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 September 2011 Survey returns.

Future workload (September 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	29
Stay the same	52
Increase	19
TOTAL	100
Balance	-10

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

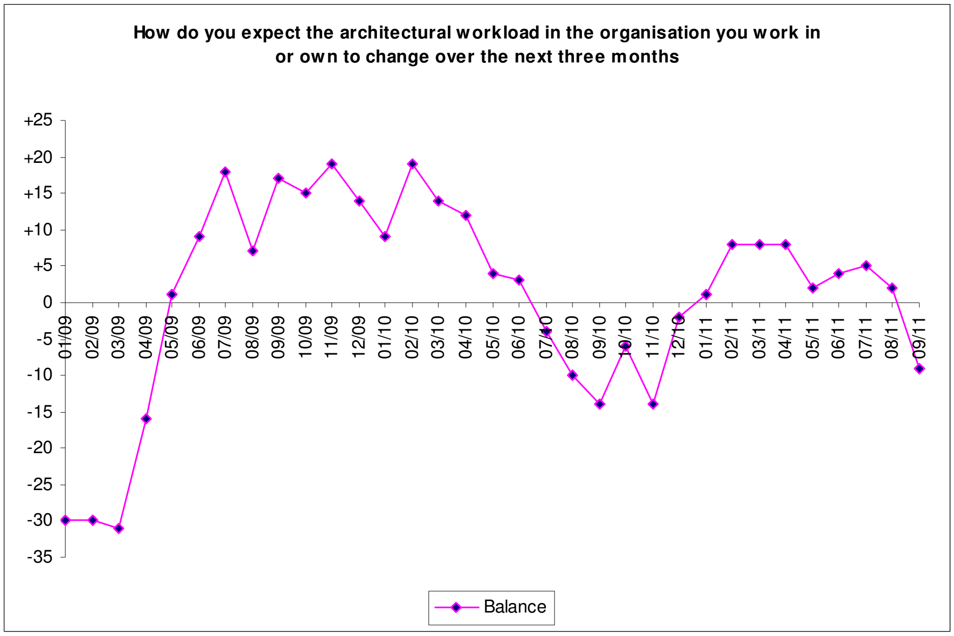
The RIBA Future Trends Workload Index for September 2011 stands at -10, a significant fall from +2 in August 2011, showing that confidence about overall future workloads has become more fragile.

In terms of analysis by business location, practices based in Northern Ireland (balance figure -25) and Wales and the West (balance figure -18) are currently least confident about future levels of work. Practices in the South of England (balance figure -2) are much less pessimistic.

In general large practices (51+ staff) are forecasting growth in workloads over the next quarter but small and medium-sized practices are currently predicting reductions in activity levels.

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

Memorandum

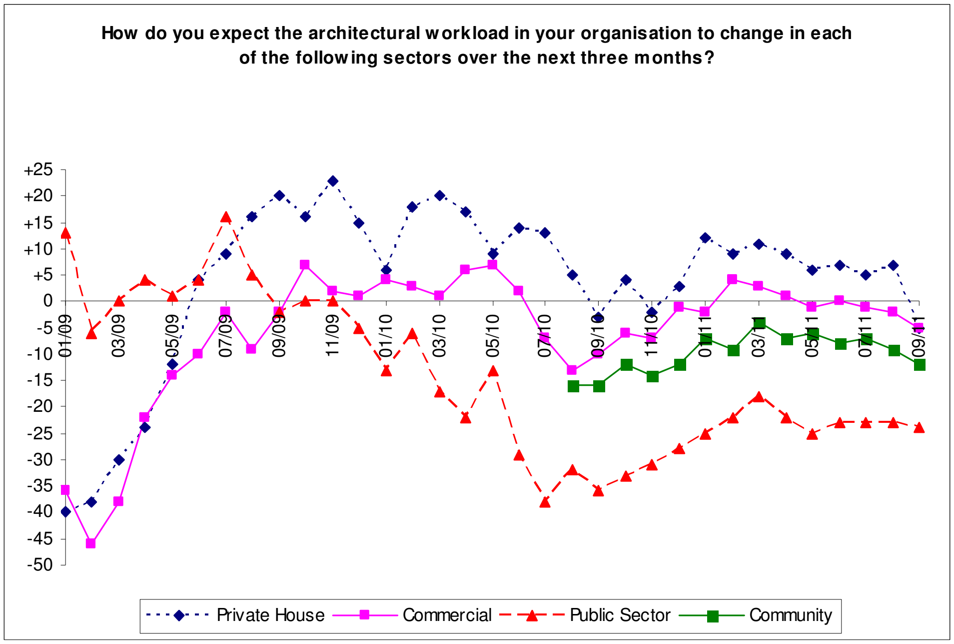


All the sector forecasts saw decreases this month. The private housing sector forecast (balance figure -5) and the commercial sector forecast (balance figure -5) continue to be higher than the public sector forecast (balance figure -24) and the community sector forecast (balance figure -12).

