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 April 2014 Survey returns.

Future workload (April 2014)

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	11
Stay the same	43
Increase	46
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 was unchanged this month at +35, indicating that confidence levels about an improvement in future workloads for architects remain very solid.

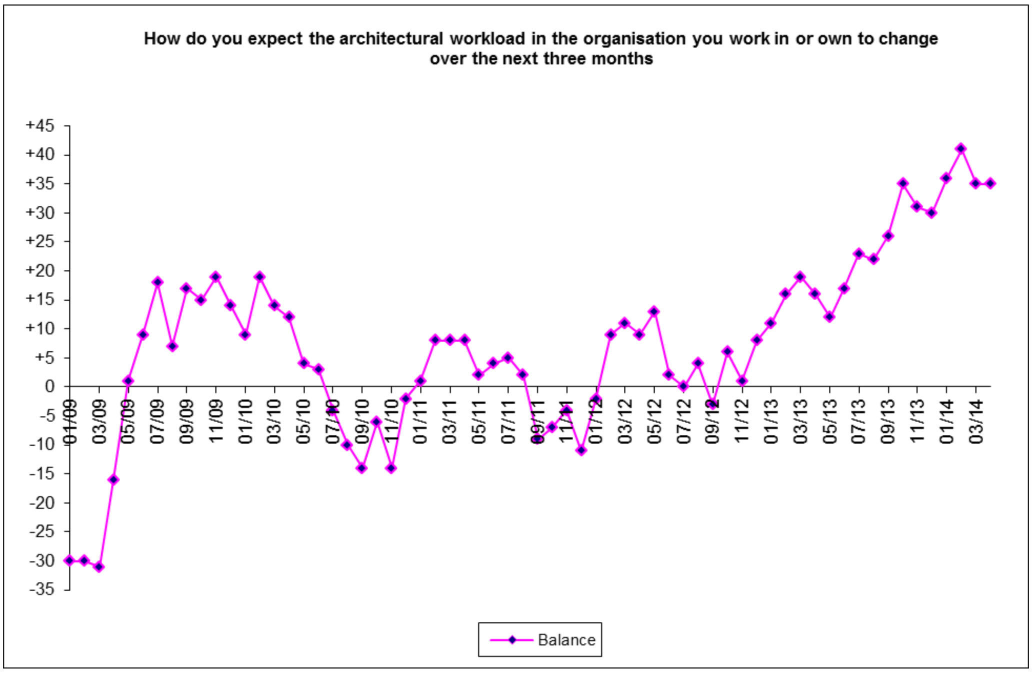
In terms of geographical analysis, all of the UK nations and regions returned very positive balance figures for future workload forecasts, with London topping the leader board in April 2014 with a balance figure of +45. The recovery in confidence levels is now widespread across the UK.

Similarly, in terms of practice size, small (1 – 10 staff), medium (10 – 50 staff) and large-sized practices (51+ staff) are all reporting very positive balance figures for workload forecasts.

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

RIBA

Memorandum



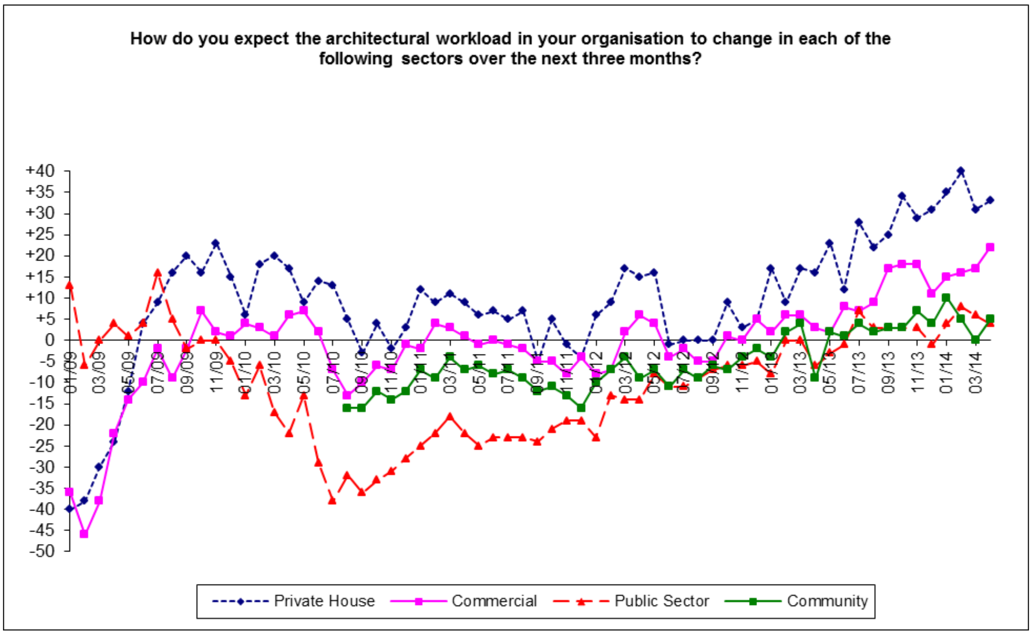
In terms of sector analysis, the private housing sector workload forecast, up to +33 in April 2014 from +31 in March 2014, and the commercial sector workload forecast, up to +22 in April 2014 from +17 in March 2014, continue to lead the way. The public sector workload forecast (balance figure +4) was down slightly this month but the community sector workload forecast (balance figure +5) saw positive movement.

