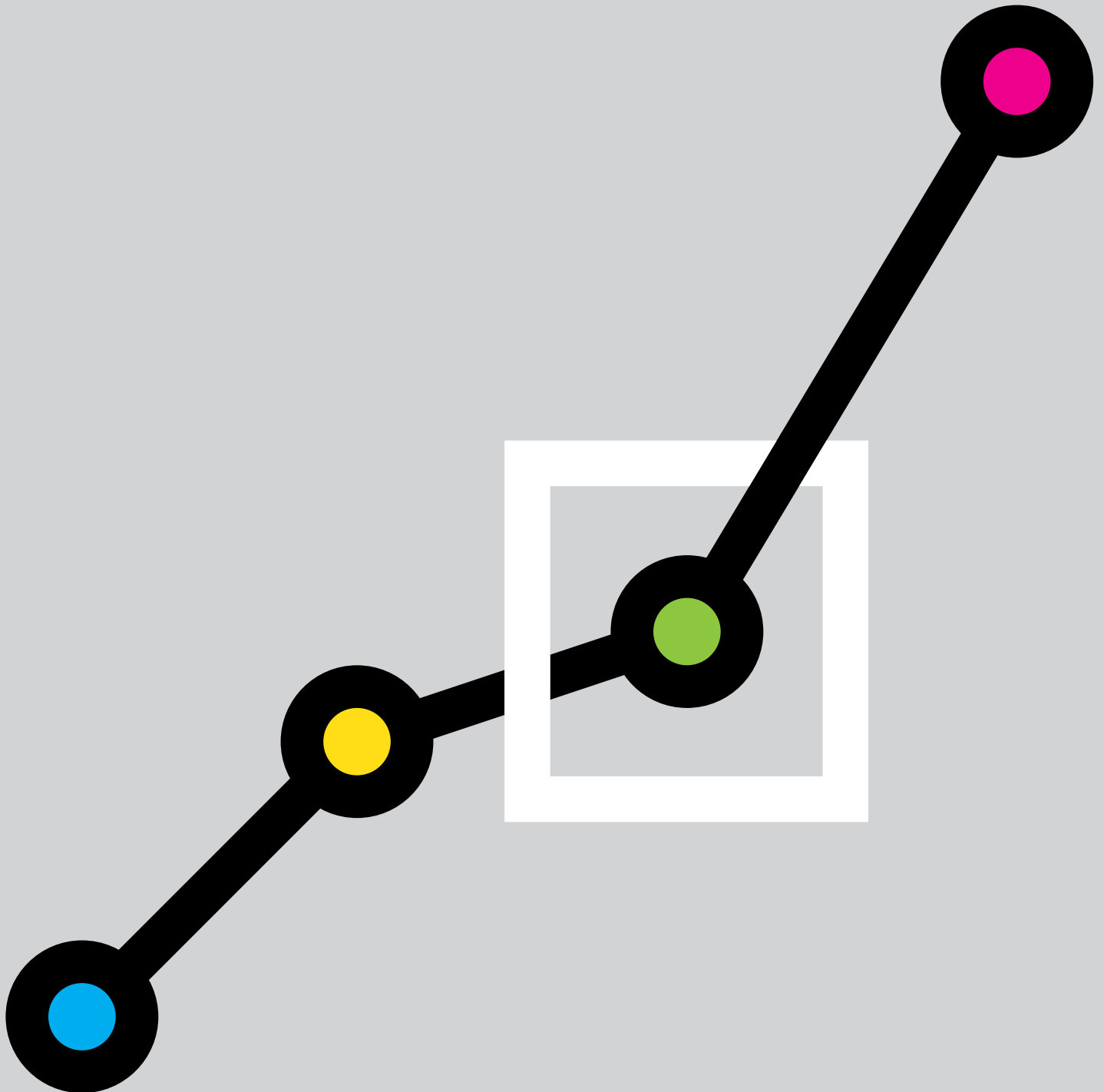


Future Trends Survey:

June 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 June 2020 Survey returns.

RIBA Future Trends Workload Index (June 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	40
Stay the same	37
Increase	23
TOTAL	100
Balance	-17

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

In June, the RIBA Future Workload Index stands at -17. Forty per cent of architects expect their workload to decrease in the next three months, 37% expect it to remain the same and nearly a quarter (23%) expect an increase.

We are still in negative territory. On balance, architects expect workloads to decrease in the coming three months. 2009 was the last year we saw the RIBA Workload Index so low. Actual workloads are 28% lower than they were a year ago.

