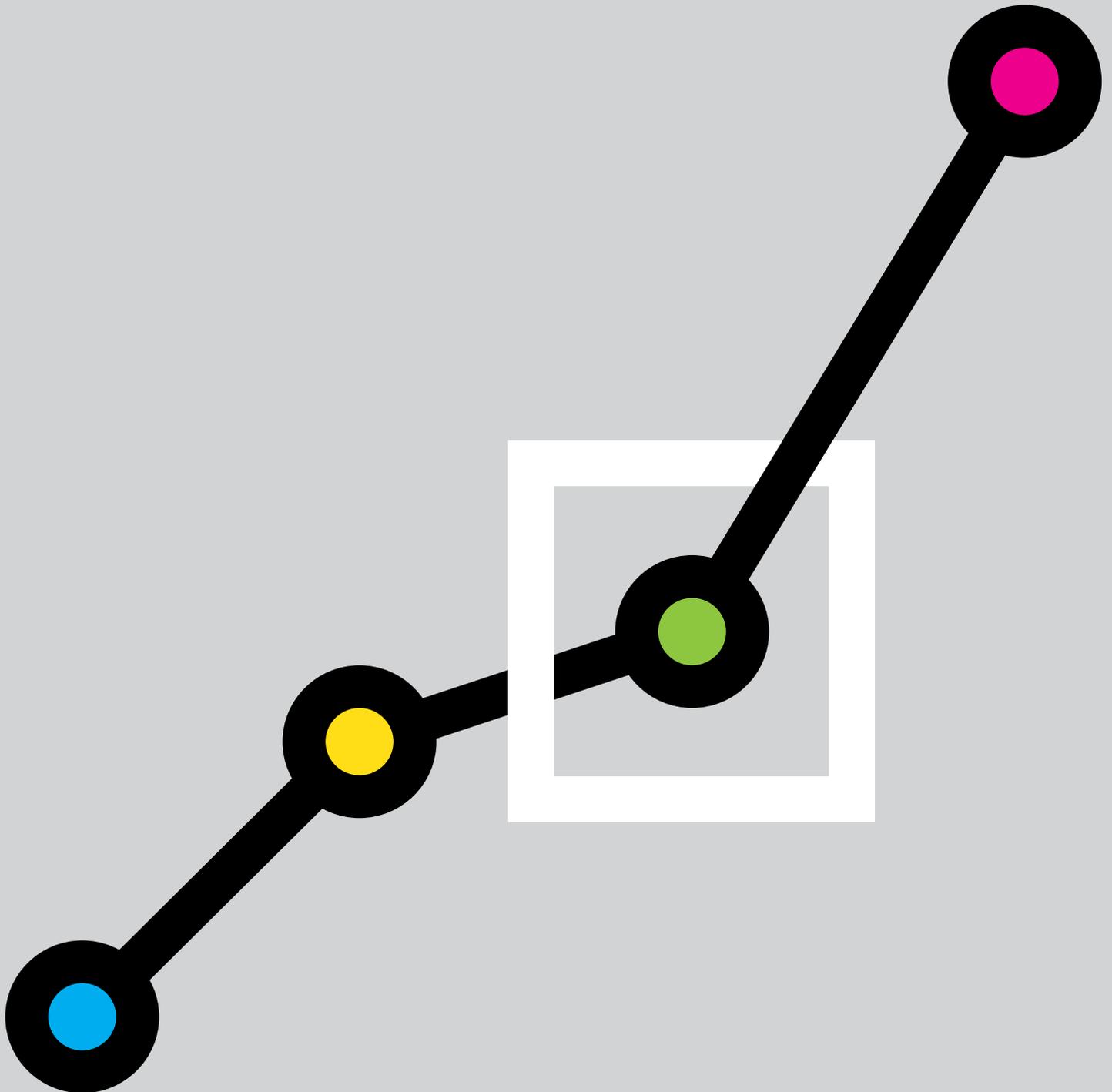


Future Trends Survey:

May 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 May 2020 Survey returns.

RIBA Future Trends Workload Index (May 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	62
Stay the same	24
Increase	13
TOTAL	100
Balance	-49

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

Following a record low of -82 in April, the RIBA Future Trends Workload rallied somewhat in May, to post a balance figure of -49. This 33 point rise is the largest increase there has been in any one month, but comes following the index losing 104 points in the two previous months.

