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 December 2012 Survey returns.

Future workload (December 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	19
Stay the same	54
Increase	27
TOTAL	100
Balance	+8

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

Following a fall in November 2012, the RIBA Future Trends Workload Index recovered this month, standing at +8 in December 2012. The Workload Index has remained in positive territory since October 2012 and continues to suggest a stable market for architects' services, albeit without signs of any return to overall growth.

This month Large practices (51+ staff) were most optimistic about short-term workload prospects, but all size categories of practices returned positive workload forecast balance figures.

In terms of geographical analysis, London, the South of England, the Midlands and East and Anglia, and Wales and the West continued to be relatively more optimistic about future workloads, and the North of England also returned an overall positive balance figure. Practices in Scotland and Northern Ireland continued to be much more cautious about workload prospects.

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

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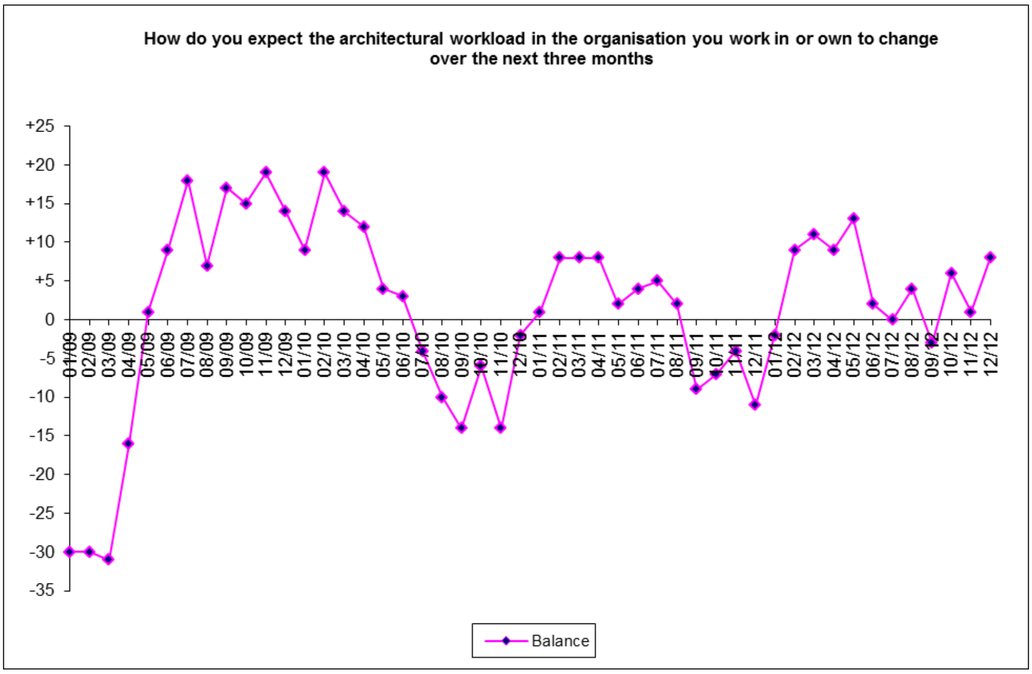

The commercial sector forecast (balance figure +5) saw a significant rise this month, and the private housing forecast (balance figure +5) also increased. These upward movements in these two key sectors represent a very positive trend. They are the sectors most likely to provide an early indication of any emerging sustainable growth for architects.

The community sector forecast (balance figure -2) and the public sector forecast (balance figure -5) remained in negative territory. Clearly sectors dependent on public and third sector funding remain very challenging, and there is little immediate prospect of an improvement in these sectors.

