RIBA

Memorandum

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. Practices are also 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 2011 Survey returns.

Future workload (February 2011)

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	25
Stay the same	43
Increase	32
TOTAL	100
Balance	+7

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

For the third consecutive month, the RIBA Future Trends Workload Index has increased in February 2010 to +7, up from a balance figure of +1 in January 2011. Larger practices (50+ staff) in particular appear to be growing in confidence about their future work prospects, returning a balance figure of +40 in February 2011 compared with +14 in January 2011. Smaller practices (1 – 10 staff) also remain positive overall with a balance figure of +7 this month. Medium sized practices (11 - 50 staff) are least confident about future workloads (balance figure -3).

In terms of geographical analysis, Northern Ireland remains the least optimistic part of the United Kingdom with a balance figure of -50 for the future workload prediction, whilst confidence levels are highest in London (balance figure +31), where there is the greatest concentration of large practices.

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

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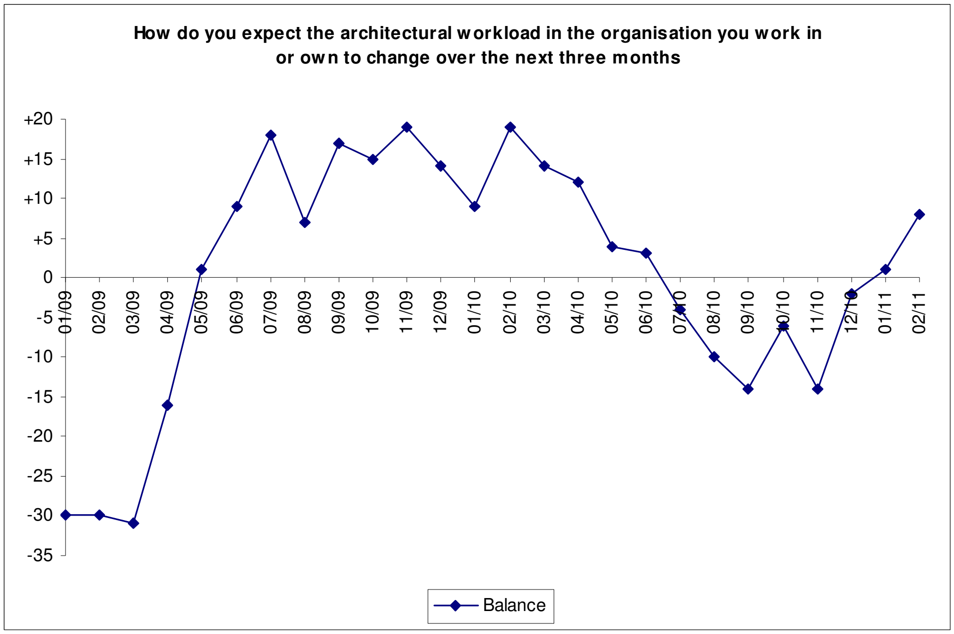

The private housing sector forecast remains the most positive of our sector forecasts, and currently stands at +9. This is largely driven by resilient activity levels in the bespoke housing market, which continues to support a significant proportion of small practice business. The commercial sector forecast has risen to a balance figure of +4 in February 2011, up from -2 in January 2011. Increased confidence about commercial sector growth is largely driven by the sentiments of larger practices located in London, and to a lesser extent larger practices based in Scotland. There is clear consensus that there will be significant further decline in public sector workloads (balance figure -22). We had anticipated some growth in the community sector, but this is not apparent at present with a current balance figure of -9.

