

Future Trends Survey:

March 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 March 2015 Survey returns.

Future workload (March 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	10
Stay the same	44
Increase	46
TOTAL Balance	100 +36

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

The RIBA Future Trends Workload Index bounced back strongly this month, standing at +36 in March 2015 compared with +26 in February 2015. In terms of geographical

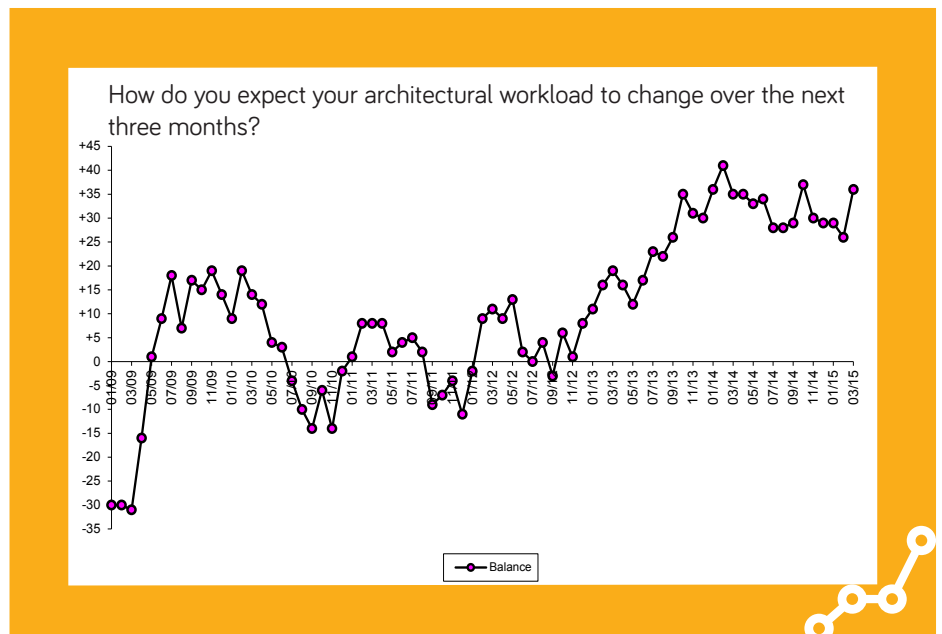
analysis practices located in London (balance figure +42) and the South of England (balance figure +39) were the most confident about medium term workloads, but workload forecast balance figures remain positive in all nations and regions of the United Kingdom.

In terms of practice size, small practices (1 – 10 staff), with a balance figure of +34 remain positive about the outlook for future workloads, but medium-sized practices (11 – 50 staff) with a balance figure of +47 and large-sized practices (51+ staff) with a balance figure of +63 continue to be somewhat more optimistic about future 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.

