
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 January 2012 Survey returns.

Future workload (January 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	26
Stay the same	50
Increase	24
TOTAL	100
Balance	-2

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

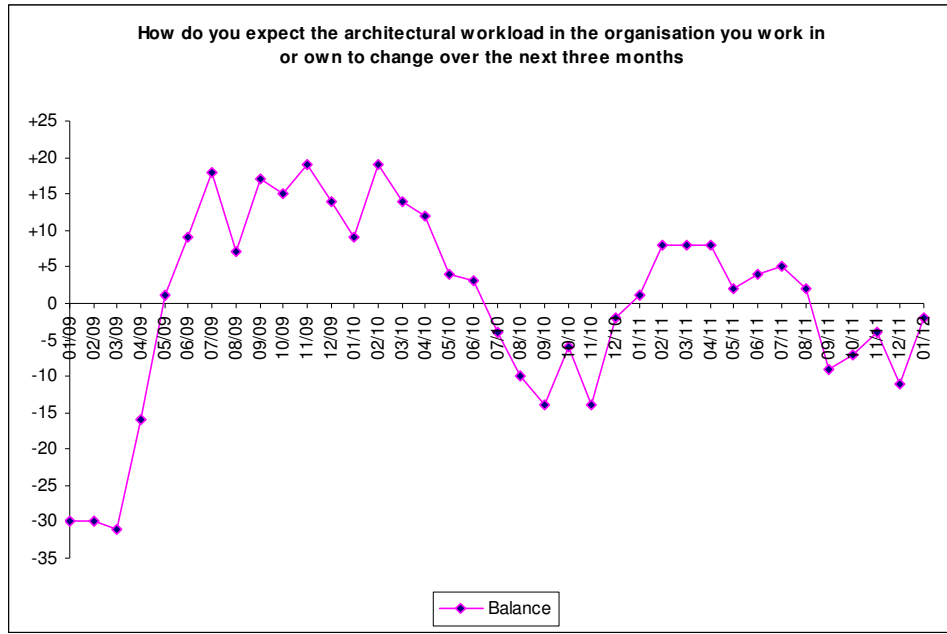
The RIBA Future Trends Workload Index for January 2012 stands at -2, rising significantly from -11 in December 2011. This provides further evidence that workloads are now reasonably stable, but also that there is not yet any real sign of significant medium term growth prospects for overall levels of work for the architects' profession. Our practices report that current work in progress stands at 92% of the level at the start of 2011 and that overall the value of work has fallen on average by about one third since 2008.

Large practices (51+ staff) are now more confident about future workloads, returning a balance figure of +20, than medium sized practices (11 – 50 staff) with a balance figure of zero and small practices (1 – 10 staff) with a balance figure of -2.

In terms of geographical analysis, practices in London (balance figure +22) are the most optimistic about future growth in demand for architects' services, whilst those in the North of England (balance figure -17), Scotland (balance figure -18) and Northern Ireland (balance figure -33) remain much more pessimistic about future prospects. This reinforces the conventional wisdom that recovery is likely to first gain momentum through a pick up in the commercial sector in London and the South.

