

Future Trends Survey:

August 2016



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 August 2016 Survey returns.

Future workload (August 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	17
Stay the same	58
Increase	25
TOTAL	100
Balance	+8

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

The RIBA Future Trends Workload Index recovered ground this month, rising to +8 in August 2016, from -7 in July.

Last month our key workload confidence index experienced a dramatic post-referendum decline in sentiment, and the bounce-back this month seems to reflect other economic indicators and surveys, which have also broadly painted a brighter picture than in the immediate aftermath of the historic Brexit decision. Nevertheless, although our workload forecast is back in positive territory it remains significantly lower than in the first half of the year. We anticipate that the index will remain volatile for some time as the profession gets to grips with the full implications of the UK's new relationship with the EU.

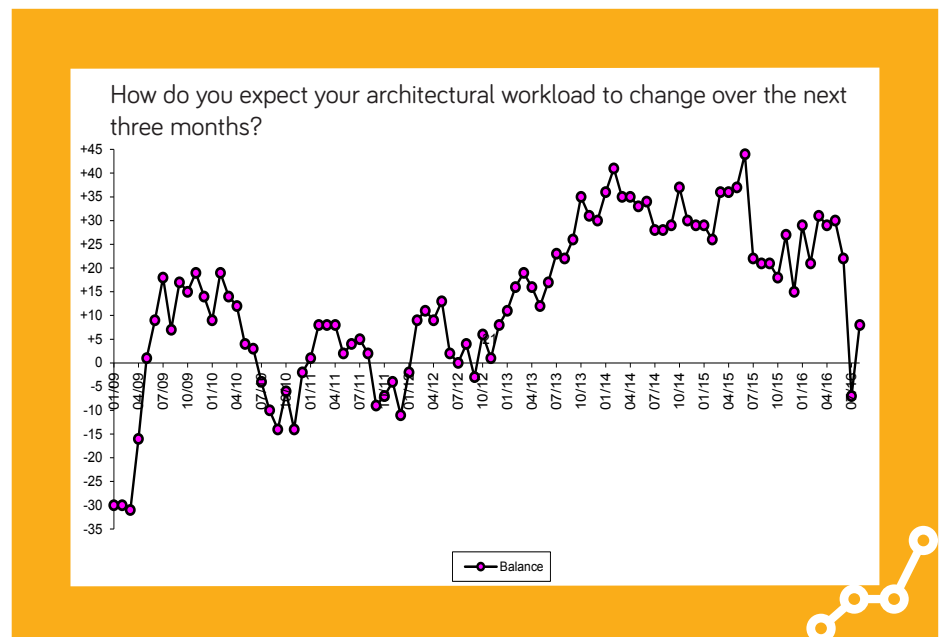
In terms of geographical analysis, optimism about future workloads is strongest in the Midlands and East Anglia (balance figure +24), and the North of England (balance figure +21). London (balance figure -6) remains relatively gloomy about future prospects, perhaps reflectively greater exposure to Brexit related issues.

Analysing this month's data in terms of practice size, it is large practices (51+ staff), with a balance figure of -17 that remain most anxious about their future pipeline of work. Small practices (1 - 10 staff), with a balance figure of +9, and medium-sized practices (11 - 50 staff), with a balance figure of +12, remain positive about future work prospects.

The following graph plots the RIBA Future Workload index over time:

Notes

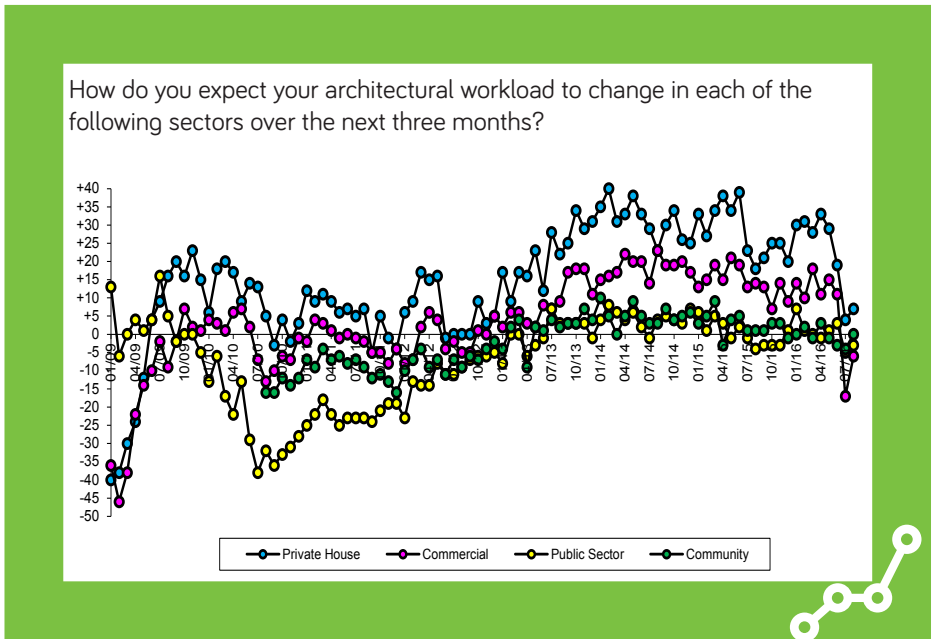
The balance figure is plotted here. The definition for the balance figure is the difference between those expecting more work and those expecting less.



