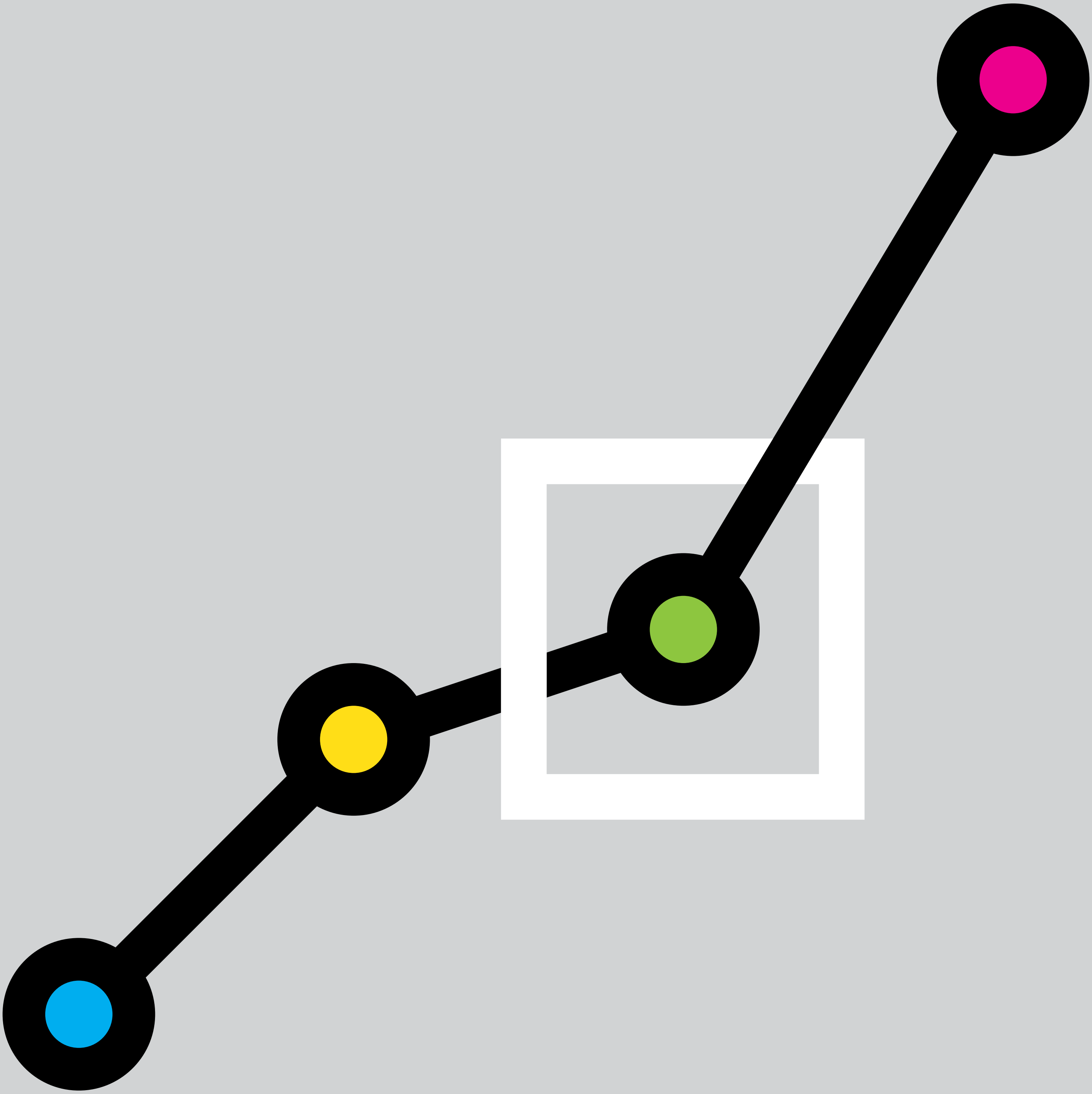
Future Trends Survey:

January 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 January 2022 survey returns.

