Future Trends Survey:

November 2014

RIBA
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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 November 2014 Survey returns.

Future workload (November 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	53
Increase	38
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 fell back this month, standing at +29 in November 2014 compared with +37 in October 2014, but remaining firmly in very positive territory. In terms of geographical analysis the highest balance figures were in Northern Ireland (+50) and the North of England (+46), as some of the areas that were initially the slowest to indicate a return to growth continue to catch up with the rest of the country. Workload forecast balance figures were positive in all nations and regions of the United Kingdom in November.

In terms of practice size, small practices (1 – 10 staff), with a balance figure of +23, stay positive about the outlook for future workloads, but medium-sized practices (11 – 50 staff) with a balance figure of +70 and large-sized practices (51+ staff) with a balance figure of +60 remain even more optimistic about the likely shape of their medium term order books.

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

Notes
The balance figure is plotted here. The definition for the balance figure is the difference between those expecting more work and those expecting less.

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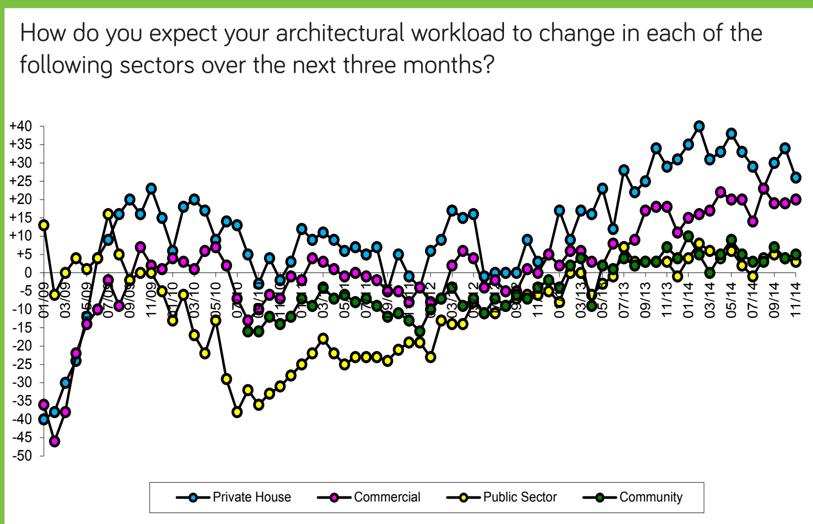
In terms of different work sectors, the private housing sector workload forecast fell back somewhat to +26 in November 2014, down from +34 in October 2014, but remaining the most buoyant of our sector forecasts. The commercial sector workload forecast continued its recent steady upward trend, nudging ahead by a single point to stand at +20 in November 2014; clearly a sign that practices anticipate the growth this sector has experienced in 2014 to continue in the New Year.

Our participating practices continue to predict stability but little growth in public sector work (balance figure +3) and there remain few signs of any significant increase in the community sector commissions (balance figure +5).

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



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Future staffing levels (November 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	4
Stay the same	81
Increase	15
TOTAL	100
Balance	+11

