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 October 2011 Survey returns.

Future workload (October 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	28
Stay the same	51
Increase	21
TOTAL	100
Balance	-7

(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 October 2011 stands at -7, a modest rise from September 2011 when it stood at -10, and indicating little overall change this month in confidence about future workloads.

Practices in London (balance figure +21) were most optimistic about growth in workloads over the next quarter, whilst practices in Northern Ireland and Scotland were the least confident about future work.

In general small practices (1–10 staff) and medium practices (11–50 staff) are less confident about being able to increase their overall workloads than large practices (51+ staff).

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

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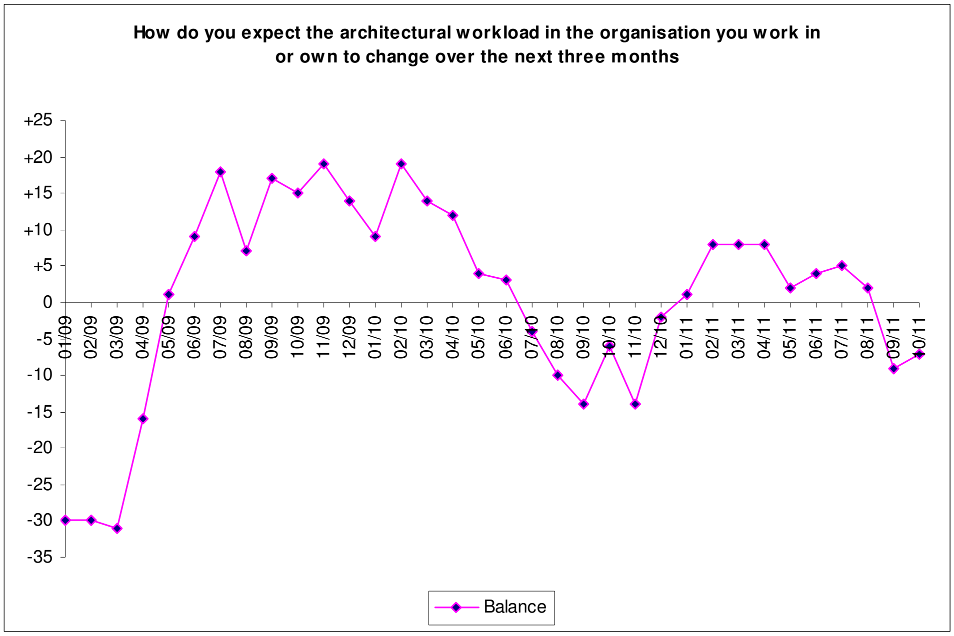

The public sector forecast (balance figure -21), commercial sector forecast (balance figure -5) and community sector forecast (balance figure -11) all saw little or no change this month. With a balance figure of +5 in October 2011 compared with -5 in September 2011, the private housing sector forecast recovered quite strongly and moved back into positive territory.

When asked about actual work in progress our practices report that overall workloads have on average reduced by 12% over the last twelve months, and total current work in progress is now on average approximately 40% below the level of October 2008.

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

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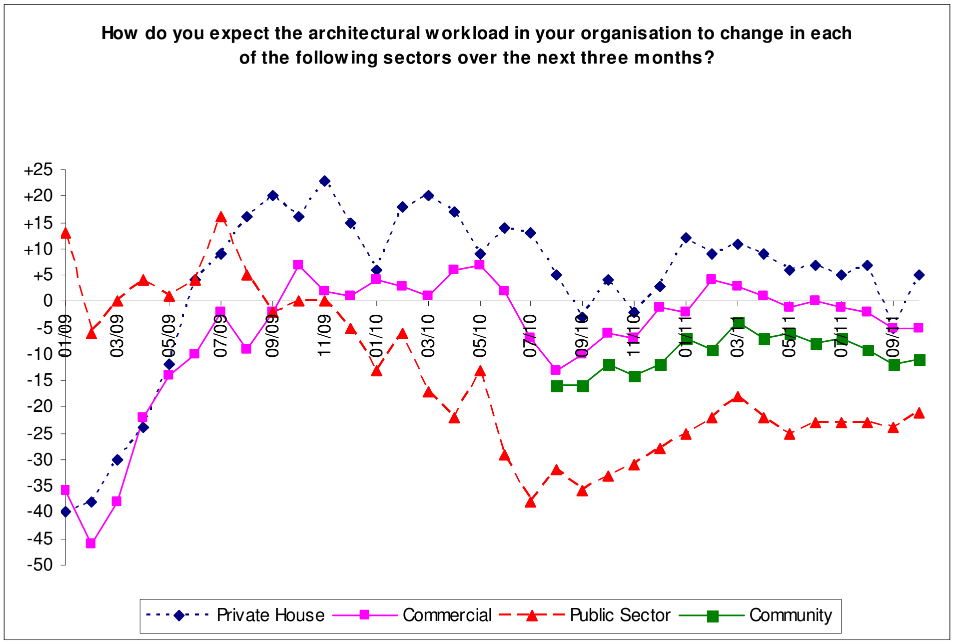

