

Future Trends Survey:

October 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 October 2016 Survey returns.

Future workload (October 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	18
Stay the same	48
Increase	34
TOTAL	100
Balance	+16

(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 on an upward path this month, rising to +16 in October 2016, up from +8 in September.

The bounce-back in our key workload confidence index, following the dramatic fall it experienced immediately post the Brexit result, has continued, although the workload index has not yet matched its pre-referendum highs.

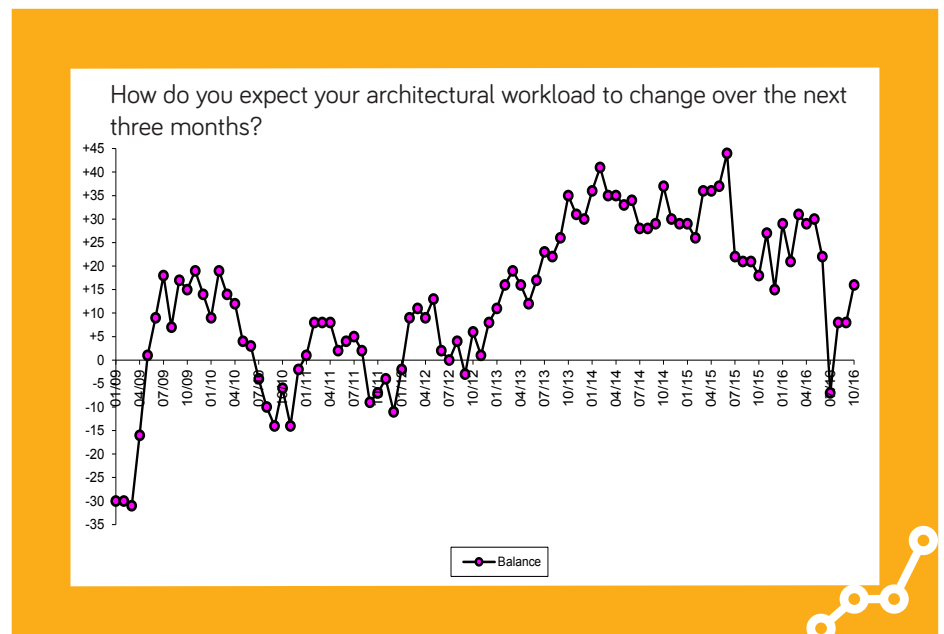
In terms of geographical analysis, optimism about future workloads continues to be strong in the Midlands and East Anglia (balance figure +40) and the North of England also remains upbeat (balance figure +15), whilst caution is most evident in London (balance figure zero).

Analysing this month's data in terms of practice size, large practices (51+ staff), with a balance figure of +15, seem to be recovering some confidence. Small practices (1 - 10 staff) returned a balance figure of +16, but it is medium-sized practices (11 - 50 staff), with a balance figure of +27, that are now most 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.



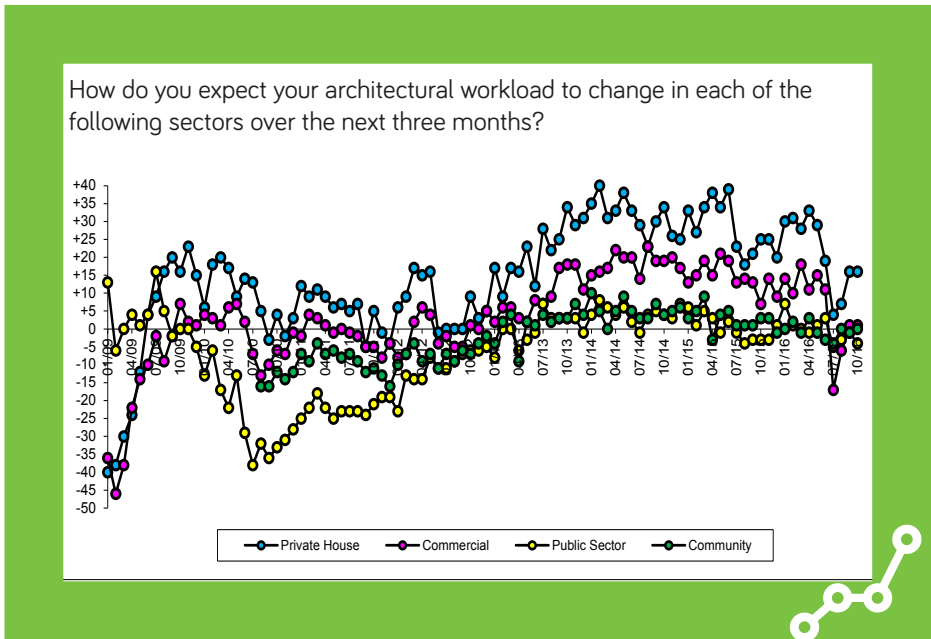
In terms of different work sectors, both the commercial sector workload forecast (balance figure +1) and the private housing sector workload forecast (balance figure +16) were unchanged in October.