Large practices (51+ staff) continue to anticipate growth in the commercial sector and remain generally more confident about future workload levels than small and medium-sized practices. Although the overall demand for architects' services continues to be significantly below trend and is very weak in some sectors, some of the anecdotal evidence submitted to the RIBA Future Trends Survey suggests that key niche markets including high-end bespoke housing, conservation works and certain healthcare sectors remain very resilient.

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

Memorandum



Future staffing levels (September 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	77
Increase	8
TOTAL	100
Balance	-7

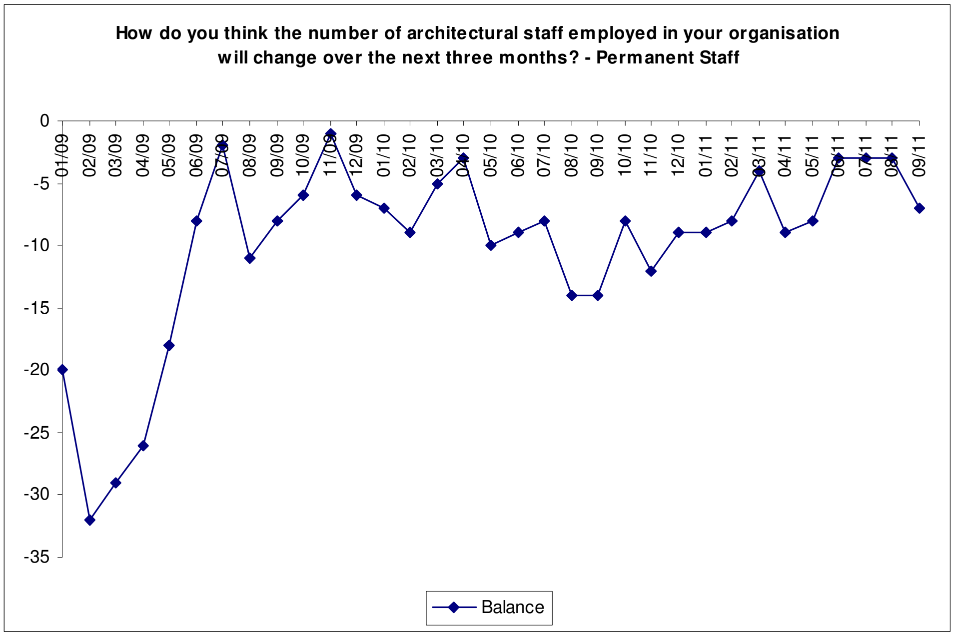
(The definition for the balance figure is the difference between those expecting to employ more permanent staff in the next three months and those expecting to employ fewer.)

The RIBA Future Trends Staffing Index has fallen this month and stands at -7 in September 2011, down from -3 in August 2011. Large practices (balance figure +17) are now significantly more inclined to feel that they will be able to increase permanent staffing levels during the next quarter than medium sized practices (balance figure -24) and small practices (balance figure -5). When asked about how the number of temporary staff employed is likely to change over the next three months our practices also returned an overall balance figure of -7.

When asked if they had personally been under-employed in September 2011 29% of our respondents reports that this was the case, compared with 22% in August 2011.

Memorandum

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



Although the RIBA Future Trends Survey is showing an overall weakening in confidence this month, it is important to note that larger practices (51+ staff) are now beginning to become relatively more confident about medium term growth, suggesting some increased activity in key commercial and niche sectors in London and the South East. If UK economic production continues to stagnate, we anticipate that the UK Government may introduce some further fiscal stimulus in 2012, and this may include some infrastructure capital spending being brought forward. Opportunities may exist for those practices with expertise in the transport and energy sectors.

Some practices have reported that they have an urgent need to recruit candidates who are skilled in the application of BIM technologies, and in an extremely tight employment market for salaried architects this is clearly an important skill set to acquire for individuals wishing to enhance their employment and career development prospects.

In their anecdotal comments, our practices continue to report that trading conditions in general remain very challenging and that future demand and cash flow remain difficult to predict.

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 223 practices took part in the Survey in September 2011. The development of a larger database of respondents will increase the statistical accuracy of the survey, and

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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.