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 August 2013 Survey returns.

Future workload (August 2013)

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	14
Stay the same	50
Increase	36
TOTAL	100
Balance	+22

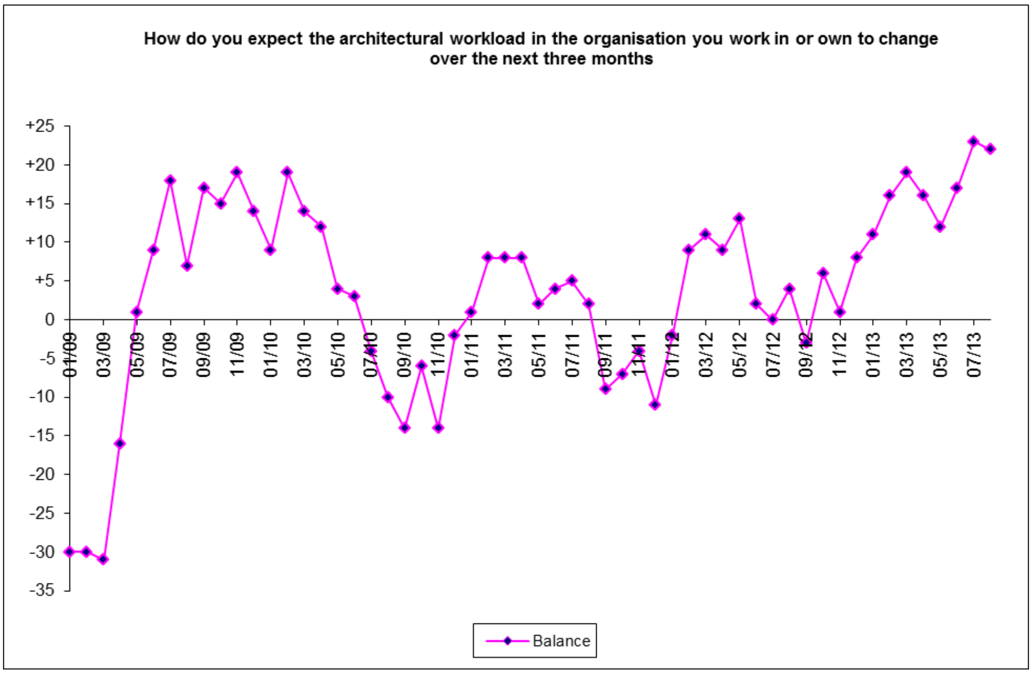
(The definition for the balance figure is the difference between those expecting more work and those expecting less.)

The RIBA Future Trends Workload Index fell marginally in August 2013 to +22, down my just one balance point from +23 in July 2013. Our key workload forecast index therefore remains firmly in positive territory, continuing the trend of positive figures we have seen since the beginning of 2013.

Actual levels of work in progress continue to be stable in the aggregate on a year-on-year comparison basis, so this increased level of optimism is not yet being reflected in actual workloads, but the overall position is of a steady market for architect' services. All categories of practices by size, and all the nations and regions in the UK, returned positive workload forecast balance figures in August 2013, suggesting that the sustained improvement in confidence levels is widespread and not just confined to particular sectors and geographical locations.

