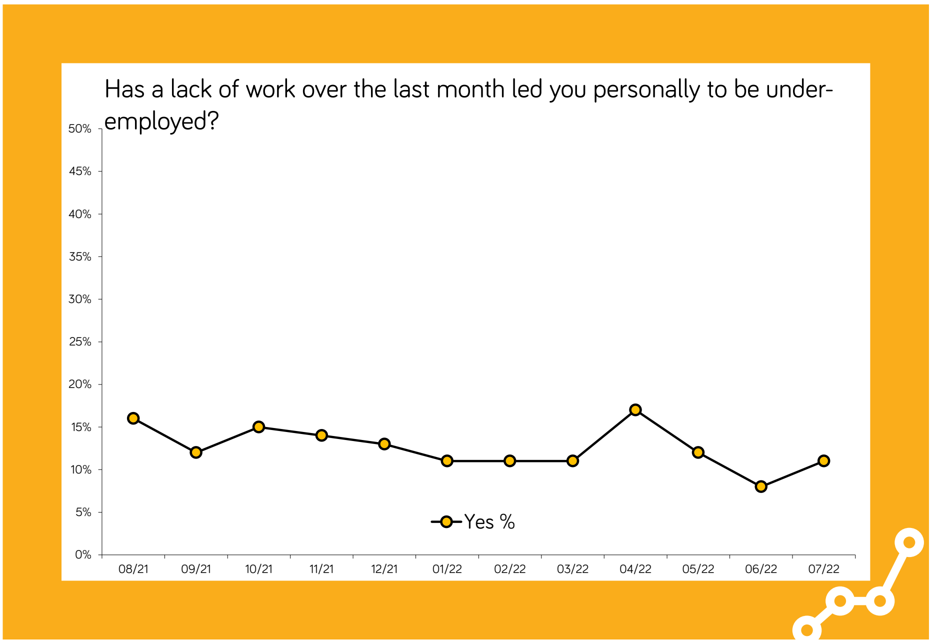
There are significant levels of uncertainty around project costs, product prices, future client demand, and staff and on-site worker availability. This is in the context of political, fiscal, and monetary uncertainty.

The problems of an increasingly challenging market are compounded by reported significant and frequent delays in the planning process.

On a more positive note, the rapid energy price increases are reported to be translating into new enquires for retrofit and low-energy housing projects.

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 188 practices took part in the Survey in July 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.