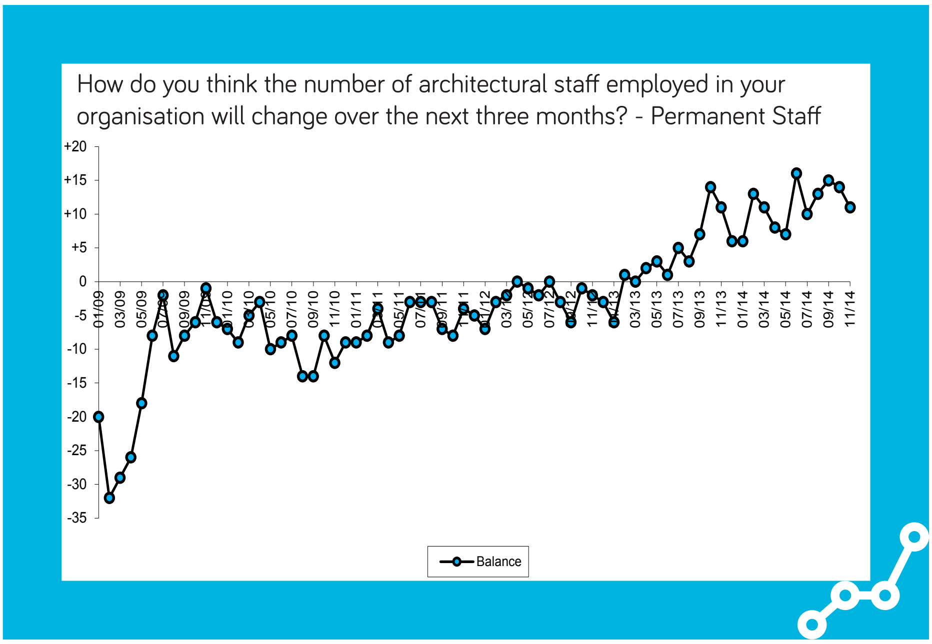
(The definition for the balance figure is the difference between those expecting to employ more permanent staff in the next three months and those expecting to employ fewer.)

The RIBA Future Trends Staffing Index stands at +11 in November 2014, down a little from +14 in October 2014, but remaining strongly in positive territory, with only 4% 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 +52 and large practices (51+ staff) with a balance figure of +40 continue to be more confident about their ability to sustain higher staffing levels in the medium term.

In November 2014, the percentage of our respondents reporting that they had personally been under-employed in the last month was 12%, representing the lowest level since our survey began in January 2009, and suggesting that most of the spare capacity retained within the profession during the recession is now being productively employed. Prospects for salaried architects going into 2015 look better than they have been for a number of years.

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

Notes
The balance figure is plotted here. 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



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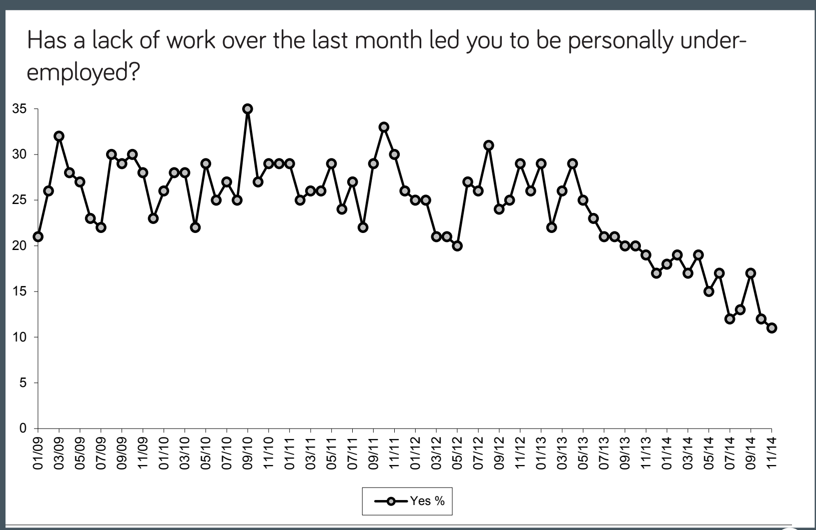
The graph below illustrates the percentage of respondents indicating that they had been personally under-emploed in the last month:



Anecdotal commentary received continues to suggest an overall strengthening of the market for architects' services. We are beginning to see the first real evidence of practices encountering difficulties in attracting new staff with the right mix of skills and experience. Interestingly this seems to be a countrywide phenomenon and not particularly confined to specific geographical locations.

There are also reports of an increasing gap between the salary expectations of applicants and potential employers. At the present time profit margins remain tight for many practices, as a legacy of the long recession which inevitably depressed fee levels, and this is clearly constraining the capacity of practices to increase salary offers.

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 191 practices took part in the Survey in November 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.