RIBA Future Trends Workload Index
(January 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	13
Stay the same	55
Increase	31
TOTAL	100*
Balance	**+18**

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

2022 has begun as 2021 ended; with the RIBA Future Trends Workload Index returning a positive balance of +18. After two years of unprecedented swings in the month-on-month RIBA Workload Index, stable confidence is welcome.

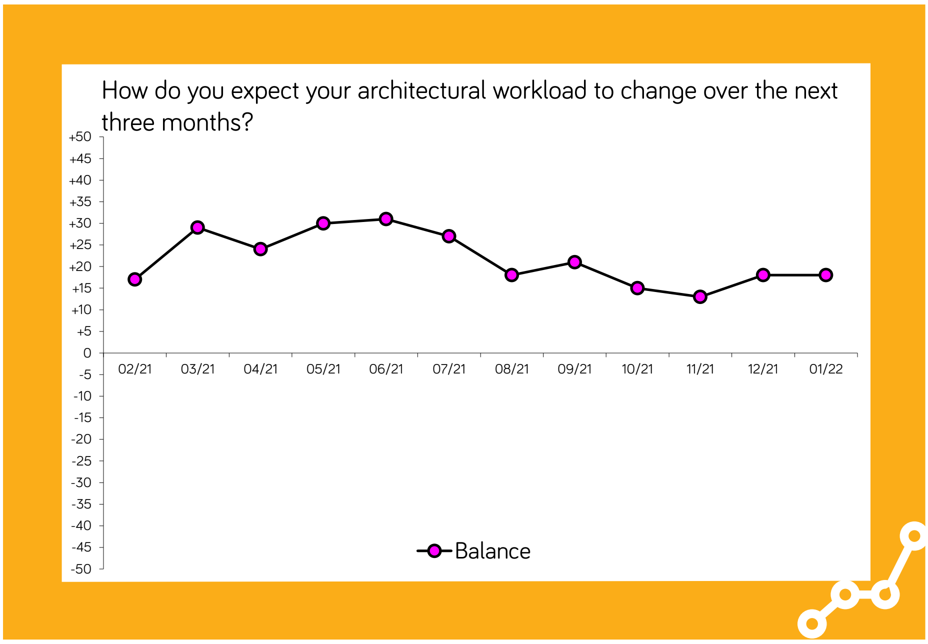
Thirty-one per cent of practices expect workloads to grow in the coming three months, whilst fifty-five per cent expect them to remain the same. Thirteen per cent of practices expect workloads to decrease.

On balance, all practice sizes remain confident about future workloads, as do all regions, except one.

The Private Housing and Commercial sectors are expected to grow, with the Private Housing sector seeing a marked uptick in confidence. The outlook for the Community Sector remains pessimistic, however, and the Public Sector is flat.

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

In January **Small practices** (1 - 10 staff) practices posted a positive balance figure of +16, up 1 point from December's figure of +15.

Large and medium-sized practices (11 - 50 and 51+ staff) remain firmly positive about future workload, with a balance score of +33. Half of mid to large sized practices expect workloads to grow.

Across the country, the positive outlook is broad-based, although the Midlands & East Anglia has returned a negative figure this month.

London's confidence in future work remains firmly intact, with a balance figure of +16 in January, up 9 balance points from the +7 December figure.

The North of England remains resolutely positive with a balance of +40, up from +28 last month. Wales & the West has also remained in firmly positive territory, with a balance score of +26, in January (the same as in December).

At +18, optimism in the South of England rose again, up 5 points from last month's figure of +13.

The Midlands & East Anglia has fallen into negative territory this month, with a balance score of -5, compared to +15 last month.

Turning to work sectors, the private housing sector has grown in confidence. The three other sectors have either fallen back or held steady, however.

