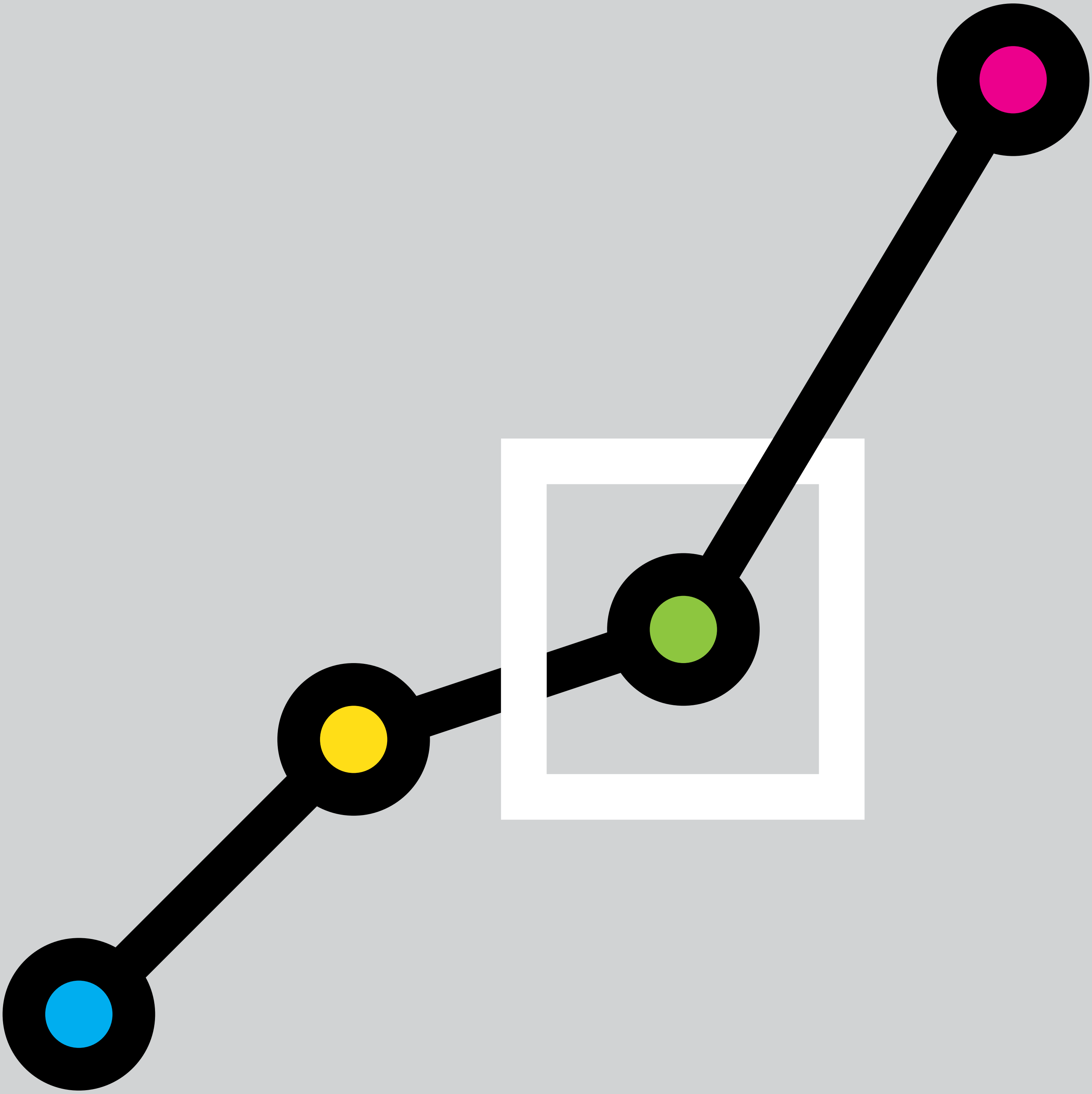
Future Trends Survey:

January 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 January 2020 Survey returns.

RIBA Future Trends Workload Index (January 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	15
Stay the same	53
Increase	32
TOTAL	100
Balance	+17

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

Responses received in January came after the general election result.

Uncertainty has been reduced by a breaking of the Brexit deadlock and the election of a majority government. Decreased uncertainty and an increased expectation for housing work are creating a renewed confidence among architects.

The RIBA Future Trends Workload Index surged into positive territory in January. The balance figure stands at +17, up 19 points from December 2019. This is the largest Index rise we have ever seen in one month (monitoring began in January 2009). It is also the highest balance score since June 2018.

