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 2013 Survey returns.

Future workload (October 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	9
Stay the same	47
Increase	44
TOTAL	100
Balance	+35

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

The RIBA Future Trends Workload Index sustained a further significant increase this month, rising to +35 in October 2013 from +26 in September 2013. This is the highest balance figure for our key workload forecast index since we started the RIBA Future Trends Survey in January 2009, and suggesting an aggregate upturn in project enquiries this autumn. Our practices are increasingly optimistic about their medium term future work flows.

Of even greater significance is that our quarterly returns for the levels of actual work in progress are now showing an annual increase for the first time since the financial crisis, suggesting that an extremely challenging and drawn out recession in the market for architectural services is finally coming to an end. Our practices reported an 11% aggregate increase in workload between October 2012 and October 2013. We estimate though that overall architects' workloads are about one third below the peak of early 2008, so there remains a huge amount of lost territory to make up. We will be monitoring closely to see if this growth is maintained when we next ask for quarterly work in progress figures in January 2014.

All categories of practices by size, and all the nations and regions in the UK, returned positive workload forecast balance figures in October 2013, continuing to indicate that the growing optimism about an upturn in overall workloads is now widespread throughout the UK and across the difference scales of practice.

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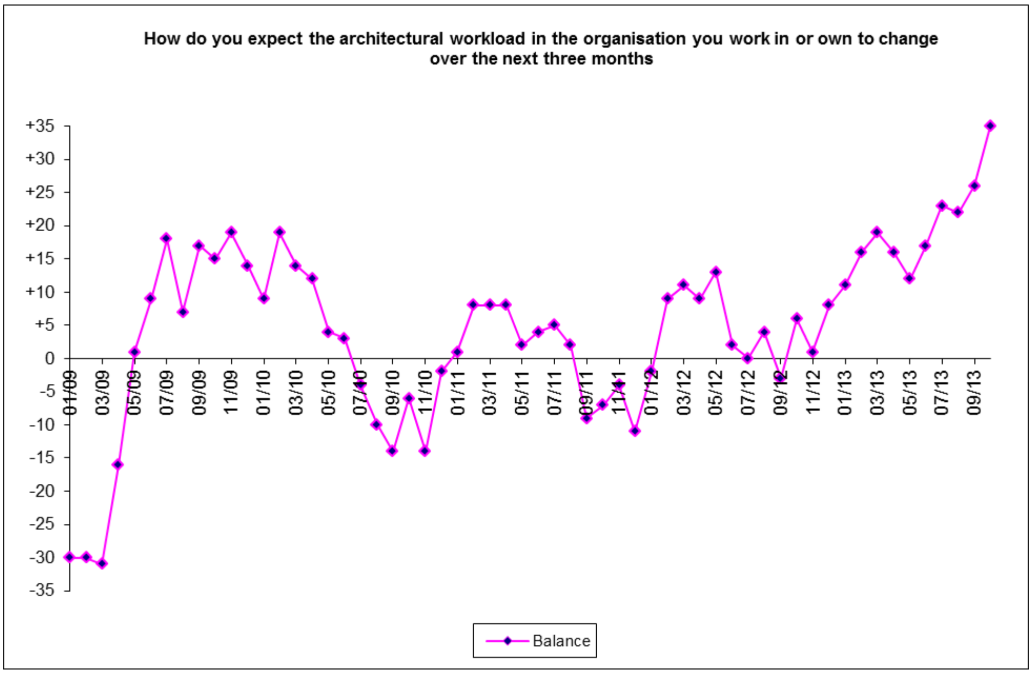
The following graph plots the RIBA Future Workload Index over time:



The private housing sector workload balance figure increased to +34 in October 2013, up from +25 in September, indicating that architects continue to feel confident about prospects in this sector. The commercial sector workload balance figure rose to +18 in October 2013, up from +17 in September; the steady improvement in the commercial sector forecast bodes well for future growth in this key sector. The public sector and community sector workload forecasts were both unchanged at +3 in October 2013.

