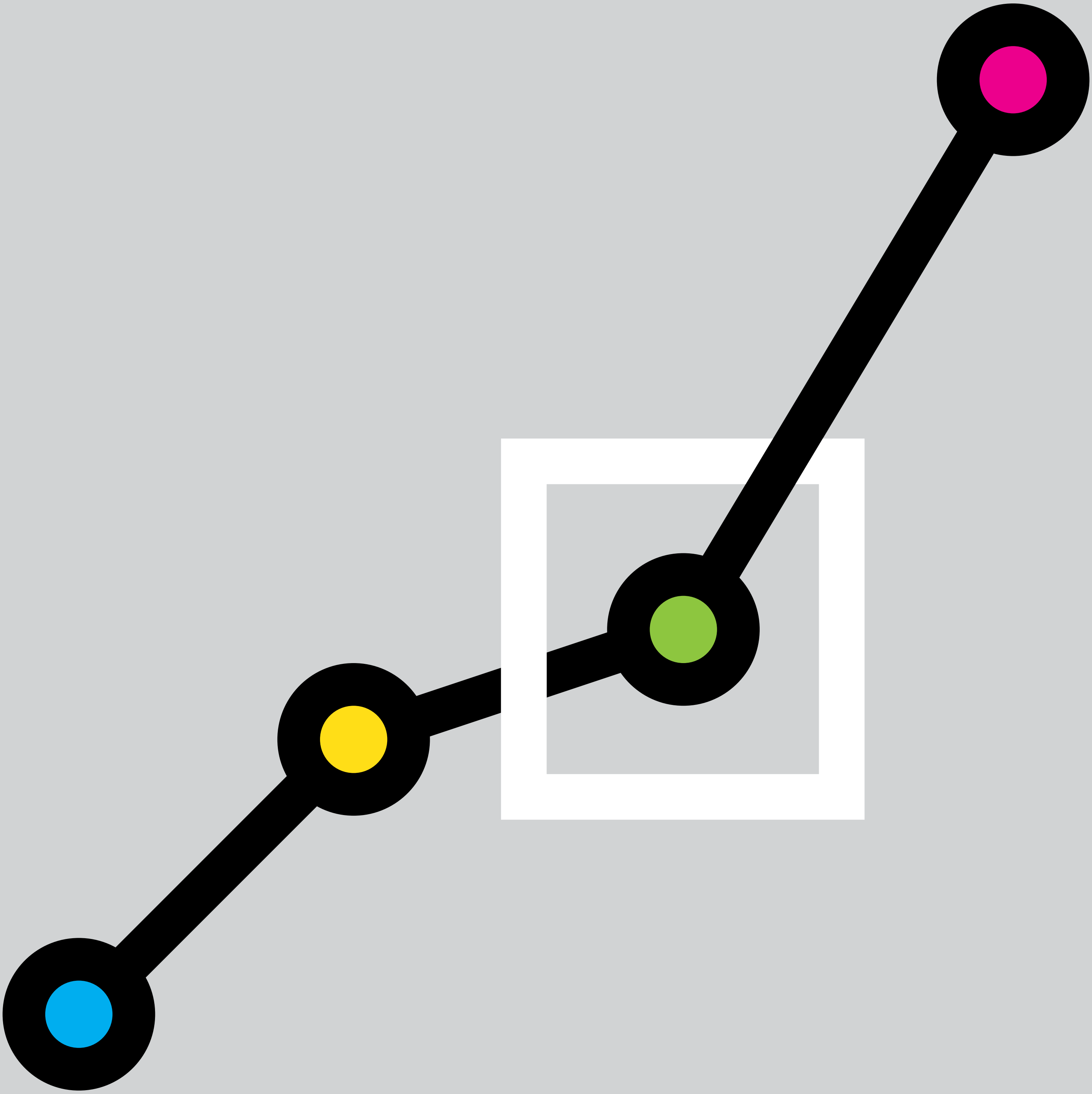
# Future Trends Survey:

August 2015



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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 August 2015 Survey returns.

### Future workload (August 2015)

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 | 61 |
| Increase | 30 |
| TOTAL | 100 |
| Balance | +21 |

(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 virtually unchanged in August 2015, dropping just one point to +21, down from +22 in July 2015. Folllowing the highs of the Spring and early Summer, the profession appears to be continuing to pause for breath following a period of significant growth in workloads. The note of caution is most prominent in those areas in the South and East England that have so far seen the greatest growth. There is also a clearly marked softening in confidence about medium term prospects for the private housing sector, indicating that our practices feel that a temporary peak at least has been reached in this sector.

In terms of geographical analysis, all nations and regions in the UK returned positive balance figures, but it is the North of England with a balance figure of +42 that continues to have the highest optimism levels about future workloads, and it is the northern cities, which lagged in the recovery cycle, that are now seeing the most rapid growth in work in progress.

Practices in London (balance figure +17), the South of England (balance figure+12) and the Midlands and East Anglia (balance figure +14) are more cautious about further growth in workloads in the next quarter.

Analysing this months' data in terms of practice size, large practices (51+ staff) with a balance figure of zero clearly feel that they are reaching a plateau in workload levels at the present time. However, small practices (1 – 10 staff) with a balance figure of +18 and medium-sized practices (11 – 50 staff) with a balance figure of +36 remain optimisitic that they will see further increases in workload over the coming three months.

Despite the recent correction in our headline index, our forecast remains firmly in positive territory, and the value of actual work in progress is growing at an annual rate of 8%.

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.

