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 September 2014 Survey returns.

Future workload (Sep 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.)

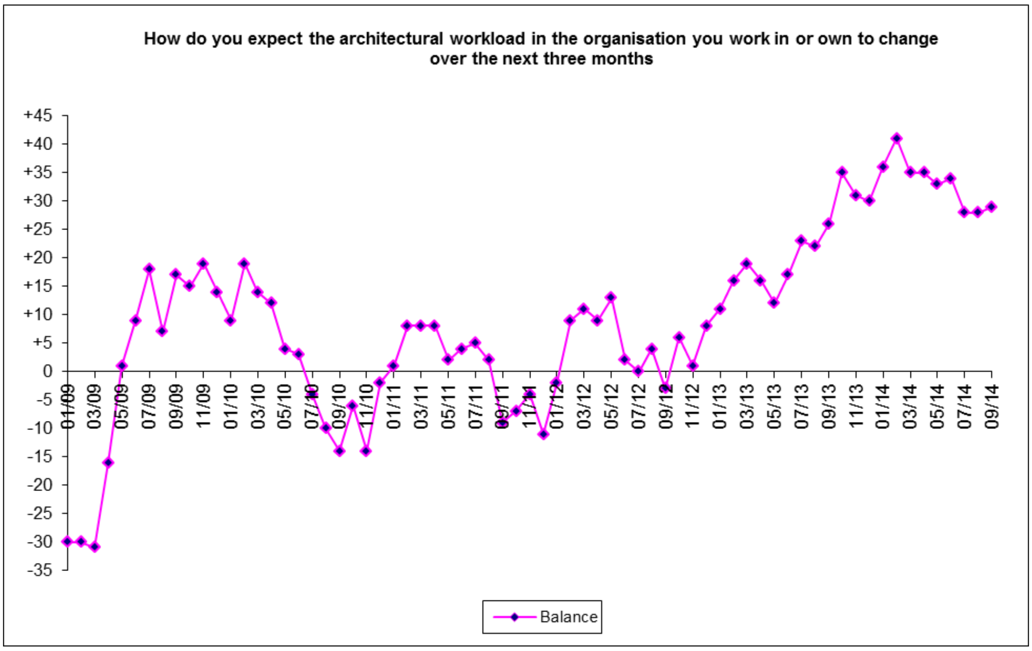
The RIBA Future Trends Workload Index increased marginally this month, standing at +29 in September 2014 compared to +28 in August 2014, and maintaining the consistently strong headline workload forecast we have seen throughout the current calendar year.

Overall confidence levels about future workload prospects for architects continue to be very positive across the whole of the UK. Northern Ireland and the North of England, which were the slowest to begin to show signs of recovery, are currently the most confident about an increase in work in progress in the next quarter, returning balance figures of +80 and +46 respectively.

In terms of practice size, small practices (1 – 10 staff), with a balance figure of +28, remain positive about the outlook for future workloads, but medium-sized practice (10 – 50 staff) with a balance figure of +37 are somewhat more confident, and large-sized practices (51+ staff) with a balance figure of +60 are the most optimistic about the likely shape of their medium term order books.

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

Memorandum



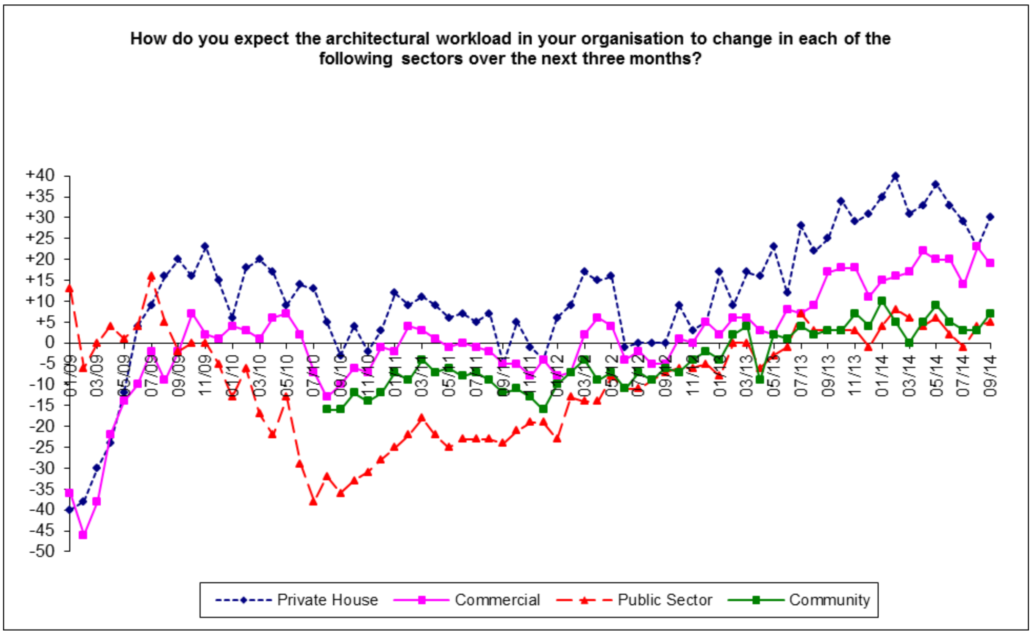
In terms of different work sectors, the private housing sector forecast recovered the ground it lost in August, rising from +23 to stand at +30 in September 2014. The commercial sector forecast fell back from +23 in August to +19 this month. However both the public sector forecast (balance figure +5) and the community sector forecast (balance figure +7) saw modest increases this month.