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

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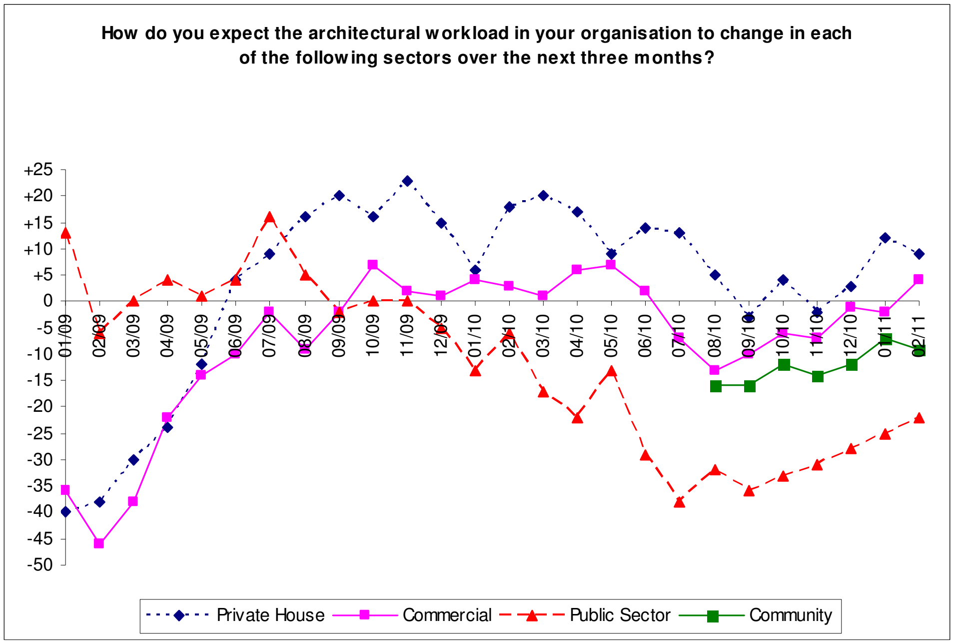

Future staffing levels (February 2011)

How do you think the number of permanent architectural staff employed in your organisation will change over the next three months?

Permanent Staff	%
Decrease	15
Stay the same	79
Increase	7
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 for February 2011 is -8, and illustrates that despite the recent sustained improvement in predictions for future workloads overall confidence levels are still not sufficient to make practices feel comfortable about increasing their staffing levels. This situation applies across all sizes of practice. At present practices generally seem unwilling to take on additional staff even on a temporary basis.

The proportion of our respondents reporting that they have personally been under-employed in the last month remains high (25%).

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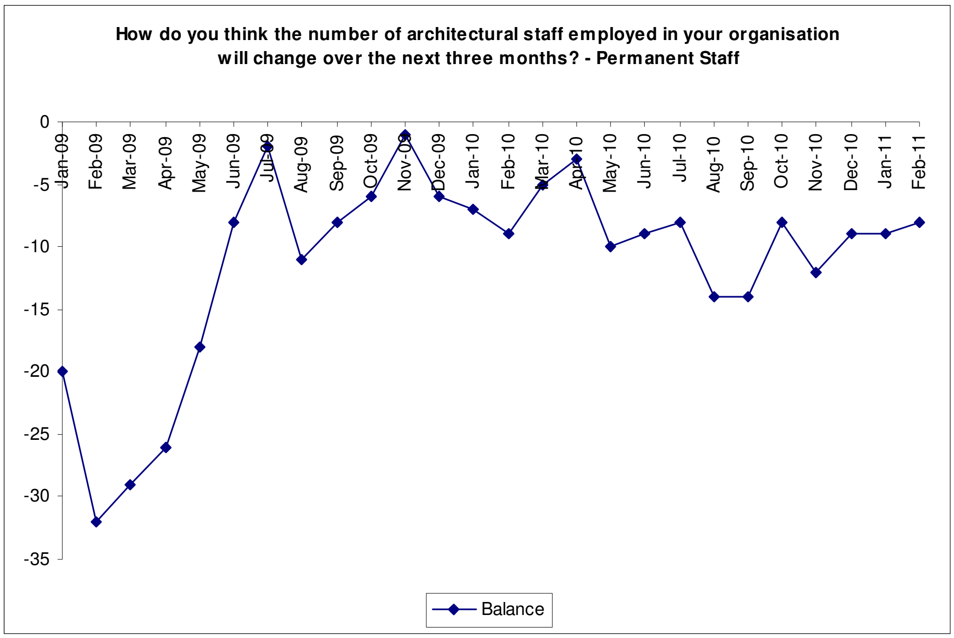
The following graph plots the RIBA Future Trends Staffing Index over time:



Given a slow recovery in the UK, many practices are looking abroad for medium term growth potential. However, the proportion of work in progress which is on overseas projects has actually been falling amongst the practices in our survey. It is now 3%, compared with 9% when we started the RIBA Future Trends survey in January 2009, and this must be of concern if international work is to form a significant component of future workloads.

Anecdotal commentary from practices continues to focus on issues such as fee competition, difficulties for clients in securing funding from banks and the need for practices to develop a diversified service offer. We are beginning to get reports of the first impacts of local authority spending cuts and the effect on the community and charity sector of reduction in public funding levels. Specialist sectors, such as conservation, continue to show resilience.

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 242 practices took part in the Survey in February 2011. 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@inst.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.