Future Trends Survey:

December 2015

RIBA
Architecture.com

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 December 2015 Survey returns.

Future workload (December 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	15
Stay the same	55
Increase	30
TOTAL	100
Balance	+15

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

The RIBA Future Trends Workload Index dropped significantly this month, falling to +15 in December 2015 from +27 in November 2015. This further dip in our headline Index confirms that the overall direction of travel over the second half of 2015 has been one of increasing caution. However, the Workload Index remains in firmly positive territory overall and work in progress for our practices continues to grow, albeit at a more modest pace than in 2014 and the first half of 2015. It is also the case that we generally witness a small cyclical reduction in our forecasts in November/ December as the number of new enquiries received by practices typically slows at this time of year.

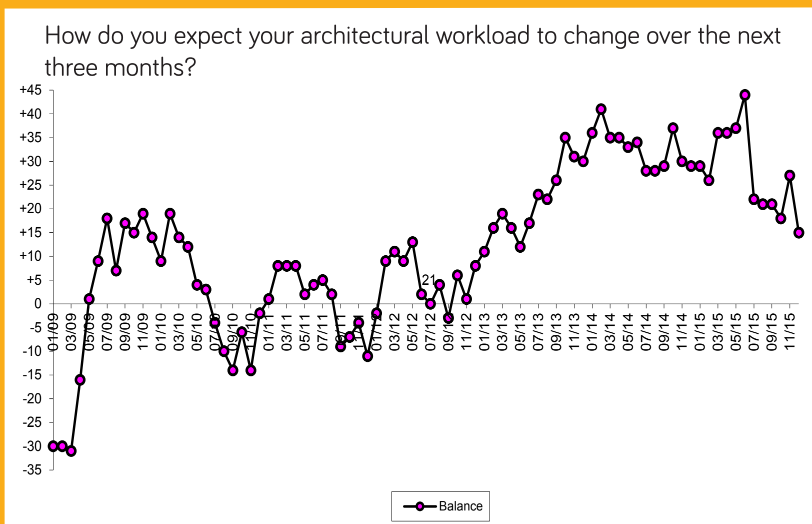
In terms of geographical analysis, nations and regions in the UK returned positive balance figures in December 2015, with the exception of Wales and the West (balance figure -3) and Scotland (balance figure -50).

In Scotland confidence seems to have taken a hit in Aberdeen and the North East, presumably related to the impact of oil price changes on the local economy. The South of England was the most optimistic with a balance figure of +30.

Analysing this months' data in terms of practice size, large practices (51+ staff), with a balance figure of +67 remain the most positive about future prospects. Small practices (1 – 10 staff), with a balance figure of +16 remain positive, but sentiment amongst medium-sized practices (11 - 50 staff) has turned more pessimistic with a balance figure of -7.

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

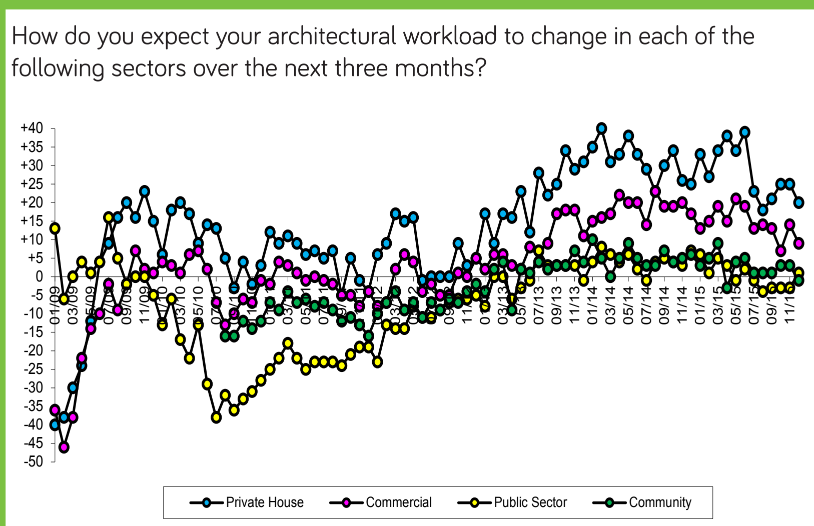
Notes
The balance figure is plotted here. The definition for the balance figure is the difference between those expecting more work and those expecting less.



In terms of different work sectors, the private housing sector workload forecast fell a little this month, standing at +20 in December 2015, compared with +25 in November 2015. The commercial sector workload forecast also moved down, to +9 in December from +14 in November.

The public sector workload forecast nudged back into positive territory, standing at +1, but the community sector forecast fell back below the zero axis with a balance figure of -1 in December 2015.

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



Future staffing levels (December 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	5
Stay the same	81
Increase	14
TOTAL	100
Balance	+9

(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.)

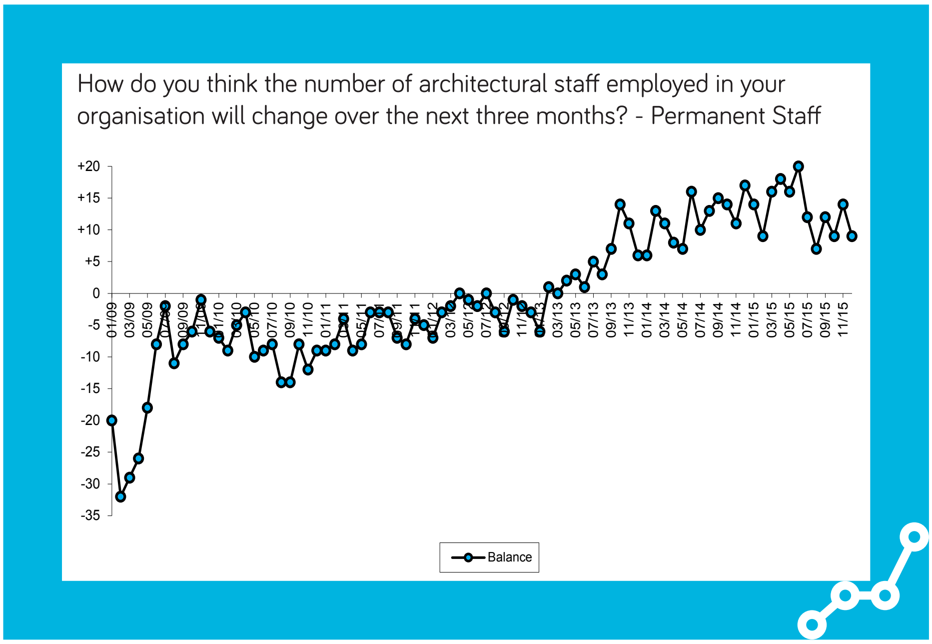
The RIBA Future Trends Staffing Index was also down this month, falling to +9 in November 2015, from +14 in December 2015.

Small practices (1 – 10 staff) returned a Staffing Index balance figure of +9 this month, whilst medium-sized practices (11 - 50 staff) were more cautious, with a balance figure of zero. Large practices (51+ staff) continue to be the most confident about increasing staff numbers in the next three months, with a balance figure of +50. Only 5% of practices expect to have fewer staff in the next quarter, and the overall employment market for salaried architects looks to remain pretty robust.

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

Commentary received from our participating practices this month is generally upbeat in tone, although it is clear that whilst overall workloads are continuing to grow the overall environment remains highly competitive. A number of practices have commented on the growing interest from clients in design to Passivhaus standards, and this is no longer limited to domestic projects. There seems to be plenty of evidence that knowledge of Passivhaus increasingly carries added value in the market for architectural services.

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 188 practices took part in the Survey in December 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@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.