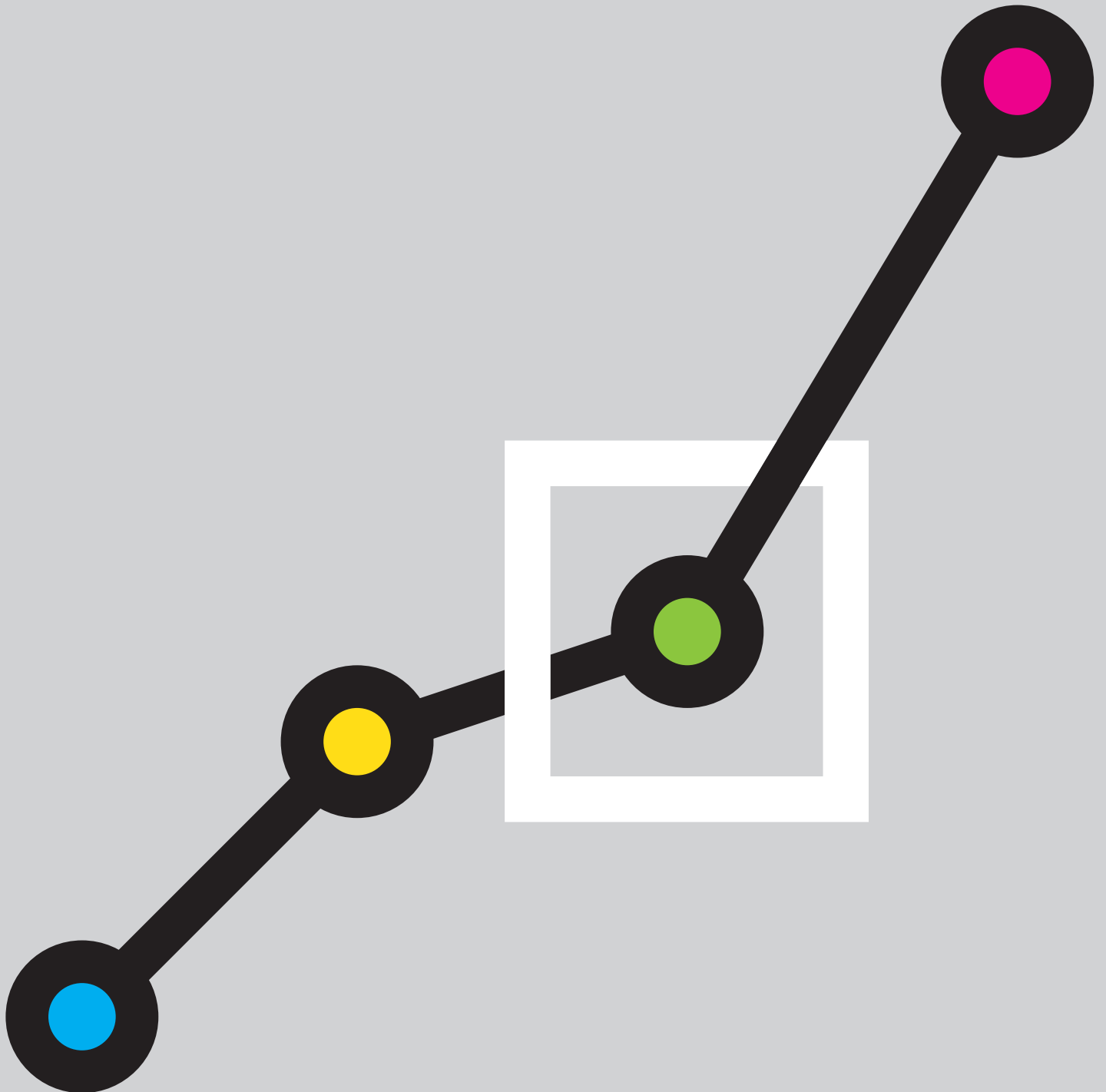


Future Trends Survey:

January 2015



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 January 2015 Survey returns.

Future workload (January 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	12
Stay the same	47
Increase	41
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 was unchanged this month, remaining at a very healthy +29 in January 2015. Workload

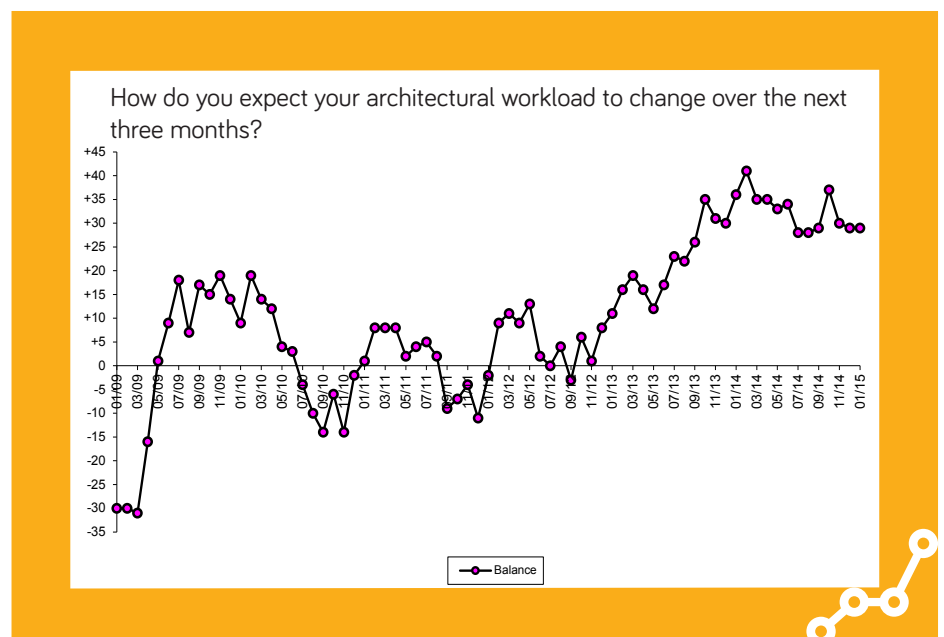
forecast balance figures were positive in all nations and regions of the United Kingdom. In terms of geographical analysis the highest balance figures were again in Scotland (+57) and Northern Ireland (+67). The recovery in workloads is now clearly a UK wide phenomenon.

