

Future Trends Survey:

September 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 September 2016 Survey returns.

Future workload (September 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 was unchanged this month, remaining at +8 in September 2016.

Our key workload confidence index has stabilised following the dramatic fall it experienced in July and is back in positive territory, albeit standing substantially lower than its pre-referendum level.

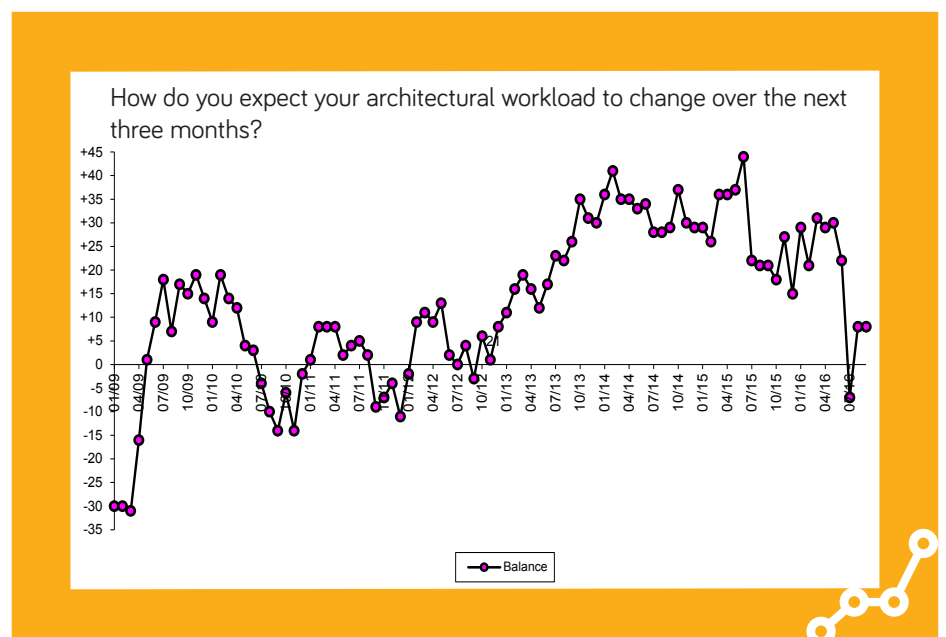
In terms of geographical analysis, optimism about future workloads continues to be strongest in the Midlands and East Anglia (balance figure +17) and the North of England (balance figure +13).

Analysing this month's data in terms of practice size, large practices (51+ staff), with a balance figure of -14, seem to have been most impacted by a reduction in confidence levels following the Brexit result. Small practices (1 – 10 staff), with a balance figure of +8, and medium-sized practices (11 – 50 staff), with a balance figure of +14, 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.



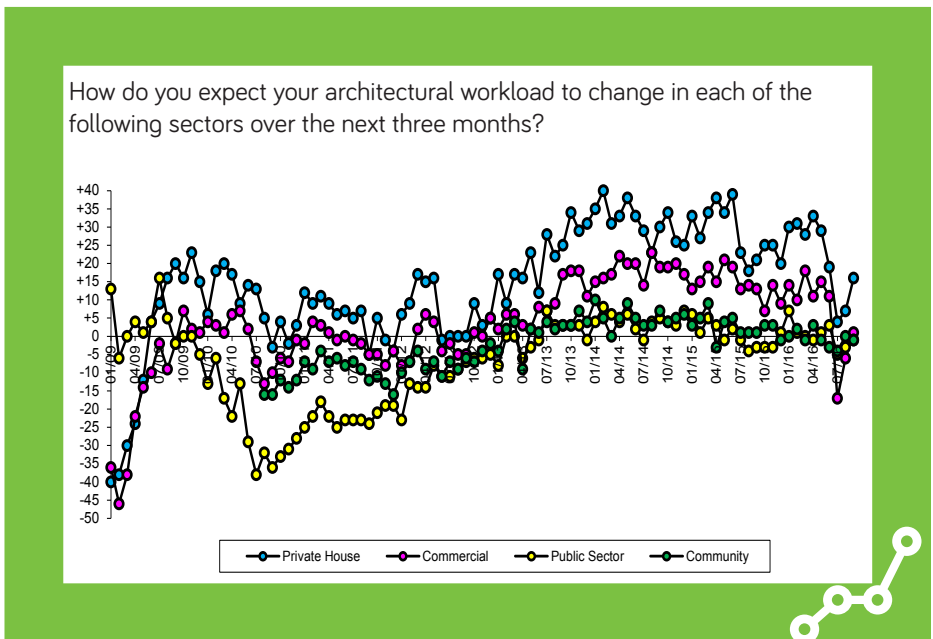
In terms of different work sectors, the public sector workload forecast ticked up two points this month, standing at -1 in September rising from -3 in August, but the outlook for public sector work seems to remain steady rather than dynamic, with little prospect of any rapid growth in overall public sector capital spending levels. Infrastructure and higher education appear to continue to offer the brightest opportunities in the public sector.

