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 March 2014 Survey returns.

Future workload (March 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	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 fell back a little this month, down to +35 in March 2014 from its all-time high of +41 in February 2014, but confidence levels about an improvement in future workloads for architects remain very solid and the overall trajectory of the index remains very positive.

In terms of geographical analysis, all of the UK nations and regions returned very positive balance figures for future workload forecasts, with the strongest figures coming from Scotland and the North of England, indicating that 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 positive balance figures.

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

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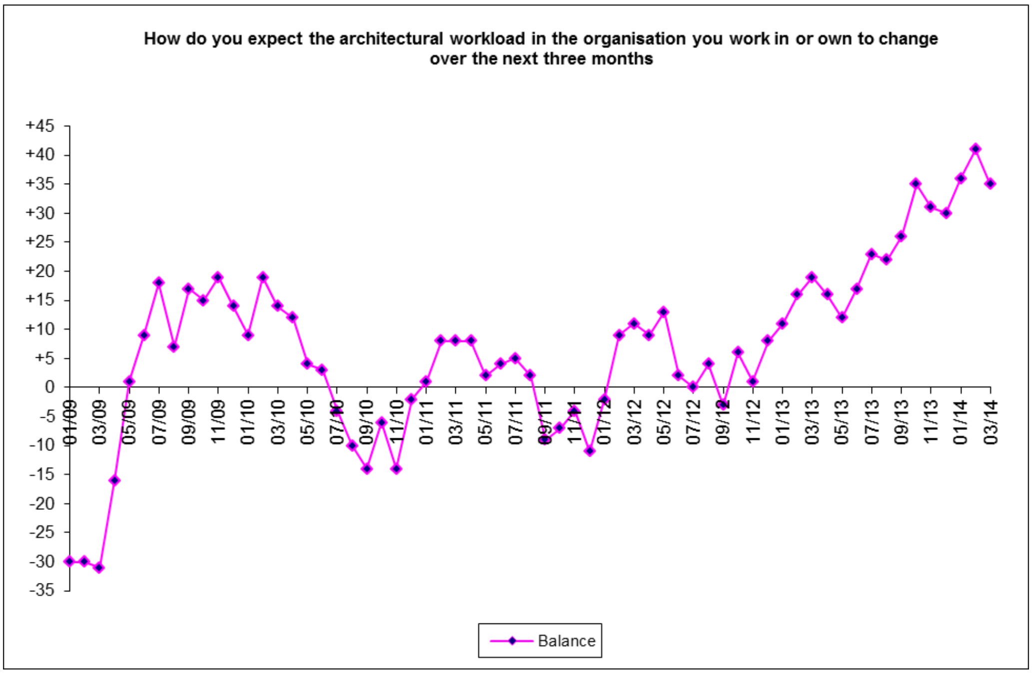

In terms of sector analysis, the private housing sector workload forecast continues to be the most positive, although the balance figure for this sector fell back somewhat to +31 in March 2014 from +40 in February 2014. The commercial sector workload forecast (balance figure +17) increased slightly this month, but the public sector workload forecast (balance figure +6) and the community sector workload forecast (balance figure zero) both declined a little in March 2014.

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

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

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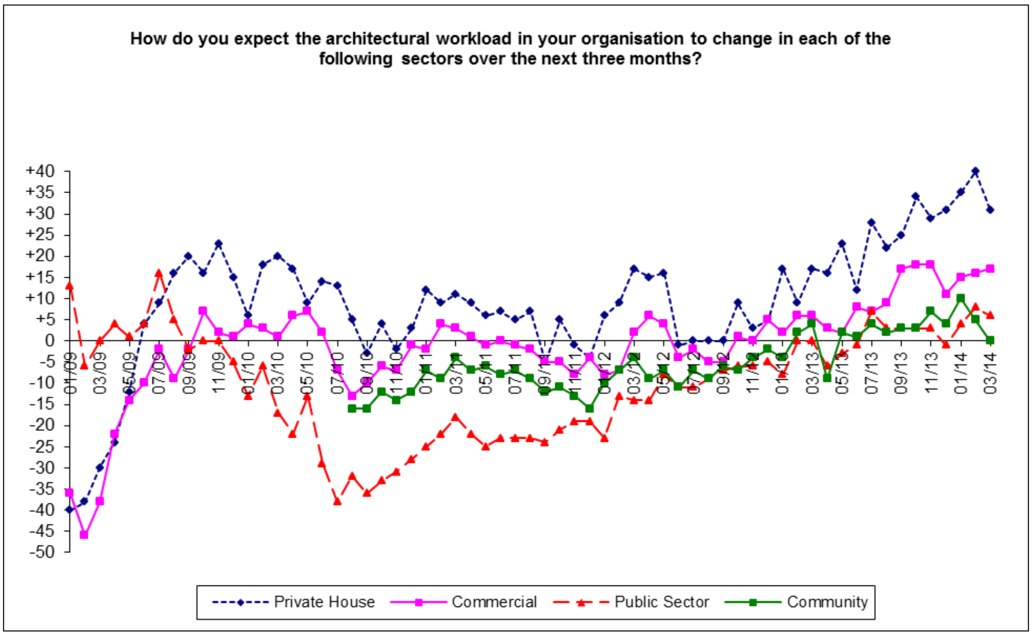