Optimism about future workload increases continues to be driven by a widespread strengthening of the private housing sector and an increasing pick-up in commercial projects.

Our practices reported an 8% improvement in the value of actual work-in progress in Q1 of 2014 compared with Q1 in 2013, representing the third consecutive quarter of aggregate growth in the value of work being undertaken by the UK architects' profession.

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

Memorandum



Future staffing levels (April 2014)

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

Permanent Staff	%
Decrease	7
Stay the same	78
Increase	15
TOTAL	100
Balance	+8

(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.)

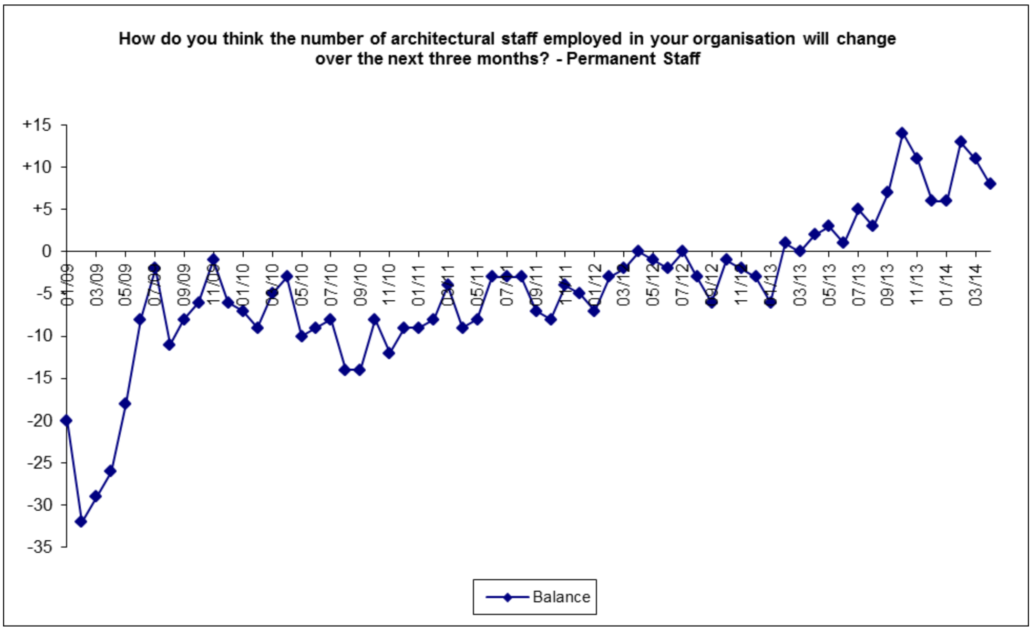
The RIBA Future Trends Staffing Index fell back slightly this month, standing at +8 in April 2014 compared with +11 in March 2014, but the great majority of practices (94%) expect their staffing levels to either stay the same or increase during the next quarter. The Staffing Index remains firmly in positive territory, as it has during the latter part of 2013 and throughout 2014.

In March 2014 the percentage of our respondents reporting that they had personally been under-employed in the last month was 19%, perhaps giving some indication as to why we have not yet seen any significant increase in actual aggregate staffing levels in our participating practices, despite the return to growth in terms of work in progress.

RIBA

Memorandum

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



Anecdotal commentary received continues to strongly suggest that the overall market for architects' services is becoming more buoyant, especially in the housing and commercial sectors. However, our practices continue to report a very competitive market for their services, with strong competitive pressures on fee levels and profit margins on many projects remaining very 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 198 practices took part in the Survey in April 2014. 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.