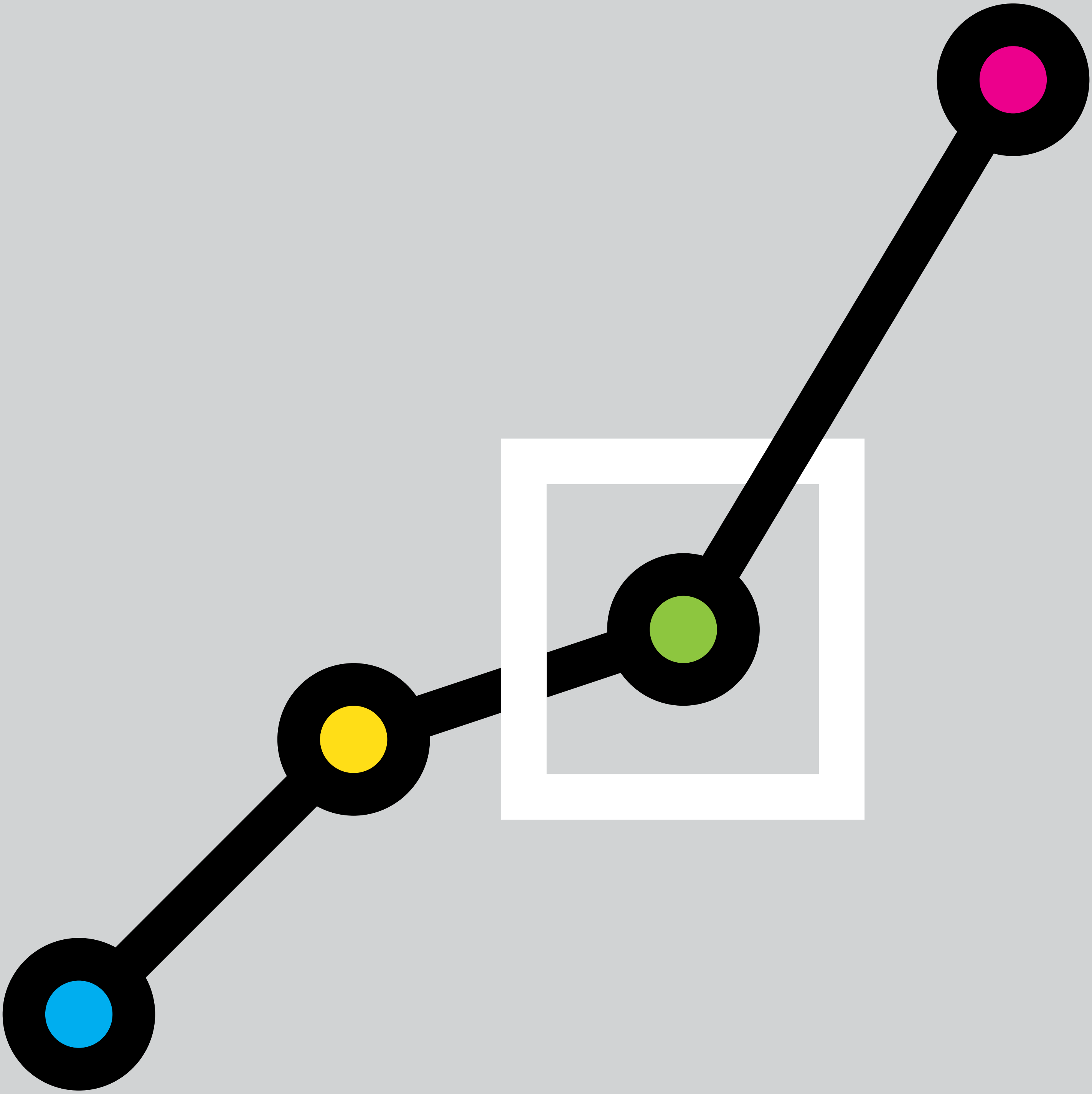
Future Trends Survey:

October 2019



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 October 2019 Survey returns.

RIBA Future Trends Workload Index
(October 2019)

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	29
Stay the same	53
Increase	18
TOTAL	100
Balance	**-10***

(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.

The RIBA Future Trends Workload Index balance figure dropped a further six points in October 2019. It fell from a balance figure of -4 in September to -10 in October.

Respondents report architectural workload twelve per cent lower than twelve months ago.

This is the first time since 2011/12 that the index has fallen into negative territory for two consecutive months. Then, the index was negative for five months, from September 2011 to January 2012. This anticipated an extended construction contraction; from Q3 2011 to Q3 2012 there were five consecutive quarters of zero or negative growth in construction output.

