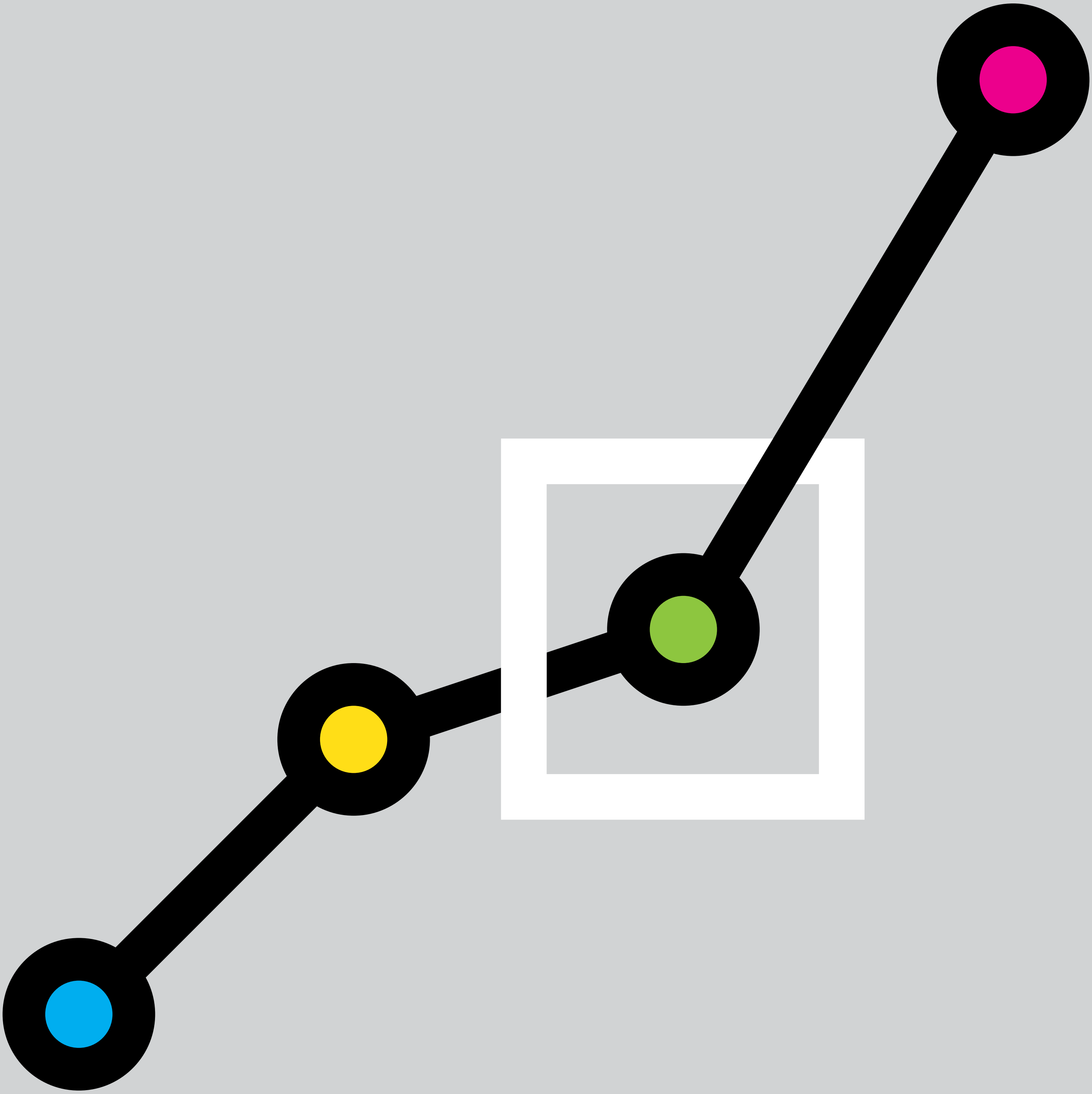
Future Trends Survey:

October 2020



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 October 2020 Survey returns.

RIBA Future Trends Workload Index
(October 2020)

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	21
Stay the same	49
Increase	30
TOTAL	100
Balance	+9

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

In October, the RIBA Future Workload Index held steady, again returning a balance figure of +9. Practices are expecting workloads to increase in the coming three months.

