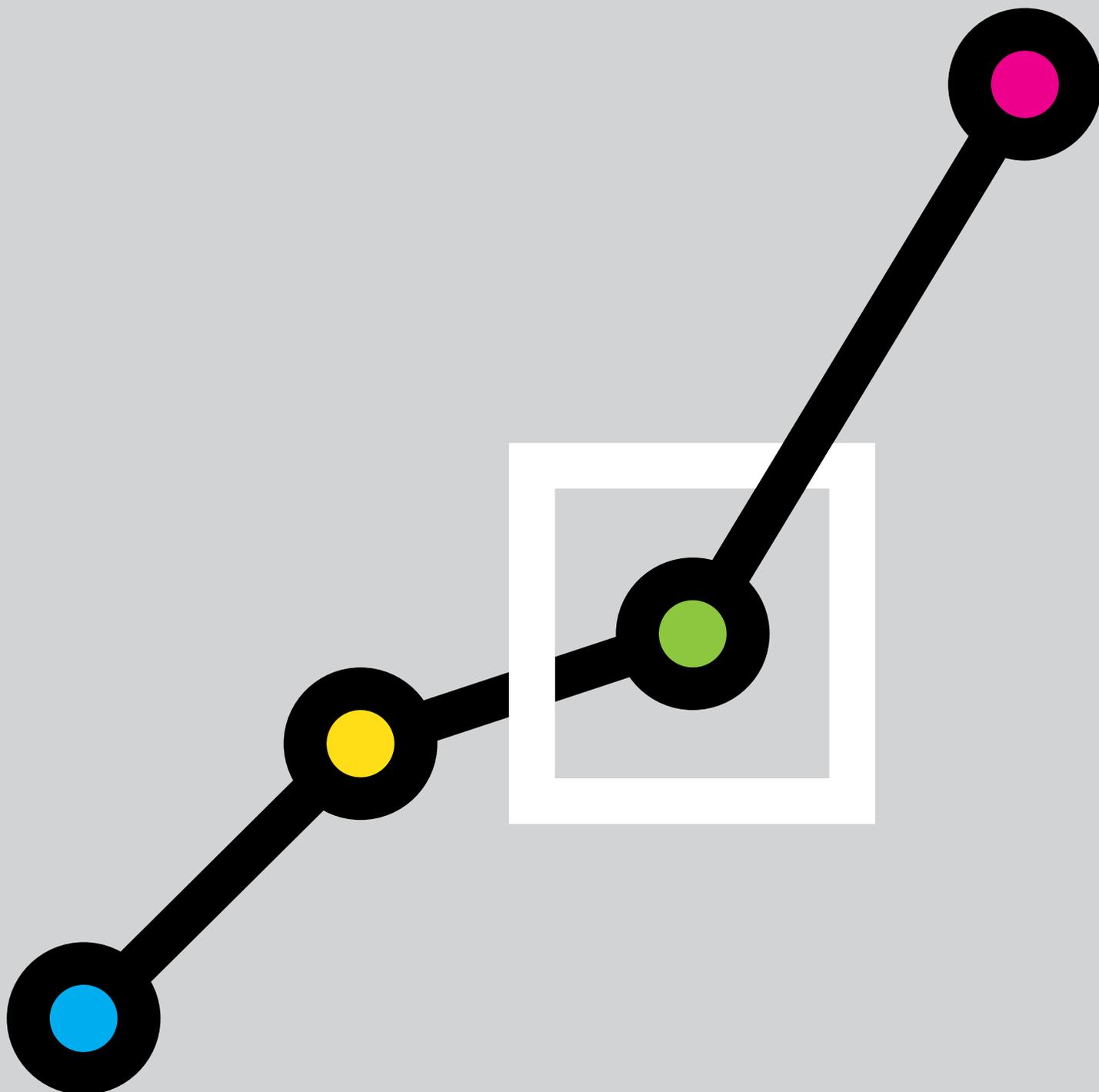


Future Trends Survey:

February 2020



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 February 2020 Survey returns.

RIBA Future Trends Workload Index (February 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 | 10 |
| Stay the same | 58 |
| Increase | 32 |
| TOTAL | 100 |
| Balance | +22 |

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

This report describes responses to the RIBA Future Trends Survey received in February 2020. In the first half of the month, when most responses were received, there were fewer than 10 confirmed cases of COVID-19 in the UK; its potential effects were unclear. They may only become clear over the coming months.

In March, we expect a significant reduction in the levels of optimism about future workloads.

In February, the turn-around in architects' assessment of future workloads continued. After an unprecedented increase of 19 points in January, the RIBA Future Index rose again in February. The February balance figure stands at +22, up 5 points from January 2020.

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

This rise was a direct result of a 5 per cent fall in the number of practices who expected workloads to decrease. In February, only 10 per cent saw workloads falling in the next three months. Thirty-two per cent envisaged a rise in workloads, the same percentage as in January.