Future staffing levels (October 2011)

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 and stands at -8 in October 2011, down marginally from-7 in September 2011. No size category of practice is predicting an overall increase in staffing in the next quarter, and the uncertain economic and business outlook means that practices remain reluctant to recruit new staff. When asked about how the number of temporary staff employed is likely to change over the next three months our practices returned an overall balance figure of -5, suggesting that this cautious approach also extends to the employment of additional temporary staff.

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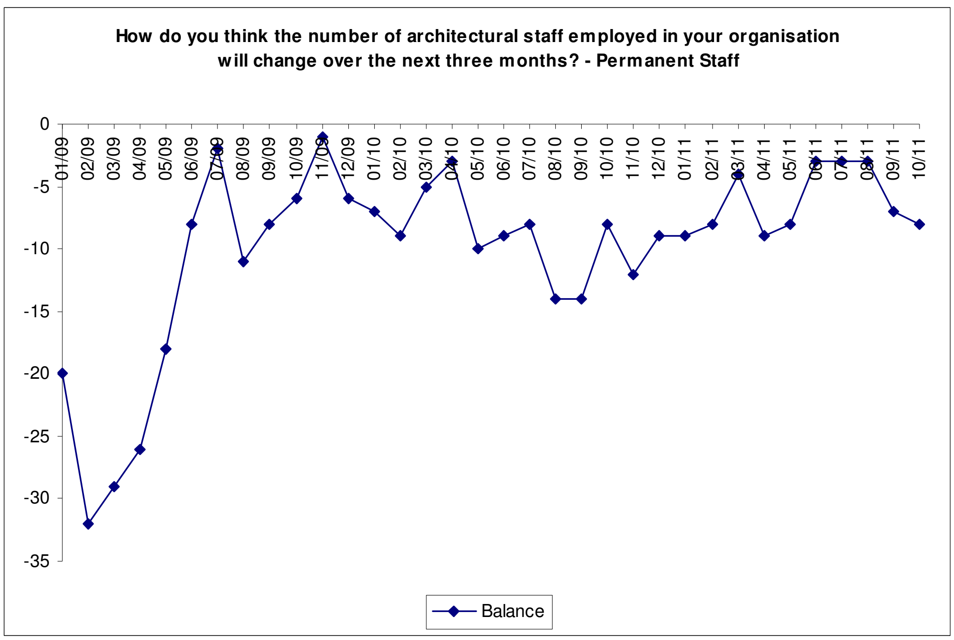
When asked if they had personally been under-employed in October 2011 33% of our respondents reports that this was the case, compared with 29% in Spetember 2011.

Each quarter we ask our participating practices about their current permanent staffing levels as compared with twelve months ago. Our practices tell us that their staffing levels on average have declined by 7% over the last twelve months, and total staffing level is now on average approximately 30% below the level of October 2008.

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



In their anecdotal comments, our practices continue to describe challenging and unpredictable trading conditions. They report increasing competition for diminishing levels of public sector work and on-going reluctance of the banks to release lending for development projects. On a more positive note the bespoke housing sector, assisted by all-time low interest rates, remains robust and a number of specialist sub-sectors within healthcare and conservation continue to perform well. Some practices report an upturn in feasibility work for developers.

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 232 practices took part in the Survey in October 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.