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 May 2014 Survey returns.

Future workload (May 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	10
Stay the same	47
Increase	43
TOTAL	100
Balance	+33

(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 down very slightly this month at +33, with confidence levels amongst our participating practices about the level of future workloads remaining very strong.

This recovery in confidence levels continues to be widespread across the whole of the UK, with Wales and the West topping the leader board in May 2014 with a balance figure of +49.

Similarly, in terms of practice size, small practices (1 – 10 staff) with a balance figure of +31, medium-sized practice (10 – 50 staff) with a balance figure of +57 and large-sized practices (51+ staff) with a balance figure of +20, are all reporting very positive balance figures for workload forecasts.

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

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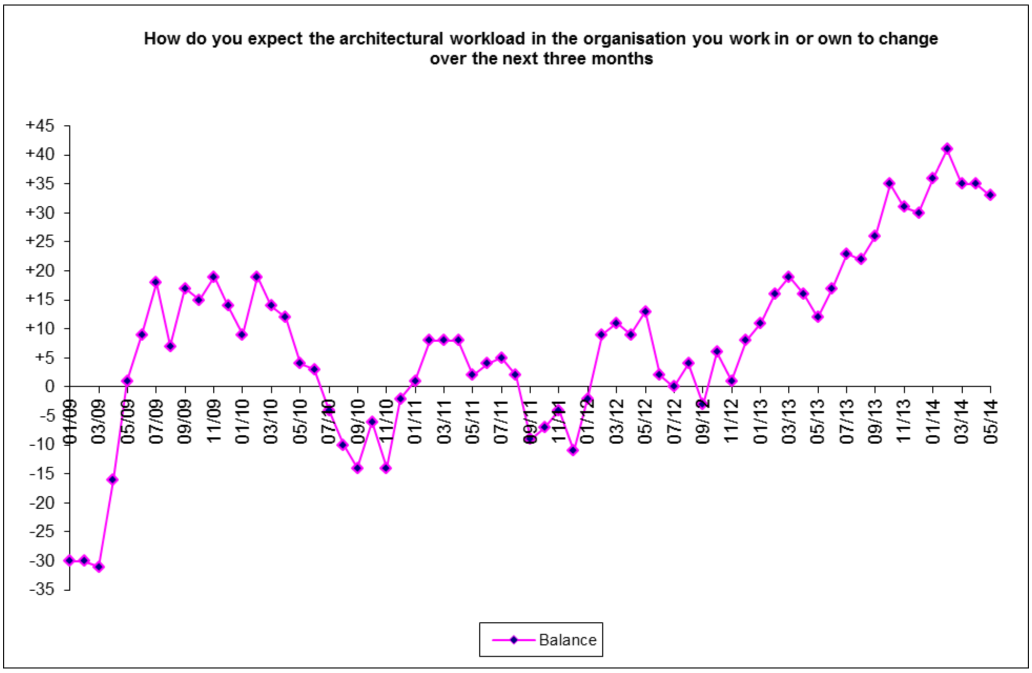

In terms of sector analysis, the private housing sector workload forecast, up to +38 in May 2014 from +33 in April 2014, the public sector workload forecast, up to +6 in May 2014 from +4 in April 2014, and the community sector workload forecast, up to +9 in May 2014 from +5 in April 2014, all increased this month.

The commercial sector workload forecast fell back slightly to +20 from +22 last month, but remains very much in positive territory.

Optimism about future workload increases continues to be driven by the strengthening of the private housing sector and the increase in commercial projects. A number of other specific markets also seem to be performing strongly, including the higher education sector.

Overall actual workloads are up approximately 10% on a year-on-year comparison basis.