Might this month's RIBA Future Trends Workload Index balance figure be an early warning of a coming recession for the construction industry?

This looks less likely than in 2011.

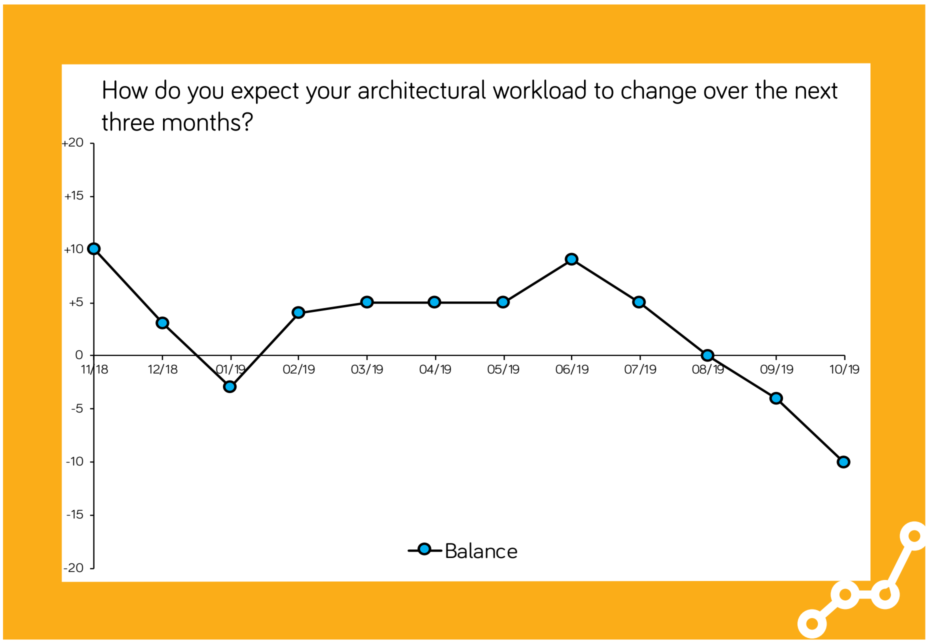
Currently, the construction sector is weak, but not in a recession. October's negative balance figure looks to have been, in part, a reaction to the possibility of a no-deal Brexit. The chances of a no-deal Brexit have receded.

In November's report, we will see if that is enough to lift the Future Trends Workload Index out of negative territory, or if the ongoing uncertainty continues to weigh down on architects' workload, and the wider industry.

Responses reported on this month were received before the announcement of the forthcoming general election.

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.



Analysing the October 2019 **RIBA Future Trends Workload Index** in terms of practice size, and region we can see the following:

Small practices (1 - 10 staff) recorded a seven-point fall in their balance figure. The balance figure in October was -15, down from -8 in September.

Medium-sized practices (11 - 50 staff) continue to be positive, returning a balance figure of +31, up seven points on last month's figure of +24.

Large practices (51+ staff) continue to return a positive balance figure, this month returning a positive figure of +25.

For the **regions,** the pessimism among London practices remains, with a balance figure of -13 in October, marginally up from -15 in September.

The South of England also remains downbeat, recording a balance figure of -21 in October, a drop of 13 points from September's figure of -8.

The outlook of practices in Wales & the West has fallen back into negative territory, this month recording a balance figure of -25 in October, from a zero balance in September.

The Midlands & East Anglia have avoided posting a negative balance, with a zero balance figure this month.

The North of England continues to be positive. In October the North of England returned a balance figure of +6, the same as in September.

In terms of **different work sectors,** in October all sectors remained negative, though the public and community sectors have recovered somewhat.

