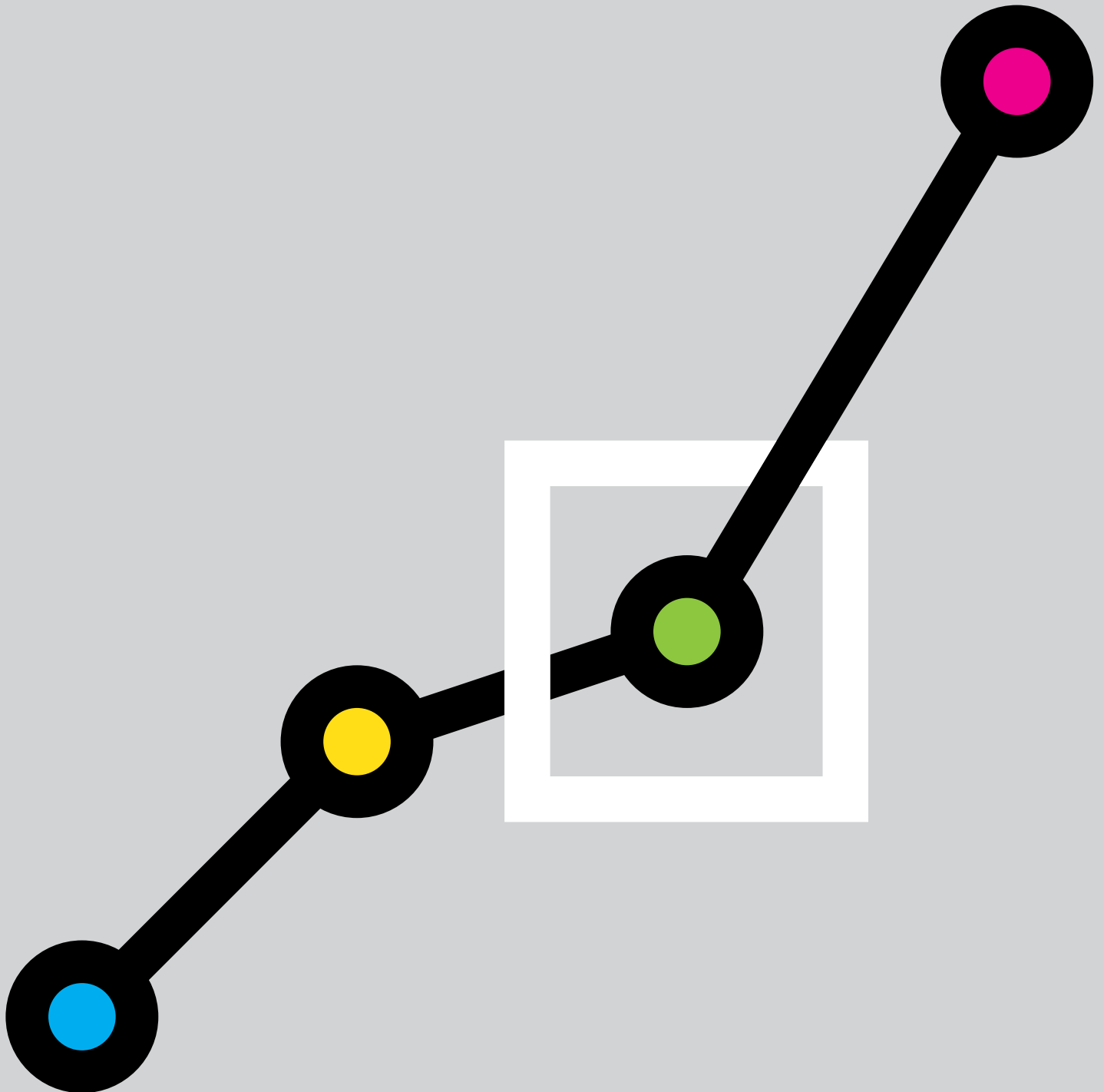


Future Trends Survey:

May 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 May 2015 Survey returns.

