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. In addition practices are 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 April 2012 Survey returns.

Future workload (April 2012)

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	16
Stay the same	59
Increase	25
TOTAL	100
Balance	9

(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 April 2012 stands at +9, down slightly from +11 in March, but remaining firmly in positive territory. Since the turn of the New Year our practices have consistently been more confident about their future workloads than they were throughout most of 2011.

All size categories of practices had positive balance figures this month. Large practices (51+ staff) with a balance figure of +17 were somewhat more optimistic about future workloads than small and medium sized practices.

In terms of geographical analysis, most of the nations and regions in the United Kingdom had positive workload forecast balance figures in April 2012, although there was some sign of weakening confidence in Scotland.

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

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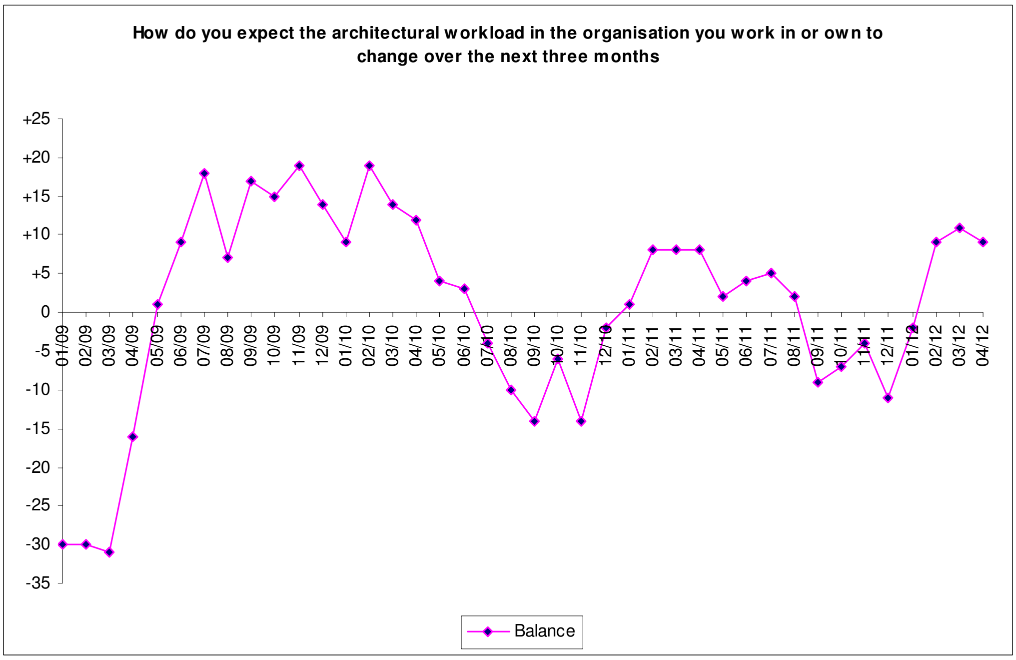

In terms of sector forecasts, the private housing forecast (balance figure +15) remains very positive and the important commercial sector forecast (balance figure +6) continues to show a sustained upward trend. Commercial work will be crucial to medium term growth for architects; with the on-going fiscal squeeze in the public and banking sectors, it is the corporate sector which is in the strongest position to make capital investments when confidence returns in the wider economy.

The community sector forecast (balance figure -9) and the public sector forecast (balance figure -14) both remain significantly weaker than the other sector forecasts, although broadly stable at the present time.

