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 June 2011 Survey returns.

Future workload (June 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	52
Increase	26
TOTAL	100
Balance	+4

(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 June 2011 is +4, a slight increase from +2 in May 2011, suggesting little overall change in confidence levels this month but remaining in positive territory.

More detailed analysis reveals that practices based in London (balance figure +13) and the South of England (balance figure +6) remain somewhat more optimistic than the base workload index figure.

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

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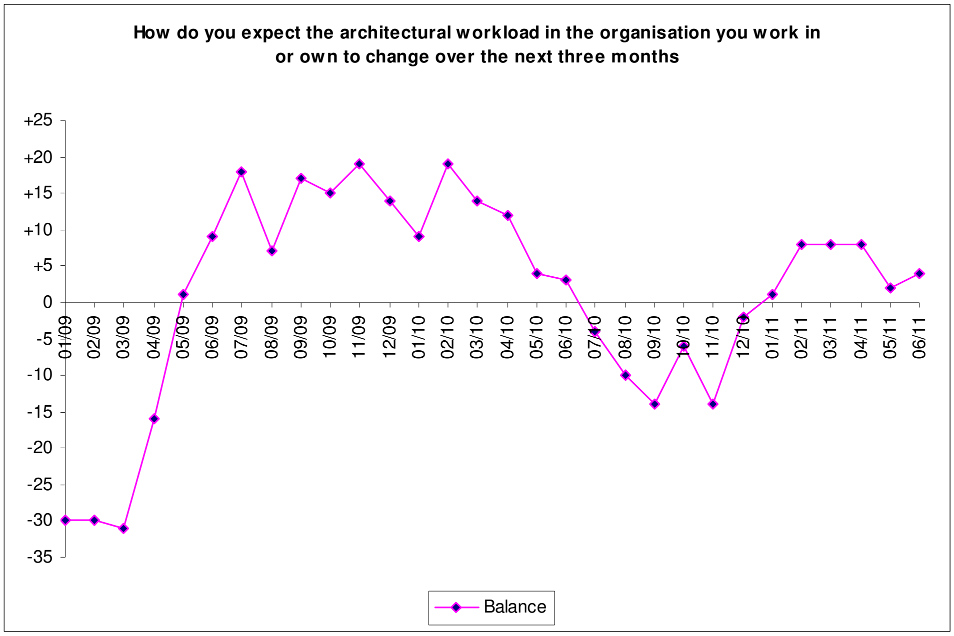

The sector forecasts remain virtually unchanged this month. The private housing sector forecast (balance figure +7) remains the most positive, the commercial sector forecast is neutral (balance figure zero) and the community sector forecast remains in negative territory (balance figure -8). Perhaps unsurprisingly, the public sector forecast (balance figure -23) remains the most pessimistic.

Small practices (1 – 10 staff) see the best short term growth prospects in the housing sector, whilst larger practices (51+ staff) predict growth in the next quarter to come mainly from the commercial sector. Medium sized practices (10 -50 staff) see their future growth being in both the housing and commercial markets. No practice size category currently perceives immediate growth opportunities in the community and public sectors.

Our practices report that 59% of their current workload involves conservation, refurbishment or adaptive re-use of existing buildings; this illustrates the significant role that work to existing buildings plays in the market for architectural services.

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

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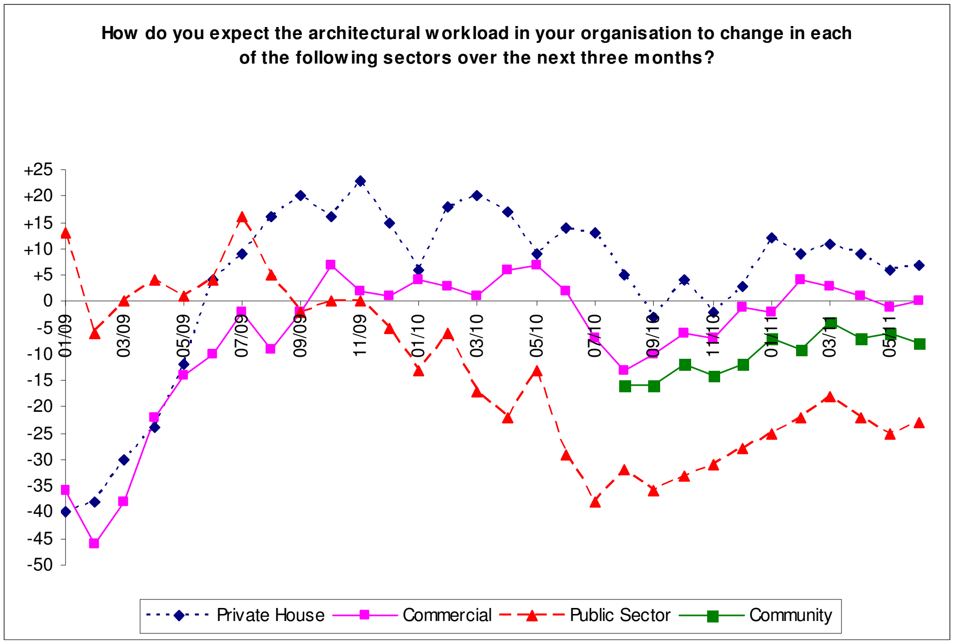

