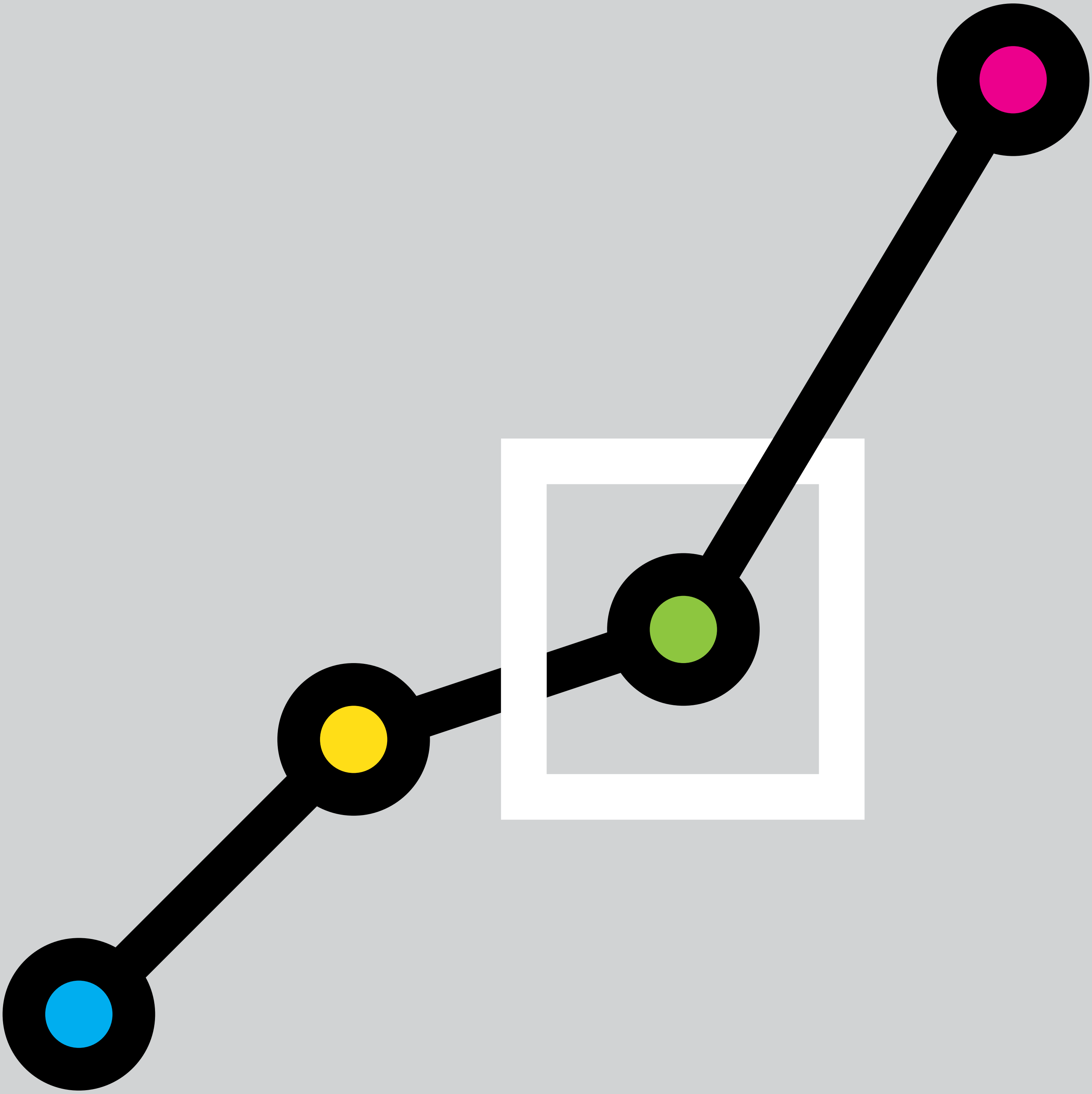
Future Trends Survey:

June 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 June 2015 Survey returns.

