
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 July 2011 Survey returns.

Future workload (July 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	22
Stay the same	51
Increase	27
TOTAL	100
Balance	+5

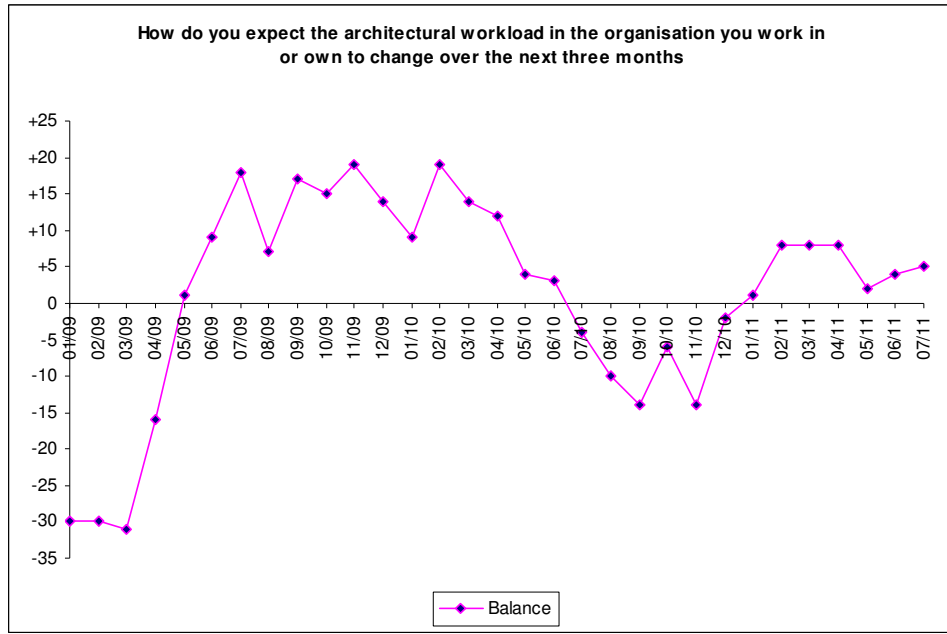
(The definition for the balance figure is the difference between those expecting more work and those expecting less.)

The RIBA Future Trends Workload Index for July 2011 is +5, representing a marginal increase from +4 in June 2011, and indicating that there has been no overall change in the confidence levels of our participating practices this month.

Practices based in London (balance figure +13) and the South of England (balance figure +16) are the most optimistic about growth in workloads over the next quarter, whilst practices in Scotland (balance figure -6), Northern Ireland (balance figure -50) and the Midlands and East Anglia (balance figure -13) all returned negative forecasts.

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

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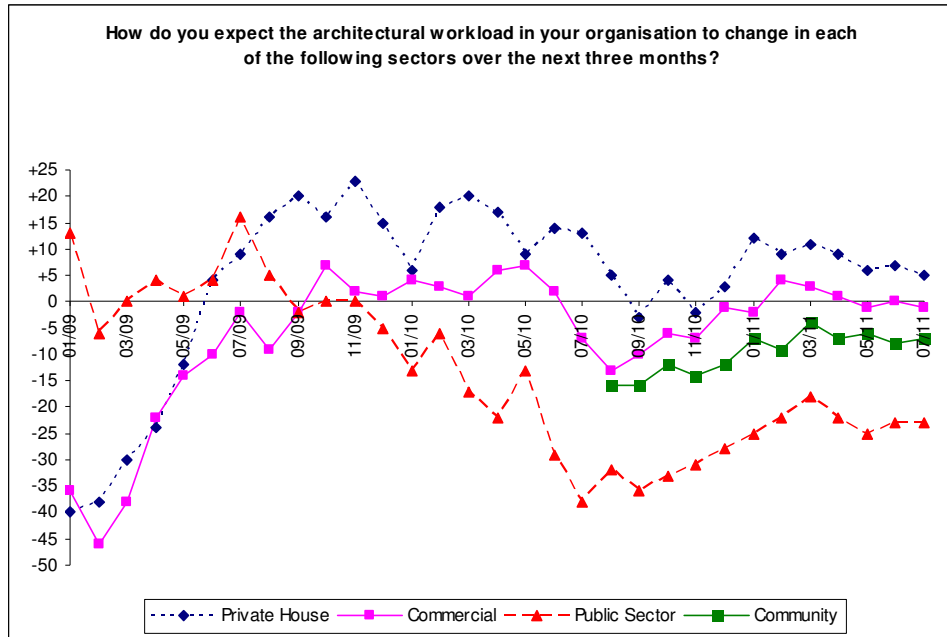
The sector forecasts also saw little change remain this month. The private housing sector forecast (balance figure +5) fell back slightly, but remains the most positive of our sector forecasts. The commercial sector forecast fell marginally to -1 in July 2011 from zero in June 2011. The public sector forecast (balance figure -23) and the community sector forecast (balance figure -7) both remain in negative territory.