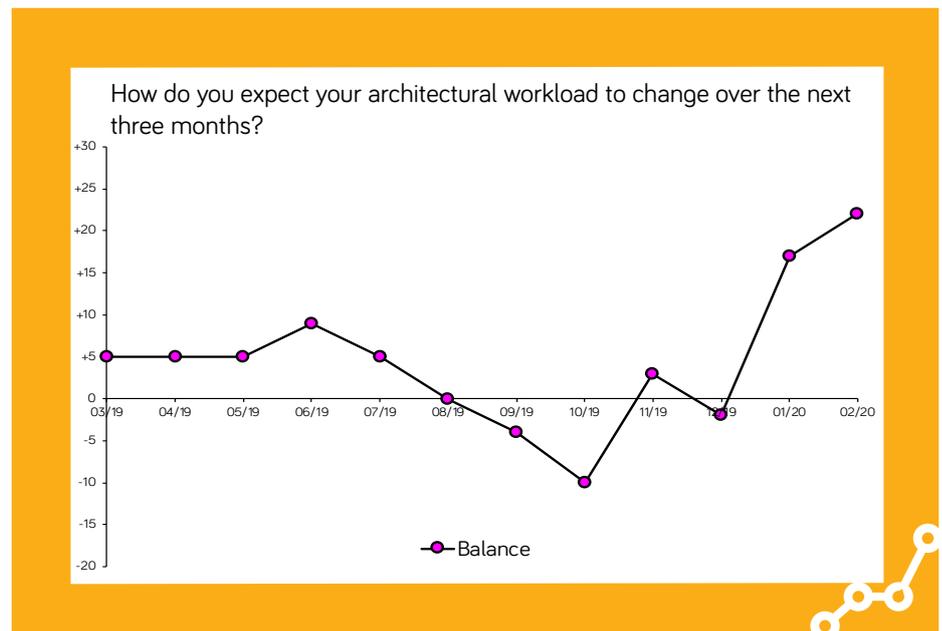
The recovery in the RIBA Future Trends Workload Index was driven by decreased political uncertainty, and a pick up in sentiment about work sectors. All sectors returned a positive workload balance figure in February, with commercial and housing performing most strongly.

The improved sentiment was matched by reports of increases in enquires.

Nevertheless, the strong level of confidence we saw in February is both new and fragile. It will be hit by COVID-19. It also relies upon a successfully negotiated a Brexit.

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 February 2020 RIBA Future Trends Workload Index in terms of practice size, region, and sector we can see the following:

The positive sentiment of **Small practices** (1 - 10 staff) continued to grow, with a February balance figure of +18; four points up on January.

Both **Medium-sized practices** (11 - 50 staff) and **Large practices** (51+ staff) were markedly positive about future workloads. Both posted exceptionally strong balance figures; +67 for medium-sized practices and +60 for large practices.

All **regions**, expected workloads to increase over the next three months. Whilst some have moderated their confidence somewhat, the overall picture was one of growing confidence across the country. There was a notable uptick in confidence in London and Wales & the West.

February saw another leap in confidence in London. There was a 21 point rise in the balance figure, to +23; a significant turnaround from the December 2019 balance figure of -18.

The Midlands & East Anglia posted a balance score of +29 in February, up from +24 in January.

Though positive, predictions of future work fell back in the South of England, with a balance figure of +6 in February, a fall of 9 points.

The outlook of practices in Wales & the West improved again, with a +43 balance figure in February, up from +25 in January.

The North of England continued to be positive about future workloads, though its balance figure was lower in February (+17) than in it was January (+26).

Three of the four **different work sectors** had an improved balance figure in February. The outlook for housing, though positive, moderated somewhat.

