

Future Trends Survey:

January 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 January 2016 Survey returns.

Future workload (January 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	7
Stay the same	57
Increase	36
TOTAL	100
Balance	+29

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

Following a sequence of falls in the second half of 2015, the RIBA Future Trends Workload Index bounced back strongly this

month, rising to +29 in January 2016 from +15 in December 2015. As we enter the New Year confidence seems to have been renewed somewhat, with a number of our practices reporting an increase in enquiries this month.

In terms of geographical analysis, most of the nations and regions in the UK returned increased balance figures in January 2016, with the South of England (balance figure +38 showing particular strength) and only Scotland (balance figure -25) in negative territory.

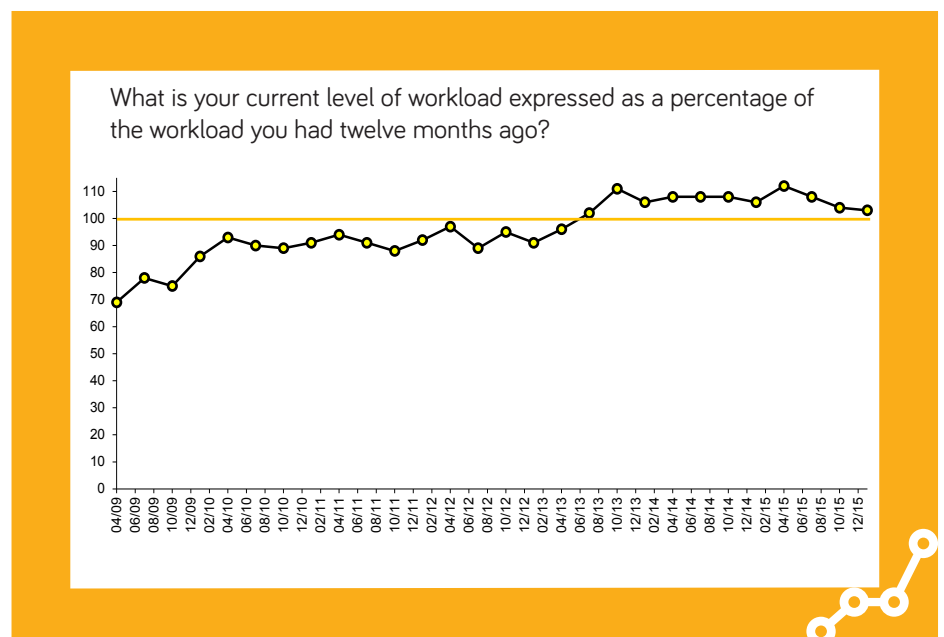
Analysing this month's data in terms of practice size, large practices (51+ staff), with a balance figure of +50, remain the most positive about future prospects. Small practices (1 - 10 staff), with a balance figure of +29, and medium-sized practices (11 - 50 staff), with a balance figure of +25, also predict increases in workload over the next three months.

Each quarter we also ask our participating practices about the level of their current workloads compared with twelve months ago. This quarter our practices indicated that the rate of increase in workloads has slowed, but still remains at a very healthy annual growth rate of 3%. The RIBA Future Trends survey commenced seven years ago, and from January 2009 to January 2013 we consistently recorded decreases in the overall value of architectural work in progress. However, we have now seen 11 continuous quarters of increasing workloads, and it is perhaps not surprising that there has now been some cooling off in the rate of growth.

The following graph plots the RIBA Future Workload index 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.