Future workload (June 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	4
Stay the same	48
Increase	48
TOTAL	100
Balance	+44

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

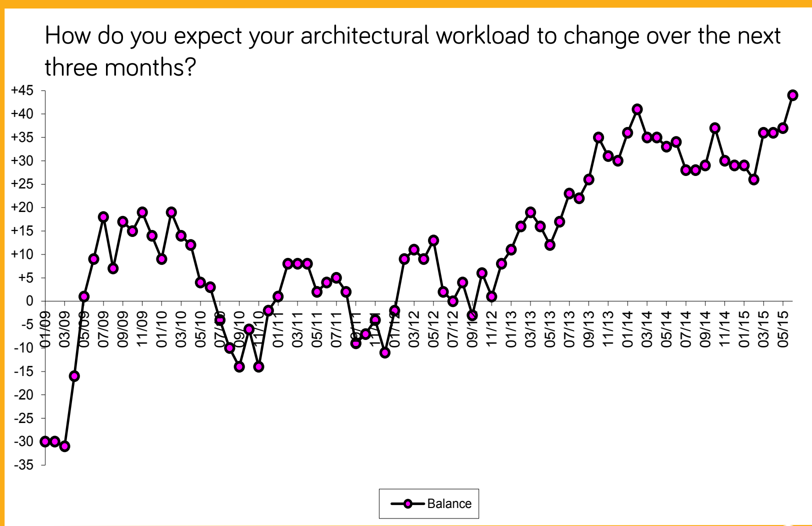
In June 2015, the RIBA Future Trends Workload Index increased to an all-time high of +44, up from +37 in May 2015. In terms of geographical analysis, all nations and regions in the UK returned positive balance figures, indicating that this optimistic sentiment about future workloads is widespread, with the Midlands and East Anglia (balance figure +51) being the most confident about the next quarter.

When this month's data is analysed in terms of practice size, all size categories of practice are upbeat about workload prospects. For small practices (1 – 10 staff) the balance figure is +42, medium-sized practices (11 – 50 staff) returned a balance figure of +47 and large practices (51+ staff) a balance figure of +71.

The overall picture is of a profession that is feeling pretty confident about its work pipeline and beginning to feel the invigorating effects of a sustained period of real growth.

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.



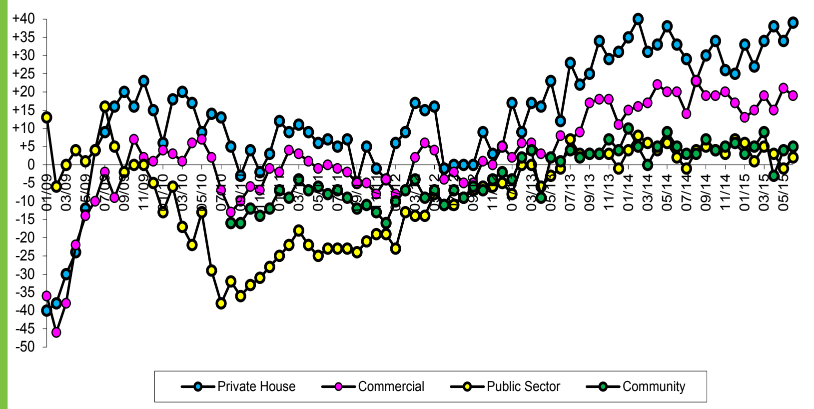
In terms of different work sectors, the private housing sector workload forecast jumped up this month, to +39 in June 2015 from +34 in May 2015, and private housing continues to be the primary driver of growth in demand for architects' services.

Also on the rise was the public sector workload forecast, up slightly to +2 in June 2015, and the community sector forecast continued its recent positive trajectory moving to +5. Although both the public sector and community sector forecasts are now in positive territory, our practices are not predicting a very significant increase in activity in these sectors over the coming quarter.