Sixty-two per cent of architects expect their workload to decrease in the next three months, although thirteen per cent now anticipate an increase.

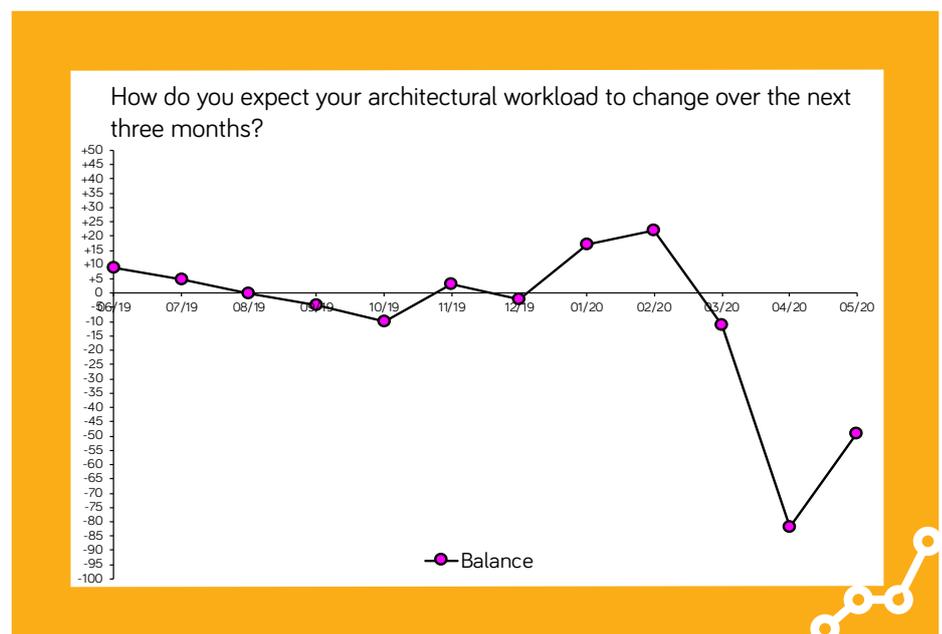
All work sectors and all regions posted low, but modestly recovering levels of confidence.

Whilst May's balance figure is the second-lowest on record, it is an early sign that pessimism may be beginning to retreat.

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 May 2020 **RIBA Future Trends Workload Index** in terms of practice size, region, and sector we can see that all practice sizes remain strongly pessimistic, but less so:

Small practices (1 - 10 staff) posted a workload index balance figure of -49, up 31 points from April.

Medium-sized practices (11 - 50 staff) posted a balance figure of -50, up 45 points when compared to April's -95 balance figure.

Fewer **large practices** (51+ staff) now expect their workload to fall in the coming three months. Large practices returned a balance figure of -75, compared to -100 in April.

Across the nation, practices remain pessimistic about future workloads. For the second consecutive month, all regions expect workloads to fall over the next three months. That said, all regions are less pessimistic in May than they were in April. Levels of pessimism are falling rapidly in some regions.

The balance figure for the North of England rose by 46 points (to -29), as did the figure for Wales & the West (to -39).

The South of England posted a balance figure of -35, up 44 points from April.

The outlook for London, though improving, remains markedly pessimistic. In May London posted a balance figure of -58, an increase of 26 points.

The reduction in pessimism has been slowest in the Midlands & East Anglia. In May the region posted a balance score of -63, up 19 points from -82 in April.

All of the four **different work sectors** posted strongly negative workload index figures in May but drew back somewhat from the unprecedented levels of pessimism we saw in April.

