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 October 2012 Survey returns.

Future workload (October 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	20
Stay the same	53
Increase	27
TOTAL	100
Balance	+7

(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 October 2012 stands at +7, showing a significant improvement from -3 in September 2012. Although this is a very positive finding it would be imprudent to forecast a sustained improvement on a single month's figure. The market for architects' services does at least appear to be more stable at present with 53% of respondents expecting no change in workloads over the next quarter.

Medium sized practices (11 – 50 staff) are currently the most optimistic about future workloads.

In terms of geographical analysis, London (balance figure +17) continues to appear to be generally more positive than other parts of the United Kingdom.

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

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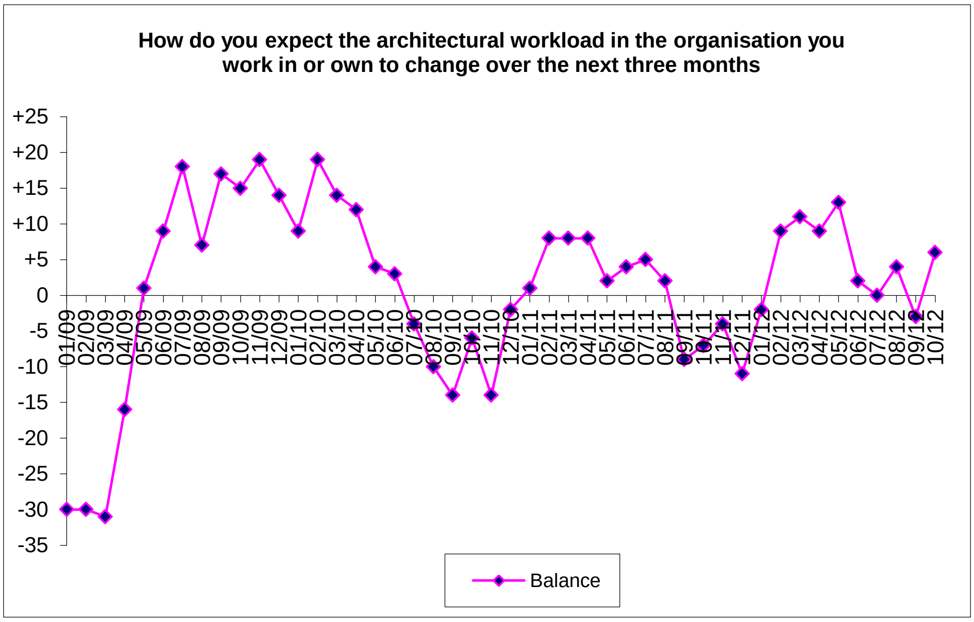

Our sector forecasts saw relatively little movement this month.

The commercial sector forecast (balance figure +1) and the private housing sector forecast (balance figure +9) both increased significantly this month, but the community sector forecast (balance figure -7) and the public sector forecast (balance figure -6) saw marginal falls.

Overall our survey data continues to suggest a relatively stable outlook, with our practices currently reporting that their workload is at 95% of the levels twelve months ago, but with little evidence yet of any immediate signs of sustained growth in the near future. Private housing, particularly bespoke one-off commissions, continues to remain the most consistently robust of our sector forecasts.

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

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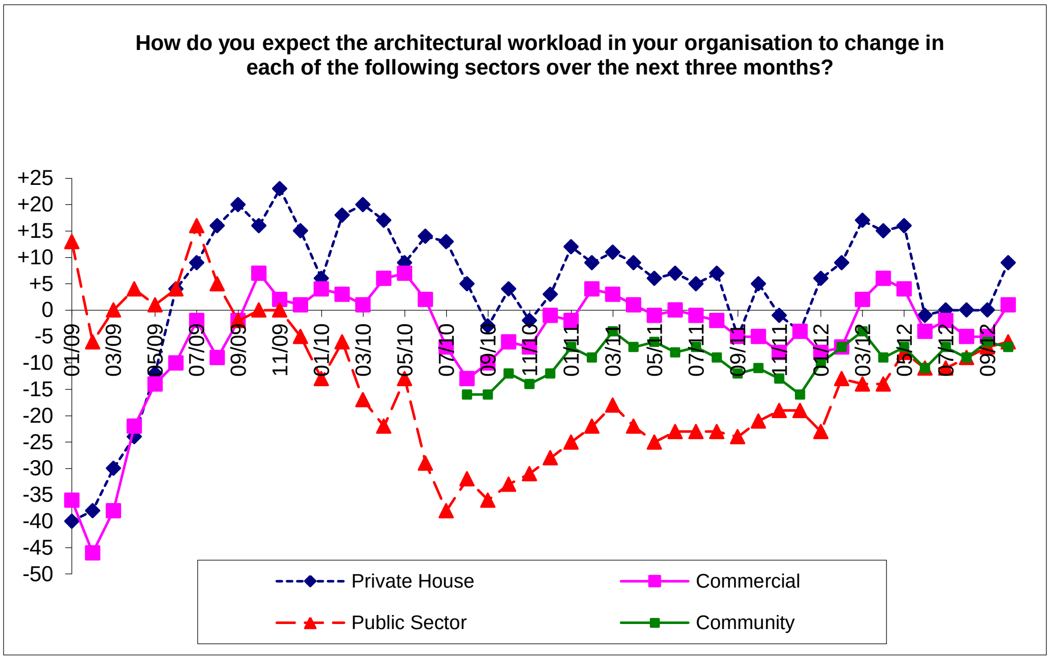