The community sector forecast fell back a little, standing at -1 this month compared with zero last month.

The private housing sector workload forecast remains by far the most buoyant of our sector forecasts, recovering very strongly this month, and rising to +16 in September up from +7 in August.

Our commercial sector workload forecast edged back into positive territory, building on its recovery last month to stand at +1 in September. It does now seem clear though that it is the commercial sector that has borne the brunt of the effect of post-referendum caution.

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



Future staffing levels (September 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	7
Stay the same	86
Increase	7
TOTAL	100
Balance	0

(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 fell back somewhat this month, down to zero in September 2016 from +7 in August. Practices are clearly feeling more cautious about taking on additional staffing. However, it is important to note that 93% of practices expect to have the same number or more staff than present in three months' time, with only 7% anticipating having a smaller staffing complement.

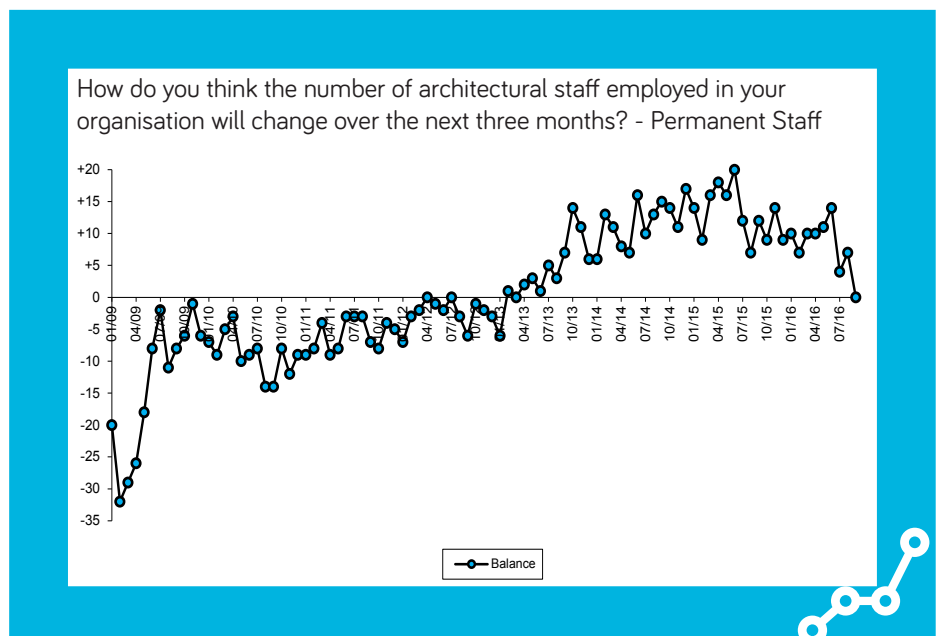
Small practices (1 – 10 staff) returned a Staffing Index balance figure of +1 this month. Medium-sized practices (11 – 50 staff), with a balance figure of +4, were the most positive about future staffing levels. Large practices (51+ staff) were the most cautious about future staff numbers, with a balance of -14, indicating that we may see further staffing reductions at some large practices in the coming months.

Commentary received from our participating practices this month was fairly mixed. A small number of practices report that the uncertainty generated by the referendum outcome has manifested itself in a slow-down in project progress and some project cancellations. This seems to mainly be concentrated in the commercial sector. At the same time a significant number of other respondents have painted a much more benign picture of a market for architectural services which is more cautious than it has been in recent years but that remains resilient. The bespoke housing market in particular seems to continue to be buoyant despite wider macro-economic concerns.

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 217 practices took part in the Survey in September 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.