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 November 2012 Survey returns.

Future workload (November 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	21
Stay the same	57
Increase	22
TOTAL	100
Balance	+1

(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 November 2012 stands at +1, falling somewhat from +7 in October 2012. Allowing for small month by month variations, the Workload Index has been consistent in predicting little change in overall workloads for architects throughout the last six months. A clear picture of a stable market but without any significant growth momentum is emerging.

Medium sized practices (11 – 50 staff), with a balance figure of +14, remain the most optimistic about short-term future prospects.

In terms of geographical analysis, London (balance figure +13) continues to be more positive than other parts of the United Kingdom, with the South of England (balance figure +9) and Wales and the West (balance figure +11) also relatively upbeat about future workload prospects.

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

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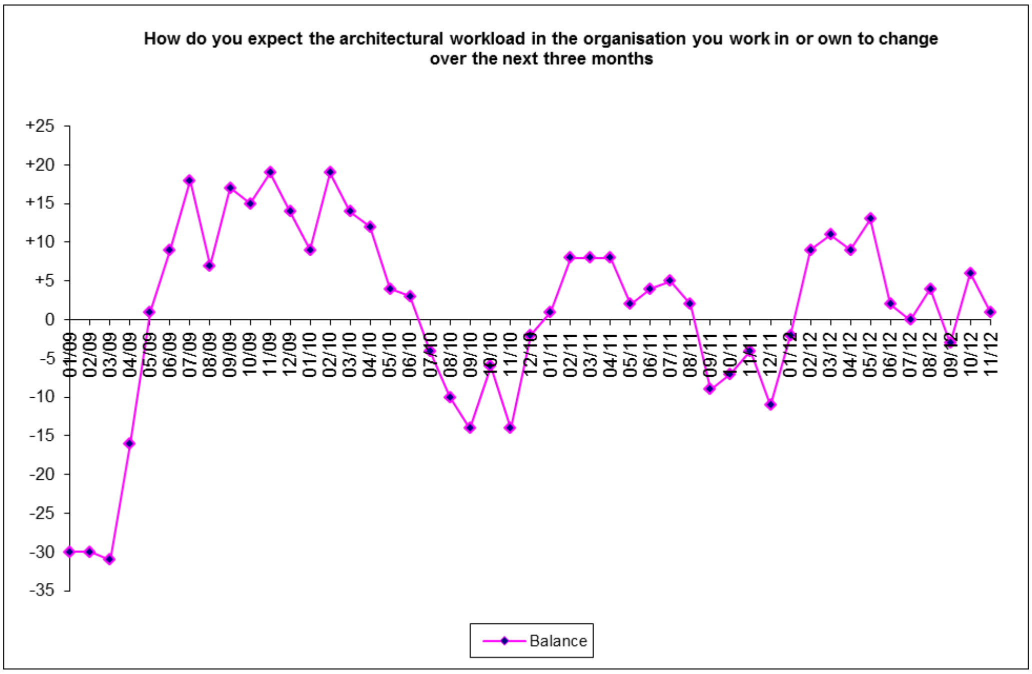

Our sector forecasts saw relatively little movement this month.

There was a modest decline in the private housing sector forecast, down to a balance figure of +3 in November 2012 from +9 in October 2012.

The other sector forecasts saw little change. The commercial sector forecast (balance figure zero), community sector forecast (balance figure -4) and the public sector forecast (balance figure -6) have all been relatively stable during the second half of 2012. There is clear evidence that architects feel that public sector work has effectively now bottomed-out, and that there will not be further significant reductions in public sector capital programmes in the short term.