Future staffing levels (October 2012)

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

Permanent Staff	%
Decrease	12
Stay the same	77
Increase	11
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 increased to -1 in October 2012, up from -6 in September 2012. However, the Staffing Index has still not yet entered positive territory.

Each quarter we ask our practices about their current permanent staffing levels as compared with twelve months ago, and currently this is reported to be 99%, suggesting that although practices are not yet hiring new staff in significant numbers the overall employment market for architects is at least stable.

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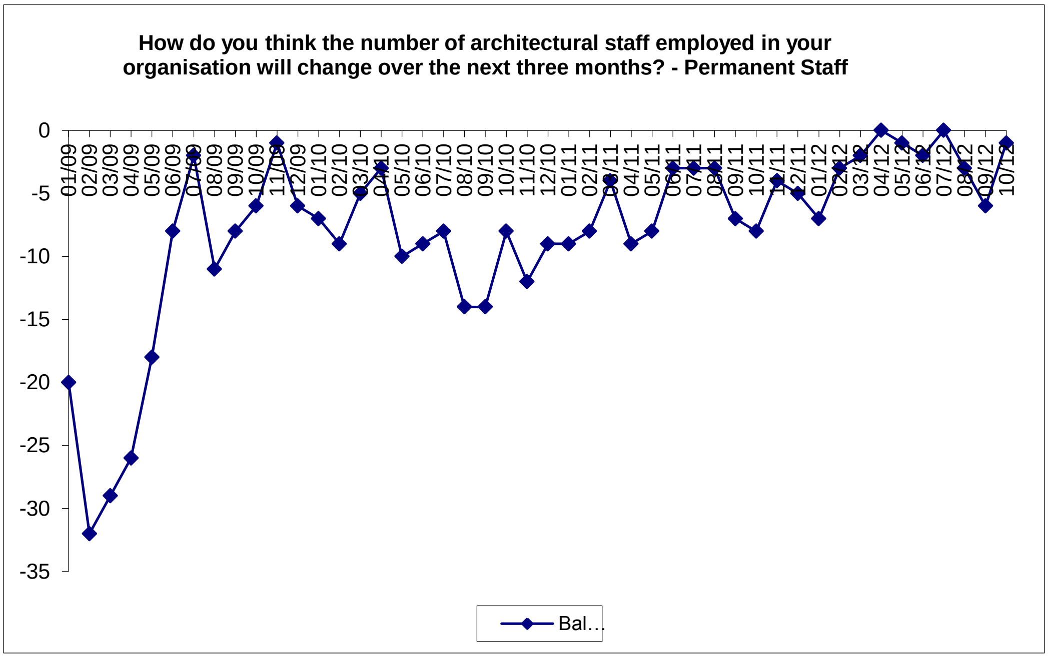
It is very positive to be able to note that practices are overall employing 5% more students (year-out and post part 2) than they were 12 months ago.

In October 2012, the percentage of our respondents reporting that they had personally been under-employed in the last month was 25%, suggesting that the architects' profession continues to have a significant degree of over capacity with an inevitable impact on the level of fee competition.

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



Anecdotal comments received continue to report intense fee competition and difficulties in obtaining funding for projects from lending institutions. A number of respondents also commented on significant delays to the pipeline of public sector work. Bespoke private housing projects, particularly extensions and alterations to existing properties, remain a relatively healthy market sector, but some architects commented that the announcement by the Government of a consultation on extended permitted development rights may in fact have had the effect of slowing demand as householders wait to assess the impact of any potential rule changes.

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 193 practices took part in the Survey in October 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.