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 December 2014 Survey returns.

Future workload (December 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	8
Stay the same	55
Increase	37
TOTAL	100
Balance	+29

(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, remaining at +29, and reflecting continuing confidence in the medium term outlook for the architectural services market. Workload forecast balance figures were positive in all nations and regions of the United Kingdom in December 2014. In terms of geographical analysis the highest balance figures this month were in Scotland (+75) and Northern Ireland (+50).

In terms of practice size, small practices (1 – 10 staff), with a balance figure of +22, remain quite positive about the outlook for future workloads, but medium-sized practices (11 – 50 staff) and large-sized practices (51+ staff) continue to be more optimistic about workload prospects in the next quarter.

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

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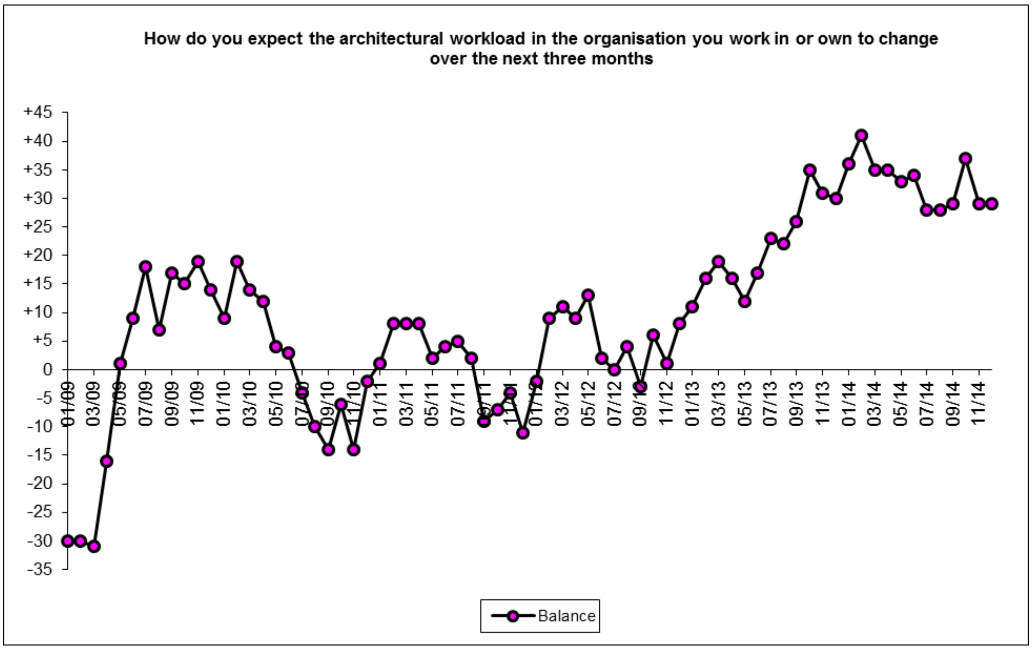

In terms of different work sectors, the private housing sector workload forecast fell back marginally to +25 in December 2014, down from +26 in November 2014. The private housing sector continues to be the most robust of our sector forecasts, supported by continuing historically low interest rates and the on-going Government *Help to Buy* schemes to assist home lending.

The commercial sector workload forecast lost a little of its recent momentum this month, falling back to +17 in December 2014 from +20 in November 2014. By contrast the public sector workload forecast (+7) and the community sector workload forecast (+6) both nudged up this month.

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

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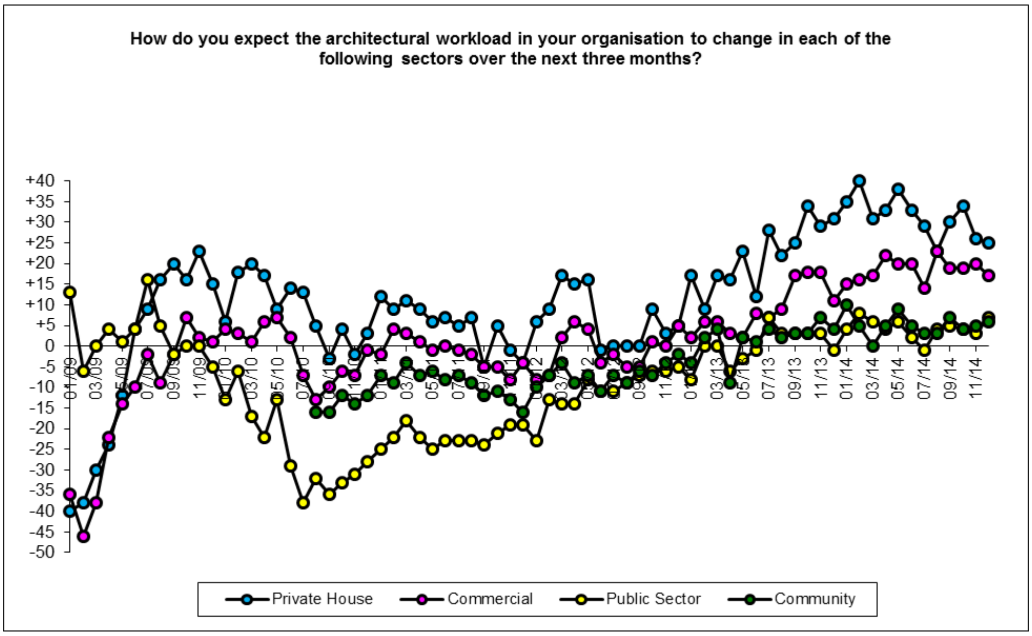

Future staffing levels (December 2014)

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

Permanent Staff	%
Decrease	1
Stay the same	81
Increase	18
TOTAL	100
Balance	+17

(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 +17 in December 2014, up from +11 in November 2014, with just 1% of practices predicting a decrease in overall permanent staffing levels over the next quarter.