Thirty per cent of practices expect an increase in workload, 21% expect a decrease whilst 49% expect them to remain the same.

Confidence is returning to practices of all sizes. Reports of personal underemployment are decreasing, and workload levels continue to be on the up. The outlook for future staffing levels is also improving.

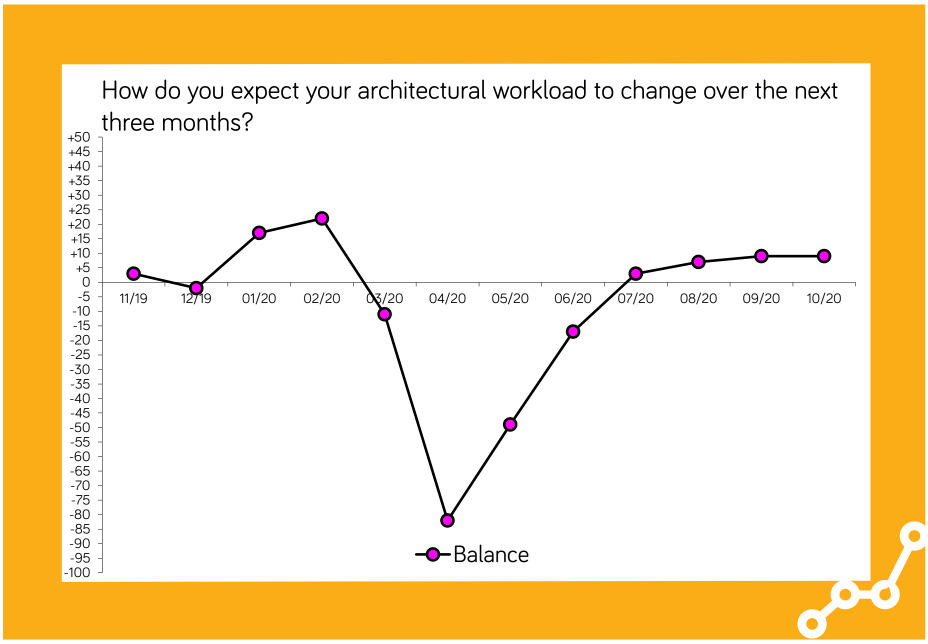
Workloads now stand at 90% of what they were a year ago.

This improving picture is a result of a strengthening private housing market and optimism about future work for practices outside the capital.

An important note, however. The responses to the October Future Trends survey were received before the announcement of the second English lock-down. Whilst we don't expect to see the precipitous fall in architects' confidence that we saw in April, we can expect architects' confidence to be affected by the latest lock-down. November data may well see a downgrade in workload expectations, even though the end of the pandemic is at last coming into sight.

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 2020 **RIBA Future Trends Workload Index** in terms of practice size, region and sector:

Small practices (1 - 10 staff) continue to be optimistic about future workloads, posting a balance figure of +5 in October, although this is 5 points lower than September's figure of + 10.

Large and Medium-sized practices (11 - 50, and 51+ staff) have returned to confidence about future workloads, with both medium and large practices posting a positive balance.

London remains negative about future work, but only just. This month London posted a balance figure of -1, the eighth successive negative figure from the capital, but the highest balance figure since March.

The Midlands & East Anglia have slipped back into negative territory, dropping 17 points to post a balance figure of -7 this month.

The South of England strongly returns to confidence this month, posting a balance figure of +16, up from -2 in September.

Wales & the West retains its position as the most positive area, with a balance figure of +25, although this is down from last month's high of +40.

The North of England remains positive and consistent, posting a workload balance figure of +19.

Among the four **different work sectors,** private housing remains the only sector within which workloads are expected to grow over the coming months.