In terms of practice size, small practices (1 – 10 staff), with a balance figure of +23, stay positive about the outlook for future workloads, but medium-sized practices (11 – 50 staff) with a balance figure of +61 and large-sized practices (51+ staff) with a balance figure of +80 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.



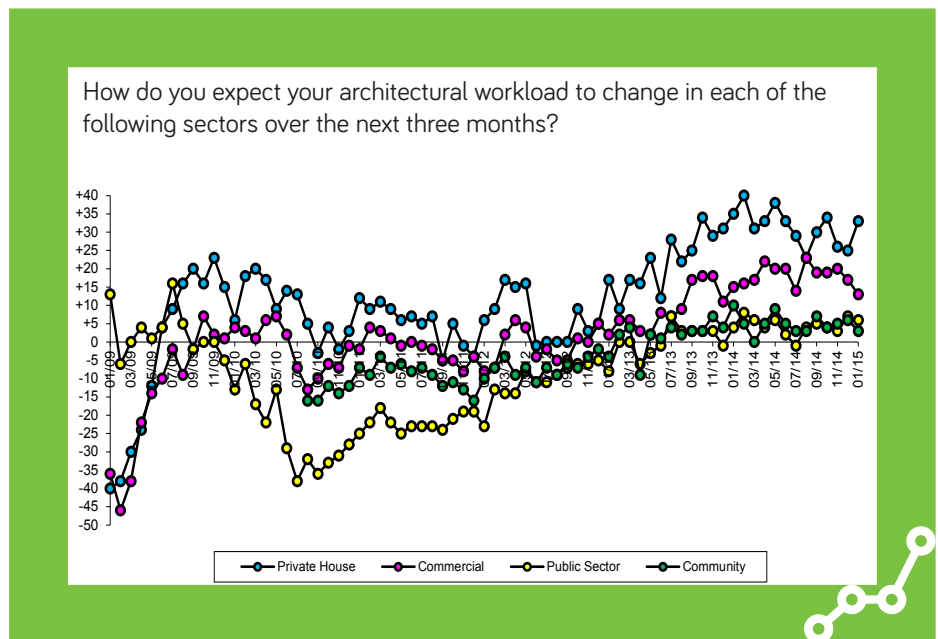
In terms of different work sectors, the private housing sector workload forecast remains the most positive, increasing to +33 in January 2015, up from +25 in December 2014. The crucial commercial sector workload forecast fell back a little further from its recent highs, down to +13 in January 2015 from +17 in December 2014. Overall practices continue to be very positive about future prospects for private housing and commercial work. Our correspondents report strong growth in one-

off housing, housing for private rental, office and hotel sectors. The retail element of the commercial sector seems to remain more subdued.

Both the public sector workload forecast (balance figure +6) and the community sector workload forecast (balance figure +3), saw little change this month. The outlook for public and third sector work currently appears to be for stable workloads but without any dramatic increase in levels of

activity in the medium term. Uncertainty around the imminent general election is probably contributing to practices being more circumspect about future workload levels in these sectors.

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



Each quarter we ask our practices about the change in the value of their actual work in progress compared with 12 months ago. In January 2015 our practices reported workloads 6% higher than in the corresponding quarter of 2014.

For the past 18 months aggregate workloads for our practices have been growing at an annualised rate of 6 - 8%. However, we estimate the total value of work in progress remains some 25% below its pre-recessionary peak. This does illustrate that there remains significant potential for further growth in the demand for architectural services if the economic recovery maintains momentum

Future staffing levels (January 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	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 stands at +14 in January 2015, down a little from +17 in December 2014, but remaining strongly in positive territory, with only 4% of practices predicting a decrease in overall permanent staffing levels over the next quarter.

Reflecting the workload forecast figures, medium-sized practices (11 – 50 staff) with a balance figure of +43 and large practices (51+ staff) with a balance figure of +40 continue to be more confident about their ability to sustain higher staffing levels in the medium term. Small practices (1 - 10 staff) with a balance figure of +9 appear to be significantly more cautious about taking on additional new staff at the present time.

Each quarter we ask our practices about their overall permanent staffing levels compared with the same period 12 months ago. In January 2015 our practices reported that aggregate staffing numbers had increased by a modest 2%, so there continues to be a lag between the growth in workloads and an increase in the numbers of staff being employed.

We have seen a steady decrease in the number of our respondents reporting that they had personally been under-employed in the last month, and this suggests that most of the spare capacity retained within the profession during the recession is now being productively employed. We therefore anticipate more substantial growth in overall employment levels in 2015.

Anecdotal commentary received continues to suggest a continuing strengthening of the market for architects' services. Although we are not yet recording a dramatic increase in overall staffing levels, we are seeing the evidence of some practices encountering difficulties in attracting new staff with the right mix of skills and experience.

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 179 practices took part in the Survey in January 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.

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