Larger practices (51+ staff) are now the most confident that they will see an increase in workloads during the coming months (balance figure of +33). They anticipate this growth to occur in the private housing and commercial sectors. Medium-sized practices (11 – 50 staff) are also now predicting some growth in the commercial sector. No practice size category currently perceives immediate growth opportunities in the community and public sectors.

In terms of work in progress, our practices report overall that they are currently trading at approximately two thirds of 2008 workload levels.

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

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Future staffing levels (July 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	12
Stay the same	79
Increase	9
TOTAL	100
Balance	-3

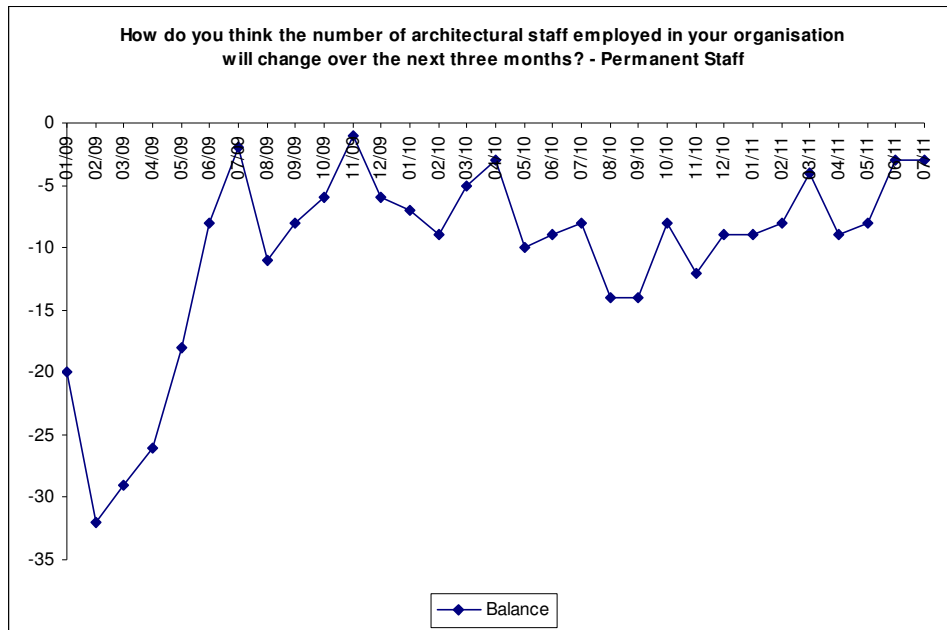
(The definition for the balance figure is the difference between those expecting to employ more permanent staff in the next three months and those expecting to employ fewer.)

The RIBA Future Trends Staffing Index is unchanged at -3 in July 2011, and indicates that there is unlikely to be any significant short-term improvement in permanent employment prospects for salaried architects. However, when asked about how the number of temporary staff employed will change over the next three months our practices were slightly more positive (balance figure +4).

27% of our respondents reported that they have personally been under-employed in July 2011. In terms of current permanent staffing levels, our practices report overall that their workforce is approximately three quarters of the 2008 workforce size.

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



In their anecdotal comments, our practices continue to report intense fee competition with consequent continuing downward pressure on profit and salary levels. The bespoke housing market generally appears to continue to be the sector with the most solid work levels, encompassing high value schemes for high net worth individuals, as well as more general domestic extension and refurbishment works as homeowners opt to improve rather than move in a difficult residential sales market. Many practices are experiencing a significant impact from public sector capital spending cuts, and smaller practices report that it remains very challenging for them to overcome obstacles to access to public sector procurement programmes in general.

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 231 practices took part in the Survey in July 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.