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

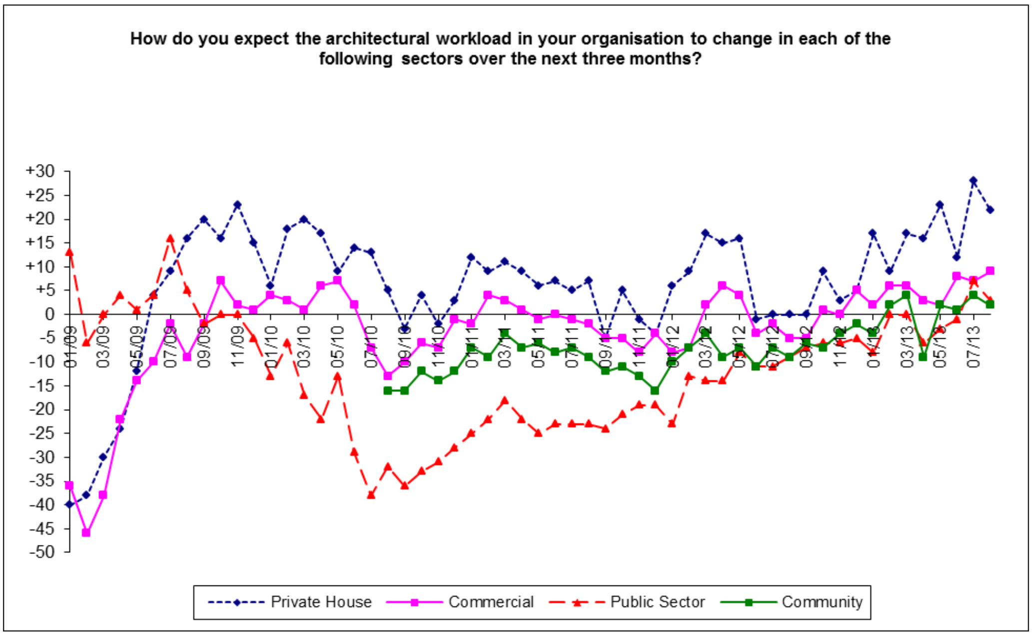
Memorandum



All our sector forecasts remained in positive territory this month, with the private housing sector having a workload balance figure of +22, the public sector a balance figure of +3 and the community sector a balance figure of +2 in August 2013. The workload balance figure for the commercial sector moved further into positive territory, now standing at +9. The commercial sector forecast has been exhibiting a steadily improving trend throughout 2013. This is a very positive development since an increase in activity in this key sector is central to any overall recovery in architects' workloads towards pre-recessionary levels.

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

Memorandum



Future staffing levels (August 2013)

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

Permanent Staff	%
Decrease	8
Stay the same	81
Increase	11
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 also fell marginally to +3 in August 2013, compared with +5 in July 2013, but remaining positive for a fifth consecutive month. The index for temporary staffing increased this month to +12. Overall practices, particularly large practices (50+ staff), seem to becoming increasingly confident about their ability to sustain slightly higher staffing levels.

This sense of an improving picture in relation to employment opportunities is reinforced by the fact that our practices report that they are employing 10% more students than they were twelve months ago. The improvement in student employment levels is heartening, given that students were disproportionately impacted by the recession in the architects' profession.

RIBA

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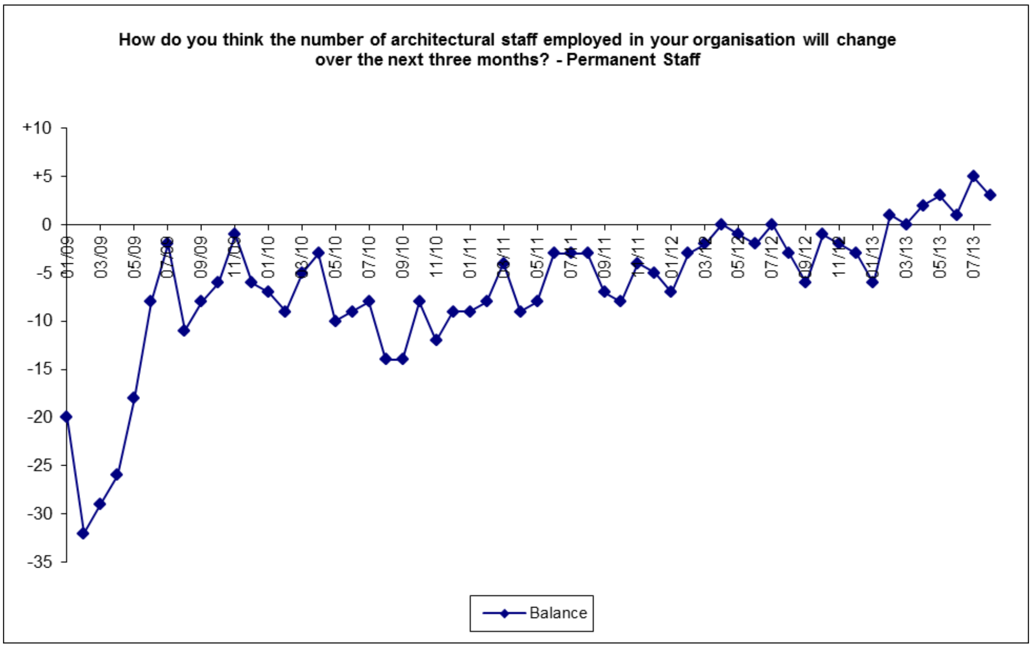
In August 2013, the percentage of our respondents reporting that they had personally been under-employed in the last month was 21%, so the more optimistic viewpoint on prospects for future staffing levels needs to be tempered with the knowledge that there appears to still be significant spare capacity within architectural firms at present.

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



Anecdotal commentary received suggests that many practices are beginning to see a pickup in the level of enquiries and the numbers of projects moving forward to contract. However, the overall landscape continues to be very mixed, with on-going reports of intense fee competition and concerns about the complexity and barriers to entry for public sector work.

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 176 practices took part in the Survey in August 2013. 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.