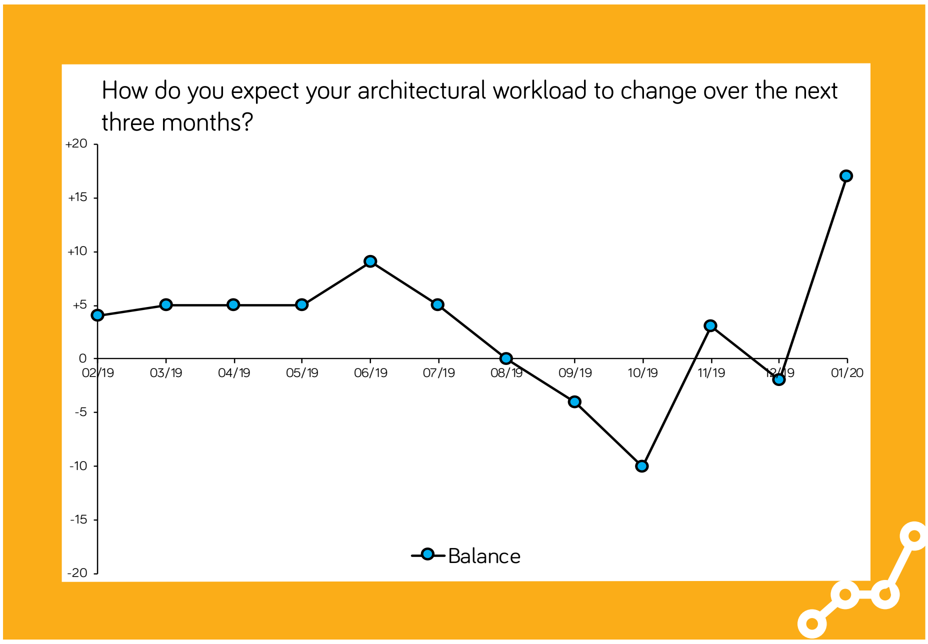
Growth in confidence very often precedes real economic growth.

A note of caution, however. The last few months have seen an unusually volatile Index. We may expect this to continue as the future form of Brexit is negotiated. Very significant risks remain.

The January rise in architects' future workload predictions is in tune with a cross-industry growth in business confidence. However, increased confidence among architects is yet to translate into real growth in workloads. Architects' workloads remain lower than they were a year ago, by five per cent on average.

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.



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

Small practices (1 - 10 staff) have led the increase in positive sentiment about future workloads. In December small practices posted a balance figure of -6. In January it stands at +14, a rise of 20 balance points.

Both Medium-sized practices (11 - 50 staff) and Large practices (51+ staff) continue to be increasingly positive about future workloads. Their combined balance figure is +47, up from + 38 in December.

In terms of the regions, all regions expect workloads to increase over the next three months.

London has sprung back from a negative balance of -18 in December to a +2 balance figure in January. Although London confidence remains comparatively weak, a return to positive workload expectations is to be welcomed, given the size of London's architecture market.

The Midlands & East Anglia have seen the largest increase in balance score, posting a figure of +24 in January, up from -13 in December.

The South of England, after posting a zero balance in November and December, has posted a balance figure of +15 in January.

The outlook of practices in Wales & the West continues to improve, with a +25 balance figure this month, up 11 points from December.

The North of England continues to be positive about future workloads. Again, it is the most positive region, posting a balance figure of +26 in January, up from +14 in December.

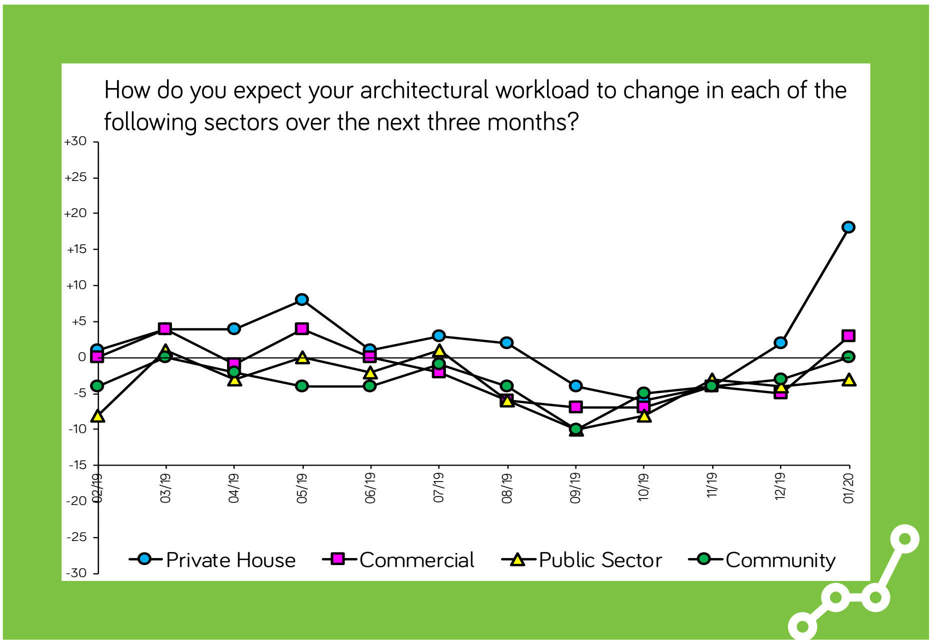
In terms of different work sectors, the private housing sector stands out. Up 16 balance points, the private housing sector posted a balance figure of +18 in January.