Future staffing levels (June 2011)

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

Permanent Staff	%
Decrease	11
Stay the same	81
Increase	8
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 has increased to -3 in June 2011, rising from -8 in May 2011, but remaining in negative territory. Although this suggests that there remains little short term likelihood of a significant increase in overall nationwide staffing levels, medium sized practices (11 – 50 staff) are now reporting on balance that they are likely to take on additional staff during the next quarter (balance figure +6), and practices located in London are also predicting an increase in staff numbers (balance figure +11).

24% of our respondents reported that they have personally been under-employed in June 2011, a significant improvement from the figure of 29% returned in May 2011.

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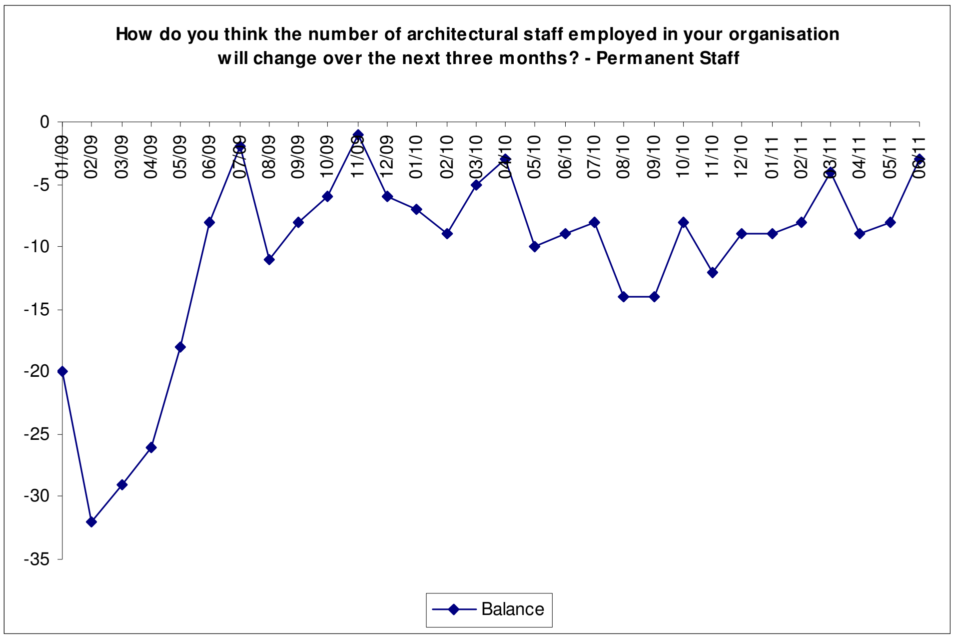
The following graph plots the RIBA Future Trends Staffing Index over time:



In their anecdotal comments, our practices continue to report intense economic pressure, resulting in a very competitive fee environment and evidence of reduced levels of specification for many of those projects which are progressing. Uncertainty of funding in the public sector remains a significant concern. Some conservation specialists noted the negative impact of the changes to the Listed Places of Worship Grant Scheme, which means that VAT can no longer be re-claimed in relation to professional fees on these projects.

A number of smaller practices cited the importance of detailed knowledge of local markets and local reputation in maintaining workflows. Some larger practices commented on an increase in the requirements for BIM capability as a pre-qualification criterion on larger projects.

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 224 practices took part in the Survey in June 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.