Future Trends Survey:

April 2016

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 April 2016 Survey returns.

Future workload (April 2016)

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	53
Increase	38
TOTAL	100
Balance	+29

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

This month the RIBA Future Trends Workload Index fell marginally, dipping to +29 in April 2016 down from +31 in March 2016.

Our key Workload Index continues to be on an overall upward trend and remains in very positive territory.

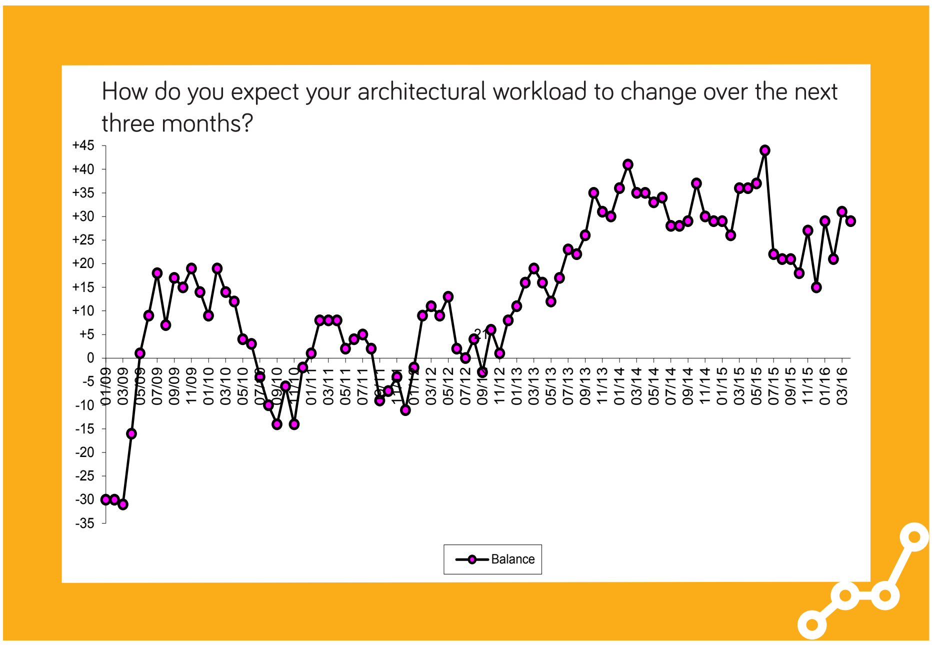
In terms of geographical analysis, all the Nations and Regions returned positive workload forecasts, with the North of England remaining a strong performer, with a balance figure of +43.

Analysing this months' data in terms of practice size, large practices (51+ staff), with a balance figure of +71, continue to be the most positive, but small practices (1 – 10 staff), with a balance figure of +28, and medium-sized practices (11 - 50 staff), with a balance figure of +24, are also positive about future prospects.

Over the last few years we have seen a steady increase in the amount of revenue generated by practices from projects based outside the UK. Data from the RIBA Business Benchmarking survey shows that this now represents 22 per cent of total revenue for RIBA chartered practices., compared with just 16 per cent in 2013. However, this international activity is by and large confined to large practices (51+ staff) for which fees from outside the UK represent 32 per cent of total revenue.

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, it was the private housing sector workload forecast that saw the biggest increase, rising to +33 in April 2016 from +28 in March 2016, and it continues to be this sector that is the main driver of growth in architectural work.

The commercial sector workload forecast decreased to +11 in April 2016, down from +18 in March 2016. We have also received anecdotal evidence of some softening of the market in the commercial sector during the last month.

