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 January 2011 Survey returns.

Future workload (January 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	27
Stay the same	45
Increase	28
TOTAL	100
Balance	+1

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

The RIBA Future Trends Workload Index increased marginally in January 2010, from a balance figure of -1 in December 2010 to +1 this month. An emerging trend this month is that large practices (50+ staff) now seem to be detecting prospects of a return to growth, having returned a balance figure of +13 in January 2011.

In terms of geographical analysis, Northern Ireland remains the least optimistic part of the United Kingdom with a balance figure of -40 for the future workload prediction. Confidence in Northern Ireland is being adversely affected by reductions in commercial funding streams, as a result of the economic difficulties in the Republic of Ireland, and a heavy reliance upon the public sector.

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

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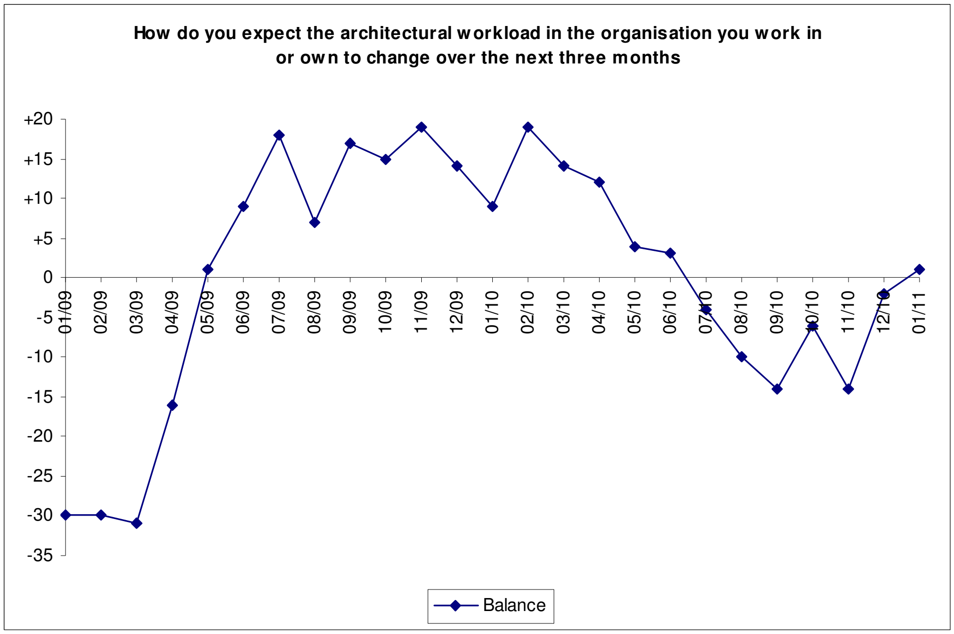

The private housing sector forecast has increased from a balance figure of +3 in December 2010 to +12 in January 2011, and this remains the most buoyant of our sector forecasts. Small practices in particular seem reasonably confident that they will be able to continue to achieve new commissions in the bespoke residential market. The private housing sector remains the only one in which our practices are on balance predicting an increase in workload over the next quarter.

The public sector forecast unsurprisingly remains the lowest of our sector predictions with a balance figure this month of -25.

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

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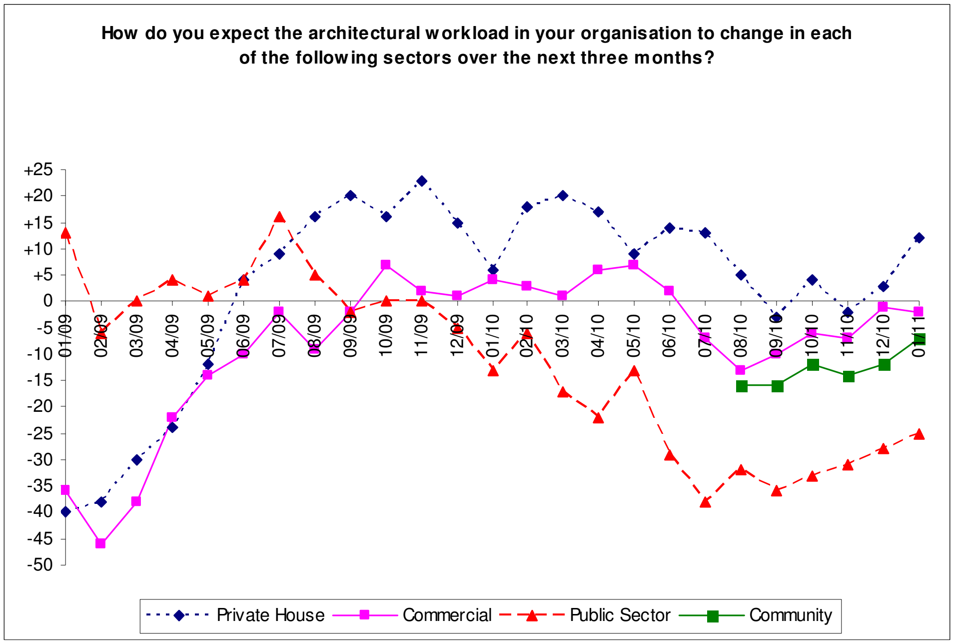

Future staffing levels (January 2011)

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	78
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 is almost unchanged this month, standing at -8 for January 2011 in comparison with -9 in December 2010. Practices in the South of England (balance figure -2) are the least pessimistic about future staffing levels, whereas practices in Northern Ireland (balance figure -40) are currently the most pessimistic about future workforce numbers.