Looking at the recent past, however, this represents a remarkable recovery; the balance score is up 65 points since the unprecedented low of -82 in April, and up 32 points from last month's figure of -49. The rally in confidence in future workloads continues.

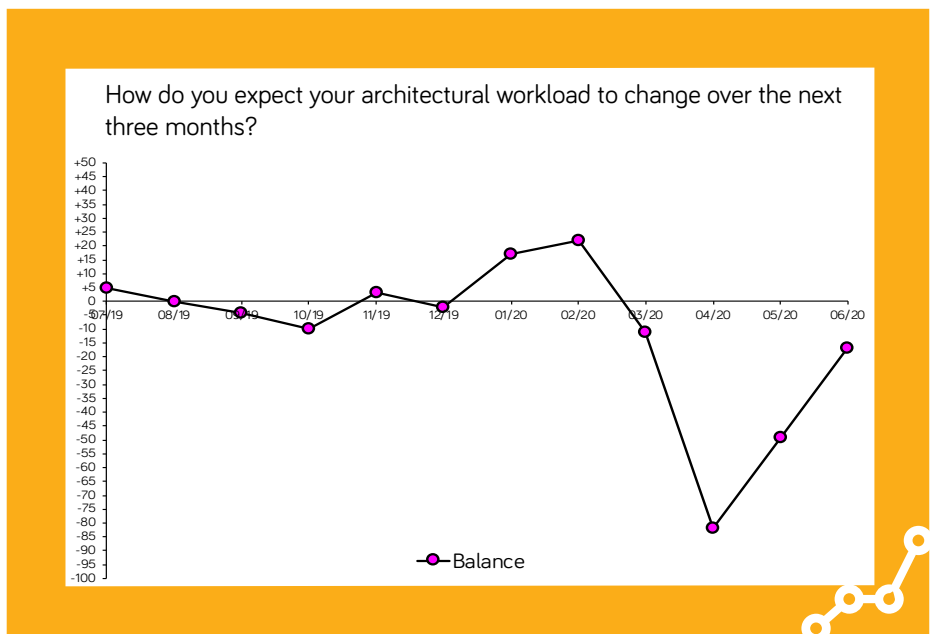
An outline picture is beginning to emerge. A recovery is tangible for many smaller practices and those outside London, as the residential market picks up, as homeowners look to adapt for their new home-working life. Meanwhile, the medium and large practices, particularly in the largest cities, face the challenge of a rapidly shrinking commercial market (with offices and retail particularly hit).

The June data preceded the signalling from UK Government that there will be money for construction, particularly for infrastructure, schools and hospitals. Whether this translates into work for architects depends on how much *new* money there is, and on a commitment to good design from the Government.

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 June 2020 **RIBA Future Trends Workload Index** in terms of practice size, region and sector, all practice sizes remain pessimistic, but much less so:

Small practices (1 - 10 staff) posted a workload index balance figure of -15 up 65 points from the April low of -80.

Medium-sized practices (11 - 50 staff) are the most pessimistic, posting a balance figure of -31. However, that figure is up 64 points from the April low of -95.

Large practices (51+ staff) posted a balance figure of -29; still very low, but up 71 points from the universal pessimism of April's balance figure of -100.

Whilst broadly negative, all regions are significantly less pessimistic in June than they were in April. Levels of pessimism are falling rapidly, albeit from a *very* low base.

In April and May, all regions were pessimistic about future workloads, with some regional variance. In June, regional differences are growing.

One region has returned to a positive outlook; Wales & the West returned a balance score of +6, up 90 points from the April low of -84.

Pessimism is receding rapidly in the North of England, which returned a balance score of -10, up 66 points from April.

The South of England posted a balance figure of -15, up 65 points from April.

London and the Midlands & East Anglia are the most pessimistic regions, posting balance scores of -28 and -24 respectively. These regions have the slowest rate of recovery in optimism.

All of the four **different work sectors** posted negative workload index figures in June. While the private housing sector is recovering quickly, the commercial sector is proving slower to recover.

