
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 February 2013 Survey returns.

Future workload (February 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	17
Stay the same	50
Increase	33
TOTAL	100
Balance	+16

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

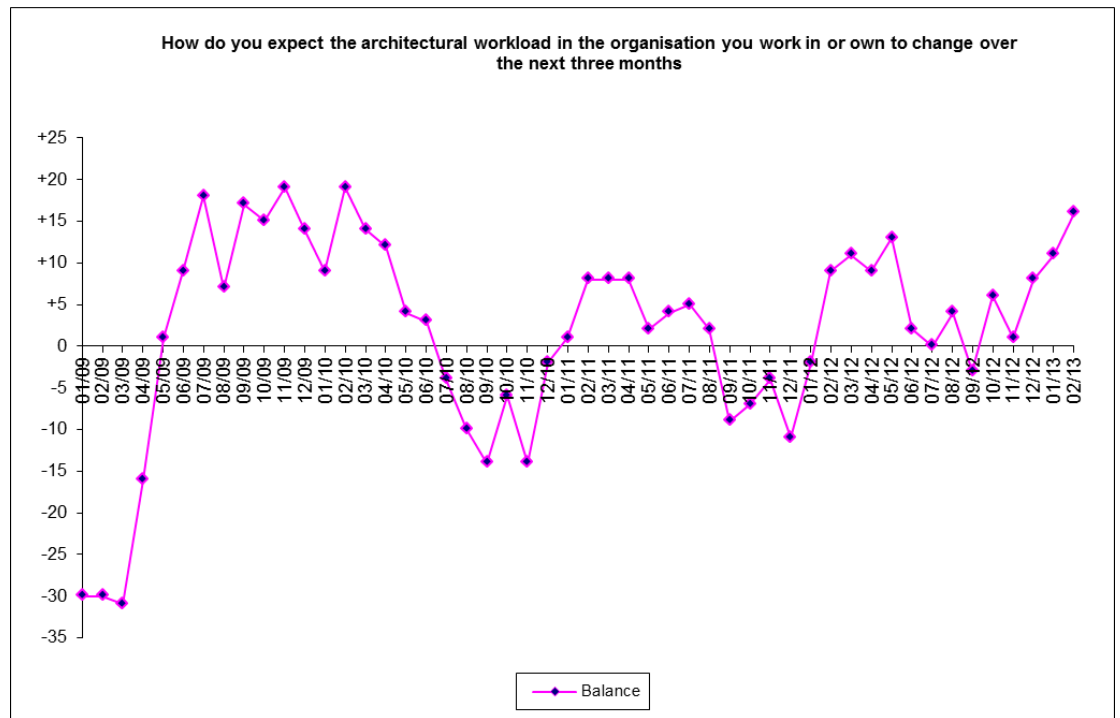
The RIBA Future Trends Workload Index increased in February 2013, rising to +16 from +11 in January 2013; the third consecutive monthly increase in a row. The Workload Index has remained in positive territory since October 2012, and continues to suggest improved optimism amongst architects about future growth prospects. Our practices report that overall actual workloads for architects remained stable throughout 2012, following falls in every calendar year from 2009 until 2011.

This month Large practices (51+ staff) continued to be the most optimistic about future workloads (balance figure +43), but all size categories of practices returned positive workload forecast balance figures.

In terms of geographical analysis, all the nations and regions in the UK returned positive balance figures except for Scotland and Northern Ireland.

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

Memorandum



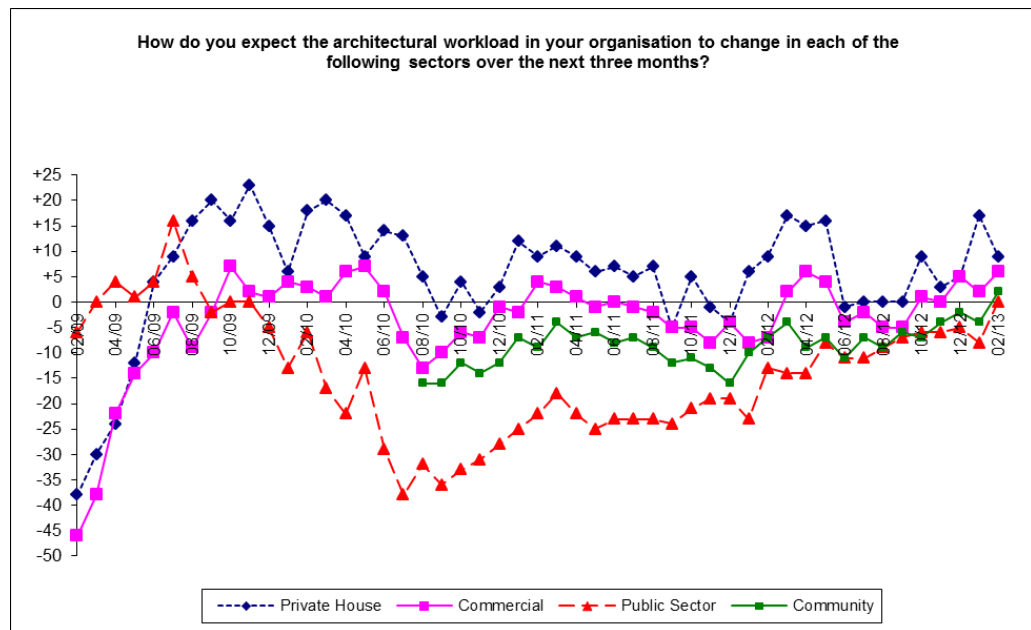
The private housing sector forecast was lower in February 2013 (balance figure +9) than in January 2013 (balance figure +17).