Future workload (May 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	6
Stay the same	51
Increase	43
TOTAL	100
Balance	+37

(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 virtually unchanged in May 2015, nudging up to +37 compared with +36 in April 2015. In terms of geographical analysis, all the

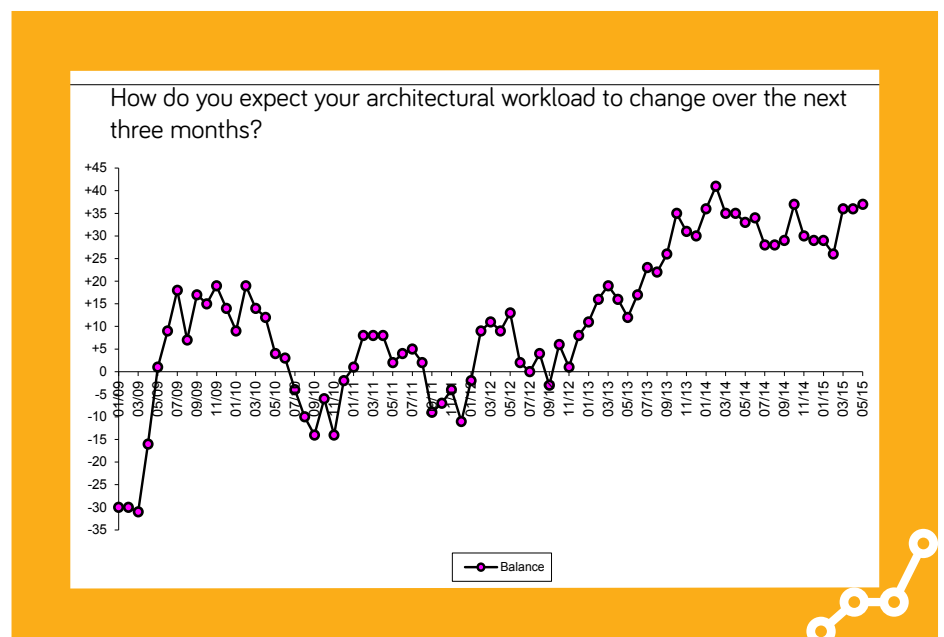
nations and regions in the United Kingdom returned positive balance figures this month, with practices located in the North of England (balance figure +50), Wales and the West (balance figure +44) and London (balance figure +40) leading the pack.

In terms of practice size, small practices (1 – 10 staff), with a balance figure of +35 remain very positive about the outlook for future workloads. Large practices (51+ staff) are also upbeat about work prospects with a balance figure of +33. Medium-sized practices (11 – 50 staff) with a balance figure of +54 continue to be the most 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.



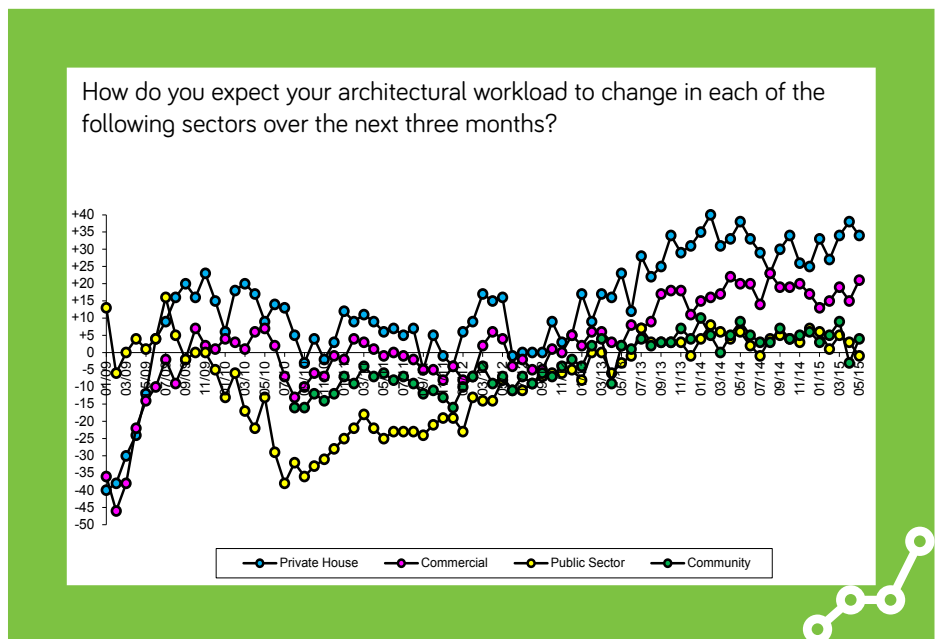
In terms of different work sectors, the private housing sector workload forecast fell back a little this month, dropping to +34 in May 2015 from +38 in April 2015, with sentiment perhaps being affected by a slight downturn in private house building activity ahead of the recent general election, but remains by some way the best performing of our sector forecasts.