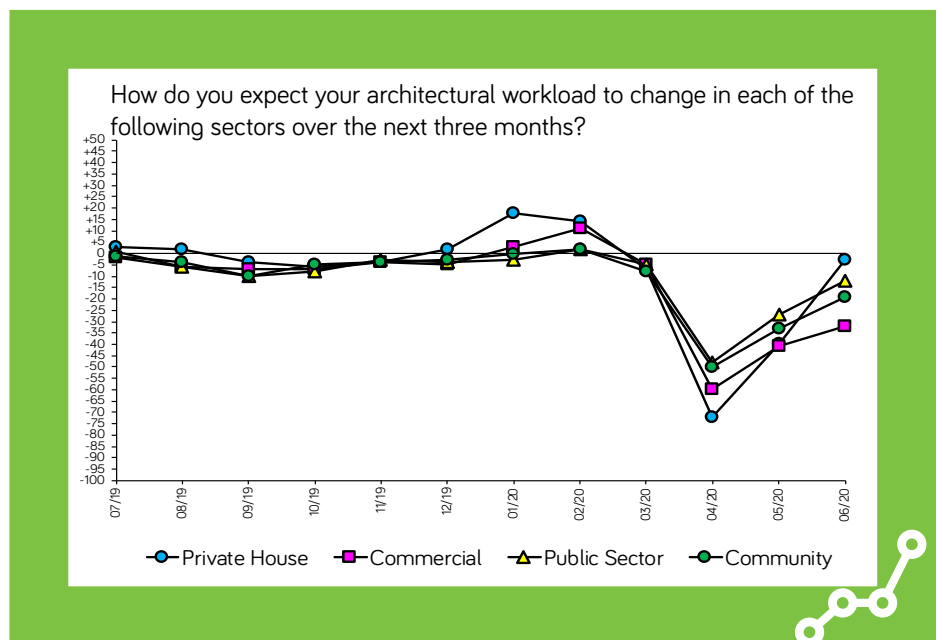
The **private housing sector** posted a balance figure of -3 up 69 points from the -72 figure of April.

The **commercial sector** has risen 28 points since the April low. However, with a balance score of -32, the widely held expectation is for workloads to continue to contract in the coming months.

The **community sector** has risen 31 points from its April low of -50 to post a -19 balance figure in June.

The **public sector** posted a balance score of -12; up 33 points on April's figure of -48. Should spending on public buildings significantly increase, so too may the score.

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



RIBA Future Trends Staffing Index
(June 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	18
Stay the same	77
Increase	4
TOTAL	100
Balance	-14

(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 -14, the RIBA Future Trends Staffing Index staged a further recovery in June; a sixteen-point increase when compared to April's figure of -30.

Seventy-seven per cent of practices expect the level of permanent staff to remain constant over the coming three months, whilst 18% expect permanent staffing levels to decrease. Only 4% expect an increase in the number of permanent staff.

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

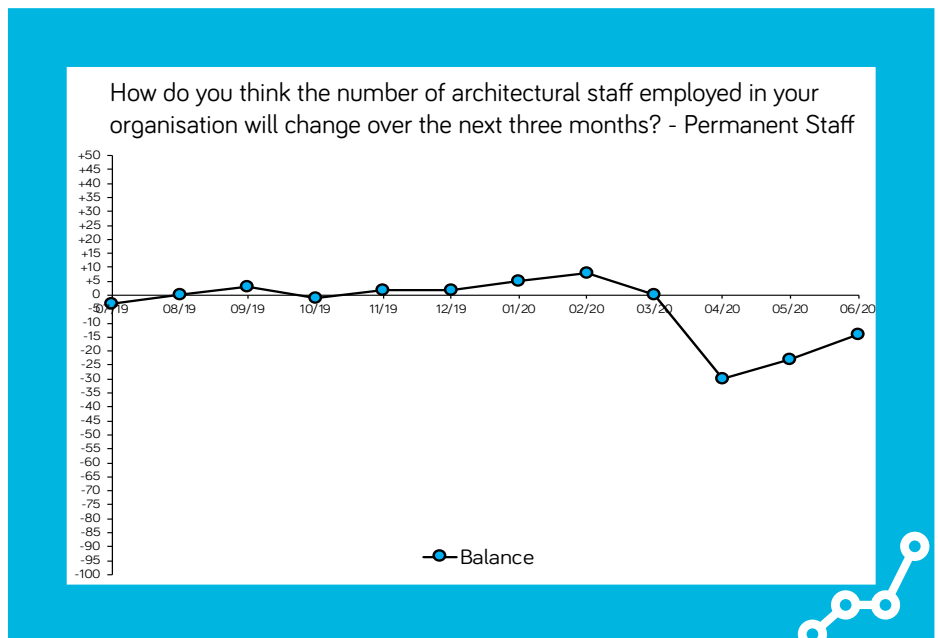
Small practices (1 - 10 staff) posted a Staffing Index balance figure of -11, **medium-sized practices** (11 - 50 staff) posted a balance figure of -31. **Large practices** (51+ staff) returned a balance figure of -57.