The public sector workload forecast fell slightly to -4 in October, down from -1 in September.

The community sector forecast increased marginally, standing at zero this month compared with -1 last month.

With sentiment in the commercial sector remaining somewhat subdued, it is the private housing sector that is continuing to be the main engine driving growth in the demand for architectural services.

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



Future staffing levels (October 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	9
Stay the same	81
Increase	10
TOTAL	100
Balance	+1

(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 increased marginally this month, rising to +1 in October 2016 from zero in September. The overall sense is of an employment market for salaried architects that is broadly in balance, with practices anticipating that they will maintain current staffing levels, but little indication of any imminent increase in the total architectural workforce, reflecting the overall slowdown in the rate of growth in workloads in recent months.

Our participating practices continue to see growth in the value of work in progress, although at an annualised rate of just 1%, it is much lower than the figures we were seeing in 2014, 2015 and the first half of 2016.

Small practices (1 – 10 staff) returned a Staffing Index balance figure of -1 this month. Medium-sized practices (11 - 50 staff), with a balance figure of +18, were the most positive about future staffing levels. Large practices (51+ staff), with a balance of +8, were a little less cautious than they have been in the previous few months.

Commentary received from our participating practices this month continued to paint a somewhat mixed picture.

Some practices, particularly those working in the private housing sector, indicated an uptick in work since the summer. A number of practices commented that they are seeing fee levels increasing. Some reported that they had been able to charge additional fees for BIM related services.

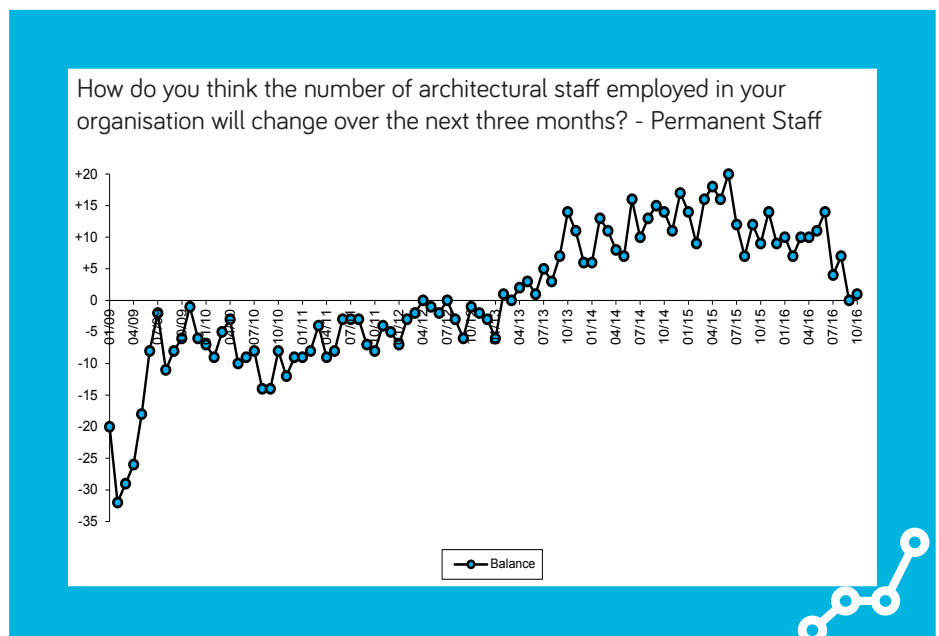
This upbeat commentary was balanced by a few more cautious narratives around greater funding uncertainty on some commercial projects and a general sense of unpredictability around some areas of public sector work.

Overall a bit of a curate's egg this month in terms of anecdotal commentary.

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 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 224 practices took part in the Survey in October 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.