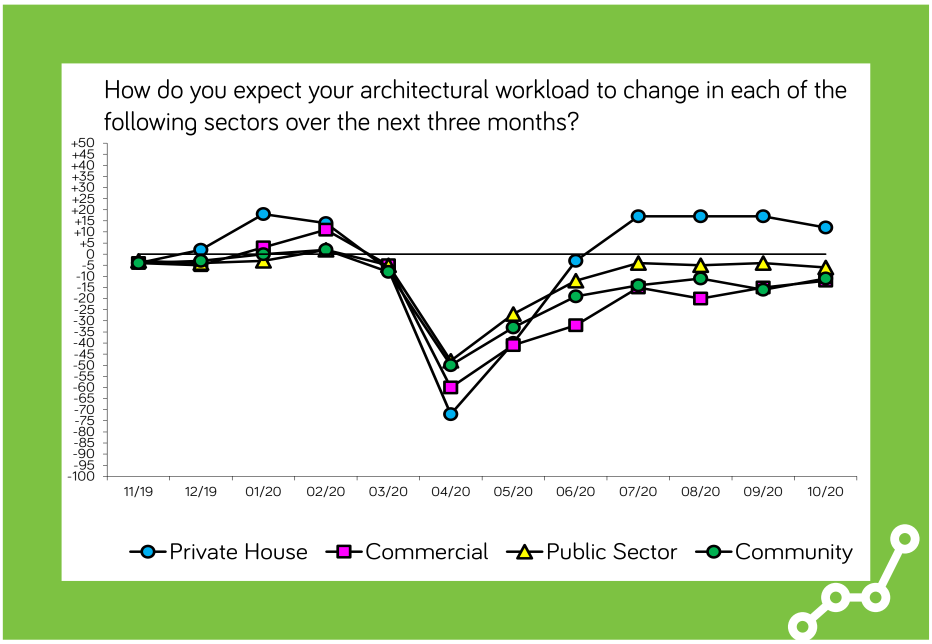
The **private housing sector** posted a balance figure of +12 in September, softening slightly from last month's figure of +17.

The **commercial sector,** while negative, continues its slow recovery. Its balance figure has improved again up from -15 in September to -12 this month.

The **community sector** posted a balance figure of -11 this month, up from -16.

The **public sector** slipped back a little this month a balance of -4, up one point on August's figure of -5. The government's June promise of 40 new hospitals, 60 new schools and £1.5bn for higher education refurbishment has yet to affect architects' expectation of future work.

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



RIBA Future Trends Staffing Index
(October 2020)

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	81
Increase	10
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.)

Back in positive territory for the first time since February, the RIBA Future Trends Staffing Index rose four points to reach a balance figure of +1 in October.

Nine per cent of practices expect to be employing fewer permanent staff in the coming three months, but 10% expect to employ more. Medium-sized practices (11 - 50 staff) are those most likely to need more permanent staff.

The anticipated demand for temporary staff is also on the up. The temporary staffing index also went into positive territory this month, with a balance figure of +4.

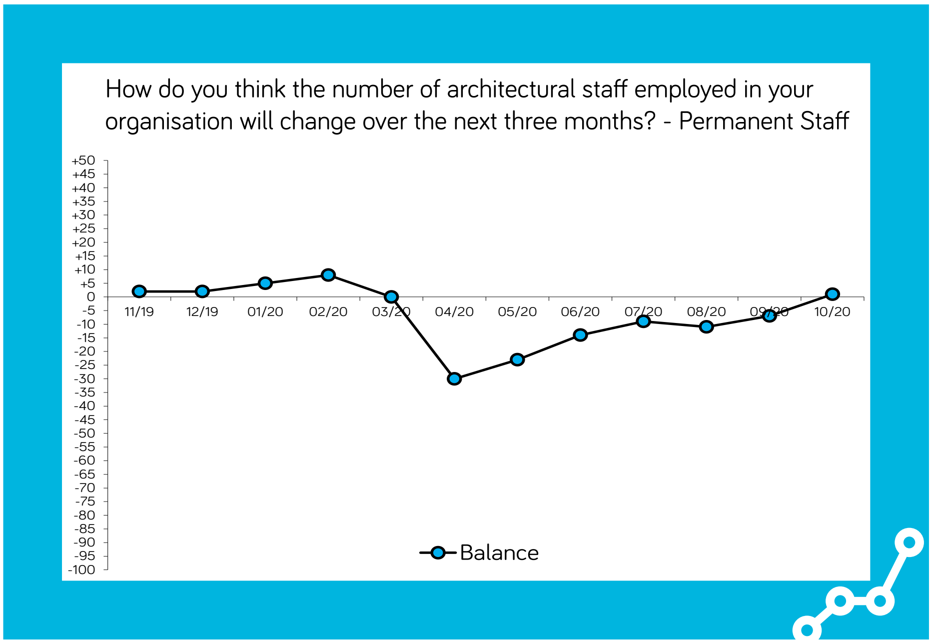
Whilst it is encouraging to see both staffing indexes return to positive territory, there is regional variance. London, by far the UK's most significant region for architects' employment, continues to post negative balance figures.