Future staffing levels (March 2014)

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

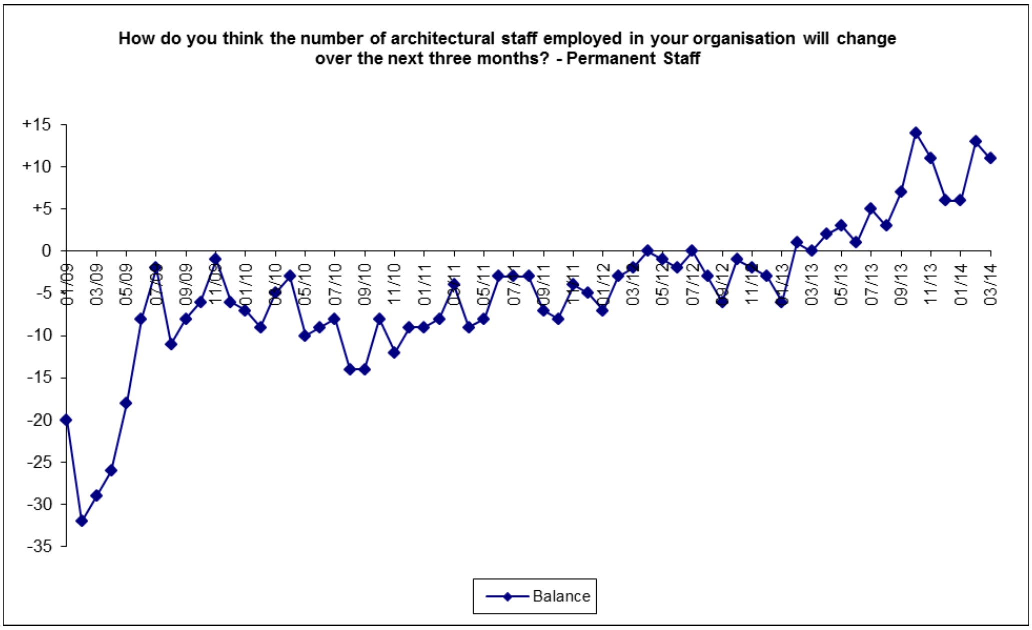
Permanent Staff	%
Decrease	6
Stay the same	77
Increase	17
TOTAL	100
Balance	+11

(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 decreased a small amount this month, standing at +11 in March 2014 compared with +13 in February 2014, but the great majority of practices (94%) expect their staffing levels to either stay the same or increase during the next quarter, with only 6% reporting that they expect to see a reduction in staff numbers.

There still appears to be significant spare capacity within the architects' profession. However, in March 2014 the percentage of our respondents reporting that they had personally been under-employed in the last month was 17%, the lowest figure since the RIBA Future Trends survey was first established in January 2009. This suggests that real increases in workloads are beginning to gradually erode the spare capacity within practices and that we might soon begin to see an increase in the actual size of the workforce in the architects' profession.

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



Anecdotal commentary received continues to paint a picture of a widespread pick up in the level of enquiries and new commissions, particularly in the housing and commercial sectors. At the same time our practices continue to report a very competitive market for their services with 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 234 practices took part in the Survey in March 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.