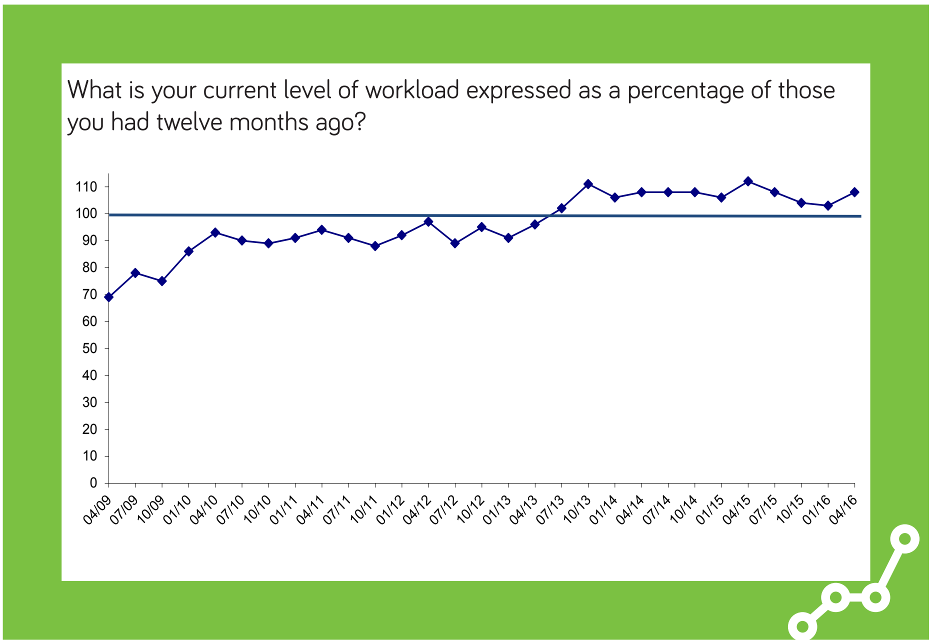
The public sector workload forecast was little changed this month, standing at -1 in April 2016 compared with zero in March 2016. Similarly the community sector workload forecast experienced only a small change, rising to +3 in April 2016 from -1 in March 2016.

Each quarter we ask our participating practices about their actual levels of workload compared with those twelve months ago. Workloads in April 2016 were 6% higher than those in April 2015.

Workload growth has been strong throughout the last year, and this is the twelfth consecutive quarter in which we have recorded workloads rising, as the value of work in progress begins to climb back towards pre-recession levels.

The following graph tracks the annualised change in actual workload levels in the RIBA Future Trends Survey over time:

Notes
This chart illustrates the annual change in the overall level of workload of the practices in our survey, recorded on a quarterly basis.



Future staffing levels (April 2016)
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	82
Increase	14
TOTAL	100
Balance	+10

(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 was unchanged this month, remaining at +10.

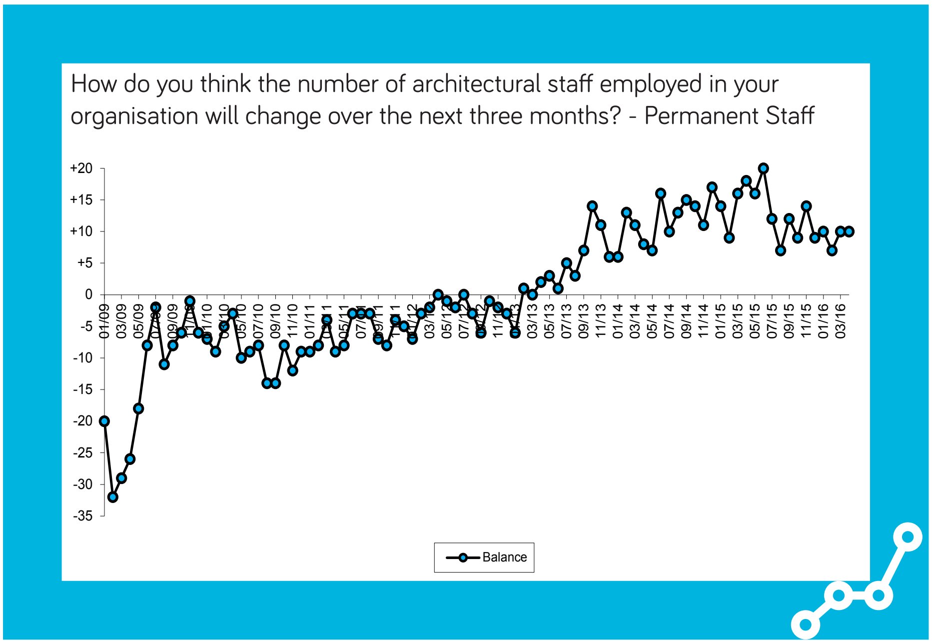
Small practices (1 – 10 staff) returned a Staffing Index balance figure of +6 this month, whilst medium-sized practices (11 - 50 staff), with a balance figure of +24, and large practices (51+ staff), with a balance figure of +71, continue to be more positive about taking on additional staff.

Each quarter we also ask our practices about their actual staffing levels compared with those twelve months ago. In April 2016 our practices reported that their permanent staffing levels were 8% higher than twelve months ago. This is the ninth consecutive quarter in which we have recorded an increase in staffing levels, and 2015/16 has been a strong year for employment growth in the profession. However, there still remains some way to go before employment levels will re-attain their pre-recession peaks.

Anecdotal commentary received from our participating practices generally remains very positive. The private housing sector clearly remains the key driver of growth, and it is noticeable that this buoyant housing activity is no longer confined to London and the South East but is widespread throughout the country.

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 238 practices took part in the Survey in April 2016. 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@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.