Although the private housing and commercial sectors clearly offer the best current prospects, there is a sense of greater stability in public sector workloads, with larger practices in particular becoming more optimistic about a more predictable pipeline of public sector construction expenditure, and modest signs of increasing activity in the community sector.

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

RIBA

Memorandum



Future staffing levels (Sep 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	2
Stay the same	81
Increase	17
TOTAL	100
Balance	+15

(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.)

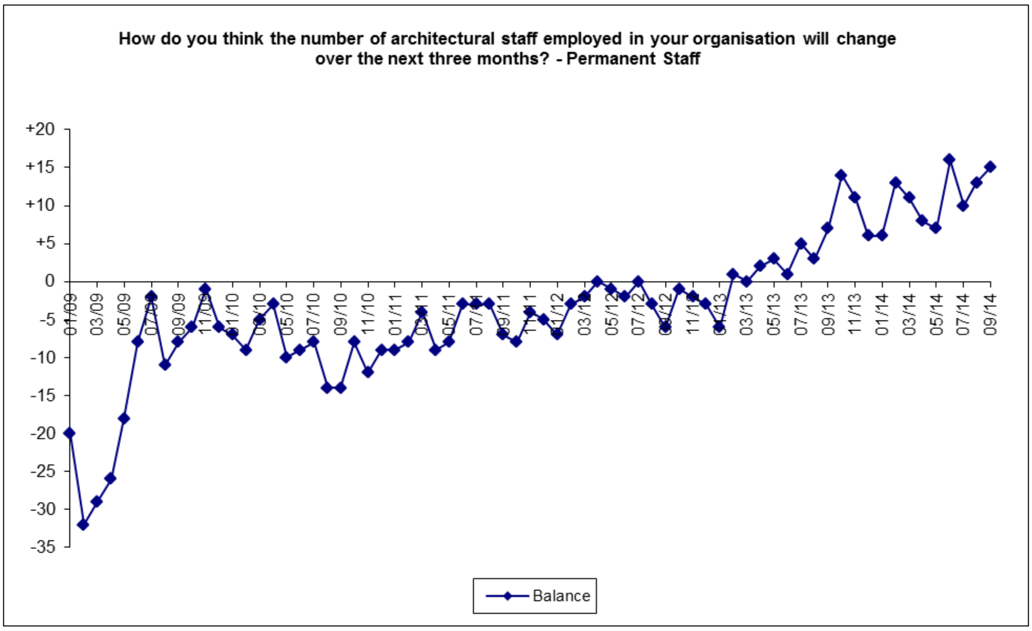
The RIBA Future Trends Staffing Index increased this month, rising to +15 in September 2014 compared with +13 in August 2014, remaining strongly in positive territory, with only 2% of practices predicting a decrease in overall permanent staffing levels over the next quarter. However, we are not yet seeing this confidence manifest itself in a significant increase in aggregate staffing levels across the profession, although we are beginning to receive reports of practices beginning to experience difficulties in recruiting staff with particular skill sets, especially in London and the South of England.

RIBA

Memorandum

In September 2014, the percentage of our respondents reporting that they had personally been under-employed in the current month was 17%, up from 13% in August.

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



Anecdotal commentary received suggests that the overall market outlook for architects' services continues to improve, with many practices reporting a sustained increases in their overall work levels. However, there remains significant competitive pressure on fees and whilst aggregate turnover is rising, profit margins on projects often remain 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 188 practices took part in the Survey in September 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.