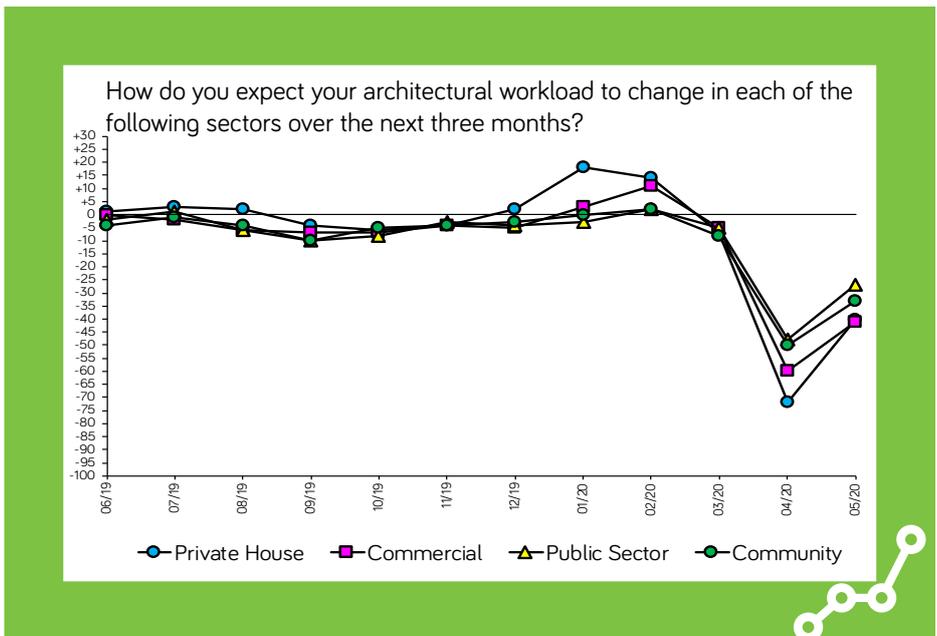
The **private housing sector** posted a balance figure of -40, up 32 points from the -72 figure of April.

The **commercial sector** rose 19 points from the -60 April figure to post a balance figure of -41 in May.

The **community sector** rose 17 points to post a -33 balance figure in May, up from -50 in April.

The **public sector** again posted the highest balance score among the sectors, -27. This is up 31 points on April's figure of -48.

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



RIBA Future Trends Staffing Index
(May 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	26
Stay the same	70
Increase	3
TOTAL	100
Balance	-23

(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.)

With a balance figure of -23, the RIBA Future Trends Staffing Index recovered somewhat in May; a seven-point increase when compared to April's figure of -30.

Seventy per cent of practices expect the level of permanent staff to remain constant over the coming three months, whilst 26% expect permanent staffing levels to decrease. Only 3% expect an increase in the number of permanent staff.

Large practices and medium practices are more likely to anticipate a reduction in staffing levels.

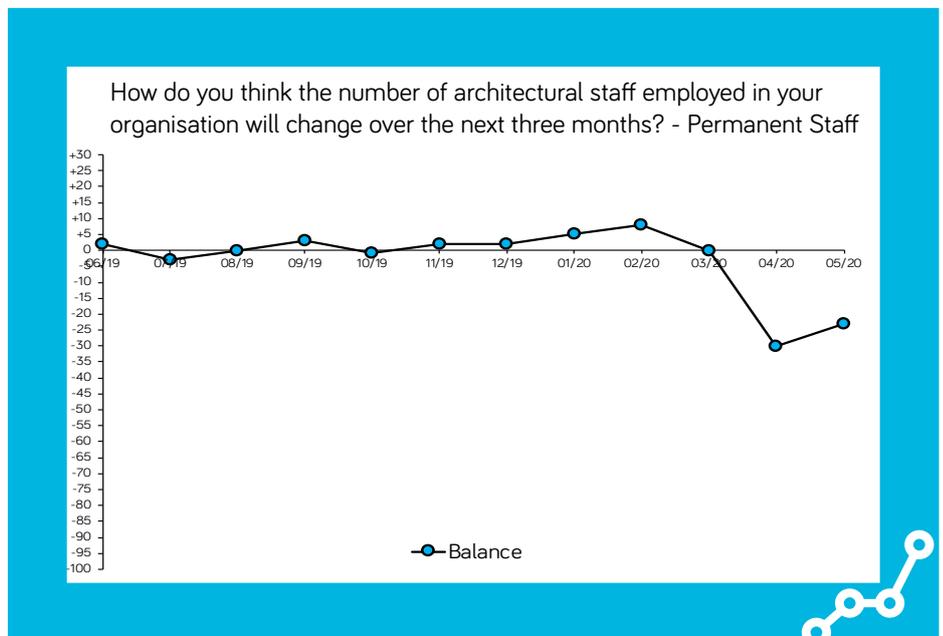
Small practices (1 - 10 staff) posted a Staffing Index balance figure of -21, **medium-sized practices** (11 - 50 staff) posted a balance figure of -42, and **large practices** (51+ staff) a balance figure of -67.