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

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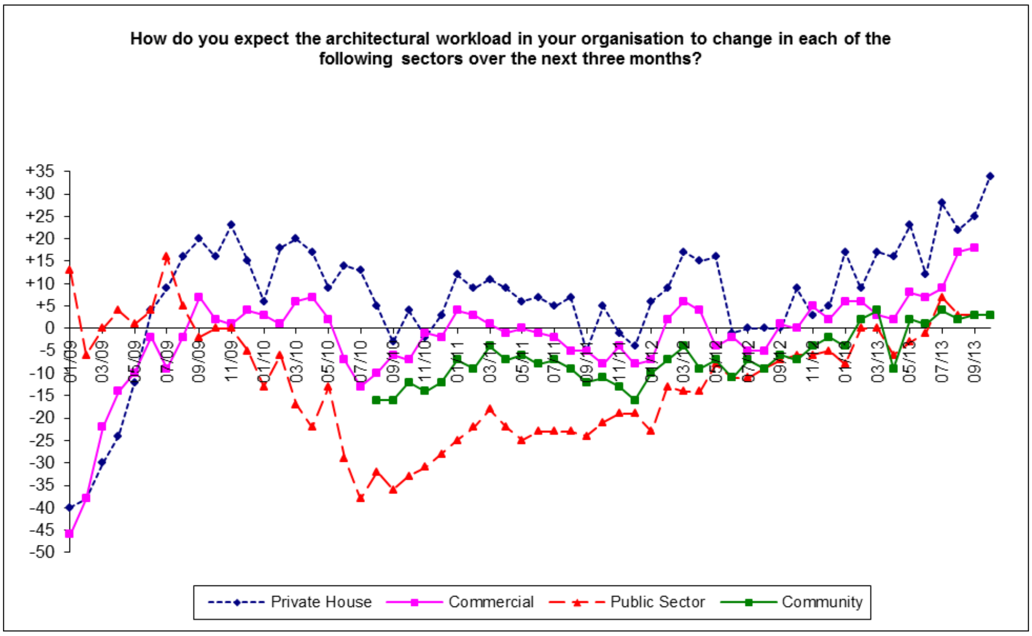

Future staffing levels (October 2013)

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

Permanent Staff	%
Decrease	3
Stay the same	80
Increase	17
TOTAL	100
Balance	+14

(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 stands at +14 in October 2013, a significant increase compared with +7 in September. Practices, particularly large practices (50+ staff), continue to become more confident about their ability to sustain higher staffing levels.

One note of caution is that the percentage of our respondents reporting that they had personally been under-employed in the last month remained stubbornly at 20%, suggesting that there remains a significant degree of over-capacity in the architects' profession at present.

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

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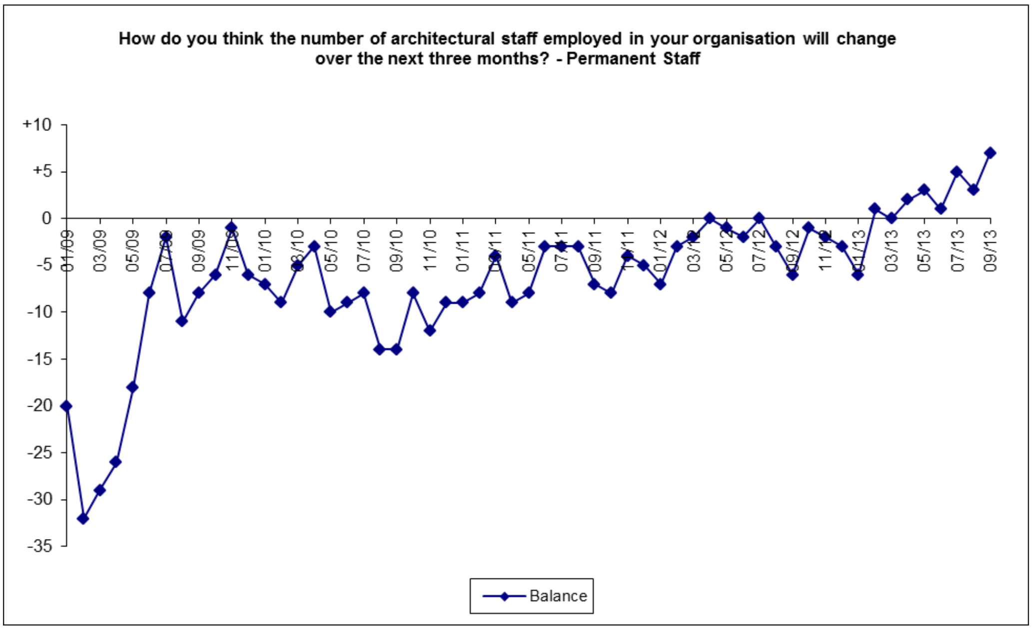

Whilst the anecdotal commentary received from our practice continues to paint a somewhat mixed picture, the overall balance of correspondence suggests steadily growing confidence, with many practices reporting a notable increase in enquiries and dormant projects springing back into life. It is also clear though that fee competition remains tight.

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 203 practices took part in the Survey in October 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.