In London, the balance figure for permanent staff is -8, with 15% of practices expecting to be employing fewer staff in the next three months (although that's less than the 22% of practices we saw in September).

All other regions are positive about future staffing levels.

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: Focus on COVID-19
(October 2020)

The RIBA Future Workload Index continues to be in positive territory, primarily because of private housing work.

London remains the least positive region. As the home of many of the largest practices in the UK, this is a significant concern.

The next few months will be critical for UK architects. How the government negotiates Brexit, how the pandemic is managed, and how government spending promises are realised will all directly affect architects' workload.

Concerns about future profitability remain. Six per cent of practices expect falling profits to threaten practice viability. There are regional differences, however; in London, that figure is 12%, but in the North of England it's 2%.

Personal underemployment is also falling; at 20% it is at the sort of levels we were seeing immediately before the pandemic hit. The number of staff on furlough has also decreased; 6% this month compared to 9% in September, and 22% in May.

The extension of the furlough scheme into 2021 has stayed the potential budget crisis of increased salary cost without any commensurate increase in revenue.

Staffing levels are 97% of what they were 12 months' ago. Overall, 3% have been made redundant since the start of the pandemic, though 19% are working fewer hours.

The commentary received in October continues to show many practices enjoying a significant rise in enquires and commissions, particularly for smaller residential projects.

Others describe a market as bad as it has ever been with work in the hospitality sector, in particular, stalling.

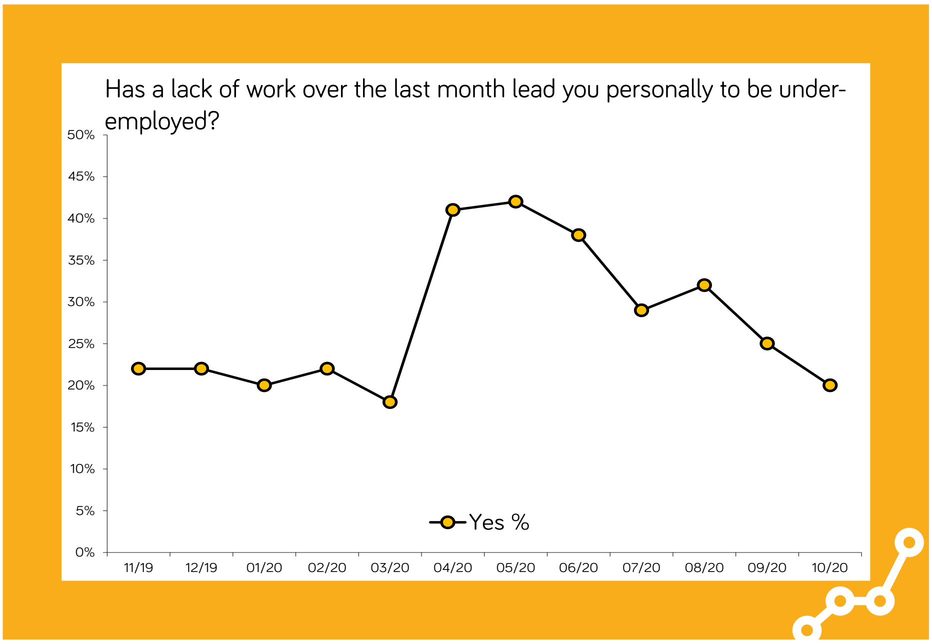
There remain significant concerns about the course of the pandemic and when it will be over. This uncertainty is made worse by the lack of clarity on Brexit.

A few practices mention on-going remote working as a threat to mental health and well-being.

Some are looking a little further ahead, suggesting that once the pandemic is over and Brexit resolved, significant pent up demand will be unleashed. Others that the shift in working patterns, away from offices and city centres, offers architects opportunity.

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 308 practices took part in the Survey in October 2020.
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.