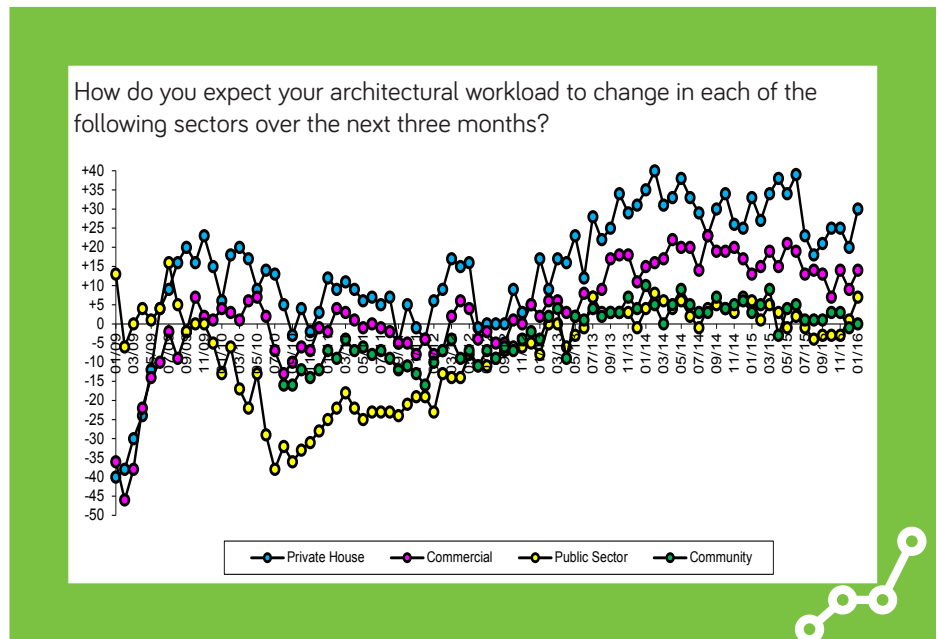


In terms of different work sectors, all our sector forecasts saw upward movement this month.

The private housing sector workload forecast rose to +30 in January 2016, compared with +20 in December 2015. Private housing continues to be the primary growth engine for the profession.

The commercial sector workload forecast increased to +14 in January from +9 in December. The public sector workload forecast also experienced a healthy uplift, standing at +7 in January compared to +1 in December. The community sector forecast has not yet found positive ground, standing at zero this month.

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



Future staffing levels (January 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	2
Stay the same	86
Increase	12
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 nudged up this month, rising to +10 in January 2016, from +9 in December 2015.

Small practices (1 – 10 staff) returned a Staffing Index balance figure of +8 this month, whilst medium-sized practices (11 – 50 staff), with a balance figure of +31, and large practices (51+ staff), with a balance figure of +25, were more positive about taking on additional staff during the next quarter.

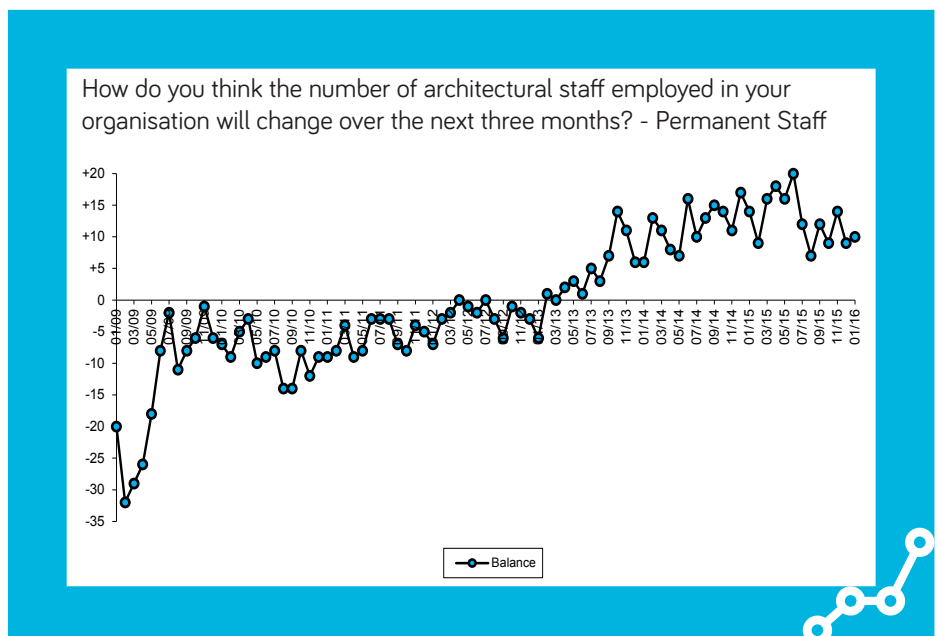
Only 2% of practices expect to have fewer staff in three months from now. The employment market for salaried architects remains buoyant, our practices are employing 3% more staff than they were in January 2015, but whilst a small number of practices have reported recruitment difficulties there does not yet appear to be a clear skills shortage.

Commentary received from our participating practices this month suggests a fairly benign economic environment. We continue to receive regular feedback on some of the perennial issues that impact on practice efficiency and profitability, including difficulties in ensuring prompt payment of fees, the complexities of public procurement processes, and slow performance by some local planning authorities.

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 200 practices took part in the Survey in January 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.