The anticipated demand for temporary staff in the next three months continues to be subdued. The Staffing Index for temporary staff was -13 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 (June 2020)

Predictions for future workloads are strongly negative but rapidly improving. Actual workloads are starting to increase, but much more slowly than confidence.

In June practices' workloads were just 72% of what they were 12 months ago, compared to 67% in April and May.

In June, 38% of respondents told us they had been personally under-employed in the last month, due to a lack of work, a slight fall compared to May's figure of 42%.

Practices reported 32% of projects put on hold since the 1st of March. Of the projects that remain active, 22% 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; 70% expect profits to fall over the next twelve months. Within that 79%, 7% consider their practice to be unlikely to remain viable. That figure is highest in London, where 14% think themselves unlikely to remain viable.

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.

In June the furlough scheme continues to offset reduced workload. The average percentage of furloughed staff has fallen in June, but only slightly, it's now 19%, compared to May's figure of 22%.

Among small practices (1 - 10 staff) we see a higher percentage of practices reporting working fewer hours (20%).

Practices continue to retain staff. There is no rush to redundancy. On average, only 1% of architectural staff have been made redundant. Only a further 1% have been released from a 'zero hours', temporary or fixed-term contract.

In June we saw an acceleration of sites re-opening, and a change in government guidance for social distancing. Nevertheless, practices overwhelmingly expect on-site productivity to decrease; 72% expect a productivity fall.

The effects COVID-19 will have on tender prices remains mixed; 38% expect them to increase, 18% to decrease, whilst 33% don't know.

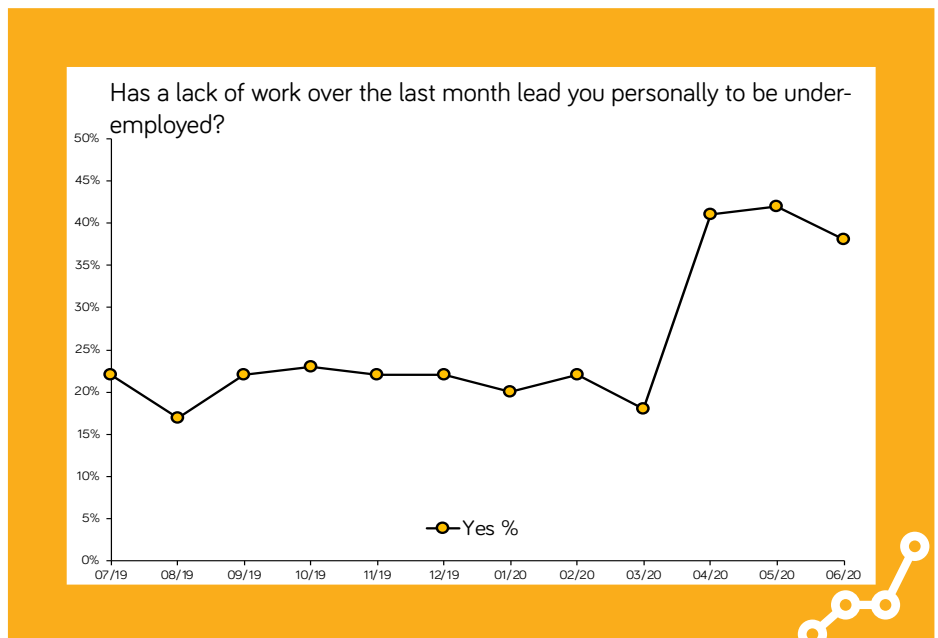
The following graph plots the levels of personal underemployment over time:

The commentary received in June, like the data, describes both the very significant challenges ahead and the first early signs of returning workloads.

Current design work is being carried out, albeit with the challenges of home-working (not least, caring responsibilities). Sites are re-opening. Many practices, however, express concern about the longer term, about the source of future work in the coming months. On top of the COVID-19 tumult, the threat of a no-deal Brexit remains real. A proportion of practices are deeply concerned about their future survival.

Several practices cite fee levels as a significant concern, describing other practices discounting fees to win work.

But there are early reasons for circumspect optimism for some. Practices, particularly those working in the residential sector, report a strong rise in new enquires and growth in workloads. For many, this is a direct result of COVID-19 as clients seek to adapt homes to a more atomised life.



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 265 practices took part in the Survey in June 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.