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

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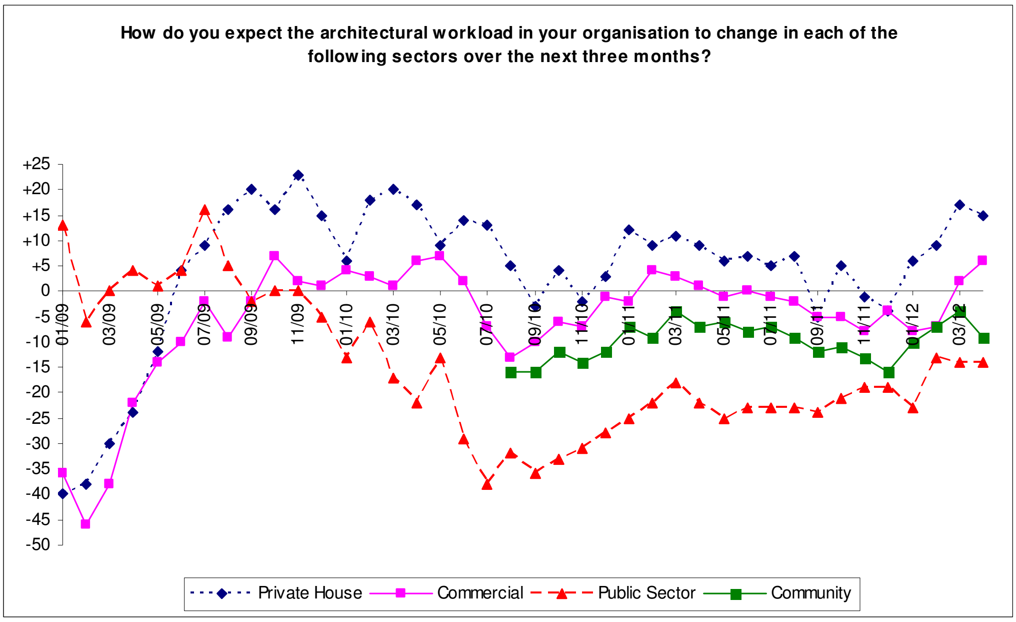
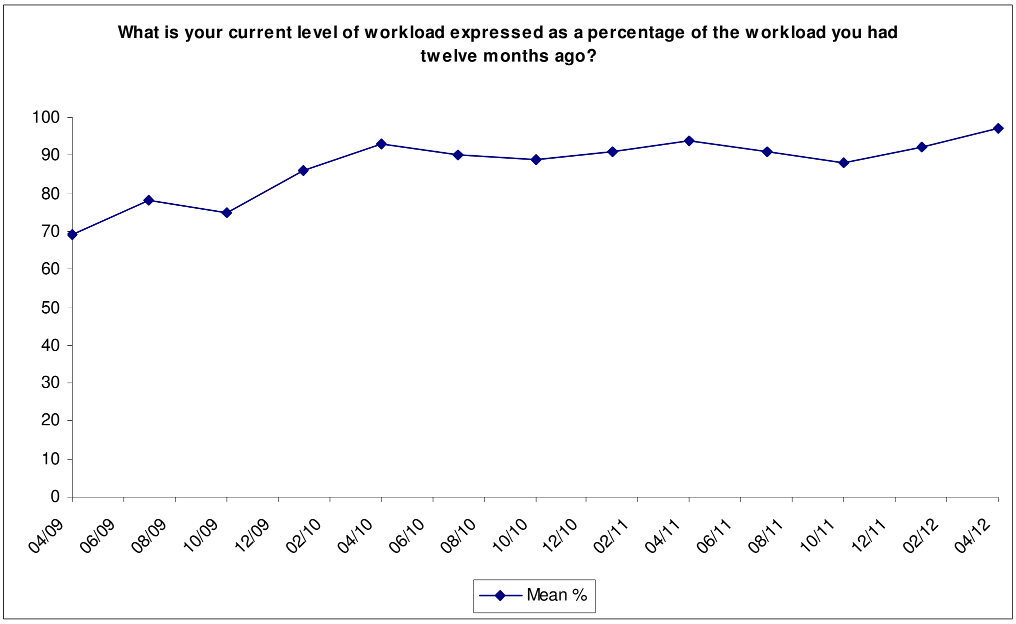


Each quarter we ask our practices about actual workloads compared with workloads twelve months ago. This series of data shows that since the start of the RIBA Future Trends survey, in January 2009, the UK architects' profession has been in continuous recession, although the largest falls in workload were in the 2009 calendar year. However, we are now getting a clear indication that workloads have at least stabilised, with practices reporting that current workload levels are 97% of workload levels twelve months ago.

The graph below illustrates this comparative work in progress measure over time:



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Future staffing levels (April 2012)