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

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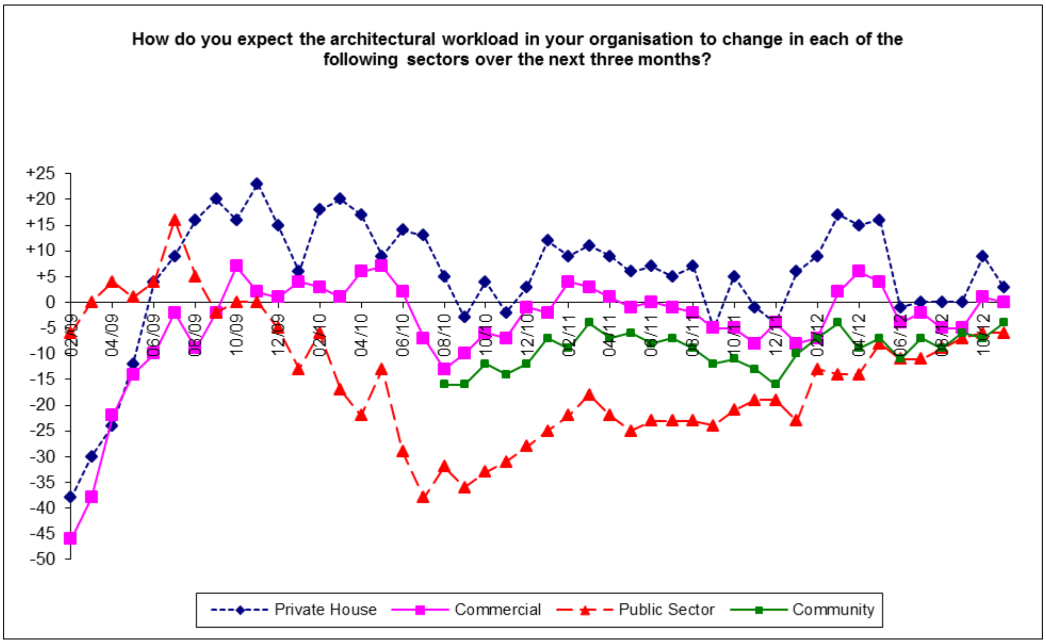

Future staffing levels (November 2012)

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	82
Increase	8
TOTAL	100
Balance	-2

(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 -2 in November 2012, down from -1 in October 2012.

Overall staffing numbers in 2012 have stayed approximately the same as 2011 levels, but as noted in last month's report there has been a 5% increase in the number of students (year-out and post part 2) employed. However, there still seems to be insufficient confidence about future trading conditions for practices to contemplate increasing overall staff numbers by any significant degree during the next quarter.

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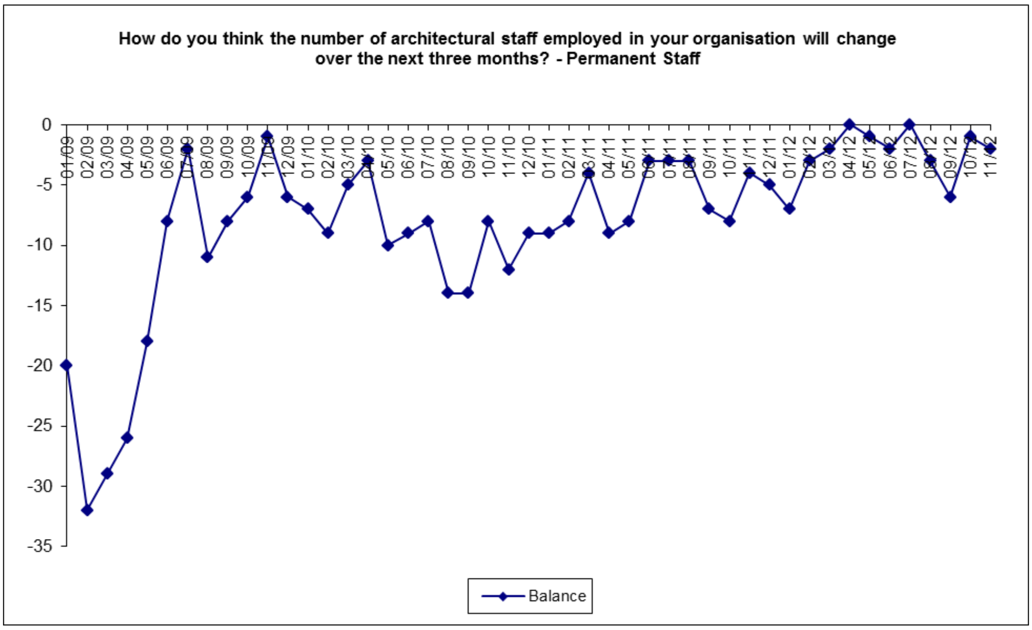
In October 2012, the percentage of our respondents reporting that they had personally been under-employed in the last month was 29%; this figure has remained persistently high over the last twelve months indicating continuing over capacity in the architects' profession at present.

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



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. A number of respondents did report increased levels of commissions, with specialist areas such as conservation and elderly care, as well as bespoke private housing, continuing to perform relatively well. However, practices continue to report that there is intense competition for work and that careful fee management is needed to ensure prompt payment of fees due.

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 212 practices took part in the Survey in November 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.