Medium-sized practices (11 – 50 staff), with a balance figure of +47, and large practices (51+ staff), with a balance figure of +67, continue to be somewhat more confident about their ability to sustain higher staffing levels in the medium term than small practices (1 – 10 staff), with a balance figure of +11.

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

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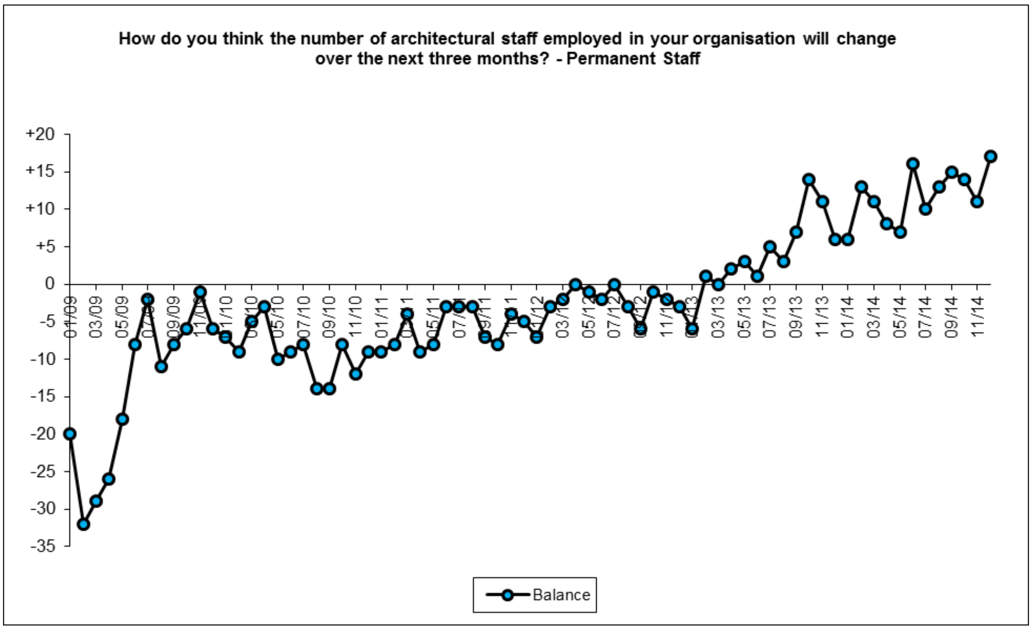

In December 2014, the percentage of our respondents reporting that they had personally been under-employed in the last month fell to just 9%, representing a new all-time low since our survey began in January 2009. This suggests that the amount of spare capacity within our practices is now reducing quite rapidly. Although there are clearly many macro-economic uncertainties ahead, given increasing workloads and reducing slack, the prospect for salaried architects going into 2015 appears better than it has been for a number of years.

The following graph illustrates over time the number of our respondents reporting that they had been under-employed in the last month:

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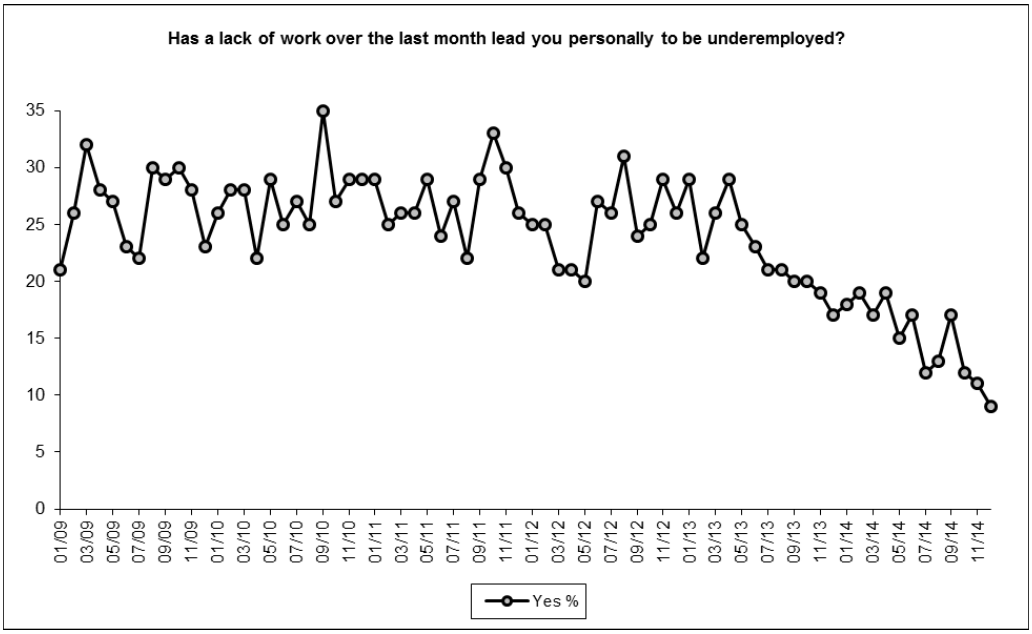

Anecdotal commentary received continues to suggest a growing market for architects' services.

As the spare capacity within the profession reduces, we continue to see early signs of practices encountering difficulties in attracting new staff with the right mix of skills and experience, particularly in areas such as Building Information Modelling.

At the present time many practices continue to report that they have not yet seen any significant uplift in fee levels and profit margins remain tight on many projects.

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 165 practices took part in the Survey in December 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.