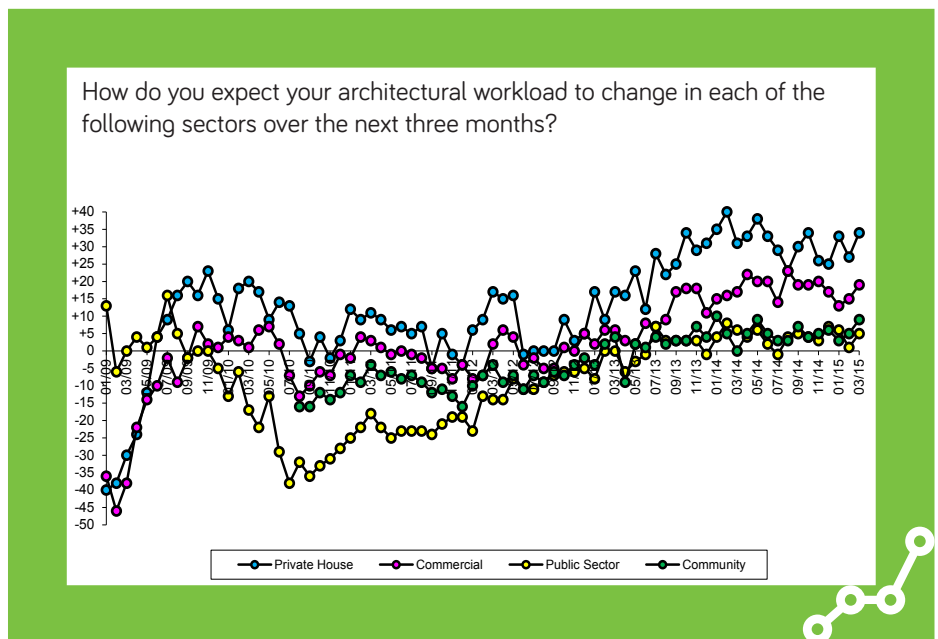


In terms of different work sectors, all four of our sector forecasts increased in March 2015. The private housing sector workload forecast remains the most positive standing at +34 in March 2015 up from +27 in February 2015. The commercial sector workload forecast increased to +19 in March 2015 rising from +15 in February 2015. These two sectors continue to be the primary drivers of the overall increase in work in progress for architects, which in the aggregate continues to rise at an annualised rate of approximately 8% per annum.

The public sector workload forecast continues to be the poorest performer of our sector forecasts, but did increase this month, reaching +5 in March 2015 up from +1 in February 2015. There continues to be marked uncertainty around future levels of public sector capital spending on buildings, and a number of our participating practices continue to report that overly complex and onerous public procurement practices often impose barriers to participation in public sector work.

The community sector forecast experienced a healthy uplift to +9 in March, rising from +5 in February.

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



Future staffing levels (March 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	80
Increase	18
TOTAL	100
Balance	+16

(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 came back strongly from its temporary set back last month, standing at +16 in March 2015 up significantly from +9 in February 2015. We are also seeing an increase in the number of practices that anticipate that they will be increasing the number of temporary staff that they will be employing in the medium term, suggesting that there is greater certainty about the new project pipeline.

A striking indication of the greater stability in the employment market for salaried architects is the fact that only 2% of our participating practices anticipate that they will be employing fewer permanent staff in three months time.

Large practices (51+ staff) with a balance figure of +63 are currently the most confident about their ability to sustain higher staffing levels in the medium term, closely followed by medium-sized practices (11 – 50 staff) with a balance figure of +56. Small practices (1 – 10 staff) are somewhat more circumspect with a balance figure of +11.

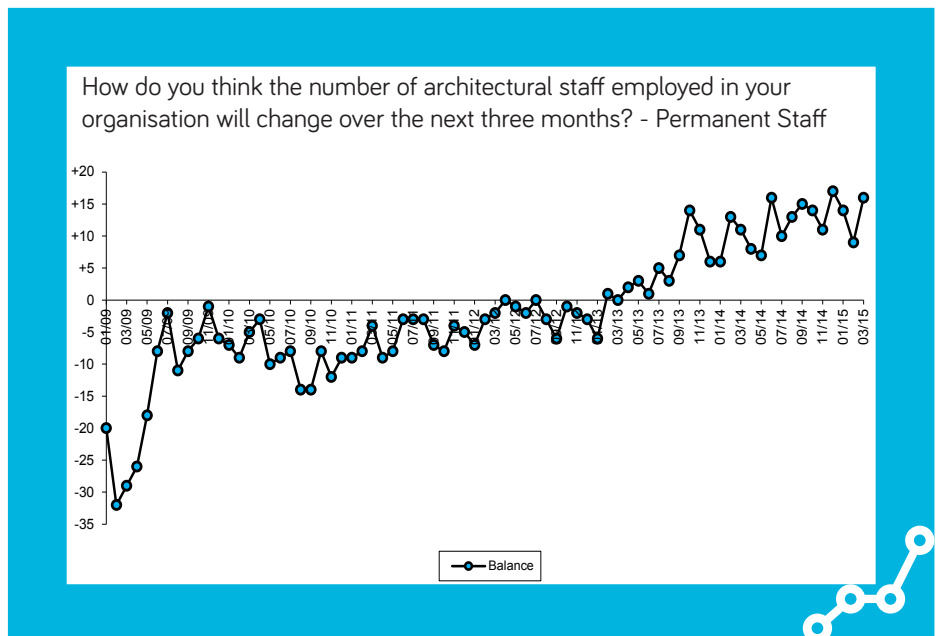
Only 12% of our respondents reported that they had personally been under-employed in the last month.

Anecdotal commentary received continues to reflect solid growth in the overall 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.

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 217 practices took part in the Survey in March 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.