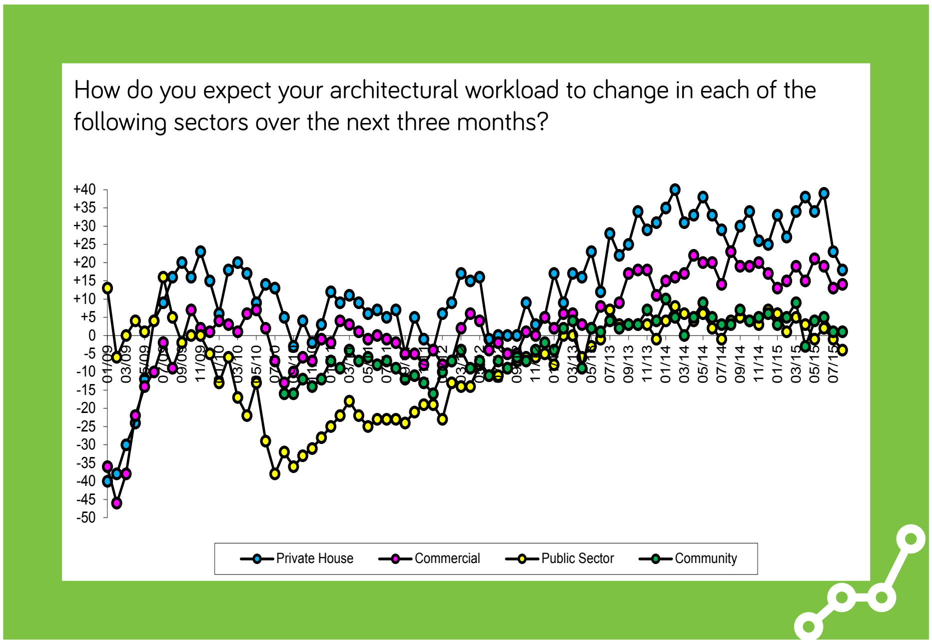
In terms of different work sectors, the private housing sector workload forecast continued its recent downward trajectory, falling to +18 in August 2015 from +23 in July 2015.

The commercial sector workload forecast was slightly up, standing at +14 in August 2015 compared with +13 in July 2015.

Our public sector workload forecast declined a little, down to -4 in August 2015 from -1 in July 2015 Given the UK Government deficit reduction strategy our practices quite naturally anticipate that, whilst public sector capital spending on buildings is likely to remain an important source of work, growth in this sector is inevitably going to be very constrained.

The community sector forecast was unchanged,, standing at +1 in August 2015.

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



## Future staffing levels (August 2015)

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 | 85 |
| Increase | 11 |
| 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.)

As with the workload figures, the RIBA Future Trends Staffing Index also saw a further modest decline this month, standing at +7 in August 2015, down from +12 in July 2015. It is important to note though that 96% of our practices expect their permanent staffing levels to either increase or stay the same over the next few months, and the employment market for salareied architects remains buoyant.

Small practices (1 – 10 staff) returned a staffing index balance figure of +2 this month. Medium-sized practices (11 - 50 staff), with a balance figure of +32, and large practices (51+ staff), with balance figure of +20, are still most likely to be actively appointing new staff.

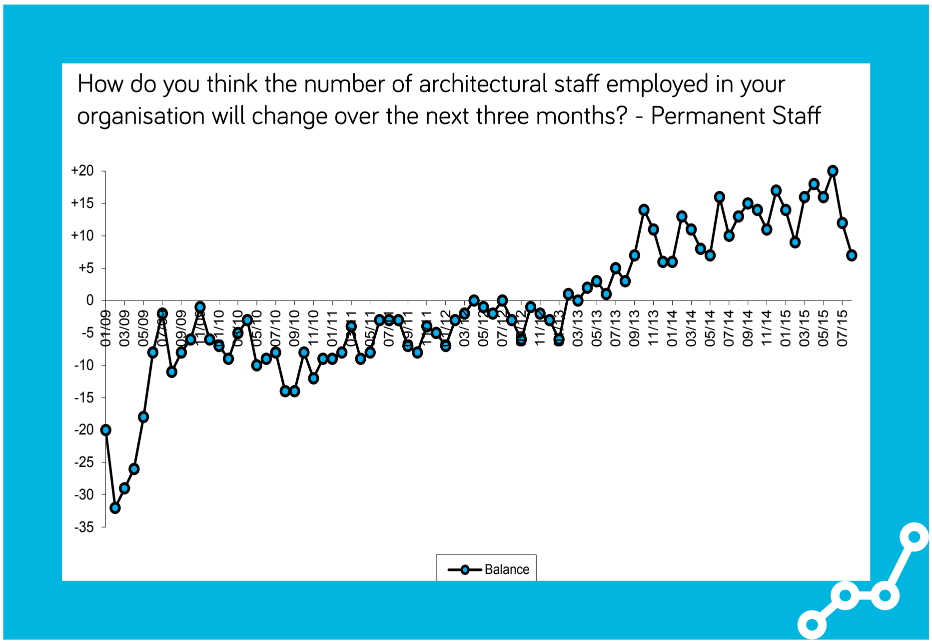
There is plenty of anecdotal evidence of practices now having difficulties in recruiting experienced staff with specific skill sets, not just in London but across the UK, especially in some of the northern cities.

Commentary received from our participating practices continues to suggest that the majority of firms are seeing solid growth in workloads, and a number of practices have reported that market conditions are enabling them to negotiate better fee levels.

Overall the picture is one of continued increase in workloads tempered by a consensus that in the coming months the pace of growth is likely to slow.

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




*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 183 practices took part in the Survey in August 2015. 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.*