The anticipated demand for temporary staff in the next three months is likely to be subdued. The Staffing Index for temporary staff was -18 points.

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 (May 2020)

Predictions for future workloads are strongly negative but improving, but current workloads remain fixed at the significantly reduced levels we saw in April.

In May (like April), practices' workloads were just 67% of what they were 12 months ago.

In May, 42% of respondents told us they had been personally under-employed in the last month, due to a lack of work (practically unchanged from April's figure of 41%).

Practices reported that 38% of projects had been put on hold since the 1st of March, effectively unchanged from April's figure of 39%. Of the projects that remain active, 23% are at stages 5 or 6 of the RIBA Plan of Work.

Practice profitability is expected to fall as a result of the COVID-19 crisis; 73% expect profits to fall over the next 12 months. Within that 73% is 8% who consider that their practice is unlikely to remain viable.

The reduction in workload continues to be at least partly absorbed by the government's furlough scheme, with 22% of practice architectural staff, on average, being furloughed. This is an increase of 8% on April's figure of 14%.

Practices are largely retaining staff, on average, only 1% of architectural staff have been made redundant, and only a further 1% have been released from a 'zero hours', temporary or fixed-term contract.

As lockdown lifts, sites are re-opening. However, practices expect on-site productivity to decrease as a result of new working methods, with 79% expecting a productivity fall.

The effects COVID-19 will have on future tender prices is unclear; 32% expect them to increase, 21% to decrease, whilst 40% don't know.

The commentary received in May highlights the significant issues practices continue to face. There is a broad consensus; architects face a tough time ahead.

Uncertainty is a common theme. There is uncertainty around:

- the future economy;
- future government support;
- when, and if, projects put on-hold will resume;
- site working and site visits ;
- client funding;
- new orders; and
- fee levels

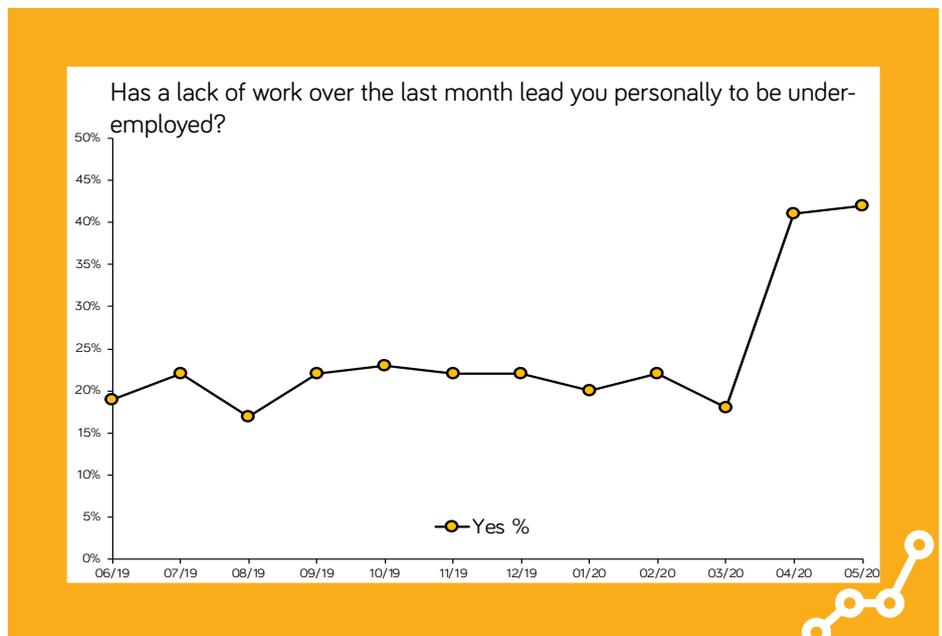
Practices highlight the changes in ways of working the lockdown has required. Whilst this has enabled design work to continue through the crisis, there have been particular difficulties for those with caring responsibilities.

Whilst many point to the very serious recession ahead, a few point to early glimmers of hope, to opportunity, to new enquiries and new commissions beginning to come through.

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 297 practices took part in the Survey in May 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.