Future Trends Survey:

October 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 October 2014 Survey returns.

Future workload (July 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	7
Stay the same	49
Increase	44
TOTAL	100
Balance	+37

(The definition for the balance figure is the difference between those expecting more work and those expecting less.)

The RIBA Future Trends Workload Index increased substantially this month, standing at +37 in October 2014 compared to +29 in September 2014, representing the second highest ever workload forecast balance figure.

Overall confidence levels about future workload prospects for architects continue to be very positive across the whole of the UK, ranging from +28 in Wales and the West to +80 in Scotland.

In terms of practice size, small practices (1 – 10 staff), with a balance figure of +32, remain positive about the outlook for future workloads, but medium-sized practices (10 – 50 staff) with a balance figure of +67 and large-sized practices (51+ staff) with a balance figure of +60 are 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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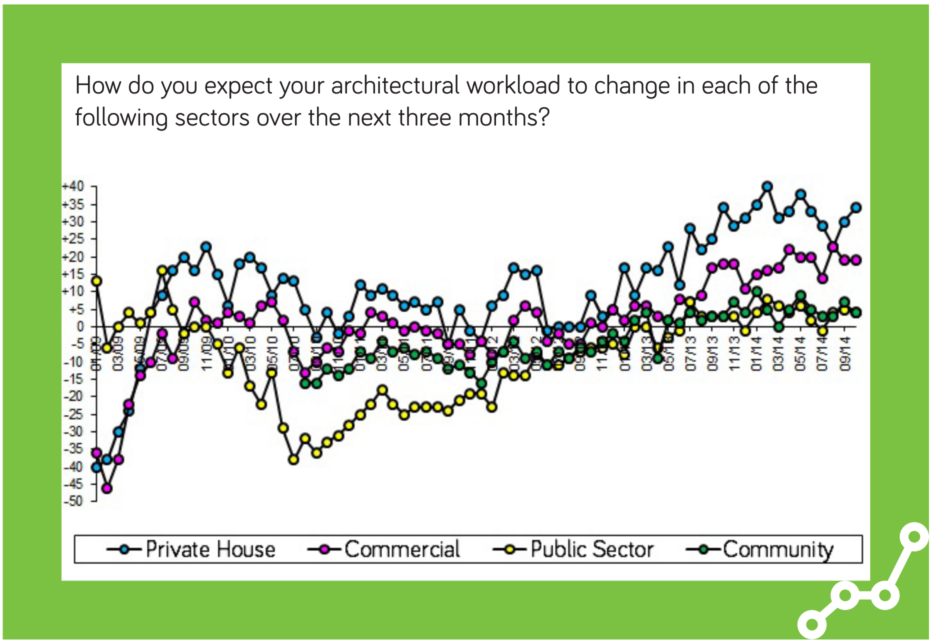
In terms of different work sectors, the private housing sector forecast continued its upward trend, rising from +30 in September to stand at +34 in October 2014. The commercial sector forecast was unchanged at +19 this month. Both the public sector forecast (balance figure +4) and the community sector forecast (balance figure +4) fell back slightly in October.

The recovery in architectural workloads continues to be driven by the private housing and commercial sectors, but there is also a sense that the outlook for public sector work is at least stable at present and more predictable than it has been in recent years.

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



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Future staffing levels (July 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	78
Increase	18
TOTAL	100
Balance	+14

(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 marginally this month, falling to +14 in October 2014 compared with +15 in September 2014, but remaining strongly in positive territory, with only 4% of practices predicting a decrease in overall permanent staffing levels over the next quarter. However, we are not yet seeing this confidence manifest itself in a significant increase in aggregate staffing levels across the profession. Our practices overall report that their workforce is just 2% larger than it was twelve months ago.

In October 2014, the percentage of our respondents reporting that they had personally been under-employed in the current month was down considerably to 12%; this is the lowest under-employment figure we have reported since the RIBA Future Trends Survey began in January 2009.