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

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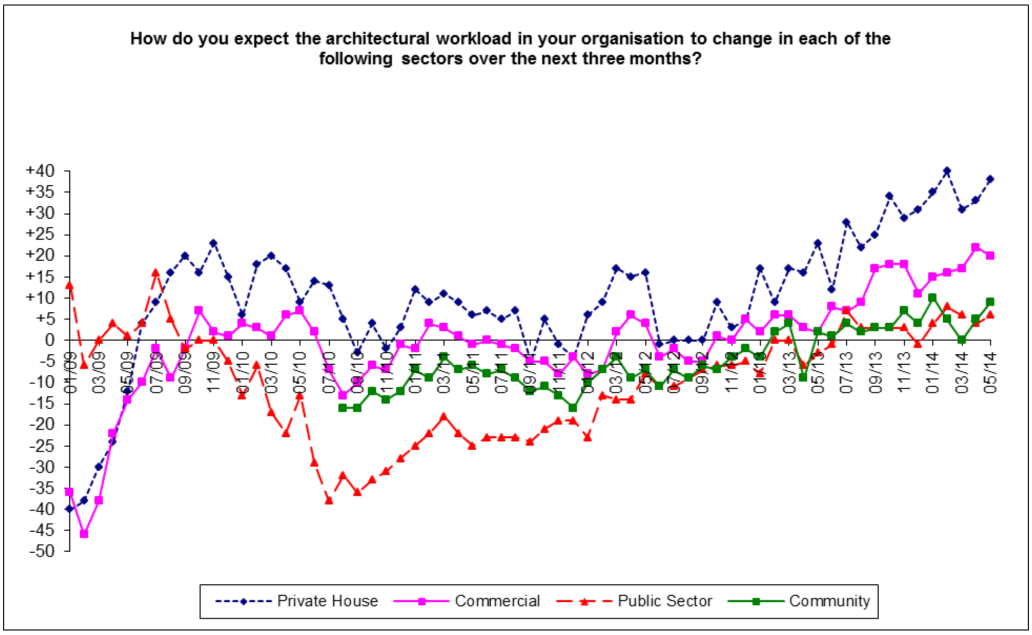

Future staffing levels (May 2014)

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	79
Increase	14
TOTAL	100
Balance	+7

(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 marginally this month, standing at +7 in May 2014 compared with +8 in April 2014. The great majority of practices (93%) expect their staffing levels to either stay the same or increase during the next quarter, and the Staffing Index remains very positive, as it has for some time.

This increased optimism of the future staffing levels forecast has not yet been realised in terms of a net increase in overall actual staffing numbers, although it is heartening that there has been an annual increase of 11% in the number of Part 1 and Part 2 students being employed by our participating practices.

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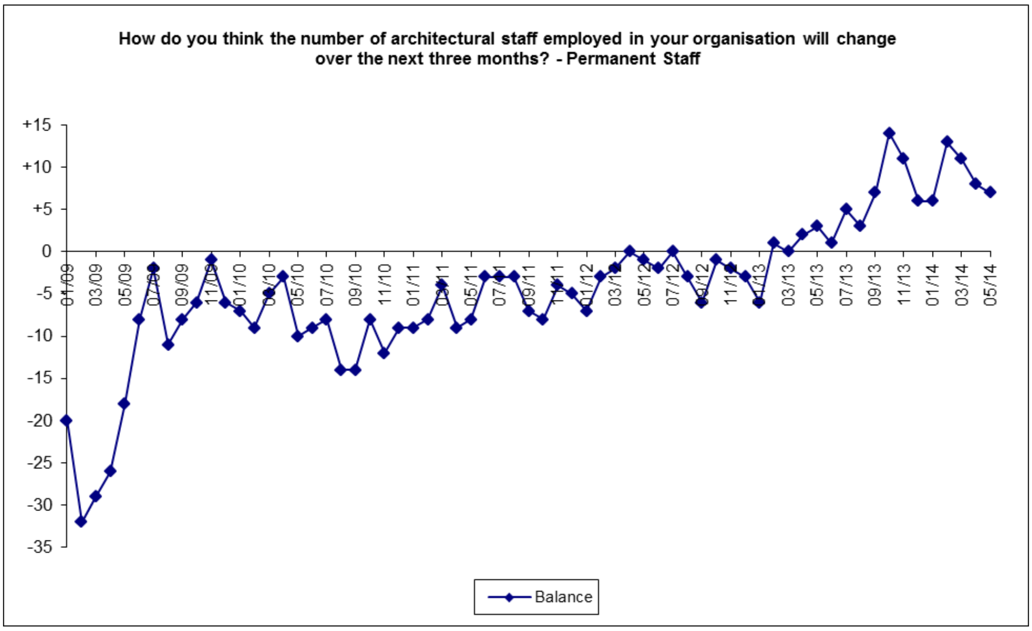
In May 2014 the percentage of our respondents reporting that they had personally been under-employed in this month was 15%, down from 19% last month, and indicating that the amount of spare capacity in the profession is gradually reducing as aggregate workloads recover. This remaining spare capacity is the major reason why we have not yet seen any increase in overall staffing numbers.

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



Anecdotal commentary received strongly suggests that the overall market outlook for architects' services is continuing to improve. However, our practices continue to report a very competitive market for their services, and there is little sign yet of any overall increase in margins.

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 209 practices took part in the Survey in May 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.