Our commercial sector workload forecast increased to +21 in May 2015, up from +15 in April 2015, and our practices continue to expect the commercial sector to perform well during 2015, led by activity in the office and leisure markets.

The public sector workload forecast decreased this month, down to -1 in May 2015 from +3 in April 2015, moving into negative territory for the first time since July 2014. Our practices are forecasting that public sector capital spending on building projects will be at best flat over the coming quarter.

More positively, the community sector forecast recovered a little from its recent decline, edging up to +4 in May 2015 from -3 in April 2015.

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 dipped slightly this month standing at +16 in May 2015, down from +18 in April 2015. Our employment index has been in very positive territory for some time and there is every indication that the employment market for salaried architects will remain strong over the coming quarter. Just 2% of our participating practices anticipate that they will be employing fewer permanent staff in three months 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

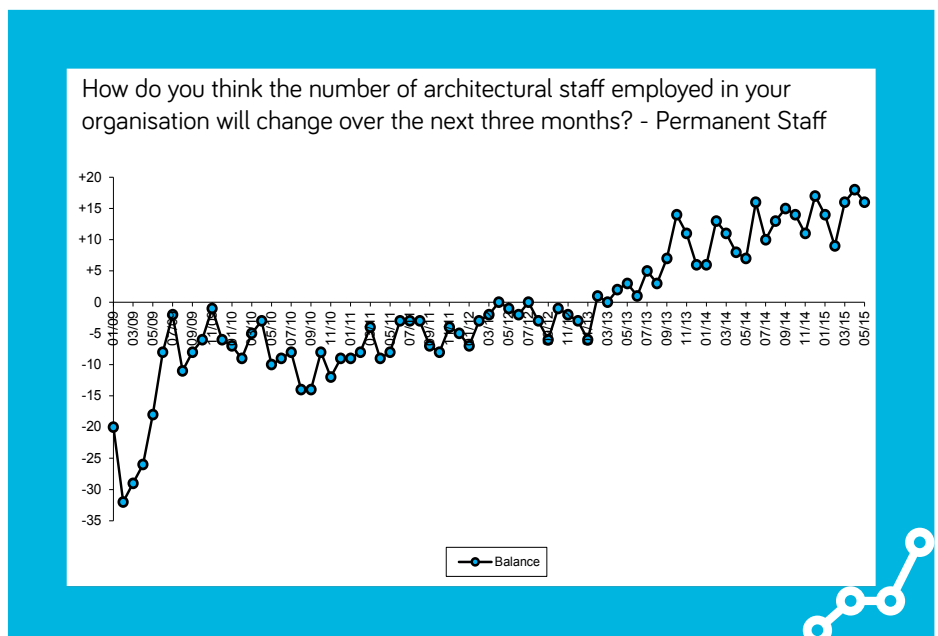
Medium-sized practices (11 - 50 staff) with a balance figure of +55 remain the most confident that they will be increasing their staffing levels during the next quarter. For large practices (51+ staff) the balance figure in May 2015 is a very healthy +50. Small practices (1 - 10 staff) remain more cautious with a balance figure of +8.

17% of our practices reported that they expected to increase their numbers of temporary staff during the next quarter.

Only 12% of our respondents reported that they had personally been under-employed in the last month, confirming our view that much of the spare capacity that was maintained within the architecture profession during the recession is now being productively deployed, and also pointing to further increase in medium term demand for architectural staff. Our practices report that they are currently employing 5% more students (year out or post part 2) than they were in the equivalent period 12 months ago.

Anecdotal commentary indicates a growing market for architectural services and increased turnover. However, we continue to receive reports that clients remain resistant to fee increases and that profit margins on many projects are still tight. However, we anticipate that increases in salary expectations as the employment market for architects becomes more competitive, along with more general economic growth and the return of modest inflation, will begin to bring some upward momentum to fee levels.

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



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 213 practices took part in the Survey in May 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.