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

Notes

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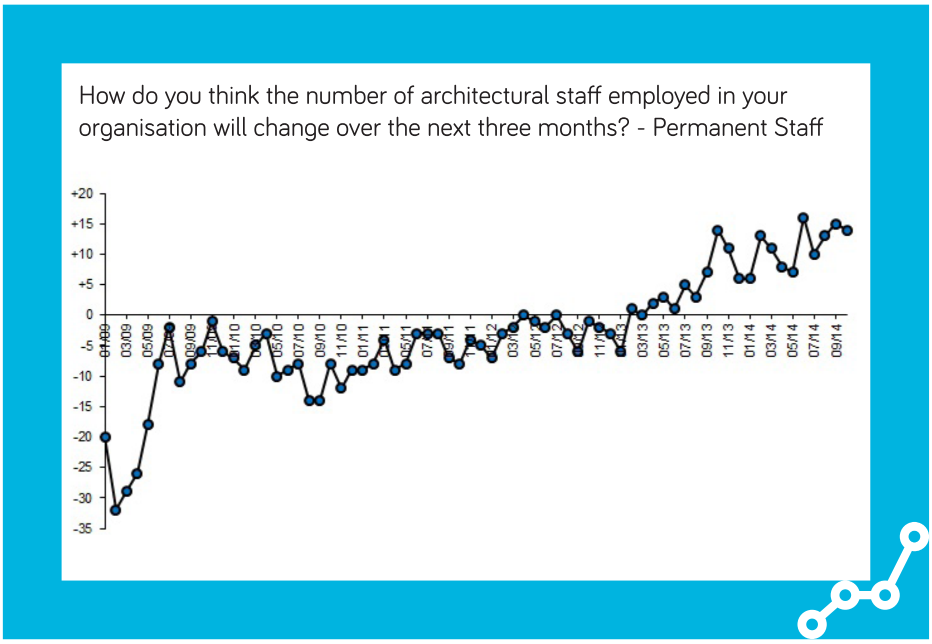

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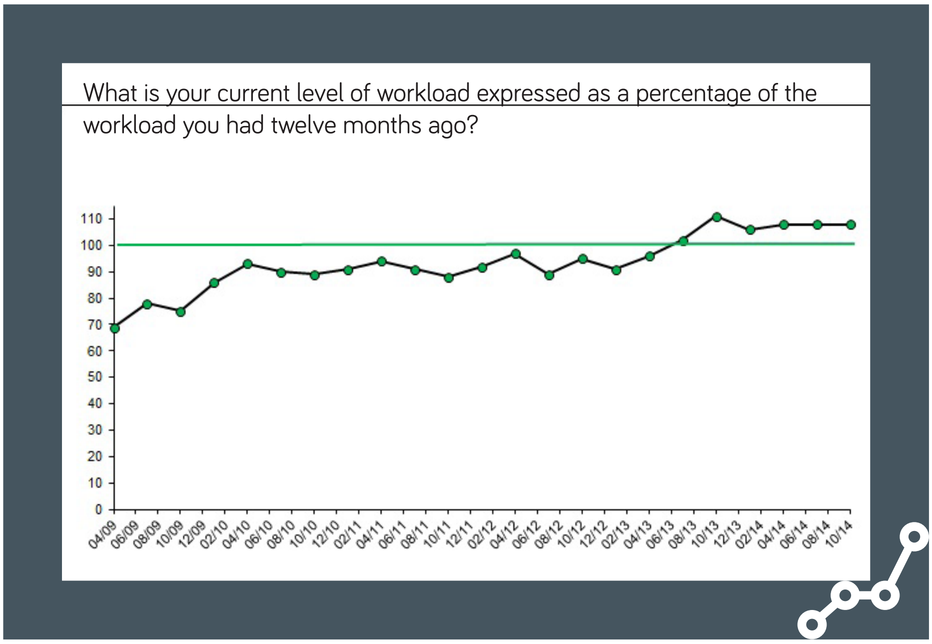
Each quarter we ask our practices about how their current workload compares with that of twelve months ago. In October 2014, our practices reported that their aggregate workloads were up 8% on those in the equivalent quarter in 2013; the fifth quarter in a row in which there has been growth in workloads.

The graph below illustrates workloads expressed as a percentage of those in the same period twelve months previously:



Anecdotal commentary received suggests that the overall market outlook for architects’ services continues to improve, with many practices reporting sustained increases in their overall work levels. Competitive pressure on fees remains strong and whilst aggregate turnover is rising, profit margins on projects often remain very tight. This in turn is sometimes making it difficult for practices to meet salary expectations for staff in a tightening employment market.

Although we have seen several months of improving levels of work in progress, it does remain noticeable that many practices feel that they still cannot forecast future workloads beyond a fairly short time horizon, and whilst the overall sentiment remains very positive there remains significant uncertainty about longer term prospects.

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 201 practices took part in the Survey in October 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.