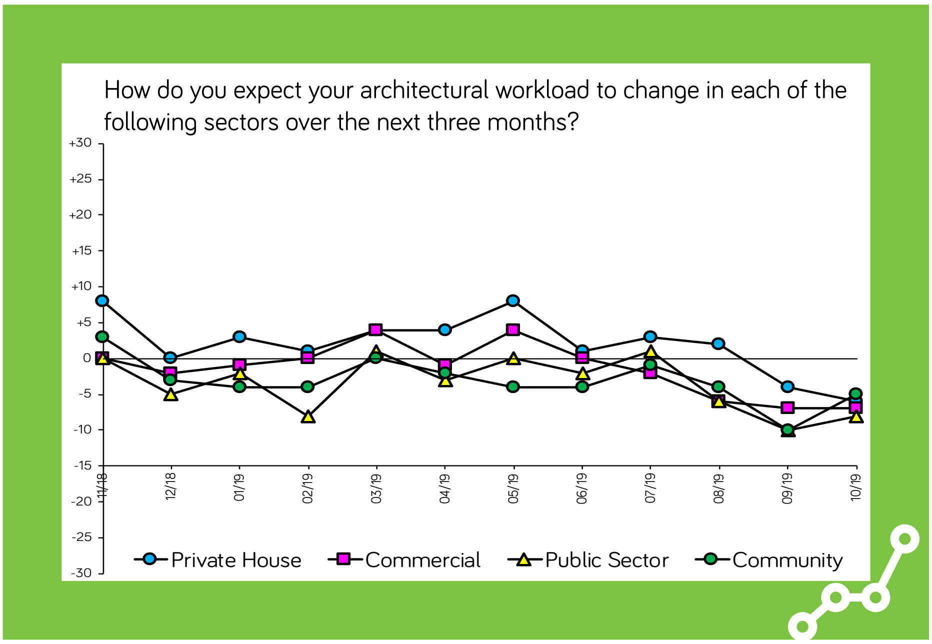
The **private housing sector** fell two points, returning a balance figure of -6 in October, down form -4 in September.

The **commercial sector** returned the same -7 balance figure in October as it did in September.

The workload predictions for the **community sector** rose two points to -8 in October, up from -10 September.

The **public sector** also rose. It returned a balance figure of -5, in October, up five points from September's balance figure of -10.

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



RIBA Future Trends Staffing Index
(October 2019)

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	87
Increase	6
TOTAL	100
Balance	-1

(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 RIBA Future Trends Staffing Index fell four points this month, from +3 in September to -1 in October.

Small practices (1 - 10 staff), with a balance figure of -3 are the most cautious about acquiring new staff.

Both medium-sized practices (11 - 50 staff) and large practices (51+ staff) returned positive Staffing Index figures. The overall balance figure for medium and large practices is +20.

The anticipated demand for temporary staff in the next three months, however, remains subdued. The October Staffing Index for temporary staff remains negative, at -1.

The number of respondents citing a lack of work leading them to be personally underemployed has risen very slightly this month, from 22% in September, to 23% in October.

Nevertheless, overall staffing levels have remained broadly consistent over the last twelve months, with staffing levels reported to be just one per cent lower than twelve months ago.

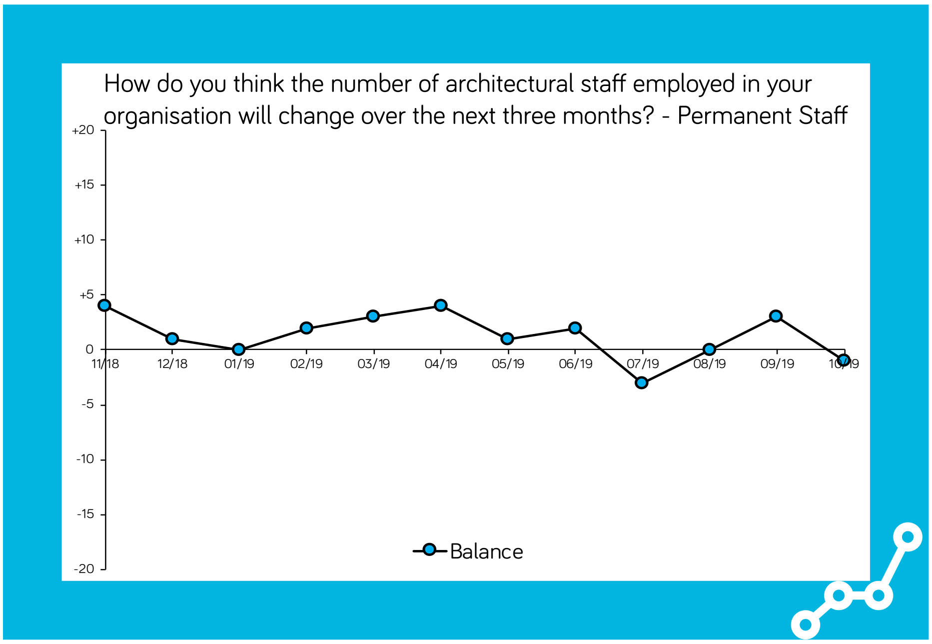
The commentary received this month shows an architectural profession that continues to be concerned about Brexit. In line with the negative Future Trends Workload Index figure, commentary has tended to report on current difficulties.

Practices report that enquires are still coming through, but fewer are becoming an appointment. Clients remain apprehensive, wary of committing capital. A slackening of domestic work has been highlighted by several respondents this month.

With a slowing workload and increasing levels of personal underemployment, there is spare capacity within the architectural profession.

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.



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 199 practices took part in the Survey in October 2019.
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.