The proportion of our respondents reporting that they have personally been under-employed in the last month again remains unchanged at 29%, and we still see little evidence of any sustained improvement in the short-term employment prospects for salaried architects.

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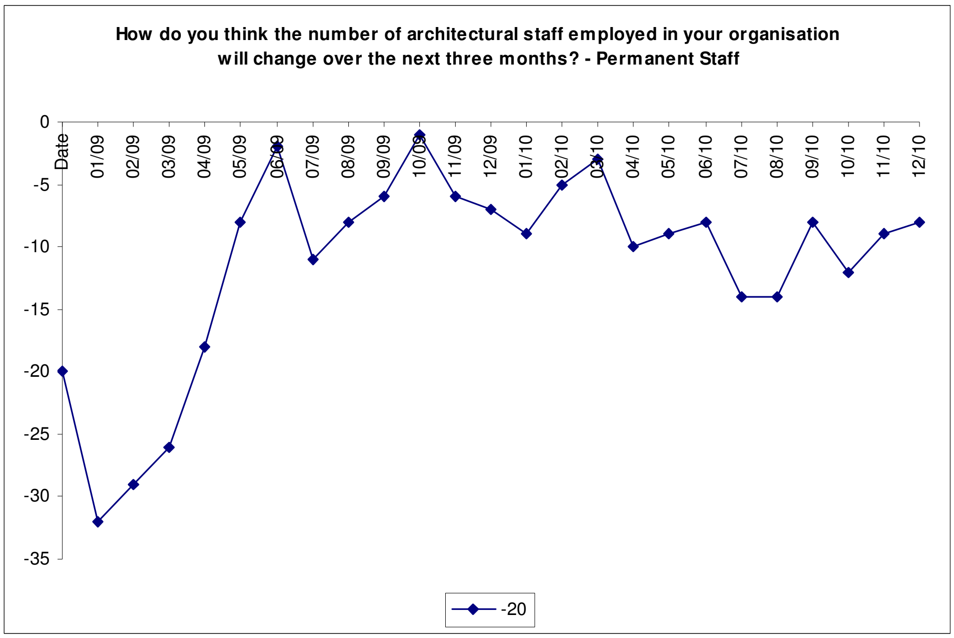
The following graph plots the RIBA Future Trends Staffing Index over time:



Each quarter since the RIBA Future Trends Survey began we have asked our practices about their current workload levels compared with those 12 months previously. This reveals that architects' workloads have been in continuous decline since the end of 2008 and, rather than a double-dip recession, the profession has experienced a sustained period of retrenchment.

It is, of course, important to note that workloads have been more stable during 2010 than 2009, and that the architects' profession continues to undertake work at about two thirds of the level of the peak of the boom, making a significant contribution to the output of the UK economy. During this period employment levels in architects' practices have reduced by approximately one fifth, indicating that the profession has striven to retain capacity despite the economic difficulties.

The following graph illustrates average practice workloads expressed as a percentage of workloads in the same quarter in the previous year:

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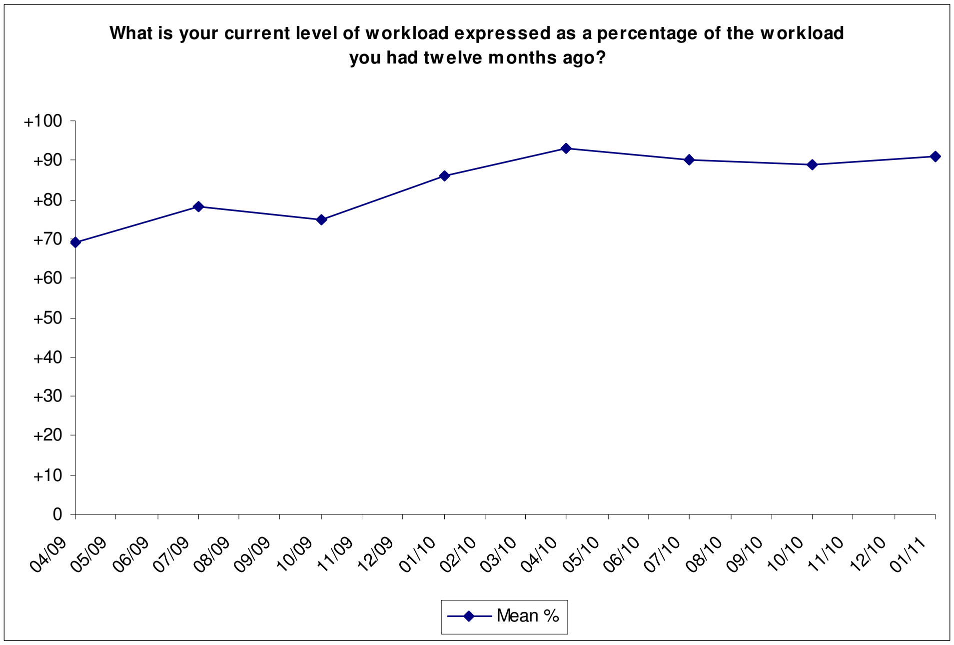

Anecdotal commentary from practices this month indicates that the high-end bespoke residential market remains resilient. However, a number of correspondents raise concerns about the potential impact of the VAT increase on the residential refurbishment and adaptation sector. Many practices appear to be benefitting from the development of specialist services to supplement their core architectural services offer, and there are signs of an increasing willingness to embrace specialisation and diversification. Fee competition remains intense in many sectors, and few practices yet seem willing to take on extra staff, attempting instead to achieve efficiency gains to remain competitive.

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 245 practices took part in the Survey in January 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.