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

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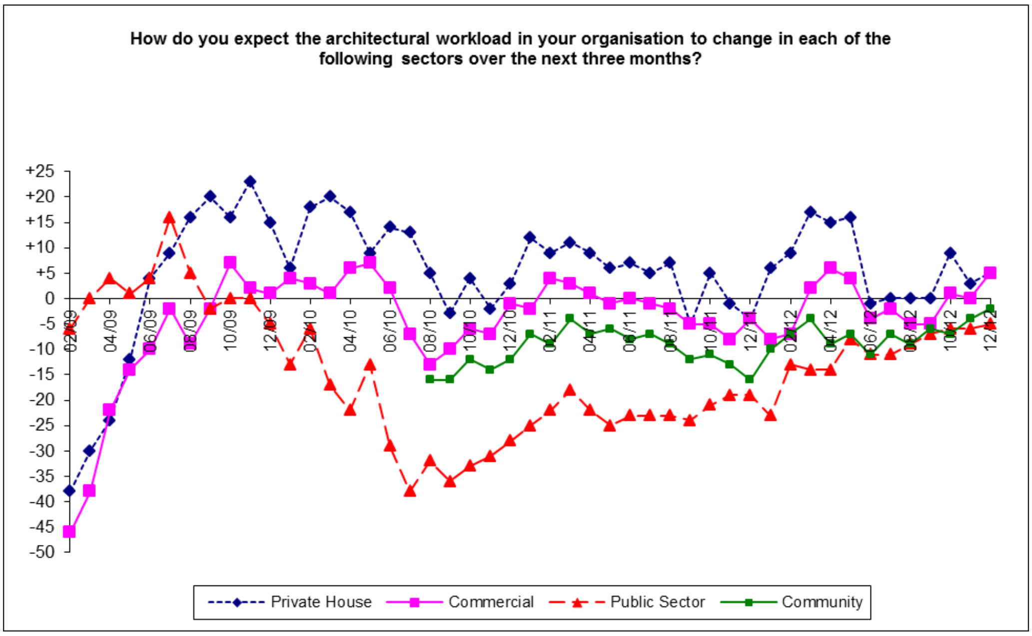

Future staffing levels (December 2012)

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

Permanent Staff	%
Decrease	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 decreased marginally to -3 in December 2012, down from -2 in November 2012, suggesting no immediate improvement in the employment market for salaried architects.

Practices in London (balance figure +4) are the most likely to be taking on additional staff during the next quarter, whilst practices in Scotland and Northern Ireland are the most cautious about future staffing levels.

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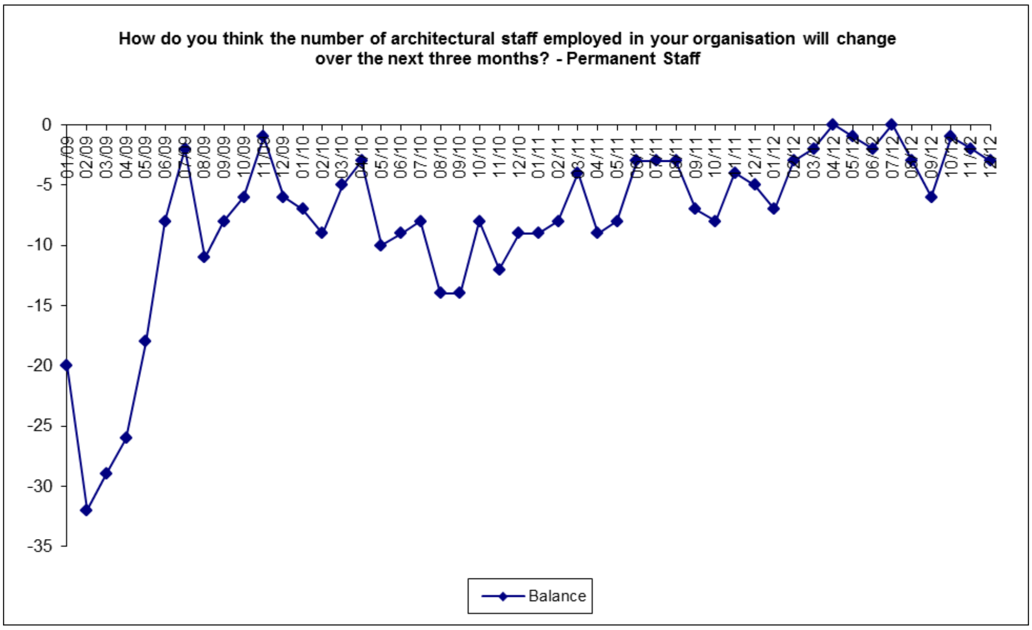
In December 2012, the percentage of our respondents reporting that they had personally been under-employed in the last month was 26%. This is an improvement on the November 2012 figure of 29%, but it remains persistently high and gives cause for concern about continuing over capacity in the architects' profession.

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



Our practices report that projects involving works to existing buildings make up 64% of their workload, a figure which has been increasing steadily since 2010, and suggesting that in the present climate conservation, refurbishment and adaptive re-use are important areas for architects to apply their expertise.

.Anecdotal comments received continue to suggest that architects feel the outlook is uncertain and that it is difficult to accurately forecast future workloads and cash flow beyond the short term. A number of respondents expressed concerns about the potential impact of the Community Infrastructure Levy (CIL) on the financial viability of schemes.

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 198 practices took part in the Survey in December 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.