Future Trends Survey:

February 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 February 2015 Survey returns.

Future workload (February 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	56
Increase	35
TOTAL	100
Balance	+26

(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 slightly this month, standing at +26 in February 2015 compared with +29 in January 2015.. Workload forecast balance figures remain positive in all nations and regions of the United Kingdom, with the Midlands and East Anglia (balance figure +43) leading the pack closely followed by Wales and the West (balance figure +39). The recovery in workloads continues o be nationwide in character.

In terms of practice size, small practices (1 – 10 staff), with a balance figure of +21 remain positive about the outlook for future workloads, but medium-sized practices (11 – 50 staff) with a balance figure of +69 and large-sized practices (51+ staff) with a balance figure of +50 are anticipating more growth in workloads over the next quarter..

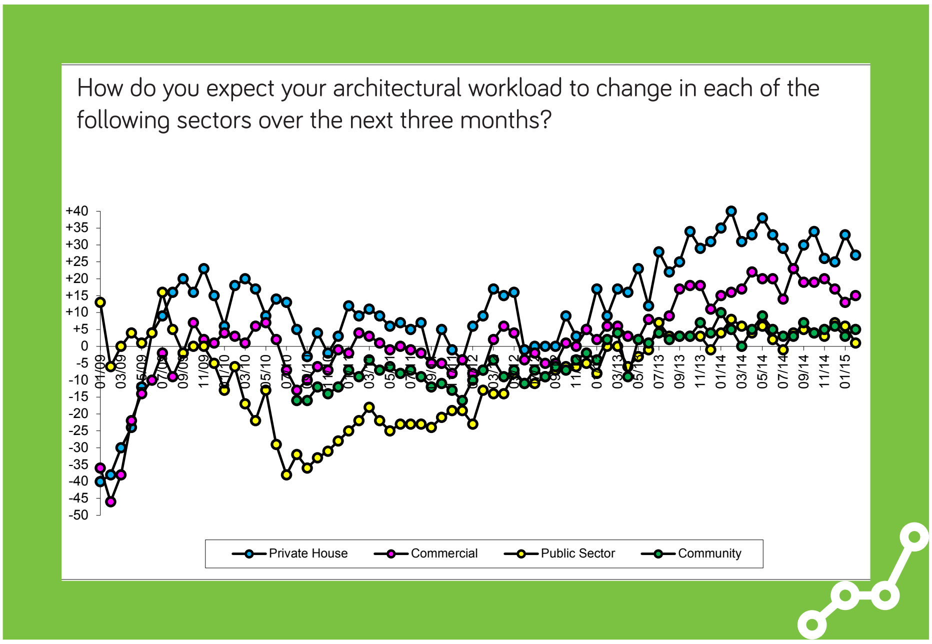
The following graph plots the RIBA Future Workload Index over time:

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 remains the most positive, but down somewhat at +27 in February 2015 from +33 in January 2015. The commercial sector workload forecast also remains firmly in positive terrritory, up to +15 in February 2015 from +13 in January 2015. Overall practices continue to be very positive about future prospects for private housing and commercial work.

The public sector workload forecast fell back to +1 in February 2015, down from +6 last month. This probably reflects increased uncertainty about short and medium term public sector capital spending commitments ahead of the forthcoming general election. The community sector workload forecast (balance figure +5) continues to remain fairly stable.

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



Future staffing levels (February 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	6
Stay the same	79
Increase	15
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 stands at +9 in February 2015 having fallen back from +14 in January 2015. There remain indications that despite the recent sustained period of growth in aggregate workloads practices remain perhaps understandably cautious about increasing overall staffing levels too quickly. However, it is very encouraging that practices are reporting that they are now employing 16% more Part 1 and Part 2 students than they were twelve months ago, and the situation for students seeking professional practice experience is much improved on recent years.

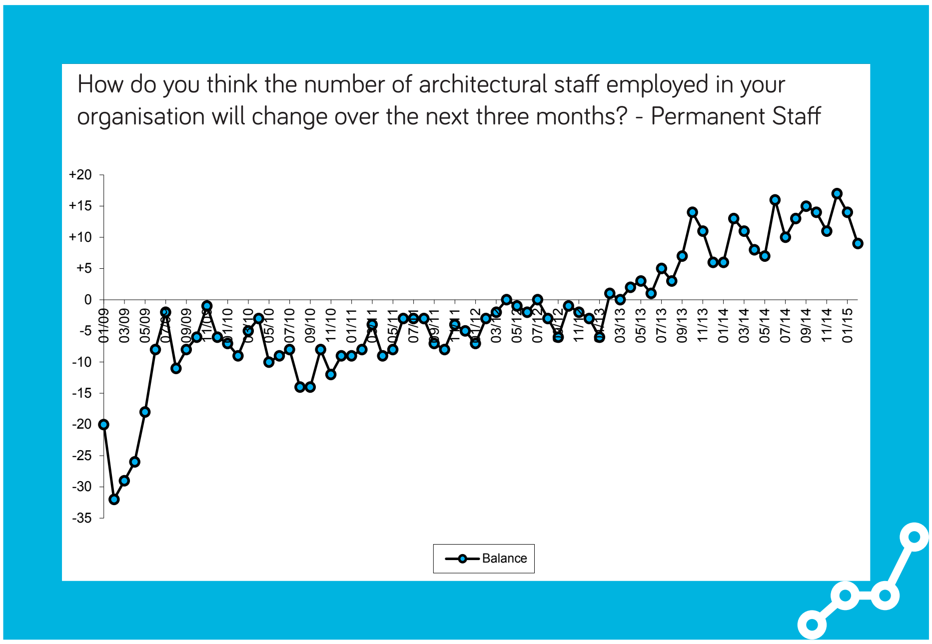
Medium-sized practices (11 – 50 staff) with a balance figure of +44 are currently more confident about their ability to sustain higher staffing levels in the medium term than either small practices (1 - 10 staff) or large practices (51+ staff).

Just 12% of our respondents reported that they had personally been under-employed in the last month, and the spare capacity retained within the profession during the recession continues to reduce quite rapidly.

Anecdotal commentary received continues to suggest growing demand for architects' services. However, there are still widespread reports of intense fee competition in many sectors and profit margins remain tight for a large number of practices. Many smaller practices continue to report significant procurement process barriers to accessing work in the public sector.

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 175 practices took part in the Survey in February 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.