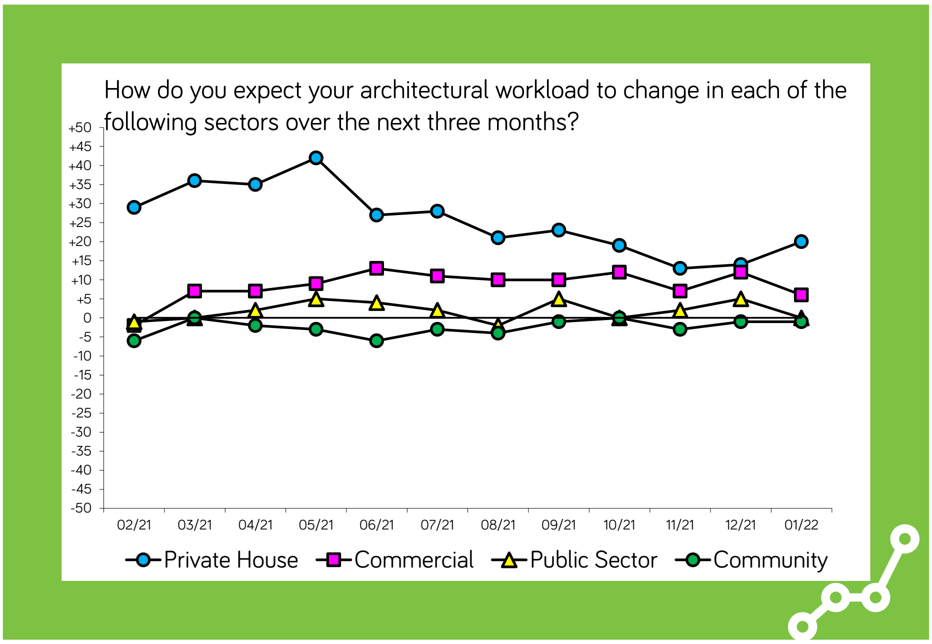
In January, the **private housing sector** posted a balance figure of +20, up six points from last month's figure of +14.

The **commercial sector** fell back in January, with a balance figure of +6, (down 6 points from last month).

The **public sector** also saw a drop in confidence this month, falling to a zero balance, down from +5 in December. Announced public sector capital spending has yet to translate into architects' workloads.

The **community sector** remained negative, with a -1 balance score, the same as last month.

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



RIBA Future Trends Staffing Index
(January 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	5
Stay the same	81
Increase	14
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 January, the **RIBA Future Trends Permanent Staffing Index** reported a balance figure of +9, up one point from December.

Fourteen per cent of practices expect to employ more permanent staff over the coming three months. Five per cent expect to employ fewer. Eighty-one per cent expect staffing levels to stay the same.

Medium and large-size practices (11+ staff), with a combined balance figure of +22, are most likely to expand staffing levels. Practices with more than 50 staff are the most bullish about future recruitment.

Overall, smaller practices (1 - 10 staff) are looking to expand too, though with a more cautious approach; here the staffing index is +6. Ten per cent of smaller practices are looking to take on more staff.

In January, the regional picture for permanent staffing remained firm, with no region being pessimistic about future permanent staffing levels.

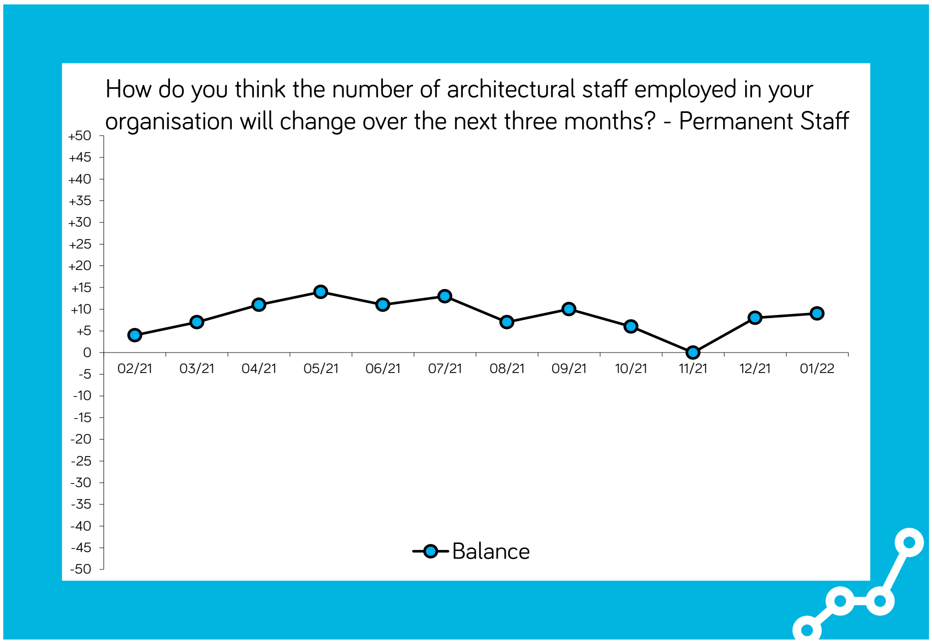
Future recruitment levels look to be strongest in Wales & the West, with a balance score of +15; one in five practices in the region are looking to recruit. Other regions are positive too; the South of England (+12), London (+9) and the North of England (+8). The Midlands & East Anglia has returned a zero balance figure this month.

