
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 May 2012 Survey returns.

Future workload (May 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	17
Stay the same	53
Increase	30
TOTAL	100
Balance	13

(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 May 2012 stands at +13, rising from +9 in April and continuing the recent positive trend which began in January 2012.

All size categories of practices had positive balance figures this month. Large practices (51+ staff) with a balance figure of +29 and medium sized practices (11 – 50 staff) with a balance figure of +24 were significantly more optimistic about an increase in future workloads than small practices (1 – 10 staff), who returned an overall balance figure of +10.

In terms of geographical analysis, most of the nations and regions in the United Kingdom are currently returning positive workload forecast balance figures, with the exception of Scotland (balance figure zero) and Northern Ireland (balance figure -14).

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

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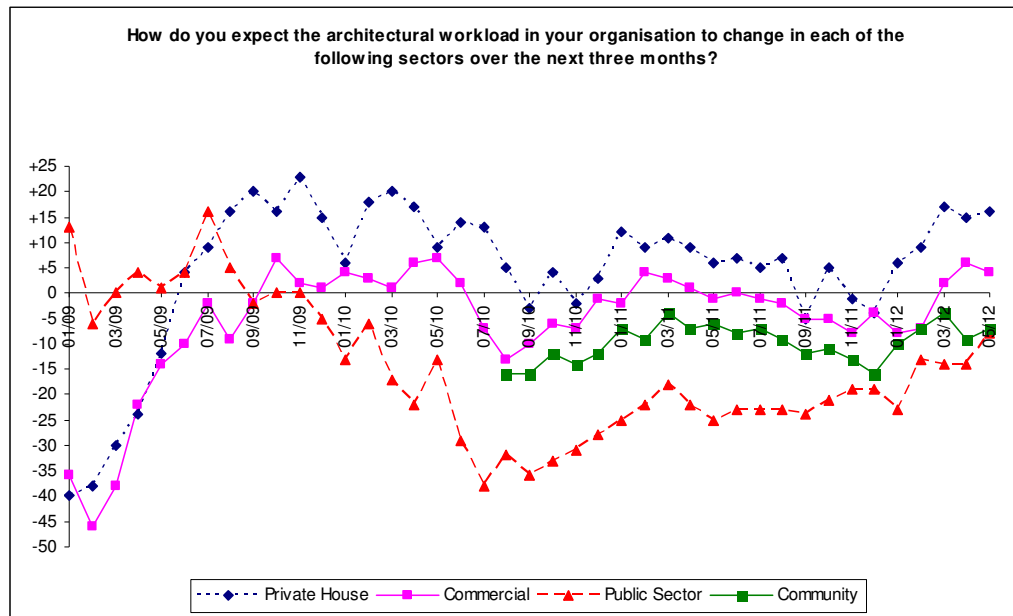


In terms of sector forecasts, the private housing forecast improved by a single balance point to +16, whilst the commercial sector forecast dropped by two points to +4. The community sector forecast also saw a modest rise of two points to -7.

There was a significant improvement in the public sector forecast, which stands at -8 in May 2012 compared with -14 in April. This may be an indication that public sector workloads for architects are beginning to stabilise, now that the effect of the initial cuts in public sector capital programmes has filtered through. It may also reflect a belief that the UK Government is considering introducing a degree of fiscal stimulus, which might well include some additional expenditure on public sector construction.

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

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Future staffing levels (May 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	10
Stay the same	81
Increase	9
TOTAL	100
Balance	-1

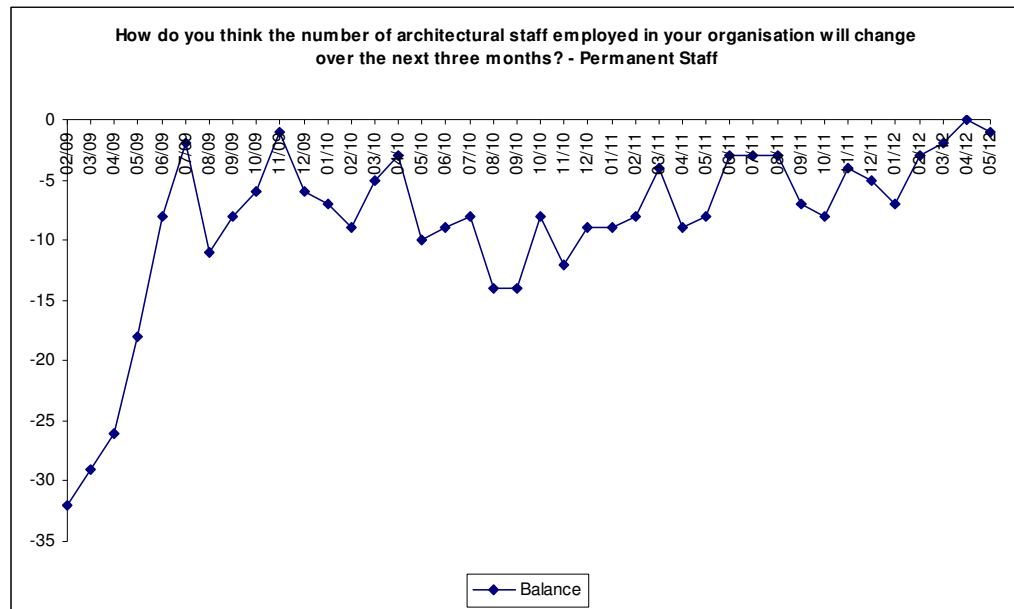
(The definition for the balance figure is the difference between those expecting to employ more permanent staff in the next three months and those expecting to employ fewer.)