The commercial sector workload forecast fell back very slightly to +19 in June 2015, down from +21 in May 2015, and office and leisure buildings in particular remain an important area of growth.

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

How do you expect your architectural workload to change in each of the following sectors over the next three months?



Future staffing levels (June 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	2
Stay the same	76
Increase	22
TOTAL	100
Balance	+20

(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 also reached a record high this month, standing at +20 in June 2015, up from +16 in May 2015. The employment market for salaried architects is very positive, with 98% of our practices stating that their staffing levels will either increase or stay the same. Small practices (1 – 10 staff) with a balance figure of +18 and medium-sized practices (11 - 50 staff) with a balance figure of +26 remain confident about increasing their staffing levels, but it is large practices (51+ staff) with a balance figure of +43 that appear to offer the best prospects for those seeking a career development move.

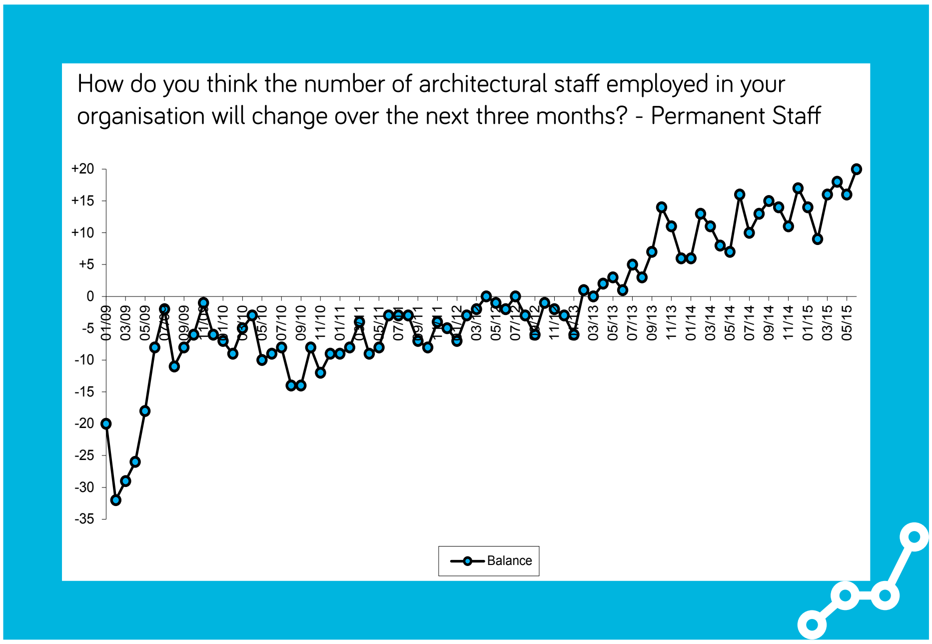
Consistent growth in turnover and a rapidly improving employment market for architects has not really yet fed through into significant pay increases for salaried architects. Partly this is probably due to fee levels that were depressed during the recession taking some time to fully recover, but we believe it is also a function of the significant amount of spare capacity retained within the profession in those difficult years. However, this month just 9% of our respondents reported that they had personally been under-employed, the lowest figure we have recorded since the RIBA Future Trends survey began in 2009. This can be considered a proxy measure for the amount of spare capacity within the firms in our survey, and suggests that we are moving rapidly towards a situation where the profession is again working nearer to full capacity, and perhaps an indication that we may soon begin to see some skills shortages,.

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

Anecdotal commentary received suggests that many practices have a rapidly filling order book and the overall sense is of a profession that is busier than it has been for a long time. There of course remain many macro-economic factors and uncertainties that might impact dramatically upon the financial fortunes of the architectural profession, but our key indicators are now standing at new peaks and the mood remains optimistic.

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 179 practices took part in the Survey in June 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.