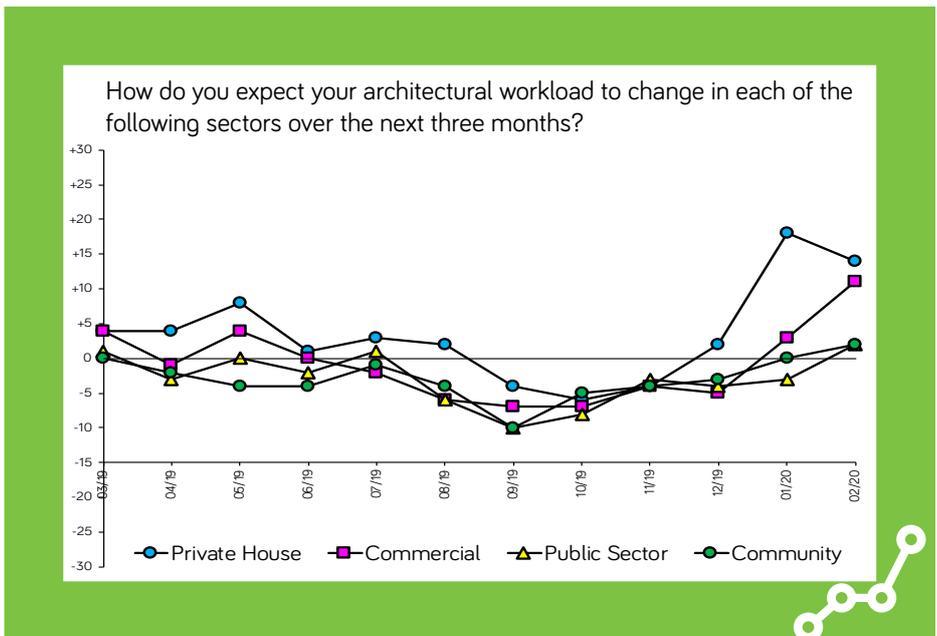
The **private housing sector** was the most positive, with a balance figure of +14 in February. This was a slight dip when compared to January's figure of +18.

The **commercial sector** rose eight points in February to strengthen its position in positive territory. It returned a positive balance figure of +11 in February.

The **community sector** rose again in February to post a positive balance figure of +2. This was the first positive balance figure for the community sector since November 2018.

The outlook for the **public sector** improved again in February. With a five-point rise of the balance figure, it edged into positive territory with a +2 figure.

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



RIBA Future Trends Staffing Index
(February 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 | 4 |
| Stay the same | 84 |
| Increase | 12 |
| TOTAL | 100 |
| Balance | +8 |

(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 rose again in February, with a balance figure of +8, up from +5 in January.

Only four per cent of practices expected a decrease in the number of full-time staff over the next three months. Twelve per cent expected an increase.

The anticipated demand for temporary staff in the next three months increased in February. The Staffing Index for temporary staff moved out of negative territory, from +1 in January to +3 in February.

However, during February, 22 per cent of respondents told us they had been personally under-employed in the last month, due to a lack of work. This was a two per cent increase on January's figure. The percentage of those reporting personal under-employment has hovered in a narrow range of between 20 and 23 per cent over the last 6 months.

The commentary received in February mirrors the then growing confidence among architects. Not all practices were optimistic about the future, but more were.

Consistent with the early stages of growth in workloads, practices were reporting an increase in enquires, and of enquires becoming commissions. The private housing sector was a noted area of growth.

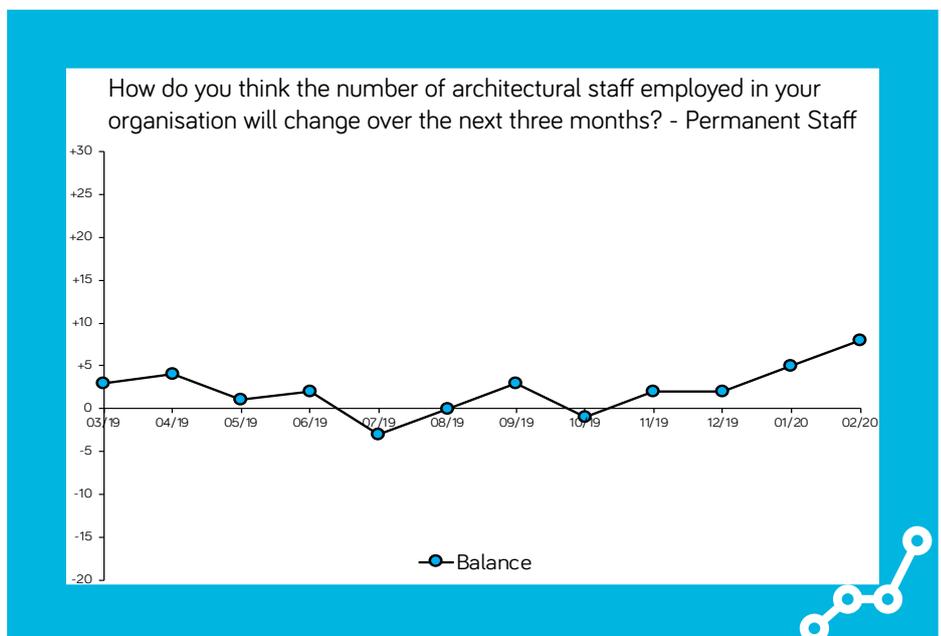
Other practices pointed to the damage done by the uncertainty of 2019, of empty order books and cash flow problems.

Any return to the uncertainty of 2019 was seen as a threat to the nascent recovery in architects' sentiment. Concerns about the future form of Brexit remain significant.

In February we saw practices begin to talk about their concerns about the effects of COVID-19. These concerns will grow over the coming months.

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 206 practices took part in the Survey in February 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.