The commercial sector returned to a positive balance figure for the first time since May 2019. January saw a balance figure of +3, up from -5 in December.

Whilst still negative, the community sector saw its fifth successive rise. It climbed out of negative territory to post a zero balance figure in January, up from -3 in December.

The outlook for the public sector improved only very slightly in January. Remaining negative, the balance figure for future public sector workloads rose from -4 in December to -3 in January.

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



RIBA Future Trends Staffing Index
(January 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	6
Stay the same	82
Increase	11
TOTAL	100
Balance	+5

(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 slightly, with a balance figure of +5 in January, up from +2 in December.

Thirty-two per cent of practices expect workloads to grow, but fewer, 11%, expect an increase in full-time staff. This suggests a gently growing market for architectural staff.

The anticipated demand for temporary staff in the next three months is subdued. The Staffing Index for temporary staff has dropped from +2 in December to -1 in January.

In January 20 per cent of respondents told us they were personally under-employed in the last month, due to a lack of work. This is a two per cent decrease on December's figure.

Regionally, underemployment is highest in the South of England, in London, the South of England, and Wales & the West. It is lowest in the North of England.

The commentary received in January reflects the increase in confidence among architects. However, the picture from practices is not uniformly bright.

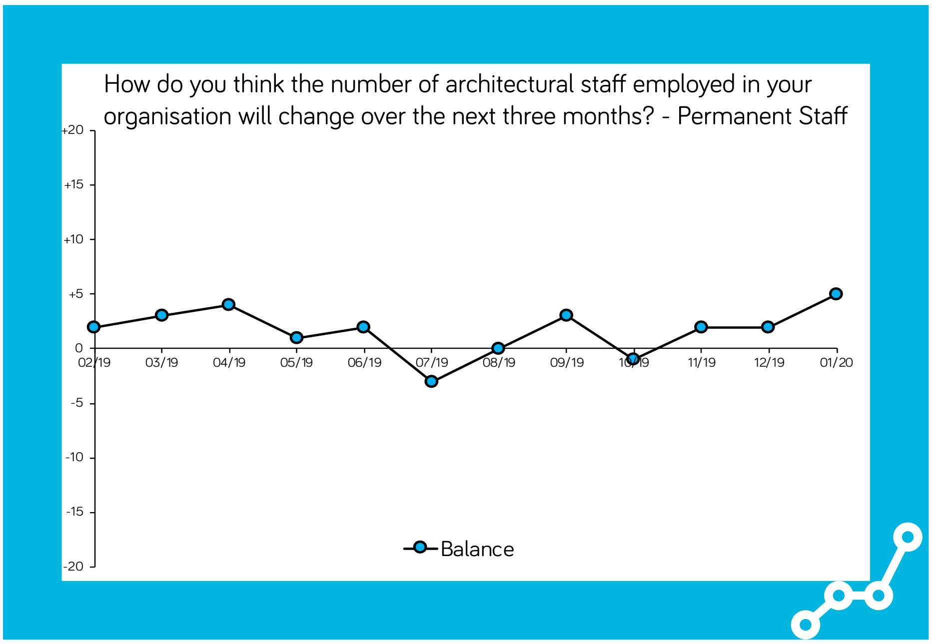
As a basis for optimism, practices point to an active housing market, and a feeling that the market may regenerate with the political stability brought by the election result.

Some practices are circumspect, taking a 'wait and see' approach. They suggest clarity will only come as the year unfolds, the form of Brexit crystallizes, and government spending plans are made clear.

Despite the renewed optimism, the long-standing Brexit themes have not disappeared. Architects continue to report a competitive market and stalling projects.

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 January 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.