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

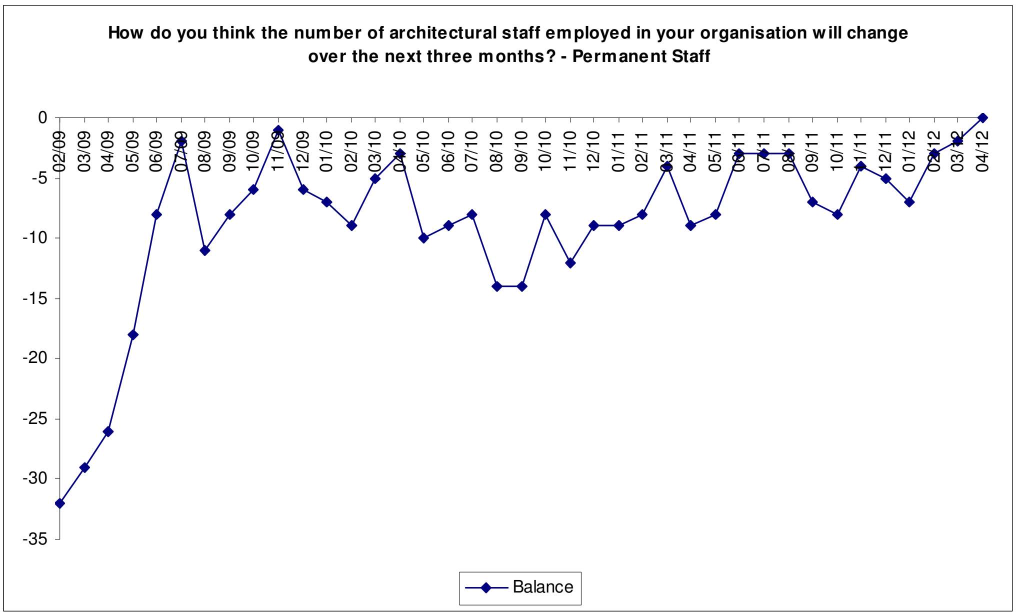
Permanent Staff	%
Decrease	8
Stay the same	84
Increase	8
TOTAL	100
Balance	0

(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 for April 2012 is zero, rising slightly from -2 in March 2012. Medium sized practices (11 – 50 staff), with a balance figure of +7, remain the most confident about future staffing levels. Overall though there is still no sign of a readiness to build up general staffing levels, and larger practices in particular seem to be cautious about increasing their payroll.

In April 2012, 21% of our respondents stated that they had personally been under-employed in the last month. This figure has previously been as high as 33%, and seems to be an indication that there is now less over-capacity within practices.

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



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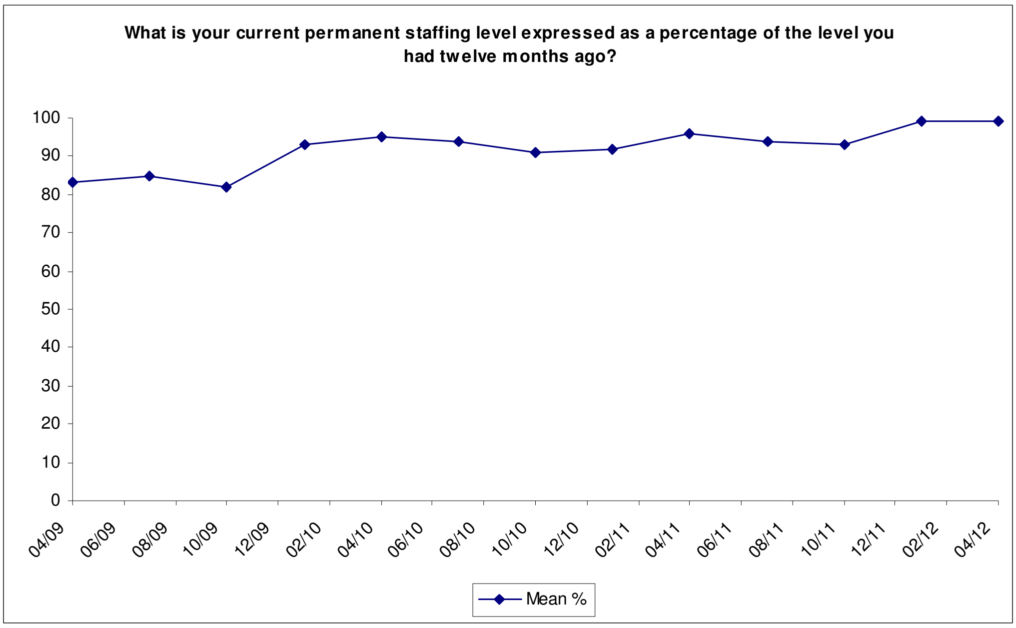
Each quarter we ask our practices about actual staffing levels compared with staffing levels twelve months ago. This data series illustrates that staffing levels have been declining ever since the start of the recession, although the largest reductions were in the 2009 calendar year. Overall we estimate that the total number of staff in the practices in our survey sample has reduced by 25% since the end of 2008. However, as with workloads, staffing levels have now clearly stabilised, with practices now reporting that current permanent staffing levels are 99% of those twelve months ago.

The graph below illustrates the current staffing measure over time:



Anecdotal comments received continue to paint a very mixed picture. Some practices record a better than expected first quarter, but others continue to report intense fee competition and stop-start funding for projects. Practices focussed on public sector work report a dwindling pipeline, with particular concerns about delays to the school building programme and the drastic reductions in the number of social housing starts.

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 222 practices took part in the Survey in April 2012. 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.