In terms of different work sectors, the public sector workload forecast nudged up marginally this month, standing at -3 in August rising from -5 in July. The community sector forecast was also on an upward trajectory, standing at zero this month compared with -4 last month. However, there is clearly no widespread anticipation of any dramatic increase in work in the public and not-for-profit sectors in the next quarter.

The private housing sector workload forecast remains the most buoyant of our sector forecasts, returning a balance figure of +7 in August. Our commercial sector workload forecast moved up from its low last month, recovering to -6, but it is concern about commercial work in areas such as office and retail that seems to be the principle driver of post-referendum jitters.

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



Future staffing levels (August 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	6
Stay the same	81
Increase	13
TOTAL	100
Balance	+7

(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 moved upwards this month, standing at +7 in August 2016, rising from +4 in July. Despite obvious anxieties over the broader political and economic environment, 94% of our practices expect to have the same number or more staff in three months' time.

Small practices (1 – 10 staff) returned a Staffing Index balance figure of +6 this month. Medium-sized practices (11 - 50 staff), with a

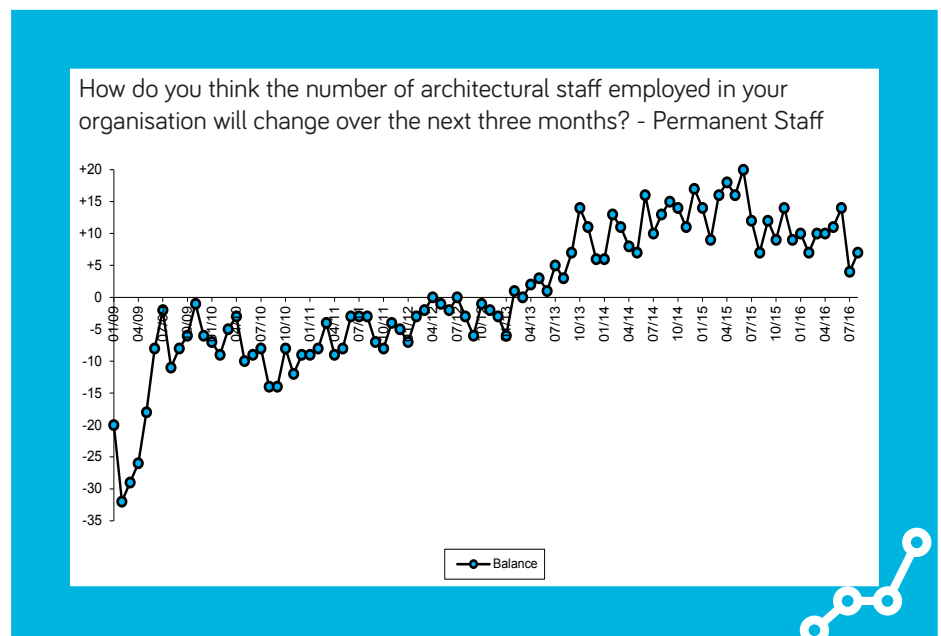
balance figure of +24, also remained positive about future staffing levels. Reflecting the sentiment in the workload index, it was large practices (51+ staff) that were most cautious about future staff numbers, with a balance of zero.

Commentary received from our participating practices continues to be dominated by the uncertainty generated by the referendum outcome. Again this month, a small number of practices have reported projects cancelled or postponed as a direct or indirect result of the referendum outcome, but for most correspondents it is concern about the impact of political and economic uncertainty in the medium term that is affecting sentiment.

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 243 practices took part in the Survey in August 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.