However, the commercial sector forecast (balance figure +6), public sector forecast (balance figure zero) and community sector forecast (balance figure +4) all showed significant improvements.

It appears that public sector workloads have at least now stabilised, and the recent increases in the commercial sector forecast are a hopeful sign of more confidence in this key sector which will be so important if there is to be an overall recovery in architects' workloads.

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

Memorandum



Future staffing levels (February 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	6
Stay the same	87
Increase	7
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 rose to +1 in February 2013, up from -6 in January 2013. This is the first time since the RIBA Future Trends survey commenced in January 2009 that we have been able to report a positive balance figure for this index. Clearly practices remain very cautious in general about taking on additional permanent staff, but this first ever positive return must be welcomed. There is also evidence from our survey data that practices are becoming more confident about employing more temporary staff to meet workload requirements.

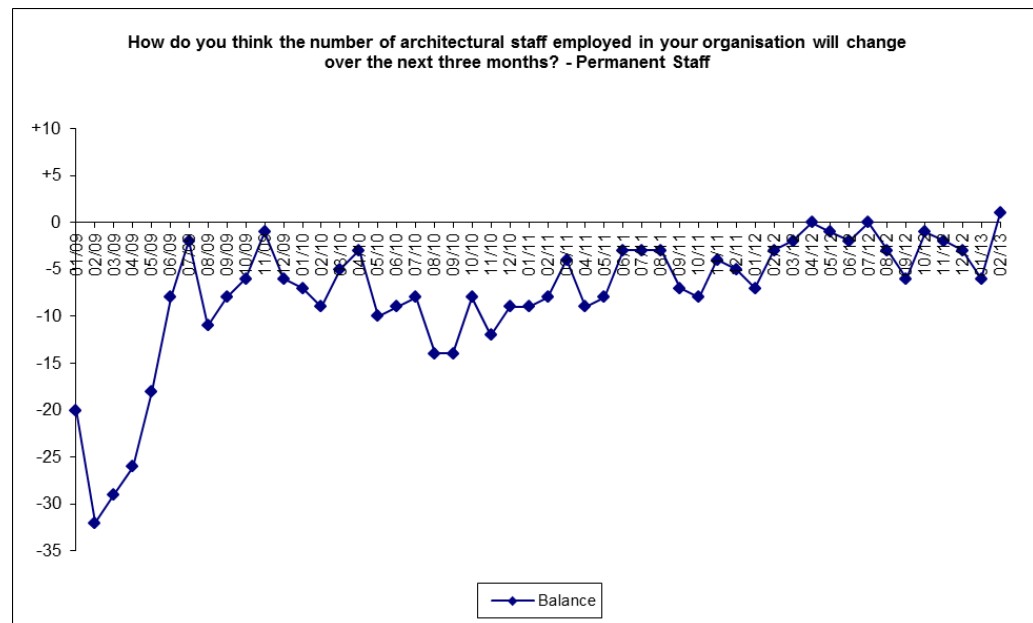
Practices located in London and the North of England are currently the most likely to be taking on additional staff during the next quarter, whilst practices in Northern Ireland are the most cautious in this regard, predicting further reduction in staffing levels.

Memorandum

In terms of analysis by practice size, large practices (51+ staff), with a balance figure of +14, and medium sized practices (11 – 50 staff), with a balance figure of +13, are more likely to be increasing their staff complement than small practices (1 – 10 staff), with a balance figure of -2.

In December 2012, the percentage of our respondents reporting that they had personally been under-employed in the last month was 22%; the lowest figure since May 2012, and suggesting that whilst there remains significant over capacity in the architects' profession this situation may be beginning to improve.

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



Whilst we have been reporting stable workloads and increasing confidence about future activity since late 2012, it is important to point out that anecdotal comments received continue to paint a very mixed picture, and experiences vary greatly depending upon the location, sectors and business models of individual practices.

The bespoke private housing sector remains quite robust, public sector work appears to have settled, albeit at a significantly reduced level, and some areas, such as the higher education sector, seem to be experiencing solid commitment to capital programmes. Nevertheless, fierce competition for work and market pressure on fees continues to create a very difficult trading environment for many practices.

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 221 practices took part in the Survey in February 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

RIBA

Memorandum

five minutes to complete each month, and all returns are independently processed in strict confidence by our partners the Fees Bureau.