The **Temporary Staffing Index** increased to +7 in January, up four points on December's figure.

In January, **personal underemployment** fell further, with 11% reporting being personally underemployed in the month. Spare capacity within practices continues to fall.

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
(January 2022)

2022 begins much as 2021 ended; overall architects are looking forward to the coming months with some confidence. Workloads continue to be on the up and underemployment down. Some stability in the outlook has returned.

Optimism in the housing sector continues to be strong. Practices also expect workloads to grow in the commercial sector, (although optimism is more subdued here).

With the peak of the latest Covid wave passing, the threat to the sector from the pandemic looks to be receding. 2022 may be the year that our new normality becomes settled.

Nevertheless, significant supply-side challenges remain, with a shortage of materials, tradespeople, and professionals, putting a brake on growth. As in many sectors, inflationary pressures are mounting

Overall, the commentary received in January gives a positive picture, with practices reporting strong levels of enquiries, new work coming in, and full order books. The domestic sector is reported to be particularly positive.

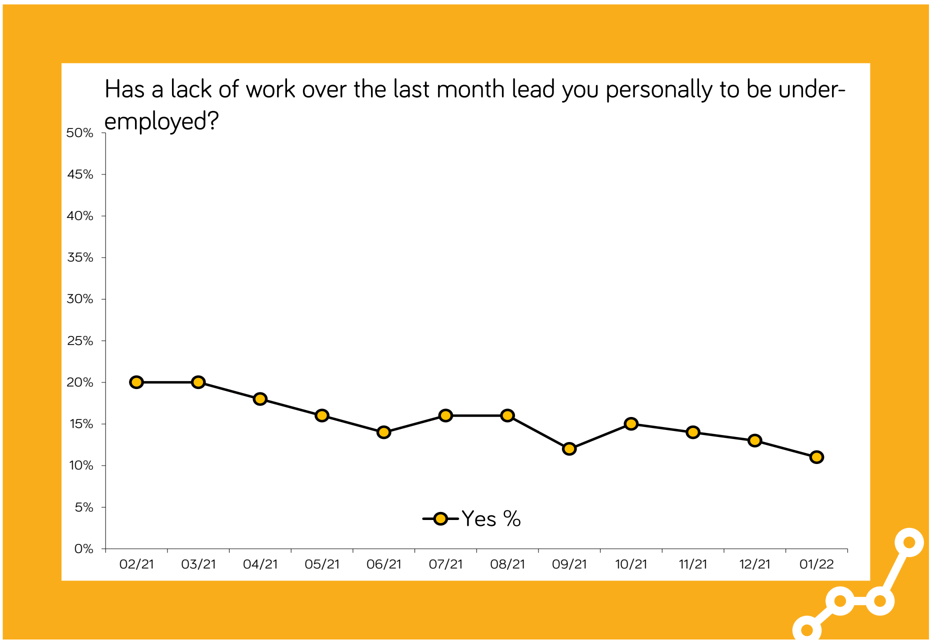
Not all practices are seeing growing workloads, however, with some reporting a lack of enquiries and projects.

Challenges remain. Escalating costs and reduced availability of construction materials continues to hamper project delivery. Some practices report clients abandoning projects in the face of rapidly inflating product costs. Inflation is also putting cost pressures on practice finance and reducing profitability. Project threatening delays in the planning process continue.

Nevertheless, despite these challenges, 2022 has started strongly. The expectation remains for broad-based workload growth in the profession.

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 249 practices took part in the Survey in January 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.