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

Memorandum

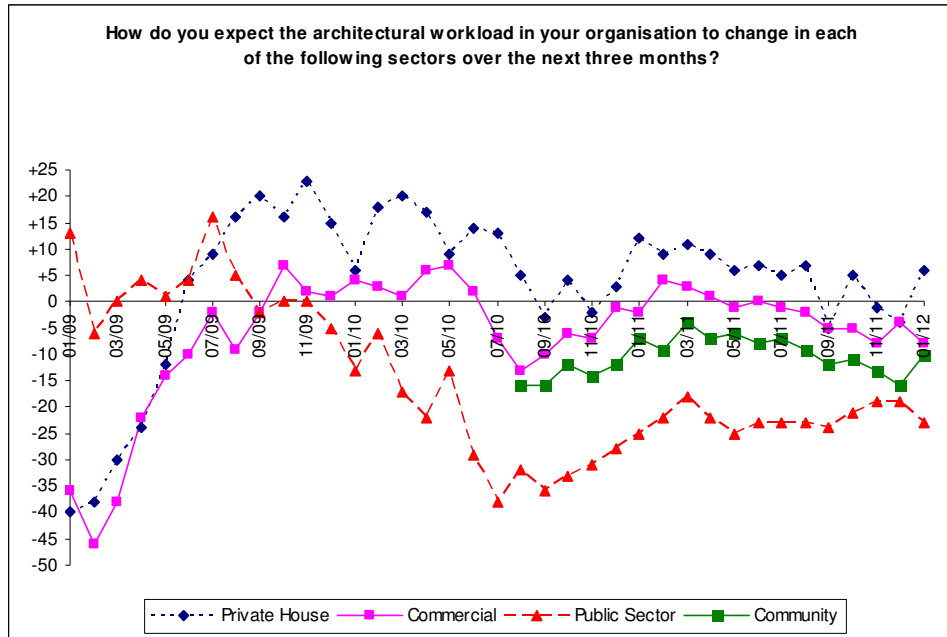


The public sector forecast (balance figure -23) and the commercial sector forecast (balance figure -8) both edged downwards this month. However, the private housing forecast (balance figure +6) continued to show resilience, bouncing back from falls over the previous two months and returning to positive territory, and the community sector forecast (balance figure -10) also moved upwards.

The best prospects for increased workloads in the immediate future appear to remain in the private housing sector, which has consistently been the best performing of our sector forecasts, but larger practices continue to report more opportunities emerging in the commercial sector. Certain specialist sectors, such as healthcare, may also be ones to watch in the medium term.

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

Memorandum



Future staffing levels (January 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	85
Increase	4
TOTAL	100
Balance	-7

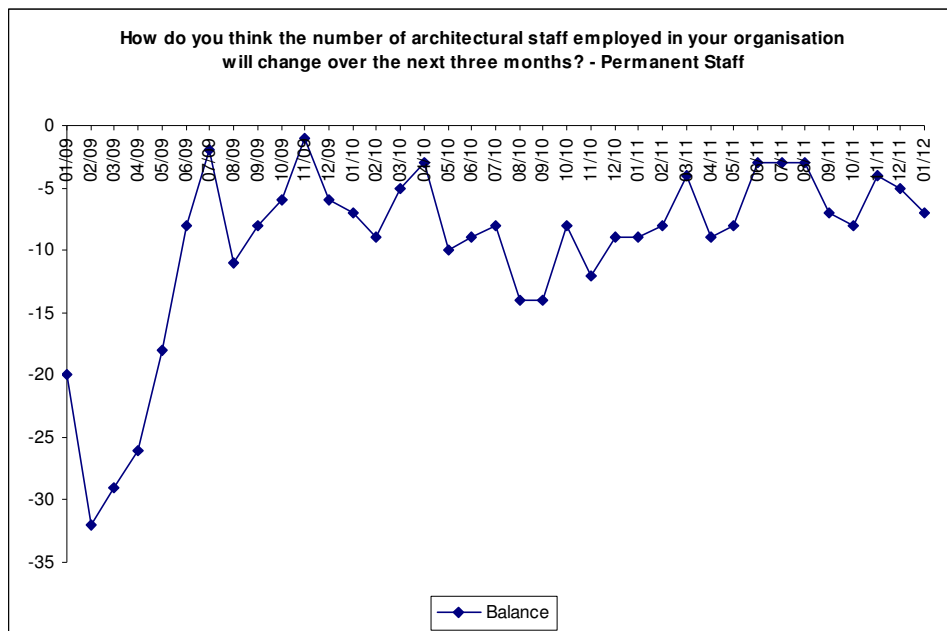
(The definition for the balance figure is the difference between those expecting to employ more permanent staff in the next three months and those expecting to employ fewer.)

The RIBA Future Trends Staffing Index for January 2012 is -7, marginally down from -5 in December 2011. Larger practices (51+ staff) with a balance figure of +20 are now significantly more likely to be recruiting staff during the next quarter than medium sized practices (11 – 50 staff) with a balance figure of -12 and small practices (1 -10 staff) with a balance figure of -7. Overall employment prospects continue to remain subdued. However, it is clear that staffing levels have now stabilised, with our practices reporting that permanent staffing levels are at 99% of the level they were twelve months ago. Overall permanent staffing levels have reduced by approximately 25% since 2008.

Memorandum

When asked if they had personally been under-employed in January 2012 25% of our respondents reported that this was the case, virtually unchanged from 26% in December 2011.

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



In their anecdotal comments, our practices continue to report a high degree of uncertainty about future workloads and on-going intense fee competition. A number of contributors point to an increasing tendency for clients to sign up to commissions in stages, making future work planning more difficult.

Many practices remain concerned about fair access to public procurement, with the use of frameworks and turnover thresholds seen as a significant barrier to bidding for publically-funded work for many practices.

Whilst funding for some major public sector infrastructure projects is being maintained, cuts to mainstream housing, education and health programmes, areas which potentially have a more immediate social and economic benefit appear to be much more extensive, and practices continue to question whether a better balance could be struck in terms of current Government capital investment.

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

Memorandum

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.