The RIBA Future Trends Staffing Index for May 2012 is virtually unchanged at -1. Despite the improving trend in the workload forecast figures, there is still generally insufficient confidence for practices to begin building up overall staffing levels. However, current staffing levels remain fairly stable.

In May 2012, 20% of our respondents stated that they had personally been under-employed in the last month. This figure is the best recorded since the RIBA Future Trends Survey began in January 2009, and is further evidence of a gradually improving economic outlook for architects.

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

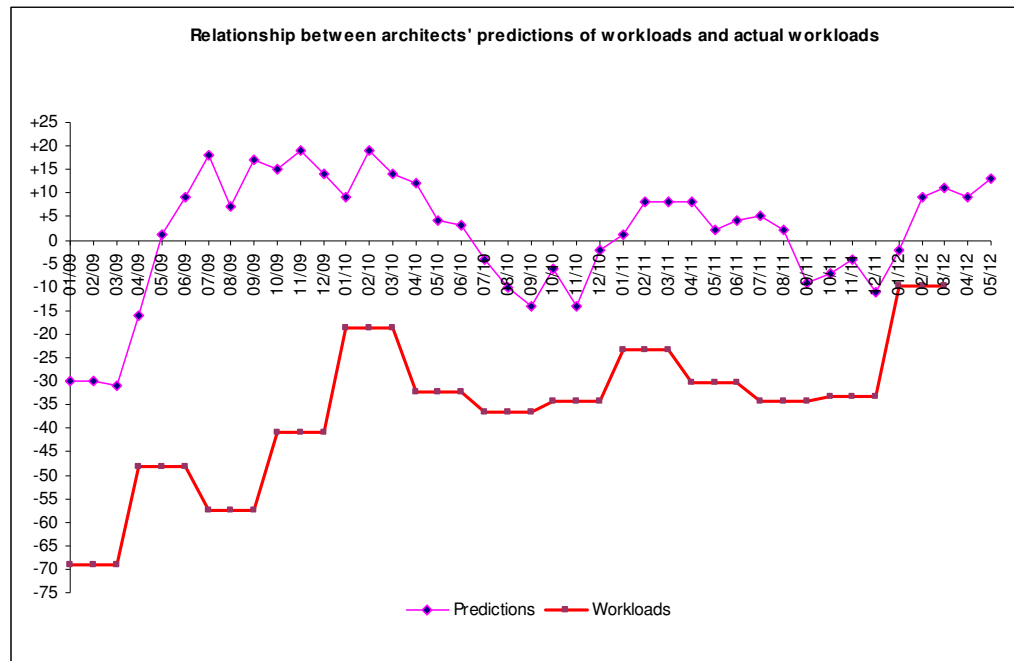
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Each quarter we ask our practices about the number of students at post-Part 1 and post-Part 2 they are employing as a percentage of those they were employing in the equivalent quarter twelve months ago. This data series reveals that overall student employment has decreased by approximately 40% since 2008, but that numbers have now stabilised at this level. This illustrates very clearly that the recession has impacted disproportionately upon those in the early stages of their professional careers.

The following graphical analysis seeks to determine how accurate the RIBA Future Trends Survey is in predicting medium term workloads for architects, by comparing the balance figures for predicted future workloads with those returned for actual workloads at the end of the forecast period. This shows that the forecasts provided by the RIBA Future Workloads Workload Index are a very good indicator of the direction of future workloads, with a strong correlation between predicted and actual turning points. It is noticeable, however, that the actual workloads line is consistently below the predicted workloads line, suggesting that architects are more optimistic about their future prospects than those prospects turn out to be.

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Anecdotal comments received still paint a very mixed picture. Many practices continue to experience regular stop-start cycles on projects as a result of funding difficulties and fee competition clearly remains intense. At the same time a number of practices have indicated that they are experiencing a significant pick up in workloads.

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 228 practices took part in the Survey in May 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.